

Our sustainability ambition



Aviva can only prosper alongside the societies where we live and work, and of course as insurers we are directly exposed to the consequences of climate change.

We are committed to do our part, working with other businesses, governments, regulators and communities, to help get ready for the challenges and opportunities of the future; and to help enable the transition to a low-carbon world.



Stephen Doherty
Group Chief Brand and Corporate
Affairs Officer



Social Action

We aim to help build stronger communities.

[Read more on social action](#)



Climate Action

We have an ambition to be Net Zero by 2040.

[Read more on climate action](#)



Sustainable Business

We act to embed sustainability into the way we run our business.

[Read more on sustainable business](#)



Our sustainability ambition

Social Action

For over 300 years Aviva has played a part in the lives of our customers, forming long-standing connections with communities.

Whether it's helping people prepare for retirement, protect their belongings or look after their health, we help customers look forward with financial confidence. We want to play a part in making more people financially secure.

Investing for the future benefits our customers, and the communities we operate in. The scale of our investments gives us ability to invest in community infrastructure – everything from the regeneration of towns and cities and social housing through to investment in green energy.

Sustainable Business

We are embedding sustainability into our leadership decisions and day-to-day business activities. We have clear policies and a robust governance structure in place to ensure high standards across fundamental issues of diversity, equity and inclusion, wellbeing, upholding human rights, business ethics, responsible use of data and ensuring our supply chain is responsible and sustainable.

Climate Action

Climate change represents one of our planet's biggest risks. The ways in which the insurance sector could be affected by the climate crisis are diverse and are interconnected with other sustainability issues. So we're taking an active role in tackling it.

As a major investor and underwriter we can help to enable the transition to a low-carbon future.

As we move towards our ambition to become Net Zero by 2040 we continue to reduce the impact of Aviva's operations. We're also helping communities start to become more climate-ready by offering our customers some choices in terms of climate-friendly products, influencing our suppliers and the companies we invest in, helping the broader transition to a more climate resilient economy, and being part of shaping a response to the twin crises of climate breakdown and biodiversity.

We set out our ambition in March 2021. At the time, and indeed today, the pathways to Net Zero were not well understood. Furthermore, government action on policy and development of new technologies were and still remain of fundamental importance to create the conditions for success.

Without good progress on these issues, achieving our climate ambitions will become increasingly challenging. We recognise that while we have control over Aviva's operations and influence on its supply chain, when it comes to decarbonising the economy in which we operate and invest, Aviva is one part of a far larger global ecosystem.

We have learnt a lot, and the complexities and challenges are coming into sharper focus. There remain difficulties over measurement and data reliability, in particular the emissions from Aviva's investments and underwriting captured as part of Scope 3 reporting which is not an area where we can achieve our goals in isolation.

There are also limits to our ability to influence other organisations and governments. Nevertheless we remain focused on the task and are committed to playing our part in the collective effort to enable the global transition.

Progress across our ambition

Highlights in 2023 include developing a new focused approach to help to deliver social action in the communities where we live and work across the UK. We became the Founding Place Partner with Business In The Community (BITC) and will support BITC's ambition to help transform 50 places in the UK over the next ten years, working collaboratively with other businesses towards a shared aim.

We've continued to support the regeneration of communities, Aviva Investors have invested £9.5 billion in UK infrastructure and real estate between 2020 and 2023; and during 2023 Aviva Capital Partners also invested in projects that provide benefits to society. From social housing to charging networks for electric vehicles, ultra-low carbon homes to development of a world-leading cancer research and treatment hub, Net Zero carbon schools to windfarms, we are helping the UK and other economies we operate in to get ready for the future.

We contribute annually to community investment across a variety of programmes aimed at helping people in the communities where we live and work. In 2023 the amount we contributed to this work was £32.5 million.

We've pledged £87 million to nature based solutions projects. These projects will run for between 17 and 60 years, working to capture carbon, contributing towards flood resilience and helping to restore natural habitats.

During 2023 we achieved 100% renewable electricity for Aviva's operations.

Our sustainability ambition

Sustainability at a glance



AR

Data subject to independent reasonable assurance by PwC¹

AL

Data subject to independent limited assurance by PwC¹

RC

Definition in Aviva plc Reporting Criteria 2023

1. This indicates that the data was subject to external independent limited/reasonable assurance by PricewaterhouseCoopers LLP ("PwC"). For the results of that assurance, see Aviva plc Climate-related Financial Disclosure 2023 Independent Assurance section and Aviva plc 2023 Reporting Criteria Independent Assurance.

Social Action

RC AL

Amount of community investment

Aim: 2% average Group adjusted operating profit invested in the community annually



2.2% invested in 2023

RC

Estimated number of people benefitting from community investment programmes



819k people benefitted in 2023

RC AL

% of UK adult population saving or retiring with Aviva

Aim: >13% saving or retiring



14% saving or retiring with Aviva in 2023

RC AR

Investment in UK infrastructure and real estate

Aim: £10bn by 2023 from end 2020



£9.5bn invested by 2023

Our sustainability ambition

Climate Action

RC AL

Aviva's Scope 1 and Scope 2 operational emissions reduction

Aim: 90% by end of 2030 from a 2019 baseline



50% reduction since 2019

RC

Reduction in the Scope 1 and Scope 2 weighted average carbon intensity of our credit and equity investments for shareholder and with-profit funds



57% reduction since 2019

RC

% of suppliers by spend signed up to science-based targets

Aim: 70% by 2025



35% suppliers by end 2023

RC AR

% of women in senior management

Aim: 40% by 2024



40.6% women in senior management positions

RC AL

% of employees who would recommend Aviva as a great place to work



88% employees recommend Aviva

RC AR

% of ethnic diversity in senior leadership roles in the UK

Aim: 12.5% by 2023



10.8% ethnic diversity in senior management positions

The ambition of 12.5% is yet to be reached due to challenges with recruitment and market competition for the same talent.

Social action

We aim to help build stronger communities

Helping customers and communities

We are focused on helping people get ready for climate, financial and health shocks. This is not only through the 14% of the UK adult population who save or retire with Aviva but also in other ways such as the support we give to customers who may be struggling to pay their premiums.

