



Securing our future

Corporate responsibility report 2011



Welcome

During 2011 we made great progress across all areas of CR as part of our journey towards sustainability. Even in a challenging year for us all, we have demonstrated that it is not only possible but good for our business to build public trust in financial services and to do so in a way that is responsible and sustainable.

Community investment
12.4m

Employees believe our
commitment to CR is
genuine
79%

Carbon emissions
(relative), tonnes
148,404

Employees rate Aviva
favourably on the
customer index
73%

Business Ethics Code
employee sign-off
89%

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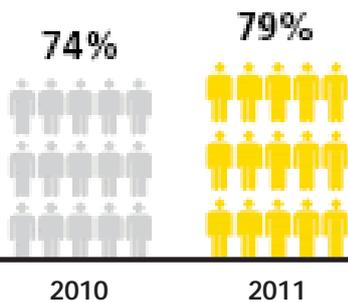
Overview

2011 has been a year of opportunity and change. We are building trust through our sustainable products while supporting the low-carbon economy, and our people and community development projects continue to thrive at the heart of our corporate responsibility programme.

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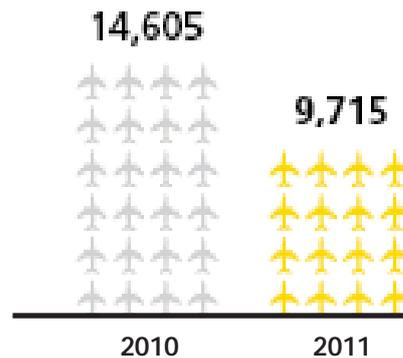
Employees believe our commitment to CR is genuine

▲ 5%



Air travel, tonnes CO₂

▼ 34%



Employee Promise Survey response rate

85%

Water consumption, m³

509,657

Volunteering hours

60,390

Employees rate Aviva favourably on the leadership index

70%

Employees rate Aviva favourably on the customer index

73%

What does Marie think?

"As the world's sixth largest insurance company our role in society is to protect our customers' prosperity and peace of mind. As our business grows it is vital that we maintain a positive social impact. That's why we're continuing to embed sustainability into the business and staying focused on the issues that are material to Aviva's long-term success."

Marie Sigsworth
group corporate responsibility director, Aviva





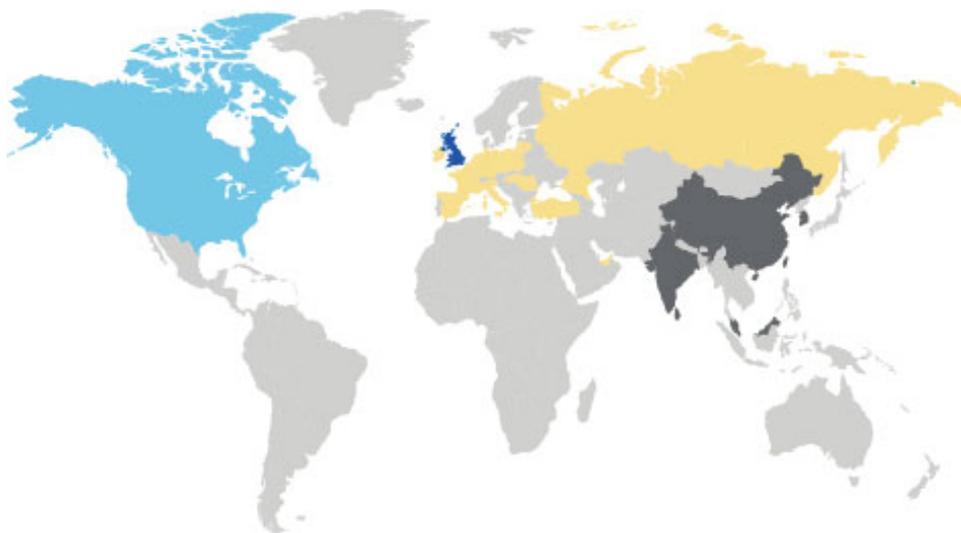
About Aviva

Aviva is the world's sixth largest insurance company providing 43 million customers with insurance, savings and investment products and employing 36,600 people. We are the UK's largest insurer and one of Europe's leading providers of life and general insurance. We combine strong life and general insurance businesses under one powerful brand, focused on providing customers with prosperity and peace of mind.

This model gives us reliable revenues from diverse sources, and helps us fund and grow our business more efficiently.

For us, insurance is about people and not policies. Our business helps our customers to manage the risks of everyday life and protects them long into the future. We must be there for them throughout their lives and beyond, so it's crucial we are a sustainable and profitable business for the mutual benefit of our customers, our shareholders and future generations.

We want to encourage as many people as possible to secure their financial futures. We're committed to working with our customers, governments, regulators, charity partners and business partners to find solutions that increase the financial wellbeing of individuals and society. It is our duty, as an industry leader, to campaign and encourage governments to properly address the challenge of long-term savings and pensions. It's one of the most important financial issues of our time and we are all in it together.



■ UK ■ Europe ■ North America ■ Asia Pacific

- 43 million customers
- 36,600 employees
- 300 years of heritage
- £2.5 billion IFRS profits
- 26p full-year dividend

Chairman's statement

"There have been many initiatives to celebrate over the years of my chairmanship, and I have seen at first hand the difference these initiatives can make to individual lives."

Lord Sharman of Redlynch, OBE
Chairman



As I introduce our corporate responsibility report for the final time, I am reminded of just what we can collectively achieve. Looking back on the past five years, what really stands out to me is the commitment of our people – not only in building prosperity and peace of mind among our customers and communities but in doing this sustainably.

When we talk about sustainability people often think of climate change. Indeed, environmental challenges have been of personal interest during my chairmanship, but sustainability is also very much about people. This is why we have aligned our HR functions so closely with our corporate responsibility goals, embedding a culture of integrity and transparency that will enable us to do business a long way into the future. It is also the reason we have maintained our momentum on balanced leadership and diversity at all levels. It simply makes good business sense to work in this way.

Stable, thriving communities are just as key to Aviva's future as they are to individuals' wellbeing and prospects, and we have continued to invest directly in communities as part of delivering our core purpose. There have been many initiatives to celebrate over the years of my chairmanship, and I have seen at first hand the difference these initiatives can make to individual lives. As a far-reaching global programme, Street to School is a milestone in our community investment and very close to our heart. To date, it has reached hundreds of thousands of street children around the world and that is something I am very proud of.

Our internal governance of corporate responsibility is a key factor of our success – the board-level CR Committee, which I set up in 2006, ensures that our commitments to responsible business practice are given full prominence at the most senior level. Indeed, we are rated in the top 10 European companies in the STOXX index for our governance of environmental and social issues.

Perhaps that external recognition has come in part from our determination to be forward-thinking on big issues, even when the path ahead is difficult. Whether the issue is continuing economic uncertainty, low consumer confidence or indeed climate change risk – all of which remain to the fore – partnership and dialogue with a wide range of parties, including our customers, governments and regulators, is how Aviva has always chosen to make progress.

I have always pushed for transparency within our own business and among our peers. On climate change, I have continued to call for businesses not only to disclose their risks and opportunities associated with climate change but to report actions to mitigate these risks. I am also very proud to have been involved with the Accounting for Sustainability programme and the subsequent International Integrated Reporting Committee.

Despite these tremendous achievements, in which I am honoured to have played just a small part, we can always do more. And I have absolutely no doubt that John McFarlane, who I know shares my passion for responsible business leadership, will rise to the challenges and guide Aviva on its sustainability journey.

Lord Sharman of Redlynch, OBE
chairman

Group chief executive's statement

"I'm proud to report that we've demonstrated in 2011 that it is possible to build prosperity and peace of mind responsibly, sustainably and with integrity."

Andrew Moss
group chief executive



Providing stability in challenging times is what we do best. Many of our customers have felt the financial strain during the economic downturn – and we've been there to support them, as we've always been, to help them manage risk in their lives and save for the future. Insurance plays a key role in society and this important social role is demonstrated by the £33 billion that Aviva paid out in claims and benefits to our customers worldwide in 2011.

I'm proud to report that we've also demonstrated in 2011 that it is possible to build prosperity and peace of mind responsibly, sustainably and with integrity. That's why, as well as embedding responsibility right at the heart of our business, we've ramped up our community initiatives:

- We've increased our community investment by £1 million (to £12.4 million)
- Our people have given 60,000 hours of their time to make a difference in their communities
- Street to School, our global community programme, has helped 400,000 street children around the world to date.

The executive team and I are also pleased with our environmental progress. We are not only reducing risk but seizing opportunities in low carbon markets and bringing our investors and suppliers along the journey, for example through our 'repair over replace' approach.

These are just some of the reasons why Aviva is the top insurer and among the top five companies globally in the FTSE4Good Environmental and Social Governance ratings.

In all of this, dialogue with government, our industry, suppliers and other partners has been instrumental. Highlights in 2011 for me were sharing our thoughts on sustainability at the World Economic Forum and as a LEAD member of the UN Global Compact group of companies. We remain committed to the ten principles of the UNGC, you can find out more about this in our Communication on Progress. We've also continued to convene the Future Prosperity Panel of thought leaders. They have called for changes to make the pensions landscape simpler and more transparent.

Without our people none of this would be possible. We continue to invest in attracting the very best people; in making Aviva a great place to work and being progressive on health and wellbeing. In 2011, we championed diversity and gender-balanced leadership across the Group.

2012 is likely to be no less challenging but our dedication to corporate responsibility is real. The overwhelming majority of our people are in support of our CR commitments, at 79% in favour, that's higher than average for financial services' organisations. We should all be proud of the part we have played as we look forward to an exciting year ahead.

Andrew Moss
group chief executive



Corporate responsibility strategy

Our corporate responsibility strategy directs our worldwide business to focus on success in the long term. It is central to our overall business strategy, it helps our people to feel pride and our customers place trust in us to bring them prosperity and peace of mind.

Aviva CR standard

Our corporate responsibility (CR) standard sets out minimum requirements for business ethics, human rights, diversity and communities. Our supporting standards set out clear guidance for everyone who works here, ranging from our Business Ethics Code to training on topics such as financial crime and information security.

From strategy to action

In 2011, we set ourselves the challenge to develop a sustainability plan that actively leads our environmental, social and economic agenda to secure the long-term success of Aviva.

We have worked as One Aviva to review our CR strategy, to create a framework and tools that embed sustainability principles and ways of working across the business, and we have started to think about the value sustainability brings to the business.

In 2012–2014, we plan to build on this by:

- Further defining sustainability at Aviva and strengthening our strategy
- Engaging our people so they all know what 'sustainable' looks like and the part they play in Aviva being a sustainable business
- Gathering and spreading best practice across Aviva businesses
- Setting public targets including a map of how we plan to achieve them and communicating our business case based on our sustainability value chain
- Integrating communications that promote our efforts and help to achieve our aims.

Corporate responsibility strategy (continued)

How we compare

We know we have many opportunities to improve, but we are rated as a company that does corporate responsibility well:

- We are in the top 10% of the biggest 2,500 companies worldwide in the influential Dow Jones Sustainability Index
- We were named Socially Responsible Investments provider of the year at the European Pensions Awards
- We have been awarded 'Pioneer' status in Ethibel's Sustainability Index
- We have achieved the 'Gold' rating in the UK Business in the Community CR Index
- We achieved 100% compliance against the ClimateWise Principles
- We came top of 300 of Europe's biggest companies in the Europe 300 Carbon Ranking
- We were rated fifth in the FTSE 100 for our 2010 CR Report by the Radley Yeldar report 'How does it stack up?'

Material issues

Material issues are the issues that are of most importance to Aviva, to our stakeholders and to society. They form the basis of our strategy and provide the structure of our reporting.

The people involved in identifying our material issues include our corporate responsibility committee, CR Leadership team, directors, regional experts, external sustainability specialists, our auditors and our reporting consultants.

The material issues we have identified as priorities for Aviva are:

- **Trust and transparency:** We know it is more important now than ever to listen to our customers and build confidence in the services we offer. Building trust for our internal and external stakeholders is a key priority, and we aim to be open, honest and transparent in everything we do, internally and externally
- **Climate change and the environment:** The core of our business is making provision for future events. We are adapting and creating new products that will help meet the challenges of climate change. We are reducing our own CO₂ emissions and working with others to help understand and respond to future risks
- **Sustainable products:** The design, delivery and accessibility of our products and services are at the heart of our promise to provide peace and prosperity to our customers. Our products can encourage behaviour change, support a sustainable economy and provide access for many to financial protection for the first time
- **Attracting and retaining talent:** We recognise our employees for who they are and what they contribute. We listen to them, reward good work and provide continuous development, all the while treating everyone fairly and with the respect they deserve
- **Developing communities:** We provide prosperity and peace of mind to millions of customers, and wide-reaching social benefits in the communities where we work. Our community development programme is helping people all over the world for who peace of mind and prosperity is out of reach.

Material issues (continued)

Emerging issues

Whilst we focus on the issues that have the most impact on our business we are also aware of the emerging risks to our business. These are:

- Loss of biodiversity
- Impact on talent due to increased technology
- Greater incidences of financial crime
- Continual downshift in economy
- Reduction in government spending
- Urbanisation and growth of mega-cities
- State-directed capitalism
- Attracting the best talent

Current and emerging issues

■ Currently a core part of our sustainability strategy

■ Potential emerging risks to our business



Global partnerships and engagement

We achieve so much more by working with others. The partnerships we have developed around the world – including others in our sector, charities and non-governmental organisations, public bodies, suppliers, communities and external experts – are helping us to achieve real outcomes and to influence global policy. We couldn't do it alone, and we value the vital role these partnerships play in our corporate responsibility.

We are a leader in our sector in addressing the challenges of global sustainability. We are actively involved in influential partnerships including:

- UN Global Compact LEAD
- ClimateWise
- Carbon Disclosure Project
- Consortium for Street Children
- partnerships with leading suppliers, for example our award-winning relationship with Rentokil Initial.

Influencing policy

We believe we have a responsibility to use our position as a business leader to influence global policy developments such as:

Future prosperity: we are raising political awareness of the challenges and potential solutions to sustainable future prosperity by helping people better understand the financial choices they make.

Accounting for Sustainability: we are part of this collaborative initiative to develop practical tools to enable environmental and social performance to be better connected with strategy and financial performance, and thereby embedded into day-to-day operations and decision making.

Corporate Sustainability Reporting Coalition: we lead this partnership calling for a UN declaration for companies to include sustainability in their annual reporting. We also want international stock exchanges to demand the same.

2011 Global Investor Statement on Climate Change: we are part of a call from 285 leading investors for policy to stimulate investment in climate change solutions, job creation and long-term sustainability of the global economy.

The 2° challenge: we are supporting this call from businesses around the world for governments to speed up international climate change negotiations and take action at a national level.

Supporting global goals



Aviva is a member of the Global Compact and reports every year on its contribution through the Communication on Progress.

The UN has set **Millennium Development Goals (MDGs)** to focus governments, businesses and civil society on major global concerns and to meet targets by 2015. Throughout this report, we indicate how our CR programme supports these:



- MDG 1: end poverty and hunger
- MDG 2: universal education
- MDG 3: gender equality
- MDG 4: child health
- MDG 5: maternal health*
- MDG 6: combat HIV/AIDS*
- MDG 7: environmental sustainability
- MDG 8: global partnership

* MDG 5 (maternal health) and MDG 6 (combating HIV/AIDS) are not directly addressed by Aviva's current CR programme.

MDG icons © United Nations

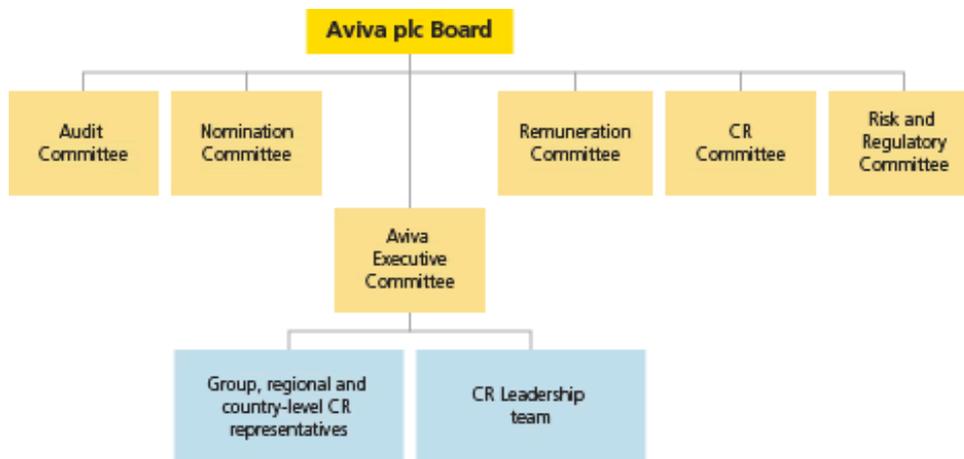
Governance

We manage our corporate responsibility within Aviva's general corporate governance structure. Corporate responsibility (CR) is subject to the global standards and processes that guide delivery of all our regional strategies and programmes.

Overall responsibility for Aviva's corporate responsibility lies with Andrew Moss, Aviva group chief executive and the Aviva plc board. A percentage of our senior executive remuneration is dependent on performance against our CR key performance indicators.

CR strategy is overseen at group level by the group CR team, led by Marie Sigsworth, group CR director. Appointed managers across the businesses are responsible for managing the CR programme locally.

The diagram below shows our overarching corporate governance structure. Our Global CR leadership team and our group, regional and country-level CR representatives are responsible for the day-to-day management of our CR programme. They report to the board level Corporate Responsibility Committee.



Corporate responsibility committee

Aviva's CR Committee was chaired in 2011 by non-executive director, Carole Piwnica, and includes our chairman, Lord Colin Sharman, group chief executive, Andrew Moss, and two other non-executive directors, Scott Wheway and Euleen Goh. The Committee reviews strategy and policy and receives regional and functional reports four times a year. Carole Piwnica retired from the board at the end of 2011 and her replacement as chair of the CR Committee is Gay Huey Evans.

Corporate responsibility leadership team

The CR leadership team meets quarterly to support and advise on the management and implementation of the global CR programme. Membership includes Aviva group CR specialists, regional CR leads and HR directors.

Communicating progress

The Aviva board receives both annual and ad hoc updates on CR strategy, activities and progress. Our CR programme is regularly on the agenda at group executive committee meetings and regional performance against group key performance indicators (KPIs) is reviewed by the CR Committee quarterly.

Risk

As a global insurance group, risk management is at the heart of what we do. It is an integral part of creating value and delivering financial stability for our customers, shareholders and other stakeholders and, as such, is vital to our corporate responsibility strategy.

Our risk management framework is designed around the identification, measurement, management, monitoring and reporting of risk. It is underpinned by an internal culture of risk management and our group risk appetite statements relating to our capital, liquidity and reputation. Our risk identification processes cover both more immediate risks and more remote risks, and are designed to facilitate analysis, tracking and management.

We have identified a number of risks to our corporate responsibility performance and potential consequences of not realising our strategy:

- A reduction in employee engagement and motivation resulting in a talent drain.
- Emerging markets failing to understand the sustainability risks to their business.
- A reduction in our reputation and franchise value.

Our stakeholder groups

Our stakeholders are the people who are interested in and/or affected by Aviva and the way we do business. Understanding our stakeholders and effectively engaging with them opens up endless opportunities and helps us to manage risk.



Customers and consumers

Key issues:

Having products and services that meet customer needs. Treating our customers fairly.

Engagement:

- Net Promoter Score® (NPS) and brand surveys.
- Global surveys of consumer attitudes.
- Financial education programmes.

Employees and colleagues

Key issues:

Listening to our employees and treating them with respect, recognising their individual contribution.

Engagement:

- Global employee survey and regular polls.
- Employee forums and networks.
- Performance reviews.
- Grievance procedures.
- Trade union representation.

Stakeholders are an integral part of our annual CR conference which brings together senior CR colleagues from our regions and business units, corporate functions and external speakers from some of our key stakeholders. It meets to review developments, exchange best practice and set directions. In 2011, Aviva's Chairman and Chair of the CR Committee as well as three members of our executive committee attended the conference.

Our stakeholder groups (continued)

Communities

Key issues:

Being a responsible local partner that cares about its social and environmental impacts in the community.

Engagement:

- Regular meetings and annual investor events.
- Liaison with ratings agencies, banks and index providers regarding our CR programme.
- Responding to a wide range of investor questionnaires such as the Dow Jones Sustainability Indexes and the FTSE4Good Index.

Shareholders and investors

Key issues:

Being a profitable and responsible company.

Operating a robust governance system.

Engagement:

- Regular meetings and annual investor events.
- Liaison with ratings agencies, banks and index providers regarding our CR programme.
- Responding to a wide range of investor questionnaires such as the Dow Jones Sustainability Indexes, the FTSE4Good Index and Business in the Community's CR Index.

Companies in which we invest

Key issues:

Being a profitable and responsible investor.

Engagement:

- We exercise voting rights attached to our own shareholdings.
- Aviva Investors also engages with companies to improve environmental, social and governance performance.

Suppliers

Key issues:

Having clear supplier commitments and expectations. Many operate their own CR policies and are keen to work with responsible partners.

Engagement:

- Procurement processes including the Supplier Code of Behaviour.
- Our membership of the UK Chartered Institute of Purchasing and Supply.
- Supplier surveys on ethical and environmental criteria during tender processes.

Our stakeholder groups (continued)

Governments and regulators

Key issues:

Complying with regulatory demands and being active in providing views and information to support policy development.

Engagement:

- Our in-house public affairs team and external political advisers engage with representatives and officials to support the development of policy relevant to our business.
- We respond to policy consultations and reviews.
- Our political advisers are members of the Association of Professional Political Consultants (APPC) and comply with its Code of Practice; in Brussels, they are also a signatory to the European Public Affairs Consultancies' Association's Professional Code of Conduct, as well as being listed on the European Commission's Register of Interest Representatives.

External advisers

Key issues:

To benchmark our performance and understand our opportunities for improvement.

Engagement:

- We have worked with a number of CR experts this year to develop our Group strategy and to develop regional approaches. For example, in Asia and Europe we've worked with CSR Asia and CSR Europe respectively to benchmark our performance against other organisations.

Auditors and assurance providers

Key issues:

Providing assurance that our actions match our words.

Engagement:

- Internal risk reviews and assessment of our CR programme.
- External assurance carried out by Ernst & Young LLP our financial auditors.

NGOs and pressure groups

Key issues:

These groups want evidence that we are a responsible corporate citizen.

Engagement:

- We share best practice and help develop actions or solutions to social and environmental challenges.

About our reporting

We report annually on our corporate responsibility performance and we include a summary of our performance in our Annual report and accounts.

> [View Aviva's 2011 Annual report and accounts at www.aviva.com/reports/2011ar/.](http://www.aviva.com/reports/2011ar/)

Our 2011 online corporate responsibility report provides a detailed review of performance across the Aviva group for the calendar year ending 31 December 2011. We report on progress towards group-wide strategy and projects, and we provide additional detail of work around the world in our regional pages.

The whole of this report has been independently assured by Ernst & Young LLP, as has the CR section of our 2011 Annual report and accounts, which will be put to an advisory shareholder vote at the 2012 annual general meeting (AGM).

Reporting frameworks

We are committed to reporting openly and transparently, and we aim to demonstrate leadership to encourage other businesses around the world to do the same. We report publicly in a number of different ways, including:

- Full disclosure on our CR programme to analysts and for the FTSE4Good, Dow Jones Sustainability, Ethibel and ECPI business indexes
- An annual Accounting for Sustainability Statement
- An annual report to the Carbon Disclosure Project
- An annual Communication on Progress for the Global Compact
- Annual reporting against the ClimateWise principles.

UN Global Compact Communication on Progress

We have been a signatory to the UN Global Compact, the world's largest and most supported CR initiative, since August 2001. In 2010, we were invited to be one of approximately 50 companies forming the Global Compact LEAD, a challenge to the strongest companies to reach further and set a best practice example to others. We are a member of the UK Network of the UN Global Compact, and we report annually against the 10 Global Compact principles relating to:

- Human rights
- Labour standards
- The environment
- The fight against corruption.

ClimateWise

Aviva is a co-author and founding signatory of the ClimateWise principles for insurers. The ClimateWise principles are the first to encompass all aspects of insurance – general insurance and re-insurance, insurance brokers, life assurance and asset management areas. We report annually against the six ClimateWise Principles:

- Lead in risk analysis
- Inform public policymaking
- Support climate awareness among our customers
- Incorporate climate change into our investment strategies
- Reduce the environmental impact of our business
- Report and be accountable.

Reporting frameworks (continued)

Accounting for Sustainability

We use the Accounting for Sustainability connected reporting framework, which combines financial and non-financial information to provide a full picture of our impacts. Key indicators for 2011 are:

- Developing communities
- Greenhouse gas emissions
- Waste
- Resource usage
- Customer advocacy.

Millennium Development Goals

Aviva is a LEAD member of the Global Compact and reports every year on its contribution through the Communication on Progress.

The UN has set Millennium Development Goals (MDGs) to focus governments, businesses and civil society on major global concerns and to meet targets by 2015. Throughout this report, we indicate how our CR programme supports these:



Accounting for Sustainability

In addition to the online CR Report and summary report in the Annual report and accounts, we also report our performance using Accounting for Sustainability's connected reporting framework, which integrates financial and non-financial data to provide a comprehensive picture of our impacts. We were one of the first companies to help develop the framework and have used this approach for environmental reporting in our Annual report and accounts since 2007. We continue to explore ways to extend this framework and have included customer and community indicators since 2009.

We have reported the following indicators for 2011:

- Greenhouse gas emissions
- Waste
- Resource usage
- Customer advocacy
- Developing communities.

Greenhouse gas emissions

Direct Company impacts

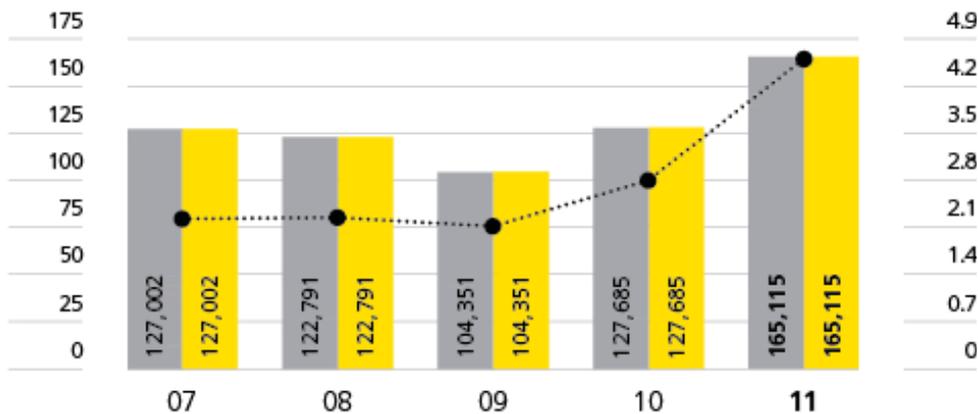
Cash flow performance

The most material direct environmental impact that Aviva creates are greenhouse gas emissions. We emit greenhouse gases through our company operations generated from energy used in our buildings, fugitive emissions, air travel, car business miles and rail travel. For the first time this year associated emissions from our use of water and disposal of waste to landfill, and, where collected, emissions from car rental for business journeys are included. However, our operational emissions are smaller than those of our supply chain, the insurance claims fulfilment process and the emissions of the investment funds we manage. The scope of Aviva's emissions includes all operations where we have day-to-day control; including joint ventures and associates. In 2011, we have included new markets in our reporting boundary: Indonesia, AI Singapore and AI Luxembourg. 165,115 tonnes of carbon dioxide (tCO₂) or equivalent were emitted by Aviva into the atmosphere in 2011.

Carbon offsets for the voluntary carbon market will be purchased in 2012 to cover our footprint plus an additional 5% extra to allow for any inconsistencies in reporting. The cost of offsetting will be funded by the areas of the business that have created the emissions on a 'polluter pays' basis.

Aviva's CO₂ emissions 000 tonnes

■ CO₂ tonnes ■ CO₂ offset ■ CO₂ tonnes per employee



	2007	2008	2009	2010	2011
CO ₂ tonnes	127,002	122,791	104,351	127,685	165,115
CO ₂ offset	127,002	122,791	104,351	127,685	165,115
CO ₂ tonnes per employee	2.23	2.25	2.12	2.8	4.6

Greenhouse gas emissions (continued)

Aviva plc – operational carbon footprint covering 100% of employees

GHG Emissions data from 1 Jan 2011 to 31 Dec 2011

Tonnes CO ₂ e	2010	2011
Scope 1	63,784	44,471
Scope 2*	68,628	97,988
Scope 3	15,839	22,656
Gross CO ₂ emissions*	148,251	165,115
Absolute CO ₂ footprint	127,685	165,115
Carbon offsetting	(133,049)	(173,371)
Total net emissions	(6,336)	(8,256)

* Data according the Defra guidelines i.e UK electricity rated as grid average but renewable recognised in other countries. Gross and absolute emission in 2011 were the same. Going forward we will report on absolute emissions only.

Scope 1 – operational emissions from owned sources eg gas, vehicle fleet as part of product/service.

Scope 2 – operational emission from non-owned sources eg electricity.

Scope 3 – business activity emissions from non-owned sources – eg business travel.

Performance, strategy and targets

Aviva's relative emissions have reduced this year. This is a combination of improvements in energy efficiency and increased use of technology. Our renewable electricity on a worldwide basis is 7% of our total electricity consumption.

In September 2011, we sold the RAC business and the responsibility for the associated environmental impact moved away from Aviva. In respect of carbon emissions RAC accounted for 52,979 tonnes when we began reporting on them in 2006 and 25,491 tonnes in 2010, the last full year of reporting, a reduction of 52%.

Our long-term carbon reduction target used a baseline year of 2006, the first year of reporting on the RAC, our target was an absolute 30% reduction to 2020. By the end of 2010, we had achieved a 10% reduction to the target. As RAC emissions accounted for 17% of our overall emissions, we have revised our baseline to 2010. As a result our new baseline is 148,625 tonnes of carbon dioxide.

Communication technologies mentioned in last year's report have impacted travel, particularly in Europe where air kilometres have reduced by 7.6% in 2011. Correspondingly, the use of telepresence, webex and MS Office Communicator has increased. 2,579 meetings were held by telepresence in 2011, (2010: 1,151). We have estimated the cost of travel avoidance from the use of telepresence in 2011 as £1.9 million and 1,417 tonnes in carbon savings.

Concentrating on our core business, our strategy to outsource data centres is continuing. We outsourced our UK data centre in 2009 and our Canadian data centre at the end of 2010. 2012 will see the outsourcing of data centres in the US and in Europe. As this outsourcing occurs we will seek to continue to report on the energy consumption related to the processing and storage of Aviva's data. HP is our business partner in this process for the UK, Canada and the US.

With the maturity, and increasing validity of our environmental data collection, we face the challenge of making year on year reductions in carbon emissions. We have extensively employed the use of no cost and low cost behaviour changes and technologies which have a return on investment (ROI) comparable to other core business investment decisions. In order to assist our business further in carbon reduction activities we have created a Sustainability Fund, which will be seeded at a group level. Aviva businesses can apply for the funding to install energy saving technologies. These may have a longer ROI to support our long-term carbon reduction target, and combat the impact of rising energy costs and potentially bolster our energy security over the next decade. The financial savings made will pay off the 'loan' with the businesses keeping further savings. Energy saving will help to reduce the cost of purchasing carbon offsets. We will report on development in this area next year.

Greenhouse gas emissions (continued)

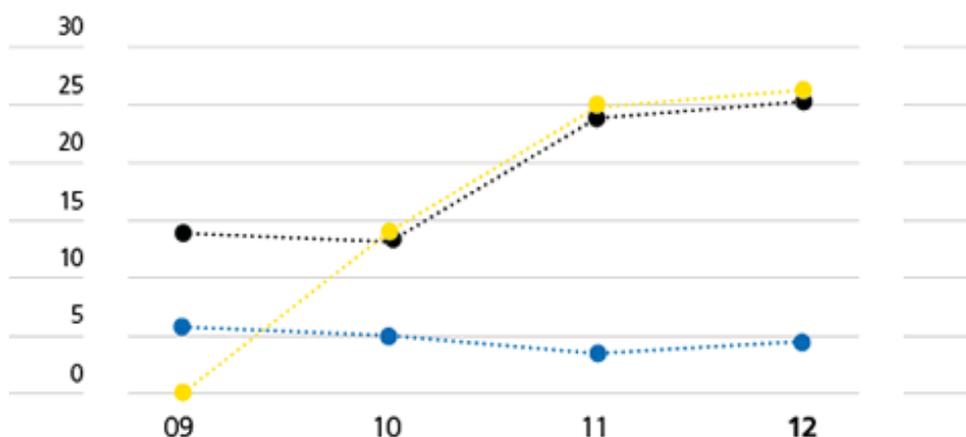
Our group annual carbon reduction target still stands at 5%. Our long-term target to 2020 has been rebaselined following the sale of the RAC business. This is now set at 20% reduction using a baseline year of 2010.

The UK businesses are financially impacted in 2012 by the cost of the Carbon Reduction Commitment Energy Efficiency Scheme (CRCEES). Aviva's operational carbon boundaries differ from those reported for the CRCEES as that also includes energy emissions from our portfolio of properties included in funds that we manage and have responsibility for. Aviva's position in the CRCEES Performance League table was 899 out of a total of 2103 participating organisations. The total CO₂ emissions in respect of CRCEES for 2010/2011 financial year were 100,344 tCO₂. We estimate the cost of our 2011/2012 emissions to be £1.29 million. Both the operational and CRCEES carbon footprints have reduced and will be reduced further due to the sale of the RAC business at the end of September 2011.

The graph below shows the cost breakdown of 1kWh of UK energy for Aviva. The cost of the actual energy and supply equates to 73%, government levies and taxes which are paid account for 25% of the overall cost. These are revenue raising and are not ringfenced by the government for environmental improvements. The only aspect of the costs which benefit the environment is the carbon offsetting element (2%). The graph below shows the cost breakdown of 1kWh of UK energy for Aviva. The cost of the actual energy and supply equates to 73%, government levies and taxes which are paid account for 25% of the overall cost. These are revenue raising and are not ringfenced by the government for environmental improvements. The only aspect of the costs which benefit the environment is the carbon offsetting element (2%).

Cost of carbon per tonne for Aviva (£)

■ Electricity (UK) ■ Gas (UK) ■ Business travel and all emissions for rest of world



	2009	2010	2011	2012
Electricity (UK)	0	14.02	24.75	26.26
Gas (UK)	13.86	13.11	23.81	25.26
Business travel and all emissions for rest of world	5.75	5.00	3.45	4.50

The cost of carbon varies depending on the source of the emissions and the geography of where the emissions are created. These also change over time.

We are conscious of the potential impacts that climate change has on our business. Climate change is a major trend that drives changes in our risk profile. We build the financial risk that climate change poses into our levels of capital reserves and risk management processes. This is explained further in the risk section of our Annual report and accounts.

There are many ways our work in this area is informed. One of these is our continuing involvement in ClimateWise, the insurance sector collaboration forum on climate change. Our involvement in the workstream looking at sustainable claims management continues, along with work on calls for the consideration of low carbon solutions inclusion in fixed income investment vehicles.

Greenhouse gas emissions (continued)

Products/suppliers/investors

Increasingly, we are considering environmental impacts associated with our products and services and the processes involved in their use and fulfilment. We have completed a carbon footprint exercise for the energy consumption of the UK properties we own through our Aviva Investors Real Estate portfolio. According to our CRCEES submission this amounted to 53,705 tCO₂ in 2010/11. Through the Real Estate Sustainability Charter and Sustainability Forum we are working with site managers and tenants to reduce the properties' environmental impacts. The Aviva Investors European Renewable Energy Fund achieved its first close in mid 2011 and expects to acquire and manage approximately 1b of assets. The fund is currently open for further investment.

In order to meet the needs of the rapidly expanding environmental goods and services sector, Aviva UK launched an expansion of policy endorsements covering low carbon technologies and services in March 2011. In 2010, Aviva Canada created a set of endorsement bundles introduced to satisfy the insurance needs of domestic customers. Customers who utilise solar panels and wind turbines to generate electricity for their own consumption and/or supplying energy to the Grid as part of Provincial Incentive Programs can now be covered as part of their insurance policy. Building on that, a further product has been developed, which means that in the event of a total or major loss at the insured's home the customer will be able to replace damaged or destroyed property with more environmentally-friendly and sustainable products.

Aviva France has developed a number of products that encourage and reward our customers for their environmentally conscious behaviour. One of these products is our limited mileage motor policy which offers reduced premiums for driving less. Take up of the low mileage product makes up 25% of Aviva France's portfolio and accounted for 28% of new sales in 2010.

Industry benchmark information

- Carbon Disclosure Project Score 80 out of 100 in FTSE Global 500 and FTSE350 (2010: 70); and
- BREEAM² minimum ranking 'Good' for new build and refurbishment.

Waste

Direct company impacts

Hazardous and non-hazardous waste

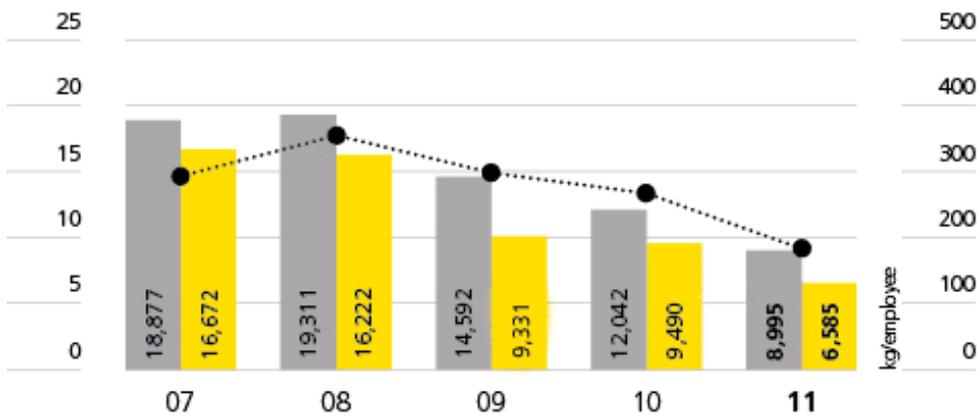
Total disposal cost for hazardous and non-hazardous waste in the UK was £681,000 (2010: £596,000), which includes UK landfill tax. On a worldwide basis the cost of offsetting the associated carbon emissions will be approximately £2,047.

Conservation investment

In the UK, total capital expenditure for storage and recycling was £100,000 (2010: zero). This investment means that the percentage of waste diverted from landfill now stands at 91% and will be zero to landfill by end 2012.

Aviva's waste 000 tonnes

■ Total waste (tonnes) ■ Recycled (tonnes) ■ Total waste per employee (kg)



	2007	2008	2009	2010	2012
Total waste (tonnes)	18,877	19,311	14,592	12,042	8,995
Recycled (tonnes)	16,672	16,222	9,331	9,490	6,585
Total waste per employee (kg)	292	354	297	266	182

Performance, strategy and targets

Despite the quality of reporting in respect of waste improving in 2011, the overall volume of waste disposed of reduced by 2,393 tonnes for the UK. There are several reasons for this including structural changes such as less office closures, but also more efficient paper use (see Resource usage). The US head office employ the use of a solar compactor for general waste and a food waste desiccator, the product of which is used as a soil improver. These two machines have reduced the number of waste collections.

Having already reached a recycling rate of 89% in 2010 Aviva UK sought to further improve the recycling rate in 2011. The focus of their attention was food waste which was previously included in general waste. It is anticipated that the UK business will reach their zero to landfill target by the end of 2012, three years ahead of the target year.

Waste (continued)

Indirect impacts

Products/suppliers/investors

In an effort to reduce the amount of waste generated through our claims fulfilment processes, we have sought to apply the 'repair over replace' principle to domestic property claims following water damage. Previously this consisted of 'stripping out' render and plaster on walls and ceilings. We target minimisation of strip out of the property affected by water damage through the introduction of a Repair Order to Aid Drying (ROTAD) whereby the suppliers are required to complete a documented request on a property prior to drying. This monitoring process has significantly reduced the instance of strip outs.

Industry benchmark information

- 200kg of waste per employee per year
- Recycling rate of 60–70% (BRE Office toolkit).

Targets

- Annual 4% reduction in total waste
- Annual recycling rate greater than 80%
- Long-term target – zero to landfill for UK operations by 2015 and worldwide by 2020.

Resource usage

Direct Company impacts

Water

The operating cost of water is £1.1 million (2010: £1.6 million) with a CO₂ equivalent of 503 tCO₂. Of the total water consumed, 5% comes from grey water sources and is used for irrigation of the grounds around the buildings.

Energy intensity

The total cost of buildings related energy in 2011 was £18.3 million (2010: £17.7 million). The equivalent cost per square metre is £22. The cost of UK CRCEES regulation of £1.29 million is an additional cost.

Paper usage

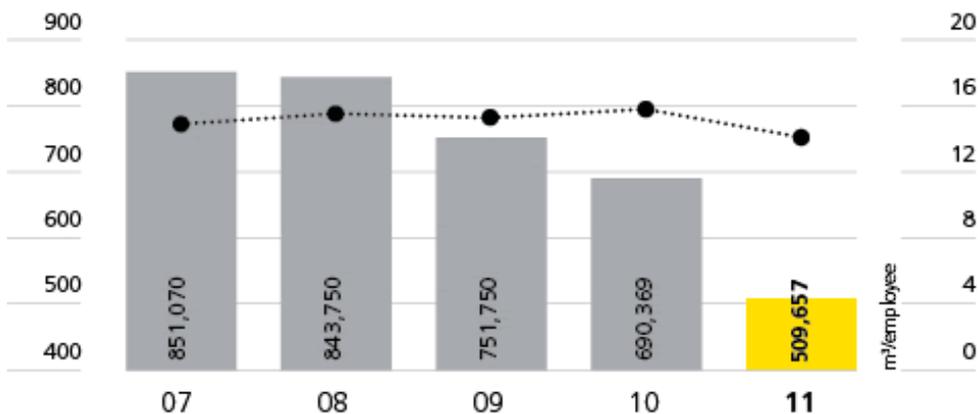
We currently do not track the cost of paper on a global basis.

Environmental incidents

During 2011 there were no environmental incidents as a result of our operations (2010: none).

Aviva's water consumption 000 m³

■ Water consumption m³ ■ Water consumption m³ per employee



	2007	2008	2009	2010	2012
Water consumption m ³	851,070	843,750	751,750	690,369	509,657
Water consumption m ³ per employee	14.9	15.5	15.3	15.8	14.1

Performance, strategy and targets

Water consumption reduced by 26% in 2011, this was partially due to the outsourcing of Aviva Canada's data centre which was water cooled.

Resource usage (continued)

Indirect impacts

Products/suppliers/investors

2011 was the first full year of Aviva UK's adherence to the Royal Mail's Responsible Mailing programme for direct marketing mail. Nearly 8 million items of direct mail were delivered through this programme which ensures that the paper used is FSC accredited. Aviva US only uses FSC accredited paper in its operations.

By the end of 2011, all UK General Insurance home, motor and broker commercial transactional policy packs, yearly statements, and renewals were e-enabled, generating saving of nearly £2 million per annum on print and postage costs. Another 41% of Aviva UK policy documentation will be e-enabled in 2012 with total estimated savings of £8.6 million.

Industry benchmark information

- Water: 4 cubic metres per employee per year (Water Key Performance Indicators and benchmarks for offices and hotels. C657 CIRIA www.ciria.org).
- Office paper: 4,000–5,000 sheets per employee per annum (Gartner research).

Customer advocacy

Direct company impacts

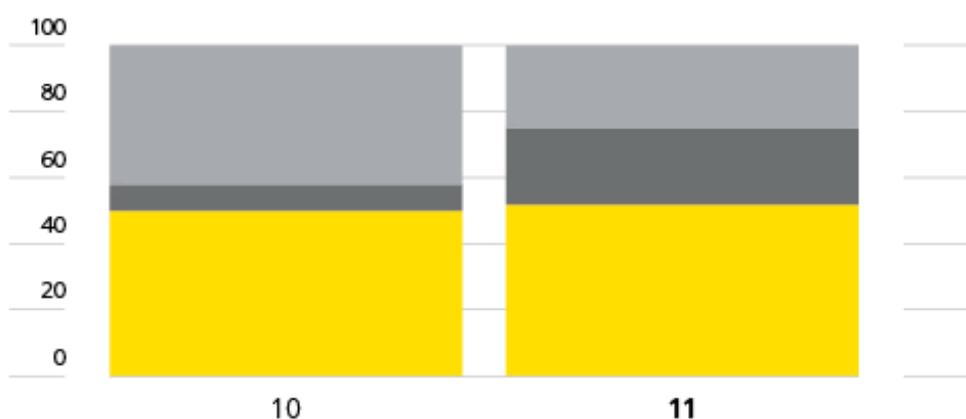
At Aviva, the Net Promoter Score® is our key customer metric. This KPI is derived from the annual Relationship NPS survey conducted across all markets and comparing the local Aviva results with the local competition. This measure is widely regarded as a predictor of future growth, with strong correlations to persistency and retention, repeat purchase and referrals, suggesting that acting on the drivers of this metric will help us to build advocacy and will have a positive impact on business performance. Some preliminary analysis in different markets has shown that customers who score more highly on the NPS scale are indeed more likely to stay with Aviva for longer and more likely to have multiple products, suggesting that improving customer advocacy is beneficial to our company performance.

Non-financial indicator

Businesses' performance vs local benchmark

Performance v market average – Net Promoter Score®

■ % below benchmark ■ % met or exceeded benchmark ■ % in upper quartile



	2010	2011
Markets at upper quartile	50	52
Markets at/above market average	8	23
Markets below market average	42	29

Our performance, strategy and targets

The 2011 Relationship Net Promoter Score (RNPS) survey again showed an improvement on the previous year. We maintained the proportion of businesses operating in the Upper Quartile (relative to local competition benchmarks) and reduced the proportion of businesses operating below the market average as they moved into a market average position. We are pleased with the progress made however we are committed to improving the performance of our markets which are below the market average.

Across our regions:

- In North America, we have maintained similar positions relative to the competition when compared with 2010.
- In Asia, China, Korea and Singapore we have outperformed, when compared to the local market benchmark. There were also further strong improvements in the Indian business.
- In Europe, the majority of markets continue to outperform, when compared to the local market benchmark.
- The UK results have also shown marked improvements against the competitor benchmarks.

Customer advocacy (continued)

Building customer advocacy is one of the primary objectives for the business as a whole with our long term target for all markets to be in the upper quartile relative to their local competition. Using a consistent methodology, each market is also set an annual target of either maintenance or improvement depending on their current performance.

In order to achieve these targets, we use Net Promoter as a discipline rather than just a number, which means continuously listening to and understanding what our customers want from us so that we can improve the experience we deliver to them. Following the RNPS survey, we undertake robust analysis to highlight key drivers, which each market uses to develop annual action plans. The 2012 action plans show that markets are focusing on key areas of the customer experience, including how we engage with customers through ongoing communications after the initial sale, how we build products that are in the best interests of customers and ensuring that we are available to customers through the service channels they choose (such as digital and mobile).

Indirect impacts

Customers place their trust in us to deliver on our promises. By acting responsibly we ensure that Aviva is here for the long term to provide prosperity and peace of mind. Our progress in this area has been recognised by being ranked as the most reputable financial services provider in the UK by the Reputation Institute in 2011.

Recovering from poor experiences

One aspect to maintaining this reputation is how we respond when things go wrong. Especially in a world where a customer can publicly broadcast what we have done and how we have responded, it is more important than ever to actively welcome customer feedback and to treat customers fairly. Of course, delivering products and services in line with our customers' expectations will ensure that we minimise complaints in the first place, however, accepting that we are human and therefore won't get it right every single time, we believe that customer complaints are an opportunity for us to win back goodwill that we may have lost. And by listening and learning from this feedback, over the past year we have seen the level of complaints fall and we have also seen improvements in how our customers feel about the interactions they have with us.

Looking to the future

It is also important to our business to understand how consumers' lives are changing and therefore how we can adapt to these changes. In 2011, we explored some of the major trends currently manifesting in our key markets, such as growing consideration consumers give to the impact of their purchasing decisions on the environment, increasing desire for emotional experiences rather than tangible goods, and recognition of the importance of the home in an increasingly unstable world. We are well positioned to help consumers through this uncertainty, enabling them make better financial choices and protect what's important to them. With this understanding of future consumer needs we can position our business to respond and therefore build our reputation as a company that listens to and understand what customers want.

Engaging our people

In the last year, the proportion of our people who say they would recommend our products and services has increased but remains slightly below the Global Financial Services benchmark. Since we know that the way our people feel about our products and services is directly correlated with how our customers perceive us, maintaining this high performance and the support of our people is critical to building our reputation with our customers.

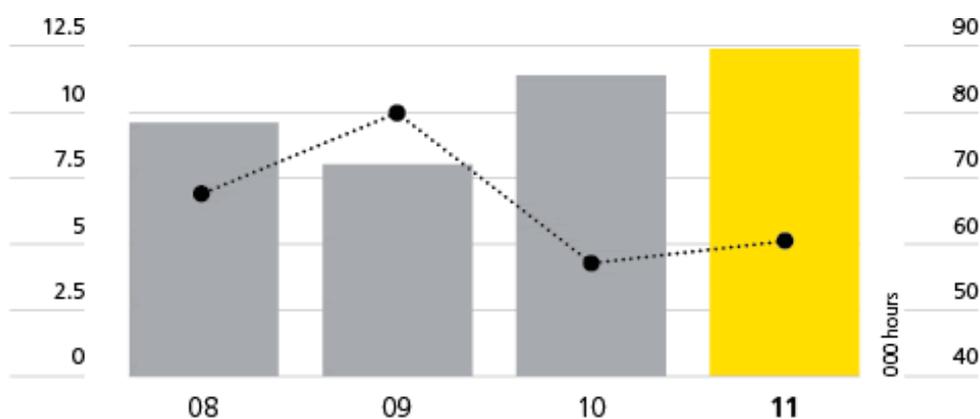
Developing communities

Direct company impacts

Our global investment in charitable and community development projects in 2011 was £12.4 million (2010: £11.4 million). This includes cash, time and in-kind donations as well as management costs calculated using the London Benchmarking Group (LBG) model. We also helped leverage an additional £2.8 million of investment where our activity attracted further contributions from our wide network of stakeholders (2010: £1.5 million) including employees.

