

Creating a Better Tomorrow

Aviva Canada
2021 Sustainability Report



About Aviva Canada

Who We Are

Aviva Canada is one of the leading property and casualty insurance groups in the country, providing home, automobile, lifestyle, and business insurance to 2.4 million customers. A subsidiary of UK-based Aviva plc, Aviva Canada has more than 4,000 employees focused on creating a bright and sustainable future for our people, our customers, our communities, and our planet. In 2021, Aviva announced its plan on a global level to become a net-zero carbon emissions company by 2040, the most demanding target of any major insurance company in the world.

Our Canadian Heritage

Aviva's origins can be traced back to England more than 300 years ago. We have deep roots in Canada too. In 1835, the first Canadian-based Aviva heritage company – Canada Accident Assurance Company – was formed. Over the 20th century, many Aviva predecessor insurance companies merged, combined their strengths and changed their names. On May 5, 2003, the CGU Insurance Company of Canada became Aviva Insurance Company of Canada.

About This Report

This report provides a summary of Aviva Canada's sustainability and Environmental, Social and Governance (ESG) performance for the fiscal year January 1 to December 31, 2021. It includes our response to the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) report and the Public Accountability Statement. This complements Aviva plc's [Annual Report & Accounts 2021](#), [Sustainability Report 2021](#) and [Climate-related Financial Disclosure 2021](#).

We have a clear strategy and plans to deliver Aviva's promise. We aspire to be the leading UK provider and go-to-customer brand for all insurance, wealth and retirement solutions, with strong franchises in Canada and Ireland.

Aviva Canada covers 100% of its subsidiaries and joint ventures where we have operational control.

All financial figures are expressed in Canadian dollars.



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A Message From Our CEO

As the events of the past two years and 2022's new geopolitical and inflationary risks have shown us: we live in an unpredictable, fast moving and increasingly risky world. At Aviva, we take seriously our duty to help our customers and partners navigate such risks.

Tackling the climate crisis, addressing systemic issues like disparities in diversity and inclusion, and investing in Canada's society and economy is not just the right thing to do – it is essential for future success. I'm pleased to share Aviva Canada's first, annual Sustainability Report – explaining how we're contributing to a modern, fair and agile society that is determined to create a better tomorrow for future generations. As you read through the report, I hope you'll gain a sense of our commitment to high quality and transparent governance, how we're supporting progress and equity across our society and continuing to listen and be informed as new issues and opportunities emerge.

It takes climate action.

Canada is a huge country with a varied geography that is increasingly prone to unprecedented flooding, forest fires, droughts, severe winds and hailstorms events. As a leading property and casualty (P&C) insurer, we see the devastating impact of climate change on our customers and communities firsthand and care deeply about helping customers and businesses return to normality as quickly as possible.

However, data shows us that the frequency and severity, and subsequent economic costs of weather events are increasing. If current trends continue in the decades ahead, the viability of certain kinds of insurance will be in question. Preventing the most catastrophic impacts of climate change will take real action. At Aviva, we've set clear targets that are the most ambitious of any insurer in the world, to lead our industry and transition to net zero by 2040. You'll read in the report how we're:

- Reducing our operational footprint to get to net zero by 2030, and supporting suppliers and partners who share our commitment
- Investing with intent. Through our associate company Aviva Investors, a major investor worldwide, we've a clear strategy to reduce the carbon intensity of our total investment portfolio.
- Broadening our appetite and helping businesses transition including providing renewable energy general insurance cover.
- Testing a new way to divert waste from landfill when handling property claims. We'll use the learnings from this initiative to engage with our customers, suppliers and municipalities, embedding sustainable claims handling into our regular repair and restoration claims processes.



Key Highlights

Acting on Climate Change



- First major Canadian financial services company to target net-zero carbon by 2040
- Stopped underwriting insurance for companies making more than 5% of their revenue from coal or unconventional fossil fuels, unless they have signed up to SBTi
- Implemented an investment Stoplist for companies making more than 5% of revenues from thermal coal

It takes collaboration and partnership.

We'll engage, not exclude, when supporting partners and businesses transition towards a low-carbon economy. We want to work with like-minded companies, use our size and scale to bring our partners, customers, business and others along the journey. Aviva plc's Climate Transition Plan details how Aviva Canada, as part of Aviva plc, will meet our net-zero targets across our business, including underwriting.

