

Our stakeholders

This section provides insight into how the Board engages with our stakeholders. The Board recognises that stakeholders have diverse interests and that these interests need to be heard.

Engaging with our stakeholders is essential to understand what matters most to them and the likely impact of any key decisions.

The Board receives updates from the Executive Directors which detail any substantial engagement with our stakeholders. There are also regular agenda items to ensure that the Board receive relevant updates on all of our key stakeholders, such as reports from investor relations, our people function, customer service and our businesses.

The Board held a strategy offsite in June 2023 to consider the long-term strategic direction of the Group. As part of these strategic discussions, the Board considered the industry and market and the potential impact to stakeholders.

Our Section 172(1) Statement sets out our approach on how our directors have performed their statutory duty.

Our Board's activities section provides further information on key decisions taken in 2023, including how stakeholder views and inputs have been factored into the Board's decision making.

Details of how we engaged with our different groups of stakeholders during 2023 can be found on the following pages.





Our stakeholders



Our people

Our people's wellbeing and commitment to serving our customers are the foundations of our performance.

How we have engaged

- Our employee-shareholders were given the opportunity to meet the Board and submit questions at the Annual General Meeting (AGM).
- The Group CEO hosted interactive sessions with colleagues throughout the year to answer questions and receive feedback.
- The Board engaged with representatives of the Aviva community at offsite visits to Norwich and Canada and attended the Values in Action award ceremony in Canada.
- The Board, together with the Audit Committee, reviewed reports on the Speak Up service.
- The Chair of the Remuneration Committee attended a meeting of the employee representative group 'Your Forum'.
- The Evolution Council (a diverse group of high calibre leaders from across the business) provides a forum for employee engagement and feedback to the Chair and Board. Several Non-Executive Directors and the members of the Group Executive Committee, including the Group CEO and Group CFO, attended during the year and discussed their career journeys.

Focus during the year

- The Board focused on succession planning, culture and the talent pipeline to ensure they were attracting and retaining the best leaders in the industry.
- The Board monitored and responded to the impact that inflationary pressures exerted on our people.
- The Board were given corporate culture updates with a focus on the culture diagnostic and embedding diversity, equity and inclusion.
- The outcome of the Voice of Aviva survey was used to assess employee comfort and confidence in the whistleblowing process (Speak Up).

Outcomes and actions during the year

- Our Board and senior leaders attended offsite visits, meeting with a diverse range of colleagues.
- Launch of our 2023 early career programme, with over 200 graduates and apprentices attending and engaging with senior leaders.
- Launch of Workvivo, our new internal colleague communication and engagement platform. Our leaders are now able to engage with over 19,500 colleagues who are active on Workvivo.
- Launch of Aviva's health proposition, Digital GP, available to our employees.
- In March 2023, Aviva became one of the first UK employers to be awarded the Living Pension accreditation.



Our customers

Understanding what's important to our 19.2 million customers is key to our long-term success.

How we have engaged

- The Board, and the Customer and Sustainability Committee, received regular reporting on customer experience, customer journeys, customer service levels and outcomes and customer related strategic initiatives.
- The Board supported the delivery of our customer strategy and reviewed its progress as part of the strategic delivery updates to the May and November 2023 Board meetings.
- The Board engaged with customer-shareholders and answered questions that were submitted in advance of and at our AGM.
- The Board attended showcases in UK General Insurance Personal Lines (customer help and support strategy with virtual assistants) and on Motor Claims during the Board offsite visits.
- The Board attended showcases in IWR during the Board Strategy offsite meeting focusing on the Wealth and Health apps.

Focus during the year

- The Board together with the Customer and Sustainability Committee focused on the implementation of the FCA's Consumer Duty Regulations.
- The Board monitored and responded to the impact that inflationary pressures exerted on our customers.
- The Board focused on our digital customer journeys, making it easier and more convenient for customers to interact with us.
- The Board reviewed reputation updates with a focus on measuring Aviva's reputation with stakeholders for future reporting.

Outcomes and actions during the year

- The Board, together with the Customer and Sustainability Committee and Risk Committee, monitored and received regular updates on the progress of phase 1 of the implementation of the FCA's Consumer Duty regulation.
- Aviva fulfilled its COVID-19 pledge payments and offered QuoteMeHappy essential care insurance to give greater flexibility to more cost conscious customers.

Our stakeholders



Our shareholders

Our retail and institutional shareholders are the owners of the Company.

How we have engaged

- The Board engaged with shareholders at the AGM.
- The Board received regular updates on management interaction with institutional shareholders.
- A shareholder newsletter was published on aviva.com every quarter and provided information on recent Board changes, financial or strategic updates, and information about our Aviva Foundation projects.
- The Chair of the Board engaged and attended meetings with major shareholders of the Group.
- The Chair of the Remuneration Committee together with the Executive Directors met with institutional shareholders to discuss proposed changes to the Directors' Remuneration Policy.

Focus during the year

- Ensuring shareholders understand our strategy and business model.
- Engaging with different groups of retail shareholders.
- The Board have continued to focus on meeting all our customers' Insurance, Wealth and Retirement needs, to support long-term delivery of future shareholder returns through value appreciation and dividends.

Outcomes and actions during the year

- The 2023 AGM took place in Norwich. This was the first time the location was outside of London and gave the Board an opportunity to meet local retail shareholders.
- The 2024 AGM will be held in York giving the Board another opportunity to meet local retail shareholders.
- On 9 March 2023, the Company announced a buyback of its ordinary shares for a maximum aggregate consideration of £300 million which commenced on 10 March 2023 and completed on 2 June 2023. As a result, the Company acquired 72,797,191 ordinary shares of 32 17/19 pence each at an average price of 412 pence per share. For further details see note 32 of the financial statements.
- The Board approved the redemption of 0.625% €315 million dated Senior Notes, fulfilling our commitment to delivering £500 million in debt deleveraging, in conjunction with approval of the redemption of 6.125% €301 million Dated Tier 2 Reset Notes.



