

Aviva Australia

Corporate Social Responsibility Report



AVIVA

2005

a summary



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Aviva encourages your feedback on our CSR report, please respond via the email address below.
We recommend you print off only those pages required.

If you require a hard copy of this report, please contact:

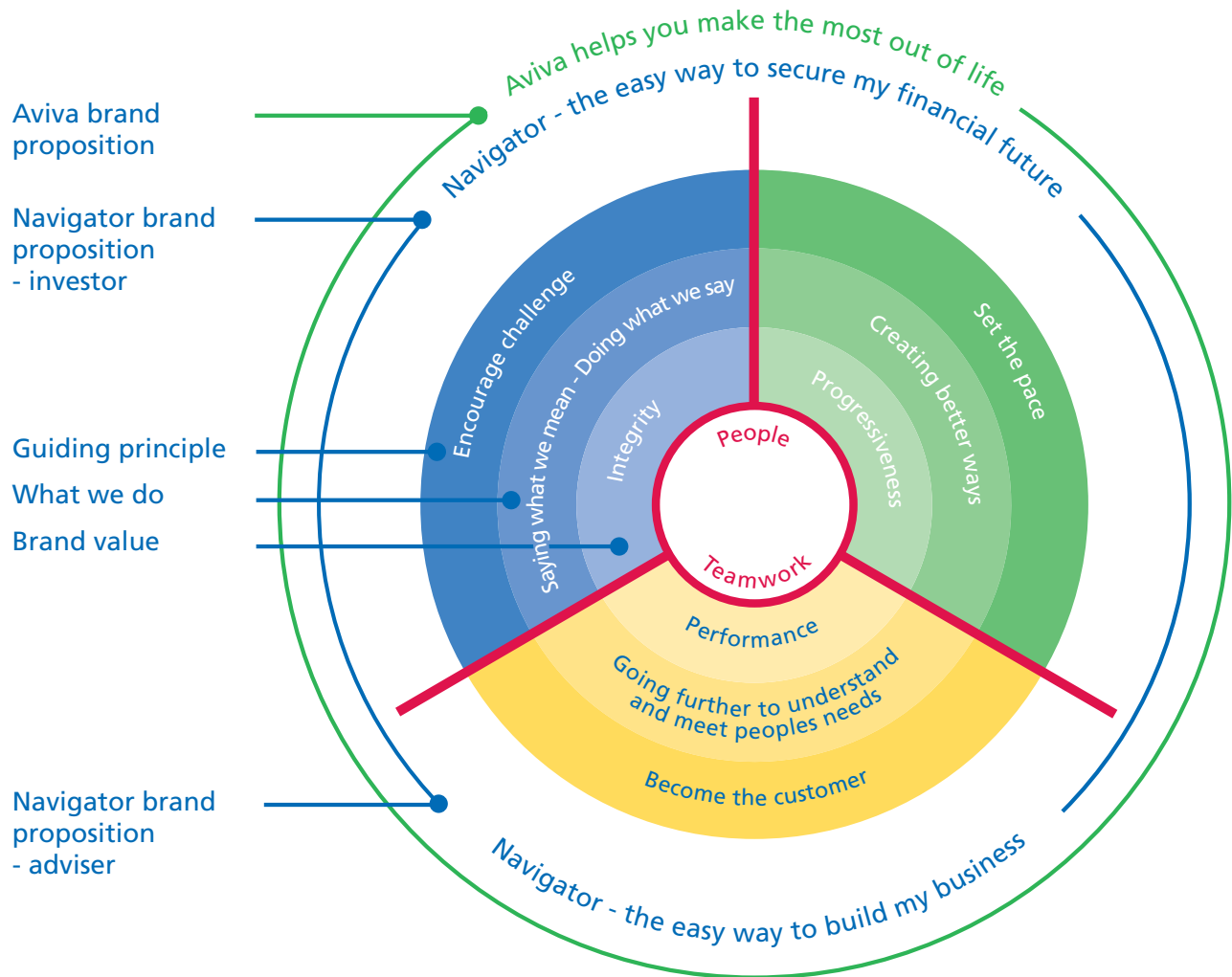
Public Affairs
Aviva Australia
509 St Kilda Road
Melbourne, Vic
3004

email: public.affairs@avivagroup.com.au

The 2005 Corporate Social Responsibility report has been independently verified during February 2006 by the Monash Environment Institute.

Corporate Social Responsibility – Community, Workforce, Environment & Stakeholders

Aviva Australia operates under a scrupulous values wheel.



Our global Corporate Social Responsibility program continues to gain external recognition: examples include being the only UK-listed insurer to be included in both the Dow Jones Sustainability World and STOXX Indexes and also being a member of the FTSE4Good Index Series. Aviva is also included in the Global 100 Most Sustainable Corporations in the World, a new global ranking by independent Canadian-based media company, Corporate Knights.

Our Commitment

Aviva is committed to acting as a responsible member of the international business community as an insurer, investor, employer and consumer.

Aviva is committed to being a responsible corporate citizen and to being recognised as an employer of choice.

- We are committed to ensuring our business is conducted in all respects according to **rigorous ethical, professional and legal standards**.
- We believe the quality of **our people** is **key to our success** and they are a source of competitive advantage.
- We are committed to the principle of **equal opportunity for everybody** in employment.
- We have the opportunity to **favourably influence the behaviour of others** through our fund management activity.
- Our businesses worldwide, where possible, seek to **engage with suppliers** through our purchasing policy on responsible CSR practice.
- Aviva Group is committed to providing a **working environment** which is both **safe** and fit for the intended business purpose.
- We believe in the **importance of environmental protection and improvement**. We believe the **pursuit of best environmental practice makes sound commercial sense**.



Aviva's sponsorship of the Australian Open Ballkids: one of our major social commitments

Aviva's CSR program embraces:

- Community Relations
- Business Ethics
- The Environment
- Our Staff

Foreword

Aviva Australia has consolidated its commitment to corporate social responsibility in 2005. We have expanded our dynamic social programs, we continue to uphold our commitment to work/life balance and we remain environmentally responsible.