Our customers and communities faced significant challenges in 2023, such as the cost of living crisis, so we have focused community investment on helping households build their financial resilience. We continue to offer customers the flexibility to reduce their cover and monthly payments through our payment-deferral. We also offer a range of affordable motor and home propositions through QuoteMeHappy Essentials - helping people save money while maintaining peace of mind.

Community Investment

As part of our focus upon building stronger communities we contribute an average of 2% of our Group adjusted operating profit to community investment. In 2023 the amount we contributed to communities was £32.5 million which represented 2.2% of our Group adjusted operating profit.

In 2023 over 800,000 people have benefitted from our community investment programmes across the UK, Ireland and Canada.

Our Aviva Community Fund has formed a key part of our approach since it was launched in 2015. In 2023 the Fund helped 531 inspirational community projects across the UK raise £7 million. This was made up of match-funding donations of £2.7 million from Aviva in addition to partner donations and crowdfunding.

Citizens Advice

In 2022, during the UK cost of living crisis, Aviva partnered with Citizens Advice. We've contributed £7 million to help deliver vital front line services that are seeing unprecedented levels of demand.

During 2023 our partnership has:

- Delivered support to 31 offices, funded 50 telephone based advisors and digital services
- Identified £1.2 million of additional income for individuals - including over £800,000 in new benefit claims
- Supported 14,000 people with 26,000 complex issues

Aviva Foundation

Aviva's independent charity provided £1.1 million of funding focused on building financial resilience for underserved groups.

In 2023 the Foundation:

- Supported neurodiverse people and their families via a hub giving resources and tools to help develop financial skills
- Helped Moneyline deliver financial services to some of the lowest income households in the UK
- Worked with the Living Wage Foundation to tackle in-work poverty

We learn from this work to help us consider how we can serve our customers better, particularly our vulnerable customers.

Social action through volunteering

All Aviva colleagues can take three days volunteering leave every year - helping to engage our people with our purpose to be 'with you today for a better tomorrow'.

In 2023 our people volunteered for 87,599 hours, more than double the hours in 2022. A total of 159,863 hours between 2020 and 2023, moving us closer to our goal of delivering 300,000 hours of volunteering between 2020 and 2025.

Discover thousands of the amazing causes we've supported on the interactive Aviva Community Fund map

Aviva Community Fund Map
An interactive map enabling exploration of some of the projects supported by Aviva Community Fund across the UK.



Social action

Investing in the UK

We are committed to making investments in UK infrastructure and real estate that play a role in building stronger communities and generate income for our customers

Aviva Investors, our global asset management business has invested in UK infrastructure and real estate projects between 2020 and 2023. These investments, on behalf of savers and investors, have helped support job creation across the UK.

We've invested £9.5 billion over that period, against our ambition of £10 billion by the end of 2023, reflecting good progress despite challenging market backdrop.

Funding family homes through real estate investment

In February 2023 Aviva Investors acquired a site in Ipswich with planning for over 160 family homes. The site covers more than seven acres and will provide almost 160,000 square feet of housing once complete, delivering a community of two-bed, three-bed and four-bed homes. The site is part of a growing single-family rental platform in partnership with specialist Build-to-Rent developer Packaged Living.

It is one of several residential developments currently being undertaken by Aviva Investors as it continues to increase the supply of affordable homes across the UK and Europe, including the construction of 195 affordable, energy-efficient homes in the West Midlands.

Aviva Investors and Packaged Living will place environmental credentials at the forefront of the scheme's design, with homes using air source heat pumps for heating needs, rather than gas or electric boilers, and electric vehicle (EV) charging infrastructure to be fitted on each house.

Investing in future mobility

Outside of the UK, in October 2023 Aviva Investors completed a €30 million investment with EV charging specialist Erapid in Ireland. (Trading in Ireland as CarCharger EV Limited) and EasyGo – Ireland's largest private car charging network provider. Erapid will use the funds to develop further sites across its growing EV charger network as it continues to scale its business.

This follows Aviva's investment in Connected Kerb to support the delivery of 190,000 on-street EV chargers across the UK by 2030.



Image:
CGI, Merchants
Yard, Ipswich

Social action

Investing in the UK's energy transition

In August 2023 we agreed to provide financing for the acquisition of offshore transmission assets at the Hornsea Two offshore wind farm. The investment, completed on behalf of Aviva's Insurance, Wealth and Retirement business, cemented Aviva Investors' position as the second-largest non-bank provider of infrastructure debt financing in Europe¹.

Located 90km off the Yorkshire coast, Hornsea Two wind farm consists of 165 eight megawatt turbines. This is the third transaction where Aviva has provided debt financing to support the purchase of offshore transmission operator assets (OFTOs) following investments in the Hornsea One and Galloper windfarms.

Between 2020 and 2023 Aviva provided approximately £1.7 billion of financing for renewable energy infrastructure projects.

£1.7 billion

of financing provided for
renewable energy
infrastructure projects
from 2020 to 2023

Investing in cancer research

In October 2023 we announced that Aviva Capital Partners² and Socius would partner with the London Borough of Sutton and work with the Institute for Cancer Research, the Royal Marsden NHS Foundation Trust and Epsom & St Helier University Hospitals NHS Trust on the development of a world-leading district for cancer research and treatment - the London Cancer Hub.

The multi-phase development, which consists of a one million square foot life sciences district on a five hectare site, will create a state-of-the-art life science district dedicated to research and treatment of cancer.

The London Cancer Hub aims to deliver major social and economic benefits including c.13,000 highly skilled jobs in health, science, education and construction.

1. Inframation Lenders League Table, July 2023

2. Outside of the £10 billion investment in Infrastructure & Real Estate KPI. Investment in the London Cancer Hub is via Aviva Capital Partners.



Image:
Hornsea wind farm

Social action

Community regeneration

We are committed to supporting the regeneration of the communities we live and work in through strategic partnerships

Taking action in our communities

Aviva is partnering with BITC and other organisations with the aim to improve fifty communities in the UK in the next ten years. Aviva will have particular involvement in the Sheffield and Norwich projects where we have a major presence and long standing commitment to the community.

