

Transitioning to a Net Zero future

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28 October 2022

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Net Zero 2040 Ambition

Aviva's plan is to become a Net Zero carbon emissions company by 2040* – the first of any major insurance company to target this ambitious goal
Aviva is targeting Net Zero on carbon emissions we produce by 2030, from our suppliers by 2030 and from customer and shareholder investments by 2040

Today

- First major UK financial services company to target Net Zero carbon by 2040
- Operational emissions cut by 76% since 2010
- New '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
- Offering customers Climate Transition Funds and Net Zero-aligned default pensions
- Annual reporting on progress and first insurer to commit to putting our climate disclosures (TCFD) to an AGM vote

By the end of 2021

- Aviva 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.
- Invest a further £10bn of assets from its auto-enrolment default funds and other policyholder funds into low carbon strategies (of which £5bn has already been announced)

By 2025

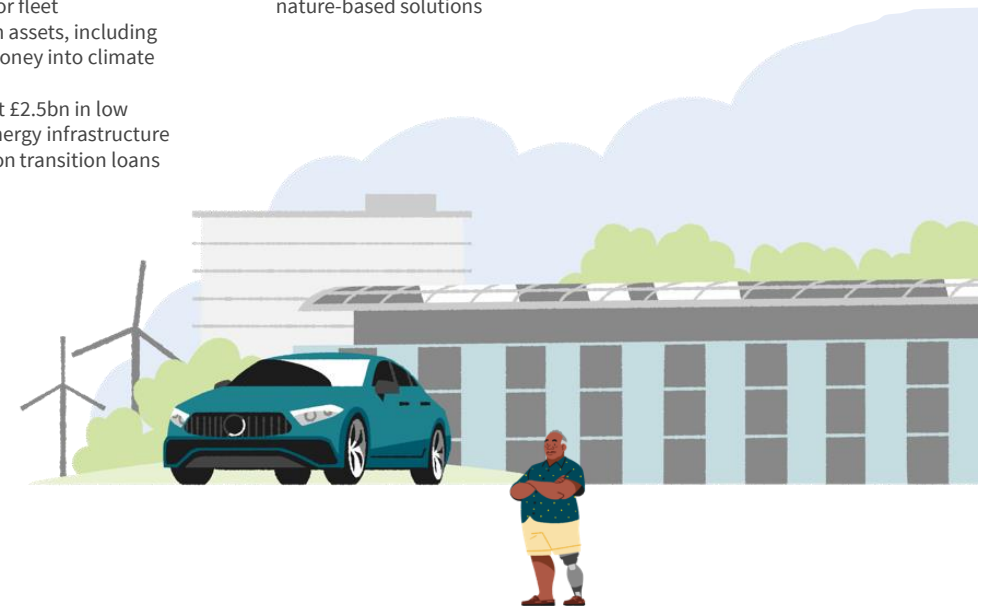
- Aviva will cut 25% of the carbon intensity in our investments
- Source 100% renewable electricity for all offices, which total 230,231 square metres
- Use 100% electric/hybrid new vehicle leases for our 1,540-strong motor fleet
- We'll invest £6bn in green assets, including £1.5bn of policyholder money into climate transition funds
- Aviva Investors will invest £2.5bn in low carbon and renewable energy infrastructure and deliver £1bn of carbon transition loans

By 2030

- We'll cut 60% of the carbon intensity in our investments
- Run Net Zero operations and have a Net Zero supply chain
- £100m committed to nature-based solutions

