

Annex IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Aviva Fixed ESG 40

**Fund Type:** Multi-asset unit linked insurance fund ("Fund")

**Product ID:** 25007851

**Underlying investment manager:** Aviva Investors

## Environmental and/or social characteristics

**Did this financial product have a sustainable investment objective?**



**Yes**



It made **sustainable investments with an environmental objective:** \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It made **sustainable investments with a social objective:** \_\_\_\_%



**No**



It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_\_% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promoted E/S characteristics, but **did not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## To what extent were the environmental and/or social characteristics promoted by this financial product met?

Whilst the Fund may invest in underlying investments that contribute to climate change mitigation and/or climate change adaptation, the Fund does not make any minimum commitment to invest in one or more environmentally sustainable investments.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

The ESG analysis and considerations described below are incorporated into the investment process but may not always have a material impact on investments in the Fund.

The below criteria are binding on the investment process to ensure underlying investments are inclusive of those securities promoting environmental or social characteristics:

The exclusions detailed below will be applied to this universe:

A. The Investment Manager's ESG Baseline Exclusions Policy which includes the following exclusions:

- Controversial weapons including nuclear weapons
- Civilian firearms
- Thermal Coal
- Non-conventional fossil fuels (arctic oil and tar sands)
- Breaches of principles of the UN Global Compact ("UNGC"); and
- Tobacco.

The exclusions are based on:

a) A maximum acceptable percentage of estimated revenue derived from the specific activities, the maximum acceptable percentage of revenue thresholds are:

- Controversial weapons 0%, including nuclear weapons \*
- Civilian firearms 5%
- Thermal Coal 5%\*\*
- Non-conventional fossil fuels (arctic oil and tar sands) at 10%\*\*
- Tobacco producers at 0% and tobacco distribution or sale at 25%

\*The percentage of revenue threshold for nuclear weapons will be 0% for companies involved in, among others, development, production, use, maintenance, offering for sale, distribution, import or export, storage or transportation of nuclear weapons, where this supplies nuclear states outside of the UN Treaty on Non-Proliferation of Nuclear Weapons (1970).

In August 2023 we enhanced the exclusion policy on Nuclear Weapons given the current global climate, lowering the revenue threshold from 5% to 0% and allowing companies in compliance with the Non-Proliferation Treaty to be excluded from the revenue test. Please note, we retain discretion to additionally exclude companies supplying nuclear weapons state programmes within the NPT, if Aviva Investors considers the state to have undermined non-proliferation arms control treaties, conventions and norms.

\*\*Companies that have an approved SBTi (Science Based Target) which has a classification of 1.5°C or Well Below 2°C are an exception to these thresholds.

b) MSCI's controversy screening data to identify recent controversies to the Principles set out under the UN Global Compact. An Aviva Investors ESG Analyst qualitative assessment is additive to this process to confirm if the failings are irredeemable based on company behaviors since the controversy. If failings are considered to be redeemable, the Investment Manager will place the company into a structured and time bound engagement program.

Further details on the Investment Manager's ESG Baseline Exclusions Policy are available at <https://www.avivainvestors.com/en-gb/about/responsible-investment/policies-and-documents/>.

B. ESG Sovereign Assessment on the sustainability characteristics of sovereign issuers and minimum thresholds applied across sovereign issuers based on the Investment Manager's proprietary ESG scores.

A minimum threshold ESG score for sovereigns at 2.5 is applied to the investment universe, with the aim of screening out those with the worst ESG characteristics.

The scores are derived from the Investment Manager's proprietary ESG Sovereign Monitor. For issuers scoring between 2.5 and 4 an enhanced due diligence process will operate whereby such issuers will need to pass a further qualitative assessment to be included in the sub-fund. The considerations for these lower scoring issuers, include but are not limited to, having a positive sustainable GDP gap, or where the ESG analyst considers the data is outdated, inaccurate or incomplete.

