

Supplier ESG Guidance Pack

AVIVA



May 2022

Purpose

This guide provides Aviva suppliers with details of our Aviva Sustainability Ambition and associated operation and supply chain net zero targets.

It shows what you can do to align to our supplier requirements and the steps you can take to join Aviva in our climate journey.

Our sustainability ambition

Sustainability is at the heart of our business strategy and integral to what we do as a business.

We want to lead by taking action on climate change, build a stronger, more resilient Canada and run a sustainable business.



Investments
and underwriting



People and
operations



Purposeful
propositions



Extending impact
and voice



Our sustainability ambition

1 Act on climate change

- 2025 ● 25% reduction in carbon intensity of all assets¹
- 2030 ● Net Zero operations and supply chain, and 60% reduction in carbon intensity of all assets¹
- 2040 ● Net Zero company¹

2 Build stronger, more resilient communities

- 300K Volunteer hours by 2025 (globally)
- 10M over the next 3 years People helped by 2025 (globally)
- 2% average p/a Profits invested in the community²

3 Embed sustainability

We:

- respect and uphold human rights and an anti-modern slavery approach
- ensure our supply chain is responsible and sustainable - suppliers must sign our Supplier Code of Behaviour
- consider sustainability in our day-to-day activities
- are a diverse and inclusive organization
- establish robust governance and reporting

¹This 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 ²Percentage of profits earned by Aviva globally across its core markets.

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 76% since 2010
- New Aviva Investors 'Climate Engagement Escalation Programme' to drive change in companies with a large carbon footprint
- Climate targets submitted to the Science Based Targets initiative for validation
- Annual reporting on progress and first insurer to commit to putting our climate disclosures (TCFD) to an AGM vote

By the end of 2021

- We will stop 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

By the end of 2022

- Divest 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 350m CAD 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 \$4.2bn CAD in low carbon and renewable energy infrastructure and deliver \$1.7bn CAD of carbon transition loans.

By 2030

- We will cut 60% of the carbon intensity in our investments
- Have net-zero operations and 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

Aviva's Net Zero Plan

Key Points

- We have committed to becoming a [net-zero company by 2040](#) - the most demanding goal set by any major insurer in the world to date.
- This covers our whole business - operations, underwriting and investments.
- We're aiming for net-zero operations and supply chain by 2030.
- We're aiming to achieve a 25% reduction in carbon intensity of investments by 2025, and 60% by 2030 - ahead of the 50% required by the Paris Agreement.

What else?

- We were the first operationally carbon neutral international insurer in 2006.
- We were one of the first companies to disclose key climate risks through the taskforce on climate-related financial disclosure (TCFD) approach.
- We have cut operational emissions by 66% since 2010 and cut the carbon intensity of shareholder credit and equity investments by 20% since 2019.
- We are working with our suppliers to make our shared processes more sustainable. We recently implemented an "Eco-Claims" pilot, 47 claims participated, and over 22 tonnes of waste was diverted from landfill.

What does Net Zero mean?

Net Zero means achieving a balance between the amount of greenhouse gas emissions produced and the amount removed from the atmosphere.

[Acting on climate change - Aviva plc](#)

We will reduce emissions as far as possible and then remove what remains – this includes within our supply chain.

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

Why is Aviva taking these steps and how?



At Aviva we have a strong and long track record of promoting sustainability but given the scope and scale of the environmental crisis facing all of us, **we must do more, much more.** Which is why we are undertaking the most demanding carbon reduction plan of any major insurer in the world today.



The Paris Agreement states that we must limit global temperature rise to 1.5°C above pre-industrial levels and reach net-zero CO2 emissions by 2050 for the best chance of avoiding catastrophic climate breakdown.



Despite progress, the world is still [on track for 2.7 degrees warming](#) under current global policies. Climate change is already affecting every region on Earth, its impacts increasingly visible in the form of extreme weather, worsened droughts, and heightened risk of forest fires.



We believe we have to face up to this challenge and get ahead of it - for our business and our customers. The private sector is key to the transition and we all must play our part. That's why our ambition is to achieve net-zero a full 10 years before the Paris Agreement stipulated 2050.



To help us get there, we are setting **Science-Based Targets** aligned to a 1.5 degree pathway for our operations, supply chain and investments, and our climate goals will be delivered in a way that contributes to tackling the related challenges on biodiversity and nature.



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.**

Here's what we have done so far to reduce our carbon footprint

At Aviva, we have been focusing on 5 different areas of our business, specifically, to reduce our carbon footprint.



TRAVEL

- Moving our fleet to electric vehicles
- Implementing EV charging at our offices
- Encouraging more carbon efficient methods of travelling when travel is necessary (e.g. carpooling, shuttle bus, train rather than plane)



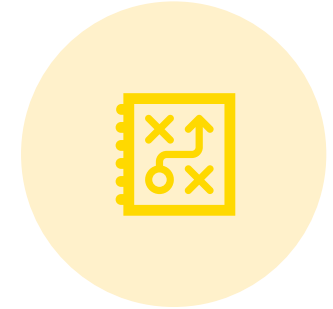
PROPERTY & WASTE

- Implementing green electricity throughout our properties (Canadian offices are 100% renewable energy)
- Switching our lights to LED
- Exploring and using other forms of energy (i.e. solar and wind)
- Targeting zero waste to landfill from all our sites
- Donating old office equipment
- Removing single use plastics from our offices
- Installing sensors, part of a Smart Building Optimization program, to measure and reduce our carbon impact



PROCUREMENT

- Working with like-minded suppliers to embed ESG actions throughout our supply chain
- Implementing ESG scoring into our RFP process
- Encouraging suppliers to set Science Based Targets along with Aviva



IT

- Reducing the amount of hardware we use means that less emissions are generated from the production of these items
- Significant removal of printers within our sites
- Individuals working in IT to attend an 'ESG Awareness and how it is relevant to my role' session
- Assessment of the IT function to identify "green" opportunities across the business

What is the Science Based Target Initiative (SBTi)?



- An organization formed through a partnership between **CDP** (Carbon Disclosure Project), the **United Nations Global Compact**, **World Resources Institute** (WRI) and **WWF** (World Wildlife Fund).
- Science-Based Targets (SBTs) are goals companies set to reduce their greenhouse gas emissions in line with the ambition to limit global temperature increases to 1.5°C, as set out in the Paris Agreement.
- SBTi provides an externally recognized and validated target-setting framework for companies to set science-based emission reduction targets.
- [Click for more information on the Science Based Targets Initiative](#)

How does it work for Small and Medium Enterprises (SMEs)?

- SBTi has introduced a new, streamlined target-setting route for SMEs (for independent, non-subsidiary companies with fewer than 500 employees)
- 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 less intensive requirements around Scope 3 emissions (Scope 3 are emissions that are not directly owned or controlled by the organization)
- SMEs will be required to commit to measure and reduce Scope 3 emissions without setting quantified targets

Some useful links for SMEs:

- [Smoothing the way for small and medium-sized businesses to set science-based climate targets](#)
- [SMEs -FAQs](#)

What do we want from our suppliers?

Tackling big challenges takes experience and reach, it takes ambition and partnership. It takes Aviva. It takes all of us.

1. Start to measure and report on your carbon footprint, if you haven't already
2. Sign up to [SBTi](#) – either through the [Corporate](#) or [Small Medium Enterprise \(SME\)](#) track

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-Accounting and Reporting Standard](#)



What next?



Fully read the content and links
within this pack



Speak to your Aviva Supplier
Manager or your Procurement Lead



Reach out to our Sustainability Team at
avivacanadasustainability@aviva.com
for further guidance