Aviva's involvement includes providing skilled volunteering and secondment opportunities for colleagues to help build the programmes. This includes working with schools in these areas to bridge the gap between school and employment and supporting parents with reading, writing and digital literacy.

WWF Partnership

Our partnership with World Wide Fund for Nature (WWF), now in its third year, continues working to build stronger communities by restoring landscapes, improving flood resilience and helping to realign the financial system to help in the fight against climate change.

The focus in 2023 was on funding community focused, nature-based projects to help habitats thrive and supporting research on how UK habitats can play a role in fighting climate change and removing carbon emissions from the atmosphere. We continued to support projects in communities across the UK including restoration of woodland and peatland in the Yorkshire Dales, natural flood management in East Anglia and in Leicestershire and marine restoration in the Firth of Forth.

Save Our Wild Isles Community Fund

The UK is one of the most nature-depleted countries in the world¹. Working with WWF and the Royal Society for the Protection of Birds (RSPB), Aviva donated £1 million to the Save Our Wild Isles Community Fund in 2023 to help community groups across the UK to protect and restore nature in their local area. The fund focused on supporting communities in areas where the need is greatest, specifically those that are ranked 1-5 according to the Index of Multiple Deprivation (IMD), and was open to community groups who were working towards achieving the following outcomes:

- Nature restoration – activities that aim to boost local biodiversity by protecting or restoring habitats, creating space for nature, connecting green spaces and addressing activities that directly impact biodiversity.

- Nature connectedness and pro-environmental behaviours – action that supports greater connection to nature and promotes pro-environmental behaviours at the community level that will benefit nature.
- Community cohesion and connection – nature-positive activities that encourage collaboration in the local community by connecting people of diverse backgrounds, generations and abilities to nature and to one another.

During 2023 the projects raised over £2.5 million (including the £1 million from Aviva) across 249 community groups to protect and restore nature in the UK.

1. State of Nature 2023 - report on the UK's current biodiversity, September 2023

£2.5 million

raised by the Save Our Wild Isles Community Fund across

249

community groups supported in protecting and restoring nature in the UK.

Discover projects supported by the Save Our Wild Isles Community Fund



Image:
The Cotswolds,
Oxfordshire, UK

Climate action

The ways the insurance industry will be affected by the climate crisis are diverse and are interconnected with other sustainability issues

Our strategic response focuses on the transition, physical and litigation risks and related opportunities as they relate to our work as an asset manager, asset owner, savings and pensions provider, and for our insurance business. We seek to minimise our exposure to the downside risks arising from the transition to a low carbon future (e.g. new climate policies) and physical effects (e.g. flood, windstorms and heavy precipitation).

We also consider the impact of global geopolitical environment on both current and emerging risks for the potential second and third order impacts, for example the impact of climate policies on the global supply chain.

We assess climate risks and opportunities over short, medium and long term time horizons. Climate change and the risks associated with it are core to a business like Aviva.

We believe Aviva becoming Net Zero is in the best interests of our customers and clients, as well as the long-term continuity of our business model and the wider environment in which we operate.

We aim to protect and restore biodiversity and understand the impact of climate change on our investments and underwriting.

In 2022, Aviva became the first international composite insurer to have carbon-reduction goals validated by the Science Based Targets initiative (SBTi).

Towards this journey, we have near term ambitions to reduce emissions:

- We have a validated SBTi target to reduce Aviva's Scope 1 and Scope 2 operational emissions by 90% from a 2019 baseline by end of 2030.
- We are also aiming to reduce the carbon intensity of Aviva's Scope 3, category 15 investments (currently investee Scope 1 and Scope 2 emissions from credit and equities, direct real estate and sovereigns for shareholder and policyholder assets) by 60% from a 2019 baseline.

We recognise that while we have control over Aviva's operations and influence on its supply chain, when it comes to decarbonising the economy in which we operate and invest and the risks we underwrite, Aviva is one part of a far larger global ecosystem.

As the wider society make choices towards their own Net Zero journey, this could impact business models and decarbonisation cost.

As such we depend on governments and regulators working together to create the right conditions for success. That's why we aim to use our influence to advocate for systemic changes to the international financial architecture, collaborating across industry through partnership and alliances.

We are also grappling with the challenge of understanding and measuring Scope 3 emissions, in other words the emissions arising from the value chain of our customers, investees and suppliers.

There are continued challenges towards measurement of Scope 3 emissions and associated complexity, due to limited and unsophisticated data and methodologies. This includes the risk of significant double counting or worse if multiple organisations are reporting on the same emissions. We want to target emissions which we can reliably measure.

[Read more on our Climate-related Financial Disclosure](#)



Climate action

Climate action highlights

We have made progress towards our climate ambitions in 2023, across our climate focus areas



Addressing climate change isn't just about adapting to new realities; it's an opportunity to invest in a sustainable future and a pathway to resilience, innovation and long term value creation.



Claudine Blamey
Group Director of Sustainability

Reducing Aviva's operational emissions

- We have achieved a 50% reduction in Aviva's operational carbon emissions Scope 1 and 2 against our 2019 baseline.
- During 2023, we confirmed that 100% of our 2022 electricity used by Aviva's operations was from certified renewable sources and therefore we have achieved RE100¹ and this is earlier than previously planned.

Influencing our supply chain

- We hosted our second supplier summit in November 2023 which was attended by over 100 of our supply chain partners to update on our Net Zero agenda and to provide opportunities for education and collaboration.

Providing finance for renewables

- We are providing investment financing to help connect offshore windfarms to the national grid, including Hornsea Two, located 90km off the Yorkshire coast in the UK.

Working with investee companies

- Aviva Investors have engaged with the 30 most systemically important carbon emitters in our portfolio, to work together on the challenges of transitioning to a low-carbon economy.
- Supported the installation of 190,000 on-street electric vehicle (EV) chargers across the UK by providing £110 million to Connected Kerb and €30 million to Erapid in Ireland.

Reducing the carbon intensity of our investments

- We achieved our sustainable assets target of £6 billion of origination compared to a 2019 baseline, a year early.
- Our Scope 1 and Scope 2 weighted average carbon intensity for credit and equities has reduced since 2022 by 22%.
- Our temperature alignment score was 2.4°C at 31 December, tracking the global implied temperature rise aligned with the Paris Agreement target of limiting global warming to well below 2°C, and preferably 1.5°C above pre-industrial levels by end of 2100. The methodology to estimate temperature alignment is nascent and is expected to develop as more robust data becomes available.

