

RI TRANSPARENCY REPORT

2013/14

Aviva Investors



UNEP Finance Initiative
Changing finance, financing change



United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

PRI disclaimer

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Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Public							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Description of RI considerations	✓	Private	✓					✓	
SAM 02	Role of investment consultants	✓	Public				✓			
SAM 03	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 04	Breakdown of passive, active quant and active fundamental	🔒	n/a							✓
SAM 05	ESG incorporation strategies	🔒	n/a	✓	✓					
SAM 06	Selection processes (listed assets)	🔒	n/a	✓					✓	
SAM 07	Appointment considerations (listed assets)	🔒	n/a				✓			
SAM 08	Monitoring processes (listed assets)	🔒	n/a	✓						
SAM 09	Percentage of (proxy) votes cast	🔒	n/a		✓					
SAM 10	Selection processes (non-listed assets)	🔒	n/a	✓					✓	
SAM 11	Appointment considerations (non-listed assets)	🔒	n/a				✓			
SAM 12	Monitoring processes (non-listed assets)	🔒	n/a	✓					✓	
SAM 13	Description of RI considerations in 'other' asset classes	✓	Private	✓					✓	
SAM 14	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓					✓	
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	✓	Private		✓					
SAM 16	Disclosure of RI considerations	✓	Public						✓	

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	🔒	n/a	✓						
LEI 07	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
LEI 08	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	✓	Public	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Public		✓					
LEA 20	Securities lending programme	✓	Public		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	✓	Public		✓					
LEA 25	Examples of (proxy) voting activities	✓	Public		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
FI 02	Breakdown of investments by credit quality	✓	Public							✓
FI 03	Description of ESG incorporation	✓	Private	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Private	✓						
FI 06	Types of screening applied	🔒	n/a	✓						
FI 07	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
FI 08	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	✓	Private	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	✓	Public	✓						
FI 14	ESG issues in index construction	✓	Private	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	
FI 19	Engagement with corporate issuers	✓	Private		✓					
FI 20	Engagement with government issuers	✓	Private		✓					

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments by equity and debt	✓	Private							✓
PR 02	Breakdown of assets by management	✓	Private							✓
PR 03	Largest property types	✓	Private							✓
PR 04	Description of approach to RI	✓	Private	✓					✓	
PR 05	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 06	Fund placement documents and RI	✓	Public	✓			✓		✓	
PR 07	Formal commitments to RI	✓	Private				✓			
PR 08	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 09	ESG advice and research when selecting investments	✓	Private	✓			✓			
PR 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
PR 11	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PR 12	ESG issues impact in selection process	✓	Public	✓						
PR 13	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 14	ESG issues in post-investment activities	✓	Public		✓					
PR 15	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 16	Certification schemes, ratings and benchmarks	✓	Private		✓					
PR 17	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 18	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 19	Proportion of green leases or MOUs referencing ESG issues	✓	Public		✓					
PR 20	Proportion of assets engaged with on community issues	✓	Public		✓					
PR 21	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
PR 22	Examples of ESG issues that affected your property investments	✓	Public	✓		✓				
PR 23	Disclosure of ESG information to public and clients/beneficiaries	✓	Public						✓	

Aviva Investors

Reported Information

Public version

Organisational Overview

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Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the services you offer.

☒ Fund management

% of assets under management (AUM) in ranges

☐ <10%

☐ 10-50%

☒ >50%

☒ Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

☒ <10%

☐ 10-50%

☐ >50%

☐ Other, specify

☐ Execution and advisory only services

OO 02

Mandatory

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United Kingdom

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

☐ 1

☐ 2-5

☐ 6-10

☒ >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

1098.5

OO 02.4 Additional information. [Optional]

Our main offices are in France, Luxembourg, Poland, Singapore, the UK and the USA.

OO 03 **Mandatory** **Descriptive** **General**

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ☐ Yes
☒ No

OO 04 **Mandatory** **Gateway/Peering** **General**

OO 04.1 Indicate the year end date for your reporting year.

31/12/2013

OO 04.2 Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		240	507	000	000
Currency	GBP				
Assets in USD		374	589	206	493

OO 04.3 Indicate the level of detail you would like to provide about your asset class mix.

- ☐ Approximate percentage breakdown to the nearest 5% (e.g. 45%)
☒ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06 **Mandatory** **Descriptive** **General**

OO 06.1 To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- ☒ Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	0
Fixed income – corporate	<10%	0
Fixed income – government	<10%	0

Fixed income – other	10-50%	0
Private debt	0	0
Private equity	<10%	0
Property	10-50%	0
Infrastructure	<10%	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Other (1), specify	<10%	<10%
Other (2), specify	<10%	0

'Other (1)' specified

Multi-asset - please note team manage over £68 billion which include some assets that they have allocated to other investment desks across Aviva Investors

'Other (2)' specified

Investment solutions

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 07	Mandatory to Report	Voluntary to Disclose	Peering	General
OO 07.1	Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.			

	% of externally managed assets
Segregated mandate(s)	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Pooled fund(s)	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %
<i>Total externally managed assets</i>	<i>100%</i>

OO 07.2 Indicate the proportion of your externally managed assets in fund-of-funds.

	% of externally managed assets
Fund-of-funds	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 08 Mandatory to Report Voluntary to Disclose Peering General

OO 08.1 Indicate the breakdown of your organisation's AUM by market.

Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

Gateway asset class implementation indicators

OO 10 Mandatory Gateway General

OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.
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- ☒ We incorporate ESG issues into investment decisions on our internally managed assets
- ☒ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☒ We cast our (proxy) votes directly or via service providers
- ☐ None of the above

OO 11	Mandatory	Gateway	General
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OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.
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- ☒ Fixed income – corporate
- ☒ Fixed income – government
- ☒ Fixed Income – other
- ☐ Private equity
- ☒ Property
- ☒ Infrastructure
- ☐ Cash
- ☐ Other (1)
- ☐ Other (2)
- ☐ None of the above

	'Other (1)' [as defined in OO 05]
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Multi-asset

	'Other (2)' [as defined in OO 05]
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Investment solutions

OO 11.2	Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.
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- ☒ Other (1)
- ☐ None of the above

	'Other (1)' [as defined in OO 05]
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Multi-asset

OO 12	Mandatory	Gateway	General
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OO 12.1

The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

Core modules

- ☒ Organisational Overview
- ☒ Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers**Direct - Listed Equity incorporation**

- ☒ Listed Equity incorporation

Direct - Listed Equity active ownership

- ☒ Engagements
- ☒ (Proxy) voting

Direct - Fixed Income

- ☒ Fixed Income - Corporate
- ☒ Fixed Income - Government

Direct - Other asset classes with dedicated modules

- ☒ Property
- ☐ Infrastructure

RI implementation via external managers**Indirect - Selection, Appointment and Monitoring of External Managers**

- ☒ Other (1)

Closing module

- ☒ Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

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Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
OA 01.1	Indicate if you have a responsible investment policy.		
	<input checked="" type="radio"/> Yes <input type="radio"/> No		
OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.		
	<input checked="" type="radio"/> Yes <input type="radio"/> No		
OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]		

Our business focus is to maximise the long term returns to our clients within the risk parameters that they have set. We believe that environmental, social and governance (ESG) issues are frequently material. We therefore include an analysis of corporate governance and business sustainability within our fundamental research and integrate our conclusions throughout our investment decisions. This includes integration into our buy, sell and hold portfolio management decisions. However, not all ESG issues will be relevant all of the time and we therefore only integrate ESG issues where this adds value to the investment decision. We aim to use our ownership influence, through engagement and voting at company annual general meetings, to reward and promote good standards in corporate governance and business sustainability, but stand ready to challenge poor performance when necessary.

We look for companies that are run in the long term interests of shareholders, rather than the short term interests of the current company management team. In our experience, companies with good corporate governance, high standards of integrity and a sustainable business model deliver better long term returns to shareholders.

Our policies

The Aviva Investors Stewardship Statement sets out our commitment to the UK Stewardship Code and the Principles for Responsible Investment. It also outlines the philosophy, beliefs and practices that drive Aviva Investors' behaviours as a major responsible institutional investor.

Our Corporate Governance and Corporate Responsibility Voting Policy sets out the standards of good corporate governance and corporate responsibility we expect from the companies in which we invest and outlines how this is translated into our voting policy.

OA 02	Mandatory	Core Assessed	PRI 6
OA 02.1	Indicate if your responsible investment policy is publicly available.		
	<input checked="" type="radio"/> Yes		

OA 02.2	Provide a URL to your responsible investment policy.
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	URL
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http://www.avivainvestors.co.uk/cs/groups/internet/documents/salessupportmaterial/zgzf/mdi5/-edisp/pdf_029846.pdf

☐ No

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.
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☒ Yes

☐ Yes, all

☒ Yes, some

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.
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Policy or document name	URL
Aviva Investors Stewardship Statement	http://www.avivainvestors.com/internet/groups/internet/documents/salessupportmaterial/pdf_024453.pdf

☐ No

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
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Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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☒ Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
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Our approach to managing conflicts of interest is publicly disclosed within our Stewardship Statement.

☐ No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.
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☒ Yes

OA 05.2	Indicate how frequently your organisation sets or revises objectives for responsible investment.
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☒ At least once per year

☐ Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- ☐ Quarterly
☐ Biannually
☒ Annually
☐ Every two years or less
☐ It is not reviewed
☐ No

OA 05.4

Additional information. [Optional]

The Global Responsible Investment team reports annually to the Aviva Investors Executive Committee and the Aviva Board Governance Committee on performance against responsible investment objectives.

