Sustainable Investing Report

Aviva Insurance, Wealth and Retirement
2025

Contents

INTRODUCTION

This report was produced in accordance with the principles of the UK Stewardship Code 2026, published by the Financial Reporting Council (FRC). We have set out how we have complied with each principle in the Appendix.

This report was produced outlining Aviva UK Insurance, Wealth and Retirement (UK IWR)'s view as an asset owner and is complementary to the asset manager view captured in the report prepared by Aviva Investors. It mostly covers our activities and outcomes from 1 January 2025 to 31 December 2025.

Aviva's sustainable investing and stewardship policies are established, debated and monitored on a Group-wide basis, with the Group executive committee and Group sustainability team providing overall sponsorship and oversight, although please note that the entities in UK, Ireland and Canada are separate legal entities.

Throughout this report we use the term 'Aviva UK Insurance, Wealth and Retirement' and 'UK IWR' to refer to the various entities which form the Aviva life and savings businesses under Aviva Life Holdings UK Limited – the main statutory entity being Aviva Life & Pensions UK Limited (UKLAP). Where deemed necessary, we will make the distinction between Aviva UK IWR, Aviva Investors (the Aviva asset manager) and Aviva Group, but in other instances we will simply use 'Aviva'. References to IWR mean the UK including Ireland business.

References to the Transition Plan relate to the Aviva Group Transition Plan.

This report should be read in conjunction with the Cautionary statements.

PURPOSE

Sustainable investing is at the heart of what we do, with the consideration and management of sustainability risks and opportunities embedded in our investment beliefs, decision-making and outcomes.

CIO foreword

I am pleased to share the progress and achievements we have made in Aviva IWR in our commitment to sustainable investing and sustainability, continuing to deepen the integration of environmental, social and governance (ESG) considerations into our investment strategies.

The year was marked by an increasingly complex and fragmented global backdrop. While structural themes such as climate transition, demographic change and governance standards remain central to long-term value creation, policy divergence and short-term pressures have intensified. In this context, our stewardship approach remained disciplined and consistent - prioritising financially material risks and opportunities, engaging constructively with issuers, and escalating where progress was insufficient.

Therefore, we continue to focus on the consideration of sustainability issues and integration into our day-to-day decision making to enhance investment outcomes; continually strengthening the links between stewardship insights and investment oversight.

We are clear on expectations of our managers and increased transparency on how stewardship activity informs investment decisions and supports our commitments on climate, governance and responsible capital allocation.

We view effective stewardship as evidence-based, targeted and accountable- defined by outcomes, not activity. While progress is often incremental and non-linear, we remain committed to continuously improving our practices and driving positive change. We will continue to collaborate with stakeholders, leverage our expertise, and innovate to ensure that our investments contribute to a sustainable and resilient future.

This report shares an update on the progress we have made on stewardship and sustainability integration over 2025.

I would like to thank colleagues across Investments and Sustainability, as well as our external managers and collaborators, for their continued focus and professionalism. Stewardship is a collective effort, and our ability to deliver long term value for customers depends on maintaining clear expectations, robust challenge and constructive engagement.

"Our role as long-term stewards of capital carries a clear responsibility: to deliver strong and resilient outcomes for our customers while supporting the long-term health of the economy, society and the environment on which investment returns depend. Stewardship is therefore not a standalone activity; it is integral to how we invest, oversee managers and manage risk across our portfolios."

Ashish Dafria
Chief Investment Officer, Aviva

An integrated approach to stewardship

Integrating sustainability into our shareholder investments

We seek to allocate capital to assets that directly support the transition to a more sustainable economy, while also embedding sustainability considerations systematically across all investment decisions where possible.

We aim to invest in sustainable assets that align with Aviva's Sustainability Ambitions, including assets that support decarbonisation, climate resilience and broader societal outcomes. These investments are intended to capture long-term opportunities arising from the transition, while contributing to Aviva's sustainability objectives as an asset owner.

Alongside investment in sustainable assets, sustainability is integrated into the investment decision making process. Investment teams are expected to consider financially material environmental, social and governance factors as part of their assessment of risk, return and long-term value.

This includes understanding exposure to climate-related risks and opportunities, assessing how sustainability factors may affect future cashflows, and monitoring how investee companies and assets are positioned for the transition.

The following case studies illustrate how this approach is implemented in practice.

INVESTING IN CLIMATE-RESILIENT WATER INFRASTRUCTURE

In August 2025, Aviva IWR provided up to £200 million of index-linked financing towards the design, build and maintenance of the Haweswater Aqueduct Resilience Programme (HARP) in Northwest England, arranged by Aviva Investors.

HARP is a significant project to undertake essential maintenance across the 110 km Haweswater Aqueduct pipeline, which has supplied water from the Lake District to two and a half million people across Cumbria, Lancashire, and Greater Manchester for the past sixty years.

The Project involves replacing six sections of the Aqueduct's underground tunnels spanning a total of 52 km to ensure future water quality and supply.[4]

SUPPORTING THE TRANSITION OF EUROPEAN RAIL

In 2025, IWR invested in a leading provider of high utility rolling stock across the UK and Europe.

The company owns a diverse range of rolling stock comprising of passenger trains, locomotives and freight wagons serving many countries. Their fleet has shifted away from a high exposure to diesel powered locomotives towards electric and dual-mode assets which currently make up more than half of the fleet.

The company expects electric traction to increase to over 70% by 2050, reflecting a clear decarbonisation trajectory supported by targeted capital investment. These investments are expected to deliver materially lower emissions, including c.58% reductions from newer locomotive classes.

The provider plays a pivotal role in advancing sustainable transport across Europe, and we are pleased to contribute to their ongoing journey.

ASSESSING TRANSITION RISK IN CARBON-INTENSIVE INFRASTRUCTURE INVESTMENTS

In 2025, we approved an investment in the refinancing of a UK-based waste-to-energy (WtE) infrastructure company, comprising a diversified portfolio of operational facilities serving local authorities and commercial customers.

Given the emissions intensity of waste-to-energy, we undertook enhanced assessment of transition risks and decarbonisation credibility. We took comfort from the operator's commitment to achieve Net Zero Scope 1 and 2 emissions by 2040, supported by interim targets and plans to deploy carbon capture and storage (CCS), which has the potential to materially reduce operational emissions over time. We also assessed future carbon pricing exposure, with contractual protections and financial resilience providing confidence in the investment's long-term sustainability.

We approved the investment following a balanced and transparent assessment of sustainability risks, recognising that WtE continues to play a necessary role in managing residual waste within a structurally constrained UK waste system, and that the operator demonstrates sector-leading transition ambition, supported by credible decarbonisation targets and delivery plans, robust contractual protections and strong operational governance.

INTEGRATING NATURE RISK INTO CREDIT ALLOCATION DECISIONS

In 2025, we considered an investment in a European-listed consumer manufacturing company operating globally across small domestic appliances and cookware. While the issuer demonstrated a strong credit profile, conservative financial policy and science-based climate targets, sustainability considerations – particularly nature risks – were central to the discussion.

As part of our sustainability due diligence, we identified potentially material unmitigated risks associated with the company's exposure to PFAS, commonly referred to as "forever chemicals". These risks relate to nature impacts, emerging regulation, litigation and reputational. Although the company remains compliant with current regulation and the PFAS-exposed segment represents a minority of group revenues, we assessed the risks as near-term and relevant within the tenor of the investment.

Our analysis highlighted increasing regulatory momentum in Europe and internationally towards restrictions or bans on PFAS, alongside growing litigation and reputational risks linked to their production, use and disposal. We also noted the company's public lobbying stance opposing comprehensive PFAS bans, which we consider misaligned with our stewardship position advocating for a precautionary phase-out.

Our analysis identified elevated nature-related risks, which were carefully reflected in our position sizing. While the asset demonstrated strong climate credentials and underlying financial quality, we adopted a calibrated approach to exposure. We will make continued efforts to engage with the company on the issue through our in-house asset manager.

ENHANCING CLIMATE METRICS REPORTING THROUGH COLLABORATIVE STEWARDSHIP WITH AVIVA INVESTORS

Context

The Franchise Risk Framework for the Shareholder Emerging Market Debt (EMD) mandate was originally approved in 2020, subject to an annual review. Following a comprehensive redesign of the framework in 2024, the updated thresholds were formally approved in August 2025.

Action

In 2025, IWR Sustainable Investing applied the updated framework to conduct the annual review of all sovereign exposures within the EMD portfolio. This included reassessing and recalibrating country-level ESG / franchise risk thresholds using the revised methodology.

The updated framework introduced a clearer, more decision-useful structure for assessing ESG risk, including:

- Integration of Aviva Investors' proprietary ESG sovereign ratings
- Financial crime
- Climate risk (including emissions intensity and forward-looking transition indicators)
- Human rights risk

This enabled a more structured and transparent approach to identifying countries requiring enhanced scrutiny and escalation.

In line with the updated framework, countries falling into intermediate or higher-risk categories were subject to a qualitative review, ensuring that investment decisions appropriately reflected both quantitative metrics and reputational considerations.

Outcomes

The application of the updated framework in 2025 resulted in:

- A consistent reassessment of all countries within the portfolio, ensuring alignment with Aviva's current ESG expectations and reputational risk appetite
- Identification of a subset of countries requiring enhanced qualitative review, strengthening oversight and scrutiny where risks were higher
- Confirmation that no currently permitted countries breached the updated framework thresholds, supporting continued allocation within defined risk parameters

The updated thresholds and governance process have enhanced the robustness and transparency of sovereign risk management within the EMD portfolio. In particular, the framework has improved the ability to systematically identify, escalate, and manage ESG-related reputational risks, while maintaining appropriate flexibility to incorporate expert judgement.

Integrating sustainability into our customer investments

We believe that the integration of sustainable investing considerations into the investment process enhances our understanding of both the opportunities and risks faced by portfolios over the long term. This approach enables more informed investment decisions by incorporating a broader set of financially material factors.

We apply the mandate entrusted to us by our customers to invest in a way that meets their current and future needs, reflecting both financial returns and non-financial considerations such as environmental, social and governance (ESG) risks and impacts. This ensures that investment strategies remain aligned with customer expectations, regulatory requirements, and our broader sustainability commitments.

Each of our appointed managers are expected to clearly demonstrate how they identify, assess and integrate relevant sustainability factors and sustainability risks within their investment decision-making processes. These expectations are explicitly set out within our investment management agreements and form a core component of our manager selection and ongoing oversight activities. Adherence is monitored through our manager oversight framework, including regular reviews, reporting and engagement with managers where enhancements are required.

We recognise that approaches to integration will vary across managers, reflecting differences in asset class, investment style and underlying investment philosophy. As such, we focus on ensuring that each manager's approach is robust, evidence-based and appropriate to their strategy, while remaining aligned with our overarching expectations for effective ESG integration.

As part of our manager research and selection process, we consider the extent to which the managers' stewardship policies and commitments align with our own. Maintaining oversight and ensuring our asset managers are investing in line with our long-term investment beliefs are crucial to our climate and stewardship ambitions.

In 2025, we undertook regular ongoing oversight meetings with our existing managers. We also tendered for new mandates with internal and external managers within our matching adjustment portfolio and customer portfolios.

ONGOING MONITORING AND OVERSIGHT REPORTING

We received and reviewed ESG reporting in a variety of forums over the course of the year.

This included dedicated ESG Business Review Forums for our internal manager to provide more detailed updates on engagement activity and deep dives on sustainable integration processes for specific asset classes.

We also held regular discussions with our external managers around portfolio metrics and engagement with the companies held in our portfolios. This included regular meetings with the sustainability teams to discuss actions within our portfolios and sustainability trends within the industry.

Portfolio sustainability and climate metrics, including carbon intensity trends and aggregate ESG scores, were provided by our managers at the annual desk reviews.

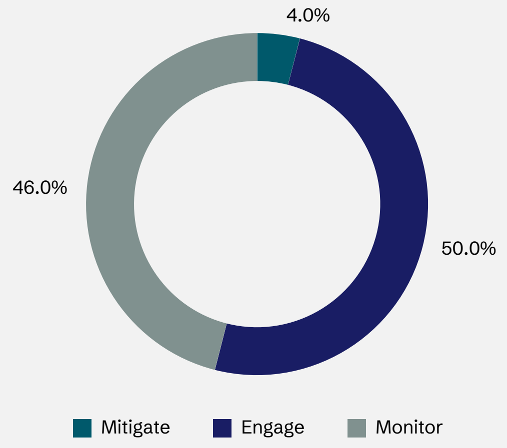
This often highlighted potential areas for discussion and further review but, for our actively managed mandates, does not provide the full picture on integration of sustainability factors. We place a large emphasis on the qualitative review of the strategy.

Annual desk reviews are held with our asset managers to monitor performance and adherence to our expectations.

The chart below provides a summary of the current sustainability ratings for the various investment strategies we oversee. This is based on the various due diligence discussions and oversight meetings held and our assessment of sustainability integration according to our Manager Oversight Framework.

Managers are scored from 1 to 5; 1. Impaired, 2. Mitigate, 3. Engage, 4. and 5. Monitor. Where we identify areas for improvement, we will communicate this with our managers; clearly outlining our expectations. If our monitoring identifies significant concerns with our expectations of future long-term performance, and therefore mitigate the impact, we will look to make changes such as changing the underlying manager, closing funds or reducing our allocation to managers.