We are embracing group strategy to minimise the negative effects and maximise all potential positives through Aviva's Corporate Social Responsibility (CSR) policies and procedures. Our sustained commitment to the environment, our employee opportunities and our community programs strengthen the trust and goodwill within our organisation and with the public.

The policies Aviva has in place for staff highlight the importance of wellbeing within the organisation. Employees can take advantage of the Aviva Social Club; Study Assistance; Parental Leave; Career Break Leave; and much more.

The staff-led Occupational Health and Safety Committee meets regularly to ensure the comfort and safety of staff in the workplace environment. In 2005, the committee introduced ergonomic equipment into workstations, organised influenza shots for staff and completed the training of several staff members as first aid officers, among other positive initiatives.

Moreover, Aviva's Guiding Star Committee provides support to the wider community by monetary and equipment donations, staff volunteers and fundraising events. In 2005, a total of A\$161 087 was donated by Aviva to more than 15 different staff-nominated charities.

Aviva takes its responsibility to minimise its impact on the environment very seriously, which is evident in the various initiatives taken by Aviva's Group Environment Program (GEP). In 2005, the GEP was instrumental in canvassing building contractors to recycle discarded office waste and furniture. The GEP has also organised the recycling of paper, organic waste, fluorescent tubes, toner and ink cartridges, among many other materials.

This CSR Report builds on the transparency and accountability demonstrated in the CSR reports from the previous two years. In 2005, the majority of Aviva's social and environmental targets were reached, which further strengthens and highlights Aviva's position as an "employer of choice" and a "good corporate citizen".

Please enjoy reading our 2005 CSR Report.



Allan Griffiths
Chief Executive Officer,
Aviva Australia



Mr Allan Griffiths
Chief Executive Officer
Aviva Australia

Welcome to Aviva Australia

Aviva Australia, the local operation of the global Aviva Plc Group, is a business unit of two specialist financial services companies: Navigator and Norwich Union Life Australia Ltd. Together, these companies manage and administer around A\$20 billion. We provide products and services in the areas of wealth creation, wealth management and wealth protection for more than 300,000 customers throughout Australia.

Our head-office is located in Melbourne, and we have satellite offices in Sydney, Brisbane, Adelaide and Perth. Aviva Australia employs around 780 staff.

Aviva Australia is part of Aviva plc, the world's sixth-largest insurance group, the largest insurer in the UK and one of the top five life companies in Europe. It also has substantial businesses elsewhere around the world. Our Group's main activities are long-term savings, fund management and general insurance. It has premium income and investment sales of A\$77 billion, and around A\$684 billion of assets under management. The Group has 60,000 employees serving 30 million customers worldwide. Aviva was formed in May 2000 through the global merger of CGU plc and Norwich Union plc, and originally listed as CGNU plc.

Navigator is one of Australia's most established and efficient investment portfolio services. With A\$16 billion in investor funds, Navigator offers investors superannuation, pension and protection products, general investment or wealth creation products and a share and cash service. Navigator products are distributed through financial advisers.

Under the Aviva brand we provide a range of protection products distributed by financial advisers. These products offer a simple and effective way of providing financial security for the individual, family and business. Aviva protection products include life, critical illness and income protection.

Note: The above figures are current as at 30 May 2006.



Aviva House

Corporate Social Responsibility Policy

As a member of the international business community, Aviva fulfills its key corporate social responsibility roles as an insurer and investor, as well as an employer and consumer.

Our employer of choice program is encompassed by a family of eight policies which reflect these roles:

1. Standards of Business Conduct

We are committed to ensuring our business is conducted according to rigorous ethical, professional and legal standards.

2. Customers

We seek to provide our customers with service hallmarked by integrity, quality and care.

3. Human Rights

We look to the provisions in the United Nations Universal Declaration of Human Rights to guide the conduct of our business.

4. Workforce

We endeavour to be the employer of choice in all the countries we operate in.

5. Health and Safety

Aviva is committed to looking after the health and safety of all employees by ensuring that health and safety issues are a high priority in our working environment.

6. Suppliers

We regard suppliers as our partners and work with them to reach our policy aspirations in the delivery of our products and services.

7. Community

We strive to be a good corporate citizen around the world, recognising our responsibility to work in partnership with the communities in which we operate.

8. Environment

We endeavour to manage the direct and indirect impacts of our business in a responsible manner, believing sound and demonstrable performance in relation to corporate social responsibility policy and practice is a fundamental part of business success.

We are committed to continuous improvement in our corporate social responsibility program and encourage our business partners to strive for matching performance.



Celebrations:
The second year of the Aviva brand in Australia

Standards of Business Conduct

Corporate Governance

The Group Public Affairs department, within Aviva Australia, has primary responsibility for the Corporate Social Responsibility program. Simon Morgan, the Group General Manager of Public Affairs, is the nominated manager. Rob Gill is the project manager for CSR, as well as the Public Affairs Manager of Internal Programs.

Four internal committees manage the implementation of policies and programs dedicated to CSR, which are:

- Group Environment Program (GEP)
- Guiding Star Committee
- Social Club Committee
- Occupational Health and Safety Committee (OHS is administered by the Human Resources department)

The activities of each of these committees are expanded upon below under the relevant sections of this report.

The GEP, Guiding Star and Social Club committees report monthly to their sponsor, the Group General Manager of Public Affairs. OHS provide a written report to the Executive on a quarterly basis. All committees provide an annual report to Senior Management.

Internal CSR Auditing

“Project Shock” is an internal auditing process conducted by the GEP. Members undertake quantitative audits of Aviva’s business units, addressing the criteria described by the environmental program, including energy usage, waste management and recycling.

Audits are completed on an end-of-month basis. Every quarter the audits are collated and the most successful work area is awarded a “Project Shock” Certificate of Achievement.

Group CSR Auditing

An annual report is published by our parent company, Aviva Plc, covering the Group’s CSR performance. Aviva Plc reports on data relating to Environmental Practice and Impact; Health and Safety; Human Rights; Community Programs & Corporate Citizenship; Customer Service; Workforce Engagement; Partnerships with Suppliers; and Standards of Business. The April 2005 report is available for viewing at:

www.aviva.com/responsibility



“We are always careful to live our values through our dealings with internal and external customers. As a staff member, I feel confident in the fact Aviva's code of conduct is in place and appropriate to our beliefs.”

