



Aviva Stewardship

Report covering Aviva's Stewardship
Fund Range over the 12 months to
end of March 2022

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Foreword

Last year I wrote that “The global pandemic...had exposed the vulnerabilities of our globalised economies and societies and that no country or sector is unaffected by the challenges we face”. Twelve months on and that statement still holds very true but based off very different circumstances. The Russian Invasion of Ukraine, rising oil prices, steepening inflation have once more exposed the fundamental inequalities of our societies, whilst the ever increasing urgency to act on climate change is only becoming more pronounced.

At Aviva Investors we believe it is our duty to act on behalf of all of our clients to address these issues. Our flagship stewardship fund range distills that sense of responsibility into investment action. We invest in companies we believe understand their purpose and position within a global economy.

By investing responsibly, including engaging directly with companies and with governments and regulators, we strive to achieve inclusive economic growth, environmental protection and social development. We aim to deliver profit and purpose to customers who want their savings or pensions to be invested in businesses that contribute positively to the world around them.

Aviva Investors are proud to have led the development of the International Panel for Climate Finance (IPCF), a multi-stakeholder coalition of 40 businesses- including the ICAEW- that advocates for the creation of a platform to operationalise, facilitate and track global progress against the objectives of the Paris Climate Agreement. We called on the COP26 gathering to change how global finance is structured, publishing a white paper on sustainable finance proposals for the G7 and G20 on “harnessing the international financial architecture to deliver a smooth and just transition”.

We welcome the corporate and governmental developments and pledges made at COP26 in Glasgow, but we firmly believe that the global collective focus must quickly turn to delivery. We have taken decisive action in the Stewardship funds to strengthen our fossil fuel avoidance strategy in our investment approach to avoid exposure to the most carbon intensive sectors. We have also reiterated our expectation for all companies we hold to develop and formally validate science-based emission reduction targets in line with the Science-Based Targets Initiative (“SBTI”) criteria and provide annual public disclosure to the CDP Climate Change questionnaire.

We have also witnessed mass global displacement and humanitarian disasters unfold in the past 12 months, as a result of the US withdrawal from Afghanistan and the Russian invasion of Ukraine. These domestic and global crises often disproportionately impact women, children, low-income and underrepresented groups. We believe that businesses have to play an increasingly critical role in contributing to social welfare of society, including protecting human rights, the empowerment of underrepresented groups and provision of equal opportunities. We have outlined our expectations for companies to implement robust human rights due diligence and are engaging with companies to advocate for inclusive cultures and diverse workforces.

We hold ourselves to account. We are proud that Aviva was the first insurance company in the world to commit to becoming Net Zero by 2040, signalled by our commitment to set climate targets validated by the Science-Based Target Initiative. We also strive to be a leader in the FTSE 100 on diversity, being one of the first movers to publish an ethnicity pay gap in 2021 and have both the CEO-CFO positions held by women.

But this is in our DNA. We continue to build on our legacy of responsible investing, the foundations of which were started in 1994 with our first voting policy and in 2006 as a founding signatory of the UN Principles for Responsible Investment (PRI). We seek to innovate and drive the development of responsible investment today and welcome the increase in regulatory scrutiny-from TCFD to SFDR and the EU’s green and social taxonomies- to start to decipher the ESG Alphabet soup.

Against the backdrop of the pandemic to the seemingly inevitable recession we find ourselves at a critical juncture. The stewardship funds by nature are about companies that we believe are good long-term investments, understanding the need to adapt and develop as our societies and economies will need to respond to the various challenges of climate change, economic and geopolitical uncertainty. These funds are resilient and are clear in their purpose, that is why we are optimistic they will continue to meet the needs of our clients.



Mirza Baig
Global Head of ESG Investments
Aviva Investors

For more information about our activities as a responsible investor, please see our *7th Annual Responsible Investment Review*: [avivainvestors.com/content/dam/aviva-investors/main/assets/about/responsible-investing/downloads/responsible-investment-annual-review-2021.pdf](https://www.avivainvestors.com/content/dam/aviva-investors/main/assets/about/responsible-investing/downloads/responsible-investment-annual-review-2021.pdf)

Executive Summary

<p>Aviva Investors has managed the Stewardship Funds since April 2018</p>	<p>April 2022 marked four years since Aviva Investors, our dedicated asset manager, took on the responsibility for the Stewardship Funds – the Stewardship UK Equity, Stewardship UK Equity Income, Stewardship International Equity, Stewardship Bond and Stewardship Managed Funds</p>
<p>Aviva Investors and Stewardship have a strong track record as responsible investors</p>	<p>Both Aviva Investors and the Stewardship Funds share a 40-year track record as responsible investors. Aviva Investors has a dedicated team of more than 30 ESG analysts whose job it is to work with the fund managers and share their knowledge, expertise and research. See the Appendix for more details about the team.</p>
<p>Sustainable Outcomes Team – Earth, Climate and People</p>	<p>As well as benefiting from the support and research produced by the wider ESG team at Aviva Investors, the thematic research and support available to the Stewardship Funds is made possible by the Sustainable Outcomes Team, which covers the three pillars of the Stewardship approach; Earth, Climate and People.</p>
<p>Stewardship excludes harmful businesses</p>	<p>Stewardship recognises that businesses can have a positive impact overall, but that they – along with their products and services – can also cause harm to the world and its people. Stewardship screens out such companies and industries from its investment universe.</p>
<p>Stewardship supports companies that make a positive contribution through investment</p>	<p>As well as excluding businesses, Stewardship also invests in and therefore supports those businesses that contribute positively to the world around us.</p>
<p>Stewardship engages and votes to encourage positive change</p>	<p>Stewardship engagement has been focused on environmental issues, including climate change and plastic pollution, as well as social issues, namely human rights, diversity and inclusion.</p>
<p>Stewardship default lifestyle launched in July 2019</p>	<p>Wanting to help customers contribute to a better world while saving for retirement, Aviva launched the Stewardship Lifestyle Strategy in July 2019. The default uses the Stewardship International Equity, the Stewardship Managed and the Stewardship Bond Funds. See page 26 for more details about the default and the Appendix for more details about the funds.</p>

Please note that Aviva Investors took on the management of the Stewardship Funds in April 2018. The funds were launched by Friends Provident, which is now part of Aviva following the merger between Aviva and Friends Life (formerly Friends Provident) in April 2015.

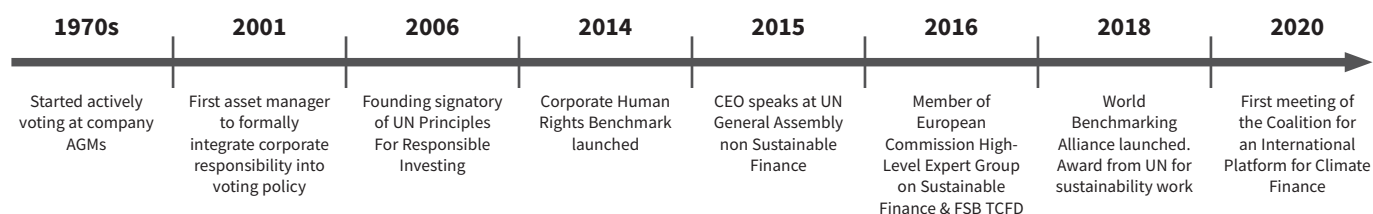
Aviva's history as a responsible business

With you today, for a better tomorrow

Responsible investment and caring for the world around us is in our DNA at Aviva. As the chart below shows, we've been doing this for a long time whether that be as an investor, as a major insurer or as an employer. Our achievements in this space, which are shown below, reflect our commitment to investing responsibly. Helping create a better world for our customers, our families and communities in the UK and around the world is part of our lifeblood, part of Aviva's history and something that we believe should be part of our future.

Our responsible investment journey took another exciting step in March 2021 when we unveiled our goal to be a net zero carbon business by 2040. This was a first for a major insurance business and we've taken steps across the business and across our investment over the past 12 months to put us in a good place to get closer to this target. Encouraging better business practices through shared ownership and engagement, to achieve positive outcomes, is an essential part of the Stewardship philosophy as shown later in this report.

Five decades at the forefront



Source: Aviva Investors, end December 2021. The name "Aviva Investors" as used in this material refers to the global organisation of affiliated asset management businesses operating under the Aviva Investors name.

While we are working towards our Net Zero by 2040 ambition, we acknowledge that we have relationships with businesses and existing assets that may be associated with significant emissions. More information can be found at [aviva.com/sustainability/climate](https://www.aviva.com/sustainability/climate)

Stewardship

A proud Heritage as UK's first ethical fund

Launched in 1984, the Stewardship UK Equity Fund was the UK's first social and environmentally screened fund.

The Stewardship Investment approach has three guiding sustainability principles

1. Avoid companies that do not meet certain ethical standards, or that harm society or the environment.
2. Support companies that make a positive contribution through investment.
3. Encourage leading business practices.