Regulators

As an insurance company, we are subject to financial services regulation and approvals in all the markets we operate in.

How we have engaged

- We have maintained a constructive and open relationship with our regulators and the Board has regular meetings with our UK regulators.
- Regulators engaged with us to discuss their objectives, priorities and concerns, and how they affect our business.
- Both the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) attended a Board meeting during the year and discussed regulatory issues with board members.
- The Group CEO led the Group annual strategy meeting with the PRA and the FCA, supported by the Group CFO and Interim Chief Risk Officer.

Focus during the year

- Continued focus on Consumer Duty with training provided to the Group and subsidiary Boards.

Outcomes and actions during the year

- Regulatory priorities were regularly discussed at Board, Audit and Risk Committee meetings.
- The Board, together with the Customer and Sustainability Committee and Risk Committee, monitored and received regular updates on the implementation of the FCA's Consumer Duty regulation.

Our stakeholders



Our communities

We recognise the importance of contributing to our communities through volunteering, community investment, and long term partnerships.

How we have engaged

- The Board received updates on the Aviva Foundation and Aviva partnerships with third sector organisations including Citizens Advice, and our community programmes including the Aviva Community Fund where we support community investment projects aligned to our values.
- The Customer and Sustainability Committee received regular updates on the progress of Aviva's Sustainability Ambition throughout 2023 with the Committee Chair providing an update on matters discussed at each Board meeting.

Focus during the year

- The Board continued to focus and monitor progress on initiatives that it believes will have a positive impact on the communities in which Aviva operates.
- Sustainability and inclusive behaviours training was provided for the Group and subsidiary Boards.

Outcomes and actions during the year

- Employees across the Group were offered the opportunity to volunteer their time to support charities and organisations, with over 87,599 volunteering hours recorded.
- During the year, Aviva pledged £2.7 million funding to Citizens Advice and £0.75 million to the Money Advice Trust to help build their capacity to tackle the cost of living crisis. This is part of an overall pledge of £7 million to Citizens Advice and £2 million to Money Advice Trust (the majority of which was distributed in 2022).
- The Aviva Foundation pledged just under £2 million funding to organisations delivering public benefit focused on financial resilience.



Our suppliers

We operate in conjunction with a wide range of suppliers to deliver services to our customers. It is important that we build strong working relationships with our intermediaries.

How we have engaged

- The Board delegates engagement with suppliers and oversight to senior management.
- All supplier related activity is managed in line with the group procurement and outsourcing business standards. This ensures that supplier risk is managed appropriately in relation to customer outcomes, data security, corporate responsibility, and financial, operational and contractual issues.
- The Board, via reporting from the Risk Committee, was kept updated on the development of any key supplier risk.
- The annual Club 110 Broker Conference was held and our Key Partner Conference was attended by the Group CEO and senior management.
- The Risk Committee and senior management on behalf of the Board engaged with key suppliers about Aviva's Sustainability Ambition.

Focus during the year

- Understanding and highlighting risk across the whole supply chain.
- Simplification of products and platforms.
- The Risk Committee on behalf of the Board reviewed the Group's cyber risk and control environment including the threat posed by the risk of ransomware attacks on both the group and our material third party suppliers.

Outcomes and actions during the year

- An update on supplier risk and relations was presented to the Board, as part of the Board's continuing programme of supplier oversight.
- To ensure continued efforts to strengthen controls, the procurement and outsourcing (P&O) business standard was refreshed for 2023.
- The Board reviewed the Company's engagement with its broader supply chain as part of its annual approval of the Modern Slavery Act Statement.
- Aviva held its first Net Zero supplier summit which included speakers from Microsoft, Paragon and Aviva Investors.
- Aviva remains a signatory to the Prompt Payment Code.



Our section 172(1) statement

We report here on how our directors have performed their duty under section 172(1) of the Companies Act 2006 (s.172)

S.172 sets out a series of matters which the directors must have regard to when performing their duty to promote the success of the Company for the benefit of its shareholders, including having regard to other stakeholders.

Our Board considers it crucial that the Company maintains a reputation for high standards of business conduct. The Board is responsible for establishing, monitoring and upholding the culture, values, standards, ethics, and reputation of the Company to ensure that our obligations to our stakeholders are met. The Board monitors adherence to our policies and compliance with local corporate governance requirements across the Group and is committed to acting where our businesses fall short of the standards we expect.

The Board requires stakeholder implications to be considered within all proposals submitted to it from across the organisation. Stakeholder interests are identified in proposals, both within papers to the Board and as part of accompanying presentations.

Our Board is also focused on the wider social context in which our businesses operate. Examples of how stakeholder engagement and s.172 matters have influenced Board discussion and decision making during the year can be found in Our Board's activities.

This section sets out where key disclosures in respect of each of the s.172 matters can be found.

(A) The likely consequences of any decision in the long term

Strategic report

Our sustainability ambition

Our Board's activities

(B) The interest of the Company's employees

Our people

Our stakeholders

Governance

Remuneration report

Non-financial and sustainability information statement

(C) The need to foster the Company's business relationships with suppliers, customers and others

Our stakeholders

Our sustainability ambition

Non-financial and sustainability information statement

(D) The Impact of our operations on communities and the environment

Our People

Our sustainability ambition

Non-financial and sustainability information statement

(E) The desirability in maintaining a reputation for high standards of business conduct

Non-financial and sustainability information statement

Our risks and risk management

(F) The need to act fairly as between members of the Company

Our stakeholders

Directors' report

Governance