OA 06	Voluntary	Descriptive	General
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OA 06.1

List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

☒ Add responsible investment objective 1

Objective 1	INTEGRATION : working together with fund managers and responsible investment officers to integrate ESG considerations into investment decisions, developing customised integration for each investment desk
Key performance indicators	Percentage AUM with tailored responsible investment policies
Describe the progress achieved	In 2013 we appointed a Head of Responsible Investment Integration and agreed tailored responsible investment policies across a range of asset classes, representing 80% AUM

☒ Add responsible investment objective 2

Objective 2	VOTING & ENGAGEMENT: using our influence as shareholders to promote good practice among those companies in which we invest.
Key performance indicators	Voting performance and effectiveness
Describe the progress achieved	In 2013 we voted at over 3500 company meetings on a range of environmental, social and corporate governance resolutions.

☒ Add responsible investment objective 3

Objective 3	MARKET REFORM: We define proactive initiatives to correct market failures through engagement with policy makers at a national, EU and UN level.
Key performance indicators	Policy change
Describe the progress achieved	In 2013, we responded to key policy consultations (including Kay Review and EU Narrative Reporting proposal) and appeared before parliamentary select committees.

OA 06.2	List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.
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- ☐ Add responsible investment objective 1 for the next reporting year
- ☐ Add responsible investment objective 2 for the next reporting year
- ☐ Add responsible investment objective 3 for the next reporting year

Governance and human resources

OA 07	Voluntary	Descriptive	General
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OA 07.1

Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

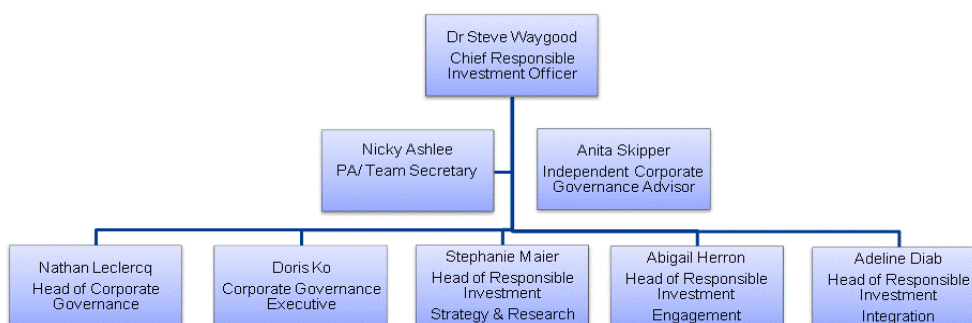
The Global Responsible Investment (GRI) team acts as a centre of expertise in ESG matters and is on hand to work with fund managers and analysts globally and across asset classes. The team comprises seven corporate governance and responsible investment professionals and is headed by Dr Steve Waygood, Chief Responsible Investment Officer.

In addition, Aviva Investors has a network of 20 Responsible Investment Officers - fund managers and analysts - that support the integration of ESG issues into the investment processes of all investment desks.

Our activities are reviewed on a quarterly basis by our GRI Advisory Committee - a committee of five experts in governance and sustainability issues.

☒ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

RESPONSIBLE INVESTING WITH AVIVA INVESTORS THE GLOBAL RESPONSIBLE INVESTMENT TEAM



Source Aviva Investors

1

To upload the image click the Save button below

OA 08	Mandatory	Gateway/Core Assessed	General
OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.		

Roles present in your organisation

- ☒ Board members or trustees
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other Chief-level staff or head of department, specify
- ☒ Portfolio managers
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ External managers or service providers
- ☐ Other role, specify
- ☐ Other role, specify

OA 08.2

Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

7

OA 08.3

Additional information. [Optional]

The Global Responsible Investment team comprises seven corporate governance and responsible investment professionals. This is supported by a network of 20 Responsible Investment Officers.

OA 09

Voluntary

Additional Assessed

General

Board members/Board of trustees

- ☐ Responsible investment included in personal development and/or training plan
- ☒ None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☐ Responsible investment included in personal development and/or training plan
- ☒ None of the above

Portfolio managers

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Investment analysts

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Dedicated responsible investment staff

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

OA 09.3

Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

Aviva Investors was one of the first large mainstream asset managers to make the integration of environmental, social and governance (ESG) factors into investment decisions part of the pay criteria of its main investment desk heads. Many investment desk heads have 5% of their basic salary determined by the application of ESG factors into their investment strategies. This is based on a scorecard of milestones on ESG integration.

In addition, most RIOs have a modest but meaningful part of their annual compensation linked to ESG integration and can potentially receive an extra bonus of 10% from the fund managers' central bonus pool based on meeting Aviva Investor's ESG implementation targets. The exact structure of their remuneration differs by country. The Responsible Investment Officers network and the related compensation criteria will be rolled out across There are now 20 RIOs covering a range of asset classes based in London, Paris and Singapore.

Promoting responsible investment

OA 10**Mandatory****Core Assessed****PRI 4,5****OA 10.1**

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

☒ Yes

OA 10.2

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- ☐ Asian Corporate Governance Association
- ☐ Association for Sustainable & Responsible Investment in Asia
- ☐ Australian Council of Superannuation Investors
- ☒ CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We have supported the Carbon Disclosure Project (CDP) since before its inception in 2001. 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 in 2011 and continues to focus on non-disclosure of carbon risks. 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). Aviva Investors continues to be an active spokesperson on carbon risks and the CDP.

☒ CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
☐ Moderate
☐ Advanced

☒ CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
☐ Moderate
☐ Advanced

☒ CFA Institute Centre for Financial Market Integrity

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
☐ Moderate
☐ Advanced

☐ Council of Institutional Investors (CII)

☐ Eumedion

☒ Extractive Industries Transparency Initiative (EITI)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
☐ Moderate
☐ Advanced

☒ Global Investors Governance Network (GIGN)

	Your organisation's role in the initiative during the reporting period (see definitions)
--	--

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

☒ Global Real Estate Sustainability Benchmark (GRESB)

	Your organisation's role in the initiative during the reporting period (see definitions)
--	--

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

☒ Institutional Investors Group on Climate Change (IIGCC)

	Your organisation's role in the initiative during the reporting period (see definitions)
--	--

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--	--

We are active participants in the Corporate Working Group - shaping IIGCC engagement priorities.

☐ Interfaith Center on Corporate Responsibility (ICCR)

☒ International Corporate Governance Network (ICGN)

	Your organisation's role in the initiative during the reporting period (see definitions)
--	--

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)

☒ Investor Network on Climate Risk (INCR)/CERES

	Your organisation's role in the initiative during the reporting period (see definitions)
--	--

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We are signatories to the Ceres Carbon Asset Risk initiative and are actively engaging with target companies.

- ☐ Local Authority Pension Fund Forum
- ☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Aviva Investors is proud to be a founding signatory and a strong supporter of the Principles for Responsible Investment (PRI). We play a formal role in the PRI (Steve Waygood, Chief Responsible Investment Officer, is a Partner of the PRI Academic Network) and actively participate in leading and supporting engagements through the PRI Clearing House.

- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

UKSIF, Eurosif

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

UKSIF - Aviva Investors is a long standing member of UKSIF. In addition, although serving in a personal capacity, one member of the GRI team is on the Board of UKSIF and two members are on the Leadership Committee. We also support flagship initiatives such as Ownership Day.

- ☐ Shareholder Association for Research and Education (Share)
- ☒ United Nations Environmental Program Finance Initiative (UNEP FI)

	Your organisation's role in the initiative during the reporting period (see definitions)
--	--

- ☐ Basic
☒ Moderate
☐ Advanced

☒ United Nations Global Compact

	Your organisation's role in the initiative during the reporting period (see definitions)
--	--

- ☐ Basic
☐ Moderate
☒ Advanced

	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--	--

Our parent company, Aviva is a longstanding signatory to the UN Global Compact Principles. In 2010, we were invited to be one of approximately 50 companies forming the Global Compact LEAD, to set a best practice example to others. As well as reporting annually against these principles we support the UN Global Compact principles through our Corporate Governance and Corporate Responsibility Voting Policy and targeted engagement (including leading a collaborative engagement on the PRI Clearing House).

We also consider the UN Global Compact to be a strategic partner in the Sustainable Stock Exchange Initiative and work closely on a range of other initiatives.

☒ Other collaborative organisation/initiative, specify

Sustainable Stock Exchange Initiative - a partnership between investors, the UN Global Compact, the PRI, UNEP-FI and UNCTAD.

	Your organisation's role in the initiative during the reporting year (see definitions)
--	--

- ☐ Basic
☐ Moderate
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Aviva Investors played a prominent role in helping to establish the Sustainable Stock Exchange (SSE) in 2009. We now run it in partnership with the United Nations. The SSE promotes sustainable capital markets. It also explores how stock exchanges can work together with investors, regulators and companies on environmental, social and corporate governance issues. It encourages long-term approaches to investment.

Last year, the SSE received a huge boost when the New York Stock Exchange's (NYSE) parent company Euronext signed up to the initiative. It joined existing partners NASDAQ, BOVESPA (of Brazil) and the exchanges in India and Thailand. UN Secretary-General Ban Ki-moon led the ceremony to announce the deal in July, also attended by Dr Steve Waygood, our Chief Responsible Investment Officer.

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

☐ No

OA 11	Mandatory	Core Assessed	PRI 4
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OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

☒ Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

☒ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations

☒ Provided financial support for academic or industry research on responsible investment

☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

☒ Spoke publicly at events and conferences to promote responsible investment

☐ Wrote and published in-house research papers on responsible investment

☒ Encouraged the adoption of the PRI

☐ Other, specify

☐ No

OA 12	Voluntary	Additional Assessed	PRI 4,5,6
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OA 12.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.
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☒ Yes

☒ Yes, individually

☒ Yes, in collaboration with others

OA 12.2	Select the methods you have used.
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☒ Endorsed written submissions to governments, regulators or standard-setters developed by others

☒ Drafted your own written submissions to governments, regulators or standard-setters

☒ Participated in face-to-face meetings with government members or officials to discuss policy

☐ Other, specify

OA 12.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
----------------	--

☒ Yes, publicly available

	provide URL
--	-------------

http://www.avivainvestors.co.uk/customer/about-us/our_corporate_governance/index.htm

☐ No

☐ No

OA 12.4	Additional information.
----------------	-------------------------

Policy advocacy is core to our approach. We define proactive initiatives to correct market failures through engagement with policy makers at a national, EU and UN level. Here are selected examples of our public policy dialogue:

Individual submissions - we have made submissions to a range of consultations including the UK BIS Kay Review and the European Commission Green Paper on Corporate Governance.