The Investment Manager believes providing debt financing to sovereigns supports the pivotal role they play in the transition to a more sustainable future. The Investment Manager also recognises associated sustainability risks. Effective state governance reduces those risks but, where appropriate, sovereigns are excluded from the Sub-Fund's investment universe, subject to exceptions that mitigate unintended consequences and data limitations.

Assessments are made using: the Investment Manager's proprietary sovereign ESG model (which assigns ratings on a scale of 0 to 10 where sufficient information is available) as a starting point, external data, and qualitative judgements from the Investment Manager's in-house ESG specialists. The ESG Sovereign Monitor's quantitative scoring approach assigns a composite ESG score to over 170 countries. These scores are derived from over 400 individual data points, which form 11 composite indicators.

Following a considered review of these ESG research insights, a decision may be taken to exclude a sovereign issuer from the Sub-Fund's investment universe in order to mitigate the Investment Manager's judgement of sustainability risks and falling below the Investment Manager's minimum standard.

More information on the Investment Manager's proprietary sovereign ESG model and the rating methodology can be found on the website: <http://www.avivainvestors.com/en-lu/about/responsible-investment/>

C. In February 2021, Aviva Investors announced its Climate Engagement Escalation Programme (the "Programme") which will require 30 companies regarded as 'systemically important carbon emitters' to deliver net zero scope 3 emissions by 2050 and establish robust transition roadmaps to demonstrate their commitment to immediate action on climate change as the world's carbon budget diminishes.

The Programme will run for between one and three years, depending on individual company circumstances, and incorporate clear escalation measures for non-responsive businesses or those that do not act quickly enough. Aviva Investors is committed to full divestment of targeted companies that fail to meet its climate expectations. Divestments will apply across the firm's equity and debt exposures.

D. For corporates, the good governance principle introduced by SFDR will be met through a combination of the UNGC (as part of the Investment Manager's ESG Baseline Exclusions Policy noted above) and a qualitative assessment as part of the investment analyst research process. For sovereigns, good governance will be covered through the ESG assessment and minimum Sovereign monitor scores. Good governance indicators form a substantial component of the Investment Manager's ESG scoring tools and ESG research.

E. The Fund will aim to deliver an ESG score greater than that of an equivalent composite benchmark.

## ● How did the sustainability indicators perform?

The fund applied the baseline exclusions policy described above on 1 July 2022 - any holdings in breach of the policy were sold from this date in line with the divestment period outlined in the policy. The fund will continue to be managed in line with the policy and any revisions made to it over time, there have been no breaches of the policy on the fund since implementation.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

| Adverse sustainability indicator                             | Metric                                                                                                                                                                                                | Annual Average |
|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| GHG Emissions                                                | Scope 1 GHG emissions                                                                                                                                                                                 | 178.56         |
|                                                              | Scope 2 GHG emissions                                                                                                                                                                                 | 28.23          |
|                                                              | Scope 3 GHG emissions                                                                                                                                                                                 | 1,186.30       |
|                                                              | Total GHG emissions                                                                                                                                                                                   | 1,329.84       |
| Carbon Footprint                                             | Carbon footprint                                                                                                                                                                                      | 285.77         |
| GHG Intensity of investee companies                          | GHG intensity of investee companies                                                                                                                                                                   | 871.18         |
| Exposure to companies active in the fossil fuel sector       | Share of investments in companies active in the fossil fuel sector                                                                                                                                    | 8.01%          |
| Share of non-renewable energy consumption and production     | Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage | 64.63%         |
| Energy consumption intensity per high impact climate sector  | Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector                                                                                            | 0.70           |
| Activities negatively affecting biodiversity-sensitive areas | Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas        | 0.03%          |
| Board Gender Diversity                                       | Average ratio of female to male board members in investee companies                                                                                                                                   | 34.57%         |
| ESG Sovereign Monitor                                        | Scores below 4                                                                                                                                                                                        | 0.00%          |
|                                                              | Score between 4 and 6                                                                                                                                                                                 | 1.93%          |
|                                                              | Scores above 6                                                                                                                                                                                        | 34.80%         |

|           | Fund | Benchmark |
|-----------|------|-----------|
| ESG Score | 6.73 | 6.52      |

Please note that this fund uses a composite benchmark consisting of several broad market indices to measure the attainment of this sustainability indicator. As a result we have not answered the final question in this report as we deem this to be irrelevant.

