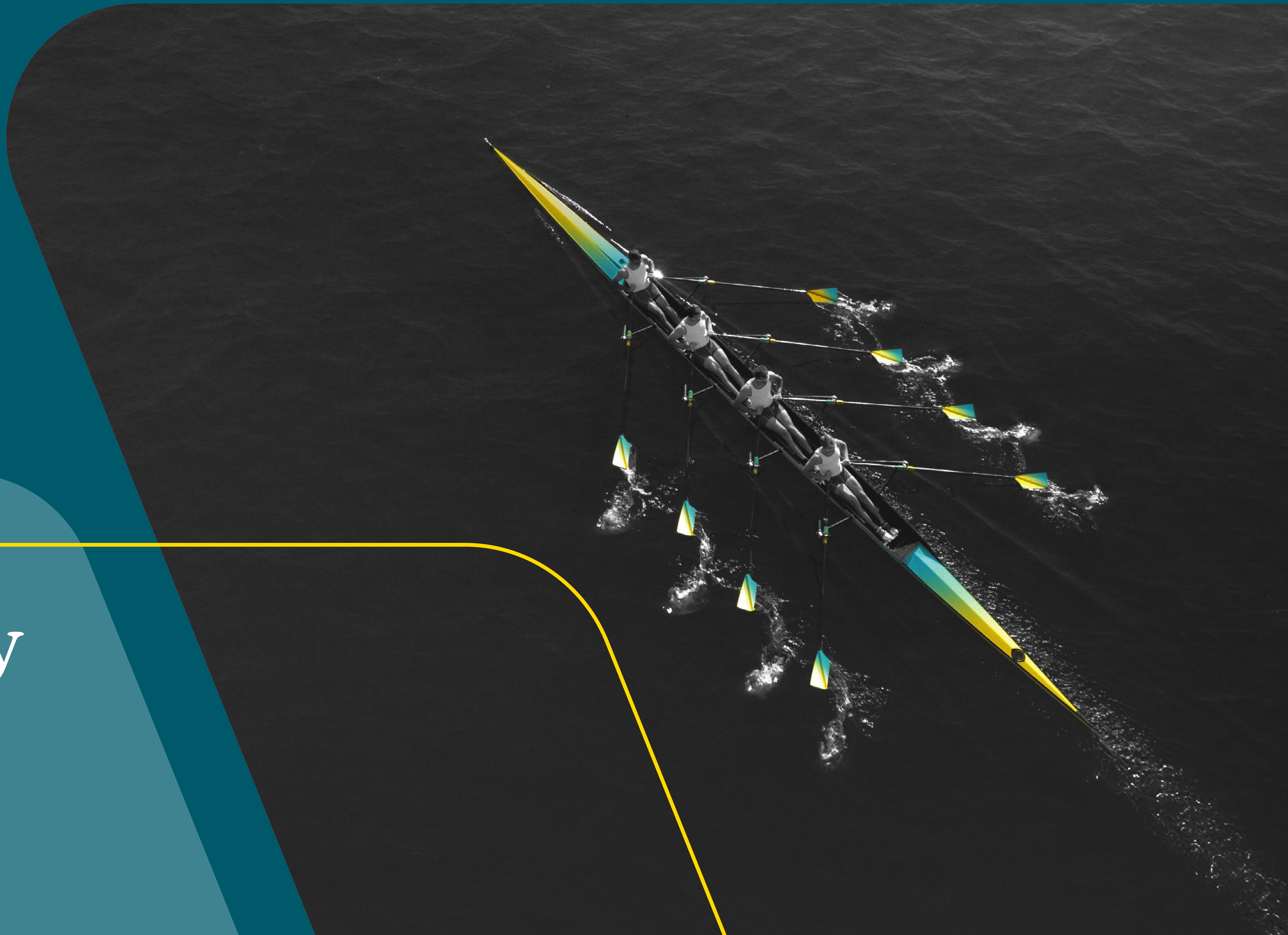


Sustainability Review 2025

Actions to unlock value

This document is intended for professional clients, financial advisers and institutional or qualified investors only. It is not intended for retail clients.



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How to read this report

This report is the Aviva Investors’ 2025 submission to the FRC Stewardship Code. Please refer to the [index](#) in Section 7 of this document detailing how each of the sections relates to the Principles of the Code. For related information on Aviva Group's sustainability activities, you may also wish to refer to:

- [Aviva's Climate Transition Plan](#)
 - [Aviva's Task Force on Climate-related Financial Disclosures \(TCFD\) reporting](#)
- Glossaries for many of the terms used in this report can be found here:
- [Glossary of sustainability terms used in Aviva](#)
 - [Investment glossary](#)

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All case studies included in this report are for illustrative purposes only and are not intended as investment recommendations. Past performance is not a reliable indicator of future returns.

Key: ● Spotlight ● Deep Dive

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Foreword by Mark Versey



“At Aviva Investors, we maintain a strong conviction that understanding sustainability factors and trends is fundamental to effective asset management.”

At Aviva Investors, we maintain a strong conviction that understanding sustainability factors and trends is fundamental to effective asset management. Sustainability themes such as energy security, climate change, changing demographics, and access to critical minerals will continue to shape the evolution of our economies and societies, while mismanagement of environmental impacts, human capital and the erosion of governance standards can present material investment risks. Therefore, we remain absolutely committed to ensuring that sustainability insights are embedded in how we allocate and steward capital on behalf of our clients.

Being part of a parent company that is over 300 years old, we understand what it takes to adapt, thrive and partner with clients in a changing world. Against a rapidly changing geopolitical backdrop, we continuously seek to review and enhance our approach to sustainable investing to ensure that it remains laser-focused on supporting the delivery of long-term risk-adjusted returns and the real-world outcomes that our clients expect. In 2025, we invested in the build out of more sophisticated data analytics and modelling capabilities, enabling investment teams to better understand potential portfolio-level sustainability risks, model stress scenarios, and manage trade-offs in increasingly volatile markets. Alongside this, we have maintained our disciplined approach to identifying sustainability-linked investment opportunities across public and private asset classes, ensuring opportunities are subject to rigour, diversification and robust risk management.

This enables us to build resilient portfolios that protect and grow our clients’ assets over the long term.

We have continued our holistic stewardship efforts in earnest and use engagement, voting and investment decisions to support the transition to a sustainable future. We conduct engagement with stakeholders across the financial system, seeking to ensure that interventions at different levels mutually reinforce each other. This includes engaging with policymakers and regulators to help shape policy frameworks and to unlock long-term value for investors, as we continue to connect the dots across the economic and political ecosystem.

This 2025 edition of our annual Sustainability Review is designed to provide clarity on how we put our sustainable investing principles into practice. It outlines our overall approach, the frameworks that guide our decision making, and the ways we integrate sustainability insights into our investment and stewardship activities. The review also evidences our holistic stewardship work, illustrating how engagement, voting, research, and collaboration collectively contribute to the outcomes we seek on behalf of clients. Our intention is to offer a transparent, balanced picture of the progress we have made on behalf of our clients as we seek to protect and grow the long-term value of their investments.



Mark Versey
Chief Executive Officer, Aviva Investors

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Aviva Investors' sustainability approach in summary

It is a fundamental part of our sustainability approach to work in partnership with investors to identify and shape solutions to meet their evolving needs.



Actions to unlock value

We believe that material ESG (Environmental, Social and Governance) factors can have a fundamental impact on clients' investment returns and outcomes. Our Sustainable Investing team is committed to working with key stakeholders across the business, leveraging the breadth and depth of our expertise to enhance investment processes and seek to deliver on investors' increasingly nuanced sustainability goals.

As an asset manager with scale and global reach, we use our engagement, voting and investment decisions to support the transition to a sustainable future. We also engage with stakeholders across the financial system, seeking to ensure that interventions at different levels mutually reinforce each other. This includes engaging with policymakers and regulators, to unlock long-term value for investors – an approach we call 'holistic stewardship'.



Solutions that start with you

We understand that investors' sustainability preferences will differ significantly dependent upon sustainability commitments, regulatory backdrop, and other stakeholder expectations. It is a fundamental part of our sustainability approach to work in partnership with investors to identify and shape solutions to meet their evolving needs.

It is through understanding our clients' priorities and continuous ideas exchange with stakeholders across the financial system that we can take a deliberate and meaningful approach to how we allocate our clients' capital and steward investments.



Experience and integrity

Our long-standing heritage in sustainable investing means we are well-placed to meet investors' evolving sustainability needs. We take the learnings we have been gathering over the past three decades and seek to apply them to investors' sustainability challenges today.

We seek to protect investors from short-term trends by focusing on investment opportunities with clear pathways to commercial viability. We maintain the importance of rigorous due diligence and avoid overexposure to speculative technologies, for example, ensuring capital flows towards solutions with proven scalability and near-term impact.

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2025 highlights

- [1.1 2025 stewardship highlights](#)
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2025 stewardship highlights

1,035

Substantive company engagements

21

Substantive sovereign engagements

323

Positive engagement outcomes

63,422

Total number of votes on resolutions

5,794

Total number of shareholder meetings at which Aviva Investors voted on resolutions

Notes

- Company engagements are defined as interactions with corporate entities on sustainability and governance issues in interactions led by the Public Markets ESG team. Interactions led by investment teams (including research meetings) are not reported here, however investment teams may have participated in ESG team-led engagements.
- Sovereign engagements are defined as interactions conducted by the Fixed Income ESG team with countries and multilateral institutions e.g. the International Monetary Fund.
- Substantive engagements with companies or sovereign issuers are defined as targeted and tailored interactions including bilateral meetings, correspondence, group meetings and consultation responses.
- Engagement outcomes are changes in the behaviour of an entity that are in line with one of our prior engagement asks.
- We can engage with any given company or sovereign more than once in a year.

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2025 private markets highlights

90 new BREEAM in-use certificates

90 of our buildings received new BREEAM¹ in-use certificates in 2025

GRESB sector leader status

One of our flagship real estate funds achieved sector leader status in the GRESB² Real Estate Development benchmark

Green Loans for real estate redevelopment

We issued two Green Loans in private debt under the Aviva Investors Green Loan Framework, financing the redevelopment of c.132,000 sq ft of building space to leading sustainability standards

Social Value Label launched

The Aviva Investors Social Value Label is a framework that recognises and incentivises contractors on our real estate developments who deliver meaningful community benefits such as jobs, training, education outreach, and broader social impact

9% increase in GRESB points for in-scope real estate funds

Across eight of our real estate funds we received a total additional 72 points in GRESB² ratings

Helping to scale EV charging in the UK

11.9m kilowatt hours of electric vehicle charging provided in the UK through a UK-based infrastructure equity holding³

Note: The specific assets identified above are not typically held in all of our private markets strategies.

¹ BREEAM (the Buildings Research Establish Environmental Assessment Method) is a leading global sustainability assessment method that rates the environmental performance of buildings across areas such as energy, health, materials, and ecology. Of the over 600 real estate assets we manage, 124 have BREEAM or equivalent certificates, of which 90 were newly awarded in 2025.

² GRESB (the Global Real Estate Sustainability Benchmark) is the global ESG benchmark for real estate and infrastructure, providing standardised, validated data to assess and compare the sustainability performance of property portfolios. We submitted 8 of our real estate funds (out of a possible 14 funds) in 2025, which received an average increase of 9 points each. The total possible GRESB score per fund is 100 and our average 2025 score across our 8 funds is 80.3.

³ The funding we provided is not expected to cover the full 11m kilowatt hours. We are not the sole investor in this company.

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FLAGSHIP CASE STUDY

Engaging with policymakers on credible national climate plans

Engagement

Climate

Issue

The Paris Agreement requires signatories to develop Nationally Determined Contributions (NDCs) which outline how each country will reduce emissions and build resilience. Governments are expected to submit new, more ambitious NDCs every five years and the latest iterations were due in 2025.

The first Paris Agreement stocktake in 2023 concluded the world is not yet on track, presenting material long-term investment risks. At the same time, many governments face elevated debt levels, constraining their ability to take more direct action. Consequently, there is a growing need for NDCs to mobilise increasing levels of private capital to help underpin national climate ambitions.

Action

In 2024, Aviva Investors launched a multi-year engagement programme to support the development of credible national climate plans. We identified NDC features that could catalyse private investment, including combining ambitious headline targets with information on the actions governments will take to deliver them such as sector-level pathways, indicative policies and associated investment plans.

We communicated these NDC priorities through tailored letters to finance ministers from over 50 countries where we are materially invested. We followed up through bilateral outreach, consultation responses and attendance at global forums like COP29, culminating in engagements with policymakers from over 15 countries, including Japan, Mexico and Brazil.

In the UK, we supported sustained dialogue by publishing low carbon-investment roadmaps in 2024 and 2025. In Australia, we engaged alongside other investors and played a leading role proposing, shaping and delivering the group’s engagement priority on credible NDCs.

We amplified this through engagements across companies, value-chains and international institutions, and by collaborating with NGOs on influential public reports that were subsequently shared with EU policymakers and the G20.

Outcome

Our engagement helped embed investor perspectives into national climate planning across multiple countries and provided valuable insights for our investment teams.

We were encouraged to see progress in many of the NDCs that were submitted by the end of COP30. For example, Brazil’s NDC implementation will rely on the updating of 16 sectoral adaptation plans and seven sectoral mitigation plans. The UK’s NDC cross-references the Clean Power 2030 Action Plan which sets out specific actions to transform the power sector.

Australia’s updated NDC includes a new emission reduction target, detail on current and prospective policies to support its delivery, and was published alongside sectoral decarbonisation plans, a national net zero plan and supporting economic modelling. This was followed by an ‘investor blueprint’ summarising the key investment opportunities. While further progress is needed globally, these developments provide a more credible basis for our climate-related risk assessments, support the mobilisation of private capital and underpin sustainable long-term returns.



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FLAGSHIP CASE STUDY

CS30: Mobilising value chains to support system-wide decarbonisation

 Engagement

 Climate

Issue

Achieving net zero requires co-ordinated action across interconnected value chains. Hard-to-abate sectors such as heavy industry, alongside sectors such as power and food systems, depend on infrastructure availability, policy clarity, commercial incentives and collaborative investment. Companies frequently reference practical constraints such as planning timelines, grid capacity, upfront costs and evolving incentive structures.

Since 2023, Aviva Investors has convened seven value-chain roundtables to deepen understanding of these dynamics and the wider enabling conditions required for a credible, investable transition. This work forms a core component of the Climate Stewardship 2030 (CS30) programme.

Action

Heavy Industry: Decarbonising Energy-Intensive Production

Industry representatives from steel, cement, glass, construction materials, power generation and networks discussed the practicalities of industrial decarbonisation, including the pace of CCUS (carbon capture utilisation and storage) and hydrogen infrastructure, and the need for more predictable demand signals for low-carbon materials.

Food and Land Use: Scaling Nature-Positive and Low-Emission Systems

Participants across the agricultural and food-manufacturing chain examined the factors influencing the adoption of nature-positive and lower-emissions practices, including investment requirements, varying measurement approaches and how costs and benefits are distributed across the chain.

Powering the Transition: Heavy Industry and Power

Energy-intensive industries, utilities and network operators considered the investment and policy conditions required to accelerate clean-power deployment and low carbon technologies in energy intensive industries. This included continued policy focus on renewables, grid, storage, electrification, hydrogen and CCUS. These insights, along with discussions with our investment teams, supported the development of the 2025 update of Aviva Investors' [Low-Carbon Investment Roadmap](#), which was published in December 2025.

Outcome

Across the sessions, consistent themes emerged:

- Infrastructure and permitting timelines remain central to delivery,
- Policy clarity and delivery continues to influence investment decisions,
- Growing sustainable market demand for low-carbon solutions remains essential,
- Data and measurement gaps persist across agriculture and land use,
- Skill gaps and workforce skill provision needs are increasing across multiple sectors.

These insights inform our investment analysis, shape company-level engagement priorities, and underpin recommendations in the 2025 Low-Carbon Investment Roadmap as well as public policy consultations in sectors such as the power sector, industrial electrification, and nature restoration.

They continue to guide how the CS30 programme identifies structural constraints and supports long-term transition resilience. You can read more about the CS30 programme in our [Holistic Stewardship section](#).



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FLAGSHIP CASE STUDY

Nature Engagement Programme: Engaging with companies on the living environment

 Engagement

 Nature

⁴ More than half of global GDP is exposed to material nature risks | PWC Press Releases

⁵ Launched at COP26, the Finance Sector Deforestation Action (FSDA) brings together more than 30 financial institutions that have committed to using best efforts to end commodity-driven deforestation in their investment and lending portfolios. The FSDA sunset in late 2025 and has transitioned to the Deforestation Investor Group (DIG).

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.⁴ 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 opportunity 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.⁵ 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 risk assessments 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 miners, with most still at the start of their journey. Some firms are incorporating elements based on the Taskforce for Nature-related Financial Disclosures (TNFD) into climate reporting, but conducting full dependency, risk, impacts and opportunity assessments remains a major hurdle 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 data 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 Annual General Meeting (AGM). We also re-prioritised companies under engagement and three companies were replaced due to changes in our holdings or non-responsiveness.

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FLAGSHIP CASE STUDY



Strong board oversight for value creation



Engagement



Governance

Issue

Effective board oversight is essential in the delivery of long-term value creation. Key responsibilities include approving the company’s strategy and ensuring its effective delivery, through actions such as appointing CEOs, approving major corporate actions and setting supporting incentives. Effective boards are not just responsible for setting and overseeing goals, but also initiating change when delivery of strategy, or alignment of corporate culture falls short. This year we have been monitoring companies and boards where long-term performance has fallen below expectations, seeking to understand what remedial actions are pursued.

Action

After identifying companies of interest, we scheduled a series of meetings between board chairs and relevant investment teams. We typically focused efforts on large, active holdings, with strategic and performance challenges. Objectives have differed depending on the company, but they broadly sought to understand how the board performs strategy and management oversight, and develops appropriate and enabling governance structures.

We also engaged with companies with new chairs, to strengthen our relationship and understanding of the company prospects. Some of the companies we engaged with included B&M, Diageo, Greggs, GSK, Pets at Home, Rentokil, Sage and Smith & Nephew.

Outcome

- These targeted engagements proved insightful and led to subsequent actions. For example:
- One company experienced weak financial performance driven by poor integration of an overseas acquisition. We subsequently indicated our intention to vote against the chair at its AGM. The company saw a 21% vote against the chair’s reappointment, and it announced a search for new CEO, and the appointment of two new non-executive directors.
 - At another company, we withheld support for the chair due to our concerns on long-term growth prospects and lack of share price growth. In Q4 a new CEO was announced, which improved our investment opinion of the company.
 - At another company, our dialogue with the chair and Senior Independent Director combined with poor corporate performance led to a negative investment opinion, which resulted in divestment within relevant funds.



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FLAGSHIP CASE STUDY

Risk mitigation in data centres

 Integration

 Private

ESG investment thesis

Demand for European data centres continues to grow, yet expansion remains constrained by limited grid capacity, lengthy power grid connection timelines and increasing regulatory requirements. The revised EU Energy Efficiency Directive (EED) introduces mandatory annual reporting for facilities above 500 kW, covering Power Usage Effectiveness (PUE), Water Usage Effectiveness (WUE), renewable energy share, and waste heat reuse. Non-compliance may result in fines, delayed permits, and reputational risks.

Additional initiatives such as the Climate Neutral Data Centre Pact and the forthcoming Data Centre Energy Efficiency Package are expected to render older, inefficient assets increasingly uncompetitive, with the introduction of binding efficiency targets and renewable energy quotas.

From an investment perspective, failure to meet emerging regulatory requirements may affect asset valuations, refinancing conditions and overall risk profiles.

Given the sector's high energy intensity and increasing regulatory scrutiny, a portfolio of 38 operational data centres in France, Italy and Spain was identified as having elevated ESG risk, warranting a detailed review. The analysis focused on the borrower's sustainability strategy, operational efficiency and exposure to regulatory, transition and physical climate risk. Particular attention was paid to efficiency metrics such as PUE, WUE and broader resource-performance indicators, as older or less-efficient centres may be more vulnerable to evolving regulatory and transition pressures.

Impact on investment outcome

The borrower demonstrated a well-established sustainability approach, with verified Science-Based Targets aligned to 1.5°C⁶ and comprehensive lifecycle assessments covering 16 environmental impact categories. Operational performance across the portfolio was strong, with water efficiency (WUE ratio of less than 0.45 L/kWh) exceeding best-in-class benchmarks. Physical risk assessments, particularly for the Paris campus, identified no material site-specific risks over the loan term, and adequate insurance coverage was confirmed.

Based on this review, the team concluded that regulatory, technical, and physical risks were appropriately managed within the context of the transaction. The financing was approved and closed on the basis presented.

⁶ Well below 2°C of global average temperature warming, with efforts to limit to an increase of 1.5°C (versus the pre-industrial era) is the target threshold set by the COP21 Paris Agreement to avoid the most severe and irreversible impacts of climate change.

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FLAGSHIP CASE STUDY

Interpreting social unrest and political stability in Argentina

Integration

Public

ESG investment thesis

Elections can test institutional resilience, trigger social unrest, and act as a turning point for government policymaking, thereby shaping an economy’s fundamental trajectory. As a result, they present crucial opportunities for ESG analysis to inform investment decision-making, as demonstrated in the run-up to Argentina’s 2025 mid-term elections.

Argentina scored above regional and credit peers on our proprietary sovereign ESG score and screened positively on a wealth-adjusted basis. Its social performance was particularly strong, including on measures of inclusiveness such as social mobility, inequality and access to public services.

Building on this foundation, our ESG analysts collaborated with investment teams to assess the electoral prospects for the incumbent party and the risk of social unrest ahead of the October vote, given the potential implications for Argentina’s policy agenda.

Despite efforts to improve the business environment and reduce inflation, the cost of living remained a significant challenge. Fiscal consolidation measures had also resulted in cuts to public services and infrastructure spending, impacting parts of the population. Although these dynamics contributed to societal dissatisfaction and a fragile political backdrop, our ESG assessment pointed to voter apathy rather than anti-incumbent sentiment or widespread unrest. This was largely driven by a lack of viable political alternatives, limited mobilisations by influential unions, and increasing recognition of the necessity of economic reform. We assigned a neutral ESG outlook to Argentina.

Impact on investment outcome

Our ESG outlook supported our view of a greater likelihood of political stability and policy continuity, consistent with International Monetary Fund (IMF) programme recommendations, and informed our positive overall investment view on the risk-return profile of Argentine assets.

We expressed our constructive view through an overweight position in longer-dated government bonds, which we added to as market prices fell due to a rising political risk premium ahead of the poll. Following favourable election results for the incumbent, both bonds and the peso rallied, contributing positively to investment performance.

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DEEP DIVE CASE STUDY

Supporting social dimensions of the low carbon transition

Engagement

People

Issue

The shift to a low-carbon economy carries significant social implications. These considerations are commonly referred to as the ‘just transition’, which at Aviva Investors focuses on anticipating and addressing the social risks and opportunities arising from the transition, while supporting meaningful engagement with workers, communities and other affected stakeholders.⁷

Companies across multiple sectors face complex questions around:

- Workforce planning and skills gaps
- Supply-chain resilience
- Community impacts.

These factors determine whether transition plans are operationally, financially and socially viable. Yet many issuers are still developing the capabilities to manage these risks, while system constraints – such as skilled labour shortages, uneven policy support, and infrastructure bottlenecks – continue to slow progress.

As set out in the Aviva Transition Plan, Aviva Investors supports an integrated approach: a low carbon economy that is climate-resilient, nature positive and socially inclusive. We continue to advance work in these areas, strengthening our understanding of how they intersect, and enable credible pathways to net zero.

Action

Our work spans multiple levels of influence – from assets we manage directly to corporate engagement, sector dialogues, value-chain convening, and sovereign stewardship

At the most direct level, our private markets platform enables us to embed social expectations into the assets and projects we finance. In Real Assets, this includes long-standing partnerships with the Construction Industry Training Board and the National Skills Academy for Construction to help strengthen UK skills pipelines.

Our carbon removal assets also incorporate social factors into its due diligence framework. Alongside climate integrity and commercial resilience, we assess community impacts, land-use considerations, local employment opportunities and stakeholder engagement. This helps ensure that emerging carbon removal projects support both environmental objectives and fair, responsible practices on the ground.

At the issuer level, we conducted over 100 engagements on the social aspects of the transition in 2025. These engagements have focused on sectors where labour, community and affordability issues are most material, including utilities, oil and gas, mining and selected industrials. We encouraged companies to take more structured approaches to assessing and addressing social impacts, clarifying governance, explaining how workforce and community considerations shape transition plans, and improving the transparency of progress metrics.

Our deep dive case studies go into more detail on one of our engagement themes.

⁷ See [Aviva's Transition Plan](#) for more information on our approach to a just transition.



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DEEP DIVE CASE STUDY



Supporting social dimensions of the low carbon transition



Engagement



People

Sector-level and value chain dialogues further highlighted challenges that extend beyond individual companies, such as competition for skilled labour, supply-chain dependencies and local community acceptance of projects – particularly within hard-to-abate sectors. Findings from value chain roundtables conducted in the year helped shape our [2024](#) and [2025 Low-Carbon Investment Roadmaps](#).

At the sovereign level, in the UK, we continued to engage policymakers on measures to strengthen conditions for low-carbon investment. Our 2025 Low-Carbon Investment Policy Roadmap highlighted key next steps for the UK's low-carbon economy, including to support workers in high-carbon sectors to transition into employment opportunities in low-carbon sectors, such as offshore wind. It also included measures to help ensure low-carbon solutions are affordable and accessible for consumers.

Taking a global perspective, Aviva Investors CEO is a member of the UK government's EMDE Investor Taskforce – supported by policy and investment colleagues – contributing to discussions on mobilising transition-aligned capital into emerging markets.

Outcome

Progress varies across sectors and jurisdictions, but we have seen a gradual strengthening in how companies, policymakers and system actors consider the social dimensions of the transition. Improvements include clearer articulation of workforce needs, more structured approaches to community engagement, and growing recognition of the enabling conditions required for credible transition planning.

However, progress in integrating just transition considerations remains uneven across sectors and jurisdictions, and, in many cases, slower than required. This is particularly evident in sectors such as utilities, oil and gas, mining and other hard-to-abate industries, where skill shortages, supply-chain dependencies, infrastructure constraints and local acceptance issues continue to present practical challenges. Addressing these issues increasingly requires co-ordination beyond individual companies, including policy alignment and collaboration across value chains.

In 2025, we nevertheless observed pockets of progress, including the publication of standalone just transition strategies, the integration of just transition considerations into broader transition plans, and the development of more formal action plans aligned with climate strategies. On the sovereign side, we also observed progress in measures aimed at supporting workers and consumers as part of the low-carbon transition. In the UK, for example, this includes the Oil and Gas Transition Training Fund, which provides tailored support for oil and gas workers transitioning into clean energy sectors in Scotland, as well as continued grant support to help consumers manage the upfront costs of electric vehicles and heat pumps.

Our multi-layered approach – spanning private markets, issuer engagement, sectoral and value-chain insights, and institutional stewardship – allows us to identify where progress is emerging, where gaps persist, and where further co-ordination is needed. These insights continue to inform our stewardship priorities as we support a more orderly, inclusive and economically viable transition.

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At Aviva Investors, we are experts in connecting the right investment capabilities with individual client needs. We combine the breadth of our multi-asset, private and public market capabilities to deliver for clients' evolving needs. Today we manage £262 billion of assets, with £221 billion managed on behalf of Aviva Group. We are committed to being the best asset manager for Aviva while also leveraging our carefully built expertise to offer market leading solutions to external clients.

We believe that an understanding of sustainability themes and trends is an essential part of investing. Sustainability themes and trends interact with and shape how our societies and economies develop over time. In turn, how investors choose to allocate capital serves to shape the future state of our societies and economies and helps to determine how value is created.

Directing capital towards businesses and projects in a way that is cognisant of these social and economic shifts is therefore a strategic imperative, and one that is predicated on an understanding of the interaction of financial performance and economic growth with global sustainability developments.

From helping to finance the transition to low-carbon energy to enabling nature-based solutions and fostering inclusive growth, sustainability touches every part of the investment ecosystem. In a world facing climate change, resource scarcity, and shifting consumer expectations, integrating sustainability into investment decisions and guiding capital through stewardship activities can bolster long-term resilience and unlock opportunities for returns.

We recognise that the sustainable investing landscape continues to mature. Investors are no longer satisfied with superficial carbon metrics or hollow stewardship commitments. Instead, they seek opportunities linked to real-world outcomes, grounded in a robust, disciplined approach to investing.

We believe this shift plays to our strengths. Being part of a 300-year-old parent company, Aviva Investors is well positioned to support investors in achieving their sustainability goals, as our experience helps us see through fads and help protect the long-term value of investors' investments. We continue to leverage the three-pillar approach we outline above as we partner with investors to find the right solutions to meet their needs.

We understand that investors' sustainability preferences will differ significantly dependent upon sustainability commitments, regulatory backdrop, and other stakeholder expectations. Therefore, we have an expert Sustainable Investing function that carries out a wide range of activities, including:

- 1) ESG integration underpinned by connectivity
- 2) Identifying investment opportunities through sustainability themes
- 3) Offering a suite of strategies to meet investors' varied sustainability needs
- 4) Designing and building bespoke investment solutions
- 5) Holistic stewardship (including voting and engagement activity)

All this activity is supported by our sustainability data and analytics capabilities. Please see the data and analytics section for further information.

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1) ESG integration underpinned by connectivity

We believe material ESG factors can have a fundamental impact on investment returns and client outcomes. We aim to integrate financially material ESG insights into our investment process to better manage risk, identify investment opportunities and support the delivery of long-term risk-adjusted returns. Our ESG integration and stewardship teams are closely connected to our investment function through various touchpoints and forums, both formal and informal, ensuring close collaboration and the sharing of ideas, including relevant ESG insights.

Please note, our ESG integration approach is not binding on the investment manager, beyond any specific ESG criteria which is in a Fund prospectus or Investment Management Agreement.

Figure 1: Connectivity is at the centre of our approach to ESG integration



Source: Aviva Investors, as at December 31, 2025.

We believe material ESG factors can have a fundamental impact on investment returns and outcomes



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2) Identifying investment opportunities through sustainability themes

In 2025, we identified a number of compelling opportunities for investors amid evolving sustainability challenges. One key theme has been adaptation. As climate change drives more frequent extreme weather events, reinforcing energy transmission and distribution infrastructure is critical to maintain reliability. Grid hardening, for example, can mitigate operational risk for utilities and businesses without relying on government subsidies. Its short, predictable payback periods are driven by reducing the costly impacts of power outages and meeting regulatory reliability requirements. This makes grid hardening commercially viable on a standalone basis. As a result, it can remain a resilient investment opportunity even in a fast-changing policy environment.

Aviva Investors entered the European battery energy storage market with an investment in Terra One Climate Solutions, a German developer and operator of battery storage systems. Entering the battery storage market poses investment opportunity, as storage helps manage any potential intermittency of renewables and supports a more reliable, flexible energy system – strengthening the long-term investment case. The partnership includes an initial €75 million commitment from Aviva Investors and €15 million from Terra One to fund around 500MW of storage capacity in Germany by 2028, with scope for further investment. Aviva Investors will be supporting the company’s 5.8GW pipeline across the full storage value chain.

Similarly, solutions that support adaptation to rising temperatures are becoming increasingly important. These solutions deliver direct cost savings and resilience benefits, making them attractive to private investment without the need for certainty from policy-driven incentives. Aviva Investors has partnered with Astatine to create a €800 million industrial energy transition platform aimed at reducing emissions in Europe’s most energy-intensive and hard-to-abate sectors. The platform will fund and manage energy infrastructure projects – such as solar panels, battery storage, heat pumps, electric vehicle (EV) charging, and electric fleets – across Ireland, the UK, and continental Europe.

By combining Aviva Investors’ investment expertise with Astatine’s project delivery capabilities, the initiative will help industries like data centres, manufacturing, and pharmaceuticals meet energy transition goals while lowering energy costs.

We also see nature-based solutions as a critical investment theme. Afforestation projects in emerging markets offer climate mitigation and biodiversity restoration benefits. These initiatives sequester carbon at scale while improving soil health and water cycles. Lower land and labour costs make large-scale projects economically viable, and they often deliver co-benefits such as rural employment and ecosystem resilience.

Importantly, afforestation aligns with growing corporate and investor demand for high-quality carbon credits and nature-positive strategies. As voluntary carbon markets mature and global net zero commitments accelerate, these

projects are positioned to attract significant private capital, offering both environmental impact and long-term financial returns.

Finally, we protect investors from short-term trends by focusing on technologies with clear pathways to commercial viability. Our stance on hydrogen is a prime example of this: Hydrogen attracted significance as a clean energy carrier, however it is relevant mainly for hard to abate industries that cannot easily be electrified, such as heavy industry and certain transport sectors.

These uses are not yet commercially viable at scale due to high production costs, infrastructure challenges, and low round-trip efficiency. This means that strong government policy, supportive value chains, and industry co-ordination will ultimately determine how these industries may become Paris-aligned. Our [2024 and 2025 Low-Carbon Investment Policy Roadmaps](#) include a range of policy recommendations to improve the commercial viability of low-carbon hydrogen production.

Until that happens, we maintain the importance of rigorous due diligence and avoiding overexposure to speculative technologies, ensuring capital flows towards solutions with proven scalability and near-term impact.



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3) Offering a suite of strategies to meet investors' varied sustainability needs

We believe in investor choice and in the provision of varied investment strategies to suit different investors' needs. We therefore have a range of different strategies, including but not limited to those with additional sustainability characteristics and those with explicit sustainability objectives.

Through our sustainable product suite, we seek to deliver sustainable outcomes in line with our clients' objectives. We continue to refine a product suite that is diversified by design, where sustainability goals are balanced with risk-return objectives. This involves constructing and managing portfolios to deliberately target where and how risk is taken to capture investment opportunities aligned to sustainability themes.