Community investment (£m)

■ Community investment ■ Employee volunteering hours



	2008	2009	2010	2011
Community investment, £m	9,600,000	8,000,000	11,400,000	12,400,000
Employee volunteering, hours	67,700	79,900	57,250	60,392

Our performance, strategy and targets

Our global community development (CD) strategy, focusing on financial literacy, education and life trauma, aligns to our corporate vision and channels financial support and the expertise of our employees into projects where we can see positive societal impacts. Our total investment was £1 million higher than in 2010. Three key factors contributed to this: significant investment in our ongoing global CD and cause related marketing initiative, Street to School, which donated funds and used our marketing reach to raise awareness of the issue; improvement in the scope and accuracy of the way we record CD data according to LBG guidelines; and the increasing engagement of our people in CD activity.

We delivered over 60,000 hours of volunteering in 2011 (2010: 57,250) and we had a significant 5% uplift in those believing our commitment to CR is genuine and 10% uplift in employees believing we act responsibly in our communities. This places us 14% above the Global Financial Services benchmark in this regard.

Our flagship Street to School initiative to get young people off the streets and into education and training is delivering tangible benefits in engaging our people, impacting the lives of vulnerable young people and in creating the right brand associations for Aviva. Our clear focus on this programme, with at least 50% of CD activity happening in this sphere gives us the opportunity to make a deep and lasting difference. 23 Street to School programmes are in operation and we have developed a rigorous measurement framework together with our partners to allow us to govern and demonstrate the activity, its inputs and outputs. From this, we know that we helped over 274,000 children through our programmes in 2011. We continue to use Street to School in our cause related marketing showing its potential to engage our stakeholders and also its power to engage social media communities. We will continue to extend the impact of Street to School in 2012 and will also be conducting a review to ensure we plan for the sustainability of these impacts.

Developing communities (continued)

Indirect impacts

We have taken the opportunity to partner with the Consortium for Street Children (CSC) to aid our ability to play our part in national and international advocacy activity as we know that legislative, policy and service delivery improvements will make the biggest difference to the most children. In light of this, we are also sponsoring pioneering research activity such as 'The State of the World's Street Children' and a study regarding Street Children to be delivered by the High Commissioner for Human rights to the UN Human Rights Council in March 2012. We believe this type of collaboration is essential to achieve the recognition and realisation of street child rights, help deliver the Millennium Development Goals and increase the wellbeing of all in our global communities.

Performance summary

This section contains a summary of performance in 2010.

- Corporate responsibility key indicators.
- Indexes and benchmarks.
- UN Global Compact Communication on Progress.
- Value added statement.

Corporate responsibility key indicators

Key:  Met/exceeded target  Missed target

Trust and transparency

CR indicator	2008	2009	2010	2011	2011 target	Change over year	Met target	2012 target
Business ethics								
% of employees signing of receipt, understanding and acceptance of our Business Ethics Code on an annual basis	New KPI	90%	32%	89%	100% of employees	▲ 57%		100% of employees
% of employees completing the Bribery and Corruption training	New KPI	79%	n/a	89%	100% of employees			
Customers								
% of businesses that are in or above the upper quartile relative to the local market average (NPS score)		17%	50%	52%	Maintain or improve past performance	▲ 2%		Maintain or improve past performance
% of employees who rate us favourably on customer index	New KPI	67%	69%	73%	Meet/exceed GFS* benchmark (2011: 75%)	▲ 4%		Meet/exceed GFS* benchmark

Notes on KPIs:

- Business ethics: while our target remains at 100% it is inevitable that not all employees will be able to sign the code each year due to maternity leave, sick leave etc. This year our percentage is below the requirement in Europe due to a delay in roll out of the revised code.
- The Bribery and Corruption training was halted in 2010 while the training package was revised to take into account the requirements of the UK Bribery Act 2010.
- Customers: Using NPS methodology we calculate the performance of businesses relative to their local market.

*GFS stands for the Global Financial Services benchmark. This is a tough external benchmark that we use as a stretch target. In the equivalent regional benchmarks we are consistently performing above the benchmark.

Corporate responsibility key indicators (continued)

Key:  Met/exceeded target  Missed target

Climate change and environment

CR indicator	2008	2009	2010	2011	2011 target	Change over year	Met target	2012 target
% of remaining CO ₂ emissions offset annually	100%	100%	100%	100%	Offset remaining CO ₂ emissions at group level	= 0%		Offset remaining CO ₂ emissions at group level
CO ₂ emissions (tonnes) – absolute	177,077	154,726	148,251	165,115		▲ 11%		
CO ₂ emissions (tonnes) – relative	n/a	n/a	153,013	148,404	Reduce relative CO ₂ emissions by 5%	▼ (3)%		Reduce relative CO ₂ emissions by 5%
Water consumption (m ³) – absolute	843,750	751,750	690,369	509,657	Reduce water use by 4%	▼ (26)%		Reduce water use by 4%
Waste generated (tonnes) – absolute	19,311	11,812	12,042	8,995	Reduce waste generated by 4%	▼ (25)%		Reduce waste generated by 4%
Proportion of recycled waste	84%	79%	75%	73%	80% or above	▼ (2)%		80% or above
% of employees who feel that Aviva makes business choices that support the environment	New KPI	62%	71%	76%	Meet/exceed GFS* benchmark (2011: 60%)	▲ 5%		Meet/exceed GFS* benchmark (2011: 60%)

Notes on KPIs:

- In a change from 2010 reporting we have removed Delta Lloyd data from our environmental footprint as it is now out of operational control.
- Absolute CO₂ data – the increase in the absolute CO₂ emissions figure for 2011 is due to the following factors. Updating the electricity conversion factors to the most recent ones available, increasing the scope of our data collection in India to all the office locations. We have also reported on the electricity consumption from the UK outsourced data centre for the first time since its sale in 2009, the CO₂ emission equivalent from waste to landfill and water, our businesses in Indonesia, and Aviva Investor businesses in Luxembourg and Singapore.
- RAC was sold at the end of Q3 2011 and therefore our data reflects their consumption for the first three quarters only.
- Relative CO₂ data – The relative comparison uses the 2011 basis for reporting (as above), adjusted for structural changes and businesses that did not report in 2010.
- Baseline change – our long term carbon reduction target used a baseline year of 2006, the first year of reporting on the RAC, our target was an absolute 30% reduction to 2020. By the end of 2010 we had achieved a 10% reduction to the target. As RAC emissions accounted for 17% of our overall emissions, we have revised our baseline to 2010. As a result our new baseline is 148,625 tonnes of CO₂.

*GFS stands for the Global Financial Services benchmark. This is a tough external benchmark that we use as a stretch target. In the equivalent regional benchmarks we are consistently performing above the benchmark.

Corporate responsibility key indicators (continued)

Key:  Met/exceeded target  Missed target

Attracting and retaining talent

CR indicator	2008	2009	2010	2011	2011 target	Change over year	Met target	2012 target
% of women in senior management	22%	22%	21%	20%	Increase percentage of women in senior management group	▼ (1)%		Increase percentage of women in senior management group
% of employees who feel that Aviva is committed to attracting, developing and keeping a diverse workforce	New KPI	52%	62%	70%	Meet/exceed GFS* benchmark (2011: 70%)	▲ 8%		Meet/exceed GFS* benchmark
% of employees who feel that they are treated with respect, regardless of their position	New KPI	67%	69%	75%	Improve past performance (no GFS* benchmark)	▲ 6%		Improve past performance (no GFS* benchmark)
% of employees who feel we have created an environment where people with diverse backgrounds can succeed	New KPI	New KPI	73%	78%	Meet/exceed GFS* benchmark (2011: 77%)	▲ 5%		Meet/exceed GFS* benchmark
% of employees who rate us favourably on leadership index†	New KPI	66%	64%	70%	Meet/exceed GFS* benchmark (2011: 70%)	▲ 6%		Meet/exceed GFS* benchmark
% of employees who rate us favourably on engagement index	New KPI	64%	63%	68%	Meet/exceed GFS* benchmark (2011: 73%)	▲ 5%		Meet/exceed GFS* benchmark
% of "Managed Supply" spend where supplier signed Code of Behaviour	New KPI	New KPI	New KPI	31%		n/a		
% of "Managed Supply" spend where supplier has successfully completed the CR element of the Supplier process	New KPI	New KPI	New KPI	New KPI	To be reported on from 2012	n/a		
Number of business units that use the 'Supplier Hospitality register' and 'Register of Interests'	5	11	15	19	18	▲ 1		

Notes on KPIs:

- Whilst we have improved in most of these KPIs against our own performance, our targets are external benchmarks which we are working towards.
- †The data for this index has been restated to allow accurate comparisons across the following four questions:
 1. Aviva group's leadership has communicated a vision of the future that motivates me.
 2. I understand the goals of our Aviva vision.
 3. The senior leadership team of my business unit provides a clear sense of direction.
 4. I trust the senior leadership team in my part of the business.
- As we found that some suppliers were reluctant to sign a Code of Conduct we have implemented a Code of Behaviour and alongside minimum contractual clauses for new contracts from Q2 2011.
- This data does not include European claims data.
- These KPIs have been revised in 2011 in light of our changing processes.

*GFS stands for the Global Financial Services benchmark. This is a tough external benchmark that we use as a stretch target. In the equivalent regional benchmarks we are consistently performing above the benchmark.

Corporate responsibility key indicators (continued)

Key:  Met/exceeded target  Missed target

Community

CR indicator	2008	2009	2010	2011	2011 target	Change over year	Met target	2012 target
Amount of community investment	£9.6m	£8.0m	£11.4m	£12.4m	Total community investment at/above previous year	▲ 9%		Total community investment at/above previous year
% of employees participating in volunteering	New KPI	16%	17%	20%	Increase the % of employee participation in volunteering	▲ 3%		Increase the % of employee participation in volunteering
Number of employee hours spent volunteering	67,700	79,900	57,250	60,390	Increase the % of employee participation in volunteering	▲ 5%		Increase the % of employee participation in volunteering
% of cash investment in 'Street to School'	New KPI	New KPI	52%	54%	50% of cash donations	▲ 2%		50%
% of employees who feel that Aviva does a good job of contributing to the communities in which we live and work	New KPI	62%	66%	76%	Meet/exceed GFS* benchmark (2011: 62%)	▲ 10%		Meet/exceed GFS* benchmark

*GFS stands for the Global Financial Services benchmark. This is a tough external benchmark that we use as a stretch target. In the equivalent regional benchmarks we are consistently performing above the benchmark.

Indexes and benchmarks

Indexes and benchmarks

As part of our commitment to transparent reporting and continuous improvement, we have our CR performance assessed by leading global indexes. This provides shareholders, investors and other stakeholders with an objective measure of our environmental, social and governance risk management and business practice.

Dow Jones Sustainability Index (DJSI) 2010

For the 11th consecutive year, Aviva qualified for inclusion in the DJSI – one of the major global corporate sustainability indexes.

In 2010 and 2011, we were also listed in the DJSI World Index, which captures only the top 10% of sustainable companies out of the 2,500 largest companies worldwide, and the DJSI Europe Index, which features the top 20% out of 600 European-based companies.

- Aviva scored 73% overall (2010: 71%) – the highest-scoring company in our sector scored 81%.
- For our environmental standard and management system, we achieved the top score across the whole listing of 100%.
- We were highly commended for our environmental reporting, achieving the highest possible score of 97%.

FTSE4Good

For the 11th year running, we have been included in the FTSE4Good Index, another internationally recognised benchmark of responsible and sustainable business. This followed an independent, in-depth study of Aviva, including our HR processes, supply chain management and attitude to risk. We have also been ranked in the top five companies within the FTSE4Good in their new environmental, social and governance (ESG) ratings service launched during 2011.

Ethibel

Since 2003 and repeated in 2011, we have been selected for both the Ethibel PIONEER Register and the Ethibel EXCELLENCE Register, respectively listing the best rated 174 and 461 companies worldwide on the level of corporate responsibility and sustainability performance. As well as being a constituent of the ESI (Ethibel Sustainability Index) Europe & Global.

Carbon Disclosure Project

The Carbon Disclosure Project measures a company's performance in relation to management of climate change risks and opportunities. We scored 80% this year, up 10% on our 2010 result and fourth in the insurance sector.

Newsweek 2011 green rankings

The US publication Newsweek has published a list of the 'greenest' global companies based on an organisation's environmental footprint, policies and transparency. Aviva is ranked as the 28th company in the global 500. Munich Re ranked first place and was the only other organisation in our peer group placed ahead of Aviva.

CR report

And, our 2010 CR report was rated as the fifth best CR report in the FTSE 100 by the Radley Yeldar report 'How does it stack up?'

External benchmarking and recognition

In addition to major global indices we have also received wider recognition from leading organisations in this area.



FTSE KLD

FTSE KLD Europe, Asia Pacific and Global Sustainability indexes (excluding the US Index).



FTSE4Good



CARBON DISCLOSURE PROJECT

UN Global Compact Communication on Progress

Aviva has been a signatory to the UN Global Compact (UNGC), the world's biggest and best-supported CR initiative, since August 2001. In 2010, we were invited to be one of approximately 50 companies forming the LEAD group of UNGC, which is a challenge to the leading companies in sustainability to reach further and set a best practice example.

As well as promoting the UNGC Principles worldwide through our global partnerships, we are also a member of the UK Network of the UNGC, and we report annually against the 10 Principles relating to:

- Human rights
- Labour standards
- The environment
- Anti-corruption.

Communication on Progress (COP)

Below is our self-assessment of compliance with the 24 Advanced criteria of the Blueprint for Corporate Responsibility. The information is provided through hyperlinks that appear next to the suggested best practice and that link to publicly disclosed information (ie Aviva's annual report and accounts, corporate responsibility report and website aviva.com). We have considered a criterion as met where at least one of its suggested best practices has been met or where there are plans for its implementation.

Strategy, governance and engagement

Criterion 1: C-suite and Board level discussions of strategic aspects of Global Compact implementation

Best practices	Find out more
Impact of broader sustainability trends on the long-term prospects and financial performance of the organisation	<ul style="list-style-type: none"> ■ CEO statement ■ Corporate responsibility strategy
Major sustainability risks and opportunities in the near to medium term (3–5 years)	<ul style="list-style-type: none"> ■ Risk
Social and environmental impact of the organisation's activities	<ul style="list-style-type: none"> ■ Material issues ■ Accounting for Sustainability
Overall strategy to manage sustainability impacts, risks and opportunities in the near to medium term (3–5 years)	<ul style="list-style-type: none"> ■ Corporate responsibility strategy
Key performance indicators to measure progress	<ul style="list-style-type: none"> ■ Corporate responsibility key indicators
Major successes and failures during the reporting period	<ul style="list-style-type: none"> ■ Performance summary
Implement all the 10 UN Global Compact principles into strategies and operations	<ul style="list-style-type: none"> ■ UN Global Compact
Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs	<ul style="list-style-type: none"> ■ Corporate responsibility strategy
Ensure that different corporate functions coordinate closely to maximise performance and avoid unintended negative impacts	<ul style="list-style-type: none"> ■ Governance ■ Corporate responsibility committee

UN Global Compact Communication on Progress (continued)

Strategy, governance and engagement (continued)

Criterion 2: Effective decision-making processes and systems of governance for corporate sustainability

Best practices

Involvement and accountability of management (C-suite) in corporate sustainability strategy in line with Global Compact principles and overseeing its implementation

Corporate governance structure (Board of Directors or equivalent) and its role in oversight of long-term corporate sustainability strategy and implementation in line with Global Compact principles

Goals and incentive schemes for management (C-suite) to promote sustainability strategy in line with Global Compact principles

Assess risks and opportunities on an ongoing basis at both enterprise and product level and undertake due diligence to ensure that the company identifies any negative impacts caused by its operations and activities

Develop strategies and policies specific to the company's operating context – as well as scenarios for the future – and establish measurable short, medium, and long-term goals

Engage and educate employees through training activities, the development and adjustment of business processes, and sound incentive schemes

Implement a system to track and measure performance based on standardised performance metrics

CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact

CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards

CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation

Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team

Board of Directors (or equivalent) assumes responsibility and oversight for long term corporate sustainability strategy and performance

Board establishes, where permissible, a committee or assigns an individual Board member with responsibility for corporate sustainability

Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc) and ensure that no function is operating in conflict with sustainability commitments and objectives of company

Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy

Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary

Find out more

- CEO statement
- Governance
- Corporate responsibility committee
- Corporate responsibility committee report

- Governance

- Governance
- Executive remuneration

- Risk

- Corporate responsibility strategy

- Talent development
- Reward

- Our employee promise

- Group chief executive's statement

- Chairman's statement

- Group chief executive's statement

- Governance
- Corporate responsibility committee

- Governance

- Corporate responsibility strategy

- Corporate responsibility strategy

UN Global Compact Communication on Progress (continued)

Strategy, governance and engagement (continued)

Criterion 3: Engagement with all important stakeholders

Best practices

Regular stakeholder consultations in the area of human rights, labour, environment and anti-corruption

List of stakeholder groups engaged by the organisation

Process for stakeholder identification and engagement

Outcome of stakeholder involvement

Process of incorporating stakeholder input into corporate strategy and business decision making

Develop and implement partnership projects with public or private organisations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy

Join industry peers, UN entities and/or other stakeholders in initiatives that contribute to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives that extend the company's positive impact on its value chain

Contribute to the building and operating of at least one UN Global Compact Local Network and help elevate performance of other companies through training, mentoring, COP peer review, etc

Advocate the UN Global Compact to business partners, peers and the general public

Publicly recognise responsibility for the company's impacts on internal and external stakeholders

Define sustainability strategies, goals and policies in consultation with key stakeholders

Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance

Find out more

- Our stakeholder groups
- Global partnerships and engagement

- Our stakeholder groups

- Our stakeholder groups

- Material issues

- Our stakeholder groups

- Global partnerships and engagement

- Partnerships

- Group chief executive's statement

- Chairman's statement

- Global partnerships and engagement

- Partnerships

- Group chief executive's statement

- Global partnerships and engagement

- Partnerships

- Group chief executive's statement

- Our stakeholder groups

- Our stakeholder groups

- Our stakeholder groups

UN Global Compact Communication on Progress (continued)

UN goals and issues

Criterion 4: Take actions in support of broader UN goals and issues

Best practices

Adoption or modification of business strategy and operating procedures to maximise contribution to UN goals/issues

Development of products, services and business models that contribute to UN goals/issues

Social investments and philanthropic contributions that tie in with the company's core competencies, operating context and sustainability strategy

Public advocacy on the importance of one or more UN goals/issues

Partnership projects and collective actions in support of UN goals/issues

Align core business strategy with one or more relevant UN goals/issues

Coordinate efforts with other organisations and initiatives to amplify – and not negate or unnecessarily duplicate – the efforts of other contributors

Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups

Find out more

- Corporate responsibility strategy

- CEO Statement

- Supporting a sustainable economy

- Millennium Development Goals

- Programme impacts

- Diversity

- Partnerships

- Group chief executive's statement

- Partnerships

- Our stakeholder groups

- Our approach

UN Global Compact Communication on Progress (continued)

Human rights implementation

Criterion 5: Robust commitments, strategies or policies in the area of human rights

Best practices

Commitment to comply with all applicable laws and respect internationally recognised human rights, wherever the company operates (eg the Universal Declaration of Human Rights)

Statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company

Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services

Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties

Find out more

- Millennium Development Goals
- Street to School
- Diversity
- Group chief executive's statement
- Business ethics
- CR standard
- Supplier code of behaviour
- Governance
- Corporate social responsibility committee
- CR standard

Criterion 6: Effective management systems to integrate the human rights principles

Best practices

Ongoing due diligence including assessment of actual and potential human rights impacts

Internal awareness-raising and training on human rights for management and employees

Grievance mechanisms, communication channels and other procedures (eg whistleblower mechanisms) for reporting concerns or seeking advice

Internal decision-making, budget and oversight for effective responses to human rights impacts

Inclusion of minimum human rights standards in contracts with suppliers and other relevant business partners

Audits or other steps to monitor and improve the human rights performance of companies in the supply chain

Find out more

- Attracting and retaining talent
- Human rights and diversity
- Voting trends
- Diversity
- Business ethics
- Fighting financial crime
- Aviva provides its employees with free access to Your Call, which is a totally confidential personal support service, available 24 hours a day every day of the year. It helps employees tackle a range of issues from work related matters, to personal life issues.
- Governance
- Corporate social responsibility committee
- CR key indicators – suppliers
- Procurement and Outsourcing Business Standard

UN Global Compact Communication on Progress (continued)

Human rights implementation (continued)

Criterion 7: Effective monitoring and evaluation mechanisms of human rights integration

Best practices	Find out more
System to monitor the effectiveness of human rights policies and implementation, including in the supply chain	<ul style="list-style-type: none"> ■ Supplier standard ■ Performance data
Monitoring, drawing from internal and external feedback, including affected stakeholders	<ul style="list-style-type: none"> ■ Our employee promise
Leadership review of monitoring and improvement results	<ul style="list-style-type: none"> ■ Our employee promise

Criterion 8: Standardised performance indicators on human rights

Best practices	Find out more
Outcomes of due diligence process	<ul style="list-style-type: none"> ■ Corporate responsibility key indicators
External and formal reporting of operations or operating contexts that pose risks of severe human rights impacts	<ul style="list-style-type: none"> ■ Risk

Labour principles implementation

Criterion 9: Robust commitments, strategies or policies in the area of labour

Best practices	Find out more
Reference to relevant international conventions and other international instruments (eg ILO Core Conventions)	<ul style="list-style-type: none"> ■ Global partnerships and engagement ■ Diversity
Reflection on the relevance of the labour principles for the company	<ul style="list-style-type: none"> ■ Business ethics code ■ People standard
Written company policy (eg in code of conduct) on labour	<ul style="list-style-type: none"> ■ People standard ■ Suppliers
Allocation of responsibilities and accountability within the organisation	<ul style="list-style-type: none"> ■ Governance ■ Corporate social responsibility committee ■ CR standard ■ Supplier standard
Specific commitments and goals for specified years	<ul style="list-style-type: none"> ■ Performance summary ■ Corporate responsibility key indicators

UN Global Compact Communication on Progress (continued)

Labour principles implementation (continued)

Criterion 10: Effective management systems to integrate the labour principles

Best practices	Find out more
Risk and impact assessments on labour	■ Attracting and retaining talent
Regular stakeholder consultations regarding labour	■ Our employee promise
Internal awareness-raising and training on labour principles for management and employees	■ Talent development
Grievance mechanisms, communication channels and other procedures (eg whistleblower mechanisms) for reporting concerns or seeking advice	■ Fighting financial crime
Inclusion of minimum labour standards in contracts with suppliers and other relevant business partners	■ Supplier standard
Audits or other steps to monitor and improve the performance of companies in the supply chain	■ Corporate responsibility key indicators

Criterion 11: Effective monitoring and evaluation mechanisms of labour principles integration

Best practices	Find out more
System to track and measure performance based on standardised performance metrics	■ Our employee promise ■ Corporate responsibility key indicators
Audits or other steps to monitor and improve the labour performance of companies in the supply chain	■ Supplier standard
Leadership review of monitoring and improvement results	■ Our employee promise
Process to deal with incidents	■ Attracting and retaining talent

Criterion 12: Standardised performance indicators on labour principles integration

Best practices	Find out more
Outcome of due diligence and follow-up efforts to uphold the freedom of association right to collective bargaining	■ Corporate responsibility key indicators
Outcome of due diligence and follow-up efforts to eliminate discrimination	■ Diversity
Outcome of audits or other steps to monitor and improve performance in the supply chain	■ Sustainable Supply Chain ■ Suppliers

UN Global Compact Communication on Progress (continued)

Environmental stewardship implementation

Criterion 13: Robust commitments, strategies or policies in the area of environmental stewardship

Best practices

Reference to relevant international conventions and other international instruments (eg Rio Declaration on Environment and Development)

Reflection on the relevance of environmental stewardship for the company

Written company policy on environmental stewardship

Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners

Allocation of responsibilities and accountability within the organisation

Specific commitments and goals for specified years

Find out more

- Influencing policy
- Global partnerships and engagement
- Environment
- Chairman's statement
- Accounting for Sustainability
- Environment standard
- Sustainable supply chain
- Governance
- Corporate responsibility key indicators

Criterion 14: Effective management systems to integrate the environmental principles

Best practices

Environmental risk and impact assessments

Assessments of lifecycle impact of products, ensuring environmentally sound end-of-life management policies

Allocation of responsibilities and accountability within the organisation

Internal awareness-raising and training for management and employees regarding environmental impacts

Analyse each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts

Communicate policies and expectations to suppliers and other relevant business partners

Undertake awareness-raising, training and other types of capability building with suppliers and other business partners

Find out more

- Risks and opportunities
- Influencing others
- Governance
- Corporate social responsibility committee
- Corporate responsibility strategy
- Risk
- Our carbon footprint
- Sustainable supply chain
- Supplier standard
- Sustainable supply chain
- Our carbon footprint

UN Global Compact Communication on Progress (continued)

Environmental stewardship implementation (continued)

Criterion 15: Effective monitoring and evaluation mechanisms for environmental stewardship

Best practices	Find out more
System to track and measure performance based on standardised performance metrics	<ul style="list-style-type: none"> ■ Global benchmarks
Leadership review of monitoring and improvement results	<ul style="list-style-type: none"> ■ Corporate responsibility key indicators
Process to deal with incidents	<ul style="list-style-type: none"> ■ Environment standard
Audits or other steps to monitor and improve	<ul style="list-style-type: none"> ■ Corporate responsibility key indicators

Criterion 16: Standardised performance indicators on environmental stewardship

Best practices	Find out more
Indicators on uses of materials and energy	<ul style="list-style-type: none"> ■ Corporate responsibility key indicators
Indicators on emissions, effluents and waste	<ul style="list-style-type: none"> ■ Corporate responsibility key indicators
Indicators on the company's initiatives to promote greater environmental responsibility	<ul style="list-style-type: none"> ■ Corporate responsibility key indicators
Indicators on the development and diffusion of environmentally friendly technologies	<ul style="list-style-type: none"> ■ Group initiatives

Anti-corruption implementation

Criterion 17: Robust commitments, strategies or policies in the area of anti-corruption

Best practices	Find out more
Publicly stated formal policy of zero-tolerance of corruption (D1)	<ul style="list-style-type: none"> ■ Business ethics
Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes (B2)	<ul style="list-style-type: none"> ■ Business ethics
Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption (D2)	<ul style="list-style-type: none"> ■ Business ethics
Carrying out risk assessment of potential areas of corruption (D3)	<ul style="list-style-type: none"> ■ Business ethics
Detailed policies for high-risk areas of corruption (D4)	<ul style="list-style-type: none"> ■ Business ethics
Policy on anti-corruption regarding business partners (D5)	<ul style="list-style-type: none"> ■ Business ethics

UN Global Compact Communication on Progress (continued)

Anti-corruption implementation (continued)

Criterion 18: Effective management systems to integrate the anti-corruption principle

Best practices	Find out more
Support by the organisation's leadership for anti-corruption (B4)	■ Business ethics
Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees (B5 + D8)	■ Business ethics
Internal checks and balances to ensure consistency with the anti-corruption commitment (B6)	■ Business ethics
Actions taken to encourage business partners to implement anti-corruption commitments (D6)	■ Business ethics
Management responsibility and accountability for implementation of the anti-corruption commitment or policy (D9)	■ Business ethics
Internal accounting and auditing procedures related to anti-corruption	■ Business ethics

Criterion 19: Effective monitoring and evaluation mechanisms for the integration of anti-corruption

Best practices	Find out more
Leadership review of monitoring and improvement results (D12)	■ Financial crime standard
Process to deal with incidents (D13)	■ Fighting financial crime
Disclosure of information on suspected cases of financial crime	■ Fighting financial crime

Criterion 20: Standardised performance indicators on anti-corruption

Best practices	Find out more
Outcomes of mechanisms for reporting concerns or seeking advice (Ref. D9)	■ Fighting financial crime
Indicators of Human Resources procedures supporting the anti-corruption commitment or policy	■ Business ethics

Value chain implementation

Criterion 21: Implementation of the Global Compact principles in the value chain

Best practices	Find out more
Analysis of sustainability risk, opportunity and impact in the value chain, both upstream and downstream	■ Sustainable supply chain
Policy on value chain, including a policy for suppliers and subcontractors	■ Sustainable supply chain
Communication of policies and expectations to suppliers and other business partners	■ Sustainable supply chain
Monitoring and assurance mechanisms (eg audits/screening) for compliance in the value chain	■ Sustainable supply chain ■ Suppliers

UN Global Compact Communication on Progress (continued)

Transparency and verification

Criterion 22: Company's profile and context of operation

Best practices

Legal structure, including any group structure and ownership

Countries where the organisation operates, with either major operations or operations that are specifically relevant to sustainability

Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)

Primary brands, products, and/or services

Direct and indirect economic value generated for various stakeholders (employees, owners, government, lenders, etc)

Find out more

- Aviva's organisational structure
- Our regions
- Our regions
- See Annual Report
- Value added statement

Criterion 23: High standards of transparency and disclosure

Best practices

Communication of Progress (COP) includes comparison of key performance indicators for the previous 2–3 years

Board, where permissible, approves COP and other formal reporting on corporate sustainability

Relevant sustainability information is included in annual financial report and filings

Share sustainability information with all interested parties and respond to stakeholder inquiries and concerns

Integrate COP into annual financial report or publish them together

Secure external verification of COP or seek other methods for legitimisation by external stakeholders

Find out more

- Corporate responsibility key indicators
- Chairman's statement
- Group chief executive's statement
- See Annual Report
- CR Report 2011
- See Annual Report
- Accounting for Sustainability report
- About our reporting
- Indexes and Benchmarks
- See Annual Report
- Assurance
- See Annual Report

Criterion 24: Independently verified by a credible third party

Best practices

Accuracy of information in COP is verified by independent auditors

Verified through other form of independent verification

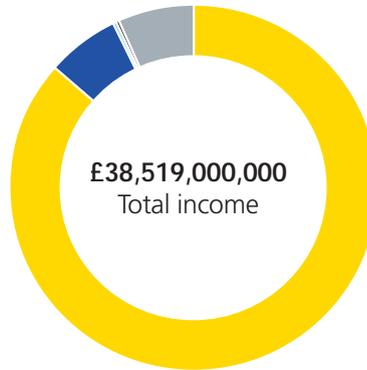
Find out more

- Assurance
- Assurance

Value added statement

We generate considerable economic value through our business activities. The following is a summary of economic value added to society in 2011:

	£
Claims and benefits to customers	33,000,000,000
Salaries and benefits	2,332,000,000
Investment in our communities	12,400,000
Environmental levies to government (UK only)	1,431,036
Operating profit before tax	2,500,000,000



Assurance

Aviva has commissioned Ernst & Young LLP to provide external assurance and a commentary on this 2011 online corporate responsibility report.

Material appearing on webpages denoted by the title 'Corporate responsibility report 2011' has been assured. Material within the main group corporate responsibility website has not been assured.

Independent assurance statement to Aviva management

The Aviva Corporate responsibility report 2011 (the Report)¹ has been prepared by the management of Aviva, who are responsible for the collection and presentation of information reported. Our responsibility, in accordance with management's instructions, is to provide a limited assurance engagement on the Report content and on selected environmental and community investment data presented in the Report. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

What we did to form our conclusions

Our assurance engagement has been planned and performed in accordance with ISAE3000² and to meet the requirements of a Type 2 assurance engagement as defined by AA1000AS (2008)³. The AA1000AS (2008) assurance principles of Inclusivity, Materiality and Responsiveness have been used as criteria against which to evaluate the Report.

To form our conclusions on the Report we undertook the steps outlined below:

1. **Interviewed a selection of executives** and senior managers at Aviva's Group headquarters in London and selected Aviva businesses to understand the current status of corporate responsibility activities, and progress made during the reporting period.
2. **Reviewed Aviva's approach to stakeholder engagement** through interviews with a selection of employees at Aviva businesses in the UK, France, Sri Lanka and Group headquarters and reviewing selected associated documentation.
3. **Reviewed a selection of external media reports and selected corporate level documents** relating to corporate responsibility aspects of Aviva's performance to test the coverage of topics within the Report.
4. **Reviewed Aviva's processes for determining material issues to be included in the Report.**
5. **Reviewed the collation and aggregation of selected environmental and community investment performance data at Aviva businesses in the UK, France, Sri Lanka and Group.**
6. **Reviewed information or explanations about selected data, statements and assertions** regarding Aviva's corporate responsibility performance.

Level of assurance

Our evidence gathering procedures were designed to obtain a limited level of assurance (as set out in ISAE3000) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided.

Limitations of our review

Our review of data processes included the following data sets: environmental and community investment.

We did not review environmental or community investment performance data for years prior to 2010.

¹ Only those pages headed Corporate Responsibility Report 2011 formed part of our review.

² International Federation of the Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE3000).

³ AA1000AS (2008) – A second edition of the AA1000 assurance standard from the Institute of Social and Ethical Accountability.

Assurance (continued)

Our conclusions

On the basis of our review we provide the following conclusions on the Report in relation to each of the AA1000AS (2008) assurance principles, overall plausibility and the completeness and accuracy of environmental and community investment performance data. Our conclusions should be read in conjunction with the above section on 'What we did to form our conclusions'.

Inclusivity

Has Aviva been engaging with stakeholders across the business to further develop its approach to corporate responsibility?

- We are not aware of any key stakeholder groups that have been excluded from dialogue.
- We are not aware of any matters that would lead us to conclude that Aviva has not applied the inclusivity principle in developing its approach to corporate responsibility.

Materiality

Has Aviva provided a balanced representation of material issues concerning its corporate responsibility performance?

- We are not aware of any material aspects of Aviva's corporate responsibility performance which have been excluded from the Report.
- Nothing has come to our attention that causes us to believe that Aviva management has not applied its processes for determining material issues to be included in the Report.

Responsiveness

Has Aviva responded to stakeholder concerns?

- We are not aware of any matters that would lead us to conclude that Aviva has not applied the responsiveness principle in considering the matters to be reported.

Performance information

How plausible are the statements and claims within the Report?

- We are not aware of any inconsistencies in the assertions made with regards to performance and achievement.

How complete and accurate is the environmental and community investments data in the Report?

- With the exception of the limitations identified in the Report, we are not aware of any material reporting units that have been excluded from Group data.
- Nothing has come to our attention that causes us to believe that the data relating to the above topics has not been collated properly from group-wide systems.
- We are not aware of any errors that would materially affect the data as presented in the Report.

Observations on particular aspects of our engagement

Our observations and areas for improvement will be raised in a report to Aviva management. Selected observations are provided below. These observations do not affect our conclusions on the Report set out above.

- Aviva continues to use the Credit360 collection tool as a means of standardising the environmental and community data collation process. There have been improvements in data collection, particularly in relation to the community data. Aviva should consider improving the guidance and training for the reporting of environmental performance data.
- Aviva has expanded its reporting boundaries, both geographically and in scope. This work is encouraging and Aviva should ensure progress is ongoing in this area.

Assurance (continued)

Our independence

As auditors to Aviva plc., Ernst & Young are required to comply with the independence requirements set out in the Auditing Practices Board's (APB) Ethical Standards for Auditors. Ernst & Young's independence policies apply to the firm, partners and professional staff. These policies prohibit any financial interests in our clients that would or might be seen to impair independence. Each year, partners and staff are required to confirm their compliance with the firm's policies.

Our assurance team

Our assurance team has been drawn from our global Climate Change and Sustainability Services Practice, which undertakes engagements similar to this with a number of significant UK and international businesses. The work has been led and reviewed by a Lead Sustainability Assurance Practitioner.

Ernst & Young LLP

London

23 March 2012

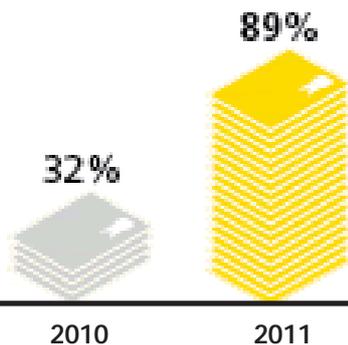
Trust

Aviva's purpose is to provide prosperity and peace of mind to 43 million customers across the world. For over 300 years, we've built our reputation as a trusted partner to help people protect what they have today and to plan, invest and save for their futures. We want to encourage more people to secure their financial futures.

- > [Main contents](#)
- > [Our approach](#)
- > [Focus on our customers](#)
- > [Business ethics](#)
- > [Sustainable capital markets](#)
- > [Fighting financial crime](#)
- > [Performance data](#)

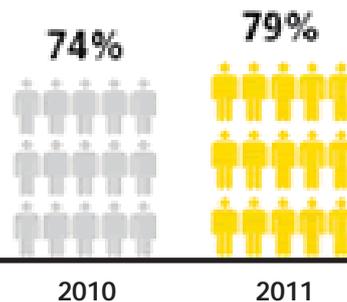
Business Ethics Code employee sign-off

▲ 57%



Employees believe our commitment to CR is genuine

▲ 5%



Business Ethics Code employee sign-off

89%

Employees rate Aviva favourably on the leadership index

70%

Businesses that are in or above the upper quartile relative to the local market

52%

What does Philippa think?

"Doing business ethically, which makes for better business, is a journey a company undertakes. Aviva reports here how it is actively engaged on its journey through its business ethics programme, including holding itself to account for its performance."

Philippa Foster Back, OBE
director – Institute of Business Ethics





Our approach

For us, insurance is about people, not policies. That means responding to our customers with thought, care and understanding. We want people to choose us and stay with us because they know we'll be there for them.

We know it makes business sense to give the best experience to our customers and to build our products and services around their needs.

As the sixth largest insurer in the world, providing financial services to 43 million customers, we have a major role to play in recognising consumer concerns and restoring confidence in the financial sector.

We are committed to:

- Understanding and responding to customers' needs, anticipating how they will be affected by a changing world and responding in their best interests
- Providing reliable, responsible and easy-to-understand products at the right prices
- Responsible selling that is transparent and fair
- Educating and empowering people to make informed decisions on their finances that meet their individual needs
- Strong, trusting relationships with our employees, customers, suppliers, distributors and investors
- Clear, proactive and transparent business reporting and communications
- Proactive and open management of complaints.

We've moved forward this year...

- More customers say they would recommend us to others
- The Future Prosperity Panel report is helping to identify solutions and improve customer attitudes to saving
- You are the Big Picture is continuing to showcase the stories of real customers who we have helped
- Updated Business Ethics Code signed by 89% of our employees
- Introduced a new business code of behaviour for our suppliers
- We continue to run the Pension Trustee Which? Masterclasses and also held our first annual media masterclass in corporate governance. Attendance rates have been very high, indicating our growing reputation as a responsible investor across Europe.

Our approach (continued)

...and are committed to doing more...

- Listening to and acting on our customers' feedback
 - Setting higher standards for our business operations
 - Assessing more of our suppliers for corporate responsibility standards.
-

...and committed to the challenges...

- Building trust with our customers by developing our customer service culture across all areas of the business
- Continuing to fight financial crime
- Meeting our own commercial customers' expectations as a responsible supplier.



Focus on our customers

We are proud of our relationships with our customers. Wherever they are in the world, we want every one of our customers to feel that 'no one recognises me like Aviva'. By acting with integrity and treating customers fairly, we believe that they will be more loyal to us – staying with us longer, buying more from us and recommending us to others. Our Customer Standard sets principles for our commitment to our customers and we support all our people to meet that commitment. We want our customers all over the world to feel that we respect them and act in their best interests. It is our humanity that will make us stand out from our competitors.

Understanding consumer attitudes

We listen carefully to what our customers tell us, and we respond quickly and effectively to meet their needs. We provide clear communication on every one of our products and services, including the risks and benefits to customers. Over the last eight years, during our annual consumer survey, we have asked more than 200,000 people across 25 countries what they think about risk, savings, retirement, financial advice and other important issues.

The latest results show, unsurprisingly, consumers remain cautious about the general economic situation and they are nervous about taking high levels of risk. We found that:

- 68% of people globally are worried about risk
- 30% of people in the UK and 27% in Ireland have already dipped into their savings to make ends meet
- One in three people in the west think that their household situation will get worse in the next 12 months
- People are becoming more interested in protecting what they already have.

Savings

€12,000

Some European citizens would need to increase savings by an average of €12,000 each year to fully close the pensions gap.

Focus on our customers (continued)

Listening and responding to customer needs

We measure customers' attitudes and feedback on Aviva through our annual Relationship Net Promoter Score survey. It tracks our performance through our customers' eyes by asking whether they would recommend us to others and why. This allows us to respond directly to individuals who have experienced a poor service to resolve any issues and to take action to address the general issues raised.

Our employees receive detailed training to help them effectively question and analyse the information provided by customers to match their needs with the right products. We ensure all our sales people are able to clearly explain our products, including information on risks and benefits. Xsell is the technical system that supports the Aviva sales and marketing team across Europe. It gives our employees a complete view of customers across different products and markets, ensuring people are sold the best product for their personal need.

We also make it our responsibility to influence and educate the people and companies who sell our products. Over 75% of our products are sold through intermediaries and bank assurance partners. The Aviva Financial Adviser Academy supports the financial adviser community to give the best advice and information to their customers and offers qualifications to ensure professionals meet approved industry standards.

Developing customer capability

Everyone needs a basic understanding of money matters to make informed decisions that will secure their financial future. For Aviva, a good level of financial capability in our markets helps us reach new customers and build products and services that meet their needs. So we help customers, and their communities, improve their understanding of financial matters. Our group chief executive, Andrew Moss, gave the Henley Business Lecture in 2011 and spoke about the need to create greater understanding of the insurance industry, including saving for retirement.

Supporting the ban on referral fees

We have been calling for a complete ban on referral fees and a reform of the personal injury system for the last six years. Our own policy is that we do not sell customer data and we are very pleased that referral fees will be banned. We are now focusing on helping to get a fairer deal for our customers by calling for a deduction in personal accident legal fees and costs.

You are the Big Picture II

Our 2010 'You are the Big Picture' campaign has changed people's perceptions of our brand and was our most successful brand campaign to date. In 2011, we re-launched the campaign to reflect the progress we are making towards transforming our business to benefit our customers and celebrating the small human touches that are important to our customers. Here are some of the ways we are reaching people:

- 10,495 people have uploaded their photo and told us what matters most to them
- Over one million Facebook users posted impressions in October 2011
- 21.6 million readers have been reached in print and 47.8 million people reached online.

Our products and financial awareness

Products and services

We are developing new products that benefit society, the economy and the environment. By clearly explaining and marketing our products, including information on risks as well as benefits, we enable our customers to make informed choices about their insurance and financial needs.

Financial awareness

We see it as our responsibility to help customers understand financial issues and make informed financial decisions at different stages of their lives. Some of the initiatives we have developed in 2011 include:

- 'Magic Money' social media campaign to raise awareness among younger workers in the UK about the importance of acting now to manage their finances for the future.
- The winning team of our Customer Cup in 2011 was Pensions Pickle, which won for their innovative ways of communicating complex pensions ideas to customers. Results included a 40% higher retention of schemes in 2010 compared to 2009.

Future Prosperity Panel

This year, we commissioned a report by the Economist Intelligence Unit to look at the role of savings in people's future prosperity. We brought together nine world-class thinkers in a Future Prosperity Panel to consider the challenges and recommend solutions. Our report includes the views of 815 global business leaders who highlight the urgent need to help people better understand the financial choices they need to make, and to change people's attitudes towards saving.

The Pensions Gap for Individuals

Growing pressure on Europe's pensions systems caused by ageing populations is a widely acknowledged problem, with the ratio of retirees to workers only set to increase.

In September 2010, Aviva calculated Europe's pension gap – the difference between the amount that people retiring from 2011 to 2051 will need to maintain an adequate standard of living and what they will receive from public and private pensions – at €1.9 trillion and, because this gap cannot be reduced with a single solution, it made a series of recommendations designed to change attitudes to saving and encourage more people to better understand the financial choices they need to make to prepare for retirement.

In 2011, new research in Aviva's 'Mind the Gap' series showed that although it is possible to make a significant positive impact to retirement income by saving more and saving earlier, consumers across the region are ignoring the warning signs about the gap between retirement expectations and levels of saving, leaving them financially under-prepared for retirement. For example, only 23% of Europe's 18-34 year olds take an interest in information on personal finance.

This group should be encouraged more to increase their interest in saving and their understanding of the choices they need to make to plan for their retirement. Access to information such as annual pension statements designed in a clear, simple and engaging way – is clearly one of the actions required. As such, a new report published in November, 'Towards annual pension statements across the EU' called on the European Commission to support action to raise people's awareness of how much they stand to receive in retirement.

The European Commission has subsequently signalled its intent to build a more secure platform for individuals to plan for their retirement through its White Paper 'An Agenda for Adequate, Safe and Sustainable Pensions', which champions recommendations made by Aviva, such as annual pension statements and measures to increase consumer confidence in retirement savings products.



Business ethics

“It is to their credit that Aviva recognises and openly acknowledges the issue of the lack of public trust in their sector. Their response is a considered one, with the launch of their revised Business Ethics Code recognising the importance of how the company does its business is so important – particularly the customer experience. Some innovative initiatives are mentioned in this report demonstrating good practice of customer engagement.

Doing business ethically, which makes for better business, is a journey a company undertakes. Aviva reports here how it is actively engaged on its journey through its business ethics programme, including holding itself to account for its performance.”

Philippa Foster Back, OBE
director – Institute of Business Ethics

We are proud of Aviva’s corporate reputation. Our Business Ethics Code protects our reputation by requiring fairness, honesty and transparency in everything we do. We expect everyone at Aviva to meet the standards set out in our code.

Our Business Ethics Code focuses our commitment to:

- Comply with laws, regulations and group standards
- Reject bribery and corruption
- Conduct business in a fair manner
- Treating customers fairly
- Confidentiality of information
- Accurate and honest reporting
- Fighting financial crime
- Responsibilities towards our people, community and the environment
- Be transparent in our approach to political donations.

In 2011, we re-launched the Aviva Business Ethics Code. Changes included:

- Simplifying it in response to employee feedback
- Including requirements of the UK Bribery Act 2010
- Strengthening principles relating to financial crime and ethical behaviour
- Adding new principles for positive behaviour towards the environment and communities, and to cover political donations.

Ethics

89%

employee sign-off on
business ethics code

Business ethics (continued)

We raise employee awareness of the code through our induction programme, and by requiring everyone to understand, accept and sign up to the code. In 2011, we carried out regionally specific training to launch the new code and we ask each employee to read and accept the code each year. This has been a challenge in certain parts of the business where employees are concerned about corporate change programmes. However, by the end of 2011, 89% of all employees had signed the code.

From this year, the action we are taking to meet our Business Ethics Code and supplier code of conduct is being audited right across the business.

Transparency

Our public corporate responsibility reporting is now well established and recognised as best practice. We provide over a decade of reports on our website. Our 2010 corporate responsibility report was judged by Radley Yeldar as one of the top 10 in the FTSE 100. We were particularly praised for our forward-looking statements, KPIs and long-term targets. Our aim is to provide quality communications on our corporate responsibility to be honest and transparent about our business practices.

Business ethics in our supply chain

We ask our suppliers to sign up to our business code of behaviour, which covers responsibility, equal opportunities, health and safety, human rights, child safeguarding, environment and feedback. We also assess the corporate responsibility of our major suppliers. This year, we have focused on around 100 major suppliers across IT services, suppliers of white goods to claims customers and property-related suppliers.

As a supplier ourselves, we have been assessed as a supplier by Achilles, which measures and monitors suppliers' corporate responsibility on behalf of major organisations worldwide.

Our 2011 Achilles scores were:

- Health and safety 95%. Average site score – 85%
- Environmental 91.9%. Average site score – 76.9%
- Quality 100%. Average site score – 86.8%.

Fair pay

In 2005, we signed up to the London Living Wage campaign. This means we are committed to paying employees an amount which is calculated to provide their family with the essentials of life, currently this is at £8.30 per hour. To be a Living Wage employer all direct staff and contractors working on the premises should be paid the Living Wage. We reach this benchmark in London; throughout the rest of the UK our minimum pay levels for direct staff do not fall below the UK national living wage, currently at £7.20 per hour. We are continuing to work with our suppliers to discuss payment of the Living Wage for onsite contractors.



Sustainable capital markets

We look after over \$600 billion worth of funds on behalf of our customers. Our customers want to know we are acting responsibly with their capital. This sense of responsibility is spreading, and many of our institutional investors have joined us in signing the United Nations backed Principles for Responsible Investment, an initiative founded in part by Aviva Investors.

However, despite the \$30 trillion now backing the PRI, we can see from the 2040 Vision for a Sustainable Economy – which Aviva Investors commissioned from Forum for the Future – that the capital markets currently allocate capital to corporate activity in a way that undermines sustainable development. This need not be the case. In fact, we believe capital markets should be the primary facilitator of a global green and just economy.

We also understand that the environmental and social costs arising from unsustainable business practices today will have financial consequences for the portfolios of tomorrow. These corporate externalities can positively or negatively influence issues such as climate change, resource depletion, pollution, education, health and human rights. In turn, country performance on these issues impacts the absolute value of economies. The value of global portfolios that we run is influenced – positively and negatively – by the performance of the underlying economy. Consequently, it is clearly in our long-term business interests that companies in general, and the economy overall, are run in a way that is sustainable.

