

Directors' and Corporate Governance report

The UK Corporate Governance Code

As a UK Premium Listed company, Aviva's governance framework is based on the 2018 UK Corporate Governance Code (the Code). The Code is publicly available at www.frc.org.uk. Details of how we have applied the principles and complied with the provisions of the Code during 2021 are set out in this report and the Directors' Remuneration report. The Board can confirm that the Company was compliant with the Code throughout the financial year under review, other than Provision 32 of the Code. Pippa Lambert was appointed as Remuneration Committee Chair on 14 September 2021, at which point Pippa had served on the Committee for nine months rather than 12 months. Further information on the process and reasons for the timing of the change in Remuneration Committee Chair are set out in the Nomination and Governance Committee Report. The Board was satisfied that, on appointment as Remuneration Committee Chair, Pippa had the skills, capability and experience required for the role, based on her extensive remuneration experience from her previous roles and her contribution over nine months as a member of the Remuneration Committee.

Stakeholder Engagement

We report on our stakeholder engagement and Section 172 (1) matters in the 'Stakeholders' section of the Strategic report. This outlines how the Board has engaged with our principal stakeholder groups. The Board considers stakeholder engagement, including engagement with our workforce to be a matter of strategic importance.

Changes to the Board

We were delighted to appoint Pippa Lambert as a Non-Executive Director to the Board on 1 January 2021. Pippa has significant experience in

global financial services, people strategies and transformation programmes. Pippa also became Chair of the Remuneration Committee on 14 September 2021. Patricia Cross stepped down as Chair of the Remuneration Committee with effect from the same date and has remained a member of the Committee.

Martin Strobel was appointed as a Non-Executive Director to the Board on 22 October 2021 and became a member of the Audit, Nomination and Governance and Risk Committees. Martin was most recently Senior Independent Director of RSA Insurance Group plc and held a number of senior roles during his career including as Group Chief Executive Officer (CEO) of Baloise-Holding AG, Operating Partner of Advent International and with the strategy consulting firm BCG. Martin is an accomplished director and his business leadership and non-executive experience in the insurance and technology sectors make him a valuable addition to the Board. Martin is currently Vice Chair and Lead Independent Director of Partners Group Holding AG and Deputy Chair of MSG Life AG.

Shonaid Jemmett-Page was also appointed to the Board as a Non-Executive Director on 20 December 2021. Shonaid became a member of the Nomination and Governance Committee upon her appointment and subsequently on 14 February 2022 became a member of the Audit Committee, Customer, Conduct and Reputation Committee and Risk Committees. Shonaid is currently Chair of Greencoat UK Wind and Cordiant Digital Infrastructure Limited, Senior Independent Director of ClearBank and a Non-Executive Director of QinetiQ Group and Caledonia Investments. Shonaid was previously Chair of MS Amlin and has held a number of senior roles during her executive career including Chief Operating Officer of CDC Group, Global SVP Finance and Information at Unilever and as a partner at KPMG. Shonaid's business leadership and broad experience

including in the financial services, sustainability, and digital sectors makes her a valuable addition to the Board.

We were also delighted to appoint a further Non-Executive Director, Andrea Blance, to the Board on 21 February 2022. Andrea also became a member of the Audit, Nomination and Governance, Remuneration and Risk Committees. Andrea is an experienced business leader and Board member who brings significant experience of the financial services industry and a detailed understanding of customers and of risk and regulation to the Board. Andrea is currently a Non-Executive Director of Hargreaves Lansdown plc and Senior Independent Director of Provident Financial plc. Andrea was previously a Non-Executive Director of Scottish Widows, Lloyds Banking Group Insurance and ReAssure Group plc. Andrea has also held a number of senior roles during her career including as Strategy and Marketing Director and as Chief Risk Officer of Legal & General Group plc.

On 13 January 2022 we announced that Jason Windsor had resigned as Group Chief Financial Officer (CFO) with effect from July 2022. Jason has been a valued colleague since he joined the Group in 2010, including two and a half years as CFO, an important period of transformation for the Company. We have activated our succession planning process which is currently underway regarding the appointment of a new CFO. Further details will be announced at an appropriate time.

On 21 February 2022 we announced that Patricia Cross and Belén Romana García would retire from the Board as Non-Executive Directors following the conclusion of the Company's 2022 AGM.

