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Corporate responsibility

At Aviva, we know that in order to earn the trust of our customers we need to act responsibly and sustainably every day. Only then will we be able to meet our strategic priorities and live out our purpose to be: 'with you today, for a better tomorrow.'

As a company we aim to do the right thing for the long term. We are deeply invested in our people, our customers, our communities and our planet. By caring more today, we can leave a legacy of which we can be proud.

A forward-looking approach

In 2019, as part of our commitment to bring our business into line with the Paris Agreement (a United Nations-backed global treaty to limit global warming), we committed to ensuring our assets have a 'net zero' carbon impact by 2050. Aligned to this we are also in the process of refreshing our wider responsible and sustainable business strategy (2020-2025), based on insight from over 9,000 stakeholders across the world. We look forward to sharing more on our new strategy in 2020.

This year also marks the end of our previous five-year Corporate Responsibility (CR) strategy. We are proud to have met or beaten a number of our ambitious targets over this period, including reducing our CO₂e emissions by 66% since 2010 (target: 50% reduction), supporting 4.8 million beneficiaries through our CR programmes (target: 2.5 million) and investing over £3.8 billion in low carbon infrastructure since 2015 (target: £2.5 billion).

The following sections outline the key areas of progress we have made over the course of 2019.

Putting the customer at the centre of everything we do.

In order to deliver great customer outcomes, we are committed to helping our 33 million customers protect what's important to them and save for a bright future. In 2019 we paid out £33.2 billion in benefits and claims around the world.

We know the importance of providing excellent customer service, as demonstrated through our businesses' Net Promoter Scores[®], which are our measures of customer advocacy. Seven out of nine of our businesses are at or above the market average NPS[®], which quantifies the likelihood of a customer recommending Aviva.

But we know that we do not always get it right and we take any complaints and feedback we receive seriously and investigate them thoroughly. Our customer service commitment is reflected in the Customer Experience Business Standard all our markets abide by (see the policies section of www.aviva.com/social-purpose).

Our more than 60 green or accessible products and services across the world enable our customers to be more environmentally responsible or give them easier access to the protection they need for themselves and their families. (More details can be found in our Corporate Responsibility Reporting Criteria 2019 on www.aviva.com/social-purpose).

In the UK last year, we launched a pilot with Moneyline (a leading not-for-profit social lender) offering a home contents insurance product. This is designed to support low-income, financially excluded customers and can be arranged at the same time as taking out a short-term loan.

This will provide lessons on how to encourage low income households to take up insurance protection against financial loss.

In Aviva Singapore, we are going beyond paying out critical illness claims and are partnering with the Singapore Red Cross to set up a pilot 'Disability Fund' for our customers. This fund will help them use their pay-out effectively by paying for subsidised services such as transport to and from medical appointments, rehabilitation at a day activity centre and digital home monitoring to keep people safe.

Aviva Poland's anti-smog campaign continues to benefit customers. Over the last two years the campaign has seen us fund the addition of 400 external air quality sensors to the national network, with over half of these sensors placed in areas voted for by the public. The sensors are accompanied by a downloadable app, to help people keep track of pollution in their city and adjust their actions accordingly for the good of their health.

Creating a better tomorrow for our planet

To create a better tomorrow, we need to look after the planet we call home. Our plan to help tackle climate change is backed by our long history as a leader in sustainable practices.

We continue to manage the impact of our business on the environment. Our Corporate Responsibility, Environment and Climate Change business standard focuses on the most material operational environmental impacts, which we have identified as greenhouse gas emissions.

Our operational global greenhouse gas emissions data boundaries show the scope of the data we monitor and the emissions we offset. We report on Greenhouse Gas (GHG) emission sources on a carbon dioxide emissions equivalents basis (CO₂e) in respect of Aviva's Group-wide operations as required under the Companies Act 2006 (Strategic report and Directors' reports) 2013 Regulations. We also refer to the GHG Protocol Corporate Accounting and Reporting Standard, and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2019. The table below shows the absolute operational carbon emissions:

Tonnes CO ₂ e	2019	2018	2017
Scope 1	14,207	16,198	17,915
Scope 2	21,340	25,012	31,280
Scope 3	14,628	17,739	19,305
Absolute CO ₂ e*	50,175	58,949	68,500
Carbon offsetting**	(50,175)	(58,949)	(68,500)
Total net emissions	—	—	—

* 2019 Assurance provided by PricewaterhouseCoopers LLP available at www.aviva.com/CRkpisandassurance2019

** Carbon offsetting through the acquisition and surrender of emissions units on the voluntary and compliance markets.

Scope 1 – natural gas, fugitive emissions (leakage of gases from air conditioning and refrigeration systems), oil, and company owned cars.