Taking this kind of approach results in products that are not affected by the same sector or factor biases as many other sustainable funds.

- Our climate credit strategy seeks to manage risks and benefit from opportunities related to climate change through an investment grade fixed income allocation.
- Our climate equity strategy aims to provide a broad equity allocation by investing in companies responding to climate change.

- Our carbon removal impact strategy invests patient capital directly in assets that seek to generate carbon removal credits and provides alternative green and low-carbon investments beyond renewables.
- Our venture capital strategy also has impact component parts to it. Our carbon removal and venture capital strategies both lend themselves to positive impact given performance trade-offs do not impact private markets in the same way as for other asset classes.

Part of delivering on investors' varied needs is our implementation of exclusions to define an investable universe based on client preference. Generally, we believe it is more effective to use our influence to drive change rather than divest.

However, there are specific sectors and economic activities that we seek to avoid investing in as they fundamentally misalign with our purpose, values, and sustainable investing approach. We typically apply exclusions when a certain proportion of a company's revenue comes from these sectors and economic activities. Further detail can be found in the [Aviva Investors' Baseline Exclusions Policy](#).

Implementation of the policy is underpinned by third-party data as well as internal analysis. While we make every effort to use accurate and complete data, we are reliant on third-party providers and there is a risk information may be incomplete, inaccurate or unavailable. You can read more about this in [our sustainability data providers section](#).

For certain funds, we will apply additional screens to support the delivery of that fund's objective. We can also work with professional investors to understand and implement the types of exclusions that are required to meet their particular sustainability preferences.

We believe in investor choice and in the provision of varied investment strategies to suit different investors' needs



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4) Designing and building bespoke investment solutions

At Aviva Investors it is a fundamental part of our sustainability approach to work in partnership with professional investors to identify and shape solutions to meet their evolving needs. Whether a client has net zero targets and carbon removal needs, biodiversity commitments or other forms of sustainability ambition, we can explore different ways to optimise their portfolio against a range of sustainability metrics to bring about different portfolio-level and real-world outcomes.

It is through understanding our clients’ priorities and continuous ideas exchange with stakeholders across the financial system that we can take a deliberate and meaningful approach to how we allocate investors’ capital and steward investments on their behalf.

Implementation of sustainability overlays

We can work with professional investors to implement sustainability overlays on their portfolios to help them achieve any sustainability-related commitments they may have through investments. We work closely with clients to understand their sustainability objectives and provide solutions that reflect their needs.

Our data infrastructure and analytical tools can support the design of sustainable funds as well as tailored frameworks and reporting, helping clients meet regulatory requirements and communicate progress against their goals clearly. Where client needs differ from existing approaches, we can adapt

methodologies, for example, supporting portfolio alignment to net zero pathways, providing reporting on enhanced climate metrics, or helping to set and monitor decarbonisation ambitions.

Our focus is on practical, transparent solutions rather than a one size fits all model. By grounding each solution in consistent data and clear analytical methods, we help clients make informed decisions while maintaining alignment with stated sustainability objectives.

For example, our Net Zero Investment Framework (NZIF), built on industry standards, can support clients in aligning portfolios with net zero pathways while balancing investment objectives. The methodology is designed to deliver a robust and transparent assessment of net zero alignment across companies and portfolios in public markets. It has been developed for use with public equities and corporate bonds, based on the IIGCC Net Zero Investment Framework (NZIF), to support investors in achieving their net zero ambitions. You can read more about the Aviva Investors NZIF on the next page.

Helping investors understand trade-offs in sustainable investing

We believe it is our role to understand where trade-offs exist between an investor’s sustainability preferences and their investment goals in order to assess their relative importance and help inform a course of action. Trade-offs are a fundamental tenet of investing and sustainable investing is no different as it covers a hugely diverse set of strategies, each with its own risk, return and sustainability profile.

We can work in partnership with professional investors and support them in their choice of investment approach given their sustainability preferences, needs and any goals they may have. Our discussions can cover their priorities on portfolio outcomes versus real world outcomes, how this would play out in different asset classes, risk tolerances and time horizons.

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SPOTLIGHT CASE STUDY

Net Zero Investment Framework

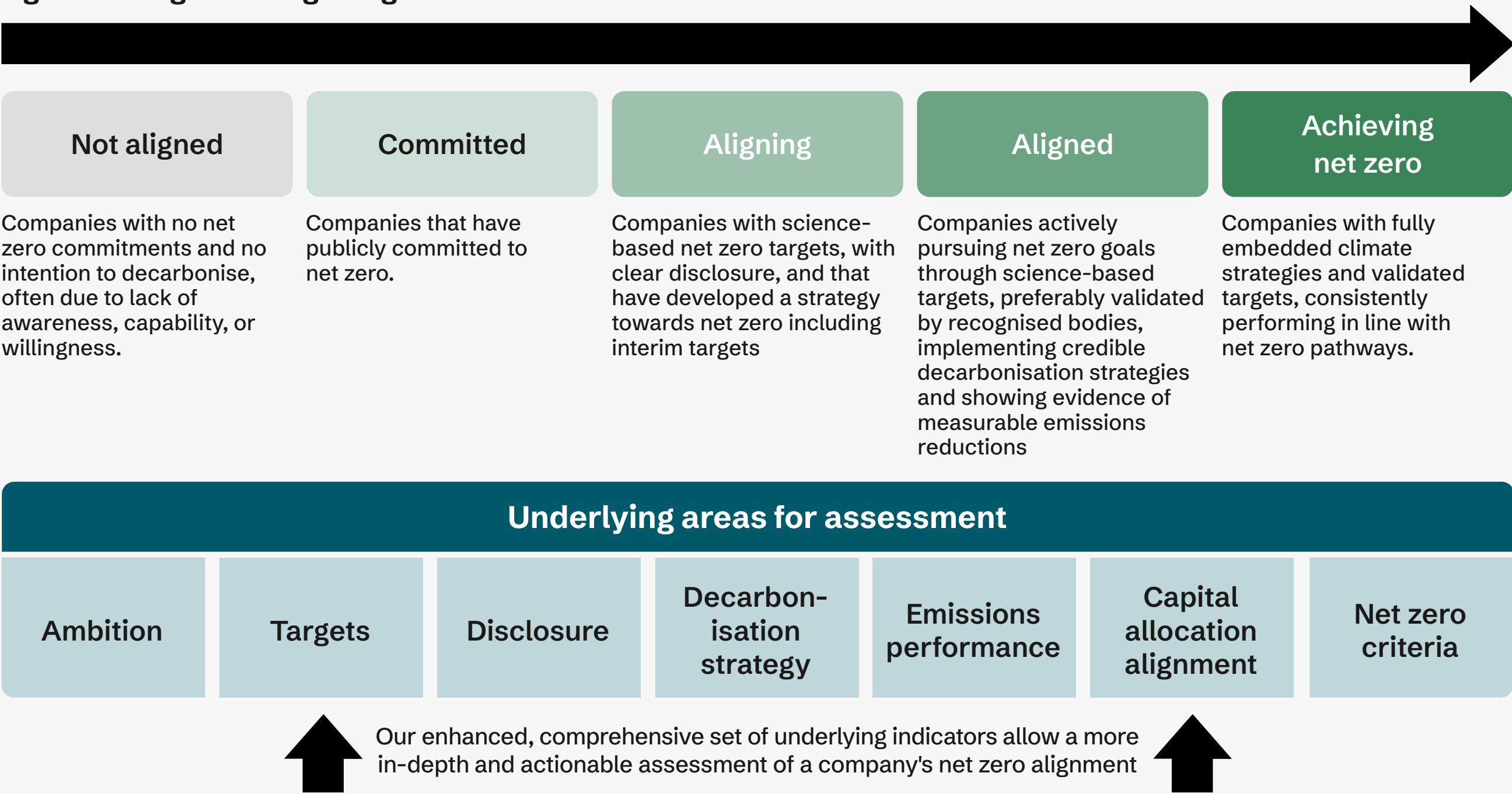
Our Net Zero Investment Framework (NZIF) can support clients in aligning portfolios with net zero pathways while balancing investment objectives. It can be applied across mandates to inform portfolio construction, reporting and stewardship.

Our spotlight case studies show targeted activities or solutions that focus on a particular client outcome or sustainability theme.

With NZIF, we can:

- **Assess portfolio alignment:** Categorise holdings by their alignment status and identify issuers that are already aligned or moving toward net zero pathways. This supports mandate design and clear communication of climate objectives.
- **Support target setting and monitoring:** Use alignment assessments to help establish portfolio level emissions reduction targets and track progress as disclosures and scenarios evolve.
- **Integrate alignment into portfolio construction:** Incorporate NZIF classifications into optimisation tools, treating climate alignment as an additional input alongside traditional financial metrics.
- **Enhance ESG integration and monitoring:** Provide environmental insights that complement financial analysis, even for strategies without explicit net zero goals.
- **Support stewardship and engagement:** Identify issuers that are most material to transition progress, such as those with significant emissions or sectoral influence, to help prioritise engagement. NZIF also supports monitoring of transition plan progress in line with our [Climate Stewardship 2030 programme](#).

Figure 2: Image showing categorisation under NZIF



Source: Aviva Investors, as at December 31, 2025.

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5) Holistic stewardship

We recognise the potential to maximise the long-term value of investors' investments through our stewardship activity. We engage with actors across the financial system, seeking to ensure that interventions at different levels mutually reinforce each other – representing a holistic approach to stewardship.

There are many instances where we engage directly with our stakeholders in private markets – occupiers, borrowers, suppliers and portfolio companies – with the aim of supporting their businesses to grow sustainably. Similarly in public markets, there are many scenarios where we engage in constructive dialogue with our investee companies, including on ESG issues, to encourage best practice; and we take a strategic approach to voting.

We recognise there are limitations to how far, or how fast, companies can change without addressing the broader structural challenges that surround them. To address these system-wide challenges we take a holistic approach, working with a range of participants across the financial ecosystem. This includes holding sector roundtables to consider the dynamics in both the supply and demand sides of an industry. We also engage with sovereign issuers on key stewardship priorities.

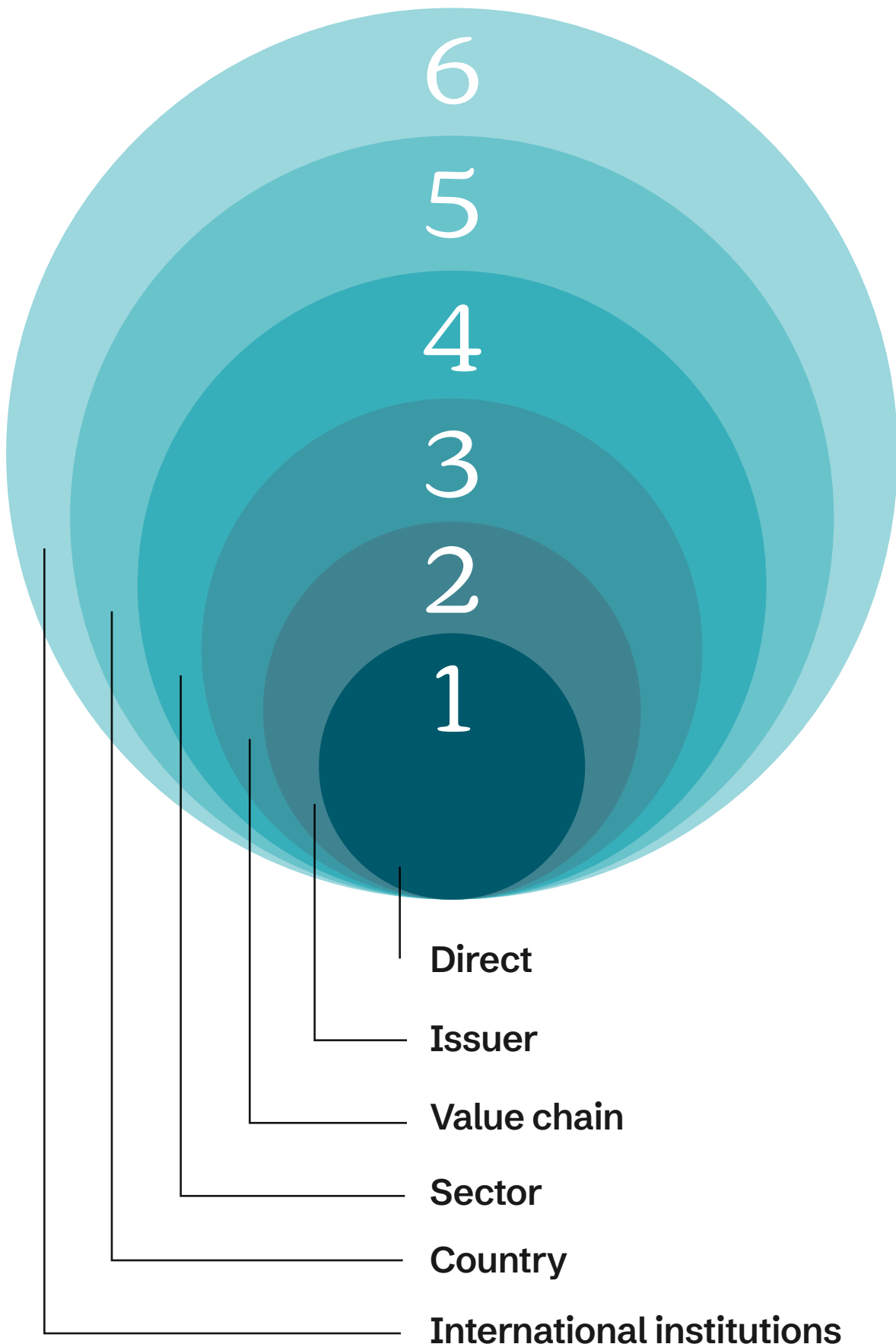
Furthermore, we engage with policymakers, regulators and international institutions to seek the correction of market failures and in turn mitigate systemic risks. Engaging in each of these ways is intended to mutually reinforce and help address impediments to a system-wide sustainable transition.

Our stewardship approach covers governance and a broad range of thematic sustainability issues. Our stewardship priorities support long-term value creation for investors, and include considerations of climate, people and nature issues. You can read more about the levels of influence and our approach to engagement in the [Holistic Stewardship section](#).

In summary, it is through a combination of risk management activity and the identification of investment opportunities, alongside the provision of investment solutions to meet clients' varied needs, underpinned by robust and innovative stewardship activity, that we believe we can deliver effective stewardship serving the best interests of investors.

We engage with actors across the financial system, seeking to ensure that interventions at different levels mutually reinforce each other

Figure 3: Holistic stewardship – stakeholder engagement across multiple levels



Source: Aviva Investors, as at December 31, 2025.



Our client and beneficiary needs

We manage £262 billion for clients around the world, including Aviva plc entities. The charts to the right give an overview of our client base as at year end 2025.

Our overarching integration and stewardship frameworks ensure coherence and rigour across our investments while enabling us to tailor our approach to different asset classes and strategies.

Sustainability characteristics of strategies will typically differ for different client types and geographies.

Figure 4: Aviva Investors’ breakdown of assets under management (AUM), by client type and client domicile



Source: Aviva Investors, as at December 31, 2025.
All percentages may not total 100% due to rounding.

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Understanding our clients’ sustainability preferences

We serve clients in different geographies around the world and invest in a range of asset classes on their behalf. Understanding what matters to our clients with respect to stewardship themes and practices is a key input into the development of our firm-wide stewardship priorities. These client insights are in turn contextualised by an ongoing assessment of market developments and emerging trends which helps us maintain a clear understanding of the operating environment in which we are allocating capital.

We regularly review and refine our priorities to inform how we allocate time and look to innovate going forward. To support this review, we gather feedback from clients in a variety of ways, including through bilateral meetings and roundtables. We also use a relationship management tool as one of the mechanisms to support us in building out an increasingly detailed picture of our clients’ sustainability preferences and requests.

For professional clients specifically seeking to invest through a segregated mandate, we can capture their sustainability preferences through a questionnaire built into our client relationship system. Our professional clients’ views are obtained on the following factors, which we update in line with regulations (including MiFID II):

- Whether or not they wish to address specific sustainability themes or issues through their investments.
- Which sustainability themes are most important to them, linked to the [United Nations Sustainable Development Goals](#) (UN SDGs).
- Whether and how they wish to obtain higher ESG credentials than the relevant benchmark (for example, by increasing exposure to high ESG performers).
- Whether our baseline exclusions policy meets their expectations and if there are other screens/exclusions they want to implement.
- Their preferences around labels for products, such as the [LuxFLAG](#).

Whilst our firm-level stewardship priorities provide the basis of the activity we undertake on behalf of clients, where a client wishes to pursue specific sustainability themes, we can also work in partnership with them to understand their particular needs and explore the feasibility of this activity as well as the relevance to their portfolio.

Dependent on client need and asset class, certain activity may not be feasible, and it is important to set an appropriate strategic direction and expectations. For example, we would need to set different expectations if we were looking to engage issuers on sustainability-related concerns in an emerging markets-focused portfolio versus in a portfolio predominantly invested in developed markets.

Where a client has a specific sustainability objective or is seeking to address a specific sustainability challenge, we can explore the implications of any sustainability commitments they have as well as analysing the various approaches to support their delivery. Whether they have net zero targets and carbon removal needs, biodiversity commitments or other forms of sustainability ambition, we can explore different ways to optimise their portfolio against a range of sustainability metrics to bring about different portfolio level and real-world outcomes.

We will also look at bespoke exclusions and different forms of financing, as well as the sustainability characteristics of different asset classes, among other considerations.

Understanding what matters to our clients with respect to stewardship themes and practices is a key input into the development of our firm-wide stewardship priorities

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Communicating with clients

Communication plays a critical role in effective stewardship, in terms of consulting with investors on their preferences and outcomes sought, and reporting on how their investments are contributing to achieving them. As an asset manager, we are conscious that, whilst there might be a chain of intermediaries involved, we ultimately manage money for individuals. It is therefore an essential part of our role to communicate in a clear way what we are doing on important issues, including on our sustainability approach.

We are committed to helping investors stay informed of recent developments in sustainable investing. This is to help empower them to better navigate the sustainable investing landscape and in turn investment solutions to suit their needs and priorities.

We also believe it is important to share more in-depth thought pieces to communicate with investors how we are approaching trends and developments in the sustainable investing landscape more broadly.

In 2025 we produced various educational materials, including:

- We launched our place-based video case study series “Built around you”, showcasing how our investment approach delivers tangible benefits to local communities. While not limited to sustainability themes, the series reflects our broader investment philosophy including views in relation to sustainability. Videos featuring Cambridge and Manchester were released in 2025 with further locations planned for later in 2026.

- In 2025, Aviva Investors continued our sponsorship of the King’s College Business School’s ‘Consumer Duty: Delivering Good Client Outcomes’ course, supporting a second cohort of participants. Designed to deepen understanding of Consumer Duty through a sustainability lens, the course attracted 201 delegates, with demand consistently exceeding available places. In response to this strong interest, we’re delighted to confirm our support for two additional cohorts in 2026. These will be accompanied by refreshed course materials and a new module titled ‘Advising in the Age of AI’, offering practical guidance for advisers navigating technological disruption with human insight.
- Our Low-Carbon Investment Roadmap outlines our view of the most important public policy interventions to unlock private investment in the low-carbon economy. We published our original version in 2024, and in our 2025 update, we take stock of policy developments since, and look ahead to 2026 and beyond.
- We continued the inclusion of sustainability topics distributed through our insight webpages and email programmes, such as ‘Moving beyond decarbonisation’ which outlines our evolved approach to climate stewardship.
- We continued our series of sector roundtables to bring together stakeholders from across the value chain of high impact sectors. Insights and reflections from these roundtables can be found on our website.

Figure 5: An example of our published communications



Source: Aviva Investors, as at December 31, 2025.



Supporting investors to monitor their portfolios

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We believe it is our responsibility to bring clarity to what a specific investment strategy does and does not do from a sustainability perspective. This includes working together with investors and other key stakeholders, like financial advisers, to articulate the implications of having an explicit sustainability objective and to understand trade-offs, where relevant. This is intended to help investors identify suitable strategies to meet their needs.

Part of this is providing evidence of the sustainability activity we undertake for clients. This section shows illustrative examples of the kinds of reporting we provide to clients for relevant strategies. To provide these reports we rely on data from third-party providers alongside external and proprietary models. While we make every effort to use accurate and complete data, there is a risk information may be incomplete, inaccurate or unavailable. You can read more about this in our [data and analytics section](#).

Quarterly ESG reporting

Below provides examples of different aspects of our ESG reporting.⁸

Overall ESG assessment

An overall ESG assessment section makes reference to both our proprietary ESG scores and to MSCI ESG scores. Investors can compare how the holdings in their portfolio compare to the benchmark holdings on the basis of our ESG proprietary scores as well as on the basis of the MSCI ESG scores.

Environmental assessment

An environmental assessment focuses on ESG metrics that are specific to the investment mandate. For a climate-related mandate for example, this could include carbon intensity or portfolio warming potential.

Engagement and voting

Information on voting, where relevant, and active engagement on portfolio holdings shows clients examples of how we engage on their behalf and the resulting outcomes. These sections of a report would typically include a high-level overview, including timeseries data and more granular breakdowns, portfolio-specific voting and a breakdown of where we did not vote with management, and engagement activity related to the strategy. This gives clients insights into stewardship activity relating to the portfolio and helps to hold managers to account.

A short summary of each engagement would typically be provided, accompanied by more detailed case studies, where relevant.

ESG assessment tailored to multi-asset portfolios

For our multi-asset strategies, we provide visibility on a combination of the following carbon-related metrics, dependent on the specifics of the investment strategy:

- Scope 3 emissions intensity
- Carbon footprint for Scopes 1 and 2 emissions
- Percentage of corporates owning fossil fuel reserves.

⁸ Note that ESG client reports may differ across strategies and may not be available for all products and strategies.



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Sustainable product suite

We report on sustainability activity relating to our sustainable product suite. Reports will differ across strategies, given that metrics and data included in each report will be relevant to the strategy’s individual sustainability and investment objective.

Portfolio KPIs

For certain strategies, we reported on portfolio key performance indicators (KPIs) (sample shown in Figure 7), that are used as indicators of whether holdings are positively aligned to the objectives of the fund.⁹

Internal sustainability frameworks

Some of our strategies are guided by our internal sustainability frameworks, which are built around our core sustainability pillars as well as key sustainable investment themes. These frameworks inform how we assess companies and portfolios, grounding our research in the material sustainability factors most relevant to our investment approach.

Figure 7: Example of indicative portfolio KPI reporting provided for certain strategies

Natural Capital KPIs	Strategy	MSCI ACWI
Percentage of companies with ≥20% natural capital or climate change solutions revenues	20%	8%
Percentage of companies in the top quartile for environmental management	58%	31%
Percentage of companies with a validated Science Based Target, or commitment to set a validated Science Based Target	73%	35%

Aviva Investors and MSCI, reproduced with permission, as at December 31, 2025

⁹ KPIs are not necessarily used as an input into the decision-making process to invest into individual companies and we take various sustainability and investment factors into account.



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Thematic engagement programme updates

For certain funds, we have structured engagement programmes which target companies within the portfolio for a period of three years from their inclusion.

For these funds, we share updates from the engagement programmes with our clients to demonstrate company progress against our asks.

Sustainability case studies

For specific sustainable private markets strategies, we can provide reports of case studies. These include examples of where our investments have contributed to a lower-carbon economy. For example, investments that aim to avoid emissions and those that aim to reduce emissions where avoidance is not possible.

We can also provide case studies for investments that aim to remove CO₂ (carbon dioxide) as well as private equity solutions that align to the climate transition – emerging technologies that are being developed to help speed the transition.

Figure 8: We provide client reporting for certain funds where we share updates from our engagement programmes



Source: Aviva Investors, as at December 31, 2024.



Bespoke climate reporting capabilities

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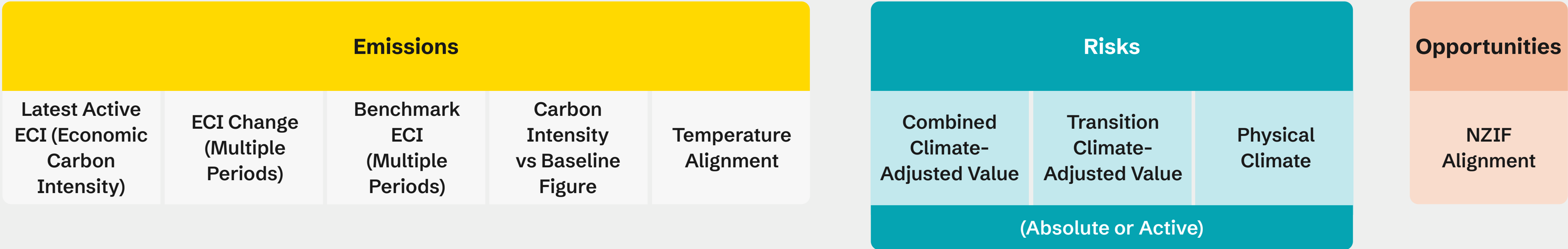
Reporting capabilities

In public markets, reporting can include insights into climate, ESG and nature themes, for example, carbon footprints, emissions trajectories and climate risk metrics, and we can tailor reports to client priorities and regulatory requirements. Data can be viewed by fund, mandate or custom groupings, and we have the option to drill into specific themes or time periods to support transparent communication of sustainability goals.

Climate-Aware Investing scorecard

An example is our public markets climate-aware scorecard which gives a consolidated view of backward- and forward-looking emissions, climate risks and transition opportunities for public market portfolios. It combines core metrics - such as carbon emissions, temperature alignment and climate-adjusted value at risk¹⁰ - with proprietary indicators such as our Net Zero Investment Framework (NZIF) data to report on both physical and transition risks. See [our case study on NZIF](#) for more information.

Figure 9: Example of reporting capabilities for climate emissions and risk



Source: Aviva Investors, as at 31 December, 2025.

¹⁰ Climate-adjusted value estimates the potential impact of physical and transition climate risks on asset values under forward-looking climate scenarios. Physical impacts can include events like floods or wildfire, transition impacts can include legislation or changing trends in customer demand.



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Aviva Investors is committed to reporting on our sustainability activities at an entity level and produces various firm-wide reports, with this report being an example.

SDR entity-level report

Under the UK Sustainability Disclosure Requirements UK asset management firms are required to publish an annual entity-level sustainability report. This contains disclosures on governance, strategy, risk management, and metrics and targets in relation to managing sustainability-related risks and opportunities.

Principal Adverse Impacts (PAI)

In the context of Sustainable Finance Disclosure Regulation (SFDR), the most significant negative effects on sustainability factors that are material, or likely to be material, are referred to as principal adverse impacts (PAI). Aviva Investors Luxembourg produces a Principal Adverse Impacts statement annually. This is a consolidated statement on PAIs on sustainability factors of Aviva Investors Luxembourg, including indicators across both public and private markets.

Task Force on Climate-related Financial Disclosures (TCFD)

In conjunction with our parent company, Aviva, we publish an annual TCFD entity report. This, along with the overall Aviva plc report it is embedded in, sets out how we take climate-related matters into account in managing or administering investments on behalf of clients. This report includes the entity-level reporting under the 'FCA's PS 21/24 *Enhancing climate-related disclosures*' by asset managers by way of an appendix.

We believe it is our responsibility to bring clarity to what a specific investment strategy does and does not do from a sustainability perspective. This includes working together with investors and other key stakeholders, like financial advisers, to articulate the implications of having an explicit sustainability objective and to understand trade-offs, where relevant. This is intended to help investors identify suitable strategies to meet their needs.

Part of this is providing evidence of the sustainability activity we undertake for clients. This section shows illustrative examples of the kinds of reporting we provide to clients for relevant strategies. To provide these reports we rely on data from third-party providers alongside external and proprietary models. While we make every effort to use accurate and complete data, there is a risk information may be incomplete, inaccurate or unavailable. You can read more about this in our data and analytics section.



Data and analytics

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This section outlines our data and analytical capabilities at Aviva Investors. We are increasingly using data, models and quantitative frameworks and analytics to deliver on clients’ objectives, comply with regulatory obligations, and deliver decision-ready, data-driven insights.

At Aviva Investors, we seek to balance robustness of approach with adaptability. Our suite of data and reporting solutions provides a solid foundation, complemented by the agility to respond to evolving regulations and bespoke client needs.

Data and quantitative analytics as a core part of our sustainability function

The Sustainable Investing Data and Analytics team leverages sustainability data to produce quantitative insights and to advance our sustainability objectives for our clients through proprietary frameworks and models.

The team’s core responsibilities include:

- **Quantitative solutions:** Developing public markets frameworks and models that address key sustainability questions, enhance risk analysis, and support product design and portfolio management.
- **Advisory and support:** Providing guidance on sustainability data, analytical techniques, and quantitative research and analytics.
- **Model and data management:** Maintaining our public markets sustainability datasets, models, and stop lists to ensure accuracy, consistency, and strong governance across the organisation.

How data and analytics can support in sustainable investing

Our capabilities can support multiple aspects of sustainable investing, enabling investment teams and clients to understand risks, opportunities, and performance.

- ① **Solutions for clients:** We use our data infrastructure and analytical tools to help design sustainability aligned solutions, from climate aware solutions to customised frameworks that support client preferences such as decarbonisation pathways. See our section on [NZIF](#) for more information on one of these solutions.
- ② **Managing risks and opportunities:** Data, analytics tools, platforms and models can help identify and assess sustainability-related risks and opportunities, such as climate transition, physical hazards, and broader ESG considerations, so investment teams can respond effectively.
- ③ **Data analytics and reporting:** Particularly within public markets, we can provide transparent, comparable analytics on ESG and climate issues, including emissions pathways, scenario analysis, and risk-return implications. Our reporting tools can help meet regulatory requirements and support clear communication with clients.



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At Aviva Investors, we aim to harness data and quantitative analytical tools and platforms to help our investment teams understand, assess, and manage sustainability-related risks and identify opportunities across their portfolios.

Public markets capabilities

Within ESG integration practices, our corporate ESG tool, Elements 2.0, provides a data-driven score using external metrics supplemented with internal insights. It offers a consistent view of how companies perform across key ESG topics and supports comparative analysis across issuers and sectors. This is complemented by PAINT (Principal Adverse Impacts Notation Tool), which draws on SFDR Principal Adverse Impact indicators to highlight potential sustainability risks and to help identify where deeper investigation may be required.

For sovereign and quasi-sovereign issuers, we have an in-house sovereign ESG score that assesses environmental, social and governance risks, including institutional strength, supplemented by regional and wealth-adjusted analysis.

Spotlight on how we are enhancing climate analytics within public markets

- Our public markets climate data and analytical platform is available for deeper issuer-level analysis, integrating both transition risk and physical risk data which can be used to strengthen investment risk analytics and identify investment opportunities. The platform combines forward-looking climate metrics with financial fundamentals so that we can assess how companies are positioned. We can view data on things like green revenues, credible transition plans and sustainable financing activity.
- The platform allows users to explore how physical risks (e.g. floods, heat, storms) and transition factors (e.g. policy changes, carbon pricing) may influence company revenues, costs and valuations under different scenarios.
- Our climate capabilities can be used to identify which holdings contribute most to overall climate risk at a portfolio level and understand the drivers behind that exposure, supporting more targeted risk management.

Private markets capabilities

In private markets, different types of ESG assessments are embedded in the investment process for relevant asset classes. We may use, for example, AI enabled tools to support due diligence research and tools like RepRisk to flag material controversies or reputational risks.

This can help ensure risks are identified early and factored into decision-making. Additionally, we undertake:

- **Physical risk assessment:** We review physical climate risk across all private markets investments where relevant. The approach will vary by asset class utilising quantitative and/or qualitative assessments, including third-party tools or platforms, site-specific information from developers, surveyors and managers, and/or business-, asset- or entity-level information provided by counterparties.
- **ESG due diligence tool:** A proprietary tool ensures consistent assessment of ESG risks and informs engagement and structuring decisions. In some asset classes, including real estate and private debt, this can be supplemented by third-party tools or research.

