

# Aviva Investment and Underwriting Baseline Exclusions Policy

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# Aviva Investment and Underwriting Baseline Exclusions Policy

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**Aviva's policy on the minimum exclusions that it applies to its investments and underwriting activities**

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# 1. Introduction

## 1.a. Overview

Acting sustainably is a cornerstone of Aviva's strategy. It matters to our customers, our people and our world. The long-term health of our business depends on operating within a sustainable global economy, and we want to help set the standard. We believe in using our influence as a large asset owner, asset manager and insurer to engage with companies to drive positive change.

We seek to avoid investing in or insuring specific sectors and economic activities that fundamentally misalign with Aviva's purpose, values, and our ambition to be a sustainable business. These include activities such as tobacco, civilian firearms or violators of the UN Global Compact (UNGC), which is a global initiative that sets baseline expectations for corporate behaviour on human rights, labour, environmental issues and anti-corruption.

We typically apply exclusions when a certain proportion of a company's revenue, or business activities that we insure come from these activities ("exclusion thresholds"). For example, we exclude companies where more than 5% of a company's revenue, or their assets and activities insured by our insurance policies ("Aviva insured exposures") comes from thermal coal.

This policy sets out the minimum standard for what we deem to be investable or insurable. But excluding companies or entire sectors can sometimes have unintended consequences, for example preventing investment in credible transition or green projects within high-emitting sectors that would otherwise be excluded under this policy. In such cases, and subject to Aviva's established governance processes, specific and justified exceptions may be considered.

This policy sets out:

- how and where exclusions apply across our investment and insurance activities,
- which sectors and activities within the scope of this policy are excluded,
- the company revenue and Aviva insured exposure thresholds that trigger exclusions, and
- when exceptions to this policy may be made.

We review this policy at least annually or more frequently in response to material regulatory or market developments.

A glossary of key terms used in this policy is at the end of the document. If you have any questions, please contact [CRTeam@aviva.com](mailto:CRTeam@aviva.com).

## 1.b. Summary of Aviva’s exclusions: Activity and exclusion thresholds

This section sets out a high-level summary of the company activities and practices that can lead to Aviva’s exclusion, together with the exclusion thresholds that typically apply, in our investments and underwriting. For more information on the rationale, scope and exceptions related to these exclusions, please **see Section 3: Sectors and activities that we may not invest in or insure.**

<b>Excluded/restricted activity (as defined in Section 3: Sectors and activities that we may not invest in or insure)</b>	<b>Exclusion threshold (Note: the symbol “≥” means “equal to or more than”)</b>
Thermal coal	≥ 5%
Arctic oil	≥ 10%
Oil sands	≥ 10%
New or expanding fossil fuels	See <b>Section 3a</b>
Controversial weapons	0%
Nuclear weapons outside of the UN Treaty on Non-Proliferation of Nuclear Weapons (NPT)	0%
Civilian firearms	≥ 5%
Tobacco production	0%
Tobacco retail and distribution	≥ 25%
UN Global Compact (UNGC) principles breach	n/a (see Section 3d)

## 2. Scope of policy

This policy applies to all assets we invest in and customers we insure that fall within scope as outlined below. Where any part of this policy applies only from a specific date - such as the introduction of the first Aviva Baseline Exclusions Policy in 2020/21 or the publication of this updated policy in 2026 - this is clearly stated within the policy.

We may also provide certain benefits to employees of companies that are otherwise excluded under this policy<sup>1</sup>, provided the benefit is primarily for the employees and/or their families and supports their financial or physical wellbeing. Examples include:

- corporate private medical insurance,
- workplace pensions,
- group protection.

### 2.a. Investment

We apply this policy across all shareholder, participating and policyholder investment portfolios where Aviva has investment decision-making control<sup>2</sup> and where it is operationally feasible<sup>3</sup> to do so.

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<sup>1</sup> With the exception that we will not offer or provide employee benefits propositions to the employees of companies that manufacture, develop, or distribute controversial weapons as described in this policy.

<sup>2</sup> Aviva is deemed to have investment decision-making control when we are responsible for defining the investment mandate - setting the investment objective, guidelines and risk appetites, choice of benchmark to meet customer and shareholder outcomes, and manager selection. This does not include external fund links made available on platforms, consultant instructed scheme blends or external client mandates.

<sup>3</sup> Operational feasibility may be constrained by unavailable or incomplete data, such as gaps in third-party coverage or where there is a lack of tenant-level information for certain asset classes like real estate.

Non-exhaustive examples of where this policy does not apply are set out in **2ai. Public Markets** and **2aii. Private Markets** sections and also include:

- segregated mandates where the client (not Aviva plc) has not agreed to the policy, or certain aspects of the policy, being applied<sup>4</sup>,
- third-party funds managed by external managers that may not operate equivalent exclusions<sup>5</sup> and where the mandates are not designed exclusively for Aviva,
- sovereign bonds<sup>6</sup>, which are debt instruments issued by a country's government.

On a case-by-case basis, we may deem it appropriate to apply the policy to the scenarios listed above. Where this is the case, we would make this explicit in the relevant fund documentation. Aviva will apply this policy subject to any applicable contractual, legal and/or regulatory obligations. In each case, the relevant fund documentation will set out the extent of the application of this policy, including whether it only applies to certain parts of an investment strategy. For the avoidance of doubt, where there is any potential misalignment between the policy and how it is applied to a specific fund, the fund documentation will take precedent.

