

# Net-Zero Supplier Guidance Pack







# Our Sustainability Ambition

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

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



# 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.ca/taking-climate-action)

**To achieve net-zero, we will be aligning with SBTi methodology to reduce our emissions by 90% and then removing the residual 10%.**



# Net Zero vs. Carbon Neutral

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



## 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 **well measure, monitor, manage and reduce the carbon emissions we produce ourselves, those contributed by your 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 is the difference?

While 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: [aviva.com/climate-goals](https://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, from our suppliers, and from customer and shareholder investments by 2040.

## Our progress so far

- **Climate targets validated by the Science Based Targets initiative (SBTi)**
- First major insurer to announce net zero by 2040 ambition
- Achieved 43.3% reduction of Aviva plc's absolute Scope 1 and Scope 2 operational emissions from 2019 base year
- Aviva plc is a founding member of the Net Zero Insurance Alliance (NZIA)
- 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 initiative (SBTi)
- Published [Biodiversity Policy](#)
- Achieved 100% renewable electricity for all Canadian offices, ahead of our 2025 goal

## By 2023

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

## By 2025

- Cut 25% of the carbon intensity in our investments

## By 2027

- Use 100% electric/hybrid new vehicle leases for our Canadian fleet

## By 2030

- Cut 60% of the carbon intensity in our investments
- £100M committed to nature-based solutions

## By 2040

- Be a net-zero company across our value chain, with net-zero carbon investments and insurance, net-zero operations, and a net-zero supply chain

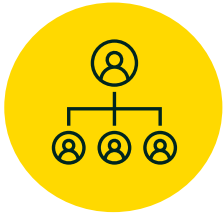


Read more about our climate goals at [www.aviva.com/climate-goals](https://www.aviva.com/climate-goals)

\*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](https://www.aviva.com/climate-goals)

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

## Accountability & Leadership



- Climate targets validated by **Science Based Targets initiative (SBTi)**
- Founding participant of **UNEP Forum for Insurance Transition to Net Zero (FIT)**
- 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 **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 2027
- **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

Direct

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

### Examples

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

## Scope

Indirect

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

### Examples

- Purchased electricity
- Heat
- Steam

## Scope

Indirect

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

### Examples

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

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# How do you and Aviva Canada reduce carbon emissions together?

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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.

## 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

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

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**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 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

# SME route eligibility criteria

Companies may set targets through the streamlined validation route for SMEs if all criteria points are met:

- **Have < 10,000 tCO<sub>2</sub>e across scope 1 and location-based scope 2**
- Do not own or control maritime transport vessels
- Do not own or control non-renewable power generation assets
- Are not classified in the [Financial Institutions \(FIs\)](#) and [Oil & Gas \(O&G\) Sectors](#).
- **Are not a subsidiary of a parent company whose combined businesses fall into the standard validation route**

**And three or more are true:**

- **Employ < 250 employees**
- **Turnover of < €50 million**
- **Total assets of < €25 million**
- Are not in a mandatory FLAG sector\* (Forest, Land and Agriculture)

\*See Criterion 1 of the [FLAG Guidance](#)

For further information, please see the SBTi's [Frequently Asked Questions for SMEs](#).