Day Butingan
Product Actuarial Team
Aviva Australia



Leading by Example: Chief Executive Officer Allan Griffiths is a keen cyclist

External CSR Review

Accountability:

This Aviva Australia Corporate Social Responsibility report has been verified by Ms Lillian McCubbin, a consultant with the Monash Environment Institute as part of the Green Steps Program.

Some other organisations which externally audit CSR at Aviva Australia are:

- The Australian Greenhouse Office
- TravelSmart Victoria
- The Australian Charities Fund

Commitment to Staff

Aviva Australia has in place appropriate codes of conduct to ensure our staff feel welcome, secure and safe in the knowledge that business standards are upheld through a series of policies and agreements outlining correct work practices and ethics.

Policies include:

- Aviva Code of Conduct
- Equal Employment Opportunity
- IT Policies
- Alcohol & Drug use
- Compliance
- Issue Resolution
- Dress Code
- Confidential Information
- New Employee Induction

Commitment to Government, Industry and Customers

Aviva Australia complies with all government legislation and regulation imposed regarding operational procedures, disclosure and business taxation. Aviva complies with all aspects of:

- Australian Securities and Investment Commission Legislation
- Financial Services Reform Act 2002
- Corporations Act 2001 (including 2004 amendments)
- Corporate Law Economic Reform Program Act 2004
- Victorian OHS Act 1985 (including 2005 amendments)
- Trade Practices Act 1974

We also have representation, through our staff, on many of the industry associations including:

- FPA (The Financial Planning Association of Australia Limited)
- ASFA (The Association of Superannuation Funds of Australia Limited)
- IFSA (Investment & Financial Services Association Limited)
- AIST (The Australian Institute of Superannuation Trustees)
- ICAA (The Institute of Chartered Accountants in Australia)
- ALUCA (Australian Life Underwriters and Claims Association Incorporated)
- Australian Society of Certified Practising Accountants
- LIV (The Law Institute of Victoria)
- VECCI (Victorian Employers' Chamber of Commerce and Industry)
- The Centre for Corporate Public Affairs
- International CEO Forum membership
- CEDA (Committee for Economic Development)
- PRIA (Public Relations Institute of Australia)
- UNEP FI (United Nations Environmental Programme - Financial Initiatives)
- BATE (Business and the Environment)
- ACF (The Australian Charities Fund)



Networking:

Aviva has extensive links throughout the industry

Customers



“We have a great working relationship with Aviva. Communication is a two-way line. We have learned a great deal through our association, especially with their advisor support tools, but also, we’d like to think our advice has helped Aviva understand its customer base better.”

Alf Shenoy
Meritum Financial Group

Aviva Australia is committed to maintaining and improving customer relations with its entire customer base. Because Aviva Australia does not directly retail its products, the customer base includes:

- Financial advisers
- Other financial institutions
- Regulators
- Suppliers to Aviva
- Staff of Aviva

Compliance

Aviva Plc has in place a comprehensive Compliance Policy. The Policy Statement provides that Aviva is committed to ensuring its businesses fulfil their regulatory obligations, such that regulators can regard Aviva as a centre of best practice, where compliance standards contribute positively to risk management, consumer protection and the overall quality of business.

Anti-Money Laundering Policy

Aviva Plc has in place a Group Anti-Money Laundering Policy. The Policy Statement requires that Aviva is committed to ensuring all its businesses comply with the spirit of, as well as specific provisions of, all laws and regulations for anti-money laundering practice in all the countries or territories in which it operates, in accordance with the Compliance Policy.

Human Rights

Aviva Group respects all fundamental human rights and will be guided in the conduct of its business by the provisions of the United Nations Universal Declaration of Human Rights (UNUDHR), as part of the global compact, and the Eight Core Labour Standards of the International Labour Organisation (ILO).

Equal Employment Opportunity (EEO)

All employees and potential employees of Aviva are given an equal opportunity in all aspects of employment. Strict guidelines and training are provided to assist managers when recruiting staff to ensure Aviva Australia meets its EEO obligations. All new Aviva Australia staff sign a document which declares an understanding of the Equal Employment Opportunity Policy as part of their “Welcome to Aviva” on-line induction.

The Equal Employment Opportunity Policy located on our internal Intranet site available to all staff aims to:

- Ensure all employees and potential employees of Aviva are given an equal opportunity in all aspects of employment. This includes (but is not limited to) recruitment, promotion, training, career development and further education opportunities, as well as compensation, conditions and benefits associated with working for Aviva.
- Part of the recruitment and selection policy includes merit-based recruitment, that is recruiting the right person for the right job based on a fair and objective recruitment process.
- Create a workplace that is free of discriminatory practices and behaviours.
- Ensure Aviva complies with all relevant State and Federal legislation in the area of human rights and equal opportunity; sex and racial discrimination; disability discrimination; affirmation action; vilification and workplace bullying.

Aviva aims to ensure all employees are aware of and understand Aviva’s equal opportunity policies, programs and work practices through our induction process.



“Aviva Australia encourages diversity and supports all staff, it’s like being part of an extended family.”

Nives Trento
Client Liaison Officer, Aviva Australia

Workforce

Our People

Values

At Aviva, we are passionate about our people and our customers. We are one team, united by our identity and our vitality. Our values are central to our success as they allow us as individuals to make a difference and be proud of what we achieve together. Values enable us to strengthen our actions. They help us to be clear about who we are, what we do and clearly stand apart from our competitors creating a dynamic workforce that is empowered, motivated and outperforming.

A Culture of Outperformance

In today's business climate, it is essential for Aviva to outwardly promote its commitment to drive value for staff and customers in line with our Corporate Social Responsibility culture.

Providing our staff the opportunity to develop new skills and have more experiences in the workforce and in the community also enriches our culture. A number of key people strategies have been developed to support our workforce. Developing leadership capability is integral to our success and will provide the foundation in building a dynamic, performance focused culture. Career Planning, Study Assistance, Environmental and Health and Safety Wellbeing Programs underpin the work we do in creating an empowered workforce.

