

Net-Zero Supplier Guidance Pack

AVIVA



January 12, 2023



Our Sustainability Ambition

A young child with brown hair, wearing a blue denim jacket, is shown from the chest up, looking upwards and holding a small white wind turbine toy in their right hand. The background consists of rolling green hills under a bright sky. A large, stylized, semi-transparent yellow and green 'A' graphic is overlaid on the right side of the image.

The challenges facing our world – such as the climate crisis – affect us all. They impact our lives, families and our future.

Our sustainability ambition sets out the steps Aviva Canada is taking to act on climate change, help build stronger communities and embed sustainability into all aspects of our business. It will help ensure we'll always be with you today, for a better tomorrow.

“Making sustainability a guiding force in business takes standing up for what you believe in. It takes people who care. It takes commitment, passion and partnership. It takes Aviva.”

Jason Storah, Chief Executive Officer

Why is Aviva taking action against climate change?

Climate Crisis

- AVIVA has a **strong and long track record** of promoting **sustainability**.
- The environmental crisis is huge, **we must do more**, much more.
- AVIVA is undertaking the **most demanding carbon reduction plan** of any major insurer in the world today.

Limit to 1.5°C

- The Paris Agreement states **we must limit global temperature rise to 1.5°C** above pre-industrial levels and **reach net-zero CO2 emissions** by 2050.
- To become net-zero, we have to reduce carbon emissions from our business operations.

Earth is still hotter

- **The world is still on track for 2.7 degrees warming** under current global policies.
- Climate change is already affecting every region on earth; extreme weather, worsened droughts, and heightened risk of forest fires.

Our Responsibility

- We have to face up to this challenge.
- The private sector is key to the transition and we all must play our part.
- We set **our ambition to achieve net-zero by 2040**, a full 10 years before the Paris Agreement stipulated.

[Taking Climate Action \(aviva.ca\)](https://www.aviva.com/uk/insights/taking-climate-action)

To achieve net-zero, we will reduce emissions as far as possible and then offset what remains

Net Zero vs. carbon-neutral

Taking climate action: we've been a carbon-neutral organisation since 2006. Now, we're targeting Net Zero on the carbon emissions we produce ourselves and from our suppliers by 2030 and from customers' and shareholders' investments by 2040.



What does it mean to be Net Zero?

Becoming **Net Zero is about achieving a balance** between the carbon emissions we produce and the carbon emissions we **remove** from the atmosphere.

Measuring the difference between these two numbers gives us the total impact we're causing to the Earth's atmosphere every year.

Our ambition is to become Net Zero across our whole company. That means we'll **measure, monitor, manage and reduce the carbon emissions we produce ourselves, those contributed by our suppliers, and by the in-scope investments** we make for our customers and shareholders.

As we balance the reductions and **remove the residual emissions we will reach net zero** - it means that we are not adding more carbon emissions to the atmosphere. Which in turn means that we are not contributing to the global rise in temperature.

But Aviva is already carbon-neutral. What's the difference?

Whilst we have been reducing our carbon emissions internally, we also support **carbon offsetting projects**. These projects reduce the same amount of carbon that we produce through our buildings and other operations, to balance out the residual emissions.

Rather than just supporting projects that avoid equivalent emissions elsewhere, we're investing in projects such as **our current and largest clean cooking stoves for communities in Ghana**.

Becoming Net Zero takes this a step further. Rather than just offsetting our equivalent emissions, we're going to be **removing them from the atmosphere**.

We'll do this by continuing to **reduce our greenhouse gas emissions** - particularly carbon dioxide - and **investing in things that will help to remove gases from the atmosphere**, such as tree planting.

Find out more about our climate ambitions by visiting www.aviva.com/climate-goals

Creating a better tomorrow: Aviva's climate goals

Our plan is to become a net-zero carbon emissions company by 2040* – the first of any major insurance company to target this ambitious goal.

We're targeting net-zero on the carbon emissions we produce by 2030, from our suppliers by 2030 and from customer and shareholder investments by 2040.