### AI Disclaimer:

Please note: The accuracy of the data obtained during the course of the reference period is reliant on: (i) data provided by third party data providers and investee companies; and (ii) AI and third party proprietary models. Data from third party data providers may be incomplete, inaccurate or unavailable. Where we seek to rely on proprietary models these may similarly rely on information which is incomplete, inaccurate or unavailable. As a result, there is a risk that AI may, from time to time, incorrectly represent a security, issuer, fund or index climate metrics. There is also a risk that AI, or the third-party data providers on which we may depend, may not interpret or apply the relevant ESG characteristics or climate metrics correctly. AI does not warrant the fairness, accuracy or completeness of any data used, or assessment made, in connection with this template.

We have reported greenhouse gas emissions data and related carbon footprint and intensity metrics covering Scope 1 (direct), Scope 2 (indirect) and Scope 3 (from a company's value chain), of these Scope 3 is the least established and hardest to quantify and ideally we would want to ensure information we use is reliable before we incorporate it into our reports, but the regulation stipulates Scope 3 should be used and reported so we have done

so based on the information we have available including climate metrics partly based on estimates of emissions from our data providers.

The calculation methodology adopted was to take the average of the quarterly data points to give an annualised figure for the sustainability indicators, top investments, E/S characteristics and economic sector breakdown.

● **...and compared to previous periods?**

| Adverse sustainability indicator                             | Metric                                                                                                                                                                                                | 2022 Annual Average | 2023 Annual Average |
|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| GHG Emissions                                                | Scope 1 GHG emissions                                                                                                                                                                                 | 16.76               | 178.56              |
|                                                              | Scope 2 GHG emissions                                                                                                                                                                                 | 3.84                | 28.23               |
|                                                              | From 1 January 2023, Scope 3 GHG emissions                                                                                                                                                            | 135.44              | 1,186.30            |
|                                                              | Total GHG emissions                                                                                                                                                                                   | 154.83              | 1,329.84            |
| Carbon Footprint                                             | Carbon footprint                                                                                                                                                                                      | 269.23              | 285.77              |
| GHG Intensity of investee companies                          | GHG intensity of investee companies                                                                                                                                                                   | 1,003.90            | 871.18              |
| Exposure to companies active in the fossil fuel sector       | Share of investments in companies active in the fossil fuel sector                                                                                                                                    | 7.98%               | 8.01%               |
| Share of non-renewable energy consumption and production     | Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage | 73.62%              | 64.63%              |
| Energy consumption intensity per high impact climate sector  | Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector                                                                                            | 0.84                | 0.70                |
| Activities negatively affecting biodiversity-sensitive areas | Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas        | 0.03%               | 0.03%               |
| Board Gender Diversity                                       | Average ratio of female to male board members in investee companies                                                                                                                                   | 33.72%              | 34.57%              |
| ESG Sovereign Monitor                                        | Scores below 4                                                                                                                                                                                        | 0.00%               | 0.00%               |
|                                                              | Score between 4 and 6                                                                                                                                                                                 | 0.38%               | 1.93%               |
|                                                              | Scores above 6                                                                                                                                                                                        | 16.68%              | 34.80%              |

|                  | Fund | Benchmark |
|------------------|------|-----------|
| ESG Score – 2022 | 6.81 | 6.52      |
| ESG score – 2023 | 6.73 | 6.52      |

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Please note the fund does not intend to make sustainable investments in accordance with the definition under the Sustainable Finance Disclosure Regulation. As such, this question is not applicable to the fund for the reference period of January – December 2023.

