

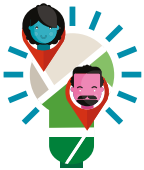
Defying Uncertainty

Corporate Responsibility
Summary 2017

Highlights

Responsible and sustainable business strategy

Our sustainable business strategy is focused on Defying Uncertainty by using bright ideas to tackle the important issues of our time for our customers, our communities and our world in a number of areas.



Underpinned by our Business Strategy

Our strategic framework focuses on the things that really matter and puts the customer at the heart of everything we do. It provides clear direction across all our markets for how we run our business.



**True
Customer
Composite**



**Digital
First**



**Not
Everywhere**

Our 2017 reporting

This is a summary of our responsible and sustainable business strategy. Links to other issue-specific reports can be found throughout this document, and you can read more on our website and in our 2017 Strategic Report.



Our purpose in action

The future can be uncertain. No-one knows what's round the corner – whether it's a broken boiler, an unplanned stay in hospital, starting a family, or what your retirement has in store.

Our purpose is to help our 33 million customers defy uncertainty and look to the future with confidence, through every twist and turn of their lives. We offer a wide range of insurance and savings products to help people protect what's important to them and save for a bright future.

2017 in brief

UN Sustainable Development Goals

Supported the aims of the UN Sustainable Development Goals, focusing our efforts on those which align most closely to our strategic priorities, in order to make the biggest impact.

Sustainable finance

We've led the establishment of the World Benchmarking Alliance. It will create public, transparent and authoritative league tables of companies' contribution to the UN Sustainable Development Goals. [Read more about the World Benchmarking Alliance here](#)

Doing the right thing for our customers

We're creating products to help our 33 million customers look to the future with confidence. We paid out £34.6 billion in claims in 2017 worldwide.

Number of products with socially inclusive considerations

32 (2016: 17)

Strengthening communities

The Aviva Community Fund supported community projects in 10 of our markets globally and we continued our strategic partnership with the British Red Cross. Plus, our carbon offsetting programme has helped over one million people since 2012.

Number of community projects supported globally

2,400 (2016: 1,600)

Our people

We've continued to build a culture which attracts and retains talent for the future. We launched a market-leading Equal Parental Leave policy in the UK, Ireland, France, Singapore and Canada, to help build a diverse and inclusive workforce.

Percentage of our people who feel that those from diverse backgrounds can succeed at Aviva

84% (2016: 87%)

Climate risk and environmental impact

We were awarded the UN Momentum for Change award in recognition of a decade of work reducing our environmental impact and we're helping inspire action on climate change.

Percentage reduction of CO₂e emissions relative to our 2010 baseline

53% (2016: 46%)

Responsible investment

In 2017 we launched investor guidance on corporate culture, antibiotic resistance and sustainable fisheries, and also won a Responsible Investor Award 2017 for innovation and industry leadership.

Percentage of company meetings (AGMs and EGMs) at which Aviva Investors voted

91.5% (2016: 91.8%)

Human rights

Our approach to modern slavery is part of our overall approach to human rights. Our 2017 statement sets out the steps we have taken to prevent modern slavery from taking place in our business and supply chain. [Read our Modern Slavery Act statement here](#)

Our plans for 2018

- > Increase the impact of the Aviva Community Fund across the world and continue with our aim to support 2.5 million beneficiaries through our community activities by 2020.
- > Build on the success of our existing customer propositions, developing products and services that help our customers Defy Uncertainty in increasingly sustainable ways.
- > Support the British Red Cross Community Reserve Volunteer programme, creating a network of 10,000 people to support communities in times of crisis.
- > Continue to roll out our climate change investment strategy with additional divestments made to further align to a two degree world and continue progress towards our long-term operational CO₂e reduction target of 70% by 2030.
- > Continue our work to trace customers who we have lost touch with and reunite them with their funds.
- > Continue to develop our leaders across Aviva to create greater innovation, agility and accountability and build a culture where we consider our customers in every decision and always try to do the right thing.
- > Develop an inclusive workforce that reflects the diversity of our customers and is fit for the future.
- > Press on with advocating for policy change to make global capital markets more sustainable.



Living out our purpose to Defy Uncertainty

With a clear purpose to Defy Uncertainty, we are using our bright ideas to help tackle some of the most important social and environmental challenges of our time, for the good of our customers, our communities and the world.

Q Why is a robust and integrated responsible and sustainable business approach important to Aviva?

KC In order to accelerate our business we want to create value in the long-term. Our responsible and sustainable business strategy is vital in delivering this aim. That starts with practicing good governance. It's also about making a positive difference to communities and the environment, as well as helping our industry work better for everyone by promoting sustainable finance practices. By doing so, we're clearly aligned with our company values to care more, never rest and create a legacy that lasts.

Q How is it helping to deliver our strategy?

KC To ensure we achieve sustainable growth, we need 'digital first', innovative ideas that will help to solve some of the big societal and environmental issues of our time, like ageing populations and climate change. Our corporate responsibility approach helps create an environment where our people feel empowered to help solve these important challenges. Whether through investing in entrepreneurs that are focused on positive societal and environmental change, or creating products and services that really get to the heart of our customers' needs, we're making great strides in achieving this.

Q What element of Aviva's approach are you most proud of?