We generally apply exclusions by disallowing investment in any financial instrument issued by companies deriving revenue from excluded activities above the relevant revenue thresholds. This could include subsidiaries of excluded issuers, unless they were ring-fenced from the prohibited activity of the parent company. We also disallow indirect exposure to excluded companies via the use of derivatives subject to certain exceptions (see **2ai. Public Markets** section below).

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<sup>4</sup> Aviva encourages the adoption of this policy in segregated mandates although the client has the ultimate decision as to whether to do so.

<sup>5</sup> For our multi-asset or fund of fund strategies utilising third-party systematic or passive funds, we seek funds with aligned/similar restrictions to those under this policy where these are available.

<sup>6</sup> Sovereign bonds include sub-sovereign and supranational debt.

## 2.a.i. Public Markets

This section refers to investments in securities that are traded publicly on exchanges or other recognised marketplaces. Such investments include fixed income investments and equities.

This policy does not usually apply to:

- index exposure through a derivative or an investment linked to that index such as:
  - exposure to a well-diversified index<sup>7</sup> through a derivative or an investment linked to that index of which an excluded issuer is a constituent,
  - exposure to a non-diversified financial index through a derivative or an investment linked to that index. We have pre-defined limits on how large any otherwise excluded issuer can be within this type of index. Pre-defined limits also apply to the total exposure a fund may have to otherwise excluded issuers from all of its investments in this type of index.
- index-tracking funds that passively replicate conventional or non-customised market indices,
- short-selling of financial instruments issued by excluded issuers,
- collateral posted by counterparties.

On a case-by-case basis, we may deem it appropriate to apply the policy to the scenarios listed above. Where this is the case, we would make this explicit in the relevant fund documentation.

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<sup>7</sup> A well-diversified financial index features at least 30 constituents and has individual constituent weightings not more than 20% of the index (includes broad-based and sector indices).

## 2.a.ii. Private Markets

This section refers to privately held assets that are not bought and sold on the public market or a stock exchange. Examples include property, infrastructure, such as toll roads and airports, and private companies. Only private market investments made after the introduction of the Aviva Baseline Exclusions Policy in 2020/21 and in which we are directly invested are considered in scope, unless otherwise stated.

All new prospective investments in the following private markets asset classes are assessed against this policy on a reasonable endeavours basis:

- real estate
- infrastructure
- private equity
- venture capital
- natural capital
- private debt

### **Summary of how this policy applies to private markets asset classes**

For each private markets asset class, we explain:

- what the asset class is,
- our typical assessment or due diligence approach to support application of this policy, and
- limitations to our assessment and exclusions approach for each asset class.

Private markets asset class and definition	Typical assessment or due diligence approach	Limitations to our assessment and exclusion approach
<p><b>Real estate</b> (including real estate equity and real estate debt and corporate real estate mortgages)</p> <p>Real estate is an asset class that covers commercial assets including offices, retail and leisure spaces, and residential buildings including single family and multi-family homes, and purpose-built student accommodation.</p>	<p>An assessment typically involves:</p> <ul style="list-style-type: none"> <li>• a review of the business activity of the company that owns the asset or assets; and</li> <li>• a similar understanding of the business activities of any tenant companies occupying the asset, where sufficient data exists.</li> </ul>	<ul style="list-style-type: none"> <li>• It is not always possible to carry out a look-through assessment in the case of tenants who sub-let to other tenants.</li> <li>• Due to these complexities, we cannot guarantee that the standards of the exclusion policy will be met throughout the investment chain.</li> <li>• Consequently, there may be cases where there will be indirect exposure to entities that would otherwise have been screened out by the exclusion policy and due diligence assessment.</li> <li>• We carry out the due diligence assessment at origination but it is not feasible to run it repeatedly through the lifecycle of all investment agreements.</li> </ul>
<p><b>Private equity</b> (including infrastructure equity and venture capital)</p> <p>Private equity is an asset class that refers to equity (purchasing shares in a company) outside of public markets. Shares in private equity cannot be purchased by the general public.</p>	<p>We assess baseline exclusions for all new prospective investments in private equity and venture capital as part of our due diligence approach.</p> <p>An assessment typically involves:</p> <ul style="list-style-type: none"> <li>• A review of the business activity of the company in which we are considering an investment.</li> <li>• A questionnaire sent to the potential investee company</li> </ul>	<p>For fund-of-fund investments:</p> <ul style="list-style-type: none"> <li>• We review counterparty policies to check alignment to the exclusions policy.</li> <li>• Where there is misalignment, we engage with the counterparty to encourage alignment, although the counterparty has the ultimate decision on adoption of the principles of the policy.</li> <li>• As such, we cannot guarantee that the standards of the exclusion policy will be met throughout the investment chain and consequently there may be cases where there will be indirect exposure to entities that would otherwise have been screened out by the exclusion policy and due diligence assessment.</li> </ul>