It is of course the role of governments to ensure that these issues, such as climate change, resource depletion, education and human rights, are properly managed. This is the purpose of legislation, regulation, standards, taxes and subsidies. However, just as the capital markets can be short term, all too often governments succumb to short-term political pressures and fail to structure the market so that it generates long-term value for all.

At Aviva, we recognise that part of our role is to highlight where the market is failing, and to support policy makers and regulators to do the right thing over the long term. For that reason, we are actively involved in public policy work that attempts to make capital markets work better. As we work within a democracy, it is clearly important that this work is conducted transparently and responsibly.



Fighting financial crime

Financial crime costs the industry billions of pounds every year and increases costs for customers. That is why we take a zero-tolerance approach.

Our financial crime standard helps us control the risks of money laundering, fraud, market abuse and bribery and corruption.

We operate a financial crime network across the Aviva group, bringing together expertise and sharing intelligence across the business. Members of the network receive regular guidance and training on emerging financial crime trends.

In 2011, we received reports of 69 cases of suspected financial crime across the group. All cases were referred for independent investigation. 54 cases reached conclusion, 15 cases are still under investigation. We also updated our anti-bribery procedures to incorporate the requirements of the UK Bribery Act 2010.

All Aviva employees, right up to board level, are trained on financial crime. We take a risk-based approach to financial crime training, so people working in areas of the business where there is a greater risk of financial crime receive more support. In 2011, an enhanced training module was offered to all staff around our new anti-bribery procedures. Going forward, this training requirement has been devolved to regional management to provide at a local level. We are continuing to improve our identification and recording of financial crime on a consistent basis across the Group.

We encourage Aviva employees to raise any concerns, no matter how small, through our independent reporting service, Right Call.

All of this helps to build employee and customer trust in us.

Bribery and corruption
89%

of employees have completed Bribery and Corruption training

Performance data

Customers KPI %

Businesses that are in or above the upper quartile relative to the local market average

2011		52
2010		50
2009		50

Employees who rate us favourably on customer index

2011		73
2010		69
2009		67

	2009	2010	2011
Businesses that are in or above the upper quartile relative to the local market average	50	50	52
Employees who rate us favourably on customer index	67	69	73

Business ethics KPI %

Employees signing off receipt, understanding and acceptance of Business Ethics Code annually

2011		89*
2010		32
2009		90

Employees completed Bribery and Corruption training

2011		89
2010		n/a
2009		79

	2009	2010	2011
Employees signing off receipt, understanding and acceptance of business ethics code annually	90	32	89*
Employees completed Bribery and Corruption training	79	n/a	89

Notes

*While our target remains at 100% it is inevitable that not all employees will be able to sign the code each year due to maternity leave, sick leave etc. This year our percentage is below the requirement in Europe due to a delay in roll out of the revised code.

Suppliers KPI %

Business units that use the Supplier Hospitality register and 'Register of interests'

2011		19
2010		15
2009		11

	2009	2010	2011
'Managed supply' spend where supplier signed Code of Behaviour	-	-	31
Business units that use the Supplier Hospitality register and 'Register of interests'	11	15	19

KPI Key performance indicator

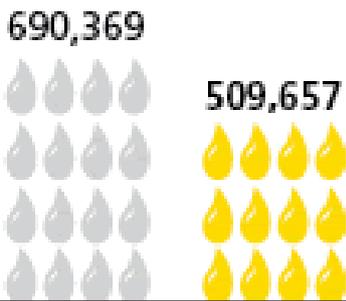
Climate change and environment

- > Main contents
- > Our approach
- > Controlling our impacts
- > Influencing policy
- > Influencing others
- > Risks and opportunities
- > Sustainable supply chain
- > Global benchmarks
- > Performance data

The potential long-term impacts of climate change present a risk to our 43 million customers. The latest International Panel on Climate Change report re-confirms the huge risks, which climate change poses to the economy and to the insurance sector most acutely.

Water consumption, m³

▼ 26%



2010

2011

Waste, tonnes

▼ 3,047



2010

2011

Employees who feel that Aviva makes business choices that support the environment

76%

Waste, tonnes

8,995

Car fleet mileage, million km

53.2

Carbon emissions (relative), tonnes

148,404

% carbon emissions offset

100%

What does Rowan think?

"The insurance sector lies at the heart of understanding and managing climate risks. We bring science, advice and underwriting capital to help populations increase resilience and create a secure platform for sustainable growth in developed and emerging economies."

Rowan Douglas
 CEO Global Analytics, Willis Group
 and chairman, Willis Research Network





Our approach

Climate change is our most pressing environmental priority, and a very real risk to the long-term success of our business. We have worked hard over the past decade to understand and manage the risks for our business and our customers, and to identify the opportunities for supporting a low-carbon economy.

What are the key features of our approach?

- We are reducing our emissions and use of natural resources, and cutting costs by doing so.
- We are at the forefront of national and international debate on flooding and climate change policy.
- We encourage the companies we invest in and the companies who supply us to manage their own environmental impacts and climate change risks.
- We are exploring investment opportunities that support the development of a low-carbon economy.
- We are positively influencing customers by developing more sustainable products.
- We are developing innovative ways to adapt to and manage risks such as flood proofing, flood risk mapping and encouraging repair over replacement for motor accident damage.

We've moved forward this year...

- Expanded the scope of our reporting geographically and to include emissions from water, waste, rental cars and outsourced electricity consumption.
- Introduced new insurance products to support the low-carbon economy.
- Developed how we manage the environmental impacts of our property portfolio and investments.
- Further developed our sustainable IT programme to reduce IT-related energy use and enable more communication without increasing our business travel.

...and are committed to doing more...

- Our target is to reduce carbon emissions by 20% by 2020, from 2010 levels.
- Our long-term waste target is zero to landfill in the UK by 2015, and worldwide by 2020.

...and committed to the challenges...

- Understanding the risks and opportunities of a changing climate and environment.
- Continuing to manage our impacts, innovate and encourage others to do the same.



Controlling our impacts

We are doing more than ever to minimise our own environmental impacts.

We achieved second-place ranking in the global insurance sector, and 28th overall, for our environmental impact and sustainability standards in the globally recognised Newsweek Green Rankings 2011. We have extended our carbon reporting and offsetting to include water, waste, rental cars and outsourced data centre-related energy consumption. Furthermore, as more regional data centres are outsourced (facilities in Europe and the USA will be outsourced in 2012) we will seek to capture the Aviva specific energy consumption from the servers.

Our main operational impacts are:

- **Greenhouse gas emissions.** Our carbon reduction programme includes new energy-efficient technologies and, where appropriate, use of renewable energy.
- **Waste.** We commit to reduce, re-use and recycle using state-of-the-art recycling processes that involve all our employees.
- **Resource use (water, energy, paper).** We explore every opportunity to reduce our consumption of natural resources through better facilities, equipment, processes and employee engagement.

As a major international real estate manager, we are working with our partners and advisers to show leadership in sustainability across the real estate industry. Our Sustainability Charter guides our efforts to improve the sustainability performance of our managed portfolio and new construction projects. We focus on energy, water and waste management, transport, occupier engagement and staff training.

Waste

25%

We have reduced our waste by 25% since 2010

Controlling our impacts (continued)

Performance and targets

- Greenhouse gas emissions – increased 11% since 2010. However, Aviva's relative emissions have reduced this year. This is a combination of improvements in energy efficiency and increased use of technology. Our renewable electricity on a worldwide basis is 7% of our total electricity consumption. In September 2011, we sold the RAC business and the responsibility for the associated environmental impact moved away from Aviva. In respect of carbon emissions RAC accounted for 52,979 tonnes when we began reporting on them in 2006 and 25,491 tonnes in 2010, the last full year of reporting, a reduction of 52%.
- Waste – overall decreased by 25% since 2010. By improving our waste processing, we are moving towards zero waste to landfill in the UK by 2015, and worldwide by 2020.
- Water – currently 15m³ per employee. We are working to reduce this to UK best-practice benchmark standards of 4m³.
- Energy – total cost of energy used in our buildings was £18.3 million, compared to £17.7 million last year. Our sustainable IT programme is helping to drive our relative energy use down.
- Paper – our use has decreased by 57% since 2010. 52% of the paper we used had recycled content. At the end of 2010, we improved systems to automatically print double-sided and reduce our paper use. We are also continuing with our E-Docs project, to provide policy documentation electronically in the UK and Canada.
- Environmental incidents – none as a result of Aviva operations in 2011.

We have developed robust management systems and reporting processes to manage the regulatory risks associated with legislation such as the Carbon Reduction Commitment, Climate Change Levy, Landfill Tax regulations and new regulations being introduced in France.

Group initiatives

We combine strategic group-wide initiatives with regional leadership across Aviva businesses to drive environmental improvements. Group-wide priorities for 2011 included:

Sustainable IT

We estimate that 40% of the energy we use is IT-related. Our green IT programme is reducing our IT-related emissions through new technology such as voltage optimisers and NightWatchman automatic overnight IT shutdown. We are continually looking to improve how we measure this impact across our business, so that we can make more improvements. We held an 'IT amnesty' at our Head Office where over 200 items were returned with around a quarter going back into stock and the rest being recycled.

In 2011, we held 2,579 meetings via telepresence, accommodating 25,932 attendees over 12,786 hours and avoiding £1.9 million direct costs and 1,417 CO₂ tonnes of travel related emissions. We also held 14,479 Webex meetings, with 78,430 attendees over 66,024 people hours.

Our sustainable approach to IT extends to our business products. By the end of 2011, all UK General Insurance home, motor and broker commercial transactional policy packs, yearly statements, and renewals were e-enabled, generating saving of nearly £2 million per annum on print and postage costs. Another 41% of Aviva in the UK policy documentation will be e-enabled in 2012 with total estimated savings of £8.6 million.

Sustainable travel

Our fleet CO₂ average has been declining since we introduced a cap of 200g/km in 2009 to its current level of 149.7g/km. In February 2011, we placed a new cap of 150g/km on all new cars ordered for our fleet, which will further reduce the Aviva average CO₂.

Sustainable buildings

We manage and develop our property portfolio to high environmental standards, and we set consistently high targets across all our buildings.

Our policy is to achieve a UK Building Research Establishment Environmental Assessment (BREEAM) minimum ranking of 'Good' for new build and refurbishments. Our US Headquarters has achieved Gold Leadership in Energy and Environmental Design standard, the highest standard of eco-efficiency.

Sustainability fund

In order to assist our business further in carbon reduction activities we have created a Sustainability Fund, which will be seeded at a Group level. Aviva businesses can apply for the funding to install technologies, which, whilst having a longer return on investment (ROI), will support our long-term carbon reduction target, mitigate the impact of rising energy costs and potentially bolster our energy security over the next decade. The financial savings made will pay off the 'loan' and then the business will keep the further savings. This will also help to reduce the cost of purchasing carbon offsets. We will report on development in this area next year.

Technology

1,417 tonnes

In 2011 we held 2,579 meetings via telepresence saving £1.9 million in costs and 1,417 tonnes of carbon

Carbon offsetting

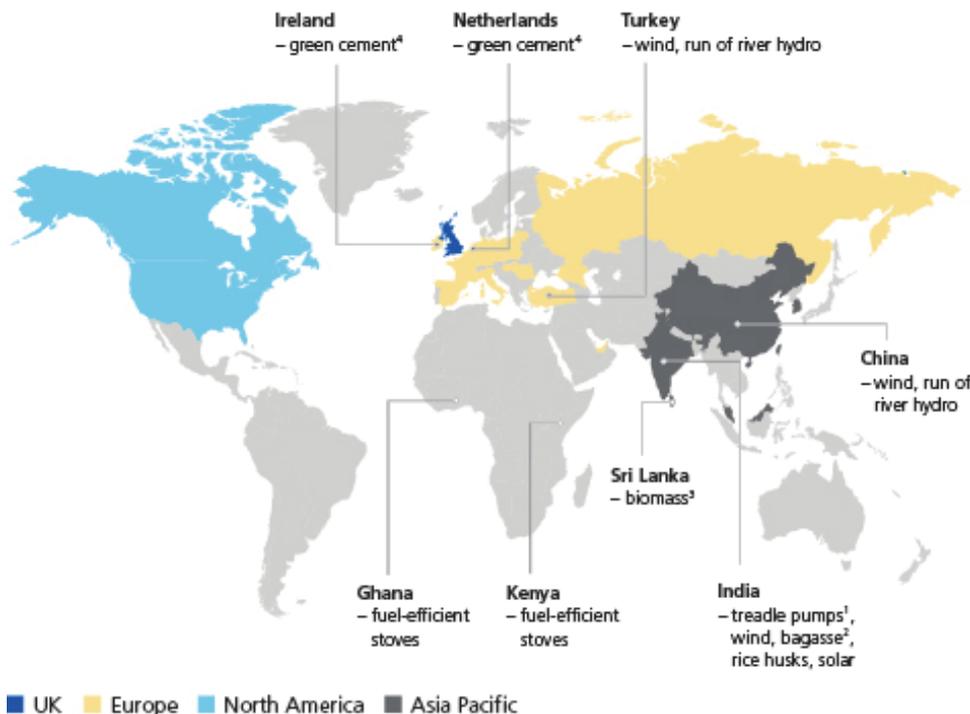
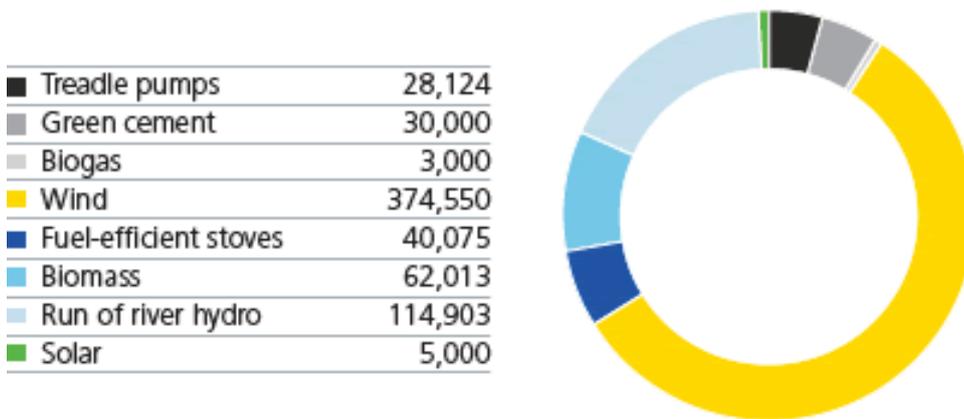
We are doing all we can to reduce our carbon emissions. We compensate for what we do emit by buying carbon offsets that support high-quality sustainability projects around the world.

Aviva is one of the two leading FTSE 100 companies when it comes to carbon offsetting and we offset 105% of our emissions in 2011. We only buy offsets which meet either the Gold Standard or the Voluntary Carbon Standard for carbon credits, so we can be confident they achieved real environmental benefits.

Due to positive changes in the tax applicable to carbon offsetting through the voluntary carbon market, we apply an 'internal polluter pays' principle to the purchase of offsets. Each business is recharged the cost of offsets, and regions have a greater say in the projects we support.

Types of projects supported by Aviva's carbon offsetting

Aviva's carbon offset portfolio by project type since 2006 (tonnes CO₂e)



1 Treadle pumps are human-powered pumps that can be used to raise water from wells.
 2 Bagasse is the pulp that is left behind after juice has been extracted from sugar cane and similar plants.
 3 Biomass is organic matter, such as plant and animal waste, which provides a source of renewable energy.
 4 Green cement substitutes traditional cement materials with the by-products of iron ore production.

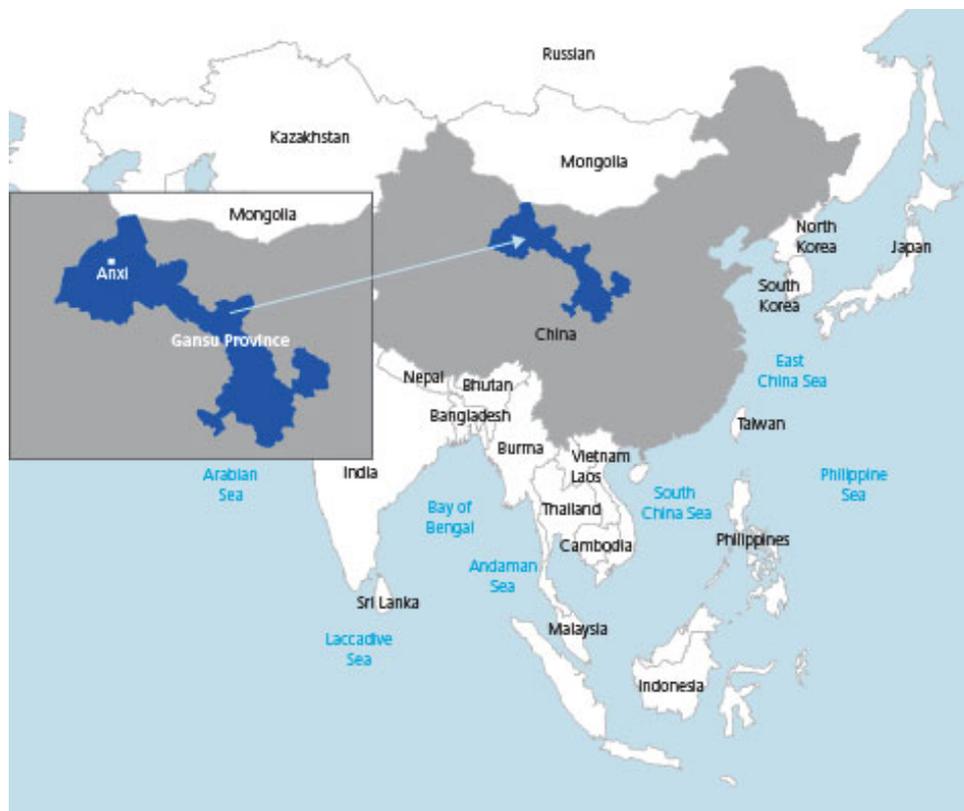
Carbon offsetting (continued)

Supporting renewable energy development in North West China

We purchased Gold Standard offsets from the Anxi wind farm project in China. The Anxi Gansu wind farm is replacing traditional coal-fuelled electricity with clean, renewable energy in an area dominated by consumption of fossil fuels.

So far, 143 Chinese-made Gold Standard wind turbines have been installed, generating 237GWh per year to feed the North West China power grid. Benefits are not just environmental:

- 95% of the manufacturing is carried out domestically, creating 38 full-time jobs.
- The electricity supplied will also help the development of community facilities including schools and hospitals.



Our carbon footprint

In 2011, we came:

- Top of Europe's 300 biggest companies for having the best record for carbon intensity
- Third in the FTSE100 for the extent and quality of our carbon reporting.

We are a founder member of, and report our impacts annually through the Carbon Disclosure Project. Our score in 2011 was 80.

Aviva's position in the Carbon Reduction Commitment Energy Efficiency Scheme (CRCEES) 2011 Performance League table was 899 out of a total of 2,103 participating organisations. Our position in the rankings is due in part to our achievement of the Carbon Trust Standard for our occupied properties and the installation of electricity Automated Metre Readers. The total CO₂ emissions in respect of CRCEES for 2010/2011 financial year were 100,344 tCO₂. We estimate the cost of our 2011/2012 emissions to be £1.29 million.

In the future, our goal is to measure carbon emissions right along our value chain. That means from the creation, delivery and distribution of the products we sell through to emissions from the claims fulfilment process and disposal of items replaced where appropriate.

Carbon impacts across our value chain



Cradle to cradle

An example of how we engage others from customers to operations to supply chain.



Our carbon footprint (continued)

What's included in our reporting

We have extended our carbon reporting and offsetting even further this year to include water, waste, outsourced data centre-related energy consumption, and the entire Indian operation expanding from its Head Office. We are now also reporting on Aviva Investors UK investment properties, which come under the government's CRC Energy Efficiency Scheme.

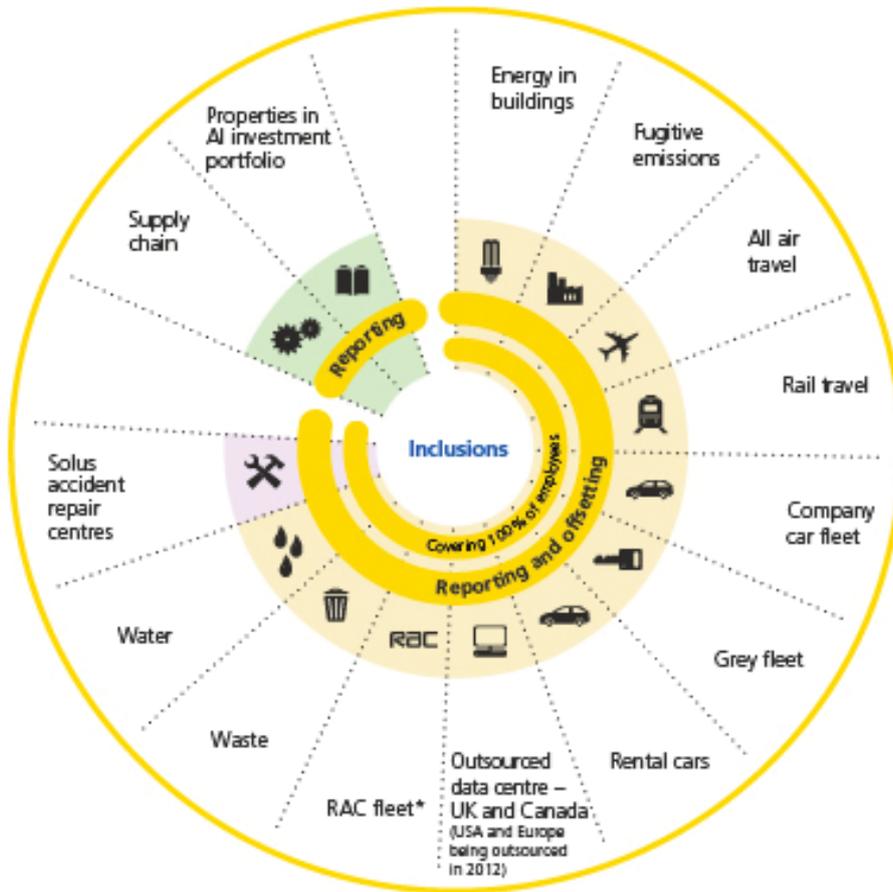
We have always reported environmental data on an absolute basis, however with the change in Delta Lloyd's status moving from a subsidiary to an associate company it has become increasingly difficult to influence progress and capture data in respect of the environment programme. For 2011 and going forward, Delta Lloyd will no longer be included in the Aviva plc figures for CR reporting or carbon offsetting. Aviva's environmental data will be collected on a 'operational control' basis, which does not impact any other Aviva subsidiary or joint venture which we currently report on.

We sold the RAC business at the end of September 2011, so we have included emissions up to that point. In the period we owned the RAC, Aviva's UK emissions reduced by 29.95%. RAC-related emissions accounted for 52,979 tonnes in 2006 and 24,987 tonnes in 2010.

The diagram shows what we include when we calculate our carbon footprint and which of these emissions we offset.

Our carbon footprint (continued)

Aviva's carbon footprinting boundaries



*RAC emissions cover only 75% of the reporting year as the business was sold in September 2011.

The cost of carbon

Our carbon cost and strategy depends on evolving government policy and business initiatives. Some of the main policies that influence our strategy are:

- The UK Carbon Reduction Commitment Energy Efficiency Scheme (CRCEES) – a government scheme to cut emissions in organisations with an energy spend greater than £500,000. This scheme requires us to purchase an allowance for every tonne of CO₂ we emit through energy use.
- The Climate Change Levy (CCL) – a tax on energy used by businesses and public sector organisations to encourage energy efficiency.
- The benefit of zero emissions – UK companies were able to claim zero emissions in the CCL as an incentive for purchasing renewable energy. This policy has now been reversed.
- UK HM Revenue and Customs (HMRC) policy change on VAT applicable to offsets from the voluntary market. The change has reduced the financial benefits we gain from our support of the voluntary sector.

We have calculated an internal cost of carbon to Aviva, which has risen as a reflection of national strategy, carbon reduction targets and the action we are taking to reduce our emissions.

The diagram below shows the relative cost of 1 kWh of gas compared to electricity and the factors which make up the cost internal and external to the supply to Aviva.

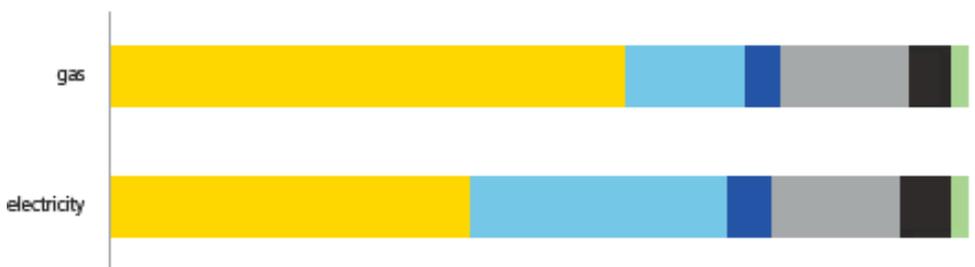
Cost of carbon

£1.29 million

We estimate the cost of our 2011/2012 emissions to be £1.29 million

'Tax'onomy of cost of UK energy at Aviva (%)

- Basic energy cost
- Transmission etc.
- Climate change Levy
- VAT
- CRC EES
- Voluntary offsetting



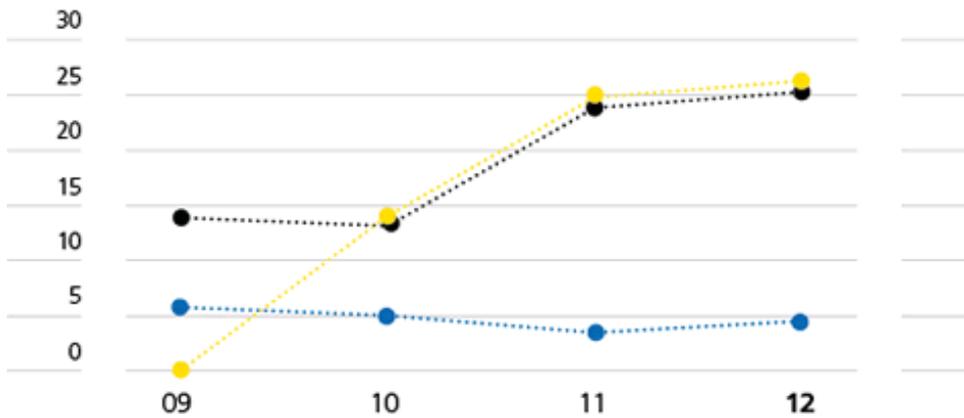
	electricity	gas
Basic energy cost	42	60
Transmission etc.	30	14
Climate Change Levy	5	4
VAT	15	15
CRC EES	6	5
Voluntary offsetting	2	2

The cost of carbon (continued)

We use the internal distribution of carbon costs to drive down emissions across Aviva businesses. Using the 'polluter pays' principle, the business that produces the emissions is required to cover the costs associated with the carbon reduction commitment and carbon credit offsetting. For 2011, Aviva in the UK will be responsible for 47% of our total carbon offsetting.

Cost of carbon per tonne for Aviva (£)

- Electricity (UK)
- Gas (UK)
- Business travel and all emissions for rest of world



	2009	2010	2011	2012
Electricity (UK)	0	14.02	24.75	26.26
Gas (UK)	13.86	13.11	23.81	25.26
Business travel and all emissions for rest of world	5.75	5.00	3.45	4.50



Influencing policy

As a leading insurance company, it is our job to understand environmental risks and opportunities so that our products meet the challenges of the future. We are working with high-profile partners to drive long-term sustainable change, and we are at the forefront of national and international debate on climate change.

Public policy debate

We have joined forces with other leading organisations to provide a collective industry voice and specialist sector-specific influence to support the climate change agenda.

The initiatives we have been part of in 2011 include:

- The 2° Challenge Communiqué – a call from businesses around the world for governments to speed up international climate change negotiations and take action at a national level.
- 2011 Global Investor Statement on Climate Change – a joint statement by 285 leading investors on the need for policy to stimulate private sector investment in climate change solutions, job creation and long-term sustainability of the global economy.
- The ClimateWise Principles – International insurance industry initiative focusing on climate change risks and opportunities. We sit on the management committee and report annually.
- Business in the Community (BITC) International Campaign – Aviva is a member of the environment workstream that aims to support businesses to take action on climate change and other environmental issues on a global scale.
- The Confederation of British Industry Climate Change Board – the voice of UK businesses on climate change.
- The UN Environment Programme Finance Initiative – a global financial sector partnership building understanding of the impacts of environmental and social issues on financial performance.
- Carbon Disclosure Project – we are founding signatories and founding signatories and seed funders of the Carbon Action Initiative.

"Climate change is already causing 300,000 deaths a year and \$125 billion of economic losses. By 2030 global warming could be costing us \$600 billion a year. The number affected by extreme weather has doubled over the last 30 years and is expected to reach 375 million a year by 2015."

Forum for the Future – Sustainable Economy in 2040: a road map for capital markets.
Commissioned by Aviva, September 2011



Influencing others

Customers and communities

In 2011, we sponsored UK ClimateWeek (21–27 March). We ran a survey that found that almost seven in 10 people in the UK are concerned about the future effects of climate change and, encouragingly, 85% of the people we questioned were taking positive action to tackle climate change. The survey identified a number of actions that would help people to do more. We will sponsor ClimateWeek again in March 2012.

We are helping to protect our customers against the risks of climate change and offering low-carbon products and incentives to reduce emissions. Action we took in 2011 included:

- Introducing new insurance products designed especially for low-carbon and environmental businesses
- New products and incentives for low-carbon vehicles
- Updating customers and providing information to help them to plan and prepare for extreme weather, reducing the impacts and the costs
- Managing insurance claims more sustainably by encouraging 'repair over replace' for motor claims.

Aviva has a long-running partnership with Oxfam 365 to support communities when disaster strikes – events that unfortunately will increase as a result of climate change. Aviva funds the provision of immediate on-the-ground support. In 2011, we have helped save lives in Pakistan, where over nine million people were affected by flooding, aided communities recovering from flooding in Queensland, Australia, and helped communities prepare for flooding in Haiti.

Our suppliers

We are working with others in the sector to improve the sustainability of insurance claims and achieve greater sustainability among our 32,616 suppliers.

Perception

76%

of Aviva employees agree that 'we make business choices that support the environment'

Influencing others (continued)

Our employees

In 2011, 76% of Aviva employees agreed that 'we make business choices that support the environment', an improvement of 5%.

As well as communications on our intranet, we ran a number of employee-engagement initiatives in 2011, including:

- Our environmental champion's network, which includes over 100 people in the UK
- The 10:10 campaign to cut our European carbon footprint by 10%
- Climate Week at Aviva in the UK
- WWF Earth hour in Asia Pacific
- Earth Month in Canada
- Aviva Investors employee carbon footprint calculator
- Earth Day in USA.

We continue to offer interest-free loans for bicycles and provide a salary sacrifice scheme so that employees can offset their personal carbon footprint.

Our investments

We expect the companies we invest in to measure, manage and reduce climate change risks and to explore opportunities.

Aviva Investors report via the Carbon Disclosure Project (CDP) and we are part of Carbon Action, a new initiative, led by 35 leading investors, that is asking companies to implement cost-effective greenhouse gas emissions reductions.

We are encouraging the companies we invest in that have a high climate impact to be part of the CDP and to publicly disclose their annual emissions. We have increased the number of these companies who disclose their emissions to 34 out of 52. We also include our investment portfolio properties within our Carbon Reduction Commitment monitoring to help reduce emissions from investments.



Risks and opportunities

Managing risk

In our view, the consequences of the financial crisis have been profound, but they pale in comparison to the potential consequences for the global economy if climate change risks are not managed.

Aviva has a commercial interest in ensuring that climate change does not make certain risks uninsurable, and that damage to the global economy does not impact on our investment portfolios.

That is why we take a very open approach to our carbon disclosure, and why we are working with others to identify risk and ways to address climate change. We are also making it our priority to develop low-carbon products and services that reduce the risks.

Developing our products

In 2011, we expanded our insurance covers for onshore wind, solar and energy from waste power generation, environmental consultancy and building technologies. We now offer a range of covers to suit the diverse nature of this sector, with potential policyholders ranging from small companies using a single solar panel to national onshore wind farms.

Understanding health impacts

We are working with ClimateWise and the London School of Hygiene and Tropical Medicine to understand the link between extreme weather and health. In London, we see a 4% rise in deaths and hospital admissions for every 1° rise in temperature above 24.8°C. However, the current level of data held by industry and public health authorities is not sufficient to fully assess risk. Only by understanding these links can we design the insurance products of the future that will continue to protect our customers, so we are recommending a thorough review when more detail is available.

Sustainable claims management

Our customers demand low-cost insurance more than they do sustainable products. So we have focused on managing insurance claims more sustainably and we are working with ClimateWise to promote repair over replacement.

Aviva worked alongside other members of the ClimateWise collaboration and the UK's Carbon Trust to identify 'hotspots' of environmental impact in typical property claims processes, which might be reduced in ways that are both affordable and attractive to customers. The group has developed voluntary sustainable claims guidance so that the industry can work consistently with suppliers to embed change. A practitioner forum will monitor progress on the guidance launched in February 2012.

"Aviva's step into the environmental goods and services market is further evidence of growth in the green economy."

Harry Morrison
general manager at the
Carbon Trust Standard



Sustainable supply chain

As a responsible purchaser, we support and influence our suppliers to meet the highest social, environmental and ethical standards. Our priorities include moving from replace to repair for motor claims and reducing the carbon intensity of our supply chain.

2011 was a period of significant change within Aviva procurement, with the development of a brand new Procurement and Outsourcing Business Standard and the introduction of enhanced working practices to support this, most notably through:

1. Moving away from the old Supplier Code of Conduct and introducing a new Supplier Code of Behaviour, which requires suppliers to meet consistent standards across our business.
2. We are introducing legally binding sustainability clauses within supplier contracts, and we publish group supplier performance data every year.
3. The evolution from the supplier CR maturity assessment into a Supplier Profile Questionnaire developed enables deeper and more meaningful information related to CR for both sourcing activity and on-going post contract supply management activities.

It should be noted that the introduction of these new ways of working varies between the regions depending on the supply management maturity, scale, complexity and appetite.

Just one example is the action we have taken with Rentokil Initial, our cleaning and waste management partner for the UK business, to improve waste management. Our joint effort has won Aviva the prestigious Chairman's Cup in the City of London Clean City Awards for the second time.

Working with Solus on Repair over Replace

Solus began its roll out the Repair over Replace ethos in earnest in 2009. In January of that year, the Solus group products to labour (P:L) ratio was 94.7%, broadly in line with the traditionally accepted industry average. By the end of 2009, our efforts had resulted in a ratio of 74.7% – a reduction of 20%.

In 2010 the P:L reduced further to 73.7%. Although the Repair over Replace project ended in mid-2010, this continued improvement illustrated that the group mind-set had changed to embrace this principle. However, the smaller than anticipated reduction in the ratio was also an indication that external factors were beginning to influence this performance. One was the severe winter conditions in January and December which caused a greater amount of suspension damage. These safety-related items cannot be repaired, and have to be replaced.

Supply chain

Our 'managed suppliers' signing Code of Behaviour:

31%

Sustainable supply chain (continued)

2011 began with the continuation of the severe winter weather, and throughout the year other factors came to the fore, amongst which were:

- Fewer claims across the industry
- Higher excesses discouraging claims, and diverting sub-excess repairs to smaller repairers (these repairs would typically contain parts repair opportunities)
- Higher Total Loss ratios, removing jobs which might have had scope for repair of panels rather than replacement

In 2011 the P:L ratio had risen 80.6%. However, this still represents a significant trend downward from the starting point, and our emphasis on the reducing the P:L ratio continues. It is worth noting, in the context of environmental factors, that this policy drives other benefits, such as fewer replacement parts purchases, and, therefore, fewer vehicle journeys for parts deliveries to sites and less waste generated from our sites.

The future trend is likely to be influenced by the growth of the use of recycled salvage parts' although this is not likely to be significant for a couple of years.



Global benchmarks

In 2006, we became the first insurer to have carbon-neutral operations, and we continue to be highly rated in global and sector benchmarks.

- We are a signatory and responding company to the Carbon Disclosure Project. Our 2011 score is 80 out of 100 in FTSE Global 500 and FTSE 350.
- In the Dow Jones Sustainability Indexes we scored 97% (the highest possible score) for how we report our environmental data and 100% for our environmental standard and management system.
- We came top of 300 of Europe's biggest companies for having the best record for carbon emissions in the Europe 300 Carbon Ranking.
- We came second out of the UK's 100 biggest companies for our carbon emission record in the ET UK 100 Carbon Ranking.
- We achieved a score of 100% against the ClimateWise Principles and Gold for climate change integration into our core business.
- And, we were ranked third in the FTSE 100 by Carbon Clear for our carbon reporting.

CARBON DISCLOSURE PROJECT



Performance data

Our environmental data covers 100% of the Aviva subsidiaries and joint ventures where we have management control. This means that the employee figures quoted in this area are often much higher than the full time equivalent figures used in the Annual report and accounts, ie 36,600 as opposed to 45,235 for environmental data coverage. The second figure should be used for any per FTE calculations made.

We have used the Department for Environment, Food and Rural Affairs (Defra) 2011 revised electricity related carbon dioxide emission factors in line with updating the conversion factors on a once every four-year basis. However, from this year we will be updating them annually. We have restated our 2010 electricity emissions to provide a comparative and most accurate footprint. This has created an increase in 2010 electricity related carbon emissions of 5.3% and an overall increase in group-wide CO₂ emissions of 1%.

We have always reported environmental data on an absolute basis, however with the change in Delta Lloyd's status moving from a subsidiary to an associate company it has become increasingly difficult to influence progress and capture data in respect of the environment programme. For 2011 and going forward, Delta Lloyd will no longer be included in the Aviva plc figures for CR reporting or carbon offsetting. Aviva's environmental data will be collected on a 'operational control' basis, which does not impact any other Aviva subsidiary or joint venture which we currently report on. The availability and quality of data from individual data points varies from country to country. The focus of data collection is primarily from sources generating carbon dioxide emissions.

- > CO₂ emissions
- > Energy consumption – buildings
- > Energy consumption – transport
- > Water use
- > Total waste
- > Waste management
- > Paper purchased
- > Staff numbers in businesses reporting environmental data
- > Property
- > Employee perception

CO₂ emissions KPI



	2009	2010	2011
CO ₂ emissions – absolute, tonnes	154,726	148,251	165,115
Remaining CO ₂ emissions offset annually, %	100	100	100
CO ₂ emissions, tonnes – relative	n/a	153,013	148,404

Notes

- In a change from 2010 reporting we have removed Delta Lloyd data from our environmental footprint as it is now out of operational control.
- Absolute CO₂ data – the increase in the absolute CO₂ emissions figure for 2011 is due to the following factors. Updating the electricity conversion factors to the most recent ones available, increasing the scope of our data collection in India to all the office locations. We have also reported on the electricity consumption from the UK outsourced data centre for the first time since its sale in 2009, the CO₂ emission equivalent from waste to landfill and water, our businesses in Indonesia, and Aviva Investor businesses in Luxembourg and Singapore. RAC was sold at the end of Q3 2011 and therefore our data reflects their consumption for the first three quarters only.
- Relative CO₂ data – the relative comparison uses the 2011 basis for reporting (as above), adjusted for structural changes and businesses that did not report in 2010.
- Baseline change – our long-term carbon reduction target used a baseline year of 2006, the first year of reporting on the RAC, our target was an absolute 30% reduction to 2020. By the end of 2010, we had achieved a 10% reduction to the target. As RAC emissions accounted for 17% of our overall emissions, we have revised our baseline to 2010. As a result our new baseline is 151,531 tonnes of CO₂.

KPI Key performance indicator

Performance data (continued)

Energy consumption – buildings

	2009	2010	2011
Gas (Scope 1)			
GWh	84.3	108.3	81.3
Tonnes CO ₂	17,041	21,881	16,440
Oil (Scope 1)			
GWh		0.653	3.05
Tonnes CO ₂		186	872
Electricity (Scope 2), GWh	220	213	185.8
Of which: renewables, GWh	140.8	73.5	12.3
Grid average			
GWh	79	140	173.5
Tonnes CO ₂	30,675	52,445	97,977
Cold water and steam (Scope 2)			
GWh	4.7	3.7	0.054
Tonnes CO ₂	944	479	11
Emissions from fugitive sources* (Scope 1), kg CO₂e	98	409	231

Notes

- *Fugitive emissions are minimal for Aviva, however the Defra voluntary reporting guidelines includes fugitive emissions as good practice reporting. These emissions are leakage from air-conditioning and refrigeration systems of GHG gases. Each of these gases has a different global warming potential, which has been converted to a CO₂ equivalent figure.
- The CO₂ conversion factor for electricity varies from country to country due to the energy source used in generation. These conversion factors can be viewed at the Defra website www.defra.gov.uk/.
- This year, for the first time, we have included a CO₂ emissions value for our waste to landfill, water, the electricity consumed by our outsourced data centres, and rental cars. These, together with the emissions from business travel make up the Scope 3 emissions reported for Aviva.

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Performance data (continued)

Energy consumption – transport

	2009	2010	2011
Car fleet			
Million km	89	75.5	49.9
Million litres diesel*	9.1	7.4	6.8
Tonnes CO ₂	43,269	35,774	30,332
Air travel			
Million km	84.3	115.4	78
Tonnes CO ₂	10,579	14,605	9,715
Rail travel			
Million km	5.6	15.6	21.1
Tonnes CO ₂	334	938	1,269
Taxi travel			
Million km	0.189	0.096	0.386
Tonnes CO ₂ **	36	18	72
Rental car			
Million km			2.8
Tonnes CO ₂			454

Notes

- *5.6 million litres of diesel is in respect of the RAC fleets for the first 3/4 of the year until the sale of the RAC. Due to the nature of their business this is the most accurate way of reporting the associated impact.
- The combined car fleet numbers are 2,920 (3,846) vehicles. The km data includes the 'grey fleet' – private cars used for business journeys where the mileage is claimed by the employee through the expenses system.
- The conversion factor for air travel km varies depending on whether the journey is longhaul (an average distance of 6,495 km) or short haul (an average distance of 500 km). These conversion factors can be viewed at the UNEP website www.uneptie.org/energy/.
- **Taxi travel reported where possible.

- > CO₂ emissions
- > Energy consumption – buildings
- > Energy consumption – transport
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Performance data (continued)

Water use

m³Water consumption – absolute **KPI**

Of which: water recycling



	2009	2010	2011
Water consumption, m ³ – absolute KPI	751,750	690,369	509,657
Of which: water recycling, m ³	8,150	10,347	25,800
Reduction in the annual amount of water used, %			5%
Water, CO ₂ emissions, tonnes			503

- > CO₂ emissions
- > Energy consumption – buildings
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Total waste

Total waste – absolute **KPI**

Tonnes

Total recycled waste **KPI**

Tonnes

Proportion of recycled waste **KPI**

%



	2009	2010	2011
Total waste, tonnes – absolute KPI	11,812	12,042	8,995
Total recycled waste, tonnes KPI	9,331	9,048	6,585
Proportion of recycled waste, % KPI	79	75	73
Reduction in the annual amount of waste, %			25%
Waste to landfill CO ₂ emissions			455

KPI Key performance indicator

Performance data (continued)

Waste management – breakdown of major waste streams

	2009	2010	2011
Paper, tonnes	6,785	4,987	2,712
Paper recycled, tonnes	4,375	3,550	2,193
Cardboard, tonnes	500	372	136
Cardboard recycled, tonnes	499	363	136
Plastic cups, tonnes	14	10	2
Plastic cups recycled, tonnes	13.9	9	1
Other plastics, tonnes	30	50	18
Other plastics recycled, tonnes	29	49	11
Office furniture, tonnes	318	1,410	1,238
Office furniture recycled, tonnes	312	836	629
Glass, tonnes	18	26	7
Glass recycled, tonnes	16	24	4
Aluminium cans, tonnes	35	25	16
Aluminium cans recycled, tonnes	25	24	16
Toner/Print cartridges, units	22,784	8,237	35,078
Toner/Print cartridges recycled, units	20,734	6,202	15,209
Batteries, units	780	2,370	1,630
Batteries recycled, units	768	1,642	985
Organic waste, tonnes	538	479	462
Organic waste recycled, tonnes	538	479	462
General waste, tonnes	5,576	4,326	2,335
General waste diverted from landfill, tonnes	3,789	3,362	1,139

Notes

In addition to the data mentioned in the table above, businesses are continuing to provide data on other waste streams such as IT equipment, lighting etc.

Paper purchased

Tonnes

	2009	2010	2011
Paper purchased			
Paper	7,006	9,006	4,884
Envelopes	1,985	2,520	2,260
Paper purchased with recycled content			
Paper	1,999	4,029	2,524
Envelopes	137	124	179

Notes

Paper with a recycled content now accounts for 28% of the total paper purchased

- > CO₂ emissions
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- > Paper purchased
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- > Employee perception

Performance data (continued)

Staff numbers in businesses reporting environmental data

Total staff numbers in businesses reporting environmental data



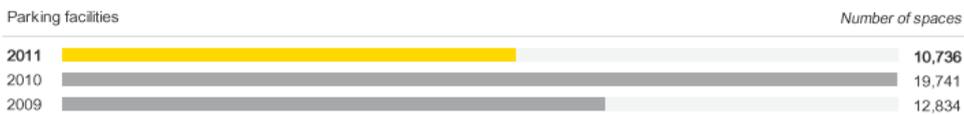
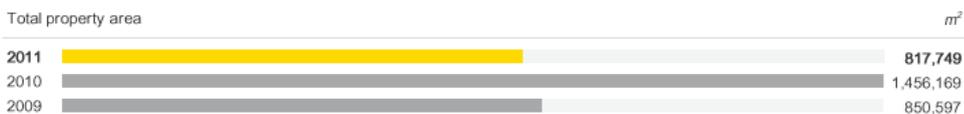
	2009	2010	2011
Total staff numbers in businesses reporting environmental data	49,181	45,345*	45,235

Notes

- Environmental data covers 100% of total Aviva staff in 2010 including 100% of joint ventures.
- *Average number of FTE employees during 2010

- > CO₂ emissions
- > Energy consumption – buildings
- > Energy consumption – transport
- > Water use
- > Total waste
- > Waste management
- > Paper purchased
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- > Property
- > Employee perception

Property



	2009	2010	2011
Total number of locations	1,190	1,780	1,548
Total property area, m ²	850,597	1,456,169	817,749
Parking facilities, number of spaces	12,834	19,741	10,736

Employee perception KPI %

Employees who feel that Aviva makes business choices that support the environment



	2009	2010	2011
Employees who feel that Aviva makes business choices that support the environment, %	62	71	76

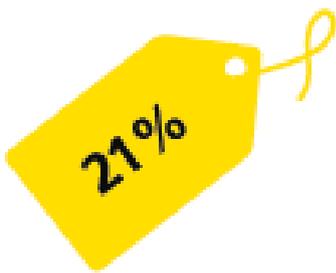
KPI Key performance indicator

Sustainable products

We design responsible products and services that offer prosperity and peace of mind to our customers while contributing to a more sustainable future for everyone. Our products can encourage behaviour change, support a sustainable economy and provide access for many to financial protection for the first time.

- > Main contents
- > Our approach
- > Supporting a sustainable economy
- > Encouraging behaviour change
- > Providing stability and protection
- > Reducing the impacts of claims

UK General Insurance home, motor and broker commercial transactional policy packs e-enabled



'Repair over replace' for motor insurance



in carbon footprint of a typical repair

UK General Insurance home, motor and broker commercial transactional policy packs e-enabled

21%

Principles for Responsible Investment survey:

Top quartile performance

'Repair over replace' for motor insurance:

34% reduction

in carbon footprint of a typical repair

Lives covered by our micro insurance products in rural India:

3.5 million

What does John think?

"What would growth that is green look like? ...it's about insurers like Aviva producing insurance tailored to the specific risks of low carbon infrastructure."

John Cridland, CBE
director general, CBI





Our approach

Well-designed, well delivered and socially inclusive products and services underpin our promise to provide prosperity and peace of mind to our 43 million customers, many of whom have long-term relationships with us.

More than just a 'product', insurance has a tangible value for society and individuals. It's a sharing of risk at a local and global level that helps people to live their lives, businesses to do business and modern society to function.

Just as important, our products can encourage behaviour change and contribute to more sustainable economies as well as providing access to financial stability and protection. For many families in emerging economies, Aviva products will be the first time they have accessed insurance.

We aim to develop new products and services that:

- Support the low-carbon economy, particularly the renewable energy sector
- Are designed to meet specific needs and encourage customers to adopt more sustainable behaviours
- Minimise environmental impacts through sustainable claims management
- Are clearly and honestly explained and marketed, including information on risks and benefits, so customers can make informed choices.

We've moved forward this year...

- Introduced insurance cover for low-carbon businesses and environmental consultants.
- Had first close on our European Renewable Energy Fund.
- Reduced the carbon footprint of motor vehicle insurance claims by opting for 'repair over replace'.

...are committed to doing more...

- Influencing consumers' behaviour by offering products that encourage use of low-carbon technologies.
- Providing greater access to simple, low-cost insurance products for people on low incomes, such as those working in the Sri Lanka tea industry – our first year target was 10,000 policies.
- Making the claims process more sustainable.
- Being there for people in times of need, such as when they face critical illness.

...and committed to the challenges...

- Building the confidence of consumers through open, honest sales and marketing that meets the needs of individuals.
- Extending the reach, impact and quality of financial education.
- Developing our approach to product stewardship.

Responsible investment Top quartile performance

Principles for Responsible Investment survey: Top quartile performance

In Venice, during the Middle Ages, the codega was a fellow hired to walk in front of you at night, lighting the way and helping you walk with confidence. This is what insurance does.