KC Our work with the Red Cross around the world is something I'm particularly proud of. We're now two years into our strategic partnership with the British Red Cross, and this year our work in the UK has included helping those impacted by the Grenfell Tower fires, and the terror attacks in Manchester and London. We also funded four new Red Cross community resilience projects across the world, and continue to see communities benefit hugely from local partnerships with the Canadian and Singapore Red Cross. I'm always delighted to hear how our partnerships with these renowned organisations are making a real difference to people's lives.

Q What is the focus for 2018?

KC We have many plans for the year ahead, but our main focus is driving growth for the business, through innovative practices that truly change our communities, the environment and our industry for the better. This is, of course, easy to say but harder to deliver – but driven by our strong purpose and values, we are clear on our strategy for achieving success.

Kirstine Cooper
Group General Counsel and Company Secretary

Aviva Group Executive Committee Member responsible for CR and sustainability

Awards

In 2017, our global award wins included:

- > UN Momentum for Change Lighthouse Award.
- > Responsible Investor Award 2017 for Innovation and Industry Leadership.
- > Business Charity Awards: Corporate Social Responsibility Team of the Year.
- > Business Charity Awards: Best Charity Partnership, Insurance Sector: Aviva with the British Red Cross.
- > Corp Comms Awards: CSR strategy of the year.
- > Corporate and Financial Awards: Best CR/ESG reporting.



Our sustainable business strategy

Engaging stakeholders

Our approach is rooted in what matters to our wider range of stakeholders. We started by speaking to our customers, employees and external experts to understand the big challenges facing them and the wider world. **We engaged with:**



Customers

Employees

Peers

NGOs

Governments

Investors

“I really felt like my hand was being held. Aviva changed our lives and made this process much more tolerable – I’ve just been able to focus on getting well.”

Critical illness customer

> The big challenges

From this stakeholder engagement we identified **the following challenges:**

For our world:



Climate change

The economic loss in US dollars caused by global natural disasters in 2017 was \$330 billion.

Source: Munich Re, catastrophe losses, January 2018



Ageing population

By 2050, the global population of older people is expected to more than double.

Source: United Nations World population prospects, 2017 revision

From our customers:



Higher expectations

38% say they only buy products and services that appeal to their beliefs, values or ideals (up 5% since 2011).

Source: GfK Consumer Life Survey 2011/2017



Low trust

Only 52% of the general public trust businesses.

Source: Edelman Trust Index, 2018

> Our approach

How can Aviva help? We have many different products that can support our customers and communities to face these big challenges, and we use our values to guide us.



Care more

We are all about our customers, our communities and each other



Kill complexity

We make things simple for our customers



Never rest

We’re driven to think bigger and better



Create legacy

We strive to create a positive legacy by being good ancestors

> Defy Uncertainty

To Defy Uncertainty, we use bright ideas to tackle the important issues of our time for our customers, our communities and the world.

Today



Protecting the people and things you love



Strengthening your local community

Your future



Helping you live well for longer



Acting now for tomorrow

Our industry



Championing responsible investment



Challenging how our industry works

Our commitment to the UN Sustainable Development Goals

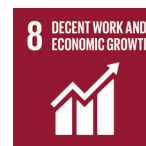
		Impact we can have on the goal	Impact of the issue on our business (materiality)	Aviva strategic priority
	1. No poverty	✓	✓	✓
	2. Ending hunger			
	3. Health and well-being	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓
	4. Quality education	✓	✓	
	5. Gender equality	✓ ✓	✓ ✓	✓ ✓
	6. Water and sanitation			
	7. Affordable and clean energy	✓	✓	
	8. Decent work and economic growth	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓
	9. Infrastructure	✓ ✓	✓ ✓	✓ ✓
	10. Reduce inequality	✓ ✓	✓ ✓	✓
	11. Sustainable cities and communities	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓
	12. Sustainable consumption and production	✓ ✓	✓ ✓	✓ ✓
	13. Climate action	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓
	14. Life below water	✓		
	15. Life on land	✓		
	16. Peace and justice	✓ ✓	✓ ✓	✓ ✓
	17. Partnerships	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓

The role we play

We believe all companies have a responsibility to help achieve the aims of the United Nations Sustainable Development Goals. By working alongside governments, civil society and individuals, we look to play our part in helping to end poverty, protect the planet, and ensure prosperity for all.



Ensure healthy lives and promote well-being for all – at all ages



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Make cities and human settlements inclusive, safe, resilient and sustainable



Take urgent action to combat climate change and its impacts



Strengthen the means of implementation and revitalise the global partnership for sustainable development

Our UN Sustainable Development Goals focus

The UN Sustainable Development Goals can guide us, our customers, and society towards a brighter, sustainable future.

We support all the UN Sustainable Development Goals, but we focus our efforts on those which align closely with our strategic priorities. That's where we can have the biggest impact.