Summary of Manager Sustainability Ratings



Monitoring asset managers

ENHANCING CLIMATE METRICS REPORTING THROUGH COLLABORATIVE STEWARDSHIP WITH AVIVA INVESTORS

Context
As part of Aviva's stewardship approach, monitoring and managing climate-related financial risks across portfolios is central to protecting long-term value. While climate data availability from investment managers has increased in recent years, we identified ongoing challenges in the consistency, comparability and decision-usefulness of climate metrics used in manager oversight and governance forums. In particular, climate information was often fragmented, limiting its effectiveness in supporting structured engagement and escalation through formal governance channels

Action
To address this, we worked collaboratively with Aviva Investors through Climate Aware Investing (CAI) working groups to design a standardised CAI scorecard for public market strategies. The objective was not to set prescriptive targets for portfolio managers, but to establish a common, repeatable framework that would allow climate risks to be assessed consistently alongside financial risk and performance.

Through the CAI working groups, we helped shape the selection and presentation of core climate indicators, including:

- carbon intensity metrics and projected decarbonisation pathways;
- transition and physical climate value-at-risk measures; and
- relative performance versus benchmarks across key climate risk dimensions.

The scorecard was explicitly designed to align with Aviva's internal governance architecture, enabling climate metrics to be consistently embedded into formal oversight forums.

This resulted in the CAI scorecard being incorporated into ESG Business Review Meetings (ESG BRMs) with Aviva Investors, providing a structured basis for challenge and dialogue on climate risk integration.

Outcome
The introduction of the CAI scorecard has improved the quality and usability of climate reporting presented to us through ESG BRMs. Climate data is now:

- more consistent across strategies and asset classes;
- presented in a comparable format that supports relative assessment; and
- explicitly linked to governance discussions on risk management and long-term transition.

By anchoring climate metrics within established oversight forums, Aviva has strengthened its ability to hold investment managers to account for how climate risks are identified, assessed and monitored, rather than focusing solely on individual data points.

This has enabled more informed stewardship conversations with Aviva Investors on portfolio-level climate exposures and the credibility of transition pathways, while ensuring that climate considerations are integrated into mainstream investment governance and escalation processes.

NEW MANAGER SELECTION

Context
UK IWR, as part of its ongoing review of asset allocation and investment opportunities in 2025, identified private credit as a sub-asset class with features incrementally attractive to the portfolio.

Private credit encompasses a range of privately negotiated debt financing solutions, including corporate direct lending and asset-backed lending, provided by non-bank lenders outside public markets.

UK IWR, therefore conducted an extensive search in early 2025 to identify a manager to support our origination and investment objectives

Action
The Sustainable Investing team contributed a series of standardised questions in the first stage, focused on corporate sustainability and separately on stewardship and responsible investment.

Responses were reviewed and normalised by the team resulting in qualitative and quantitative ranking. The rank was combined with capabilities in underwriting and handling distressed situations.

To contribute to short-listing and eventual recommendation, the team tailored clarifying questions related to ESG integration (including a focus on climate and carbon risk analysis and reporting). The responses, coupled with virtual meetings with potential managers, were assessed and given a preferred, neutral and not preferred rating as a feed into the broader set of considerations. Following a management meeting to propose a preferred relationship, the recommendation was presented to the investment committee for consideration and approval.

Outcome
At the time of writing, a preferred private credit manager had been identified. The manager had demonstrated strong sustainability credentials during the due diligence process

Going forward, the Sustainable Investing team will be involved in the assessment of deals recommended to IWR from a climate and broader ESG risk perspective, including physical and transition climate and carbon risk and providing an opinion.

MY FUTURE VISION MANAGER SELECTION

Context
In 2025, a strategic decision was made to introduce an additional product within the My Future suite—My Future Vision. This new offering was designed to provide clients with access to private markets and supports our ongoing commitment to the Mansion House Compact. It was necessary to select specialised asset managers to support the diverse private market asset classes.

Action
To ensure a robust and effective selection process, the IWR Sustainable Investing team collaborated with colleagues to advise on sustainability considerations throughout the Request for Proposal (RFP) procedure. By prioritising sustainability as a fundamental criterion, we ensured its integration into the manager selection for these new asset classes.

Our objective was to identify asset managers who exhibited a strong dedication to sustainable investing, alongside demonstrated capability in managing relevant asset classes. We utilised our "Sustainability Manager Oversight Framework" to guide the evaluation.

We subsequently participated in interviews with shortlisted candidates, performing assessments based on established criteria. Key areas of focus included the integration of sustainability within their investment processes, prior experience with similar asset classes, and alignment with the values and objectives of our organisation.

Outcome
The sustainability team compiled detailed ratings and assessment reports. These evaluations formed an integral part of the overall appraisal of each asset manager. Our insights served to underscore the relative strengths and areas for development among candidates, contributing to a comprehensive analysis.

Throughout the manager selection process, ratings were considered alongside other critical factors such as financial performance, risk management, and strategic alignment. This ensured a balanced and informed decision-making process.

Ultimately, asset managers were selected who successfully met the requirements of all stakeholders involved.

OPERATIONAL OVERSIGHT MONITORING REVIEW

Context
UK IWR conducts periodic monitoring reviews of suppliers and/or around specific themes as part of the operational oversight of our appointed investment managers and custodians. As part of the 2025 monitoring plan, UK IWR performed a review of our in-house investment manager's Real Assets operations, including certain processes that are completed by outsourced service providers.

The team conducted a thematic review on the adherence of our external managers to the Financial Conduct Authority (FCA) Permitted Links rules (Conduct of Business Sourcebook (COBS) Chapter 21) for all of our externally managed Unit Linked investment mandates.

Action
The governance team carried out a review of all underlying processes and activities, carried out by the manager and its appointed representatives, reviewing controls, adherence to such controls, and the oversight activities carried out by the manager over its appointed representatives.

Additionally, the existing mechanism of the ongoing IWR service reviews was considered to ensure it aligns with the activities that are being undertaken and provides ongoing assurance to the quality of the service.

Outcome
Our team are satisfied that the associated processes and controls are sufficient to ensure that risks are managed effectively. It is recommended that the existing service review framework is expanded to cover certain processes that have not previously been considered within the scope of the monthly key performance indicators, to help ensure that our oversight teams have the requisite level of information to help highlight any potential emerging risks or service concerns in the future.

VOTING AND ENGAGEMENT OVERSIGHT

Context

Our manager oversight assessments are reviewed periodically to ensure that our asset managers are effectively addressing key ESG issues. This process involves a thorough examination of the voting and engagement actions taken by our asset managers. We decided to conduct this review after the main AGM (Annual General Meeting) season to evaluate how our managers addressed key ESG issues in their activities. This timing allows us to capture a comprehensive view of their actions during a period when many significant decisions are made.

Action

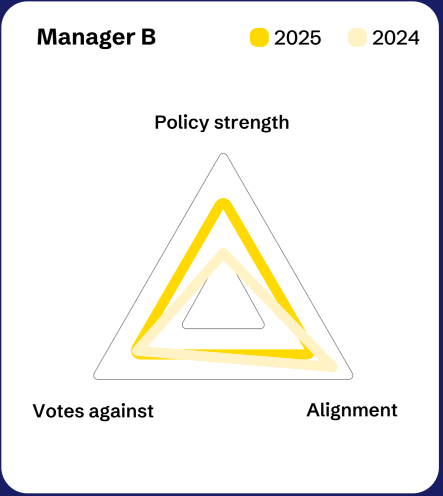
The analysis focused on some of our most material holdings, ensuring that we were assessing the actions taken on the most impactful and relevant issues. We scrutinised the voting records to understand how our asset managers voted on various resolutions, particularly those related to ESG concerns such as climate change, diversity and inclusion, and corporate governance.

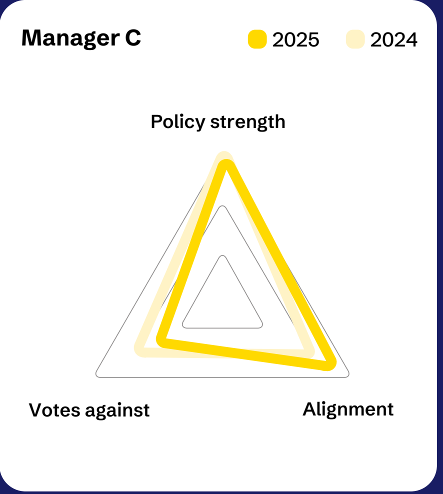
In addition to examining the voting behaviour, we assessed the strength of the voting policies of our asset managers. This involved reviewing their stated policies to determine how robust and comprehensive they were in addressing ESG issues. We then compared their actual voting behaviour to these policies to see if there was alignment. This step was crucial in understanding whether our asset managers were acting in accordance with their stated commitments or if there were discrepancies that needed to be addressed.

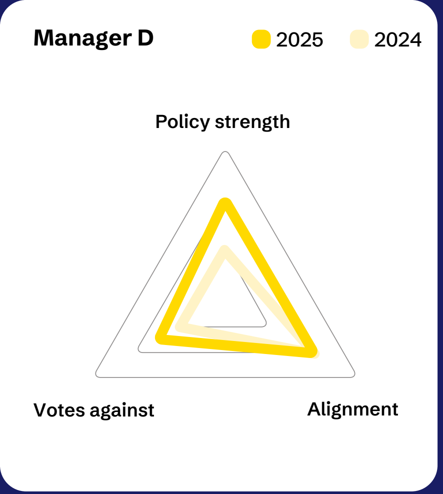
Outcome

The conclusions of our analysis raised several important questions, which we used to initiate discussions with our asset managers. These discussions focused on their voting activity and broader engagement with our priority companies. We sought to understand the rationale behind their voting decisions and how they were engaging with companies to drive positive ESG outcomes. These conversations were instrumental in gaining insights into their strategies and identifying areas for improvement.

Our findings from this review were used as an input to update the voting and engagement rating of our manager oversight framework. This rating helps us to monitor and evaluate the relative performance of our asset managers in addressing ESG issues. By incorporating the results of our analysis, we were able to refine our framework to better reflect the effectiveness of our managers' actions and ensure that they are aligned with our ESG goals.







Monitoring and holding service providers to account

In addition to our asset managers, UK IWR adheres to the requirements set out by the Group to select, manage and oversee our suppliers, including service providers that may play a role in effective stewardship.

We have regular communication with our service providers, with an operational and controls focus to ensure alignment with our expectations.

We work hard to make sure our supply chain is responsible and sustainable. We do thorough checks of suppliers before we begin working with them and ask that they sign our Supplier Code of Behaviour.

We continue to engage them around sustainability issues over time. We also help engage our suppliers to act now around the systemic issues like climate change.

INFLUENCING SUPPLIERS

We continue to engage our suppliers as part of Aviva’s operational Net Zero strategy, recognising that decarbonising our supply chain is an important component of reducing Scope 3 emissions.

To support delivery, Aviva is embedding sustainability across its procurement and supplier management processes. This includes providing suppliers with clear sustainability guidance during contracting, incorporating sustainability and carbon-related questions into Request for Proposal (RFP) and Request for Information (RFI) processes and supplier onboarding, and strengthening capability through annual sustainable sourcing training for buyers so they can engage suppliers more effectively on sustainability and decarbonisation priorities.

SUPPLIER ENGAGEMENT

Engaging with suppliers on their emissions is key to achieving Aviva's ambitions.

In November 2025 Aviva hosted its fourth annual supplier summit, with key supply partners. Focusing on education and collaboration covering a range of material topics including sustainability and how we can work together on Aviva's Net Zero agenda.

Aviva will continue to provide support to its supply partners through regular conversations via its supplier management community as well as a written guidance pack, outlining Aviva's expectations of suppliers and highlighting resources that will ensure suppliers are able to align to these. Aviva will also continue to develop the content available on the Aviva external supplier site, geared towards both small and large businesses.

Engagement themes

Our sustainability ambitions shape where we focus engagement to protect and grow long-term value for our customers.

We prioritise the most material and financially relevant issues, including climate transition, nature loss and social outcomes, recognising that these factors increasingly influence companies' ability to deliver resilient, durable returns over time. By concentrating our efforts on these areas, we seek to support companies in adapting to structural changes in the global economy while reinforcing long-term value creation.

These priorities are closely aligned with our internal manager themes, which are designed with a clear long-term value lens. They help translate our sustainability ambitions into practical, investable expectations and provide a consistent framework to guide both capital allocation and stewardship activity across portfolios. In doing so, they support a structured and outcomes-focused approach to engagement with our asset managers.

Engagement themes are not static. They are regularly reviewed and discussed in collaboration with Aviva Investors and our external managers to ensure they remain relevant and responsive to a changing investment landscape.

Through this iterative approach, we aim to ensure our stewardship remains forward-looking, dynamic and aligned with our overarching sustainability ambitions.

CLIMATE

Promoting an orderly, credible and resilient transition

- Net Zero pathways and decarbonisation
- Adaptation and physical resilience
- Low carbon investing

NATURE

Managing nature dependencies, risks, opportunities and impacts

- Nature loss and deforestation
- Water and agricultural systems
- Hazardous Chemicals
- Circular economy

PEOPLE

Upholding human rights worker protections and community well being

- Human rights
- Working practices
- Consumer health
- Just transition

GOVERNANCE

Driving responsible corporate behaviour

- Strategy
- Capital Allocation
- Boards and management structure and performance
- Remuneration

Engagement oversight

UK IWR delegates its engagement activity to its asset managers under the provisions of the respective investment management agreements. We expect engagement behaviour to be consistent with Aviva's Sustainability Ambitions.