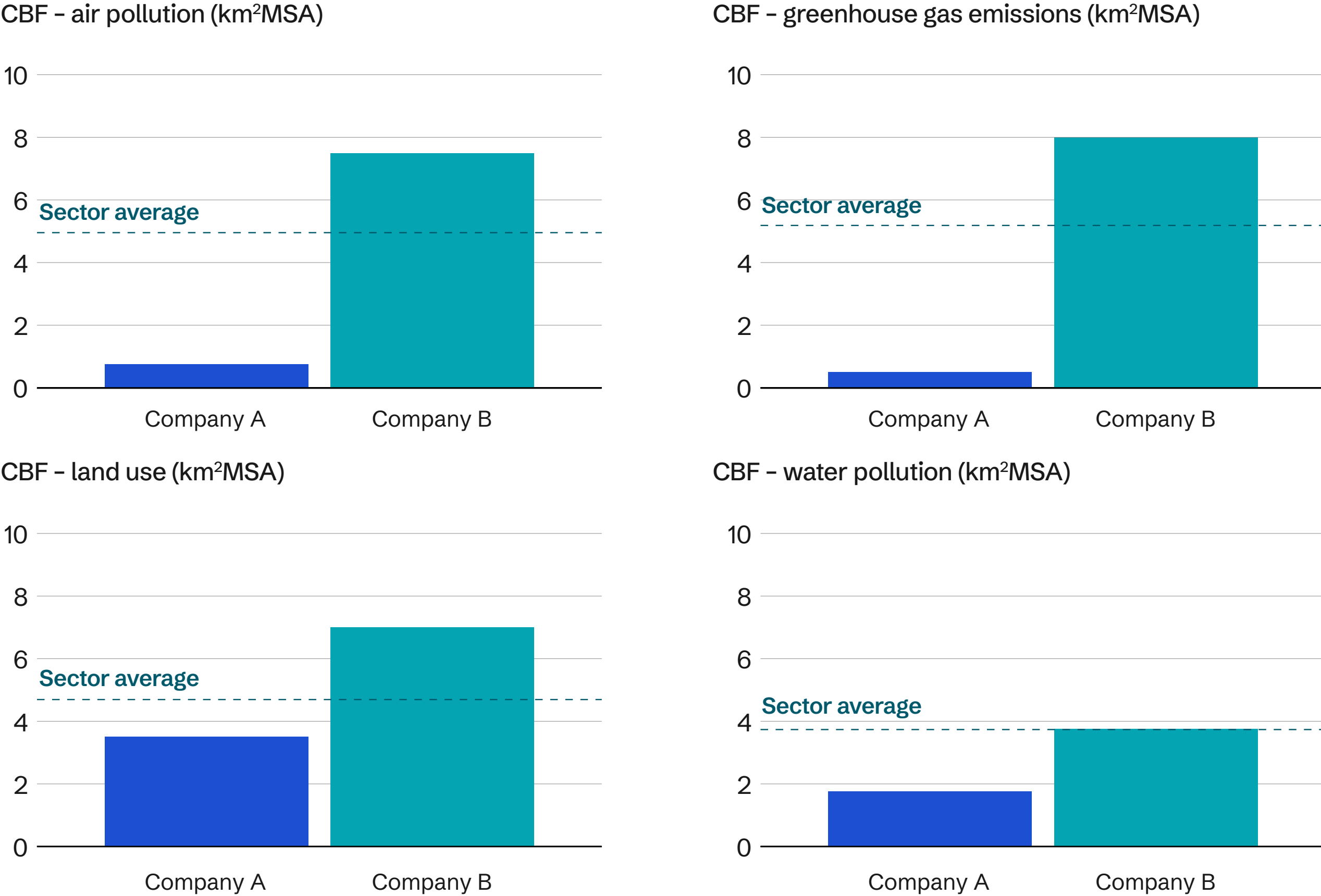
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Nature and biodiversity public markets capabilities

Our nature-related analytics can be used to help understand how public markets companies and sovereigns perform on key environmental pressures affecting biodiversity such as land use change, water pollution and air pollution. For corporates, we can also evaluate their dependencies on critical ecosystem services such as pollination and water supply. We would emphasise relative issuer level comparison, to give a clearer view of how each company's risk compares on key nature issues.

- **Issuer-level comparison:** Using selected indicators, we can identify which companies show higher or lower nature-related impacts or dependencies within their sector or peer group. This helps highlight the issuers that are most material to a portfolio's overall nature-related risk profile.
- **Portfolio-level insight:** By aggregating these issuer comparisons, we can show where portfolio exposure is concentrated and which holdings contribute most to key nature-related risks.
- **Targeted engagement:** These comparisons also support engagement by highlighting companies and sovereigns that stand out, positively or negatively, and where focused stewardship may help improve management of nature-related risks.

Figure 10: Illustrative example showing Negative Impact Enterprise (km²MSA) for air pollution, greenhouse gas emissions, land use change and water pollution for Company A and Company B within the automobile manufacturers sub industry. The data has been transformed to a scale of 0-10



Source: Aviva Investors, as at December 31, 2025.



Data analytics and reporting

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In 2025 for public markets, we strengthened data quality and analytical rigour by improving how we validate external data and by building tooling to more efficiently prepare datasets from vendors and NGOs. We also adopted enhanced analytics platforms set out above, which enable deeper consideration of climate risks within investment portfolios.

As our capabilities expand across public and private markets, we are incorporating transition and physical risk analysis more systematically and improving how we assess nature-related risks and dependencies. Continued investment in talent, data sources and analytical tools ensures our insights are well integrated and consistently support decision making across strategies.

Ways in which our data analytics can be used

Emissions capabilities

Our public markets climate analytics can map portfolio emissions under different climate pathways using inputs from recognised sources such as the Intergovernmental Panel on Climate Change (IPCC) and Network for Greening the Financial System (NGFS). This supports:

- **Alignment assessments:** Showing how portfolios sit relative to key climate objectives.
- **Scenario exploration:** Assessing how policy, technology or market shifts could influence emissions over time.
- **Target setting:** Providing evidence to support credible portfolio level reduction strategies.

In private markets, platforms such as Deepki help monitor and estimate energy performance, with additional data frameworks used to maintain consistency and data quality. The PCAF (Partnership for Carbon Accounting Financials) hierarchy guides how we assess data reliability across private market assets.

Please see the next page for an example of how we use Deepki for energy consumption metrics in real assets.

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Figure 11: Illustrative examples of energy consumption metrics provided on real estate assets

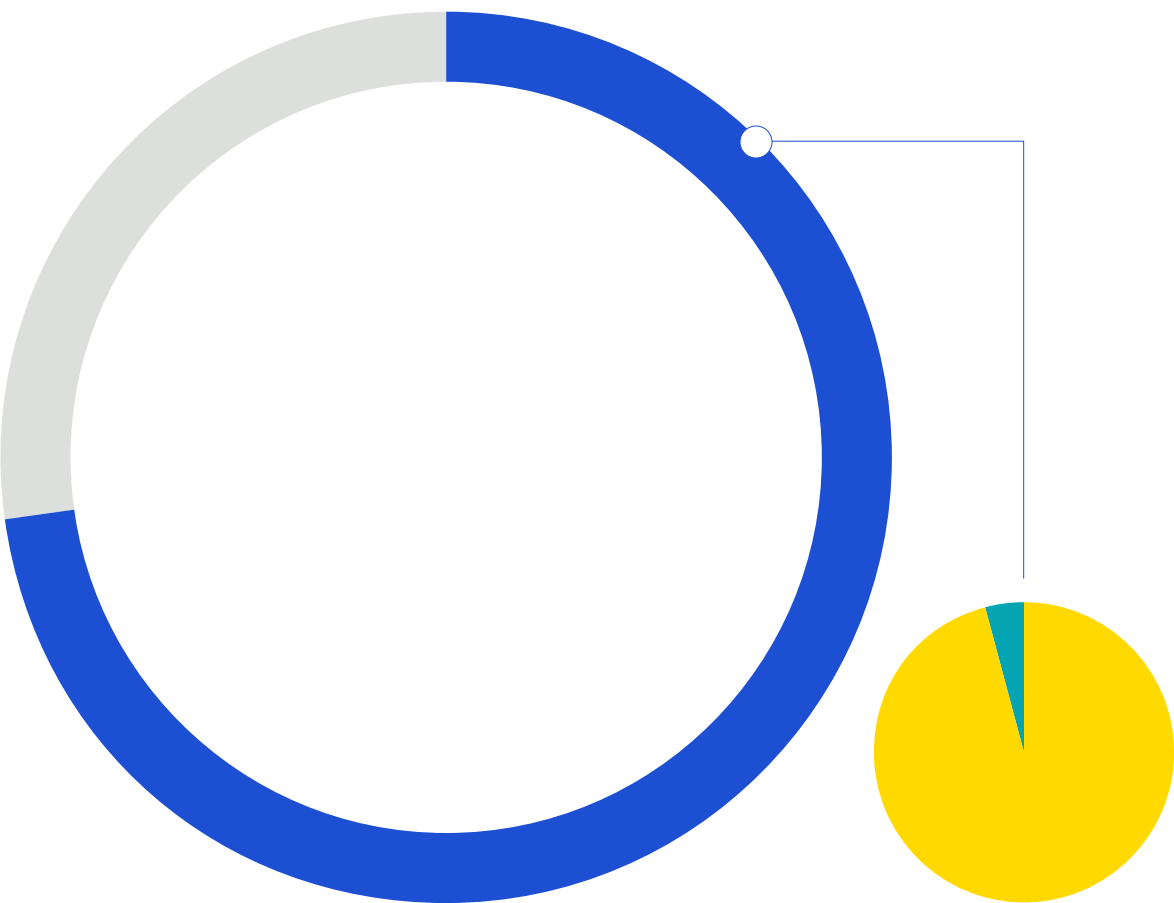
Landlord-controlled areas

Warnings (Mapping and consumption)

- 62 Assets with missing meters
- 65 Meters without any consumption in the last 6 months

Consumption collection

(Meters with recent consumption data among existing landlord meters.)



- Meters showing consumption in last 6 months 73%
- Automated and semi-automated collect 96%
- Manual collect 4%

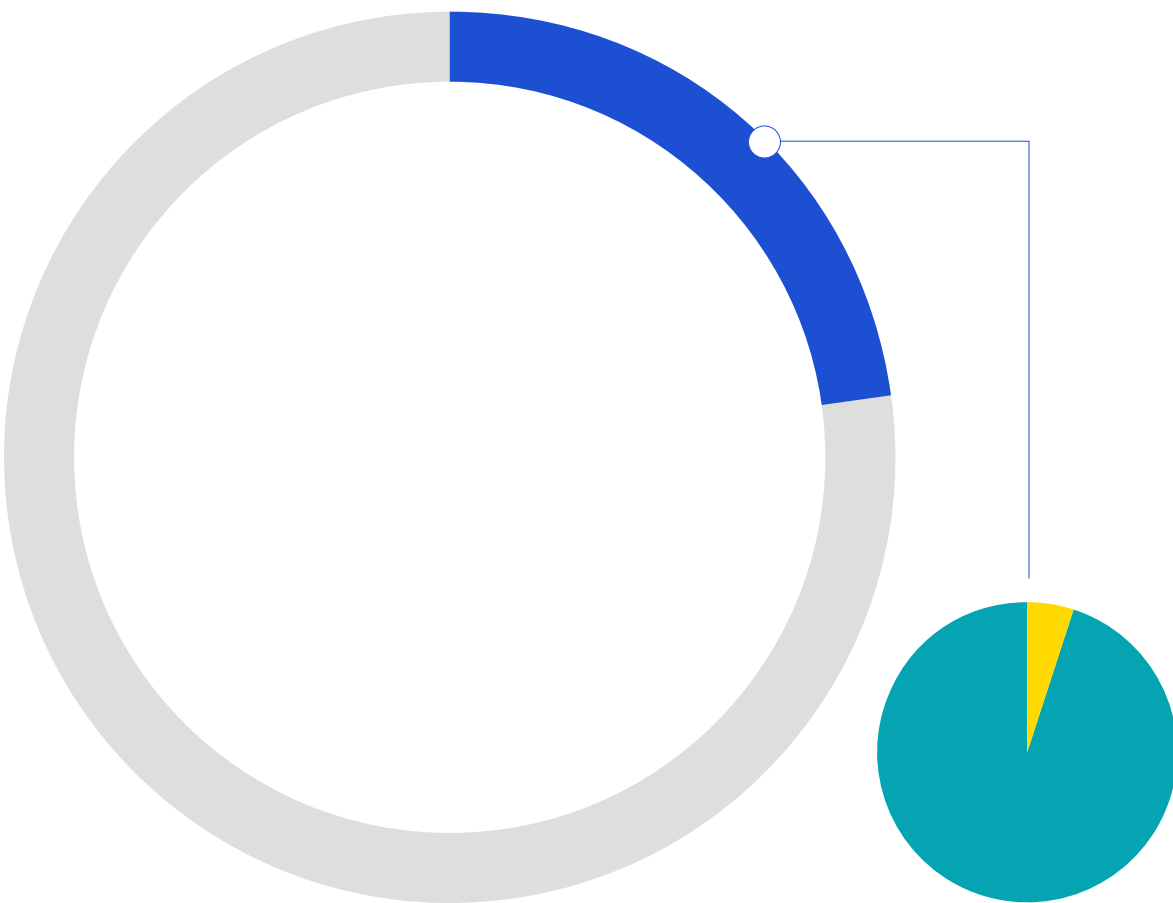
Tenant-controlled areas

Warnings (Mapping and consumption)

- 0 Tenants with complete information that require meter association
- 171 Meters without a valid tenant
- 327 Meters without any consumption in the last 6 months

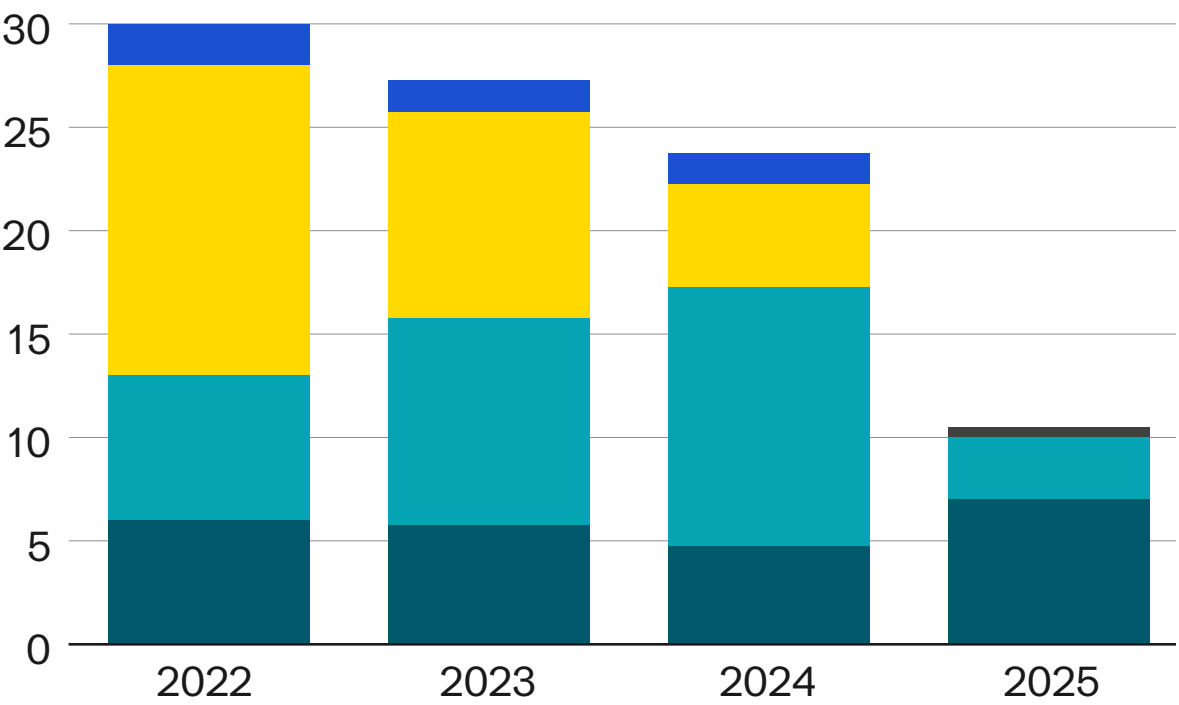
Consumption collection

(Meters with recent consumption data among existing tenant meters.)



- Meters showing consumption in last 6 months 23%
- Automated and semi-automated collect 5%
- Manual collect 95%

Apportioned Total Fund Real and Estimated Whole Building Consumption (1,000,000 MWH)



- Benchmarked
- Gap-filled
- Actual
- Extrapolated

Source: Adapted from Deepki, reproduced with permission, as at December 31, 2025.

Source: Adapted from Deepki, reproduced with permission, as at December 31, 2025.



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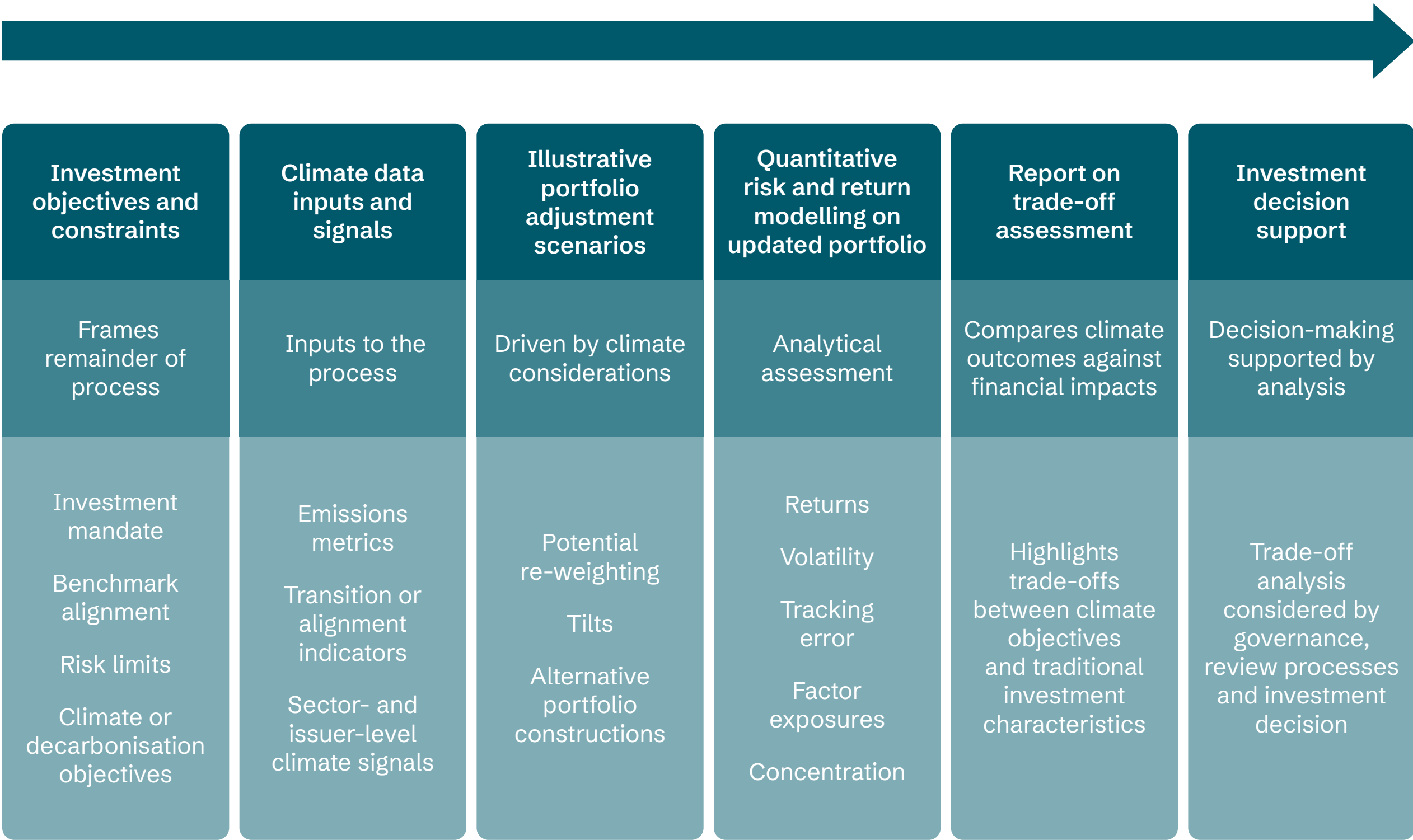
Capabilities to enable trade-off analysis

We have been developing quantitative analytical capabilities which can help investment teams and clients understand the relationship between decarbonisation choices, investment risk and expected returns. During 2025 we developed a decarbonisation trade-off analysis which can allow us to:

- **Model portfolio adjustments:** Testing the implications of shifting exposure, for example towards lower emitting sectors or transition leaders.
- **Assess forward-looking risk and return impacts:** Evaluating how climate-related changes influence volatility, concentration and tracking error.
- **Inform strategic decisions:** Providing clear evidence to balance climate objectives with financial resilience.

We can undertake trade-off analyses to evaluate climate considerations alongside financial metrics and help support more robust, future ready portfolio decisions.

Figure 12: Considerations that can feed into trade-off analysis



Source: Aviva Investors, as at December 31, 2025.

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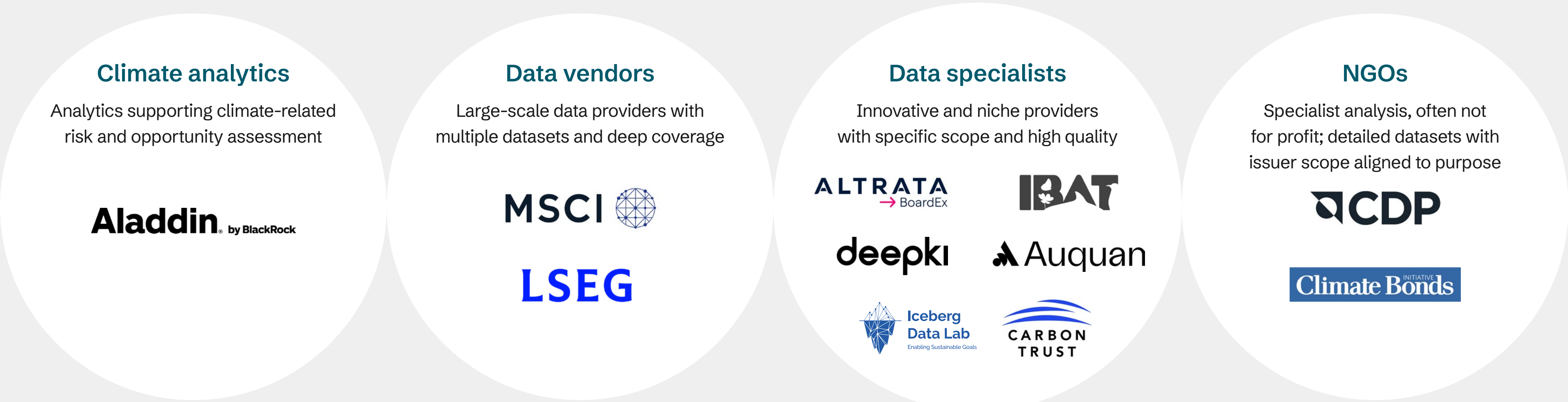
Sustainability data providers

We source sustainability data from a wide range of external providers and review these sources regularly. We meet with various vendors to discuss data quality and potential improvements, as well as ad hoc conversations on evolving sustainability trends.

While providers draw on sources they consider reliable, some data may be incomplete, inconsistent or unavailable, and assessments may occasionally misrepresent a security, issuer or index. As a result, there is a risk that we may, from time to time, incorrectly assess a security, issuer or index. 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 ESG characteristics correctly.

To manage these risks, we operate on a reasonable endeavours basis when assessing incoming data and have processes in place to identify discrepancies, apply overrides where appropriate and incorporate additional information where it strengthens the output.

Figure 13: Aviva Investors data providers (non-exhaustive list)



Source: All logos sourced from the relevant companies, and reproduced with permission, as at December 31, 2025.



Our future capabilities and 2026 outlook

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We are continuing to invest in talent and technology that enhances the way we use sustainability data across the business. This includes advancing our data platforms to better integrate ESG and climate datasets, streamline analytics and support more timely insights for investment and stewardship teams.

Our priorities for 2026 include:

- **AI enabled analytics:** Using Artificial Intelligence to help identify sustainability related risks and opportunities more efficiently and support decision making across our datasets.
- **Scalable data platforms:** Strengthening the underlying infrastructure so that sustainability metrics, disclosures and stewardship information can be brought together in a more flexible and consistent environment.
- **Responsible innovation:** Ensuring the development of new analytics and reporting tools reflects strong governance, transparency and ethical principles.

These improvements aim to give investment teams and clients clearer, more consistent insights as sustainability expectations and data availability continue to evolve.

We are also exploring the use of our analytical tools to map company-owned assets, such as facilities, operations and critical sites, against physical climate hazards.

This would enable:

- Pinpointing of locations with heightened exposure,
- Better understanding of potential operational disruptions,
- Integration of geospatial insights into due diligence and ongoing monitoring.

These analyses can be combined with qualitative research to support a more complete view of risk across value chains.

Potential implications for product design

Our analytical capabilities also have the potential to support future product development. For example:

- **Informing product parameters:** Climate pathways and underlying metrics can help shape credible constraints or construction rules for climate aligned strategies.
- **Testing early product concepts:** Scenario analysis can be used during concept development to understand how prospective strategies may behave under different climate pathways, helping guide decisions on index selection, regional exposures, risk budgets and other design features.

3

Integration

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Our approach to ESG integration

We maintain a deep conviction that ESG factors can have a material impact on returns and client outcomes. Throughout 2025, developments in the sustainability landscape have reinforced this perspective: investors are not only becoming more sophisticated in their expectations, but are increasingly demanding evidence that ESG integration is systematic, repeatable, and demonstrably influencing portfolio outcomes.

Simultaneously, we have seen ESG integration practices mature across markets in ways that align with our long-standing approach. ESG integration is no longer an additional layer to traditional financial analysis, it is a fundamental characteristic of an investment process that helps guide investors through volatile markets and ensure long-term portfolio resilience. This evolution is visible in how investors are proactively assessing resilience to the physical impacts of climate change, embedding structured approaches to transition risk assessment, and identifying opportunities linked to emerging technologies such as generative artificial intelligence. These trends reflect a broader industry movement toward more consistent, data driven, and forward looking ESG insights that can withstand market volatility and support long-term value creation.

As these shifts take place, they affirm the direction of travel we have always pursued: our goal remains to effectively integrate financially material ESG insights into investment processes to better manage risk, identify investment opportunities, and support the delivery of long-term risk adjusted returns for investors.

Our overarching framework ensures coherence and rigour of ESG integration across our investments while enabling us to tailor our approach to different asset classes and strategies, drawing on our specialist sustainable investing experts.

Further details on how we tailor our approach can be found in our asset class specific [Sustainability Risk Policies](#).

We maintain a deep conviction that ESG factors can have a material impact on returns and client outcomes

Figure 14: Connectivity is at the centre of our ESG approach



Source: Aviva Investors, as at December 31, 2025.

Our integration approach is award-winning. See our section on [awards and recognition](#) for more information.

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Connectivity is at the centre of our approach to ESG integration, supported by a firm-wide culture of collaboration and strong partnerships between ESG analysts, stewardship professionals and investment teams. Colleagues have multiple touchpoints throughout the investment process to ensure close communication, including forums that span a daily, bi-weekly, monthly and quarterly cadence.

Outside of these forums, our investment desks and ESG teams identify and conduct engagement activity together, generating outcomes and insight that can further enrich the investment picture. ESG metrics, research and stewardship insights are accessible by investment teams through our portfolio and research management platforms, allowing for timely information exchange and enabling us to reach one, integrated investment view.

At Aviva Investors we use a variety of in-house ESG integration tools across our business to support investment decision making. Our **quantitative tools** are the starting point for our sustainability insights, providing an extensive range of data points across issuers, sustainability themes, and enabling peer comparisons and trend analysis. We leverage our proprietary ESG scores, due diligence tools, stewardship data, principal adverse impact (PAI) indicators and other external sources, where appropriate. Our quantitative ESG tools are integral in embedding sustainability issues across our portfolios.

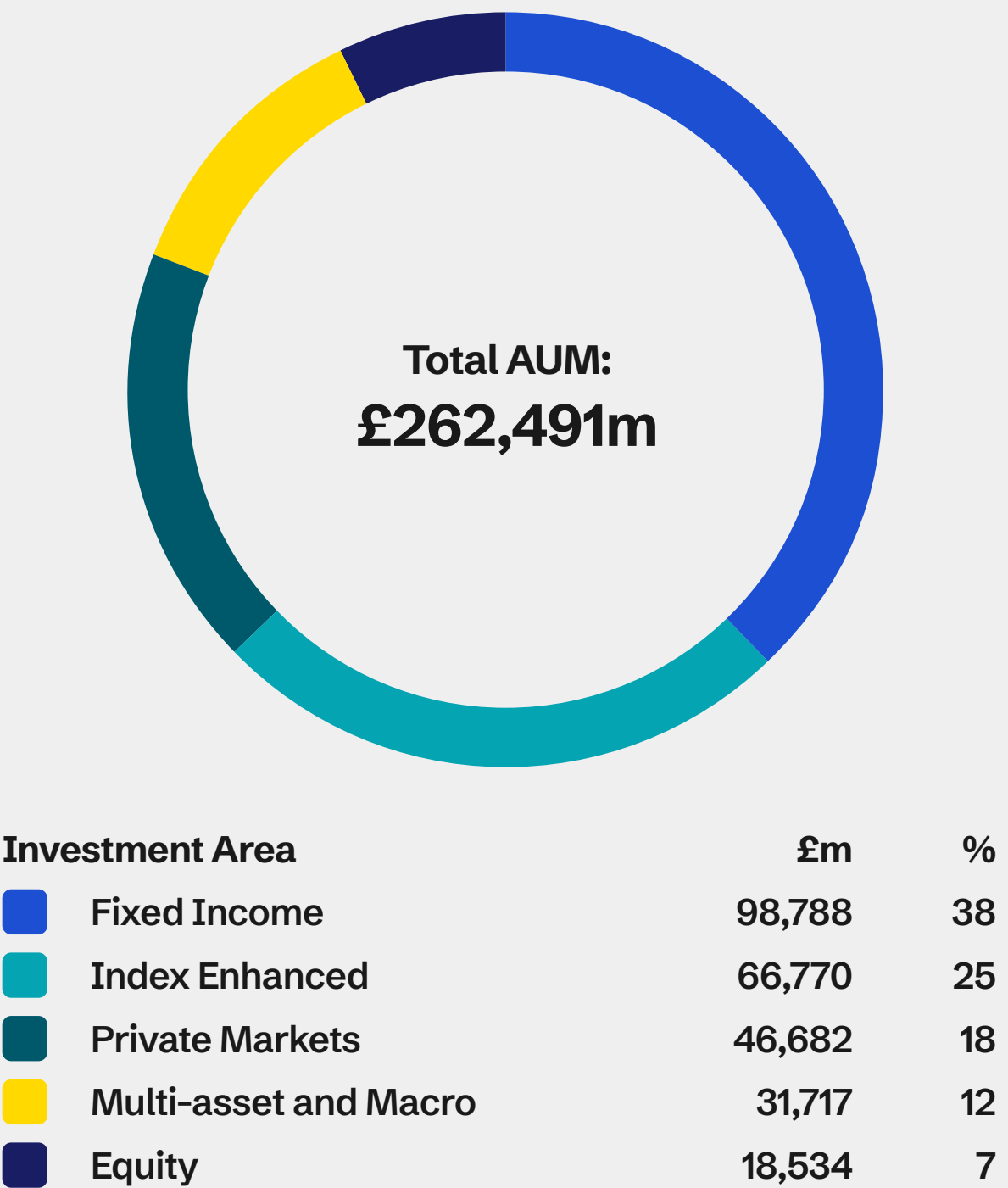
Our teams produce enhanced **qualitative insights** to further support our understanding of financially material risks and investment opportunities. We have dedicated, specialist ESG analysts per asset class to ensure that all

insights produced are tailored to the nuances of different investment processes and strategies. These insights are generated through targeted ‘bottom up’ (for example, individual issuers, counterparties and projects) and ‘top down’ research (across themes, sectors, technologies). This ‘top down’ approach also considers the macro environment, forming our **House View** in which our Investment Strategy team share their views on the macroeconomic outlook and investment themes.

Through qualitative analysis, we can produce a more holistic, timely and forward-looking view whilst remaining grounded in materiality to specific investment cases. Our stewardship activity also enables us to go beyond desk-based research and presents opportunities to discuss actions to manage and mitigate material risks. Our teams use these research outputs at various points in the investment process, dissecting the insights together to form a consolidated investment view. The connected nature of our approach is further underpinned by a continuous cycle of **review and monitoring** of portfolios, holdings and projects. Constructive challenge by ESG analysts is encouraged, leveraging our quantitative metrics and qualitative research outputs. In addition, several mechanisms exist to provide governance and potential escalations to Investment Risk teams, heads of investment desks and the chief investment officer, including through our Investment Oversight Committee (IOC).

Please note, our ESG integration approach is not binding on the investment manager's decision beyond any specific criteria in the relevant mandate or fund prospectus.

Figure 15: Aviva Investors’ breakdown of assets under management by asset class



Source: Aviva Investors, as at December 31, 2025.



ESG integration in multi-asset

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Our multi-asset solutions are built on a philosophy of global diversification and dynamic management. The process begins with setting the Strategic Asset Allocation (SAA), reviewed annually, which determines long-term allocations across regions and asset classes using our Capital Market Assumptions. This foundation allows us to maximise opportunities and enhance diversification, including selective use of alternative assets. To adapt to changing market conditions, we incorporate Tactical Asset Allocation (TAA) within actively managed funds to seek additional returns.

Investor outcomes drive our approach, so we utilise our scale and internal active and passive capabilities to ensure sustainability is considered in the investment process, where material. The component investment building blocks of our multi-asset portfolios utilise our ESG integration approach at each asset class level and therefore build on the other sections below.

Connectivity

Throughout the investment process, where appropriate, our ESG teams and investment desks work collaboratively, ensuring insights are shared both on a proactive and reactive basis. An illustrative example of how our teams collaborate is our quarterly House View which is a baseline factor when producing a trade idea. This sets out the collective view of our investment teams on the current state of global markets and where they may be heading. The House View is useful when making TAA decisions, as it allows us to adjust the portfolio over a short to medium term horizon.

While the House View focuses mainly on growth projections, as well as other economic metrics such as inflation and interest rates, it also accounts for key investment themes that are likely to be important in global markets in the next twelve months. The House View involves several investment teams across public and private markets, including representatives from the Sustainable Investing team. We aim to integrate material sustainability trends when determining the firm-wide macroeconomic outlook.

Our stewardship activities also offer an opportunity for close collaboration. Within underlying building blocks of our multi-asset strategies, the ESG team often relay engagement and voting insights from interactions with relevant holdings. The teams also have opportunities to collaborate on thematic engagements.

For example, portfolio managers actively participated in our value chain roundtables. These provided good indications about the bottlenecks, as well as the potential solutions a particular sector faces in its decarbonisation helping portfolio managers to understand potential ESG risks and opportunities within a sector, with a forward-looking lens.

Investor outcomes drive
our approach



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Quantitative tools

The first step in the investment process is determining the Strategic Asset Allocation (SAA), which we review annually. This sets the long-term asset allocation to different regions and asset classes and uses our Capital Market Assumptions, which are projections about the future performance and volatility of various asset classes. As part of our capital market assumptions, we consider 5000 scenarios.