Today

- First major Canadian financial services company to target net-zero carbon by 2040
- Operational emissions cut by 81% since 2010
- New Aviva Investors 'Climate Engagement Escalation Programme' to drive change in companies with a large carbon footprint
- Climate targets validated by the Science Based Targets initiative (SBTi)
- Annual reporting on progress and first insurer to commit to putting our climate disclosures (TCFD) to an AGM vote
- Stopped underwriting insurance for companies making more than 5% of their revenue from coal or unconventional fossil fuels, unless they have signed up to Science Based Targets
- Divested from companies which make more than 5% of their revenue from coal unless they have signed up to Science Based Targets



By 2023

- We will invest CAD \$350m in green assets

By 2025

- We will cut 25% of the carbon intensity in our investments
- Source 100% renewable electricity for all offices, which total 476,886 square feet in Canada
- Use 100% electric/hybrid new vehicle leases for our Canadian fleet of approximately 300 vehicles
- Aviva Investors will invest CAD \$4.2bn in low carbon and renewable energy infrastructure and deliver CAD \$1.7bn of carbon transition loans.



By 2030

- We will cut 60% of the carbon intensity in our investments
- Run net-zero operations and have a net-zero supply chain
- \$170m CAD committed to nature-based solutions

By 2040

- We will be a net-zero company across our value chain, with net-zero carbon investments and insurance



Read more about our climate goals at www.aviva.com/climate-goals

*This will cover shareholder and policyholder assets where we have control and data; and the main asset classes of Aviva's core markets (credit, equities, direct real estate and sovereign debt). We will be able to expand this further as new data and methodologies become available. For more details please see www.aviva.com/climate-goals



Here's what we're doing to reduce our carbon footprint

Accountability & Leadership



- Climate targets **submitted to Science Based Targets initiative (SBTi)**
- Joined the **United Nations backed Net Zero Insurance Alliance (NZIA)**
- Signed the **Finance for Biodiversity Pledge**
- Published Aviva-wide Biodiversity Policy
- Joined Canada's **Sustainable Finance Action Council**
- Founding participant in the **Canadian government's Net-Zero Challenge**

Decarbonizing Our Investments



- Implemented an **Investment Stoplist** for companies making more than 5% of revenues from thermal coal
- 10% Reduction in carbon intensity investments
- **Invested over \$100M in green assets**, exceeding 2021 target

Insuring a Net-Zero Future



- Capability established to write renewable energy cover in Canada
- **Stopped insuring companies making more than 5% of their revenue from thermal coal or unconventional fossil fuels**
- Launched a sustainable claims management pilot using eligible claims from the British Columbia flooding disaster
- Offer **9 climate conscious products**

Net-Zero Operations and Supply Chain



- **Working with like-minded suppliers** to embed ESG actions throughout our supply chain
- **Joined EV100** and developed **plan to transition to 100% electric vehicle fleet** by 2025
- **Introduced smart building optimization program** to our offices in Markham and Oakville
- **Implemented EV charging** at our office sites
- **Cut Canadian operational carbon footprint by 43%** by supporting green electricity at our offices

Creating a Sustainability Culture



- **An employee guide**, Tackling Climate Change Together, made available to our people
- Providing continuous **education on climate change** to our people
- **Encouraging more carbon efficient** methods of **travelling** (e.g., train rather than plane)

Measuring Emissions From **Business Operations**

Your emissions are our emissions

Scope **1** Direct

Covers direct emissions from **owned or controlled sources (operations)**

Examples:

- Company vehicles
- Owned buildings and facilities
- Manufacturing of products

Scope **2** Indirect

Covers indirect emissions from the generation of purchased electricity, steam, heating and cooling **consumed by the company.**

Examples:

- Purchased electricity
- Heat
- Steam

Scope **3** Indirect

Includes all other indirect emissions that **occur in a company's value chain.**

Examples:

- Employee commuting and business travel
- Waste generated in operations
- Transportation and distribution
- Purchased goods and services
- Capital goods, Investments, leased assets and franchises
- End of life treatment of sold products
- Use and processing of sold products
- Capital goods



How do you and AVIVA Canada reduce carbon emissions together?