Private markets asset class and definition	Typical assessment or due diligence approach	Limitations to our assessment and exclusion approach
	<p>which includes questions relating to the exclusions policy.</p> <p>Throughout the lifetime of the investment, we continue to engage closely with the company to monitor adherence to the terms of the exclusions policy.</p>	<p>We carry out the due diligence assessment at origination but it is not feasible to repeatedly review fund-of-funds' investments throughout the lifecycle of all investment agreements.</p>
<p><b>Natural capital</b></p> <p>Natural capital encompasses a variety of investments in the world's stock of natural resources and ecosystems services. Representative examples include projects relating to afforestation, reforestation or peatland restoration.</p>	<p>An assessment typically involves:</p> <ul style="list-style-type: none"> <li>• a review of the physical asset; and</li> <li>• the business activity of the counterparty that we are considering investment in as part of the due diligence process.</li> </ul> <p>Where the investment falls short of the thresholds outlined in this policy, we will not go ahead with the deal. Throughout the lifetime of the investment, we continue to engage closely with the company to monitor adherence to the terms of this exclusions policy.</p>	<p>N/A</p>
<p><b>Private debt</b> (includes infrastructure debt, structured finance and private corporate debt)</p> <p>Private debt is an asset class that refers to the loans or</p>	<p>An assessment typically involves:</p> <ul style="list-style-type: none"> <li>• a review of the business activity of the company (the underlying borrower), counterparty or asset, as appropriate; and</li> </ul>	<ul style="list-style-type: none"> <li>• We undertake this assessment at the point of agreeing the debt investment but would not continually monitor the company or counterparty's business activity throughout the lifetime of the fixed-term debt.</li> </ul>

Private markets asset class and definition	Typical assessment or due diligence approach	Limitations to our assessment and exclusion approach
bonds outside of public markets.	<ul style="list-style-type: none"> <li>a review of the use of proceeds related to the prospective investment agreement.</li> </ul> <p>Where the investment falls short of the thresholds outlined in this policy, we will not go ahead with the deal.</p>	<ul style="list-style-type: none"> <li>Screening and due diligence under this policy is applied at borrower-level, rather than being applied to any downstream arrangements within the investment chain.</li> <li>On a reasonable endeavours basis, and where relevant to the prospective investment, the underlying portfolio of loans will also be reviewed to ascertain alignment to the exclusions policy and, where there is misalignment, we engage with the borrower. However, the borrower has the ultimate decision on adoption of the principles of the policy.</li> </ul> <p>As such, we cannot guarantee that the standards of the exclusion policy will be met throughout the investment chain and consequently there may be cases where there will be indirect exposure to entities that would otherwise have been screened out by the exclusion policy and due diligence assessment.</p>

## 2.b. Underwriting

We apply this policy across our General Insurance businesses.

### Facility arrangements

- Facility arrangements enable insurers to underwrite a proportion of a portfolio of businesses and activities, rather than individual risks, and typically have common exclusion policies applied across the portfolio for all insurer participants.
- Where we participate in facility arrangements that are underwritten across a portfolio of customers, the policy thresholds set out in **Section 3. Sectors and activities that we may not invest in or insure** are applied in aggregate across the facility.

Given that facilities portfolios are packaged for a range of participating insurers, many of whom will have varied exclusion policies, we will in limited cases consider adjusting the exclusions and associated thresholds as set out in this policy, with the exception of controversial weapons. This is required to enable us to participate effectively in this market, and the process will be subject to strict governance by the Aviva Group and relevant Business Unit governance.

## 2.c. Integration of acquired entities

When we acquire a business which has pre-existing investing and/or underwriting books that are non-compliant with this statement, we aim to take practical steps to make it compliant with this policy in a reasonable time. This compliance will be managed in a way that reflects our sustainability commitments while considering the best interests of the customers of the acquired business.

# 3. Sectors and activities that we may not invest in or insure

We generally apply exclusion thresholds based on company revenue (for investment) or Aviva insured exposures<sup>8</sup> (for risk-by-risk underwriting). We may allow specific exceptions as stated in this policy.

## 3.a. Thermal coal and unconventional fossil fuels

Fossil fuels refer to carbon-based fuels from fossil hydrocarbon deposits, including coal, oil, and natural gas. We believe the highest emission fossil fuels are incompatible with a Net Zero future and this requires action to support their managed phaseout and provide support for companies aligned to a clean energy transition. The below sets out our specific approaches for these exclusions.

Excluded or restricted activity	Rationale	Scope	Threshold
Thermal coal	Thermal coal emits significantly more carbon dioxide than any other energy	We exclude companies involved in either:	≥ 5%

<sup>8</sup> The activities and assets insured by our insurance policies, excluding any assets or activities undertaken by the customer which are insured elsewhere.