On select portfolios with sustainability objectives, our SAA process integrates ESG considerations to align with client sustainability objectives, enhance long-term resilience, and manage systemic risks. For example, when requested by a client, we can report ESG metrics pre- and post-SAA, providing transparency on how strategic decisions impact sustainability outcomes.

We also use Tactical Asset Allocation (TAA) within our actively managed funds to seek additional returns. When developing tactical investment ideas within our multi-asset process, we consider ESG metrics alongside traditional financial analysis where they are material to the investment thesis.

For relevant top-down or bottom-up basket trades, collaboration across underlying building blocks may include the use of comprehensive ESG data and analytical tools — such as our proprietary corporate ESG rating, Elements 2.0 (see the [data and analytics section](#) for further details), and selected third party data — to integrate ESG perspectives. These inputs complement our baseline exclusions policy, which defines the investable universe.

Qualitative insights

Our multi-asset investment desk does not rely on quantitative data alone. Where appropriate, we also conduct qualitative analysis to gain a more nuanced understanding of ESG impacts and opportunities. Our multi-asset pre-trade notes combine both quantitative and qualitative metrics, and can include ESG factors, to produce an overall view.

For more details on how we use qualitative insights across the underlying building blocks of our multi-asset strategies, please see the other asset classes within this section.

Review and monitoring

Portfolios, trade ideas, and holdings are subject to ongoing review and, where appropriate, may include ESG watchpoints. Respective asset class investment processes and controls underpin the delivery of our ESG integration framework, providing first line integration controls, with our Investment Risk teams acting as a second line review process. This multi-step review process ensures we apply our ESG integration framework in a tailored fashion to the nuances of multi-asset investing.

Please note, our ESG integration approach is not binding on the investment manager's decision beyond any specific criteria in the relevant mandate or fund prospectus.



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CASE STUDY

Building ESG insights into macroeconomic outlooks



Integration



Public

ESG investment thesis

As part of the [2026 House View outlook](#), our investment teams examined macroeconomic risks and opportunities linked to global trade dynamics and resource nationalism. Our ESG analysts enriched this assessment by introducing a sustainability lens to themes such as supply chain resilience, governance risks, and social implications.

Research highlighted how concentrated refining of critical minerals creates systemic vulnerabilities for sectors like energy transition and technology, and why near-term decoupling from these dependencies faces environmental and human capital challenges. We also explored governance risks tied to resource nationalism¹¹ and state intervention, emphasising the importance of diversified and flexible supply chains.

This perspective ensured the House View captured not only economic trends but also structural sustainability factors shaping long-term investment risks and opportunities.

Impact on investment outcome

Given the nature of investment markets, we believe it is important to manage our multi-asset strategies dynamically. We therefore use Tactical Asset Allocation (TAA) within our actively managed funds to seek additional returns. Our House View is an important factor when undergoing tactical trades and forms the basis for insights that we leverage for our TAA.

Examples of key guiding insights from our House View are as follows:

- **Temporary Truce:** While tariffs remain, negotiated deals reduce immediate shocks. ESG analysis supported the view that these measures are short-term and do not eliminate structural vulnerabilities.
- **Long-Term Risks:** The “New Cold War” scenario¹² underscores the need for strategies that focus on:
 - **Critical Minerals:** Opportunities in companies with credible plans to boost levels of critical raw materials (CRM) recycling, as well extractors/refiners whose activities align with emerging policy focus on reducing Chinese rare earth dependencies.
 - **Technology and Infrastructure:** Opportunities where firms are making strategic, proactive efforts to fortify and/or diversify rare-earth supply chains, where possible.

¹¹ Resource nationalism is a policy approach where governments seek greater control over a country’s natural resources — such as oil, gas, minerals, or metals — to maximise national economic or political benefit.

¹² The “New Cold War” refers to the intensifying strategic and economic rivalry between the United States and China, characterised by selective industrial decoupling, competition for control of critical raw material supply chains, and the use of trade and investment policy as geopolitical tools.



ESG integration in fixed income

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Our fixed income investment team is organised under aligned and complementary investment groups that encourage closer connections between teams with natural synergies, breaking down traditional sub-asset class silos. Fixed income research supports all investment groups and is set up into four distinct hubs, enabling industry and sector specialism.

Our fixed income investment process can be decomposed into three broad stages: top-down inputs, bottom-up inputs, and construction and review. Through this structured approach, we strive to identify and direct our attention towards the main factors that are driving asset prices at any given time. Our approach to ESG integration within fixed income is designed to embed financially material insights across all three stages of the investment process.

Connectivity

By aligning the responsibilities of each ESG fixed income analyst with one of our four fixed income research hubs (Figure 16), we can bring specific expertise and build strong partnerships with relevant analysts, ensuring ESG insights are developed and presented together with relevant fundamental and macro views.

Our ESG analysts actively contribute to various forums and channels, including the fixed income morning meeting, research hub channels, and House View forums, enabling us to track material ESG developments and drive awareness of our ESG views. This, in addition to ESG led forums such as ESG portfolio reviews, ensures there are numerous integration touchpoints throughout the investment process.

Connectivity is further supported by the availability and routine use of our ESG research insights and quantitative metrics through our research and portfolio management platforms.

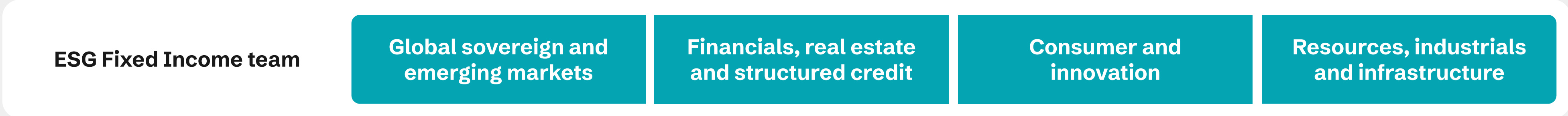
Quantitative tools

As a starting point for analysis, we leverage a suite of ESG data and metrics, including our in-house corporate and sovereign ESG scores which give a comprehensive overview of the ESG profiles of fixed income issuers. Our corporate ESG score includes company-level assessments of material issues such as climate change vulnerability whilst our sovereign score includes issues such as institutional strength.

These scores are complemented by industry- and wealth-adjusted scores, our Principal Adverse Impact (PAI) notation tool, leading climate and nature risk metrics, and stewardship data. Please see the [data and analytics section](#) of this document for further details.

Together, these tools give us broad coverage of the ESG profiles of fixed income issuers and relevant themes, enable peer comparisons and trend analysis, and can guide further research, portfolio oversight, and stewardship activity. For example, issuers with missing or outlier quantitative ESG profiles may be prioritised for enhanced qualitative coverage by the ESG Fixed Income team and flagged in ESG portfolio reviews. Equally, issuers exposed to ESG themes may be covered by our thematic and sectoral research.

Figure 16: ESG Fixed Income team structure



Source: Aviva Investors, as at December 31, 2025.



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Qualitative insights

For the issuers where ESG is most material, our ESG fixed income team collaborate with research analysts to undertake enhanced qualitative ESG analysis, building on our quantitative tools.

This qualitative analysis is formalised in rigorous, targeted and actionable research notes on issuers, guided by materiality to our investment view. Our ESG notes record the relevant material ESG factors for the issuer and include forward-looking ESG outlooks over a near and longer-term time horizon. These outputs enable us to communicate our views clearly and leverage our ESG insights at scale and with reference to specific portfolio positions, including at ESG portfolio reviews and risk oversight meetings.

This bottom-up ESG research increases the robustness of our fundamental assessments and final investment recommendations on individual issuers, supporting idea generation and security selection. Drawing on these insights, each full fixed income research report provides evidence of ESG considerations and specifies the materiality of these factors to the final investment recommendation.

Our bottom-up qualitative insights are complemented by thematic, sectoral and stewardship insights from specialists within the wider ESG team. We also deepen our understanding beyond desk-based research through constructive dialogue with issuers as part of our holistic approach to stewardship (see our section on **Holistic Stewardship**), including engagements with individual companies, across value chains, and with sovereign policymakers.

Review and monitoring

Our ESG Fixed Income team lead ESG portfolio reviews with portfolio managers from each fixed income investment desk to reinforce and complement risk oversight meetings. These reviews promote a shared understanding of fund characteristics, connect our ESG insights to portfolio positions, and enable constructive challenge.

We also use these reviews to place a spotlight on stewardship activities and on sustainability risks related to nature and climate, leveraging our quantitative tools.

Please note, our ESG integration approach is not binding on the investment manager's decision beyond any specific criteria in the relevant mandate or fund prospectus.

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CASE STUDY ●

Governance and environmental risks in technology

 Integration

 Public

ESG investment thesis

In the course of our research into the ESG profiles of our fixed income issuers, we identified a company with material governance and environmental risks. The company scored below industry peers on our proprietary corporate ESG score and screened particularly negatively on governance, driven by ineffective board oversight and the influence of a dominant shareholder. Complementary data also indicated elevated temperature-related physical climate risks.

Our enhanced ESG qualitative analysis of the issuer added conviction to our negative view on corporate governance, with a majority of board members having lengthy tenures and close personal ties to the dominant shareholder and executive chair. Coupled with limited transparency for such a large publicly listed company, we saw this as undermining independent oversight of the company’s capital allocation decisions. This is a particularly pressing risk in the context of the company’s sizeable capital expenditure on data centres, which is a prominent part of our broader fundamental investment view.

Drawing on our thematic ESG research, we also highlighted operational and regulatory risks relating to energy procurement and water use associated with its data centre expansion. With data centres already facing significant bottlenecks in meeting rising power demand, its strategy is exposed to grid connection uncertainty, delays and high energy prices. From a social perspective, the potential pass-through of higher energy costs to surrounding residential areas also heightens regulatory and localised political risk. Significant water use at these facilities added to these concerns, even as water efficiency has improved. These findings led us to assign a negative ESG outlook to the issuer over a five-year horizon.

Impact on investment outcome

Drawing on these ESG insights and through close collaboration with our ESG analysts, our investment team assessed ESG factors as being detrimental to issuer performance, contributing to a negative fundamental view and an underperform recommendation.

The negative ESG outlook and recommendation for the company enabled our analysts to constructively challenge the risk-reward trade-off of holdings across portfolios, including at portfolio review meetings. We subsequently reduced our exposure to the issuer and intend to decrease it further, as opportunities arise.

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CASE STUDY

Interpreting social unrest and political stability in Argentina

 Integration

 Public

ESG investment thesis

Elections can test institutional resilience, trigger social unrest, and act as a turning point for government policymaking, thereby shaping an economy’s fundamental trajectory. As a result, they present crucial opportunities for ESG analysis to inform investment decision-making, as demonstrated in the run-up to Argentina’s 2025 mid-term elections.

Argentina scored above regional and credit peers on our proprietary sovereign ESG score and screened positively on a wealth-adjusted basis. Its social performance was particularly strong, including on measures of inclusiveness such as social mobility, inequality and access to public services.

Building on this foundation, our ESG analysts collaborated with investment teams to assess the electoral prospects for the incumbent party and the risk of social unrest ahead of the October vote, given the potential implications for Argentina’s policy agenda.

Despite efforts to improve the business environment and reduce inflation, the cost of living remained a significant challenge. Fiscal consolidation measures had also resulted in cuts to public services and infrastructure spending, impacting parts of the population. Although these dynamics contributed to societal dissatisfaction and a fragile political backdrop, our ESG assessment pointed to voter apathy rather than anti-incumbent sentiment or widespread unrest. This was largely driven by a lack of viable political alternatives, limited mobilisations by influential unions, and increasing recognition of the necessity of economic reform. We assigned a neutral ESG outlook to Argentina.

Impact on investment outcome

Our ESG outlook supported our view of a greater likelihood of political stability and policy continuity, consistent with International Monetary Fund (IMF) programme recommendations, and informed our positive overall investment view on the risk-return profile of Argentine assets.

We expressed our constructive view through an overweight position in longer-dated government bonds, which we added to as market prices fell due to a rising political risk premium ahead of the poll. Following favourable election results for the incumbent, both bonds and the peso rallied, contributing positively to investment performance.

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CASE STUDY

Sustainability-aligned innovation in the chemicals sector

 Integration

 Public

ESG investment thesis

During our research into our fixed income issuers, we identified a company we considered well-positioned from an ESG perspective. This company scored comparably to industry peers on our proprietary corporate ESG score, with lower social and governance performance offset by a higher environmental rating.

Upon further qualitative ESG analysis, we identified sustainability-linked trends that provide structural tailwinds to the company. Notably, the company is a market leader in water-soluble polymers that can improve water efficiency and reduce emissions across of a range of industrial processes, helping its customers operate in increasingly water stressed areas, comply with tightening regulations, and manage climate transition risks. The company’s expansion in Asia and the Middle East positions it to capitalise on demand where water scarcity and regulatory pressures are strongest, supporting revenue growth.

More broadly, the company has taken steps to reduce its own vulnerability to water stress, proactively comply with regulation on its use of hazardous chemicals, and reduce emissions, including by using an internal carbon price. While it has an unusual ownership structure, we see positive characteristics such as its history of never having been a takeover target and the ongoing reinvestment of cashflow into the business, which helps contain the company’s net leverage.

Driven by these clean technology opportunities, we assigned a positive ESG outlook over a five-year horizon.

Impact on investment outcome

Our investment team assessed ESG factors as being supportive to issuer performance, contributing to a positive overall view on fundamentals and an outperform recommendation.

Reflecting our positive ESG outlook and outperform recommendation, our portfolio managers added the company’s bonds to portfolios during Q4 and have continued to constructively advocate for the issuer in portfolio review meetings, in anticipation of further opportunities to increase our exposure. We continue to track material ESG developments that could influence its contribution to investment performance.



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CASE STUDY

Environmental and social liabilities in the chemicals sector

 Integration

 Public

ESG investment thesis

A large commodity chemicals issuer presented a complex ESG risk profile, driven by material environmental, social and governance challenges with the potential to directly affect credit quality. Relative to peers' scores, the company exhibited weaknesses across several ESG dimensions, including climate exposure, community relations and governance.

Working in close partnership with fixed income research colleagues, our ESG analysts undertook qualitative analysis focused on the company's social licence to operate, waste management, and climate transition risks. Given the highly complex situation and distressed pricing of the issuer's bonds, our ESG insights centred on the company's significant contingent liabilities arising from the unpredictable behaviour of mine cavities beneath an inhabited area, and related litigation.

We developed scenario-based estimates of the company's potential liabilities relating to community relocation and compensation, public and international claims, and broader socio-economic measures, identifying substantial payments due in the coming years and persistent uncertainty over the total scale of potential costs. We assessed how deferred cavity closures and heavy rainfall events - made more likely by weather patterns expected over the 2025-26 wet season - could amplify subsidence risk and drive future cost escalation.

We also considered how complex governance and stakeholder dynamics could influence the pace and structure of any resolution, including the role of a major state-owned shareholder and the potential need to balance commitments to affected communities with strategic economic priorities. We viewed the company's recent partial agreement with the state government as limited in scope, unlikely to set a precedent for other major obligations, and potentially subject to challenge.

Based on these insights, we assigned a very negative ESG outlook rating over both one- and five-year time horizons.

Impact on investment outcome

Our ESG outlook formed part of our overall sell recommendation for the bonds, reflecting near-term liquidity risks. Together, they provided portfolio managers with a clear, actionable perspective on a highly complex situation, enabling us to proactively manage risks, exit the position, and support investment performance.



ESG integration in equities

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Our equities franchise is anchored on a sector hub approach, which drives our research process with all equity team members aligned by sector expertise. Every member of our equities investment team has analytical responsibilities and work together in ESG integrated sector hubs with a key part of their mandate being to generate ideas that can be applied across our equities fund range.

These sector hubs provide a forum for discussing key industry trends, company meetings and views, ESG insight and ultimately provide detailed peer review and challenge to analyst investment recommendations.

Our equity investment process draws on these bottom up insights throughout all stages of research and portfolio construction. Within this process, ESG integration is designed to embed financially material environmental, social and governance factors into analysts’ research notes, investment thesis discussions and portfolio managers’ decision making. This helps us identify, evaluate and direct attention toward the factors that are most likely to influence long-term value creation.

Stewardship activities such as engagement and voting complement this approach, allowing material ESG issues to be examined at a company specific level and reinforcing the bottom up insights generated through our research process.

Connectivity

Collaboration across the ESG team, stewardship professionals and equities analysts translate into investment-relevant analysis and engagement priorities on a dynamic basis.

Insights flow between colleagues through a variety of touchpoints such as individual sector hubs in which analysts discuss investment theses and recommendations as well as wider news flow and structural drivers impacting specific sectors. The sharing of ESG insights also contribute to our bi-weekly equity research meetings where all analysts, portfolio managers and ESG analysts come together for idea and knowledge sharing.

In addition, equity analysts also attend joint engagements with individual issuers alongside the stewardship teams to gather insights that ultimately enrich the investment picture.

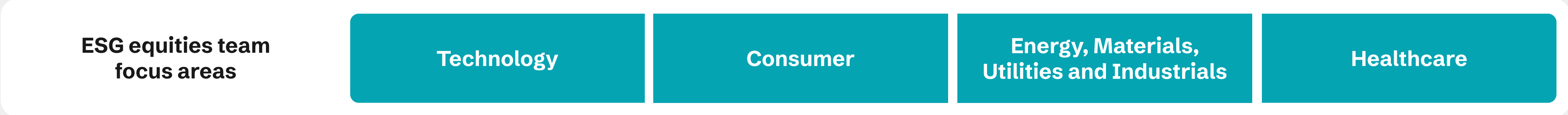
Quantitative tools

We use a wealth of portfolio and stock-level ESG metrics and scores to flag exposure to material sustainability factors. For examples, emissions intensity, nature-related risks and governance indicators.

This breadth of coverage enables peer comparison and trend analysis, with notable outliers and key trends discussed with portfolio managers at regular intervals, to ensure that financially-material risks are accounted for and mitigated where necessary.

Our physical climate risk, transition risk, and natural capital and biodiversity datasets enable analysts to drill into individual companies’ environmental risk profiles, facilitating integration into the investment case, where material.

Figure 17: ESG equities team focus areas





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Qualitative insights

We have a variety of mechanisms through which our ESG analysts work closely with our equities desks to produce high-quality qualitative insights to enhance our quantitative data. Our qualitative ESG insights are delivered through two key channels.

First, ESG is embedded in stock research. For example, investment notes produced by analysts assess financially material ESG factors, explicitly linking them to the investment thesis where relevant.

Second, our ESG Equities team produces thematic and forward-looking research that highlights structural sector trends and their investment implications. These themes include regulatory shifts such as carbon pricing, policy developments like industrial strategy or trade restrictions, technology disruptions such as generative AI, and environmental or resource risks including power and water scarcity. Research maps these dynamics to leaders and laggards, financial metrics such as cost and margin impacts, and valuation or earnings inflection points, ensuring insights translate directly into company-level ideas, risk flags, and engagement priorities - supporting both sustainable and mainstream funds.

Review and monitoring

Our ESG Equities team leads quarterly portfolio reviews with each equity investment desk to reinforce and complement risk oversight processes. These reviews promote a shared understanding of portfolio ESG characteristics, connect our insights to investment positions, and enable constructive challenge. Illustrative examples for topics of discussion include issues such as portfolio-level exposure to biodiversity and climate risks, as well as regional labour-cost pressures, cybersecurity risk, and trade policy-driven supply chain disruption.

These ongoing review touchpoints also provide an opportunity to spotlight stewardship activities and sustainability risks, ensuring that material ESG themes are considered alongside financial objectives.

Please note, our ESG integration approach is not binding on the investment manager's decision beyond any specific criteria in the relevant mandate or fund prospectus.

Collaboration across
the ESG team,
stewardship
professionals and
equities analysts
translate into
investment-relevant
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engagement
priorities on a
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CASE STUDY

Transitioning from coal to hydro in China

Integration

Public

ESG investment thesis

A Chinese materials and manufacturing company, one of the world's largest aluminium producers, is operating in a highly energy- and carbon intensive sector where historic reliance on coal-fired power increases structural exposure to evolving carbon policy over the medium term. Beijing's broader policy direction – anchored in the 2030 carbon-peak target – continues to push hard-to-abate industries to substitute coal with lower-carbon power sources and accelerate the development of domestic recycling capacity. Against this backdrop, the company's transition pathway has become increasingly material to its strategic positioning.

The company is relocating significant smelting capacity from Shandong's coal-based grid to hydro-powered Yunnan, targeting approximately 2mt of clean energy-based production by 2025. It is also exploring onsite renewables and collaborating with external renewable operators to improve resilience. A second strategic pillar is its early positioning in China's nascent aluminium recycling market – aligning with policy priorities to reduce primary smelting emissions and enhance circular economy infrastructure.

China's expansion of the national emissions trading scheme (ETS) to include aluminium producers, formalised through the 26 March 2025 work plan and 17 November 2025 allocation plan, has clarified the sector's regulatory trajectory. While the work plan confirms that near-term carbon cash costs will be limited – given initial free allowance allocation and the exclusion of indirect (power-related) emissions – the sector's inclusion reinforces the medium-term direction of travel.

Within this policy trajectory, the relocation of smelting capacity to hydro-powered Yunnan supports a more resilient position on the domestic aluminium cost curve, reducing the risk of adverse relative cost positioning over time as policy measures increasingly differentiate producers by emissions intensity of production through the introduction of carbon intensity benchmarks.

Impact on investment outcome

Our ongoing engagement to understand the company's progress in shifting production toward lower-carbon power sources and aligning with Chinese policy priorities has reinforced our positive conviction in the company's medium-term positioning in the context of future domestic carbon intensity benchmarking and policy tightening. Importantly, engagement on the capacity relocation strategy provided comfort on its strategic and economic rationale ahead of the ETS work plan released on 26 March, supporting confidence that the transition was proactive rather than reactive.

The company continues to represent an overweight position within our Emerging Markets equity strategies. The stock has performed strongly over 2025, driven by a number of factors, and has been a notable positive contributor to fund performance.

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CASE STUDY

Electrification, efficiency, and industrial automation in technology

Integration

Public

ESG investment thesis

The company is a leading global player in automation, electrification and digital industrial solutions, operating at the core of long-term transitions toward greater energy efficiency and resilient infrastructure. Its Digital Industries business supports customers in modernising production, improving productivity, and reducing resource intensity through advanced automation, software and virtual PLC (Programmable Logic Controller) technologies. Smart Infrastructure provides critical electrification and grid management solutions, positioned to benefit from increasing demand for building efficiency, distributed energy integration and power-system upgrades.

The company continues to invest meaningfully in software, data-driven services, and research and development, enhancing the scalability and efficiency impact of its portfolio. Strong traction with data centre clients and hyperscalers underscores the relevance of the company's technologies to rapidly growing, power-intensive sectors that require dependable, maximally-efficient electrical and automation systems.

The structural alignment of the company's core businesses with multi-decadal themes in industrial digitisation, electrification and energy-efficient infrastructure has underpinned our conviction in them. We regard the company as well-positioned as customers accelerate investments in productivity, automation and low-carbon systems.

Impact on investment outcome

The company remains a core holding across our Global Equity portfolios, strongly supported by its differentiated position in industrial automation and sustained exposure to structural growth in electrification and energy-efficient infrastructure. Ongoing momentum in software-enabled automation and continued strength in Smart Infrastructure have reinforced our conviction in the company's long-term positioning. Its technology footprint across grids, factories, buildings and data centres aligns closely with key investment themes within our strategies.

The company was a top performer in Global Equity portfolios over 2025, contributing positively to fund returns.



ESG integration in private debt

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Private debt refers to lending to companies, projects, or assets through non-publicly traded instruments, often tailored to specific borrower needs. As an asset manager, we integrate ESG considerations throughout the investment process to identify financially material risks and opportunities.

This begins at origination: originators will conduct initial screening, after which detailed due diligence will be undertaken. This combines financial and ESG analysis (the latter of which is supported by the ESG analysts where appropriate), using proprietary tools and external data sources. The credit team will also review the transaction and form an opinion on the financial (credit) strength of the borrower and the characteristics of the loan structure.

Our ESG team works closely with origination and credit teams to assess ESG factors at both the counterparty and asset level, using quantitative and qualitative insights to inform stewardship activities, structuring decisions, and engagement priorities. The views of each team will be included in Global Investment Committee (GIC) papers, which voting GIC members will consider when forming investment decisions.

Stewardship is conducted through dialogue with borrowers and sponsors, enabling us to address sustainability risks, negotiate covenants (where this is possible, appropriate, and in the best interest of clients), and to help us monitor risk over the life of the loan. This integrated approach ensures ESG insights shape decision-making and support long-term value creation for investors.

Connectivity

Our private markets ESG analysts work closely with originators and private debt teams to identify and understand sustainability-related opportunities and risks throughout our due diligence process. Where a potential investment is deemed to be high risk by our in-house screening tool, the teams work closely to establish the financially material sustainability risks associated with the transaction, seeking to understand whether these risks are/can be mitigated through covenants, loan structuring or stewardship-related activities.

Collaboration is enabled by sharing investment insights on a sectoral and thematic basis produced by our ESG integration teams, across the private markets business. For example, our ESG analysts also produce sector approach documents, which provide origination teams with key considerations for various sectors.

Material ESG risks and opportunities are therefore a key part of due diligence and feature in investment committee papers, further enriching the investment picture through discussion at our private markets GIC meetings.

Quantitative tools

During due diligence we undertake analysis of the asset, activity, or company we are looking to invest in. Originators are responsible for the initial screening of new investment opportunities and as well as considering commercial attractiveness, they will screen the deal against the [Aviva Investors Baseline Exclusions Policy](#) to help define investable opportunities. This process is supported by our in-house private debt screening and due diligence tool, which allows the originator to assess the asset, project, or company’s ESG practices, where this is feasible and appropriate.

Our ESG analysts and originators may also make use of other quantitative data. Internally, this could include our proprietary ESG Sovereign Score, whereas external data sources may include external ratings from rating providers for listed borrowers or counterparties. The team may utilise other third-party sources, such as [RepRisk](#), [Transparency International](#) (the Corruption Perception Index), and [Freedom House](#).

This year, our private debt ESG analysts have been trialling third-party physical risk tools to further enhance our climate risk analysis. Two tools have been selected and are now used by analysts to identify potential physical asset- or site-specific risks over specified time horizons and climate scenarios. This initial screening provides a useful starting point, helping direct enhanced research as well as helping us to understand deal-specific and sector characteristics, risks, and opportunities.

In turn, this supports decision-making and/or loan structuring and exploration.



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Qualitative insights

We recognise the data availability challenges in private market investments and therefore believe qualitative insights can help produce holistic, timely and forward-looking views, as well as being guided by materiality, on specific investment cases. For example, where our selected physical risk tools identify high physical risk associated with one or more assets during due diligence, our teams will use this quantitative output to engage with the counterparty to understand how or if these risks are being or will be managed, and the extent to which these risks could pose investment risk over the loan period. This qualitative analysis and stewardship activity helps ensure that insights are tailored to specific deals, asset classes, investment processes and/or strategies.

These insights are discussed with origination teams and credit teams, where risks are seen to be financially material. Materiality of specific risks will vary according to sector/activity and loan structure and length, for example.

Research views may be used for stewardship activities with the counterparty to better understand risks and the extent to which they are or could be mitigated, or to explore loan structuring opportunities - for example key performance indicators (KPIs) or covenants - which could mitigate risk and/or encourage various counterparty initiatives. Therefore, stewardship is an important source of insight, taking us beyond desk-based research.

Review and monitoring

At product level, portfolio review meetings are held periodically where portfolio specific risks and impacts are reviewed, and mitigating actions are agreed. ESG metrics and analysis are built into the review meetings according to the extent of the sustainability or thematic objectives of the strategy/fund.

For strategies that have no explicit sustainability or thematic objectives, the overall sustainability profile of the investment (and any significant changes) will be considered and reviewed as part of a holistic review of loan/borrower performance. Our ESG analysts have a close relationship with our private debt investment desks and are notified where potentially negative sustainability-risks are identified. Our ESG analysts review these and provide feedback to credit and portfolio management teams accordingly. This can arise from either the annual loan review or reactively following notification.

Where sustainability-linked KPIs or reporting covenants are built into facility/legal agreements, we engage with counterparties on an annual basis to discuss progress or reported metrics and any changes in a counterparty's risk profile or sustainability initiatives that could impact investment performance. Monitoring and borrower reporting obligations offer significant stewardship opportunities, and we continue to look for ways in which we can expand on such initiatives and engagement.

Please note, our ESG integration approach is not binding on the investment manager's decision beyond any specific criteria in the relevant mandate or fund prospectus.

ESG insights shape
decision-making and
support long-term value
creation for investors

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CASE STUDY

Risk mitigation in data centres

 Integration

 Private

ESG investment thesis

Demand for European data centres continues to grow, yet expansion remains constrained by limited grid capacity, lengthy power grid connection timelines and increasing regulatory requirements. The revised EU Energy Efficiency Directive (EED) introduces mandatory annual reporting for facilities above 500 kW, covering Power Usage Effectiveness (PUE), Water Usage Effectiveness (WUE), renewable energy share, and waste heat reuse. Non-compliance may result in fines, delayed permits, and reputational risks.

Additional initiatives such as the Climate Neutral Data Centre Pact and the forthcoming Data Centre Energy Efficiency Package are expected to render older, inefficient assets increasingly uncompetitive, with the introduction of binding efficiency targets and renewable energy quotas.

From an investment perspective, failure to meet emerging regulatory requirements may affect asset valuations, refinancing conditions and overall risk profiles.

Given the sector’s high energy intensity and increasing regulatory scrutiny, a portfolio of 38 operational data centres in France, Italy and Spain was identified as having elevated ESG risk, warranting a detailed review. The analysis focused on the borrower’s sustainability strategy, operational efficiency and exposure to regulatory, transition and physical climate risk. Particular attention was paid to efficiency metrics such as PUE, WUE and broader resource-performance indicators, as older or less-efficient centres may be more vulnerable to evolving regulatory and transition pressures.

Impact on investment outcome

The borrower demonstrated a well-established sustainability approach, with verified Science-Based Targets aligned to 1.5°C¹² and comprehensive lifecycle assessments covering 16 environmental impact categories. Operational performance across the portfolio was strong, with water efficiency (WUE ratio of less than 0.45 L/kWh) exceeding best-in-class benchmarks. Physical risk assessments, particularly for the Paris campus, identified no material site-specific risks over the loan term, and adequate insurance coverage was confirmed.

Based on this review, the team concluded that regulatory, technical, and physical risks were appropriately managed within the context of the transaction. The financing was approved and closed on the basis presented.

¹² Well below 2°C of global average temperature warming, with efforts to limit to an increase of 1.5°C (versus the pre-industrial era) is the target threshold set by the COP21 Paris Agreement to avoid the most severe and irreversible impacts of climate change.



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CASE STUDY

Climate and governance standards in construction



Integration



Private

ESG investment thesis

The built environment accounts for 39% of the world’s carbon emissions, and the total global floor area of buildings is expected to double by 2060.¹³ Under the European Union’s Energy Performance Buildings Directive (EPBD), member states must cut average primary energy use of residential buildings by at least 16% by 2030 and 20-22% by 2035, compared to 2020 levels. As Minimum Energy Efficiency Standards (MEES) and Energy Performance Certificate (EPC) requirements tighten, and differ country by country, assessing asset quality, energy performance, and regulatory exposure is increasingly important for understanding asset value, refinancing prospects and long-term borrower resilience.

Our ESG analysts conducted a detailed review of a private debt financing opportunity for a European naval base operator. The proposed debt facility would be secured against the base, including its residential buildings.

While the operator demonstrated strong credibility, two material risks were identified that could directly influence asset performance and ultimately investment outcomes. Firstly, the residential complex was vulnerable to flooding during severe weather, a risk expected to worsen over the loan term. Secondly, the residential units had poor EPC-equivalent ratings, though these were consistent with the national average.

Impact on investment outcome

The borrower has implemented short-term flood mitigation measures and is seeking approval for a long-term drainage solution, which the team found reassuring. Energy performance concerns were partially offset by the borrower’s plans to install rooftop solar panels, but we felt that this alone was unlikely to sufficiently improve building efficiency or protect against evolving MEES regulations (an example of transition risk).

These issues were discussed with the credit team, who incorporated MEES standards and market analysis into their alternative-use and scenario assessments. The credit team also evaluated the additional risk that the assets may have limited appeal for alternative uses or potential buyers, should the current tenant chose not to renew.

The combined ESG and credit assessment concluded that the risks were financially material and could impair long-term asset performance. As a result, the opportunity was declined prior to the Investment Committee.

¹³ World Green Building Council: Bringing embodied carbon upfront



ESG integration in direct real estate

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Real estate is a private markets asset class encompassing commercial assets (such as offices, retail and leisure spaces, and logistics hubs) and residential buildings (including single family and multi-family homes, and purpose-built student accommodation). We are direct investors, sourcing and providing access to selected real estate opportunities. Our ESG integration activities within real estate provide important insights as sustainability factors—such as energy efficiency, climate resilience, and biodiversity—can materially impact asset value and long-term performance.

As an asset manager, we embed ESG considerations throughout the investment lifecycle. At origination, opportunities are screened against exclusion policies and assessed using proprietary ESG tools and external data sources. During due diligence, ESG analysts collaborate with transactions teams to incorporate material ESG factors into technical assessments and financial models, ensuring risks and opportunities are reflected in business planning. Post-acquisition, ESG clauses and action plans are implemented to drive improvements through investment in strategic and operational upgrades, while ongoing monitoring and engagement enable stewardship and alignment with fund objectives.

This integrated approach ensures sustainability issues are actively managed to help protect and enhance long-term value.

Connectivity

Our ESG analysts work closely with the asset manager(s) to ensure that any recommendations identified during due diligence are strategically integrated into financial models and business planning. This collaboration helps align material sustainable factors with investment strategies. Additionally, ESG analysts participate in the Global Investment Committee (GIC) to support transaction discussions, providing clarity on ESG risks and opportunities and addressing any related questions.