By 2040

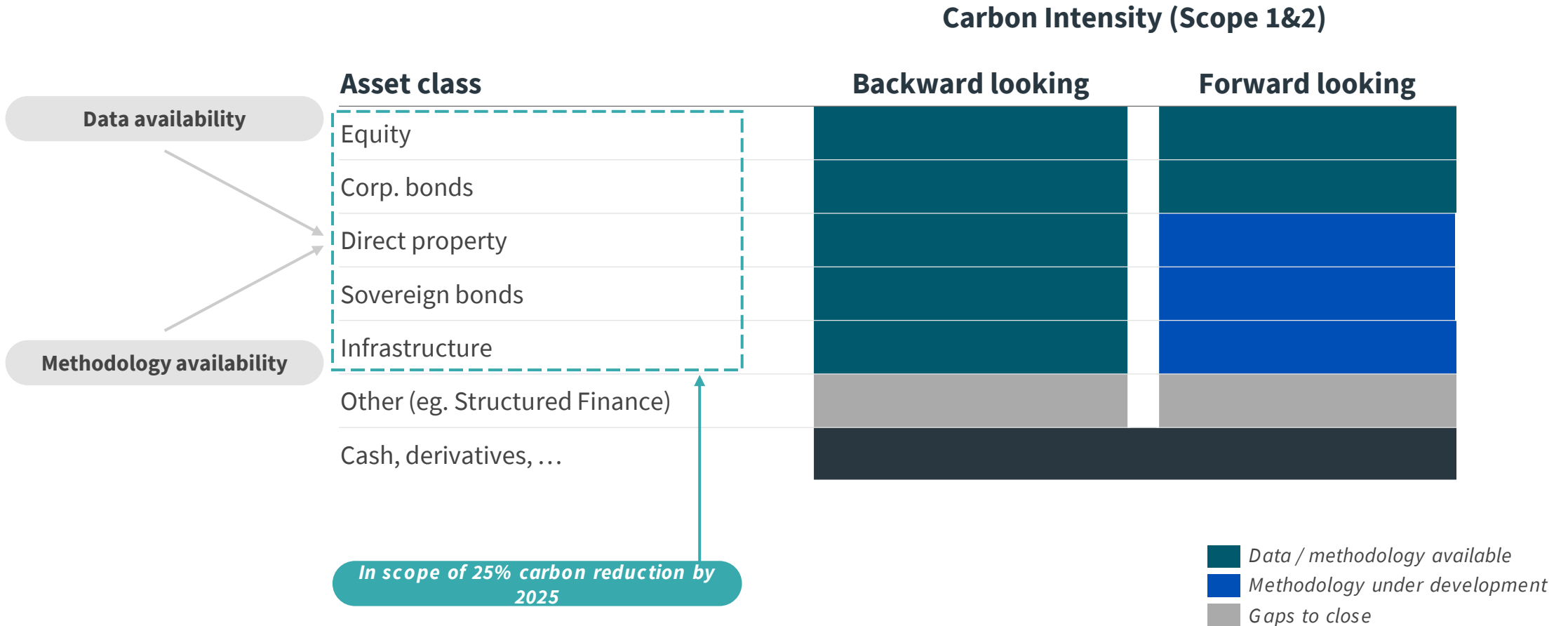
- We'll be a Net Zero company with Net Zero carbon investments



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.

