

BITC 40TH ANNIVERSARY PARTNER CASE STUDY



SUMMARY

Aviva, and its many predecessor companies, has been at the forefront of developments in responsible business, evolving from an early focus on corporate philanthropy, community giving and employee welfare. Norwich Union, one of its core ancestor companies, was a founder member of Business in the Community (BITC). Aviva was formed in 2000 as CGNU when Norwich Union merged with CGU and changed its name to Aviva in 2002. Since then, it has led the way on corporate sustainability reporting and has often been regarded as a leader in financial services. Aviva was an early adopter of the need for carbon neutrality across its operations and has combined its support to communities with its drive to build resilience to climate change. Its engagement with BITC has focused in the last decade on diversity and inclusion; championing age in the workplace, and the role of women in business. It continues to lead the wider agenda, being the first insurer to set a Net Zero target.

AVIVA AND ITS HERITAGE COMPANIES

Aviva is an insurance company focused on the UK, Irish and Canadian markets. The present-day company is the result of hundreds of smaller constituent companies merging over three centuries to form four larger companies – Norwich Union, Commercial Union, Friends Life and General Accident. In 2000, CGU (the result of a merger of Commercial Union and General Accident) merged with Norwich Union to form CGNU; rebranding as Aviva in 2002. Then in 2015, Aviva's acquisition of Friends Life created the company as it is today.

Aviva has recently set itself a target to be a Net Zero business by 2040. During 2019-2020 Aviva's sustainability strategy evolved following an extensive stakeholder engagement and materiality process. This resulted in an ambition to act on climate change, build a stronger, more resilient Britain and run itself as a sustainable business.

This approach to business is built from legacies across its ancestor companies; which include the oldest mutual life insurer, the first company to issue a burglary policy and the first and only insurance company to hold a royal warrant. Aviva's earliest constituent was the Hand in Hand, formed as a mutual society in November 1696, to provide fire insurance. It created its own fire brigade in 1699, which was amalgamated with other London fire insurance brigades in 1833 and would eventually evolve into the London Fire Brigade.

With multiple constituent ancestor companies, tracing the company's history becomes increasingly complex. However, like so many businesses that can trace their heritage back over centuries, Aviva's origins lie in the economic and social changes of the 17th, 18th and 19th centuries – when commercial opportunities blended with social and economic need.

Many of the earliest insurance companies were mutuals, owned by their policy holders who also received a share of the profits. The earliest life assurance societies were formed to ensure that widows and children were provided for in the event of the policy holder's death. Introduced by Aviva's ancestor company, Provident Mutual, in 1846, the first group life assurance policies were examples of early employee benefit schemes. In 1885, Employers Liability (which merged with General Accident) claimed to be the first UK company to provide subsidised lunches for its staff. In a much later first, London and Manchester introduced flexible working hours for its staff in 1972 which it claimed was a pioneering idea for staff in the City of London; and Friends Provident became the first British company to launch an ethical fund in 1984. This was dubbed the 'Brazil fund' because analysts thought anyone who invested in it was nuts.

AVIVA – TIMELINE

- Early 1980s** Norwich Union join Business in the Community, represented on the Board by Victor Hughff, Chief General Manager
- 1984** Friends Provident becomes the first British company to launch an ethical fund
- 1995** General Accident participates in the Berlin Mandate
- 1999** CGU is the first UK insurer to publish an environmental report
- 2000** CGU and Norwich Union merge to form CGNU. The company establishes its first socially responsible investment (SRI) fund
- 2002** CGNU publishes its first CSR report and rebrands as Aviva. Aviva publishes its first company-wide CSR policy and establishes a CSR panel to advise on the business strategy
- 2003** Aviva participates in the Business in the Environment and Corporate Responsibility Indexes, and is the only insurer to place in the top 20 of the CR Index
- 2004** Aviva employees raise £200,000 to support relief aid for the Indian Ocean Earthquake and Tsunami, with a further £500,000 provided by Aviva
- 2006** Aviva commits to carbon neutrality and Richard Harvey, Chief Executive, joins the CBI's climate change task force in January 2007. It wins BITC's Opportunity Now City Award, and is listed in The Times Top 50 Best Places for Women to Work
- 2010** Aviva revises its CSR strategy and becomes the first UK company – and first Financial Services company in the world to put its corporate responsibility business agenda to a separate shareholder vote
- 2011** Aviva founds the Corporate Sustainability Reporting Coalition
- 2012** Aviva encourages companies to commit to a new global agreement on corporate sustainability reporting as part of the Rio +20 Earth Summit. It attends the summit as part of the UK's official delegation
- 2015** Aviva acquire Friends Life and helps to launch BITC's Age Campaign and Leadership Team, chaired by Andy Briggs, Chief Executive of Aviva's UK and Ireland life business. Alongside this, it becomes a founder member of the Business Emergency Response Group Leadership Team
- 2016** Aviva and the British Red Cross form a strategic partnership to help communities become safer and stronger
- 2018** Aviva Foundation is established, and the company wins BITC's Ageing Workforce Award
- 2019** Aviva publishes its sustainability ambition – "to lead the UK financial services sector in taking action on climate change, building stronger more resilient Britain and running itself as a sustainable business"
- 2020** Aviva becomes BITC's Age Friendly Award's Responsible Champion
- 2021** Amanda Blanc, Chief Executive, is appointed as Champion for the Women in Finance Charter. Aviva is the first major insurer worldwide to target Net Zero carbon by 2040