The Board

As at the date of this report the Board is comprised of the Non-Executive Chair, two Executive Directors and ten independent Non-Executive Directors. Details of the role of

the Board and its committees are described in this report. The duties of the Board and of each of its committees are set out in the respective Terms of Reference. Our committees' Terms of Reference can be found on the Company's website at www.aviva.com/committees and are also available on request from the Group Company Secretary. The Terms of Reference list both matters that are specifically reserved for decision by our Board and those matters that must be reported to it. The Board delegates clearly defined responsibilities to its committees and reports from the Audit; Customer, Conduct and Reputation; Nomination and Governance; and Risk Committees are contained in this report. A report from the Remuneration Committee is included in the Directors' Remuneration report.

Board Appointments

Our Non-Executive Directors played a principal role in the process to appoint four new Non-Executive Directors to the Board. MWM Consulting (MWM) undertook the search processes for the appointments made in 2021 but has no other connection with the Company or any individual director. In line with our succession planning processes, we undertake a formal, rigorous and transparent search process for each appointment, considering the current balance of skills, experience and diversity amongst our directors. Each appointment is made subject to receipt of the requisite regulatory approvals. Furthermore, the continuation of each Board appointment is also subject to an annual board effectiveness review confirming that each director's performance continues to be satisfactory. In accordance with the Code and our articles of association, all serving directors must retire and those who wish to continue in office must stand for election or re-election by our shareholders at each Annual General Meeting (AGM). All directors in office at the time of the 2021 AGM were elected or re-elected at that meeting.

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Strategy and business plans

- Approved the Group's financial and operational plans for 2022-2024
- Held a dedicated strategy offsite in June 2021, supplemented by further specific strategy sessions, to oversee the development and implementation of the Group's strategy
- Approved the £1 billion share buyback programme for the Company's ordinary shares as part of the substantial capital return to shareholders
- Discussed the mechanism and amount of the capital return to shareholders announced with the Full Year 2021 results
- Approved the issuance of a £1 billion debt tender offer and £0.9 billion of debt redemptions arising from maturities and optional first call dates
- Approved investment in the business

Oversight of risk and risk management

- Received and discussed reports from the Group Chief Risk Officer (CRO), including the Group Enterprise Risk Dashboard
- Approved the Group's risk appetite, risk tolerances and risk policies which make up the risk management framework for the Group
- Reviewed the effectiveness, challenges and management action plans in relation to the Group's risk and control environment

Sustainability

- Approved Aviva's Sustainability Ambition, including for Aviva to become a carbon Net Zero company by 2040
- Received updates on the Group's strategy on climate related financial risk in line with regulatory requirements

Governance

- Received reports from the Group Chief Executive Officer (Group CEO) on the strategic delivery of the Group
- Discussed reports from Board committees
- Received reports from the Group Company Secretary on corporate governance, legal and compliance matters

Significant transactions and expenditure

- Approved financial matters in line with the Group financial plan, including the completion of the divestments of our businesses in France, Poland, Italy, Singapore and four other territories

Financial reporting and performance, capital structure and dividend policy

- Discussed reports provided by the Group Chief Financial Officer (CFO) on financial reporting and performance, providing the opportunity for the Board to input and challenge where necessary
- Monitored the Group's financial performance and financial results and approved the dividend payments to ordinary shareholders
- Assessed the Group's capital and liquidity requirements and considered the challenges presented to the Group's markets by the COVID-19 pandemic
- Approved the Full Year Results and Annual Report and Accounts, the Half-Year Results and Quarterly Trading updates

People, culture, succession planning and Board effectiveness

- Following recommendations from the Nomination and Governance Committee, approved the appointment of the Non-Executive Directors to the Board
- Discussed the employee engagement survey, culture diagnostic and management action plans to address issues identified
- Undertook an external evaluation of the Board's effectiveness, and the effectiveness of each committee and of individual directors

COVID-19

- Assessed the continuing impact of the COVID-19 pandemic on our customers, our people and the communities in which we operate
- Reviewed the provision of extensive support for our people through the periods of COVID-19 restrictions, focusing on wellbeing, mental health support, and practical assistance for working from home
- Received updates on the charitable contributions to Aviva's communities to support community partnerships

Board Priorities for 2022

Strategic Delivery	Deliver our strategic plan, investing in growth and exploring opportunities for 'bolt on' acquisitions. Target upper quartile efficiency.
Financial Strength	Complete our capital return to shareholders and implement our new Dividend Policy.
Customers	Provide an engaging customer experience in the market, by enhancing our digital capabilities to provide our customers with a simpler and more personalised offering.
Aviva's Sustainability Ambition	Deliver on our ambition by progressing to Net Zero, making responsible investments and influencing others to drive change across the market.