***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

Please note the fund does not intend to make sustainable investments in accordance with the definition under the Sustainable Finance Disclosure Regulation. As such, this question is not applicable to the fund for the reference period of January – December 2023.

***How were the indicators for adverse impacts on sustainability factors taken into account?***

Please note the fund does not intend to make sustainable investments in accordance with the definition under the Sustainable Finance Disclosure Regulation. As such, this question is not applicable to the fund for the reference period of January – December 2023.

***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Please note the fund does not intend to make sustainable investments in accordance with the definition under the Sustainable Finance Disclosure Regulation. As such, this question is not applicable to the fund for the reference period of January – December 2023.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## How did this financial product consider principal adverse impacts on sustainability factors?

Our exclusions policies set out those exclusions that we apply across the fund. These result in binding consideration of the following corporate social and environmental PAI indicators

- Social PAI 14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Social PAI 10 relating to violations of UN Global Compact Principles and OECD Guidelines
- Environmental PAI 4 relating to companies active in the Fossil Fuel sector



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:

1<sup>st</sup> January 2023 –  
31<sup>st</sup> December 2023

| Largest Investments                    | Sector                 | %<br>Assets | Country       |
|----------------------------------------|------------------------|-------------|---------------|
| APPLE INC                              | Information Technology | 1.99%       | United States |
| MICROSOFT CORP                         | Information Technology | 1.65%       | United States |
| CANADA (GOVERNMENT OF)                 | FI Securities          | 0.70%       | Canada        |
| US TREASURY N/B                        | FI Securities          | 1.38%       | United States |
| TREASURY NOTE                          | FI Securities          | 1.22%       | United States |
| US TREASURY N/B                        | FI Securities          | 1.09%       | United States |
| JAPAN (GOVERNMENT OF) 10YR #360        | FI Securities          | 1.08%       | Japan         |
| CHINA PEOPLES REPUBLIC OF (GOVERNMENT) | Real Estate            | 0.53%       | China         |
| JAPAN (10 YEAR ISSUE)                  | FI Securities          | 1.03%       | Japan         |
| JAPAN (GOVERNMENT OF) 20YR #174        | FI Securities          | 1.02%       | Japan         |
| JAPAN (GOVERNMENT OF) 5YR #145         | FI Securities          | 0.72%       | Japan         |
| TREASURY NOTE                          | FI Securities          | 0.95%       | United States |
| TREASURY BOND                          | FI Securities          | 0.92%       | United States |
| TREASURY NOTE                          | FI Securities          | 0.87%       | United States |
| AMAZON COM INC                         | Consumer Discretionary | 0.81%       | United States |



## What was the proportion of sustainability-related investments?

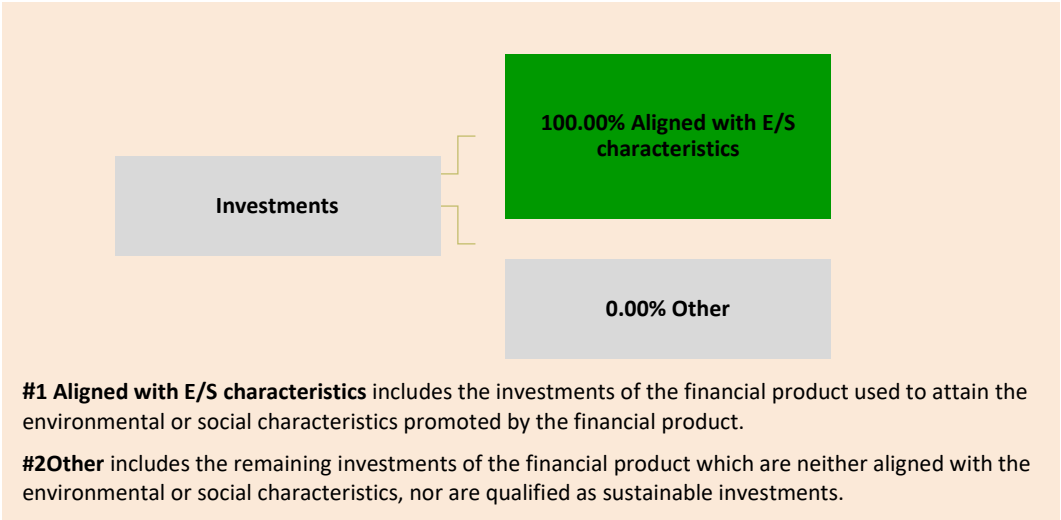
The Fund does not commit to making Sustainable Investments as defined under SFDR. As a result, this is not applicable.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What was the asset allocation?**