Norwich Union, one of Aviva's core ancestor companies, joined the newly formed Business in the Community (BITC) in the early 1980s, and was represented on BITC's board by Victor Hughff, the Chief General Manager. Like the majority of BITC's early members, Norwich Union (along with Aviva's other ancestor companies) had given regularly to local and national charities, developed community sponsorship programmes, and run staff fundraising drives¹. Again, in common with many companies, staff welfare had also been seen as priority during the post-war years. For example, during the 1950s, St Helen's House Nursing Home in Norwich was set up at the request of Norwich Union President Sir Robert Bignold, for the benefit of staff and the wider community, with some beds kept exclusively for Norwich Union staff². And in the 1980s medical screening for staff was introduced including cervical smear screening for women.

THE DEVELOPMENT OF RESPONSIBLE BUSINESS OR 'CSR'

Although 'CSR' developed individually across Aviva's ancestor brands and companies prior to the group's formation in the early 2000s, there are significant similarities between the trajectories and activities of many of the companies, reflective of sector wide trends.

Community programmes in the form of sponsorship, charitable donations and fundraising remained core to corporate social responsibility initiatives during the 1980s and 1990s, with an increasing drive to engage and encourage employees to get involved in volunteering. These were often linked in theme to commercial sponsorship, such as Aviva/Norwich Union's sponsorship of UK Athletics; with the Norwich Union Community Sport Fund providing grants to grassroots sporting initiatives in a 'playground to podium' strategy³. But environmental issues began to grow in significance and importance for the sector, and were reflected in the emergence of environmental policies by the late 1990s within the constituent companies that would later form Aviva⁴.

The development of sustainable business practices – beyond community and charitable activities – began to emerge with greater clarity in the mid-1990s. General Accident (GA) participated in the 1995 Berlin mandate (precursor to the Kyoto agreement) and became a founder signatory of the UNEP's insurance initiative on the environment. Following the merger of GA and Commercial Union to form CGU in 1998, the new company's board approved an environmental policy in 1998. The first Environmental report was published in 2000 by CGNU following the merger of CGU and Norwich Union. Morley, CGNU's fund management subsidiary, also established its first SRI fund in 2000.

The company's first CSR report came in 2002, shortly before it was renamed Aviva. The same year Aviva launched a groupwide CSR policy, to be implemented across the group's businesses, including those in the UK. Performance was measured across eight areas: environment, community, workforce, human rights, health & safety, standards of business conduct, suppliers and customers⁵.

"The territory of CSR is comparatively new. We are therefore keen to work with others in our exploration of it, as we find that their perspective enhances our own understanding."

This was how Aviva's 2003 CSR report summed up the sentiment within the company at the time, and reflected the value of collaborative working spaces provided by organisations and networks such as Business in the Environment, Business in the Community and the Institute of Business Ethics – all of which were cited in the report as having been 'of considerable help to us over the years in developing our approach and practice'. One of BITC's senior staff members (Patrick Mallon) sat on Aviva's CSR panel and Aviva used both of BITC's benchmarks – the BiE Index and CR Index. It was the only insurer placed within the top 20 companies in the CR Index during 2003. Aviva had also been asked to participate in a study on CSR by two academics (Jason Chilvers and Justin Keeble). They concluded that Aviva **"can be regarded as a leader within the financial services sector and beyond... although these changes can be seen as a response to the business case for CSR... it is actually the leadership, culture and ethic of the company that are the most significant driver for change."** These they conclude **"indicate that Aviva's innovation and leadership in the area of CSR will be sustained long into the future."**⁶

Aviva continued to take an active role in global and local CSR initiatives, signing up to the UN Global Compact including chairing the UK network; as well as chairing the UK banking and insurance

sector FORGE group. In keeping with its global common policies and local implementation strategy, subsidiary businesses were encouraged to publish their own country level CSR reports. These included a 2008 report from its UK businesses, Norwich Union, Aviva Global Services & RAC. Key partnerships were also formed with WWF-UK, Earthwatch and BTCV. As environmental issues became increasingly important and relevant to the sector in terms of the commercial impact of extreme weather, the environment took an increasingly prominent role in Aviva's responsible business strategy. In 2006, Aviva announced a commitment to go carbon neutral; and during 2006, Chief Executive Richard Harvey joined the CBI's task force on climate change.