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Board Diversity and Inclusion

Diversity at Aviva includes, but is not limited to, gender and ethnicity, and is inclusive of all strands of diversity including skills and experience, geographic and socio-economic background, disability and sexual orientation. Supporting and embracing diversity and inclusion, and valuing difference, are integral parts of our culture. The ways in which we seek to put into practice these values are set out in our Board Diversity and Inclusion Statement, which supports our Nomination and Governance Committee's approach to succession planning. This is closely linked to our Group-wide Global Inclusion and Diversity Strategy (Diversity Strategy), which sets out how we implement our policies to increase diversity and inclusion throughout the Group. Board diversity is monitored by the Nomination and Governance Committee which reviews the balance of skills, knowledge, experience and diversity of the Board and leads on succession planning for appointments to the Board and the senior executive team. Our Board skills matrix supports this approach enabling us to map the range of diversity of skills, knowledge and experience amongst the Directors and link these to our strategy.

We are pleased to have met the Parker Review Committee's target for all FTSE 100 boards to have at least one director from an ethnically diverse background by 2021, making up 8% of the Board, in addition to continuing to achieve our target of ensuring that women make up at least 33% of the Board with women currently representing 46% of the Board. Inclusion at Aviva is imperative not only because it's the right thing to do, but also because it will help us deliver the outcomes that our shareholders and other stakeholders expect us to achieve. The Aviva plc Board Diversity and Inclusion Statement sets out how the Board supports and measures progress against our

Governance Framework



commitments. This includes our commitment to increasing the number of women in leadership roles to 40% by 2024 and to enhancing the ethnic diversity of our leadership and succession pipeline. Further detail can be found in the Nomination and Governance Committee report.

Board and Committee Structure

The Board is collectively responsible for promoting the long-term, sustainable success of the Company through seeking to generate value for shareholders while fulfilling our responsibilities to all of our stakeholders and contributing positively to the societies in which we operate.

One of the Board's key roles is to determine our shared purpose and to set and uphold the Group's values, standards and ethics which combine to create our corporate culture. We recognise that there is a clear link between our culture and our conduct, both with regards to our customers and to the way in which governance operates in the Group. The Board is also responsible for setting the Group's risk appetite and monitoring the operation of our risk management framework.

The remits of the Committees are outlined below.

Committees' Purpose

Name of Committee	Committee Purpose
Nomination and Governance Committee	Assists the Board in its oversight of Board composition; Board and executive succession; talent development; diversity and inclusion initiatives; operation of the Group's governance framework and Aviva's subsidiary governance principles.
Risk Committee	Assists the Board in its oversight of risk by assessing the effectiveness of the Group's Risk Management Framework, risk strategy, risk appetite and risk profile; the methodology used in determining the Group's capital requirements and stress testing these requirements; assessing the adequacy of the Group's system of non-financial reporting controls; ensuring due diligence appraisals are carried out on strategic or significant transactions; and compliance with prudential regulatory requirements.
Audit Committee	Assists the Board in its oversight of financial reporting by assessing the integrity of the Company's financial statements and related announcements; monitoring the adequacy of controls over financial reporting; monitoring the Group's whistleblowing policies; and monitoring the independence and performance of the Internal Audit function and the External Auditors.
Customer, Conduct and Reputation Committee	Assists the Board and Risk Committee in their oversight of customer, conduct and reputation issues including operational risks related to customer and business conduct; the Group's customer strategy and customer conduct obligations; customer data governance, oversight of the Group's brand reputational risk profile and Aviva's Sustainability Ambition.
Remuneration Committee	Assists the Board in its oversight of remuneration by reviewing the Group Remuneration Policy; the Directors' Remuneration Report; approving remuneration packages for the Non-Executive Chair and ExCo; remuneration approaches for the remuneration of regulated employees and reviewing wider workforce remuneration and policies. Works with the Risk Committee to ensure that risk management is considered in setting the Remuneration Policy through the alignment of incentive and rewards with risk management.