Investment portfolio measurement challenge

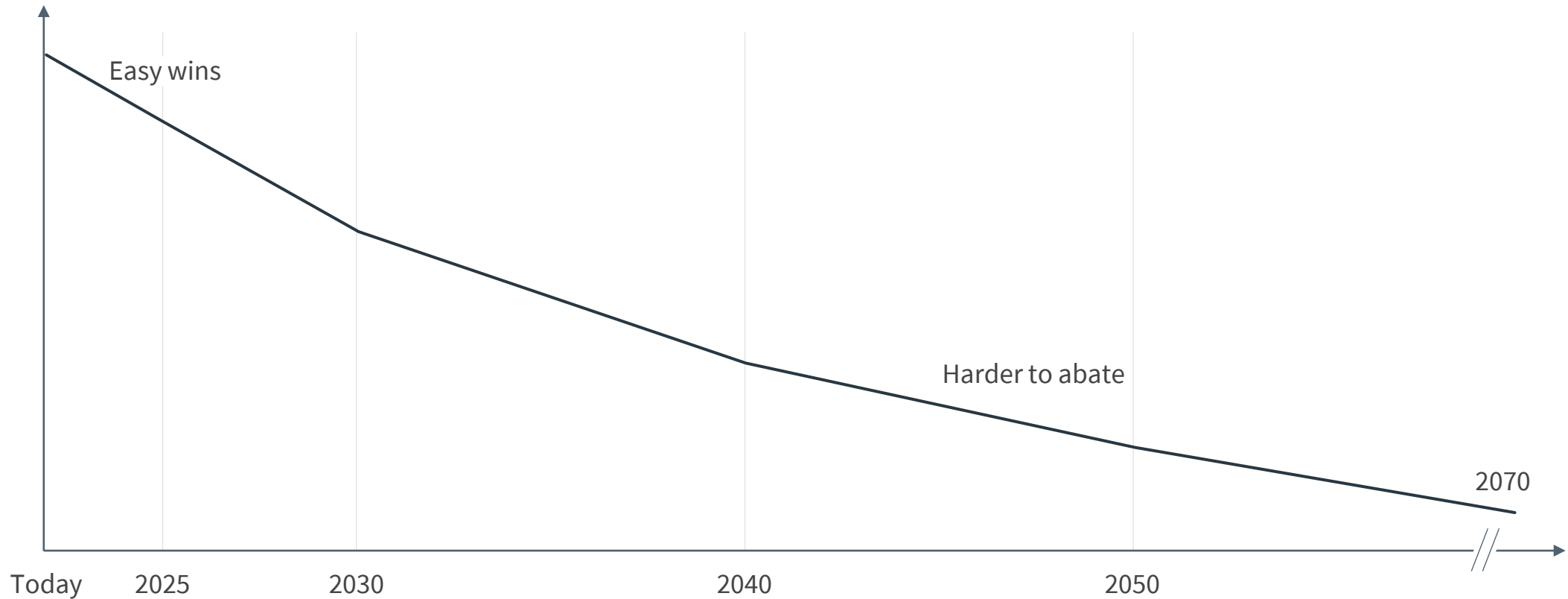


Illustrating carbon intensity reduction journey

Existing portfolios + micro stewardship

Existing portfolios + micro stewardship

Carbon intensity



Targeted escalation

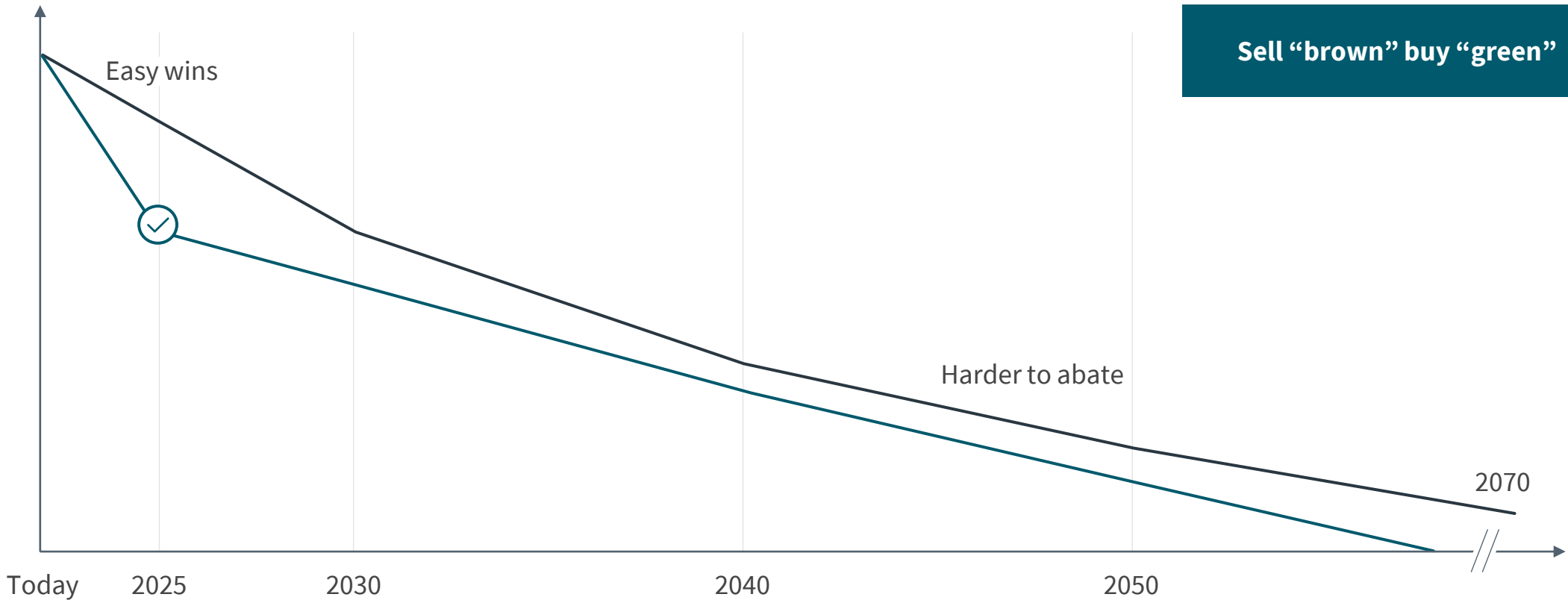
A robust escalation approach to track and drive progress through life of programme



