

Supplier Guidance on Net Zero

Creating a Better Tomorrow

Sustainability is a fundamental part of Aviva's strategy and integral to what we do as a business.

This guide provides Aviva suppliers with details of our Sustainability Ambition and Net Zero targets. It shows what suppliers can do to align to our requirements and outlines the next steps needed to fully engage with our climate agenda.



Our expectations

Aviva has an ambitious carbon reduction plan to achieve a Net Zero Supply Chain by 2030.

We expect our suppliers to support our plans and understand the key role they play in achieving our targets.

“As part of our own Net Zero commitments, Aviva want to work with organisations who have a shared ambition to reduce our environmental impact, and particularly those who have embedded this commitment through external benchmarks such as the Science Based Targets Initiative”

Helen Smith – Aviva Group Procurement Director



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)

More than 4,000 businesses around the world are already working with the Science Based Targets initiative (SBTi).



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)

Science-based targets provide a clearly-defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth

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 (aligned with well-below 2 degrees Celsius or below 1.5 degrees Celsius)
- Includes fewer requirements around Scope 3 emissions.

What is EcoVadis?

- Founded in 2007, EcoVadis is the world's largest sustainability ratings provider
- Over 100,000+ rated companies in 175 countries and 200 industries, EcoVadis are the current market-leader in ESG ratings
- Through their assessment, EcoVadis help companies understand their ESG maturity across a range of key factors and help identify areas of strength and improvement
- Aviva engaged EcoVadis in November 2021 as our data partner to help enhance our understanding of our suppliers' sustainability

ecovadis



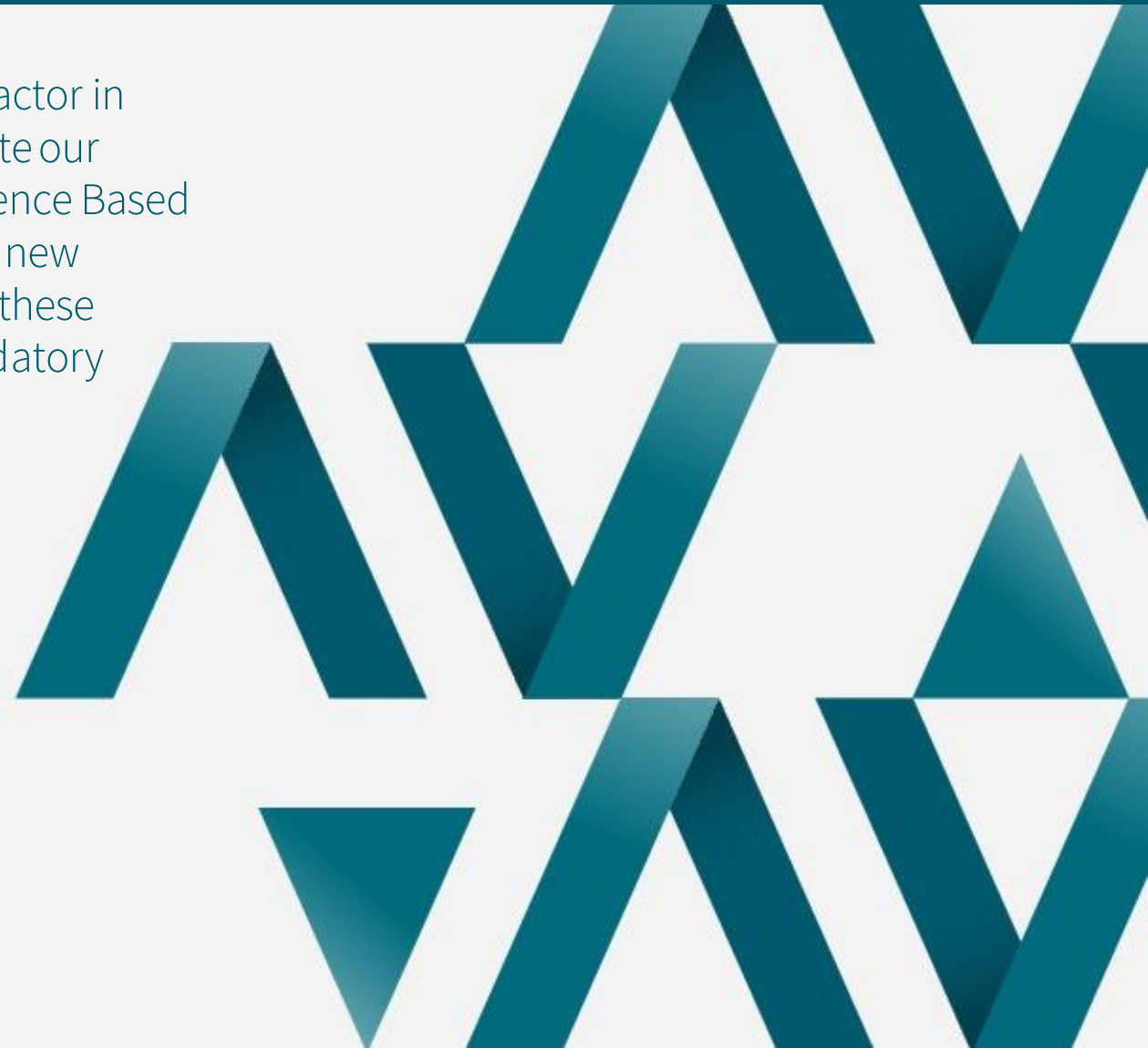
How does it work?