In order to ensure there is a clear division of responsibilities between the running of the Board and the running of the business, the Board has identified certain 'reserved matters' for its approval. In relation to other matters, unless they are specifically reserved for shareholder approval in a general meeting, the Board delegates responsibility for these to our Group CEO, who then delegates responsibility for specific operations to members of the Group Executive Committee (ExCo).

The Board has established committees to assist in fulfilling its oversight and other responsibilities, providing dedicated focus on the areas set out below. Each committee chair reports to the Board on the committee's activities after each meeting. Full details of the responsibilities of the Board committees are set out later in this report and in the Directors' Remuneration report.

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Board Independence

During the year the Nomination and Governance Committee assessed the independence of the Non-Executive Directors to ensure that they are able to properly fulfil their roles on the Board and provide constructive challenge to the Executive Directors. The independence criteria set out in the Code were taken into account as part of the selection process for the four Non-Executive Directors who joined Aviva during 2021 and the Non-Executive Director who joined the Board in February 2022, all of whom were considered to be independent.

During 2021, the Committee determined that all Non-Executive Directors were free from any relationship or circumstances that could affect, or appear to affect, their independent judgement. In line with the Code, over half of our Board members, excluding the Chair, are independent Non-Executive Directors.

Time Commitment

It is vital to the proper functioning of our Board and committees that each Non-Executive Director is able to commit sufficient time to their role in order to discharge their responsibilities effectively. In January 2022 the Nomination and Governance Committee assessed the Non-Executive Directors' time commitment considering both the time required for the Aviva Board and committee appointments and the number and nature of the directors' external commitments and reported the outcome to the Board. All Non-Executive Directors have demonstrated they have sufficient time to devote to their present role within Aviva, including during any potential periods of corporate stress. Michael Mire became Chair of Luther Systems, an enterprise software company, on 21 January 2021 and Patricia Cross became a director of the Future Fund Board of Guardians, Australia's Sovereign

Wealth Fund, on 11 May 2021 and also a director of Transurban Group on 1 June 2021. In January 2022 Jim McConville became a Trustee of the Leuchie Forever Fund and the National Galleries of Scotland. The time commitment and potential conflicts involved in these appointments were assessed by the Board which determined that Michael, Patricia and Jim continued to have sufficient time to commit to the Aviva Board and their committee appointments.

The Senior Independent Director (SID) reviewed the time commitment of the Chair as part of his annual review of the Chair's performance.

Conflicts of Interest

In accordance with the Companies Act 2006, the Company's articles of association allow the Board to authorise potential conflicts of interest that may arise and to impose such limits or conditions as are deemed necessary. The decision to authorise a conflict of interest can only be made by non-conflicted directors (those who have no interest in the matter being considered) and in making such a decision the directors must act in a way they consider, in good faith, will be most likely to promote the Company's success for the benefit of its shareholders as a whole. The Board continues to monitor and note any potential conflicts of interest that each Director may have and recommends to the Board whether these should be authorised and whether conditions should be attached to any such authorisation. The directors are regularly reminded of their continuing obligations in relation to potential or actual conflicts of interest and are required to bi-annually review and confirm their external interests, which helps to determine whether they can continue to be considered independent.

Independent Advice

All directors have access to the advice and services of the Group Company Secretary in relation to the discharge of their duties on the Board and any committees they serve on. Furthermore, any directors may take independent professional advice at the Company's expense. During the year, no directors sought to do so.

The Company arranges appropriate insurance cover in respect of legal actions against its directors and has also entered into indemnities with its directors as described in the 'Other Statutory Information' section in this report.

Role Profiles

Consistent with the Code and the Senior Managers and Certification Regime (SMCR), role profiles for the Non-Executive Chair, SID, Group CEO and Non-Executive Directors are all available at www.aviva.com/about-us/roles.

The Chair is tasked with leadership of the Board, setting its agenda, ensuring its effectiveness, and enabling the constructive challenge of the performance and strategic plans of the Executive Directors by the Non-Executive Directors. The Chair also plays a key role in working with the Board to establish our culture, purpose and values. The Group CEO is the senior executive of the Company and has overall accountability for the development and execution of the Group's strategy in line with the policies and objectives agreed by the Board.

The role of the SID is to provide a sounding board for the Chair and to serve as an intermediary for the other directors where necessary. The SID should be available to shareholders should they have concerns they have been unable to resolve through normal channels, or when such channels would be inappropriate.