There are five Stewardship funds covering the key asset classes

Customers can access UK equities via the Stewardship UK Equity Fund and the Stewardship UK Equity Income Fund. The Stewardship International Equity Fund provides exposure to international equities and the Stewardship Bond Fund to fixed income. The Stewardship Managed Fund is a multi-asset fund that predominantly invests in equities with an allocation to fixed income.

Stewardship benefits from a dedicated ESG team

Aviva Investors and Stewardship have a long history of engaging with companies to help them become more aware of the risks they face and to encourage positive change. An experienced fund management team sits with a well-resourced team of more than 30 dedicated investment professionals. The Sustainable Outcomes team ensures the three pillars of the Stewardship approach - Earth, Climate and People - are fully reflected across the Stewardship Funds. See the Appendix for more detail on the team.

Stewardship Layer 1 - Stewardship Suitability

Stewardship takes a two-tiered approach to assessing suitability to determine exclusion or inclusion:

Exclusion - Negative Screening

Some industries, activities or behaviours are unacceptable to Stewardship and are excluded through the fundamental screens. We apply a consistent set of hard exclusions across the funds based on certain ethical, social and environmental criteria and company controversies. This ensures firms that are held in the Stewardship Funds meet a minimum sustainable baseline. Details of the exact exclusions are shown on pages 8 and 9 of this report:

Inclusion- Positive Screening

Many companies could pass the negative screening criteria, however passing the hard exclusions does not automatically mean a company is suitable for inclusion in the Stewardship Funds. To qualify for inclusion in Stewardship, a company must be deemed a responsible business.

When a company is proposed for inclusion, a customised sustainability deep dive is carried out by our Sustainable Outcomes specialists through an assessment to ascertain whether a company is suitable for investment.

Companies are assessed based on the quality of sustainability policies, practices, performance and disclosures within their operations, as well as the contribution of their product and services to alleviate environmental and social issues.

Companies are encouraged to have, as a minimum, strong sustainability policies and systems. Companies should report publicly on sustainability policies and their performance against them, using quantified metrics and timebound targets. In this manner, the Funds seek to ensure a basic standard of sustainability practice across the world and industries, and to encourage continual improvement in performance.

Layer 1: Exclusions

The tables below show the ethical & social exclusions and the environmental exclusions which apply to the Stewardship Funds.

Ethical & Social Exclusions

Issue	Negative screening criteria
Adult entertainment, pornography and violence	<ul style="list-style-type: none"> • >10% of turnover from adult entertainment or pornography. • >10% of turnover from violent video games. • Any involvement in the manufacture of guns.
Alcohol	<ul style="list-style-type: none"> • >10% of turnover from the manufacture of alcoholic products. • >25% of turnover from the distribution or sale of alcohol products (e.g. retail, hotels, restaurants and leisure industries).
Animal welfare – animal testing	<ul style="list-style-type: none"> • Any involvement in the development and manufacture of non-medical related products (such as cosmetics, personal care, household cleaning products) where this has involved animal testing and where the company does not disclose an animal testing policy or statement. • Any involvement in providing animal testing services and where the company either does not disclose an animal testing policy or statement.
Animal welfare – fur	<ul style="list-style-type: none"> • Any involvement in production or design of fur pelt, raw materials and products containing fur or fur trim. It also includes companies that hunt, raise, trap animals for their fur.
Endangered species	<ul style="list-style-type: none"> • Involvement in the retail of threatened species, or components thereof, with insufficient action to prevent it.
Gambling	<ul style="list-style-type: none"> • >10% of turnover from gambling related activities.
Genetic Modification	<ul style="list-style-type: none"> • Companies that genetically modify plants (e.g. seeds, crops) and other organisms intended for agricultural use or human consumption.
Labour standards, human rights and Health & Safety controversies	<ul style="list-style-type: none"> • Companies that are the subject of severe controversies related to health & safety breaches or systematic failure to protect human rights and labour standards, with no evidence of serious or lasting remedial action.
Military – weapons and weapon systems	<ul style="list-style-type: none"> • Any involvement in the manufacture of whole weapons systems, components or support systems (including conventional, Biological-Chemical, cluster munitions, depleted uranium and nuclear weapons).
Tobacco	<ul style="list-style-type: none"> • Any involvement in the manufacture of tobacco related products. • >25% of turnover from distribution or sale of tobacco related products (e.g. retailers).

Environmental Exclusions

Issue	Negative screening criteria
Chemicals	<ul style="list-style-type: none"> Any involvement in production of chemicals restricted by the following international agreements: the Stockholm Convention, Montreal Protocol and OSPAR Priority List. This includes persistent organic pollutants, PCBs and CFCs.
Aviation	<ul style="list-style-type: none"> >10% of turnover from aviation related activities i.e. airlines, airport operators and aircraft manufacturers.
Thermal Coal	<ul style="list-style-type: none"> Any revenue from thermal coal mining or thermal coal-fired power generation. Any thermal coal reserves.
Oil & Gas	<ul style="list-style-type: none"> Any revenue from Arctic oil and/or gas production (onshore and offshore). The definition of “Arctic” is geographical and includes production activities north of the 66.5 latitude. Equal to or more than 10% of revenue from conventional oil and/or gas extraction and production*. Equal to or more than 15% of revenue from natural gas electricity generation**. Any revenue from unconventional oil and/or gas production (including oil sands, oil shale, tar sands, shale oil, shale gas, tight gas, coal bed methane, coal seam gas). Equal to or more than 10% of revenue from liquid fuels* power generation. Any unconventional oil and/or gas reserves (including shale gas, shale oil, oil shale, oil sands, tar sands, tight gas, coal bed methane and coal seam gas). Equal to or more than 1000mmboe (millions of barrels of oil equivalent) of oil and/or gas reserves. Equal to or more than 75% of revenue from oil and/or gas value chain activities, including distribution and retail, equipment and services, petrochemicals, pipelines and transportation, refining, and trading***. Equal to or more than 25% of revenue from oil operations, including pipelines.
Nuclear power generation	<ul style="list-style-type: none"> >10% of turnover from nuclear power activities. Any company deriving revenues from the mining of uranium.
Pollution	<ul style="list-style-type: none"> Companies that are the subject of severe controversies related to environmental pollution, with no evidence of serious or lasting remedial action.

*From 2025, we intend to reduce the threshold by 1% a year to 0% by 2035.

**From 2025, we intend to reduce the threshold by 1% a year to 0% by 2040.

***From 2025, we intend to reduce the threshold by 5% a year to 0% by 2040.




Stewardship Layer 2 - Engagement

Layer 2 is primarily related to the engagement programmes for companies in the Stewardship Funds. We engage with companies to encourage them to enact the best possible sustainability practices.

This has a number of components:

- 1 Aviva Investors Annual Chair Letter -**
on an annual basis, Aviva Investors outlines a set of sustainability priorities that we expect companies to take into consideration. These are articulated in our annual letters to company chairs. The core elements of our expectations of our 'People', 'Climate' and 'Earth' Pillars outlined in the Chair letter are accompanied by Aviva Investors' Sustainable Outcomes Programmes.
- 2 Stewardship Thematic engagement -**
we initiate targeted thematic programmes on specific issues to encourage companies the Funds invest in to improve practices where they fall short of our expectations or to push the boundaries of best practice in a specific area. These themes continued to be **diversity and inclusion - advocating for inclusive cultures and diverse workforces** - and **plastics - supporting the circular economy**.
- 3 Reactive engagement -**
we may engage in response to controversies and issues on sustainability issues.
- 4 Collaborative Initiatives -**
we exert our collective influence with other stakeholders and encourage companies to participate in market-leading collaborative initiatives.

The four layers of engagement are shown below.

<p>1 Chair letter</p>	 Climate,  People,  Earth
<p>2 Thematic Engagement programme</p>	<p>We engage with companies in the Stewardship Funds on specific topics to encourage companies to improve their practices where they fall short of our expectations or to push the boundaries of best practice in a specific area.</p> <p>We have engaged on diversity and plastics.</p>  1. Diversity - advocating for inclusive cultures and diverse workforces.  2. Plastics - supporting the circular economy.
<p>3 Reactive Engagement</p>	
<p>4 Collaborative Engagement</p>	

Aviva Investors' Sustainable Outcomes Engagement Programme



Issue

We recognise that urgent action from governments and businesses is needed to meet the 1.5°C goal of the Paris agreement. This was clear from the IPCC's (Intergovernmental Panel on Climate Change) Sixth Assessment report calling for net global emissions to decline by about 45% from 2010 levels by 2030.

Action

We wrote to a broad set of companies across the Stewardship Fund Franchise including Spanish banking group Santander, telecommunications group Comcast and British packaging company DS Smith, outlining our expectations for companies to deliver on Net Zero targets. We requested that they develop and formally validate science-based emission reduction targets in line with the Science-Based Targets Initiative ("SBTi") criteria, provide annual public disclosure to the CDP Climate Change questionnaire.

