Aviva Investors Climate Stewardship Priorities & Guidance 2026-2027

Introduction

As a global asset manager, Aviva Investors is committed to helping create a more sustainable and prosperous future for our clients and wider society. Climate change presents systemic risks and strategic opportunities, with financially material implications for businesses and long-term value creation.

We believe companies that act with foresight and agility can enhance resilience and strengthen competitive advantage through the low-carbon transition. Yet we also recognise that policy misalignment, technology availability, and market uncertainty can constrain momentum even as ambition increases.

This document sets out our climate stewardship priorities and guidance for 2026-2027. It complements the climate-related guidance in our Global Voting Policy (updated annually), which explains how climate considerations may influence our voting decisions. This document sets out our climate stewardship priorities and the areas we typically explore in constructive engagement.

Our stewardship philosophy is grounded in partnership, long-term value creation, and recognition that companies operate within distinct sectoral, regulatory and geographic contexts. While we look for progress against clear principles, we do not apply rigid checklists. Instead, we take a context-aware, evidence-based view of transition credibility, assessing delivery over time and engaging constructively to support companies as they navigate evolving market and policy conditions.

Where progress is limited or material issues remain unaddressed, we may escalate our stewardship approach - including through voting - in line with our Global Voting Policy. We commit to using these tools proportionately, with transparency around our rationale and expectations.

Our 2026-2027 Climate Stewardship Priorities

We encourage companies to prioritise the following areas when developing and communicating their transition strategies. These themes reflect the areas we consider most decision-useful for assessing transition credibility and long-term strategic resilience, and the guidance below explains how we interpret them in practice across different companies, sectors and regions.

Our aim is to support credible transition strategies that strengthen long-term value creation, enhance resilience and improve risk management. We welcome transparency on constraints - be they regulatory, economic or technological - and open dialogue on credible alternative pathways.

1. Strategic Integration of Climate Opportunities

How the company identifies, evaluates, and capitalises on climate-related opportunities linked to its core value proposition and long-term value creation.

2. Disciplined Capital Allocation and Transition Delivery

Investment decisions should be grounded in long-term value creation and capital discipline, with transition considerations embedded in how companies assess financial returns, risk and resilience over time.

3. **Use of Realistic, Decision-Useful Climate Scenarios**

Scenario analysis should guide strategic and investment decisions by assessing resilience across varying market, policy and supply-demand dynamics.

4. **Strong Governance and Delivery Mechanisms**

Clarity of board oversight, role responsibility, executive incentives and interim delivery milestones.

5. **Policy Advocacy Aligned with Climate Goals**

How the company uses its influence to support effective, investable and implementable low-carbon policy frameworks – including through trade associations and industry engagement – with transparent governance to identify and address misalignment.

6. **Stakeholder Engagement Across Value Chains**

Collaborative engagement with suppliers, customers, infrastructure providers and peers to overcome material delivery barriers and accelerate deployment of low-carbon technologies.

Guidance

The guidance below outlines the practices and disclosures we find most decision-useful for assessing climate strategy, transition credibility and investment quality. It reflects the themes we prioritise in engagement, while recognising differences in company maturity, sector dynamics and regional contexts.

It is not intended as a prescriptive or exhaustive checklist. Rather, it provides a framework for constructive, context-aware dialogue and a shared understanding of credible transition delivery.

We recognise that credible transition pathways vary by sector, geography and technology availability. We therefore assess progress on a regionally appropriate basis, taking account of differences in policy, regulation and market conditions.

Where elements of this guidance align with the IIGCC Net Zero Investment Framework, this is indicated with a ◆.

Theme	What we look for
Targets. We look for companies to set clear, science-based emissions reduction targets – covering all material emissions – and a net zero ambition for 2050 or sooner.[1]	▪ ◆ Adopt a net-zero ambition for 2050 or sooner, supported by a recognised, credible science-based framework or pathway covering Scope 1, 2 and material Scope 3 emissions, where these represent a significant proportion of the company's overall emissions profile and are relevant to its business model. Pathways broadly aligned with the goals of the Paris Agreement represent current leading practice, while recognising that sector-and region-specific benchmarks may vary. [2] ▪ ◆ Set near-term absolute and, where appropriate, intensity-based targets aligned with credible sector-specific decarbonisation pathways. ▪ Disclose the share of total GHG emissions covered, the methodologies used and expected residual emissions following delivery. ▪ Report on material non-CO_2 gases (methane, nitrous oxide) and progress toward eliminating routine flaring where relevant. ▪ Review targets periodically to reflect evolving science, technology, policy and geopolitical developments.
Transition Plan & Capital Allocation. We look for credible transition plans that explain how climate targets will be delivered through clear actions, aligned capital allocation and resilience measures.	• ◆ Detail key actions across operations, products, services and value chains, including, where feasible, quantified or directional estimates of expected emissions reductions from material levers, and the associated investments, technologies and partnerships required for delivery. • ◆ Provide transparency on capital allocation and demonstrate a disciplined approach to capital deployment, including the share of investment supporting the company's transition strategy and alignment with relevant sector decarbonisation pathways, alongside how investment decisions are prioritised and evaluated against financial returns, risk and long-term resilience. • ◆ Report annually on progress, linking actions, investments and outcomes, including absolute and/or intensity-based emissions compared to a relevant net-zero pathway. • ◆ Provide transparency on the role of offsets and removals, ensuring they complement real emissions reductions over time. [3] • Demonstrate investment in scalable climate solutions (technologies, products and services) that support mitigation and adaptation. • Engage stakeholders across the value chain to support delivery, resilience and adaptation.
Governance & Accountability. We look for clear oversight and accountability mechanisms	▪ Define clear responsibilities for transition plan delivery, with designated Board director-level accountability. ▪ Ensure boards demonstrate climate competence through training, experience or access to external expertise relevant to transition oversight.