Illustrating carbon intensity reduction journey

Sell “brown” buy “green”

Carbon intensity



Existing portfolios +
micro stewardship

Sell “brown” buy “green”

2070

Today's financial system is undermined by market failures

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SUSTAINABILITY

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Five decades at the forefront

1970s

2001

2006

2013

2015

2016

2018

2020

Started actively voting at company AGMs

First asset manager to formally integrate corporate responsibility into voting policy

Founding signatory of UN Principles for responsible investing

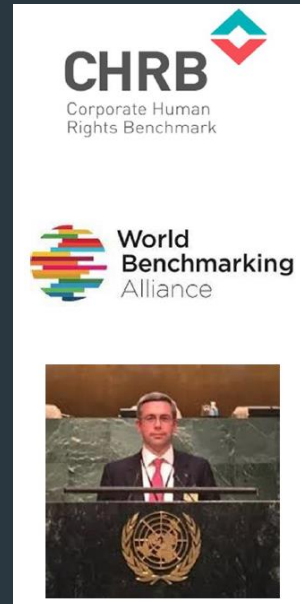
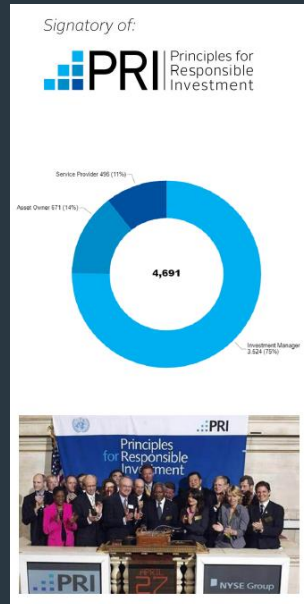
Corporate Human Rights Benchmark Launched

UN Goals for Sustainable Development (SDGs) Target 12.6

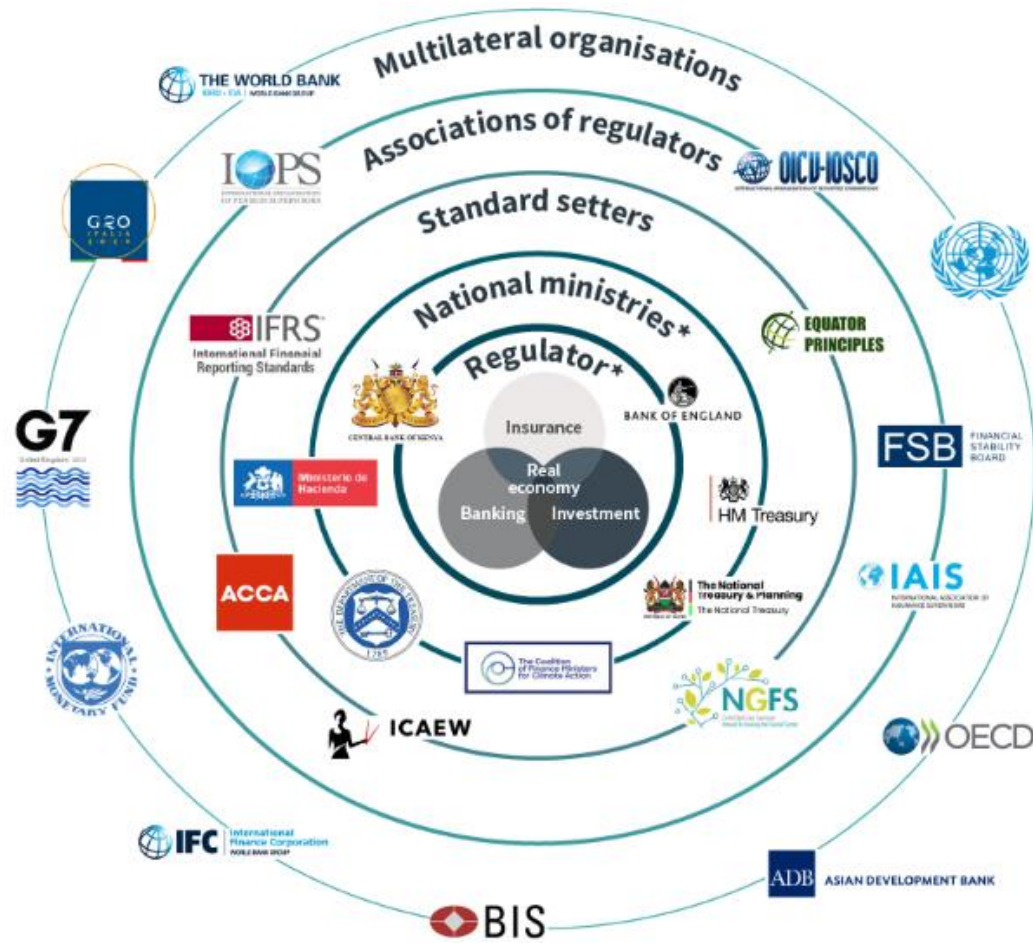
Member of European Commission High-Level Expert Group on Sustainable Finance & FSB TCFD