We will continue to engage on climate change with the companies that we invest in.

Outcome

Comcast responded to our letter, signposting their intention to begin work with the SBT Initiative to set additional targets and improve their CDP score. Santander outlined their existing climate commitments and additionally confirmed the intention to set additional decarbonisation targets, based on emissions metrics for portfolios of the oil & gas, coal related mining and transport sectors. DS Smith reaffirmed that their carbon reduction strategy was validated by the Science Based Target Initiative to be 1.5C aligned.



Issue

Since 1970, there has been an average fall in global wildlife populations of 68 per cent, mostly due to human-driven habitat loss, pollution and climate change. This is of serious concern as ecosystem services provided by the natural world underpin our economies and societies and will increasingly become an important driver of company valuations. More than half of global GDP – around \$44 trillion - is reliant on biodiversity and our ecosystems.

Action

We wrote to a number of companies across the Stewardship Fund Franchise, outlining our expectations for companies to carry out an assessment of their biodiversity impacts and dependencies. Severn Trent was among the companies we reached out to and we requested that Severn Trent set SMART targets to reduce their key biodiversity impacts, taking into account emerging best-practice guidance frameworks, such as the Science Based Target Network (SBTN) for Nature, the Task Force on Nature-related Financial Disclosures (TNFD) as well as the conclusions of the CBD COP process.

Outcome

Severn Trent shared with us details of their forthcoming "Net River Positive" pledges, which aims to improve river quality by 2030. This includes reducing storm surge overflows and supporting other stakeholders to reduce negative impact on rivers, creating habitats for local wildlife and increasing transparency to consumers on river water quality. The company also highlighted that it was currently in the process of drafting their annual sustainability report, which will detail progress against their biodiversity commitments, and committed to reviewing the SBTN guidance once released.

Our view on Severn Trent as leaders within the sector is reinforced by the annual Environmental Performance Assessment conducted by the Environment Agency (EA), which has consistently awarded Severn Trent the maximum four stars. However, UK water quality will remain a key theme of micro engagement for us, as a sector currently underserving their customers and posing a risk to human and environmental health.



Human Rights

Issue

The impact that companies have on people has rightly gained more attention over the last two years, particularly with respect to the treatment of workers during the COVID-19 pandemic and businesses' responsibilities towards creating a fairer and more inclusive society. We believe that all social programmes need to be built upon the principle of do no harm and the responsibility to respect internationally agreed human rights, as enshrined in the United Nations Guiding Principles on Business and Human Rights.

Action

We reached out to several companies across the Stewardship Fund Franchise including Home Depot, Unilever and SSE on human rights, outlining our expectations for companies to implement a robust human rights due diligence approach and to commit to paying workers a living wage. We requested evidence of progress on assessing human rights risks and impacts, and on integrating and acting on assessments to prevent, mitigate or remediate salient human rights issues.

Outcome

We consider Unilever a leader on social issues and believe they are making good progress on our asks to establish clear human rights due diligence processes. We met with Unilever to discuss the challenges to this process and further improvements to their process and were pleased by their commitment to improve the quality and depth of their disclosures of their human rights due diligence. SSE formally responded to our letter, indicating they are currently enhancing their human rights governance approach, which will be detailed through their Modern Slavery disclosures in Q4 2022.

Human rights will remain a point for continued dialogue across the companies we invest in.

Stewardship Thematic Engagement Programme



Diversity

Encouraging Japanese companies to meet our expectations on board gender diversity

Issue

We believe that diverse and inclusive workplace cultures are more likely to achieve better outcomes and generate long-term sustainable value creation. We also believe that businesses are playing an increasingly critical role in contributing to the social welfare of society, including the empowerment of underrepresented groups and provision of equal opportunities. The Stewardship Funds seek to invest in companies that demonstrate a commitment to improving diversity and inclusion across all levels of the business.

Action

We wrote to Nintendo Ltd, Murata Manufacturing and Taiwan Semiconductor Manufacturing among other companies, which are held in the Stewardship International Equity Fund, expressing our concern at the lack of female representation at board and senior management. We requested that they set clear timebound targets to increase diversity on the board and to establish an associated action plan to deliver on board gender diversity ambitions.

Outcome

Nintendo responded to our letter, acknowledging that it can do more to improve diversity and inclusion. We applaud the company's formalised policy on women's careers and specific targets around the Act on Promotion of Women's Participation and Advancement in the Workplace. However, despite the importance placed on the issue, we remain concerned by the poor female representation in senior management. Murata Manufacturing's and Taiwan Semiconductor Manufacturing's responses reassured us that gender diversity is an important issue for them. It was particularly encouraging to see targets with set timelines aimed to increase female representation in managerial and technical positions in Murata's CSR strategy. However, we are continuing to reiterate that we consider meaningful representation as having a third of female directors on the board and we have been voting against companies where these expectations are not met.



Encouraging UK companies to adopt best practice diversity disclosures

Issue

As mentioned above, we believe diverse and inclusive workplace cultures are more likely to achieve better outcomes and generate long-term sustainable value creation.

Action

We wrote to Tesco, DS Smith, Marshalls and Bellway among other companies in the Stewardship UK Equity and Stewardship UK Equity Income Fund, urging them to consider adopting best practice diversity disclosures. This included two specific requests; disclosure to the Workforce Disclosure Initiative and an Ethnicity Pay Gap report, detailing the plans in place to promote greater diversity and inclusion.

Outcome

Tesco, DS Smith, Marshalls acknowledged our letter and provided a detailed and formal response. We are pleased to see that the companies have programmes and initiatives in place to encourage employees to disclose workforce diversity data. We believe this is crucial for conducting meaningful analysis on pay disparities between gender and ethnic groups. The companies reaffirmed their commitment to disclose to the Workforce Disclosure Initiative and we commend their ongoing transparency. Bellway acknowledged our letter and reiterated the importance of diversity and inclusion as a business issue and committing to considering our asks within their development of a roadmap to achieving best practice in this area. We look forward to further engaging on this issue with the UK companies we hold across the Stewardship Franchise.



Encouraging consumer companies to adopt best practice plastic-related targets and reporting

Issue

The rapid growth in global plastic production from fossil fuel feedstock, single-use plastic products and packaging, and mismanagement of post-consumer plastic waste disposal has resulted in a global plastic crisis. Widespread pollution of natural ecosystems from plastics and microplastics is a threat to biodiversity and human health. The level of greenhouse gas emissions associated with the production, use and disposal of conventional fossil fuel-based plastics is forecast to grow to 19 per cent of the global carbon budget by 2040, with global production of primary plastic forecast to reach 34 billion tonnes by 2050.

We believe that businesses are playing an increasingly critical role in tackling the global plastic crisis by employing a circular plastic model within their businesses. Such efforts would also reduce companies' exposure to the rising regulatory risk stemming from reliance on virgin plastics, for instance regulation around Extended Producer Responsibility. A transition to more sustainable packaging would also align global products with shifting consumer preferences towards environmentally friendly offerings.

Action

We continue to engage with companies in the franchise which have significant exposure to packaging waste, including Burberry and Science in Sport. We have requested one-one meetings with the companies we invest in within this sector and have outlined our expectations for companies to align to the Ellen MacArthur Foundation. We requested that companies demonstrate a commitment to the three actions in the New Plastics Economy Global Commitment. These are to:

- 1. Eliminate all problematic and unnecessary plastic items**
- 2. Innovate to ensure that the plastics we do need are reusable, recyclable, or compostable.**
- 3. Circulate all the plastic items we use to keep them in the economy and out of the environment**

Outcome

We maintain ongoing engagement with Burberry and Science in Sport (SiS) on plastic packaging. We met with Burberry following its recent withdrawal from the Ellen MacArthur Foundation Global Plastics Commitment at the end of the 2021 reporting cycle to raise our concern at the departure. Burberry stated this was a shift toward a more industry specific approach through the Fashion Pact, which they believe has more stringent and specific targets on recycled content and elimination of single-use plastics. Whilst we support a more industry specific approach, we note it lacks a target to reduce their total weight of plastic packaging and/or virgin plastic in packaging in absolute terms, which is a mandatory target under the EMF Global Commitment as of 2021.

We also met with SiS, who have demonstrated a commitment to transition product packaging to recyclable materials since 2020, with 100% of products now being packaged in recyclable plastic. Whilst SiS have an innovative internal sachet recycling scheme in partnership with ENVAL, we discussed the challenges they have experienced in the uptake of this scheme by consumers. The company shared plans to increase communication with customers to promote a greater uptake. We also outlined our concerns that all of SiS packaging is from virgin plastic, encouraging the company to work with suppliers to pursue alternative options.

We intend to continue to engage with Burberry and SiS to seek further reassurance and ensure their approach is aligned to best practice.