Insuring the transition

- Extended our renewable energy insurance offering to include offshore wind.
- Started insuring engineered timber in commercial property developments.
- Launched our EV content hub which provides users with EV guidance. We also introduced stand alone insurance cover for EV charging points.
- Our Aviva Zero motor product, offering customers the opportunity to offset car emissions, was launched in 2022, and continues to grow with over 500,000 policies sold since launch.

1. RE100 is the global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity

50%

Aviva's operational Scope 1 and Scope 2 emissions reduction from a 2019 baseline

Read more within our Climate-related Financial Disclosure

Climate action

Supply chain and investments emissions

GHG emissions are split into three scopes:

- Scope 1 - direct emissions from company sources;
- Scope 2 - indirect emissions released in production of energy used by the company; and
- All 'other emissions' that are a consequence of a company's activities across its value chain, referred to as Scope 3 (over 90% of the total).

Reducing Scope 3 carbon emissions

Reducing Scope 3 emissions relies on us working with others to achieve carbon reduction.

In line with many other organisations we are working to influence the reduction of emissions not in our direct control but also to better understand and measure our Scope 3 emissions through improving our data capabilities in line with industry developments and standards.

Reduction in supplier emissions

Supply chain contributes to indirect emissions that occur in our value chain. We are engaging with our suppliers and working to align them to our Net Zero ambitions.

Our near-term goal is for 70% of Aviva's suppliers (by spend) to set science-based targets by 2025.

To deliver this we implemented a number of initiatives in 2023:

- We are supporting new and existing suppliers with clear sustainability guidance as part of the contracting process.
- Sustainability and carbon questions are included in all our Request For Proposal (RFP) and Request For Information (RFI) processes and form part of our consideration for purchasing decisions.
- Sustainability and carbon questions are a part of our supplier onboarding process.
- We introduced incentives for suppliers that meet our sustainability requirements.
- Sustainable sourcing training will be conducted annually to upskill all our buyers to equip them with the knowledge required to engage suppliers on sustainability.

By the end of 2023, 35% of suppliers by spend had already signed up to Science-based targets.

Reduction in the carbon intensity of our investments

Measuring and reducing the carbon intensity of our investments will contribute to a significant reduction in our indirect emissions.

We are aiming to reduce the carbon intensity of Aviva's Scope 3 category 15 investments (currently includes investee Scope 1 and Scope 2 emissions from credit, equities, direct real estate and sovereigns for shareholder and policyholder assets) by 60% by 2030 from a 2019 baseline. Investment emissions are the portion of investees' emissions attributed to Aviva based on its share of investment or level of funding.

Our metrics include investee Scope 1 and 2 emissions. There are concerns with Scope 3 of investee emissions including double counting, data quality and level of estimation.

Our investment exclusion policy (launched in November 2022) came into operation and a number of divestments that were completed in 2022 removed carbon intensive investments. We can also expect to see carbon intensity reduce as the companies that we invest in and those that we engage with continue on their own carbon reduction journeys.

By the end of 2023, we had reduced the Scope 1 and Scope 2 weighted average carbon intensity of our credit and equities (shareholder and with-profits) by 57% against a 2019 baseline.

We also provide a temperature alignment score to show our level of alignment to a 1.5°C global warming pathway.



Read more within our Climate-related Financial Disclosure

Restoring rare native British rainforests

We're partnering with The Wildlife Trusts to help restore the UK's temperate rainforests. This partnership is part of our nature based solutions programme.

In February 2023 Aviva announced a £38 million partnership with The Wildlife Trusts to restore Britain's lost temperate rainforests in the UK over the next 60 years. Native to the British Isles, temperate rainforest is an incredibly rare and biodiverse habitat that now covers less than 1%¹ of the UK. It is thought to be more rare than tropical rainforests.

The pledged donation aims to support work to re-establish temperate rainforest by planting a combination of native species including oak, birch, holly and rowan across c.5,200 acres.

Work is already well underway connecting existing temperate rainforest sites in the Isle of Man, North Wales and Devon.

The restored rainforests aim to remove c.800,000 tonnes of carbon dioxide from the atmosphere over the next 100 years, equivalent to the emissions created by one person taking over 740,000 transatlantic flights². Restoring these rainforests isn't just about meeting environmental targets. It's also about providing a better tomorrow by protecting and restoring biodiversity, providing increasing flood protection, and addressing the ongoing nature crisis by adding to the natural beauty and cultural heritage of each site³.

1. NERC EDS Centre for Environmental Data Analysis, 2021
2. Calculated using BEIS GHG conversion factors of 0.19kg/CO₂e per passenger km
3. Projects include creation of verified carbon removals credits



Climate action

Nature based solutions

Protecting and restoring the planet's precious biodiversity through nature based solutions is an integral part of Aviva's commitment to sustainability

Nature based solutions work to remove carbon from the atmosphere by improving habitats and biodiversity. A priority set out in our Climate-related Financial Disclosure 2022 was to launch further Aviva nature based carbon removal partnerships in the British Isles, as well as similar projects in Canada.

During 2023 we announced a number of partnerships as part of our plan to remove carbon from the atmosphere in this way. We have donated money to a number of partners with the aim of developing the market for investment in nature-based carbon sequestration projects. The projects our partners are undertaking with our funding will demonstrate the co-benefits of carbon sequestration, nature restoration, flood resilience and social and community benefit. Creation of verified carbon removals credits from projects to support Aviva's Net Zero ambition is a key part of demonstrating the long-term investment potential of nature based solutions.

To monitor our projects a carbon measuring framework is in place for each partnership. This is monitored regularly for the duration of the partnership. We also regularly visit the project sites for all partnerships to validate progress.

