

# Aviva Procurement & Outsourcing

## Business Standard

### Executive Summary

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The objective of this Standard is to ensure that adequate governance and controls for supplier related activities are followed by all Aviva businesses so that supply risk is managed effectively. This includes the need to ensure customers are being treated fairly, to protect customer's best interests, and to mitigate any potential financial, operational, contractual, and brand damage caused by inadequate management. Any failure to establish adequate controls leaves the Group and Approved Persons exposed to regulatory action.

All staff have a responsibility to comply with the Standard if they are involved with supplier related activity.

The Standard is our 'Outsourcing Policy' as required by our regulators and is aligned to UK regulatory expectations. Businesses must ensure they remain compliant with all applicable law & regulation.

Aviva's Board Risk Committee approves this Standard.

#### Supply Governance

A Supply Governance Forum within each business is in place to ensure that there is effective oversight for both individual supply arrangements and the aggregate supply landscape, including consideration of overall reliance and concentration risk.

Local Board or Board Committees regularly review reports on the performance of our most material suppliers.

#### Sourcing

Staff must engage Procurement before any spend is committed to a supplier.

When a business is conducting sourcing activity it must ensure that the relative risk and impact to the business has been considered, and that the appropriate level of rigour is applied based on the scale, complexity and risks a particular supply poses.

Appropriate contracts and agreements must be established, incorporating clearly defined performance levels, duties and responsibilities, obligations, and rights on both parties (as appropriate). Local Board or Board Committees must approve the contract terms of any material supply.

#### Supply Management

Risk assessments determine if a contract needs to be actively and regularly managed to mitigate operational risk, minimise customer impact following any disruption in service or supply in line with operational resilience and recovery requirements, ensure contractual obligations and service levels are achieved (including Aviva's own obligations), confirm that the value or benefit intended at the start of a contract is achieved during the term of the contract, and ensure appropriate action is taken if the *supplier* is not carrying out activities effectively and in compliance with applicable laws and regulation.