World Benchmarking Alliance launched. Award from UN for sustainability work

First meeting of the Coalition for an International Platform for Climate Finance



International Financial Architecture



Note: This is not a completely exhaustive view – but highlights key global organisations due to their mandate.

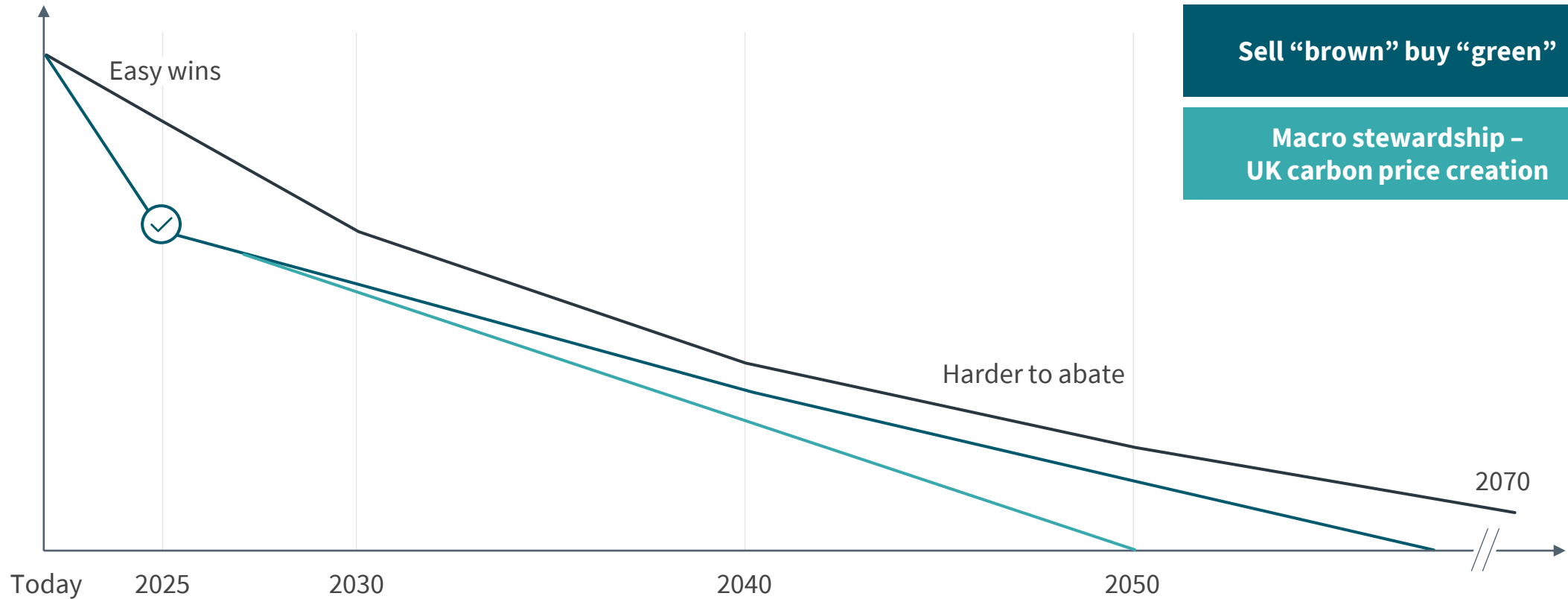
*Illustrative examples.