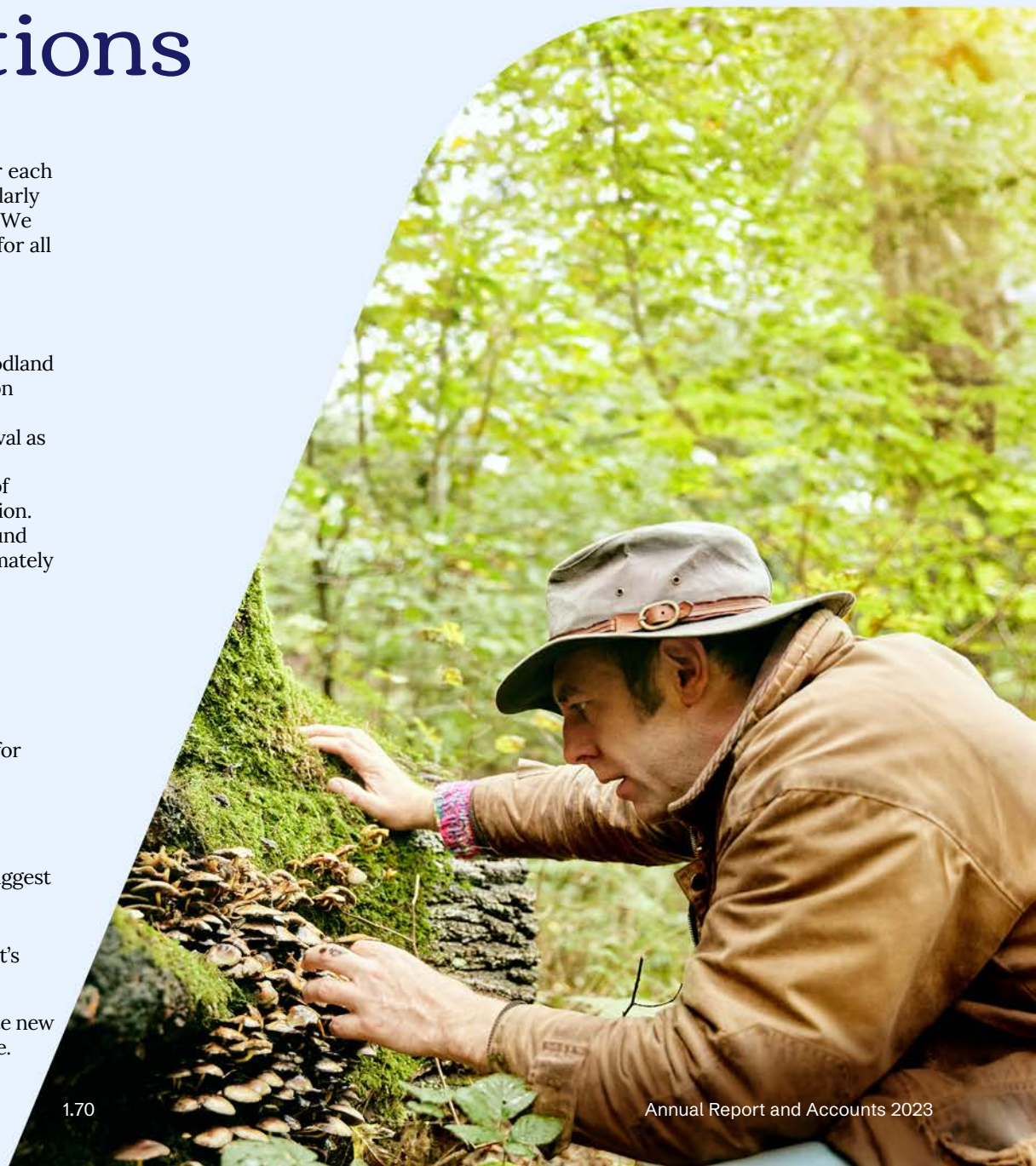
The Woodland Trust

In February 2023 we announced a £10 million partnership with the Woodland Trust to support its Woodland Carbon Scheme over the next 18 years. The funding aims to deliver carbon removal as well as improving air quality and biodiversity through a combination of woodland creation and peat restoration. Through the partnership Aviva will fund projects that aim to remove approximately 330,000 tonnes of carbon from the atmosphere over the next 100 years.

The projects are spread across the UK at a number of Woodland Trust sites including three 'Hero' sites:

- Green Farm, Norfolk – close to Aviva's Norwich offices, the plan is for the site to be a mosaic of broadleaf woodland, wood pasture, grassland and hedgerows.
- Snaizholme, the Yorkshire Dales – aiming to create one of England's biggest new native woodlands.
- Smithills, Lancashire – The project aims to rewet peat bogs at the Trust's largest site in England.

It is planned that these sites will create new reserves that people can enjoy for free.



Climate action



Image:
Suffolk marshland, UK

Wildfowl and Wetlands Trust (WWT)

In June 2023 we partnered with the WWT, the charity for wetlands and wildlife, on an innovative saltmarsh creation project, one of the largest in the UK. Aviva has pledged to donate £21 million to the WWT aiming to help restore up to 250 hectares of saltmarsh over the next 17 years.

It is thought that saltmarsh has a significant role to play in fighting climate change and reversing nature loss by providing a long-term, natural store of carbon and creating a rich and unique habitat for plants and animals specially adapted to the conditions. Saltmarsh has also been estimated to protect more than c.90,000 properties and more than c.£2 billion of assets¹ through reducing flooding in the UK. It is estimated that c.85% of English saltmarsh has been lost in the last c.200 years.

1. ONS. Saltmarsh flood mitigation in England and Wales, natural capital: 2022. Released 15 July 2022.

Wild + Pine

In December 2023, as part of Aviva's first nature based carbon-removal partnership in Canada, we pledged donations of c.\$CAD6.2 million to our work with Wild + Pine, who develop verified carbon removal assets through afforestation to achieve climate goals. The partnership will run for 12 years and aims to restore landscapes and improve biodiversity in the region.

The partnership will work on a project called StoneWoods Forest Carbon which covers c.520 hectares of land in Alberta. It is estimated by Wild + Pine that the project aims to sequester nearly c.275,000 tonnes of carbon over c.60 years while supporting regional biodiversity, including enhancing valuable habitat for many local species including moose, elk, whitetail and mule deer, black bears, and great grey owls.