1. Register online and complete the questionnaire
2. EcoVadis analyse the responses to provide a scorecard and overall rating
3. If you have an existing EcoVadis scorecard, you will simply need to grant permission for Aviva to gain access to it through the platform
4. Once your organisation has a scorecard this can be used with other customers to demonstrate your sustainability
5. Scorecards identify the improvement areas for your company to work on, to improve future sustainability performance.
6. EcoVadis charge a small fee for companies to complete their assessment with fees dependent on size.

What do we want from our suppliers?

Aviva will increasingly use company ESG performance as a key factor in supplier selection decisions. In particular, we continue to validate our suppliers' external climate commitments, specifically to the Science Based Targets initiative and EcoVadis, as a prerequisite to the award of new contracts. We will be encouraging all existing suppliers to make these commitments and for some key suppliers it will become a mandatory condition of business.

1. **Start to measure and report** on your carbon footprint
2. **Sign up to SBTi** and set Net Zero targets
3. **Complete an EcoVadis assessment** and share your scorecard with Aviva



Some useful links to get started:

- [How SBTi Works](#)
- [FAQs - Science Based Targets](#)
- [Understand the Methods for Science-based Climate Action](#)
- [Set a Target - Science Based Targets](#)
- [Sector Guidance - Science Based Targets](#)
- [GHG Emissions Calculation Tool](#)
- [The Greenhouse Gas Protocol](#)
- [EcoVadis](#)
- [UK Business Climate Hub](#)
- [Sustainability - Aviva plc](#)

Next Steps



Fully read the content and links within this pack



Speak to your Aviva Supplier Manager or your Procurement Lead



Reach out to Gabi Silver
gabi.silver@aviva.com for further guidance

Further Information

Acting on climate change

We strive to lead the UK financial services sector on climate action, building stronger, more resilient communities and running ourselves as a sustainable business.

- We have committed to becoming Net Zero by 2040
- This covers our whole business - operations, underwriting and investments
- We're targeting Net Zero operations and supply chain by 2030
- We're working to achieve 25% reduction in carbon intensity of investments by 2025, and 60% by 2030 - ahead of the 50% required by the Paris Agreement



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 we are reducing our operational emissions?



Moving our fleet to electric vehicles

Implementing EV charging in our office sites

Encouraging more sustainable methods of travelling

Created a sustainable travel policy



Implementing Green Electricity and switching our lights to LED

Exploring and using other forms of energy including solar and wind

Relocating offices to more energy efficient buildings

Zero waste to landfill from all our sites and eliminating single-use plastics



Working with suppliers to embed ESG actions throughout our supply chain

Engaging with EcoVadis to grow our insight into supplier sustainability

Implementing ESG scoring in supplier selection process

Strengthening our contracts with environmental clauses



Donating hardware to charity when it is no longer required

Significant removal of dual monitors and printers

Individuals working across our Technology Platforms attend 'ESG Awareness' courses

Assessment of tooling and across the applications estate

How SBTi benefits your organisation

- ✓ SBTi **scientifically validates** your emissions reduction strategy
- ✓ **Assures your strategy will reduce carbon emissions** in line with 1.5-degree goal
- ✓ **Demonstrates to your stakeholders** that you have committed to reducing emissions in line with science