Source: Aviva Investors, September 2022.

Illustrating carbon intensity reduction journey

Macro stewardship – UK carbon price creation

Carbon intensity



Existing portfolios +
micro stewardship

Sell "brown" buy "green"

Macro stewardship –
UK carbon price creation

2070

Today

2025

2030

2040

2050

*“the
greatest
commercial
opportunity
of our time”* Mark Carney

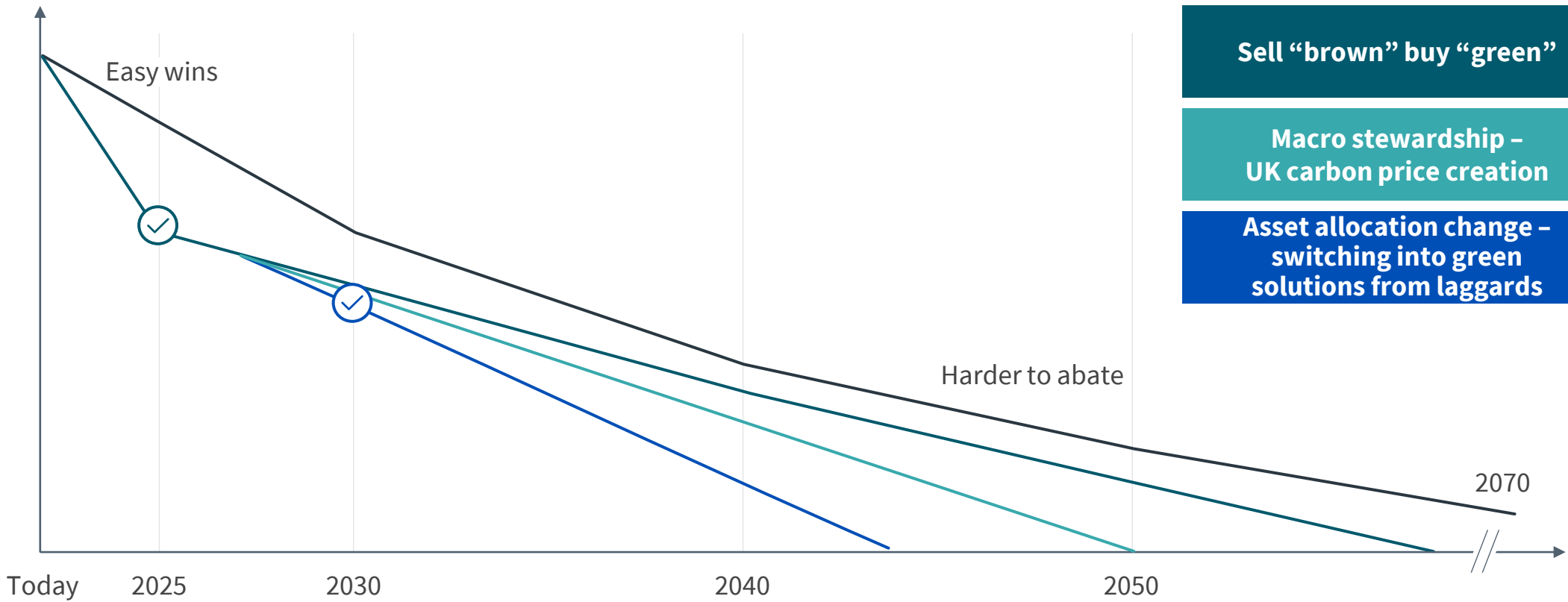
Source: Net zero goal 'greatest commercial opportunity of our time,' says Mark Carney (climatechangenews.com)