Excluded or restricted activity	Rationale	Scope	Threshold
	<p>source in today's fuel mix, meaning that reducing the use of thermal coal in power generation as well as the mining of thermal coal is a critical step that must take place if the goals of the Paris Agreement are to be achieved.</p>	<ul style="list-style-type: none"> <li>• Mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It does not cover companies involved in metallurgical coal, coal mined for internal power generation (e.g. in the case of vertically integrated power producers), intra-company sales of mined thermal coal and revenue from coal trading.</li> <li>• Thermal coal-based power generation.</li> </ul>	
<b>Arctic oil</b>	<p>Drilling for oil in the Arctic is fraught with difficulty due to the region's extreme climate and remote location. This makes damaging oil spills more likely. A significant oil spill could have irreversible effects on the region, which lacks the infrastructure required for a clean-up operation. This would make such an event potentially catastrophic.</p>	<p>We exclude companies involved in:</p> <ul style="list-style-type: none"> <li>• the production of Arctic Oil.</li> </ul> <p>The definition of Arctic is geographical and includes production activities north of the 66.5 latitude. This includes offshore or onshore oil production.</p>	≥ 10%
<b>Oil sands</b>	<p>Oil sands are among the most carbon intensive fuels on the planet, and have negative impacts on biodiversity, water quality and local indigenous groups. Oil sands are a type of petroleum deposit found in loose sands, or partially consolidated sandstone that contain a naturally occurring mixture of sand, clay, and water, soaked with bitumen.</p>	<p>We exclude companies involved in:</p> <ul style="list-style-type: none"> <li>• oil sands extraction for a set of companies that own oil sands reserves; and</li> <li>• disclose evidence of deriving revenue from oil sands extraction. This does not include revenue from non-extraction activities (e.g. exploration, surveying, processing, refining); ownership of oil sands reserves with no associated extraction revenues; revenue from intra-company sales.</li> </ul>	≥10%

Excluded or restricted activity	Rationale	Scope	Threshold
<b>New or expanding fossil fuels</b>	Whilst fossil fuels are a part of the energy mix in each of the International Energy Agency pathways to Net Zero, there are specific types of new or expanded fossil fuel projects that we do not see as viable investment or underwriting opportunities.	<p>For investments:</p> <ul style="list-style-type: none"> <li>We will not directly invest in new oil and gas extraction.</li> <li>This exclusion applies to projects, infrastructure, infrastructure companies and private debt, held through Aviva UK Insurance, Wealth and Retirement (IWR) non-discretionary investment mandates only.</li> <li>We may however consider exceptions for new oil and gas extraction projects in emerging markets, with a strong preference for brownfield projects<sup>9</sup>, where no viable alternatives for power generation exist, and where the social benefits are demonstrably significant.</li> </ul> <p>For underwriting:</p> <ul style="list-style-type: none"> <li>We will not offer insurance for the development of new - or expansion of existing - coal mines, oil or gas fields<sup>10</sup>.</li> </ul>	n/a

### Specific exceptions

We play an important role in driving capital toward climate solutions and supporting sectors and companies in the real economy. However, companies do not operate in isolation. They are embedded within complex systems shaped by both supply- and demand-side forces. In this context, we recognise the importance of working together with companies engaged in the production of goods and services, to support their adoption of new technologies, reducing resource use and adapting to more sustainable practices.

<sup>9</sup> Brownfield projects involve the redevelopment of existing facilities or infrastructure.

<sup>10</sup> The opening of any new or expansion of any existing operations that directly supports mining or extraction of fossil fuels.

Accordingly, once assets or companies fall within scope (see **Section 2. Scope**) and exceed the relevant revenue or insured exposure thresholds, we may exercise discretion to allow exceptions under the policy under defined conditions, subject to internal governance review and approval, for our investment and/or underwriting activities.

### **Investment and underwriting**

- Issuers/clients that have a science-based or other credible target and transition plan<sup>11</sup> that aligns with the goals of the Paris Agreement.

### **Investment**

- Project finance bonds<sup>12</sup> where the investments go exclusively towards supporting low carbon solutions (e.g. wind power), improvements in energy efficiency (e.g. methane leak detection or reduction), or other wider activities aligned with the principles under this policy.
- Green or Sustainability Bonds, where the proceeds go exclusively to low carbon solutions (renewable energy and/or sustainable alternative fuels) to displace and/or reduce the share of the activity which sees the issuer excluded.

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<sup>11</sup>The credibility of a company's transition plan is assessed on a case-by-case basis, taking into consideration several inputs such as: sectoral decarbonisation pathways; public decarbonisation commitments, including specific plans e.g. CAPEX plans; tangible actions reflecting that commitment (or undermining those commitments); external validation of transition plans; and company engagement history. For utilities that are majority-owned by a sovereign, the assessment would take into consideration the sovereign's public climate commitments.

<sup>12</sup> Project bonds are issued to finance a specific project, and the bond proceeds are paid exclusively from the cash flow generated by that project.

## 3.b. Controversial weapons and civilian firearms

Aviva plc is a signatory to the United Nations Global Compact and supports the United Nations Universal Declaration of Human Rights (UNUDHR).

Excluded or restricted activity <sup>13</sup>	Rationale	Scope	Threshold
<b>Cluster munitions and landmines</b>	Aviva is committed to investing in the defence sector and recognises the importance of defence to all our lives. However, we exclude companies involved in the manufacture, use and distribution of certain controversial weapons, subject to widespread bans or restrictions by international treaties and conventions, on the basis that they have one or more of the following characteristics:	We exclude companies involved in: <ul style="list-style-type: none"> <li>the development, production, use, maintenance, offering for sale, distribution, import or export, storage or transportation of cluster munitions and landmines.</li> </ul>	0% - no investing or underwriting is to be undertaken for businesses involved in these activities
<b>Nuclear weapons</b>	<ul style="list-style-type: none"> <li>The weapon is indiscriminate, i.e. there is an increased risk of civilian casualties</li> <li>The weapon can be classified as a weapon of mass destruction with a</li> </ul>	<p>We exclude companies directly involved in:</p> <ul style="list-style-type: none"> <li>the development, production, use, maintenance, offering for sale, distribution, import or export storage, or transportation of nuclear weapons where these companies directly supply nuclear states outside of the UN Treaty on Non-Proliferation of Nuclear Weapons (NPT)<sup>14</sup>.</li> </ul> <p>While we consider nuclear weapons as possessing the characteristics of controversial weapons, we also recognise that the defence of a nation is a legitimate and necessary activity to</p>	0%

<sup>13</sup> For the activities related to nuclear weapons and civilian firearms, the thresholds as stated only apply to underwriting business entered after the date of publication of the policy in 2026.