As asset owners, monitoring and assessing the engagement success and outcomes of asset managers is crucial to ensure alignment with our investment objectives.

This process begins with establishing clear expectations and assessment frameworks, which are communicated at the outset alongside our priority themes and companies.

Regular reporting and transparent communication are essential, allowing us to track progress and make informed decisions. To effectively monitor engagement outcomes, we employ a combination of qualitative and quantitative measures.

Qualitative assessments involve reviewing the asset manager's engagement activities, such as their interactions with portfolio companies, advocacy efforts, and participation in industry initiatives with clear and regular examples.

Our manager oversight framework explicitly assesses our manager's engagement credentials and consistency with our priority themes and the holistic stewardship we describe above.

To supplement this qualitative review, quantitative measures include analysing number of engagements (bilateral and collaborative), votes against and other relevant metrics such as number of engagement outcomes where there have been changes in entity behaviour in line with a prior engagement ask. This dual approach ensures a comprehensive understanding of the asset manager's impact and effectiveness.

We conduct periodic reviews and audits to evaluate the asset manager's performance against these frameworks through quarterly updates on key initiatives and deep-dive sessions every six months where our managers provide insights into engagement and voting activity related to our investment mandates. This includes details on engagement successes as well as updates on where engagement has failed, and some form of escalation has been required.

The case studies included in this report are provided by our managers and have been discussed through formal channels, bilateral interactions, and thematic reviews undertaken during the year.

They are intended to provide transparent, practical illustrations of how key stewardship themes, such as climate transition, governance standards, and social factors, are being addressed within underlying portfolios.

Consistent with the expectations set out in the UK Stewardship Code, we have focused on presenting examples that are specific, outcomes-oriented, and clearly linked to the assets in which we invest.

These examples also support our broader objective as an asset owner to evidence the effectiveness of our manager oversight.

By assessing both the actions taken by managers and the outcomes achieved, we are better able to challenge, support, and, where necessary, escalate expectations. This ensures that stewardship activity remains aligned with our investment beliefs and our duty to deliver sustainable, long-term returns.

Engagement oversight

To aid transparency and comparability, the table below summarises the case studies referenced in this report. The examples that follow have been written from the perspective of the asset manager and not IWR.

Table 1: Engagement Case Study Index

	Page	**Theme**	**Shareholder**	**Customer**
Strengthening transition plans in European utilities	Page 14	Climate	✓	✓
Progress on methane reduction and climate disclosure	Page 14	Climate		✓
Engaging with companies on the living environment.	Page 15	Climate and Nature	✓	✓
Deforestation risks in the banking sector	Page 15	Climate and Nature	✓	✓
Rebuilding credibility in the Energy Transition	Page 16	Climate	✓	✓
Decent work and the Real Living Wage in UK retail	Page 17	Social	✓	✓
Just Resilience, Pensions & Pay fairness in Retail	Page 17	Social	✓	✓
Raising the bar on Workforce Safety and Human Rights	Page 18	Social	✓	✓
Strengthening governance to scale access to medicines	Page 18	Social and Governance	✓	✓
ESG reporting in management in infrastructure refinancing	Page 19	Governance	✓	
Mitigating Flood Risk in UK real assets	Page 20	Climate and Social		✓
CS30: Mobilising value chains to support system-wide decarbonisation	Page 21	Climate	✓	✓

Engagement case studies

STRENGTHENING TRANSITION PLANS IN EUROPEAN UTILITIES

Issue
The utilities sector is critical to decarbonisation yet acutely exposed to climate risks. For ENGIE, one of Europe's largest utilities, key challenges include carbon-intensive legacy assets, reliance on natural gas in certain markets, and mounting physical risks to infrastructure. Heat stress, flooding and extreme weather events can disrupt operations, and the company cited impacts to its hydropower earnings in its Q3 2025 results. Managing these risks while accelerating decarbonisation is essential for competitiveness and long-term value.

Action
We have engaged bi-laterally with ENGIE since 2021, focusing on interim target-setting, physical risk disclosure, renewable deployment, and governance of climate strategy. In September 2025, we met to discuss progress on their transition framework, reinforcing expectations for site-level physical risk, and clearer disclosure of how climate adaptation considerations are embedded into asset and project planning, supporting operational resilience and long-term business performance. These priorities have also informed our voting on climate transition plan resolutions.

Outcome
In 2025, ENGIE strengthened their transition framework significantly. Climate adaptation was elevated as a strategic pillar, completing side-by-side physical risk assessments across more than 800 facilities. Tailored adaptation plans are now being integrated into project and asset planning, a significant step in embedding resilience at scale.

Interim milestones were sharpened across Scopes 1-3, methane, and avoided emissions, providing more granularity on the company's pathway to Net Zero by 2045. Governance and disclosure advance in parallel: ENGIE completed its first climate alignment review of industry associations, exiting misaligned trade memberships, and published outcomes of that assessment. On the social side, initial metrics were introduced to measure the impact of just transition programmes - an area we will continue to monitor closely.

While progress is meaningful, questions remain around the robustness of interim milestones, delivery of just transition commitments, and the pace of renewables deployment. These will form the focus of our continued engagement to help ensure ENGIE's climate strategy underpins resilience, competitiveness and long-term value creation.

PROGRESS ON METHANE REDUCTION AND CLIMATE DISCLOSURE

Issue
Saudi Aramco is Saudi Arabia's state-owned oil company and the world's largest energy producer, accounting for roughly 10% of global daily oil production and holding some of the world's largest reserves, making it a systematically important contributor to global emissions.

As a national oil company, oil production levels are underpinned by long-term state economic planning, meaning engagement focused on influencing absolute production volumes is unlikely to be effective. Engagement is therefore most impactful where Aramco has direct operational control, including reducing operational emissions (particularly methane), strengthening measurement and verification, improving scenario analysis, and integrating low-carbon technologies within capital allocation.

Action
In 2025, Aramco published an expanded sustainability report containing greater detail on its abatement levers, transition scenarios and early-stage deployment of carbon-capture and direct-air-capture technologies.

During our September 2025 meeting we explored the company's new 2030 upstream carbon-intensity target, methane- reduction initiatives, and steps to strengthen measurement and verification through satellite-based monitoring. We also discussed how internal project economics and policy frameworks shape the company's technologies such as blue hydrogen and CCS, providing insight into how transition considerations are evaluated within strategic decision making.

Outcome
Aramco's enhanced disclosures have improved visibility into its emissions-reduction approach, offering a clearer narrative on operational efficiency, methane mitigation and the role of emerging technologies. Our engagement has helped establish a constructive relationship, to improve understanding on how the company assesses transition-related risks and opportunities and the extent to which these are integrated into planning processes.

While early in nature, these developments provide a foundation for continued progress as the company's transition reporting evolves. The improved transparency supports our ongoing assessment of the company's long-term resilience and informs internal discussions alongside financial, operational and market factors.

In the coming years, we will continue to focus on transparency around methane monitoring, scenario robustness and governance of transition-linked investments.

ENGAGING WITH COMPANIES ON THE LIVING ENVIRONMENT

Issue

Protecting biodiversity is critical to economic stability: over half of the world's GDP is moderately or highly dependent on nature and its services. The degradation of nature can create physical and transition risks, like floods or resource scarcity, for businesses. This can erode long-term performance.

We have observed some government response with regulations like the EU Deforestation Regulation and the upcoming EU Circular Economy Act, but for many companies, biodiversity remains under-explored. This creates both risk and opportunities to improve strategies, risk management, and disclosures.

Action

In 2024, we launched the Nature Engagement Programme (NEP) in line with Aviva's biodiversity approach and being an FSDA signatory.This three-year initiative targets biodiversity loss from deforestation and ecosystem conversion. It focuses on 15 companies across consumer goods, banks, and mining and oil and gas.

Our core asks include:

- Strengthening commitments to achieve nature-positive actions and no deforestation by 2030,
- Conducting nature impact/dependency assessments and deforestation assessment where appropriate.

In 2025 we held meetings with 14 companies and assessed each company against our bespoke framework.

Outcome

Progress is emerging but uneven, we found limited progress on biodiversity impact and dependency assessments. Consumer companies lag behind banks and mining, with most still at the start of their journey. Some firms are incorporating elements based on the TNFD into climate reporting, but conducting full dependency, risk, impacts and opportunity assessments remains a major huddle for the companies we engaged with.

During 2025, we were pleased to see progress at three mining companies.

- Anglo American: Published a Biodiversity Standard, disclosed site level and linked rehabilitation performance to executive pay.
- BHP: Introduced metrics on land under nature positive management and tied progress to executive remuneration.
- First Quantum: Completed biodiversity inventories and disclosed endangered species data. The company also updated its human rights policy and its commitment to free and prior informed consent.

Despite this progress, our engagement was unsuccessful in other areas. Pending the scale of progress, some companies were selected for voting escalation, and we have already voted against management at one company AGM. We also re-prioritised companies under engagement and three companies were replaced due to changes in our holdings or non-responsiveness.

DEFORESTATION RISKS IN THE BANKING SECTOR

Issue

Banks are exposed to deforestation risks through the companies they finance. Exposure to sectors such as agriculture, forestry, can translate into credit, legal ad reputational risks. Deforestation also drives long-term systemic risks, creating potential stranded assets, and portfolio volatility. Furthermore, banks have significant leverage to tackle deforestation through their financing decisions.

Action

In 2024, we co-wrote, on behalf of Aviva, the FSDA expectations for Commercial and Investment Banks, the first-ever investor expectations for banks on deforestation, conversion and associated human rights issues. Over 2024/5, Aviva Investors have held calls with 15 banks on deforestation and nature, both as part of the Finance Sector Deforestation Action (FSDA) investor group, but mainly unilaterally as part of our NEP and our banking engagement strategy.

Aviva Investors assessed these banks against our bespoke engagement framework and made a series of asks around commitments to deforestation and nature positive actions, carrying out an assessment of exposure to nature and deforestation risk, and monitoring of clients on deforestation and human rights.

Outcome

We were pleased to see that Barclays widened its policy this year to add Protected Areas to its restrictions on lending. The bank incorporated investor feedback raised through engagement in this decision, which aligns the bank with the target in the Kunming-Montreal Global Biodiversity Framework to ensure the conservation and management of at least 30% globally of land areas and of sea areas by 2030.

Overall, we found that most banks do not consider nature or deforestation a material issue. The few banks that have assessed their loan books for exposure to nature or deforestation-related risk tend to conclude that credit risks are non-material, despite having exposure to high-risk sectors in highly deforested areas. We encourage companies to be more realistic about their impacts and dependencies on nature.

We were also concerned to find an over-reliance on the use of certification by their clients, accepting a wide range of certification scheme which do not yet guarantee sustainability and zero deforestation. We encourage a strengthening of these certification schemes.

Overall, nature-positive commitments and time bound targets are still emerging, but we expect more progress as banks complete their TNFD aligned dependencies, impacts, risks and opportunities assessments.

REBUILDING CREDIBILITY IN THE ENERGY TRANSITION

Issue
As a major integrated energy company with significant exposure to upstream oil and gas and LNG, this company faces financially material transition risks linked to strategy, capital allocation and assumptions about long-term demand. We identified concerns about the credibility and pace of the transition plan, limited forward-looking ambition beyond near-term targets, and insufficient transparency on the role of divestments and stranded-asset risk at an asset level. These gaps can affect long-term cash-flow resilience, asset valuations and the cost of capital, and they raise questions about governance responsiveness to investor challenge.

Action
Our engagement is long-standing (dating back to early 2010s) and has intensified through a mix of management meetings, collaborative engagement, voting and board-level escalation. We voted against the 2024 Energy Transition Plan and continued sustained dialogue in 2025, including in-depth technical sessions and a site visit to engage operational teams on implementation realities.

We supported escalation tools such as shareholder resolutions seeking improved LNG economics and environmental disclosures, while also pressing for better methane, just transition and stranded-asset reporting and for clearer accountability through governance and remuneration structures.

Outcome
The company has engaged constructively and has made incremental improvements in disclosure, included added detail in financial accounts notes and some enhancements to transition-related reporting. Board-level dialogue has increased, and the 2025 engagement programme enabled more informed challenge of underlying assumptions. However, key investor concerns remain unresolved - particularly around reinstating a clear range of long-term ambition explicitly linked to capital deployment, and delivering more granular, decision-useful disclosure - so escalation and continued scrutiny remain on the table.

DECENT WORK AND THE REAL LIVING WAGE IN UK RETAIL

Issue
Providing decent work, including for employees to be paid a fair wage that keeps up with the cost of living, helps companies attract, retain and grow talent and should improve productivity. During the 2025 AGM season, ShareAction, as part of its Good Work Coalition submitted shareholder resolutions at three key UK retailers: Next, Marks & Spencers, and JD Sports - calling on these companies to improve transparency regarding their approach to setting employee pay, alongside a cost-benefit analysis of paying a Real Living Wage to all directly employed and third-party contract workers.

Action
We acknowledged that all companies had different business models, and recruitment strategies, and that each would be impacted differently by the 2024 budget which increased the national minimum wage. We engaged with all three companies to better understand their approach to setting wages, their responsiveness to the potential implementation of the Real Living Wage, and explored additional benefits paid to their workforce and the overall quality of their people-related disclosures.