Illustrating carbon intensity reduction journey

Asset allocation change – switching into green solutions from laggards

Carbon intensity

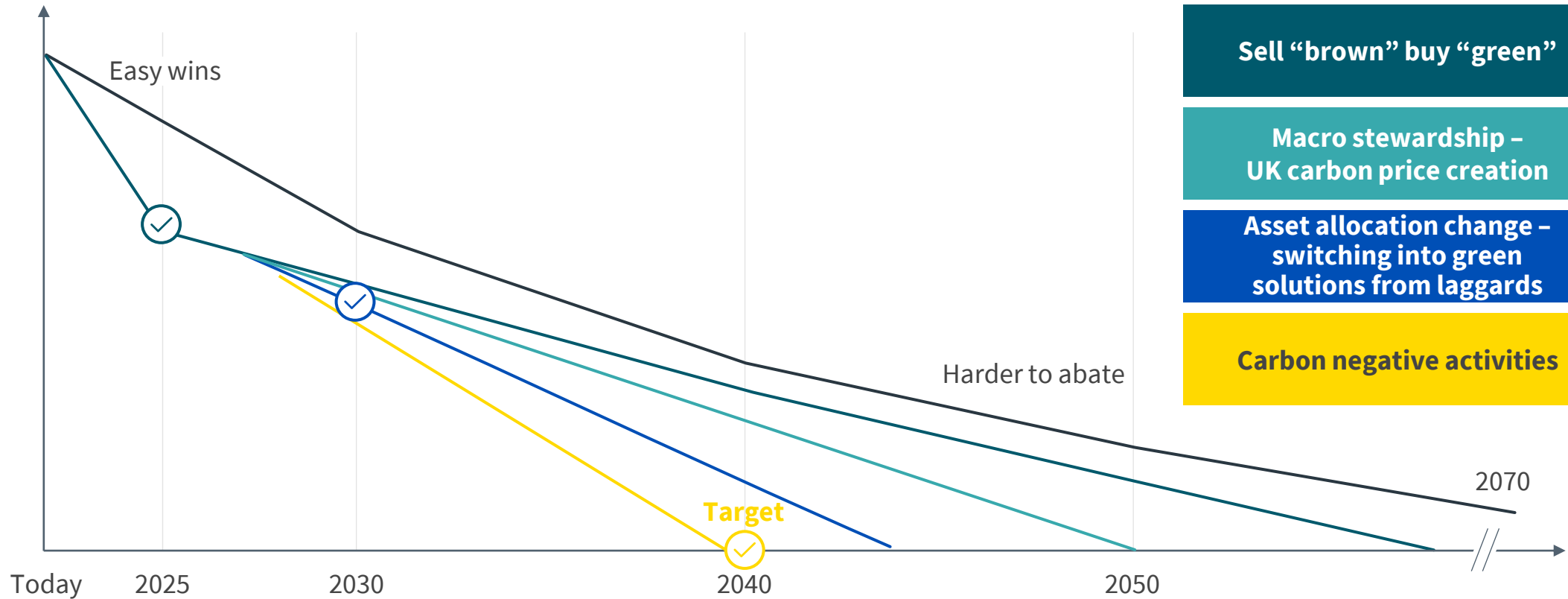


- Existing portfolios + micro stewardship
- Sell "brown" buy "green"
- Macro stewardship - UK carbon price creation
- Asset allocation change - switching into green solutions from laggards

Illustrating carbon intensity reduction journey

Nature-based solutions – taking a holistic approach

Carbon intensity



Existing portfolios +
micro stewardship

Sell "brown" buy "green"

Macro stewardship -
UK carbon price creation

Asset allocation change -
switching into green
solutions from laggards

Carbon negative activities

2070

Target

Asset managers: a multi-levered approach



Emissions reductions

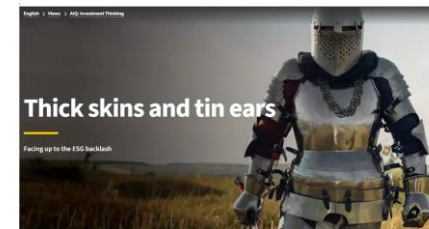


Systems change

A robust escalation approach to track and drive progress through life of programme