<sup>14</sup> The NPT is a landmark international treaty whose objective is to prevent the spread of nuclear weapons and weapons technology, to promote cooperation in the peaceful uses of nuclear energy and to further the goal of achieving nuclear disarmament and general and complete disarmament.

<b>Excluded or restricted activity<sup>13</sup></b>	<b>Rationale</b>	<b>Scope</b>	<b>Threshold</b>
	<p>single use resulting in a large number of deaths</p> <ul style="list-style-type: none"> <li>The weapon is considered to be excessively injurious, i.e. it causes an inordinate amount of pain and suffering</li> </ul>	<p>protect the human rights of citizens. Aviva will follow guidance from the UK government on actors who have undermined the NPT.</p>	
<b>Biological and chemical weapons</b>	<ul style="list-style-type: none"> <li>The weapon may have long term health impacts on the populations in areas where they are used.</li> </ul>	<p>We exclude companies that:</p> <ul style="list-style-type: none"> <li>manufacture chemical or biological weapons and related systems and components.</li> </ul>	0%
<b>Depleted uranium</b>	<p>For nuclear weapons, biological and chemical weapons, depleted uranium, incendiary (white phosphorous), laser blinding weapons and non-detectable fragments, see above rationale.</p>	<p>We exclude companies involved in:</p> <ul style="list-style-type: none"> <li>the production of depleted uranium (DU) weapons, ammunition, and armour including companies that manufacture armour-piercing fin-stabilised discarding sabot tracing rounds (APFSDS-T), kinetic energy missiles made with DU penetrators, and DU-enhanced armour including composite tank armour.</li> </ul>	0%
<b>Incendiary (white phosphorous)</b>		<p>We exclude companies that:</p> <ul style="list-style-type: none"> <li>manufacture incendiary weapons using white phosphorus.</li> </ul>	0%
<b>Laser blinding weapons</b>		<p>We exclude companies that:</p> <ul style="list-style-type: none"> <li>manufacture weapons using laser technology that causes permanent blindness to the target.</li> </ul>	0%
<b>Non-detectable fragments</b>		<p>We exclude companies that:</p> <ul style="list-style-type: none"> <li>manufacture weapons which use non-detectable fragments to inflict injury to targets.</li> </ul>	0%

Excluded or restricted activity <sup>13</sup>	Rationale	Scope	Threshold
<b>Civilian firearms</b>	We believe the manufacture of civilian firearms is inconsistent with our business purpose, given the civilian deaths and injuries resulting from their use. We have therefore chosen to apply exclusion thresholds to investments in manufacturers of civilian firearms.	We exclude companies that: <ul style="list-style-type: none"> <li>• manufacture firearms and small arms ammunitions for civilian markets. Excludes products exclusively sold for the military, government, and law enforcement markets.</li> </ul>	≥ 5%

### 3.c. Tobacco

We believe that supporting the tobacco industry through our investing and underwriting activities is inconsistent with the World Health Organization Framework Convention on Tobacco Control (WHO FCTC)<sup>15</sup> and our own business purpose.

Excluded or restricted activity	Rationale	Scope	Threshold
Tobacco producer	The direct or indirect use of tobacco products is a global public health risk, increasing the risk of cardiovascular	We exclude companies that: <ul style="list-style-type: none"> <li>• manufacture tobacco products, such as cigars, blunts, cigarettes, e-cigarettes, inhalers, beedis, kreteks, smokeless tobacco,</li> </ul>	0% - no investing or underwriting is to be undertaken for

<sup>15</sup> [WHO Framework Convention on Tobacco Control](#)

Excluded or restricted activity	Rationale	Scope	Threshold
	diseases, cancers and respiratory illnesses.	snuff, snus, dissolvable and chewing tobacco.  This also includes companies that grow or process raw tobacco leaves.	businesses involved in these activities
Tobacco retailer or distributor	See above rationale.	We exclude companies involved in either: <ul style="list-style-type: none"> <li>Wholesale distribution of tobacco products to retailers and other distributors. This exclusion does not include a manufacturer that distributes its own tobacco products unless it also provides logistics or distribution services to other tobacco companies.</li> <li>Retail of tobacco products. Companies that sell private-label tobacco products manufactured by a third party are considered retailers.</li> </ul>	≥ 25% <sup>16</sup>

<sup>16</sup> For the activities related to tobacco retailers or producers, the thresholds as stated only apply to underwriting business entered after the date of publication of the policy in 2026. In respect of underwriting, the threshold for tobacco retailers or distributors only applies to companies with turnover of at least £250m.

### 3.d. United Nations Global Compact (UNGC) principles<sup>17</sup>

The UNGC principles are foundational to advance broader societal goals, such as the UN Sustainable Development Goals<sup>18</sup>. We typically exclude companies in our investments and underwriting that have materially violated the UNGC principles (e.g., severe environmental damage, systematic human rights abuses), unless there is clear evidence of commitment to, or already existing remediating action by, the company.