Outcome
Based on our assessments, and individual company performance on human capital management, we supported the proposal at JD, voted against at M&S and abstained at the one at Next. Our abstention at Next reflected its commitment to expand disclosure on wage-setting principles at its next annual report. At M&S, we recognised strong environmental and social practices and a positive employee culture. These decisions highlight the importance of considering company-specific context and engagement provided valuable insights for broader investment considerations.

Although all three proposals were rejected by shareholders, support levels at Next and M&S exceeded the 20% threshold for a 'significant vote', requiring companies to consult shareholders and with actions taken to be published within six months.

Since the AGMs, we have held positive follow-up meetings with Next and M&S, who have both committed to additional disclosures. We have also participated in a collaborative call with JD Sports, who have indicated efforts to conduct broader stakeholder engagement. We will continue engagement in 2026 and monitor the inflationary impact on UK wages within the consumer sector.

JUST RESILIENCE, PENSIONS & PAY FAIRNESS IN RETAIL

Issue
As a UK-headquartered retailer with global sourcing, the company is exposed to financially material people-related and climate-related risks across its own operations and supply chain. Our focus has been on (i) "just resilience" for workers and suppliers as physical climate impacts (e.g., heat stress) affect productivity, safety and continuity, (ii) pension adequacy as a driver of long-term workforce resilience, and (iii) pay fairness and transparency during cost-of-living pressures - particularly alignment with the UK Real Living Wage and clearer disclosure.

Action
We have engaged since 2019, with more intensive written correspondence and targeted meetings from 2023-2025. On just resilience we discussed physical risk exposure in key sourcing regions and connected the company to external expertise (including Cornell University's Global Labor Institute) to support approaches to worker resilience and adaptation. In parallel, we raised pension contribution levels with broader remuneration and benefits discussions and maintained dialogue with board/management contacts on wage-setting practices and disclosure, including around a 2025 shareholder resolution on Living Wage reporting which we supported.

Outcome
The company strengthened its framing of just-transition/worker-resilience considerations in sustainability communications and broadened aspects of its supply-chain climate-risk assessment, which we considered sufficient to close that objective while continuing to monitor implementation. On pensions, the company has not committed to raising employer contributions but has acknowledged investor expectations and kept the topic under review. On pay transparency, the 2025 AGM vote created momentum: the company recognised investor interest and committed to respond in line with UK Corporate Governance Code expectations, with engagement ongoing to translate this into clearer reporting and improved workforce outcomes.

RAISING THE BAR ON WORKFORCE SAFETY AND HUMAN RIGHTS

Issue
As a large US discount retailer with a dispersed store footprint and a predominately hourly workforce, the company has faced persistent workforce-management risks with clear operational and reputational implications. Over multiple years, regulators and stakeholders highlighted recurring store-safety hazards, while the business also faced scrutiny over pay, benefits, understaffing and labour relations. The absence of a comprehensive human-rights policy covering both direct operations and the supply chain was viewed as a gap versus peers.

Action
From 2022-2025, we engaged through one-to-one meetings, follow-up correspondence and collaborative investor initiatives. We supported and escalated asks via voting and shareholder proposals, including backing a third-party health and safety audit and co-filing/endorsing requests for stronger human-rights commitments. We pressed for clearer accountability (including board/ management oversight), stronger policies, and more decision-useful disclosure on safety performance and workforce metrics.

Outcome
The company confirmed and published an independent safety audit (April 2024) and has described additional safety processes and operating changes in response to heightened scrutiny. Disclosure has improved in places (e.g., describing safety initiatives and some trend discussion), but the level of quantitative reporting remains limited relative to our full request. Progress on broader human-capital topics (e.g., paid leave, pay/benefits, and transparency on incentive alignment) and a more comprehensive human-rights policy remain ongoing, and we continue to monitor and escalate where necessary.

STRENGTHENING GOVERNANCE TO SCALE ACCESS TO MEDICINES

Issue
Following its shift to a pure-play biopharma model, the company faced heightened expectations around board effectiveness, strategic oversight and risk governance - particularly given litigation risk, R&D execution and the increasing relevance of sustainability-linked health risks. In parallel, investors scrutinised executive remuneration for pay-for-performance alignment and the credibility of performance measures. As a global medicines and vaccines business with large ambitions on patient reach, governance of access to medicines and antimicrobial resistance (AMR) stewardship was also priority.

Action
Since 2022, we engaged the Chair, committee chairs, and relevant executives through targeted meetings, governance roadshows and follow-up correspondence. We provided repeated feedback across successive remuneration consultations, focusing on peer benchmarking, incentive structure, transparency of targets and the materiality of ESG measures. We also engaged on how access commitments are embedded into strategy and decision-making, including the governance and KPIs used to translate patient reach ambitions into operational delivery, and we followed up on AMR oversight and responsible manufacturing standards.

Outcome
Our governance objective on understanding and testing post-demerger board oversight and succession planning has been met, and we continue to monitor execution. The company incorporated aspects of shareholder feedback into a revised remuneration proposal, including improved target transparency and adjustments to incentive design, which we were able to support in 2025. On access and AMR, engagement has supported greater clarity on methodologies and oversight, with evidence of progress (including clearer statements of ambition and standards), but we continue to encourage more granular reporting and sustained board-level accountability.

ESG REPORTING AND MANAGEMENT INFRASTRUCTURE REFINANCING

Issue
Infrastructure refinancing transactions have often lacked detailed ESG reporting, particularly for smaller operational assets. In private markets and private debt, the absence of standardised reporting frameworks and limited regulatory requirements mean that borrowers may lack both the resources and incentives to collect and disclose robust sustainability-related information. Improving transparency and oversight in these areas is essential for effective risk management and long-term value preservation in private debt markets.

Action
In 2025 the Aviva Investors Infrastructure Debt team closed a deal two years in the making, providing €48 million in financing for the refinance of a private toll road in Ireland, a key component of the East-West transport corridor.

To remain operational, facilitate loan repayments, and maintain credit ratings, roads require consistent maintenance and safety performance.

Prior to financial close, the sustainability and origination teams worked with the borrower to integrate additional sustainability-related reporting requirements into loan documentation, focusing on material factors such as environmental inspections and safety audits, road closure occurrences linked to weather events or health and safety incidents during the reporting period, and energy use, to support our risk management process.

Outcome
The updated reporting framework strengthened ESG monitoring throughout the loan term, supporting our credit risk management, through enhanced operational insights and facilitating regular performance dialogue with the borrower.

MITIGATING FLOOD RISK IN UK REAL ASSETS

Issue

Climate change is creating significant financial risks for UK real assets, particularly through flooding. Acute events like flash floods and chronic risks such as rising sea levels can damage infrastructure, disrupt operations and supply chains, and even render properties inaccessible or uninsurable – eroding long-term investment value. Environment Agency data suggests that by mid-century, 6.3 million properties are at risk of flooding.[1]

This year IWR and Aviva Investors' teams collaborated on a commercial ground rent opportunity for a portfolio of modern, purpose-built UK care homes run by a highly regarded operator, on flooding risks.

Action

Due diligence by the Sustainability team had identified high flood risk impacting three assets, two of which the origination team and borrower agreed to exclude from the deal outright. For the remaining asset with high flood risk exposure, we engaged with the borrower to establish whether any mitigation initiatives were planned or underway for the asset.

The borrower has appointed a third party to assess physical risk across the portfolio. However, given the 45-year loan term of this deal, the risk for this asset was significant enough that we expressed concerns about including it in the portfolio unless we could get comfortable with the mitigation measures in place or planned.

Outcome

The private markets Sustainability and RELI teams agreed with the borrower that unless sufficient evidence is provided before finalising the deal, the asset will be removed from the portfolio.

Following the third-party assessment of flood risk, we were assured to see that the borrower would invest in adaptation and resilience initiatives for the high-risk asset and it was therefore included in the finalised portfolio. This was a positive outcome in relation to mitigating revenue and income risk within the portfolio, as well as future potential negative impacts on the borrower’s creditworthiness.

1. Environment Agency: National assessment of flood and coastal erosion risk in England 2024

Climate Stewardship 2030

CS30: MOBILISING VALUE CHAINS TO SUPPORT SYSTEM-WIDE DECARBONISATION

Launched in 2024 Aviva Investors climate stewardship 2030 (CS30) programme is now in its second year. The programme takes a holistic approach to supporting credible and resilient corporate transition strategies and focuses on companies and value chains across sectors that play a material role in the global transition.

The CS30 programme brings together two specific complementary channels:

Direct Corporate Engagement
Direct engagement focuses on assessing the overall credibility and delivery of company transition plans.

Between 2024 and year-end 2030, Aviva Investors aim to carry out regular and ongoing engagement with at least 100 supply and demand side companies representing at least 50% of Aviva Investors' financed emissions[1,2] in material sectors. This work initially centres on IWR assets.

Value-chain engagement
Supporting high-impact value-chain mobilisation by convening key players across hard-to-abate sectors, with the aim of driving tangible, lasting progress by influencing policies, technologies, and financial incentives.
Aviva Investors sustainable investing function leads and co-ordinates the the execution of these engagement commitments, in collaboration with investment teams and Aviva's Group Public affairs team.

CS30 Progress
In 2025 Aviva Investors held 200 engagements with 101 companies in the CS30, covering a substantial share of our financed emissions across high-impact sectors. Over the period Aviva Investors recorded 144 outcomes where they have engaged with companies over several years. While long-term Net Zero commitments are now widespread, the core challenge lies in transition delivery. Against this backdrop three themes stood out in our engagement this year.

Clearer interim milestones and delivery pathways
More companies are beginning to articulate near-term operational levers, investment requirements and measurable milestones underpinning their long-term transition plans.

Greater integration of physical-risk assessment
Companies increasingly assessed heat, flooding, water-stress and other climate-related risks at site level, and explained how these insights inform planning and capital-allocation decisions.

Recalibration in response to market conditions
Some companies adjusted the pace or scope of their climate strategies due to affordability pressures, demand shifts and evolving policy environments.

Alongside company-level dialogue, Aviva Investors have continued to advance value-chain stewardship, hosting eight round tables in total as of December 2025, engaging 79 participants from key sectors, including aviation, surface transport, buildings, power, heavy industry, and agriculture. These discussions have examined system-level constraints such as fragmented data, infrastructure requirements and policy uncertainty.

Insights from the roundtables have continued to inform our approach to policy advocacy, including our updated **Low-Carbon Investment Roadmap**, published in December 2025.

Figure 1: Examples of CS30 engagement outcomes across key industries.

DEMAND	SUPPLY
Severn Trent **Utilities** Expanded Net Zero ambition across all scopes, introducing a methane-reduction target, committed to publishing quantified Scope 3 transition plan from 2026.	**Reliance Industries** **Integrated Oil and Gas** Publishing first site-level physical-risk maps, increased transparency on energy-intensity metrics, strengthened ESG oversight through board-level governance reforms.
Air Liquide **Chemicals** Published consolidated Climate Transition Plan ahead of regulatory requirements, clarified Scope 1-2 emission sources and key decarbonisation levers to 2035.	**Air Liquide** **Mining and Metals** Enhanced climate and nature integration by applying dual transition scenarios, expanding biodiversity metrics across sites, and improving physical-risk disclosures.
SSE **Utilities** Published its first formal Just Transition strategy and integrated Just Transition metrics into reporting and disclosure frameworks.	**Total Energies** **Integrated Oil and Gas** Expanded disclosure on LNG (liquified natural gas) growth strategy, long-term demand assumptions, and integration of resilience and capital allocation across 2030-2035 plan.
BASF **Chemicals** Strengthened climate disclosure through Scope 3.1 intensity target, ring-fenced decarbonisation investment, expanded climate-aligned lobbying transparency.	**Waste Management** **Waste and Infrastructure** 22% reduction in Scope 1-2 emissions since 2021, SBTi validation for 2031 targets, improving transparency on methane monitoring.

1. Financed emissions include Scope 1 and 2 emissions. This value may be subject to change as the financed emissions calculation will vary based on corporate reporting updates and investment exposure, which could also impact in-scope companies.
2. In 2024 the percentage of Aviva Investors' financed emissions in material sectors was calculated using the pool of assets we manage on behalf of Aviva Group, but we expect to expand the scope of possible companies to be engaged with over time, based on materiality, evolving climate risks, and market conditions.

Collaborative engagement on physical climate risk

COLLABORATION: DEVELOPING A PHYSICAL RISK ENGAGEMENT TOOLKIT

Physical climate risk is a financially material risk for long-term asset owners, particularly where extreme weather, chronic climate impacts and climate adaptation intersect with supply chains, labour conditions and business continuity. While data and disclosure on transition risk has improved in recent years, investor understanding of physical risk and adaptive capacity at company level remains uneven.

As a long-term asset owner, Aviva identified the need to strengthen how physical climate risk is assessed and integrated into company engagement and recognised that collaboration with asset managers could improve the effectiveness and credibility of engagement on this topic.

Approach

Aviva worked collaboratively with one of our asset managers, Schroders, to develop a structured physical risk engagement toolkit, with a particular focus on the social and workforce implications of physical climate risk and climate adaptation ("just resilience"). The collaboration involved:

- A series of dedicated meetings between Aviva and Schroders sustainability and investment teams to agree scope, sectors of focus and engagement objectives.
- Joint development of investor expectations and engagement questions to support consistent dialogue with exposed companies.
- Integration of Aviva input alongside Schroders' internal research capabilities and external expertise, including collaboration with academic and labour-focused organisations.