Scope 2 – electricity.

Scope 3 – business travel and grey fleet (private cars used for business), waste and water.

The following table shows the carbon intensity of our operations:

	CO ₂ e tonnes per employee	CO ₂ e per £m GWP
2019	1.0	1.61
2018	1.6	2.06
2017	1.6	2.48

To date globally we have achieved a 66% reduction in CO₂e against our 2010 baseline and we have committed to align our business to the 1.5°C Paris targets, as outlined in the climate-related financial disclosure section of this Strategic report.

As well as cutting our emissions every year, we have offset any remaining emissions to ensure our business impacts have been 'carbon neutral' since 2006. We have helped make over 1.2 million people's lives better since 2012 through our carbon offsetting projects. This includes provision of household water filters in Laos and Cambodia, providing safe water.

In 2019 we completed the installation of an innovative solar car port at one of our UK offices – Norwich Horizon. From April until the end of October, 89% of the daytime electricity demand for the office was covered by the solar carport, with the rest coming from renewably sourced energy via the national grid. Our award-winning Smart Building Management approach in Ireland has also reduced electricity use by 3% and gas use by 25% from May to December 2019.

At the start of 2019, Aviva UK exited underwriting the standalone operational fossil fuel power market as part of its commitment to help tackle climate change. In July 2019 we became a founding signatory of the Powering Past Coal Alliance Finance Principles. Then in November we launched 'Aviva Renewable Energy' – an integrated package of insurance designed specifically to support large companies in the complex market of renewable energy, including onshore windfarms, solar power and battery storage. Overall, we have significantly reduced Aviva's underwriting exposure to coal to practically zero.

Aviva has a proud heritage in sustainability and was the first global insurer to become carbon-neutral in 2006, while Aviva Investors has invested £6 billion in green assets on behalf of Aviva and external clients since 2015. This includes £3.8 billion in low-carbon infrastructure, such as wind farms and solar panels, and £2.2 billion in green bonds.

Under the Carbon Reduction Commitment Energy Efficiency Scheme, we reported total emissions of 55,374 tonnes of CO₂e in 2019 costing £1,013,344. This mandatory scheme is limited to UK business emissions from building energy and includes the property portfolio of our investment funds managed by Aviva Investors.

Having acknowledged the growing numbers of our customers, colleagues and partners speaking up about the issue of plastics, our workplaces are now free of single-use plastic containers in all our markets bar one, which has a roadmap to do so in the first half of 2020.

More details of our environmental KPI data and our independent assurance process can be found at: www.aviva.com/CRkpisandassurance2019.

Making an impact in communities

Since 2015, we have invested over £67.6 million in our communities, including £16 million in 2019 (2018: £17.6 million). This has helped 4.8 million people during the last five years (1.2 million in 2019) and supported over 9,800 local community projects (2,080 in 2019). This beats our 2015-2020 target of 5,000 projects.

The last five years of our Aviva Community Fund programme has supported over 3,000 local projects in ten Aviva markets, investing over £13 million to help build capability and capacity in the charity sector. In 2019 Aviva France continued their ambitious Aviva La Fabrique programme, which saw 46 social entrepreneurs awarded a share of one million euros following over 1.5 million public votes. The Aviva La Fabrique Impact Fund was also set up to allow investors the opportunity to invest in these social enterprises.

Aviva Canada, a major general insurer, is also linking its core business expertise to its community investment. In 2019, the business launched its new social impact platform, Aviva Take Back Our Roads, which aims to make Canadian roads and school zones safer for all. The data-driven platform includes on-the-ground community

projects, adoption of innovative safety products and technology, and utilises our employees' expertise to help solve road safety issues.

In total, 11,600 of our people globally have contributed more than 68,200 volunteering hours to support their local communities throughout 2019. They also gave or fundraised over £2.1 million.

Last year the Aviva Foundation in the UK invested unclaimed assets of shareholders through grants and social enterprise investments. In 2019 the Foundation has now committed to giving £3.7 million to nine non-profit organisations and social enterprises that, working with our business, can support our communities and vulnerable customers. This has included funding counselling for vulnerable home insurance customers who experience trauma following serious events such as flooding.

In 2019 we renewed our strategic partnership with the British Red Cross for a further two years. This has enabled us to continue to work together to make communities safer, stronger and more resilient in times of uncertainty and crisis. This in turn will help them to recover quicker when a disaster strikes. Projects in 2019 have included the launch of an innovative 'forecast-based financing' initiative. This resulted in Aviva supporting the Indonesian Red Cross in developing an early action protocol in Indonesia. Once completed, the protocol will be activated when severe flooding is forecasted, building resilience by enabling communities to act and be helped before crisis strikes and therefore reducing the impact it has on their lives. In support of this project, over 450 of our people mapped over 60,000 buildings in urban Indonesia in one week. These maps will help the Red Cross to prioritise who and what could be impacted during a disaster and determine the help they will receive ahead of time.