Reactive



Burberry- Animal Testing

Issue

Burberry has a strategic partnership with Coty, which develops, manufactures and distributes the full range of Burberry Beauty products globally. Whilst Coty does not conduct or commission animal testing on products or ingredients and require that suppliers respect EU regulation banning animal testing on cosmetics, it has exposure to regulatory animal testing when the products are sold in China. Mandatory animal testing of product samples by state authorised bodies has historically been a requirement for products to be registered for import and sale in the Chinese market.

Action

We met with Burberry regarding Coty's efforts to engage with regulators on mandatory animal testing of products. Whilst the company cannot control the process (aside from withdrawing from the country), we expect the company to employ mitigation by either directly or indirectly engaging with or encouraging regulators to adopt alternative methods to animal based non-medical testing.

Outcome

Burberry shared many considerations on their strategy to transition the portfolio away from animal models and highlighted their collaborative relationship with Coty. The company outlined Coty's legacy of lobbying for the end to animal testing and in-house developments of alternatives, highlighting its collaborative approach to partner with local initiatives and trade associations in China to amplify industry voice on the issue. We also discussed the recent change in regulation in China in May 2021 that ended the requirement of mandatory testing on "ordinary products", including the majority of cosmetics. We intend to continue dialogue with Burberry to monitor their progress on transitioning the registration of products in China to alternative testing methods.

Failed Engagement

When engaging with a company Aviva Investors establishes what we deem to be sufficient improvements to remain invested when we engage with a company. We typically allow a time period of three years to see improved performance but there can be instances where companies fail to respond adequately, and we then divest the fund's position in that company.



B&M- Divestment

Issue

We have maintained multi-year engagement with B&M. While the company has made some improvements since our initial dialogue in 2019, particularly on labour relations, we have seen slow overall progress across ESG themes. We engaged again with B&M in early 2021, communicating our expectations for the company to exhibit greater commitment to sustainability as part of its growth strategy; specifically, to set science-based targets, establish a sustainability team and improve supply chain mapping and disclosure. These requests were part of an escalation strategy.

Action

We met with B&M's CEO in November to assess progress and reiterate our requests. B&M said it intends to disclose absolute carbon emissions targets in Q2 2022; and the targets will be SBTi accredited.

Outcome

We commend this step by B&M; however, we were not sufficiently reassured there is momentum behind forming a sustainability team nor improving the company's supply chain mapping, both important signs of ESG integration at the corporate level. While we appreciate B&M's responsiveness to our concerns on emission, we divested from B&M across the Stewardship Fund Franchise due to the lack of adequate progress.

Collaborative Engagement



30% Club- Addressing Race Inequality

Issue

We are a member of the 30% Club Investor Group, which published a Race Equity Statement in March 2022, on the lack of ethnic and racial diversity in UK businesses. We acknowledge the existence of inequities and discrimination with respect to a number of factors including, but not limited to gender, race, sexual orientation, age, disability, religion, culture and socio-economic status. In particular, we recognise the existence of systemic discrimination and its impacts on racial and ethnic minorities globally and the role businesses play in ensuring the persistent race inequities in business and our society are addressed.

Action

We joined forces with 40 other investors in the 30% Club Investor Group representing £11.7trn AUM, to support the groups Race Equity Statement. This statement called on companies for more transparency with racial diversity data on a par with gender diversity, as well as detailed plans on how to increase racial diversity in the workforce. We signed letters to DS Smith, Smurfit Kappa and Vodafone as FTSE 100 companies yet to meet the Parker Review, calling on them to meet the conclusions put forward in the Parker Review in 2017. The review recommended that each FTSE 100 Board should have 'at least one director of colour by 2021' and that nomination committees of all FTSE 100 companies should require their human resources teams or search firms (as applicable) to identify and present qualified people of colour to be considered for Board appointment when vacancies occur.

Outcome

DS Smith and Smurfit Kappa formally responded to the letter and confirmed either current or future appointments to their respective boards, that meet the Parker Review recommendations. Vodafone also formally responded, confirming it was in the advance stages of recruiting a minority ethnic director.



Investor Alliance for Human Rights - Progress needed on respecting digital rights

Issue

The impact companies have on human rights, including digital rights, often referred to as human rights in online environments. We fundamentally believe telecommunications companies and digital platforms should have robust and systematic human rights processes throughout their operations and value chains. This includes users' rights to freedom of expression, information and privacy. We are strong supporters of the Ranking Digital Rights (RDR) index, a benchmark that evaluates and ranks digital platforms and telecommunications companies on their disclosed policies and practices affecting users' rights to freedom of expression, information and privacy.

Action

We joined forces with 77 other investors representing USD 5.9 trillion in assets under management. The initiative has been coordinated by the Investor Alliance for Human Rights. The investor group has called for ICT companies to respect digital rights in an investor statement sent to all 26 companies ranked by the index. In addition to signing this statement on Corporate Accountability for Digital Rights, we have been active members of the initiative's engagement programme. In 2021, we have led on Telefonica SA and were supporting investors for Vodafone.

Outcome

We encouraged Vodafone and Telefonica to improve on the RDR. Specific engagement asks included setting up human rights due diligence, aligning reporting to the UNGP, providing more disclosure around government demands and censorship requests, and improving transparency on their handling of user data. Both companies were receptive to our requests and have strong willingness to demonstrate they are responsible stewards of digital rights. We will be monitoring progress on these issues, especially as ICT companies are under ever increasing scrutiny. We also continue to raise the RDR methodology and reporting guidelines with companies that are not currently ranked by the index, which have salient digital rights.

Stewardship uses its vote as a shareholder

Voting record

During the 12 months to the end of March 2022, we voted at 109 company meetings on 1,816 resolutions for the Stewardship Equity Funds. Of these shareholder resolutions, 20 were ESG-related resolutions. We voted against management on four of these resolutions.

Shareholder resolutions for the year to end of March 2022 are split by type in the table below:

ESG-related Shareholder Resolutions 12 months to end March 2022	Number Against	Number Supported	Total Number
Environmental	1	1	2
Governance	1	6	7
Social	2	9	11
Total	4	16	20

Stewardship Layer 3 – outcomes

We monitor the performance of the Stewardship Funds against several 'non-financial' targets, including carbon emissions, the percentage of companies in the Funds with a set target to reduce emissions, as well as the percentage of companies in the Funds with a diversity policy and the average % of women on the board. The table below shows the 'non-financial' performance of the Stewardship International Equity Fund, the Stewardship UK Equity Fund and the Stewardship UK Equity Income Fund in the year to March 2022, compared to their respective benchmarks.

12 months to 31 March 2022

Suitability key performance indicators	Stewardship UK Equity Fund	Stewardship UK Equity Income Fund	FTSE All Share	Stewardship International Equity Fund	MSCI World
Emissions Intensity (Sales) - Latest*	27.7	43.2	91.8	34.2	142.7
Carbon Emissions Scope 1+2**	12.3	19.0	38.7	4.0	45.2
Total value % of portfolio disclosing environmental information to CDP (Carbon Disclosure Project)	87.7	87.1	89.7	87.4	81.8
Fossil fuel reserves	0.0	0.0	4.1	0.0	6.6
% with a carbon emissions reduction target	84.6	87.0	79.6	79.2	80.7
% with a diversity policy	79.9	75.4	75.2	80.5	80.1
% with a detailed formal policy on bribery and anti-corruption	92.5	93.4	60.7	98.2	80.1
% Women on the board	39.1	38.2	39.6	33.3	32.6
% portfolio with human rights policy	83.5	87.1	82.3	91.3	88.8
% with a formal anonymous whistleblower system with legal protection	78.9	73.3	76.4	98.2	98.2

Source: BlackRock Insights. Weighted averages are used for the Funds and their respective benchmarks.

*(Wt Avg Port NMV/MV)

** (t/\$m EVIC) (Wt Avg Port NMV/MV)

Governance of the Stewardship range

The Global Sustainable Outcomes team and the Aviva Investors' Investment Oversight Committee provide oversight of Stewardship:

- The Aviva Investors' **Global Sustainable Outcomes team**, headed by Mirza Baig, runs the ESG screening and assessment research for the Stewardship Funds, working closely with the fund managers.
- The Aviva Investors' **Investment Oversight Committee** conducts a deep dive of environment, social and governance issues every six months. The Committee also reviews the Stewardship Funds, the investment policies and the holdings to ensure they continue to reflect the Stewardship philosophy and remain suitable for the Stewardship Funds.

Aviva's Stewardship Lifestyle Strategy

In July 2019 we launched the Stewardship Lifestyle Strategy to enable our customers to invest responsibly throughout their retirement journey by investing in the Stewardship Funds. We believe that this is the first offering of its kind, which incorporates investing ethically at each stage of the retirement journey. We want our customers to be confident that regardless of where they are in the retirement journey – at the very beginning or near to the end – their money is helping to make a difference in a positive way. We show how the Stewardship Lifestyle Strategy works below:

How does the strategy work?

The aim of the Stewardship Lifestyle Strategy is to look after member's retirement savings as they travel through their journey to retirement.