Sustainable business

Sustainable business - good governance

We act to embed sustainability into the way we run our business

The high standards of ethical behaviour we expect are outlined in the Aviva Business Ethics Code. We require all our people, at every level, to read and sign-up to our Code every year (99.4% of our employees did so in 2023).

We conduct due diligence when recruiting and engaging external partners. At the end of 2023, 99.8% of our UK, Canada, Ireland and India registered suppliers have agreed to abide by our Third Party Business Code of Behaviour (or provided a satisfactory reason why they didn't do so, for example, because they have their own existing code of behaviour). Our Third Party Business Code of Behaviour outlines the way in which we commit to behave and includes guidance on financial crime laws and regulations.

Our overarching Sustainability Business Standard includes how we manage our material operational and core business environmental and climate impacts, and our community impacts.

Aviva plc is subject to the UK Corporate Governance Code (the Code), which we comply with fully. Where appropriate, specific teams and committees exist to drive action on particular material issues, including data protection, climate change and diversity, equity and inclusion, among others. Governance information required in accordance with recommendations of the Taskforce for Climate-related Financial Disclosure can be found in the Climate-related Financial Disclosure.

Sustainability governance

We have a clear and robust governance structure in place. Aviva's Sustainability Ambition Steering Committee drives and monitors the delivery of our plan - with delegated authority from the Group Executive Committee. A Sustainability function reports to Stephen Doherty, Chief Brand and Corporate Affairs Officer who chairs the steering committee and is the Aviva senior executive responsible for sustainability. The team provides expertise to enable delivery and coordination of local activity across Aviva's businesses. Crucially, there is clear individual executive accountability for all sustainability KPIs. Sustainability factors are included in senior executive long term incentive plans.

Our progress and key performance metrics are reviewed regularly and overseen by the Customer & Sustainability Committee.



Sustainable business

Data privacy and security

At Aviva our customers, colleagues and other stakeholders trust us to process their personal data responsibly and keep it secure. In order to do this we comply with laws and regulations and key regulators' requirements in the countries and markets in which we operate. We have a dedicated section on this in our Business Ethics Code as well as a standalone Data Privacy Statement which details our specific commitments and practices.

Bribery, corruption and our Financial Crime Standard

Preventing and tackling bribery and corruption is anchored in Aviva's values with a clear message from senior management around a zero-tolerance approach to financial crime. We have a dedicated section on this in our Business Ethics Code as well as a standalone Prevention of Bribery and Corruption Statement which details our commitments and practices.

The Financial Crime Business Standard, and supporting Minimum Compliance Standards, guide our risk-based financial crime programmes. These seek to prevent, detect and report financial crime, including any instances of bribery and corruption, while complying fully with relevant legislation and regulation.

At a Group level, the Chief Risk Officer provides the Risk Committee with regular reporting on financial crime matters. These include Aviva's anti-bribery and anti-corruption programme.

Living Wage, Pensions and Hours

In addition to paying the Living Wage and Living Pension in the UK we also support the Living Hours campaign to ensure that workers have sufficient, predictable hours.

Our support for human rights

We are committed to respecting human rights and we continue to pursue our anti-modern slavery agenda both within our operations and supply chain, and through our partnerships.

We continue to work across sectors to encourage business action and disclosure on Human Rights and Modern Slavery.

Our modern slavery statement, as well as our Human Rights Policy and the Aviva Business Ethics Code 2021, can all be found on www.aviva.com.

Speak Up

Our malpractice helpline, Speak Up, makes it easy to report any concerns in confidence, with all reports referred to an independent investigation team. In 2023, 150 cases were reported through Speak Up (2022: 131), with none related to modern slavery.

Additional information

The Company's compliance with the Code, as well as the activities of the Customer and Sustainability Committee, can be found in the Governance section of this report. Our climate risks and impacts can be found in our Climate-related Financial Disclosure.



Sustainable business

Sustainable customer outcomes

Running ourselves as a sustainable business requires focus on positive customer outcomes

Providing customers with sustainability focused insurance options

In 2022 Aviva Zero car insurance was launched. This innovative proposition meant that Aviva covered the cost of offsetting at least 1,000 miles of customers' carbon emissions from driving or charging their car for the policy year. In addition customers could also choose to pay to offset 50% of their remaining miles, which Aviva would match. This meant that customers could offset up to 100% of their carbon emissions, from driving or charging their car based on the mileage they will drive. Over 500,000 Aviva Zero policies have been sold since launch.

In August 2023 we expanded our underwriting appetite to include engineered timber¹ in commercial developments. As one of the first UK insurers to commit dedicated underwriting resource to the development of more sustainable buildings, we aim to help enable the UK as it moves to become climate-ready.

Support is also available for SME businesses through Aviva's Risk Management Solutions service which provides guidance for SMEs on reducing their risk across a range of sustainability related issues including electric vehicles, flood mitigation, solar panels and supply chain risk.

Providing customers with sustainability focused investment options

Our adviser platform provides an ESG profiler tool supporting financial advisers reviewing customers' investments from an ESG perspective. It improves the transparency of funds, enabling customers to understand if a fund meets their investment appetite and ESG objectives. This supports advisers in their conversations with clients on ESG, allowing them to show the scale and quantifiable impact of investments - in terms they understand.

Supporting brokers in building a more resilient business

To help brokers understand the impact their business has on the environment and wider society Aviva launched a "Sustainable Business Coach", a new, free-to-use digital tool to support brokers in building a more resilient business. Created with brokers, for brokers, the tool was developed in partnership with the non-profit organisation, Future-Fit, and digital coaching business, Life Moments, to help brokers develop their sustainability capabilities.

The programme provides brokers with a personalised report on how they can improve their sustainability goals and approach, helping them become more efficient while measuring improvement over time and providing the opportunity to increase their knowledge and understanding with free learning modules.

1. Engineered timber, also called Mass timber, Cross Laminated Timber (CLT) and Glulam, are wood products that have been manufactured and bonded together to form a composite material, panel or building system



Image:
Staffordshire, UK

Sustainable business

Diversity, equity and inclusion

We are proud to be a diverse and inclusive organisation

We're determined to keep challenging ourselves to build a workforce that can deliver the best outcomes for our diverse customer base, and to attract and keep the best talent to help us deliver our strategy. Our Executive Long Term Incentive plan includes two diversity, equity and inclusion measures:

- 40% of senior management being women by 2024¹. In 2023 we achieved 40.6%, up 6.9 percentage points since the start of 2022.
- 12.5% of senior management to be ethnically diverse by 2024². In 2023 we had achieved 10.8%.