Staff feedback and communications are integral to our workforce. Staff are consulted through a variety of communication tools including Aviva's global staff survey, induction programs, performance and development reviews, regular staff briefings, the intranet and newsletters.

Life at Aviva

Aviva's progressive practices reflect our corporate social responsibility and support the attraction, development and retention of our staff as part of our commitment to being an employer of choice.

Supporting Parents at work

Aviva recognises the importance of providing a work environment that enables our people to maintain a balance between work and family responsibilities. Through our parental leave policy and "Keep in Touch" program, Aviva is committed to encouraging our staff to return to work after parental leave. In addition Aviva encourages flexible working arrangements including part-time, job sharing and telecommuting wherever possible.

Study Assistance

Aviva recognises that the continuing professional development of individuals is essential for the ongoing growth of our business. Aviva is committed to providing study assistance that enhances the performance of individuals in their current position or that prepares them for subsequent roles within Aviva.



"Aviva is proud of our people. Our combined contributions are central to our business success. Our values, employment practices and strong commitment to developing leadership ensures we are all empowered, inspired and outperforming for our customers".

Alexis Beckwith
Group General Manager
Human Resources, Aviva Australia

Workforce (continued)

Staff Leave

Aviva is committed to the health and wellbeing of its people and encourages a balanced lifestyle. A variety of leave arrangements are available for all Aviva staff ranging from annual leave, family leave, compassionate leave and long service leave.

Rewards and Benefits

Aviva's rewards and benefits enable staff to share in the success of the business. We are committed to rewarding and recognising our people in a competitive, fair and consistent manner.

In addition to competitive salaries, all permanent staff members participate in an attractive annual incentive program that is based on reward for both individual and business performance. There are also a wide variety of benefits available to Aviva staff ranging from discounted investment products, income protection to extensive reward and recognition programs.

Social Activities

Being an employee at Aviva is about more than just your job – it's about the people you work with and the environment that you work within.

Our social club forms an important part of our organisation. The social club is a not-for profit group that aims to boost morale and encourage participation in activities beyond normal work duties. A calendar of social events is organised throughout the year, from our annual Aviva Ball to regular Friday night get togethers in our roof top social rooms. Team sports, exercise classes and family events all encourage staff to get to know one another, develop social networks and build relationships that are about more than just getting the job done.



Aviva's Family Christmas Party:
one for the kids

Health and Safety

Occupational Health and Safety Policy

Occupational Health and Safety (OHS) is the provision and maintenance of a workplace and systems that minimise the risk of injury and disease to employees and visitors.

Aviva Australia remains compliant with the relevant sections of the Occupational Health and Safety Act of 1995, and is working towards compliance with the 2005 amendments of the Act.

The Aviva Occupational Health and Safety Policy covers all Aviva employees who are employed on a full-time, part-time, casual, fixed-term and contract basis and all visitors to our premises.

The objectives of the Occupational Health and Safety Policy are to ensure:

- All hazards and risks to health and safety are regularly monitored and evaluated.
- Appropriate measures are put in place to control risks to health and safety.
- Employees participate and contribute to the decision-making process on occupational health and safety matters affecting their health and safety at work.
- All employees receive the information, instruction, training and supervision they need to safely carry out their responsibilities.
- Aviva fulfils its legal obligations as a minimum requirement.

OHS Representatives

In 2005, Aviva trained a further four OHS Representative to replace those officers who had resigned from this position. Local officers are the contact point if someone has an inquiry about health and safety within Aviva Australia, or wishes to report a hazard, incident or near-miss.

Officers have been put through a thorough six-day training program and are certified to State Government Standard. Local representatives continually audit their area, surveying for potential hazards and risks. However, if a staff member becomes aware of a developing or potential problem, they are encouraged to inform their local officer or other OHS representatives and their line manager.

Potential hazards and risks include: overcrowded storage areas, electrical hazards, worn carpet, chemicals, odours and spills, broken equipment and glass, stress and unsafe practices (such as lifting inappropriately).

Reporting Mechanisms

All Aviva staff have access to the Intranet which contains an online form for reporting incidents, accidents and near-misses. This includes first aid incidents that are also recorded in a central log. The online form automatically files the report and informs the Corporate Services team of the incident. Emergency situations are reported directly to a first aid officer, line manager or Corporate Services.



“Aviva values its staff and customers. The systems, training and reporting mechanisms dedicated to OHS at Aviva ensure we provide a safe and healthy environment for all staff and visitors.”

Rod Martinich
Corporate Services Manager
Aviva Australia

Health and Safety (continued)

OHS Committee

The committee's role is to establish an OHS Policy and supporting objectives and strategies to ensure a safe and healthy working environment for all Aviva Australia employees, visitors and others engaged to work on Aviva premises.

The committee meets monthly to review progress towards the achievement of objectives, review safety incidents (including near-misses) which have been reported during the month, and to ensure where necessary that working arrangements or processes are reviewed with regard to the nature of the incident/near-miss. The committee ensures that the Aviva Australia Executive is informed of issues requiring their consideration.

Many Aviva policies relate to maintaining the OHS standards set by management.

Related Policies

First Aid

First aid facilities are available to all employees and visitors to Aviva at Head Office if they become ill or are injured at work. In 2005 Aviva had eight certified First Aid Officers. The Aviva Group at 509 St Kilda Road, Melbourne, has a first aid room, which is available for staff and visitors to use in case of illness.

Aviva complies with the First Aid Code of Practice approved under Section 55 of the Occupational Health and Safety Act 1985 (reviewed in 1995).

Emergency and Evacuation

It is Aviva's policy to ensure, as far as practicable, the safety of employees and visitors and to ensure that an orderly evacuation from a danger zone will occur in times of emergency.

Aviva had one fire warden for every 52 members of staff in 2005. A warden is a trained Aviva employee who has the authority to direct all employees and visitors during an emergency evacuation of the building.

Workcover

The Victorian WorkCover Authority provides regulations and recommendations in relation to the recording of incidents and provision of cover to which Aviva complies.

Smoke Free

All employees and contractors in Aviva premises and locations are provided with a smoke-free workplace environment.