The main difference with Stewardship is that as well as their savings being moved on their behalf, and so the risks that they might be exposed being managed, at each stage of the journey they will be invested in companies that reflect the Stewardship ethos. You can therefore be assured that your member's pension savings are helping to create a better world for them to retire into and for their family to inherit.

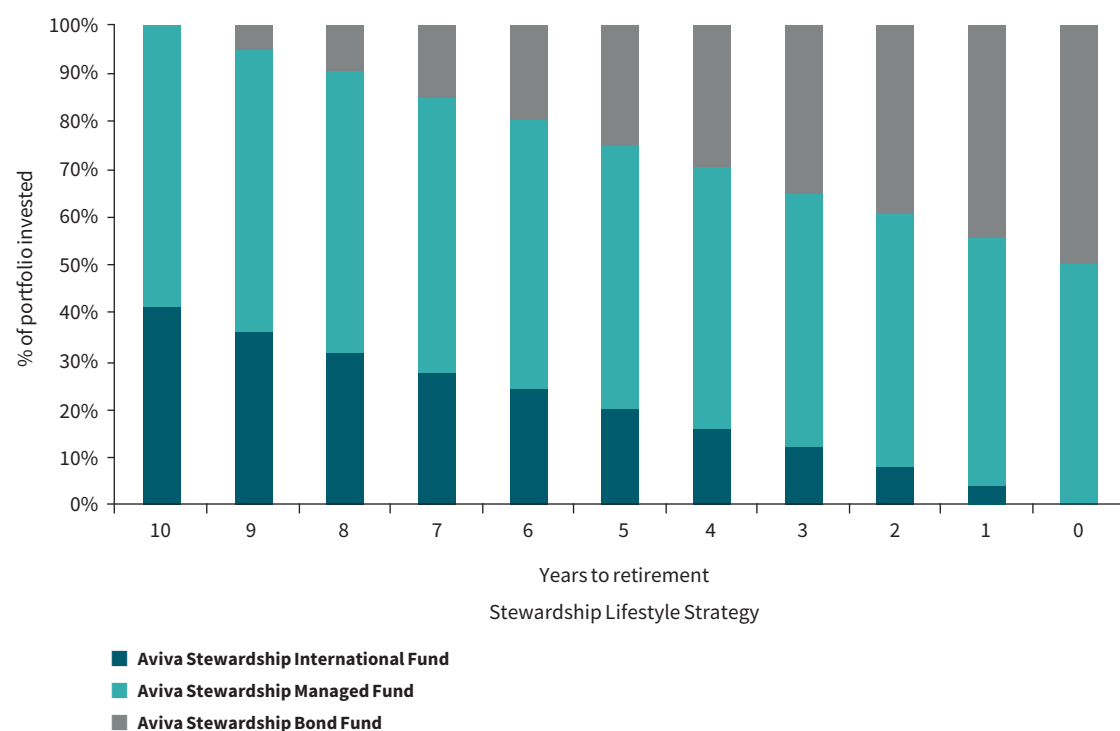
With the Stewardship Lifestyle Strategy members can take their savings how they want to when they reach their selected retirement date.

Which Stewardship Funds does the Stewardship Lifestyle strategy use?

- Stewardship International
- Stewardship Managed
- Stewardship Bond

We show how customers move through the journey to retirement with the Stewardship Funds in the chart below:

Stewardship Lifestyle Strategy - Taking customers through the journey to retirement



Fund performance

In this section we look at how the Stewardship Funds have performed in the fourth year of Aviva Investors managing the funds, and therefore over the 12 months to the end of March 2022. We will also cover the changes to the Stewardship Funds in the 12-month period.

Discrete and cumulative fund performance to end March 2022 can be found in the Appendix. Please refer to fund factsheets in fund centre for fund objectives, risk codes and top 10 holdings:

<https://www.fundslibrary.co.uk/FundsLibrary.BrandedTools/AvivaConsumer/FundCentral>

Performance of the Aviva Stewardship UK Equity Fund over 12 months to 31 March 2022



31/03/2021 - 31/03/2022 Data from FE fundinfo 2023

This performance refers to the past. Past performance is not a guide to future performance.

Key performance drivers

Pharmaceuticals business GlaxoSmithKline (GSK)

Enthusiasm among investors that the demerger of pharmaceuticals business **GlaxoSmithKline (GSK)**'s consumer healthcare business could create value helped. The demerger completed in June 2022, with the creation of Haleon, which is a joint venture between **GSK** and US healthcare business Pfizer. Investors also gave credit to GSK for its pipeline of drugs and treatments.

London Stock Exchange (LSE)

Sentiment in **LSE** was buoyed by the firm's commitment to accelerate growth and build a more agile and efficient business following its acquisition of Refinitiv. The valuation versus peers remains attractive.

Rentokil

Investor confidence in pest control and hygiene business **Rentokil** was strong overall despite some volatility in late 2021. The business announced a robust set of results and also held a successful capital markets day.

Detractors from performance

Pharmaceuticals group Smith & Nephew

Shares in pharmaceuticals group **Smith & Nephew** came under pressure due to elective surgery taking longer to recover following the Covid-19 pandemic. However we believe in the longer-term recovery and remain supportive.

Housebuilder Countryside Properties

With the government's incentives for the housing market starting to wane, shares in **Countryside Properties** struggled following previously strong performance. This does not change the supportive dynamics of this sector.

Changes to the portfolio

We added a new position in **Gresham House Energy Storage**, which is a utility-scale battery storage developer and operator. Battery storage is fundamental to the greening of the UK's (and the planet's) energy system by smoothing the transition from coal and gas to wind and solar. We believe this position is a good way to achieve exposure to the huge growth in wind and solar generation – at an attractive valuation.

We believe distribution logistics company **Tritax Europe**, which was also a new addition in the period, will benefit from the shift towards online sales and the need for high quality logistics space. This trend was in place before the pandemic and has since strengthened. Tritax is at the forefront of sustainable warehousing in Europe, and we've carried out a number of engagements with TriTax on this topic.

We also initiated a position in home furnishings retailer **Dunelm**. The firm has both an online and a physical presence and successfully took market share in lockdown boosting profits. We believe Dunelm will continue to benefit from increased consumer spending.

These acquisitions were funded by the takeover of infrastructure investor **John Laing** and property investment business **St. Modwen**, which exited the portfolio. We also significantly reduced the position in plumbing and heating products provider **Ferguson** ahead of the firm moving its primary listing to the US in the spring of 2022.

Performance of the Aviva Stewardship UK Equity Income Fund over the 12 months to 31 March 2022



31/03/2021 - 31/03/2022 Data from FE fundinfo2023

This performance refers to the past. Past performance is not a guide to future performance.

Key performance drivers

Supermarket chain Tesco

The supermarket group's share price benefited from continued corporate activity in the retail sector alongside strong trading through the transition period from lockdown to the reopening of the economy.

Financial services company Legal & General (L&G)

Shares in **L&G** were resilient in the face of the broader market downturn in the later stages of the review period. We believe this helps to demonstrate the firm's ability to generate growth despite market movements.

Detractors to performance

Prudential

A challenging sales environment in Asia due to lockdowns to control Covid-19 had a negative impact on sentiment in the life insurance business.

Housebuilders Countryside Properties and Bellway

Against a backdrop of reduced government stimulus, shares in housebuilders paused following strong share-price gains in the property sector. We continue to have conviction in the longer-term dynamics of this sector.

Changes to the portfolio

We exited our position in discount retailer **B&M**. The firm's responses to our engagement and the ESG strategy have been below our expectations.

We also closed the position in transport company **National Express** following strong performance.

Meanwhile, we added to our position in catering firm **Compass** following a positive meeting with company management. We believe the company will gain market share from weaker peers that have struggled during the pandemic.

Reflecting our focus on supporting businesses that are helping with the transition to a world less reliant on carbon, we started a new position in **Gresham House Energy Storage**. Renewable energy continues to be a strong trend which we look to capitalise on to deliver long term sustainable income, income growth and capital growth for clients.

Inflation continues to be the most notable financial concern for the portfolio. We believe we have some protection for interest rate rises through positions in Financials (c.31%) and Utilities (c.7%). We also have reasonable defensive exposure through our Pharma positions (c.15%).

Performance of the Aviva Stewardship International Fund over 12 months to 31 March 2022



31/03/2021 - 31/03/2022 Data from FE fundinfo 2023

This performance refers to the past. Past performance is not a guide to future performance.

Key performance drivers

London Stock Exchange Group (LSE Group)

The **LSE Group**, which was a newcomer to the Fund in the review period, performed well with its acquisition of Refinitiv appearing to bear fruit. **LSE** expects to benefit from increased synergies from the acquisition for the next couple years. **LSE** has been a member of the Sustainable Stock Exchanges initiative since 2014, with a commitment to promote improved ESG disclosure and performance among listed companies.