# 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)

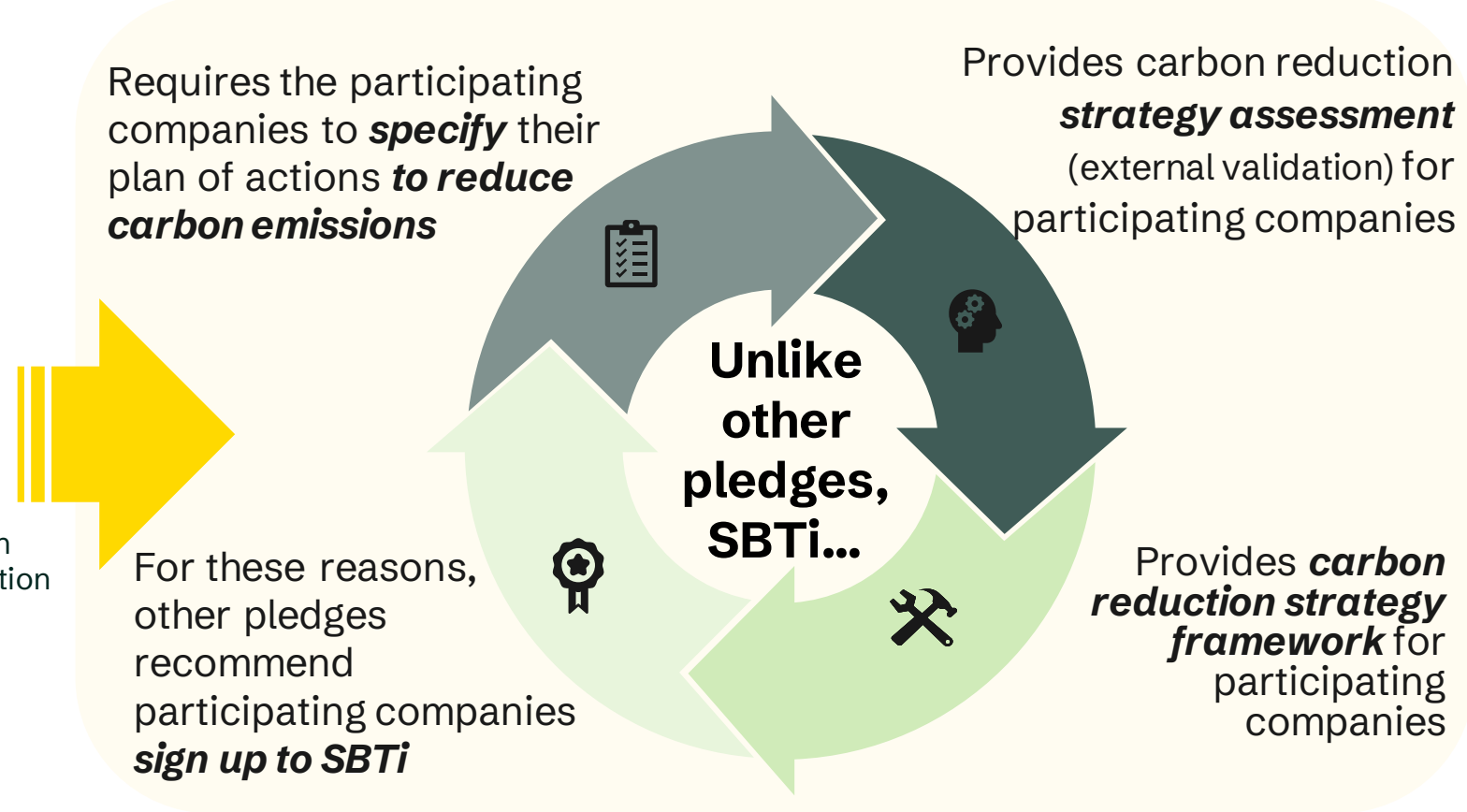
- Scores the sustainability strategy of participating companies
- **Does not provide carbon emissions strategy assessment**

### 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**



# Who has committed to/set targets with SBTi?

## Software and Technology

- Adobe
- Airbnb
- Apple (USA)
- BMC Software
- CGI UK LTD
- DXC Technology
- Facebook, Inc.
- Guidewire Software Inc.
- Hewlett Packard Enterprise Company
- Mastercard
- Microsoft Corporation
- Nokia
- PayPal
- Salesforce
- SAS Institute
- ServiceNow Inc.
- Sony
- Thomson Reuters
- Visa
- Workday
- Xerox Canada

## Professional Services

- Accenture
- Bain & Company
- Boston Consulting Group
- KPMG
- McKinsey & Company
- Moody's Corporation
- Randstad N.V.
- S&P Global

## Telecommunication Services

- AT&T
- Nokia
- Telus
- Rogers Communications Inc.
- Vodafone
- Verizon

## Mail Services

- Canada Post
- DHL
- Purolator

## Consumer Goods

- Bacardi
- Ben & Jerry's
- General Mills
- Nike
- IKEA
- Procter & Gamble Company

## Transportation

- Air France Group
- American Airlines
- Canadian National Railway Company
- Delta Airlines

## Media

- ITV
- The Economist Group

# Who has committed to/set targets with SBTi?

## Automotive Services

- Belron
- BMW Group
- Bridgestone Corporation
- Consolidated Dealers Co-operative Inc.
- CSN Collision Centres
- Ford Motor Company
- General Motors
- Hankook Tire & Technology Co., Ltd.
- Hyundai Mobis Co. Ltd.
- Impact Auto Auctions LTD
- Magna International
- Michelin
- Nissan Motor Co. Ltd.
- Pirelli & C. S.p.A
- Tesla Inc.
- The Goodyear Tire & Rubber Company
- Volkswagen HE
- Volvo Car Group

## Legal Services

- Dutton Brock LLP
- Zarek Taylor Grossman Hanrahan LLP

## Construction/Restoration/Roofing

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

## Building Products

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

## Engineering/Environmental Services

- CBCL Limited
- Stantec Inc.

## Financial Services

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

## Real Estate

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

## Healthcare Services

- Anthem, Inc
- Cardinal Health, Inc
- Henry Schein, Inc.
- Lifemark (Loblaw Companies Limited)



# 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