The collaboration was designed to complement Schroders' existing active ownership activities and to support engagements conducted on behalf of Aviva-managed mandates, while also contributing to broader market practice.

Engagement activity

Schroders used the jointly developed toolkit to begin engagements with selected companies exposed to physical climate risk, particularly in sectors with complex global supply chains. These engagements focused on:

- How companies assess and manage physical climate risks across operations and value chains
- Governance and accountability for climate adaptation
- Workforce, social and human rights implications of physical climate impacts
- Disclosure practices and transparency on physical risk and resilience planning

Schroders confirmed that engagement activity had commenced during 2024 and continued into 2025, with early dialogue taking place with companies.

Outcomes and ongoing monitoring

As an outcome of the collaboration:

- Schroders published a physical risk and just resilience engagement toolkit, with wider distribution to clients and market participants.
- The toolkit has been incorporated into Schroders' broader engagement framework and referenced in client-facing sustainable investment reporting.
- Aviva strengthened its oversight of how physical climate risk is addressed through manager-led engagement on its behalf.

Given the long-term nature of physical climate risk and adaptation, Aviva recognises that engagement outcomes in this area are typically incremental. Progress is therefore monitored through ongoing dialogue with Schroders as part of regular stewardship and sustainability meetings, including updates on company responsiveness and emerging best practice.

Learning and next steps

This collaboration demonstrated the value of asset owner-asset manager collaboration in addressing systemic and emerging climate risks where data and market practice are still developing. For Aviva, key learnings included the importance of:

- Combining financial materiality with social and workforce considerations when engaging on physical climate risk
- Using collaborative frameworks to scale engagement beyond individual portfolios
- Embedding physical risk more explicitly into stewardship priorities alongside climate transition risk

Aviva expects to continue engaging with Schroders and other managers on physical climate risk as part of its wider climate stewardship activities.

Download the Resilience toolkit here

Engaging to drive systemic change

AVIVA GROUP'S APPROACH

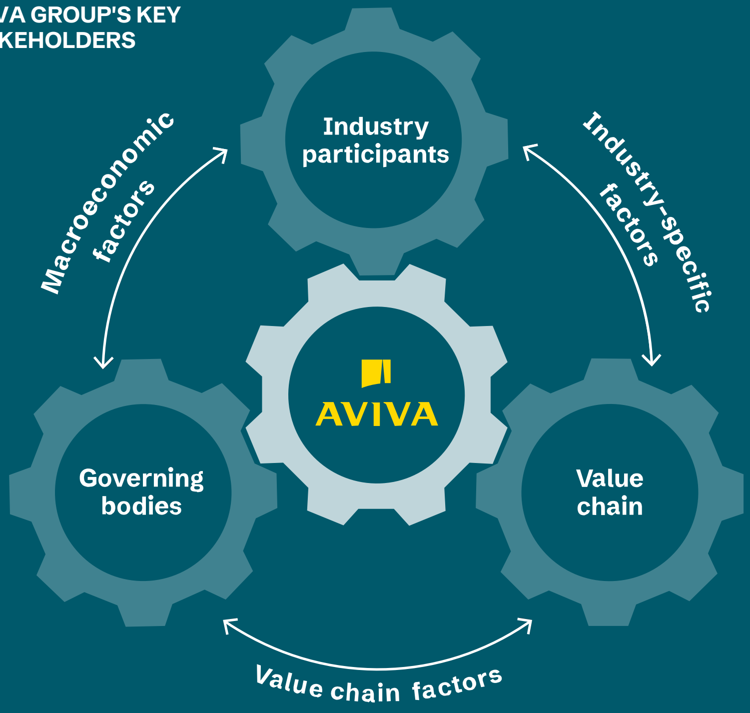
Climate change is a systemic risk to the financial system and needs collective action to drive change. The systemic nature of the risks posed by climate change is present as a result of the interconnections and interdependencies between different elements of the financial system and climate-driven physical and transitional impacts felt at a global scale. We use our voice to push for the policy, regulation, and capital market norms we need to deliver a more secure and stable future for our customers and shareholders.

This does not just mean engaging with policymakers – it means working with all key stakeholders including suppliers and investees to help them identify and deliver change within their organisations.

Aviva Group's Transition Plan relies on many macroeconomic, industry-specific, and value chain factors. Overcoming these dependencies requires collaboration between and action from these stakeholder groups and is the reason why engagement is a key lever in delivering our long-term ambition.

Read more: Dependencies and assumptions section in Aviva Group's Transition Plan

AVIVA GROUP'S KEY STAKEHOLDERS



We categorise our stakeholders into three groups based on their role in driving systemic change.

Governing bodies
This includes policymakers, regulators and standard setters, and multilateral organisations.

Industry participants
This includes industry alliances and trade associations, civil society organisations, fund and asset managers, and brokers.

Value chain members
This includes institutional clients, issuers and holdings, supply chain, retail customers, savers, and pension plan policyholders.

AVIVA GROUP'S POLICY ASKS

Aviva Group's Transition Plan depends upon its key markets having the policy, regulatory, and legal frameworks that incentivise and enable the Transition.

Aviva Group encourages governments around the world to:

Set legally binding Net Zero commitments in line with 1.5°C warming to dramatically reduce GHG emissions.

Back up Net Zero commitments with a National Transition Plan that details policy measures, fiscal incentives, regulation, and accountability mechanisms across all areas of government.

Push for integration of climate into the international financial architecture from members of the international financial architecture – like the International Monetary Fund.

Introduce sustainability disclosure requirements for firms that minimise fragmentation, reduce reporting burden, and increase data comparability.

Unlock private finance for adaptation to build climate resilience, and embed climate adaptation into national transition planning and funding needs.

Develop and disclose national plans to deliver the targets and goals of the Kunming-Montreal Global Biodiversity Framework which are based on nature-positive sectoral pathways.

Engaging with governing bodies

ENGAGING WITH GOVERNING BODIES

Governments, regulators and other public bodies hold multiple levers to set their national economies on the path to Net Zero. Misaligned market incentives and divergent policies can result in greater market risks, while alignment can support and accelerate the transition to a low carbon, climate resilient and nature positive economy.

For more information on the processes and standards in place to guide Aviva Group's engagement with government, please see Aviva's Working with Governments Policy.

Multilateral organisations

Aviva plc participates across various multilateral parties to encourage global ambition and congruence on climate and nature goals.

Aviva attends both the United Nations Framework Convention on Climate Change (UNFCCC) conference of the Parties (COPs) and the United Nations Convention on Biological Diversity (UN CBD) COPs. We engage with key policymakers and negotiators, advocating for ambitious commitments and actions from Parties as well as meaningful financial system reform to support the delivery of the goals of the Paris Agreement and Kunming-Montreal GBF.

For example, ahead of COP29 in Azerbaijan, Aviva called for developed countries to align incentives to facilitate capital mobilisation to developing countries.

Aviva also advocated for developed countries to commit to aligning the regulation of their financial institutions with transition goals. Aviva also shares insights on sustainable finance and investment topics within the G7 and G20 and, in recent years, have been invited to present to several G20 working groups on international financial system reform.

Policymakers, regulators, and standard setters

Aviva engages on specific policies and interventions that can help achieve the Group's sustainability ambition and mitigate the dependencies embedded in IWR's sustainability agenda.

Key engagement activities include:

- Engagement via direct relationships and events such as roundtables or party conferences.
- Through our investments in sovereign bonds, engagement with governments on our sustainability priorities by writing annually to finance ministers and central bank governors.
- Joining government-led sustainable finance and investment initiatives such as the National Wealth Fund Taskforce and Transition Finance Council, where Aviva was represented on the Steering Group.
- Producing policy papers such as the Low Carbon Investment Policy Roadmap and Building Future Communities Report.
- Responding to government and regulatory consultations on key issues.

DEVELOPING A CARBON INVESTMENT POLICY ROADMAP

In 2024, Aviva Investors developed and shared a roadmap with the UK's major political parties detailing a private investor's perspective on the key public priorities to boost low carbon investment over the next five years. The recommendations aim to improve market conditions to unlock low carbon investment opportunities and deliver an affordable cost of finance to project developers and society.

UK IWR has used the roadmap and the 2025 update to respond to multiple investment relevant public policy consultations. While we are only one of many stakeholders providing input into government policy, the new government has already made a number of low carbon policy decisions in line with the roadmap recommendations, one being the confirmation of public funding for carbon capture and storage.

In December 2025, Aviva Investors published a roadmap update. The update takes low-carbon policy developments over the last 18 months and puts forward key next steps for policymakers to further improve market conditions for investments in low-carbon projects, technologies, and businesses across the UK.

Read more: our full report

Engaging with industry participants and our value chain

ENGAGEMENT WITH INDUSTRY PARTICIPANTS

Many of the macroeconomic and industry-specific dependencies to our transition plan rely on engagement with industry bodies and trade associations to influence the climate and nature policy debate and agree on collective goals and policy positions.

We have a multifaceted engagement strategy that is based on our ability to influence outcomes, and we apply a decision framework to determine participation in these industry bodies and associations. The framework assesses the extent to which the initiative aligns with and supports Aviva's strategic and advocacy goals, the commitments, and actions involved, as well as the potential risks and opportunities associated with our involvement.

Internally, we collaborate closely across these initiatives and organisations through our Sustainability Advocacy Forum[1].

Industry bodies

We prioritise our engagement with industry bodies based on their influence and ability to shape the market and policy environment and our role and influence within the organisations.

The following industry bodies represent our key focus for engagement; however, we are active in a wide range of alliances[2].

NET ZERO ASSET OWNER ALLIANCE

Signatory. Member of the Monitoring, Reporting and Verification (MRV), Transition Finance, Engagement and Policy tracks and various working groups. In 2025, contributed to the fifth version of the Target-Setting Protocol (published in early 2026), and three discussion papers on deforestation, carbon removal investments and the long-term interests of asset owners. Chair of the Deforestation Working Group. For the ambitions we have set under the Target-setting protocol, please see the investment section of our Transition Plan.

Aviva Investors is a signatory to the Principles and represented on multiple advisory committees and working groups, including the Collaborative Sovereign Engagement on Climate Change.

PCAF Member. Standing member of the Climate Data Working Group, which reviews updates to the PCAF emission factor methodology and databases. In 2025 we participated in four working groups which developed new emissions measurement standards for securitization and structured products (co-chair), use of proceeds structures, sub sovereigns and project finance insurance as well as in groups which developed guidance to support adoption.

Member of Policy Workstream. FfB aims to encourage action to align financial flows with the Global Biodiversity Framework. Member of multiple working groups, with representation from IWR as asset owner, Aviva Investors and Group Sustainability.

Member. The PRA/FCA CFRF supports the development of best practice for institutions to identify and assess climate and nature risks and opportunities. In 2025, Aviva led the refresh of the Online Climate Scenario Narrative Tool and collaborated with JBA to produce a case study on climate-related flood risk across residential properties in Great Britain.

Member. The Chief Financial Officers (CFO) Forum aims to influence financial reporting and regulatory developments, including measurement of financed emissions for insurers.

1. The Sustainability Advocacy Forum coordinates Aviva's Group-wide advocacy on sustainability issues
2. These affiliations are entered into on an information sharing basis and in compliance with anti-trust and competition law to ensure that there is no 'collusion' between competitors, as well as relevant market regulations to ensure the proper functioning of regulated markets. While Aviva, at all times, makes it investment decisions independently and consistent with the best interests of its investors, it considers such collaborations to serve its primary objective of preserving and enhancing value on behalf of its customers and beneficiaries.

Engaging with industry participants and our value chain

Member. The Chief Risk Officers (CRO) Forum aims to develop industry best practices in risk management including emerging and long-term risks.

GFANZ

Founding member. Historically, used the platform to address industry-specific dependencies, including the development of methodologies and influencing government policy. In 2024, co-chaired the Nature and Policy workstreams.

IIGCC

Member. Co-chaired the Sectoral Roadmaps working group, which prepared guidance to facilitate investors' management of climate risks and opportunities.

PSI Principles for Sustainable Insurance

Signatory and participating in the Working Group on Nature.

Board member (effective January 2025) contributing to the development of the PSI programme and insurer actions.

FIT Participant and member of the FIT Transition Plan Working Group.

NET ZERO ASSET MANAGERS INITIATIVE

Founding member and signatory through Aviva Investors.

Engaging with committed asset managers to support the goal of Net Zero 2050 to mitigate risk and maximise long-term asset value.

Macro stewardship on nature in 2025

We continue to advocate for a robust policy framework to unlock investment in nature protection and restoration in support of a transition towards a nature-positive, Net Zero economy and the UK's contribution towards the goals of Kumming-Montreal Global Biodiversity Framework.

In October 2025, Aviva published a new report, Investing in nature: Mobilising private finance for environmental recovery in the UK. It highlights the need for a comprehensive public policy framework to de-risk and attract large-scale private investment in UK nature restoration. The report draws on Aviva's experience in setting up our carbon removal strategy and the challenges for investors in scaling private capital for nature restoration, the policy foundations needed to mobilise long-term private finance, and the steps necessary to strengthen carbon markets.

The report calls on UK policymakers to:

- Continue to develop a comprehensive framework for nature linking global goals to domestic delivery plans and policy measures,
- Develop policy mechanisms to overcome market challenges to private sector investment in nature restoration, and
- Take a lead in improving the availability of nature-related data and disclosures.