Safety First:
always

Health and Safety (continued)

Alcohol and Drugs

Aviva provides a working environment free of alcohol and drugs and offers reasonable support to employees who experience alcohol or drug-related problems.

Issue Resolution

A systematic procedure ensures issues are resolved in a fair and equitable manner for both the employee and Aviva.

Dealing with issues often involves complex matters that need to be carefully considered. This policy therefore forms part of an overall strategy for meeting the organisation's obligations to provide a workplace free from discrimination and harassment.

Health Plan

Where possible, it is Aviva's policy to offer employees access to a health plan at discounted premiums as a benefit of employment. This may be subject to change over time.

The health plan is a voluntary private health insurance package that is prepaid by Aviva on behalf of the employee and is offered to employees at a discounted rate. In 2005, Aviva staff had access to discounted corporate rates for MBF health cover.

Sick Leave

Aviva's Sick Leave Policy aims to ensure employees are provided with specific leave entitlements because of illness and also to ensure that Aviva fulfils its obligations as outlined within the Award and Enterprise Agreement.

Income Protection

All permanent employees are entitled to participate in a company-funded income protection scheme, which entitles them to 75 per cent of their salary for up to two years, in case of serious illness or disability which prevents them from working.

Long Service Leave

Long Service Leave of 13 paid weeks is provided to employees at the completion of 15 years of service with Aviva. Prorata Long Service Leave is available when an employee has accrued between 10 years and 15 years service, in recognition of employment loyalty.

Blood Donors Leave

Employees who need time off to donate blood to an authorised blood bank are supported by Aviva's leave policy.

Aviva, in partnership with the Red Cross, provides quarterly shuttle bus pick-ups from Head Office for those wishing to donate.



Rooftop Volleyball:
part of Aviva's staff
health program

OHS Initiatives

The OHS committee implemented the following initiatives in 2005 to improve the health and safety of Aviva staff.

Ergonomic Equipment

Staff experiencing signs of repetitive fatigue or poor workstation posture undergo an assessment and a remediation plan is made based on the results of the assessment. This process was developed in 2005 to justify the purchase of special ergonomic equipment. This is especially applicable to pregnant staff.

Flu Shots

All staff were given the opportunity to receive a free influenza vaccine in May 2005.

Air Conditioning System

The Melbourne Head Office air conditioning system was upgraded in October 2003 from a water-based cooling tower system, to one based on cooling fan technology. The system is under constant surveillance by Corporate Services, with adjustments in ducting ongoing throughout Head Office to accommodate staff movements.

OHS Week

Aviva head office participated in "Work Safe Week", 23 – 28 October 2005, sponsored by the Victorian WorkCover Authority.

The week featured a manned display in the staff Bistro with guest speakers each lunchtime, including health professionals, physiotherapists and OHS representatives. The promotion included a free 10-minute massage available to all staff.

Workstation Assessments

All staff were encouraged to invite their local OHS representative to do a workstation assessment which included looking at lighting, posture, comfort, screen glare and equipment positioning.

First Aid Officers Meetings

Quarterly first aid meetings were conducted throughout 2005 to ensure first aid supplies remained current, and officer skills refreshed.

Defibrillator

A "HeartStart" defibrillator was purchased from St John Ambulance at a cost of \$4,200 in 2004. The "HeartStart" is currently stored at reception. St John Ambulance trained seven First Aid Officers in the correct use of the machine. In 2005, other tenants in the building were notified of the availability of the defibrillator and its location.



Safe Workplace:
happy staff

Suppliers

Aviva regards suppliers as partners and works with them to fulfill policy aspirations in the delivery of products and services.

The Purchasing and Supply management function in the Norwich Union Central Services in the UK is responsible for the management of the Aviva group-wide purchasing, sourcing and outsourcing policies and also has the responsibility for reporting on compliance to those policies to the Aviva Group Executive.

In 2006, a program called Global Purchasing Practice will be launched in order to create an Aviva-wide Action Network with central governance and best practice support for local purchasing activity across the general insurance and life businesses worldwide.

The Purchasing Policy was reviewed in 2005 taking into account the changes in structure and scope of the Purchasing and Supply management team. It includes references to the wider CSR context rather than a solely environmental focus.

Promoting CSR Best Practice among suppliers

Our businesses worldwide, where possible, seek to engage with suppliers on responsible CSR practice. In some instances, questions on environmental/ethical performance in the tender process have received a weighted score alongside the usual purchasing criteria of price, quality and service delivery.

Of Aviva's businesses worldwide, 75% include elements of CSR criteria in the supplier tendering process and in ongoing supplier relationships.

In the UK, the new CSR evaluation criteria set for use in the purchasing process was completed in 2004 and is now being utilised by purchasing teams. The document uses the previous environmental criteria as a basis, but now includes social and ethical issues and has been made as generic as possible for use in all business units.

Examples of CSR practice taken into consideration in 2005 by Aviva Australia with suppliers include:

- 100% recycled content office paper
- Waste separation by cleaning contractors
- Re-use and recycling practices considered in office fit-outs tendering
- Consolidation of courier practices
- Sustainability practices exercised by Bistro contractors

Supporting good supplier payment methods

Aviva Australia is committed to supporting responsible supplier payment processes. The group's standard payment terms are 28 days from date of invoice.

Aviva Australia's Finance Department takes great pride and is careful to maintain payment standards. In many cases, we support payment practices which are better than the local norms, paying within half the standard payment terms.



"We believe the sustainable learning process is a swinging door between Aviva and our suppliers. We aim to pass on responsible principles to suppliers, and we reflect this in our purchasing policies. However, we acknowledge the expertise of our suppliers and aim to expand our knowledge through experiencing their sustainable practices and policies."

Ian Evenden
Facilities Administrator
Aviva Australia

Community

Sponsorship and community investment

Aviva Plc has in place a Sponsorship and Community Investment Policy. The Policy Statement details the company's commitment to being a responsible corporate citizen. Aviva's strategy for sponsorship and community investment includes enhancing the reputation of the company as a leading international financial services provider, and being a platform upon which to promote our brand, values and vision to key stakeholders.

We believe we have a responsibility to the community, which incorporates all of our stakeholders including our staff and families, customers, suppliers, neighbourhood, nation, global associates and ultimately our shareholders.