We've established partnerships to tackle immediate and long-term sustainability challenges. Fixing a damaged home means nothing if the damage recurs yet again after another storm. This is why investing in natural mitigation and protecting natural infrastructure are key. Through our partnership with WWF-Canada, we're combatting biodiversity loss using nature-based solutions to restore degraded lands and shorelines, improve habitats and capture carbon. In 2021, 160 hectares have been restored and over 89,000 trees and shrubs were planted. A good start but we can't move fast enough.

It takes transparent reporting and disclosure.

This Sustainability Report provides a summary of Aviva Canada's Sustainability and Environmental, Social and Governance (ESG) performance in 2021. It also includes our Public Accountability Statement and our response to the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) report. This is the first year Aviva Canada is producing a TCFD report – disclosing three Canadian metrics, assured to a “reasonable” level assurance*: 1) weighted average carbon intensity, 2) Investment in green assets, and 3) weather-related losses.

* The metrics included in our Canadian TCFD disclosure were assured to a 'Reasonable' Level assurance (akin to the same level of comfort given in a financial audit), recommended for all companies by the TCFD.

It takes brilliant and highly engaged people.

Being a diverse and inclusive employer is core to our strategy. Our employee-led approach described in this report is transparent, honest and built from the ground up. For Aviva, having an inclusive culture means striving to understand the challenges, differences and struggles of all, respecting them and providing our people with support. To deliver on our climate ambition, we're educating and upskilling our people to further their knowledge and embed climate in our culture.

We've been actively championing the career development of women for many years. I'm particularly proud that we've achieved gender equality (50/50 male-female split) in our VP+ group, making Aviva the first major financial services company in Canada to do so. This has been the result of active succession and career planning supported by access to relevant development opportunities for everyone.

It takes everyone.

I'm proud of what we've achieved the past year and excited that we have more to achieve. But I'm equally impatient for the wider business community, the insurance industry, and all levels of governments to act with greater transparency and urgency. Canada is among the countries that are furthest away from delivering on their emissions-reduction pledges. We're just not doing enough.

Good intentions and promises must translate into action and results.

Let's get to it.



Jason Storah
Chief Executive Officer, Aviva Canada

Acting on Climate Change (continued)



- Achieved 10% reduction in weighted average carbon intensity over previous year
- Launched a first-of-its-kind sustainable claims management program resulting in 309 bags of recycling picked up, and 22 tonnes of waste diverted from landfill
- Currently offers 9 climate conscious products to customers and businesses, with more to come
- Installed smart building sensors in our largest offices, expect a minimum 9% annual energy reduction from our leased facilities in 2022 and beyond
- Invested over \$2M in WWF-Canada's Nature and Climate Grant Program to fight biodiversity loss and climate change
- Cut Canadian operational carbon footprint by 43% by supporting green electricity via Renewable Energy Certificates for all offices
- Invested over \$100M in green assets, exceeding 2021 target

Building Stronger Communities



- Helped over 61,000 Canadians
- Invested \$2,690,915 in communities

Embedding Sustainability



- First major financial services company in Canada to achieve gender equality (50/50 male-female split) for VP and above
- 98% of our people have undergone Unconscious Bias training

Our Corporate Purpose, Values & Strategy

Our purpose is to be with our customers today for a better tomorrow. We will achieve this through our corporate strategy, and by acting responsibly on the sustainability issues that are most important to our business and society.



Purpose

Globally, we have been looking after customers for 325 years. We are deeply invested in our people, our communities and the planet. We're here to be with people today as well as working for a better tomorrow.

Strategy

We have a clear strategy and plans to deliver Aviva's promise. We aspire to be the leading UK provider and go-to-customer brand for all insurance, wealth and retirement solutions, with strong franchises in Canada and Ireland.

Growth: Targeted growth capitalizing on the structural opportunities across Insurance, Wealth, Retirement Solutions and BPA.

Customer: Powering up the Aviva brand, building engaging customer experience, and leading with customer-centric innovation.

Our Values

Our values help us deliver our ambitions. The values of Care, Community, Commitment and Confidence help guide the decisions we take as individuals and as an organization. Aligned to our Purpose and our Strategy, they define what it means to be part of Aviva.

Efficiency: Simplifying and transforming our cost base, and working towards top quartile efficiency for all businesses.

Sustainability: Delivering on our market-leading commitments across Climate Champion, Stronger Communities and Sustainable Business.