Good governance and business ethics

We are committed to the highest standards of ethical behaviour as outlined by our Business Ethics Code. This underscores our commitment to operate responsibly and transparently. We require all our people, at every level, to read and sign-up to our Code every year (99% of our employees did so in 2019).

We have a zero-tolerance approach to acts of bribery and corruption. To manage this risk, we have a risk management framework which sets policies and standards across all markets. These policies and standards apply to everyone at Aviva and it is the responsibility of CEOs (or equivalent) to ensure that their business operates in line with them.

The Financial Crime Business Standard, and supporting Minimum Compliance Standards, guide our risk-based financial crime programmes. These seek to prevent, detect and report financial crime, including any instances of bribery and corruption, while complying fully with relevant legislation and regulation. We use risk-based training to ensure employees and others acting on Aviva's behalf know what is expected of them and how they should manage bribery and corruption risks.

At a Group level, the Chief Risk Officer provides Aviva's Board Governance Committee¹ with regular reporting on financial crime matters. These include Aviva's anti-bribery and anti-corruption programme.

Our malpractice helpline, Speak Up, makes it easy to report any concerns in confidence, with all reports referred to an independent investigation team. In 2019, 89 cases were reported through Speak Up (2018: 50), with four related to bribery and corruption concerns. 59 cases reached conclusion, and 30 remain under investigation. There has been no material litigation arising from any case reported in 2019.

¹ From 1 January 2020 this Committee has become the Customer, Conduct and Reputation Committee. Further details are available in the Governance Report in the Annual Report and Accounts.

We conduct due diligence when recruiting and engaging external partners. At the end of 2019, 98% of our UK and Ireland registered suppliers have agreed to abide by our Code of Behaviour (or provided a reason why they didn't do so, for example, because they have their own existing code of behaviour). Our Code of Behaviour outlines the way in which we commit to behave in our dealings with each other and includes guidance on financial crime laws and regulations.

We continue to work with our suppliers to promote the real Living Wage and include a Living Wage clause in all appropriate contracts. We are also working with the Living Wage Foundation to pilot and implement the new Living Wage Foundation standard, 'Living Hours', to ensure that workers have sufficient, predictable hours, for which we won the Global Sourcing Association Award 2019 for Social Programme of the Year.

Our Board Governance Committee¹ oversees our responsible and sustainable business strategy and the policies that underpin it. Aviva plc is subject to the UK Corporate Governance Code (the Code), which we aim to comply with fully. Kirstine Cooper, Group General Counsel and Company Secretary, is the Aviva Leadership Team member responsible for corporate responsibility and sustainability, and the topic has been covered by the Board Governance Committee¹ three times during the course of 2019, as well as once at the Aviva plc Board and twice at the Board Risk Committee.

Details of the Company's compliance with the Code can be found in the Directors' and Corporate Governance Report in the Annual report and accounts and online at www.aviva.com/investors/corporate-governance. The activities of the Board Governance Committee can be found in the Governance Committee Report in the Annual report and accounts.

We have assessed the environmental risks that we face as a business. The most significant of these is the potential impact of climate change on our customers' lives and our company's assets. More detail can be found in the 'Risk and risk management' section and in 'Our climate-related financial disclosure' sections of this Strategic report.

We also manage the risks associated with our community investment activities through the controls outlined in our overarching Corporate Responsibility Business Standard. This includes a governance framework for our charitable donations and partnerships and details of how we manage the risks associated with employee volunteering (for example, through safeguarding). This standard is reviewed each year and communicated to all Aviva businesses.

Our support for human rights

We are committed to supporting the human rights and anti-modern slavery agenda both within the organisation through our operations, and outside of it through partnerships and collaboration.

Our human rights policy² identifies our main stakeholders and the most salient human rights issues for our business. The scope of this policy is group-wide and sets out the Group's commitment to respect human rights.

Within our own operations, in 2019 we:

- Completed human rights due diligence in a number of key markets, reviewing their risk approach in areas including governance, employees, customers and investments. To date, 15 markets have completed an impact assessment including the UK, China, Turkey, Vietnam, Singapore, Italy and India. The assessments allow markets to prioritise the most important actions to enhance Aviva's work on human rights.
- Engaged key suppliers on the topic of human rights and conducted modern slavery threat assessments on a range of those suppliers

who, based on their sector, are at a higher risk of being exposed to modern slavery. Since 2018 we have completed 18 assessments, with no cases of modern slavery being discovered at Aviva or in our supply chain. The assessments provide suppliers with the opportunity to spot any potential risks or control gaps which we then work with them to address. In 2019 we have conducted modern slavery training for key employees in five markets.