**Disclaimer:**  
Internally Managed or Third Party Managed funds used for cash or liquidity management that disclose under Article 8 of the SFDR have been included in aligned to E/S characteristics bracket. Any Article 6 funds and other cash instruments have been included in the Other bracket.

The asset allocation break down by Environmental/Social Characteristics and Other are based off the NAV of the fund

● **In which economic sectors were the investments made?**

| Sector                 | Proportion (%) |
|------------------------|----------------|
| FI Securities          | 30.26%         |
| Financials             | 20.55%         |
| Information Technology | 9.11%          |
| Health Care            | 6.39%          |
| Industrials            | 6.22%          |
| Communication          | 6.04%          |
| Consumer Discretionary | 4.88%          |
| Energy                 | 3.70%          |
| Consumer Staples       | 3.57%          |
| Real Estate            | 3.15%          |
| Utilities              | 2.28%          |
| Materials              | 2.17%          |
| Cash Securities        | 1.62%          |
| FX                     | 0.06%          |



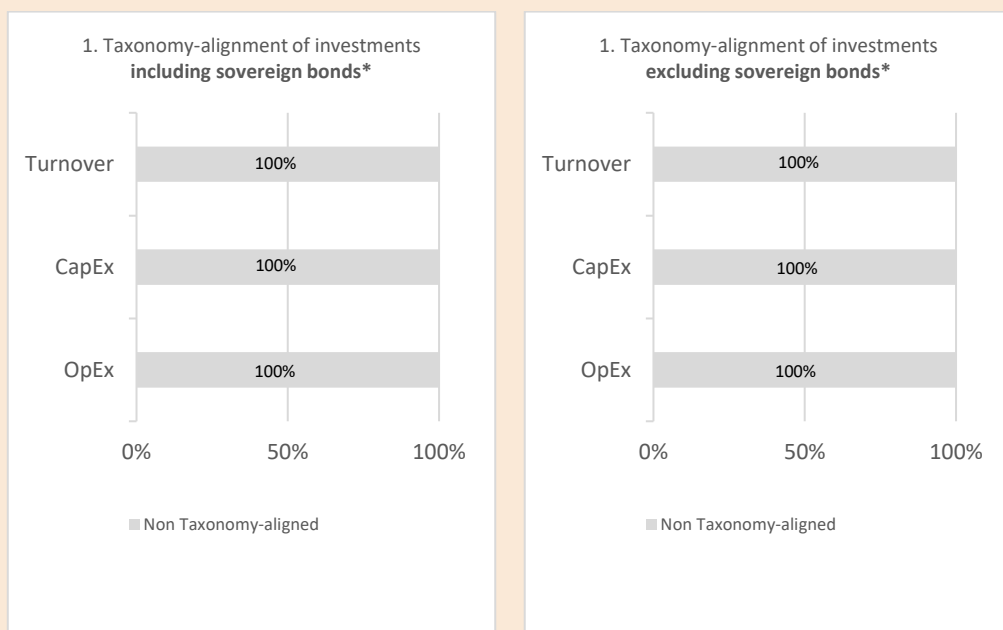
**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund does not commit to making Sustainable Investments as defined under SFDR. As a result, this is not applicable.