Our Sustainability Ambition

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

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

“Making sustainability a guiding force in business takes standing up for what you believe in. It takes people who care. It takes commitment, passion and partnership. It takes Aviva.”

Jason Storah, Chief Executive Officer





Acting on Climate Change

We are helping our customers, our people and our business tackle climate change and create a brighter future.

Building on our climate work over the last three decades, Aviva Canada is contributing to *the* most ambitious carbon reduction plan of any major insurer in the world today. At the global level, Aviva's plan is to:

- become a net-zero company by 2040¹;
- achieve a 25% reduction in carbon intensity of assets by 2025, and 60% by 2030; and
- have a net-zero operations and supply chain by 2030.



Building Stronger Communities

We are focused on working with our people, customers and partners to build communities that are stronger and more resilient to the climate crisis, and to contribute to a more diverse and inclusive Canada. We will help achieve these goals by:

- contributing to Aviva's global initiative of donating 2% of our annual profits to community investment²;
- contributing to Aviva's global initiative of making 10 million people more resilient through initiatives that enhance climate resiliency and build a more diverse and inclusive society;
- contributing to Aviva's global target of over 300,000 volunteering hours by 2025;
- helping to reduce injuries and fatalities on Canadian streets through [Take Back Our Roads](#); and
- inspiring our people to give back to the causes that matter most to them through our AvivaGives volunteer and giving program.



Embedding Sustainability

We are embedding sustainability across all parts of our business with clear accountability for our actions, transparent reporting, and respect for human rights. From how we make decisions to how we act and communicate, Aviva's Sustainability Ambition guides our actions as a company to create a brighter future.

Our goals are:

- Establishing robust governance, measurement and reporting for sustainability
- Building an inclusive and diverse workplace
- Establishing robust governance, measurement and reporting for sustainability
- Helping drive the public debate on sustainability in our sector and beyond

¹ This covers shareholder and policyholder assets where Aviva plc has control and data, and the main asset classes of Aviva's core markets (credit, equities, direct real estate and sovereign debt) which includes Aviva Canada.

² Percentage of profits earned by Aviva globally across its core markets which includes Aviva Canada.

Acting on Climate Change: Our Climate-related Financial Disclosure

This report brings together our disclosure in accordance with the Taskforce on Climate-Related Financial Disclosures (TCFD).

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Independent Assurance

- 54 Independent Reasonable Assurance Report on Selected Climate Metrics

This section of our report sets out how Aviva Canada incorporates climate-related risks and opportunities into our governance, strategy, risk management, and metrics and targets, in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), published in October 2021. The metrics included in our Canadian TCFD disclosure were assured to a 'Reasonable' Level assurance (akin to the same level of comfort given in a financial audit). This is recommended for all companies by the TCFD. We support the critical work of the International Sustainability Standards Board (ISSB) in developing and setting global sustainability standards that aim to realize high quality, transparent, reliable and comparable reporting by companies on climate and other ESG issues. This will help ensure that the right strategic decisions are made across the economy, to address climate change and support a more coordinated, smoother transition. In this report we have provided a roadmap for our stakeholders, by way of our Climate Transition Plan and other key development areas, to highlight useful information for decision making.

Aviva's Global 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.

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 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

“Climate disclosure is critical and should be mandated for financial institutions and beyond. It's increasingly important too for financial institutions to have transition plans in place, to help our customers move to a low to zero carbon economy.”

Jason Storah, Chief Executive Officer, Aviva Canada

Today

- First major Canadian financial services company to target net-zero carbon by 2040
- Operational emissions cut by 81% 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 (SBTi) 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 have stopped underwriting insurance for companies making more than 5% of their revenue from coal or unconventional fossil fuels, unless they have signed up to SBTi

By the end of 2022

- Divest from companies which make more than 5% of their revenue from coal unless they have signed up to SBTi