Excluded activity <sup>19</sup>	Rationale	Scope	Threshold
UN Global Compact	As a signatory to the UN Global Compact (UNGC), we expect companies we invest in to uphold its ten universal principles on human rights, labour, environment, and anti-corruption.	We typically exclude companies that have materially violated the UNGC principles. Our assessment is informed by third-party data providers, internal analysis, and engagement insights, where relevant and available.	n/a

<sup>17</sup> [The Ten Principles | UN Global Compact](#)

<sup>18</sup> [Sustainable Development | UN Global Compact](#)

<sup>19</sup> For the activities related to violations of UNGC, the thresholds as stated only apply to underwriting business entered after the date of publication of the policy in 2026.

# 4. Monitoring and execution

This section explains how we oversee, apply, and regularly review this policy. It outlines who is responsible for governance, how often we update the policy, and how we monitor compliance.

The Aviva plc Board, together with plc Customer and Sustainability Committee and Aviva Sustainability Ambition Executive Committee, oversees the development and execution of this policy. Compliance is monitored internally on a regular basis.

## 4.a. Investment

This section explains how we identify companies that fall under our exclusions, how often we update the list of companies that we exclude, and how we manage divestment for our investments.

We refresh the list of issuers excluded by these screens **biannually**. Following this refresh, we will seek to divest within a **90-day period** where practical from newly identified Excluded Issuers. In certain circumstances, which can include the sale of less liquid securities or to more effectively manage rebalancing against benchmarks, this period can extend to up to **6 months**.

When new or amended screens are introduced (e.g. changes to revenue thresholds), any divestment from newly identified Excluded Issuers will be completed within the same timeframes (i.e. 90 days, or up to 6 months in certain circumstances) following the biannual refresh.

Only where disinvestment is not possible or where it is deemed to have a material adverse impact on investors, will the divestment period be extended beyond 6 months.

Where a company is expected to only exceed the relevant exclusion thresholds for a **limited period** (not expected to exceed 24 months), we may choose not to exclude them. This is to avoid funds in which that company is held from incurring unnecessary transaction costs that could be passed onto customers.

## 4.a.i. Overriding investment exceptions principle

If applying an exclusion would materially impact a fund's ability to achieve its stated investment objective, we may exempt that company from exclusion.

In exceptional circumstances, we may choose not to exclude a company from certain funds, but only if **all** the following conditions are met:

- The fund is in scope (see **Section 2. Scope**).
- The company has breached the relevant revenue thresholds (**see Section 3. Sectors and activities that we may not invest in or insure**) for a **sustained** period.
- The company does **not** qualify for any of the other exceptions outlined in the policy.
- Divesting from the company is reasonably determined to **materially impact the fund's ability to achieve its stated investment objective**.

We expect application of this principle to be **highly limited**.

Any exceptions will be subject to Aviva Group governance and oversight, together with relevant business unit-specific fund governance processes, and, if an exception is granted for a certain fund, it will be updated in the fund's legal documentation.

Only once the legal documentation reflects the exception can the fund be exempted from excluding a certain company. Exceptions and the exception process will be reviewed periodically to ensure alignment with this policy's intent and customer interests.

## 4.b. Underwriting

This section explains how the policy applies when we provide insurance, and how we ensure underwriting decisions follow the rules in this policy.

This policy is embedded into our underwriting boundaries and appetite. Where a prospective or existing insurance arrangement breaches the set thresholds (**see Section 3. Sectors and activities that we may not invest in or insure**), the provision or renewal of

insurance coverage for that arrangement is disallowed under this policy. We conduct regular checks to ensure compliance with this policy, including the use of any exemptions, as part of our underwriting and risk management processes.

## 5. How to contact us

If you have any questions, please contact [CRTeam@aviva.com](mailto:CRTeam@aviva.com).

# 6. Appendix

## 6.a. Data limitations

This section explains how we use external data to assess companies against the policy’s thresholds, what the limitations of that data are, and how we address situations where information is incomplete or inaccurate. In order to assess the application of this policy’s thresholds, we rely on data provided by third-party providers<sup>20</sup>. Our ability to assess a company against the thresholds is therefore dependent on the availability, completeness, and accuracy of that third-party data. The methodologies and criteria used by third-party data providers are continuously evolving and are subject to ongoing refinement, and we cannot guarantee the quality of the data provided by third-party providers, nor do we independently test the methodologies used or data provided.

<b>Data limitation/risks</b>	<b>Aviva’s response/assessment approach</b>
Where third-party data is unavailable or incomplete	<ul style="list-style-type: none"><li>• We do not infer or assume activity in the absence of data and, as such, there may be instances where we are unable to determine whether a company satisfies the below revenue thresholds.</li><li>• In these cases, the company would be treated as eligible for investment and/or underwriting for the purposes of this policy.</li></ul>
Where third-party data appears inaccurate	<ul style="list-style-type: none"><li>• Where third-party data is available, but we have reason to believe it may be inaccurate, we would conduct our own review using publicly available information or direct engagement.</li><li>• Where we obtain verifiable evidence, and subject to appropriate controls, we may apply our own evidence-based internal estimate in place of the third-party data.</li></ul>
Risks in interpreting complex data	<ul style="list-style-type: none"><li>• Given the complexity of the available data, there is also a risk that we, or the third-party data providers on which we may depend, may not interpret or apply the relevant sustainability characteristics correctly.</li><li>• As such, the assessment of a company against the below thresholds is made on a reasonable endeavours basis and on the basis of the data available to us. Additionally, it is possible that funds may invest in issuers</li></ul>

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<sup>20</sup> This includes investment counterparties, where relevant.