Robust engagement programmes



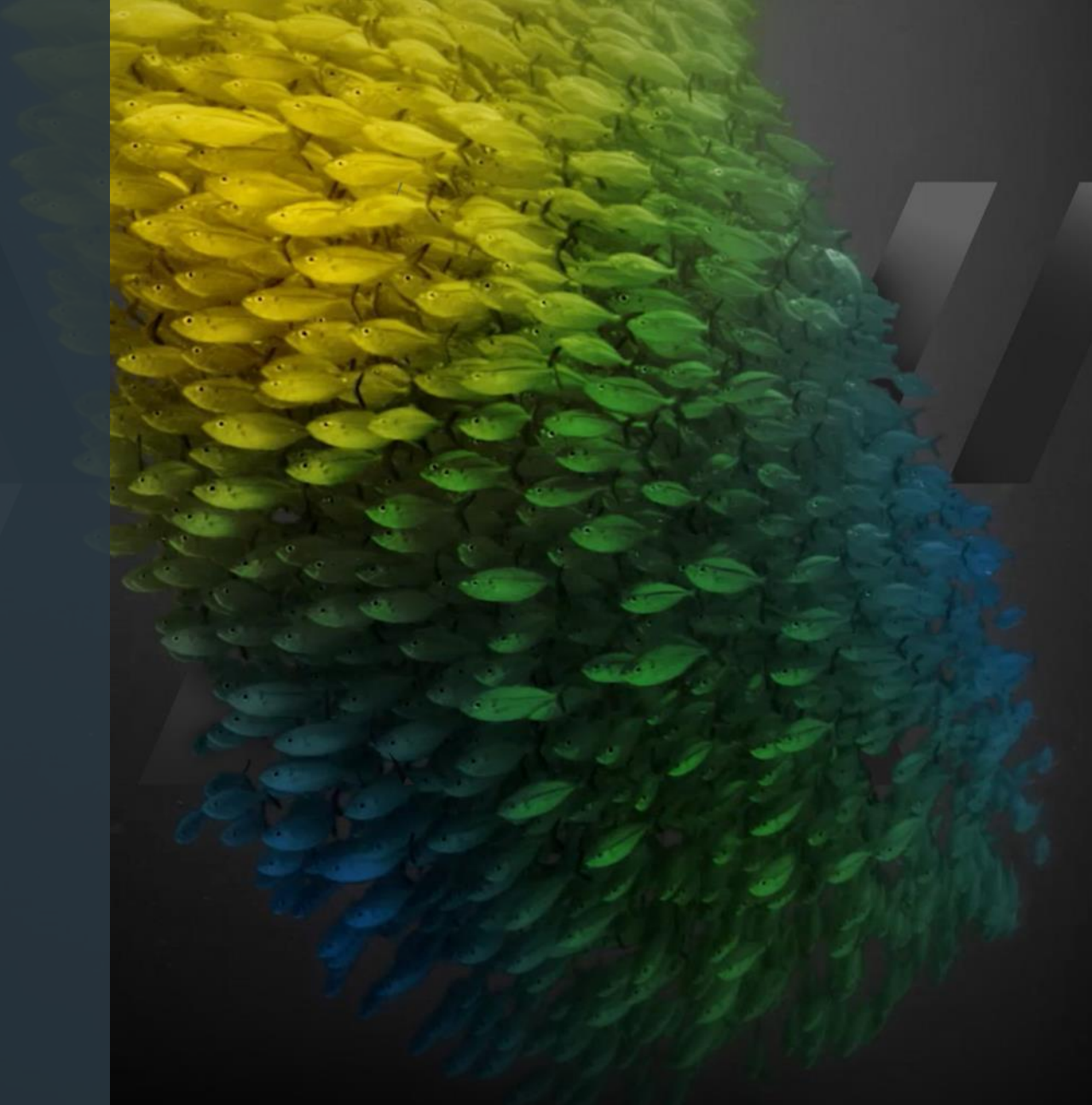
Tackling greenwashing



Disclosure

Sources: Aviva 2022; Aviva Investors 2021; Aviva Investors 2022; Aviva Investors 2022; TCFD 2022.

Thank you



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