Examples of action

- Through Aviva Ventures, we're helping to invest in start-ups like Owlstone Medical, who are pioneers of early cancer detection technology.
- Our employee programme, Wellbeing@Aviva, offers our employees a range of products, advice and support to stay healthy.
- Aviva's health insurance continues to extend coverage and innovate to improve customer outcomes.
- We employ just over 30,000 people globally and have launched a new Equal Parental Leave policy in Canada, UK, France, Ireland and Singapore.
- Everyone who works in a UK Aviva office location, whether employed directly or sub-contracted, earns at least the real Living Wage, as calculated by the Living Wage Foundation.
- We are in the third year of our strategic partnership with the British Red Cross, working with them to help communities around the world prepare for and respond to disasters.
- As an insurer, we're there for our 33 million customers, protecting them in the face of challenges that affect them and their communities, like flooding. We paid £34.6 billion in benefits and claims to our customers in 2017.
- We have reduced our CO₂e by 53% since 2010, and are on track to reduce it by 70% by 2030.
- We're committed to purchasing 100% of our electricity from renewable sources globally by 2025.
- Our approach to carbon offsetting has directly improved the lives of over 1 million people since 2012.
- Aviva played a key role in the creation of the Sustainable Stock Exchanges Initiative, the Corporate Human Rights Benchmark and the World Benchmarking Alliance.
- We are a member of the EU High Level Group on Sustainable Finance and the FSB Task Force for Climate Financial Disclosure.

Delivering sustainable finance to support the UN Sustainable Development Goals

Since our CEO Mark Wilson's address to the UN General Assembly at the launch of the Sustainable Development Goals (SDGs), we continue to make great strides. We're harnessing the power of sustainable finance to help meet these ambitious targets.

The role of sustainable finance

We're proud to promote the vital reorientation of capital away from short-term thinking towards more sustainable financial markets. As a global insurer and investor, we're very aware that the investments we make today will influence the world we live in tomorrow. We're in this for the long term.

A great deal has been done by governments and the UN to align private finance with sustainable development. This has been accompanied by increased understanding of the collaboration required with the private sector, as shown by the latest discussions at the High-Level Sustainable Development Goals Financing Lab in April 2017.

In 2017 we released our own report, [‘Delivering the sustainable financial system the world needs’](#), which:

- Shared our perspective on current challenges and opportunities; and
- Outlined a set of concrete recommendations to promote a step change in private finance for the UN Sustainable Development Goals.

We also welcomed:

- The conclusions of the UN Inter-Agency Task Force on Financing for Development, which showed that international focus on sustainable finance is gaining momentum; and
- The recommendations of the EU High-Level Expert Group on Sustainable Finance. We are a member of this group and have made recommendations to the European Commission on policy changes required to make finance more sustainable.

The World Benchmarking Alliance

We're leading the establishment of public, transparent and authoritative league tables, ranking companies on their contribution to the SDGs. In September 2017, we jointly launched a global consultation to shape this work and set up the World Benchmarking Alliance.



Mark Wilson, Aviva Group CEO

“Our idea is simple. We turn the SDGs into a corporate competitive sport. We draw up transparent data on performance towards meeting the goals, and we rank companies according to how well they are doing. This will motivate a race to the top and is what the proposed World Benchmarking Alliance is all about.”

Mark Wilson
Aviva Group CEO



Ground-breaking commitment to teach the World's Largest Lesson

We believe everyone can help deliver the SDGs.

We're calling on our people to spread the word about how important the SDGs are, and the role that everyone has to play in making them a success.

In 2017, over 30 of our global graduates went into schools and groups across the world to introduce the goals to children and young people. We're uniting people world-wide in action as part of Project Everyone's World's Largest Lesson. We were one of the first companies to do this, and in 2018 will encourage more of our people to get involved.



Doing the right thing for our customers

Every one of our 33 million customers has their own priorities and concerns. We exist to help them Defy Uncertainty – to protect what’s important to them and to shape their futures.



Supporting the Armed Forces Covenant

In 2017 we signed the Armed Forces Covenant alongside the Defence Minister, Tobias Ellwood. We pledged to support our customers and employees who are armed forces personnel and ensure they are not disadvantaged compared to others.



We look after our customers whatever life throws at them and try to prevent some of those problems from happening in the first place.

Making things simple

We are improving our processes for the benefit of our customers. For example, Aviva Singapore has implemented e-submission for new business applications for individual life and health customers. This has reduced the need for paper forms and made applications easier for customers and advisers by providing an immediate underwriting decision.

Offering products to protect and inspire

Nearly two thirds of our markets offered our customers a product which enables them to be more environmentally responsible or gives them easier access to the protection they need for themselves or their families. For example:

- We offer ride-sharing and home-sharing insurance to customers in Aviva Canada;
- In Aviva Poland we’re offering discounts for in-home air quality sensors and purifiers to life and health insurance customers. (See case study); and
- Aviva India is encouraging parents to #catchtheearlysigns, helping them to see their children’s potential early and suggesting savings and insurance products that could help them to secure a great education and a bright future.

In 2017, Aviva Ventures, our global capital investment business, invested in Owlstone Medical, a company at the early stages of developing a breath analyser that can test lung and colorectal cancer, two of the most common terminal cancer conditions worldwide. Through start-up partnerships like this, we can take Defying Uncertainty to the next level.

In 2014 Aviva France launched ‘Aviva Impact Investing France’, becoming the first financial institution in the country to create an investment fund dedicated to financing socially and environmentally responsible companies. It is now endowed with €30 million. With the initiative, Aviva wants to participate in the development of social entrepreneurship, a particularly innovative sector.

Taking complaints seriously

But we know we don’t always get it right. If customers are unhappy with our service, we listen and do our best to put it right – in line with our global customer business standard. We were the first insurer in the UK to publish unbiased customer reviews of our products and services. Customers publicly review their claims experiences with Defaqto ratings of 5.0 for our Motor policies and 4.6 for Homes.