Aviva's reporting and management of responsible business evolved alongside both sector trends and the wider movement. In 2010 Aviva had revised its strategy after undertaking a materiality assessment and became the first company in the UK to put its corporate responsible business agenda to a separate shareholder vote. The affiliations and external engagements listed in the 2010 CR report reflect the areas of greatest focus and concern as well as its global reach: CBI Climate Change Board; Carbon Disclosure Project; HRH The Prince of Wales's Accounting for Sustainability; ClimateWise; UN Environment Programme Finance Initiative; UN Global Compact; UN Principles for Responsible Investment working group; UN Caring for Climate working group; BITC's International Leadership Team; UN Women Empowerment Principles; ORC Global Diversity and ORC UK forums; Consortium for Street Children.

In 2011, Aviva founded the Corporate Sustainability Reporting Coalition and actively began campaigning for cooperation and consistency on sustainability reporting. The Coalition represented investors as well as financial institutions, professional bodies, NGOs and other stakeholders including church organisations. Its target was the UN Rio+20 Earth Summit. In 2012, full page adverts were placed by Aviva on behalf of the coalition in the **Financial Times** which asked participants at the Rio Summit to come to a new global agreement on corporate sustainability reporting. Aviva's role in the coalition led to it being given a place as part of the UK's official delegation⁷.

THE ISSUE OF AGE IN RUNNING A SUSTAINABLE BUSINESS

Diversity and inclusion has been part of Aviva's responsible business strategy from the start. By the mid-2000s, it had begun to be recognised for its diversity agenda; winning awards including BITC's Opportunity Now City Award, and being listed in **The Times Top 50 Best Places for Women to Work** in 2006.

In 2020, Aviva became BITC's Age Friendly Award's Responsible Champion for its Mid Life MOT programme; two years after having won BITC's Ageing Workforce Award in 2018. Aviva's Mid Life MOT programme had been launched after the business recognised that age was one of the biggest dynamics in its business; with over a third of its workers aged over 45⁸. The programme offers a free annual check-up for all employees over 45 looking at issues around wealth, work and wellbeing. It is estimated that the programme secures a £3 return for every £1 invested in greater engagement, better retention and improved wellbeing⁹.

Addressing the challenges of an ageing workforce is a relatively recent campaigning area for BITC and one that Aviva has played a central role in shaping as a key supporter. In 2015, BITC published **Missing Millions**, a report that identified that one million older people had been pushed out of work involuntarily. It introduced an age section to its workplace benchmarks, that was completed by 50 companies and became the first age audit of UK companies¹⁰. Aviva played a crucial role in the nascent campaign and has been central to its success from the beginning; not least in 'walking the talk'. Having previously been involved in BITC's Business Action on Health Leadership Team, Andy Briggs, then CEO of Aviva UK & Ireland agreed to chair the new Age at Work Leadership Team (now the Age Taskforce). On leaving Aviva for a new role as CEO of Phoenix Group in 2019, Briggs continued as Chair, with Aviva's Alistair McQueen (Head of Savings & Retirement) joining the group.

The issue has also provided Aviva with a platform for both community and customer engagement. Aviva's charitable Foundation partnered with BITC to pilot an employability programme for over-50s in England replicating National Lottery funded programmes in the devolved nations; and offered its Mid Life MOT programme to clients.

¹ Aviva Archive, NU1076, NU5, GA5804, CU4951, NU2984

² Aviva Archive, SR3616

³ Aviva Archive, SR2531

⁴ Aviva Archive, GA3366, SR2314, SR6216,

⁵ Aviva, CSR Report 2003 www.corporateregister.com

⁶ Aviva plc, CSR Report 2003

⁷ Rio+20 to push sustainability reporting, Financial Times, 17 Jun 2012

⁸ Storm on the Horizon: The UK's mid-life workforce navigating uncharted waters, Aviva 2020

⁹ BITC 2020 <https://www.bitc.org.uk/case-study/rb-champion-aviva/>

¹⁰ BITC Annual Report & Accounts 2015

The company's wellbeing strategy includes menopause support at a number of different levels, from awareness raising, to individual support and training. The company's approach was used as a case study by BITC when submitting evidence to the menopause in the workplace inquiry undertaken by the UK Parliament's Women & Equalities Committee in 2019.