Our investment desks also benefit from cross-cutting collaborative pieces of work such as our ‘MegaTRENDS’ overview of key megatrends that are creating new opportunities and risks for investments in private markets.¹⁴ For example, resilience to climate and environmental risk. By distilling these megatrends into a coherent and applicable framework we seek to better assess investment opportunities and risks.

Quantitative tools

At the point of market engagement and origination, the transactions team informs ESG analysts of the opportunity. An initial screening is conducted to ensure compliance with [Aviva Investors’ Baseline Exclusions Policy](#), followed by completion of the proprietary Aviva Investors ESG Tool to assess ESG risks.

During the exclusivity period, we conduct detailed technical and environmental due diligence to assess the sustainability profile of the asset. This Technical Due Diligence (TDD) report process combines quantitative and qualitative

analysis to identify material ESG risks and opportunities, including those related to climate (such as physical and transition risks) and biodiversity.

Insights from these assessments are integrated into transaction discussions and financial models, ensuring that sustainability considerations inform decision-making and risk mitigation strategies throughout the investment process.

Qualitative insights

Where high physical risk is identified, the transactions team engages an external partner to conduct a detailed, enhanced, assessment, typically combining quantitative and qualitative analysis. In addition to reviewing and approving these assessments, the ESG team complements them with additional qualitative commentary to strengthen our understanding of ESG risks and opportunities before the transactions team submits the proposal to the GIC.

Review and monitoring

Once GIC approval is obtained, ESG clauses and risk mitigation recommendations are incorporated into the main contract. Asset-specific ESG action plans are developed to outline implementation strategies for agreed measures. Asset managers review the TDD report to identify recommendations, risks, and opportunities, ensuring financial planning aligns with the asset’s investment strategy. They also facilitate ESG-related improvements in line with business planning and fund-specific ESG initiatives.

Please note, our ESG integration approach is not binding on the investment manager’s decision beyond any specific criteria in the relevant mandate or fund prospectus.

¹⁴ [Megatrends in private markets - Aviva Investors](#)



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CASE STUDY

Leveraging smart technology for sustainable value creation in Dutch real estate



Integration



Private

ESG investment thesis

Demand for high-performing, green-certified offices continues to rise, with evidence showing BREEAM-certified (Buildings Research Establish Environmental Assessment Method¹⁵) buildings in the Netherlands achieving rental premiums of up to 12%.¹⁶

In a market where sustainability credentials increasingly shape tenant choice and pricing power, the Foz building - located in Amsterdam's Zuidas district, one of Europe's most prominent business hubs - was well positioned to capture this trend, appealing to occupiers seeking alignment with corporate sustainability goals.

To establish a clear baseline, we undertook an energy audit of this multi-let asset. Despite strong fundamentals (BREEAM Excellent, Energy Performance Certification A (EPC), no gas connection, and district heating), competitive standards are rapidly shifting toward higher EPCs and BREEAM Outstanding. Maintaining tenant relevance and protecting long-term value therefore required proactive intervention. The audit identified priority areas for improving operational efficiency, supporting tenant cost savings, and future-proofing the asset against tightening regulation and evolving leasing requirements.

This analysis informed a two year roadmap centred on smart technology integration and operational optimisation, including the following the following activities undertaken in 2025:

- Replacement of the Building Management System (BMS) to enhance energy performance.
- Additional sub metering and water/energy sensors to improve transparency and control.

- Deployment of the Healthy Workers optimisation platform, leveraging real time climate and energy data to drive operational efficiency improvements.

Together, these initiatives were designed to strengthen environmental performance while enhancing financial resilience, tenant appeal, and long-term competitiveness.

Impact on investment outcome

These measures delivered a meaningful step change: Foz achieved BREEAM In Use Outstanding and an EPC A++ rating, positioning it among the highest performing offices in the Dutch market. Early operational results show a 15% reduction in total energy consumption versus 2024, driven by improvements across electricity, district heating, and cooling. These gains translate into clear financial outcomes: lower tenant energy bills, reduced operating costs, and decreased GHG (greenhouse gas) emissions.

Market data reinforces the strategic value of this work: In 2023, 22.9% of leasing transactions occurred in buildings with energy label A+ or better, despite only 15.4% of stock meeting that level.¹⁷ Foz's upgraded sustainability credentials enable it to benefit from these market dynamics and support the asset's return profile through stable income, robust rental growth, and enhanced liquidity at exit.

This demand supply imbalance underscores how a focused, data driven improvement plan can simultaneously deliver environmental benefits and strengthen financial performance.

¹⁵ Certification for Sustainable Buildings | BREEAM

¹⁶ Journal of European Real Estate Research: The added value of environmental certification in the Dutch office market

¹⁷ Savills | More than 56% of leased office space in the Netherlands has an energy label A or higher



ESG integration in venture capital, natural capital and infrastructure equity

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Investments such as venture capital, nature-based solutions, and infrastructure equity are designed to capture long-term, transformative opportunities that often have distinct sustainability objectives alongside financial goals. These strategies aim to deliver measurable environmental or social outcomes, therefore having a robust ESG approach is essential.

We integrate ESG considerations across all key stages of the investment lifecycle, including thematic research to support portfolio strategy, opportunity screening and deep-dive due diligence at the point of investment and post-investment engagement activities for ongoing stewardship. This ensures that material sustainability risks and opportunities are identified early, embedded into decision-making, and actively managed through tailored action plans.

By combining quantitative analysis with qualitative insights, we align investments with structural trends and deliver outcomes that aim to support sustainable value creation alongside risk mitigation.

Connectivity

Connectivity and collaboration across teams are critical for successfully integrating ESG considerations throughout the investment lifecycle.

Sector-level research and house views inform broader thematic research and the identification of preferred target sectors across asset classes. For example, through our ‘MegaTRENDS’ analysis across private markets, we have been able to create a clear and digestible approach to assessing the megatrends, to enable better, more informed investment decisions across different assets.¹⁸ These trends include key sustainability issues such as the energy transition.

Opportunity-specific deep dives also feed directly into the investment process, shaping decision-making. Post-investment, ongoing engagement with portfolio companies ensures alignment on goals and objectives and supports progress against agreed actions.

Data collection and reporting within private markets can be challenging due to limitations in data availability. Achieving high levels of data quality and completeness requires a co-ordinated effort across all parties, including ESG integration teams, reporting partners, fund and asset managers, and portfolio companies.

Quantitative tools

During due diligence, we undertake analysis of the asset, activity, or company under consideration for investment. Originators are responsible for the initial screening of new opportunities, assessing not only commercial attractiveness but also compliance with the [Aviva Investors Baseline Exclusion Policy](#), to help define investable opportunities. They also complete our in-house ESG screening and due diligence tool, enabling an assessment of the asset or company’s ESG practices where feasible and appropriate.

Once an opportunity is approved to proceed to full technical due diligence, our ESG analysts conduct an asset or company-specific deep dive to explore financially material ESG risks and opportunities. A double materiality assessment, which considers both the asset or company’s impact on the environment and/or people, and how sustainability issues are expected to impact the company or asset’s performance, is applied to identify sector-specific materiality. Where appropriate, additional analysis using third-party tools may be undertaken to assess physical risk, subject to data availability.

¹⁸ [Megatrends in private markets – Aviva Investors](#)



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Qualitative insights

Quantitative assessments are complemented by qualitative research, particularly where data availability is limited. This includes sector-level research into transition risks and broader ESG considerations. The combined output of qualitative and quantitative analysis feeds directly into the investment decision-making process, ensuring that financially material ESG risks are clearly identified alongside proposed mitigation measures and assessment of residual risk. Recommended mitigants are discussed with originators and counterparties prior to the investment committee stage to agree on implementation strategies.

Review and monitoring

Agreed actions (including monitoring and reporting obligations) are embedded within investment agreements. Our ESG analysts develop asset or company-specific ESG Action Plans as part of a dedicated stewardship program and maintains regular engagement with each counterparty, typically at least bi-annually, to monitor progress and provide support where possible to maximize value. Additionally, an annual data collection exercise is conducted across all portfolios to gather key climate metrics and, where relevant, additional social and impact metrics. Reporting obligations are tailored to regulatory requirements and fund-specific strategies.

Please note, our ESG integration approach is not binding on the investment manager's decision beyond any specific criteria in the relevant mandate or fund prospectus.

CASE STUDY

Helping to address the UK housing challenge for under-served populations



Integration



Private

ESG investment thesis

The UK housing market faces long standing structural pressures that have widened the gap between incomes and house prices. Between 1997 and 2024, average earnings more than doubled while house prices more than quadrupled,¹⁹ leaving millions of households locked out of home ownership.²⁰ Traditional mortgage models, often designed around higher and more predictable income profiles, can struggle to accommodate the needs of lower income buyers, creating a significant under-served segment. At the same time, regulators and policymakers are placing increasing emphasis on financial inclusion, reinforcing the need for more flexible, socially responsive lending models.

Companies that address this affordability gap are well positioned to meet a clear and durable market need. By providing products that enable first-time buyers and lower income households to access home ownership, they can support positive social outcomes while operating in a sizeable and growing market segment.

Against this backdrop, Aviva Investors engaged with a small FinTech company specialising in alternative mortgage affordability solutions for first-time buyers and re-mortgagers. Its proprietary technology helps households overcome structural affordability barriers by assessing income and support in a more holistic way.

This model aligns with broader trends in FinTech innovation and responds directly to a social challenge affecting millions of people in the UK. The company's focus on under-served families provides a strong basis for both long-term growth and measurable positive impact.

This fund focuses on solutions in FinTech, HealthTech, Climate Tech and Science. Our research indicated that the company was well-aligned with the fund's growth strategy and positioned for resilience as traditional lenders maintain tighter underwriting criteria. Demand for technology-enabled affordability solutions is expected to increase, supporting both the company's scalability and its potential to ease the affordability challenges.

Impact on investment outcome

Affordable housing access is central to the company's business model and underpins its competitive position in an under-served market. To ensure this mission remains embedded as the business scales, the company committed during due diligence to report impact metrics, including the percentage of mortgages issued to low-income households. A target of 25% annually was agreed, helping mitigate mission drift and giving investors transparent evidence of impact delivery.

The agreed reporting framework provides accountability and builds confidence in the company's ability to contribute to reducing housing inequality while supporting long-term portfolio value.

¹⁹ Housing affordability in England and Wales - Office for National Statistics

²⁰ Housing quality and affordability for lower-income households - Institute for Fiscal Studies

4

Holistic stewardship

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- [4.2 Promoting well-functioning markets](#)
- [4.3 Climate](#)
- [4.4 Nature](#)
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Our approach to holistic stewardship

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Aviva Investors recognises that the future economy is likely to look fundamentally different to the present. Delivering on global commitments – such as the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework – requires a system-wide transition of the global economy from which trade-offs, risks and opportunities will arise.

As an investment manager and steward of our clients’ capital, we believe engaging across all levels of the financial system and real economy is essential to maximise long-term value and help clients meet sustainability objectives, such as net zero targets. Doing this effectively means understanding the scope and limitations of each level of engagement within a highly interconnected system.

Company-level engagement remains a cornerstone of our stewardship approach. However, companies operate within complex value chains and policy frameworks shaped by governments and international institutions. If these overarching rules and incentives are misaligned with sustainable operating models, corporate engagement alone cannot deliver systemic change. Market failures – mispricing of externalities, which occurs when market participants fail to consider the full social or environmental costs or benefits of production of a product – require policy and regulatory intervention. As financial market participants, we have a responsibility to use our insights to inform and support these interventions (see [Promoting Well-Functioning Markets](#) for more detail).

To augment company-level dialogue, we engage across value chains and sectors. For example, our Value Chain Engagement Programme convenes key players in hard-to-abate sectors such as energy, transport, and construction to identify barriers to transition and develop practical solutions. These insights inform both our corporate asks and our policy recommendations, helping to create enabling conditions that align commercial drivers with sustainable pathways.

We call this multifaceted approach holistic stewardship – a feedback loop between company, sector, and system-level engagement, integrated with our investment teams. It is an ongoing process of dialogue, partnership, challenge, and refinement, designed to deliver both investment outcomes and real-world impact. You can read more here about our [holistic approach to stewardship](#).

We believe engaging across all levels of the financial system and real economy is essential to maximise long-term value and help clients meet sustainability objectives

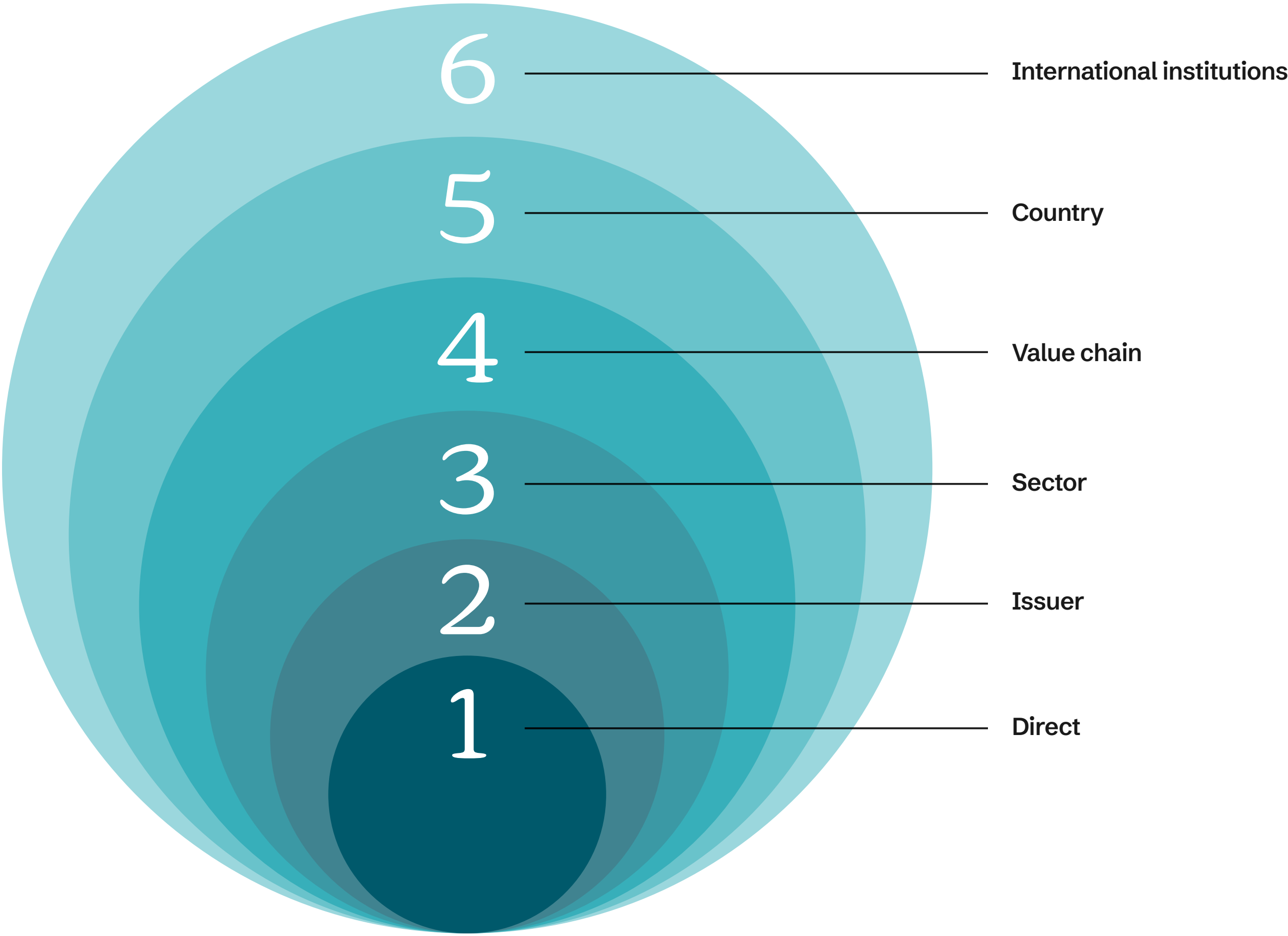
Approach to engagement

We have identified six levels within the financial system where engagement can drive meaningful change. Together, these form the foundation of our holistic approach to stewardship (see Figure 18).

Across all levels, Aviva Investors recognises the power of collaboration with fellow investors and financial actors. This includes direct meetings or written communications with companies as part of broader initiatives, and participation in platforms that enable engagement with sovereign issuers - where direct access is often limited.

Systemic challenges, such as climate change, necessitate a system-wide response across the global financial system and those that oversee it

Figure 18: Holistic stewardship – stakeholder engagement across multiple levels



Source: Aviva Investors, as at December 31, 2025.

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1 Direct

Recognising the importance of balancing the needs of clients with other stakeholders in creating and protecting value – particularly within the private markets context – Aviva Investors collaborates with customers (including borrowers and occupiers), suppliers, and the local communities in which we operate, throughout the process of structuring deals and transactions, as well as through ongoing asset management. In private debt asset classes, for example, we actively engage in transactions by creating covenants and incentives that mandate or encourage positive environmental and social outcomes. In our equity investments, where we own assets directly, we focus asset management resources on engaging with occupiers and suppliers to reduce building energy use and engaging with communities through funding programmes to create positive social outcomes.

2 Issuer

Engagement and actively exercising our voting rights are fundamentally important in our stewardship and investment processes. They are key to supporting long-term value creation and enabling the outcomes our clients and beneficiaries expect. We seek to establish supportive and constructive relationships with the companies in which we invest, whether through bond holdings or share ownership. This is in order to influence corporate practice which can support delivery of financial or sustainable objectives, as well as provide us with insights to better understand and act upon investment risks and opportunities. We are keen to understand the specific business and commercial context of a company, and carefully consider the explanations that companies provide for departures from best practice, to ensure that bespoke arrangements provide appropriate checks and balances and protection for investors.

3 Sector

We engage with multiple companies within an industry to address structural problems that individual engagements with companies will not remedy by themselves.

4 Value chain

In a similar vein to sector-level engagement, some solutions may have to come from collaboration between different entities – for example, companies responsible for significant carbon emissions and those that rely on their products. This therefore requires engagement within, and across industries, to understand barriers and identify corresponding solutions.

5 Country

Country-level stewardship is conducted with national policymakers and regulators, including finance ministries, climate ministries and central banks. We undertake this engagement as a sovereign bondholder as well as a financial market participant and investor in the broader economy. Through mutually beneficial dialogue, we seek to gather information to inform investment decisions and use our voice to support policymaking, grow the pipeline of sustainable investment opportunities, and promote well-functioning markets.

6 International institutions

Systemic challenges, such as climate change, necessitate a system-wide response across the global financial system and those that oversee it. This means that effective stewardship efforts must also have an international focus, which is why we engage with multilateral institutions, international standard setters and industry bodies, as well as other key institutions and stakeholders. The intention behind this engagement is to accelerate system-wide reform of the national and intergovernmental institutions which oversee global markets to support in aligning the system and financial flows with global goals. This activity works in lockstep with our country level engagement.



Overview of thematic priorities

We have determined our engagement priorities based on themes that we believe are important to the long-term value of our investments (see Figure 19). We also incorporate preferences obtained through dialogue we conduct with clients throughout the year. Our engagement themes are regularly reviewed so we can reflect changes in the investment environment, including responding

to new trends and regulation, or adapting to external events that matter to our clients. The high-level themes will have relevance for most investment desks, but the integration of the themes, their insights, and the impact of their outcomes will vary given the differing time horizons and investment objectives of funds.

Engagement can be conducted proactively or reactively (for example, in response to a negative event). For proactive engagements, we have developed engagement plans for our priorities, and we identify stakeholders for these plans based on factors including, but not limited to, the size of our exposure, our active positioning, proportion of capital held, or the exposure to a risk and opportunity. As a multi-asset investor we seek to select stakeholders for engagement so that they benefit the breadth of our clients.

Figure 19: Our 2025 stewardship engagement priorities by theme

 Climate	 Nature	 People	 Governance
<i>Promoting an orderly, credible and resilient transition</i>	<i>Managing nature dependencies, risks, opportunities and impacts</i>	<i>Upholding human rights, worker protections and community wellbeing</i>	<i>Driving responsible corporate behaviour and long-term performance</i>
• Net zero pathways and decarbonisation • Adaptation and physical resilience • Low carbon investing	• Nature loss and deforestation risk • Water and agricultural systems • Hazardous chemicals • Circular economy	• Human rights • Working practices • Consumer health • Just transition	• Strategy • Capital allocation • Boards and management structure and performance • Remuneration
Supported by policy advocacy and industry collaboration			

Source: Aviva Investors, as at December 31, 2025.

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The list below shows collaborative initiatives for which:

- We participate as an active member, have attended events convened by others, or have indicated support for a statement.
- We were a founding member.
- We engage in initiatives primarily in our capacity as a member of Aviva plc.

Memberships, working groups or signatories

- 30% Club UK Investor Group
- Asian Corporate Governance Association (ACGA)
- Big Tech and Human Rights
- Carbon Disclosure Project (CDP)
- CERES Valuing Water Finance Initiative
- City of London Corporation and UK Government Transition Finance Council Strategic Steering Group
- Climate Action 100+ (CA100)
- Climate Engagement Canada (CEC)
- Commercial Real Estate Finance Council (CREFC) EU Sustainable Finance Forum
- Corporate Governance Forum (CGF)
- Department for Energy Security and Net Zero’s (DESNZ) Net Zero Council
- FAIRR: Biodiversity, Waste and Pollution
- FAIRR: Protein Diversification
- Find it, Fix it, Prevent it (FFP)
- FRC UK Stewardship Code 2020
- General Counsel and Company Secretaries of FTSE100 (GC100) and Investor Group: Remuneration Reporting Guidance
- Global Impact Investing Network (GIIN)
- Global Institutional Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Good Work Coalition
- Institutional Investors Group on Climate Change (IIGCC)
- IIGCC: Bondholder Stewardship Working Group
- IIGCC: Net Zero Engagement initiative (NZEi)
- Investment Association (IA)
- IA: Remuneration and Share Schemes Committee
- IA: Sustainability and Responsible Investment Committee
- Nature Action 100
- Net Zero Asset Managers (NZAM)
- Partnership for Carbon Accounting Financials (PCAF)
- Principles for Responsible Investment: Sovereign Debt Advisory Committee
- Reframe Venture
- ShareAction: Chemical Working Group
- The Investor Forum
- TheCityUK Nature Steering Group
- UK Government Emerging Markets and Developing Economies Investor Taskforce
- UK Sustainable Investment and Finance (UKSIF)



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Founding member

Business Benchmark on Farm Animal Welfare (BBFAW)

Investor Initiative on Hazardous Chemicals (IIHC)

Investor Initiative on Human Rights Data (II-HRD)

Principles for Responsible Investment (PRI)

PRI: Collaborative Sovereign Engagement on Climate Change

Engaging as Aviva

Finance for Biodiversity (FfB) Working Groups:

- Engaging with Companies
- Positive Impact
- Impact Assessment
- Target Setting
- Finance for Nature Positive Programme
- Real Assets
- Sovereign Debt

Financial Sector Deforestation Action (FSDA)

Glasgow Financial Alliance for Net Zero (GFANZ)

Nature Positive Investment Forum

Taskforce for Nature-related Financial Disclosure (TNFD) Forum

UK Business and Biodiversity Forum

Measuring engagement outcomes

In recent years, we have seen increasing levels of interest from our clients for us to evidence the outcomes from our stewardship activities. Within our public markets investments, ahead of our corporate engagements, we conduct a gap analysis of the company to understand how their policy, practice and performance may be aligned to our expectations. For our priority themes, companies are compared against their peers.

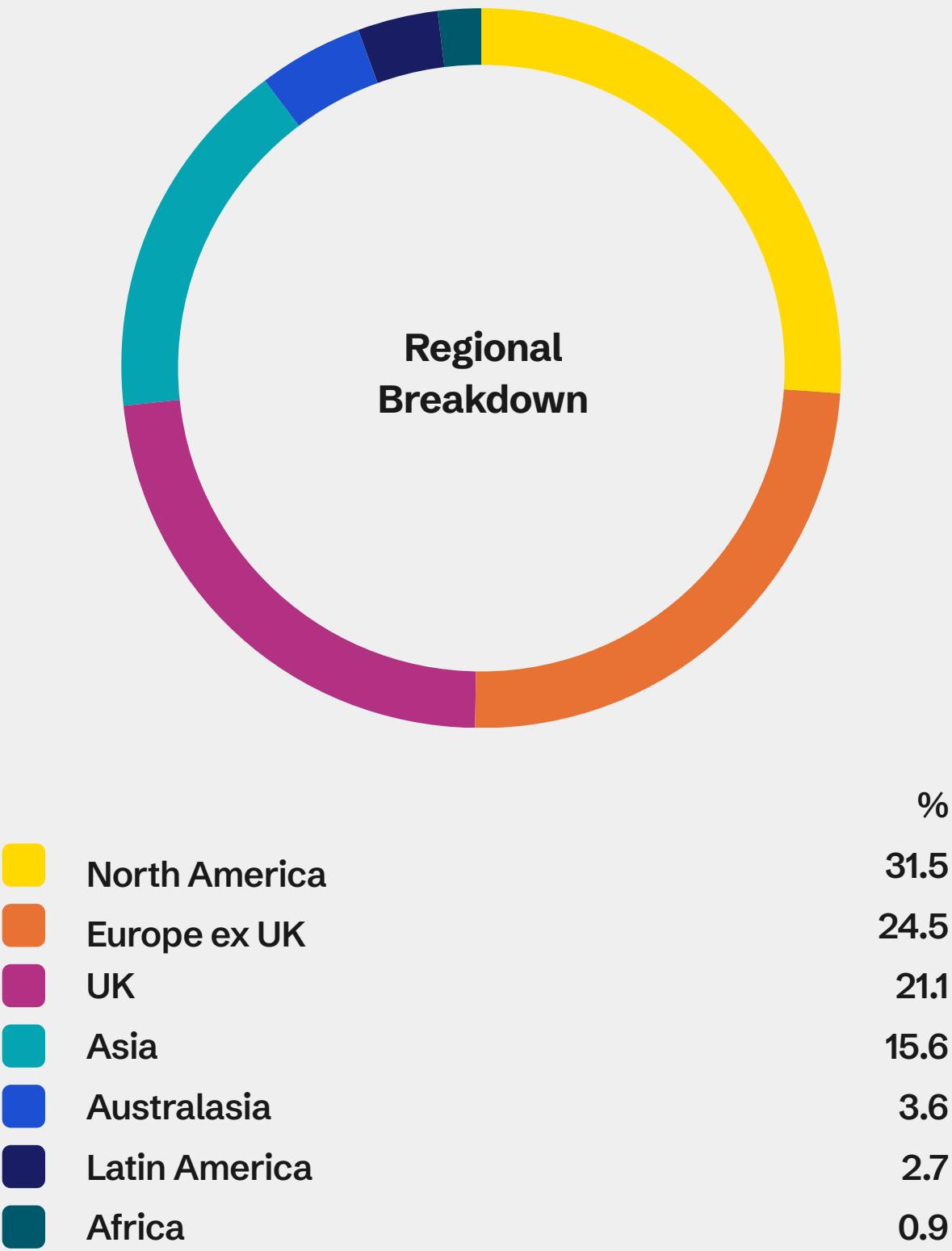
We use this insight to help decide what our engagement objectives can be and share this during or after our interaction with an issuer. We may also share insights from our benchmarking to help companies understand their competitive positioning. Our interactions are recorded in an internally managed database, outlining any recommendations made. The recommendations are monitored, reviewed and any outcomes logged if and when observed (achievement of outcomes may take place over multiple years).

Where necessary, we may look for alternative forms of engagement and voting activity if progress is not observed (our approach to alternative forms of engagement, including escalation and voting, is described in the rest of this section). We will determine what further engagement and voting approach is required based on the responsiveness of the company, the severity and materiality of an issue and the urgency of an intended outcome.

Measuring outcomes in private markets is an evolving area, given the variety of assets, the scope of dialogue, and the differing ways to measure investor influence.

The next two pages show an overview of our key engagement statistics from 2025.

Figure 20: Breakdown of 2025 sustainability engagements by geographic region



Source: Aviva Investors, as at December 31, 2025.
All percentages may not total 100% due to rounding.

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2025 engagement statistics

1,320

Total engagements with companies and sovereign issuers

802

Total number of companies engaged

18

Total number of sovereigns engaged

1,299

Total number of engagements with companies

21

Total number of engagements with sovereigns

1,035

Substantive company engagements

21

Substantive sovereign engagements

323

Positive engagement outcomes

Notes

- Company engagements are defined as interactions with corporate entities on sustainability and governance issues in interactions led by the Public Markets ESG team. Interactions led by investment teams (including research meetings) are not reported here, however investment teams may have participated in ESG team-led engagements.
- Sovereign engagements are defined as interactions conducted by the Fixed Income ESG team with countries and multilateral institutions e.g. the International Monetary Fund.
- Substantive engagements with companies or sovereign issuers are defined as targeted and tailored interactions including bilateral meetings, correspondence, group meetings and consultation responses.
- Engagement outcomes are changes in the behaviour of an entity that are in line with one of our prior engagement asks.
- We can engage with any given company or sovereign more than once in a year.



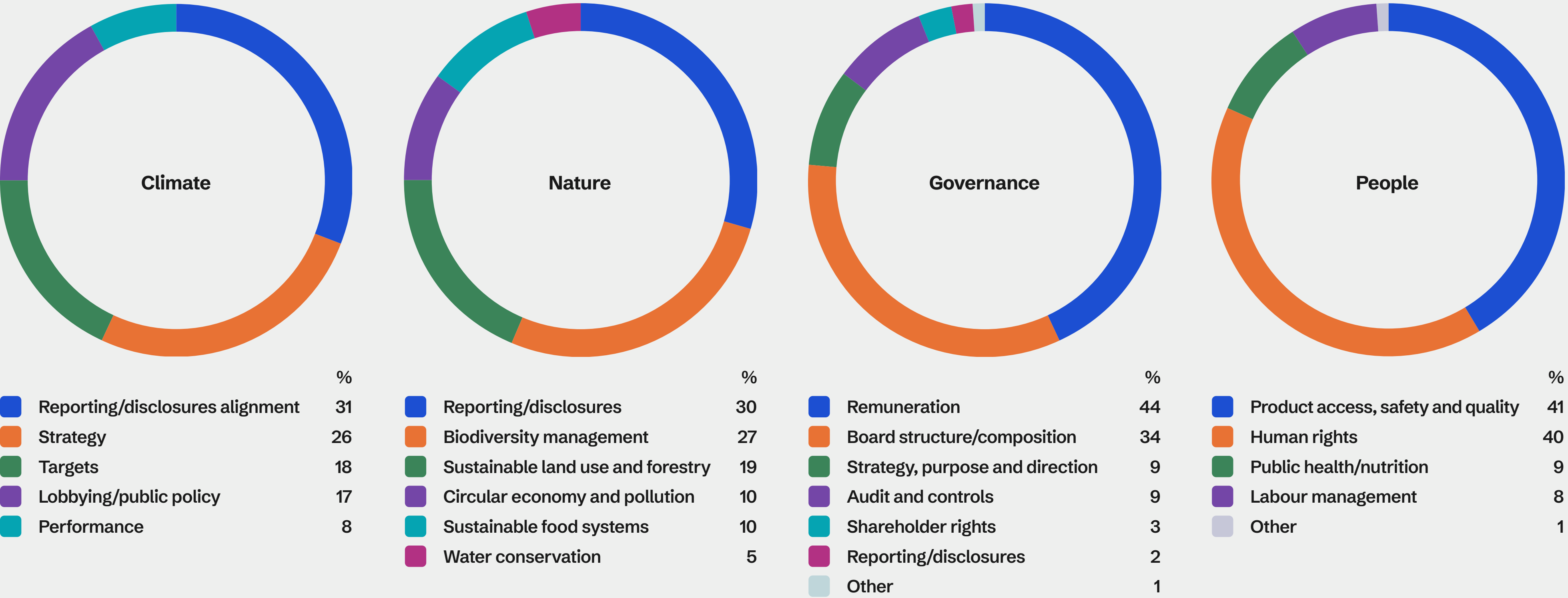
2025 engagement statistics

These graphs give an overview of the issues raised in our company engagements during the year.

The issues relate to our four engagement themes: Climate, Nature, People and Governance. Some engagements will encompass more than one issue or theme, and one 'theme' may transcend different pillars.

For example, for the purpose of reporting we have mapped our hazardous chemicals engagements to both the People pillar and the Nature pillar. As such, these graphs should be considered an illustrative overview only.

Figure 21: Engagement statistics



Source for all four charts is Aviva Investors, as at December 31, 2025.
All percentages may not total 100% due to rounding.

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Approach to escalation

‘Engagement first’ philosophy

Within our public markets investments, we promote the relative merits of engagement over divestment of corporate holdings as a more effective mechanism of delivering positive outcomes for clients. Our preference for engagement is built upon two key factors.

First, there is a lack of critical mass in the market for divestment (in the first instance) to be a meaningful tool for change; there is a queue of other investors ready to take our place should we decide to sell holdings.

Secondly and more significantly, while divestment sends a signal of dissatisfaction to a company, it does not allow for a clear communication of a desired future state and expected roadmap for change. We prefer to stay invested and engaged, and partner with issuers, allowing us to continue to influence the direction of travel as well as the pace of progress.

There will be times, however, when stronger measures are necessary to encourage a company to engage on our concerns. Our escalation approach contains several considerations and different levers available to us. However, the application of the policy will vary meaningfully on a case-by-case basis, balancing the engagement history and the environment in which the issuer operates.