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?

- ☐ Yes:
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

**Note:** Due to the quality of data available, a taxonomy alignment analysis for the above table has not been undertaken.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **What was the share of investments made in transitional and enabling activities?**

The Fund does not commit to making investments in transitional and enabling activities as defined under the EU Taxonomy. As a result, this is not applicable

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund does not commit to making investments in transitional and enabling activities as defined under the EU Taxonomy. As a result, this is not applicable



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund does not commit to making Sustainable Investments defined under SFDR and does not commit to making investments aligned to the EU taxonomy. As a result, this is not applicable.



**What was the share of socially sustainable investments?**

The Fund does not commit to making Sustainable Investments as defined under SFDR. As a result, this is not applicable.



**What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

There were no “other” investments in the fund..



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

In January 2023, we sent our annual letter to the chairs of companies we invest in, as well as those we do not but would like to use our influence with. This letter set out our stewardship priorities that shaped our voting and engagement activities of 2023: the cost-of living crisis, transitioning to a low-carbon economy and reversing nature loss. The letter reiterates that even though we must re-evaluate and adjust near-term priorities given global macroeconomic and geopolitical events, we must ensure that tactical responses today do not undermine longer-term sustainability objectives. Where engagement with companies, whether on strategic, performance, general ESG or specific voting issues, is undertaken, the effectiveness of such engagements will be measured and evaluated on a regular basis. We maintain a database to record our voting and engagement with companies, which allows us to review the effectiveness of our activities. Where companies do not adequately address our concerns, the matter may be escalated via a number of tools available to us such as voting, collaborative engagement and potentially divestment.

As well as our chair letter, Aviva Investors continued our Climate Engagement Escalation Programme (CEEP) which targets the world’s 30 most systemically important carbon emitters across our credit and equity portfolios. This programme will run for between one and three years, depending on individual company circumstances. All engagement activities with these 30 companies are tracked and clear escalation measures are incorporated for non-responsive businesses or those that do not act quickly enough. In 2023, to maximize our impact facilitating real-world decarbonisation, we expanded the programme to focus on hard-to-abate sectors that directly depend on hydrocarbon products, in order to reflect the interlocking nature of supply and

demand. We also embraced a more holistic “value chain” approach towards our engagement activity – focusing on bringing together relevant sectors and their respective trade associations and regulatory bodies to discuss shared sector- and value chain-wide and systemic bottlenecks impeding decarbonisation. We began with the aviation value chain – including airlines, engine manufacturers and biofuel producers – in a roundtable to discuss key opportunities and challenges impeding decarbonisation.

Aviva Investors CEO Mark Versey sent a letter to finance ministers and central bank governors of 36 countries representing material sovereign investments for Aviva Investors. The letter raised issues that we consider to be of great significance, such as climate change, biodiversity, and human rights.

The letters were tailored and had actionable suggestions - for example, they made the case for membership of, and engagement in, the Coalition of Finance Ministers for Climate Action (CFMCA) and the Network for Greening the Financial System (NGFS). They also called for active engagement in the preparation of ambitious, updated national climate plans (NDCs).

These letters represent a basis for constructive dialogue between investors and sovereign representatives, leading to mutually beneficial engagements. Such engagements enable sovereigns to articulate their approach to managing sustainability risks, while a deeper and more common understanding of those risks can enable better policy outcomes. Such engagement also enables us to voice our support for action on sustainability commitments and gather insight on progress to inform investment decisions.



## How did this financial product perform compared to the reference benchmark?

The fund does not have a designated reference benchmark for the purpose of attaining the environmental and social characteristics that the fund is promoting.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***  
Not Applicable.
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***  
Not Applicable.
- ***How did this financial product perform compared with the reference benchmark?***  
Not Applicable.
- ***How did this financial product perform compared with the broad market index?***  
Not Applicable.

Version 2 – August 2024