Supporting a sustainable economy

Over recent years, the political drive to reduce carbon emissions, along with high oil and gas prices and fears about energy security, have combined to boost the global renewable energy sector. Climate change poses serious risks, but it has also opened up massive opportunities for new technology. The renewable energy sector is forecast to increase in value by up to £45 billion by 2015.

We want to be part of the solution, providing the financial service products that are needed to support a more sustainable, stable world economy. In March 2011, the Carbon Connect report 'Energy Efficiency: The Untapped Business Opportunity' called on insurers to develop solutions for renewable energy projects. We are developing new products and investments that support the low-carbon economy and the renewable energy sector.

Green technology insurance cover

From March 2011, we expanded our engineering, marine, construction and operational risks cover to include:

- Onshore wind
- Solar
- Energy from waste power generation including biomass energy production
- Environmental consultancy
- Building technologies.

In recognition of the diversity within the sector, we offer a range of covers to suit policyholders ranging from small companies using a single solar panel to national onshore wind farms. Our public liability cover now also includes failure to supply power and professional indemnity cover for environmental consultants. More information is provided in our Aviva in the UK report.

Green homes

We are leading the way in offering products that support customers to improve the sustainability of their homes. Products offered by Aviva Canada include:

- **Green Home Power Generation:** A set of endorsement bundles were introduced in 2010, developed to satisfy the insurance needs of customers who utilise solar panels and wind turbines to generate electricity – for their own consumption and/or supplying energy to the Grid as part of Provincial Incentive Programs.
- **Green Home Assure:** The premise of this product is that in the event of a total or major loss at the insured's home, they will be able to replace damaged or destroyed property with more environmentally-friendly and sustainable products.

Reducing paper

21%

of UK General Insurance home, motor and broker commercial transactional policy packs e-enabled

"Aviva's environmental goods and services cover expansion is an example of an element of what economic 'growth that's green' looks like."

John Cridland, CBE
director general, CBI

Responsible investment

Aviva Investors is a founding member of the UN Principles for Responsible Investment (PRI) and is also represented on the UN PRI Advisory Council. These principles inform our approach to all our investments.

Our recent investment initiatives include:

- Introducing environmental, social and governance considerations and voting policy for mainstream funds
- Our REALM Social Housing fund, which is helping to meet the need for social housing in the UK
- Our Igloo fund, which invests in sustainable, mixed-use real estate in partnership with public sector bodies and local communities.

As a major international real estate investor, we are working with our partners and advisers to show leadership in sustainability across the real estate industry, for example by requiring the highest environmental standards on site and accreditation for new buildings.

We also make it our priority to influence international policy on corporate governance and reporting.

Just four of the proactive actions we have taken this year are:

- 2011 Global Investor Statement on Climate Change – a joint statement by 285 leading investors on the need for policy to stimulate private sector investment in climate change solutions, job creation and long-term sustainability of the global economy
- Call for UN declaration for companies to include sustainability in their annual reporting – a joint call by the Corporate Sustainability Reporting Coalition, led by Aviva, to require listed companies to report annual sustainability information
- Call for international stock exchanges to encourage sustainability reporting by listed companies – a letter from 24 institutional investors, led by Aviva Investors, to 30 of the world's largest stock exchanges
- Call to increase opportunities to make low carbon fixed income investments – a call from ClimateWise members for bonds where revenues are specifically allocated to climate change solutions.



Encouraging behaviour change

Aviva has designed a range of products that encourage customers to make more responsible choices.

E-enabled policies – UK

Our sustainable approach to IT extends to our business products. By the end of 2011, 21% of UK General Insurance home, motor and broker commercial transactional policy packs, yearly statements, and renewals were e-enabled, generating saving of nearly £2 million per annum on print and postage costs. Another 41% of Aviva in the UK policy documentation will be e-enabled in 2012 with total estimated savings of £8.6 million.

Green transport

We provide insurance products and loans that benefit low-carbon vehicles, people who drive less and people who use sustainable transport. For example in France we offer:

- Insurance with a 10% reduced premium for hybrid cars or cars running on biofuel
- 20% reduced insurance renewal premium for cars that drive less than 9,000km, and up to 30% for those who reduce their annual mileage to less than 5,000km a year
- 10% car insurance reduction for drivers who also have an annual subscription for public transport or cycling
- Loans at discounted interest rates for cars with lower carbon emissions
- Family insurance for cyclists
- Lower prices on the Auto-train network for Aviva customers.

Similarly, Aviva Canada also offers a discount on car insurance for customers who have hybrid cars. In 2011, this amounted to 0.42% of total insured cars or 2,824 cars.

Healthier lifestyles

Wellness for Life is a life insurance initiative launched by Aviva North America in 2007, which offers a financial incentive for people to adopt a healthier lifestyle. Customers receive a discount on insurance costs if they visit the doctor for a check-up at least every other year and maintain their weight within a given range. Customers have the option to complete the Mayo Clinic Health Assessment to identify potential risks and provide immediate feedback to help people make healthy lifestyle changes. 70% of eligible customers purchase the \$100 feature (£60).

In the UK, we continue to support corporate customers to keep their workforces healthy and productive. This includes helping FTSE100 employers implement preventative measures to reduce absence. We've also changed the standard approach to managing musculoskeletal claims. Aviva's award-winning Back-Up rehabilitation service now covers a more extensive range of musculoskeletal issues. The service improves the speed of recovery and return to work rate for customers with back and neck conditions – last year 97% of Back-Up customers spoke to a qualified physiotherapist within two hours, avoiding a wait to see a GP.

Musculoskeletal 97%

UK: 97% of our Back-Up customers spoke to a qualified physiotherapist within two hours

Encouraging behaviour change (continued)

Breast Cancer prevention

Aviva Ireland's Health Insurance business is working with Breast Cancer Ireland to cut deaths from the disease by encouraging women to examine themselves regularly to spot early signs of the illness. Aviva's free health and fitness app, Health Mate, includes a handy monthly breast check reminder.



Providing stability and protection

We provide prosperity and peace of mind to millions of customers worldwide. Our products help people achieve financial stability for themselves and their families, and protect them against accident and other events throughout their lives.

Peace of mind in retirement

...in the UK

As well as providing reliable pensions and savings, Aviva's award-winning equity release schemes in the UK help people release money from their property to provide for a more comfortable retirement without the need to move home. We have helped over 100,000 people release equity from their homes and, in 2011, won the What Mortgage? Award for Best Equity Release Customer Service, voted for by the public.

...and in emerging markets

In 2009, the World Bank declared Sri Lanka the fastest ageing population in South Asia. Our Asia Pacific business responded by launching a new pension product set in Sri Lanka, which is flexible to adapt to need. Aviva NDB became the preferred brand in Sri Lanka after just four weeks of the product launch.

Support during critical illness

Our Critical Illness cover aims to make things as easy as possible for our customers at a difficult time. In the first half of 2011 these payments rose by 21%. We paid out a total of 98% of claims against life and critical illness policies amounting to over £61 million paid out to people in need.

In the UK, improvements to our cancer cover mean that our Healthier Solutions, Solutions and Optimum customers now benefit from one of the most extensive levels of cancer cover available from the private medical insurance market today.

Flexible insurance products

...in the UK

Association of British Insurers research shows under half of low-income households in the UK hold home contents insurance. Of these households a third borrows funds to replace stolen or damaged items, increasing their indebtedness. That is why for almost 20 years we have worked with broker partners, local authorities and registered social landlords to provide tenants with affordable home contents insurance. The limited cover is paid with rent on a weekly or monthly basis with a zero excess feature providing peace of mind on an affordable basis without the need for a bank account.

We now work with 100 housing association schemes throughout the country, an approach which helps to overcome fears or mistrust in the financial sector.

Products

3.5 million

lives covered by our
micro-insurance products
in rural India

Providing stability and protection (continued)

The Aviva Tenants Contents Unit has participated in discussions with the Financial Inclusion Taskforce within the Treasury and sits on the ABI Tenants Contents Insurance working group. We continue to build awareness, encourage and promote the existing schemes, and ensure that household insurance continues to have prominence on the Financial Inclusion agenda (post Financial Inclusion Taskforce).

...and in emerging markets

Aviva is the largest micro-life insurer on the Indian sub-continent, seeing a 400% growth in Premium and 250% growth in Lives covered in two years. Our simple and affordable (less than £2 per year) insurance products allow people on low incomes, especially in rural areas, to access protection for the first time. In 2010, we launched a new Universal Life Policy, 'Dhan Sanchay', which is designed to be flexible for those earning an irregular income (around 80% of India's working population). Particularly benefiting rural workers, savings can be invested depending on the seasonality of the policyholder's income.

In May 2011, we responded to calls from charities and communities in Sri Lanka by launching the first simple and affordable insurance product for tea growers [link to Asia Pacific case study]. Tea is one of the main export crops in Sri Lanka providing jobs for around one million people. This low-income earning group does not benefit from traditional insurance solutions, so we are tackling the current barriers in partnership with CARE international to reach them using micro-insurance principals. Over 3,000 products have been sold in the first few months and we are on track to sell 10,000 in the product's first year, providing group life cover for a monthly premium of less than £1.

Insuring a future – Aviva North America

As part of our commitment to bringing humanity back to insurance, Aviva North America has stepped in to help those who find themselves uninsured or underinsured in a time of loss. 'Insuring a Future' is a program that makes a life changing gift of a 'retroactive' life insurance policy to a family in need. In 2011, we awarded our first gift to a young mother and her two boys who lost their husband/father in a car crash.



Reducing the impacts of claims

We are making insurance more sustainable by reducing the environmental impact of claims. One of our key focuses in ClimateWise is to work with others to promote the benefits of repair over replacement. During 2011, we continued to be part of the ClimateWise working group to develop voluntary sustainable claims management guidelines for insurers on how to reduce the environmental impact of the claims process. Building on previous research, members worked with the UK's Carbon Trust to identify 'hotspots' of environmental impact in typical property claims processes that might be reduced in ways that are both affordable and attractive to customers. A publicly available report was released in February 2012.

Repair over replace

34%

'Repair over replace' for motor insurance: 34% reduction in carbon footprint of a typical repair

Motor repairs

Working with our customers and suppliers in the UK, we are looking for more sustainable approaches to managing vehicle claims based around repair over replace.

In 2009, we began working with our UK supplier, Apollo Accident Repair Centres, to manage costs, reduce waste and energy consumption and support jobs. By shifting to skilled repair rather than replacement of parts, the change in process achieved:

- A 34% reduction in carbon footprint of a typical repair
- £74,000 a year savings in energy costs
- 42% reduction in waste, saving us a further £77,000 a year

savings to Apollo on parts and energy costs equated to saving 30 jobs, representing 13% of their workforce.

We have now adopted a similar approach across Aviva's accident repair centre network subsidiary, Solus. Together Apollo and Solus deal with one third of all UK vehicle repairs following an accident. The parts to labour ratio at Solus has changed from 94.7% in 2009 to 80.6% in 2011.

Property

We're changing the way we restore damaged properties to reduce waste and unnecessary replacement. By minimising the stripping out of property affected by water damage, for example, we can reduce waste, use more materials efficiently, reduce claim times for customers and reduce costs.

In the UK, we are working with Asprea, who became our in-house property household claims management company, to create a new market-defining service. In 2011, Asprea was a finalist in the Insurance Times Customer Services Initiative of the year.

With Asprea's services, our customers will experience greater personal care and attention from technical staff during the repair of their property following their claim. This affects around 100,000 customers per year.

Aviva also offers a 'green premium' for our commercial property insurance customers, which encourages a more sustainable restoration of property following a weather event such as a flood. Measures to make properties more flood resilient and resistant are often similar in price to more traditional restoration options, but they significantly reduce damage caused by any repeat flood event in the future.

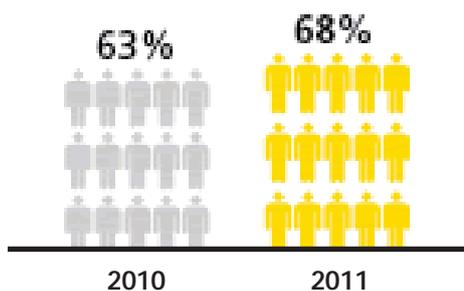
Attracting and retaining talent

We work hard to ensure our people feel pride in Aviva. We match the right people to the right roles and do everything we can to get the best out of them. Our efforts are reflected in continuous improvement in employee feedback since 2008.

- > Main contents
- > Our approach
- > Our employee promise
- > 'One small step...together'
- > Talent development
- > Living leadership
- > Our people and technology
- > Diversity
- > Building pride
- > Reward
- > Health, safety and wellbeing
- > Performance data

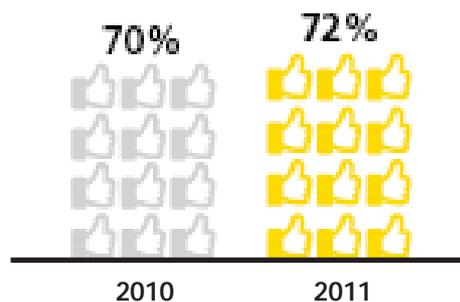
Employee engagement

▲ 5%



Employees proud to work at Aviva

▲ 2%



Women in senior management

20%

Employees feel we are committed to a diverse workforce

70%

Employees believe our commitment to CR is genuine

79%

Business Ethics Code employee sign-off

89%

Employee Promise Survey response rate

85%

What does Pinky think?

"I am hugely impressed by the work that Aviva does, across different communities. This is a large business with a respect for the individual."

Pinky Lilani, OBE
chair, Women of the future awards





Our approach

We've demonstrated remarkable levels of engagement and a consistent upward trend in our results since 2008. We're proud of the level of direct involvement of our senior management group – especially our group executive committee – in supporting our balanced leadership agenda. Since 2010, we've been raising the profile of diversity – especially gender diversity – on a global basis.

We've moved forward this year...

- Better results than ever in our Employee Promise Survey
- Launched a new leadership development strategy
- One global HR management system for all Aviva businesses
- Established Living Leadership as a business-wide model to strengthen Aviva leaders.

...are committed to doing more...

- Using our customer campaigns to recognise and promote our best people
- Listening to feedback from our employee survey and taking action where we need to improve
- Moving from goodwill to action in balanced leadership with intent to extend the diversity agenda beyond gender
- Engaging even more people in our corporate responsibility programmes.

...and committed to the challenges...

- Using our talent pipeline to maximise diversity and balanced leadership across Aviva
- Developing our culture of performance
- Keeping every Aviva employee safe and healthy, and promoting a healthy work–life balance.



Our employee promise

We want every employee to be able to say, "At Aviva I am recognised for who I am and my contribution matters". When we asked people what matters most to them, they told us they want to be recognised for what they do. So we made it our Employee Promise.

Our annual Employee Promise Survey tells us we are making progress towards achieving our promise. We have put recognition at the heart of our global people programmes.

Our global priorities for delivering our promise are:

- Build capacity and empower our regions and functions to achieve their own priorities
- Develop a culture of performance, personal responsibility and individual recognition
- Ensure that risk management factors into everything we do
- Help Aviva develop as a sustainable business – and communicate our successes.

One Aviva

Since our creation in 2002, we have done all we can to involve people, to listen to them and to build pride in the Aviva brand. In June 2009, our UK business, Norwich Union, changed its name to Aviva. In 2010, our businesses in Ireland and Poland also came under the Aviva brand. Since then, working together to build One Aviva has been vital to our success.

As we continue to evolve, good change management is critical to secure the commitment and performance of our people. Aviva World, our employee intranet, helps people to work and develop as One Aviva. Effective communications and engagement supports people to manage and be part of the change. Because we recognised the importance of bringing every member of staff along on the journey towards One Aviva, we worked hard to ensure everyone understands our vision. Our hard work is now starting to be reflected in our employee survey results.

You are the Big Picture II

A key aspect of our global brand campaign is to engage and recognise the great work of our employees. In 2011, we re-launched our global brand campaign and put employee engagement and recognition at its heart. We included more stories, which recognised our employees and celebrated the small human touches that can make a real difference to our customers. 173 employees had their photos taken in London as part of the campaign to contribute employee stories to the Facebook aspect of the Big Picture II campaign.

Measuring progress

Our commitment to the Employee Promise continues to improve. Employees feel that their contribution matters (76%, up 7% on 2010) and they are recognised for who they are (71%, up 10%). Both are among the top five drivers of engagement in Aviva.

62% of employees reported that Aviva's group leadership has communicated a vision of the future that motivates them. This is a 12% increase on 2010 – a major improvement.

Responded

85%

response to our Employee Promise Survey



'One small step...together'

For 2011, our annual employee survey theme focused on the idea that the most important changes are the little ones people can make in their own teams – like one small step to improve work–life balance, one small step to work together more effectively or one small step to recognise one another. These little changes can have a big impact when amplified across Aviva.

We are also putting accountability for the work culture at Aviva into the hands of every employee. The impact and success of this way of thinking is demonstrated in our results.

Over £34,000 was donated to our global Street to School partner Save the Children – that's £1 for every completed Survey. Over 85% of staff participated in the survey.

Using the results

Every manager with at least five or more people receives local results for their team. This means that our employee survey provides insights from the global level and all the way down to front-line management. Teams across the business use the results to identify areas for improvement. The feedback we receive on our leadership and engagement also affects decisions about senior management pay.

For the past two years, we have produced a global results report for all staff, including what we are doing well and taking an honest look at the areas where we need to improve.

What people told us

We are achieving the best results in our employee engagement since before the financial crisis and the major changes to Aviva businesses. Greater levels of employee satisfaction and lower likelihood of employees looking for a job elsewhere mean we are quickly closing in on the Global Financial Services (GFS) benchmark.

Headlines from our 2011 survey include:

- Strong improvements across the board and particularly on our success in communicating a vision of the future that motivates staff (up 12% to 62%, which is in line with the GFS benchmark)
- We outperform the Financial Services norm by double digits on issues related to community involvement (76%, 14% higher than GFS norm) and commitment to the environment (76%, 16% higher than GFS norm)
- Up 10% on employee recognition to 71%, which reflects how far we have come on the journey to embedding the Employee Promise
- Only two items on the core global survey declined since 2010 – and these only declined by 1% each
- We demonstrate our commitment to using survey results to improve Aviva. Since 2010, we saw a 10% increase in the number of employees who think we take action as a result of the survey, with 60% believing we do.

Motivation

62%

Communicating a vision of the future that motivates staff: up 12% to 62% in 2011



Talent development

Talking Talent

Our Talking Talent programme benefits every Aviva employee and helps us deliver our Employee Promise. Employees and their managers develop open relationships with regular, honest conversations about performance throughout the year, and a more formal performance appraisal once a year. Every employee of Aviva had a Talking Talent conversation in 2011.

Managers continually measure performance and learning ability to make the most of their people's potential and to match them to the best roles.

In our North America Business, honest performance conversations took place via the 'Coffee with the CEO' programme whereby small groups of employees could meet with the CEO for informal discussion.

Personal responsibility and recognition

We are developing a culture where people take responsibility for their own careers. That includes their performance and personal development.

Talking Talent guides every employee to create and manage their own personal development plan. Support materials are available in 11 languages and are suitable for every person at every level across the organisation.

Our talent pipeline

We operate a fair and visible process to meet our global talent demand.

Our internal talent pipeline moves people up through the business using performance management, succession planning and leadership development. Our external talent pipeline helps us find the best people for critical roles through search agencies and market mapping.

We are always looking for innovative ways to recruit new talent. In Asia Pacific for example, we support scholarships and internship programmes for young people to work with us. We also have a system of employee referrals in the region because 'it takes talent to know talent'. This is now the number one attraction method in Singapore, Indonesia and Vietnam and brings us into contact with a wider range of more diverse people.

This year, we improved our succession planning approach, incorporating additional metrics into the process and extending internal searches beyond country borders for key vacancies.

Our target is to fill 70% of senior roles with internal talent. In 2011, we achieved 58%. As we get better at managing and measuring our talent pipeline, we anticipate seeing year-on-year improvements.

We are also looking at ways to maximise diversity benefits, particularly gender balance, and will be taking more action on this next year. While we have fallen back 1% on female representation among senior management, we have increased the gender balance of our group executive committee to 18% (2010: 9%). We recognise we have more to do and will be taking advantage of improvements in our succession planning approach in 2012.

Bespoke

11 languages

Talking Talent support materials are available in 11 languages and are suitable for every person at every level across the organisation



Living leadership

During 2011, we aligned our leadership development to a globally consistent definition of, 'Living Leadership, the act of making a difference' and developed a new leadership capability framework. Our leadership model has three elements:

- **Leading myself – Aviva is *my* company, I choose to be here and deliver.** We expect every Aviva employee to take personal responsibility, accountability and to contribute to the success of Aviva
- **Leading people – turning our talents into performance.** We believe that excellent line managers turn the talent of individuals into sustained, superior business performance
- **Leading organisations – rallying people to a better future.** Our strategic leadership aim is to beat the competition.

In 2011, we reached agreement on a new leadership development approach that we will launch in 2012. One of the key features of the programme is a focus on 'points of transition'. As employees move up through the organisation, they reach five points of transition. Our new programme will be focused on equipping people leaders – most importantly front-line managers – with the skills and capabilities required for roles at each stage of their career. Beginning in 2012, as part of our front-line manager programme, every new people leader in Aviva will also participate in a training session on our approach to corporate responsibility.

Balanced leadership

20%

of senior executives
are women



Our people and technology

Technology is helping us overcome the challenge of engaging people around the world as one Aviva. We use technology to communicate with employees, to build networks and relationships, and to achieve more efficient HR processes across the company.

Connecting people through technology

- **Microsoft Office Communicator** is being rolled out globally, providing mobile PC communications to enable us to be more flexible as an organisation – whether at a remote office or from home. It also reduces the need to travel and saves teleconference costs
- **Telepresence:** In 2011, 50% more telepresence rooms were made available globally. To date telepresence has reduced our carbon footprint by 1,417 tonnes, representing £1.9 million savings for Aviva
- **Aviva World**, our global intranet, continues to be the foundation of how we communicate and share information with employees. Our business discussion forums are very popular, allowing people to keep up-to-date with business issues and to openly discuss their views. We host international online discussions on a wide range of topics, far more accessible and efficient than the traditional conference approach. Our social forums are also incredibly active and they allow employees to connect with colleagues around the world with shared interests outside of work. This technology enabled all employees across Aviva Europe to interact during the Leadership Conference in 2011
- **WebEx:** WebEx usage has increased by 116% in 2011 with the number of meetings up by 61% at 14,479. Survey responses show that 67% of WebEx meetings replaced face-to-face meetings
- **Aviva Video** is our most recent addition to our toolkit and allows us to stream video content direct to employees' desktops through Aviva World
- **E-learning tools:** In Aviva Europe, France has used e-learning tools to train 71% of employees in disability awareness.

One global HR management system

Workday is the cloud-based HR system that will soon bring all Aviva employees across the globe into one HR management system. As of the end of 2011, Workday has been deployed to Aviva North America, Aviva Europe, parts of Aviva in the UK, and in our Singapore and Hong Kong markets.

Technology 72%

WebEx usage has increased by 72% in 2011 with the number of meetings up by 61%



Diversity

We are committed to promoting diversity, equal opportunity and human rights through all our business interactions. From the way we treat our employees to the products we design, we uphold strict principles on human rights and equality.

Diversity has been a priority at Aviva since 2005. Over the last two years we have focused on gender diversity. Beginning in 2010, we brought together senior women from across Aviva to talk about what we needed to do to improve gender representation at senior levels. This generated a lot of interest. In 2011, we focused on moving from goodwill to action.

Some of the actions we took in 2011 include:

- Establishing a global diversity and inclusion working group
- Contributing to Lord Davies' review of Women on Boards (Amanda Mackenzie was on the steering group)
- Supporting International Women's Day through sponsorship and events
- Embedding diversity and human rights into our global Corporate Responsibility Standards.

Balanced leadership

We believe that strong, balanced leadership brings a more rounded perspective to our decision-making, risk management and leadership communications. Companies with more women on their boards have been found to outperform their rivals, with 66% higher return on investment capital and 42% higher return on sales.

A study by Cranfield University placed Aviva joint seventh out of 100 FTSE companies for the proportion of women on our board of directors. We currently have three female directors, making up 21% of our board, and we are aiming for 25% by 2015. We are also aiming to increase the 20% of senior executives at Aviva who are women.

Our 2011 balanced leadership programme has included:

- Establishing a reciprocal mentoring programme to help develop executive directors' awareness of diversity issues
- Making the most of technology to hold global discussions on balanced leadership issues
- Strengthening our HR practices and embedding diversity within regional HR strategies
- Developing a more diverse talent pipeline
- Joining The 30% Club of companies committed to raising board representation by women to 30% and supporting initiatives such as the 100 Women in Hedge Funds and International Women's Day.

Recognition

Stonewall 100

We are recognised in the Stonewall 100, a ranking of gay-friendly employers in the UK. We are the only insurer in the index.



Diversity (continued)

External recognition

We've made our commitment to diversity very clear externally. Our Standards meet the standards of the UN Universal Declaration of Human Rights and the International Labour Organization's core labour standards. We have also adopted the UN Global Compact Principles. You can find out more in our annual Communication on Progress.

We are recognised in the Stonewall 100, a ranking of gay-friendly employers in the UK. We are the only insurer in the index.

Anita Skipper, Aviva's corporate governance director, was named Most Influential Woman in Asset Management at the 2011 Financial News Awards, providing an excellent example of balanced leadership at Aviva.



Building pride

We are proud of our people, and we want them to be proud to work at Aviva. Our Employee Promise survey helps us understand what makes people feel proud, and identify where we can do more. In 2011, 72% of people said they are proud to work at Aviva, a 2% increase on the previous year. Our corporate responsibility standards, customer campaign and talent and recognition initiatives are all things that we know build pride among Aviva employees.

Communicating corporate responsibility

Our employees consistently rate our corporate responsibility highly across the business. We raise awareness of our whole corporate responsibility programme through internal communications and engagement, and external campaigns such as 'You are the Big Picture'. Aviva businesses share their work on global programmes such as Street to School on our global intranet, Aviva World.

Our people know we take our corporate responsibility seriously, and they help improve the way we do business through their own personal contribution to meeting our Business Code of Conduct.

Engaging our people in corporate responsibility

Our community involvement continues to gain external recognition and media attention. Our employees are proud to be part of this success. The contribution of employees to our community campaigns and projects is a great source of pride for Aviva, and we achieve high levels of participation and volunteering across the world. This year more than 60,000 hours of community volunteering were completed by Aviva employees.

All our employees are offered the opportunity to volunteer for one of our community campaigns. They can volunteer as individuals or by setting up team challenges with community groups.

Pride

72%

of people say they are proud to work at Aviva, 2% increase on 2010



Reward

We are guided by our aim to be the employer of choice wherever we operate, so it is vital we offer competitive reward packages. Our benefits vary from country to country, but our reward principle is the same: provide benefits and rewards in line with our role as a leading financial services company. We offer a first-class package so that we continue to attract, retain and motivate the very best people.

Commitment to being market competitive

We are guided by our aim to be the employer of choice wherever we operate, so it is vital we offer competitive and fair reward Standards. Aviva employees benefit from market-driven, performance-based benefits packages, as well as excellent career opportunities and a strong set of values. We give local HR departments the flexibility to set the practices they believe will attract, retain and motivate the very best people in the places and markets where we work.

Executive remuneration

We aim to be fair, clear and transparent in our executive remuneration process. We also ensure that directors are held accountable for effective leadership and engagement of all staff at Aviva, which is why 10% of directors' bonus pay is based upon selected items of leadership and engagement from our Employee Promise Survey. These include items that measure employee attitudes around:

- Pride in working for Aviva
- Trust in senior leadership of the organisation
- Understanding the goals behind our Vision.

Changes in 2011

We closed our largest defined benefit scheme (UK) on 31 March 2011. This change was made in line with our commitment to protect our existing contributions and to provide a sustainable pension for all of our staff. That has meant taking some tough decisions about how we manage the long-term risks and obligations associated with such schemes.

We have also launched a globally-aligned approach to job levels to aid global mobility and simplify HR reporting. More than 17,000 profiles have been mapped across 13 common global job families. This work will also make global and regional reporting through Workday easier, as profiles will be comparable across markets and regions.

We have increased the availability of flexible benefits, wherever possible, as a means to attract and retain the best people in the markets where we operate. We have had the greatest success in the UK, where employees have reported a 16 point increase in how much they value the opportunity to tailor benefits to their needs (81% favourable in 2011 vs. 65% in 2010).

Personalised

81%

of our people value the opportunity to tailor benefits to their needs



Health, safety and wellbeing

Providing a safe and healthy environment for employees, contractors, customers and visitors remains a priority across the Group. We have well-established policies and systems in place to ensure wellbeing and minimise risks.

Our new Group Health and Safety Standard, introduced at the beginning of 2012, sets out our global approach to health and safety. Each business has an occupational health and safety management system that is designed to suit local operating conditions.

Mandatory health and safety requirements support the local implementation of the Group Health and Safety standard. These requirements apply to every business and cover a wide range of topics, from risk assessments and emergency and incident management to driving on company business and stress management.

Promoting wellbeing

In addition, many of our businesses have implemented their own initiatives to promote safety, health and wellbeing among their staff, including employee assistance programmes on finance and health issues, fitness centres, subsidised travel and free 'bike checks' for commuters. Flexible benefits packages also give employees an array of options to suit individual needs, including discounted dental and health care.

We want to create a supportive working environment that encourages our employees to perform their best. Finding the right balance between work and home life is an important element in achieving this aim, and we recognise that every employee's situation is unique.

Across Aviva we have developed various flexible working practices to help our people strike the right balance between their personal circumstances and the needs of our business. Some of the options available include:

- Part-time working
- Home working
- Flexible hours
- Career breaks
- Compassionate leave
- Buying additional annual leave
- An enhanced office environment.

Flexibility

Flexible working practices help our people strike the right balance between their personal circumstances and the needs of our business

Performance data

People

Women in senior management **KPI**

2011		20
2010		21
2009		22

Employees who feel that Aviva is committed to attracting, developing and keeping a diverse workforce **KPI**

2011		70
2010		62
2009		52

Employees who feel that they are treated with respect, regardless of their position **KPI**

2011		75
2010		69
2009		67

Employees who rate us favourably on leadership index **KPI**

2011		70
2010		64
2009		66

Employees who rate us favourably on engagement index* **KPI**

2011		68
2010		63
2009		64

Employees who consider Aviva's commitment to CR is genuine

2011		79
2010		74

Employees who feel we have created an environment where people with diverse backgrounds can succeed **KPI**

2011		78
2010		73

Response to employee promise survey

2011		85
2010		80

Employees proud to work for Aviva

2011		72
2010		70

KPI Key performance indicator

Performance data (continued)

People (continued)

		2009	2010	2011
Women in senior management	KPI	22	21	20
Employees who feel that Aviva is committed to attracting, developing and keeping a diverse workforce	KPI	52	62	70
Employees who feel that they are treated with respect, regardless of their position	KPI	67	69	75
Employees who rate us favourably on leadership index	KPI	66	64	70
Employees who rate us favourably on engagement index*	KPI	64	63	68
Employees who consider Aviva's commitment to CR is genuine			74	79
Employees who feel we have created an environment where people with diverse backgrounds can succeed	KPI		73	78
Response to employee promise survey			80	85
Employees proud to work for Aviva			70	72

Notes

* Key performance indicators relating to our employees' views on Aviva are based on questions in our annual global Employee Promise survey. We changed our external provider in 2009 and we now report and set targets in line with their stronger global financial service (GFS) benchmark norms. Some of the wording in our questions has changed, other questions have been replaced and we have introduced a more robust scale to measure employee responses. To ensure consistency, we have therefore removed the historical trend data for 2007 and 2008 where this had been reported previously and amended the 2009 targets in line with GFS norms supplied by our current provider.

KPI Key performance indicator

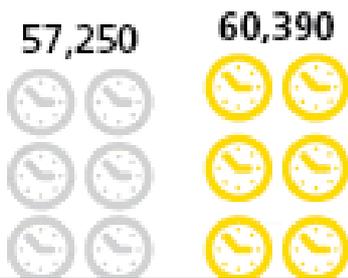
Developing communities

We provide prosperity and peace of mind to millions of customers, and wide-reaching social benefits in the communities where we work. Our community development programme is helping people all over the world, even those for whom peace of mind and prosperity might seem out of reach.

- > [Main contents](#)
- > [Our approach](#)
- > [Programme impacts](#)
- > [Street to School](#)
- > [Education](#)
- > [Life trauma](#)
- > [Financial capability](#)
- > [Employee involvement](#)
- > [Partnerships](#)
- > [Performance data](#)

Volunteering hours

▲ 5.5%



2010

2011

Community investment, £m

▲ 8.8%



2010

2011

Employees participating in volunteering

20%

Street to School positive press coverage,

£3,300,000

Employees' payroll giving

30%

Street to School children impacted

274,245

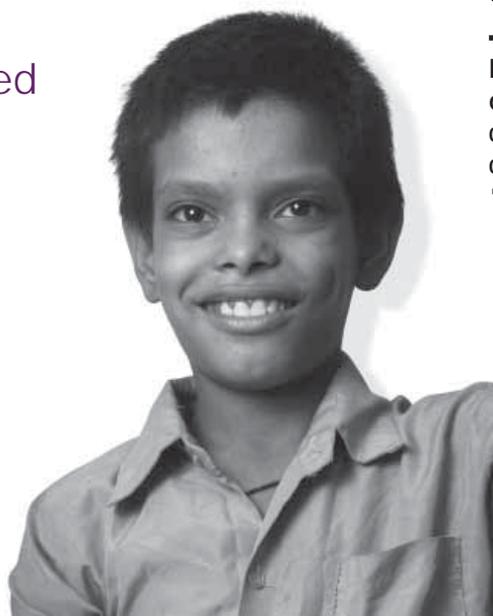
Employees feel Aviva does a good job of contributing to our communities

76%

What does Navanethem think?

"We are grateful for the support Aviva has provided for our work and believe that, together, we can be a forceful advocate for the rights of children working and/or living on the streets everywhere."

Navanethem Pilla,
UN High Commissioner for Human Rights



Our community programme has reached children all over the world like Deepak.



Our approach

In 2011, as well as providing employment to 36,600 people, we continued to provide prosperity and peace of mind to our 43 million customers as well, including 3.5 million customers covered by our micro-insurance products in India.

To deepen our impact we invest the talent of our people as well as financial resources in a range of community programmes. Our approach is based on building partnerships across three main areas strategic to our business:

- **Education** – increasing access to education and building understanding among young people and adults in key areas of lifelong learning and in everyday risk management.
- **Life trauma** – extending our reach through trusted partners to reduce risk, prevent loss and restore prosperity and peace of mind when disaster strikes.
- **Financial capability** – building capability through good financial education that reaches young people and adults who will benefit most.

Street to School

Our flagship community initiative addresses all of our strategic areas, particularly education and life trauma.

We believe that every child living or working on the street has the right to fulfil their potential. We have a five-year groupwide goal to help 500,000 children around the world by 2015 through our global programme, Street to School, which accounts for at least 50% of our cash community investment.

We've moved forward this year...

- Raised the profile of the plight of street children on the international stage and increased the number of communities benefiting around the world
- Our international campaign, 'You are the Big Picture', continued to raise further funds for street children
- Supported further research into the state of the world's street children
- Extended Street to School to more markets.



MDG icons © United Nations

Our approach (continued)

...and are committed to doing more...

- Increase the number of Aviva employees getting involved and feeling proud of our work with involvement across more markets and in more communities.
 - Continue developing our engagement with the UN Global Compact (LEAD) to take our commitment to sustainability to the next level
 - Continue supporting new research such as State of the World's Street Children and share best practice globally.
-

...and committed to the challenges...

- Raising awareness and understanding of financial issues, particularly among young people
- Maximising the impact of our social programmes through rigorous management and monitoring
- Continuing to pursue the Millennium Development Goals and targets by 2015.



Programme impacts

We know our community development activity achieves positive impacts for communities, a sense of pride among our employees and benefits for Aviva's brand reputation.

Community investment contribution

Globally, we contributed more than £12.4 million in 2011, representing a 9% increase (2010: £11.4 million).

Additional investment

Our activity helped to attract a further £2.8 million of investment on top of our own contribution.

The additional amount came from contributions made by our wide network of stakeholders, including our employees. As a major business with a large supplier and partner network and 43 million customers worldwide, we are aiming to increase this in future years.

Community reach

In total, we reached 1.3 million people around the world through our community initiatives in 2011. Of this, Street to School impacted 274,245 children.

National and international advocacy

We seek to influence legislation, policy and service delivery improvements that will make a real difference to millions of people. We are supporting the Consortium for Street Children as part of our commitment to build capacity in the children's charity sector. A senior Aviva group director is seconded to the role of CEO of the Consortium for Street Children until the end of 2012.

Employee engagement

76% of Aviva employees (14% above the global financial sector average) think we do a good job of contributing to the communities in which we live and work. In 2011, we delivered more than 60,000 hours of volunteering and increased our payroll giving by 1% to 30%. In 2011, 91% of volunteers reported benefits in their own development and morale. In the UK, we know that our Street to School programme makes 70% of our employees feel proud to work for Aviva. In the future, we think we can make our activity even more visible to attract the very brightest talent in our markets.

Perception

76%

of Aviva employees think we do a good job of contributing to the communities in which we live and work

Recognition

Street to School won the Financial World Innovation Award for 'Innovation in corporate social responsibility' in 2011

Programme impacts (continued)

External recognition

Our community work is achieving added benefits for our brand and reputation:

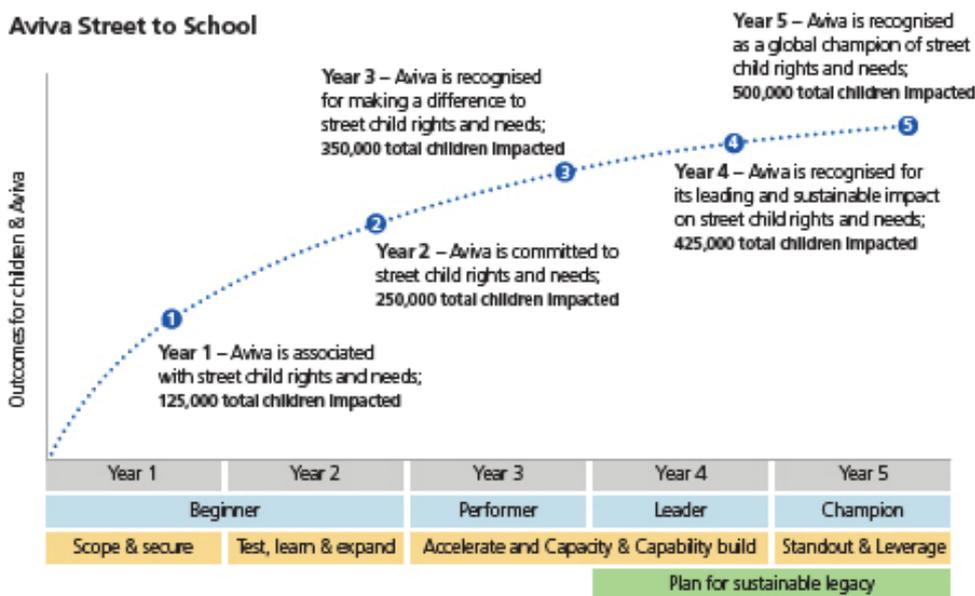
- 192.1 million 'opportunities to view' media reach of Street to School/£3.3 million value of positive coverage/48% uplift in Facebook engagement
- Having improved our reporting of social impact we now score 97% in this section in the Dow Jones Sustainability Index and our approach was described as 'exemplary' in a recent New Philanthropy Capital Report
- Street to School won the Financial World Innovation Award for 'Innovation in corporate social responsibility' and was nominated in the top 10 most admired cause-related marketing programmes in the 'C&E Corporate-NGO Partnerships Barometer 2011'
- Save the Children awarded 'You are the Big Picture' their award for most innovative marketing partnership
- In the UK, 22% of MPs had heard of Street to School and, once the others were aware, 55% felt more favourably towards Aviva
- 40% of people who saw coverage of the International Day for Street Children in the Telegraph said we had brought it to their attention, 15% felt encouraged to donate to help street children, and 16% said they feel more positive towards Aviva.



Street to School

Our Street to School programme is championing the needs of street children around the world. Accounting for over 50%¹ of our cash community investment, we are committing resources, time and talent to support our charity partners to help get children and young people off the street and into education or training. We are recognising the unrecognised.

Aviva Street to School



“Through its Street to School programme, Aviva is making a tangible impact on street children’s lives. As well as supporting projects on the ground, Aviva is partnering CSC in our work on making the rights of street children a reality, through projects such as the International Day for Street Children and our recent publication ‘State of the World’s Street Children: Research.’”

Sally Shire
 Consortium for Street Children CEO

We have formed 23 partnerships (up from 17 last year). This includes many leading charities and other smaller pioneers, which we are working alongside, providing funding and employee volunteering whilst we learn more about how to make the biggest difference.

Working with the Consortium for Street Children (CSC) we are raising awareness of the plight of street children around the world. Our sponsorship of the ‘State of the World’s Street Children’ report by CSC will help non-governmental organisations and other experts to do more, by focusing research and effort where it is needed most, and its executive summary provides an excellent introduction to this issue that we care about very passionately.

¹ For the calculation of this percentage we did not include cash invested by Aviva UK in grassroots sports sponsorship, which amounts to £3.1 million.

Street to School (continued)

Outcomes in 2011

We have helped over 274,245 children in the following areas:

- Awareness and prevention – helping children understand the dangers of the street and how to manage the issues that drive them there. 18% of children impacted.
- Outreach – contacting and connecting children with support services. 7% of children impacted.
- Health and wellbeing – providing access to vaccinations and counselling. 4% of children impacted.
- Safe places – helping children to find a safe place to stay. 5% of children impacted.
- Education and training – helping children to access life skills, vocational or formal education or training. 66% of children impacted.

2011 milestones

Aviva was the only corporate involved in a UN Human Rights Council full-day session dedicated to street children, where the decision was made to adopt a UN Resolution on Street Children. The resolution included an invitation for the Office of the High Commissioner for Human Rights to carry out a study on the promotion and protection of street children's rights, which was completed with support from Aviva. The findings will be presented to the UN Rights Council in March 2012.

We sponsored the first ever International Day for Street Children. Aviva employees across the world joined in celebrations with street children in Morocco, Uganda, Ethiopia, Guatemala and India, school children in the UK and Ireland, and 60 global members of the Consortium for Street Children.

Aviva employees held a sponsored sleep out in June, to raise funds and awareness (and 219 employees took part in sleep outs in the UK, Ireland and the US, raising over £36,000, matched by Aviva). In 2011, Aviva employees volunteered more than 14,000 hours to support our Street to School partners.

We launched the Aviva Child Safeguarding Guidance and Code of Conduct in 2011. The guidance and code, which were drafted with the support of our strategic charity partners and other experts, will now be rolled out to other regions.

"This is an extraordinary opportunity to launch an era where fulfilment of the rights of street children, and their effective protection from violence, can define their universe. Being Louder Together we will make it happen!"

Marta Santos Pais

UN Special Representative of the Secretary-General on Violence Against Children

We were awarded Save the Children's Most Innovative Marketing Partnership award for 'You are the Big Picture' and the Financial Services Innovation in Corporate Responsibility for our Street to School campaign

Around the world



UK

Our UK Street to School programme commits us to raise awareness of the 100,000 young people under the age of 16 who run away from home every year. Our UK partner is Railway Children, a charity dedicated to supporting vulnerable children living alone and at risk on the streets. In 2011, more than 14% of our UK employees were actively involved in Street to School through volunteering, fundraising or donating. We reached over 4.6 million customers with Street to School messaging and donated over £69,000 to Railway Children through '£ per policy' customer incentives.

Turkey

Urban migration, poverty and unemployment have all contributed to an increasing number of children living and working on the streets in Turkey. We are working with SHÇEK, Turkey's Social Services and Child Protection agency, to help children in Istanbul. In 2011, SHÇEK awarded Aviva a silver medal in its annual awards for our support to street children. Aviva Turkey colleagues continue to support the charity donating cash, clothes, books and homemade goods.

Around the world (continued)

Italy

Aviva's work to date with L'Albero Della Vita has seen the younger children all successfully pass their school year. With such fantastic results, Aviva Italy has decided to support a second centre in Milan working with teenage children.

India

India has the largest number of street children in the world. We have helped more than 180,000 children in India through partnerships including CRY (Child Rights and You) and Save the Children. In 2011, Aviva partnered with The Times of India and Vodafone to highlight the issues street children face and how a simple book can make a difference. Now in its third year, the call to action went nationwide through the use of television and social media attracting 104,000 followers on Facebook alone.

China

There are an estimated 50 million disadvantaged children in China's rural areas. Twinkling Stars is our Street to School programme in China. We are working with the China Youth Federation to help children in rural areas who are missing out on education because rapid industrialisation and urbanisation is taking resources away from the countryside. In 2011, 10 centres were created in which children can learn and play in an inspiring environment. We further amplify the impact of this by engaging the online community in the issues with over 310,000 people involved in online conversations and over 13,000 Twitter followers.

United States and Canada

In the US, we've joined forces with Covenant House nationally to help homeless children across the country get off the streets and reach their full potential. While many may view these children as invisible, we see people with potential who need hope and help.

In Canada, Aviva's signature Street to School partner is Eva's Initiatives. This dynamic organisation works collaboratively with homeless and at-risk youth to help them reach their potential and lead productive, self-sufficient and healthy lives. Each year, Eva's Initiatives helps over 2,300 homeless and at-risk youth to get off the street. 2011 also saw strengthened partnerships with YouthLink, a new partnership with YMCA-YWCA Ottawa and provided sponsorship to Free the Children for awareness-raising activities.

Aviva Investors

AI has partnered with Save the Children to set up 10 bridge course centres in Kolkata, supporting 379 children. The centres provide 'life-skills' support, which includes ways for children to protect themselves against abuse and to increase their self-esteem.

'You are the Big Picture'

Launched in October 2010, 'You are the Big Picture' was our first international cause-related marketing campaign. It reflects our commitment to put individuals at the heart of Aviva, and is a big part of our Street to School campaign. Historically, the biggest barrier to improving the plight of street children has been their lack of visibility. In 2011, 'You are the Big Picture' is helping to raise greater awareness and further funding to help improve the lives of street children around the world.

The awareness campaign

In 2011, we extended the campaign, focusing on the small, human touches that are important to our customers. We have worked with some of the most famous publications in Europe (including Time, The Financial Times, National Geographic and the Economist) in bringing to life the stories behind the pictures. Just like last year, we featured public projection of photographs onto well-known buildings, for example at London's National Theatre...literally making street children like Deepak the 'big picture'. Some of the impacts include:

- 21.6 million readers reached in print
- 47.8 million people reached online.

The fundraising campaign

Our 2011 'You are the Big Picture' campaign raised an additional £150,000 for Street to School projects including funding the launch of two new mobile learning centres for the Street to School programme in India.

Funds were raised through Aviva donating £2 for every photo uploaded¹, campaign share and poll responses by users onto our dedicated Facebook page. The campaign resulted in an uplift of Facebook fans by +48% globally, +105% in France and +172% in Poland.

Aviva and Save the Children working together in India:

Aviva is a key supporter of the work Save the Children does in India, helping vulnerable street children gain a vital education. Since 2009, we have donated over £500,000 and have recently renewed our commitment to continue funding our centres in Delhi and Kolkata until the end of 2014, enabling street children to be integrated into formal education and to gain vocational skills so they can find paid work.



"This is a fantastic story; it really makes you proud to work for Aviva."

Rachel Zacharkiewicz
supplier relationship
management, Aviva UK

"Aviva's commitment to the long-term, ambitious goal to get half a million children off the streets demonstrates a forward-thinking, sustainable approach to partnerships, which extends beyond financial support. The You are the Big Picture marketing campaign was very innovative; bringing much-needed visibility to the plight of street children and establishing Aviva as an advocate for the right of children to fulfil their potential."

Douglas Rouse
Save the children

*"Awesome initiative";
"Still remember
Aviva big picture...
loved efforts you've
been putting in!!"*

Aviva customers

¹ Donations were made for the first 75,000 actions (uploads, shares, poll answers) only.



Education

Street to School is just one element of our work to increase awareness and support the education of young people. We are developing partnerships with others to help young people and adults around the world improve their health, manage everyday risk to their quality of life, and develop their ability to contribute fully to the communities they live in.

UK: Grassroots athletics

In the UK, we run a series of sports programmes to give every child, regardless of age or ability, the chance to get involved in athletics. Our aim is to encourage healthier lifestyles and prevent childhood obesity, while also helping teachers attract, motivate and retain talented young athletes to leave a legacy beyond the 2012 Olympics. By the end of the 2011/2012 school year, 80,000 children will have participated in the Aviva Premiership Rugby Schools Programme since it launched in 2010. Over the year, the clubs worked with 650 primary schools, trained 1,300 teachers and engaged with 40,000 young people.

Canada: Inspiring young people

Our flagship community partnership with Free the Children in Canada aims to inspire young people to change the world. We sponsored a 'We Day' across three major cities including motivational events, presentations from global leaders, social events and entertainers.

USA: 'Read to Learn'

In 2011, we worked with United Way to support 'Read to Learn' and 'Reach out to Drop Outs' across the USA. 67 Aviva employees volunteered to help read and conduct literacy activity with over 104 third-graders at Cattell and Howe Elementary schools. 29 Aviva employees participated in Reach Out to Dropouts in 2011. The initiative resulted in 16 students re-enrolling and information being left at 160 homes.

Sri Lanka: Higher education scholarships

Aviva Asia Pacific has now offered 425 scholarships to students, helping to remove the financial barriers to academic excellence for some of Sri Lanka's most promising children.

"Thanks to Aviva for...their practical and positive commitment to the wellbeing of Britain's young people."

Tim Loughton
MP (Extract from speech given at Positive for Youth Summit)



Ruby Thursday More/Oxfam 1

Life trauma

Our business means we have seen the devastation caused by natural disasters such as floods and earthquakes, and we know the importance of immediate aid as we help our customers recover in the aftermath.