Aviva reaches out to the community through its internal social responsibility committee known as the Guiding Star.

Managing community investment in our business

The Guiding Star Committee is a group of volunteer staff and one project manager. The committee draws from all areas of the business and meets fortnightly for one hour.

The committee's responsibilities include:

- Allocating the Aviva Australia corporate donation budget
- Selecting supported organisations based on the results of an annual staff survey
- Maintaining rapport with sponsored organisations
- Administration of the Workplace Giving Program
- Administration of the staff volunteering program
- Supporting staff fund-raising initiatives
- Arranging special collection days
- Organising fund-raising for charity events

Mission of the Guiding Star Committee

The mission of the Guiding Star Committee is to support Australian charities through financial contributions and staff involvement and to achieve lasting change/improvement in the community.

The Guiding Star Committee seeks to enter into partnership with organisations that focus on:

- Health and medical research
- Support for youth and disadvantaged
- International aid
- Education

Guidelines:

- Focus on Australian charities
- Must be registered charities



"It is important to all our stakeholders, and especially our staff, that Aviva is socially responsible. We acknowledge we are part of a community, and this membership comes with responsibilities. We are proud of our contributions to the wider community."

Simon Morgan
Group General Manager, Public Affairs
Aviva Australia

Community (continued)

- Must be well established and have clearly defined aims and objectives
- Financial donations must be deductible under Section 30-15 of the Income Tax Assessment Act 1997
- Favour charities which encourage employee volunteering

Support will not be considered for:

- Individual applicants, political organisations, religious or sectarian organisations involved in purely religious/sectarian activities
- Mainstream schools and sporting associations
- A small group of individuals
- An organisation where our financial support might affect or reduce government funding to the charity
- New organisations (unless it can be shown clearly that there is a defined need not met)

Sponsorship and Community Investment

In 2005 we donated A\$161,087 to various community initiatives through cash support (including staff fundraising), gifts in kind and staff involvement.

- Cash support: A\$130,037
- Gifts in kind: A\$480
- Staff Volunteering: A\$8,200
- Management cost: A\$22,370

In 2005, through our Guiding Star Program, Aviva provided corporate financial support to:

- Tsunami Appeal A\$50,000
- Pakistan Earthquake Appeal A\$1,583.44
- Very Special Kids A\$5,000 *
- Care Australia – Corporate Council A\$25,000
- Breast Cancer Network Australia A\$5,000*
- Conservation Volunteers A\$5,000*
- Here for Life A\$5,000*
- The Smith Family A\$5,000*
- Sids and Kids Victoria A\$1,044
- Angel Flight A\$840.56*

* These organisations also provide staff volunteering opportunities for Aviva Australia staff.

In 2005, the following activities were initiated by staff for charities supported by the Guiding Star Committee in order to raise funds:

- Tsunami Appeal A\$4,150
- Variety Club Christmas Party for Special Children A\$1,575
- Childhood Cancer Association Fun Run Finish Line event A\$1,000
- Leukaemia Foundation A\$1,000
- Breast Cancer Network Australia Pink Ribbon Day A\$730
- Jeans for Genes Day A\$580
- Breast Cancer Network Australia AFL Pink Poncho Night A\$250
- Cancer Council Daffodil Day A\$200
- Legacy ANZAC BBQ A\$189.25



Meet the Charities Barbecue

Community (continued)

The Guiding Star Committee will match any donations raised by staff initiatives to the value of A\$1,000, or increased amounts at its discretion.

Staff, and other tenants in the St Kilda Road Aviva Head Office, also contributed to the Salvation Army Christmas Appeal by generously providing more than 100 presents to the Christmas tree sited in the foyer of Aviva House, Melbourne.

Gifts in kind included donated second-hand chairs worth A\$480 to the Lighthouse Foundation.

Workplace Giving

The Guiding Star Committee also administers the payroll deduction program known as Workplace Giving. This program enables staff to directly donate to any of the nominated charities through payroll deduction before tax. The administration platform for Workplace Giving is managed by Australian Charities Fund (ACF). In 2005, Aviva paid an administration fee of A\$1,632 to ACF.

Staff are encouraged to independently support organisations of their choosing that are not included in the Guiding Star selected organisations.

An annual survey ensures the Guiding Star Committee supports organisations that have staff approval. In the 2005 survey, it was found that just six per cent of respondents were dissatisfied with the current list of charities, while a very encouraging 77 per cent were satisfied or very satisfied.

In 2005, Aviva Australia staff donated A\$29,180 directly from their pay through Workplace Giving.

Staff Volunteering

The Staff Volunteering Program allows any full-time staff member to take one full day of paid volunteering leave per year. The program is also administered by the Guiding Star Committee and maintained by the payroll system. It allows staff to volunteer for any certified charitable organisation of their choosing through seek.com.au/volunteering.

Aviva also had an arrangement with Conservation Volunteers Australia, allowing small groups of staff to join the local environmental rehabilitation project. Aviva also supplied volunteers to our supported organisations for suitable special events and fundraising activities.

In 2005, 7.0 per cent of staff took up the opportunity to spend a day volunteering.



Angel Flight Pilot: Aviva staff member, Nev Donald, with two passenger patients

The Environment

The Aviva Plc Group has a consistent record for reporting on environmental performance.

Aviva Australia has long been committed to sustainable practice, and we continue to develop environmental policies, some of which date back to the early 1980s.

Environmental Policy

Aviva Plc is committed to a program of management, continuous improvement and reporting of direct and indirect environmental impacts.

Aviva Group is dedicated to investigating new practices that positively contribute to sustainable work behaviours. Where practical, the proven new sustainable practices are adopted into the education process and work operations at Aviva.

Environmental data collected by the group is audited and incorporated in an annual report, which is released publicly. This can be found on the Aviva Plc website:

www.aviva.com/responsibility

Stakeholder and Community Participation

Business and the Environment

Aviva is represented by a member of the Group Environment Program at Business and the Environment (BATE) meetings held on a monthly basis around Melbourne. In 2005, Aviva accepted the offer to be part of the steering committee for the BATE forum.