Healthcare provider United Health

United Health was supported by strong results in the third quarter of 2021 and a solid Investor Day in December 2021, corroborating our view on the business being the long-term winner in the managed care organisation space. The company has committed to be net zero by 2035, which adds to its credentials for the Stewardship International Equity Fund.

Detractors from performance

Wind turbine manufacturer Vestas

With the firm's margins under pressure from higher costs, **Vestas** struggled. However, the capital markets day in December 2021 confirmed the long-term potential for its demand and medium term margin targets. While higher input costs will persist through 2022, we are willing to look through this near-term issue and maintain our conviction as we expect demand to improve from 2024 onwards.

Consumer credit bureau Equifax

Equifax derives almost a third of its sales from the mortgage market. The rapid rise in US interest rates has caused the new mortgage market to grind to a halt. Remarkably, the company still expects its own mortgage enquiry activities to be flat overall so not to decline, as it takes market share and increases prices. We expect strong growth from Equifax over the medium term.

Changes to the Stewardship International Equity Fund

New positions in **Mastercard** and **Bureau Veritas**, as well as **Adobe**, **Salesforce**, **PayPal** and **ASML** were added. Our new holdings all benefit from long-term structural drivers, mostly capital light business models, high margins and hardly any debt on their balance sheets.

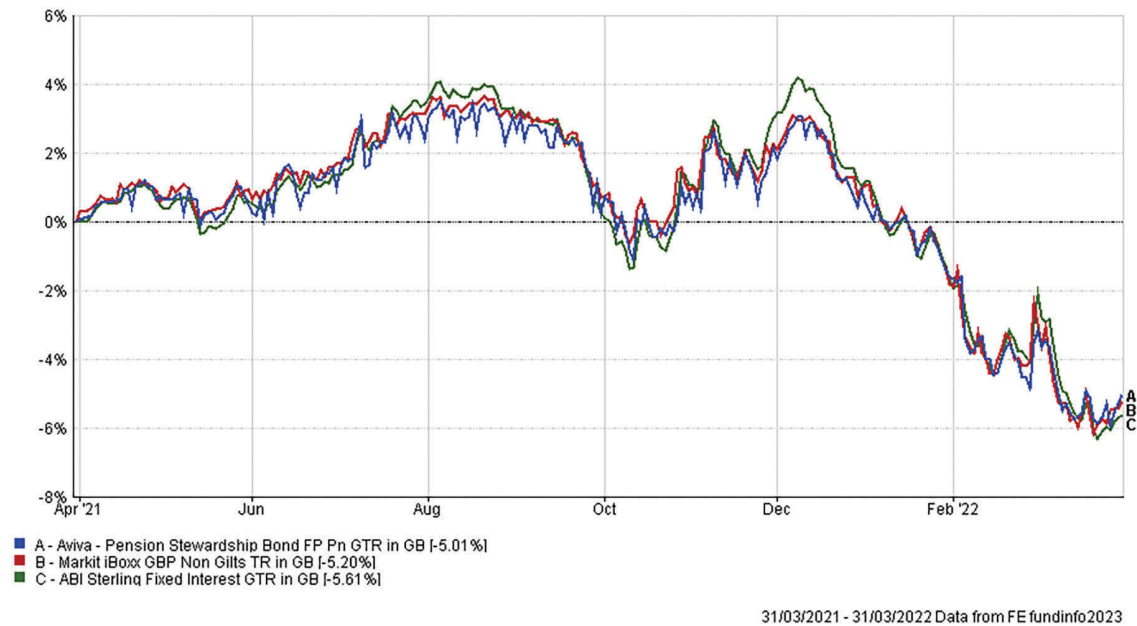
Bureau Veritas offers testing, inspection and certification (TIC) services for several industries including building, commodities and food. One third of company revenue is derived from TIC solutions and services contribution to decarbonisation, health & food safety and social ethics.

Like other payment companies **Mastercard** struggled in 2021, but we like the return on capital and margin profile of the business. We believe that Mastercard can generate cash flow growth significantly above the market in the long run.

We sold medical technology position exiting **Medtronic** and **Boston Scientific**. This was based on reduced visibility on the firms' near-term trends and long-term pipelines, as well as low ESG scores.

Our outlook for the next 12 months is one of heightened uncertainty and likely higher and persistent inflation. Our portfolio should be relatively well positioned, given our focus on predictable and recurring cash flows. Most of our companies are a combination of mission critical, service-oriented and operate in supply constrained industries, giving us confidence, they will continue to grow regardless of the uncertain future.

Performance of the Aviva Stewardship Bond Fund over the 12 months to the end of March 2022



This performance refers to the past. Past performance is not a guide to future performance.

Key performance drivers

The fund's short duration tilt, and therefore a focus on shorter dated bonds, helped the fund at a time of rising interest rates and rising government bond yields.

Not holding **Gazprom** and **Russian Rail, Russian securities**, which were marked to 0 on Russia's invasion of Ukraine, added value.

Detractors from performance

Having a **short active position in industrials**, specifically in industrial transportation has been one of the largest detractors due to strong performance in names associated with the reopening of the global economy.

Changes to the Stewardship Bond Fund

Having come into 2022 with a short position in risk we have added some names, mostly European hybrids that underperformed in the sell-off. We also reduced the position in financials. The positioning in the portfolio remains relatively cautious in line with our outlook for the year.

We increased our position in GBP senior bonds in **Motability Operations**, a company which is well positioned to support Sustainability Development Goal 10: Reduced Inequalities.

Finally, we reduced the size of our positions in **SSE** and **National Grid**, two of the largest carbon intensity contributors to the portfolio. Alongside this, we fully exited our position in EUR senior **Global Switch** this bond had performed well until the first quarter but has stabilised a bit in the second quarter).

We participated in the **Berkeley Group green bond new issue** at the beginning of August 2021. The bond has two key outcomes for the housing developments in the Green Development pool: an EPC rating of A or B and delivery on brownfield land, that seeks to deliver climate mitigation and biodiversity conservation. There is also a social requirement that the homes delivered are affordable. It is positively noted that the framework has been independently verified and assured to be aligned to the ICMA Green Bond Principles.

Berkeley is well positioned on environmental issues and green building practices, ranking significantly above industry average in the Next Generation benchmark, which assesses the sustainability performance of the top 25 homebuilders of the UK. On Climate, the company have a SBTi approved GHG reduction target in line with a 1.5C temperature rise which is inclusive of scope 1, 2 and 3 emissions, and score well in the CDP questionnaire (A) demonstrating sound climate related risk management.

Performance of the Aviva Stewardship Managed Fund over the 12 months to the end of March 2022



31/03/2021 - 31/03/2022 Data from FE fundinfo2023

This performance refers to the past. Past performance is not a guide to future performance.

Key drivers of performance

The Stewardship Managed Fund is a multi-asset Fund, which invests in the Stewardship International Fund and the Stewardship Bond Fund. The position in the Stewardship International Fund was the main driver of performance in the 12 months.

This performance refers to the past. Past performance is not a guide to future performance. Investors may get back less than they originally invested. Fund performance is on a gross basis and therefore does not include any charges which may apply.

Appendix

The Stewardship Funds

The table below shows the Stewardship Fund details including fund manager, launch date, benchmark and ABI sector.

Stewardship UK Equity Fund	
Fund managers	Trevor Green and Charlotte Meyrick
What does the fund invest in?	Shares of UK-listed companies
Asset under management as at 31.03.2022	£456.05 million
When was the fund launched?	May 1984
Benchmark	FTSE All-Share Index
Sector	ABI UK All Companies
Stewardship UK Equity Income Fund	
Fund managers	James Balfour
What does the fund invest in?	Shares of UK-listed companies with a focus on income-paying companies
Asset under management as at 31.03.2022	£38.3 million
When was the fund launched?	September 1999
Benchmark	FTSE All-Share Index
Sector	ABI UK Equity Income
Stewardship International Equity Fund	
Fund managers	Francois de Bruin
What does the fund invest in?	Shares of overseas companies
Asset under management as at 31.03.2022	£35.7 million
When was the fund launched?	September 2010
Benchmark	MSCI World Index
Sector	ABI Global Equities
Stewardship Bond Fund	
Fund managers	Thomas Chinery
What does the fund invest in?	UK government and corporate bonds
Asset under management as at 31.03.2022	£1.5 million
When was the fund launched?	April 2019
Benchmark	iBoxx Sterling Non Gilts Overall
Sector	ABI UK Fixed Interest
Stewardship Managed Fund	
What does the fund invest in?	The Stewardship Managed Fund is a fund of funds. It is made up of 70% of the Stewardship International Fund and 30% the Stewardship Bond Fund. This is reflected in the Fund's AUM.
Asset under management as at 31.03.2022	£984.3 million
When was the fund launched?	September 1999
Composite Benchmark	70% MSCI World Index; 30% iBoxx Sterling Non Gilts Overall
Sector	ABI Mixed Investment 40-85% Shares

The assets under management figures for the Funds in the table above are combined figures for the pension Funds.