Dormant assets

Despite companies’ best efforts, millions of ‘lost pounds’ go unclaimed. We support the UK Government’s Dormant Assets Commission’s* objective of financial services companies’ protecting customer’s rights by trying to find them and reuniting them with their funds. First and foremost, this is customer money. However, when funds are truly dormant, we’re hoping to find ways to make better use of the money for societal good. You can read the full [Dormant Assets Commission report here](#) and the [government’s response here](#).

Protecting vulnerable customers

We take our responsibility for protecting vulnerable customers’ rights seriously.

In the UK, we supported the publication of the [Financial Inclusion Commission report](#). It sets out findings from a research study and identifies ways to increase access to affordable home insurance for under-served people in the UK. The report highlights that this group:

- Face a higher risk of loss (up to 30 times in the case of arson);
- Struggle to replace or repair their belongings – over seven million UK adults have less than £1,000 in savings; and
- Is biased towards the young, with 81% of ‘generation rent’ not having contents cover.

* Kirstine Cooper, Aviva Group General Counsel and Company Secretary has previously been a member of the Commission.



Fighting the impact of smog

In Poland we funded 300 external air quality sensors which were added to the national network in places selected by local communities. We’re also offering discounts for in-home air quality sensors and purifiers to life and health insurance customers. By helping people monitor the air quality where they live, they can take action to protect themselves, their families, and their communities.



Key highlights

Percentage of complaints resolved within eight weeks (UK) Life/GI/Health

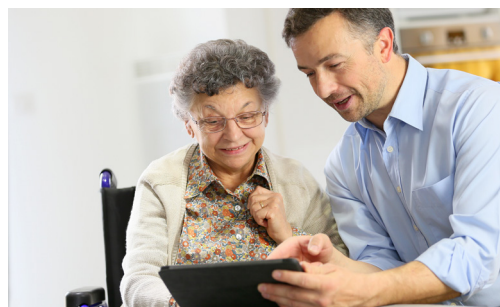
93% (2016: 92%)

Number of products or services that include social inclusion considerations

31 (2016: 17)

Strengthening communities

We're working with others to give customers and communities a brighter future.



Supporting healthcare in Canada

In 2017 Aviva Canada launched a pilot with the Canadian Red Cross to help Canadians live well for longer, in their own homes. The project will improve health outcomes for seniors and people living with an illness or disability by connecting them to their primary healthcare teams using the power of digital technology and volunteers.



In 2017, our community investment totalled £11.9 million and our community programmes helped 792,000 people and supported 2,400 local community projects around the world. We aim to help 5,000 local community projects by 2020.

Supporting communities through digital

Our online Aviva Community Fund (ACF) invites people to nominate and vote for inspirational projects in their local communities to win funding. Anyone can submit or vote for a project online. Projects that get enough votes make it to the final judging panel.

In 2017, we launched the Aviva Community Fund in even more countries. We now give hundreds of organisations across ten countries the chance to win funding to make a difference in their local communities.

Our people making a difference

In 2017, our people gave or fund-raised £1.2 million and volunteered 48,000 hours of their time, making the most of paid volunteering days and fund-matching benefits.

In Aviva Ireland, this included our people working with Pieta House, which offers free counselling to people who are suicidal, who self-harm, or those who have been bereaved by suicide. As well as fundraising, employees shared their expertise with the charity. For example, the marketing team helped to create a mental health awareness video to be shown at key rugby matches at the Aviva Stadium in Dublin.

Our aim is to deliver 200,000 hours of volunteering and help 2.5 million people between 2015 and 2020. Not only is this great news for our communities, it also helps us attract and develop talented people. Our 2017 people survey shows 88% of our people believe that Aviva is a good corporate citizen (15% more than the industry benchmark and up 8% since 2015). These employees are also 58% more likely to be proud to work for Aviva and 41% more likely to recommend our products to family and friends.

Working with the Red Cross

We are now two years into our global strategic partnership with the British Red Cross (BRC). In addition, we're working together to help communities to be better informed, prepared and more resilient if disaster strikes. This year we:

- Identified and funded four new Red Cross community resilience projects in Canada, Singapore, Italy and Poland, which included building resilience against urban flooding;
- Repeated the success of the Aviva Global Mapathon. Hundreds of our people helped create up-to-date digital maps, helping aid organisations reach families who live in remote areas of countries like Nepal and Bangladesh;
- Became a sponsor of the BRC Community Reserve Volunteer project, which will create a network of 10,000 people to help when disaster strikes their local community; and
- Continued Aviva Singapore's partnership with the Singapore Red Cross, with 160 of their people adopting 32 elderly families.

Key highlights

Amount of community investment

£11.9m (2016: £11.3m)

Total number of local community projects supported

2,400 (2016: 1,400)

Percentage of Aviva employees who volunteer

13% (2016: 13%)



Mamie Foodie - La Fabrique Aviva winners of 10,000 euros

The Aviva Community Fund

The Aviva Community Fund is up and running now in Canada, France, Hong Kong, Italy, Poland, Singapore, UK, Vietnam, China and Ireland. This year:

- We launched the Aviva Community Fund in Aviva Vietnam, and are working with the Vietnam Red Cross Society to maximise the reach of their funding;
- Aviva France continued to focus their community fund, La Fabrique Aviva, on supporting entrepreneurs whose businesses are making a positive impact on their wider communities;
- Aviva Italy increased their support for projects that support employment, help older people and deal with people's health issues, focusing in particular on those that use digital technology.