Gender equality: % of women in senior management

To improve gender equality we set the example from the top down. Our female leaders act as role models for future talent, sharing their insights and experiences. We are active members of Moving Ahead and the Women in Finance Charter. Our CEO, Amanda Blanc, is HM Treasury's Women in Finance Champion and our Women's Sponsorship Programme works to accelerate the pipeline of women into senior roles.

The Aviva Investors "Return to Work" programme has extended into the wider business, supporting people looking to return to work after a break in their career of 18 months or more. Since launch an average of 71% of participants have taken permanent roles helping build a pipeline of experienced talent through the programme.

Ethnic equality: % of ethnic diversity in senior management

The ambition of 12.5% is yet to be reached due to challenges on recruitment given our existing location footprint and market competition for the same talent.

Our reverse mentoring programme continues, partnering senior leaders with ethnically diverse colleagues. Our Board, Group Executive and top 1,200 leaders have completed 'anti racism' training to embed the practice of challenging racial bias whenever they see it. We continued our Group-wide Ethnically Diverse Leadership Programme (EDLP) focusing on ethnically diverse colleagues. Since launch, 58% of those on the programme have had a promotion or a lateral move to build their career.

Our Origins Community – focused on race and ethnicity, culture, faith and social mobility – continues to provide safe spaces for people, raising awareness and educating colleagues and promoting cultural diversity at Aviva. Origins also has 11 sub-networks supporting specific communities within Aviva. Additionally we encourage ethnically diverse talent through networks such as iCAN, the Insurance Cultural Awareness Network, and are Founder Members of CBI's Change the Race Ratio and a signatory to the Race Equality Charter.

Pipeline talent

Our graduate and apprentice programmes which attract new talent and develop existing colleagues continued to demonstrate good gender and ethnicity balance. In 2023:

- 55% of our graduate intake was female and 11% were ethnically diverse.
- 40% of our apprenticeship programme were female and 12% ethnically diverse.

1. Calculated as the percentage of colleagues in senior leadership roles in the UK, Ireland, Canada and Group functions who are female

2. Calculated as the percentage of colleagues in senior leadership roles in the UK who identify their ethnicity as anything other than 'white'



Sustainable business

Advocacy and influence

We recognise that our impact can be bigger than Aviva's operations and continue to use our influence to advocate for change wherever we can

Macro stewardship

Macro stewardship refers to engaging with regulators, governments, and other entities to influence “the rules of the game” of the global economy to support the transition to a sustainable future.

We take seriously our duty to act in the best interests of clients and the integrity of the market. Part of this involves looking to identify potential market-wide and systemic risks and seeking to mitigate them through engagement with policymakers.

Business alone, as participants in the market, cannot correct system-wide issues such as market failures. We can, however, help identify such risks through our research and in our engagement with corporates as an asset owner. This informs our approach to market reform so our actions for change have practical application.

Where market failures exist we engage with policymakers to advocate for reforms.

We use our voice to raise awareness and encourage interventions so that our financial system is better able to serve the needs of the present without prejudicing those of generations to come.

Using our vote

As part of our approach Aviva undertakes stewardship at a micro level too, by identifying risks, opportunities and impacts through investment research and acting on these insights through corporate engagement. In 2023 as part of our stewardship approach Aviva:

- Exercised our voting rights on 68,177 resolutions at AGMs and EGMs
- Voted against 25% of company management recommendations that did not align with our sustainable investment strategy
- Achieved 281 sustainability engagement objectives through Aviva Investors, resulting in changes in investee companies' strategies, actions or behaviours
- Conducted 1,694 substantive sustainability engagement meetings through Aviva Investors

Transition Plan Taskforce

An increasing number of corporates are setting Net Zero ambitions and publishing transition plans. We believe these plans should be consistent, comparable and credible.

Our Group CEO co-chairs the UK Transition Plan Taskforce (TPT) with HM Treasury aimed at creating a common approach in this area.

The TPT was set up by the UK Government in April 2022 to develop the gold standard for private sector climate transition plans in the UK. The TPT built on the work done by the Glasgow Financial Alliance for Net Zero (GFANZ), the Task Force on Climate Related Financial Disclosures (TCFD) and the International Sustainability Standards Board (ISSB).

The TPT published a consultation in 2023 on the TPT disclosure framework, as well as implementation guidance. The final framework was published later in the year, with final sector guidance due in 2024.

We will review the final guidance and incorporate it in our next climate transition plan, as well as continuing to advocate for clearer transition plan standards around the world.

Aviva Investor Responsible Investment Report

Aviva Climate-Ready Index Report



Sustainable business

Our tax contribution

As one of the UK's largest companies, the tax we pay helps support a sustainable economy

£3.3 billion of taxes contributed globally in 2023

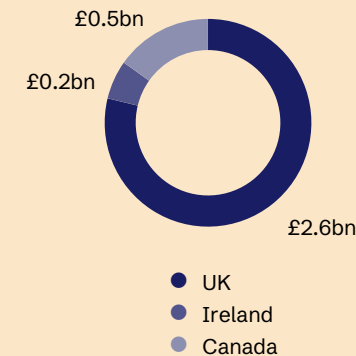
In 2022/2023 we were the 11th largest tax contributor in the UK¹, contributing £2.6 billion in 2023, made up of £0.4 billion of tax paid and £2.2 billion of tax collected.

Furthermore, we pay additional amounts of tax to governments around the world.

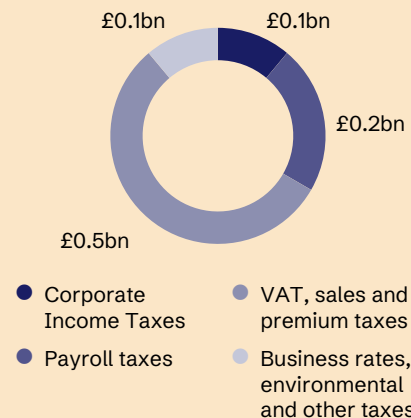
We consider our total tax contribution in two ways. Firstly, the tax paid by Aviva Group, which is a cost to our shareholders. Secondly, we collect and pay amounts to tax authorities on behalf of customers, suppliers and employees.