[1] We recognise that companies may face practical constraints in setting targets across all scopes and timeframes, particularly for Scope 3 emissions. Our focus is on interim and long-term targets that cover all material emissions, including Scope 3 where relevant. Where full Scope 3 coverage is not yet feasible, companies should demonstrate credible proxies or operational metrics linked to material value chain emissions, alongside plans to improve data quality and coverage over time.

[2] Glossary of sustainability terms used in Aviva - Aviva plc

[3] Offsets and removals should complement, not substitute for, real emissions reductions. Where companies use removals, these should be consistent with evolving market best practice, including their use primarily for residual emissions on the pathway to net zero. Companies should disclose the role, scale and quality offsets, including assumptions on additionality, permanence and verification, and distinguish clearly between gross and net emissions. We reference evolving market guidance, including the UK Transition Plan Taskforce (TPT), ICVCM Core Carbon Principles and related frameworks.

that enable credible delivery of climate strategy.	▪ ▪	Align executive incentives with measurable climate objectives, linked to the delivery of the transition plan and long-term value creation. Review governance arrangements regularly to ensure they remain effective and responsive to evolving transition risks and opportunities.
Disclosure & Scenario Analysis. We look for transparent disclosure of material climate risks and opportunities, aligned with TCFD and ISSB guidance.	▪ ▪ ▪ ▪	◆ Conduct and disclose scenario analysis across short-, medium- and long-term horizons using credible reference scenarios and pathways (e.g. IEA, IPCC or regionally relevant sector pathways), including key assumptions, uncertainties and sensitivities. ◆ Quantify material financial impacts of climate risks and opportunities in annual reports, including, where feasible, integration of climate-related assumptions into financial statements. Use internal carbon pricing or equivalent mechanisms where relevant to inform investment decisions and capital allocation. Use scenario insights to inform strategy, capital allocation and resilience planning, demonstrating how outputs are applied in decision-making.
Adaptation & Resilience. We look for companies to plan and invest for physical climate resilience, safeguarding long-term value.	▪ ▪ ▪	Identify, assess and disclose material physical climate risks across operations and value chains, including both acute and chronic risks. Integrate adaptation into governance, investment and operational decision-making, supported by measurable resilience indicators over time. Leverage evidence-backed nature-based solutions where appropriate.
Lobbying & Policy Advocacy. Supportive policy frameworks are critical for achieving net zero. We look for companies to ensure lobbying activities are aligned with their stated climate goals**.**	• • • • •	Disclose material lobbying activities (direct and indirect), including trade association memberships and key policy engagements. Publish transparent assessments of lobbying alignment at appropriate intervals, with governance processes to address misalignment. Set out how they assess and respond to material misalignment over time, including governance processes and, where relevant, escalation steps. Identify priority policy areas and key external dependencies that are material to transition plan delivery (e.g. policy frameworks, infrastructure and market design) and disclose how these influence strategy and capital allocation. Engage constructively with policymakers, regulators and peers to support effective, ambitious and investable low-carbon policy frameworks, including addressing key barriers to transition delivery.
Just Transition. We look for companies to integrate a just transition approach within their climate strategies, recognising the social impacts of decarbonisation and adaptation, and ensuring these are managed responsibly and transparently.	• • • •	Identify and disclose material social impacts of transition plans, including how they may affect delivery, and integrate these considerations into planning and risk management. Engage stakeholders where impacts are most significant. Outline measures such as reskilling, redeployment and community investment, proportionate to the scale of impacts. Report progress using measurable indicators.

Sector Contextualisation

While this guidance is cross-sector, credible transition pathways vary by industry, geography and technological maturity. Decarbonisation levers, policy frameworks, infrastructure availability and capital intensity differ accordingly, and our engagement reflects this.

We therefore focus engagement on the most material transition levers for each sector, prioritising those that are critical to delivery and long-term value creation and informed by both sector-specific and regional considerations. This includes consideration of dependencies on enabling infrastructure, policy frameworks and value chain coordination.

Important Information

THIS IS A MARKETING COMMUNICATION