By 2023

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

By 2025

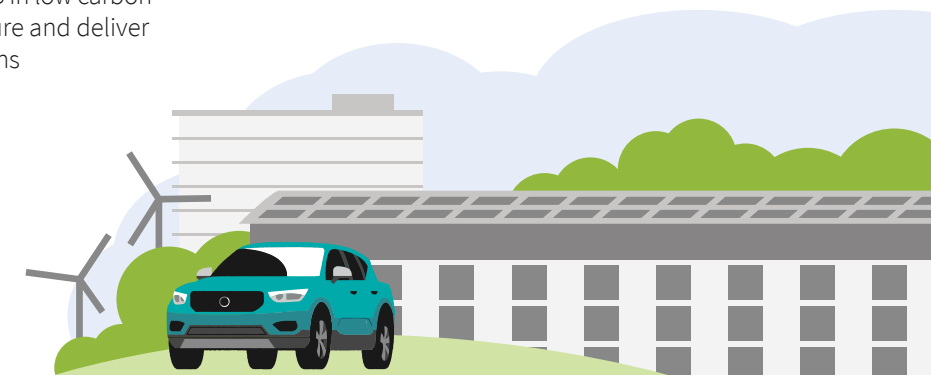
- We will cut 25% of the carbon intensity in our investments
- Source 100% renewable electricity for all offices, which total 476,595 square feet in Canada
- Use 100% electric/hybrid new vehicle leases for our Canadian fleet of approximately 300 vehicles
- Aviva Investors will invest CAD\$4.2B in low carbon and renewable energy infrastructure and deliver CAD\$1.1B of carbon transition loans

By 2030

- We will cut 60% of the carbon intensity in our investments
- Run net-zero operations and have a net-zero supply chain
- CAD\$170M 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



2021 Overview

Building on our climate work over the last three decades, in March 2021, Aviva announced its global ambition to become a net-zero carbon company by 2040. Aviva Canada has made good progress on our key focus areas and have a roadmap in place for 2022 and beyond.



Accountability & Leadership

- Signed up to the Science Based Targets initiative³ (SBTi)
- Joined the United Nations backed Net Zero Insurance Alliance (NZIA)
- Signed the Finance for Biodiversity Pledge
- Published Aviva-wide Biodiversity Policy
- Joined Canada's Sustainable Finance Action Council



Decarbonizing Our Investment Portfolio

- Implemented an investment Stoplist for companies making more than 5% of revenues from thermal coal
- Set ambitious targets for our Canadian investment portfolio including:
 - ▶ Reduction in carbon intensity investments of 25% by 2025 and by 60% by 2030
 - Achieved 10% reduction in weighted average carbon intensity over previous year
 - ▶ \$350M invested in green assets by 2023
 - Invested over \$100M in green assets, exceeding 2021 target



Insuring a Net-Zero Future

- Began developing a methodology to measure the carbon impact of our underwriting
- 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 from renewal at the end of 2021
- Joined the Institute for Catastrophic Loss Reduction's Implementation Committee for the Insurers Rebuild Stronger Homes program
- Launched a sustainable claims management pilot using eligible claims from the British Columbia flooding disaster



Targeting Operations and Supply Chain to be Net Zero by 2030

- Determined our SBTi-aligned supplier baseline
- Joined EV100 and developed plan to transition our fleet to 100% electric vehicles by 2025
- Introduced Aviva plc's award-winning smart building optimization program to our largest offices in Markham and Oakville



Embedding Climate in Our Culture

- Made available an employee guide, [Tackling Climate Change Together](#), to support our people in playing their part to take climate action
- Providing continuous education and specialized training on climate to our people including an Essential Learning training module

³ The SBTi is a collaboration between United Nations Global Compact, CDP (a global disclosure system), World Resources Institute and Worldwide Fund for Nature.

Strategy

Our Strategy is Encapsulated in Our Climate Transition Plan

Climate change is one of the key risks facing the financial services industry. We see the climate crisis as one of the greatest risks facing humanity.

We envision playing a leading role in helping the world transition to a low-carbon economy. We have developed an initial [Climate Transition Plan](#), developed in line with TCFD guidance, the Glasgow Financial Alliance for Net Zero (GFANZ) recommendation on best practices on transition plans, and Institutional Investors Group on Climate Change (IIGCC) principles. Using five building blocks, we describe how we intend to minimize risks and capture opportunities as our organization and the business environment move toward a low-carbon economy:

1. **Strategy and ambition:** detailing commitment, ambition, and scope of net-zero pledges.
2. **Methodology:** defining the approach to identify, measure and monitor climate-related targets with reference to investments, insurance, and operations.
3. **Action plans:** providing clarity on the measures needed to achieve defined targets. This will support engagement with companies invested in, underwritten and in our supply chain.
4. **Climate risk management:** defining the risk appetite and ensuring alignment with the Climate Transition Plan.
5. **Target operating model:** defining roles and responsibilities to ensure the execution of the Climate Transition Plan and create climate cultural awareness throughout the organization.