A problem this big takes **partnership**.

The whole industry needs to work together to create real change. That's why we will be working with our suppliers to achieve **net-zero** throughout our supply chain **by 2030**.

How we work together:

To help us get there, we have set **Science-Based Targets** aligned to a 1.5 degree pathway for our:

- Operations
- Supply chain
- Investments

We want **YOU** to do the same, **sign up for SBTi**.

As part of our own commitment to the Science Based Targets initiative (SBTi), we want to work with organisations who have embedded a commitment to reduce environmental impact through external benchmarks such as SBTi.

What is the Science-Based Target Initiative (SBTi) ?

SBTi is an organisation formed through a partnership between the following:

- The Carbon Disclosure Project (CDP)
- The United Nations Global Compact
- World Resources Institute (WRI)
- World Wide Fund for Nature (WWF)

The SBTi call to action is one of the We Mean Business Coalition commitments.

[Click for more information on the Science Based Targets initiative](#)



What does SBTi do?

- Provides an externally recognised and validated target-setting framework for companies to set SBTs
- Its guidelines identify how much and how quickly the company needs to reduce carbon emissions to be validated by SBTi

Science-based targets (SBTs) :

Goals to reduce greenhouse gas emissions in line with the ambition to limit global temperature increase, as set out in the Paris Agreement.

SBTi and Small to Medium Enterprises (SME)

- SMEs (<500 employees) will be required to commit to measure and reduce these emissions without setting quantified targets
- A short-target setting letter simplifies the process and gives SMEs a choice of two targets
- Includes fewer intensive requirements around Scope 3 emissions

How SBTi benefits your organization

- ✓ SBTi **scientifically validates** your organization's emissions reduction strategy
- ✓ **Assures your strategy will reduce carbon emissions** in line with 1.5-degree goal
- ✓ **Demonstrates to your stakeholders** that your organization has made a commitment to reducing emissions in line with science

Financial



- Save money by improving efficiency as a part of emissions reduction strategy
- Lower carbon taxes by reducing your carbon emissions

Risk Management



- Resilience against evolving regulations
- Uncover and address business opportunities and risks

Reputation



- Boost inventory confidence
- Demonstrate commitment to increasingly conscious consumers

Business Growth



- Increase public presence
- Boost your competitive advantage
- Improve organizational integration
- Attract, motivate, and retain employees

How is SBTi different from other pledges?



SBTi ensures your organization's strategy aligns with the 1.5-degree goal.

Without SBTi, you could be setting a climate goal that may or may not reduce carbon emissions fast enough.

SBTi vs other pledges:

United Nations Global Compact (UNGC)

- Promotes a set of values based on universally accepted principles
- **Does not require the participating companies to address carbon reduction**

Carbon Disclosure Project (CDP)

- Scores the sustainability strategy of participating companies
- **Does not provide carbon emissions strategy assessment**