Oxfam 365 is Oxfam's emergency fund, which allows them to help communities as soon as disaster strikes. We have been a major supporter of Oxfam 365 since 2006. Our funding supports the global rapid response team of aid workers and maintains the biggest warehouse of emergency supplies in the UK. In 2011, we renewed our partnership for another three years, which will bring our total contribution since 2006 up to nearly £900,000.

Giving
£900,000

contributed to Oxfam365
since 2006

OXFAM 365 helping families affected by Typhoon Washi in Philippines

Our Aviva contribution is equivalent to the support provided to Oxfam's humanitarian emergency team in the Philippines in December 2011 to help families affected by Typhoon Washi. The Philippines is one of the most natural disaster-prone countries in the world. It is in the path of tropical monsoons and typhoons, as well as affected by other natural disasters such as volcanic eruptions, earthquakes, typhoons, flooding and landslides. The investment will provide the water and sanitation needs of the 2,500 most severely affected families (12,500 people) in Cagayan de Oro and Iligan cities.



Ralph Jacinto Quiblat/Oxfam 1

32-year old Teresa Salud, pictured above, expressed joy as she received her share of relief. Upon receiving the items, she rushed to their spot in the middle of the basketball court and read the instructions on how to use the water purifiers. Her family lost all their belongings during the floods. She will use the malong to wrap her one-month old baby Novemae in. "All the things for my baby were washed away by the flood. We have a blanket but this malong is better. It will be her sleeping mat, too," the mother of four said.



Financial capability

In 2011, we are continuing to deliver on our ambitious agenda to work with consumers, regulators, governments and other industry stakeholders to help build greater financial capability and awareness. This has never been more relevant than it is today.

'Paying for it': UK

Our secondary school education initiative in the UK, 'Paying for It', supports secondary school teaching around economics and finance. Over 70 Aviva volunteers have been trained to deliver economic and financial awareness education in local secondary schools in seven of our key employment hubs. Over 3,500 teachers are also registered online to access free lesson plans and materials.

In 2011, in partnership with the Citizenship Foundation, we held the first ever Youth Budget, representing the voices of more than 2,800 young people aged between 14 and 18. This event announced the results of the Chance to be Chancellor challenge, an online interactive tool that invited young people to give their opinions on public spending. New to the programme in 2011 was also a Social Protection module, which focuses on pensions.

Magic Money: UK

In the UK, young people aren't saving enough for the kind of retirement they'd like. In fact, half the UK working population doesn't save into a pension at all. We sought a new way to engage people about saving, using social media to portray the benefits of saving through their workplace pension scheme – generating more than 685,000 video views with 72% of our target audience understanding it was about pensions.

Aviva Community Fund: Canada

In 2011, the Aviva Community Fund (ACF) was launched for its third year. The Fund operates as a competition whereby Canadians are required to submit ideas. Last year, over 2,000 ideas were submitted and 2.4 million votes cast. The broker outreach strategy was also introduced to increase broker engagement, loyalty, satisfaction and visibility.

Aviva in the UK are platinum partners of the Financial Service Partnership and have worked closely with the organisation to review suitability of apprenticeships for Aviva. We also Chair the board of the National Skills Academy for Financial Services in the East of England.



Employee involvement

76% of Aviva employees agreed in our annual employee survey that we do a good job of contributing to the communities we live and work in. Encouraging and enabling our employees to contribute their time, talent and passion to our community development programme significantly increases what we can achieve and is a great source of pride for our people. That's why we offer our employees three days a year paid leave to volunteer in their communities.

In 2011, Aviva employees contributed more than 60,000 hours of volunteering. We increased the choices and support to help employees find volunteer placements, and saw an increase in the percentage of people volunteering to 20%, up from 18% last year. 88% of the people who took part in volunteering reported positive personal benefits.

"I've demonstrated a number of skills and developed in areas which would normally be outside of my comfort zone. By working with external charities and companies, my confidence in dealing with and managing relationships has improved a lot!"

Melanie Jackson, HR

"Having visited the 999 Club (a Homelessness charity) I arranged for my team to spend a day helping at the centre. There was a degree of apprehension before we went. However, this was unfounded. The 999 Club are fantastic, with dedication that is inspiring. We left knowing we had had a worthwhile day and with various emotions from inspiration to gratitude."

Peter Ford, head of life insurance risk

"I felt very humbled by the International Sleep Out experience (which raised over £75,000 in aid of Street to School). Whilst it was cold, wet, noisy and very uncomfortable, at least we could all go home to warm beds and loved ones afterwards. Not the case for all those poor children who were also out there somewhere that night. I thought about them a lot over the weekend."

Jan Gooding, global marketing director



Partnerships

From non-governmental organisations and charities, to private and public sector bodies and individual experts around the world, the partners we work with maximise Aviva's positive impact and reach in our communities. Just some of the organisations we work with include:

- Office of the High Commissioner for Human Rights
- Oxfam – our partner since 2006 providing immediate help to international communities suffering life trauma
- Save the Children and the Consortium for Street Children – our major Street to School partners
- CSR Asia's Community Investment Roundtable and Qi Global – helping us encourage community investment in Asia Pacific
- Railway Children, Barnardo's, CRY (Child Rights and You), Covenant house, China Youth Federation, SHÇEK and HOPE Worldwide – just a few of our Street to School partners from around the world
- Schools Business Partnership, Business in the Community, Free the Children, UK Athletics, Citizenship Foundation, City of York Council – just some of the partners we are working with to support education and financial literacy.

UN Global Compact LEAD

All members of the Global Compact LEAD are committed to carry out the Blueprint for Corporate Sustainability Leadership and to share outcomes and learning with the wider network of companies in the Global Compact.

During 2011, we have used our LEAD status to:

- contribute to the LEAD Task force on Communicating Corporate Sustainability Leadership
- make recommendations for the Rio+20 Summit on Sustainable Development including to 'Encourage companies to enhance accountability and transparency through monitoring, measuring and disclosing sustainability practices and commit to develop a global policy framework for business to annually disclose sustainability information following uniform parameters in their annual financial reports or other reports – or explain why they do not'
- contribute a case study to the LEAD taskforce on Board Adoption and Oversight of Corporate Sustainability.

UN Global Compact LEAD

56 companies

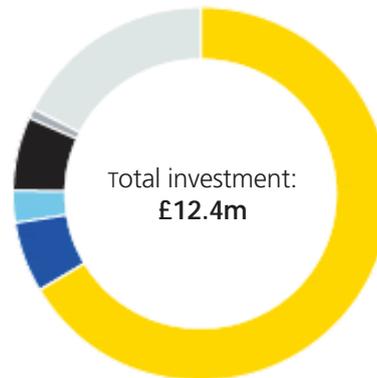
Aviva is one of approximately 56 companies in the Global Compact LEAD group, a new forum committed to take sustainability leadership to the next level



Performance data

Total community investment KPI

Type of impact	£
Charitable spend	8,287,105
Management time	764,659
Project costs	362,134
Cost of volunteering	779,697
Gifts in kind	110,859
Value of marketing	2,167,370



	2009	2010	2011
Amount of community investment, £m	8	11.4	12.4
Of which:			
Charitable spend, £	6,604,343	7,444,688	8,287,105
Management time, £	346,384	677,129	764,659
Project costs, £		186,504	362,134
Cost of volunteering, £	1,038,656	780,984	779,697
Gifts in kind, £	48,272	7,8443	110,859
Value of marketing, £		2,247,444	2,167,370

- > Total community investment
- > Cash investment in Street to School
- > Children impacted by Street to School by type of impact
- > Volunteering
- > Employee perception
- > Street to School – people reached through media
- > Street to School – positive press coverage
- > Community investment – % volunteers reporting positive impact on morale
- > Community investment – % volunteers reporting positive impact on personal development
- > Payroll giving

Cash investment in Street to School KPI %

Cash investment in Street to School

2011	<div style="width: 54%;"></div>	54
2010	<div style="width: 52%;"></div>	52

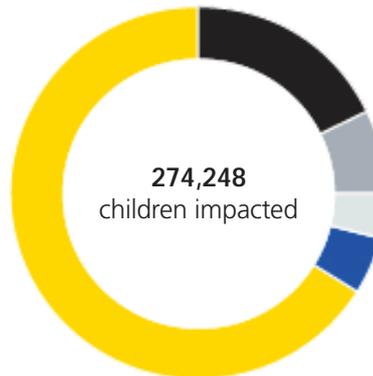
	2009	2010	2011
Cash investment in Street to School	-	52	54

KPI Key performance indicator

Performance data (continued)

Children impacted by Street to School by type of impact

Type of impact	£m
Awareness and prevention	18
Outreach	7
Health and wellbeing	4
Safe places	5
Education and training	66



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Type of impact	2010	2011
Children impacted by Aviva's Street to School programme	128,000	274,245
Awareness and prevention, %	12	18
Outreach, %	7	7
Health and wellbeing, %	7	4
Safe places, %	3	5
Education and training, %	71	66

Volunteering KPI

Employees participating in volunteering	%
2011	20
2010	17
2009	16

Employee hours spent volunteering	hours
2011	60,390
2010	57,250
2009	79,900

	2009	2010	2011
Employees participating in volunteering, %	16	17	20
Employee hours spent volunteering	79,900	57,250	60,390

Employee perception KPI

Employees who feel that Aviva does a good job of contributing to the communities in which we live and work	
2011	76
2010	66
2009	62

	2009	2010	2011
Employees who feel that Aviva does a good job of contributing to the communities in which we live and work	62	66	76

KPI Key performance indicator

Performance data (continued)

Street to School – people reached through media

	2010	2011
Total people reached through media	54,114,874	192,199,648
Market		
UK	14,644,514	110,500,000
Europe	4,000	
North America		16,000
Asia Pacific	42,272,874	13,683,648
Plc	11,842,000	68,000,000

Street to School – positive press coverage

	2010	2011	£
Market			
North America	13,019	1,171,384	
Asia Pacific	2,565,352	1,876,630	
UK	108,815	218,000	
Europe	342,880	29,179	
Groupwide	412,110	3,295,193	

Community investment – % volunteers reporting positive impact on morale

	2010	2011	%
Groupwide average	93	89	
Aviva UK	100	87	
Asia Pacific	90	92	
North America	95	98	
Europe	n/a	80	

Notes

Based on responses from employees who volunteered AND were surveyed.

- > Total community investment
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- > Payroll giving

Performance data (continued)

Community investment – % volunteers reporting positive impact on personal development

	2010	2011	%
Aviva UK	90	100	
Asia Pacific	n/a	87	
North America	88	88	
Europe	n/a	81	

Notes

Based on responses from employees who volunteered AND were surveyed.

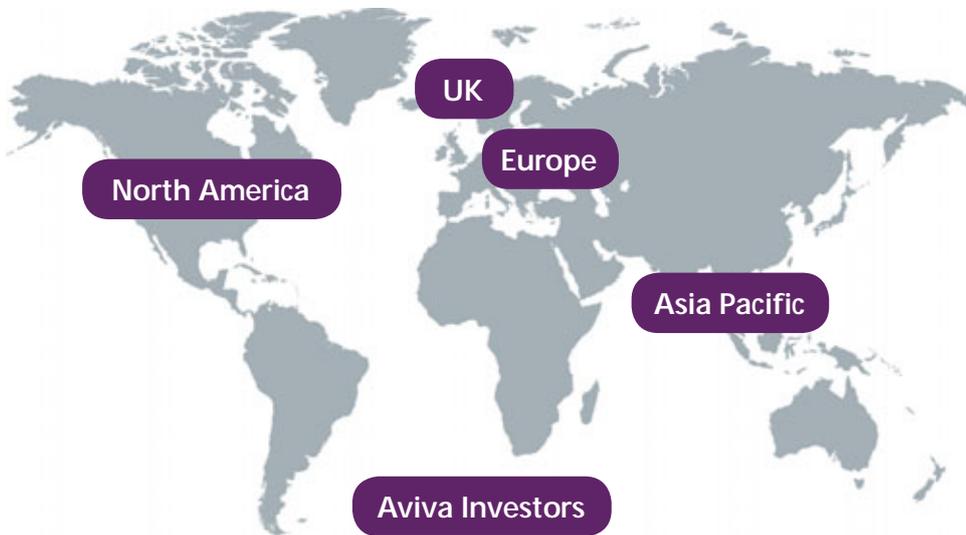
Payroll giving

	2010	2011
Total contribution through payroll giving		874,397
Employees contributing through payroll giving, %	29	30

- > Total community investment
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Our regions

- > [Main contents](#)
- > [Aviva Investors](#)
- > [UK](#)
- > [Europe](#)
- > [North America](#)
- > [Asia Pacific](#)



Our corporate responsibility strategy spans the whole Aviva Group, consisting of five regions.

All five regions are fully committed to addressing our material issues, although each has its own particular emphasis depending on the regional context and market.

Aviva Investors: Voting on CR issues
1,876

UK: Water consumption reduction:
11%

Asia Pacific: Street to School children impacted
208,256

Europe: Carbon emission reduction
7%

North America: Business ethics code employee sign-off
98%

Operating profit

£2.5bn

2010: £100 million

Customers

43m

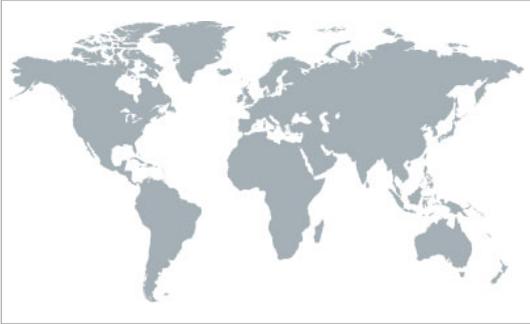
2010: 53.4 million

Employees

36,600

2010: 45,000

Our regions (continued)

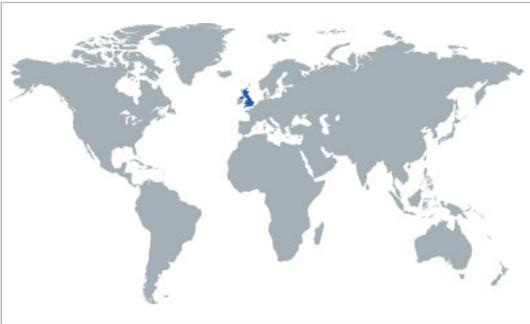


Aviva Investors

Aviva Investors is a global asset management business dedicated to building and providing focused investment solutions for clients. It is wholly owned by Aviva Plc.

Where we operate

We operate across 16 countries with clients ranging from local government organisations, pension funds and wholesale and retail banks to insurance companies, charities and private wealth managers.



UK

As the leading UK insurer, our aim is to provide prosperity and peace of mind to our 14 million customers.

Where we operate

We have a broad distribution network and our products can be bought direct, through intermediaries, or via our partnerships with leading UK banks and other institutions.



Europe

Aviva Europe provides 18 million customers with life, general and health insurance products, through our multi-channel distribution network.

Where we operate

We serve 18 million customers across 9 European countries.

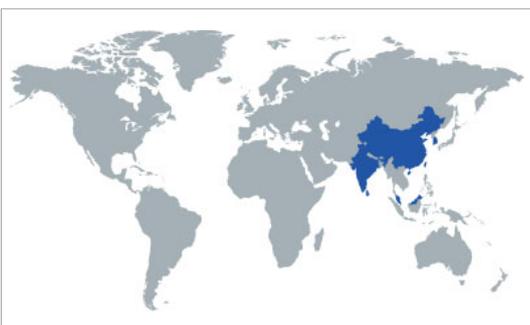


North America

Aviva North America consists of two businesses: the life insurance and annuity business in the US, and the second-largest general insurance business in the Canadian market.

Where we operate

We serve 3.3 million customers across 33 locations.



Asia Pacific

Asia is a diverse and dynamic continent undergoing a furious pace of change and rapid economic growth.

Where we operate

We serve 7 million customers across 10 locations through both joint ventures and wholly owned operations.

Our regions

Aviva Investors



Number of votes 2011
1,876

Aviva Investors
does a good job of
contributing to our
communities*

70%

*Employee perception

Aviva Investors is a global asset management business dedicated to building and providing focused investment solutions for clients, which include local government organisations, pension funds, wholesale and retail banks, insurance companies, charities and private wealth managers. Aviva Investors is wholly owned by Aviva plc.

Why is this important?

“Conducting our business in a responsible and sustainable manner is a core part of our philosophy.”

Alain Dromer, CEO
Aviva Investors





Our approach

For Aviva Investors, a key component of being a responsible business is how we act as responsible investors – including environmental, social and corporate governance (ESG) considerations in our investment process.

Our corporate responsibility vision is to be a highly regarded and profitable fund manager, meeting or exceeding client expectations, with a reputation for ethics, risk management and innovation.

Looking ahead

- Committed to maintaining top quartile performance in the annual UN (United Nations) Principles of Responsible Investment survey and making our results publicly available.
- Focus on our Rio+20 Earth Summit call to action for a UN Convention on Corporate Sustainability Reporting.
- Continuing to leverage our shareholder influence to improve corporate responsibility performance and disclosure and evaluating the effectiveness of our voting in this area.





Trust

Trust in business, banks, investment management, regulators and government has taken a severe knock in recent years. A lack of trust can damage our business and reputation. This is why, as a business, we are committed to being open and transparent in all our relationships.

As asset managers within capital markets, electronic flows of money have no real impact on our physical environment or on our society. These impacts only arise when the capital is spent on the production or consumption of goods and services. Impacts also arise when capital is required for a development project but is not forthcoming.

We are also able to use our role as shareholders in order to send explicit signals regarding the management of a company. However, to do this effectively we require information on a company's sustainability impact and strategy. This is why Aviva and Aviva Investors is taking a leadership position calling on UN member states to commit, at the 2012 Earth Summit, to develop national regulations, which mandate the integration of material sustainability issues within the reporting cycle, namely in the annual report and accounts.

This section outlines our values as a business and our focus on treating customers fairly. It also focuses on our influence as investors and how we can use this to act in the best long-term interest of our clients by taking broader environmental and society issues into account. You can find out more about our approach to Stewardship, how we use our influence as shareholders through our voting policy, our engagement with companies to improve sustainability performance and our public policy work with other investors, regulators, listing authorities, governments and UN bodies to drive more sustainable capital markets.

Voting

1,800

Voted at over 1,800 companies on their CR performance and disclosure

Engagement

150

Extensive engagement with over 150 companies on CR

Collaboration

Convened Corporate Sustainability Reporting Coalition

Our values

Aviva Investors expects its employees to demonstrate the highest standards of business conduct in everything they do and to challenge others to do so. Our Code of Conduct is therefore essential to the success and reputation of our Company, in addition to bringing to life our values of integrity, innovation, teamwork and performance.

All Aviva Investors employees globally are required to sign the Code of Conduct as a condition of their employment and to confirm receipt, understanding and acceptance of the Code of Conduct on an annual basis. This is supported by a computer-based training module, which all employees are required to complete.

Acting with integrity is the responsibility of us all, individually and collectively, and an area that we continue to focus on.

Treating customers fairly

We are committed to excellent client service, which is delivered openly and frankly. This includes a commitment to clarity and transparency with respect to our products, reporting and relationships. To help oversee our policies on Treating Customers Fairly we have a Customer Panel, which helps to represent clients' interests internally. We also established a Client Experience Council in 2011, which is focused on making continuous improvements to the end-to-end client experience that Aviva Investors delivers.

Sign-off

97%

of employees signed off our Code of Conduct in 2011 (up 6%)

Perception

79%

of employees believe that Aviva Investors makes every effort to treat customers fairly

Stewardship and our role as shareholders

As shareholders, we can influence companies in two significant ways. First, this is through the buying and selling of equity shares and debt, which influences the cost of capital for listed companies. The more a company pays for capital, the less it can raise. This limits the extent of the company's activity.

Second, this is through our role as shareholders – as 'principals' of the business we can exercise our rights of share ownership over the 'agents' – the company directors. We do this by sending explicit signals regarding the management of the company.

What is stewardship?

At its simplest, stewardship is the responsibility to take care of something in one's keeping. In this case, it involves the effort and activities undertaken by and on behalf of institutional shareholders to monitor, engage and, where appropriate, intervene on matters that may affect the long-term value of investee companies and the capital invested in them.

What is the Stewardship Code?



The UK Stewardship Code was published by the Financial Reporting Council in July 2010. The Code is a set of principles and guidance for institutional investors, which represents current best practice on how they should perform their stewardship duties. The aim of the Code is to improve

the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities.

Our compliance with the Stewardship Code

Aviva Investors fully supports the UK Stewardship Code and complies with all its principles. Although, by its nature, the Code is focused on the UK, we consider it to be a good global framework and, where we can, we adopt its approach for our investments managed in all markets.

Voting

200%

increase in votes cast
compared to 2010

Voting

Corporate governance, engagement and proxy voting form an integral and active part of Aviva Investors' approach to managing, protecting and enhancing the long-term value of the funds we manage for our clients. We believe companies that are well governed and operate in a responsible and sustainable way should have the culture, attitude and transparent mechanisms in place to support their long-term health and shareholder value.

In this section, you can find out more about our voting policy and how we have used our vote to influence company CR performance and disclosure.

Our voting policy

Our policy and expectations in this regard are set out in the Aviva Investors Corporate Governance and Corporate Responsibility Voting Policy.

Since 2001, Aviva Investors has explicitly considered disclosure and performance of corporate responsibility issues when making our voting decisions. In practice, this means we may withhold support from the Annual report and accounts, Remuneration Report (as we believe, where material to the business, these issues should be incorporated in the way the Board is remunerated) or chair of Board-level sustainability committee or equivalent, where we have concerns. Where we withhold support from a company, we proactively communicate our voting policy and our voting rationale. We consider voting and engagement to work hand in hand to improve corporate disclosure and performance.

Our voting record

In 2011, we expanded the corporate responsibility aspect of our voting to cover the MSCI World Index (previously it covered the FTSE 350 Index and FTSE Eurofirst300 Index). Full voting disclosure is available here (quarterly in arrears). This section focuses on our corporate responsibility voting.

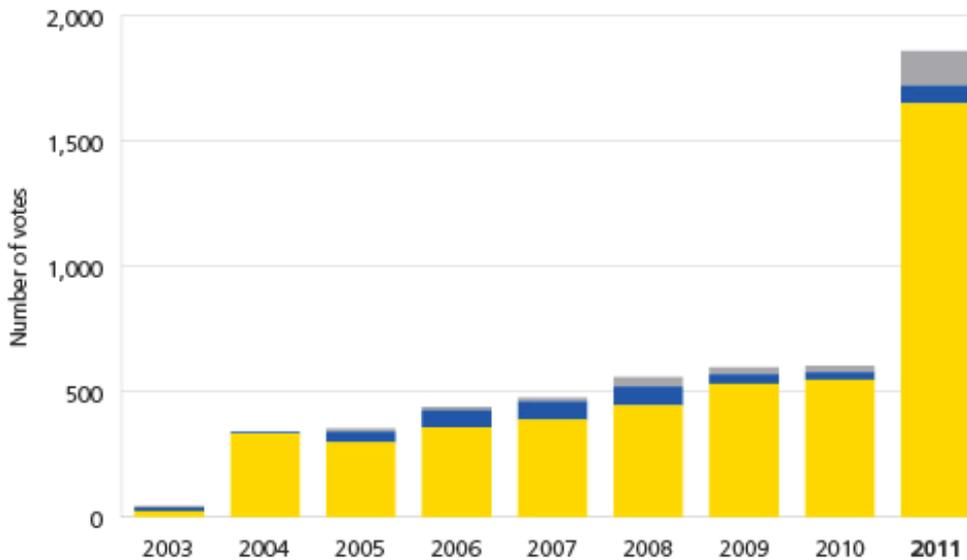
There has been a significant increase in votes from 604 in 2010 to 1,876 in 2011. There is also a higher proportion of votes where support is withheld (12.0% against and abstain votes in 2011, compared to 9.1% in 2010).

Voting trends

Voting trends

Number of votes

■ Total support
 ■ Total abstain
 ■ Total against



	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total support	24	333	299	357	389	445	531	549	1,650
Total abstain	13	7	41	68	72	75	38	28	70
Total against	7	0	13	15	16	38	28	27	139

Our voting position may change to reflect company improvements, deterioration or lack of progress on corporate responsibility disclosure or performance. The graph below shows the overall number of improvements that we were able to achieve as measured by our strengthening of support for the company (for example, a vote against in the previous year becoming a vote in favour or an abstain). In 2011, there was a total of 36 companies that improved their disclosure from 2010 to 2011. There was also a total of 10 companies where there was a lack of progress or deterioration in performance from 2010 to 2011, which was reflected in our voting.

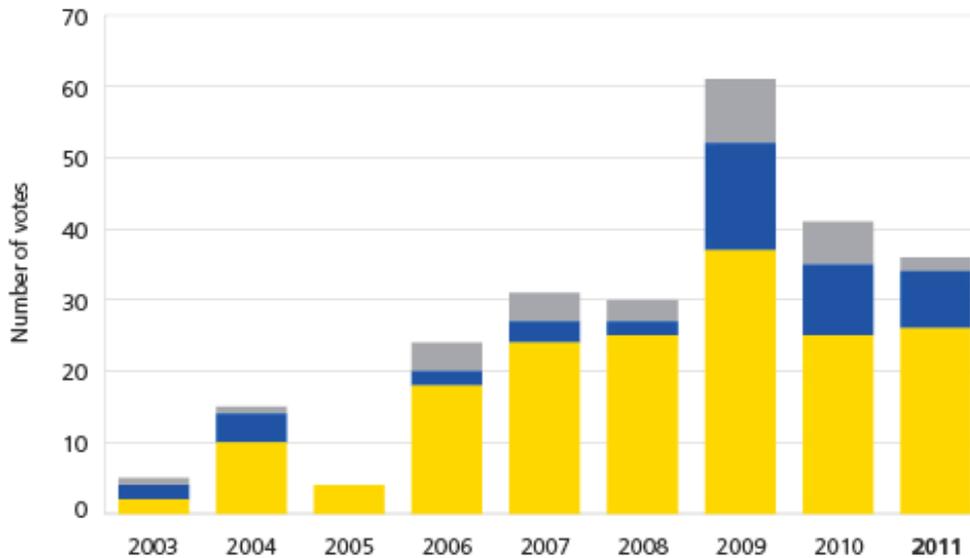
Voting trends (continued)

Improvement trends (2011)

Number of votes

Improvements

■ Abstain to support ■ Against to support ■ Against to abstain



	2003	2004	2005	2006	2007	2008	2009	2010	2011
Abstain to support	2	10	4	18	24	25	37	25	26
Against to support	2	4	0	2	3	2	15	10	8
Against to abstain	1	1	0	4	4	3	9	6	2

Voting and engagement – BP

Issue: Major oil spill

The Deepwater Horizon oil spill in April 2010 resulted in the deaths of 11 people and 17 injured and had significant environmental and economic impact on the region. We communicated with the company secretary and BP's sustainability team at the time of the AGM. Due to our concerns regarding the management of these risks, we abstained from the Report and accounts and voted against the chair of the Safety, Ethics and Environment Assurance Committee (SEEAC). We received reassurance that safety and risk systems would be strengthened and will continue to monitor this.

Voting and engagement – Kazakhmys

Issue: Health and safety

This mining company operates in Kazakhstan and has historically had a poor record in health and safety, leading to fatalities and business interruptions. We abstained from their report and accounts due to our concerns of health and safety management and performance (fatalities increased from 15 in 2009 to 26 in 2010). Following this, we met with Board members in June 2011 to discuss the company's response. We were satisfied with their response and improvements they are putting in place, including establishing a Group HSE Committee and Fatal Accident and Serious Incident Review Panel. The issue now seems to be taken seriously at Board level.

Voting trends (continued)

Voting and engagement – Vedanta Resources

Issue: Human rights and environment

This mining company's operations in Lanjigarh, India continue to come under scrutiny due to human rights and environmental concerns and the company has to date failed to secure approval for the new bauxite mine and refinery expansion. We started our engagement with the company in 2010 and voted against a number of resolutions. We continued with multiple meetings in 2011, including hosting an investor round-table, held in the run-up to the AGM in July.

The company demonstrated some modest progress and we welcomed the increased quality and frequency of dialogue with the company. We improved our vote on the Annual report and accounts from against to abstain. However, we also opposed the remuneration report and the re-election of the chairman of the health, safety and environment committee due to our concerns. We also made a statement at their AGM and received assurances that there would be significant improvement in 2012. We will continue to monitor.

We have also used our voting influence as shareholders to support our engagement on companies to improve carbon disclosure and performance. You can find out more about this in the Climate change and environment section.

Engaging with our companies

We engage with the companies in which we invest to improve their environmental, social and governance (ESG) performance and adopt better strategies and management systems to capitalise on ESG opportunities. We do this because we believe it makes good business sense – so that as companies and as investments they can generate shareholder value on a more sustainable basis.

We believe in the value of working collaboratively with other investors committed to developing and shaping the corporate responsibility agenda.

Our engagement strategy

Our annual engagement plan identifies target companies according to three themes:

- Corporate responsibility disclosure and management
- Carbon disclosure and management
- International norms – serious and persistent breaches of international norms and standards.

In addition, we may become involved in collaborative engagements that focus on a particular theme or issue. Our focus plan is generally around 30 companies, however, we engage with many more companies on ESG issues over the year.

Applying the definitions used in the UN Principles for Responsible Investment (PRI) annual assessment survey, we engage with companies in three ways:

- Extensive engagement – multiple instances of focused interaction with a company on ESG issues with a view to changing the company's behaviour. For example, our engagement with Vedanta Resources
- Moderate engagement – more than one interaction with a company on ESG issues but the specific outcome may not have been identified at the outset. For example, routine management meetings may raise questions regarding ESG performance or governance which are then followed up
- Basic engagement – direct contact with the company but this may not have been followed up. For example, in cases where we do not have a significant holding in companies we do not engage with the company in advance of the AGM but write to the company afterwards to explain our voting positions.

Engagement

13%

increase in all types of engagement between 2010 and 2011

Extensive

150

Over 150 extensive engagements

Moderate

50

moderate engagements

Basic

800

Over 800 basic engagements

UN Global Compact Engagement

Aviva Investors is leading a collaborative engagement programme aimed at signatories to the UN Global Compact. For the fourth year running, we have engaged with companies who have joined the UN Global Compact but are not meeting their commitment to produce a communication on progress (COP).



We welcome those companies with leading practice in their COP and challenge the laggards who are not producing a COP. In 2011, we identified 89 leaders and 33 laggards. In December, the UN PRI issued a press release to announce that 13 companies captured in the engagement had now regained 'active' status by submitting a COP, representing a 39.4% success rate among the companies engaged.

Public policy and advocacy

We believe in the value of working with governments, regulators, companies, NGOs and investors to develop the corporate responsibility agenda. We seek to play an active, transparent and positive role in shaping government policy to ensure that companies and financial institutions act in the long-term interest of their shareholders and customers. Here are some examples of the public consultations we have responded to and letters we have written to MPs.

You can also find out more about the Corporate Sustainability Reporting Coalition we have convened, which is calling on all UN member states to commit to develop a Convention on Corporate Sustainability Reporting and the UN Conference on Sustainable Development (Rio+20).

Consultation – highlights

UK Defra – Consultation on GHG emissions

Mandatory Carbon Reporting

Aviva and Aviva Investors issued a joint response to this Defra (Department of Environment, Food and Rural Affairs) consultation. We believe that the UK is well placed to make carbon reporting mandatory in the UK, doing so will affirm the UK's leadership on the global stage and give greater credibility to government climate targets.

UK Department for Business, Innovation and Skills (BIS)

A Long-Term Focus for Corporate Britain

The submission from Andrew Moss included a number of observations by Aviva Investors of misaligned incentives throughout the supply chain. We believe one of the causes of short-termism is a lack of certainty about the stability of the regulatory and tax framework within which investors and companies work and that the tax system should be used to encourage longer-term equity investment above short-term ownership.

UK Financial Reporting Council (FRC)

Gender Diversity on Boards

Aviva Investors welcomed the publication of Lord Davies' report, Women on Boards, in February 2011 and also welcomed the opportunity to respond to the FRC's consultation on potential changes to the UK Corporate Governance Code in respect of gender diversity on boards. We believe that appropriate diversity (of all kinds) on company boards can contribute meaningfully to more effective boards and to the long-term success of companies. On the issue of gender diversity, we are fully supportive of both the recommendations of the Davies report and the objectives of the 30% Club. The Aviva Chief Marketing Officer, Amanda Mackenzie, is a member of the Lord Davies 'Steering Committee'.

Consultation

Eight

Responded to eight major government consultations on environmental and governance issues

Collaboration

Over 40

members of the Corporate Sustainability Reporting Coalition

Assets

Over US\$2 trillion

assets under management (AUM) represented

Public policy and advocacy (continued)

Our idea for the 2012 Earth Summit

There is a demonstrable correlation between sustainable business practices and the longer-term financial success of that company. Disclosure is a powerful motivational management tool highlighting areas of underperformance that are important to the long-term health of the business. We have therefore convened a Corporate Sustainability Reporting Coalition (CSRC).



At the 2012 Earth Summit, we are calling on UN member states to commit to develop national regulations, which mandate the integration of material sustainability issues within the reporting cycle in the Annual report and accounts of all listed and large private companies – or explain why if they do not.

This builds on our earlier work on sustainable stock exchanges and we believe this will help capital to be allocated to more sustainable, responsible companies and strengthen the long-term sustainability of the financial system.

If you would like to get involved, please email public.policy@aviva.com (with 'Earth Summit Support' in the title).

Our own AGM vote

We believe accountability and transparency are important. At Aviva plc's AGM, the Group CR report is put to an advisory vote. This was introduced for the first time at the 2010 AGM and again put to the vote in 2011. This resulted in an overwhelmingly positive vote and productive and supportive conversations with the vast majority of shareholders.



Aviva was the first company in the UK and the first financial institution in the world to take this step. We encourage other companies to take their own step in this direction, which we believe will contribute to creating the right kind of discussions within the boardrooms of listed companies around the world, and then between the company and its shareholders.



Climate change and environment

The pre-eminent scientific body on climate change science – the International Panel on Climate Change (IPCC) – is clear that the global increases in carbon dioxide concentration are predicted to have a significant impact on our environment, society and economy.

This is why we focus on reducing our own environmental impact and use our influence as investors to improve the environmental impact of the companies in which we invest and direct capital to companies that better manage their environmental and climate change impacts.

In this section you can find out more about our approach to controlling emissions in our own operations, how we use our influence as investors to engage with companies that we invest in to measure, report and reduce their climate change risks, and explore new opportunities presented by the transition to a low-carbon economy and how we are working with governments, international bodies and other like-minded investors on the issues climate change raises and how to tackle them.

Energy

£20,000

Reduced energy use in our London offices by almost 9% saving over £20,000

Recognition

Environmental awards

City of London Clean City Platinum Award and the SuperDrecksKescht Luxembourg Environmental label in Luxembourg

Using our influence

We aim to use our influence with companies, investors and policy makers to best effect. This section outlines details of our engagement with companies, the CDP Carbon Action Initiative and our public policy work in the area of climate change.

Engaging with companies

We engage with the companies in which we invest to encourage them to minimise the risks and maximise the opportunities presented by climate change and climate policy. We will also encourage companies to improve their governance and disclosure of climate risks and opportunities.

One important initiative, which we have supported since before its inception in 2001, is the Carbon Disclosure Project (CDP). The CDP's work so far has been catalytic in raising corporate awareness of the issue and disclosure of performance. This is why we chose to work with them to develop the Carbon Action Initiative which was launched this year and continues to focus on non-disclosure of carbon risks in our annual engagement programme.

Since 2007 Aviva Investors has identified a target group of companies for engagement where we believe climate change to be a material issue but the company has failed to disclose carbon governance and performance data. We encourage these companies to disclose their emissions via the Carbon Disclosure Project and, in line with our Corporate Governance and Corporate Responsibility Voting Policy, we have withheld support for their Annual report and accounts (or equivalent) where we feel this is appropriate.

In 2011 we engaged with five remaining non-responding companies and engaged with 14 additional companies. In total, over the last five years, we have engaged with 56 companies (4 companies are no longer listed or we no longer hold) – 69% of companies we still hold now provide some information to investors and we will continue working on the rest.

Carbon
US\$7.6
trillion

Carbon Action Initiative launched, supported by 34 investors with US\$7.6 trillion in assets

Disclosure
69%

of companies in our five year engagement programme now reporting to the CDP

Carbon Action Initiative

In 2009, Aviva chairman, Lord Sharman, called for the CDP to go beyond disclosure and challenge companies to take action that mitigates their climate change emissions. The Carbon Action Initiative was provided with seed funding from Aviva and developed by an investor steering group comprising Aviva Investors, CCLA, Robeco and Scottish Widows Investment Partnership (SWIP).

In early April an investor letter was sent to the world's largest companies in the FTSE Global Equity Index Series (Global 500). This letter, which complements the CDP disclosure letter, encouraged companies to:

- Make year-on-year emissions reductions
- Identify and implement investment in greenhouse gas emissions reduction initiatives which have a satisfactory positive return on investment
- Any companies that do not already have an emissions reduction target will be asked to set and publicly disclose this.

In October, the findings were published – analysis of the responses identified extensive opportunities for carbon reduction technologies and highlighted a number of companies in high emitting sectors with no targets. Together with Robeco and SWIP we sponsored a collaborative engagement via the PRI to encourage these companies to set good-quality absolute or intensity targets.

We see this as a groundbreaking new development and believe it will have significant influence to change corporate behaviour. We look forward to reporting progress on this engagement in 2012.



Using our influence (continued)

Policy advocacy and working with others

We believe in the value of working with governments, regulators, companies, NGOs and investors to develop the corporate responsibility agenda. Here we have highlighted some initiatives related to climate changes. More detail on public policy and advocacy can be found here.

- Defra – Consultation on GHG emissions (Mandatory Carbon Reporting)
- Aldersgate Group – Open letter to Prime Minister and Deputy Prime Minister regarding Carbon Budgets
- Green Investment Bank
- Institutional Investor Group on Climate Change (IIGCC) – 2011 Global Investor Statement on Climate Change.

Our operational impacts

Aviva has set itself stretching environmental targets in terms of reducing carbon dioxide emissions, the amount of water we use, the amount of waste we generate and the amount of waste we recycle.

Environmental performance data and initiatives

Reducing our carbon footprint

Overall Aviva Investors represents approximately 2% of Aviva's carbon emissions. This year, we have implemented a range of energy-saving initiatives at key offices which has contributed to our reduction in energy use.

- At one of our London offices, we completed a lighting refurbishment which replaced existing lighting with more efficient lighting. We also introduced 'daylight saving' whereby lights by the windows automatically give out less light on sunny days. This contributed to a 32% drop in electricity use across our floors in April alone and an almost 9% reduction over the year
- In Luxembourg, we have also put in place an integrated lighting, heating and air-conditioning system. The reduction of heat from the lighting system has also helped towards cooling the office. These changes have contributed to an impressive 43% reduction in electricity use. We also worked with our landlord to switch our energy provider; since the beginning of May our Luxembourg office has been powered using 100% renewable energy – 70% hydropower energy, 20% wind energy, 9% biomass energy and 1% photovoltaic energy.
- The reduction in energy use has led to an over £20,000 cost saving in our London office and almost €2,000 in our Luxembourg office.

Waste and recycling

We aim to follow the principles of waste minimisation, re-use and recycling and to that end have introduced a number of initiatives.

In our London offices we reviewed our printing needs and invested in a new but reduced fleet of printers. These are automatically set to print double-sided and only print when the user logs on. This has led to a reduction in paper consumption of over 15%.

We also commissioned a waste audit which highlighted that 40% of our wet waste consisted of paper cups and 30% was polystyrene food disposables. We launched an employee awareness campaign to encourage the cups to be drained and placed in the dry recycling bins and we worked with our catering suppliers to replace the polystyrene containers with biodegradable cardboard containers.

Our approach to waste management (reduction, re-use and recycling) in our London offices helped us win the City of London Clean City Platinum Award.

Water use

In early 2011 we replaced the toilet flushes in our London office. This initiative helped deliver a 2% reduction in water use.

Working with our suppliers

At Aviva Investors we aim to integrate corporate responsibility considerations into our procurement decisions.

- **Stationery** – on average, 60% of products we purchase are from our supplier's environmentally friendly Globe and Tick range. We also re-use lever arch and box files – blocking the ability to purchase new ones
- **Catering** – Harbour & Jones was selected as our new catering supplier in Poultry, London. This contract was based in part on their CR credentials including use of biodegradable packaging, free-range and local produce.

Between 2010 and 2011:

Carbon
16%

carbon reduction

Paper
15%

paper use reduction

Water
2%

water reduction

Perception
71%

of employees feel that Aviva makes business choices that support the environment

Our operational impacts (continued)

Engaging employees

We are committed to reducing our environmental impact and our employees play a key role in achieving this. We have an environmental working group which acts as a network of environmental champions to encourage more environmental behaviour. We also organise events such as Corporate Responsibility Month to help highlight, show case and encourage employees to get involved.

Here are two examples of initiatives that help employees minimise our environmental impact as a business but also help them take action when at home.

PACT – helping to reduce your personal carbon footprint

This year we introduced PACT – this is an on-line programme to help employees track and reduce their carbon emissions at home. This year 32 employees took part for the full year. We will be extending this to all our employees globally in 2012.

Oxfam Collects

This scheme is now in its second year and encourages employees to donate their unwanted items to Oxfam. We highlight totals by business area on a monthly basis to encourage a bit of competition! This year we raised over £1,800.

Employee perception

We track employees' perception through our annual employee promise survey. This year the number who answered favourably to the question regarding Aviva's business choices has improved 4 percentage points to 71%.



Sustainable products

Our approach to responsible investment is wide-ranging, covering stewardship, corporate governance, responsible business practices, environmental and social issues. While we understand that to be truly sustainable, our investments need to operate within the environmental and social carrying capacity of our planet, we believe that companies who integrate environmental, social and governance issues into their business model and the way they operate will provide long-term shareholder value.

You can find out more about the Aviva Investors Stewardship Policy and Aviva Investors Corporate Governance and Corporate Responsibility Voting Policy in the Trust section. This section outlines how we implement the UN Principles for Responsible Investment, some research we have commissioned from Forum for the Future to understand a framework for a sustainable economy, and an example of how we embed sustainability in our Real Estate portfolio.

A message from Paul Abberley

Chief executive, Aviva Investors London and Global Investment Solutions

In January 2012, Aviva Investors announced the outcome of their business review, which proposed a focus on Fixed Income, Real Estate and Multi Asset; reducing the scope of active equity management in London. As a result, it was proposed that there could be better growth opportunities for the actively screened Sustainable and Responsible Investment (SRI) funds in an alternative fund manager. Of course, as a responsible asset manager, we recognise our duty of care to our clients and we will continue to fulfil that duty while we explore options for the SRI funds.

We remain committed to our principles of responsible investment and, as a result, we have taken the opportunity presented by the review to rethink and refocus the way we embed Environmental, Social and Governance (ESG) issues in the business. In future, our proposal is that ESG engagement and integration will apply across all our mainstream assets under management supported by a newly established Global Responsible Investment Team. We will work to ensure that ESG will be integrated within all portfolios by all analysts and fund managers. This will clearly not happen overnight but it is a firm aspiration that we are committed to working towards.

UN PRI

Top quartile performance in UN Principles for Responsible Investment annual reporting and assessment survey

Vision

Driving thought leadership through our 2040 vision report

Portfolio

Baseline environmental performance data collected for our real estate portfolio

How we implement the UN PRI

The UN Principles for Responsible Investment

The UN Principles for Responsible Investment ([Principles](#)) reflect the view that environmental, social and corporate governance (ESG) issues can affect the performance of investment portfolios and therefore must be given appropriate consideration by investors if they are to fulfil their fiduciary duty. Aviva Investors is a founding signatory to the UN PRI and these principles inform our approach to all our investments.

How the principles are applied at Aviva Investors

This section provides brief examples of how the six Principles are being applied by Aviva Investors.

UN PRI

Top quartile performance in UN Principles for Responsible Investment annual reporting and assessment survey



1. We will incorporate ESG issues into investment analysis and decision-making processes

Our analysts and fund managers are expected to consider whether there are any material ESG risks when forming views. To facilitate this, a material proportion of our commission is used to support ESG research and this research is shared internally. In addition, during 2010 our Chief Investment Officer (CIO) at the time engaged directly with the managing directors of our key sell-side brokers to highlight the importance that we place on ESG issues as an integral part of investment research and we provide feedback to brokers throughout the year.

2. We will be active owners and incorporate ESG issues into our ownership policies and practices.

We are active on behalf of clients and have incorporated ESG issues across the breadth of our share ownership policies and practices. In promoting high standards of corporate governance, we include a range of CR issues when voting at AGMs. Our policy in this area includes:

- exercising our voting rights in line with our Corporate Governance and Voting Policy to actively encourage improved ESG disclosure globally (MSCI World)
- engaging directly with companies to improve ESG performance – see here for examples
- participating in collaborative engagement initiatives – see here for examples
- participating in the development of relevant policy, regulation, and standard setting – see here for examples of our public policy engagement and advocacy.

3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.

We actively promote greater corporate accountability on ESG issues, and seek the integration of ESG information and considerations into business strategy, which is then reflected in the annual report. Our approach in this area includes:

- Corporate Governance and Corporate Responsibility Voting policy focused on reflecting ESG disclosure and performance in our voting decisions
- High-level advocacy for Sustainable Stock Exchanges and a UN Convention on Corporate Sustainability Reporting
- Active support of the UN Global Compact Communication on Progress (COP) by leading a collaborative engagement
- Leading by example as the first financial services company in the world to put its corporate responsibility report to a separate shareholder vote
- Active involvement in Integrated Reporting as part of the IIRC Working Group.

How we implement the UN PRI (continued)

4. We will promote acceptance and implementation of the Principles within the investment industry.

In addition to participating in governance of the UN PRI – through membership of the PRI Advisory Council and PRI Academic Network and speaking at events to promote the Principles, we promote acceptance of the Principles in the following main ways:

- Client education – through our award-winning ‘Investment Tutor’ – a free training resource for pension fund trustees, which includes an ESG module endorsing the UN PRI
- Engaging with sell-side brokers – to highlight the importance that we place on ESG issues as an integral part of investment research.

5. We will work together to enhance our effectiveness in implementing the Principles.

We believe that investors have a collective interest in promoting high standards of corporate governance and corporate responsibility. In many cases, that collective interest is best promoted through collaborative engagement. We are a large and influential asset manager in our own right, but where we believe it's more efficient and effective to collaborate, we do so. In addition to collaborative links with various institutions, we have signed up to numerous collaborative engagement initiatives within the PRI clearing house. We also participate in a wide range of national and international associations focused on responsible investment and ESG issues. These include:

- Access to Medicine Index – we continue to support this initiative, including providing support in an Aviva ad campaign.
- Carbon Disclosure Project – we are founding signatories, and founding signatories and seed funders of the Carbon Action Initiative, Eurosif
- Extractive Industries Transparency Initiative
- Forest Footprint Disclosure Project
- Institutional Investors Group on Climate Change
- International Corporate Governance Network
- Integrated Reporting IIRC
- UKSIF
- UN Environmental Programme Finance Initiative
- UN PRI.

6. We will each report on our activities and progress towards implementing the Principles.

Transparency to our clients is fundamental to our approach. As well as undertaking contractually to share the results of our PRI assessment, we provide detailed reports to clients on our use of voting rights and, where appropriate, hold briefings on corporate engagement. The following are examples of our disclosure:

- We disclose our Stewardship policy and Corporate Governance and Corporate Responsibility Voting Policy.
- Our corporate governance policy and voting statistics are published on the Aviva Investors website, including our actual voting record on a company-by-company basis.
- We publicly disclose our full PRI assessment for every questionnaire that we have submitted – you can find out more about our performance here.
- We outline our approach in this Aviva Corporate Responsibility report.

Our performance

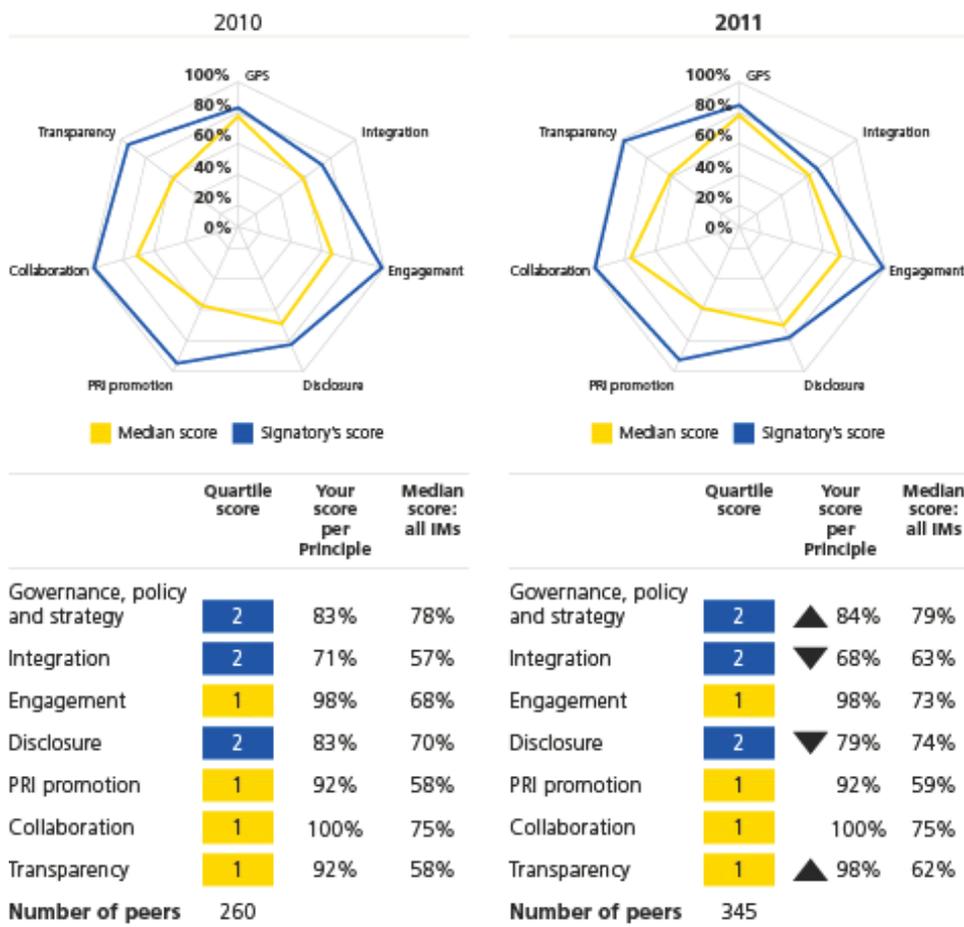
Aviva Investors participates in the PRI's annual reporting and assessment survey and we are committed to making our response and performance public. While it should be noted that this is a self-assessment survey, we believe the results are useful and informative. We present our performance to the Aviva Board Corporate Responsibility Committee and Aviva Investors Executive Committee on an annual basis.