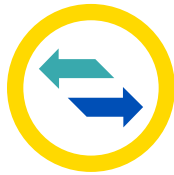
We aim to align our business to a 1.5°C world, and influence others to do the same. Aviva plc, Aviva Canada included, have signed up to the SBTi, and we are developing our science-based targets which will cover Scopes 1, 2 and 3 (investments and supply chain) emissions. Our emission calculation methodologies are outlined in our [Climate Transition Plan](#) – consistent with the SBTi’s methodology for financial institutions. We expect to publicly announce our targets once validated by SBTi.

“Aviva Canada’s climate ambition and wider ESG efforts are rooted in our purpose, to be with you today for a better tomorrow. We understand the impact we have on the world and take seriously the responsibility that brings with it.”

Jason Storah, Chief Executive Officer

Our Strategic Focus

The ways in which the insurance sector could be affected by the climate crisis are diverse and often interconnected with other sustainability factors. Our strategic response focuses on the transition, physical and litigation risk factors and related opportunities.



Transition risks and opportunities relate to the business impact resulting from the transition to a low-carbon economy. This may entail extensive policy, legal, technology, and market changes globally, designed to mitigate climate change. As a result, depending on the nature, speed and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organizations around the world.



Physical risks relate to the business impact arising from acute, abrupt, disruptive impacts such as more frequent and intensive storms, extreme heat and cold, floods, droughts and fires, as well as chronic gradual impacts such as higher than average temperatures, rises in sea levels and the spread of vector-borne diseases. The risk includes the effects directly resulting from events, such as the property damage we see first-hand from our customers' claims, and those that may arise indirectly through subsequent events, such as the disruption of global supply chains or resource scarcity.



Litigation risks relate to the business impact that could arise from parties who have suffered loss and damage from climate change and seek to recover losses from others who they believe may have been responsible. Where such claims are successful, those parties against whom the claims are made may seek to pass on some or all of the cost to insurance firms under third-party contracts.

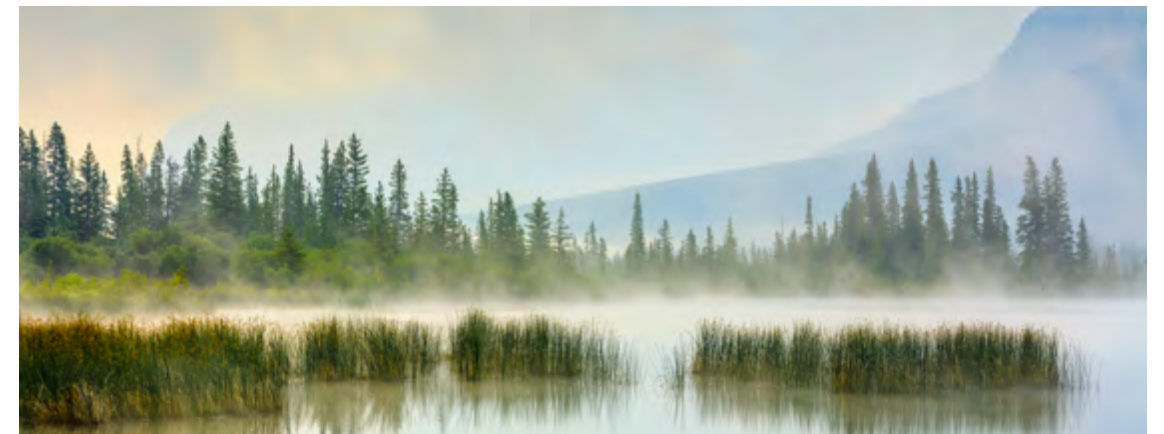
The materiality and horizons over which climate-related risks and opportunities affect our business depend on the specific insurance products, geographies and investments being considered. Currently, Aviva Canada considers risks in the underwriting and pricing processes and in setting the reinsurance strategy on a time horizon of three years. We recognize that the increased severity and frequency of weather-related losses have the potential to negatively affect our profitability and consequently, large catastrophic losses are already explicitly considered in our economic capital modelling to ensure resilience to such catastrophic scenarios.

Our Climate Scenario Analysis

Climate impacts have the potential to affect insurers' balance sheets as well as the long-term business model. Aviva plc has developed the Climate Value-at-Risk (VaR) measure – guided by an inter-disciplinary team with representation from across the business and an expert panel – to assess the financial exposure and resilience of our business and strategy to different climate United Nations Intergovernmental Panel on Climate Change scenarios and in a blended aggregate scenario.