Collective submissions - we routinely support letters to regulators e.g. with the Aldersgate Group on climate change.

Face-to-face meetings - we have given evidence at two parliamentary inquiries (BIS inquiry into the Kay Review and the Environmental Audit Committee inquiry into Green Finance) and held meetings with the FRC, FCA and Treasury on promoting sustainable capital markets.

ESG issues in asset allocation

OA 13	Voluntary	Descriptive	PRI 1
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OA 13.1	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.
----------------	--

☐ Yes

☒ No

OA 14	Voluntary	Descriptive	PRI 1
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OA 14.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
----------------	---

☐ Yes

☒ No

OA 14.4	Additional information.
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We run a limited number of bespoke mandates with specific environmental or social criteria.

Asset class implementation not reported in other modules

OA 15	Voluntary	Descriptive	General
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OA 15.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
----------------	--

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - other	
Infrastructure	We support renewable infrastructure and actively look for new opportunities. In 2013, we invested £36million in a new energy centre at Addenbrooke's Hospital in Cambridge in partnership with the UK Green Investment Bank. Aviva Investors was also a major supporter of solar technology supporting portfolios of over 20MW of residential solar photovoltaic (PV) systems built on thousands of domestic properties across the UK.

Innovation

OA 18	Voluntary	Descriptive	General
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OA 18.1

Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

A key innovation to facilitate our integration of environmental, social and governance (ESG) issues into investment analysis and decision-making is our Responsible Investment Officer (RIO) network. This network of 20 fund managers, analysts and support functions is the first point of contact for ESG integration within each investment desk and region. The RIOs play an active role in embedding ESG data and analysis fully into each desk's investment process. This includes working with the Global Responsible Investment team on the most appropriate use of ESG data and the development of tools.

Assurance of responses

OA 19**Voluntary****Additional Assessed****General****OA 19.1**

Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.

☒ Yes

OA 19.2

Indicate who has reviewed, validated and/or assured your reported information.

- ☒ Reviewed by Board, CEO, CIO or Investment Committee
- ☐ Validated by internal audit or compliance function
- ☐ Assured by an external independent provider, specify name

OA 19.3

Describe the steps you have taken to review, validate and/or assure the content of your reported information.

This report was prepared by the Head of Responsible Investment Strategy and Research at Aviva Investors and has been reviewed and signed-off by the Chief Responsible Investment Officer.

☐ No

Aviva Investors

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

SAM 02	Mandatory	Core Assessed	PRI 4
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SAM 02.1 Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.

☐ Yes

☒ No

SAM 02.4 Additional information. [Optional]

As we select, appoint and monitor external managers the Multi-Manager (MM) team would not typically use investment consultants. The MM team has an advisory relationship with Morningstar bought Old Broad Street Research (OBSR) who provide some input but Aviva Investors MM team has direct responsibility for all of the above decisions.

SAM 03	Mandatory	Gateway	General
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SAM 03.1 Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Other (1) [as defined in Organisational Overview module]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

SAM 03.2	Additional information. [Optional]
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The Multi-Manager (MM) team are the central source of manager research and selection within the Aviva Group. The team is responsible for the selection and investment of the Fund of Funds portfolios and Manager of Manager portfolios (in conjunction with the Multi-Asset Funds (MAF) team and Strategic Asset Allocation (SAA) team) and governed-guided platform ranges. In addition, the team advise on manager selection for funds run within the broader Multi-Asset Solutions team such as the Aviva Investors Diversified Strategy Fund.

The team has a robust selection and monitoring process. Assessing ESG factors is integral to the Research phase and ESG factors are embedded in the due diligence, investment analysis, decision-making and monitoring activities.

There is considerable experience within the MM team. One of the current team members used to run a dedicated SRI Fund of Funds, whilst another member used to be a dedicated ESG analyst at Innovest in New York.

Communication

SAM 16	Mandatory	Core Assessed	PRI 6
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SAM 16.1	Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.
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- ☐ Yes, we disclose information publicly
- ☒ Yes, we disclose information to clients/beneficiaries only

SAM 16.3	Indicate what type of information your organisation proactively discloses to clients and/or beneficiaries about your indirect investments.
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- ☒ How responsible investment considerations are included in manager selection, appointment and monitoring processes
- ☐ Details of the responsible investment activities carried out by managers on your behalf
- ☐ E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership
- ☐ Other, specify
- ☐ We do not proactively disclose information to the public and/or clients/beneficiaries

ESG is part of both the Multi Manager team's RFP process as well as part of its in-depth investment process.

- We aim to report on the voting of our underlying managers when an Aviva Investors new website is up and running.
- Upon client request, we could provide details of the responsible investment activities carried out by managers on our behalf as well as specific E, S and/or G impacts from some of the MM team's investments and active ownership .

Aviva Investors

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

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Overview

LEI 01

Mandatory to Report Voluntary to Disclose

Gateway/Peering

PRI 1

LEI 01.1

Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.

Strategies

☒ Passive

% of internally managed listed equities

☐ <10%

☒ 10-50%

☐ >50%

☒ Active – quantitative (quant)

% of internally managed listed equities

☐ <10%

☒ 10-50%

☐ >50%

☒ Active – fundamental and other active strategies

% of internally managed listed equities

☐ <10%

☒ 10-50%

☐ >50%

LEI 02

Voluntary

Descriptive

PRI 1

LEI 02.1

Provide a brief overview of how you incorporate ESG issues in listed equity investments.

Our business focus is to maximise the long term returns to our clients within the risk parameters that they have set. We believe that environmental, social and governance (ESG) issues are frequently material. We therefore include an analysis of corporate governance and business sustainability within our fundamental research and integrate our conclusions throughout our investment decisions. This includes integration into our buy, sell and hold portfolio management decisions, as well as our voting at company annual general meetings. We aim to use our ownership influence to reward and promote good standards in corporate governance and business sustainability, but stand ready to challenge poor performance when necessary.

We look for companies that are run in the long term interests of shareholders, rather than the short term interests of the current company management team. In our experience, companies with good corporate governance, high standards of integrity and a sustainable business model deliver better long term returns to shareholders.

ESG incorporation in actively managed listed equities

Implementation processes

LEI 03**Mandatory****Gateway/Core Assessed****PRI 1****LEI 03.1**

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☒ Integration alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)

%

100

- ☐ Screening + Integration strategies
- ☐ Thematic + integration strategies
- ☐ Screening + thematic strategies
- ☐ All three strategies combined
- ☐ No incorporation strategies applied

Total actively managed listed equities

100%

LEI 03.2

Describe your primary reasons for choosing a particular ESG incorporation strategy.

Aviva Investors has taken a progressive approach to incorporating environmental, social and governance (ESG) issues into investment analysis and decision-making across its full range of assets. The Global Responsible Investment (GRI) Team was formed in 2012 with the explicit aims of work with fund managers to integrate ESG considerations into all investment decisions, using our influence as shareholders to promote good practice among those companies in which we invest and leading proactive initiatives to correct market failures with policymakers at national, European Union and United Nations levels.

LEI 04**Voluntary****Additional Assessed****PRI 1****LEI 04.1**

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

Type of ESG information

- ☒ Raw ESG company data

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Company-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Sector-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☐ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Country-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☐ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☐ Screened stock list
- ☒ Issue-specific analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☐ Other, specify

LEI 04.2

Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

Our Global Responsible Investment (GRI) team sources a range of high quality independent ESG research and data. We use this research, the expertise of the team, bespoke research commissioned from brokers and research organisation and additional information from less conventional sources such as NGOs and civil society to build up a rich picture of how the environmental, social and governance issues impact the businesses and other asset classes in which we invest.

We source primary research data from a range of specialist ESG independent research providers as well as sell-side brokers. Current external research providers include Bloomberg, Carbon Disclosure Project, EIRIS, Ethix SRI Advisors, Global Metrics International (GMI), Institutional Shareholder Services (ISS), Manifest, MSCI, and Vigeo. A biennial review of research providers is conducted to ensure we have the best available data.

The GRI team and dedicated research analysts are the primary users of the ESG data as it is incorporated into the investment analytical process. All fund managers have access to key data - our voting record and selected ESG scores from our research providers - on a company by company basis through an 'ESG heat map' we have designed in-house and made available on Bloomberg. We are currently developing a range of portfolio management tools.

LEI 04.3

Indicate if you incentivise brokers to provide ESG research.

☒ Yes

LEI 04.4

Describe how you incentivise brokers.

We allocate a proportion of broker commission specifically to providers of ESG research. We also provide feedback to brokers on the ESG research we receive.

☐ No

LEI 05	Voluntary	Additional Assessed	PRI 1
--------	-----------	---------------------	-------

LEI 05.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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☒ Engagement

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

☒ (Proxy) voting

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

LEI 05.2	Additional information. [Optional]
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All voting and engagement is logged on a central database which both the Global Responsible Investment team and Equity team have access to. In addition, briefings are provided to fund managers ahead of company meetings highlighting specific ESG questions and concerns and our previous voting and engagement record.

(C) Implementation: Integration of ESG issues

LEI 10	Voluntary	Descriptive	PRI 1
--------	-----------	-------------	-------

LEI 10.1	Describe how you integrate ESG factors into investment decision making processes.
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We use our voting and engagement strategy to encourage transparency, more sustainable business practices and good governance in the companies in which we invest. This benefits our customers, by identifying and reducing ESG risks in our holdings, and in many cases society and the broader economy by promoting more sustainable companies. As part of our commitment to responsible investment, in 2001, we incorporated our assessment of a company's performance and disclosure on corporate responsibility issues into the way we vote - one of the first asset managers in the world to do so and still among a limited number.