Data limitation/risks	Aviva's response/assessment approach
	<p>that are later determined to be inconsistent with the principles of the policy, based on information that was unknown or inaccurate at the time of investment.</p> <ul style="list-style-type: none"> <li>• In these cases, if the company later breaches the exclusion thresholds, it would be excluded during the biannual refresh of the list of excluded issuers.</li> </ul>
Other situations where data is uncertain or lacking	<ul style="list-style-type: none"> <li>• In any other situation not explicitly listed above, where there may be data uncertainty or information may be lacking, including instances where it may be discontinued by third-party providers, or where third-party methodology is not consistent with our intentions, we will exercise qualitative assessment based on the information available to us and at all times in keeping with the intentions of this policy.</li> </ul>

## 6b. Glossary

For a glossary explaining key terms used in the document, see below.

This glossary reflects the terminology, definitions as well as prevailing standards understood and/or based on information available as at March 2026. Subsequent changes to standards, regulatory expectations, or market practice may not be reflected in this glossary. As referenced earlier in this policy, we will review this policy at least annually, or more frequently in response to material regulatory or market change.

<b>Term</b> (in alphabetical order)	<b>Definition</b>
<b>Asset class</b>	A collective term to describe different types of investment such as fixed interest investments and shares.
<b>Benchmark</b>	The performance of a fund is often compared with a benchmark or a performance indicator. A benchmark can be an index, combination of indices, hypothetical fund, or peer group universe. When a fund is managed against a specified benchmark, it aims to match or outperform this benchmark.
<b>Bonds</b>	These are interest bearing securities which entitle holders to regular interest and repayment at maturity. They are commonly issued by companies and governments and include UK gilts, UK corporate bonds, global bonds and emerging-market bonds.
<b>Company</b>	A business organisation which has a separate legal existence from its owners. Such a company, or corporation, may be "incorporated", giving it the right to own assets and behave as if it were a person. If the owners have limited liability, it is known as a limited company. If it is listed on a stock exchange, shares in it may be bought and sold by the public. If ownership is restricted, it is usually known as a private company.
<b>Derivatives</b>	These are investments whose value depends on another financial asset, for example the price of a bond, currency or share. Derivatives can be used by fund managers to control particular aspects of a fund's risk, such as interest rate movements, or as an investment in their own right.
<b>Divest</b>	Divestment is where shareholders sell a firms' shares, typically because engagement has failed to influence the firm's behaviour or the firm does not meet the investor's minimum standards related to sustainability.

<b>Term</b> (in alphabetical order)	<b>Definition</b>
<b>Emerging markets</b>	This refers to countries whose financial markets and economies are less developed and where investor protections and market infrastructure is often weaker than in developed markets.
<b>Emissions (carbon)</b>	A type of carbon (such as carbon dioxide) released into the atmosphere, often through human activity such as the burning of fossil fuels such as coal or gas.
<b>Engage</b>	Engagement is where investors and/or insurers seek to influence firm behaviour through the levers available, including but not limited to direct engagement, filing shareholder proposals and voting at company annual general meetings (AGMs).
<b>Equities</b>	Equities are company shares. They represent part-ownership in a company. Companies issue shares on stock exchanges such as the London Stock Exchange, and the shares are then bought and sold on stock markets. Their value can go up or down.
<b>Exclusion thresholds</b>	<p>Exclusion thresholds set out the level of involvement a company can have in certain activities before we exclude the company from our investments or underwriting.</p> <p>We generally assess this in two ways:</p> <ul style="list-style-type: none"> <li>• For investments, we look at the percentage of a company’s revenue.</li> <li>• For underwriting, we look at the proportion of the company’s activities and assets insured by Aviva insurance policies (known as “Aviva insured exposures”).</li> </ul> <p>For example, we may exclude a company if more than 5% of its revenue or Aviva insured exposures come from mining thermal coal.</p>
<b>Fixed income</b>	Fixed income refers to any type of investment under which the borrower or issuer is obliged to make payments of a fixed amount on a fixed schedule. These are often also referred to as bonds.
<b>General insurance</b>	A non-life insurance or property and casualty insurance. Property insurance covers loss or damage through fire, theft, flood, storms and other specified risks. Casualty insurance primarily covers losses arising from accidents that cause injury to other people or damage to the property of others. Car insurance and home insurance are common types of general insurance.
<b>Index-tracking funds</b>	The aim of an index fund is to track the performance of an index of a specific financial market. For example, a UK government bond index fund will aim to replicate the performance of the FTSE Actuaries UK Conventional Gilts Index.