The VaR is designed to provide a forward looking and return-based valuation assessment to measure climate related risks and opportunities in an investment portfolio. This methodology provides a view on the future physical impacts of climate change and how these changes could affect insurance premiums. Aviva plc's analysis shows our business will be worse off by not acting. We are leading by example, managing our exposure to physical impacts, seizing the opportunities to a low-carbon future and helping to co-ordinate the Canadian and global response to limit both our, and humanity's, exposure to climate breakdown.

For full details of the Climate VaR methodology and modelling of the impacts of climate change on our business under different temperature pathways, see Aviva plc's 2021 [Climate-related Financial Disclosure](#). The output of this modelling informs our strategic response to mitigate, transfer, accept or control our exposure to climate risks – as well as respond to opportunities – which are expected to manifest in the short, medium and long-term.





Accountability & Leadership

The climate crisis is a collective problem that necessitates collective action in its solutions. For us, this means leading the way and bringing our people, industry peers, and communities on the journey with us. We also believe managing physical and transition climate risks requires leadership, and feel uniquely positioned with our experience, control and influence to lead from the front.

Since 2021, we focused on three areas and established and strengthened partnerships and collaborations to make change:

- **Climate resiliency and adaptation**
- **Climate mitigation and sustainable finance**
- **Biodiversity and nature**



Climate resiliency and adaptation: The impact of climate change is being felt today across Canada and may become drastically worse over the next 30 years. As extreme weather and natural disasters increase, we are committed to helping to reduce its impact on our customers' lives, and on Canadians at large.

We work with a range of industry and external partners to support our customers and communities across Canada to build greater resilience in the face of climate risk, including:

- **Institute for Catastrophic Loss Reduction:** We're working with the Institute to implement their recommendations to help customers reduce the likelihood of future losses, such as installing high wind rated shingles and using non-combustible exterior cladding.
- **Climate Proof Canada:** We are a member of this broad-based coalition comprising insurers, municipal governments, Indigenous organizations, environmental NGOs and research groups. We are encouraging the federal government to incorporate adaptation as a critical element of our national climate plan, to protect communities from worsening severe weather.
- **Insurance Bureau of Canada (IBC):** We are contributing our knowledge and expertise via IBC's climate work, focused on assisting Canadians to better adapt to and minimize climate risk and personal impact. As part of the Task Force on Flood Insurance and Relocation, we submitted a flood insurance pool proposal to Public Safety Canada which builds towards a future where every Canadian is physically and financially safe from flooding and where each is enabled to manage their own risk.
- **WWF-Canada:** We are investing over \$2M in WWF-Canada's Nature and Climate Grant Program, to help communities and Indigenous organizations restore degraded lands and shorelines, to improve habitats and capture carbon. More details about our WWF-Canada partnership can be found on page 40.

We are also active in government climate-related consultations at various levels, focused on perils including flood, earthquake and wildfire, sharing our business expertise and customer learnings to help inform policy decisions.

Climate mitigation and sustainable finance: A single company or even a group of companies cannot make Canada's economy, or the global economy, net zero. This will take action from governments, regulators and other actors who help shape global economies and financial markets. We also need to bring our customers along with us and ensure our actions reflect their interests and values, supporting a just transition to net zero.

Aviva Canada supports the realization of systems level change, so the whole financial system works toward a sustainable future. In May, we joined the government-led Sustainable Finance Action Council to help lead the Canadian financial sector toward integrating sustainable finance into standard industry practice. Our CEO is on the main Council Steering body and our Chief Corporate Affairs Officer sits on the Disclosure Technical Expert Group. The Council's primary focus is supporting the introduction and enhancement of climate-related financial disclosures in Canada's private and public sectors, aligned with the recommendations of the TCFD framework. We welcome the government's move toward mandating Federally Regulated Financial Institutions and Federally Regulated Pension Plans to issue climate-related financial disclosures and net-zero plans, in line with the TCFD recommendations.