We also work with trusted partners to enhance our approach. This includes the Slave Free Alliance, whose insights we use to both improve our strategic approach to modern slavery, and to train our staff across different markets on human rights and modern slavery issues. These workshops have ensured our people understand the complexities of modern slavery and human trafficking, help them to spot the signs of it, and teach them how to respond in the event that a case is identified. We also continue our work with the UN Global Compact as part of the UK Working Group on modern slavery.

Finally, we use our influence and connections to bring others together and enhance the industry's wider understanding of, and impact on human rights. For example, we worked with the World Benchmarking Alliance (WBA) in 2019 to organise and host the official launch of the third Corporate Human Rights Benchmark (CHRB) 2019 rankings, in our role as funder and founding member.

For our complete modern slavery statement, please see: www.aviva.com/modernslaverystatement.

Towards a more sustainable future

Aviva is not just an insurer but an investor in the economy, investing in buildings, infrastructure projects and companies around the world to help our customers save for their future. We do this, in part, through Aviva Investors (AI), our global asset management company with a heritage in responsible investing dating back to the early 1970s.

We invest responsibly with Environmental, Social and Governance (ESG) considerations a central pillar of our investment process³, because we believe it minimises risk and allows us to spot opportunities for our customers, empowering them to make more informed decisions. This process includes areas like climate change, human rights, plastics and gender diversity.

During 2019 Aviva Investors enhanced their responsible investment processes and embarked on a global, company-wide initiative to fully embed them across all asset classes. We have reached some important milestones. These include:

- Establishing a new responsible investment philosophy, setting out our responsible investment commitments as a business.
- Agreeing and implementing specific ESG integration policies for each of our investment functions: Credit, Equities, Multi-Asset and Macro, Real Assets and Solutions.
- Developing a framework for new products and solutions that meet the specific needs and values of our clients including building a Sustainable Outcomes Funds Range linked to the United Nations Sustainable Development Goals (SDGs). We have already launched the first two products in the range – the Sustainable Income and Growth Fund and the Climate Transition European Equities Fund – and will develop several more in the next three years.
- Working with Aviva UK Life to design funds for customers who want more bespoke solutions. For example, in July 2019 Aviva UK launched the 'Stewardship lifestyle strategy' – a workplace pension default investment strategy, marking the first time an investment strategy has been solely based on the Aviva Investors Stewardship Funds. These funds were also then launched onto Aviva UK's Adviser Platform, providing a new ethical and ESG option for pension customers.

¹ From 2020 this Committee has become the Customer, Conduct and Reputation Committee. Further details are available in the Governance Report in the Annual Report and Accounts.

² Our human rights policy can be found at www.aviva.com/content/dam/aviva-corporate/documents/socialpurpose/pdfs/policies-responses/20171025-Human-Rights-Policy-Final.pdf

³ Please note there are no specific ESG restrictions on the Investment Manager's decision.

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We also continue to play our role as a responsible asset owner engaging with the companies, projects and assets we own on issues such as climate change, human rights and diversity. For example, Aviva Investors worked with other investors on a resolution encouraging the oil and gas company British Petroleum to do more to show how its strategy is consistent with meeting the Paris Agreement – which passed with 96% support at its AGM.

We believe in the need to encourage change not just with the companies we invest in, but in our industry and economy as a whole. In September 2019, Maurice Tulloch, Global CEO, attended the UN General Assembly in New York to demonstrate our commitment to be a company that makes a difference. We know that an unsustainable planet creates huge risks for our business and our customers – so we engage with governments and policymakers to try and fix the financial system and make sure more money goes towards building a sustainable future. At the event he talked about the need for a Marshall Plan for the planet, an ambitious plan to change the financial system for the better.

We continue our support of the World Benchmarking Alliance (WBA), alongside the United Nations Foundation. The Alliance is committed to establishing public, transparent and authoritative league tables, ranking companies on their contribution to the SDGs. In 2019 the WBA published their first two rankings on sustainable seafood and climate change. In 2020 this will be accelerated with the publication of a suite of rankings addressing food and agriculture, digital inclusion and gender equality and empowerment.

Corporate Responsibility (CR) key performance indicators (including 2017-2019 figures) and the accompanying limited assurance statement by PwC can be found in Aviva's Environmental, Social and Governance Data sheet on www.aviva.com/social-purpose. Our CR Summary 2019 will be released later in 2020. More details of our internal diversity, inclusion and wellbeing approach can be found in the 'Our people' section of this Strategic report.