Our people

Our people focus for 2017 has been on our culture. We want to be a business which is simple, innovative and customer centric in everything we do.



Wellbeing@Aviva

We launched an holistic approach to wellbeing in 2017 covering mental health, physical health, financial well-being, and social and community. Initiatives include leader training for mental health, physical health checks, and free membership to Headspace for mindfulness practice, not to mention an enhanced sickness policy and income protection scheme. There is also a key focus on nutrition and we provide employees additional support via our essentials products for both physio and cancer.

We employ just over 30,000 people globally and continue to support the regional economies in our home market the UK, where we employ more than 14,600 people.

Our strategy

Our global people strategy sets out how we will accelerate our performance. This includes:

- Giving our people the freedom to act in line with our values;
- Making leadership a way of life so all our people contribute to delivering our strategy and think independently;
- Creating an inclusive and diverse environment so that everyone can be themselves; and
- Actively investing in the skills, mind-sets and future capabilities we need to win in a digital age.

Developing our talent

Investment in talent remains an area of focus for us. In 2017, we developed a three-year talent management strategy. This defines and sets direction for a simpler, more globally consistent approach, identifying, assessing and developing our talent to mobilise their potential. Other action included delivering our Leadership Accelerator programme to 290 of our senior leaders and the launch of our Digital Academy in Poland to help develop the next generation of programmers and future digital talent.

Engaging our people

In 2017 our global 'Voice of Aviva' survey focused on key areas of insight to drive growth. Engagement is up one percentage point to 75% and is now consistent across the world after significant improvements for France and Singapore. What's more, 85% of colleagues globally see how their team's work aligns to Aviva's strategy. Our culture journey will continue in 2018 with on-going focus on colleague engagement, giving people the freedom and room to operate and to lead for the future.

Inclusive diversity

Inclusive diversity is at the heart of how we do business and a key requirement for the workforce of the future. If people can be themselves, they'll be happier and contribute their best thinking.

They will also be more in tune with our diverse customer base and better able to serve their evolving needs. In 2017 we focused our attention on gender and age. We continue to build on the existing strengths of our communities and partnerships with the launch of six global employee resource groups focusing on age, gender balance, caring, disability, sexual orientation, race and ethnicity in 2018.

In 2017 in the UK we released our [Gender Pay Gap report](#), including the steps we are taking to address this.

Health and well-being

We know our employees are a key factor in making our business grow and as such their well-being is key. Wellbeing@Aviva (see case study) was launched in 2017 and we are shortly launching a new fitness proposition for all. 2018 will see a higher focus on financial well-being for our people.

Our plans for 2018

Innovation, simplicity, inclusion and developing winning capabilities will be key priorities for us as we continue to transform our business.

More details on our People strategy and approach can be found in the [Aviva Strategic Report 2017](#).

Key highlights

Our people who feel that Aviva values their health and well-being

78% (2016: New indicator)

Our people who feel that those from diverse backgrounds can succeed at Aviva

84% (2016: 87%)

Our people who think Aviva is a good corporate citizen (and those people are 31% more likely to stay at Aviva for more than two years)

88% (2016: 84%)



Equal Parental Leave policy

A key policy change in 2017, contributing to our inclusive culture, was the launch of our new Equal Parental Leave policy in Canada, UK, France, Ireland and Singapore. It enables any parent employed by Aviva to be eligible to the same amount of paid and unpaid time off, regardless of gender, sexual orientation or how they became a parent (birth, adoption or surrogacy). Aviva also launched a new carer policy for its UK employees, to help support people balancing their careers with caring responsibilities.

Climate risk and environmental impacts

Climate change poses serious risk to our customers and in turn our business. We're working with others to make sure climate risks are understood, and ways are found to minimise the impacts.



Encouraging our people to protect the environment

In our French headquarters we have set-up eight electric vehicle bays, and opened an organic vegetable garden where non-pesticide gardening is taught and a beehive kept. In the UK, we have installed a further 20 electric vehicle charging points at eight of our locations, our office restaurants promote the use of 'keep cups' with special offers and price reductions for their use.



Our work in this area includes stress testing different climate scenarios, low carbon investing, supporting environmental products and services, and reducing our operation's environmental impact.

Creating legacy

We were the first carbon-neutral international insurer in 2006. We continue to offset any remaining operational carbon emissions today. Our offsetting projects have improved the health and lives of more than a million people globally since 2012, through actions like provision of clean cook-stoves in Kenya.

This year we were awarded the UN Momentum for Change award in recognition of a decade of work reducing our environmental impact and helping inspire action on climate change.

To date we have achieved a 53% reduction in CO₂e against the 2010 baseline, meeting our 2020 target (of 50%) early. We continue work towards our ambitious long-term target of a 70% reduction by 2030.

Lower carbon investing

In 2015, we announced an investment target of £500 million annually for the next five years in low-carbon infrastructure. We also set an associated carbon savings target for this investment of 100,000 tonnes of CO₂e annually.

In 2017, Aviva Investors signed £527.5 million of new investment in wind, solar, biomass and energy efficiency.

Green products and services

We offer 20 products or services that include a specific environmental/reduced carbon benefit.