Globally, we collaborate across our industry to drive mitigation action and influence the transition to a lower carbon world by participating in alliances such as:

- **GFANZ:** In 2021, Aviva plc supported the creation of the GFANZ in the run up to COP26, an alliance across finance to turn commitments into action and to mobilize private capital by bringing together existing and new net zero finance initiatives. After COP26, GFANZ's membership base had a combined AUM of \$130T.
- **NZIA:** Aviva is piloting a carbon attribution model for underwriting, aligning to the CRO Forum's Weighted Average Carbon Intensity (WACI) methodology, to share with the other NZIA members as a possible way of measuring our impact. Influencing our peers to incorporate the weighted carbon intensity into their underwriting decisions will drive up pricing for carbon intense operations and incentivize low carbon alternatives.

Solving the climate crisis is going to take everyone. We are attuned to business opportunities, working with partners to support a just transition when regulation on climate and biodiversity comes. We will continue to leverage our core business to insure and invest in green innovation, which will mitigate risk and further enhance our green revenues creating value for all our key stakeholders.

Biodiversity and nature: Canada is facing the dual crises of biodiversity loss and climate breakdown. One third of climate-change-causing greenhouse gas (GHG) emissions result from the destruction of trees, ground cover, peatlands, and coastal plants and ecosystems. Our climate goals will be delivered in a way that contributes to tackling the related challenges in biodiversity and nature, ensuring that our focus is not only on carbon offsetting but also targeting broader ecosystem resilience.

In May, Aviva plc signed the Finance for Biodiversity pledge and joined the Terra Carta Initiative. As part of these commitments, we are playing our part in reversing the loss of nature by 2030, a goal that has also been echoed by the Canadian government and G7 countries.

Our global [Biodiversity Policy](#) sets out key principles to guide our decision making and actions in this space. To manage our risks from, and our impacts and dependence on biodiversity loss, we have committed to carrying out an assessment of our investments⁴, underwriting and operations by the end of 2023. This will help identify and prioritize key areas of impact and dependency including using relevant assessment tools as they become available. Once this discovery phase is completed, we intend to set more detailed targets to help us reach our goal to reverse nature loss by 2030, aligned to the Post-2020 Global Biodiversity Framework. We will report annually against these targets including any positive or negative contribution to global biodiversity goals linked to our core business.



⁴ Corporate bond, equity, sovereign and real asset portfolios.



Decarbonizing Our Investment Portfolio

As an asset owner, we can influence the global transition to lower carbon economies through responsible investments. Aviva Canada’s shareholder assets span investments in North American governments and corporations.

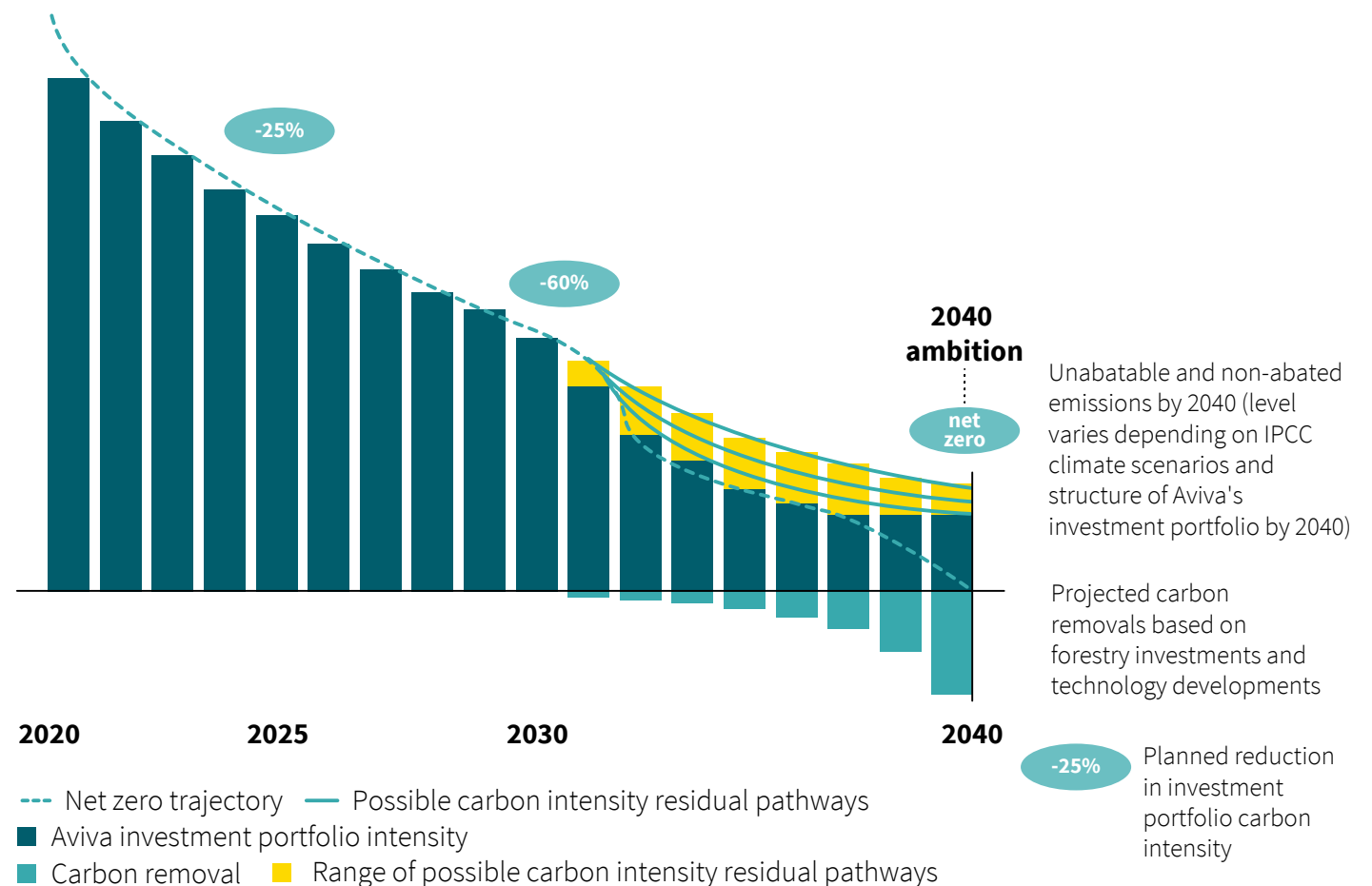
We recognize this ambition will not be easy to achieve, and therefore it is important that we track our progress closely. In our Climate Transition Plan, we outline how we calculate our portfolio emissions and have set targets for how we will measure our portfolio transition.

