

## **Aviva plc** **Communication on Progress**

Aviva has been a signatory of the UN Global Compact since 2001. The primary goal of the Global Compact is to enlist the power and engagement of the business world in helping to address some of the most pressing challenges for the planet and all its inhabitants – challenges, which far exceed the capacity of any one government or business and which demand new approaches.

The United Nations is the only international organisation capable of bringing together governments, business and NGOs to explore and try out new approaches to old problems.

[www.unglobalcompact.org](http://www.unglobalcompact.org)

We remain firmly committed in our support of the Global Compact, which is driven by the management of Aviva. [View our CEO foreword.](#)

*“Our commitment to help develop understanding, and shape the practice, of CSR globally is evidenced by our continuing commitment to the United Nations Global Compact. Aviva chairs the UK network and our businesses overseas are also active in local networks, where they believe that they can make a contribution.”*

**Richard Harvey, Group CEO**

(Extracted from CEO Foreword in 2006 CSR Report – [www.aviva.com/csr06](http://www.aviva.com/csr06))

Furthermore, Aviva is proud to chair the UK network of the Global Compact, while also giving help with the networks in both Lithuania and Turkey.

We provide an overview of our progress in implementing the 10 principles of the Global Compact. Full details of our actions to comply with our undertakings under the Global Compact can be found in the following sections in our 2006 CSR Report: [standards of business conduct](#), [environment](#), [workforce](#), [health and safety](#) and [customers](#).

### **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.

At Aviva we respect all fundamental principles on human rights, both in the conduct of our own business and through our business partners. We continue to monitor and align our group Human Rights policy according to internationally recognised human rights principles. We are guided by the provisions of the UN Universal Declaration of Human Rights and the ILO core labour standards. Across the group, business unit heads establish responsibilities within their unit for embedding and monitoring compliance with the principles.

The management and promotion of good human rights practices are identified in three principal areas: fund management, purchasing and in our workplace (see [human rights](#)). Further, we recognise the need for human rights to be addressed in the matter of products and services.

### **Responsible investment practices**

Morley fund management’s socially responsible investment (SRI) team held a series of seminars for some of the largest companies in China, to discuss the risks and issues relating to China’s human rights record and how companies can operate responsibly and successfully in China. The SRI team engages on behalf of all our mainstream funds, to raise issues of concern with companies, including environmental liability, corporate governance and human rights. The team also has over £800 million of SRI funds under management.

### **Purchasing and human rights**

Including CSR aspects during the supplier tendering process and at renewal continues in the majority of our businesses. Human rights questions form an integral part of the CSR question set for suppliers. For example, Norwich Union Professional Services in the UK requests supplier’s stance on the UN Universal Declaration of Human Rights and ILO core labour standards in respect of their own employees and their suppliers. Our Dutch business, Delta Lloyd Group has developed a CSR code of conduct for its suppliers, which includes a section on “Respect for human rights”.

## **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

## **Communication and involvement/social dialogue**

Gathering the views of our employees takes several forms, including employee representative bodies (some unionised), employee surveys, via the intranet and direct feedback to managers.

The European Consultative Forum is an annual meeting of representatives of our European Union Business Units and senior management representatives to discuss issues of Europe-wide significance for the group. Issues discussed by this group in 2005 have included the group's strategy with particular emphasis on Europe, the effect of EU accession on the Czech Republic and the group's research on 'The Voice of the Customer'.

For the first time, Aviva in Spain held elections for employee representatives and they have already held meetings on a range of topics with managers.

## **Promoting diversity and equal opportunities in the workforce**

The group diversity policy requires that equal opportunity is provided to all people regardless of age, physical ability, sexual orientation, gender, religion and beliefs and ethnicity.

We believe that by recognising an individual's abilities and talents and by promoting positive attitudes towards diversity, we will enable all our employees to achieve their potential and deliver the greatest results.

A steering group, led by a group executive, is responsible for deepening the group's understanding of and commitment to diversity. In 2005, the group launched the "Think Again" campaign, which aimed to enhance awareness and understanding of diversity and included a brochure, online game, DVD and intranet site.

## **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.

At Aviva, we believe the impact of climate change is the most significant challenge, both to Aviva and society at large. We are committed to managing our environmental footprint, both through our direct and indirect impacts.

## **Direct impacts**

Strong progress has been made in the management and reduction of Aviva's direct environmental impacts through reduced emissions (down 11% in 2005) and business travel (down 22 million kilometres). We have also increased our use of renewable-sourced electricity, which is now used in our operations in the UK, Ireland and the Czech Republic. Waste management has continued to be a focus for many of Aviva's businesses and in 2005, some 61% of waste was recycled across the group. In the UK, our businesses now recycle 15 different waste streams. Paper consumption has reduced group-wide by 967 tonnes, an 11% reduction on the previous year.

## **Indirect impacts**

We continue to develop products and services which provide a positive link between climate impact and premium paid.

Products such as Norwich Union Insurance's Pay As You Drive™ and Aviva Canada's Autograph™ motor insurance, which promote responsible driving, continue their success.

Further, our Irish business, Hibernian, was the first company in 2005 to undertake geographical identification of the areas most likely to flood in Ireland. This will allow us to offer cover to additional

customers in areas currently often uninsurable in view of flood risk. This follows the digital flood mapping activity undertaken by Norwich Union in the UK.

In our UK fund management business, our socially responsible investment (SRI) team seeks to invest in low carbon technologies and chooses to avoid carbon intensive companies. Our SRI portfolios are therefore significantly lower in carbon intensity compared to mainstream funds – due to under representation of big CO<sub>2</sub> emitters and over representation of environmental technology and renewable energy stocks.

### **Anti-corruption**

**Principle 10** Businesses should work against all forms of corruption, including extortion and bribery.

Aviva's Standards of Business Conduct Policy commits us to conduct all aspects of our business according to rigorous ethical, professional and legal standards. All CEOs around the group must provide annual assurance that the policy is adhered to within their business. Compliance with the standards is also required as part of Aviva's senior management contract.

In the UK, Norwich Union Professional Services maintains a hospitality register and register of interest. The hospitality register is used when an employee receives an invitation to a hospitality event from a supplier, potential supplier or business partner. All entries are viewed and authorised by a senior manager.

A dedicated 24 hour independently run telephone fraud reporting service is available to staff in our UK businesses and some overseas business units, including our offshored operations. Work continues to expand this service to more businesses outside the UK.

### **Note:**

Aviva's COP is included in the 2006 CSR Report, which covers performance and progress during 2005. The COP can be found at [www.aviva.com/csr06](http://www.aviva.com/csr06)