Throughout the year the Chair held several meetings with the Non-Executive Directors without management present. Additionally, Patrick Flynn as SID met with other Non-Executive Directors without the Chair present to discuss any matters which they wished to raise.

Induction, Training and Development

A commitment to support the continuing development of all employees is a central part of Aviva's culture. Our directors are highly supportive of this and are committed to their own ongoing professional development. During 2021, the directors participated in internal training sessions on subjects including diversity and inclusion, vulnerable customers, IFRS 17, longevity and cyber security. Further training sessions have been incorporated into the Board and Committee plans for 2022. The Board also receives regular briefings on a range of strategically important matters to ensure they are informed of developments in these areas.

A structured and tailored induction programme was prepared for each of our newly appointed Non-Executive Directors. This covered, amongst other matters, the current financial and operational plan; meeting packs and minutes from recent Board and Committee meetings; stakeholder engagement; organisation structure charts; a history of the Group; role profiles; and all relevant policies, procedures and other governance material. The induction also included meeting key members of the management team and the external and internal auditors. Any knowledge or skill enhancements identified during the directors' regulatory application process would also be addressed through their induction programme.

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Board Calendar

During 2021, 17 Board meetings were held, of which 14 were scheduled meetings and three were additional meetings called to approve certain strategic matters. In addition, the Board delegated responsibility for certain items to specially created Board committees, which met ten times to discuss these items.

If any Directors are unable to attend a meeting, they can communicate their opinions and comments on the matters to be considered via the Chair of the Board or the relevant committee chair.

The Board visited our Norwich offices in September 2021 and in June 2021 the Board held its annual two-day strategy meeting at an offsite location to review progress against our strategic priorities and to consider how these should be further developed to ensure we deliver on our commitments to our shareholders and our wider stakeholders.

Board and Committee Meetings Attendance During 2021

Number of meetings held	Board	Audit Committee	Customer, Conduct and Reputation	Nomination and Governance	Remuneration Committee	Risk Committee
	17	6	6	5	8	6
Chair						
George Culmer	17			5		
Executive Directors						
Amanda Blanc	17					
Jason Windsor	17					
Non-Executive Directors						
Patricia Cross ¹	17	6		2	7	
Patrick Flynn	17	6		5	8	6
Belén Romana García	17	6	6	5		6
Mohit Joshi	17			5		6
Pippa Lambert ²	16		4	4	8	
Jim McConville	17	6	6	5		6
Michael Mire ³	16		6	5	8	5
Martin Strobel ⁴	3	1		1		2

1. Patricia Cross was unable to attend 3 Nomination and Governance Committee meetings and one Remuneration Committee meeting due to prior commitments

2. Pippa Lambert was unable to attend one Board meeting, two Customer, Conduct and Reputation Committee meetings and one Nomination and Governance Committee meeting due to prior commitments

3. Michael Mire was unable to attend one Board meeting and one Risk Committee meeting due to prior commitments

4. Martin Strobel was appointed to the Board as a Non-Executive Director on 22 October 2021 and attended all relevant meetings from that date.

Calendar of Events 2021

January

Approved deleveraging of up to £1 billion

February

Approved the disposal of Aviva France

March

Approved the sale of Aviva Italy and Aviva Poland

Approved publication of Full Year 2020 results

May

Approved £750 million share buyback

Approved Group Solvency II results disclosures

Approved Q1 trading update

June

Approved enhancements to risk management framework

Dedicated Strategy offsite

August

Approved Half-Year results

Approved the updated Board Diversity and Inclusion statement

September

Dedicated Strategy meeting

November

Reviewed options for the mechanism for capital return to shareholders

Approved Q3 trading update

Approved the outcome of the external audit tender

December

Approved the 2022-2024 Group Financial Plan

Approved increase and extension of the share buyback programme

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Outcomes from the 2020 Board evaluation and steps taken in 2021

Focus area	Theme	Feedback/actions
Strategy Implementation	Enhanced oversight of strategy implementation activities	The Board held a strategy offsite in June 2021 and received regular strategic delivery updates during the year in addition to strategic deep dives on individual business areas including Canada, Aviva Investors and UK Life.
Building an effective team	Developing and enhancing the Board as an effective team	Following the easing of COVID-19 restrictions during the year, there have been opportunities for the Board to meet formally through in-person Board and Committee meetings and informally through Board engagement sessions and training.
Focusing on performance	Delivering core business performance and driving accountability	The Board received regular strategic delivery updates together with enhanced financial performance MI to give the Board a greater insight into business performance and drive management accountability.