We promote the relative merits of engagement over divestment of corporate holdings as a more effective mechanism of delivering positive outcomes

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Forms of escalation

- **Intensified dialogue – bilateral (private):** Intervention will generally begin with a ‘step up’ in private dialogue with the company. This comes through: a) holding additional meetings with company management to enhance our understanding of its stance and help the company to understand our position; and/or b) meetings being held with more senior representatives.
- **Intensified dialogue – collaborative (private)²¹:** We recognise the complexities of operating in different legislative environments. However, we believe collaborative actions can be a powerful escalation tool. They may take many forms, including self-organising investor-led collaborations, formal investor coalitions and/or collaborations between investors and NGOs. Collaboration amplifies key messages, gives more weight to individual asks and increases the incentive for the company to act. It also reduces duplication and builds shared capacity between asset managers, as well as consolidating asks for companies.
- **Intensified dialogue (public):** The next step is sharing concerns with other investors or stakeholders through a public lens. Sharing this publicly communicates to the company the importance of issues raised and encourages them to address these directly. This step can include public statements (including speaking to the media), press comments and writing formal public letters, or attending and asking questions at and/or making statements of intent at AGMs.

- **Capital allocation:** Depending on the investment strategy of a fund, this can take the form of underweighting an issuer compared to the benchmark, excluding from a sustainable fund, or non-participation in new equity or debt offerings.
- **Divestment:** Divestment will only be used as a last resort where other escalation levers have been exhausted. Where we make the decision to divest our exposure to an issuer due to unsuccessful engagement, this is likely to be where we see the lack of progress on the sustainability issue as a material risk to our investment. We will make clear the conditions for reinvestment should companies begin to meet our expectations.

Considerations for escalation

In making decisions as to whether engagement will be escalated, several factors will be considered, including:

- The potential significance of the issue for our investments and clients,
- The circumstances in which an issue has arisen,
- Relevant best-practice standards and investor guidelines,
- The reasons and explanations provided by the company,
- The pattern of issues, in combination or over time,
- Client mandates, preferences and portfolio strategies,
- The role of collaboration with other stakeholders to better inform views and determine subsequent actions.

²¹ Collaborative private dialogue of this kind is carried out in accordance with regulations governing acting in concert.



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Votes are determined by the stewardship function in conjunction with portfolio managers, who inform decisions by bringing their knowledge and assessment of company strategy and any special circumstances. The starting point for vote decisions is our [Global Voting Policy](#), reviewed on an annual basis and updated subject to board approval. The policy covers key governance themes. These include board leadership and effectiveness, reporting and disclosures, controls and audit, share capital authorities, shareholder rights, data security, executive remuneration, shareholder proposals, investment trusts, and our process. We also consider key environmental and social themes.

To support us in making voting decisions on thousands of meetings a year, we subscribe to research from third-party providers. Our main provider for voting services is Glass Lewis, where we source proxy research and voting recommendations based on our own custom policy. However, we retain full control of how our votes are exercised, taking into consideration fundamental investment views, internal discussion with investment teams, additional context provided in external research, and company explanations received through constructive dialogue. We also subscribe to IVIS research (provided by the Investment Association) and MSCI. We use research for data analysis only and do not automatically follow research provider voting recommendations.

In 2025, we voted at 99% of meetings at which we were eligible to vote. Unvoted meetings were primarily due to additional costs associated with legal and administrative processes in certain jurisdictions, which outweighed the benefits of casting a vote.

Given the number of companies we own in our portfolios (including index funds), we seek to prioritise engagement by size or value of holding and where it is most likely to benefit our clients. This allows us to consider additional context from the company, which occasionally results in us changing a vote. In addition, our voting policy and voting records are publicly available, containing our reasons for not supporting resolutions.

We maintain a database to record our voting and engagement with companies, which allows us to review the effectiveness of our work. We review priority holdings quarterly or half yearly.

There will be times when, despite voting against and/or engaging with companies, our concerns have not been adequately addressed. Further details of this are included within the escalation section above.

Significant votes

Where relevant, we provide clients with significant vote reporting in line with recommendations from the Pensions and Lifetime Savings Association (PLSA).

The purpose is to help pension trustees meet their regulatory duties and demonstrate how they are acting as effective stewards of their assets. Over time, this should give clients a better understanding of how asset managers are using their votes to hold management to account and improve the sustainability of companies, and conduct voting activities in line with their long-term interests.

Key criteria considered in determining significant votes include:

- Whether the vote is high profile or controversial, which may include a significant level of external interest,
- The financial impact of a vote, e.g., the approval of a large merger or acquisition,
- The potential impact on stewardship outcomes aligned with thematic priorities. For example, improvements in board independence,
- Shareholder resolutions deemed material, including on material environmental and social issues that support client interests. For example, climate change,
- How significant the holdings are in relation to the fund and our aggregate holding – the larger the holding, the greater our ability to effect change.



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Clients

We do not typically consult clients ahead of individual votes, given the significant practical challenges this would create. However, we engage with clients on a regular basis to better understand their preferences and outline our views on specific vote-related issues.

There may also be occasions where voting exceptions have been specifically agreed with clients in segregated funds. But generally we retain responsibility for ensuring voting is carried out in a manner consistent with our own approach to stewardship.

If a pooled fund investor asked us to vote in a certain way, we would first check to see if this request matched the way we were initially planning to vote. If not, we would look to accommodate that request in respect of only its proportion of the total number of shares.

Please see the [Conflicts of Interest section](#) for more information on how we consult clients ahead of votes where there is or may be a conflict of interest.

Stock lending

We have strict procedures in place that only allow shares to be lent out up to agreed thresholds. We also recall shares on loan for the purposes of exercising voting rights where there is reason to do so (for example, for contentious meetings or on especially important matters) and when this is considered to be in the best interests of our clients.

Voting disclosures

In line with best practice, we make all our [voting history](#) publicly available on our website.

For voting disclosure, meetings are updated one month in arrears. Our voting disclosure includes details on each resolution and vote decisions. In addition to providing the key reasons of any against votes and abstentions, we provide a detailed rationale on resolutions we have ‘exceptionally’ supported.

For our standard reporting we also show our voting record for the fund in question.

Fixed income votes

Voting has the most direct relevance to equity investments as shareholders have the right to vote at shareholder meetings, such as AGMs. As the name suggests, shareholders have an annual opportunity to exercise their voting rights and hold boards to account.

However, our stewardship principles are also applied to other asset investment classes such as fixed income and property, where appropriate. For example, bondholder meetings may be convened to seek consent from the relevant bondholders in respect of amendments to trust deeds or indentures that may affect the terms of the bonds. Decisions on these will be determined by fixed income analysts and fund managers based on what they consider to be in the best interests of the fund and clients.

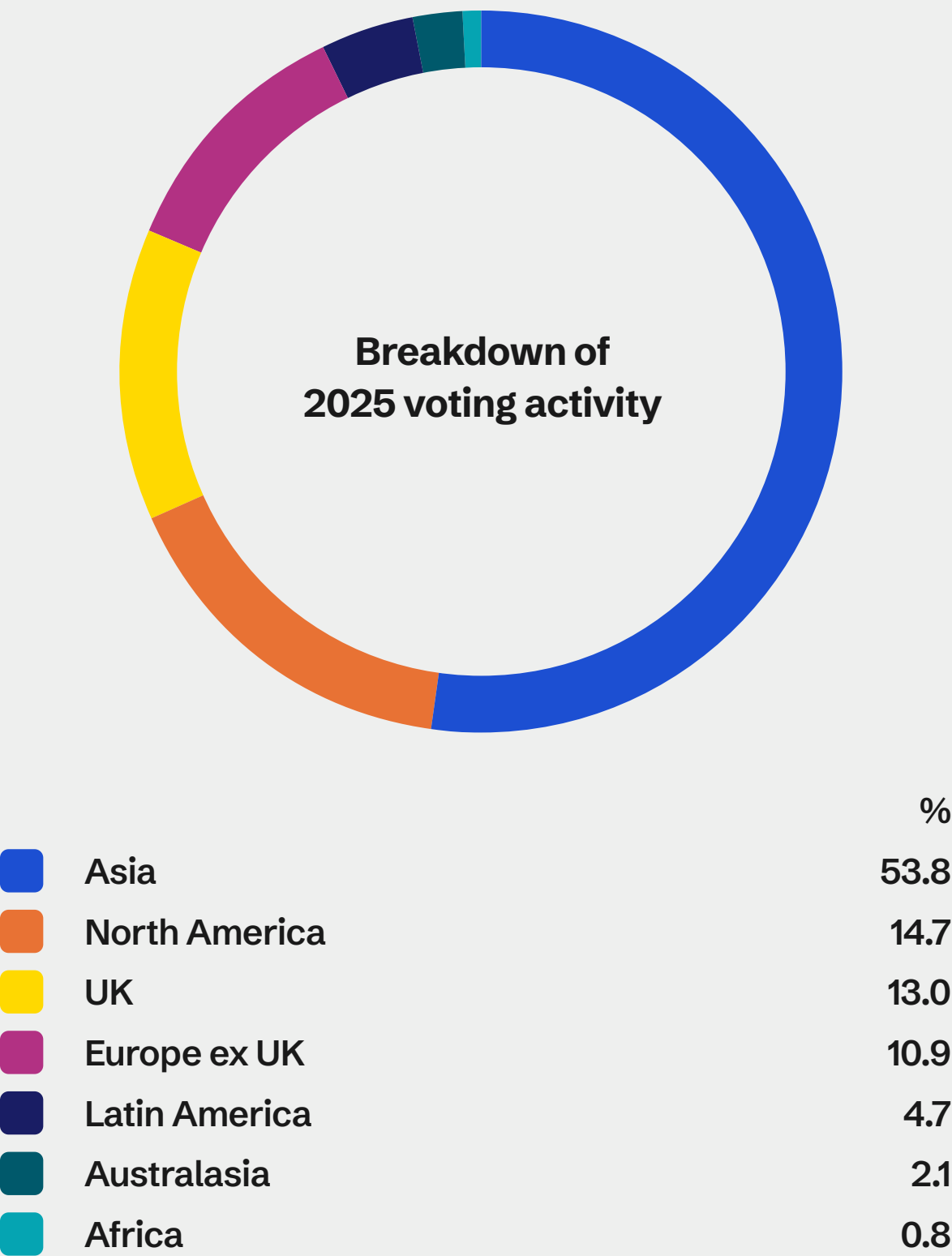
2025 voting outcomes

Voting is a crucial part of the investment process and we have had a formal and considered voting policy since 1994. We have explicitly incorporated responsibility disclosures and performance into our voting practices since the 2000s. The statistics below show breakdowns of our 2025 voting activity.

63,422

Total number of votes on resolutions at 5,794 shareholder meetings

Figure 22: Breakdown of 2025 voting activity by geographic region



Source: Aviva Investors, as at December 31, 2025.
All percentages may not total 100% due to rounding.

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2025 voting outcomes

Figure 23: Votes for, against or abstained by voting topic

Topic	For	Against	Abstain
Anti-takeover measures	88.0%	12.0%	0.0%
Auditors	81.5%	17.9%	0.7%
Climate-related	70.8%	20.8%	8.3%
Directors	77.0%	19.9%	3.1%
Related party transactions	87.6%	11.4%	0.9%
Remuneration	58.7%	38.8%	2.5%
Report and accounts	96.6%	2.8%	0.6%
Share issues/capital related	82.1%	17.6%	0.3%
Shareholder resolution	37.9%	60.2%	1.9%
Takeover/merger/reorganisation	95.2%	4.0%	0.8%
Other	89.0%	10.7%	0.3%

Source: Aviva Investors, as at December 31, 2025

Figure 24: Shareholder resolutions supported by theme

Theme	For
Nature	53%
Climate	55%
People	32%

Source: Aviva Investors, as at December 31, 2025.

Figure 25: Number of companies at which we voted against management resolutions or abstained (by engagement theme)

Theme	Number of companies
People	785
Climate	72
Nature	83

Source: Aviva Investors, as at December 31, 2025.

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Promoting well-functioning markets

As an investment manager, and steward of our clients’ capital, we have a duty to act in their best interests and uphold market integrity.²²

While ultimate responsibility for delivery lies with policymakers, market participants also have a duty to surface issues and advocate for well-informed, effective solutions

At present, the financial system contains multiple market failures that distort asset pricing and undermine efficiency. These failures prevent markets from reflecting the true cost or fundamental value of assets because the information or conditions required for accurate pricing are incomplete or skewed. For example, information asymmetry occurs when issuers hold material information that is not disclosed, limiting investors’ ability to make informed decisions.

When prices fail to capture fundamental value and the full spectrum of risks, both financial and non-financial, the integrity of markets erodes, creating systemic vulnerabilities. Systemic risks are non-diversifiable and can impair large parts of the financial system, with severe consequences for the real economy and client returns.

These risks can be sustainability-related, for example climate change and nature loss, or broader, such as geopolitical instability, cyber threats, supply chain fragility and concentrated market powers. These factors can amplify volatility, disrupt capital flows, and undermine confidence in financial markets.

To act in the long-term interests of our clients, we must use the tools at our disposal to ensure that both financial and real-world systems maintain integrity and resilience. This includes mitigating risks through engagement with issuers and corporate action. However, where market failures persist, such as misalignment between sustainable objectives and short-term commercial incentives, firms adopting more responsible practices may face competitive disadvantages.

Through our engagement with policy makers, regulators, standard setters and industry associations, both individually and in collaboration with others, we highlight market-wide and systemic risks, to promote practical recommendations for targeted interventions. These measures aim to correct market failures, improve risk pricing, and create a policy environment that supports efficient markets and a just transition. While ultimate responsibility for delivery lies with policymakers, market participants also have a duty to surface issues and advocate for well-informed, effective solutions. Doing so is central to promoting well-functioning markets and protecting long-term client value.

²² FCA Handbook COBS 2.1.1, COBS 2.1.4, COLL 6.6.24 and 6.6A.



Climate: Transitioning to a low-carbon future

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The accelerating policy, market and physical-risk signals of 2025 reinforced the need for transition plans that are both credible and implementable. This year, Aviva Investors focused on the sectors and value chains most central to global decarbonisation, while supporting the policy conditions required for long-term investment.

Our Climate Stewardship 2030 (CS30) programme advanced into its second year, with 200 engagements held with 101 high-emitting companies focused on transition credibility, interim milestones and governance. Further details of this initiative, including trends and outcomes, are outlined later in this section.

Recognising that many obstacles lie beyond firm-level action, we also convened three additional value-chain roundtables - on heavy industry, food and land use, and the UK power sector. These sessions brought together senior representatives from manufacturers, utilities, energy networks, agri-tech firms and developers to surface shared challenges such as permitting delays, infrastructure gaps, demand uncertainty and the cost of deploying emerging technologies. Insights from these discussions directly informed the 2025 update to our [Low-Carbon Investment Roadmap](#), which outlines near-term policy steps needed to unlock private capital into low-carbon projects and businesses across UK sectors.

In the UK, based on the [2024 Low-Carbon Investment Roadmap](#), we have continued to engage policy makers on the development of policies to improve conditions for low-carbon and nature restoration investment in partnership with Aviva's Group Public Affairs team.

In 2025, this included over 60 engagements with UK policymakers across different government departments. Throughout 2025, we have also been involved in key public policy taskforces, including the DESNZ Net Zero Council and the City of London's Transition Finance Council. We also published a set of policy priorities ahead of COP30 that emphasised the need for NDCs to reflect maximum ambition as well as being supported by sector-level detail and investable delivery pathways.

In parallel, our private assets teams advanced long-term active ownership across real estate, infrastructure equity, venture capital, natural capital and private debt. Across these strategies we worked to improve building performance and energy efficiency, support the development and scaling of early-stage climate and environmental technologies, and invest in nature-based solutions designed to deliver outcomes beyond carbon alone.

Engagement with operators and borrowers in our private debt and real estate portfolios also strengthened ESG reporting practices and provided insights that inform operational decision-making and long-term value creation. Together, these activities contributed to climate resilience, operational improvements and real-economy transition outcomes across commercial, residential and logistics assets.

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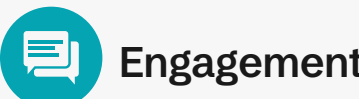
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CASE STUDY

Engaging with policymakers on credible national climate plans



Engagement



Climate

Issue

The Paris Agreement requires signatories to develop Nationally Determined Contributions (NDCs) which outline how each country will reduce emissions and build resilience. Governments are expected to submit new, more ambitious NDCs every five years and the latest iterations were due in 2025.

The first Paris Agreement stocktake in 2023 concluded the world is not yet on track, presenting material long-term investment risks. At the same time, many governments face elevated debt levels, constraining their ability to take more direct action. Consequently, there is a growing need for NDCs to mobilise increasing levels of private capital to help underpin national climate ambitions.

Action

In 2024, Aviva Investors launched a multi-year engagement programme to support the development of credible national climate plans. We identified NDC features that could catalyse private investment, including combining ambitious headline targets with information on the actions governments will take to deliver them such as sector-level pathways, indicative policies and associated investment plans.

We communicated these NDC priorities through tailored letters to finance ministers from over 50 countries where we are materially invested. We followed up through bilateral outreach, consultation responses and attendance at global forums like COP29, culminating in engagements with policymakers from over 15 countries, including Japan, Mexico and Brazil.

In the UK, we supported sustained dialogue by publishing low carbon-investment roadmaps in 2024 and 2025. In Australia, we engaged alongside other investors and played a leading role proposing, shaping and delivering the group’s engagement priority on credible NDCs.

We amplified this through engagements across companies, value-chains and international institutions, and by collaborating with NGOs on influential public reports that were subsequently shared with EU policymakers and the G20.

Outcome

Our engagement helped embed investor perspectives into national climate planning across multiple countries and provided valuable insights for our investment teams.

We were encouraged to see progress in many of the NDCs that were submitted by the end of COP30. For example, Brazil’s NDC implementation will rely on the updating of 16 sectoral adaptation plans and seven sectoral mitigation plans. The UK’s NDC cross-references the Clean Power 2030 Action Plan which sets out specific actions to transform the power sector.

Australia’s updated NDC includes a new emission reduction target, detail on current and prospective policies to support its delivery, and was published alongside sectoral decarbonisation plans, a national net zero plan and supporting economic modelling. This was followed by an ‘investor blueprint’ summarising the key investment opportunities. While further progress is needed globally, these developments provide a more credible basis for our climate-related risk assessments, support the mobilisation of private capital and underpin sustainable long-term returns.

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CASE STUDY

Mitigating flood risk in UK real assets



Engagement



Climate

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.²³

This year private markets Sustainability and Real Estate Long Income (RELI) 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.

²³ Environment Agency: National assessment of flood and coastal erosion risk in England 2024

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CASE STUDY

Expanding electric vehicle infrastructure in the UK



Engagement



Climate

Issue

Transportation is one of the UK’s biggest climate challenges, accounting for around 30% of national greenhouse gas emissions.²⁴ To meet net zero goals, the UK plans to ban sales of new petrol and diesel cars by 2030 and install at least 300,000 public electric vehicle (EV) charge points by then - yet only 116,000 chargers are currently in place.²⁵

As demand for EV infrastructure is high,²⁶ the competition for tenders is fierce, with councils increasingly requiring bidders to demonstrate strong ESG credentials, including emissions data and decarbonisation strategies. Although momentum towards ambitious EV rollout targets has slowed across several European markets, we still expect the auto sector to continue electrifying, with increasing penetration of EV sales over the next 5-10 years.

Action

An infrastructure portfolio company within private markets is focused on accelerating transport decarbonisation by making EV charging widely available and efficient. In 2025, we supported the business in scoping its Scope 1, 2, and material Scope 3 emissions and preparing a decarbonisation strategy aligned with net zero. This work directly strengthened its ability to compete in large tenders, for which ESG criteria are mandatory across the UK.

Outcome

By Q4 2025, the company had calculated its emissions footprint and set a science-based decarbonisation target aligned with recognised pathways. Following our engagement, it is considering formal validation of these targets. Future work will focus on embedding these commitments into business planning and creating a robust, actionable decarbonisation roadmap.

This positions the company to win tenders, scale its network across multiple markets, and contribute to national climate goals, helping close the infrastructure gap and enabling the transition to cleaner transport.

²⁴ 2024 UK Greenhouse Gas Emissions: UK Government

²⁵ Zapmap: EV charging statistics

²⁶ SMMT: Almost one in four buyers go electric

Climate Stewardship 2030

Launched in 2024, our 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.

CS30 recognises that real-world decarbonisation requires more than long-term ambition. As net-zero targets have become widespread, the central question has shifted to whether companies are positioned to deliver on those commitments - through clearer interim milestones, resilient operational plans, disciplined capital allocation and effective governance.

Our stewardship approach combines direct corporate engagement, value-chain mobilisation and policy advocacy, reflecting the different levels at which transition progress is shaped.

Key features

The CS30 programme brings together two specific complementary channels (see Figure 26).

Direct corporate engagement

Our direct engagement focuses on assessing the overall credibility and delivery of company transition plans. Between 2024 and year-end 2030, we aim to carry out regular and ongoing engagement with companies representing at least 50% of Aviva Investors’ financed emissions in material sectors.^{27, 28}

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.
- Our sustainable investing function leads and co-ordinates the execution of these engagement commitments, in collaboration with investment teams and Aviva's Group Public Affairs team.

Figure 26: The complementary channels of the CS30 programme



Source: Aviva Investors, as at December 31, 2025.

²⁷ 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. In 2025, we increased the pool of funds within scope of the programme.
²⁸ Our ambition is to engage with approximately 100 companies.

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CS30 progress

In 2025 we held 200 engagements with 101 companies, covering a substantial share of our financed emissions across high-impact sectors. Over the period, we recorded 144 outcomes (see Figure 27) where we have engaged with companies over several years, including under the Climate Engagement Escalation Programme (CEEP), which has now concluded. For more information on the CEEP, see our [2023 Sustainability Review](#), pages 113-116.

Figure 27: CS30 2025 engagement outcomes by issue



Source: Aviva Investors, as at December 31, 2025.

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 engagements this year:

1. 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.

2. 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.

3. 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.

Together, these themes provide a more grounded sense of how transition strategies are evolving across the economy.



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Alongside company-level dialogue, we have continued to advance our value-chain stewardship, hosting seven roundtables 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, and our responses to investment-relevant public policy consultations (see more here: [UK decarbonisation policy progress - Aviva Investors](#)). The insights have also shaped our investment strategies and engagement priorities across sectors.

For further insight into how we will assess transition credibility and our stewardship priorities for the year ahead, see our AIQ article: [‘Moving beyond decarbonisation: From climate targets to transition credibility’](#).

Figure 28: 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.	 South32 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 (liquefied 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.

Source: Aviva Investors, as at December 31, 2025.

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CASE STUDY

CS30: Mobilising value chains to support system-wide decarbonisation

Engagement

Climate

Issue

Achieving net zero requires co-ordinated action across interconnected value chains. Hard-to-abate sectors such as heavy industry, alongside sectors such as power and food systems, depend on infrastructure availability, policy clarity, commercial incentives and collaborative investment. Companies frequently reference practical constraints such as planning timelines, grid capacity, upfront costs and evolving incentive structures.

Since 2023, we have convened seven value-chain roundtables to deepen understanding of these dynamics and the wider enabling conditions required for a credible, investable transition. This work forms a core component of the CS30 programme.

Action

Heavy Industry: Decarbonising Energy-Intensive Production

Industry representatives from steel, cement, glass, construction materials, power generation and networks discussed the practicalities of industrial decarbonisation, including the pace of CCUS (carbon capture utilisation and storage) and hydrogen infrastructure and the need for more predictable demand signals for low-carbon materials.

Food and Land Use: Scaling Nature-Positive and Low-Emission Systems

Participants across the agricultural and food-manufacturing chain examined the factors influencing the adoption of nature-positive and lower-emissions practices, including investment requirements, varying measurement approaches and how costs and benefits are distributed across the chain.

Powering the Transition: Heavy Industry and Power

Energy-intensive industries, utilities and network operators considered the investment and policy conditions required to accelerate clean-power deployment and low carbon technologies in energy intensive industries. This included continued policy focus on renewables, grid, storage, electrification, hydrogen and CCUS. These insights, along with discussions with our investment teams, supported the development of the 2025 update of Aviva Investors’ Low-Carbon Investment Roadmap, which was published in December 2025.

Outcome

Across the sessions, consistent themes emerged:

- Infrastructure and permitting timelines remain central to delivery,
- Policy clarity and delivery continues to influence investment decisions,
- Growing sustainable market demand for low-carbon solutions remains essential,
- Data and measurement gaps persist across agriculture and land use,
- Skill gaps and workforce skill provision needs are increasing across multiple sectors.

These insights inform our investment analysis, shape company-level engagement priorities, and underpin recommendations in the Low-Carbon Investment Roadmap as well as public policy consultations in sectors such as the power sector, industrial electrification, and nature restoration.

They continue to guide how the CS30 programme identifies structural constraints and supports long-term transition resilience.

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CASE STUDY

Strengthening transition plans in European utilities

Engagement

Climate

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 bilaterally 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 assessment 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 site-by-site 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 advanced 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.

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CASE STUDY

Progress on methane reduction and climate disclosure

Engagement

Climate

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, progress on 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 approach to 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 investment discussions alongside financial, operational and market factors.

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



Nature: The ecosystem underpinning our economy

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2025 reinforced the urgency of addressing nature degradation and loss. Healthy ecosystems underpin economies and financial systems, yet biodiversity is declining faster than at any point in human history. Seven of the nine planetary boundaries have now been breached,²⁹ increasing the risk of irreversible damage, and increasing long-term risks for investments.

This year saw mixed progress globally. At its two-year anniversary, the Taskforce on Nature-Related Financial Disclosures (TNFD) announced 620 organisations - representing \$20 trillion in AUM - committed to nature-related reporting. The Science Based Targets Network confirmed that 10 companies now have validated freshwater and land targets, with three publishing science-based nature goals. COP30 delivered some momentum on deforestation through the establishment of the \$6.6 billion Tropical Forest Forever Facility, but delays in EU Deforestation Regulation frustrated companies investing in traceability and compliance.

Aviva Investors continued to advance nature stewardship across public and private markets. We continued our company engagements and collaborated through initiatives such as Nature Action 100, FSDA (Finance Sector Deforestation Action), the Investor Initiative on Hazardous Chemicals and FAIRR. Our public markets bilateral engagements targeted key themes including:

- Biodiversity risk management, across mining and oil and gas, consumer goods and banking.
- Deforestation, across the consumer goods and banking sector.
- Water, with the UK food value chain, including retail and agriculture.
- Circular economy, with technology and innovation sectors, on sustainable design, use, reuse and recycling, including of critical minerals.
- Hazardous chemicals and pollution, within the chemical value chain.

Aviva Investors continued to support nature policy engagement, through the Aviva Group Public Affairs team. This included the publication of a new report, ‘Investing in Nature: Mobilising Private Finance for Environmental Recovery in the UK’, which we provide further details on below.

²⁹ Planetary boundaries are scientifically defined limits on key earth system processes beyond which human activity significantly increases the risk of large-scale, potentially irreversible climate change. You can read more about this here: [Stockholm Resilience Centre: Planetary Boundaries](#)

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CASE STUDY

Nature Engagement Programme: Engaging with companies on the living environment

Engagement

Nature

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.³⁰ 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 opportunity 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.³¹ 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 risk 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 hurdle 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 data 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.

³⁰ More than half of global GDP is exposed to material nature risks | PWC Press Releases

³¹ Launched at COP26, the Finance Sector Deforestation Action (FSDA) brings together more than 30 financial institutions that have committed to using best efforts to end commodity-driven deforestation in their investment and lending portfolios. The FSDA sunset in late 2025 and has transitioned to the Deforestation Investor Group (DIG).

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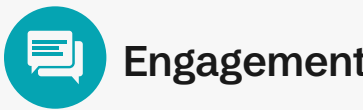
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CASE STUDY

Deforestation risks in the banking sector



Engagement



Nature

Issue

Banks are exposed to deforestation risks through the companies they finance. Exposure to sectors such as agriculture, forestry, and mining can translate into credit, legal and 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, we 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.

We assessed these banks against our bespoke engagement framework and made a series of asks around commitments to zero 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 exposures 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 timebound targets are still emerging, but we expect more progress as banks complete their TNFD-aligned dependencies, impacts, risks and opportunities assessments.

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CASE STUDY

Helping to reduce water waste and pollution in UK agriculture



Engagement



Nature

Issue

The UK has lost nearly half its biodiversity since the Industrial Revolution,³² with polluted rivers and seas a major cause. Government data shows only 16% of surface waters in England meet ‘good ecological status’ standards, and no river meets ‘good chemical status’.³³

Beyond sewage spills, agricultural inputs such as animal waste, fertilisers, pesticides and antibiotics are significant contributors. Companies with exposure to high-risk regions, for example the Wye Valley, in their supply chain face potential litigation and reputational risks.

Action

In response to heightened public and regulatory attention of pollution of the UK’s rivers, we expanded our water utility engagement to agriculture-related pollution. Our engagement aims to protect the license to operate and avoid reputational risk of our holdings in the UK food value chain by reducing water pollution from unsustainable farming practices.

Between 2024-5 we engaged with 15 companies including Tesco, Marks and Spencer (M&S), Cranswick, Diageo and Greggs. We encouraged the companies to support farmers in reducing water pollution through improved nutrient management and stewardship practices.

Outcome

We’ve seen positive progress this year:

- Greggs, a food on the go retailer and significant buyer of British animal products, strengthened its Farm Animal Welfare policy to include water pollution measures and surveyed suppliers in Q1 2025.
- M&S, food retailer, introduced water and nutrient management criteria for milk suppliers and poultry farms in the Wye and Usk watershed, with plans to scale if needed.
- Premier Foods, a food producer, is developing a water policy to embed agricultural stewardship within supply chains.
- Tesco, a food retailer, committed funding to support farmers capture soil, water and nature data to inform dialogue and action plans on water pollution.

³² Natural History Museum, 2021: Analysis warns global biodiversity is below ‘safe limit’

³³ State of the water environment indicator B3: supporting evidence - GOV.UK, May 2025



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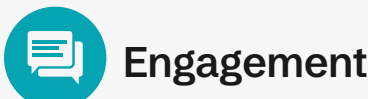
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CASE STUDY ●

Hazardous chemicals and water contamination in the chemicals sector



Engagement



Nature

Issue

The mismanagement of hazardous chemicals can pose a significant risk to producers and users of industrial chemicals with the potential to directly impact near-term valuations. This issue was brought starkly to investors’ attention with 3M’s \$10.3 billion settlement with US public water suppliers in 2023 as reparation for historic contamination of water supplies. European companies are also impacted – BASF paid a [\\$316 million settlement](#) for PFAS³⁴ pollution in the US in 2024.

Action

Aviva Investors has led a multi-year collaborative engagement initiative in this area – creating and chairing the Investor Initiative on Hazardous Chemicals (IIHC), now representing more than 80 investors globally managing \$23 trillion. The IIHC aims to reduce the adverse impacts of hazardous chemicals and thereby its members’ exposure to the financial risks to which they are linked. We have co-led the IIHC engagement with BASF on this issue since 2023, and have engaged with BASF on hazardous chemicals since 2021.

Outcome

In June, we welcomed BASF’s commitment to phase out PFAS³⁵ by 2028, following in the footsteps of 3M. BASF also disclosed for the first time the tonnages of substances of very high concern (SVHCs) and substances of concern produced. In addition, the company has published a list of substances on the SIN List used only as intermediates. This is a significant step towards the increased transparency we have been asking for.

Whilst we are pleased to see such a strong commitment from BASF, we hope that the current exclusion of its Agricultural Solutions Division (i.e. pesticides) from the phase out commitment will be addressed in due course, given the application of these chemicals directly to nature.

More widely, we welcome progress by other companies the IIHC engaged with in 2025. The ChemScore ranking published in November 2025 found that one-third of major chemicals manufacturers now say they intend to exit highly persistent chemicals, the group to which PFAS belong. This includes Ecolab which has also said it will exit PFAS by 2026, and Indorama, which has phased out persistent chemicals.

³⁴ ‘PFAS’ is a general term for a class of man-made chemicals. They are sometimes referred to as ‘forever chemicals’.

³⁵ [BASF position on PFAS](#)

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CASE STUDY

Promoting high-quality carbon credits in private investments



Engagement



Nature

Issue

Achieving global net zero requires \$6-16 trillion in carbon removal solutions by 2050,³⁶ and nature protection faces a c.\$940 billion annual funding gap.³⁷ Carbon removal is critical for climate targets, while ecosystem restoration is essential to reverse biodiversity loss. To address this, we launched a carbon removals strategy - investing in nature-based projects that aims to deliver high-integrity carbon removal solutions and strong financial returns.

One investment is an afforestation project in Vichada, Colombia, transforming 11,452 hectares of degraded grassland into forest using a mix of native and eucalyptus species, with 8,018 hectares dedicated to native trees. By prioritising native species, the project aims to strengthen the Llanos ecological network, creating gallery forests and ecological corridors that provide food and habitat for species such as anteaters, birds, and large predators roaming between the Andes and the Amazon. The project is expected to sequester 6.2 million tonnes of CO₂ and deliver socio-economic benefits by creating alternative livelihoods for local communities, including training in silviculture and long-term skill development.

The opportunity includes revenue from carbon credits, employment to local communities and ecological gains. However, due diligence identified risks such as limited biodiversity data and additional monitoring of social outcomes. These risks could affect ecological integrity and pose reputational challenges if not addressed.

Action

As part of our due diligence process, we conducted a site visit with project partners and technical experts to confirm initial findings. We observed local wildlife, native undergrowth in trial plantations, and the wider ecosystem

condition. Following this, we engaged extensively with the project developer to agree on key actions, including conducting a baseline biodiversity survey at project initiation and every five years thereafter using techniques such as camera traps, pitfall traps, and audio recording units. We also agreed on measures to monitor ecosystem condition over time and track social impact, including employment opportunities for women in nurseries, planting, and operations.

These activities were formalized in our impact metric requirements and documented in an Environmental and Social Action Plan (ESAP), which the project developer agreed to implement. We committed to proceed with the project subject to delivery of these actions.