Our voting policy is founded on the principles of good governance and appropriate management of material sustainability issues. We encourage companies to embed sustainability throughout their business strategy.

LEI 11	Mandatory	Core Assessed	PRI 1
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LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 11.2 Additional information. [Optional]

Environmental, social and corporate governance issues are reviewed as part of our voting analysis, in line with our Corporate Governance and Corporate Responsibility Voting Policy.

LEI 12	Voluntary	Descriptive	PRI 1
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LEI 12.1 Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Company information and/or ratings on ESG are updated regularly
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

LEI 12.2 Describe how ESG information is held and used by your portfolio managers.

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☐ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☐ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

LEI 13	Voluntary	Additional Assessed	PRI 1
--------	-----------	---------------------	-------

LEI 13.1	Indicate into which aspects of investment analysis you integrate ESG information.
----------	---

- ☐ (Macro) economic analysis
- ☐ Industry analysis
- ☒ Analysis of company strategy and quality of management
 - ☒ Systematically
 - ☐ Occasionally
- ☐ Idea generation
- ☐ Portfolio construction
- ☐ Fair value/fundamental analysis
- ☐ Other, specify

ESG incorporation in passively managed listed equities

LEI 14	Mandatory to Report Voluntary to Disclose	Descriptive	PRI 1
--------	---	-------------	-------

LEI 14.1	Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology.
----------	---

☒ Yes

LEI 14.2	Indicate the percentage of your total passive listed equity funds for which ESG issues are incorporated in the index construction methodology.
----------	--

	(% of total passive listed equity funds)
--	--

- ☐ <10%
- ☒ 10-50%
- ☐ 51-90%
- ☐ >90%

LEI 14.3	Specify index/fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategies you apply.
----------	---

☒ Index/fund 1

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
We vote all companies, jurisdictions permitting, regardless of whether they are actively or passively held. Where we see particularly poor performance we will also engage with the company.	<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

☐ Index/fund 2

☐ Index/fund 3

☐ Index/fund 4

☐ Index/fund 5

☐ No

Outputs and outcomes

LEI 15	Voluntary	Descriptive	PRI 1
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LEI 15.1 Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

☒ Integration of ESG issues

Select which of these effects followed your ESG integration:

☐ Reduce or prioritise the investment universe

☐ Overweight/underweight at sector level

☒ Overweight/underweight at stock level

☒ Buy/sell decisions

☐ Other, specify

☐ Index incorporating ESG issues (for passively managed funds)

LEI 16	Voluntary	Descriptive	PRI 1
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LEI 16.1 Indicate if you believe that incorporating ESG factors has: (a) Impacted funds' financial performance; (b) Reduced funds' risk or volatility; (c) Improved funds' ESG performance.

a) Impacted funds' financial performance

	Integration of ESG issues	Index incorporating ESG(for passively managed funds)
	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No

	b) Reduced funds' risk or volatility
--	--------------------------------------

	Integration of ESG issues	Index incorporating ESG(for passively managed funds)
	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No

	c) Improved funds' ESG performance
--	------------------------------------

	Integration of ESG issues	Index incorporating ESG(for passively managed funds)
	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No

LEI 16.2	Describe how you are able to determine these outcomes and your actual performance.
-----------------	--

Measuring and attributing these outcomes is not an exact science and it would be inaccurate to claim to be the sole cause of change in most cases. However, we are able to determine outcomes in the following ways:

- Impacted funds' financial performance - we can see meaningful share price movements e.g. after a change of Board that we have been seeking
- Reduced funds' risk or volatility - proactively raising ESG concerns with companies and supporting their improvement reduces the likelihood of potentially larger ESG risk events
- Improved funds' ESG performance - this is a result of the ESG improvements we generate at the individual company level

LEI 17	Voluntary	Descriptive	PRI 1
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LEI 17.1	Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.
-----------------	---

- ☐ ESG issue 1
- ☐ ESG issue 2
- ☐ ESG issue 3
- ☐ ESG issue 4
- ☐ ESG issue 5

LEI 17.2	Additional information.
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Please see examples in LEA14.1

Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
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LEI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.
----------	---

- ☒ We disclose it publicly

	Provide URL
--	-------------

http://www.avivainvestors.co.uk/internet/groups/internet/documents/salessupportmaterial/pdf_029846.pdf

	Provide URL
--	-------------

http://www.avivainvestors.com/internet/groups/internet/documents/salessupportmaterial/pdf_024453.pdf

LEI 18.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
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- ☒ Yes

LEI 18.3	Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.
----------	---

- ☒ Broad approach to ESG incorporation
☐ Detailed explanation of ESG incorporation strategy used

LEI 18.4	Indicate how frequently you typically report this information.
----------	--

- ☒ Quarterly or more frequently
☐ Between quarterly and annually
☐ Less frequently than annually
☐ Other, specify
- ☐ No
- ☐ We disclose it to clients and/or beneficiaries only
☐ We do not proactively disclose it to the public and/or clients/beneficiaries

Aviva Investors

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2
LEA 01.1	Provide a brief overview of your organisation's approach to engagement.		

Aviva Investors believes that company engagement forms an integral part of addressing ESG risks and opportunities within our portfolios. 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 and manage ESG risks. 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.

Our ESG analysis helps to inform and shape our engagement activities. Where material ESG risks are identified, the GRI team works closely with fund managers to devise and execute an appropriate engagement plan.

Engagement opportunities are also identified through our sector thematic analysis and through our engagement with Civil Society and NGOs. We have a dedicated Head of Responsible Investment Engagement who is responsible for leading our engagement, using our influence as shareholders to promote good practice among those companies in which we invest.

Engagement is based on stock specific investment research as well as voting research conducted in advance of AGMs. Where companies are found to fall short we engage with the company with a specific recommendation in mind based on our engagement objectives. This is recorded as a request for change on our database.

We use a range of methods to engage with companies, including face-to-face meetings with company directors (either alongside our fund managers in routine company meetings or as specific ESG meetings), investor-led collaborative initiatives (e.g. leading and supporting collaborative engagement through the UN PRI Clearing House or the CDP Carbon Action programme), targeted communication of voting issues ahead of company AGMs, and engagement via our voting position. We may also attend AGMs and EGMs in person.

In general, we conduct engagement in private. However, in certain cases we will be public about our engagement if we feel this is the most effective way to achieve the change we are seeking. We are very happy to provide case studies.

LEA 02	Mandatory	Gateway	PRI 1,2,3
LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.		

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

☒ Yes

LEA 03.2 Describe how you identify and prioritise engagements.

Our engagement strategy is formed through our thematic analysis, stock specific investment research, voting policy and analysis and through our engagement with Civil Society and NGOs. This strategy is revised annually and reviewed by our Global Responsible Investment Advisory Committee.

☐ No

LEA 04	Mandatory	Core Assessed	PRI 2
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**LEA
04.1**

Indicate if you define specific objectives for your engagement activities.

- ☒ Yes
- ☐ Yes, for all engagement activities
 - ☒ Yes, for the majority of engagement activities
 - ☐ Yes, for a minority of engagement activities
- ☐ No

**LEA
04.2**

Indicate if you monitor the actions that companies take following your engagements.

- ☒ Yes
- ☐ Yes, in all cases
 - ☒ Yes, in the majority of cases
 - ☐ Yes, in the minority of cases

**LEA
04.3**

Describe how you monitor and evaluate the progress of your engagement activities.

Our engagement, together with specific objectives and company responses, is logged in a central database. In addition, we review the effectiveness of our engagement through improvements or deterioration of our voting positions on an annual basis.

☐ No

Process for engagements conducted via collaborations

LEA 05

Mandatory

Core Assessed

PRI 2

**LEA
05.1**

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

☒ Yes

**LEA
05.2**

Describe how you identify and prioritise collaborative engagements.

We regularly review and evaluate collaborative engagements through our membership of key investor networks such as the ABI, CDP, IIGCC and PRI. We participate where we believe this will be the best approach and initiate our own collaborative engagements.

☐ No

LEA 06

Mandatory

Core Assessed

PRI 2

**LEA
06.1**

Indicate if the collaborative engagements in which you are involved have defined objectives.

- ☒ Yes
- ☐ Yes, for all collaborative engagement activities
 - ☒ Yes, for the majority of collaborative engagement activities
 - ☐ Yes, for a minority of collaborative engagement activities
- ☐ No

**LEA
06.2**

Indicate if you monitor the actions companies take following your collaborative engagements.

- ☒ Yes
- ☐ Yes, in all cases
 - ☒ Yes, in the majority of cases
 - ☐ Yes, in the minority of cases

**LEA
06.3**

Describe how you monitor and evaluate the progress of your collaborative engagement activities.

We prioritise collaborative engagements where there are clear, agreed objectives. These are monitored, in general, via follow-up with the co-ordinating organisation. We welcome the defined structure introduced for all PRI supported collaborative engagements.

☐ No

General processes for all three groups of engagers

LEA 09

Voluntary

Additional Assessed

PRI 1,2

**LEA
09.1**

Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 09.2	Additional information.
----------	-------------------------

Meeting notes from individual staff engagements are circulated to the relevant fund managers.

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2
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LEA 10.1	Indicate if you track the number of companies you engage with.
----------	--

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

Outputs and outcomes

LEA 11	Mandatory to Report Voluntary to Disclose	Core Assessed	PRI 2
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LEA 11.1	Indicate the number of companies with which your organisation engaged during the reporting year.
----------	--

	Number of companies engaged (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	798
Collaborative engagements	286

LEA 11.2	Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]
----------	---

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input type="radio"/> > 50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> None

LEA 11.3

Indicate what percentage of your collaborative engagements you were a leading organisation during the reporting year. [Optional]

Type of engagement	% Leading role
Collaborative engagements	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 12	Voluntary	Additional Assessed	PRI 2
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LEA 12.1

Indicate if your engagements in the reporting year covered E, S and/or G issues.