Board Evaluation

The effectiveness of the Board is vital to the success of the Group. The Board undertakes a rigorous evaluation process each year to assess how it, its committees and individual directors are performing. In line with the Code recommendations the Board decided to conduct an external evaluation in 2021. The external evaluation was facilitated by Independent Board Evaluation (IBE). IBE is an external Board evaluation facilitator which has no other connection with Aviva or any individual directors.

Interviews were conducted with each Board member, along with the observation of Board and Committee meetings and the final report was presented to the Board in early 2022. The Board considered the final report and the recommendations which were shared with each committee, and an action plan for areas of further focus was agreed.

Committee Effectiveness

As part of the Board effectiveness review process, each committee considers the feedback from the Board evaluation exercise and develops an action plan as appropriate.

The outcomes from the 2020 evaluation and the resulting actions completed in 2021 to address the issues identified are outlined in the table below.

Frameworks for Risk Management and Internal Control

The Board is responsible for promoting the long-term success of the Company for the benefit of shareholders, as well as taking account of other stakeholders including employees and customers. This includes ensuring that an appropriate system of risk governance is in place throughout the Group. To discharge this responsibility, the Board has established frameworks for risk management and internal control using a 'three lines of defence' model and reserves for itself the setting of the Group's risk appetite.

In-depth monitoring of the establishment and operation of prudent and effective controls in order to assess and manage risks associated with the Group's operations is delegated to the Risk, Customer, Conduct and Reputation and Audit Committees which report regularly to the Board. However, the Board retains ultimate responsibility for the Group's systems of internal control and risk management and has reviewed their effectiveness during the year. The frameworks for risk management and internal control play a key role in the management of risks that may impact the fulfilment of the Board's objectives. They are designed to identify and manage, rather than eliminate, the risk of the Group failing to achieve its business objectives and can only provide reasonable and not absolute assurance against material misstatement or losses. The frameworks are regularly reviewed and were in place for the financial year under review and up to the date of this report. They help ensure the Group complies with the Financial Reporting Council's (FRC) guidance on Risk Management, Internal Controls and related financial and business reporting.

The Risk Committee, on behalf of the Board, conducted a robust annual assessment of the Group's emerging and principal risks. The outcome of the assessment was reported to and discussed at the Board. In addition to this annual assessment, the Risk Committee regularly conducted an assessment of the principal risks facing the Company, the conclusion of which was also shared with and discussed by the Board. The annual assessment included those emerging risks that could impact the Group's business model, future performance, solvency and liquidity and therefore required management prioritisation and action. Specifically the Board considered the principal risks facing the Company when approving the Group business plan. During 2021, the Risk Committee received updates on a number of emerging risks and sources of economic uncertainty and associated mitigating actions by management. Likewise, the Customer, Conduct and Reputation Committee also received updates on emerging threats to the Group's reputation and conduct risk profile.

Emerging risks were also taken into account by the Risk Committee and management in the design of scenarios which are intended to stress test the Group's three-year business plan, recovery plan, climate change impacts, decisions on the return of capital to shareholders and operational resilience.

The Company's approach to risk and risk management together with the principal risks that face the Group are explained within the Risk and risk management section of the Strategic report.

Risk Management Framework

The Risk Management Framework (RMF) is designed to identify, measure, manage, monitor and report the principal risks to the achievement of the Group's business objectives and is embedded throughout the Group. It is codified

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through risk policies and business standards which set out the risk strategy, appetite, framework and minimum requirements and controls for the Group's worldwide operations. Further detail is set out in note 57.

Internal Controls

Internal controls facilitate effective and efficient operations, the development of robust and reliable internal reporting and compliance with laws and regulations. Group reporting manuals in relation to International Financial Reporting Standards (IFRS) and Solvency II reporting requirements and a Financial Reporting Control Framework (FRCF) are in place across the Group. The FRCF relates to the preparation of reliable financial reporting, covering both IFRS, Solvency II, Alternative Performance Measures (APM) and local statutory reporting activity.

The FRCF process follows a risk-based approach, with management identification, assessment (documentation and testing), remediation (as required), reporting and certification over key financial reporting related controls.