For example, in 2017, Aviva Canada introduced InsureMyTesla powered by Aviva, tailor-made insurance for Tesla drivers. Aviva Canada also now

offer up to a 20% discount on electric car insurance and sponsored the 2017 Electric Mobility Conference.

Through products and services like this, we help to:

- Protect our customers against the impacts of climate change;
- Minimise the environmental impact of our claims process; and
- Provide energy efficient replacements to help reduce customers' long-term energy costs.

Reducing climate risk

We collaborate on research and action to better understand, manage and disclose the risk of climate change. Find out more about one of these reports opposite.

We have also developed a high-level response to the recommendations of the Financial Stability Board's Taskforce on Climate-related Financial Disclosure, in our roles as an asset owner, insurer and asset manager (i.e. Aviva Investors). You can find out more at www.aviva.com/TCFD.

Our high-level response includes details of how, in 2017, we worked with the 2 Degree Investing Initiative to analyse how close we are as an asset owner to achieving a 2°C future. Using the European Commission's Sustainable Energy Investment metrics, we mapped how our equity and bond portfolios are aligned to the Paris Agreement, both now and in five years' time.

Winner of the UN Momentum for Change Lighthouse Award



Key highlights

Percentage reduction of CO₂e emissions relative to our 2010 baseline

53% (2016: 46%)

CO₂e emissions offset annually

100% (2016: 100%)

Percentage of energy generated or purchased from renewable resources

61% (2016: 61%)



The road to action

In 2017 we sponsored the Economist Intelligence Unit review into the challenges of reporting on the financial impact of climate change. The report also investigates the roles that ten very different financial institutions could or do play in supporting this disclosure and how the process might be embedded into the UN Sustainable Development Goals. The report is a follow-up to the 2016 report, 'The cost of inaction:

Recognising the value at risk from climate change', which Aviva also sponsored.

[Find out more here](#)



Responsible investment

We're committed to using our influence to support a more sustainable economy and society.



The Corporate Human Rights Benchmark

In 2017 we helped launch the Corporate Human Rights Benchmark (CHRB), the first-ever ranking of the world's largest publicly-listed companies on their human rights performance.

The Benchmark released its first set of results on 13 March 2017, ranking 98 of the world's largest publicly-traded companies, from three at-risk sectors, on human rights performance. [Find out more here](#)



Our investment approach

Aviva Investors is our global asset management company, with £353 billion under management in equities, fixed interest, property and multi assets (as at 31 December 2017). Building on Aviva Investors' 40 year heritage in responsible investment, in 2017 we have continued to:

- Enhance the way we integrate environmental, social and governance (ESG) considerations into our investment decisions;
- Act as responsible stewards of our investments, through our annual general meeting (AGM) voting and engagement activities; and
- Use our influence and experience to drive sustainable market-wide capital markets reform.

Integrating ESG considerations into our decisions

We work together with fund managers and analysts, customising ESG integration for each investment process, to deliver better investment outcomes for our clients.

We incorporate ESG issues into our investment analysis and decision-making because we believe it delivers better investment outcomes for our clients, society and the environment.

In particular, Aviva Investors' Global Responsible Investment Team (GRI Team) is a key component in building Aviva Investors' House View, which cascades back through the organisation and helps guide medium- to long-term investment positions. They ensure that material ESG factors, such as global climate negotiations and social trends in urbanisation, are considered when determining the firm-wide macro outlook.

As long-term investors, we see factors such as corporate culture, good governance, climate change strategy, and employee and market place attitudes as core to the success of our investments.

Active ownership

We actively promote good practice among companies we invest in.

We aim to identify and reduce ESG risks in our portfolios. By understanding the quality of the board of directors of a company and its strategy

on issues, such as climate change or the Living Wage, we can gauge how well prepared they are to deal with current or emerging ESG issues.

If we consider a company's performance falls short, and this shortfall will have an impact on our investment decision, we engage with the board to improve performance. We vote against companies' annual report and accounts that fail to report on key ESG matters or perform poorly.

In 2017 we voted on 49,721 resolutions at 4,151 shareholder meetings and engaged on 989 occasions with companies as part of our stewardship responsibilities.

Aviva Investors is a founding signatory to the UN Principles for Responsible Investment. We received a ranking of A+ in their 2017 assessment.

In 2017 we were also honoured to receive the Responsible Investor Award for Innovation and Industry Leadership. It's a testament to the market-leading way we stay at the centre of, and tirelessly push forward, the ESG issues that matter most to the investment community. This has included the launching of investor guidance on Corporate Culture, Antibiotic Resistance and Sustainable Fisheries.

Advocating for sustainability

Finance plays an important role in meeting the targets of the Paris Climate Change Agreement. Aviva Investors remain engaged in how our industry can support the transition to a low-carbon economy, and how we can directly finance assets that help reach this goal.

In 2017 we were the first asset manager to include disclosure to the Task Force on Climate-related Financial Disclosures (TCFD) in our UK Corporate Governance and Corporate Responsibility Voting Policy.

Our role as an asset owner and insurer

We're mindful of the wider role we play as an insurer and asset owner in helping to encourage responsible investment practices. In 2017 Aviva stopped investment in all tobacco manufacturing companies, demonstrating our drive to combat the negative effects of tobacco on public health.

“To help deliver on our commitments, we have dedicated more resources to our responsible investment approach and I am particularly pleased with the progress being made in embedding ESG considerations within our infrastructure and ‘real asset’ offerings. We also continue to play an active leadership role in helping to shape the public policy agenda around the sustainability of our capital markets.”