Throughout 2025, Aviva advocated for these asks and others in support of the transition to a nature-positive economy, through:

1. Directly engaging with influential policymakers, regulators, and public bodies in the UK.
2. Inputting into public policy processes, for example Defra's call for evidence on private investment in nature and consultations on Biodiversity Net Gain (BNG) reforms and the upcoming Land Use Framework, as well as the Department for Energy Security and Net Zero (DESNZ) consultation on integrity principles for voluntary carbon and nature markets.
3. Attending - and advocating at - key industry, domestic policy and international policy events, such as London Climate Action Week, New York Climate Week, the International Union for Conservation of Nature World Conservation Congress, and PRI In Person.
4. Participating in key industry groups such as the UK Business and Biodiversity Forum and the Finance for Biodiversity Foundation.

Read our Investing in Nature report here

Engagement summary: Aviva Investors

In 2025, Aviva Investors, who manage the majority of our assets, carried out 1208 engagements with companies and sovereign issuers throughout the year.

This included 943 substantive engagements and 267 engagements where a company has changed their behaviour in line with one of Aviva Investors' prior engagement asks. Substantive engagements with companies or sovereign issuers are defined as targeted and tailored interactions.

Figure 2 shows a breakdown of the engagements by region and Figure 3 shows a breakdown of the engagements by key themes.

The following data and examples are reflective of UK IWR mandates only.

Figure 2: Aviva Investors engagements by region in 2025

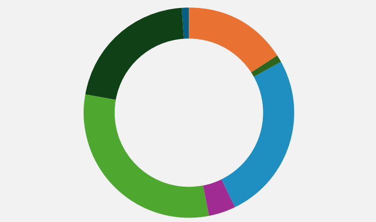
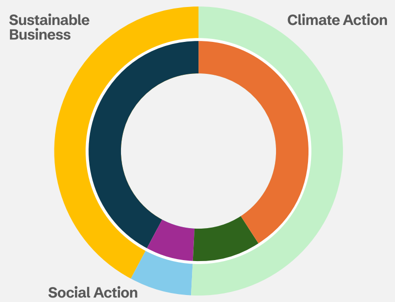


Figure 3: Aviva Investors engagements by theme in 2025



The following is a summary of votes undertaken by Aviva Investors, who manage the majority of our assets, by region and issue:

- Voted on 48,283 resolutions at 4,158 meetings
- Voted in favour of 51% of climate, nature, and social shareholder proposals

Figure 4: Aviva Investors 2025 voting activity by region

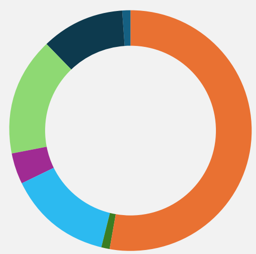


Figure 5: 2025 voting activity by issue

Votes for, against or abstained by voting topic	For %	Abstain %	Against %
Anti-takeover Measures	79 %	— %	21 %
Auditors	80 %	1 %	19 %
Climate-Related	73 %	9 %	18 %
Directors	76 %	3 %	21 %
Other	89 %	— %	10 %
Related Party Transactions	88 %	1 %	11 %
Remuneration	57 %	2 %	41 %
Report & Accounts	97 %	1 %	2 %
Share Issues/Capital Related	81 %	— %	19 %
Shareholder Resolution	44 %	2 %	55 %
Takeover/Merger/Reorganisation	96 %	— %	3 %

Engagement summary: Schroders

In 2025, Schroders undertook 602 engagements on our behalf with 316 issuers covering 1,826 discussion topics.

Figure 6 below demonstrates these engagements by region and Figure 7 demonstrates the number of engagements on Aviva's key engagement topics in 2025.

Figure 6: Schroders engagement activity by region in 2025

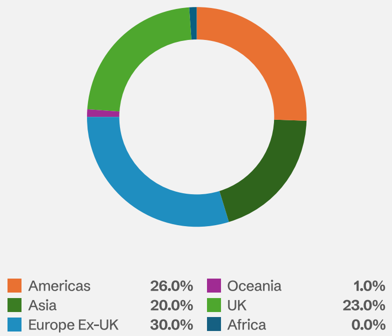
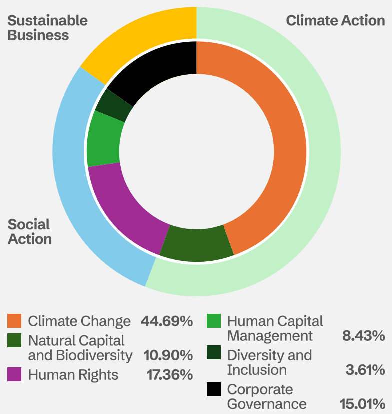
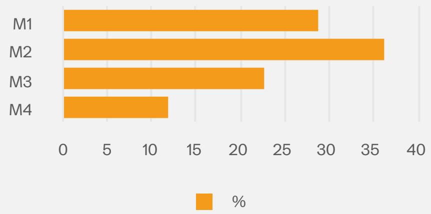


Figure 7: Schroders engagement on key engagement themes in 2025



Schroders also discussed 554 engagement objectives with these companies. Figure 8 shows a breakdown of their milestone (M) progress at the end of the period.

Figure 8: Schroders engagement by progress in 2025



The following is a summary of votes undertaken by Schroders.

- Voted on 18,095 proposals at 1,305 shareholder meetings
- Voted against management on 11.06% of all proposals

Figure 9: Schroders 2025 voting activity by region

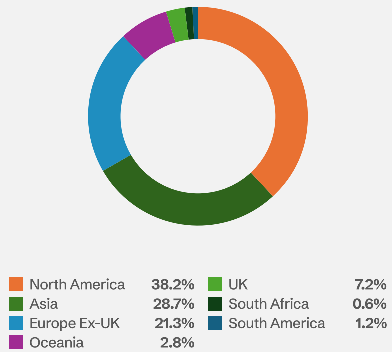


Figure 10: Schroders' 2025 voting activity by issue

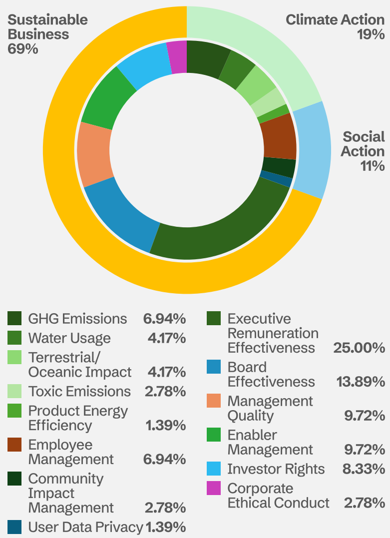
Votes for, against or abstained by voting topic	For %	Abstain %	Against %
Audit/Financials	88 %	— %	12 %
Board Related	93 %	— %	7 %
Capital Management	92 %	— %	8 %
Changes to Company Statutes	90 %	1 %	10 %
Compensation	72 %	— %	28 %
M&A	100 %	— %	— %
Meeting Administration	82 %	— %	18 %
Other	87 %	— %	13 %

Engagement summary: Fidelity

In 2025, Fidelity undertook 38 engagements on our behalf with 27 issuers.

Figure 11 demonstrates these engagements by theme in 2025.

Figure 11: Fidelity engagements by engagement themes in 2025



The following is a summary of votes undertaken by Fidelity, one of our largest asset managers.

- Voted on 761 resolutions at 40 shareholder meetings
- Voted against management on 8% of all proposals

The annual voting proxy voting reports for Fidelity, detailing votes cast and the rationale, can be found here: Fidelity Proxy Voting Dashboard

Figure 12: Fidelity's 2025 voting activity by region

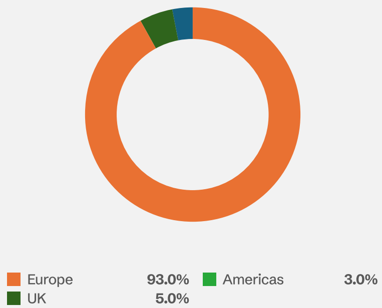


Figure 13: Fidelity's 2025 voting activity by topic

Topics	Total number of voted resolutions	For each topic, % of votes against management
Auditors	48	4 %
Board	302	5 %
Capital Structures	126	8 %
Charter Amendments	13	— %
Remuneration	150	12 %
Routine Business	91	10 %
Shareholder Proposals	13	8 %
Strategic/Restructuring	16	13 %
Takeover Related	2	— %
Total number	761	8 %

Systemic risks

Strategic pillars

Growth · Customer · Efficiency · Sustainability

Risk taxonomy key

A Market and credit risk · B Liquidity risk · C General insurance risk
D Life insurance risk · E Operational risk · F Strategic risk

Aviva's principal risks are the risks most likely to affect our strategy, performance, or reputation over the next twelve months.

Details of these risks are set out in the following pages, along with their potential impact, key mitigations or management actions, associated material controls, links to the Group's strategic objectives and alignment with the risk taxonomy.

The selection of principal risks has remained stable throughout the year and is aligned with the principal risks regularly reported to the Group Executive Risk Committee and Board Risk Committee for review and discussion. This is not intended to be an exhaustive list.

The current assessment of the principal risks to Aviva is shown in the table opposite. It highlights the strategic pillars that could be impacted by each principal risk. The view is dynamic and reflects the continued assessment of risk management across the business.

STRESS, SCENARIO AND SENSITIVITY TESTING

Aviva and IWR regularly use sensitivity analysis, stress, reverse stress and scenario testing of our principal risks. A number of scenarios, with different levels of severity, are performed, to analyse their impact on profitability, capital generation, solvency and liquidity. Where appropriate a set of plausible recovery actions is identified that can be executed in a timely manner.

We use severe recession-type scenarios (deep downside business cycle stress) to test the resilience of the balance sheet. These include regulatory stress tests such as the 2025 Life Insurance Stress Test (LIST), as well as our annual recovery planning, which uses extreme reverse stress testing to identify scenarios that would threaten our capital or liquidity.

We use this analysis to inform key decisions such as business plan development, dividend sustainability, and capital management actions. This also helps to ensure the operational and financial resilience of our business plans and to inform risk appetites and decision making. Every dividend decision is accompanied by an analysis of downside stress testing.

The wide range of testing that we perform assists in identifying the key management actions (e.g. expense and volume management, hedging and de-risking) the Group and IWR can use to withstand and react to a variety of severe events. They also demonstrate how we prudently manage the business, comply with regulatory expectations and that we understand the potential financial and non-financial consequences of our actions.

ALIGNMENT WITH PROVISION 29 OF THE CORPORATE GOVERNANCE CODE

To support the implementation of Provision 29 of the UK Corporate Governance Code, we have shown the alignment of Aviva's principal risks with the appropriate executive risk owner in the following tables, along with reference to mitigations and material controls in respect of these risks. Aviva also maintain executive level ownership and material controls for the additional three risks suggested in the code guidance: External Reporting, Fraud and Managing Our Data.

Principal Risk	Strategic Pillars	Focus Level	Group Risk Taxonomy	Group Executive Owner
Geopolitical instability	Growth, Customer	Increasing	E F	Chief Brand and Corporate Affairs Officer
Economic and credit	Growth, Customer	Maintaining	A B	Chief Financial Officer
People risk	Customer, Efficiency	Increasing	E	Chief People Officer
IT Control environment	Growth, Customer, Efficiency	Increasing	E	Chief Information Officer
Climate Change	Growth, Customer, Efficiency, Sustainability	Increasing	A C F	Chief Brand and Corporate Affairs Officer
Regulatory change	Growth, Customer, Efficiency	Maintaining	C D F	Chief Brand and Corporate Affairs Officer
Third parties	Growth, Customer, Efficiency	Maintaining	E F	Chief Operating Officer
Strategic change	Growth, Customer, Efficiency	Increasing	E F	Chief Operating Officer
Insurance risk	Growth, Customer, Sustainability	Maintaining	C D	Chief Executive Officer IWR + Chief Executive Officer UK & Ireland General

Systemic risks

Strategic pillars

Growth | Customer | Efficiency | Sustainability

Risk taxonomy key

A Market and credit risk | B Liquidity risk | C General insurance risk
D Life insurance risk | E Operational risk | F Strategic risk

Risk	Description	Key mitigation actions
1 Geopolitical instability **Strategic pillars:** Growth, Customer **Focus level:** Increasing **Executive Owner:** Chief Brand and Corporate Affairs Officer **Risk Taxonomy** E F	Ongoing global instability could have a significant impact on financial markets and our supply chains and therefore the service we provide to our customers. There is a risk of direct contagion of armed conflicts to surrounding countries, where we might have direct underwriting exposure. Second and third order impacts may affect global energy prices, financial markets, global trade and inflation. The uncertain global political landscape has the potential to lead to a higher volume of covert cyber security and critical infrastructure threats. Measures to boost domestic production in the US risk triggering further global responses of retaliatory tariffs. A potential increase in isolationist regional policies, impacting market volatility, capacity, pricing could also lead to inflationary pressures on our supply chains.	We actively monitor the economic environment through our Financial Event Response Plan, as well as cyber security threat environment. We manage our direct underwriting exposure to conflict zones via our policy wordings and underwriting boundaries. A key focus is to identify how geopolitical environmental changes might impact Aviva's customers and balance sheet, allowing us to anticipate and proactively plan to prevent harmful outcomes. We perform exercises of plausible scenarios, including identification of triggers, early warning signs and developing preventative actions and contingency plans to minimise impact to our customers. We undertake stress testing and scenario analysis to understand potential impacts to our balance sheet, customers, and business suppliers. We develop contingency plans in case of major supply chain disruption, incorporating lessons learned from previous events such as the 2022 outbreak of the Ukraine conflict and the Covid-19 pandemic.
2 Economic and credit **Strategic pillars:** Growth, Customer **Focus level:** Maintaining **Executive Owner:** Chief Financial Officer **Risk Taxonomy** A B	The macroeconomic and geopolitical environment remains uncertain, leading to a wide range of possible outcomes for the global economy, capital markets and investment returns. The rapid growth of artificial intelligence poses both risks and opportunities to global growth, with further expansion or a material correction both considered possible by market analysts. In the UK, although interest rates have shown signs of easing, customers' savings behaviour, and reaction to increased costs and relatively sluggish growth have the potential to impact appetite for our products.	In this uncertain economic environment, we continue to monitor our market and credit risk exposures closely. We limit the sensitivity of our balance sheet to these risks within our overall risk management framework. This includes setting limits on market and credit risks, ensuring we maintain a well-diversified investment portfolio. While interest rate and inflation exposures are complex, we aim to closely duration-match assets and liabilities and take additional measures to limit interest rate and inflation risk. We hold substantial capital for market and credit risks and protect our balance sheet with hedging to reduce our sensitivity to market shocks.