During 2021 the Aviva Group has continued its focus on improving operational resilience by completing its annual programme of disaster recovery testing, including those applications hosted in the Cloud, the strengthening of its cyber security controls and regular programme of cyber scenario testing. Significant control investment has been made during 2021 to ensure Aviva's IT environment remains protected against security vulnerabilities, including any exposures arising from Aviva's divestments.

The principal committees that oversee risk management are as follows

The Risk Committee	The Customer, Conduct and Reputation Committee	The Audit Committee
Assists the Board in its oversight of risk and risk management across the Group and makes recommendations on risk appetite to the Board. Reviews the effectiveness of the RMF, and the methodology in determining the Group's capital and liquidity requirements. Ensures that risk management is properly considered in setting remuneration policy. Oversight of conduct risk is supported by reporting from the Customer, Conduct and Reputation Committee (CCRC).	Works closely with the Risk Committee and is responsible for assisting the Board in its oversight of operational risk across the Group, particularly delivering good customer outcomes and compliance with our corporate governance principles. The CCRC also provides oversight of the Aviva Sustainability Ambition. The CCRC is a sub-committee of the Risk Committee.	Works closely with the Risk Committee and is responsible for assisting the Board in discharging its responsibilities for the integrity of the Group's financial statements, the effectiveness of the system of internal controls and for monitoring the effectiveness, performance and objectivity of the internal and external auditors. The Committee also recommends the appointment and remuneration of external auditors.

First Line – management monitoring

The Group Executive Committee and each market Chief Executive Officer are responsible for the application of the RMF, for implementing and monitoring the operation of the system of internal control and for providing assurance to the Audit, Customer Conduct and Reputation and Risk Committees and the Board.

Second Line – risk management, compliance and actuarial functions

The Risk Management function is accountable for the quantitative and qualitative oversight and challenge of the identification, measurement, monitoring and reporting of principal risks and for developing the RMF.

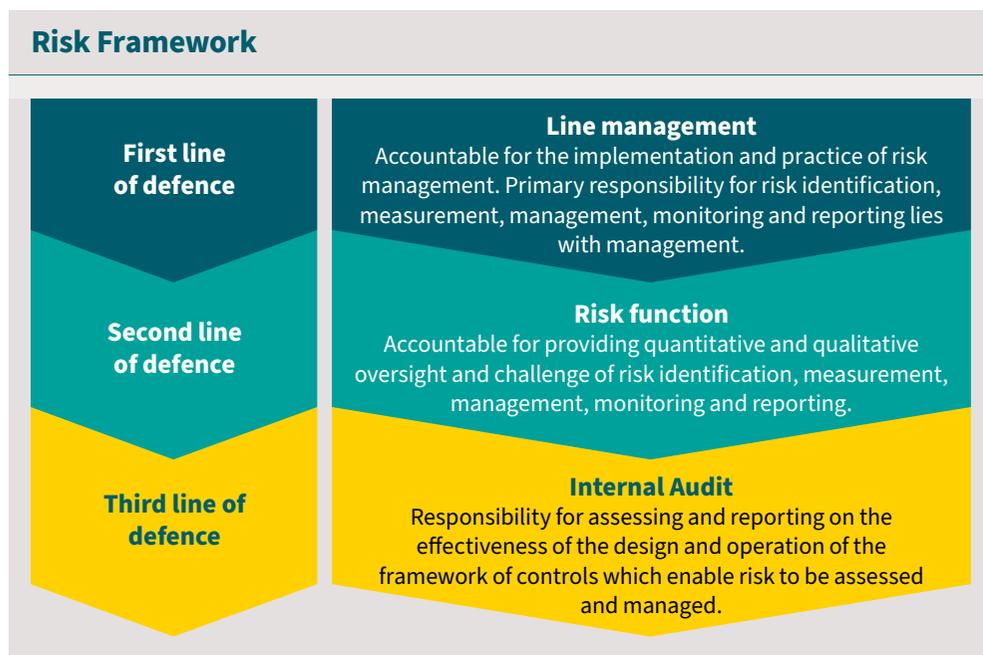
The Actuarial function is accountable for the Group-wide actuarial methodology, reporting to the relevant governing body on the adequacy of

reserves and the appropriateness of the Solvency II internal model, as well as underwriting and reinsurance arrangements.