Euan Munro
Chief Executive, Aviva Investors

Key highlights

Number of engagements where Aviva Investors has raised specific human rights issues*

65 (2016: 34)

Percentage of company meetings (AGMs and EGMs) at which Aviva Investors voted**

91.5% (2016: 91.8%)

* Human rights engagements cover a multitude of topics including child labour, working conditions, minority rights and indigenous peoples' rights. For the year under review we have engaged primarily with companies in the extractive sector and palm oil producers.

** As a percentage of those companies we invest in with whom we have voting rights. When exercising our right to vote in company meetings, we are interested in the principles of good governance and how these are achieved in practice to promote the best long-term prospects for the companies in which we invest. Our approach is set out in detail in our UK Corporate Governance and Corporate Responsibility voting policy, which can be found [here](#).

Good governance

We want to make our industry work better for everyone. That's why we work hard to practice good governance across the business.

How we operate

Our Board Governance Committee oversees our responsible and sustainable business strategy and the policies that underpin it. As a company we are subject to the UK Corporate Governance Code (the Code), which we aim to comply with fully.

You can read about how we comply with the Code in our [Annual Report and Accounts](#) and on www.aviva.com/investors/corporate-governance/.

Business ethics

Our Business Ethics Code outlines our high ethical standards and ensures we operate responsibly and transparently. We require all our people, at every level, to read and sign-up

to our code every year (99% of our employees did so in 2017).

In 2017, we also reviewed and improved our business ethics training to reinforce its importance and what it means for our people.

Our Financial Crime Business Standard guides how we seek to prevent, detect and report financial crime, including bribery and corruption, while complying with relevant legislation and regulation. We have risk-based training to ensure employees and others acting on Aviva's behalf know what's expected of them and how they should manage bribery and corruption risks.

Our malpractice helpline, Right Call, makes it easy to report any concerns in confidence, with all reports referred to an independent investigation team. In 2017, 41 cases were reported through Right Call (2016: 25), including one related to bribery and corruption concerns. 35 cases reached conclusion, and six remain under investigation.

Evolution Council

In 2017 we began setting up the Evolution Council which in 2018 will see the views of our Generation X and Y colleagues represented at Board level. In operation from March 2018, the Council will receive a broad selection of materials ahead of each Board meeting and be asked to provide insight and comments, giving an invaluable way for the views of our employees to be fed back to the Board.

Managing risk

Our Risk Committee oversees all aspects of risk management. You can find full details of our approach to risk on www.aviva.com and details on how we minimise climate change impacts can be found on page 11 of this summary.

Protecting human rights

Our commitment to respect human rights is guided by the United Nations Guiding Principles on Business and Human Rights and other internationally recognised human rights frameworks.

Our approach to modern slavery is part of our overall approach to human rights and we are committed to making sure there is no modern



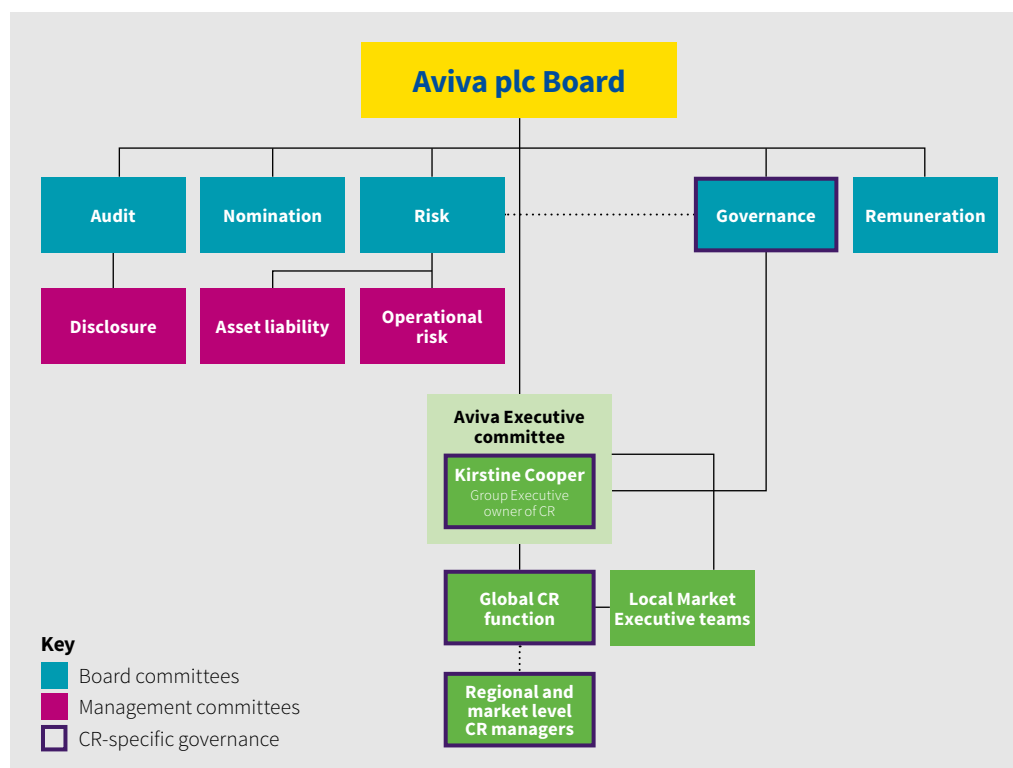
Cyber security and personal information

Aviva strives to maintain and continually update its controls designed to prevent, detect and deter potential acts of Financial Crime. In 2017, we completed a Group-wide review of our Financial Crime Risk Management framework, to ensure that it remains up-to-date, effective and fully supports our strategy. We now have an enhancement plan in place designed to introduce leading practice over the coming years.

slavery in our operations. For example, in 2017 we:

- Updated our human rights policy to make explicit mention of modern slavery as an area of focus; and
- Published our first Modern Slavery Act statement detailing the work we undertook in 2016 to assess the risks of modern slavery in our own business and supply chain.