Aviva Investors continues to demonstrate leadership within the UN PRI with a top quartile assessment, despite both the increase in peers and an increase in most median scores. We have retained our top score for Collaboration (Principle 5), and significantly improved our disclosure (Principle 6). We acknowledge that we have work to do to improve the systematic integration of ESG issues into all investment analysis (Principle 1). We are looking into the reasons behind our poor and worsening score in Principle 3, which measures our engagement with companies to ask for appropriate disclosure on ESG issues, as we believe we should rank alongside the global leaders in this area not least due to our approach to voting. Nevertheless, despite a significant strengthening of the competitive environment, our overall quartile ranking for each area remains constant from last year.

We note that in 2011 the UN PRI launched a review of the reporting framework. This will affect the 2012 survey onwards and is likely to reduce our ability to measure trends in our own performance over time. However, we remain committed to public reporting of our performance in this area and consider it an important part of the UN PRI Initiative.

Figure 1: Aviva Investors 2011 results

The following table provides a summary of overall performance against peers.



Our performance (continued)

Figure 2: Aviva Investors historic scores (2007–2011)

	Quartile summary				
	2007	2008	2009	2010	2011
Governance, policy and strategy	n/a	n/a	1	2	2
Integration	2	3	1	2	2
Engagement	1	1	1	1	1
Disclosure	1	1	1	2	2
PRI engagement	1	1	1	1	1
Collaboration	1	1	2	1	1
Transparency	2	1	1	1	1
Number of peers	30	77	159	260	345

Top quartile 1 (yellow), quartile 2 (dark blue), quartile 3 (mid blue), bottom quartile 4 (NA)

The small print required with PRI disclosure: Scores have been calculated based on signatories' **self-assessment** and using the scoring methodology approved by the PRI Assessment Group. Although a limited verification exercise was undertaken with a proportion of signatories, responses have not been independently audited by the PRI Secretariat, PRI Assessment Group, or any other third party. Individual results, including comparisons to the overall results (quartiles), are indicative and do not imply an endorsement of signatory activity. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of information presented, and no responsibility or liability can be accepted for any error, omission or inaccuracy in this information.

A framework for a sustainable economy: 2040 vision

Investment is about the future. How the future turns out determines the returns on investments and the volatility of these returns. But, in turn, the pattern of investments (where capital is allocated) itself helps to determine the type of future we get.

This is why we commissioned Forum for the Future to produce *Sustainable economy in 2040: a roadmap for capital markets*. This report gives rise to a great many challenges for investors. For our part, we make no claim to be adopting them now. However, we see the report as a guide, giving us a bearing for our investment compass: which sectors are likely to grow in the transition to a more sustainable economy and will reward capital allocated to them; and which areas are best avoided.

“(We need) a resilient, sustainable economy that maximises quality of life for all, so that people can develop their full potential and lead productive, creative lives within environmental limits.”

**Forum for the Future
Sustainable economy
in 2040: a roadmap for
capital markets**

Real Estate portfolio

Our approach

At Aviva Investors, we believe that responsible investment requires a detailed understanding of sustainability issues. As a major international real estate asset manager, we are working with our partners and advisers to fully play our part in ensuring the real estate industry plays a leading role in addressing the world's sustainability challenges. At Aviva Investors Real Estate, we believe that through a major commitment to sustainability and its complexities we will continue to deliver our clients' investment objectives.

This statement explains what sustainability means to Aviva Investors Real Estate and the benefits we believe it can bring to our clients while having a positive impact on the environment and society. As well as managing the impact of our portfolios, we are actively involved in promoting sustainability issues throughout the real estate industry and are members of organisations and initiatives such as the UK Green Building Council, the British Council of Shopping Centres and the Global Real Estate Sustainability Benchmark (GRESB).



This section outlines our Sustainability Charter, how we implement it through our environmental management system (EMS) and some case studies of the buildings and initiatives we have worked on.

A focus on sustainability – progress this year

Four years ago, we set up the Real Estate Sustainability Group with the aim of bringing together diverse sustainability initiatives and embedding a sustainability frame of mind into 'business as usual'. The Group comprises representatives from across business units and meets every six weeks to review progress. Here are some highlights of what has been achieved:

- The Sustainability Policy has evolved from a very basic document, to a global policy with defined targets and measurable criteria
- Every Individual Fund Business Plan now incorporates a sustainability section with fund specific targets and objectives
- Our Sustainability Charter has been developed and rolled out across our managing agent community.

The Sustainability Charter is now overseen by the Sustainability Charter Forum, comprising asset managers and managing agents, which reports regularly to the Real Estate Sustainability Group.

BREEAM

First BREEAM
Outstanding certificate

Data

Baseline environmental
performance data
collected for our real
estate portfolio

Real Estate portfolio (continued)

Sustainability Charter

Aviva Investors Real Estate team has developed a Sustainability Charter, which guides both the asset managers and managing agents on how to improve the sustainability performance of our managed portfolio in a consistent and proactive manner. The aim is to establish a co-ordinated approach to sustainability across the portfolio and establish a mechanism for continual improvement. The Sustainability Charter Forum, comprising asset managers and managing agents, meets quarterly to oversee implementation and share knowledge and ideas.

The Charter comprises the following nine areas of focus:

1. **Occupier engagement** – promote the use of green leases, fully engage with occupiers on energy and efficient use of the building, and create a healthy working environment.
2. **Energy management** – building energy consumption monitoring, increase in efficiency by improving plant, energy consumption benchmarking. Install smart metering and undertake metre validations.
3. **Water management** – building energy consumption monitoring, increase in efficiency by improving plant, introducing water saving amenities and utilise rain water where possible.
4. **Waste management** – building wide recycling initiative to aid in reducing waste production and recycling capabilities. Waste type benchmarking.
5. **EPC recommendations** – where viable implement the recommendations contained in EC reports and further energy audit reports to improve energy efficiency.
6. **Staff training** – site staff to be trained in sustainability issues and efficient management of building systems. Organise and run building wide workshops and seminars to help inform occupiers.
7. **Management of alterations** – fully engage with occupiers when an application for alterations is made and encourage and assist with the use of sustainable materials.
8. **Transport** – promote the use of shared transport or cycling to work by providing necessary amenities such as cheaper car parking for shared vehicles, bicycle racks and shower facilities.
9. **Community engagement** – promote the use of the building amenities to the wider community, recycle office equipment for community use and promote local workforce for employment within building services.

Progress this year

One of the first challenges was understanding and accurately measuring the environmental impacts of the real estate portfolio. We therefore worked with DTZ, the global real estate adviser, to design and implement an Environmental Management System (EMS). The aim of the EMS was to ensure a coordinated approach across all funds, manage environmental risks, measure impacts and set targets for future performance.

For the first time, Aviva Investors is now able to report on three key performance indicators. The data below is collected from 333 of Aviva's properties (including office, industrial, retail, out of town and shopping centres) between 1st April 2010 and 31st March 2011 (this timeframe is used as it reflects the timeframe in the Carbon Reduction Commitment). These 333 properties represent the 48% of all AI UK properties for which we hold energy contracts.

Key performance indicator	2010/2011	2011/2012 target
Energy use (kWh)	160,711,295	4% reduction
CO ₂ from energy use (CO ₂ t)	66,737	4% reduction
Water use (m ³)	221,170	Improve accuracy of data
Waste (% recycled)	51	Increase to 56% recycled
Regulatory action	0	0

We have also set additional qualitative targets:

- Ensure all quarterly reviews consider sustainability
- Improve accuracy and reporting of metre readings
- Implement a more sophisticated environmental performance data collection system
- Identify the treated floor area of properties where we are responsible for the energy supply
- Investigate new technologies to improve our environmental performance
- Ensure full compliance with environmental legislation and CRC requirements
- Extend the Environmental Management System to include the Europe funds
- Consider how to include the Specialist Funds in the Charter.

Progress this year (continued)

Sustainable real estate case studies

Here are two examples of properties we have been working on this year.

80 Clarence Street – Sydney, Australia

The Australian Green Building Fund aims to reduce the impact of Australia's built environment on greenhouse gas emissions, by reducing the energy consumed in the operation of existing commercial office buildings, retail buildings and hotels. The programme supports owners to reduce their energy consumption, by retro-fitting and retro-commissioning these buildings. Grants ranging from \$50,000 to \$500,000 are available, for up to 50% of project costs.

Over \$90 million in applications were made for the latest round of Green Building Funding and with only \$30 million available, competition was strong. However, working with property consultants Napier & Blakeley, Aviva Investors was successfully granted the maximum funding per project of \$500,000 for its Clarence Street proposal.

The proposed scope included upgrades to the HVAC and base building lighting using advanced technology which delivers an anticipated 50% reduction in carbon emissions. Importantly, this proposal considers both the environmental impact and the indoor environment quality to provide a more productive working environment for the occupants.

The design stage has been completed and the building is due for final completion in early 2012 with an anticipated increase in NABERS Energy rating from 1 star to 4 stars.



BBC Drama Village – Cardiff, Wales (UK)

Aviva Investors' igloo Fund has won the first ever BREEM Outstanding certificate for an industrial building post-construction. The award was for Roath Lock studios at our Porth Teigr development, which is a joint venture between our igloo Fund and the Welsh Government. It was designed to meet igloo's Sustainability Investment Policy 'footprint'. Building features include rain water harvesting, a CHCP plant, a solar hot water system, a photovoltaic system and high efficiency heat recovery heating and cooling to offices.

This project delivered sustainable development and enhanced social inclusion via economic and social integration and equal opportunities for the locals which included:

- New entrant trainees – 750 person weeks of employment to be provided
- Work experience – 12 people for a minimum of one week throughout the contract
- Workforce training – produce a targeted training and recruitment plan and take action to assist employees to achieve appropriate CSCS registration and NVQ Level qualifications
- 75% of the labour currently employed on the development live within 20 miles of the site and therefore the development is having a positive impact on the local economy.





Attracting and retaining talent

Our approach to corporate responsibility plays a key role in motivating employees to join our organisation, remaining engaged and staying with us. Opportunities to develop through training and volunteering, working for an organisation with high values and committed to acting as a good corporate citizen play an important role in helping us attract and retain the right employees. In turn, our employees act with integrity, representing Aviva and Aviva Investors with pride. This is why we include corporate responsibility within candidate packs, role profiles, our Global Induction Programme and ensure all our HR and CR policies and standards are easily available on our intranet pages.

In this section you can find out more about our approach to the Employee Promise including how our employees think we are doing through the Employee Promise survey, how we recognise talent and our focus on diversity both in our own business and in the businesses we invest in.

Retention

90%

retention of high performing talent*

*High performing talent is a definition we use as part of our Talking Talent discussions

Perception

71%

of our employees feel that Aviva's commitment to corporate responsibility is genuine

Employee promise

Launched in 2009 our employee promise is “At Aviva I am recognised for who I am, and what I contribute matters.”

Talking Talent

To achieve strategic business objectives our people need to have the ability to reach their full potential. We achieve this by offering a variety of development opportunities including our Global Induction Programme which helps guide all our employees through their first 90 days with us, in-house classroom trainings on topics ranging from investment management and IT skills to interpersonal skills and leadership development, computer-based training and support with individual professional development.

Recognition

Our values of integrity, innovation, teamwork and performance are important to us. Aviva Investors Recognition Awards were therefore launched to publicly recognise actions and behaviours that support our values. Quarterly winners are rewarded with a voucher valued at £1,000 (or equivalent in local currency) and annual winners are presented with a trophy.

Our Employee Promise Survey

We were pleased with the high response rate of 87%. As Aviva again pledged to donate £1 to our global Street to School charity partner Save the Children with every completed survey – Aviva Investors contributed to this by providing 1,116 responses.

Response

87%

of employees responded to the Employee Promise Survey

Respect

73%

of employees feel they are treated with respect regardless of their position

Diversity

At Aviva Investors we believe in a working culture that respects, celebrates and harnesses differences to the benefit of customers, employees, shareholders, business partners and the wider communities within which we operate.

We believe these principles are important for our business and for the companies in which we invest.

Our business

This year we undertook a review to understand why fewer women than men advance to become senior managers. This has helped us shape a number of initiatives that we will be taking forward in 2012 including a Global Reciprocal Mentoring Programme. This supports our focus on balanced leadership which aims to deliver a successful business now and in the future by ensuring an effective gender and diversity mix throughout all levels in the organisation.

Women in Finance Awards

We are pleased to see some of our leading women receiving external recognition.

In October, Anita Skipper won the title of Most Influential Woman in Asset Management in the tenth annual Financial News awards for Excellence in Institutional Asset Management.

In June, Vanessa Vallely, our head of business management for operations and IT, received the Woman in Banking and Finance (WIBF) Champion for Women award. The WIBF network inspires those women who choose careers in the finance and banking sector.

In August Vanessa was also recognised by The International Alliance for Women (TIAW) in their Global 100 list winning a World of Difference award and named as one of Financial News' Top 100 Women in Finance.



Engaging with companies

Aviva Investors' view is that diversity of all kinds, including but not limited to gender diversity, is an important factor for successful boards and companies and an important corporate governance issue for us as investors in companies.

We have therefore updated our Corporate Governance and Corporate Responsibility Voting Policy to include explicit support for the recommendations outlined in the UK's Davies Review 'Women on Boards'.

Aviva Investors expects companies to take the benefits of board diversity into account in considering board composition and new appointments, and to disclose its policy and aspirations on diversity including gender diversity.

Balanced leadership

13%

of women in senior
management

Diversity

64%

of employees feel Aviva's
leaders are genuinely
committed to attracting,
developing and keeping
a diverse workforce



Developing communities

We aim to use our influence as a business and the skills and enthusiasm of our employees to actively contribute to the communities in which we live and work. We work with local community groups and international charities to improve the communities in which we operate.

Our three focus areas for community investment are education, life trauma and financial capability. Our global charitable programme, Street to School, accounts for at least 50% of our community development activity.

Volunteering

**Over
1,500 hours**

Over 200 individuals
spent over 1,500 hours
volunteering

Fundraising

**Over
£15,000**

contributed in matched
giving for employee
fundraising

Perception

18

point increase in
percentage of employees
who consider that
Aviva does a good job
of contributing to the
communities in which we
live and work (From 52%
to 70%)

Street to School

Aviva's Street to School charitable programme has a five-year goal to help 500,000 children get off the street and back into education and training by 2015.

This year saw the launch of the first Aviva Investors Street to School campaign. In January, our Bonus Giving Campaign commenced with an invitation to employees to each donate a proportion of their bonus.

Bridge Centres in Kolkata

With 14 million inhabitants, Kolkata is home to the second largest number of children living and working on the streets of any city in India. Recognising the vital need for education, but also the difficulties these children face to attend school, we worked with Save the Children to establish these new welfare centres.

All 10 bridge course centres are now up and running. 379 children are regularly attending. The centres provide 'life-skills' support which includes helping them identify measures to protect themselves against abuse and to increase their self-esteem. Our project has also funded two health camps for 175 children from the centres, and an additional 100 children from the wider community.

In addition, to offering essential practical support we have been involved in awareness raising events in Kolkata which aim to raise standards and support for a much wider number of children.

"This is an excellent result for our first Bonus Giving Campaign and shows what we can achieve when we come together. Aviva Investors will be making a real difference to the lives of children in India and we are already seeing the impact our donations are making." Nigel Clemson, chief human resources officer



Giving

£65,000

Street to School bonus giving campaign launched raising over £65,000

Employee engagement

Employee volunteering

Employees can take up to three days to volunteer in their communities and many use this opportunity to volunteer in teams or individually. This year our employees gave over 1,500 hours of their time volunteering in the community. This is a significant increase from last year. Some examples are highlighted below.

Hackney Schools Mentoring Programme

UK employees have been mentoring students from Our Lady's Convent School in Hackney through the Hackney Schools' Mentoring Programme over the last three years and the programme is going from strength to strength.

Since Autumn 2008, over 74 Aviva Investors employees have volunteered their time every fortnight to offer support to nearly 100 16-year-old students to help increase their confidence and help them define their career goals. This year 18 mentors mentored 23 students.



Team volunteering – Luxembourg

Caritas Luxembourg runs domestic programmes in support of the needy and for emergency, humanitarian and development projects in developing countries. In December, eight colleagues from our Luxembourg office volunteered for the day in support of a Caritas project for asylum seekers residing in Foyer Saint Antoine.

The Foyer Saint Antoine is a charity house managed by the Foundation Caritas Luxembourg for the protection and care of international asylum seekers. During the charity day, Luxembourg colleagues helped to refurbish the interior of the home by doing some painting and spending some time organising social activities with the children staying in the house.



Team volunteering – Real Estate

Over three days in October, over 90 volunteers from the UK Real Estate team were joined by colleagues from the European Real Estate and Global Business Development teams to take part in the 'big dig' gardening project at the Tower Hamlets Cemetery Park. The project aims to improve the public area by providing an open green space for the community of Tower Hamlets and encouraging biodiversity.

The team worked to prepare the park for the winter by digging and weeding, stripping ivy and planting spring bulbs. The three days were a great success and the Tower Hamlets Cemetery Park was very grateful that they had been able to save the cost of hiring a professional gardening team.



Volunteering

Over 1,500 hours

Over 200 individuals spent over 1,500 hours volunteering

Fundraising

Over £15,000

contributed in matched giving for employee fundraising

"Volunteering and sharing time and skills makes a huge difference to the east London community. The benefits are invaluable for the voluntary organisations, schools or enterprises who get Aviva Investors employees' time and business advice. The Hackney secondary school students who get mentored through Aviva Investors staff end up feeling more confident about achieving their goals. Just as important, the volunteer learns and benefits from the volunteering experience too."

Louise Muller

Hackney programme director, East London Business Alliance

Employee engagement (continued)

Employee engagement

Our employees are actively involved in our Street to School and volunteering programmes. However, we also support our employees in their fundraising for the charities they support. Employees have run marathons, suffered blisters taking part in walking challenges in Scotland and rowed along the Thames to raise money for charities that are important to them. Aviva Investors has matched this fundraising to a total of over £16,000.

This year we saw an 18% increase in those believing that we do a good job of contributing to our communities and a 4% increase in employees who believe Aviva's commitment to corporate responsibility is genuine. While this is still lower than the Aviva average, we are very pleased with this improvement which we believe is a result of increased employee awareness, predominantly through directly taking part in volunteering activity. It will be a challenge to maintain and improve this level of engagement but we have further awareness-raising campaigns and activities planned for 2012.

"The success of the programme and the enjoyment and pleasure which our pupils get out of it does you all great credit."

Mike Moore

assistant head teacher,
Our Lady's Convent
School, Hackney

"The charity has a huge task on their hands to maintain 33 acres with just a small number of staff. They rely heavily on volunteers so it was great to be able to provide some much needed man power over the 3 days and to tackle overgrown areas. Clearing graves and wooded areas from years of ivy and bramble growth will hopefully add to the enjoyment of the park by its users."

Michael Borello

assistant asset manager
Real Estate

Our regions

UK



Recycling rate 2011

91%

Employees believe
Aviva UK's commitment
to CR is genuine

80%

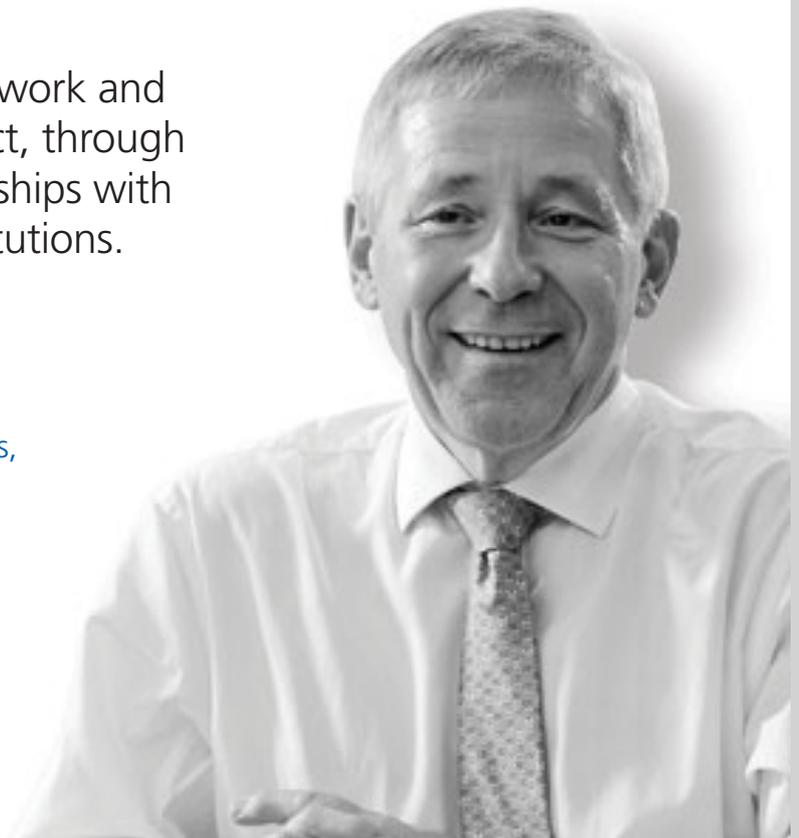
As the leading UK insurer, our aim is to provide prosperity and peace of mind to our 14 million customers, who trust us with their long-term savings, general insurance and healthcare needs.

We have a broad distribution network and our products can be bought direct, through intermediaries, or via our partnerships with leading UK banks and other institutions.

Why is this important?

"Sustainability for us means building our business to meet the needs of our customers, now and into the future – and doing it in a way that cares for, and contributes to, our environment, our communities and our employees. It gives me great pride that our people are doing these things every day."

Trevor Matthews, CEO
Aviva in the UK





Our approach

Aviva looks after the things most precious to our customers, whether that's their health, home, business, pensions or protecting family futures. Our customers look to us as a trusted partner for the long term so that's why sustainability and responsibility is vital in everything we do.

Sustainability is realised through our products and services and in the way we protect families, homes and businesses. It's also realised through our commitment to tackling financial crime and making Aviva a great place to work.

Our customers and employees are linked through our communities. That's why we've extended our partnership with the Railway Children from three years to five, to recognise Britain's forgotten children at risk on the UK's streets.

A team of CR specialists deliver a corporate responsibility programme, which engages thousands of employees across the country. Our community investment alone involves the efforts of a third of our people.

To improve our approach, each year we ask a million customers how we're doing – and we act on that feedback.

Looking ahead

We look forward to 2012 as we:

- deepen the impact on our communities (we will be working with Railway Children until 2014)
- respond to challenging events
- develop more products that encourage sustainable consumer behaviour
- encourage young people to save and make retirement choices clearer
- seek innovative ways of reducing our environmental impacts.

All the while we will be putting our people first – continuing to develop and attract the very best and diverse talent.

Trust

80%

of our people feel Aviva's commitment to corporate responsibility is genuine

Perception

78%

of our people feel we do a good job of contributing to the communities in which we live and work



Trust

We're there to protect people now and in the future, when they need us most.

The shocking rioting of last summer was a reminder of social volatility. Aviva responded immediately – helping to repair homes and streets and get communities back on their feet.

During tough times we have to be ever more watchful of financial crime, money laundering and fraud. We've responded positively to the UK Bribery Act 2010 with strong measures to detect, prevent and report crime, which affects us all financially.

People remain at the forefront of our business especially during these challenging times. That means supporting our employees to be their best at work, to offer peace of mind to our customers when they need us most and to be active in our communities.

Customers

22.5%

increase in customers
who would recommend
Aviva over the last year

Summer riots

As protests turned to riots in July and August 2011, a number of communities found themselves in turmoil. Civil disorder left businesses damaged. Stock had been looted, and in some cases commercial property had been burned to the ground.

Our priority was to give advice to individuals, businesses and communities and help them get back on their feet as quickly as possible.

Specialist claims teams from Aviva visited customers hit by the riots to assess the damage so repair work could begin immediately. We made interim payments to allow customers to re-stock stolen or damaged goods. We secured and re-glazed properties.

We contacted members of parliament in towns and cities affected by the riots to ensure they had advice at hand to offer to concerned constituents.

We also closed offices that were located near to the rioting early to protect the wellbeing and safety of our employees. Business critical work was moved to other locations in the UK.

Separately, we worked with the Government and Association of British Insurers (ABI), sharing our claims and technical expertise, to ensure that a compensation scheme was put in place quickly to help all those claiming against the Riots Damages Act.

Damage caused by riots, civil commotion or malicious damage is covered as standard in commercial, household and motor policies. But, during the exceptional and unexpected summer riots, we went a step further to help customers deal with excessive damage, offer temporary accommodation, support them in distress and shock - providing peace of mind in tough times, as well as supporting local authorities in their response. The unpredictability of the situation and many properties (primarily commercial but also homes) becoming inaccessible compounded the challenge we faced.

Getting customers back on their feet

Our claims teams were some of the first people on the ground, assessing the worst hit, when safe to do so, and organising repairs to homes and businesses to ensure they could get up-and-running as soon as possible. Our adjusters were ready to gain access as soon as clearance was given from the authorities. We also made special provisions to ensure that payments were made as fast as possible to compensate claimants, replace emergency items or re-stock stolen or damaged goods.

It has taken some people months to move back into businesses. As an insurer it's important we ensure customers are supported every step of the way as we help them get back on their feet.

Directors visit affected customers

Our commitment to providing prosperity and peace of mind to our customers saw our directors out in our communities visiting those who had been badly affected by the riots, including a furniture shop in Croydon destroyed by fire. As well as offering the personal touch, we also worked with the Government and police to help them manage the aftermath and restore or compensate businesses as swiftly as possible.



Preventing financial crime

Financial crime, which encompasses money laundering, fraud, bribery and corruption, malpractice and market abuse, costs the financial services industry billions of pounds each year, so Aviva in the UK takes the detection, prevention and reporting of financial crime very seriously. We have specific measures in place to minimise the challenge it poses to our business and customers, and remain committed to supporting the Government, law enforcement agencies and other bodies.

Transparency on financial crime protection and bribery prevention

We operate a UK Financial Crime Forum with senior representation from across our Life and General Insurance operations. These forums are supported by a network of Sounding Boards responsible for fighting financial crime across Aviva in the UK, and members receive regular information, guidance and training on emerging trends and issues.

As a response to the UK Bribery Act 2010 in 2011, we established our Anti-Bribery and Corruption Programme. The programme included a thorough review and full refresh of systems and controls, staff training as well as employee communications around the hospitality register. During 2011, the Aviva Group Audit function also undertook reviews of bribery and corruption controls across Aviva in the UK to monitor the effectiveness of the implementation of the programme.

Helping protect vulnerable adults

Aviva in the UK has made a significant contribution to the City of London Police work on their assessment and report on *Financial crime against vulnerable adults*. Our financial crime team has been working with the police for over 18 months providing recommendations, which have been incorporated into the final police report on how vulnerable adults can be better protected from financial crime.

Preventing fraud

In the UK, general insurance claims fraud means rising premiums for individual policyholders each year. The insurance industry recognises that customers shouldn't have to foot the bill for a minority's fraud, which is why we have played our part in establishing the Insurance Fraud Bureau (IFB) to intercept and act on cases of organised insurance crime in the UK. Aviva is making a significant investment in the IFB and playing an active role in its direction.

Financial crime

97.8%

of employees have undertaken basic financial crime prevention training

Customer contact centres

To be fully trusted by our customers, we need to foster a sense of trust and care in our own people, who are the face of Aviva. Our insurance call centres in Norwich, Bishopbriggs, Stretford and Glasgow for example, host more than 1,200 employees who in turn look after two million motor, home and travel insurance customers.

Through a combination of leadership training and communication, we have a flourishing call centre culture. We're now one of the Top 50 Call Centres in Europe and finalists in the European Call Centre of the Year Awards.

"I think that in the last year Aviva has progressed a long way and it's really important that regular engagement, from the top to the bottom, is maintained and communication is kept up to date and is transparent," said one centre employee.

We've done this by changing our recruitment processes to concentrate on shared values for potential employees. We've changed our measures – scrapping arbitrary targets set for staff – such as call volumes. Now we encourage our people to follow a customer journey from end to end, rather than just one section of it. We also recognise what's important to them. Employees now have free cereal in the morning!

As a result of this new approach, we've seen huge successes in being able to pre-empt call volumes during extreme weather events for example, or communicating during charity events (this will be our 15th year taking calls voluntarily for Children In Need).

The last two years have seen a rise of customers purchasing insurance online by 33% (to 72%). To respond to this trend, we have reduced our response time for emails by 50% and are performing and maintaining a 97% quality rate.

Customers

22.5%

increase in customers who would recommend Aviva over the last year

Transforming home repairs

Home insurance repair research told us we didn't always communicate with the customer in the way they wanted. Now we ask how best we can contact them, and offer the option to authorise others to deal with the claim on their behalf.

This has resulted in positive feedback – with hundreds of customers scoring us 10/10 for satisfaction and enabling our claims specialists to individualise how they treat customers when they claim.



Climate change and environment

We see the potential impacts of climate change as a risk to the sustainability of our business and our planet. Climate change will have an increasingly disruptive effect on our vision of providing prosperity and peace of mind to our customers. As a responsible business we seek long-term solutions, which need to be integrated into the way we do business.

Aviva is currently working with the Association of British Insurers and the Government to address the issues around the ending of the flooding Statement of Principles in 2013 – but this has to be part of a bigger conversation in which everyone understands their responsibility in flood risk management.

We also recognise that our business operations have an effect on the local, regional and global environment and that we have a responsibility to the environment beyond legal and regulatory requirements.

We continue to make our environmental footprint as light as possible by reducing our utilities consumption, waste and business travel use. During 2011, we reduced our carbon emissions by 7% and business travel CO₂ by 24% compared to last year. We firmly believe that raising awareness with our employees and addressing environmental impacts is also an essential part of delivering our environmental strategy.

Perception

78%

of our people feel we make business choices that support the environment

Benchmarking

Top of Europe's 300 biggest companies for having the best record for carbon intensity

Reducing impacts – getting our own house in order

We work hard to reduce our own climate change impact through encouraging behaviour change and introducing new technologies.

By implementing technological advancements and introducing new ways of working we have reduced our carbon emissions during 2011 by 7%. While we remain carbon neutral, we know we can do more to further reduce our environmental impacts.

In 2011, we completed the transition towards e-documentation for our customers and brokers, resulting in 52% of our registered brokers using online documents to view, download or print. 50% of our direct insurance customers are also using our online services. Remaining areas of the business now have online document functionality, and we expect usage to increase to similar levels by the end of 2012.

The move to e-documentation required collaboration, since no single solution could be applied to build electronic versions of our documents. We worked alongside Williams Lea and Admin Re to build PDF documents from existing print files. This project also illustrated the challenge of behaviour change among customers, brokers and our own people. In 2011, we continued to prioritise waste and recycling.

We segregate waste in our offices and have now switched to utilising local Material Recovery Facilities for all our general office waste. We also recycle the food waste from our canteens. We are working with our waste management partners, Initial Cleaning Services, to look at how we manage the balance and also looking internally into the business focusing on how we can reduce the waste we produce.

Our best practice in this area was recognised when we were awarded the Chairman's Cup in the City of London Clean City Awards for our exemplary operations at our headquarters in London.

Reducing business travel

For the first time in 2011, we set separate carbon reduction targets for the carbon emissions from our buildings and business travel. This means we are offering alternatives to business travel in addition to reviewing our UK property estate. We have also placed a revised cap of 150g/km on all new cars ordered for our fleet.



Recycling
91%

Our UK recycling rate now stands at 91%

Water
11%

We reduced our water consumption across the UK estate by 11%

Efficiency
£402,000

Energy saving measures will save us an estimated £402,000

Engaging with suppliers on environment

We work closely with our suppliers to further manage our environmental impacts. We use a Corporate Responsibility Code of Conduct with all our suppliers to ensure they match with our own internal standards. For the most significant suppliers we include environmental clauses in contracts. Some examples of this are in respect of IT waste recycling and disposal and our data centre outsourcing.

In 2011, we signed up to the Barclays Supplier Pledge to identify where we can achieve reduction targets. It also provides a platform for Aviva to share our environmental best practices via quarterly forums with the other suppliers that have signed up to the pledge.

We have long-standing relationships with Telereal Trillium and G S Hall who inspect, service and maintain equipment and plant in accordance with insurance and statutory regulations. The 2010 year-end report identified a number of potential energy efficiencies measures including reprogramming the Building Management Systems, introduction of more efficient cooling, modifications to plant to reduce their energy use and insulation of heating pipework. We have invested in these works, which will save an estimated £402,000 and achieve an estimated 8% reduction in CO₂.

Working with IT Efficient, our registered IT waste disposal partners, we have reviewed our logistical practices. By combining the delivery of new equipment with the collections of retired assets we have reduced the distanced travelled by 8,045 miles, which equates to 3.24 tonnes of CO₂ emissions.

Supply chain

3.24 tonnes

Our IT waste partner has saved 3.24 tonnes of CO₂ in 2011 – that's a saving to our supply chain

Catering partner drives down mileage

Aviva's national catering partner, Compass, has removed four million miles from the food chain nationally by moving to an online ordering system and using one distribution point for deliveries. As well as educating employees on food sourcing, only Marine Stewardship Council fish is available in Aviva restaurants.



Forward-thinking, enabling public campaign

As a forward-thinking company, we work with others to better understand the future implications of climate change and play our part in helping develop and deliver society's continuing response.

In 2011, we sponsored Climate Week, which saw half a million people attending 3,000 events in Britain's biggest ever environmental occasion.

Climate week is a supercharged opportunity for organisations and people to share bright ideas, positive actions and to inspire others.

We actively encouraged our employees to get involved with our Climate Week activities and promoted alternatives for travel. By inviting Global Action Plan to run two sustainability workshops, we provided specialist training for our environmental champion network. We also worked with our catering suppliers to provide low-carbon meal options during Climate Week.

We will continue to be a Climate Week insurance champion in 2012.



The light bulb moment

Our winning Climate Week Challenge entry proposed adjusting the temperature range of our large call centres to reduce the thermostat triggering heating and cooling. We implemented this suggestion and estimate carbon savings of 2.5 tonnes of CO₂ per annum.



Sustainable products

Sustainability – and protecting family futures

We've won awards for our products and services across healthcare, insurance and life and pensions businesses. Being voted for by industry specialists is rewarding. But you might not expect how Aviva upholds its sustainability principles through individual customer recognition and our commitment to the environment.

We're now insuring businesses across the fast-growing environmental goods and services sector – demonstrating our commitment to enabling solutions to climate change alongside keeping our own house in order.

We are about people not policies. We support individuals and their families now and in the future, often through major life changes. And, for payment protection for short-term injury, we also want to look after customers to keep them well through employer healthcare plans or individual cover. In January 2011, we launched our research reports series into *Family Finances*, looking at changing attitudes to wealth, debt and expenditure. We also examined different types of family concerns for the future.

With our research telling us that people are not saving enough to secure the retirement they'd like, we've responded by inspiring behaviour change among our customers, using personal, innovative and knowledgeable ways on sensitive topics.

Best pension provider

Best lifetime funding provider

Best investment product provider

Insurance Age Sentiment Survey Awards winners

Personal Finance Awards winners

Acting on exclusion

Making home contents insurance affordable

Aviva has continued to make progress over the last year in addressing the trend that less than half of low-income households in the UK hold home contents insurance. Of these, a third borrows funds to replace stolen or damaged items, increasing their indebtedness.

For almost 20 years, we have worked closely with Aon Limited and other insurance brokers, local authorities and registered social landlords to provide tenants with accessible, affordable home contents insurance. The cover is paid mainly with rent, on a weekly basis, with a zero excess feature providing peace of mind on an affordable basis, in many cases, without the need for a bank account.

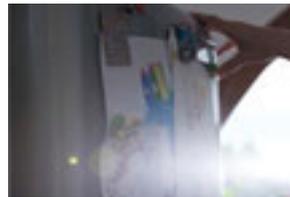
We now work with 100 local authority and registered social landlord schemes throughout the country, an approach which helps to overcome fears or mistrust in the financial sector. The Aviva Tenants Contents Unit has participated in discussions with the Financial Inclusion Taskforce within the Treasury and sat on the ABI Tenants Contents Insurance working group. We will continue to work to build awareness, encourage and promote the existing schemes and ensure that household insurance continues to have prominence on the Financial Inclusion agenda (post Financial Inclusion Taskforce).

Grief Encounter

As part of our family protection activity we've been working with a specialist children's bereavement charity, Grief Encounter, to offer more than financial assistance when it comes to life insurance claims.

Where there is a dependant under the age of 18, in the event of the death of parent or significant guardian, our claims team will make the introduction to claimant families or we drop them a leaflet explaining what the charity does. We then leave the rest up to the family and the charity.

The claimants we've spoken to have all expressed gratitude about receiving the information. In 2012 we will work with Grief Encounter in holding two family days which will enable children to have a fun day with other children who have also suffered a loss.



Addressing life insurance perceptions

Our public engagement activity on family protection also continued. We understood from the public that they found life insurance unaffordable and complex – yet they were aware their family might struggle if they were to die.

Our 'Holiday Packing' commercial, featuring Paul Whitehouse, addressed this sensitive issue in a thought-provoking manner, showing a family could protect itself financially. The broker community were impressed at the way we raised this important topic with warmth and expertise.



Protecton

93%

of UK families feel they don't have adequate financial protection

Life

61%

of families don't have basic life insurance

Home

Less than half

of low-income households in the UK hold home contents insurance

Healthcare that really cares

Our healthcare business prides itself on understanding its customers and offering an empathetic, expert service.

Our commitment to continuous improvement means we've acted on feedback and reviewed our product literature to ensure that the benefits are clearer and that claims teams have made the claims process simpler. We've helped improve our customers' understanding of their cover, reduced the number of calls they need to make to us, and significantly improved the service they receive.

We have worked closely with our corporate customers in 2011 to ensure we keep workforces healthy – and at work. Over the past year, we've helped many FTSE 100 employers address business issues such as preventative measures to reduce absence, while also supporting their employees' return to work following absence.

We've also changed the standard approach to managing musculoskeletal claims. Aviva's award-winning *Back-Up* rehabilitation service now covers a more extensive range of musculoskeletal issues. The service improves the speed of recovery and return-to-work rate for customers with back and neck conditions – last year, 97% of *Back-Up* customers spoke to a qualified physiotherapist within two hours of their first contact with Aviva, avoiding a wait to see a GP.

We're not just there for customers when they're unwell. We help keep them healthy too. Even more customers are using our *MyHealthCounts* service to help them lead a healthier lifestyle and even earn discounts on policy renewals.

Enhanced cancer care cover

Improvements to our cancer cover mean that our *Healthier Solutions*, *Solutions and Optimum* customers now benefit from one of the most extensive levels of cancer cover available from the private medical insurance market today. Our unique cancer pledge states:

'We understand the importance of providing extensive cover and support at every stage of your treatment. Our cancer pledge means we'll cover the cancer treatment and palliative care you need, as recommended by your Specialist. We also want to make things as comfortable as possible following your treatment. So, we'll provide extensive cover for your aftercare, including consultations with a dietician, as well as money towards prosthesis and wigs.'

Perception

94%

customer satisfaction scores for our healthcare business in 2011

Health

97%

of our *Back-Up* customers spoke to a qualified physiotherapist within 2 hours

Health Insurer of the year 2011

Clearer retirement choices

We've been campaigning to improve the experience people have when thinking about or approaching retirement and making their money go further.

We believe the annuity market can do more to help customers understand clearer options that provide a better financial outcome for individuals.

In our view, the market has grown by around 70% in the past two years – and the industry needs to empower customers with better information so they can shop around and make better choices.

Our proposals include requiring all providers to publish their annuity rates and introducing a system to highlight to customers that many may get a higher income from a medically underwritten annuity. We've shown the difference in rates can equate to thousands of pounds.

Recognising it's not just about annuity rate but the type of annuity and the service customers get, we spend time with every customer explaining the detail of annuities and how they work – things such as joint annuities and inflation protection.

Our engagement with the Government has helped them identify simple policy proposals to improve the negative aspects of the market. We're also working as part of the ABI's working group to introduce a compulsory code of practice on 'Consumers in the Retirement Market'.

We've also been in dialogue with contacts in the UK Department for Work and Pensions and HM Treasury, as well as in consumer groups such as Which, Pension Income Choice Association, Age UK and the Money Advice Service.

Our research now shows a 30% increase in consumers who shop around for the best retirement income – not just for the best annuity rate but the type of annuity and service.

Our work with regulators and the Government has included requiring all providers to publish their annuity rates and an approach to highlight the benefits of Enhanced Annuities for those consumers in ill health. We've worked with the ABI to introduce a compulsory code of practice on 'Consumers in the Retirement Market' and supported an active dialogue with both HM Treasury and the Department for Work and Pensions to help identify simple policy proposals to improve negative aspects of the market.

Younger savers

685,000

young people viewed our online video about pensions savings

Younger savers campaign

We've been raising awareness for young people to make the most of their money – because they aren't saving enough for the kind of retirement they'd like. In fact, half the UK working population doesn't save into a pension at all. We sought a new way to engage people about saving, using social media (and a very clever magician) to grab the attention of 25–35 year olds especially. We got them thinking about the benefits of saving through their workplace pension scheme – generating more than 685,000 video views with 72% of the target audience understanding it was about pensions.





Attracting and retaining talent

Striking the right balance between recruiting new talent and retaining current experience is critical to developing our people. Our annual employee survey says we're on the up with 82% saying we have a climate in which diverse perspectives are valued.

We work hard to be fair and promote equality across a diverse workforce through training and standards. We recognise people's individual strengths across our Talking Talent programme. And, of course, we think of the future leaders – how we encourage the industry talent pool, how we train our people and how they are rewarded. These are the people who will be advising the company when today's young people turn to us to secure their financial futures.

For our careers site, and feedback, please visit here. To find out about our volunteering success in our key communities, visit our Developing communities section.

Perception

82%

of employees believe we enable people with diverse backgrounds to succeed

Diversity

97.8%

of people have undertaken diversity training

A choice of reward

My Aviva Flex and My Aviva extras are our benefits schemes that enable employees to choose aspects of their reward and pay such as buying childcare vouchers, home-computing equipment or managing personal pay and holiday weighting.

My Aviva extras saw an increase in take up from 4,278 employees (19% as at June 2010, a few months after launch) to 13,527 employees (57%) in August 2011.

More than 80 appointments were booked with in-house financial advisers following the reward road shows. In total, nearly 7,500 employees accessed the flex website during the enrolment window.

We have refreshed the offers with the introduction of the home computing offer to complement the existing choices, which has been instantly popular, plus more than 15% of employees have bought or released some of their holiday allowance.

We also want to make people proud of our products and services. This year, we offered a chequebook of discounts to employees, their friends and families with significant discounts across many of our products.

Surrogacy rights

A diverse workforce has diverse needs, and recognition comes in many forms. A surrogacy leave request prompted us to review whether one benefit met the organisation's diverse needs. We checked legal and peer organisation viewpoints, finding surrogacy leave uncommon – perhaps because companies cannot reclaim any costs from the Government.

We now have a generous surrogacy benefit that mirrors our adoption benefits – an offering that far exceeds the statutory benefits available for adoption.

Employees can now apply for up to 12 months surrogacy leave, 18 weeks full pay and a further 21 weeks equivalent to lower rate statutory pay – plus the right to return to the same or a similar role.

Benefits

7 out of 10

employees take up a benefit from our Aviva Flex scheme

Engagement

3,000

employees attended a reward road show

Graduate recruitment

Attracting and retaining our future leaders via formal graduate schemes has been a priority area for us in 2011, right from the start of the attraction process.

We have refreshed the 2012 graduate attraction campaign proving our commitment to attract talent to Aviva. We posted 45 vacancies live for 2012 intake up from just 5 in 2009 showing an increasing demand for graduates as part of our business strategy.

Reviews have been carried out of all universities we currently target against priority areas of the business to ensure we are proactive in attracting the 'best of the best' talent. We will seek to forge strong relationships with academic institutions in 2012 to feed the future pipeline too.

We are also proud to have a UK-wide central CR graduate programme across our 41 graduates. This boasts four specialist CR graduate project managers who are leading key location activity including fundraising, volunteering days and coaching subsequent graduates on their programmes.

Future advisers

Our *Aviva Future Adviser* programme offers six-week summer internships for 10 candidates to experience working in the insurance sector.

Interns spend time with our regional sales teams, learn about the products we sell, visit three of our partnership building societies and have two weeks with an Independent Financial Adviser.

Ten of our interns from our 2009 and 2010 *Future Adviser* programmes are now following a career in financial services – one way in which Aviva is responding to expected changes following the Retail Distribution Review.

Graduate talent

£104,000

We have invested £104,000 in media campaigns to attract graduate talent

Attracting talent

More than 50

applicants for each place on the graduate scheme

Future talent

In May 2011, group chief executive, Andrew Moss, signed up to the Government's *Every Business Commits* strategy to support the employment of young people. Actions coming out of this include better equipping managers with tools to support work experience placements.

To achieve this we have signed up as platinum partners to the Financial Skills Partnership (FSP), our national sector skills council. As a major employer in Norfolk, Aviva chairs the board of the National Skills Academy for Financial Services in the East of England and contributes to other industry network groups.

We are also part of the Perth Insurance Hub and work hard to promote careers in insurance with local schools as well as the college, holding two open days a year for S2 (12-year-old pupils) and actively promoting the Professional Development Award in Insurance as a Highers Option.

The recruitment team has been working with the FSP on a work experience portal, which allows pupils to register their interest in placements with Aviva so that we can better manage demand for work placements and help develop employability skills.

The talent pipeline

We have worked to ensure that we are compliant with the new Agency Workers Regulations, with an emphasis on making sure that temporary workers that have chosen to work at Aviva have easy access to knowing what their benefits are and how to access them.

Our on-boarding process has been the focus of a review, which gathered feedback from hiring managers and candidates to understand what the process feels like and how improvements can be made.

Coaching the rugby players

As Rugby Premiership sponsors we have been working with the Rugby Players Association (RPA) to introduce players to Working at Aviva, Working in the City. The players we are targeting will most likely be looking to exit their sport, either through retirement or injury, so we are currently linking players with Aviva mentors who offer CV and career advice.

Essential learning

In order to manage legal, regulatory and business risks, we require all 22,000 employees to complete nine essential e-learning modules each year.

Last year, we completely overhauled our Essential Learning with a consistent look and feel. By December 2011, 97.3% of our people had completed the new course covering:

- Business ethics
- Diversity
- Health and safety
- Employee wellbeing
- Anti-bribery and corruption
- Financial crime prevention
- Data protection
- Business protection
- Treating customers fairly.

We are now developing a version of this course for up to 30,000 in our broker and IFA community.

Collaboration

Aviva is a platinum partners of the Financial Skills Partnership

Development

97.3%

of employees have completed our Essential Learning course



Developing communities

Working closely with national and regional partners and through our own employees, we work hard to have a long-term impact on our communities.

Nationally, we partner with Railway Children to raise awareness of and support vulnerable children who are alone and at risk on our streets, as part of our global Street to School programme. Through our work, we currently support all of the refuge beds in the UK.

We also invest in our potential customers and employees of the future. We have a national programme to improve economic literacy in secondary schools. It's delivered by Aviva volunteers alongside our long-term partner, Citizenship Foundation – who also help us run the innovative 'Chance to be the Chancellor' competition to uncover tomorrow's financial leaders.

Our national sports sponsorships include a premier league football club, the Rugby Premiership and 60 UK athletes. They have also provided training to over 2,000 teachers and engaged with over 500,000 young people across the UK as part of the Grass Roots Sports programme.

Locally, we have enhanced our corporate responsibility networks at Aviva's 10 main sites across the UK by recruiting additional volunteers, empowering CR network leaders to make local charity grant awards from the central CR budget, and facilitating the appointment of 10 new local charity partners.

Employee participation is integral to our approach. We offer three days' paid leave to volunteer, the opportunity to nominate and vote for local charities to benefit from Aviva funding, we operate an employee CR awards programme, and we contribute to the fundraising our employees do through our £Plus scheme.

Participation

34%

of staff took part in community activities in 2011

Time

30,000

Staff volunteered more than 30,000 hours to their communities in 2011

Charity

£700,000

Our employees raised more than £700,000 for charity in 2011

Children

500,000

We've reached 500,000 children through Grass Roots Sports

Street to School

Aviva's Street to School programme around the world recognises that every child living or working on the street should have the opportunity to fulfil their potential. In the UK, we have partnered with Railway Children, a charity which fights for vulnerable children who are alone and at risk on the streets.

In its second year, the programme continued to build momentum and deliver against its three core objectives: employee engagement, customer and brand, and the cause.

As part of a global initiative, our employees spent a night on the streets for the second UK Sleep Out, raising £32,000 and our executive team raised £120,000 (shared by three charities) by cycling from York to Norwich in a 'Tour d'Aviva'.