Systemic risks

Strategic pillars

Growth | Customer | Efficiency | Sustainability

Risk taxonomy key

A Market and credit risk | B Liquidity risk | C General insurance risk
D Life insurance risk | E Operational risk | F Strategic risk

Risk	Description	Key mitigation actions
3 People risk **Strategic pillars:** Customer, Efficiency **Focus level:** Increasing **Executive Owner:** Chief People Officer **Risk Taxonomy:** E	Our people are critical to the delivery of our strategy and business plan. A failure to recruit a talented, engaged workforce risks our ability to service the needs of our customers and achieving our strategic goals. Aviva has built a skilled employee base through recruitment and development activities along with targeted merger and acquisition interventions. Not retaining our talented people risks a loss of skills and knowledge, which could have an adverse impact on our customers and on the profitability of Aviva. A diverse, inclusive workforce is at the heart of Aviva. Failure to attract colleagues with a broad range of backgrounds, experiences and views would risk negatively impacting our customer focus, strong decision-making capability and Aviva's culture. Great leadership is key to our continued success and we're investing in this capability via new leadership development programmes for all leaders, to drive high performance. This investment also helps to mitigate the risk of loss of our key leadership talent.	We have a range of development and talent programmes, graduate and apprentice schemes supported by a various diversity, equity, and inclusion initiatives to ensure we attract and retain the best talent. This includes our flagship leadership programme 'Lead the Way' which all people leaders in the organisation are undertaking. Our Aviva University and learning academies enable colleagues to develop their skills in key capabilities such as Wealth, Underwriting, Claims and Change. The Aviva Foundry is our flagship programme enabling us to build a future-ready workforce, in particular strengthening the digital and data skills we require both now and in the future. We build 12-18 month workforce forecasts in all our markets and functions, enabling us to prepare for and develop the skills needed to deliver our strategy. We have implemented innovative people policies, such as equal parental leave, and support flexible working to encourage collaboration and career progression for all colleagues, to retain our talent.
4 IT Control environment **Strategic pillars:** Growth, Customer, Efficiency **Focus level:** Increasing **Executive Owner:** Chief Information Officer **Risk Taxonomy:** E	New and rapidly advancing technologies such as generative Artificial Intelligence and quantum computing threaten to out-pace regulations, governance and control frameworks. Threat actors use AI for social engineering, creating convincing phishing messages and using vishing attacks to bypass identify checks or trick employees into revealing credentials. This was behind a number of high-profile retailer attacks in 2025. Failure to understand and react to the impact of changing technology on customer behaviours, pricing, and distribution models could pose a risk to delivering on our strategy, competitive advantage, and reputation. Heightened geopolitical tensions have also caused an increase in the frequency and aggressiveness of cyber-attacks on large institutions. Systems outages, either impacting Aviva's systems directly, or those of our third party business partners, could affect our ability to service customers.	Our operational risk and control management framework provides us with the tools and techniques to reduce future losses, protect good customer outcomes, and protect against adverse reputational and regulatory impact. We carefully design, assess and regularly test our controls to ensure they are effectively mitigating the key causes and consequences of risks inherent to the business. We have specific controls in place to manage and monitor the increasingly volatile IT, cyber and data threat landscape. We invest heavily in our IT infrastructure, ensuring our business is at the forefront of technology and suitably equipped to defend against cyber-attacks. We actively monitor and respond to attacks on our IT infrastructure, continually evolving our protection mechanism to ensure the integrity of our systems. Through our internal communications system, we educate all our colleagues on the moving trends of cyber criminals. Through our mandatory training, we ensure all our staff are aware of how to identify cyber-attacks and supplement this with simulation testing to validate our defences.

Systemic risks

Strategic pillars
Growth · Customer · Efficiency · Sustainability

Risk taxonomy key
A Market and credit risk · B Liquidity risk · C General insurance risk
D Life insurance risk · E Operational risk · F Strategic risk

Risk	Description	Key mitigation actions
5 Climate change **Strategic pillars:** Growth, Customer, Efficiency, Sustainability **Focus level:** Increasing **Executive Owner:** Chief Brand and Corporate Affairs Officer **Risk Taxonomy** A C F	Aviva considers climate change to represent a significant risk to our customers, strategy, business model and wider society. Its effects are already being felt and we are proactively addressing these through our business plan, Stress and Scenario Testing, and Sustainability Ambition. We seek to minimise our exposure to the downside from climate transition risk, which may result from the expected extensive policy, technology, and market changes, while supporting solutions that will drive a transition to a low-carbon climate resilient economy. We recognise that there will be acute and chronic physical effects of climate change. We seek to limit our exposure to these risks, whilst actively supporting adaptation and building resilience. Additionally, we aim to minimise climate litigation risks, including those related to greenwashing. Climate related risks are 'cross-cutting' rather than standalone risks within our risk taxonomy, recognising that these risks impact many other risks.	Our risk policies and business standards explicitly cover climate related risks and integrate them into our risk and control management activities supporting our day-to-day decisions. We take into consideration the fact that these risks do not always easily align with existing risk management processes. Aviva's climate risk appetite framework expresses the level of risk our business is willing to accept or avoid. It enables confident risk-based decision making. We monitor our exposure using a variety of metrics and consider the rapidly evolving industry standards and regulatory requirements along with changes to, and dependencies with, the macroeconomic environment. We engage with companies to encourage them to transition to a lower carbon economy. We invest in and underwrite companies that are working towards robust and credible transition plans in line with our Baseline Exclusion Policy.
6 Regulatory change **Strategic pillars:** Growth, Customer, Efficiency **Focus level:** Maintaining **Executive Owner:** Chief Brand and Corporate Affairs Officer **Risk Taxonomy** C D F	The Group operates in a highly complex and evolving regulatory environment, subject to extensive regulatory oversight and disclosure requirements across multiple jurisdictions. Changes in relevant regulatory expectations in any of the markets in which the Group operates, may adversely impact the products and services we offer, including the need to make changes to terms and conditions and capital requirements. Such changes may impact customer outcomes, financial results, dividends payable by subsidiaries and financing requirements. Across the jurisdictions in which we operate, there is risk of regulatory divergence. Ambiguity or inconsistency in regulation across different jurisdictions risks increasing operating costs, while not guaranteeing improved outcomes for customers or markets.	We track and identify potential regulatory developments in each jurisdiction, relevant to our business. We continue to enhance the operationalisation of this framework, leveraging technology. We proactively engage with our regulators; the breadth of our market experience means that we have valuable insights to share and where possible, proactively do this to inform regulation in development. We comply with all applicable regulations and undertake regular reviews and testing to ensure continued compliance. We undertake proactive advocacy activity to inform regulatory developments and respond to regulatory publications impacting our businesses. Various governance committees are kept up to date on the progress of this activity.

Systemic risks

Strategic pillars

Growth · Customer · Efficiency · Sustainability

Risk taxonomy key

A Market and credit risk · B Liquidity risk · C General insurance risk
D Life insurance risk · E Operational risk · F Strategic risk

Risk	Description	Key mitigation actions
7 Third parties **Strategic pillars:** Growth, Customer, Efficiency **Focus level:** Maintaining **Executive Owner:** Chief Operating Officer **Risk Taxonomy** E F	Aviva relies on a wide range of third parties, and their own suppliers (fourth parties), to deliver critical and important business services and functions. Any weakness, defect, failure, or disruption within this supply chain exposes Aviva to risk, including potential operational disruption, customer harm, contractual/legal exposure, financial impacts, and reputational damage.	The Aviva Procurement & Outsourcing Business Standard (our Outsourcing Policy) is aligned to regulatory expectations and sets out the minimum mandatory controls for supplier related activities to be followed by all Aviva businesses, ensuring that supply related risk is managed effectively. This Standard includes: • a requirement for governance structures to be established to provide Senior Management and Board oversight for both individual supply arrangements and across the aggregate supply landscape. • a Group Supply Management Framework to ensure that sourcing and post-contract continuous monitoring and oversight activity, including operational resilience and recovery planning, is conducted with the appropriate level of rigour, based on the scale, complexity and risk a particular supply poses. Business Standard compliance, control assurance, risk event management, and assessment of risk, is managed and reported in line with the Aviva Operational Risk and Control Management Framework.
8 Strategic change **Strategic pillars:** Growth, Customer, Efficiency **Focus level:** Increasing **Executive Owner:** Chief Operating Officer **Risk Taxonomy** E F	The delivery of Aviva's Strategic Change activity is essential to our ambition to be market leading, and to continue delivering great customer outcomes. Numerous multi-year transformation programmes are underway or planned across all markets and if not executed effectively there is a risk of not delivering the expected strategic outcomes and benefits within the budget, timescales, and quality commitments. The scale of our change programmes requires a significant resourcing commitment. The ability to recruit, develop and retain highly skilled change delivery experts, to ensure we have the capability and capacity to successfully deliver the required programmes, remains a risk to our strategic ambitions. Reliance on third-party business partners to deliver change, in a competitive market, presents a risk to our change capacity. The integration of change programmes into business units presents a risk of disruption to business activity, while acquisitions of new businesses into the Aviva Group present further integration risks and legacy business risks.	We maintain change standards such as the Aviva Change Framework and associated oversight and performance metrics, with review and challenge throughout. We continue to evolve and enhance these. The Framework also assists in managing change safely and minimising consequences such as negative customer experience and operational disruption. Our change programmes are subject to regular review and assurance. This oversight ensures that our projects are meeting projected outcomes and benefits, whilst being managed in a controlled approach. We aim to match the skills of our staff to meet the needs of the change activity, aligning expertise and ambitions to develop and grow both the capacity of our teams and the individual members. Post implementation, we review change programmes in detail, to ensure lessons are learnt from both the programme and process, ensuring the change process continues to evolve and refine.

Systemic risks

Strategic pillars

Growth | Customer | Efficiency | Sustainability

Risk taxonomy key

- **A** Market and credit risk
- **B** Liquidity risk
- **C** General insurance risk
- **D** Life insurance risk
- **E** Operational risk
- **F** Strategic risk

Risk	Description	Key mitigation actions
9 Insurance risk **Strategic pillars:** Growth, Customer, Sustainability **Focus level:** Maintaining Chief Executive Officer IWR + Chief Executive Officer UK & Ireland General Insurance C D	The Group's life insurance risk continues to be dominated by exposure from our UK business, and arises through its exposure to mortality, morbidity and longevity risk, and exposure to worse than anticipated operating experience on factors such as persistency levels, exercising of policyholder options and management and administration expenses.	We have reinsurance in place across all our businesses to reduce our net exposure to potential losses. Life insurance risks provide a balanced diversification against other risks in the Group's portfolio. Mortality and morbidity risks are managed through comprehensive medical underwriting, input and advice from medical experts and reinsurance, as well as frequent monitoring and analysis of company experience. Longevity risk is managed through monitoring and analysis of the Group's experience, reinsurance, as well as considering the latest external industry data and emerging trends. Lapses and their associated financial impact are reduced through appropriate design of products to meet current and, where possible, future customer needs. Businesses also implement specific initiatives to improve the retention of policies which may otherwise lapse. Expense risk is primarily managed by the business units through robust cost controls and efficiency targets, together with frequent monitoring of expense levels.