The Compliance function supports and advises the business on the identification, measurement and management of its regulatory, financial crime and conduct risks. It is accountable for maintaining the compliance standards and framework within which the Group operates and monitoring and reporting on its compliance risk profile.

Third Line – internal audit

The Internal Audit function provides independent and objective assessment on the robustness of the RMF and the appropriateness and effectiveness of internal control to the Audit, Customer, Conduct and Reputation and Risk Committees, market audit committees and the Board. Further information can be found in the Audit Committee report.



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Board Oversight of Risk Management

The Board's delegated responsibilities regarding oversight of risk management and the approach to internal controls are set out on the previous pages. There are good working relationships between the Board committees, and they provide regular reports to the Board on their activities and escalate significant matters where appropriate. The responsibilities and activities of each Board committee are set out in the committee reports.

Assessment of Effectiveness of Risk Management

Each business unit Chief Executive Officer is required to make a declaration that the Group's governance, and system of internal controls are effective and are fit for purpose for their business and that they are kept under review throughout the year.

Any material risks not previously identified, control weaknesses or non-compliance with the Group's risk policies or local delegations of authority must be highlighted as part of this process. This is supplemented by investigations carried out at Group level and a Group CEO and CRO declaration for Aviva plc.

The effectiveness assessment draws on the regular cycle of assurance activity carried out during the year, as well as the results of the annual assessment process. During 2021, this has been supported by the application of the Group's Operational Risk & Control Management (ORCM) framework.

The details of key failings or weaknesses are reported to the Risk and Audit Committees and the Board on a regular basis and are summarised annually to enable them to carry out an effectiveness assessment.

The Risk Committee, working closely with the Audit Committee, on behalf of the Board carried out a full review of the effectiveness of the systems of internal control and risk management during the year, covering all material controls, including financial, operational and compliance controls and the Risk Management Framework (RMF). In addition, Internal Audit plays a significant role in contributing to the routine ongoing assessment of the Group's Risk & Control Management framework. There has been regular reporting to the committees throughout the year to ensure that outstanding areas of improvement are both identified and remediated.

The reports to the Audit and Risk Committees also enabled ongoing oversight of the management of any risks associated with the businesses divested during the year. Areas of continued focus remain the operational risk and control environment risk profile, cyber security and risk management through major change. Specific areas for improvement were also identified in India. The Risk Committee, working in conjunction with the Audit Committee, on behalf of the Board, will continue to monitor the effectiveness of risk management throughout 2022.

The RMF of a small number of our joint ventures and strategic equity holdings can differ from the RMF outlined in this report but with a strong focus on local regulatory compliance. We continue to work with these entities to ensure appropriate management of risks and to align them, where possible, with our framework.

Communication with Shareholders

The Company places considerable importance on communication with shareholders. The Executive Directors have an ongoing dialogue and a programme of meetings with institutional investors, fund managers and analysts which are managed by the Company's Investor Relations function. The Chair also meets with all the Group's major shareholders. At those meetings a range of issues is discussed within the constraints of information already made public to understand shareholders' perspectives. Shareholders' views are regularly communicated to the Board through reports from the Group CEO and Group CFO and weekly briefings from our corporate brokers and the Investor Relations function. The Senior Independent Director (SID) was available to meet with major investors to discuss any concerns that could not be resolved through normal channels.

2022 Annual General Meeting (AGM)

The 2022 AGM will be held on Monday 9 May 2022 and the Notice of AGM and related papers will be sent to shareholders at least 20 working days before the meeting. The AGM provides a valuable opportunity for the Board to communicate with private shareholders. Shareholders are invited to ask questions related to the business of the meeting at the AGM and a presentation will be given on the Group's performance. Further details on the AGM are provided in the Shareholder Services section of this report. A General Meeting of the Company to approve certain matters in relation to the return of capital to shareholders will also be held on 9 May 2022 after the conclusion of the AGM.

Due to the restrictions associated with the COVID-19 pandemic, it was not possible to put in place our usual AGM arrangements for the 2021 AGM. Shareholders were not able to physically attend the meeting and therefore the AGM was held at our registered office with facilities for electronic attendance. Shareholders were invited to join the meeting virtually to ask questions (which could be submitted in advance of the meeting) and vote on resolutions.

Other disclosures relevant to our Directors and Corporate Governance report are included in the reports of our committees and in the 'Other statutory information' section.