<b>Term</b> (in alphabetical order)	<b>Definition</b>
	This type of fund doesn't aim to outperform the index it tracks, only to follow it. These are often referred to as 'passive funds' as there is no active management of the fund beyond tracking the index.
<b>Insured exposures</b>	Aviva insured exposures are defined as the activities and assets insured by our insurance policies and excludes any assets or activities undertaken by the customer which are insured elsewhere.
<b>Insurance</b>	A contract taken out with an insurer to protect against loss from a perceived risk. The person taking out the insurance is called the insured. Payments for the policy are called premiums.
<b>Investment</b>	Buying and holding assets, such as shares, bonds, property and commodities, to earn income or to make capital gains.
<b>Investment objective</b>	The aim of a fund will generally be to generate income, capital growth or a combination of the two, and/or to provide capital protection.
<b>Issuer</b>	An issuer is a legal entity that develops, registers and sells securities for the purpose of raising funds.
<b>Fund</b>	Is where an investor's assets are pooled with those of other investors and then invested in shares, fixed interest or property on their behalf by a fund manager.
<b>Fund of funds</b>	A fund of funds invests in several different funds, rather than directly in shares, bonds or other investment types. Fund of funds aim to provide investors with greater diversification, enhanced returns, lowered risk or a combination of all three. This type of fund may invest in actively managed funds, index funds or both.
<b>Look-through</b>	The Company considers the risks, assets, liabilities of its subsidiary as if they were its own.
<b>Multi-asset</b>	Investment strategy or fund that invests in a mix of different asset classes. The key idea is to create a diversified portfolio that balances risk and return by spreading investments across various types of assets.
<b>Net zero</b>	The process of achieving net zero impact on the environment by balancing the amount of carbon emissions produced against schemes and projects that remove carbon from the atmosphere, such as nature-based solutions and or carbon offsetting.
<b>Origination</b>	Origination is a term used in private markets deals. It refers to sourcing, assessing and structuring new investments. In deals like these, we engage directly with borrowers or counterparties rather than intermediaries.
<b>Paris Agreement</b>	An international treaty on climate change adopted within the United Nations Framework Convention on Climate Change (UNFCCC) in December 2015. The Paris Agreement's target is to hold the increase in the global average

<b>Term</b> (in alphabetical order)	<b>Definition</b>
	temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.
<b>Pension</b>	A regular sum of money paid to a person when they retire.
<b>Private company</b>	A company which is not allowed to offer its shares to the general public.
<b>Prospectus</b>	A document containing information about a fund. It is more detailed than similar items like the Key Investor Information Document (KIID), simplified prospectus and key features document. Prospectuses for our funds are available on our website.
<b>Protection</b>	An insurance contract that protects the policyholder or their dependants against financial loss on death or ill-health.
<b>plc</b>	Public limited company refers to a company in the UK whose shares can be bought by members of the public and which has authorised share capital above a statutory minimum £50,000. Only public limited companies may be listed or traded on the London Stock Exchange.
<b>Revenue</b>	Revenue is the money generated from normal business operations. It's the top line (or gross income) figure from which costs are subtracted to determine net income.
<b>Sector</b>	A sector is an area of the economy in which businesses share the same or related business activity, product, or service. For example: Energy or Utilities.
<b>Securities</b>	General term for financial instruments traded on a stock exchange, such as stocks and shares, and the notes, certificates and bearer warrants that signify ownership of them.
<b>Segregated mandate</b>	A segregated mandate is a bespoke investment arrangement whereby an investment manager runs a portfolio for one client exclusively. This means the client can often make specific requests about how the account is managed.
<b>Sustainability</b>	All activity that can be considered as taking account of profit, people and the planet (also known as the 'triple bottom line'). A more formal definition is "meeting the needs of the present without compromising the ability of future generations to meet their needs".
<b>Sovereign bonds</b>	Bonds are a type of fixed income investment. Government bonds are loans issued by governments to pay for things such as public services. They're a way for them to borrow money, usually for a fixed term. Governments then pay interest on the loans. Bonds pay the holder of the bond a regular income, and then the full value of the bond is paid

<b>Term</b> (in alphabetical order)	<b>Definition</b>
	when the bond comes to the end of its lifetime. Sub-sovereign bonds and supranational debt are typically considered equivalent to and treated in the same fashion as sovereign bonds in relation to the exclusion policy.
<b>Sustainability Bonds</b>	Bonds are a type of fixed income investment. Sustainability Bonds are issues where proceeds are used to finance or re-finance a combination of green and social projects or activities.
<b>Stock exchange</b>	A marketplace where stocks and shares and other financial instruments can be traded. Most major financial centres - examples include London, New York, Paris, Hong Kong and Tokyo - have their own stock exchange with a centralised dealing system and strict operating rules and regulations.
<b>Transaction costs</b>	These are the costs incurred when buying or selling assets.
<b>Transition plan</b>	A transition plan sets out how an organisation will aim to transition its business to the low carbon economy, aiming to align its operations, assets, portfolio, and business model to meet Net Zero.
<b>Underwriting</b>	The process of selecting which risks an insurance company can cover and deciding the premiums and terms of acceptance. On the stock exchange, an arrangement by which a company is guaranteed that an issue of shares will raise a given amount of money, because the underwriters promise to buy any of the issue not taken up by the public.
<b>United Nations Global Compact</b>	The United Nations Global Compact is a voluntary initiative that encourages businesses worldwide to adopt sustainable and socially responsible policies.
<b>Utility</b>	Basic services supplied to the public. For example water, electricity and gas.
<b>Venture capital</b>	A specialist form of high-risk financing provided for small, new companies by speculative investors.
<b>Workplace pension</b>	A workplace pension is a pension scheme arranged by, or on behalf of, an employer and helps eligible employees save for retirement.