Greenhouse Challenge

Aviva was voluntarily audited in 2001 and became a signatory to the Australian Federal Government's Greenhouse Challenge in July 2003. This voluntary program audits companies and recommends practices to reduce carbon dioxide emissions that signatories commit to work towards. Our most recent audit occurred in February 2005.

TravelSmart Victoria

In 2005, Aviva again participated in the annual audit by TravelSmart, a Victorian Government initiative. As a result, an updated agreement was created, which outlined the educational initiatives and practices for Aviva to implement over the next three years in order to enable staff to access alternative means of transport to and from work and also to reduce the reliance on fossil fuel-powered vehicles.

Conservation Volunteers Australia - Staff Volunteering Program

Aviva has an ongoing arrangement with Conservation Volunteers Australia where staff teams volunteer to help with current projects. This is one way Aviva helps offset the creation of greenhouse gases as a result of our operations.



"We have many programs in place at Aviva Australia that demonstrate a responsibility to the environment, including our in-house green office committee, staff volunteering for conservation organisations, our TravelSmart plan, organic waste collection and supply chain policies."

Rob Gill
CSR Manager
Aviva Australia

The Environment (continued)

United Nations Environment Programme – Financial Initiatives

Aviva Australia, through its parent company, Aviva Plc, is a proud signatory of the United Nations Environment Programme – Financial Initiatives (UNEP FI) Statement by Financial Institutions on the Environment and Sustainable Development. Membership requires companies to reach a set standard of environmental practice and work towards meeting future targets.

Socially Responsible Investment product disclosure

Aviva complies with the guidelines relating to product disclosure and Socially Responsible Investment (SRI) in accordance with the Financial Services Reform Act (Australia 2002). All Product Disclosure Statements report the full social responsibility background for each product.

We work in close consultation with our outsourced fund manager, Portfolio Partners, another Aviva Group company, to ensure our customers are informed on the status of our investment products. Through the Navigator platform, we offer an investment range of seven ethical funds.



Conservation Volunteers:
Aviva staff

In-house Green Office program

The Group Environment Program (GEP) is an internal volunteer committee charged with making all staff more aware of environmentally-friendly practices that can be employed around the office. If adopted into day-to-day living, these practices place less of a strain on the finite natural resources of the planet.

The GEP Committee provides quarterly reports on the levels of travel and transport, paper and envelope purchases, gas, electricity, oil and water usage as well as half-yearly waste, property and supply chain/purchasing reports to Aviva Plc.

The GEP Committee

- ✓ Meets fortnightly to discuss current sustainable projects/issues/concerns
- ✓ Identifies possible new initiatives
- ✓ Provides updates on project progress to the Executive team
- ✓ Educates Aviva staff on environmentally friendly work practices
- ✓ Provides options and appropriate facilities

The Project Manager meets with the Project Sponsor, the Group General Manager of Public Affairs, each month to provide an update. A report highlighting the committee's key milestones is also provided on a fortnightly basis.

The Environment (continued)

Environmental Programs

Paper

In 2005, Aviva Australia introduced 100% recycled-content copy paper for copiers and printers throughout its offices.

We aim to decrease paper usage by:

- ✓ Encouraging the economic use of paper
- ✓ Eliminating unnecessary printing with the use of electronic filing systems
- ✓ Encourage the re-use of paper as scribble pads, double-sided prints and scrap paper

Waste

Recycling and collection facilities are provided for:

- ✓ Paper
- ✓ Organic waste
- ✓ Bottles, cans and cartons
- ✓ Cardboard
- ✓ Fluorescent tubes

Paper is recycled through Fine Paper Recyclers. Cardboard, glass, plastics and tins are recycled by Visy Recycling. Collection facilities are also provided for the recycling of unwanted greeting cards and envelopes through Planet Ark.

Organic waste generated at Aviva is turned into organic fertiliser by Organic Recyclers Pty Ltd. Fluorescent tubes are disposed of with the assistance of Chemsal, a chemical recycling company. We have established a ring binder recycling program, which includes a storage facility with general staff access to allow the collection and disposal of ring binders. Toner and ink cartridges are purchased and recycled through ATC I.T. Supplies (purchasing new ring binders has been banned, other than in exceptional circumstances).

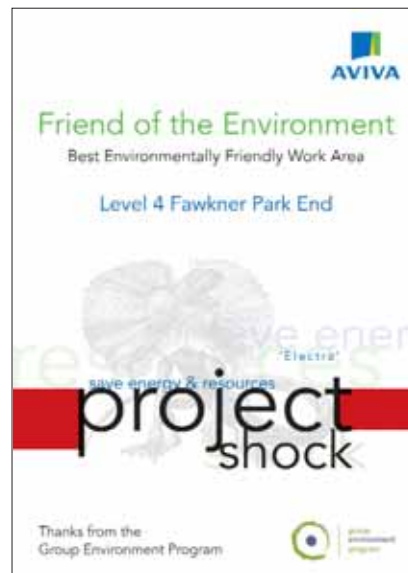
Metal teaspoons and sugar canisters are provided in all staff kitchens and metal cutlery is provided in the staff Bistro to assist in the reduction of disposable plastic cutlery, packaging and wooden stirrers (which are often derived from old-growth forests).

Energy

All staff are encouraged to shut down their computers after-hours and to turn lights off when not in use; this includes out-of-work hours, when rooms are not in use and when there is sufficient natural light available. All meeting rooms and offices constructed under the current refurbishment program are fitted with sensors for lights, which ensure they are switched off 20 minutes after being vacated.

Water

Water-saving showerheads and spouts on hot water taps have been fitted to kitchens and showers. An education program on water-saving practices was initiated in 2003 has continued since.



The Environment (continued)

Travel and transport

Aviva provides facilities for staff to travel to and from work without having to use their own car, through our TravelSmart plan, including:

- ✓ In-house car-pooling system
- ✓ Bike cages and racks
- ✓ Change-room and locker facilities
- ✓ Maps and umbrellas available to all staff

Project Shock

Project Shock is an internal auditing project conducted by the Group Environment Program that performs regular environmental audits of workstation and kitchen areas to determine staff practices in recycling, energy conservation, water use and paper consumption.



