

Responsible Investment Beliefs

Aviva Investors recognises and embraces our duty to act as responsible long-term stewards of our clients' assets. We maintain a deep conviction that environmental, social and governance (ESG) factors can have a material impact on investment returns and client outcomes. We believe that being a responsible financial actor means our investment approach must support, and not undermine, the long-term sustainability of capital markets, economies and society.

Commitments

- We integrate material ESG factors in our investment approach for all assets classes and regions where we operate
- We exercise our rights and obligations as shareholders and utilise our voting power to ensure that companies are being run for those that own them – not simply those that run them
- We are responsible stewards of assets and engage with issuers, borrowers, and counterparties to encourage the adoption of progressive ESG practices over time
- We identify our clients' ESG preferences and seek to provide them with suitable investment solutions to meet their ethical and sustainability needs
- We seek to positively influence market reforms to help shape a more sustainable capital market that can deliver better long-term financial and social outcomes for our clients
- We endeavour to hold ourselves to the same governance and ethical standards we expect of others

Governance

- Our Responsible Investment Philosophy is reviewed and approved by the Aviva Investors Holdings Limited Board. Responsibility for implementation rests with the Executive Committee and heads of investment functions
- We have built a robust approach to managing and mitigating any potential conflicts of interest that may arise from our responsible investment approach and ensure all activities are undertaken exclusively in the interests of our clients and implemented in a transparent and consistent manner
- Our responsible investment commitments are fully embedded into Aviva Investors' internal controls environment and are subject to robust challenge from the firm's control functions as well as assurance from our external auditors

Our Responsible Investment Approach: From Principles to Practice

Integration

- Maintain a Responsible Investment Officer (RIO) Network with representatives from different asset classes and regions. The RIO Network act as ESG integration champions across the business
- Global Responsible Investment (GRI) Team facilitate internal and external training for investment teams on current and emerging ESG trends, risks and opportunities
- Operate a proprietary ESG data model synthesising internal and external data to provide investment teams an assessment of ESG risks on an absolute and relative basis
- Developed bespoke ESG integration processes for our core asset classes and fund strategies including equities, credit, sovereign, multi-asset and real assets
- Investment risk team integrate ESG indicators into portfolio risk reports wherever practicable
- Performance against ESG objectives are embedded into investment teams' annual evaluation and compensation framework

Stewardship

- Publish annual proxy voting guidelines and UK Stewardship Code compliance statement providing details of our responsible investment approach and outlining our views on ESG best practice
- Vote globally at all shareholder meetings that we have the legal right to do so and where costs are not prohibitive. We will endeavour wherever practicable, to recall lent stock prior to contentious shareholder meetings when this is considered in clients' best interest
- Undertake extensive proactive and reactive engagement with management and boards of issuers and borrowers to monitor ESG practices and encourage best practice
- Committed to transparency through timely publication of voting records and quarterly and annual reporting of our engagement activities

Avoidance

- Comply with all governmental sanctions as well as legal and regulatory restrictions governing financial involvement with specified individuals, issuers, sectors and countries
- Provide clients with optionality of fund strategies which enable the achievement of financial objectives while avoiding direct exposure to companies and sectors that are contrary to their religious, ethical or sustainability values
- Avoid or divest positions when unmanaged ESG factors fall outside of our risk tolerance and engagement is deemed unsuccessful

Market Reform

- Utilise our influence and insights as a large institutional investor to advocate for policy reforms that address market failures and help build more sustainable capital markets.

Further Information is available at www.avivainvestors.com

- [Annual Responsible Investment Review](#)
- [Stewardship Policy](#)
- [Corporate Governance and Corporate Responsibility Voting Policy](#)

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