Supported by dance group, Diversity, videos uploaded through our Street Dance for Change campaign were viewed more than 330,000 times online and helped us donate £100,000 to Railway Children. We also gifted our Norwich City shirt sponsorship to Railway Children for a live broadcast premier league game, reaching approximately 600 million households worldwide.

To increase advocacy of the issue, we have continued engaging with MPs and co-hosted a parliamentary roundtable with Railway Children. To date, through the projects we support in Sheffield and Glasgow, we have reached over 1,300 at risk young people and, with the help of our staff volunteers, educated 25,277 children in runaway awareness and prevention. We also launched our London project alongside the announcement of Railway Children's first celebrity ambassador, Alexandra Burke. The project supports the development of Railway Children's REACH model – a best practice framework of key services to support young people at risk.

Running Other Choices (ROC) – an Aviva-supported project in Glasgow

ROC was identified by Railway Children as an essential service providing Scotland's only refuge for young runaways, under the age of 18, who feel unable to return home.

Aviva's investment supports the ongoing operation of ROC – previously at risk of closing – which offers a safe, short-term place for a young person at risk to stay. ROC also provides advice, advocacy and support in addition to the provision of a 24-hour helpline and crisis support.

The funds will also back an essential prevention education programme through workshops in schools and youth clubs in Central Scotland.

"Creating sustainable change for children, who are living alone and at risk on the streets, takes time to achieve. However, if we can act today, we can make a real difference for tomorrow."

Andy McCullough

national strategy & policy officer at Railway Children

Engagement

14%

of employees are involved in Street to School

Charity

£32,000

Our employees raised £32,000 for charity, sleeping rough for a night

Engagement

Over 4 million

customers reached with Street to School messaging

Customer giving

£40,000

donated to Railway Children through £ per policy customer incentives

Financial capability

Understanding finance is clearly beneficial as people move from opening their first bank account through to retirement. We are actively engaged in supporting people at different stages in their lives to help them make informed decisions about their future.

We've partnered for four years with Citizenship Foundation to deliver Paying for it, a schools programme covering financial education. More than 3,500 teachers are registered online to access free lesson plans and materials. New to the programme in 2011 is a Social Protection module, which focuses on pensions. The lesson plans have recently been re-accredited with the Personal Financial Education Group quality mark.

Learn and Thrive is a partnership between Aviva and City of York Council (CYC), which includes a range of free workshops run by Aviva and CYC volunteers. The workshops proactively target low socio-economic groups. The programme has also included funding from Aviva for the refurbishment of York Central Library into York's flagship Explore centre – a new library venue, which aims to bring the community together and includes learning facilities and a café.

As a large employer, Aviva has strong relationships with local schools and colleges that are encouraged through our CR agenda. Aviva is a platinum partner of the Financial Service Partnership and have worked closely with the organisation to review suitability of Apprenticeships for Aviva. We have a strong local presence in Norwich through Financial Industry Group Norfolk and Chair the board of the National Skills Academy for Financial Services in the East of England.

Aviva is part of the Perth Insurance Hub and works hard to promote careers in insurance with local schools as well as the college, holding two open days a year for S2 (12-year-old pupils) and actively promoting the Professional Development Award in Insurance as a Highers Option.

Aviva and Citizenship Foundation present the first ever Youth Budget

2,826 young people aged 14 to 18 from across the UK participated in the *Chance to be Chancellor* online challenge to create their own Youth Budget for the country. The results of these views were collated to produce the first ever 'Youth Budget', which was presented to Sir Nicholas Macpherson, Permanent Secretary at HM Treasury. We believe that young people have a valuable contribution to make to public debate. Whilst young people cannot vote, they are the next generation of voters, and will ultimately 'pay' for decisions made today.

The Youth Budget is a unique way of giving young people across the UK a voice on decisions made in the Budget today that they will pay for tomorrow.



"As voters of the future, it is incumbent on the Government to pay attention to the voice of young people. The Youth Budget is an attempt to channel that voice so that young people get their say on significant economic issues of the day."

Andy Thornton
chief executive of the
Citizenship Foundation

Education Over 70

Aviva volunteers have been trained to deliver financial awareness education in schools

Grass Roots Sports

Through our sponsorship of Premiership Rugby, UK Athletics and Norwich City Football Club we aim to:

- make a difference beyond elite sport and direct a significant proportion of our investment at grassroots level
- help children get active and play a role in positively impacting the trend for childhood obesity
- help children build self esteem through participation in sport – we know from community rugby this works as all shapes and sizes make a team
- leave a legacy by growing the sport for the children of the future
- allow our employees to feel the benefits of our sponsorship – their children participate, parents get involved in coaching – positively impacting how they feel about working for Aviva.

Through UK Athletics, we are proud to be the first financial services company to become a partner to the Department of Health's Change4Life campaign, which aims to significantly reduce the nation's obesity levels by encouraging adoption of healthy behaviours. We directly support up to 60 young athletes across the UK through the On Camp With Kelly programme, each benefiting from unique training and development experiences.

By the end of the 2011/2012 school year, 80,000 children will have participated in the Aviva Premiership Rugby Schools programme since it launched in 2010. In 2011, the clubs worked with 650 primary schools, trained 1,300 teachers and engaged with 40,000 young people.

Aviva has long been a supporter of the community programmes at Norwich City Football club (NCFC). Our unique Footy Finance programme uses the medium of football to help young people become more financially aware.

The Ability Counts programme uses a range of sporting activities to build confidence amongst disabled children and adults.

The Aviva Summer Cup is the largest junior football tournament in the region, run over two days by Community Sports Foundation, and engages with around 5,000 members of the local community.

Community Chest

In November 2011, Aviva gifted its shirt sponsorship to Railway Children for the high profile match between NCFC and Arsenal.

It is the first time a commercial sponsor has handed over its shirt logo to a charity for a one-off Premier League match. Railway Children's logo took pride of place on the players' shirts and appeared at various branding points around the stadium.

Fundraising also took place on the day with Railway Children and Aviva volunteers bucket-collecting outside the ground as well as text-to-donate messages in the programme and on the scoreboard. Post-match, the shirts worn by the players were auctioned on ebay. In total, £10,000 was raised for Railway Children.



Sports

£2.8m

We invested £2.8 million this year in Grass Roots Sports programmes

Education

The Aviva Academy has reached 460,000 children and 2,800 teachers

Young people

Nearly 7,000

young people have participated in Aviva's Norwich City football programmes

Charity

Aviva is the first Premier League commercial sponsor to hand over its shirt logo to charity

Our regions



Charitable donations
from Aviva France
Foundation 2011

€175,000

Carbon footprint
reduction

7%

(2010–2011)

During turbulent economic times in Europe our corporate responsibility has never been more important to us at Aviva. We are beginning to position CR right at the core of our business processes and have made huge progress in the areas of environmental sustainability, responsible product development and our flagship Street to School initiative.

Why is this important?

“Our customers rely on us to meet their needs, often for the duration of their life time. We are proud to be building Aviva Europe into a sustainable business that will continue to make a real difference to the lives of our employees, customers and the communities in which we operate.”

Igal Mayer, CEO
Aviva Europe





Our approach

During 2011 we worked hard to share best practice with other Aviva business units in order to continually challenge ourselves. For example, we have engaged extensively with US colleagues on our diversity strategy and Asia Pacific on business ethics, all part of our One Aviva approach.

Looking ahead

Despite tremendous achievements we know we can do better. Over the next year we will be focusing even more on:

- Aligning our CR initiatives more closely to our branding and product development
- Improving employee participation and advocacy for CR
- Entrenching our One Business Culture and diversity strategies
- Increasing our carbon reduction targets to over 5%
- Addressing carbon in procurement more strategically.

“I am very proud of all we have achieved but am also conscious there is scope to improve to ensure Aviva Europe becomes a leader in CR.”

James Leach

head of CR, Aviva Europe



Trust

We want to earn trust and respect by operating with integrity. This is essential to Aviva Europe's vision to be the most admired, sought-after and financially successful company in our industry. We have strived to be even more responsive to customer needs, particularly when disasters strike; we have worked hard on our financial capability programmes, particularly our industry-leading pensions gap research; and we have engaged our suppliers so they are also trusted partners.

For example, in Poland, Aviva has been voted as a 'trusted superbrand' by Reader's Digest. Aviva was also among 25 Polish companies shortlisted for the finals of the European Business Awards 2011, for achievements in business, ethics and innovation.

Satisfaction

eight points

Turkey has seen their NPS scores increase by over eight points in 2011 and is significantly ahead of their competitors

Responding to customer needs

Weather disasters are becoming more frequent in Europe and it is Aviva's role to respond to our customers' needs in these difficult times.

In Ireland last October, flash floods affected over 1,000 Aviva customers. Aviva Ireland set up a dedicated fund allowing us to make advance payments to our customers for temporary accommodation or alternative forms of transport quickly. These payments were offset against the outstanding claims when they were settled at a later date.

Commenting on the Aviva Ireland flood fund, Grainne Mackin, Head of Group Communications in Aviva said, "A lot of our customers have had very traumatic experiences and have lost a lot of their personal belongings, or their homes. By making advance payments we are attempting to reduce some of their concerns by ensuring that they have the necessary finances to get their lives back up and running as quickly as possible."

In France, our tied agents and claims team were immediately mobilised to provide support and assistance to our customers during flooding in the south east.

The Van earthquake hit Turkey last October causing mass destruction to the eastern city. As well as speeding up the claims process, Aviva employees came together and collected donations and supplies for victims.

"The claims experience with Aviva was fast! As horrible as the whole experience was, the insurance side of it went very smoothly, which really helped."

Irish customer

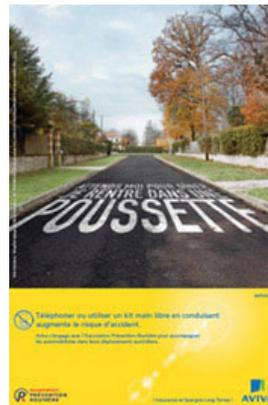
Road safety

In Turkey, one person is killed in traffic accidents every 55 minutes and that person is invariably a teenager. The 'Choose to live in traffic' project's simple vision is to reduce the number of traffic accidents by increasing awareness in the younger generation.

The Turkish team launched a media campaign which included various activities on the streets of Istanbul to highlight the benefits of walking or biking. Activities were centred around universities, reaching 1,800 students.

Employees were also involved in this initiative and received driver safety training.

In France our team ran a campaign in partnership with a national road safety organisation to raise awareness of the danger of using a mobile phone when driving, while in Ireland we offer young drivers a free one-hour safety training session called 'Ignition'.



Financial capability

Growing pressure on Europe's pensions systems caused by ageing populations is a widely acknowledged problem, with the ratio of retirees to workers only set to increase from one in four in 2010 to one in two by 2060.

In September 2010 Aviva calculated Europe's pension gap – the difference between the amount that people retiring from 2011 to 2051 will need to maintain an adequate standard of living and what they will receive from public and private pensions – at 1.9 trillion and, because this gap cannot be reduced with a single solution, it made a series of recommendations designed to change attitudes to saving and encourage more people to better understand the financial choices they need to make to prepare for retirement.

The savings gap

In 2011 new research in Aviva's 'Mind the Gap' series showed that although it is possible to make a significant positive impact on retirement income by saving more and saving earlier, consumers across the region are ignoring the warning signs about the gap between retirement expectations and levels of saving, leaving them financially under-prepared for retirement. For example, only 23% of Europe's 18–34 year olds take an interest in information on personal finance.

This group should be encouraged more to increase their interest in saving and their understanding of the choices they need to make to plan for their retirement. Access to information such as annual pension statements designed in a clear, simple and engaging way is clearly one of the actions required. As such, a new report published in November, 'Towards annual pension statements across the EU' called on the European Commission to support action to raise people's awareness of how much they stand to receive in retirement.

The European Commission has subsequently signalled its intent to build a more secure platform for individuals to plan for their retirement through its White Paper 'An Agenda for Adequate, Safe and Sustainable Pensions' which champions recommendations made by Aviva, such as annual pension statements and measures to increase consumer confidence in retirement savings products.

To support our advocacy in this area, we launched an online pensions calculator in Poland which calculates future pension payments and the savings needed for a comfortable retirement. The calculator is available on Aviva's website.



Unrealistic expectations in the years before retirement:

44%

believe they need all of their monthly income prior to retirement to be comfortable

56%

are more concerned about paying for day-to-day expenses than their retirement

Denial and lack of interest among 18–34 age group:

60%

say they are worried they won't have enough money to retire on

33%

A third (33%) admit that they don't understand pensions

55%

Over half (55%) are more focused on figuring out how to cover current expenses than planning long-term finances

Engaging our suppliers

Our suppliers are key stakeholders in our commitment to being a responsible business and allowing our customers to trust in us.

We engage with our suppliers as partners to ensure that they reflect our own approach to corporate responsibility.

CR in the procurement process

The first step to align our supply chain to our own responsible business principles is to assess all potential suppliers at the point of tender. All suppliers are asked to complete a CR questionnaire which is assessed to monitor performance in relation to stated commitments.

Once a supplier successfully completes the tender process they are asked to sign up to the Aviva Supplier Code of Behaviours. This clarifies our commitment to CR and supports suppliers in addressing any challenges.

Both the CR questionnaire and Code of Behaviour are integrated into the European Procurement Platform (a single automated system) for our supplier profile management.

Supply chain

26%

of AE managed suppliers signed the Supplier Code of Behaviour in 2011

“Aviva’s Code of Behaviour that we introduced in 2011 provides our suppliers with the guidance to help them along our CR journey, ensuring we build a sustainable supply chain.”

Sandrine Brun
procurement director,
Aviva Europe



Climate change and environment

We're managing our climate impacts through a range of innovative approaches to energy efficiency and by engaging with our employees to promote good practice. We are also making good progress in managing our resource use, particularly around our main areas of impact – paper use and water.

Carbon
7%

In 2011, we achieved a 7% reduction from 2010 in our carbon footprint across Europe

Green IT

Our approach to Green IT reflects our commitment to CR across Aviva, not simply from within the CR functions. Our IT teams have successfully reduced the number of data centres across our operations from 10 to two. The new state-of-the-art data centre operates to the highest energy efficiency standards, for instance it has free cooling technology which refers to utilising the favourable weather conditions outside rather than using electricity. Therefore this new GreenIT data centre is expected to produce significant savings which will come through in 2012.

Telepresence

Last year we held over 900 meetings from 14 telepresence suites across eight European countries. This resulted in Aviva Europe avoiding the use of 110.5 tonnes of carbon and over €1.5 million was saved in travel costs, as well as improving employees' working lives by cutting unnecessary travel and increasing efficiency at work.



Virtual meetings

110.5 tonnes

In 2011 we held over 900 meetings across eight European countries using telepresence, saving 110.5 tonnes of carbon and €1.5m in travel costs

"IT has contributed to the Aviva Europe CR journey by implementing a premium virtual meeting solution. This improved the work-life balance of our employees and resulted in great CO₂ emission reductions and travel cost savings in 2011."

Patrick Dixneuf
chief operations officer,
Aviva Europe

Improving our energy efficiency

Our energy consumption contributes to nearly 50% of our carbon footprint, making energy efficiency a key focus area for Aviva. In addition to Green IT [link] initiatives, we have sought to maximise our efficiency right across our operations. We do this through behaviour change in conjunction with optimisation of technologies.

Parallel to our energy-saving measures, we also opt for green energy tariffs where possible.

In Ireland, where energy consumption is minimised through a highly efficient building management system, we have also renewed our contract with green electricity provider Energia, which provides us with 100% green energy.

Building efficiency

As a service industry, around 50% of our emissions come from the buildings we occupy through heating, air conditioning or lights. That is why energy efficiency was a major factor in the choice of office relocation for our Polish and Russian businesses in 2011.

The Platinum IV building, chosen as the new Polish headquarters, is built to a high environmental specification combining high energy-efficiency management with features such as a central waste collection and flow restrictors on taps.

We run an environmental audit on the building every year in order to continually improve its efficiency.

Lessons from Platinum IV will be drawn on when selecting the new headquarters for our Italian business in 2012.



“It is very rewarding for Property and Facilities to continue its contribution to the CO₂ emission reduction targets. This has been achieved through buying 100% green energy in Ireland and investing in water saving initiatives in France and Turkey. We have relocated to new more efficient, lower carbon HQ buildings in Spain and Poland and will be moving offices in Italy during 2012.”

Stuart Wright
operational services
director, Aviva Europe

Reducing our paper and water consumption

Paper and water consumption are key aspects of our environmental programme footprint and are therefore priority areas within our wider carbon reduction strategy.

We have a range of water-saving initiatives across Europe:

- In Ireland, Italy and Poland we have rolled out water-saving measures in the form of flow restrictors and aerators on water taps, which resulted in a 50% reduction in water consumption per tap.
- In Turkey, where drought is already an issue, the team is using well water for watering the gardens and has introduced a semi-flush on the toilets.
- Aviva Ireland is investigating the use of waterless urinals.

Similarly, we have made significant progress in reducing our dependency on paper:

- Aviva Ireland has seen significant falls in paper usage as a result of installing multifunctional printing devices (MFDs). This approach has been rolled out across Europe, with our Italian offices seeing considerable improvements in the first six months. The total number of printers was reduced resulting in a CO₂ reduction of 41.7 tonnes per year and a saving of 96kw of energy per year.
- In France, tests proved that over 23% of printed documents were left on the printer anver collected before the installation of MFDs. The new devices mean that employees must physically sign into the printer before it will print, ensuring that documents are only printed when absolutely necessary.

Water

50%

In Ireland, Italy and Poland we use tap flow restrictors which are designed to reduce water consumption by 50%



Sustainable products

As our European markets evolve, we must continue to anticipate our customers' changing needs by developing new products and services for lower-carbon, healthier and more sustainable lifestyles.

“Our key focus for 2012 is to truly embed CR into our processes and operations and develop Aviva Europe into a sustainable business. To do this we must take a more strategic approach and engage with every business area.”

Thibault de Saint Simon
CR manager,
Aviva Europe

Encouraging environmentally friendly travel

At Aviva Europe we not only go the extra mile to reduce our own carbon footprint but we are also supporting our customers to do the same. Through initiatives such as offering discounts for reduced mileage in Ireland and electric vehicles in Italy customers are incentivised to reduce their carbon emissions.

Taking the train

Since April 2011, Aviva and Eurofil policy holders have benefited from a 30% discount on transporting their vehicle by train for long-distance journeys.

This innovative partnership between Aviva and SNCF has a positive impact on the environment, as well as helping to reduce road accidents and fatalities by limiting fatigue.

A further discount is available to train users who choose to leave their car at home and hire a car once they arrive at their holiday destination.



Behaviour change

30%

Aviva customers are given a 30% discount on long-distance train travel

Health and wellbeing

Across Europe, we are helping customers to respond to one of the greatest challenges we all face – looking after our health, safety and wellbeing. This includes understanding and responding to what both medical experts and our customers see as the most pressing issues.

Initiatives against breast cancer in Ireland and Spain

Aviva Ireland's Health Insurance business is working with Breast Cancer Ireland to cut deaths from the disease by encouraging women to examine themselves regularly to spot early signs of the illness.

The business launched 'Be Breast Aware – Have a Feel Day!' to encourage women to check their breasts every month as a key part of preventing breast cancer.

Aviva's free health and fitness app, Health Mate, includes a handy monthly breast check reminder. An educational video was also produced to help women to undertake their own breast examination.

In Spain, we have launched a specific policy to cover the illness and also to make people aware of it.



Dr Naoimh Kenny (left), Nicola Turley (breast cancer survivor) and two medical students who are supported in their studies by Aviva Health

"I downloaded the Aviva Health Mate app, and on the Be Breast Aware page I was really impressed with the video attachment demonstrating how to test effectively."

Customer



Attracting and retaining talent

Our people are at the heart of everything we do at Aviva Europe. We place great emphasis on supporting and developing our people through a range of innovative initiatives. We are particularly proud of our use of technology to engage our people across many different countries.

We are a diverse region so our approach to this issue is also particularly important to us:

“Introducing our diversity charter to our French recruitment agencies allowed us to bring them with us on our diversity journey. Our positive discussions led to immediate improvements to our recruitment process, ensuring that Aviva’s CR values and diversity commitments were explained to potential candidates.” Isabelle Nedey, recruitment and mobility manager, Aviva France.

Recognition

Top Employer

Aviva Spain has been named as a Top Employer by the Corporate Research Foundation Institute, an organisation that, for more than 20 years, has been recognising companies that offer excellent work conditions

Europe's diversity strategy

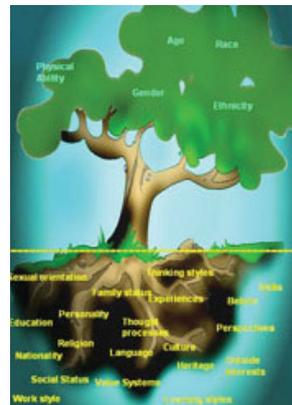
By the nature of our geography, Aviva Europe is a highly diverse working environment and we regard this as a fundamental business advantage. However, there is always more we can do to improve. That's why in 2011 we:

- Utilised our telepresence system to train recruitment managers from across Europe in diversity best practice. The sessions had specific focus on non-discrimination legislation and diversity within the recruitment processes.
- Drew up a diversity charter to engage our recruitment agencies in our commitments to diversity. To test our approach we presented the Charter to four of our largest agencies in France. Feedback was extremely positive with agencies requesting even more direction around CR values and commitments to share with prospective employees.

Diversity e-learning tools

As part of our Diversity Standard and our commitment to disability, Aviva France launched a dedicated e-learning tool for employees. By December 2011, 71% of employees had completed this e-learning, which was designed to raise awareness of disabilities.

To encourage employee participation, completion of the training module was introduced as one of six new criteria in the new profit-sharing agreement.



Listening to our employees

In Europe CR is a key feature of internal communications as part of our drive to embed responsible business practice. Communication ranges from diversity and business ethics training sessions to employee volunteering and fundraising and environmental campaigns on a regular basis.

Listening to our employees is also about developing internal HR standards that promote work-life balance. For example, in Spain we have defined a new labour framework which allows people to complete an entire day of working and finish at 3pm.

We have also developed allowances that help both Spanish employees and their families, for example offering a study allowance.

Employee survey

The impact of our employee communications and engagement is evident in our employee survey results, where for the second year in a row, questions relating to corporate responsibility have seen the most positive responses.

68% of employees feel that Aviva Europe's commitment to CR is genuine, and the score for our contribution to the communities in which we live and work improved 4% on last year. 70% feel we make business choices that support the environment.

Employees also feel that in Aviva Europe diverse perspectives are valued, with this area seeing an 8% improvement in 2011.

Our biggest improvements in CR-related questions came from Spain and Poland, which saw jumps of 20% and 14% respectively. This follows a concerted effort from the local teams to increase our CR profile through employee communications and, more importantly, engagement. Unfortunately we did see a fall in numbers from the Irish market who went through a significant change programme in 2011, plans are underway to address this decrease.



Trust

68%

Our commitment to corporate responsibility is genuine

Communities

62%

We do a good job of contributing to the communities in which we live and work

Diversity

60%

We have a climate in which diverse perspectives are valued

Technology supporting employee communication

Part of our success in employee engagement can be attributed to our innovative use of technology:

- The desktop Office Communications System (OCS) enables employees to communicate worldwide through video and voice calls as well as instant chat, supporting virtual working arrangements. This system is not only more efficient, the video element makes it more personal.
- The global intranet, Aviva World, enables employees to share documents, discuss business topics, post news items and create personal work spaces. Aviva World has revolutionised the way in which employees across markets and regions interact and share ideas, and has enabled employees to voice their opinion at leadership conferences.

Bringing employees together through the Aviva World Leadership Summit site:

- 11,652 page views
- Blog – 14,968 hits during the summit
- 24 bloggers, 65 posts and 100 comments from staff

European Leadership Summit

At the summit in 2011, 130 members of the European leadership team met to help shape our strategy and explore how Aviva Europe will achieve its vision of becoming the most recommended insurer in Europe.

Every employee in Aviva Europe had an opportunity to contribute to this summit thanks to Aviva World technology. Indeed the summit site received over 11,600 'hits' from more than 5,300 employees, many of whom posed questions which were answered by the leadership team. Bloggers from each market relayed key messages in different languages throughout each day of the summit's duration. The lively debate contributed significantly to Aviva Europe's strategy going forwards.

The site made employees feel part of the proceedings and deepened their understanding to help Aviva become the 'most recommended insurer' in Europe.





Developing communities

Investing in our communities across Europe is critical to our business success as communities encompass our employees, customers, suppliers and future investors. Across Aviva Europe, in addition to our flagship Street to School programme, we also respond to specific local needs through a range of community projects that reflect the passions and concerns of employees and enable us to share our time, resources and expertise where we can make the most difference.

Street to School in Europe

"2011 was a tremendous year for Street to School in Europe. We've worked hard to establish local partnerships throughout the region, even winning awards in Ireland and Turkey. Our employees have astonished us with their generosity, donating almost 21,000 and giving up 2,658 hours of their time to support over 6,200 children. We cannot thank everyone enough." Sarah Ellis, Corporate Responsibility Manager, Aviva Europe

"These children can't get the support they need at home, so we were delighted to help."

Tatsiana Ramanovich
Russian Street to School programme coordinator

Street to School initiatives around Europe

Sleeping rough and rebuilding homes in Ireland

Nearly 50 Aviva Ireland employees including members of the senior management team raised over 16,000, which was matched by Aviva, when they slept rough last June as part of the Aviva global sleep out.

After an urgent request from partner Focus Ireland to help renovate one of their transitional homes damaged by fire, 28 employees volunteered and the family moved back just 12 days later. The mother of the family commented, "I cannot believe that people I don't know would be willing to help my family".

Street to School won the Chambers Ireland Corporate Responsibility Award for being a 'Good Neighbour' in 2011.



"I am so proud to provide support and delighted that through this second centre we can reach even more vulnerable children."

Emanuela De Matteis
Italy Street to School programme coordinator

France: keeping underprivileged children in school

We have worked with our charity partner, Zup de Co, to offer employee volunteers as mentors to support and motivate children to stay in education. As part of this programme 16 Aviva France employees became tutors for the day, each welcoming a student into the office.

Russia: meeting children's schooling needs

Throughout the world the start of the school year can be costly, so we were delighted to support the Taganka Children's Fund, giving six pupils everything for the year, including uniforms, bags, notebooks, pens, pencils and crayons.

Lessons from space in Madrid

Children from Aldeas Infantiles SOS joined Aviva families in Madrid to meet Spanish astronaut Pedro Duque. Pedro showed incredible videos of his travels and spent time answering the children's questions – an unforgettable day for us all.

Turkey: receiving awards for our child protection support

Turkey's Social Services and Child Protection Institution (SHCEK) has recognised the support given to more than 3,500 street children by awarding Aviva a silver medal in its annual awards. Aviva Turkey colleagues continue to support the charity, donating cash, clothes, books and homemade goods.

Street to School in Europe (continued)

Helping children learn in Italy

Aviva's work to date with L'Albero Della Vita has seen all the young children, who have been placed in their home as result of being orphaned or being removed from their families for their own safety, successfully pass their school year. With such fantastic results, Aviva Italy has decided to support a second centre in Milan working with teenage children.

"The quiz introduced a fun element into learning and helped the children realise that hard work pays off. They arrived well prepared and surprised us with their knowledge!"

Are you smarter than a 10 year old?

In Poland, Aviva employees and children from our charity partner Fundacja Przyjaciolka took part in our very own version of the popular TV show, 'Are you smarter than a 10 year old?'.
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 Aviva employees and children from our charity partner Fundacja Przyjaciolka took part in our very own version of the popular TV show, 'Are you smarter than a 10 year old?'.

Barbara Starzec

Poland Street to School programme coordinator

Other community initiatives

As well as Street to School we have continued our investment in other community initiatives around Europe.

Aviva Spain's Orbayu project

Aviva Spain's micro-credit scheme for the Orbayu Foundation promotes economic and social development in one of the poorest areas of South America. The scheme provides credit to local entrepreneurs to set up their own business and in time provide work to others.

Through employee fundraising and Aviva contributions, the sum of €38,858 was distributed among 88 projects in 2011.

One of these projects is based in Kisangani (DR Congo) where missionaries provide shelters for children who are victims of abuse. The credit supplied will allow the expansion of the shelter to include a maternity ward to care for newborns and children abandoned by their parents.

Giving

€38,858

was raised from employee and Aviva contributions for the Orbayu Foundation, funding development in South America

Daffodil Day in Ireland

Supporting the Irish Cancer Society's annual Daffodil Day appeal, employees across the Irish business raised an astounding €15,700 for the charity.



Giving

€175,000

In 2011, the Aviva France Foundation supported 24 charitable projects by donating over €175,000

Aviva France Foundation

The Aviva France Foundation was created in 1999 with the aim of helping children and elderly people in need, both in France and in developing countries.

In 2011, the Foundation supported 24 charitable projects by donating over €175,000.

Through the Foundation employees are given the opportunity to apply their skills from outside of the office to benefit local charities.

Thirteen employees spent the day visiting buildings in the Bois-Colombes area to gauge how accessible they were for people with reduced mobility. These assessments were passed on to J'accède.com, a charity that supports disabled people in everyday life.

Over 600 employees took on the 'Téléthon' challenge. The sporting event, which aims to raise money for people suffering from muscular dystrophy, sees runners and walkers complete laps of the La Bruyere park over a 24-hour period. For each lap Aviva donates €5 to the Téléthon. The 600 participants completed 41,000 laps, generating €21,300 for the charity.



Our regions

North America



North America
does a good job of
contributing to our
communities*

86%

Aviva North America consists of two businesses: the life insurance and annuity business in the US, and the second-largest general insurance business in the Canadian market. We already serve more than three million customers across the continent – and we're growing.

Why is this important?

"Aviva North America is dedicated to the company's long-term sustainability as an industry leader and community partner. Initiatives like the Aviva Community Fund and Status for Youth are ways we engage our employees, customers and distribution partners in creating positive change."

Richard Hoskins, CEO
North America





Our approach

Our approach to corporate responsibility is structured around Aviva's five material issues of trust and transparency, climate change and the environment, sustainable products, attracting and retaining talent and developing communities. Over the last year we are particularly proud of our achievements in:

- Street to School
- Leadership in Energy and Environment Design (LEED) gold status, USA
- Aviva Community Fund, Canada
- New charity partnership with Covenant House, USA
- Raising more than \$1 million for United Way, Canada and USA.

Looking ahead:

The focus remains on engaging our employees and customers further in our community initiatives (Aviva Community Fund, Youmanity, United Way and Street to School) and improving our environmental performance. Specifically, we intend to:

- Leverage signature national partnerships (Covenant House in the US and Eva's Initiatives in Canada) to expand Street to School cause-marketing programmes
- Develop internal communications plans to increase employee awareness and action regarding waste, recycling, energy use and travel/technology alternatives
- Increase emphasis on balanced leadership through our diversity and inclusion efforts.



Trust

Recognising our customers as individuals is part of our brand promise. It means delivering the products and services that meet our customers' needs, and those of their families, in a responsible and ethical way. This is the basis for building and maintaining trust and integrity in Aviva.

At Aviva North America there are essential codes and policies in place to protect our customers and other stakeholders. Each year, employees are required to sign off and successfully pass computer-based testing modules to demonstrate understanding of these codes and policies.

2011 highlights:

- New Business Ethics Code of Conduct was developed and launched in US
- Child Safeguarding Code of Conduct outlining proper behaviour for employees in contact with children was introduced
- Over the past 16 months, Aviva USA has experienced a very positive trend in producing agent Net Promoter Score (NPS), with year over year improvement in NPS of more than 15 points, and the overall score up by about 24 points
- In Canada, the Claims Net Promoter Score was the highest to date.

US

98%

of employees signed off on the US Code of Business Ethics

Canada

100%

of employees signed off on the Business Ethics Code of Conduct Canada

Trust

79%

of North American employees successfully completed anti-bribery and corruption training

Treating customers fairly

At Aviva North America, treating our customers fairly, building trust and responding to their feedback helps us to better understand their needs and respond more effectively.

Our customers' peace of mind and well-being are at the forefront of our vision to be the most trusted and valued insurance provider. We aim to ensure that every customer is treated as an individual and made to feel that Aviva understands their point of view and responds to their needs.

We collect customer, agent and broker feedback through our Net Promoter Score® (NPS) surveys. This ensures that resource allocation and the change portfolio are always informed by customer and other stakeholder feedback. On individual survey results, we reach out to agents and consumers who provide negative feedback, so we can help resolve their issues.

US

We increased our Agent Net Promoter Score by focusing on our customers and their needs. Here are some examples:

- In 2011, we refreshed our product design process and now test new product concepts with consumers and agents at the feasibility stage. Our sales and servicing processes are now more directly managed and designed to be customer focused.
- We are linking our customers to the community. This is a great opportunity to share our environmental efforts and create customer loyalty in order to differentiate Aviva from our competitors.
- In our ongoing effort to put people first, we made our customer communications and marketing more customer-friendly and less complex.
- In April 2011, we launched a national brand campaign including mainstream advertising, trade advertising and agent events, with positive preliminary results.
- We provided nearly 800,000 consumers with access to Aviva USA's first-ever client Web portal.
- Youmanity (YOU+Humanity) continues to expand as our cause umbrella to showcase Street to School and viral marketing efforts around acts of kindness – all to amplify how we put people before policies.

Canada

In 2011, we increased our Relationship Net Promoter Score by better responding to customer needs. Our Claims Satisfaction Survey results included the highest Net Promoter Score to date. These favourable results are largely based on improved customer service in 2011:

- Customer communications were redesigned to better reflect the 'Voice of the Customer'
- Implemented new online quoting tool to improve customer insights into rates
- Significant improvements were made to 1-866-MYAVIVA to reduce the number of touch points/steps customers must go through
- Piloted a Customer Care Card, which makes customers' insurance information more easily accessible
- Established a closed-loop process whereby any customer who is not satisfied or has a low NPS score is assigned to a specific claims manager for follow-up.

Customers and climate

3,636

Thanks to Aviva Canada's Customer Advisory Panel, 3,636 trees were planted in Peru – that's 27,636 to date

Treating customers fairly (continued)

The Aviva Canada Customer Advisory Panel

Aviva Canada was the first Canadian insurer to establish an online customer panel as part of its ongoing commitment to revolutionise the insurance experience and offer exceptional customer service.

The Panel comprises approximately 6,000 customers. In 2011, panel members completed 500–1,000 feedback surveys monthly. For each survey completed, a tree was planted in the Peruvian forest.

The Panel gives Aviva Canada a considerable competitive advantage through deep insight into customer needs and preferences. Interactions with the Customer Advisory Panel will be further increased and refined in 2012.





Climate change and environment

From award-winning green buildings to making environmentally friendly changes to the way we do business, Aviva North America is committed to protecting the environment. We are constantly looking for ways to improve our operations to reduce our carbon footprint and are focused on offsetting any remaining emissions with carbon credits gained from projects where we operate. We remain focused on engaging our employees in environmental initiatives both internally and externally.

In 2011, we made great strides in minimising our impact on the environment and our environmental data shows that while we still have work to do, we are moving in the right direction. In 2012, we will continue to work with our employees and the community to minimise our impact on the environment.

Perception

80%

of our employees believe we are making business decisions that support the environment – 18 points above the North American benchmark

Environmental performance

US

- Our new US headquarters in Iowa was awarded a Leadership in Energy and Environmental Design (LEED) gold certification by the U.S. Green Building Council in January 2011.
- On Earth Day we held a community-wide shred day in Central Iowa, which resulted in an estimated 1,000 individuals recycling 18 tonnes of financial documents.
- Media coverage on our commitment to the environment throughout the year resulted in over three million impressions with a media value of nearly \$500,000.

Canada

- 75% of Canadian employees now believe Aviva makes business decisions that support the environment. This represents an increase of two points from 2010.
- Developed electronic claims process to further 'green' the audit process.
- Save Trees Eliminate Paper (STEP) programme has been adopted by 29% of brokers – an increase of 11% from 2010, which resulted in 70% print suppression of hardcopy policies in 2011.

US – LEED certifications

Our new US headquarters in Iowa was awarded a Leadership in Energy and Environmental Design (LEED) gold certification by the U.S. Green Building Council in January 2011. Aviva USA is the largest LEED gold-certified building in Iowa and one of only five its size or larger in America to achieve that designation.



Canada

19%

reduction in
CO₂ emissions

Canada

17% reduction in total
waste, 14% increase in
recycled waste

Canada

61%

reduction in water use

US

34.8%

reduction in water use

US

10.4%

increase in recycled waste

Environmental engagement

At Aviva North America, we recognise internal and external engagement is essential to making environmentally friendly changes to the way we do business. Environmental education is vital to building employee engagement in internal initiatives. We've also engaged externally with communities and organisations to improve the environment.

Canada

The Environmental Action Team, a group of employees from across the country, exchanges ideas on how to reduce our carbon footprint. The group focused on encouraging employee action during Earth Month in 2011:

- **Earth Hour:** On 29 March, Aviva Canada's Head Office switched off the lights, appealing to landlords at its other premises to follow suit, while recruiting over 100 members of staff to pledge to do the same at home.
- **Used book and poster sale:** Over \$1,000 was raised from the sale of used books and posters at Head Office, which was donated to Evergreen Canada, a national charity that works to 'green' Canadian cities and one of our environmental charity partners.
- **20-minute makeover:** 280 Aviva employees across Canada took to the streets and cleaned up their office grounds and surrounding neighbourhoods, collecting 4,200kg of litter.
- **Paper-free day:** On 20 April employees printed 10,692 fewer pieces of paper – the equivalent of 520 trees.

Canada – community gardens

A team of 15 employees from our Enterprise Program Management Office (EPMO) and MI Analytics department spent two days building a beautiful garden at YouthLink, one of our Street to School partners.

This garden provides a safe and comforting space for the at-risk and homeless youth who use the services of YouthLink.

Everyone did their part in weeding, digging, planting and watering the plants – a great team building exercise as well as making a vital contribution to our community's environment.



"If we can rally together for one day to change our paper consumption habits, imagine what we could do on an ongoing basis."

Maxine Jones
compliance and
governance officer

Canada
10%

Reduced paper consumption by almost 10% on Paper Free Day, equivalent to 520 trees

Recycling
Over 18

tonnes of financial documents recycled at Aviva USA's Earth Day Shred Event

Environmental engagement (continued)

US

In the US, we frequently communicate with our employees about our commitment to the environment and ask them to help us in this charge. From participating in our internal composting programme and recycling, to volunteering at our on-site Shred Day, employees are engaged in our commitment to the environment. Here are a few examples:

- Earth Hour: On 29 March, Aviva USA's Head Office switched off the lights in support of this global movement; employees were encouraged to participate at home as well
- Office recycling drive: many employees took time to clean out their desks and cabinets and drop off surplus paper in our recycling bins in honour of Earth Day
- Aviva community shred event: On Earth Day, we invited the community to our Head Office building for a community shred day, where we recycled over 18 tonnes of financial documents for over 1,000 individuals.

US – engaging the community

In support of Earth Day, Aviva USA staged its first community-wide Shred Day event in central Iowa. Inviting area residents to join in a document-shredding event posed the perfect opportunity to reinforce our environmental commitment while simultaneously carving out a caring position as a provider of financial services.



In total we served over 1,000 individuals and collected over 18 tonnes of waste from the community and our employees, while demonstrating our commitment to the environment

Canada: Promoting good practice

We are constantly looking for ways to green our operations throughout the entire supply chain. This has been undertaken through various environmental programmes and initiatives:

- In 2011, our STEP (Save Trees Eliminate Paper) programme achieved 70% print suppression of hardcopy policies provided to brokers
- The eCarbon (Electronic Claims Automated Reports Based Online) Project, which simplifies and 'greens' the auditing process, was further refined in 2011
- The cafeteria at Head Office was equipped with new waste sorting bins, to more effectively divert waste that can be recycled from landfills.

eCarbon project

In 2011, we refined the eCarbon (Electronic Claims Automated Reports Based Online) project. eCarbon is an automated reporting tool that simplifies and 'greens' the auditing process.

The online tool contains all of the reports that were previously sent daily by paper as part of a manual process. These include daily audit reports, daily transactions, duplicate payments, 60-day inactivity and 90-day inactivity.

eCarbon has resulted in improved accuracy and validity of claims payments, more effective reporting for our auditors and also assists in fraud detection.

"It (eCarbon project) really simplifies their (claims managers and supervisors) workflows and is a tremendous time saver." Harry Mohabir – AVP – Audit



Technology

600

virtual meetings held

Paper

70%

STEP programme achieved 70% print suppression of hardcopy policies



Sustainable products

At Aviva North America, we actively look for ways in which we can engage our customers and other stakeholders in our CR programme. We strive to offer products and services that are sustainable, promoting protection of the environment while offering opportunities for customers to contribute positively to the community.

2011 highlights:

- In Canada, for every online quote to customers, a donation of \$1 was made to Street to School partner Free the Children. Over 3,000 quotes were made in 2011.
- Owners of hybrid cars receive a discount on car insurance in Canada.
- Donations were made to Covenant House, our Street to School partner in the US, on behalf of customers who participated in transactional marketing pilots.
- We offer a wellness rider on our permanent life insurance products that provides a premium discount if customers visit their doctor annually or maintain their weight.

Charity
3,000

At Aviva Canada for each online quote, \$1 was donated to Free the Children. In 2011, over 3,000 quotes were made

Green travel
2,824

In Canada, insurance discounts were given for 2,824 hybrid cars

Our sustainable products: Canada

- Hybrid car discount: Aviva Canada continues to offer a discount on car insurance for customers who have hybrid cars.
- Green Home Power generation: A set of endorsement bundles were introduced in 2010, developed to satisfy the insurance needs of customers who utilise solar panels and wind turbines to generate electricity. In 2012, we will work to 'de-bundle' the Green Home Power endorsements to enable our customers to only purchase the specific products that meet their needs – with a wider range of pricing points.
- Cause-related marketing: We increased awareness of Free the Children and our Street to School programme by offering a donation in exchange for an online quote. Over 3,000 quotes were made in 2011.

Our sustainable products: USA

- Cause-related marketing: we tested several opportunities for customers and agents to have donations made on their behalf to Covenant House, our national charity partner.
- Wellness rider: We offer a wellness rider on our permanent life insurance products, which offers a premium discount if customers take simple steps to maintain their health – a real differentiator in our market.
- Critical care riders: We offer a number of riders in our annuities and permanent life insurance products, which provide additional coverage and/or accelerated payments in the event of disability, confinement or critical illness.

“You have provided a light at the end of the tunnel for me. I am forever grateful for that. I have money to put away, to save for the future”.

US – Insuring a Future

Aviva USA has made a pledge to bring humanity back to the life insurance industry by putting people before policies. But what exactly does that mean? Just one powerful example: an Aviva USA programme called Insuring a Future. It gives uninsured or underinsured families a chance to get back on their feet financially after the loss of a loved one.



Rochelle

The first family to benefit from the programme was awarded a retroactive life insurance policy in 2011. Levi was just 29 when a car accident took his life in 2010. Left behind were his wife Rochelle and their two young sons. The life insurance they had was not enough to make ends meet.

Although Levi and Rochelle were not Aviva customers beforehand, Rochelle was selected to receive a retroactive life insurance award from Aviva. She was also given the opportunity to meet with an agent who donated his time to help her plan for her family's financial future.

Aviva plans to continue the programme in 2012 and is in the process of finding another family to help.



Attracting and retaining talent

Aviva North America aims to be the most recommended company in our industry. This means that we must instil a shared accountability for Aviva's success. Leadership, risk and focusing on the customer have been major themes. In 2011, we:

- Rolled out Talking Talent to manage and develop talent across all levels of the organisation
- Reinforced leadership at all levels to emphasise personal accountability to make things happen, rather than wait for direction from above
- Implemented a risk awareness programme and initiatives to communicate importance in everyday language and tasks
- Launched initiatives to link employees with the day-to-day experience of our agents and brokers, creating an understanding for employees on how they can make a positive impact with these groups. This resulted in increases in US agent NPS results and Canada's highest-ever broker survey scores.
- Integrated CR initiatives further into our brand campaign to increase awareness and participation.

We will continue to build on our strengths and develop opportunities by engaging employees and stakeholders to drive recommendation and commercial success.

Pride

79%

of our employees are proud to work at Aviva

Recommended

76%

of our employees would recommend their business unit as a good employer

Satisfaction

72%

overall are extremely satisfied with Aviva as a place to work

Engaging our people

Leadership at Aviva is about making a difference and starts with each employee leading themselves and taking personal accountability.

Our Employee Promise Survey provides an insight into how our people view the business, leadership and culture of our organisation. In 2011, the results were promising, including:

- 76% agreed with the statements 'I can take opportunities to grow and develop in my work' and 'I am encouraged to come up with new and better ways of doing things'
- 73% agreed with the statement 'I have access to the information and communication I need to do my job effectively'

These high scores reflect our initiatives around recognition and volunteerism, connecting employees to the strategy, promoting honest two-way communication, increasing self-sufficiency through technology and reinforcing personal accountability through living leadership.

US

- All employee meetings focused on our products, the agent experience and the life cycle of a policy
- Chat with CEO and executive committee leaders
- Intranet promotions and recognition
- Diversity and Inclusion Council, networks and opportunities
- Employees serve as ambassadors for the Youmanity movement.

Canada

- Aviva Community Fund
- Coffee with the CEO
- Video emails from CEO and business leaders on strategy updates
- Intranet messages reinforcing leadership and accountability
- Lunch and learn sessions with topics to increase business acumen and financial literacy.

Recognised

Employees feeling recognised and knowing that their contribution makes a difference is the foundation for engagement at Aviva

Responded

89%

response rate to our Employee Promise Survey

Employee promise

71%

agree "At Aviva, I am recognised for who I am."

Valued

77%

agree "At Aviva what I contribute matters."

Engaging our people (continued)

Connecting with our CEOs

Throughout the North American Region, we offer opportunities to connect directly with the Aviva Canada and Aviva USA CEOs, as part of a larger employee engagement strategy driven by two-way communications. Coffee with the CEO in Canada and Chat with the CEO and Executive team members in the US, allows a small number of employees to have an open and direct conversation with company leaders.

When asked, "What did you enjoy most about talking with the President and CEO, employees responded:

"...that we could actually express our concerns to the top Executive."

"...the informality, relaxed atmosphere and the feeling that you really could speak to him on almost any topic."

"I felt really comfortable to ask whatever was on my mind. It was also a great opportunity to hear and learn from others as they talked about what was happening in their respective business units."



Leadership class takes break from classroom

In one day, employees from across the region built a deck and picnic area for the residents at Youth Emergency Service & Shelter (YESS), one of our North American Street to School partners. The project provided YESS residents with an area where they could hold outdoor group or individual activities. Above, Aviva employee Joe Riesberg was just one Aviva leader who lent his construction skills as the team built the foundation for a backyard deck at the YESS office.



Aviva's Joe Riesberg contributing skills

Talent management

We believe that everyone at Aviva has talent. Our aim is to build a company where our people feel valued for their contribution, can see the difference they make and are fulfilled in their work. Our business thrives when we recruit, retain and develop the right mix of talent.

Our Talking Talent programme provides a consistent framework to have honest performance conversations that lead to development actions, making everyone accountable for their own career.

Talking Talent ties directly to our overall strategy to ensure we have the right people, in the right roles, at the right time. To facilitate this, we are committed to ensuring that we have succession plans in place; utilise our mobility programme where needed to attract the right talent; make development plans a priority for all levels; keep the talent conversations going throughout the year; and use the outcomes of the process to make decisions.

We identify and recognise talent through formal and informal programmes:

- Market-based programmes – Bravo in Canada and Lightning Bolt in the US
- Intranet 'Have Your Say' and 'Recognising You' to recognise peers
- CEO Excellence award in the US
- Aviva Customer Cup where teams compete globally to showcase their best ideas on how to put the customer first and increase loyalty.

Customer Cup Teams

Two of the nine teams in the 2011 Aviva Customer Cup were from North America: Customer Gurus and Customer Zealots.

Team 'Customer Gurus' from Aviva Canada titled their project 'Aviva Advisers,' which is an online customer panel to communicate with existing customers. The panel was initially launched to define customer demographics, attitudes and preferences and has now been expanded to include product and customer communications testing.

"It's been incredibly exciting! We've had tremendous support from our Senior Leaders, and the Customer Cup has definitely helped the Panel get more exposure." Rosa – Customer Gurus Team Member

Team 'Customer Zealots' from Aviva USA titled their project, 'Immersion Excursion,' which is a customer intimacy strategy throughout the organisation. It operates by sharing insights about customers with all employees in efforts to provide exceptional customer service.

"I think the thing I've enjoyed the most is the opportunity to work with great people from across the organisation to make a real difference in the way we serve our customers," said Captain of the Customer Zealot's team Matt Spackman. "We have had great support from employees and we've been able to measure the success we're already having in improving customers' experiences with Aviva."



Talent

Rolled out Talking Talent to all levels of the organisation across the region

Motivation

89%

agree "I play to my strengths the majority of the time."

Feedback

75%

agree "I have timely and helpful feedback conversations with my manager."

Respect

77%

agreed that employees are treated with respect, regardless of their position – 10 points above the North American benchmark

Commitment to diversity

We are committed to maintaining a diverse workforce and ensuring all employees feel included, which is evident in our Employee Promise Survey results.

US

In a little over two years, the Diversity and Inclusion (D&I) initiative has grown from an idea to an award-winning programme that has successfully launched across the whole Company, with discussion groups, employee networks and an annual Diversity and Inclusion Week. Highlights in 2011 included:

- Hosting the second annual Diversity and Inclusion Week in Melville, Topeka and West Des Moines
- Supporting diversity across the business through employee networks including the African American Network, Asian American Network, the Aviva Pride Network, a Women's Network and a Young Professional's Network
- Having a presence at local community events that support diversity, such as 'I'll Make e A World', 'Celebrasion', the Pride parade, and Susan B. Komen Race for the Cure, among others.