The We Mean Business Coalition

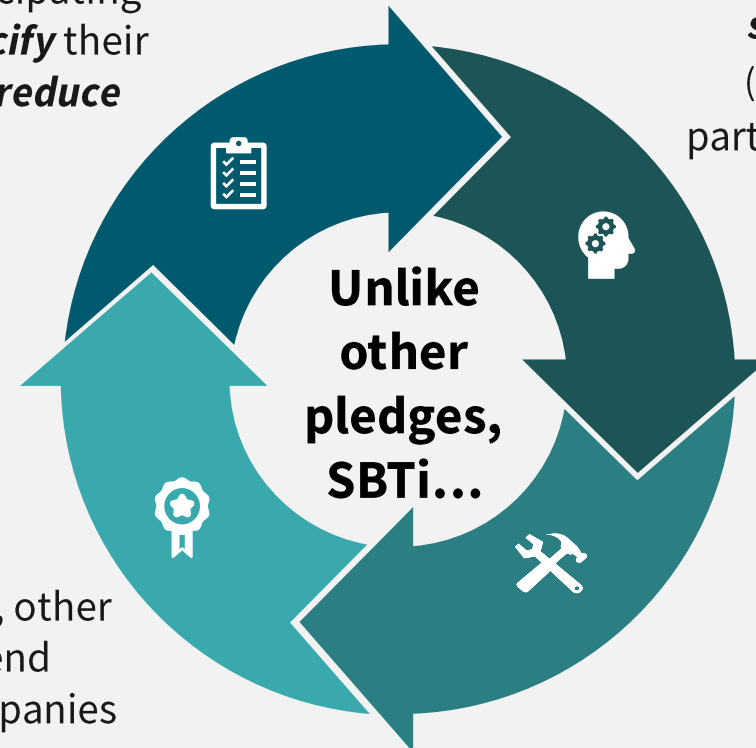
- Collective of businesses who drive policy ambition and action through collaboration and leadership to accelerate the transition to a net-zero economy
- **Does not provide technical assistance in setting SBTs**

B-Corp Certification (B-Lab)

- Certification awarded for meeting high standards of verified performance, accountability and transparency
- **To promote the net-zero targets, B-Lab has partnered with SBTi**

Requires the participating companies to **specify** their plan of actions **to reduce carbon emissions**

Provides carbon reduction **strategy assessment** (external validation) for participating companies



For these reasons, other pledges recommend participating companies **sign up to SBTi**

Provides **carbon reduction strategy framework** for participating companies

Who has signed up to SBTi ?

Automotive Services

- Magna International
- BMW Group
- Ford Motor Company
- General Motors
- Nissan Motor Co. Ltd.
- Hyundai Mobis Co. Ltd.
- Tesla Inc.
- Volvo Car Group
- Volkswagen HE
- Bridgestone Corporation
- Hankook Tire & Technology Co., Ltd.
- Michelin
- Pirelli & C. S.p.A
- The Goodyear Tire & Rubber Company

Healthcare Services

- Anthem, Inc
- Cardinal Health, Inc
- Henry Schein, Inc.

Construction/Restoration/Roofing

- Aecon Group Inc.
- EllisDon Corporation
- Multiplex Construction Canada
- SNC-LAVALIN Group Inc.

Building Products

- Nexii Building Solutions Inc
- The Home Depot (USA)

Engineering/Environmental Services

- Stantec Inc.
- CBCL Limited

Financial Services

- Aviva Insurance
- Definity Financial Corporation
- Desjardins Group
- Manulife Financial Corporation

Information Technology

- CGI UK LTD
- Geotab
- Thomason Reuters
- Microsoft Corporation (USA)
- Apple (USA)

Legal Services

- Loblaw Companies Limited

Real Estate

- Choice Properties REIT
- Colliers International
- InterRent REIT
- Ivanhoe Cambridge
- Minto Apartment REIT
- Minto Properties Inc

More Resources

Links to help you get started

More about SBTi

- [How SBTi Works](#)
- [FAQs - Science Based Targets](#)
- [Understand the Methods for Science-based Climate Action](#)
- [Set a Target - Science Based Targets](#)
- [FAQs-for-SMEs.pdf \(sciencebasedtargets.org\)](#)
- [Sector Guidance - Science Based Targets](#)

Emissions

- [GHG Emissions Calculation Tool](#)
- [The Greenhouse Gas Protocol](#)
- [Scope3_Calculation_Guidance_0.pdf \(ghgprotocol.org\)](#)

AVIVA Canada and Climate Action

- [Sustainability | Aviva Canada](#)
- [Aviva Canada Sustainability Report](#)



What next?

AVIVA Canada is here to support your climate action journey



Fully read the content and links
within this pack



Speak to your Aviva Supplier
Manager or your Procurement Lead