1. Based on PwC analysis of the 100 Group Total Tax Contribution Survey, published December 2023

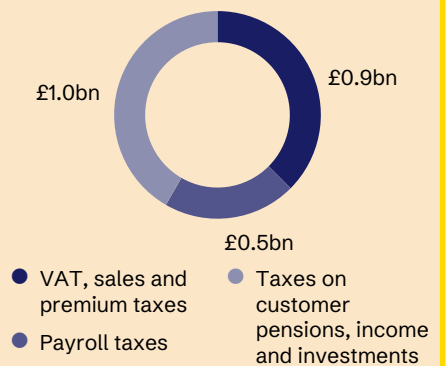
Our global total tax contribution of £3.3 billion is focused in our core businesses



£0.9 billion of tax paid globally by the Aviva Group



£2.4 billion of tax collected globally on behalf of customers, suppliers and employees



Sustainable business

Our Tax Strategy¹

Our tax strategy is to pay the right amount of tax at the right time in each of the countries in which we operate.

We act with honesty and integrity, engaging with HMRC and other relevant tax authorities on a transparent and cooperative basis. We conduct our business dealings in accordance with both the letter and spirit of all tax law, with our core values underpinning our approach to taxation.

This approach is consistent with the Group's appetite to manage its operational risk to as low a level as is commercially sensible, taking account of the financial impact and the value placed by the Group on maintaining a reputation for upholding the highest standard of corporate ethics.

With a low appetite for litigation, we prefer to seek clarity through timely discussion and prompt disclosure of all relevant information, to enable tax authorities to form an accurate assessment of the tax implications of our activities, and assess the current, future, and past tax risks.

We engage proactively in external developments on tax policy and engage with national governments, the European Union, The Organisation for Economic Co-operation and Development, and others where appropriate.

Ensuring that we pay the right amount of tax in each country

We pay tax on the profits earned in each country and require all our businesses to comply with the tax laws in their markets and not enter into schemes or structures which result in an abusive tax result. When we undertake tax planning, we only do so in the context of wider business activity with a real and commercial basis.

Annual reviews are carried out to ensure that appropriate prices have been used for services provided cross border. These prices are subject to regular benchmarking to external markets to ensure the prices charged are consistent with arm's length transfer pricing principles and that profits arising in each company reflect the activity undertaken by that business.

Cross border reinsurance

Our UK resident reinsurance company has quota share reinsurance arrangements with Aviva subsidiaries from the UK, Ireland and Canada. The terms of our reinsurance treaties are consistent with arm's length principles.

Aviva also has a captive reinsurance company in Barbados, which supports the Canadian business. This was put in place to provide capital efficient pooling of risk in a traditional reinsurance location with a supportive regulatory regime and significant local experience. The company is now in run-off.

Offshore Investment Funds

As is common practice in the investment management industry, investment funds are structured to facilitate pooling of capital from different investors.

Aviva Investors manages various investment fund vehicles which are resident in low tax jurisdictions, including Luxembourg, Guernsey and Jersey.

These market standard offshore investment fund vehicles are cost efficient and mitigate tax arising within the fund, ensuring that income and gains are predominantly taxed in the hands of the investor. This allows investors with different tax profiles (e.g. tax exempt UK pension funds) to pool capital without increasing the amount of tax they would otherwise pay.

Managing our tax risks

All tax returns and correspondence are prepared and reviewed by qualified and trained colleagues, acting under appropriate delegated authorities. Where the Group outsources activities, the outsourcing partner must be able to meet all relevant tax compliance responsibilities.

External advice will be sought where the risk, complexity and size of the decision requires an opinion from a third party.

The tax strategy is supported by the Tax Business Standard and our Operational Risk & Control Management (ORCM) framework. All our businesses are required to manage the tax risks in their jurisdiction, considering both proximate and long-term risks. Regular updates detailing the Group's tax position are provided to the Group Audit Committee.

The management of tax risks is overseen by the risk and audit functions.

The tax strategy is aligned with the Aviva Business Ethics code. It is owned by the Group Chief Financial Officer and is approved and overseen by the Board.

1. This document has been prepared and published on 7 March 2024 in accordance with paragraph 16(2), Schedule 19, Finance Act 2016, on behalf of Aviva plc and all the UK tax resident companies in the Aviva plc group for the year ended 31 December 2024

Sustainable business

Sustainability ratings and indices

**Benchmarking companies¹
rate Aviva based on
independently gathered
ESG insight and data**



MSCI

MSCI provides ESG Ratings on companies on a scale of AAA (leader) to CCC (laggard), according to exposure to industry specific ESG risks and the ability to manage those risks relative to peers. As of August 2023, Aviva received an MSCI ESG Rating of AAA.



A-

Carbon Disclosure Project

CDP runs the global environmental disclosure system. Each year, CDP takes the information supplied in its annual reporting process and awards companies and cities based on their journey through disclosure and towards environmental leadership. Ratings range from D/D- for companies who have disclosed data to A/A- for those showing leadership. As of 2023, Aviva received an A- rating.

S&P Global 96th percentile

S&P Global

S&P Global ESG Scores provide a depth and breadth of ESG insight, built upon multiple layers of ESG data, and underpinned by a rich bedrock of underlying data intelligence captured by the S&P Global Corporate Sustainability Assessment (CSA). As of December 2023, Aviva scores within the 96th percentile for the insurance industry achieving inclusion in the Dow Jones Sustainability Indices.



14.2 low risk

Sustainalytics

Sustainalytics' ESG Risk Ratings measure a company's exposure to industry specific material ESG risks and how well a company is managing those risks. They provide a quantitative measure of unmanaged ESG risk and distinguish between five levels: negligible, low, medium, high and severe. As of August 2023, Aviva received an ESG Risk Rating of 14.2 and was assessed to be at low risk of experiencing material financial impacts from ESG factors.

1. Aviva discloses performance against the most material ESG ratings