Fund launch dates are for the NGP version of fund except for Stewardship UK Equity Fund which relates to the life version of the fund. Please see the Appendix for fund manager biographies. As above, the Stewardship Managed Fund comprises the Stewardship International Fund (70%) and the Stewardship Bond Fund (30%). This is reflected in the Fund's assets under management.

Aviva Investors' ESG capabilities team

The Stewardship team benefits from the rich experience in responsible investment across the Aviva Investors business, which is shown below:

A well resourced and integrated ESG team

Equity and Credit	Multi-Asset and Macro	Real Assets	Global Product
Colin Purdie CIO		Daniel McHugh CIO	Steven Blackie Global Head of Product

Corporate ESG Research and Stewardship	Sustainable Outcomes Research	Sustainable Finance Centre for Excellence	ESG Real Assets	ESG Investment Specialists
<i>Company and sector research, engagement and voting</i>	<i>Thematic and impact research, sustainable product range, sovereign research and engagement</i>	<i>Market reform, strategic partnerships with NGOs, training and coordination across Aviva Investors</i>	<i>ESG integration and active ownership for real estate, infrastructure and private debt</i>	<i>ESG communication, product strategy and development</i>
Mirza Baig Global Head of ESG Investments	Sam Tripuraneni Head of Sustainable Outcomes	Steve Waygood Chief Responsible Investment Officer	Ed Dixon Global Head of ESG Real Assets	Andy Ford Head of ESG Investment Specialists
10*	9*	5*	4*	2*

Source: Aviva Investors as at 31 March 2022.

*Number of team members as at 31 March 2022.



Mirza Baig – Global Head of ESG Investments

Mirza leads all aspects of Aviva Investors' ESG activities across liquid markets and is a member of the liquid markets investment management team. His responsibilities include ESG research, investment integration, active ownership and oversight of the sustainable investment fund franchise, managing a team of 20+ ESG specialists.

Mirza serves as the chair of the UK Investment Association's Stewardship Committee.

Experience and qualifications

Mirza joined Aviva Investors in 2016 with over 15 years' experience in responsible investment having previously served as Vice President, Corporate Governance at State Street Global Advisors, and Director of Governance and Sustainable Investment at BMO Asset Management (formerly F&C Asset Management). Mirza also spent a number of years as a responsible investment consultant based in Asia, advising asset managers, private equity funds and rating agencies

The fund managers responsible for the Stewardship Funds, who are shown on pages 33 and 34 of this report, are supported by the research of the wider ESG team at Aviva Investors. This includes the thematic research produced by the Aviva Investors' Sustainable Outcomes Team, which has dedicated leads covering the three pillars of the Stewardship approach - Earth, Climate and People.

Sustainable outcomes research

Top-down thematic research & impact analysis

The team

<p>Sam Tripuraneni Head of Sustainable Outcomes</p>		
<p>Vaidehee Sachdev People</p>	<p>Eugenie Mathieu Earth</p>	<p>Rick Stathers Climate</p>
<p>Eleanor Austin Sustainable Outcomes Analyst</p>		

Research underpinned by 3 sustainable outcomes

<p>People Respect human rights Promote decent work Responsible corporate behaviour</p>	<p>Earth Circular economy Sustainable ocean Sustainable land</p>	<p>Climate Achieve 1.5 degrees Decarbonise global economy Adapt to consequences of warming</p>
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Source: Aviva Investors as at 31 March 2022. Please see team member biographies on the following page.

Main responsibilities

Impact research	Research supports the integration of ESG in the investment process across the firm
Active ownership	Lead engagement campaigns and develop voting policy
Sustainable Transition range	Analysis underpins our Sustainable Transition range of products



Sam Tripuraneni – Head of Sustainable Outcomes

Sam Tripuraneni heads up the sustainable outcomes team.

He oversees the Stewardship and sustainable outcomes teams, encompassing the climate transition, social transition and natural capital transition product range.

He is also responsible for overseeing ESG thematic research and how this is integrated across liquid market asset classes, as well as play a role in the development of new sustainability and impact strategies.

Before joining Aviva, Sam held the role of director in Blackrock's sustainable investing team, where he helped develop investment solutions to meet environmental, social and financial objectives. Before that, he was a relationship manager in the UK DC sales team.

Sustainable Outcomes team



Eugenie Mathieu – Senior ESG Analyst on Stewardship – Earth Pillar Lead

Eugenie was part of Greenpeace International's Forests team, where she worked on deforestation driven by palm oil, pulp & paper, cattle and soy. She spent 14 years as a sustainability consultant advising major international companies, including FTSE 100s, on their environmental, social and ethical strategies and performance. Prior to consulting, Eugenie worked with EIRIS on the creation of the FTSE4Good indices in 2001, following an MSc in Business and Environment at Imperial College, London, and two years at Bain & Company.



Rick Stathers - Senior Global Responsible Analyst – Climate Pillar Lead

Rick joined the Aviva Investors Global Responsible Investment team in 2018 with a primary focus on climate change and responsibility for ESG coverage of the industrials sector.

Rick has almost 20 years' experience in responsible investment. He was Head of Responsible Investment at Schroders for 16 years and a Global Director at the CDP (formerly known as the Carbon Disclosure Project) for two years. He has a bachelor's degree in agriculture and Food Science and a Masters in Environmental Technology. Rick has a particular interest in syntropic agriculture and the dual role of forests in building resilience in the food system and combating climate change.



Vaidehee Sachdev - Global Responsible Analyst – People Pillar Lead

Vaidehee is the Social Pillar Lead in the Sustainable Outcomes Team. She provides thematic expertise for the Aviva Investors' Social Transition Fund and on Aviva's work on human and labour rights.

Vaidehee worked in the NGO sector prior to joining Aviva Investors. This included developing a corporate reporting framework for workforce and labour practices at ShareAction, and delivering research on human rights abuses, corruption and minority groups for environmental and human rights organisations.



Eleanor Austin - Sustainable Outcomes Analyst – Stewardship and ESG Screening Lead

Eleanor joined Aviva Investors in 2019 following her graduation from University of Nottingham, where she obtained a BA in Politics and International Relations, which ranged from Climate Change Ethics to Ethnic Conflict modules. During her studies, she carried out work experience in Wealth Managers JM Finn And Charles Stanley.

Eleanor holds the Investment Certificate Unit 1 and has also completed Foundations in Responsible Investment run by UN PRI Academy.

Details of the fund managers who look after the Stewardship Funds are given below:

Stewardship UK Equity Fund



Trevor Green – Senior Fund Manager

Main responsibilities

Trevor is responsible for our UK equity institutional funds, the Aviva Investors UK Smaller Companies Fund and the Aviva Stewardship UK Equity Fund. Within the UK Equities team, Trevor also has lead sector coverage responsibilities for IT & Communication Services.

Experience and qualifications

Prior to joining Aviva Investors, Trevor was a fund manager at Henderson Global Investors, where he was co-manager of the Henderson Managed Distribution Fund.

Before this, Trevor worked at New Star Asset Management and before that spent nearly six years at RCM running pan-European institutional mandates. He has also worked at Credit Suisse Asset Management and started his career at Capel Cure Myers, managing both retail and institutional funds.

Trevor holds a BA (Hons) in Economics from Aberdeen University and the Securities Institute Diploma.



Charlotte Meyrick – Fund Manager

Main responsibilities

Charlotte manages the Aviva Investors UK Listed Small and Mid-Cap Fund, is co-manager of the Aviva Investors Stewardship UK Equity Fund, and leads the sector coverage for UK Consumer Discretionary.

Experience and qualifications

Charlotte joined Aviva Investors in 2012 and supported on the UK Institutional Funds between 2013 and 2018. She managed the UK Opportunities Fund (September 2015 to January 2018) and the UK Growth Fund (January 2016 to December 2018) with the latter being repositioned to the UK Small and Mid-Cap Fund as of January 2019.

She graduated from the University of Bath with a First Class Bachelors degree in Business Administration and has completed all levels of the CFA Program.

Stewardship UK Equity Income Fund



James Balfour – Fund Manager

Main responsibilities

James is co-Fund Manager of our UK Equity Income strategies alongside Chris Murphy and the Fund Manager of the Aviva Stewardship UK Equity Income Fund. Within the UK Equities team, James also has lead sector coverage responsibilities for Healthcare, Utilities and Consumer Staples.

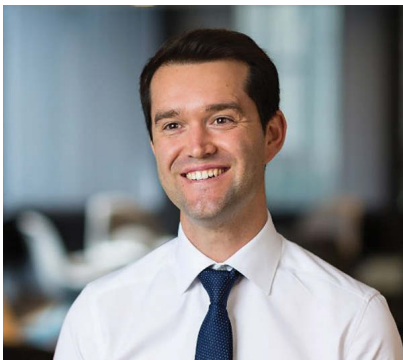
Experience and qualifications

James joined Aviva Investors in 2012 as part of the Aviva Investors Graduate Training scheme, initially as UK Equity Analyst covering the Industrial, Food Retail and Consumer Staples sectors, before progressing to Assistant Fund Manager.