Aviva House: park vista

Environment Performance Data

Total Disposable Waste Produced and Recycled

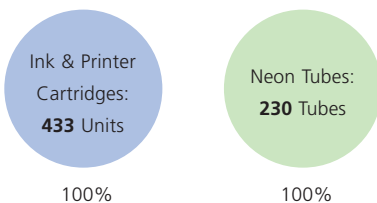
1175.98 Metric Tonnes Produced

986.19 Metric Tonnes Recycled

Waste Recycled

Paper:	38.50 Metric Tonnes
Organic Waste:	0.04 Metric Tonnes
Cans, Glass, Plastic:	3.65 Metric Tonnes
Office Furniture:	932.00 Metric Tonnes

100% Recycled Waste



Performance data table 2005 - 2004 - 2003

2005		2004	2003
	Taxi Travel		
122 280	Kilometres Travelled	129 990	141 840
17 569	LPG fuel in litres	18 675	20 347
29.18	CO ² Tonnes produced	31.01	33.47
	Air travel		
1 833	Total trips	1 404	1 436
2 255 136	Kilometres Travelled	1 771 200	4 821 266
248.06	CO ² Tonnes produced	194.8	530.34
	Electricity Usage		
3 315 211	Kilowatt hours	4 323 218	3 616 583
2 622.33	CO ² Tonnes produced	3 419.67	2 860.72
	Gas Usage		
385 760.73	Kilowatt hours*	702 831	845 372
77.92	CO ² Tonnes produced	141.97	170.77
	Water Usage		
11 134	Metres cubed	14 636	24 978
	Paper & Envelope Usage		
40.79	Metric tonnes (t)	36.1	39.13
38.18	Recycled content paper (t)	9.65	0
38.5	Paper waste recycled (t)	35.86	36.5

* Large decrease in gas consumption from 2004 due to one out of the three boilers being ineffective

2006 Targets for our CSR Program

Incident Reports

Aviva Australia achieved its aim to increase reported incidents and accidents in 2005, with three hazards, two near-misses and 10 incidents reported. In 2006, we hope to increase the amount of hazards reported and decrease the first aid incidents to below 10 for the year.

OHS Representatives

Aviva trained four new OHS Representatives in 2005. We aim to maintain six staff members as certified OHS representatives in 2006.

Staff Wellbeing

A major axis of our OHS program has been a focus on staff health and fitness. Through increased communication and internal programs, staff health and wellbeing will reflect positively in reported figures for 2006.

Workstation Assessments

All new-staff workstations will be assessed by local OHS representatives and set up within the guidelines recommended by WorkSafe Victoria. (In 2005, workstations were assessed on a request basis.) External assessments for staff with chronic workstation problems will be available in 2006.

Health and Safety Legislation

Aviva aims to maintain its current level of zero breaches of Health and Safety Legislation, in accordance with the Victorian state law, including the 2005 upgrades to the State OHS.

Staff Volunteering

In 2005, staff volunteering increased to 7.0 per cent of all staff. We aim to steadily increase staff volunteering numbers through an expanded communication program to more than 10 per cent in 2006.

Workplace Giving

In 2005, donors decreased slightly to 11 per cent of staff, which was below our intended target. In 2006, we aim to reinvigorate our staff donations before tax to 15 per cent.

Employee Morale

An Employee Opinion Survey asked staff whether they were satisfied working for Aviva and whether they see Aviva rating favourably as an organisation to work for when compared to our competitors.

All staff have the opportunity to reply through the survey, and in 2005, more than 75 per cent of staff responded. The results showed that 71 per cent of respondents believe Aviva rates favourably as an organisation to work for.

Our 2006 target is to continually increase the level of employee morale.



Our Barbecue Chefs:
staff fundraiser

2006 Targets for our CSR Program (continued)



Staff Christmas Party

Aviva's Responsibility and Communication

Aviva has an admirable record in the field of social responsibility. We aim to continually reinforce this through a direct staff communication program to be conducted throughout 2006, aiming to reach all staff on a monthly basis, in order to ensure the majority are fully aware of our commitment to CSR.

Work/Life Balance

Aviva has a very active Social Club which organised more than 20 social events in 2005, catering for staff, their families and friends. In 2006, we aim to maintain this celebrated social record. The Social Club also provided many discounted entertainment opportunities, discounted health club membership and discounts with surrounding retail/food outlets. Such a diverse selection of entertainment and retail "therapy" is aimed for in 2006.

Future Environmental Targets

Paper

Aviva aims to reduce the amount of paper used per staff member to below 10,000 sheets by the year 2006. Aviva Australia used 10,150 sheets per staff member in 2005. The consumption rate per staff member in 2004 was 10,356 sheets. There are duplex (double-sided) capable printing facilities available to all staff in 2006.

Paper recycling

Aviva plans for every workstation to have a paper recycling bin in place by May 2006, when our refurbishment upgrades are completed. An ongoing education program on paper recycling and paper-use reduction is in place. Current audits show the majority of workstations have paper-recycling bins in place.

2006 Targets for our CSR Program (continued)

Waste

The target is to reduce the amount of landfill produced from our operations through the minimisation and separation of waste. We aim to pilot workstations free of waste bins in March 2006 with a group of staff. We are endeavouring to educate all staff to place waste in the correct disposal bins, ie. paper recycling, bottles and cans, organic scraps and landfill (general waste). This program is in its third year.

Greenhouse Challenge Plus

In 2005 Aviva managed to decrease total greenhouse gas emissions by 13 per cent to 5,067.8 tonnes, down from 5,818.51 in 2004, even though the 2005 emissions report included for the first time LPG usage by staff travel for the first time, and full-time staff increased by approximately 15 per cent. We aim to further decrease our greenhouse gas emissions in 2006.

Computers switched off

Aviva has run a campaign of “computers off when not in use” since 2001. The success rate has been very pleasing with audits showing that computers left on after-hours have dropped from more than 30 per cent in 2001 to fewer than seven per cent in December 2005.

The target for 2006 is to have less than two per cent of computers (excluding data gathering and processing equipment) left on after-hours.



Computer Use:
energy efficient

'Aviva Ball 2005'



All staff are invited to attend the annual Aviva Ball.