Outcome

The activities have been incorporated into the project's design and contractual agreements. By embedding these changes into the operational plan and contracts, we mitigate ecological, reputational, and legal risks, safeguard carbon credit generation, and strengthen long-term asset value via the measurement and monitoring of social and biodiversity benefits.

This proactive approach ensures project resilience and is expected to deliver financial returns alongside climate, social, and biodiversity outcomes.

³⁶ McKinsey: Carbon removals: How to scale a new gigaton industry

³⁷ Biodiversity Finance Factbook, BloombergNEF

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SPOTLIGHT CASE STUDY

Policy engagement on nature in 2025

Engagement

Nature

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 the Kunming-Montreal Global Biodiversity Framework.

In October 2025, Aviva published a new report, *Investing in nature: Mobilising private finance for environmental recovery in the UK*. The report, which was developed in close collaboration with our investment teams, highlights the need for a comprehensive public policy framework to de-risk and attract large-scale private investment in UK nature restoration. Aviva Investors had extensive input into this report, based in particular on the experience of 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
- Lead on improving the availability and quality 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 BNG reforms and the upcoming Land Use Framework, as well as the 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.

Our spotlight case studies show targeted activities or solutions that focus on a particular client outcome or sustainability theme.

People: At the heart of the economy

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People are a critical driver of long-term investment outcomes. How companies respect human rights and manage their relationships with employees, customers and communities directly affects productivity, operational resilience, regulatory risk and licence to operate. Weak practices can expose companies to legal, reputational and supply-chain risks, while effective oversight supports sustainable cash flows and long-term value creation. This underpins our focus on people- and human-rights-related issues within investment stewardship.

Our approach to social themes in 2025 was shaped by four key drivers: geopolitics, economic uncertainty, health and technology. Increasingly, we see that social issues do not exist in isolation – they are deeply intertwined with broader economic and environmental dynamics, as well as policy responses. This interconnectedness has defined our stewardship activity for the year.

Geopolitical tensions, conflict and the race for critical minerals and energy independence have heightened awareness of human rights risks as companies navigate complex supply chains. These challenges often intersect with community and environmental concerns. This year we have continued human rights supply chain engagements and have advocated for Free and Prior Informed Consent (FPIC) and community engagement, in high-risk sectors including mining.

Economic volatility, declining productivity and rising living costs, continue to reinforce the importance of fair pay and youth employment, while spotlighting health as a systemic issue. With government budgets under strain, companies play a critical role in providing solutions for customers and communities, as well as support for workforce well-being. In response, we have continued engagement on living wages, invested in projects that promote youth employment, and have developed a new programme focusing on healthy diets and nutrition.

While approaches to climate have become more politicised, a just transition continues to be a central consideration in climate policy development.³⁸ COP30, despite its perceived shortcomings, introduced a Just Transition Mechanism. This growing interest has been reflected within our Climate Stewardship 2030 programme. We have continued advocating for the consideration of just transition principles in the UK's low-carbon policy and supporting greater capital allocation from developed to emerging markets and developing economies (EMDE).

Finally, as the world becomes increasingly digitised and AI adoption accelerates, the concept of human rights is expanding from the physical to digital realm. As such, our stewardship work has considered digital rights, including data protection, surveillance, and AI-related discrimination.

³⁸ See [Aviva's Transition Plan](#) for more information on our approach to a just transition.

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CASE STUDY ●

Decent work and the Real Living Wage in UK retail

 Engagement

 People

Issue

Providing decent work, including for employees to be paid a fair wage that keeps up with the rising costs 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 & Spencer, 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 on the one at Next. Our abstention at Next reflected its commitment to expand disclosure on wage-setting principles in 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.

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DEEP DIVE CASE STUDY

Supporting social dimensions of the low carbon transition

Engagement

People

Our deep dive case studies go into more detail on one of our engagement themes.

Issue

The shift to a low-carbon economy carries significant social implications. These considerations are commonly referred to as the ‘just transition’, which at Aviva Investors focuses on anticipating and addressing the social risks and opportunities arising from the transition, while supporting meaningful engagement with workers, communities and other affected stakeholders.³⁹

Companies across multiple sectors face complex questions around:

- Workforce planning and skills gaps
- Supply-chain resilience
- Community impacts.

These factors determine whether transition plans are operationally, financially and socially viable. Yet many issuers are still developing the capabilities to manage these risks, while system constraints – such as skilled labour shortages, uneven policy support, and infrastructure bottlenecks – continue to slow progress.

As set out in the Aviva Transition Plan, Aviva Investors supports an integrated approach: a low carbon economy that is climate-resilient, nature positive and socially inclusive. We continue to advance work in these areas, strengthening our understanding of how they intersect, and enable credible pathways to net zero.

Action

Our work spans multiple levels of influence – from assets we manage directly to corporate engagement, sector dialogues, value-chain convening, and sovereign stewardship

At the most direct level, our private markets platform enables us to embed social expectations into the assets and projects we finance. In Real Assets, this includes long-standing partnerships with the Construction Industry Training Board and the National Skills Academy for Construction to help strengthen UK skills pipelines.

Our carbon removal assets also incorporate social factors into its due diligence framework. Alongside climate integrity and commercial resilience, we assess community impacts, land-use considerations, local employment opportunities and stakeholder engagement. This helps ensure that emerging carbon removal projects support both environmental objectives and fair, responsible practices on the ground.

At the issuer level, we conducted over 100 engagements on the social aspects of the transition in 2025. These engagements have focused on sectors where labour, community and affordability issues are most material, including utilities, oil and gas, mining and selected industrials. We encouraged companies to take more structured approaches to assessing and addressing social impacts, clarifying governance, explaining how workforce and community considerations shape transition plans, and improving the transparency of progress metrics.

³⁹ See [Aviva's Transition Plan](#) for more information on our approach to a just transition.



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DEEP DIVE CASE STUDY



Supporting social dimensions of the low carbon transition



Engagement



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Sector-level and value chain dialogues further highlighted challenges that extend beyond individual companies, such as competition for skilled labour, supply-chain dependencies and local community acceptance of projects – particularly within hard-to-abate sectors. Findings from value chain roundtables conducted in the year helped shape our [2024](#) and [2025 Low-Carbon Investment Roadmaps](#).

At the sovereign level, in the UK, we continued to engage policymakers on measures to strengthen conditions for low-carbon investment. Our 2025 Low-Carbon Investment Policy Roadmap highlighted key next steps for the UK's low-carbon economy, including to support workers in high-carbon sectors to transition into employment opportunities in low-carbon sectors, such as offshore wind. It also included measures to help ensure low-carbon solutions are affordable and accessible for consumers.

Taking a global perspective, Aviva Investors CEO is a member of the UK government's EMDE Investor Taskforce – supported by policy and investment colleagues – contributing to discussions on mobilising transition-aligned capital into emerging markets.

Outcome

Progress varies across sectors and jurisdictions, but we have seen a gradual strengthening in how companies, policymakers and system actors consider the social dimensions of the transition. Improvements include clearer articulation of workforce needs, more structured approaches to community engagement, and growing recognition of the enabling conditions required for credible transition planning.

However, progress in integrating just transition considerations remains uneven across sectors and jurisdictions, and, in many cases, slower than required. This is particularly evident in sectors such as utilities, oil and gas, mining and other hard-to-abate industries, where skill shortages, supply-chain dependencies, infrastructure constraints and local acceptance issues continue to present practical challenges. Addressing these issues increasingly requires co-ordination beyond individual companies, including policy alignment and collaboration across value chains.

In 2025, we nevertheless observed pockets of progress, including the publication of standalone just transition strategies, the integration of just transition considerations into broader transition plans, and the development of more formal action plans aligned with climate strategies. On the sovereign side, we also observed progress in measures aimed at supporting workers and consumers as part of the low-carbon transition. In the UK, for example, this includes the Oil and Gas Transition Training Fund, which provides tailored support for oil and gas workers transitioning into clean energy sectors in Scotland, as well as continued grant support to help consumers manage the upfront costs of electric vehicles and heat pumps.

Our multi-layered approach – spanning private markets, issuer engagement, sectoral and value-chain insights, and institutional stewardship – allows us to identify where progress is emerging, where gaps persist, and where further co-ordination is needed. These insights continue to inform our stewardship priorities as we support a more orderly, inclusive and economically viable transition.

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CASE STUDY

Consumer health engagement in the food sector

Engagement

People

Issue

Public health is fundamental to economic resilience. COVID-19 highlighted that wellbeing drives productivity, yet preventable ill-health remains widespread, fuelled by poor diets, with over 40% of adults overweight.⁴⁰ In the UK alone, obesity costs more than £30 billion annually in lost productivity.⁴¹ Regulators are revisiting food policies, addressing ultra processed products, and expanding access to weight loss treatments.

Meanwhile, the global healthy foods market is projected to nearly double to \$1.6 trillion by 2030.⁴² These shifts signal a turning point in consumer behaviour. Companies that embed health and nutrition into their strategies will be best positioned to mitigate risk and capture growth opportunities by aligning with demand for healthier, more nutritious food.

Action

In Q4 2025, Aviva Investors launched its Consumer Health engagement programme, engaging with 13 companies across the food value chain, including ingredient suppliers, food manufacturers, retailers, and food service providers. Key engagement areas included integrating health and nutrition into corporate strategy, setting healthy sales targets (supported by nutrient profiling models to track progress), investing in the development and reformulation of healthier products, improving marketing and labelling practices, and ensuring the affordability of nutritious food.

Outcome

Our engagement provided valuable insights into how companies approach consumer health, revealing significant differences in ambition and strategy across the sector.

- Danone, a consumer goods producer, stood out for its strong performance on healthy sales volumes, substantial research and development investment, and strategic positioning to capture premiumisation opportunities in health-focused products such as high-protein and gut-health offerings.
- Kerry Group, an Irish food producer demonstrated a science-led approach and a diversified portfolio, positioning it well to capitalise on regulatory-driven opportunities like salt reduction and the growing demand for clean-label products.
- Ahold Delhaize, a Dutch retailer offered perspective on how large retailers are addressing consumer health through own-brand reformulation, product range management, and pricing strategies.

Our engagements confirm that health and nutrition are increasingly prioritised across the sector. However, challenges remain:

- Incoming regulation,
- Inconsistent and often conflicting assessment and reporting frameworks (e.g. nutrient profiling models),
- Structural differences across the food value chain that hinder comparability.

We will continue to engage on consumer health in 2026, expanding our reach to additional companies to identify emerging risks and opportunities.

⁴⁰ World Health Organisation Fact Sheets 2025: Obesity and overweight.
⁴¹ Nesta 2025: The economic and productivity costs of obesity and excess weight in the UK
⁴² Grand View Research: Health and Wellness Foods Market (2024-2030)

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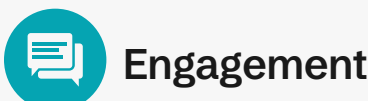
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CASE STUDY

Supporting local opportunity through place-based investment



Engagement



People

Issue

Birmingham continues to face persistent socio-economic challenges, including a youth unemployment rate of 17%. Young people aged 16-19 experience disproportionately high unemployment, while university students often lack practical exposure to industry practices. These gaps hinder workforce readiness and limit access to sustainable careers, creating barriers for individuals and slowing progress toward a resilient local economy over the long-term.

Action

Catalyst Industrial Park in Birmingham comprises four newly developed logistics and industrial units ranging from 22,500 to 64,250 sq ft. The site, formerly occupied by LDV, has been redeveloped to modern sustainability and digital standards, achieving BREEAM Excellent, EPC A and WiredScore Gold. The scheme includes photovoltaic panels, electric vehicle charging facilities, and is located approximately four miles from Birmingham city centre.

We partnered with Glencar through Catalyst Park to implement a series of initiatives designed to strengthen pathways into employment and improve industry engagement. The first focused on higher education, with a site visit for students. This provided insight into build methodology, logistics, and health and safety, complemented by opportunities to interact with industry professionals and alumni.

The second initiative supported early career development through a placement for a school leaver with a supplier. This hands-on experience allowed participants to learn about site operations, health and safety, and project co-ordination, building confidence and practical skills.

Finally, Aviva Investors partnered with The Skills Centre to create employment pathways for residents.

Outcome

The project exceeded its social value targets, achieving 25% local employment against a 20% goal, delivering 58 work placement days for adults (against a target of 45) and 57 student work experience days (against a target of 15). In addition, £5.47 million was spent with local businesses and £4.63 million with micro, small, and medium enterprises, reinforcing Catalyst Birmingham's role in generating long-term social and economic impact. Further students were given support in developing long-term careers, which could provide long-term benefits to the local community and provide resilient investment returns for our project.

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SPOTLIGHT CASE STUDY

Human rights activity and outcomes

 Engagement

 People

Human rights is a foundational part of our stewardship activity. We seek to align our activities with the standards set out by the global framework on business and humans rights, the UN Guiding Principles on Business and Humans Rights (UNGPs).

Below we highlight key activities undertaken and outcomes observed during the year across a variety of sectors, geographies and issues.

Engaging on human rights due diligence

In 2024, we undertook a global assessment of investee companies, their human rights practices, and if relevant their approach to conflict affected areas. We then engaged with key sectors identified in this assessment, including consumer goods, mining, cement, technology and utilities sectors – all of which are sectors with complex supply and distribution chains, and with exposure to global conflict risks.

Key outcomes observed during 2025 included:

- Danone, a French consumer goods company, conducted a human rights impact assessment, providing improved disclosures on its risk identification and grievance reporting practices.
- L’Oreal, a French consumer goods company, published a new human rights report, clearly stating salient risks and actions undertaken to mitigate risks.
- Enel, an Italian utilities provider, published improved targets and reporting on their workforce health and safety.
- Broadcom, a US semiconductor manufacturer, published details on its supplier human rights audits.

Our spotlight case studies show targeted activities or solutions that focus on a particular client outcome or sustainability theme.

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SPOTLIGHT

Human rights activity and outcomes

Engagement

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Collective engagement on human rights data

- One of the challenges with engaging on human rights is the lack of high-quality data available to investors to inform corporate and supply chain risk with global norms and standards. Investors typically use a wide range of sources such as company reporting, NGOs and ESG data providers. However, high quality, decision-useful data on corporate human rights practices across an investor’s holdings is extremely hard to obtain. This limits investors’ ability to identify and manage investment risks and opportunities in their portfolios, distinguish between leaders and laggards, carry out effective stewardship, and meet emerging regulatory requirements.
- In 2024, Aviva Investors partnered with the Church Commissioners for England, and Scottish Widows to create an investor initiative to engage with data providers on this issue.
- Throughout 2025, engagement has continued with ESG ratings providers and proxy advisors. In addition, the Investor Group published new guidance to service providers, outlining investor expectations for research on global norms and controversy assessments.

Collaboratively engaging on modern slavery

- Aviva Investors have been supporters of the Votes Against Slavery initiative, led by Rathbones. In 2025, we co-signed a letter which was sent to 26 FTSE 350 companies, regarding their compliance to the UK Modern Slavery Act. As at December 2025, all companies had responded and published compliant Modern Slavery Statements.

Human rights due diligence framework

- During 2025, we have been developing a human rights due diligence framework. We intend to use this to inform stewardship activity during 2026.

Engaging on human rights controversies

- See the next page for an example of engagement, collaboration and voting escalation regarding human rights.

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CASE STUDY

Challenging the use of forced labour in supply chains

Engagement

People

Issue

Ahead of a Chinese automanufacturer's 2025 AGM, a social controversy arose when Brazilian authorities halted construction of a factory after discovering that over 160 migrants workers from China, employed by a subcontractor, faced conditions described as “slavery-like.” These met the legal definition of forced labour under Brazilian law.

The company stated it immediately terminated the subcontractor, however we continued to have concerns based on other labour rights issues involving the company, in particular the allegations regarding the treatment of Uyghurs and other ethnic minorities in China and the company’s broader approach to labour-rights governance across its operations and supply chain. These concerns presented investment risks due to potential operational disruptions and social licence to operate.

Action

We initially contacted the company to request a meeting to discuss the labour controversy linked to its supply chain, while also briefing our Global Equities team on the issue. In the absence of any response and given the seriousness of the concerns, we escalated by voting against the Reports and Accounts at the company’s AGM, citing concerns over labour rights, supply chain accountability and human rights due diligence (HRDD). Following the AGM and a further unanswered follow-up, we leveraged our membership of the Asian Corporate Governance Association (ACGA) and formally joined an investor engagement subgroup coordinated by the association.

Outcome

Through the ACGA engagement subgroup, we received the company’s written responses to questions circulated before our formal participation. While these addressed labour practices, we found the disclosures lacked clarity on current conditions and highlighted gaps in the company’s proactive HRDD across global operations and the supply chain. We therefore wrote directly to the company requesting that it commission an independent HRDD covering both operations and the supply chain, and publish a summary of findings and corrective actions.

We remain active within the ACGA subgroup and have advocated for this request to be reinforced through ongoing collective engagement.

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CASE STUDY ●

Social Value Label: Supporting resilience in the construction industry

Engagement

People

Issue

The UK construction sector faces workforce and skills shortages at a time when demand for new housing and infrastructure is increasing.⁴³ For long-term investors in real assets, this presents both a delivery risk and an opportunity to support positive social outcomes. Addressing skills gaps, supporting employability, and strengthening local labour markets are therefore important to long-term asset value and performance of the sector.

Action

We have therefore introduced a social value strategy across our real estate developments. Our approach recognises that developments are more resilient and sustainable when they deliver benefits for local communities, particularly through access to jobs, skills, and training. For each development, social value considerations are integrated early, with project specific priorities shaped by local needs and delivery constraints.

Contractors are supported to deliver against clear expectations across employment, skills and training, and education outreach, helping to address workforce challenges while strengthening project delivery. This collaborative approach enables social outcomes to be implemented across assets, rather than treated as standalone initiatives.

To reinforce accountability and quality of delivery, we have developed a Social Value Label for our construction partners. The label provides a structured framework for assessing performance not only against project targets, but also against qualitative criteria such as the strength of local partnerships, repeat outcomes for individuals, and alignment with local labour market needs.

By rewarding contractors who demonstrate sustained impact, the label incentivises behaviours that support both community outcomes and long term asset value.

Outcome

The Social Value Label also supports clearer integration between stewardship expectations and investment oversight. It gives investment teams confidence that social value commitments are being met with credible evidence, while providing a consistent way to engage with planners, local authorities, and other stakeholders. Over time, the label is expected to strengthen supply chain capability, reduce labour related risks, and contribute to more resilient developments.

You can read more about our [Social Value Label here](#).

⁴³ [Government unleashes next generation of construction workers to build 1.5m homes - GOV.UK](#)

Governance: Good governance for long-term value creation

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Governance engagement and voting-related activities are essential to deliver our stewardship responsibilities. We believe that companies that undertake good governance practices are more likely to enable long-term value creation. Key factors we consider include, board oversight, succession, remuneration, composition, capital allocation and culture.

2025 has brought significant developments in corporate governance globally. From a regulatory and standards perspective, expectations have become increasingly fragmented.

In the UK, an updated Corporate Governance Code was introduced to promote more competitive capital markets. The revision reinforces the principle of comply or explain, providing companies with greater flexibility. In contrast, the US Securities and Exchange Commission (SEC) has reviewed investor voting practices, adopting measures that limit investor and proxy advisor influence, granting boards and directors more discretion. Meanwhile, several Asian markets – including Japan, South Korea, and China – are encouraging Western governance models to attract foreign capital. These divergent approaches have required us to be increasingly mindful of individual market and corporate contexts in our engagements and voting activity.

At the company level, we observed high-profile CEO transitions across major UK and European firms, including Diageo, GSK, Rio Tinto, and Unilever, with chair succession planning at HSBC also under scrutiny. While these changes do not necessarily indicate governance weaknesses, arguably they’ve been undertaken to improve long-term performance, they underscore the importance of robust CEO and Chair succession arrangements, and board oversight of performance – themes we have actively explored throughout the year.

This year we have continued to place focus on executive remuneration practices given the important role they play in incentivising management to deliver corporate objectives.

We believe in the important role of investor collaboration to promote robust governance frameworks and standards to guide corporate best practice. We are active members of the Investment Association (IA) and the IA’s Remuneration and Share Schemes Committee which provides guidance on executive pay in the UK. We are also members of the Global Institutional Governance Network (GIGN), Corporate Governance Forum (CGF), and the Asian Corporate Governance Association (ACGA) which share insights and encourage governance best practice across global markets through investor collaboration.

Outside of investor initiatives, we also conduct regular dialogue with remuneration consultants to better understand and influence emerging executive remuneration trends.

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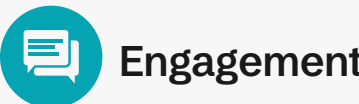
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CASE STUDY

Strong board oversight for value creation



Engagement



Governance

Issue

Effective board oversight is essential in the delivery of long-term value creation. Key responsibilities include approving the company’s strategy and ensuring its effective delivery, through actions such as appointing CEOs, approving major corporate actions and setting supporting incentives. Effective boards are not just responsible for setting and overseeing goals, but also initiating change when delivery of strategy, or alignment of corporate culture falls short. This year we have been monitoring companies and boards where long-term performance has fallen below expectations, seeking to understand what remedial actions are pursued.

Action

After identifying companies of interest, we scheduled a series of meetings between board chairs and relevant investment teams. We typically focused efforts on large, active holdings, with strategic and performance challenges. Objectives have differed depending on the company, but they broadly sought to understand how the board performs strategy and management oversight, and develops appropriate and enabling governance structures.

We also engaged with companies with new chairs, to strengthen our relationship and understanding of the company prospects. Some of the companies we engaged with included B&M, Diageo, Greggs, GSK, Pets at Home, Rentokil, Sage and Smith & Newphew.

Outcome

These targeted engagements proved insightful and led to subsequent actions. For example,

- One company experienced weak financial performance driven by poor integration of an overseas acquisition. We subsequently indicated our intention to vote against the chair at its AGM. The company saw a 21% vote against the chair’s reappointment, and it announced a search for new CEO, and the appointment of two new non-executive directors.
- At another company, we withheld support for the chair due to our concerns on long-term growth prospects and lack of share price growth. In Q4 a new CEO was announced, which improved our investment opinion of the company.
- At another company, our dialogue with the chair and Senior Independent Director combined with poor corporate performance led to a negative investment opinion, which resulted in divestment within relevant funds.

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CASE STUDY ●

Stewardship on listing structures in UK capital markets

Engagement

Governance

Issue

Concerns over the attractiveness of the UK’s capital markets have grown, with several companies delisting in recent years citing low valuations and poor liquidity. In 2025, this risk resurfaced with significant proposals affecting two FTSE 100 blue-chip companies: AstraZeneca and Rio Tinto.

AstraZeneca:

At AstraZeneca’s General Meeting in November 2025, the company proposed a new Harmonised Listing Structure across the LSE, Nasdaq Stockholm, and NYSE.

Rio Tinto:

At Rio Tinto’s AGM, Palliser Capital, an activist investor, requisitioned a shareholder resolution calling for a review of whether Rio Tinto’s dual-listed company (DLC) structure should be unified under a single Australian-domiciled holding company.

Action

We engaged with the boards of both companies ahead of the votes to understand the rationale and implications of these proposals.

AstraZeneca:

After detailed discussions, we supported the resolution. We gained comfort that an additional US listing would enhance access to capital in a key growth market without altering AstraZeneca’s UK incorporation, tax residency, headquarters, or FTSE 100 inclusion.

Rio Tinto:

We voted against the shareholder resolution. The board already reviews its DLC structure periodically, and we concluded that unification under Rio Tinto Limited would likely destroy rather than create value, given the significant tax costs and complexity involved.

Outcome

AstraZeneca:

The resolution passed with 99.1% shareholder support, reflecting strong confidence in the company’s engagement and strategy. The harmonised structure will provide greater flexibility to attract capital as AstraZeneca expands in high-growth regions.

Rio Tinto:

The shareholder proposal was rejected, receiving 19.2% support. This outcome was critical, as the proposal posed a material risk to Rio Tinto’s UK listing and could have triggered tax costs in the mid-single-digit billions of US dollars.



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CASE STUDY

The importance of effective succession plans

Engagement

Governance

Issue

This year saw a surge in CEO departures across European-listed companies, with nearly half of successions unplanned.⁴⁴ Although the rationale for these departures may vary, sudden leadership transitions constitute financially material events that can significantly impact a company’s valuation. CEO succession often draws attention during periods of underperformance. We believe it is equally critical to assess boards’ approach to succession during times of strong performance to ensure leadership continuity and mitigate future transition risks.

Action

In response, we developed an internal framework to assess succession risk, we focused on companies with strong performance during the CEO’s tenure and identified three scenarios where succession planning could be a material issue. We engaged with a number of companies to better understand the board’s approach to management succession. For example, at Waste Management, Thermo Fisher, and American Express, where performance has been robust, we sought insight into how management fosters internal talent pipelines and ensures exposure

to the board and broader business. We also explored whether boards set clear expectations for CEOs and prioritise specific skills and experiences. In other cases, such as Inchcape and Clarkson, succession discussions stemmed from prior engagement on executive remuneration, particularly in cases where the CEO has been central to the delivery of the company’s strategy.

Outcome

As investors we play a role in challenging boards to provide greater transparency and in embedding succession discipline to ensure leadership transitions strengthen strategy, oversight, and trust, given the impact of succession planning on the company’s long-term value. Our engagements have revealed how succession is prioritised, the board’s role in holding management accountable, and how different governance frameworks, namely executive remuneration structures, support this process. Going forward, we will continue to engage with the companies we have identified and using our proprietary methodology, continue to monitor those where succession risk may become more pressing.

Figure 29: Table showing Total Shareholder Return against CEO age and tenure in role

	5-year Total Shareholder Return	Tenure in role	Age
Thermo Fisher	15%	16 years	58
Waste Management	113%	9 years	63
American Express	237%	7 years	67

⁴⁴ Annual report on CEO success planning trends: Korn Ferry

Source: Bloomberg Finance L.P., reproduced with permission, as at December 31, 2025

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CASE STUDY

ESG reporting and management in infrastructure refinancing

Engagement

Governance

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 our 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.

5

Providers and managers

[5.1 Proxy advisers](#)

[5.2 Manager research](#)



Proxy advisers

Aviva Investors subscribes to research from a number of third-party providers, but our main provider of proxy voting and governance research is Glass Lewis. Please see the section on our [approach to voting](#) for more details on how their service meets our needs. Glass Lewis implements our voting policy.

In 2025 we continued to monitor Glass Lewis research and custom policy recommendations. This included regular service meetings with our provider, where we were able to review and challenge the quality and accuracy of outputs, with any material concerns being escalated to Glass Lewis management as appropriate. We keep a record of these instances, which enables us to (1) review whether and the extent to which the issues have been addressed and (2) reflect on this log when conducting more formal reviews.

Finally, we receive regular updates and keep under review any material changes in people, services or operations which occasionally will lead us to seek assurances there will be no impact on the level of service we receive.

Overall, we are satisfied with the service provided by Glass Lewis, including how it responds to the issues we raise. All of the aforementioned is taken into account when reviewing our existing contracts and considering alternative providers.

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Manager research

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There are some areas in which we have less internal expertise. Where this is the case, we may use external managers to improve our exposure in these areas. As at year-end 2025, roughly 4.5% of our total assets under management is allocated to external managers.

Our Manager Research team considers ESG factors across its due diligence, investment analysis and decision-making. While ESG analysis at the fund selection stage is key, ongoing in-depth monitoring of sustainability practices is essential to judge adherence.

Our established ‘7P’ research framework (Figure 30) looks at the following areas: parent, product, people, philosophy, process, positioning, and performance. We examine ESG integration through the lens of each, as demonstrated in the table below. In judging ESG integration, we seek qualitative and quantitative evidence of the application of ESG insights and consider the manager’s implementation of ESG integration relative to their promised approach, sector and peer best practice and industry trends.

One of the key developments over the past year has been to refine and strengthen our research framework. This includes building consistency through new quantitative ‘7P’ pillar scores and the explicit incorporation of standardised ESG sections within the research notes.

We continue to build on our baseline ESG integration framework, designed to hold external managers accountable to an increasingly high standard of ESG integration. This still allows for flexibility while ensuring materiality of ESG factors is well incorporated throughout the manager’s processes.

We use active and regular dialogue with managers to provide robust challenge to approaches and assumptions and encourage enhancements and increased disclosure.

For example, ARGA Investment Management, one of the external managers that we allocate to, engaged on our behalf with Sands China, having identified significant ESG risks for the company following an analysis of Macau’s gaming industry. We communicated our view that social risks, such as problem gambling, regulatory tightening, and potential government intervention, are material considerations for operators in this sector. Engaging on this theme aligns with our stewardship priorities of promoting responsible business practices and mitigating long-term regulatory and social risks. You can read more about this in our case study '[External manager engagement on gambling](#)'.

Should an external strategy fall short of our expectations around ESG integration, we would first look to engage. Should that fail, we would look to exit that position and replace it with a manager with an ESG integration approach that meets or exceeds our baseline requirements.

We have commenced preparations for our 2026 ESG Survey, which aims to gather insights from asset management firms on current issues in sustainability. The survey will focus on identifying emerging trends, opportunities and challenges within the sector. This industry-wide research initiative is intended to support participants in gaining a deeper understanding of the evolving landscape and the direction in which best practice is moving.



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Figure 30: Our '7P' research framework for external managers

Parent	We review and assess the firm-wide commitment to sustainability, including ESG integration, and relevant cross-organisation policies and procedures.
Product	We identify and interpret specific ESG- and/or sustainability-related product objectives and/or constraints.
People	We assess the quality and structure of human capital devoted to ESG integration.
Philosophy	We gauge the manager’s view as to the impact of ESG integration (e.g. to alpha generation and/or risk management).
Process	We seek to understand how ESG insights are integrated into investment decisions. This may include research, model development, portfolio construction and risk management.
Positioning	By analysing the portfolio composition, we seek to ensure alignment with the expectations around ESG integration and stewardship. If applicable, we may examine engagement activity and voting history.
Performance	We assess how ESG integration has contributed to fund performance.

Source: Aviva Investors, as at December 31, 2025.

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CASE STUDY



External manager engagement on gambling



Engagement



People

Issue

ARGA Investment Management, one of the external managers that we allocate to, produced analysis on Macau’s gaming industry that identified significant ESG risks for Sands China, including stricter gambling laws in China, heightened anti-money laundering measures, and the unlikely but material risk of a government shutdown of gambling. This aligned with our view on social risks for this sector.

Action

ARGA engaged on our behalf with Sands China. Through this engagement, ARGA confirmed that Sands is taking proactive steps to address social risks associated with gambling. The company has implemented a comprehensive responsible gaming programme, which includes regular workshops for employees to educate them on identifying and managing gambling-related issues. Sands has also organised roadshows and awareness campaigns across its resorts to promote responsible gaming practices among staff and customers.

These initiatives aim to reduce occurrences of problem gambling and encourage individuals affected by gambling disorders to seek help. In addition, ARGA’s revenue analysis shows that Sands has significantly reduced its reliance on VIP gaming, a segment historically linked to higher regulatory and social risks, with VIP revenue now accounting for only about 10% of total revenue.

This shift demonstrates a strategic effort to mitigate exposure to regulatory attention and enhance the company’s long-term resilience.

Outcome

Combined with broader social and environmental initiatives, these measures strengthen Sands’ ESG profile and mitigate potential impacts from tighter regulations. ARGA continues to monitor Macau’s evolving regulatory landscape and engage with Sands and peers to assess long-term implications.

6

Governance

[6.1 Governance, resource and incentives](#)

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Our governance structures help ensure our approach to sustainability is appropriately co-ordinated and monitored across the business. These structures also help us meet the requirements of the Shareholder Rights Directive II (SRD II) in how we monitor and engage with companies on strategy, financial and non-financial performance, risk, capital structure, social and environmental impact and corporate governance. This includes how we work with other shareholders. There are examples of this in action throughout this document.

Governance of our investment processes

The Aviva Investors boards, including Aviva Investors Holdings Limited (AIHL), Aviva Investors Global Services Limited (AIGSL), Aviva Investors UK Fund Services Limited (AIUKFSL), Aviva Investors Luxembourg (Lux) Supervisory, Aviva Investors Lux Management Company and Aviva Investors Lux SICAV, receive regular reporting on key sustainability risk management metrics throughout the year. These include (as relevant to each board) qualitative commentary on the components of our sustainable investing strategy, the results of sustainability risk assessments, do no significant harm indicators, climate value at risk and carbon intensity figures.

These give the boards oversight of our approach to sustainability risk management and of how we are delivering on our clients’ sustainability preferences. In 2025, the AIHL board also received a deep dive session on ESG Commercial Strategy.

We continue to develop and refine our approach to board reporting to support effective oversight of our stewardship activities, including reviewing metrics to ensure they remain current and refining narrative and rationale to contextualise the sustainability information our boards receive.

The AIHL board oversees our overarching approach to sustainability. Responsibility for executive management of this approach is delegated to the CEO. The CEO is provided with advice and support from the executive team, which includes our chief sustainable investing officer (CSIO).

The CSIO is responsible for: Developing and implementing our sustainability strategy; the oversight and execution of sustainable investing policies; any sustainable investing commitments at a firm or product level; and oversight of alignment to the relevant internal controls environment. Our sustainability strategy director chairs, on behalf of the CSIO, the sustainable investing business oversight committee, which includes representation from across the business. This committee ensures sustainable investing policies and procedures are aligned with firm-wide policies and procedures, and that the business is embedding client preferences in its approach to sustainability.

Working collaboratively with investment desks, the CSIO’s team is responsible for ESG integration and stewardship in public markets, ESG integration and stewardship in private markets, development of sustainable funds, development of sustainability analytics and tools, and sustainability strategy and governance.

Our analysts, regulatory development and client-facing teams monitor ongoing sustainability developments, with any material revisions to policies subject to final approval by the policy owner and, where relevant, by the relevant Aviva Investors boards.

