



HIGHLY COMMENDED

MOVING FINANCIAL MARKETS – LARGE

Aviva Investors: building coalitions to drive change at the highest levels.

At the forefront of responsible investing for the last 50 years, Aviva Investors – the investment arm of Aviva plc – is a significant ‘macro-stewardship’ player.

Aviva Investors has a collaborative and system-based approach to what it calls “macro stewardship”, focusing on the long-term benefits for the economy. It is the investment arm of Aviva plc, a multinational financial services company with a strong presence in the UK, Europe, Asia and Canada. It is dedicated to building and providing focused investment solutions to meet the unique and varied needs of clients, which include insurance companies, banks and other global financial institutions, charities, local government organisations, pension schemes, private wealth managers, financial advisers as well as private investors.

Oliver Morris, Senior Strategist within Aviva Investors’ Sustainable Finance Centre for Excellence, says: “We are proud founder signatories of organisations such as the UN PRI – supporting in the development of the principles. Through the Aviva-founded Corporate Sustainability Reporting Coalition, we also played a key role in the adoption of Sustainable Development Goal 12.6. Aviva also helped establish the Corporate Human Rights Benchmark, and the subsequent World Benchmarking Alliance, among a number of other initiatives which have sought to drive system-wide change.”

What is more, Aviva Investors is playing a key role in helping parent company, Aviva, to deliver on its Sustainability Ambitions, which includes the ambition to be a Net Zero company by 2040. An enabling policy environment will be essential for Aviva, and all companies that have similar ambitions, to reach Net Zero, and therefore consider that engaging with those that have the ability to create those conditions, such as policymakers and regulators, is vital.

Embedding sustainability in investment

Responsible long-term stewardship of its clients’ assets is key to Aviva Investments’ role. “We maintain a deep conviction that ESG factors can have a material impact on investment returns and client outcomes,” says Morris.



As such, ESG considerations are systematically and robustly considered as part of our investment process, with each asset class having its own policy – supported by its own set of procedures and controls – on how these factors are embedded in investment decision-making.



He says that the company’s sustainable investing approach is to understand sustainability-related risks, identify opportunities, and therefore seek to enhance investment outcomes; and as an

active owner with scale and global reach, to engage across the various levels of the system to maximise value and drive real-world outcomes.

“We also recognise the need – where there are failings in the system which cause a misalignment between short-term incentives and long-term financial and sustainability interests – to engage with policymakers and regulators to promote well-informed and effective policy interventions which correct market failures,” he says.

Aviva Investors has also launched the Sustainable Transition range, which comprises climate transition offerings in global equities, global credit and real assets. They also have global equity social and natural capital transition strategies. Each of these products provides investment options across a range of asset classes that enable clients to partner with Aviva Investors across a variety of key sustainability challenges globally, namely: social justice, biodiversity and natural capital loss, and climate change.

Demonstrating tangible benefits

Aviva Investors’ Sustainable Transition product range targets opportunities linked to the UN SDGs that support and accelerate the transition to a sustainable future towards a socially just, nature positive and net zero economy.



We offer solutions across asset classes designed to deliver financial returns and positive outcomes for people, climate and earth,



says Morriss.

“In addition to allocating capital in a way which is supportive of the transition, we also have bespoke stewardship asks to these funds, whereby we actively and constructively engage with issuers and corporates to drive more sustainable practices, gathering insights while doing so which inform investment decision making.”

However, risks such as climate change, social inequality and biodiversity loss are systemic in nature, and tend to be perpetuated by market failures which cause a misalignment between short-term incentives and long-term financial and sustainability interests.

“The only way to correct such market failures is through policy action, which is why we undertake macro stewardship, whereby we take action – such as through engaging with policymakers and regulators to promote well-informed and effective interventions – to accelerate systemic change with the intention of correcting market failures and mitigating systemic sustainability risks,” he says.



The judges’ view:

The judges considered this to be a strong entry because Aviva Investors has been actively building coalitions to drive change at the highest policy levels on major sustainability issues for over 30 years and is a significant ‘macro-stewardship’ player.

Its collaborative and system-based approach, focusing on the long-term benefits for the economy, stood out for the judges. It is complemented at the ‘micro-stewardship’ level through Aviva Investors’ products, such as the Sustainable Transition products.

The judges said that Aviva Investors demonstrated exceptional and consistent leadership in policy advocacy, highlighting instances of market failure and building coalitions and engaging policymakers to address them.

The Finance for the Future Awards recognise the role of finance in driving sustainable economies.

To see more inspiring case studies or to register interest for the next awards please visit: financeforthefuture.org