Canada

- Hiring practices and employee population continue to reflect the unique cultural and ethnic make-up, particularly in larger urban centres including Montreal, Toronto and Vancouver.
- Recruiting website includes diversity as a major pillar of Our Culture.
- GenNext Committee which mobilises employees in their 20s and 30s to get engaged.

Diversity

73%

of employees agreed that leaders in their part of the business are genuinely committed to attracting, developing and keeping a diverse workforce

Perspectives

78%

agreed that we have a climate in which diverse perspectives are valued

Fair

82%

agreed we have created an environment where people with diverse backgrounds can succeed

Women

21%

women in senior management at Aviva Canada



Developing communities

Aviva North America actively supports a number of charitable/not-for-profit organisations both through corporate giving and the generosity of our employees.

Through our Street to School programme, we directly support organisations that help and encourage at-risk and homeless youth to go back to school or start training programmes.

Through our community investment programmes, we support causes our employees care about, whether it's through matching their charitable donations or giving them time off to volunteer for the greater good of the community.

We've moved forward this year...

- Established new Street to School partners both in the US (Covenant House) and Canada (Eva's Initiatives).
- Donated over \$1 million to the United Way and its member agencies.
- Significantly increased the number of employee volunteers and volunteer hours in both the US and Canada.

US

- Directed 58% of our community investment to our Street to School programme, helping over 14,000 at-risk and homeless youth.
- Opened our new corporate campus in West Des Moines as a host site for multiple community-wide events including the shred day in support of Earth Day; the annual March of Dimes walk; and Jazz in July.
- Increased employee volunteerism both in number of employees and number of hours spent volunteering. In 2011, 49% of our employees volunteered in the community.
- Organised countless company-sponsored volunteer opportunities such as Reach out to dropouts, Read to learn, Stuff the bus, Coats and boots and Adopt-a-family to help homeless and at-risk youth throughout all levels of the company.

Trust

83%

of employees believe our commitment to CR is genuine – 12 points above the North American benchmark

Perception

86%

of employees believe that we do a good job of contributing to the communities in which we live and work – 19 points above the North American benchmark

"We are committed to investing in our communities and believe that every individual deserves to live a healthy and fulfilling life. Through corporate donations and the generosity of our employees we will continue to work with our charity partners to deliver on this promise."

says Maurice Tulloch,
president and CEO
Aviva Canada

Developing communities (continued)

Canada

- The Aviva Community Fund continued to grow in its third year. This year's campaign, which included a broker outreach strategy, proved to be very successful in increasing broker engagement, loyalty, satisfaction and visibility.
- We launched the Community Bear Programme in partnership with the Ontario Provincial Police (OPP) in which Aviva supplied OPP officers across Ontario with 3,600 bears to console distressed children they encounter in their line of duty.
- 2011 saw the greatest employee participation in the JDRF – Ride for Diabetes Research with 82 employees raising over \$52,000 for the cause and Aviva leading the insurance challenge.
- Increased employee volunteerism both in number of employees and number of hours spent volunteering. In 2011, 35% of our employees volunteered 5,345 hours.

"We can all be proud of Aviva's spirit of generosity. That's because our 'season of giving' doesn't only occur at year-end; we are living our commitment to our communities every day throughout the year."

Chris Littlefield, CEO
Aviva USA.

Street to School

Through our Street to School programmes, Aviva North America directly supports organisations that help and encourage at-risk and homeless youth to go back to school or start training programmes. Our Street to School partners include United Way, Covenant House, Eva's Initiatives and Free the Children who all help children and youth reach their potential.

Canada

- Formed new Street to School partnership with Eva's Initiatives, which is focused on the National Initiatives Programme (NIP) to eliminate youth homelessness in Canada and the expansion of Eva's Family Reconnect Programme.
- Directed entire United Way corporate sponsorship to Street to School aligned agencies in six major Canadian cities.
- Strengthened partnership with YouthLink, including supporting the Co-op Housing Programme and Winter Clothing Drive, which collected over 700 winter clothing items.
- Impacted over 5,000 youth through support of Free the Children's GO Local programme which targets youth living in priority neighbourhoods to become agents of change in their local communities.
- Sponsored We Day (\$25,000 sponsorship), which was attended by over 36,000 youth and brought some of the greatest social issues to the forefront, providing ways in which youth can find their place within the movement to create global change.

US

- Formed new national partnership with Covenant House to help homeless and at-risk youth get off the streets and into education.
- Directed over \$600,000 to Street to School through our partnership with United Way.
- Sponsored annual Reach out to dropouts walk, encouraging 16 students to re-enrol in school that day, with an additional 28 students pursuing GED and 52 requesting follow-up from the school.
- Participated in the International Day of the Street Child with over 100 employees volunteering at homeless youth shelters in Des Moines and Topeka.
- Hosted a sleep out for employees to show support for street children.
- Planned supply drives, agent activities and volunteer opportunities to involve our employees and customers in our Street to School programme.
- Created a 'Status for Youth' Facebook campaign, supporting Street to School charities with \$100,000+ in donations.

"By selecting Covenant House as a partner in their Status for Youth campaign, our friends at Aviva USA reached out to our kids and sent a message they can never hear enough - 'we care and we believe in you.'"

Kevin Ryan
Covenant House
president

"We will involve our employees, our agents and even our customers in working with Covenant House to reach out to homeless youth, provide them educational opportunities and raise public awareness about the thousands of kids struggling to survive on the streets every night."

says Chris Jones
Aviva USA, chief
marketing officer.

Street to School (continued)

USA – Covenant House

In November 2011, we announced a new partnership with Covenant House that will impact the lives of thousands of youth across America.

Covenant House is the largest privately funded agency in the Americas that provides food, clothing, shelter, immediate crisis care and an array of other services to homeless, runaway and at-risk kids.

Aviva USA's two-year sponsorship agreement represents one of the largest individual funding commitments to Covenant House in the organisation's 39-year history. Aviva will donate time and resources to Covenant House to assist it in serving crisis centres in 17 cities across America. The focus will be to meet the basic needs (food and shelter) of at-risk youth and support them into training and education programmes.

At Aviva USA, we have made a long-term commitment to making a difference in the lives of homeless youth around the world.



USA – Status for Youth

In October, Aviva USA awarded \$105,000 to four charitable organisations as a part of Status for Youth, an online campaign of the company's Street to School commitment that asked people to donate their Facebook status for a day to one of four youth-focused charities. By receiving the most status donations, Covenant House received \$60,000 from Aviva USA to help shelter and care for homeless children.

The three other participating charities – Adopt-A-Classroom, Boys & Girls Clubs of America and HELP USA – also received donations and benefited from the increased awareness that this social media programme helped generate: more than 16,000 'likes' on Facebook and more than 20,000 YouTube hits as people were motivated to learn more about Aviva's Youmanity initiative.



Eva's Initiatives in Canada

Aviva Canada established a new high-profile Street to School partnership with Eva's Initiatives. The partnership focuses on the prevention of youth homelessness and is the first of its kind in Canada which has more than 65,000 homeless youth.

Through the National Initiatives Program (NIP), we are working together to build on community responses; strengthen networks and partnerships; and promote the sharing of innovative, creative responses to youth homelessness. The highly effective Family Reconnect Program (FRP) works with young people in crisis and their families to address youth homelessness by resolving family conflict.



Street to School: United Way

At Aviva North America we are strong supporters of the United Way, which benefits the larger community. Our United Way campaign is a week-long initiative encouraging employees across both the USA and Canada to donate time and make financial contributions to organisations in the community.

In 2011, the Aviva USA's United Way campaign resulted in 72% of employees giving over \$700,000. These employee contributions are matched dollar-for-dollar by the Aviva Charitable Foundation to double employees' generosity. This extraordinary giving coupled with employees volunteering their time to read to children, encourage dropouts to re-enrol in school and providing supplies and learning kits for preschools, makes a significant impact on our local communities.

As a result of these efforts and our continued commitment to the United Way, Aviva USA was recognised with a Spirit of Central Iowa award, the United Way of Central Iowa's most prestigious award.

Aviva Canada has been supporting the United Way since 1991 and has contributed over \$1.4 million at corporate level. In 2011, 36% of employees participated in the campaign raising over \$360,000.



USA

Over 70%

of employees
participated in the
United Way campaign

Engaging employees and customers in our communities

Through Aviva North America's employee community programmes, we support the causes that employees are passionate about. These programmes include:

- **Dollars for Doers (Canada)** – Aviva donates \$100/year per employee to registered charities where employees volunteer at least 40 hours each year.
- **Matching Dollars** – Aviva matches employee donations to registered charities up to \$100/year per employee in Canada and up to \$500 per employee in the US.
- **Volunteering on Company Time** – Aviva employees are given two paid days each year to volunteer on company time at a registered charity or not-for-profit organisation that benefits the greater good of the community.

Canada – Aviva Community Fund

In Canada, the Aviva Community Fund (ACF) offers \$1 million to Canadians to make positive change in their communities. The Fund was extremely successful for the third consecutive year and is a signature element of the Aviva brand in Canada. There were over 2,000 ideas submitted, 2.4 million votes cast, 1,400 media mentions with audience impressions of over 144 million.

This year's campaign included a broker outreach strategy that also proved to be very effective in increasing broker engagement, loyalty, satisfaction and visibility. There were over 3,000 broker participants voting over 30,000 times for ideas within their community. The strategy included over 20 broker events across Canada, direct mail packages to key broker offices, booths at broker symposiums, collateral to engage staff at broker offices, stories and banner ads on broker websites and a 'Broker Be a Judge' contest.



Canada

35%

of employees
volunteered a total of
5,345 hours in 2011

Canada

85

employees climbed
the CN Tower raising
over \$14,000 for the
United Way

USA

49%

of Aviva USA employees
volunteered in our
communities, logging
6,719 hours

Our regions

Asia Pacific



Street to School
children reached
208,256

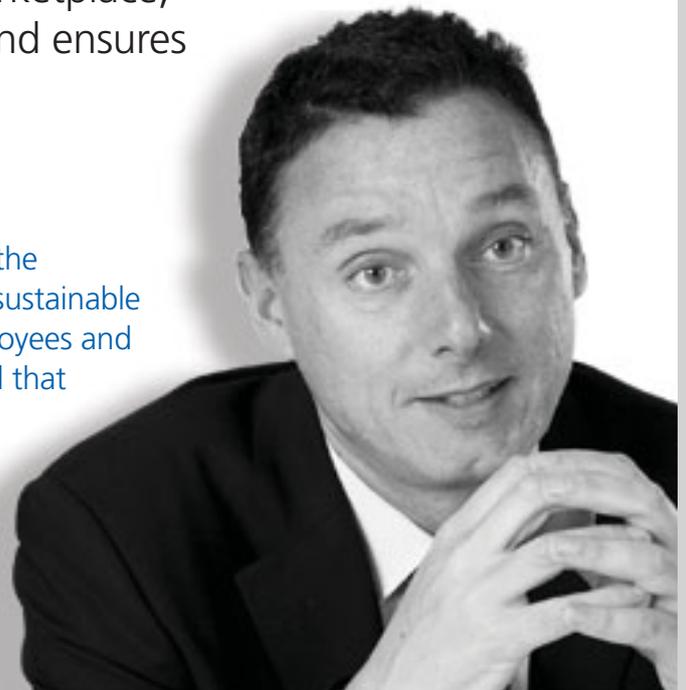
Asia is a rapidly growing financial market with a burgeoning middle class and ageing population, making retirement and savings products increasingly sought-after. Our purpose of 'prosperity and peace of mind' means we are looking to support our employees, customers and other stakeholders with their life goals.

For us, corporate responsibility is being forward-looking. It helps us develop our brand in the marketplace, creates a framework for sustainability and ensures we will be here for the long term.

Why is this important?

"In Asia we are privileged to be working in some of the region's most dynamic markets. We want to build a sustainable business based on the needs of our customers, employees and stakeholders. Looking at this year's report I am proud that our Street to School initiative has impacted the lives of over 200,000 underprivileged children. We are committed to contribute to the development of the communities in which we operate."

Simon Machell, CEO
Asia Pacific





Our approach

Our approach to CR in the region is about far more than just philanthropy – it's about delivering on our promises, driving results and achieving outcomes.

We are committed to developing long-term, sustainable businesses. To achieve this, we structure our approach around five material sustainability goals based on what our employees, customers and stakeholders have told us are important to them. These are:

- Trust and transparency
- Developing sustainable products and services
- Attracting and retaining diverse talent
- Developing communities
- Environment and climate change.

Each of our businesses and the regional office has a senior lead for corporate responsibility. Corporate responsibility is a regular topic of discussion at both the regional executive meetings and the CEO-led market management meetings. Our approach is therefore familiar across the region and allows for idea sharing.

Despite tremendous progress in our sustainability journey, we face challenges and are continually learning to improve our approach.

We continue to be assured by external provider Ernst & Young LLP.

Find out more

- APAC's Street to School programme goes from strength to strength as 208,000 children are helped in 2011
- Development of new sustainable products and services in Sri Lanka and China
- 6% increase in the number of female senior leaders
- Developing infrastructure to understand fully our environmental impact
- How Aviva Asia employees signed up to the new Business Code of Ethics.

Looking ahead

As we enter the auspicious lunar 'Year of the Dragon' in 2012, we are excited about widening and deepening our commitments to responsible business practice through setting ourselves challenging targets in a tough economic environment. These targets include:

- 6,600 volunteering hours
- 3% reduction in electricity and paper usage
- 97% sign-up to the new Business Ethics Code
- Above Asia Pacific norm for employees thinking we take business decisions that support the environment.

"Education is the key to a child's future and Aviva's initiative to bring reading and books closer to more of our underprivileged children is a commendable step."

Sachin Tendulkar
international cricketer
for India

Trust

88%

of employees think our approach to corporate responsibility is genuine



Trust

We are proud to be an ethical business.

This is a core part of our 'Living Leadership' approach. Trust and transparency is a significant enabler of new and continued growth in the region.

In 2011, we took significant steps in this area by launching the new Aviva Business Ethics Code and rolling out anti-bribery and corruption training for all employees and contractors.

All employees had the opportunity to sign up to the nine principles within the Code – representing over 8,000 people.

We have further strengthened relationships with regulators and governments throughout the region.

All our products go through a stringent internal process involving our actuaries and marketing teams before they are taken to market. This ensures that the terms of the product are clear and the product is sustainable.

In addition, we have focused heavily on two areas to build trust further; increasing customer focus in the organisation by developing the Net Promoter Score methodology and developing the Aviva risk management framework for Asia. We are pleased that 84% of our employees believe that risk management is taken seriously in the business (Kenexa Employee Promise Survey: 2011).

"We expect our employees to act with integrity in everything they do to the high standards set out in our Code of Conduct and we have a zero tolerance policy on bribery and corruption. To meet these high standards, we must create a culture where employees understand what we expect of them, recognise their responsibility to raise concerns and have the confidence to do so."

Heetae Kim,
Woori Aviva CEO

Benchmark

8%

Employee trust levels are 8% above the Asia Pacific high performing norm

Embedding regulations in our culture

In 2011, we developed our Regional Regulatory Contact Policy, which defines our approach to having a healthy and positive relationship with our regulators, while striving to deliver a consistent message across the Aviva group.

We are proactive in our relationships with regulators and believe understanding our local regulators is vital to the development of a healthy financial services industry. At the same time, regulators have from time to time called on our input because of our extensive experience in the market. For example, in 2011 the Chinese regulator invited our group head and APAC head of financial crime to Beijing to share how Aviva as a group manages financial crime, including bribery and corruption.

As a region we take regulation seriously. For example, in 2011 close to 100% of our employees completed financial crime training.

Fair Dealing Outcomes in Singapore

In 2011 the Monetary Authority of Singapore (MAS) issued a set of guidelines for delivering Fair Dealing Outcomes to Customers. This is in order to promote fair dealing by financial institutions when they conduct business with their customers.

In our Singapore business we have embraced the regulator's Fair Dealing Outcomes for customers and made them our own.

We held road shows with all departments to ensure everyone understands what is expected of them and how they can take full responsibility for this important initiative.

We developed a unique training programme in 2011 – 'the Aviva Way' – which provided our employees with the operating principles needed to deliver a positive customer experience.



Fair dealing

Over 500

employees in Singapore have attended a Fair Dealing Outcome road show

Benchmark

8%

above the Singapore norm for employees believing we use customer feedback to improve our processes

Developing a risk management culture in Asia

In 2011 we devoted ourselves to embedding a new risk culture across the region. A new and enhanced risk management framework was introduced to strengthen our risk governance and processes. This ensures we continue to fulfil our obligations to our customers.

A strong risk culture means we embed risk considerations in our decision-making processes at all levels in a structured and informed way. This ensures we understand the risks associated with our strategy and decisions, and are disciplined in the choices we make to execute our plans successfully, building franchise value for our shareholders.

Some of our 2011 initiatives included a better-business-decision (BBD) course for all senior management across the region as well as key staff from the finance, products and risk management areas. We have also provided risk awareness training to all our employees.

“When we try to develop our risk culture, we make sure that all staff members understand that culture is not temporary”.

Eric Chang, CEO
Aviva Cofco, China

Risk in action – Aviva Cofco China

Stress and Scenario Testing (SST) is a valuable risk management tool to help businesses to identify and analyse their risks and evaluate ways of mitigating or managing them.

For Aviva, SST is viewed as a vital element of our risk management framework and business planning process. For example, in 2011, arising from an SST on equity risk exposure and its impact on solvency capital, Aviva Cofco began reducing their equity exposures, tightened their stop loss limits and strengthened the monitoring process, ahead of the competition. This decision was taken despite market views being bullish.

This helped our solvency position at a tough time when the Shanghai Composite Index fell to a record low (falling by 21.68%) and in providing the peace of mind we promise.

We believe it is no coincidence that 91% of our employees in China think we take risk management seriously (Kenexa Employee Promise Survey 2011).

Risk management

91%

of our employees actively manage the risks they are responsible for

Perception

84%

of our employees believe risk management is taken seriously at Aviva

Embedding the risk culture – Sri Lanka

Everyone is involved in risk management in Aviva NDB Sri Lanka. The risk team has created a weekly e-survey to help managers report operational risk events as they happen. This helps the executive team quickly understand any issues in their fortnightly reviews of the survey. This is followed up by a quarterly certification from policy owners that they have followed due process through the quarter, highlighting the importance of risk management in Sri Lanka.

Launching the new Business Ethics Code

We are proud to be an ethical business and our new Business Ethics Code demonstrates this.

Over 8,000 employees (98% of our total employee base) recently signed up to the principles of the Aviva Business Ethics Code. These principles include zero tolerance of mis-selling, bribery or insider trading as well as assurances on how we work with customers, colleagues and communities.

The Code offers a positive platform to build trust with our employees, customers and stakeholders and we will maintain momentum by reviewing and re-signing the Code annually.

I sign up

Our employees in Singapore and the regional office keep our Business Ethics Code principles literally at their side in the form of a popular wallet card summarising the key points of the Code.



Sign-off

98%

of employees have signed the Business Ethics Code in 2011

Bespoke

Five

The Business Ethics Code has been translated into five local languages in 2011



Climate change and environment

In 2011, we made significant progress in building the infrastructure and processes to enhance the accuracy and fullness of our environmental data reporting. An increase in our absolute carbon footprint has been the inevitable impact of us reporting more fully from all our businesses.

We have now established a more accurate baseline carbon footprint of nearly 40,000 metric tonnes and a clearer picture of the impact of our efforts to reduce our use of resources. For example, we have reduced our use of car travel in the region, resulting in a 19% decrease in our carbon emissions from cars.

As a life insurer in eight out of 10 markets, we are looking closely at the impacts of climate change risks on our business. We see engaging our employees and customers on the issue as vitally important, particularly as Asia is predicted to be significantly impacted by climate change.

Our general insurance businesses are leading the way with our initiatives to help customers reduce their environmental impact and promote sustainable consumption.

“The climate here in Asia is changing. You can see that with your own eyes. Aviva uses natural resources to run the business. It is the responsibility of me and all Aviva colleagues to work as hard and as fast as possible to reduce this and to take steps towards a more environmentally friendly future.”

Amy Hoe

Aviva Asia regional
chief information and
operations director

Engaging our people on environmental issues

Alongside better data management and quarterly reporting, one of our strengths in 2011 was engaging employees on environmental and climate change issues. We have developed electricity and paper campaigns, which have been a great success. Our approach with employees was a popular theme at the Second Asian Summit on Climate Change, organised by the Asia Insurance Review, where we were delighted to be invited to speak on the topic.

We have also continued to show support for WWF's Earth Hour, with all business units taking part in 2011 and taking a sponsorship role in Hong Kong. In the regional office in Singapore, we held a 'Green Day', which celebrated our environmental initiatives such as recycling and printing double-sided, and our regional CIO Amy Hoe launched an employee Green Network with an engaging talk 'Why Green, Why Now'. All paper used in the regional office is now FSC accredited.

In China, employees have experienced a 'My Low Carbon Life' campaign to educate them on how to save energy both at home and at work.

In Hong Kong, as well as offsetting our emissions by sponsoring the Friends of the Earth annual tree planting exercise, we have sought to combine our community development efforts with our environmental agenda. For example, our partner Friends of the Earth toured Aviva's environmentally friendly junk (junk is the name for an Ancient Chinese ship) in the Victoria Harbour with underprivileged children for a fun day out.

Perception

77%

of our employees think we take decisions to support the environment – 8% above the Asia Pacific norm

Developing Green IT in Asia

Our Green IT initiative has complemented our employee engagement campaigns. IT makes up a large proportion of our footprint, which is why we have been evaluating our hardware choices, for example updating our blade servers in 2011 and consolidating servers in Singapore, China and Malaysia.

We have deployed more efficient software such as the NightWatchMan technology, which switches off computers late in the evening.

As we focus on our own environmental targets, reducing CO₂, water, waste and paper usage, we have set ourselves a challenge to help our customers do the same. While still in its infancy, we see the opportunity to move towards digital communications with customers as critical to this as we can save paper and resources. Measuring the benefits of this approach will be further developed in 2012.

Green IT supports reduction in paper usage

The IT Application team has enhanced the IT systems on the ecommerce space for online payment, receipting via SMS, electronic submissions, and softcopy policy documents to reduce hard copy printing.

Other initiatives that reduce paper usage are electronic payroll information and expenses claims from APRO and Singapore Business Units, and creating awareness by implementation of a tagline – ‘You can protect our environment. Think before you print’ – at the foot of email messages.



Winner of Financial Insights Innovation Award

Our general insurance team in Singapore won the prestigious Financial Insights Innovations Award for Service Channel Innovation for the development of the first direct motor insurance model in Singapore based on online sales.

This heavily reduces the need for printed documentation as well as providing a more convenient access point for customers. 90% of direct customers take the green option to opt out of paper versions of their policy.

Streamlining products in India

In India, our multiple products for the financially excluded including micro life insurance have been streamlined to be completely electronic where we accept scanned copies of documentation.

Our payment service with our distributors is also flexible to take into account that many customers do not have bank accounts. This has helped us access nearly 3.5 million customers in the past three years.

Technology

45%

In Taiwan a new document management system uses 45% less electricity and prints double-sided

Behaviour change

90%

of customers who purchase from our direct channel in Singapore take the ‘green’ option to not be sent paper documents



Sustainable products

Our overall product development approach is focused on the needs of our seven million customers.

In 2011, we were recognised internally for our socially inclusive products in Sri Lanka and India as well as our innovative approach to customer service in China.

Our businesses are largely multi-channel joint ventures and we have a number of important distribution partners so our products are a key way to differentiate ourselves in the market and with our customers. This makes product development an area of focus and innovation.

Through our consumer trends research 2011 (Gfk Roper) we have spotted a number of long-term trends, which we are taking into account in our development pipeline. Customers are increasingly value and price conscious; they are looking for better customer experiences with their insurance provider and want to feel they can trust the company. Increasingly, they also expect us to take responsibility for our environmental impacts.

Our award-winning approach to customer service includes over 50 senior managers finding time regularly to listen to customers in our customer call centres in China. This helps our senior leaders understand what our customers are really saying so they are better able to address their concerns. Our relationship NPS score in China is very positive and significantly ahead of the market norm as independently measured.

Micro-insurance

3,000

new users of the newly launched micro-insurance product in Sri Lanka in first 6 months

Quality

ISO 9001

India achieves ISO 9001 standard

Recognition

Annual Service Innovation Award

by Insurance Manager's Magazine, China

"Had there been no insurance we would have lost our courage. The insurance money was used for financing farming activity for a year."

Vani

micro life-insurance customer in the Anantapur District, India

People not policies: a source of innovation

Our purpose is to provide people with prosperity and peace of mind and our products reflect this.

We are recognised for our responsible products and services and the development of more socially inclusive products. We look to design products bespoke to our different markets such as the needs-based pension products in Sri Lanka, education savings products in India and our Renimibi linked savings product in Singapore.

Innovating to respond to customer needs helps drive our business along a sustainable trajectory while contributing to the economic development of emerging markets.

Both China and Singapore have been recognised in 2011 for their innovations with industry awards.

“Aviva India was among the first to partner with micro-finance companies and provide life insurance to customers in far-flung areas. We have covered over 3.5 million lives and settled 19,000 claims worth £4.6 million.”

TR Ramachandran, CEO
Aviva India

Winner of Meritorious Defence Partner Award

Since 1983 we have been proud that our business in Singapore has been the official provider of term life and critical illness cover specifically for the Singapore armed forces, extending to their role in UN Peacekeeping and humanitarian services.

To date we have provided life and illness cover to over 125,000 servicemen and women. In 2011 we received the Meritorious Defence Partner Award from the Singapore Ministry of Defence for our commitment to servicemen and women.

Customer journey mapping in China

Building on the Customer Service Innovation Award we received in December 2010, customer journey mapping was piloted in 2011. This involved mapping out the desired and real customer experience at each stage of the customer's decision-making journey to buy a product.

The gaps we identify between current and desired service provide the team with a clear action plan for improvements. Combined with a monthly Voice of the Customer report, it is no surprise that China's net promoter score is very positive.

Micro-insurance launch in Sri Lanka

In Sri Lanka in 2011 we launched our first micro-life insurance product for low income communities who lack familiarity with insurance. We developed a term life proposition in consultation with the tea plantation community and CARE International to ensure the product was fit for purpose.



To date 3,000 people have taken up this cover providing much needed peace of mind for families and communities. This project has been internally recognised by being the first runner up in Aviva's group-wide Customer Cup competition.

Seasonal savings in India

In 2010 in India, we launched a new Universal Life Policy, 'Dhan Sanchay', which works like a savings account and combines the best features of more traditional products. Around 80% of India's working population earns an irregular income, so we offer flexibility with premium payments without any loss of protection.

Particularly benefiting rural workers, savings can be invested depending on the seasonality of the policyholder's income.

Needs-based pensions in Sri Lanka

We're committed to building sustainable businesses around the needs of our customers so when the World Bank declared Sri Lanka as the fastest ageing population in South Asia in 2009, we seized the opportunity to research pension needs within that market.

This led us to create a new pension product set in 2011 adapted to the needs of Sri Lankans. Aviva NDB became the preferred brand for pensions in Sri Lanka after just four weeks of the product launch.



Attracting and retaining talent

The region is growing fast and talent is a prized commodity. For Aviva, attracting, retaining and developing talent is a strategic issue fundamental to our growth and sustainability.

We have over 8,000 employees, with Aviva India and Aviva Cofco in China accounting for over 60% of that total. In 2011, we saw employee engagement across the region increase to 6% above the Asia Pacific norm.

Once we have the right talent in place we look to retain people by generating a dynamic, respectful and engaging workplace. 79% of our employees would recommend Aviva as a good employer – 11% higher than the Asia Pacific norm (Employee Promise Survey 2011). We have prioritised our people strategy to focus on building capability, developing a performance culture based on recognition, helping people feel proud through our corporate responsibility efforts and simplifying HR by using clear processes and consistent technology.

What our employees tell us

Our respect for people is summed up in our Aviva Employee Promise, 'I am recognised for who I am and what I contribute matters.' In 2011, 96% of our employees participated in the Employee Promise Survey, which is one way our employees actively shape the way Aviva develops – 37 of the 40 areas we surveyed were above the Asia Pacific norm. This is thanks to rigorous action planning work to address concerns raised in earlier surveys – some 68% of employees tell us they were actively involved in those efforts.

Our employees tell us that career opportunity is their most important engagement driver and critical to retention. We prioritised talent management across the region and saw the roll-out of 'Talking Talent' to all employees in India, China and Indonesia. In fact 40% of all Aviva's international talent moves are within the APAC region.

We have chosen some simple measures to help understand the progress we are making: 'build versus buy ratio' (looking at how many of our staff are promoted from within versus sourced from the market) and 'balanced leadership' (looking at female participation rates among our management population). We have also piloted 'strengths-based recruitment' in our Indian business, looking to match people's natural strengths with jobs they will actively enjoy.

We have also paid close attention to the roll-out of the global 'Living Leadership' framework, making it more central to our performance management and learning and development approach. This approach enables all employees to be recognised as leaders. We have used the framework at our regional senior leaders' conference and developed a people manager capability build programme and recognition scheme to help bring leadership to life.

The core challenges we face in attracting and retaining talent are managing turnover, building capability at the right pace and developing our culture to ensure that the best ideas win through.

Perception

79%

of employees would recommend APAC as a good employer, 11% above Asia Pacific norm

Recognition

Aviva Cofco China wins the HRA award for leadership development in 2011

"I am very satisfied. Aviva is helping me to develop my business perspective that is necessary to succeed in today's markets. I am able to put my learning into practice and serve my clients better."

Employee quote

from the 2011 Employee Promise Survey

Attracting and retaining talent (continued)

Award-winning leadership development in China

In 2011, the prestigious Human Resource Association for Foreign and Chinese enterprises awarded Aviva Cofco the Best Practice for Leadership Development Award. This is based on our approach to talent and authentic leadership, which centres on the Living Leadership framework. In 2011, 140 leadership workshops were delivered to over 1,400 people. We also created an online forum on the intranet and included over 50 senior manager interviews to help people share their leadership stories, ideas and thoughts.

“As one of the five-year strategic priorities, mid-level management team development is still a key issue for us. By deploying Talking Talent within the whole company, we are aiming to conduct talent development in a more structured way and strengthen our focus on key talents.”
Eric Chang, CEO, Aviva Cofco, China.

Inclusion

89%

of APAC feel part of the team

Pride

80%

of employees are proud to work for Aviva

Giving young people a go

Across our businesses we support scholarships and internship programmes to give people the opportunity to experience working in the insurance industry. This approach addresses not only career development for young people but also safeguards our long-term pipeline of talent.

Our flagship programmes are in India, China and Sri Lanka and even one of our newest businesses, Aviva Indonesia, has seen the benefits of taking two interns from the prestigious Gaja Mada University.

The journey from university to Aviva in Singapore

Partnering with the Singapore General Insurance Association, the regional office accepted Ms Shine Sun as an intern in 2011. Shine made a big impression on her mentor, the Head of General Insurance, and has landed a permanent role in Aviva Singapore as a research analyst.

Commenting on the experience Shine says “My internship experience allowed me a glimpse of a career in portfolio analysis. It was intriguing to learn about the market, analyse the dynamics and witness how my efforts could contribute to the decision-making process. The great exposure and challenging role give me immense motivation and satisfaction.”



Scholarships

425

higher education
scholarships offered in
Sri Lanka

“Being a relatively new industry in Asia Pacific, it can be difficult to attract talented graduates when banking is perceived to be more of a ‘sexy’ and lucrative industry. Internships provide one opportunity to showcase the insurance industry and the many exciting opportunities that are available by providing interns with real-life practical experience.”

Janine Denning

HR business partner, Asia

Strengths-based hiring

People do better at jobs that they find energising and that they are good at. This is now scientifically proven. Aviva is a huge believer in the benefits that a strengths-based approach can bring to an organisation in terms of performance. The outcomes of the strengths-based hiring pilot in India were shared across the region and we hope to establish further pilots in 2012.

Strengths-based sales force in India

Working with the Aviva UK business and the Centre for Applied Positive Psychology in the UK, the Aviva India team developed a new approach to hire 2,071 frontline sales managers using a strengths-based approach. Pilot tests suggest that attrition has been reduced by 45% using the method and productivity has improved significantly. It seems that our employees are not the only ones to benefit.



"Strengths-based recruitment helps Aviva get the right people into the right roles, doing work that they love."

Dr Alex Linley
director Capp,
consultancy specialising
in strengths-based
approaches

Motivation

89%

of APAC employees play to their strengths the majority of the time

An innovative approach to attracting talent

'It takes talent to know talent' is our theory. This is the reason we look to our own people to lead us to more good people. Employee referrals are a key talent attraction tool.

It is now the number one attraction method in the regional office as well as our businesses in Singapore and Indonesia, bringing us into contact with a diverse range of talent. It also makes the on-boarding process much smoother. In a highly competitive talent market this approach can give us the edge.

'Mitr' (Hindi for friend) – Employee referral scheme in India

To encourage employees to refer talented friends and acquaintances for job opportunities at Aviva India, we offer a fixed monetary benefit to the employee if the person recommended by them is hired.

"A member of my team referred two of our newest team members. They did well at interview and I had great confidence they would work well together to deliver the results needed for our team to be a success."

Wendy Lee
manager, IT shared
services, Singapore

Referrals

51%

of people hired in
Singapore are from
employee referrals

Balanced leadership – focusing on inclusivity

It is a business imperative that we create a diverse and inclusive workplace to make the best use of our talent. We are pleased that 24% of our senior leadership team across the region are now women, up 6% from 2010. This includes two of our market CEOs (Malaysia and Hong Kong) and two members of the regional executive team.

Our workforce is also predominately under 35 years old (65%) and made up of many different cultures, so we ensure our workforce is geared to achieve the best possible performance and harmony by respecting people for who they are. It is often the small things that make a big difference, such as celebrating the many vibrant festivals in the region and undertaking activities such as 'Eat With Your Family Day' in Singapore – where once a month everyone is invited to leave work an hour early to join their families at dinner.

We are committed to our Employee Promise. Simon Machell, our CEO, spoke at the fourth Annual Diversity and Inclusion Seminar in Barcelona in 2011 on the business benefits of our diversity and inclusion agenda.

In 2011, we continued to focus on building an inclusive workforce throughout our organisation through career development and the 'Talking Talent' programme. We've developed many checks and balances for women such as an equal pay review in the regional office.

We are committed to looking at our talent pipelines to help us understand where we may be even more inclusive.

Basecamp Singapore – developing the passions of employees

In Singapore, a programme has been created to encourage all employees to further their passions and to develop themselves to their fullest potential, together. Based on the metaphor of a mountain climb, Basecamp is run for employees by employees and enables people's passion for fitness, socialising and networking, financial savvy, community development and new skills to be fulfilled.

Employees have run basic language courses for each other in Mandarin, set up yoga classes and hiking clubs as well as donated blood for the Red Cross. Feedback from the programme is extremely positive.

Diversity
80%

of APAC employees believe we are genuinely committed to attracting, developing and keeping a diverse workforce – 6% higher than the Asia high performing norm

Balanced leadership
6%

increase in senior female leaders to 24%

"Aviva's multifaceted approach to engaging employees, customers, partners and communities, by recognising their individual as well as collective needs and differences, is at the heart of their diversity and inclusion promise and sets a high standard in the AsiaPac region."

Deirdre Golden
Mercer's Global
Diversity Forum



Developing communities

"I am particularly proud that our Street to School initiative has made a positive impact on the lives of over 300,000 underprivileged children in Asia in the past two years. We are committed to contribute to the social-economic development of the communities in which we operate."
Simon Machell, chief executive officer, Asia Pacific

Aviva is a key member of the regional community and we are determined to play a positive role.

In 2011, we joined as an active member of CSR Asia's Community Investment Roundtable – a leading body for promoting best practice in the region.

In Singapore, we are a member Qi Global, a network that promotes innovation and social entrepreneurship.

We use the London Benchmarking Group's framework of inputs, outputs and outcomes in order to prioritise involvement in community initiatives.

In Asia, we have delivered over 45 community development projects in 2011, which have focused on developing access to education for thousands of street and underprivileged children, helping people stay safer and responding after tragedy strikes, such as the devastating earthquakes in Indonesia in 2011.

Our employees are actively involved in volunteering across the region. A highlight of 2011 was the Consortium for Street Children's first International Day for Street Children on 12 April, which saw 100 employees in India alone volunteering with local NGOs to support over 1,900 children.

"Aviva NDB is the first private sector organisation to enter into a long-term understanding with the Department of Probation and Childcare (DPCC)."

Sarath Abayagunawardena
commissioner, DPCC,
Sri Lanka

Financial investment

**Nearly
£2m**

invested in the
community

Lifesavers

8 lives

saved during Posun
pilgrimage in Sri Lanka
from Aviva lifesavers

Perception

84%

of employees think
we do a good job of
contributing to the
communities in which
we work and live

Street to School: using social media

Street children lead unpredictable lives – a long way from our purpose of prosperity and peace of mind. Asia is home to thousands of street children – tragically there are an estimated 7,000 street children living on the streets of Jakarta alone – home of our Aviva Indonesia business.

Our Street to School programme involves us working with 11 NGOs across the region to support street and underprivileged children. This is part of our group commitment to 'recognise the unrecognised' and central to our purpose and brand. Our approach is to:

- Help street and underprivileged children reach their potential by accessing support and education services – alleviating immediate hardship and finding a way out of the poverty trap
- Raise awareness of the issues street children face to inspire communities to help tackle the issues. This is vital as street children are often 'state-less' with no official papers to say they exist (for example in Indonesia only 22% of street children have birth certificates according to NGO Plan UK).

Social media has been vital to our Street to School programme, enabling us to raise awareness across a wide geographical area. For example, in India and China Street to School was communicated to over 475,000 people via Facebook and Twitter.

We also continue to raise awareness through more traditional approaches such as event sponsorship, including the Street Children Jamboree in Jakarta, Indonesia organised by Sahabat Anak, which campaigns for children's rights.

India Great Wall Of Education

'Books Inspire' was the message from the 2011 Great Wall of Education campaign in India. Aviva partnered with The Times of India and Vodafone to highlight the issues street children face and how a simple book can make a difference. Now in its third year the call to action went nationwide through the use of television and social media and won a prestigious Silver Effies award for cause related marketing.

On Facebook a lively conversation took place involving 60,000 people at its peak and the cause attracted over 165,000 followers.

The books and funds will ensure that over one million books are made available for over 120,000 street children across the country.



China Twinkling Stars

In China our Street to School focus has a more rural edge where we are helping 28,000 'left-behind children' to stay focused in school.

Left-behind children are the children of migrant workers who for economic reasons need to leave their families behind and work in the city. It is estimated there are 58 million left-behind children in China.

Our Twinkling Stars programme supports rural communities to give some of these children a better life. We do this by creating an inspiring environment for the children to do homework, classes, play and sing – to dream a little.

In 2011, 30 more centres were created, to take the total centres to 60. We further amplified the impact of this by engaging the online community in the issues with over 310,000 people involved in online conversations and over 13,000 Twitter followers.



"It is the active involvement of Aviva and all volunteers, as well as other people, that drives the initiatives going further to inspire the dreams of the children and brighten their life."

Hu Juanhong

21st Century Business Herald, China – our media partner for Street to School

Children

Over 200,000

children helped in Asia

Employee time

4,958

hours volunteered

Social media

500,000

Nearly half a million people involved in Facebook and Twitter conversations on street children

Employee giving

68%

of employees in India donated one full day's salary to Street to School

Street to School: deepening our impact

Because of the overwhelming scale of the street children challenge in Asia we have tried to focus on areas of greatest need in order to offer depth of impact as well as breadth of coverage.

We are guided by the key rights of children as laid out by the UN Convention on the Rights of the Child (1989) and determined to help street involved children realise their right to access education.

Schooling support in Malaysia

In Malaysia in 2011 we launched our Street to School partnership with HOPE Worldwide committed to supporting 173 underprivileged children to stay in education. All the children have shown improvement at school as a result of the support provided by CIMB Aviva.



“Street to School is a great concept as it offers financial aid to disadvantaged children, giving them the hope and means to continue their studies.”

Katy Lee

executive director, HOPE Worldwide (KL)

Sanhinda – A home for street children in Sri Lanka

60 former street children are now able to access specialist care at the Sanhinda Children’s Home opened by the government in Sri Lanka. We have supported the home to introduce a counselling service by providing a qualified child counsellor.

We have also funded supplementary tuition classes and laptops for the children. Aviva employees have been closely and personally involved with 40 bringing their own children along to sing and play with the home’s children.



Schooling

19,385

children enrolled in school in India

Count Every Child – India birth registration

In India, as part of our partnership with CRY (Child Rights and You) we have woven birth registration into seven of the nine projects we fund. Huge numbers of street children are unregistered, leaving children unrecognised in their own countries and facing an uphill struggle to access basic services.

In the first half of 2011 605 more children were registered helping street children to be recognised.



A giving spirit: employee volunteering

Our community investment is not simply based around charitable giving but a much deeper engagement with the issues on our doorstep. Involving our people in community initiatives is a way of reaching out to those in need at a personal level while also building employee pride in Aviva.

Aviva Asia Pacific contributed over 9,000 hours to the community through employee volunteering, nearly double our 2011 target.

The giving spirit is not simply about donating time. Aviva employees have also raised over £60,000 in 2011 and donated books, clothes and toys to communities in need.

"I am in awe of the charity work and contributions of Aviva towards the less fortunate. Thank you for caring."

Aviva employee in Singapore

Aviva India – deep volunteering impact

We launched a new employee volunteering policy on the International Day for Street Children last year, providing up to three days' paid leave for volunteers.

Aviva India employees have always supported the Street to School programme enthusiastically. In 2011, 181 employees across the country volunteered with our NGO partners, impacting the lives of close to 2,300 children.



"I'm proud to be a part of First Aviva and to participate in such a meaningful event."

employee in First Life Aviva Taiwan

Branches across the country also linked up with the local NGOs and conducted donation drives, organised movie shows, painted underprivileged children's schools with colourful sketches and cartoons, and provided cultural events for children. The activity was a huge success.

A flea market in Taiwan

In Taiwan, employees set up a flea market that raised NT400,000 (£8,600) for Jian-Chuan Child Safety Foundation. The flea market was held at First Aviva's office lobby for members of the general public.

Following the flea market, an internal charity auction was held in the afternoon. A further NT\$300,000 (£6,400) was collected through the auction.

All the funds raised will go to Jing-Chuan to raise awareness on safety among children.



Employee time

9,004

volunteering hours
in 2011

Volunteers

17%

of our workforce
volunteered in 2011

CARE Day China

CARE Day on 10 June is a time for the whole company to organise activities around community development. In 2011, the theme of CARE Day was paying a return visit to the schools and children from the 2010 Twinkling Star project to understand how the project had progressed over the last year. The visits showed that the CARE centres were well maintained and discussions took place on how to get full use of donated equipment.



Extensive volunteering in South Korea

Employee volunteering is deeply ingrained in the culture of our joint venture in South Korea. Woori Aviva has contributed 1,284 volunteering hours in total, an average of four hours per person.



A giving spirit: employee volunteering (continued)

Rewarding volunteering

We are encouraging volunteering with paid volunteer leave of up to three days now offered in India, Sri Lanka and Singapore.

Indonesia: Nana volunteers five hours a week with our Street to School partner Sahabat Anak

Singapore: Judy makes paper ornaments to sell and raise funds for street children in Cambodia

South Korea: Jae Han enjoyed his volunteering time helping the 'Beautiful Store' in Seoul to get donated goods ready for sale with 30 colleagues that he has already signed up to 2012 CR activities

Hong Kong: Naaman joined the China's team's Twinkling Stars initiative as a volunteer in the spirit of cross business unit partnership and witnessed the emotional impact of the programme for himself.



Glossary

ABI	Association of British Insurers
Accounting for Sustainability	Brings organisations together to develop practical tools to embed sustainability into their day-to-day operations and decision making
ACF	Aviva Community Fund, Canada
Achilles	Measures and monitors suppliers' corporate responsibility on behalf of major organisations worldwide
AGM	Annual general meeting
Asprea	Our in-house property household claims management company
Aviva Cofco	A 50-50 joint-venture between Aviva, UK's largest insurance group and COFCO, the largest oil and food importer and exporter in China
Aviva Day	A day each year to celebrate achievements across the Group
Aviva Financial Adviser Academy	Helps advisers to improve their qualifications and prepare for pending regulatory changes to the UK financial services market
Aviva Investors' European Renewable Energy Fund	An infrastructure investment fund specialising in developing and financing renewable energy projects in the European Union
Aviva NDB	Our joint venture business in Sri Lanka
Aviva World	Aviva employees' global intranet
Basecamp	Employee development programme in our Singapore division
BIS	UK Department for Business, Innovation and Skills
BITC	Business in the Community
BREEAM	Building Research Establishment Environmental Assessment Method
Carbon Trust Standard	Certifies organisations for real carbon reduction and commitment to ongoing reductions
CBI	Confederation of British Industry
CD	Community development
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
Chance to be Chancellor	An annual challenge giving people the opportunity to tell the UK Government how it should spend the public's money
ClimateWise	A collaborative insurance initiative through which members aim to work together to respond to the myriad risks and opportunities of climate change
CoE	Centre of Excellence
Connected Reporting Framework	A simple approach to connecting strategic direction, financial performance and environmental and social considerations in corporate reporting, developed through the Accounting for Sustainability project
CR	Corporate responsibility
CRCEES	Carbon Reduction Commitment Energy Efficiency Scheme
CSC	Consortium for Street Children
CSR Europe	A leading business network with around 70 multinational corporations which helps its member companies to integrate corporate social responsibility into the way they do business
D&I	Diversity and inclusion
Dhan Sanchay	Universal Life Policy, India
DJSI	Dow Jones Sustainability Index – one of the major global corporate sustainability indexes
eCarbon	Electronic Claims Automated Reports Based Online project – an automated reporting tool that simplifies and 'greens' the auditing process, Aviva Canada

e-fulfilment	Online commerce solutions
e-learning	Online training
Employee Promise	"At Aviva I am recognised for who I am, and my contribution matters"
EMS	Environmental Management System
EPS	Employee Promise Survey
ESG	Environmental, social and corporate governance
Fair Dealing Outcomes	Monetary Authority of Singapore (MAS) guidelines for dealing with customers
FRC	UK Financial Reporting Council
GFS	Global Financial Services benchmark. This is a tough external benchmark that we use as a stretch target
GRESB	Global Real Estate Sustainability Benchmark
Health Mate	Aviva Ireland's free health & fitness app
HMRC	HM Revenue & Customs
HR	Human resources
HSE	Health, Safety and Environment
Insuring a Future	Aviva North America's 'retroactive' life insurance policy to a family in need
KPIs	Key performance indicators
LBG	London Benchmarking Group
Learn and Thrive	A community education and engagement programme aimed at helping people in the City of York achieve prosperity and peace of mind, by inspiring and developing community-based learning in 'numbers know-how'
LEED	Leadership in Energy and Environmental Design, an internationally recognised building certification system
Living Leadership	An Aviva model which defines leadership as "the act of making a difference."
MDGs	Millennium Development Goals
MFD	Multifunctional printing devices
Micro-insurance	Insurance characterised by low premiums and low caps or coverage aimed at low-income people and businesses not served by typical social or commercial insurance schemes
Micro-savings	A small deposit account offered to lower income families or individuals as an incentive to store funds for future use
'Mind the Gap'	Campaign focused on debating with governments about reforming national and EU retirement policy. Mind the Gap reports have been published in every European Aviva market
MSCI	Widely tracked global equity benchmarks
<i>My Aviva flex and My Aviva extras</i>	UK employee benefits schemes
MyHealthCounts	Our online tool to help customers understand more about their health, the risks that they might face, and the simple steps that they can take to adopt a healthy lifestyle
NGOs	Non-government organisations
Nightwatchman	PC power management systems which reduce energy usage
NPS	Net Promoter Score, a tool to measure customer satisfaction by the proportion of customers who will promote your company

OCS	Microsoft Office Communications System – enables employees to communicate worldwide through video and voice calls as well as instant chat, supporting virtual working arrangements
PACT	Personal Allowance Carbon Tracking scheme
Paying for It	An educational resource that engages young people (aged 14–18) with current economic issues
PDP	Personal development plan
RightCall	Our confidential whistleblowing service
RNPS	Relationship Net Promoter Score
ROI	Return on Investment
ROTAD	Repair Order to Aid Drying
Royal Mail's Responsible Mailing Programme	Direct mail service using up-to-date address lists to cut down on wasted mail. Customers also use materials that have been produced using processes and resources that are less harmful to the environment and are recyclable
SRI	Sustainable and Responsible Investments
SST	Stress and Scenario Testing – a valuable risk management tool to help businesses to identify and analyse their risks
STEP	Save Trees Eliminate Paper programme, Aviva in Canada
STOXX	The STOXX Indices are licensed by STOXX Ltd. to financial institutions and other users for use with Exchange Traded Funds (ETFs), mutual funds, futures & options, structured products and other purposes
Street to School	Our global community programme recognising that every child living and working on the street has the right to fulfil their potential
Sustainable stock exchanges	Stock exchanges active in raising awareness of ESG issues and standards among listed companies, driven by calls from institutional investors through initiatives such as the UNEP Finance Initiative and the UNPRI
Talking Talent	Our global process to support performance management and talent development
Twinkling stars	Our Street to School programme in China
UK Carbon Reduction Commitment Energy Efficiency Scheme	A mandatory scheme to improve energy efficiency and cut CO ₂ emissions in large public and private sector organisations
UNEP	United Nations Environment Programme
UNGC	United Nations Global Compact
UNPRI	United Nations Principles for Responsible Investment
Wellness for Life	Aviva North America life insurance initiative which offers a financial incentive for people to adopt a healthier lifestyle
Xsell	Our technical platform for sales and marketing capabilities
You are the Big Picture	Our global brand campaign committing to putting customers at the heart of our business