In May 2016 James was appointed co-Fund Manager of our UK Equity Income strategy.

James holds a BA in Economics from Durham University and a MSc in Finance and Investment from the University of Essex. James is a CFA® charterholder.

Stewardship International Equity Fund



Francois de Bruin, CFA, CAIA – Portfolio Manager, Global Equities

Main responsibilities

Francois is manager of the Stewardship International Equity Fund and co-manager of the Global Equity Endurance Fund.

Experience and qualifications

Francois started his career at Bridge Fund Managers as an analyst and was previously Head of Listed Real Estate and Sustainable Income & Growth manager at Aviva Investors.

Francois holds a BCom in Investment Management and a BCom Hons in Financial Analysis from Stellenbosch University. He is a CFA charterholder and also holds the Chartered Alternative Investment Analyst (CAIA) designation.

Stewardship Bond Fund



Thomas Chinery, CFA – Portfolio Manager

Main responsibilities

Tom is portfolio manager in our Sterling investment grade team. He is co-lead portfolio manager on the Climate Transition Credit Fund, co-manages a number of Sterling Investment Grade strategies and is lead portfolio manager on the Stewardship Fixed Interest Fund.

Experience and qualifications

Tom has managed Sterling Funds, from both a relative value and buy & maintain perspective, since joining Aviva Investors. Prior to this, Tom worked at Mitsubishi Trust Bank helping to manage a total return treasury book of corporate bonds and CDS.

Tom holds a BA (Hons) Accounting and Law. He is also a CFA® charterholder and member of both the CFA Institute and the CFA Society of the UK.

Stewardship Funds

Cumulative and discrete performance to end of March 2022

Av Stewardship (UK Equity) Fund over the five years to 31 March 2022



31/03/2017 - 31/03/2022 Data from FE fundinfo2023

Past performance showing percentage increase or decrease to end March 2022

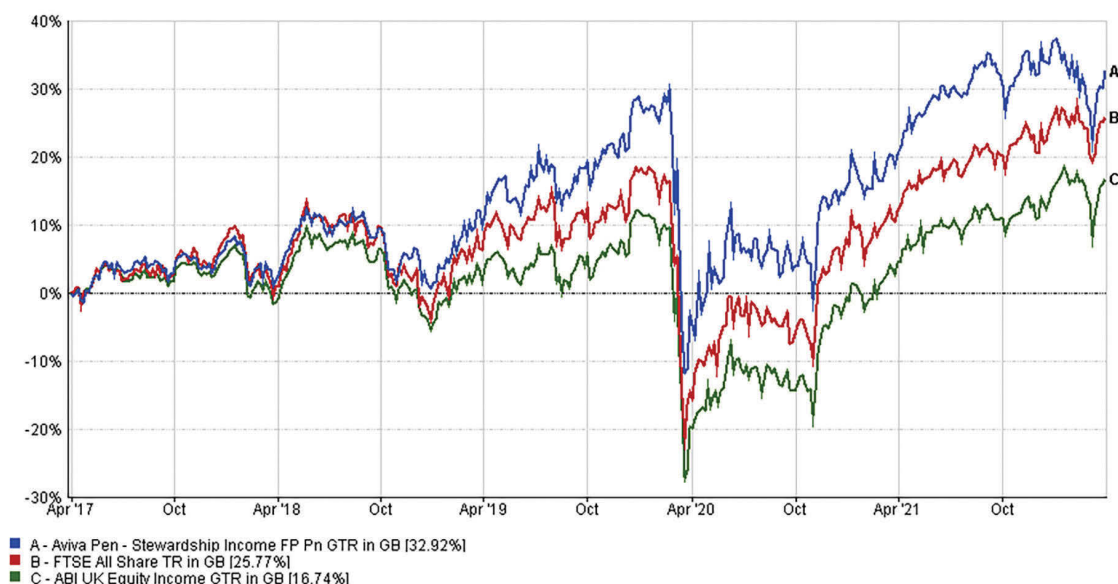
	31/03/2021 to 31/03/2022	31/03/2020 to 31/03/2021	31/03/2019 to 31/03/2020	31/03/2018 to 31/03/2019	31/03/2017 to 31/03/2018
Av Stewardship	6.6	27.9	-11.3	6.6	2.7
ABI UK All Companies	5.4	35.5	-21.0	2.6	1.0
FTSE All-Share Index	13.0	26.7	-18.5	6.4	1.3

Cumulative past performance to last quarter end showing percentage increase or decrease

	3 months	1 year	3 years	5 years
Av Stewardship	-4.4	6.6	21.0	32.4
ABI UK All Companies	-4.4	5.4	12.8	16.8
FTSE All-Share Index	0.5	13.0	16.8	25.8

This performance refers to the past. Past performance is not a guide to future performance. Investors may get back less than they originally invested. Fund performance is on a gross basis and therefore does not include any charges which may apply.

Av Stewardship (UK Equity) Income Fund over the five years to 31 March 2022



31/03/2017 - 31/03/2022 Data from FE fundinfo2023

Past performance showing percentage increase or decrease to end March 2022

	31/03/2021 to 31/03/2022	31/03/2020 to 31/03/2021	31/03/2019 to 31/03/2020	31/03/2018 to 31/03/2019	31/03/2017 to 31/03/2018
Av Stewardship UK Equity Income	10.3	27.8	-14.7	7.8	2.5
ABI UK Equity Income	11.5	30.2	-21.6	3.5	-0.9
FTSE All-Share Index	13.0	26.7	-18.5	6.4	1.3

Cumulative past performance to last quarter end showing percentage increase or decrease

	3 months	1 year	3 years	5 years
Av Stewardship UK Equity Income	-2.1	10.3	20.2	32.9
ABI UK Equity Income	1.3	11.5	13.7	16.7
FTSE All-Share Index	-4.4	13.0	16.8	25.8

This performance refers to the past. Past performance is not a guide to future performance. Investors may get back less than they originally invested. Fund performance is on a gross basis and therefore does not include any charges which may apply.

Av Stewardship International (Equity) Fund over the five years to 31 March 2022



Past performance showing percentage increase or decrease to end March 2022

	31/03/2021 to 31/03/2022	31/03/2020 to 31/03/2021	31/03/2019 to 31/03/2020	31/03/2018 to 31/03/2019	31/03/2017 to 31/03/2018
Stewardship International	11.8	40.3	2.4	11.4	3.9
ABI Global Equities	10.1	37.5	-7.8	7.4	1.7
MSCI World Index	15.9	39.1	-5.3	12.6	1.8

Cumulative past performance to last quarter end showing percentage increase or decrease

	3 months	1 year	3 years	5 years
Stewardship International	-3.3	11.8	60.8	85.9
ABI Global Equities	-3.2	10.1	39.7	52.6
MSCI World Index	-2.3	15.9	52.7	75.0

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Av Stewardship Bond Fund since launch in June 2019 to 31 March 2022



Past performance showing percentage increase or decrease to end March 2022

	31/03/2021 to 31/03/2022	31/03/2020 to 31/03/2021	31/03/2019 to 31/03/2020	31/03/2018 to 31/03/2019	31/03/2017 to 31/03/2018
Stewardship Bond	-5.0	8.9	n/a	n/a	n/a
ABI Sterling Fixed Interest	-5.6	-0.5	n/a	n/a	n/a
Iboxx UK Sterling Non-gilts All Maturities	-5.2	7.0	n/a	n/a	n/a

Cumulative past performance to last quarter end showing percentage increase or decrease

	3 months	1 year	Since launch
Stewardship Bond	-5.5	-5.0	2.4
ABI Sterling Fixed Interest	-6.7	-5.6	-2.9
Iboxx UK Sterling Non-gilts All Maturities	-6.2	-5.2	0.7

This performance refers to the past. Past performance is not a guide to future performance. Investors may get back less than they originally invested. Fund performance is on a gross basis and therefore does not include any charges which may apply.

Av Stewardship Managed Fund over the five years to 31 March 2022



31/03/2017 - 31/03/2022 Data from FE fundinfo2023

Past performance showing percentage increase or decrease to end March 2022

	31/03/2021 to 31/03/2022	31/03/2020 to 31/03/2021	31/03/2019 to 31/03/2020	31/03/2018 to 31/03/2019	31/03/2017 to 31/03/2018
Stewardship Managed	7.1	30.4	2.4	8.6	2.7
ABI Mixed Investment 40%-85%	5.0	23.9	-7.0	4.5	0.8

Cumulative past performance to last quarter end showing percentage increase or decrease

	3 months	1 year	3 years	5 years
Stewardship Managed	-3.9	7.1	42.9	60.1
ABI Mixed Investment 40%-85%	-3.5	5.0	21.0	27.3

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The fund performance information in this report refers to the past.
Past performance is not a guide to future performance.

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