Aviva has established six employee groups, known as Aviva Communities, as part of its efforts to increase diversity and become more inclusive as an organisation. These each tackle one dimension of the overall agenda and include committees looking at disabilities; gender parity; support for carers and parents; age; cultural differences; and LGBT issues. It also continues to utilise collective initiatives to help drive change. As well as being a signatory of the UK Government's Women in Finance Charter, in 2021, Aviva's CEO Amanda Blanc was appointed as the Charter's Women in Finance Champion. Alongside this, the Black Lives Matter campaign prompted a formalisation of an action plan on race. It is a signatory of BITC's Race at Work Charter and has recently developed a bespoke leadership development programme to promote ethnically diverse talent.

RESILIENCE AND SUSTAINABILITY

Aviva's core insurance business, by its very nature, is designed to provide support and enable resilience when things go wrong – albeit at a cost. However, the principles of its core business have also been the inspiration for much of its community work and these two interlinked agendas have now evolved into one of its three sustainability ambitions – Building Stronger Communities.

In 2004, the Indian Ocean tsunami triggered a staff fundraising drive that raised £200,000, with a further £500,000 committed by the business. The tsunami response prompted some internal questioning and identified a policy gap, with the business recognising that it had not provided equivalent support to its tsunami response for other disasters¹¹.

Aviva had also supported the co-ordination of tsunami funds by Oxfam and Concern India, and this relationship led to it becoming a founder member of Oxfam's 365 Alliance designed to support advance preparation for disaster relief¹². And in 2016, it formed a three-year strategic partnership with the British Red Cross to help communities become safer and stronger. This involved a wide variety of projects which varied from country to country depending on need. Globally, staff helped map the most vulnerable communities which then enabled humanitarian agencies to target support. In Singapore, digital technology was used to tackle isolation in older people; and in the UK a community volunteer force was recruited. The British Red Cross also provided support and training for Aviva call claims handlers. During the Covid-19 pandemic, as part of its response, Aviva has contributed to the British Red Cross's hardship fund.

In 2010, the Business Emergency Response Group (BERG) was initiated by BITC in response to the impact of the 2010 floods on local communities. It aimed to better match businesses resources to need. To support it, a business Leadership Team was formed, and Aviva joined as founder member of this team in 2015. Resources were created to help small businesses prepare for emergencies, such as flooding, cyber-attacks and civil unrest, drawing on the expertise of its members. Volunteers from companies, including Aviva, were also mobilised to support local groups.

LOOKING FORWARD

In 2017, Aviva's CR report was titled 'Defying Uncertainty' as the overall unifying theme for its responsible business strategy. Its language, like that of most businesses, had also evolved, from corporate social responsibility (CSR), through corporate responsibility (CR) to responsible business then into sustainability, and now ESG (economic, social, governance). More recent reports map Aviva's strategy to the UN Sustainable Development Goals and in 2019, it created and published its sustainability ambition – 'to lead the UK financial services sector in taking action on climate change, building stronger more resilient Britain and running itself as a sustainable business'.

In 2018, Aviva set up the Aviva Foundation as a vehicle for distributing unclaimed shareholder assets for public benefit. It is funded both by dormant assets from shareholders and donations from the business. Aligned to the business's sustainability goals, it has so far distributed £7million in grants to innovative projects in the areas of climate change, financial capability and inclusion, and community resilience. These include the 'Accessing Experience' programme delivered in partnership with BITC to reduce employment barriers faced by the over 50s (see above).

In terms of resilience, the Covid-19 pandemic affected individuals and communities on a global scale. Aviva was one of many insurance sector firms who have contributed to the Covid-19 Support Fund launched by the insurance and long-term savings sector to support those affected by the Covid-19 pandemic. As well as charitable donations and a target to invest 2% of profits into the community via the Aviva Community Fund and other community programmes, Aviva's approach to building stronger communities also includes a £10 billion investment into UK infrastructure between 2020-23.

In its response to climate change, Aviva has set itself a goal of becoming a Net Zero business by 2040 – the first major insurer to do so. At the start of 2022, BITC's 40th anniversary year, Aviva's relationship with BITC extends across several of its sustainability focus areas, with senior members of staff involved in the Age Taskforce, Small Business Taskforce, East of England Leadership Board and Gender Equality Leadership Team.

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¹¹ Aviva plc, CSR Report 2006
¹² Aviva plc, CSR Report 2007