You can find out more in the 'Corporate Responsibility' chapter of the [Aviva Strategic Report 2017](#) and by reading our complete [Modern Slavery Act statement](#) and [human rights policy](#).



Tackling the big issues together

Our responsible and sustainable business approach is rooted in what matters to our wide range of stakeholders. We listen hard and work with them to understand the big challenges facing them and the wider world.

Our approach



How we recognise expertise and insight

Stakeholders	Engagement	Our shared interest	Action example
Customers	➤ Net Promoter Score (NPS)* and brand surveys ➤ Digital product testing ➤ Global surveys of consumer attitudes ➤ In-depth consumer research into retirement plans, financial planning and pensions ➤ Direct customer testing and insight	To provide good value products and services that meet their needs, helping them take control of their finances, and protect the people and things they love	As part of our focus on creating innovative products that have a significant impact on our customers' lives, we have tested over 800 product ideas with 70,000 customers across six countries
Business partners (Bancassurance partners, suppliers and joint ventures)	➤ Procurement processes including the Supplier Code of Behaviour which includes reference to human rights and modern slavery ➤ Supplier surveys on Corporate Responsibility criteria ➤ Responding thoroughly to bids and tender documentation	To be a trusted partner and do the right thing for the good of our customers	We worked with Barclays to reduce the environmental impact of our claims process, using new technology that can typically restore 85-95% of smoke/water damaged items
Our people	➤ Voice of Aviva survey and regular polls ➤ Employee forums and networks ➤ Consultation on and implementation of well-being initiatives ➤ Performance reviews ➤ Grievance procedures ➤ Trade union representation ➤ The Evolution Council	Employees feel listened to, respected and recognised for their contributions and helped to develop their talent in a company they feel proud to work for and where diversity is celebrated	Our fully elected all-employee representative body (Your Forum) is a key way of recognising that we all have a part to play in contributing to the debate on issues and opportunities impacting on our people and our organisation
Governments and regulators	➤ Our regulatory and public policy teams, along with our business specialists, engage with policymakers to support the development of good policy in areas that will have a positive impact upon our business and customers	To comply with regulatory and legislative requirements, actively provide expertise to support policy development and ultimately help change our customers lives for the better	We have supported the need to reduce fraudulent whiplash claims through our 'Road to Reform' campaign in the UK. We will continue to champion Road to Reform until it becomes law and Aviva has promised to pass on 100% of the savings to its customers when it does
Communities and NGOs	➤ Share best practice, helping to develop actions or solutions to social and environmental issues ➤ Invite input and challenge from lobby groups ➤ Form global partnerships with organisations like the British Red Cross ➤ Invest in community groups through programmes like the Aviva Community Fund	Being a responsible corporate citizen and supporting and strengthening local communities	ShareAction placed Aviva at the top of its ranking of Life Independent Government Committee (IGC) report transparency for contract-based pension schemes in 2017
Companies we invest in	➤ Aviva Investors are active investors, engaging with companies and voting at their AGMs and EGMs on ESG issues to help improve their performance	Being a profitable and responsible investor	Aviva Investors is focusing on reducing antibiotic resistance at 40 large food producing and retailing companies with high exposure to excessive antibiotic use within their supply chains
Shareholders and investors	➤ Annual general meetings ➤ Liaison with ratings agencies, banks and index providers ➤ Responding to a range of investor questionnaires, e.g. Dow Jones Sustainability and FTSE4Good Index and to letters from institutional investors ➤ Distribution of digital shareholder newsletter	To practice good governance and regularly engage with investors.	We have an MSCI ESG rating of AA. These ratings are used by investors to identify ESG risks and opportunities within their portfolio

Aviva's key partners



A member of Stonewall's
Top 100 Employers list
in the UK



A principal partner of the
Living Wage Foundation and
a Living Wage employer
throughout the UK



World
Benchmarking
Alliance

Working together to create
global benchmarks measuring
how companies perform
against the UN's Sustainable
Development Goals.



ClimateWise – We were
ranked third, our
ClimateWise score
for 2017 was 77%



Working together to help communities
become safer and stronger in times of
uncertainty and crisis

Contact us

If you have any suggestions, feedback or queries about
Aviva's CR programme, we'd love to hear from you at:
crteam@aviva.com

This is a summary of our responsible and sustainable
business strategy. You can read more about it on
our website, in our Annual Report and in the Aviva
Strategic Report:

www.aviva.com/social-purpose

www.aviva.com/investor-relations/reports/

Aviva's 2017 CR KPIs, assurance report from PwC
and reporting criteria can be found at:

www.aviva.com/CRkpisandassurance2017