Type of engagement	Coverage
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Collaborative engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information

LEA 12.2

Provide an estimated breakdown by E, S and/or G issues.

Individual / Internal staff engagements

100%

Collaborative engagements

100%

LEA 13	Voluntary	Descriptive	PRI 2
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LEA 13.1

Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.

☒ Yes

LEA 13.2

Indicate the number of companies that changed or committed to change in the reporting year following your organisation's and/or your service provider's engagement activities.

	Number of company changes or commitments to change
Individual / Internal staff engagements	450
Collaborative engagements	

☐ No

LEA 13.3

Additional information.

These changes are based on cases where we have been able to improve our voting position on director re-election (to the point that we are prepared to support all directors), remuneration and corporate responsibility disclosure and performance. It is a proxy for company improvements but does not provide the complete picture. There are practical challenges to capturing all changes and we therefore focus on those where we have the highest concern or significant holdings.

LEA 14	Voluntary	Descriptive	PRI 2
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LEA 14.1

Provide examples of the engagements that your organisation carried out during the reporting year.

☒ Add Example 1

Topic or ESG issue	Vedanta Resources - sustainability risk management (and particular issues around operations in Orissa, India)
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Our objective is to see evidence of the policies and practices in respect of managing key sustainability risks to the business being comprehensively embedded within the culture of the company and translated into action on the ground. This cultural change should be driven by the Board and an appropriately skilled and experienced Board is therefore crucial.</p> <p>Aviva Investors started engaging with Vedanta Resources regarding breaches of the OECD Guidelines for Multinational Enterprises with respect to engagement with the Dongria Kondh in Orissa, India (in 2010). These allegations raised serious concerns regarding the management of sustainability issues. We commissioned an independent report which proposed seven key recommendations for improving the management framework. Our objective was for these to be implemented.</p>
Scope and Process	<p>We commissioned an independent report which proposed seven key recommendations for improving the management framework. We presented these to the Board at their AGM in 2010. Since 2010 we have commissioned annual follow-up reports assessing progress against these recommendations and made a statement at each AGM since. Engagement activity has included, 1) hosting annual investor roundtables to address the findings of the reporting (bring together investors, the company and a critical NGO), 2) multiple engagement meetings and calls with the Chief Sustainability Officer, Board and Senior Management, and 3) incorporating our concerns in our voting position (in accordance with our Corporate Governance and Corporate Responsibility Voting Policy).</p>
Outcomes	<p>Our process encompasses a range of voting and engagement activities. We commissioned an independent report which proposed seven key recommendations for improving the management framework. We presented these to the Board at their AGM in 2010. Since 2010 we have commissioned annual follow-up reports assessing progress against these recommendations and made a statement at each AGM since. Engagement activity has included, 1) hosting annual investor roundtables to address the findings of the reporting (bring together investors, the company and a critical NGO), 2) multiple engagement meetings and calls with the Chief Sustainability Officer, Board and Senior Management, and 3) incorporating our concerns in our voting position (in accordance with our Corporate Governance and Corporate Responsibility Voting Policy).</p>

☒ Add Example 2

Topic or ESG issue	Carnival – Separation of Chair and Chief Executive roles
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>The objective was to get the Company to separate the roles of CEO and chairman (both roles occupied by Micky Arison at the 2013 AGM) a concern exacerbated given the Arison family are also major shareholders in the company and succession planning is not clear. These arrangements are seen as a material risk to shareholder. There is also insufficient independence on the board. We view the separation of the Chair and CEO roles as important to protecting shareholder value. Chairman and non-executive directors play a key role in providing appropriate internal challenge to board discussions and decisions to ensure that all directors act in the best interests of the company.</p>
Scope and Process	<p>We voted against the re-election of Micky Arison at the 2013 AGM (something we have done every year) and also a number of non-independent directors. We then met with the Company in June 2013 where we raised these governance issues as well as health& safety issues. The meeting was just after the Company had issued a profits warning, which was arguably a result of the number of incidents in 2013 (Carnival Triumph, Carnival Legend, Carnival Dream and Carnival Elation), which highlighted systemic issues in terms of how the firm has managed its operational risks. Several lawsuits have been filed in connection with the incident and over the course of these events Carnival has seen a material drop in share price.</p>
Outcomes	<p>A couple of months after the 2013 AGM and a week or so after our meeting with the company in June it announced that the Company is splitting the CEO/Chairman role. Micky Arison will stay as Chairman for the foreseeable but Arnold Donald taking on the CEO role. We have engaged with Carnival over a number of years requesting a splitting of the roles and therefore welcomed the announcement in June that the two roles would be separated.</p> <p>However, whilst we welcomed this change, we still consider that the Chairman will have a significant influence over the business and have therefore encouraged the company to appoint additional independent non-executive directors as we feel an injection of fresh ideas would be beneficial and to put in place a more robust nominations process or a long term succession plan.</p>

☒ Add Example 3

Topic or ESG issue	Wilmar International - progress on 'land grabbing'
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	There has been an increased civil society focus on 'land grabbing', whereby companies acquire large tracts of land. There are frequently risks of environmental and, in particular, human rights breaches if there has not been appropriate due diligence prior to acquisition and the clearance process is not conducted according to best practices in this area. This may result in reputational and 'license to operate' risks to the companies. The objectives are for the company to put in place appropriate policies and systems to manage this risk responsibly.
Scope and Process	We engaged with a number of companies in the agricultural supply chain on this issue, particularly those owning palm oil plantations. Wilmar was a key target for us given the scale of their operations. We also engaged with interested NGOs on this issue.
Outcomes	In December 2013, we were pleased to welcome the publication of the company's "no deforestation, no peat, no exploitation" policy for sustainable palm oil production and sourcing. This commitment aims to ensure that both Wilmar's own plantations and companies from which Wilmar sources will only provide products that are free from links to deforestation or abuse of human rights and local communities. This is an important step which we have welcomed and we will follow-up to see how the company puts this into practice.

- ☐ Add Example 4
- ☐ Add Example 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

LEA
15.1

Indicate whether your organisation proactively discloses information on its engagements.

- ☒ We disclose it publicly

	please provide URL
--	--------------------

http://www.avivainvestors.co.uk/about_us/our_corporate_governance/voting_schedules/index.htm

LEA 15.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
-----------------	---

☐ Yes

☒ No

LEA 15.3	Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.
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<table border="1"> <tr> <td>Reporting to the public</td> </tr> <tr> <td>Engagement information disclosed</td> </tr> <tr> <td> <input checked="" type="checkbox"/> Details of the selections, priorities and specific goals of engagement <input checked="" type="checkbox"/> Number of engagements <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the engagement <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information </td> </tr> </table>	Reporting to the public	Engagement information disclosed	<input checked="" type="checkbox"/> Details of the selections, priorities and specific goals of engagement <input checked="" type="checkbox"/> Number of engagements <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the engagement <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information	<table border="1"> <tr> <td>Reporting to clients/beneficiaries</td> </tr> <tr> <td>Engagement information disclosed</td> </tr> <tr> <td> <input checked="" type="checkbox"/> Details of the selections, priorities and specific goals of engagement <input checked="" type="checkbox"/> Number of engagements <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the engagement <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information </td> </tr> </table>	Reporting to clients/beneficiaries	Engagement information disclosed	<input checked="" type="checkbox"/> Details of the selections, priorities and specific goals of engagement <input checked="" type="checkbox"/> Number of engagements <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the engagement <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
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LEA 15.4	Indicate how frequently you typically report engagements information.
-----------------	---

<table border="1"> <tr> <td>Reporting to the public</td> </tr> <tr> <td> <input type="radio"/> Disclosed continuously (prior and post engagements) <input checked="" type="radio"/> Disclosed quarterly <input type="radio"/> Disclosed annually <input type="radio"/> Disclosed every two years or less <input type="radio"/> Other, specify </td> </tr> </table>	Reporting to the public	<input type="radio"/> Disclosed continuously (prior and post engagements) <input checked="" type="radio"/> Disclosed quarterly <input type="radio"/> Disclosed annually <input type="radio"/> Disclosed every two years or less <input type="radio"/> Other, specify	<table border="1"> <tr> <td>Reporting to clients/beneficiaries</td> </tr> <tr> <td> <input type="radio"/> Disclosed continuously (prior and post engagements) <input checked="" type="radio"/> Disclosed quarterly <input type="radio"/> Disclosed annually <input type="radio"/> Disclosed every two years or less <input type="radio"/> Other, specify </td> </tr> </table>	Reporting to clients/beneficiaries	<input type="radio"/> Disclosed continuously (prior and post engagements) <input checked="" type="radio"/> Disclosed quarterly <input type="radio"/> Disclosed annually <input type="radio"/> Disclosed every two years or less <input type="radio"/> Other, specify
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<input type="radio"/> Disclosed continuously (prior and post engagements) <input checked="" type="radio"/> Disclosed quarterly <input type="radio"/> Disclosed annually <input type="radio"/> Disclosed every two years or less <input type="radio"/> Other, specify					
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<input type="radio"/> Disclosed continuously (prior and post engagements) <input checked="" type="radio"/> Disclosed quarterly <input type="radio"/> Disclosed annually <input type="radio"/> Disclosed every two years or less <input type="radio"/> Other, specify					

LEA
15.5

Describe any other differences in the information being disclosed. [Optional]

The integration of environmental, social and governance considerations, engagement and proxy voting form an integral and active part of our approach to managing, protecting and enhancing the long-term value of the investment decisions we make for our clients across all asset classes. We therefore offer clients a tailored quarterly report detailing voting decisions, case studies of engagement with companies and any other relevant public policy developments and highlights.

