



Aviva plc
Communication on Progress

Since 2001 Aviva has supported the principles of the United Nations Global Compact, which seek to encourage responsible business practice in the areas of human rights, labour, environment and anti-corruption.

Aviva participates in UK network of the Global Compact, while also supporting other country networks through our subsidiary operations in, for example, Lithuania and Turkey.

“Aviva remains committed in its support for the UN Global Compact principles, which are aligned to our own policies on responsible business practice.”

Richard Harvey
Group Chief Executive
Aviva plc

This Communication on Progress covers progress for 2006. Further information can also be found in our CSR Report 2007 (www.aviva.com/ccsr07), under the following sections: *diversity and human rights, purchasing and supply management, our people, environment and standards of business conduct.*

Human rights

Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and

Principle 2 – make sure that they are not complicit in human rights abuses.

Aviva policies: [Human rights](#), [Diversity](#) and [Purchasing & Supply Management](#).

Our diversity and human rights policies embody the key principles of the United Nations Universal Declaration of Human Rights and the International Labour Organisation’s (ILO) core labour standards.

We show our commitment to promoting diversity, equal opportunities and human rights through our relationship with our people, the design of our products and services and through our influence as an investor and purchaser. Key progress during 2006:

- Implementing a “respect” campaign, which promotes best practice in diversity across the Aviva group.
- Set-up network groups which help to value and respect differences and are a positive channel for influencing company direction on diversity issues in the workplace. Networks included: a Senior Women’s Global network, a London Women’s network and Pride Aviva, a UK network for gays, lesbians and bisexuals.
- In the UK, Norwich Union now ensures its diverse customer base is reflected in its advertising campaign.

- Aviva India continues to support micro-finance initiatives. In 2006 it developed life assurance, protection, credit and savings plans to meet the needs of India's poorest rural communities and to date we have covered over 650,000 lives.
- Morley, our fund management business, played a major role in raising £30 million from investors to lend to microfinance institutions. This initiative will provide around 300,000 small, collateral-free loans at reasonable rates to people in need in Latin America, Eastern Europe and Southeast Asia over the next five years.
- Aviva rolled out its revised Purchasing and Supply Management policy, which includes specific guidance on CSR, ethical behaviour and standards of business conduct. In support of the new policy, a supplier CSR code of conduct was sent to our top 20 suppliers by value. To date, 65% of suppliers have signed up to the code of conduct. In 2007 we will roll it out to our top 100 suppliers and have set a sign-up target of at least 75%. In addition, our supplier question sets continue to include questions on suppliers' stance on the Universal Declaration of Human Rights and the ILO core labour standards and how these affect their employees and suppliers.

Labour standards

Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4 – the elimination of all forms of forced and compulsory labour

Principle 5 – the effective abolition of child labour; and

Principle 6 – eliminate discrimination in respect of employment and occupation.

Aviva policies: [Our people](#), [Diversity](#)

Being open with our people and making them feel involved in the business is an important part of our culture. Aviva recognises and accepts its legal obligations to have suitable equality employment policies and practices in place wherever it operates. Key progress in 2006:

- Across Aviva we had 68% participation rate in our global employee survey, with six businesses having over 90% participation. The survey is a key opportunity to gain insights from our employees into how they think we lead, manage and engage with them.
- Twelve European businesses met in 2006 to discuss pan-European topics at the annual European Consultative Forum. Topics included: business strategy, diversity, employee volunteering and business growth in Central and Eastern Europe.
- We successfully embedded diversity principles in recruitment processes; for example, we trained recruiters in diversity and outreach advertising to ensure that we advertise in the right places to reach the broadest range of potential candidates.

- We created learning tools for managers and senior executives to help them understand better the impact of the new age legislation.

Also see engagement with our suppliers above.

Environment

Principle 7 – Businesses should support a precautionary approach to environmental challenges;
 Principle 8 – undertake initiatives to promote greater environmental responsibility;
 and
 Principle 9 – encourage the development and diffusion of environmentally friendly technologies.

Aviva policies: [Environmental](#)

The core of our business is making provision for future events. As a forward thinking insurer we are making provision for the effects of climate change through adapting and creating new products and services to meet this challenge. We also seek to reduce our own CO₂ output and we encourage others to do the same through our influence as an investor and purchaser. We will work with others to better understand the future implications of climate change and play our part in helping to develop and deliver society's continuing response. Key progress in 2006:

Direct impacts – managing our CO₂ output and waste:

- Becoming first insurer to carbon neutralise its global operations – offsetting our 2006 CO₂ emissions (some 125,400 tonnes).
- Increase in use of zero emissions electricity, now 55% of our electricity globally comes from such sources.
- Across the group we recycle 59% of our waste – a slight decrease on 2005, largely due to the inclusion, for the first time, of newly acquired businesses. For existing business, recycling increased from 61% in 2005 to 73% in 2006.
- Successful binless office scheme in Norwich Union and Aviva Head Office was rolled out in Morley and trialled in Australia, with a view to formally rollout in 2007.

Indirect impacts:

- Launched discounted insurance policies in Canada, France, the Netherlands and UK for drivers of hybrid and bio ethanol fuelled cars.
- Continuing to promote motoring schemes which use telematics technology to assess where, when and how far customers drive, such as Pay As You Drive and Autograph. Such schemes reward drivers who drive less and off-peak, when it is less risky.
- Engagement is an integral element of Morley's, our fund management business, investment approach. We engage with companies where we believe improved management of social, environmental or ethical (SEE), or governance issues will enhance or protect shareholder value.
- Morley became a signatory to the UN Principles of Responsible Investment.

Also see engagement with our suppliers above.

Anti-corruption

Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery.

Aviva policies: [Standards of business conduct](#)

We aim to ensure that everything we do meets rigorous ethical, professional and legal standards. All our business unit heads are asked to provide annual assurance that their business has followed the policy on standards of business conduct and applied the relevant standards. Our businesses find different ways of embedding our standards in their day-to-day activities. Key progress in 2006:

- Aviva Italy provided all employees with a personal ‘passport’ to improve understanding of its values and ethics code. Also, all employees have to sign to say that they understand them.
- In Romania, Aviva used employee meetings and games to promote the values in various ways.
- Aviva India launched a confidential email address where employees can raise any suspicions of malpractice. This follows the 24-hour Safecall independently run malpractice reporting service hotline, used by many of our businesses worldwide.
- Group financial crime held a workshop in our Chinese operation on financial crime and anti-money laundering.