Aviva plc collaborations, awards and accreditations

FOUNDERS
Founding signatory of the Carbon Disclosure Project (CDP) and the first asset manager to formally integrate corporate responsibility into voting policy
Founding signatory of ClimateWise
Founding signatory to the Farm Animal Investment Risk and Return (FAIRR)
Founding signatory to the Powering Past Coal Alliance Finance Principles
Founding signatory of the UN Principles for Responsible Investment (UN PRI)
Founding signatory of the UN Principles of Sustainable Insurance (UN PSI)
Founding member of the World Benchmark Alliance (WBA)

MEMBERS
Member of Finance for Biodiversity
Member of Global Financial Alliance for Net Zero (GFANZ)
Member of Net Zero Asset Managers Initiative (NZAM)
Member of Aldersgate Group
Member of Asian Corporate Governance Association (ACGA)
Member of Association of British Insurers (ABI)
Member of Global Investors for Sustainable Development (GISD)
Member of Global Real Estate Sustainability Benchmark (GRESB)
Member of the Institutional Investors Group on Climate Change (IIGCC)
Member of The Investment Association
Member of the Farm Animal Investment Risk and Return (FAIRR)
Member of the Investor Forum
Member of Flood Re
Member of the Employers' Initiative on Domestic Abuse
Member of the Good Business Charter
Member of the Slave-Free Alliance
Member of Institute of Business Ethics
Member of Transition Finance Council
Member of the Taskforce for Nature-related Financial Disclosures (TNFD) Forum
Member of UN Environment Programme Finance Initiative (UNEP FI)
Member of the Partnership for Carbon Accounting Financials (PCAF)
Member of the UN Forum for Insurance Transition (FIT)
Member of the IFRS Sustainability Alliance

SIGNATORIES
Signatory of CERES FAIRR initiative on fast food supply chains
Signatory of Cerrado Manifesto (deforestation), FAIRR
Signatory to the Change the Race Ratio campaign
Signatory to Climate Change Commitment (Launched by Better Building Partnership)
Signatory to 2012 FRC Stewardship Code
Signatory to Race at Work Charter
Signatory to the Social Mobility Pledge
Signatory of Terra Carta
Signatory of the UK Social Impact Implementation Task Force signatory
Signatory of the UN Global Compact
Signatory to the UN PRI Investor Statement on Corporate Action on Deforestation
Signatory to the UN PRI Investor Statement on Palm Oil
Signatory to Women in Finance Charter
Signatory of the Climate Pledge
Signatory of Finance Sector Deforestation Action Initiative (FSDA) Commitment on Eliminating Agricultural Commodity-Driven Deforestation
Signatory of the Sustainability Principles Charter for the Bulk Annuity Process
Signatory of the Partnership for Carbon Accounting Financials (PCAF)
Signatory of the Net-Zero Asset Owner Alliance (NZAOA)
Signatory of the Net Zero Asset Managers Initiative (NZAM)

COMMITMENTS
The Power of Communication
Armed Forces Covenant
Plain Numbers
RE100

AWARDS
Business of the Year winner - Third Sector Business Charity Awards 2025
Best Mid-Term Partnership Winner - Third Sector Business Charity Awards 2025
Best response to Cost-Of-Living Crisis winner - Third Sector Business Charity Awards 2025
The Times Top 50 Employers for Gender Equality Awards
Insurance Times Claims Excellence Awards 2025
The Corporate Engagement Awards 2024
UK Green Business Awards 2025
Investment Week Sustainable Investment Awards 2025
Social Mobility Index - Top 50 Ranking
Working Families – '2025 Top 30 Employer for Working Families'.
Certified as a Great Place to Work in the UK, Canada, Ireland, Poland and Luxembourg.

COMMUNITY PARTNERSHIPS
Partnership with the Canadian Association of Black Insurance Professionals
Partnership with Citizens Advice and Money Advice Trust to increase the financial resilience of people across the UK
Partnership with The Wildlife Trusts
Partnership with The Woodland Trust
Partnership with the Wildfowl and Wetlands Trust
Partnership with Wild + Pine
Founding Place Partner for the King's Responsible Business Network (BiTC)
Sponsor of 'Dive In Festival', a global diversity and inclusion insurance festival, covering all diversity characteristics
iCAN, a multicultural insurance network driving change across the industry

ACCREDITATIONS
The Good Shopping Guide by The Ethical Company
The Good Business Charter
RoSPA Gold Medal
Level 3 Carer Confident Employer
Investors in Diversity, Ireland - Gold
Living Wage Employer

Further information on some of these initiatives can be found here: www.aviva.com/sustainability/acting-as-a-sustainable-business/

Appendix

The report should be read in its entirety to obtain the fullest picture of our stewardship activities during 2025. To facilitate navigation, the table below provides links to the sections within the report that demonstrate how UK IWR complies with the 6 Principles of the UK Stewardship Code.

STEWARDSHIP CODE PRINCIPLES	LOCATION IN THE REPORT	RELEVANT PAGES
Principle 1: Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries	Integration	Pages 3-9
Principle 2: Signatories identify and respond to market-wide and systemic risks to promote well-functioning financial markets.	Systemic Risks | Collaborations | Engagement	Pages 31-36 | 37-38 | 11-30
Principle 3: Signatories engage to maintain or enhance the value of assets.	Engagement	Pages 11 - 30
Principle 4: Signatories actively exercise their rights and responsibilities.	Engagement	Pages 28 - 30
Principle 5: Signatories integrate stewardship considerations into their selection and oversight of external managers.	Integration	Pages 5-9
Principle 6: Signatories monitor and hold to account stewardship service providers.	Integration	Pages 8 & 10

Cautionary statements

CLIMATE-RELATED CAUTIONARY STATEMENT

Climate metrics

References to climate metrics in this cautionary statement also equally refer to projections, forecasts and other forward-looking statements in this document, unless the context indicates otherwise. The climate metrics used in this report should be treated with special caution, in particular as they are more uncertain than historical financial information, and given the wider uncertainty around the evolution and impact of climate change.

Climate metrics include:

- Estimates of historical emissions and investment in sustainable assets;
- Actual and expected weather-related losses;
- Forward-looking climate metrics, used for setting of our ambitions and targets as well as, climate scenarios, climate projections and forecasts.

Climate metrics are also used to assess climate-related risks and opportunities in funds/investment strategies.

These metrics should be considered alongside and set in the context of the notes. Our understanding of climate change effects, data, metrics and methodologies and its impact and wider sustainability impacts continue to evolve. Accordingly, both historical and forward-looking climate metrics are inherently uncertain and, therefore, could be less decision-useful than metrics based on historical financial statements. Below and in the next column we provide a non-exhaustive list of some of the challenges associated with using climate metrics in more detail.

1. Methodologies for estimating and calculating GHG emissions or emissions intensities and other climate metrics vary widely

There is a lack of standardisation and comparability with many diverging frameworks and methodologies for calculating climate metrics.

In particular:

- Some methodologies use company-specific historical emissions data while others may only provide estimations of emissions based on sectoral or geographical data or averages.
- Scope 2 emissions can be calculated using both market and location-based methods. Some issuers disclose only market-based, some only location-based, and some use both methods. This variability in disclosure practices reflects the evolving nature of climate metric methodologies and disclosures.
- Methodologies that incorporate emissions ambitions and targets may rely on different criteria for the types of ambitions and targets that can and cannot be used.
- Methodologies vary in their use of Scope 1, Scope 2 and/or Scope 3 GHG emissions. Some use only Scope 1 data, while others use Scope 1 and Scope 2 and yet others take Scope 1, Scope 2, and Scope 3 GHG emissions into account.
- Certain methodologies take cumulative historical GHG emissions into account while others incorporate point-in-time assessments of emissions intensity.

There is a risk that climate metrics may result in over or under estimations.

2. Calculating climate metrics is a complex exercise and requires making extensive judgements and assumptions

Some climate data, and in particular forward-looking climate scenarios, and related targets are based on underlying assumptions made about climate change policies, technologies and other matters that are uncertain or not yet known.

Any material change in these underlying variables may cause the assumptions, and therefore, the climate metrics, analysis, ambitions and targets which have been calculated based on those assumptions, to be incorrect.

In particular:

- Temperature scenarios generally include, and future-looking statements will be based upon, a set of assumptions that incorporate existing or planned global or regional policies, or business-as-usual sociodemographic projection, and projections for technological progress (including negative emissions and sequestration technologies) and regulatory developments, none of which may happen as contemplated.
- Some assumptions attempt to compensate for existing data gaps, such as past emissions trends or comparable and reliable company specific ambitions and targets. These assumptions may prove to be incorrect and not accurately represent the actual data.
- Modelling issues specific to financed emissions raise additional challenges, particularly around allocating emissions to the wide range of invested assets, insured emissions and financed activities.
- For example, when a financial institution holds a diversified investment portfolio across multiple sectors it is inevitable that the value chains of investees will cross over due to the closely interlinked nature of the real economy. As a result, the Scope 1 emissions of Energy providers are captured within the Scope 2 emissions of all companies that purchase this electricity.
- For the Scope 3 emissions of investments this is amplified by upstream and downstream value chains of investees crossing many times over, leading to significant double counting if absolute Scope 3 emissions are aggregated at the portfolio level.

There is a risk that the judgement exercised, or the estimates or assumptions used, may subsequently turn out to be incorrect.

3. There are challenges with obtaining complete, standardised, accurate, verifiable, reliable, consistent and comparable climate-related data

Climate-related risks and opportunities and their potential impacts and related metrics depend on access to complete, standardised, accurate, verifiable, reliable, consistent and comparable climate-related data. The insurance industry, like other sectors, is grappling with data availability and quality.

In particular:

- Climate-related data may not be generally available from counterparties or customers or, if available, it is generally variable in terms of quality and, therefore, may not be complete, standardised, accurate, verifiable, reliable, consistent or comparable.
- Companies may rely on aggregated information based on high-level sector data developed by third parties that may be prepared in an inconsistent way using different methodologies, interpretations, assumptions or reporting periods.
- Data is less readily available for some invested asset types and there may also be data gaps, particularly for private companies, that are filled using “proxy” or other data, such as sectoral average, again developed in different ways.

- There is no single, global, cross-sector data provider that adequately and consistently covers the necessary scope for data to analyse emissions and assess physical and transition risks across operations and investment portfolios.
- While some regulators and standard-setters mandate additional disclosure of verified climate-related data by companies, such standards are still developing, and not as widely standardised across sectors and markets as those for financial reporting, and there are potential gaps between needed and available data.

The availability of climate, industrial classification, energy use and efficiency data, including information used as a proxy for that data (e.g. EPC rating) depends on a variety of public, private and civic sector sources. Historically, climate data was largely environmental and weather data was produced by government agencies, however, the challenge is finding the relevant sources, if they exist, and then validating, cleaning and standardising the data in an accessible form or format.

Further development of reporting standards, scientific understanding of climate change and global and regional laws could materially impact the metrics, ambitions and targets contained within this report and may mean that subsequent reports do not allow a reader to compare metrics, ambitions and targets on a like for like basis. Certain disclosures are likely to be amended, updated, recalculated and re-presented in future reports.

There are many uncertainties, assumptions, judgements, opinions, estimates, forecasts and non-historic data surrounding the climate metrics, data, models and scenarios used to create the 2025 climate-related financial disclosures report; and the measurement technologies, analytical methodologies and services that support them remain in an early stage of development.

Accordingly, the quality and interoperability of these models, technologies and methodologies are also at a relatively early stage of development.

Significant data gaps in sectors, sub-sectors and across invested asset classes are impeding not only climate risk management, but also the development of mitigation actions and adoption of strategies, as well as aspects of operations, credit and market risk and investment analysis that depend on data-informed processes.

In summary, the information in this report is subject to significant uncertainties and risks which may result in the Group being unable to achieve the current plans, expectations, estimates, ambitions, targets or projections.

Some of the information in this report has been or may have been obtained from public and other sources, including from third parties, and Aviva has not independently verified it. Aviva makes no representation or warranty regarding its completeness, accuracy, fitness for a particular purpose or non-infringement of such information, nor is revision of such information in Aviva's control.

OTHER FORWARD-LOOKING STATEMENTS

This report should be read in conjunction with the other documents distributed by Aviva through The Regulatory News Service (RNS). This report contains, and we may make, other verbal or written 'forward-looking statements' with respect to certain of Aviva's plans and current ambitions and expectations relating to its future financial condition, performance, results, strategic initiatives and objectives and other future events and circumstances. Forward-looking statements include, without limitation, projections, estimates, commitments, plans, approaches, ambitions and targets (including, without limitation, sustainability commitments, ambitions, goals and targets). Statements including those containing the words 'believes', 'intends', 'expects', 'projects', 'plans', 'will', 'seeks', 'aims', 'may', 'might', 'could', 'should', 'outlook', 'objective', 'predict', 'likely', 'target', 'goal', 'guidance', 'trends', 'future', 'estimates', 'potential', 'possible', 'ambition' and 'anticipates', and words of similar meaning, are forward-looking.

By their nature, all forward-looking statements are subject to known and unknown risks and uncertainty. Accordingly, there are or will be important factors that could cause actual results - and Aviva's related plans, expectations and targets - to differ materially from those indicated in these statements. Climate-related forward-looking statements, in particular, can be subject to increased uncertainty due to the challenges in assessing climate-related risks and vulnerabilities, compared to more conventional financial risk assessments.

Factors that could cause actual results to differ materially from those described in these statements include:

- Regulatory measures addressing climate change and broader sustainability-related issues; and
- The development of standards and interpretations, including evolving requirements and practices in climate or sustainability reporting; and the ability of the Group, together with governments and other stakeholders to measure, manage, and mitigate the impacts of climate change and broader sustainability-related issues effectively.
- The impact of ongoing uncertain conditions in the global financial markets and the national and international political and economic situation generally (including those arising from the current and emerging geopolitical landscape and rising protectionist measures.

A detailed description of other relevant factors is contained within Aviva's most recent annual report available on its website at www.aviva.com/investors/results-presentations-reports/.

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements; such statements should be regarded as indicative and illustrative only. Forward-looking statements in this report are current only as of the date on which such statements are made. Notwithstanding any statements of intent or expectation in this report, Aviva does not undertake to update our forward-looking statements except as required by applicable law and does not provide any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements will actually occur.

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