In line with best practice, we also make all our voting decisions and a summary of our engagement publicly available on our website. In the interest of more effective engagement we do not make all company specific details available publicly.

- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries.

(Proxy) voting and shareholder resolutions

Overview

LEA 16	Voluntary	Descriptive	PRI 2
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**LEA
16.1**

Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).

An important element of our approach to responsible investment is upholding our rights and responsibilities as shareholders. We were in the vanguard of signatories to the UK Stewardship Code which sets out a number of areas of good practice for asset owners to protect and enhance the value of our shareholdings on behalf of our customers.

Aviva Investors has long recognised the importance of governance, environmental and social issues to companies and long term shareholder value. As a result we have had dedicated governance expertise since the late 1980s. We believe this gives us insights and an information advantage that improves the quality of our stewardship activities and helps us in seeking to protect and enhance long term returns for our clients.

Research - We subscribe to a number of proxy advisory services. These provide research and opinions on the state of a company's governance and corporate responsibility practices that enable us to check our own assessments. However, our voting is not determined by the recommendations of any of the proxy advisory services. Voting decisions are made with the involvement of our ESG specialists and fund managers. Fund managers bring their knowledge and assessment of company strategy and special circumstances to this, enabling their insights to inform the decision making process.

Engagement - engagement with companies, whether on voting issues, routine monitoring or active intervention, is undertaken for specific purposes. The effectiveness of such engagements will be measured against the objectives (of engagement) set at the outset. If concerns exist, we will contact the company to discuss our views and concerns. If companies do not adequately address our concerns, we would typically take further action. As part of our escalation process, we may ask to discuss issues with executive and/or nonexecutive directors, work with other institutions and investors to press for change or exercise our voting rights against the board. As a last resort we may requisition a general meeting of a company or a resolution at an Annual General Meeting, or support others who are doing so. We may also make public statements where we believe this is appropriate. However, we expect this to happen only in the most extreme cases.

Process

LEA 17

Mandatory

Descriptive

PRI 2

**LEA
17.1**

Indicate how you typically make your (proxy) voting decisions and what this approach is based on.

Approach

- ☐ We use our own research or voting team and make our own voting decisions without the use of service providers.
- ☒ We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

Based primarily on

- ☐ the service provider voting policy signed off by us
- ☒ our own voting policy
- ☐ our clients requests or policy
- ☐ other, explain

☐ We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

☐ We hire service provider(s) which make voting decisions on our behalf.

LEA 17.2	Additional information.[Optional]
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In making voting decisions, we use governance and other research from a number of sources. These include the Association of British Insurers (ABI) IVIS service, Manifest, ISS and GMI. We use research for data analysis only and we do not automatically follow any voting recommendations. For ESG research we subscribe to EIRIS, Maplecroft, Vigeo, MSCI and GMI. We believe that subscribing to a wide range of research gives us a better and more objective overview of the ESG arrangements at companies and enables us to check our own assessments. We also use of own research through maintaining a dedicated database of the companies we invest in, tracking corporate governance, corporate responsibility and other investment issues, and our related engagement and voting activities. We review the activities undertaken and their effectiveness, including whether desired change has been achieved.

LEA 19	Voluntary	Descriptive	PRI 2
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LEA 19.1	To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.
-------------	---

- ☒ Obtain confirmation that votes have been lodged:
 - ☐ for a majority of votes
 - ☒ for a minority of votes
- ☒ Participate in projects to improve the voting trail and/or to obtain vote confirmation
- ☐ None of the above

LEA
19.2

Provide additional information on your organisation's vote confirmation efforts.

Obtaining vote confirmation for all votes is effectively impossible for investors like ourselves where we vote thousands of meetings a year and where many of our shares are held in custodian omnibus accounts, as chosen by the underlying client (the beneficial owner). The lack of vote confirmation provided by issuers, their registrars or agents and custodians is a long known problem and systems will need to be developed to address this. But the systems have not been developed to date because there is a lack of understanding throughout the parties involved in the proxy voting and with this comes a lack of ownership so no-one has been willing to give the time and money to develop the systems to provide vote confirmation. However, we are members of the PRI vote confirmation group and the group's objective is to address these challenges. In 2013 we performed a vote audit for some Dutch and UK holdings to get a clear understanding of the voting chains in these two markets. The audit was conducted by requesting investee companies to confirm voting instructions for specific portfolio accounts. If needed other parties in the chain were approached to provide further confirmation of these voting instructions. In total 28 companies were involved in this research and we were able to obtain confirmation of our votes from most of these, although it was much clearer in respect of segregated accounts.

We are also members of the Shareholder Voting Working Group (SVWG) in the UK which is looking to address a number of issues in the proxy voting chain, vote confirmation being one of these. We also intend to be involved in some vote confirmation audits in 2014.

LEA 20

Voluntary

Additional Assessed

PRI 2

LEA
20.1

Indicate if your organisation has a securities lending programme.

☒ Yes

LEA
20.2

Indicate how voting is addressed in securities lending programme.

Please select one of the following

- ☐ We recall most securities for voting on all ballot items
- ☒ We recall some securities for voting on some ballot items on a systematic basis in line with specified criteria
- ☐ We occasionally recall some securities for voting on some ballot items on an ad-hoc basis
- ☐ We empower our securities lending agent to decide when to recall securities for voting purposes
- ☐ We do not recall our shares for voting purposes
- ☐ Other (please specify)

☐ No

LEA 20.3	Additional information. [Optional]
----------	------------------------------------

We manage our own stock lending programmes and have strict procedures in place that allow us only to lend shares up to agreed thresholds. We also recall shares on loan for the purposes of exercising voting rights where there is good reason to do so (eg. for contentious meetings or on especially important matters).

Some of our clients also participate in custodian stock lending programmes which are separate to any agreement they have with us, but again, for contentious meetings we may ask our clients to arrange for the positions to be recalled, so we can exercise the voting rights accordingly.

LEA 21	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
----------	---

- ☐ Yes, in most cases
- ☒ Sometimes, in the following cases:
- ☒ votes in selected markets
 - ☐ votes on certain issues (all markets)
 - ☒ votes for significant shareholdings (all markets)
 - ☐ other, explain
- ☐ No
- ☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 21.2	Additional information. [Optional]
----------	------------------------------------

Given the number of companies we own in our portfolios, we seek to prioritise engagement where it is most likely to benefit our clients. Therefore our general practice is to have pre-vote discussions with companies where we hold more than 1% of their stock (or where we have a sufficiently significant active position in at least one of our portfolios) and where we have concerns that may indicate that we will not support one or more resolutions.

However, in the UK where we hold a large number and sizeable positions in index funds, we also aim to inform these companies where we have not supported their resolutions as soon as possible after the relevant general meeting. Companies can also access how we voted at their AGMs etc by going on to our website where our votes are fully disclosed.

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
-----------------	---

☒ We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

92

	Specify the basis on which this percentage is calculated
--	--

- ☐ of the total number of ballot items on which you could have issued instructions
- ☒ of the total number of company meetings at which you could have voted
- ☐ of the total value of your listed equity holdings on which you could have voted

LEA 22.2	If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]
-----------------	--

Some markets require Powers of Attorney (PoA) which are expensive and cumbersome to organise and some are only valid for a year. Therefore, in such PoA markets where we have few or modest holdings (eg Brazil, Bulgaria, Hungary, Lithuania, Romania and Slovenia), it is not cost effective for us/our clients to vote in these markets, although this is reviewed annually. These markets/meetings represent approx 90% of the meetings we did not vote. Another reason for us not voting is the blocking of our shares in certain markets (by certain issuers and custodians) making them unavailable for trading (i.e share blocking) and these meetings represents approx 5% of the meetings we did not vote. Lastly, some companies require additional documents to be signed which we sometimes receive late notice of and/or do not have time to complete (approx 5%)

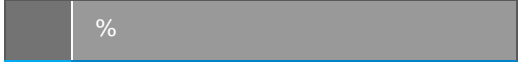


☐ We do not track or collect this information

LEA 23	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 23.1	Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.
-----------------	--

☒ Yes, we track this information

LEA 23.2	Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:
-----------------	---

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management proposals	 72.2
Against (opposing) management proposals	 21.7
Abstentions	 6.1

100%

LEA 23.3	For the reporting year, describe your approach towards voting on shareholder resolutions.
-----------------	---

We approach shareholder resolutions in exactly the same way as we treat management resolutions i.e. whether supporting the resolution is in the best interests of shareholders and our underlying clients.

☐ No, we do not track this information

LEA 24	Voluntary	Descriptive	PRI 2
LEA 24.1	Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.		
	<input type="radio"/> Yes <input checked="" type="radio"/> No		
LEA 24.6	Additional information.		