ESG integration controls are embedded in investment processes to ensure ongoing oversight and compliance, which supports the delivery of a strong first-line risk and controls governance framework.



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These controls ensure that:

- We manage strategies in accordance with our baseline exclusions policy.
- Investment processes comply with SFDR rules and guidelines, where applicable.
- We manage processes in accordance with our sustainability approach and sustainability risk policies.
- Suitable protocols are in place, ensuring each strategy applies the relevant screens in accordance with IMA guidelines.
- On the investment platform, portfolio managers have access to ESG scores and analytical tools and refer to and consider them as part of the investment process.
- Investment idea generation and asset allocation assessments consider relevant material ESG factors (these are not binding on the investment manager's decision beyond any specific criteria in the relevant mandate or fund prospectus).
- Investment analysts complete an ESG-specific section on research documentation.
- We regularly review and update key sustainable investing documents and policies.
- Enhanced sustainability engagement programmes are in place for certain issuers and strategies, where relevant.



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We seek to provide our sustainable investing function with the support and materials it needs to carry out its range of activities effectively. This includes providing support for the team to remain current on sustainability developments and trends, including relevant training, and initiatives to encourage the development of diverse teams that work closely with colleagues across the business. This blend of expertise and connectivity helps us deliver on our stewardship priorities.

Resourcing sustainable investing

The Sustainable Investing function at Aviva Investors brings together specialist teams reporting to the chief sustainable investing officer, supporting the delivery of our sustainable investing approach.

The Sustainability Strategy team leads firmwide sustainability strategy, commercialisation of our sustainability capabilities, and institutional governance. The team works closely with our parent company, Aviva, to support delivery of their sustainability ambitions.

The ESG team focuses on ESG integration and stewardship across all asset classes in both public and private markets. It oversees the integration of environmental, social and governance factors into investment processes, drawing on proprietary quantitative tools, bottom up company research and thematic analysis. The team is also responsible for stewardship activity, including proxy voting and engagement with investee companies and borrowers, working closely with investment teams to support collaboration and insight sharing.

Our Sustainable Investments team oversees our sustainable funds, developing and evolving frameworks to respond to changing sustainable market dynamics. The team supports existing funds, develops new sustainability and impact strategies, and advances the measurement and delivery of sustainability outcomes for clients.

Our Sustainability Data and Analytics team provide high quality quantitative insights through robust data management and analytical frameworks.

The function works closely with stakeholders across the business, drawing on collective expertise to enhance processes and support clients’ evolving sustainability objectives.

Training, development and qualifications

We support our colleagues with both external qualifications and internal professional development. This includes courses such as the Chartered Financial Analyst (CFA) UK Certificate in Climate and Investing and the CFA Certificate in Impact Investing. Colleagues from the sustainable investing team attend relevant industry events and conferences, ensuring we are discussing ideas with our peers and keeping up to date with market developments.

Colleagues can also access the Sustainability Academy on the Aviva internal learning platform, Aviva University. This provides an array of courses for all knowledge levels. The sustainable investing function also delivers sessions throughout the year to other colleagues. This includes knowledge-sharing sessions that showcase the function's work and its relevance to clients, for example, highlights from our stewardship activities. The function also organises ad-hoc sessions discussing sustainability issues that may impact our investments.

We provide training sessions to our board members as required to help keep them informed of sustainability regulation including reporting and on how Aviva Investors’ activities are related to our emissions outputs.



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Diversity, equity and inclusion 2025 highlights

Our intention is for Aviva Investors to be for everyone. We want our colleagues to feel they belong, and to reflect our clients and communities. Our commitment to diversity and inclusion is grounded within that of our parent company, Aviva, and we are pleased that this approach has been externally acknowledged; this year we won or were commended for the following industry awards:

As part of Aviva:

- Best Workplace for Women UK, Ireland and Canada 2025 (Great Place To Work)
- Top 30 for Working Families 2025 (Working Families Index)
- Top 50 Employers for Gender Equality 2025 (The Times)
- Ambassador Status (Carers UK)
- Level 3 Carer Confident Employer
- Top 50 Social Mobility Index 2025 (Social Mobility Foundation)
- Investors in Diversity 'GOLD' (Ireland)

As Aviva Investors:

- Top Quartile Diversity Project DEI Index (Diversity Project) 2025
- We Are The City's Rising Star - Winner 'Men for Gender Balance Award'
- Diversity Project (DP) - Winner 'Unsung Hero Award'
- Women in Investment Awards - Winner 'Fund Saleswoman of the year' and highly commended in the 'Unsung Hero category'

Building an inclusive workplace and work-life balance

To be good stewards of our clients' assets we believe we need a diverse team that reflects our clients. We believe an inclusive and productive working environment is created when each individual feels supported in the workplace, free from impediments to their ability to contribute, collaborate and thrive. This belief shapes the strategic approach we take to diversity, equity and inclusion (DEI) initiatives, examples of which are outlined below.

We support our people to pool their expertise through smarter ways of working including through the technology and physical environments that enable teamwork. Our hybrid working model supports employees to work from home and in the office for better collaboration. Flexible working can be discussed for any role, during the hiring process or throughout a colleague's career with us, regardless of level of responsibility or seniority.

We offer equal parental leave to all UK employees up to 12 months leave, of which six months is fully paid, and all employees are also entitled to 35 hours of paid carers leave a year.

Targets, governance and statistics

The AIHL executive committee has set DEI objectives which are tracked by our internal governance processes. Our Aviva executive long-term incentive plans are linked to performance against our DEI targets, reinforcing our commitment to action and drive sustainable change. Our DEI steering committee was established in 2021 and has business sponsors from across the Aviva Investors organisation and reports monthly to the AIHL executive committee on progress.

Early careers

Our Early Careers programmes help create a diverse, engaged, and future-ready population. Aviva Investors offers three programmes: a trainee programme for non-university applicants, internships for penultimate year university students, and a graduate programme. These initiatives build a junior pipeline for our investment and client teams.

We work with Investment 20/20 and UpReach to attract a diverse pool of candidates, focusing on improving socio-economic diversity. Our 12-month trainee programme, in collaboration with Investment 20/20, promotes hiring based on potential rather than academic background. Additionally, we are partnering with two London-based schools to provide students with insights into asset management, encouraging them to apply for our trainee and graduate programmes.

We continue to use strengths-based assessments, training assessors, and to involve multiple assessors in our Early Careers process to mitigate bias and ensure diverse hiring.



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Development and mentorship

For colleagues within Aviva Investors, we have an emerging leaders programme targeted at mid- to senior-level colleagues, helping them to develop into high-potential future leaders through masterclasses, networking and mentoring.

Reverse mentoring allows senior colleagues to gain insights from junior team members or those with different backgrounds. This practice fosters the exchange of knowledge and experiences across all levels of seniority. Launched in October 2024, our programme pairs 14 senior leaders with colleagues from various backgrounds, including different ethnicities, genders, industry entry levels, ages, LGBTQ+ individuals, and those with caring responsibilities.

We are proud to be part of The Diversity Project and participate in the annual Pathway Programme which aims to develop a more diverse investment industry through supporting high-potential women in their career journey and particularly towards portfolio management or trading roles.

Incentives: Goal setting

Aviva Investors has included sustainability factors as part of the pay criteria across the firm, including for its investment desk heads. Through our Global Reward Framework, investment employees are required to support our approach to sustainable investing and integrate sustainability considerations into their investment processes. Sustainability metrics form part of the business scorecard and annual risk attestation.

Our chief investment officer and investment desk heads consider how investment employees demonstrate their role in sustainability processes as part of the determination of performance and pay outcomes. In addition, all colleagues are expected to include a specific sustainability-focused goal in their performance goal setting process. Further guidance has been specifically provided to colleagues and heads of asset classes in equities and fixed income regarding how to embed sustainability objectives across the investment team members’ objectives, and this has since been extended to cover private markets for performance year 2026.

All colleagues are expected to include a specific sustainability-focused goal in their performance goal setting process



Review of sustainability policies

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We have developed a suite of sustainable investing policies to clearly articulate our approach at company, asset class and product level. Our overall approach to sustainability is articulated through this report (see Tier 1 in Figure 31). At a more granular level, we have policies setting out specific aspects of our approach at firm, asset class or fund level. Finally, there is documentation to capture client-specific instructions, where appropriate, such as exclusion requirements.

The sustainability policies sit within a tiered framework ensuring that policies maintain consistent principles and that agreed positions cascade through the business in an efficient manner. These policies refer primarily to the UK and may differ across geographical jurisdictions for other Aviva Investors entities. The chief sustainable investing officer is the ultimate owner of the Aviva Investors sustainability policies and reports listed in this section.

All of our sustainability regulatory policies, risk policies, policy templates and policy frameworks, or changes to any of these documents, are regularly reviewed and approved by individuals with the relevant knowledge and expertise, including colleagues from sustainable investing, legal and compliance, as necessary. Key policies are reviewed on at least an annual basis. Where relevant, the policies are also approved by the relevant Aviva Investors boards (see above for [more information on the boards](#)). Our review process is undertaken internally.

Regular reviews of our policies help us scrutinise the effectiveness of our governance frameworks and facilitate continuous improvement of the articulation and monitoring of our processes. For example, this might include improving clarity around how we communicate our approach to voting or the role of sustainability risk in investment decision making.



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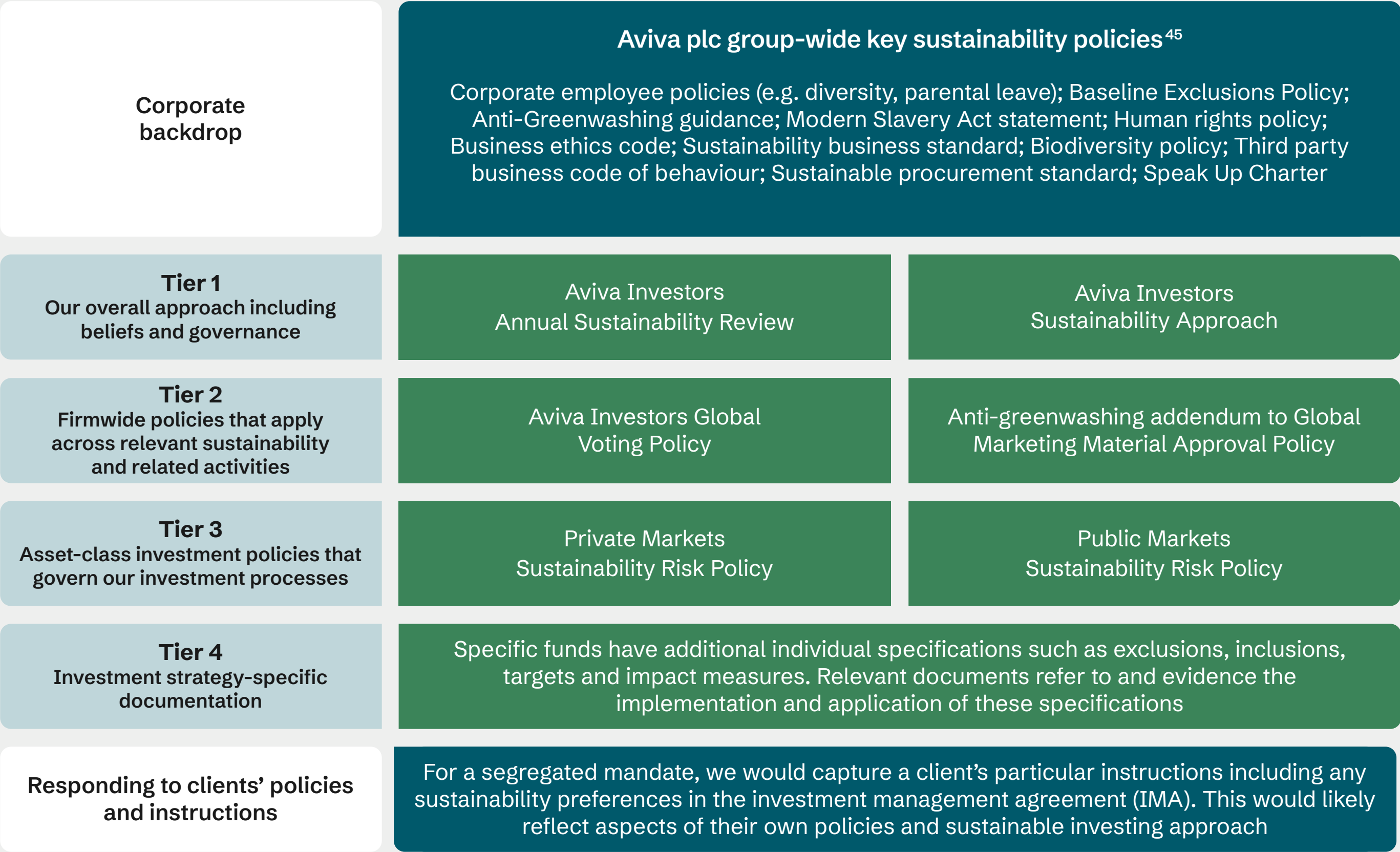
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Figure 31 shows the framework of our sustainability policies and key reports, and how these are related to each other.

Figure 31: Our sustainability policies and key reports framework.



Note: for illustrative purposes only
Source: Aviva Investors, as at December 31, 2025

⁴⁵ Please see here for more information on Aviva's sustainability policies and standards.

Review and assurance

Aviva Investors and the Aviva Group maintain a robust Operational Risk and Control Management (ORCM) framework designed to identify, assess, and mitigate operational risks across all business activities. The framework is embedded within our governance structure and overseen by the board and Executive Risk Committee, ensuring accountability and transparency. We rely upon this framework to provide assurance and oversight of the robustness of our stewardship activities. We explain our risk and controls framework in more detail here and highlight some key points relevant to our stewardship activities.

This year we were satisfied with the validation of the supporting controls provided by our internal audit team and did not seek external assurance. The business continues to work with first and second-line risk colleagues to improve our controls framework.

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The Aviva Investors operational risk and controls management framework

The operational risk and controls management (ORCM) framework encompasses a combination of strategies, policies, culture, governance arrangements, tools and reporting procedures.

All employees are responsible for identifying, measuring, managing, monitoring and reporting on the risks we are, or could be, exposed to while working towards our strategic objectives.

First-line controls are developed and embedded to meet strategic business goals and minimise current and future risk exposure to an acceptable level.

Governance and control (G&C) representatives help support the first line in their risk and control responsibilities by providing ongoing oversight and challenge.

The G&C representatives:

- Are independent from the risk-taking activities in the first line that could compromise their ability to challenge.
- Help the first line identify and deploy control requirements, primarily driven by policies, standards, regulation, procedures and market best practice.
- Ensure that all first line-specific controls are complete, accurate and centrally maintained. ESG-specific controls are driven by and aligned to our overarching approach to ESG integration across connectivity, quantitative tools, qualitative insights, and review and monitoring. Changes in asset-class policies, regulations, or investment processes are assessed for ESG themes, and additional controls are added as needed to keep the ESG controls inventory accurate and complete, supporting the sustainable investing process and the mitigation of greenwashing risks.
- Test the first-line controls frequently to ensure they are operating effectively and as designed.

There is an active two-way engagement between G&C representatives and the first line, providing critical appraisal of the current and future environment

Working alongside the G&C representatives, the direct reports of the chief sustainable investing officer (CSIO) and the chief investment officer (both of whom report to the CEO) are responsible for ensuring that sustainable investing policies and procedures are embedded within their teams and that ESG factors are integrated into the respective investment decision-making processes.

Direct reports of the chief investment officer are the global heads of equities, fixed income, and multi-asset from public markets; the head of infrastructure, head of multi-assets and head of asset management from private markets; and the head of investment specialists covering both public and private markets. The head of ESG for public and private markets reports into the CSIO.

The second line consists of risk and compliance functions (directly reporting to the chief risk officer), which partner with the business to independently challenge, advise and guide the business in the delivery of its strategy and plans, while safeguarding customers and shareholders.

The risk function promotes and monitors the embedding of a strong risk and control culture, supported by robust frameworks and policies.

A key part of our risk and control framework is independent second-line reviews. These assess the design and completeness of key controls and cover thematic areas informed by the risk-based compliance monitoring programme.



Model risk management framework

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The Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) continue to focus on model risk management within financial services firms, especially with artificial intelligence and machine learning. We therefore maintain a firmwide model risk management framework for managing model risk. This framework defines what a model is and provides guidance for the first line to identify where model risk exists across the business.

There is an inventory of models, each supported by documentation outlining principles like purpose, scope, calculations, methodologies, responsibilities, and outputs. The first line owns the model inventory, which is reviewed and challenged annually by the G&C representatives as part of first line’s attestation process.

Aviva Investors uses models to price assets without readily available market prices, calculate capital required for ICARA (Internal Capital Adequacy and Risk Assessment), assess the investment risk inherent in assets, and assist in processes such as asset allocation, portfolio construction and performance attribution.

Within Aviva Investors, a range of sustainability related models and analytical tools are embedded within the investment process. These models support investment decision making by providing structured, repeatable and transparent analysis across environmental, social and governance considerations.

As sustainability related data availability, regulation and market practices continue to evolve, these models and datasets are periodically enhanced and refined to reflect improvements in data quality, methodology and technical capability. Any material changes are subject to appropriate governance, documentation and oversight in line with the firm’s model risk management framework.

Model outputs are used by investment teams to support security level sustainability analysis, enhance risk identification and monitoring, inform portfolio construction and optimisation for specific strategies, and underpin client and regulatory reporting. The models are designed to support investment judgement and do not replace portfolio manager decision-making.

Voting and engagement activities

A dedicated team is responsible for conducting stewardship activities for our clients’ investments; exercising proxy voting rights and engaging with investee assets, borrowers, and companies to help protect long-term shareholder value; and excluding investments depending on clients’ ethical and ESG preferences.

The Aviva Investors [Global Voting Policy](#) is reviewed annually to ensure the policy and supporting statements are complete and accurate and have been formally reviewed and approved. Any changes are assessed to ensure the supporting set of controls remain complete and accurate.

The following controls support our ongoing adherence to the stewardship principles, and ensure that prior to AGMs/ EGMs (Annual General Meetings and Extraordinary General Meetings), proxy voting instructions are generated, recorded, and carried out accurately and in a timely manner:

- Maintaining a record of all resolutions from company meetings and a record of how Aviva Investors voted at each meeting.
- Identifying and logging any potential and upcoming contentious company meetings. These are scrutinised to ensure, where deemed applicable, that Aviva Investors’ views are expressed by exercising our full voting rights. This may mean shares that have been out on loan are recalled.

Our overall approach to voting is covered in more detail in the [Holistic Stewardship](#) section.

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Conflicts of interest

We take our fiduciary duties to clients and beneficiaries very seriously. We apply a consistent and transparent approach to the management of conflicts of interest in accordance with our regulatory obligations. The Aviva Investors Global Conflicts of Interests Policy sets out the principles and standards to identify, manage and record conflicts of interest across all our offices.

Conflicts of interest can arise when we engage with companies and exercise our right to vote in relation to interests held, as these activities can sometimes be inconsistent with the interests of a particular client or company.

In addressing any circumstances in which an actual or potential conflict of interest may arise, we seek to ensure that in providing services or managing products for clients we:

- Always act in the best interest of our clients and put clients’ interests ahead of our own or those of employees.
- Treat all our clients fairly.

We recognise that, in carrying out our day-to-day activities, Aviva Investors and its employees may encounter conflicts (perceived or actual) between the interests of our clients and ours, or between those of one client (or group of clients) and another.

All employees are required to identify and report any personal or corporate conflicts of interest to management and compliance in accordance with our conflicts of interest procedures and to attest periodically that they have disclosed all applicable conflicts of interest. These conflicts are recorded in the global conflicts of interest register, alongside any mitigants designed to manage the conflict. Each conflict is categorised according to the potential risk of client detriment so we have a view of the types of conflicts most prevalent in our business.

The executive responsible for each business area ensures the conflict of interests policy is embedded and compliance measures are maintained. At least annually, they review conflicts and attest to their accuracy and completeness. Our compliance team monitors conflicts of interest according to an annual plan and advises the relevant executive as needed. Policy violations are escalated to compliance and reported to senior management. The Aviva Investors executive risk committee oversees the policy’s operation.

Our principal objectives when considering matters such as engagement and voting are always to act in the interests of our clients and underlying beneficiaries, and to treat all clients and beneficiaries fairly.



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To identify actual or potential conflicts of interest, appropriate consideration must be given to all relevant circumstances, including the following (non-exhaustive) matters:

- Whether the circumstances may result in an unfair advantage, a financial gain, or avoid a financial loss, at the expense of a client,
- Whether there is a financial or other interest in the outcome of a service provided or offered to the client or of a transaction carried out on behalf of the client, which is distinct from the client’s interest in that outcome,
- Whether there is an incentive to favour the interest of a client or group of clients over the interests of another client or group of clients,
- Whether a person connected with the circumstances carries on, or is connected with, the same business as the client,
- Whether an Aviva Investors entity acting as a management company of a collective investment scheme carries out the same activities for another client or group of clients,
- Whether any person will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

We manage conflicts of interest when voting through the following processes:

- Making companies aware of our areas of focus on governance matters by publishing our [Global Voting Policy](#) and any updates to the policy on our website. This enables boards to take our expectations into account without a conflict coming into play, and demonstrates our commitment to a transparent process on behalf of all client funds.
- Being transparent with companies and clients on our voting decisions and the rationale for such decisions.
- Making our voting decisions public on a company-by-company basis so our voting record is transparent and available for external scrutiny.
- When agreed with clients, we will act on their specific voting direction (for their holdings), including the use of independent third-party instructions.
- Voting process and decisions, including incidents of potential conflicts, are subject to review by our internal audit function, and our operational risk framework facilitates ongoing compliance, incorporating documented processes and controls.

Voting shares at Aviva plc meetings

We fully recognise conflicts of interest may arise from the exercise of voting rights over holdings of shares in our parent company Aviva plc.

Our policy in regard to these is as follows:

- Where Aviva Investors is responsible for voting rights over Aviva plc shares within funds managed for Aviva Group clients (for example, Aviva life funds), both as a matter of policy and, as appropriate, pursuant to the provisions of the Companies Act 1985, those voting rights must not be exercised.
- Subject to the point below, where Aviva Investors is responsible for voting rights over Aviva plc shares held or managed on behalf of external clients, given the potential for a conflict of interest, Aviva Investors will exercise no discretion over those voting rights and its default position will, therefore, be to refrain from exercising those voting rights.
- Where external clients choose to, they may instruct Aviva Investors in writing to arrange for the voting rights over their holdings of Aviva plc shares to be exercised in accordance with independent recommendations by external proxy advisers, in line with applicable corporate governance and proxy voting guidelines; where a client wishes to put in place these or any other alternative arrangements, Aviva Investors will seek to accommodate those arrangements.

Voting shares that are also segregated clients

We recognise that a conflict of interest may arise when we are voting at shareholder meetings of issuers which are also segregated clients. In such scenarios, we will exercise no discretion. Instead, voting will be in line with our Global Voting Policy and provided through custom policy research generated by our external proxy advisory provider. If there are any resolutions on which our voting provider has “referred” to us to make a vote decision (note that this will only occur if no specific criteria have been agreed/ particular circumstances relating to the relevant resolution warrant review), then the default position will be to vote in line with our proxy adviser’s benchmark recommendations (for the referred items only).

If a segregated client holds shares in its parent company, for which there is a shareholder meeting, we will endeavour to ask the client to provide us with voting instructions. Our default position if no instructions have been requested or provided is to take no voting action (for that segregated client only).

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Sustainable investing leadership team



Mirza Baig
Chief Sustainable Investing Officer



Candice Thorpe
Head of Sustainable Investing Data and Analytics



Jess Foulds
Director, Sustainability Strategy



Louise Piffaut
Head of ESG



Sam Tripuraneni
Head of Sustainable Investments

Sustainable investing team



Abby Herd
Stewardship Analyst



Agneta Bamania
Sustainable Investments
Director



Alice Fisher
ESG Stewardship
Operations Analyst



Alix Aubry
Corporate Governance
Analyst



Amy Garratt
Sustainability Strategy
Analyst



Andrea Perales Padron
Head of ESG Integration
- Credit



Cedric Olivares-Jirsell
Sustainable Investing Models
and Analytics Lead



Doris Ko
ESG Operations Manager



Duarte Pinheiro Torres
ESG Fixed Income Analyst



Elizabeth Ortiz
Sustainable Investments,
Associate Director



Emma Tott
Executive Assistant to Chief
Sustainable Investing Officer



Eugenie Mathieu
Nature Stewardship Lead



Eva Cinklova
Executive Assistant



Eve Rooney
Senior Analyst



Gen Moller-Butcher
Graduate



Grace Elshafei
Head of ESG Integration
- Equities



Gurpreet Kaur
ESG Analyst



Hetal Kanji
Corporate Governance
Analyst



Jack Huang
ESG Fixed Income
Analyst



Jayraj Rathod
ESG Equity Analyst



Jeremy Ho
Associate Director,
Private Debt

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Sustainable investing team



Joseph Arulefela
ESG Fixed Income Analyst



Josh Downes
Sustainable Investing Analyst



Kiran Sehra
Sustainable Investments Nature Analyst



Louise Wihlborn
Senior Strategist



Luisa Jobson
Sustainable Investment Analyst



Manpreet Sandhu
ESG Fixed Income Analyst



Matthew Lin
Sustainable Investment Analyst



Mikhaila Booth
Sustainability Director, Private Debt



Nathan Leclercq
Head of Corporate Governance



Oliver Morriss
Senior Strategist



Pippa Morgan
Sustainability Strategy Senior Manager



Prince Marapao-Gittings
Sustainable Investment Analyst



Rebecca Marriott
Sustainability Legal and Regulatory Lead



Ria Exworthy
Sustainability Governance Manager



Richard Butters
Head of Stewardship



Riona Bowhay
Associate Director, Private Debt



Thomas Dillon
Head of ESG - Fixed Income



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2025 Awards

Investment Week Sustainable and ESG

Investment Awards

‘Group of the Year for ESG Integration’

For our sovereign fixed income ESG integration approach

2025 Shortlists

Investment Week Sustainable and ESG

Investment Awards

Shortlisted for Best Sustainable Investment Engagement Group Initiative for our CS30 Programme

Insurance Asset Management Awards

Shortlisted for Stewardship Initiative of the Year for our approach to climate stewardship, covering the CS30 programme, NDC engagement, and low-carbon policy roadmap

PRI Awards

Shortlisted for Innovation in Systems Stewardship, highlighting our holistic stewardship approach, NDC engagement, and low-carbon policy roadmap

2025 Recognition

PRI Reporting

Received 5-star ratings in seven out of nine investment modules and 4-star ratings in the remaining two modules in the 2025 Principles for Responsible Investment assessment

ShareAction

In ShareAction's Point of No Returns 2025 report, Aviva Investors rank as number 1 in the UK for sustainability and number 5 globally (out of 76 asset managers reviewed).

2024 Awards

Insurance Asset Risk Awards

‘Social Investing Initiative of the Year’

For the Social Transition Engagement Programme (STEP), joint engagement between ESG and Buy and Maintain analysts, and human rights advocacy

Real Estate Capital Awards

‘Sustainable Financing Deal of the Year - Europe’

For a £57 million sustainable transition loan provided to Urban Logistics REIT plc

Corporate Advisers Awards

‘Best Default ESG Strategy’

For one of our pension strategies



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Disclosure A: Describe your organisation, your investment beliefs, your clients or beneficiaries and how that informs your approach to stewardship.	2.1: Our sustainability approach	18
	2.2: Our client and beneficiary needs	25
	3.1: Our approach to ESG integration	42
	4.1: Our approach to holistic stewardship	67
	5.2: Manager research	117
Disclosure B: Describe how your resources enable effective stewardship.	2.3: Data and analytics	33
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	5.1: Proxy advisers	116
	5.2: Manager research	117
	6.1: Governance, resource and incentives	121
Disclosure C: Describe your stewardship policies and processes, and how you review them.	4.1: Our approach to holistic stewardship	67
	6.1: Governance, resources and incentives	121
Disclosure D: Describe how you manage stewardship-related conflicts of interest to put the best interests of clients and beneficiaries first.	6.3: Conflicts of interest	132
Disclosure E: Describe how you maintain a dialogue with clients and/or beneficiaries.	2.2: Our client and beneficiary needs	25
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Principle 1: Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries.	3.2 - 3.7: Asset classes and ESG integration case studies 4.1: Our approach to holistic stewardship 4.3 - 4.6: Engagement case studies	44-65 67 83-113
Principle 2: Signatories identify and respond to market-wide and systemic risks to promote well-functioning financial markets.	4.1: Our approach to holistic stewardship 4.2: Promoting well-functioning markets 4.3 - 4.6: Engagement case studies	67 82 83-113
Principle 3: Signatories engage to maintain or enhance the value of assets.	4.1: Our approach to holistic stewardship 4.3 - 4.6: Engagement case studies	67 83-113
Principle 4: Signatories actively exercise their rights and responsibilities.	3.2 - 3.7: ESG integration case studies 4.1: Our approach to holistic stewardship 4.3 - 4.6: Engagement case studies	44-65 67 83-113
Principle 5: Signatories integrate stewardship considerations into their selection and oversight of external managers.	5.2: Manager research	117
Principle 6: Signatories monitor and hold to account stewardship service providers.	5.1: Proxy advisers	116



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Climate metrics

Climate metrics are more uncertain than historical financial information given the wider uncertainty around the evolution and impact of climate change. Climate metrics include estimates of historical emissions and historical climate change; forward-looking climate metrics (such as ambitions, targets, climate scenarios and climate projections and forecasts); and metrics used to assess climate-related risks and opportunities in funds/investment strategies. Our understanding of climate change effects, data metrics and methodologies and its impact 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. Challenges remain including: methodologies for estimating and calculating greenhouse gas emissions or emissions intensities and other climate metrics vary widely; calculating climate metrics is a complex exercise and requires making extensive judgements and assumptions; and there are challenges with obtaining complete, standardised, accurate, verifiable, reliable, consistent and comparable climate-related data.

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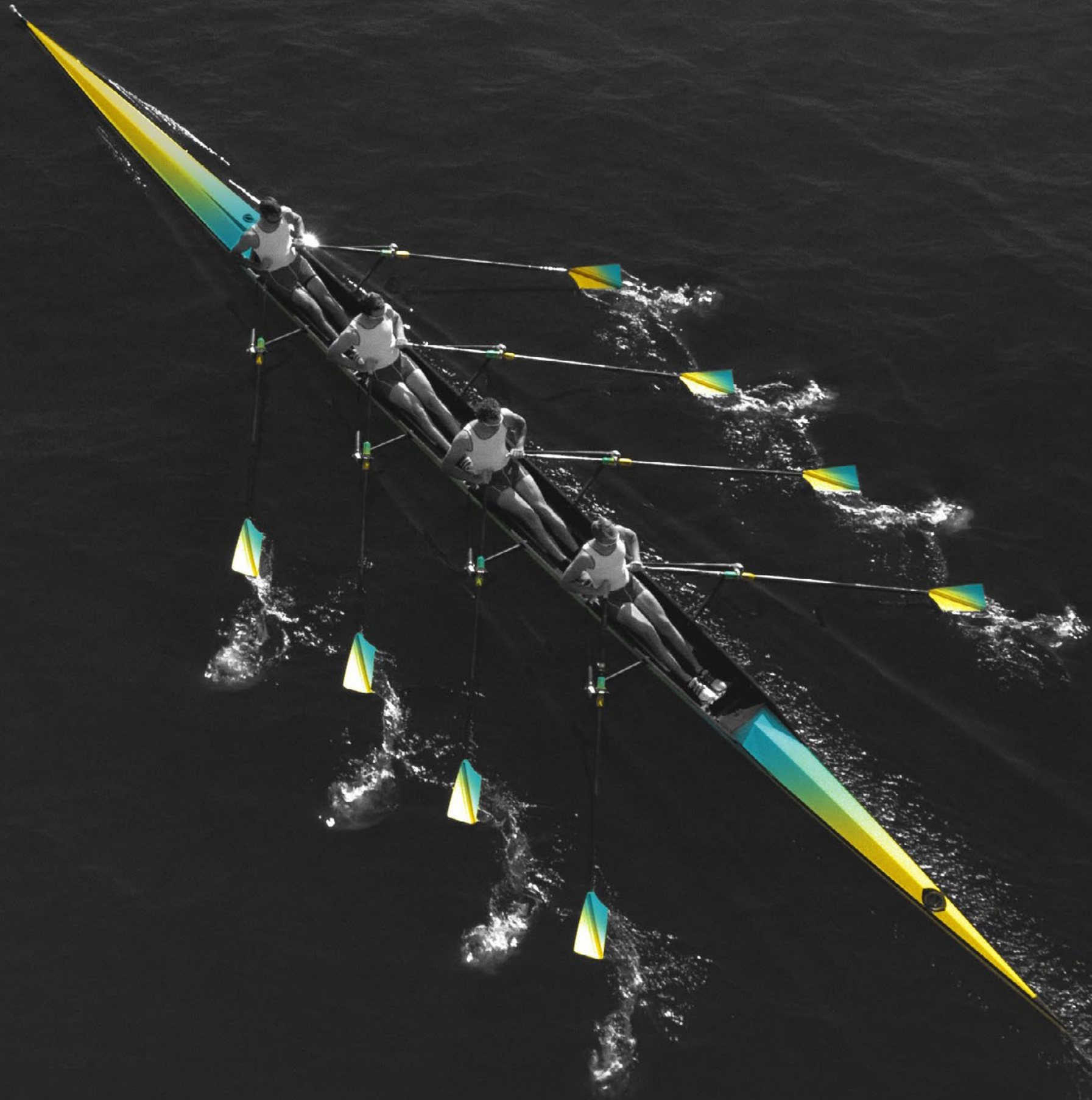
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