No, we did not consider any cases merited us filing a resolution. We would only do this in extreme cases where there are material concerns or escalation of issues with the company has not addressed our concerns

LEA 25	Voluntary	Descriptive	PRI 2
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**LEA
25.1**

Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

☐ Add Example 1

☒ Add Example 2

Topic or ESG issue	Board Diversity
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	<p>We believe that inclusive and diverse boards are more likely to be effective boards, better able to understand their customers and stakeholders and benefit from fresh perspectives, new ideas, vigorous challenge and broad experience. This in turn leads to better decision making. Our objective is therefore to see more diverse Boards.</p> <p>In 2013 we updated our Corporate Governance and Corporate Responsibility Voting Policy indicating that we would not support the Report & Accounts resolution if we consider that the Board has insufficiently addressed gender diversity and the reasons have not been adequately explained in the Report & Accounts.</p>
Scope and Process	<p>In 2013 we communicated our approach on diversity to UK companies by sending them our voting policy and an accompanying letter emphasising the importance of this issue. Our policy is also made available to non-UK companies via our website. From 2013 we asked our primary proxy research provider (ISS) to flag in our bespoke research reports the companies which lack female representation on their Boards and where there are poor explanations for this. Our starting point is that we will not support the resolution to adopt the Report & Accounts and from 2014 we are likely to escalate ongoing concerns by voting against chairmen and/or nomination committee chairs. We have been communicating to companies where we were either considering or have voted against, to understand their views, challenges and intentions. We also work collaboratively with other investors on this agenda, in particular through the 30% Club investor group.</p>
Outcomes	<p>We have voted against several companies for poor gender diversity but on the whole we have seen a significant increase in female representation on boards, although in the main this has been at non-executive level, not executive level. There is still much more to be done but companies are more likely to address the issue if investors are raising it and reflecting concerns in their AGM voting. Our approach and commitment to engage on this subject has also enabled conversations that wouldn't normally have happened with some of our smaller, index holdings.</p>

☒ Add Example 3

Topic or ESG issue	St. Modwen Properties PLC - Board composition
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	In 2012, we abstained on the re-election of a non-independent director (due to him being a representative of the major shareholder and being a member of the Company's audit and remuneration committees) and there were concerns over the level of independence on the Board. Our objective was therefore to see an improvement in Board composition and balance.
Scope and Process	We contacted the Company to advise it of our concerns which it understood.
Outcomes	In 2013, we supported all resolutions following improvement to board composition including the appointment of an independent non-executive director and the non-independent director stepping down from the Audit and Remuneration Committees. Also, as two non-executives retired at the 2013 AGM, the annual report states that the search for a new Senior Independent Director is underway.

☐ Add Example 4

☒ Add Example 5

Topic or ESG issue	Cairn Energy - Remuneration
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	<p>In 2012 we voted against the pay report to reflect our concerns over a number of the Committee's decisions during 2011/12. A number of other investors shared these concerns and as a result, the remuneration report was not approved. Our objective therefore was to see these material remuneration issues addressed.</p> <p>.</p>
Scope and Process	<p>Following the rejection of the Remuneration Report, the Committee engaged with shareholders, including ourselves, and addressed a number of the issues. We provided constructive feedback on the areas for improvement.</p>
Outcomes	<p>The Company addressed a number of the issues we raised. It has amended and clarified termination provisions contained in the service contracts (save for the change of control provisions for the existing directors) to follow best practice. In addition, clawback provisions were introduced. The Company explained to us that one of the problems was that there have been too many changes to the board over a short period of time and this caused problems last year. Whilst arrangements are now much more acceptable, there are still areas that are not ideal. We supported the remuneration report at the 2013 AGM but we will be keeping arrangements under review.</p>

- ☐ Add Example 6
- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
LEA 26.1	Indicate if your organisation proactively discloses information on your voting activities.		

- ☒ We disclose it publicly

	provide URL
--	-------------

http://www.avivainvestors.com/about_us/our_corporate_governance/voting_schedules/index.htm

LEA 26.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
-----------------	---

☒ Yes

LEA 26.3	Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.
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	Indicate how much of your voting record you disclose
--	--

- ☒ All voting decisions
- ☐ Some voting decisions
- ☐ Only abstentions and opposing vote decisions
- ☐ Summary of votes only

	Indicate what level of explanation you provide
--	--

- ☐ Explain all voting decisions
- ☐ Explain some voting decisions
- ☒ Only explain abstentions and votes against management
- ☐ No explanations provided

LEA 26.4	Indicate how frequently you typically report voting information.
-----------------	--

- ☐ Continuously (primarily before meetings)
- ☐ Continuously (soon after votes are cast)
- ☒ Quarterly or more frequently
- ☐ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify

☐ No

☐ We disclose it to clients/beneficiaries only

☐ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

LEA 26.6	Additional information. [Optional]
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Meetings are updated 3 months in arrears (i.e a meeting held on 1/12/13 will be displayed on 1/3/14)

Aviva Investors

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

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Overview

FI 01

Mandatory to Report Voluntary to Disclose

Gateway/Peering

PRI 1

FI 01.1

Provide a breakdown of your internally managed fixed income investments by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your fixed income investments, indicate if you would still like to report your activities.

Fixed income – corporate

Strategies

☒ Passive

Percentage of internally managed fixed income - corporate

☐ <10%

☒ 10-50%

☐ >50%

☐ Active – quantitative (quant)

☒ Active - fundamental and other active strategies

Percentage of internally managed fixed income - corporate

☐ <10%

☐ 10-50%

☒ >50%

Fixed income – government

Strategies

☒ Passive

Percentage of internally managed fixed income - government

☐ <10%

☒ 10-50%

☐ >50%

☐ Active – quantitative (quant)

☒ Active - fundamental and other active strategies

Percentage of internally managed fixed income - government

☐ <10%

☐ 10-50%

☒ >50%

FI 02	Mandatory to Report Voluntary to Disclose	Peering	General
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FI 02.1	Provide a breakdown of your internally managed fixed income investments by credit quality.
---------	--

Credit quality	Fixed Income - Corporate	Fixed Income - Government
Investment grade	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
High yield	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Distressed	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%

FI 02.2	Provide a breakdown of your fixed income investments between primary and secondary market.
---------	--

Market	Fixed Income - Corporate	Fixed Income - Government
Primary market (new issues)	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Secondary market	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

ESG incorporation in actively managed fixed income

Fixed Income - Corporate

Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
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FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☒ Integration alone (i.e. not combined with any other strategies)

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div>
	100

- ☐ Screening + Integration strategies
- ☐ Thematic + integration strategies
- ☐ Screening + thematic strategies
- ☐ All three strategies combined
- ☐ No incorporation strategies applied

Total actively managed fixed income - corporate

100%

FI 04.2

Describe your primary reasons for choosing a particular incorporation strategy.

Aviva Investors provides loans to governments, public authorities and companies in the form of government bonds and corporate bonds. We invest over £150bn across fixed income products and markets.

Increased litigation, regulation and other pressures on a company's business model are common outcomes following poor ESG performance and can negatively impact earnings, cash flows and credit ratings.

Given the asymmetric nature of returns in fixed income, it is vital to incorporate such considerations into the investment process. This is why we believe that credit fund managers and analysts need to assess ESG risks and their financial implications on Fixed Income securities.

Overall, It is about gaining better insight into the risks and opportunities of an issuer, enabling us to make better investment decisions on behalf of our clients.

(C) Implementation: Integration of ESG factors

FI 11

Mandatory

Core Assessed

PRI 1

FI 11.1

Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

Fixed income - Government

FI 13

Mandatory

Core Assessed

PRI 1

FI 13.1

Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.

☒ Yes

FI 13.2

Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.

- ☐ <10%
☐ 10-50%
☒ 51-90%
☐ >90%

FI 13.3

Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.

ESG issues	Coverage/extent of review on these issues
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 13.4

Describe your approach to incorporating ESG issues in government fixed income investments. [Optional]

In Government Fixed Income

In Fixed Income, ESG research can provide valuable information and insight by identifying risks that may impact on the performance or reputation of countries.

The government fixed income investment model takes into account ESG information. It is mainly about governance information and scores such as level of transparency and corruption perception score.

The government fixed income investment team has been studying and evaluating models provided by external partners such as maplecroft. They have also been studying governance metrics link with sovereign quality rating.

The team is currently revising and reinforcing its global investment model.

In 2013 we made good progress towards integrating ESG issues into fixed income investments.

1. We finalised responsible investment policy statements for sovereign bonds teams
2. We identified key areas in the fixed income investment process
3. We appointed Responsible Investment Officers (RIOs)
4. We drafted a strategic implementation plan building capabilities and knowledge while implementing tailored research and instruments

☐ No

Communication

FI 18

Mandatory

Core Assessed

PRI 2,6

FI 18.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

- ☐ We disclose it publicly
- ☒ We disclose it to clients/beneficiaries only

FI 18.3

Indicate the information your organisation proactively discloses to clients/beneficiaries regarding your approach to ESG incorporation.

- ☒ Broad approach to ESG incorporation
- ☐ Detailed explanation of ESG incorporation strategy used

FI 18.4

Indicate how frequently you typically report this information.

- ☒ Quarterly or more frequently
 - ☐ Between quarterly and annually
 - ☐ Less frequently than annually
 - ☐ Other, specify
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

Aviva Investors

Reported Information

Public version

Direct - Property

PRI disclaimer

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Overview

PR 05	Mandatory	Core Assessed	PRI 1-6
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PR 05.1 Indicate if your organisation has a Responsible Property Investment (RPI) policy.

☒ Yes

PR 05.2 Provide a URL if your RPI policy is publicly available. [Optional]

http://www.avivainvestors.co.uk/cs/groups/internet/documents/webattachment/zgzf/mdmw/~e disp/pdf_030468.pdf

☐ No

Fundraising of property funds

PR 06	Mandatory	Core Assessed	PRI 1,4,6
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PR 06.1 Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

☐ Yes

☒ No

Pre-investment (selection)

PR 08	Mandatory	Gateway	PRI 1
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PR 08.1 Indicate if your organisation typically incorporates ESG issues when selecting property investments.

☒ Yes

PR 08.2 Provide a description of your organisation's approach to incorporating ESG issues in property investment selection. [Optional]

On the direct side, ESG issues are considered by our asset managers, fund managers, strategy and research and fund analysis teams. Environmental data is collected, verified and analysed to support the investment process. A range of ESG issues are considered at the due diligence stage for potential new acquisitions and where material, assessed by our investment committee.

ESG issues are also considered by our multimanager and REIT businesses as part of their respective investment selection processes.

☐ No

PR 10	Mandatory	Core Assessed	PRI 1,3
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PR 10.1	Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process and list up to three examples per issue.
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ESG issues

☒ Environmental

List up to three typical examples of environmental issues

Energy efficiency
Flood risk
Contaminated land

☒ Social

List up to three typical examples of social issues
--

Community relationships
Accessibility
Health and safety

☒ Governance

List up to three typical examples of governance issues
--

Anti-money laundering
Financial crime / sanctions
Conflicts of interest

PR 12	Voluntary	Additional Assessed	PRI 1
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PR 12.1	Indicate if ESG issues impacted your property investment selection process during the reporting year.
---------	---

- ☒ ESG issues helped identify risks and/or opportunities for value creation
- ☒ ESG issues led to the abandonment of potential investments
- ☒ ESG issues impacted the investment in terms of price offered and/or paid
- ☒ ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ☐ ESG issues were considered but did not have an impact on the investment selection process
- ☐ Other, specify
- ☐ We do not track this potential impact

Selection, appointment and monitoring third-party property managers

PR 13	Mandatory	Core Assessed	PRI 4
-------	-----------	---------------	-------

PR 13.1

Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

☒ Yes

PR 13.2

Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.

- ☒ Selection process of property managers incorporated ESG issues
 - ☒ For all third party property managers
 - ☐ For a majority of property managers
 - ☐ For a minority of property managers
- ☒ Contractual requirements when appointing property managers includes ESG issues
 - ☒ For all third party property managers
 - ☐ For a majority of property managers
 - ☐ For a minority of property managers
- ☒ Monitoring of property managers covers ESG responsibilities and implementation
 - ☒ For all third party property managers
 - ☐ For a majority of property managers
 - ☐ For a minority of property managers

☐ No

Post-investment (monitoring and active ownership)

Overview

PR 14**Mandatory****Gateway****PRI 2****PR 14.1**

Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.

☒ Yes

PR 14.2

Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.

- ☒ We consider ESG issues in property monitoring and management
- ☒ We consider ESG issues in property developments and refurbishments
- ☒ We consider ESG issues in property occupier engagements
- ☒ We consider ESG issues in community engagements related to our properties
- ☐ We consider ESG issues in other post-investment activities, specify

PR 14.3

Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets. [Optional]

- Monitoring and Management - ESG issues are embedded into the Environmental Management System (EMS) that monitors, manages and reduces the environmental impact of assets we hold on behalf of our clients.
- Developments and Refurbishments - Refurbishments are conducted with ESG issues in mind, and have goals relating to EPC, BREEAM and LEED ratings depending on the property. For example, our redevelopment of One Southampton Street was awarded the highest ever BREEAM rating for an office at the time.
- Property Occupier Engagements - Green clauses are included in all new and reversionary leases, whilst tenants are also asked to sign up to our green Partnership initiative.

☐ No

Property monitoring and management

PR 15

Mandatory

Core Assessed

PRI 2,3

PR 15.1

Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

- ☐ >90% of property assets
- ☒ 51-90% of property assets
- ☐ 10-50% of property assets
- ☐ <10% of property assets

(in terms of number of property assets)

PR 15.2

Indicate ESG issues for which your organisation, and/or property managers, typically sets and monitors targets (KPIs or similar) and provide examples per issue.

ESG issues

- ☐ Environmental
- ☐ Social
- ☐ Governance
- ☒ We do not set and/or monitor against targets

Property developments and refurbishments

PR 17	Mandatory	Core Assessed	PRI 2
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PR 17.1	Indicate the proportion of active property developments and refurbishments where ESG issues have been considered.
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- ☒ >90% of active developments and refurbishments
- ☐ 51-90% of active developments and refurbishments
- ☐ 10-50% of active developments and refurbishments
- ☐ <10% of active developments and refurbishments
- ☐ N/A, no developments and refurbishments of property assets are active

(by number of active property developments and refurbishments)

PR 17.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and refurbishments.
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- ☒ Minimum environmental site selection requirements
- ☒ Minimum environmental site development requirements
- ☒ Sustainable construction materials
- ☒ Minimum water efficiency requirements
- ☒ Minimum energy efficiency requirements
- ☒ Energy generation from on-site renewable sources
- ☒ Waste management plans at sites
- ☒ Health and safety management systems at sites
- ☒ Construction contractors comply with sustainability guidelines
- ☒ Other, specify

Governance - We have an approved panel of contractors and surveyors that we work with. There is a rigorous appointment and panel review process.

PR 17.3	Additional information. [Optional]
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Aviva Investors is committed to reducing the environmental impact of its construction activity. For all new construction schemes, we target a BREEAM rating of Excellent within the UK and targets similar ratings in line with local markets outside of the UK.

Aviva Investors seeks to improve the fabric of the built environment investing in passive measures with long term benefits to reduce energy usage and the environmental impact of completed schemes.

Aviva Investors is committed to reducing the amount of construction, demolition and excavation waste going to landfill. We will work to adopt and implement standards for good practice in reducing waste, recycling more, and increasing the use of recycled and recovered materials.

Occupier engagement

PR 18	Mandatory	Core Assessed	PRI 2
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PR 18.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
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- ☐ >90% of occupiers
- ☐ 51-90% of occupiers
- ☐ 10-50% of occupiers
- ☒ <10% of occupiers

(in terms of number of occupiers)

PR 18.2	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.
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- ☐ Distribute a sustainability guide to occupiers
- ☐ Organise occupier events focused on increasing sustainability awareness
- ☐ Deliver training on energy and water efficiency
- ☐ Deliver training on waste minimisation
- ☐ Provide feedback on energy and water consumption and/or waste generation
- ☐ Provide feedback on waste generation
- ☒ Carry out occupier satisfaction surveys
- ☐ Other, specify

PR 19	Voluntary	Additional Assessed	PRI 2
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PR 19.1	Indicate the proportion of all leases signed during the reporting year that used green leases or the proportion of Memoranda of Understandings (MoUs) with reference to ESG issues.
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- ☒ >90% of leases or MoUs
- ☐ 51-90% of leases or MoUs
- ☐ 10-50% of leases or MoUs
- ☐ <10% of leases or MoUs
- ☐ 0% of leases or MoUs
- ☐ N/A, no leases or MoUs were signed during the reporting year

(in terms of number of leases or MoUs)

Community engagement

PR 20	Voluntary	Additional Assessed	PRI 2
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PR 20.1	Indicate in respect of what proportion of property assets your organisation, and/or your property managers, engaged with the community on ESG issues during the reporting year.
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- ☐ >90% of property assets
- ☐ 51-90% of property assets
- ☐ 10-50% of property assets
- ☒ <10% of property assets

(in terms of number of property assets)

PR 20.2	Indicate if the following areas and activities are typically part of your, and/or your property managers', community engagement.
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- ☐ ESG education programmes for the community
- ☐ ESG enhancement programmes for public spaces
- ☐ Research and networking activities focusing on ESG issues
- ☒ Employment creation in communities
- ☒ Supporting charities and community groups
- ☒ Other, specify

Swan Walk, Horsham: The shopping centre has been designated a Childsafe Zone since 2005

PR 20.3	Additional information.
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PR20 is more applicable to some property types than others. We have dedicated community engagement programmes at our shopping centres but this is not so relevant for other types of property assets e.g. industrial.

Outputs and outcomes

PR 21	Voluntary	Additional Assessed	PRI 1,2
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PR 21.1	Indicate whether your organisation measures how your approach to ESG issues in property investments has affected financial and/or ESG performance.
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	Financial performance
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- ☐ We measure how ESG issues affect financial performance
- ☒ We do not measure how ESG issues affect financial performance

	ESG performance
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- ☒ We measure changes in ESG performance

PR 21.3

Describe the measures your organisation uses to assess the impact of your activities on your property investments' ESG performance.

We participate in the IPD EcoPAS and GRESB initiatives. These initiatives provide us ESG or sustainability scores and analysis, that allows year-on-year and fund versus fund comparisons. We track over time, our fund and sector portfolio energy consumption, water consumption and carbon and waste footprints.

☐ We do not measure changes in ESG performance

Communication

PR 23**Mandatory****Core Assessed****PRI 6****PR 23.1**

Indicate if your organisation proactively discloses ESG information on your property investments.

☒ Disclose publicly

provide URL

<http://www.aviva.com/reports/2012ar/corporate-responsibility/2012-summary>

provide URL

<http://www.aviva.com/reports/2012cr/climate-change-environment/cc-and-property-investments/>

PR 23.2

Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.

- ☐ Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- ☐ Other property reporting standards, specify
- ☒ No property specific reporting standards are used

PR 23.3

Indicate if the level of ESG information you provide to the public is the same as the level you provide to your clients/beneficiaries.

- ☐ Yes
- ☒ No

PR 23.4

Indicate the type of ESG information that your organisation proactively discloses to the public and/or your clients/beneficiaries.

Public	Clients/beneficiaries
<input type="checkbox"/> ESG information on how you select property investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments <input type="checkbox"/> Information on your property investments' ESG performance <input checked="" type="checkbox"/> Other, specify Our Responsible Property Investment policy	<input checked="" type="checkbox"/> ESG information on how you select property investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments <input type="checkbox"/> Information on your property investments' ESG performance <input checked="" type="checkbox"/> Other, specify Our Responsible Property Investment policy. Ad hoc queries e.g. EPC exposure, flood risk exposure.

PR 23.5	Indicate your organisation's typical frequency of disclosing ESG information to the public and/or your clients/beneficiaries.
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Public	Clients/beneficiaries
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Semi annually <input checked="" type="radio"/> Annually <input type="radio"/> Every two years or less frequently <input type="radio"/> Ad-hoc, specify	<input type="radio"/> Quarterly or more frequently <input type="radio"/> Semi annually <input type="radio"/> Annually <input type="radio"/> Every two years or less frequently <input checked="" type="radio"/> Ad-hoc, specify Varies by fund and by client

- ☐ Disclose to clients/beneficiaries only
☐ No proactive disclosure to the public or to clients/beneficiaries