Measuring decarbonization success: The main metric we use to assess Aviva Canada’s portfolio performance for our net-zero commitments is carbon intensity by revenue (Carbon Footprinting). This provides us with an assessment of the carbon intensity of our investees’ businesses that we can use to gain a clearer picture of our investment carbon footprint. We are targeting a reduction in the carbon intensity investments of 25% by 2025 and of 60% by 2030. We reduced the weighted average carbon intensity of our measurable investments by 10% in 2021.

We also use an implied temperature rise metric (Portfolio Warming Potential) to provide forward-looking insights across our portfolio and ensure our portfolio is aligning to our net-zero ambition.

The following illustrative Figure 1 depicts how Aviva Canada expects to reach net zero, in line with the SBTi Net-Zero Standard. The carbon intensity trajectory for 2020–2030 aligns with our carbon footprint targets. However, the trajectory beyond 2030 is dependent on IPCC’s climate scenarios and the evolving structure of Aviva Canada’s investment portfolio. As such, the portfolio carbon intensity reductions and the amount and type of carbon removals shown are a representation of the possible pathways. We will provide more information on this as we confirm our science-based targets in 2022.

Figure 1: Aviva plc’s Net-Zero trajectory for Scope 3 (investment) emissions



Source: Aviva plc

It takes a range of levers to decarbonize: Across Aviva globally, we work with a set of levers across four areas, noted below, to operationalize our net-zero pledges. The first three levers focus on reducing our exposure to the most harmful practices through engagement, policy and risk management processes, while the final lever focuses on grasping the opportunities arising from transition.

- **Active ownership:** We use our voice and vote to pressure companies and directors, through the Aviva Investors [Climate Engagement Escalation Program](#). This ‘Engagement First’ philosophy promotes the merits of engagement over divestment as the more effective mechanism for delivering positive change and outcomes for our clients and society.
- **Divesting where necessary and applying portfolio constraints for high carbon emitting sectors and individual names:** We believe that the highest-emission fuels should not be part of a low-carbon future, and our Exclusions Policy reflects this.
- **Tilting investments toward cleaner sectors and the best companies within sectors:** We embed physical and transition risk climate considerations in our investment selection and management processes, where possible, to tilt our portfolio toward leaders in emission reductions and avoid financing laggards. We are looking at the feasibility of incorporating an internal carbon price into investment decisions, recognizing this is an important step to take to internalize the cost of carbon and ensure we are investing in the best companies within sectors. We aim to use our underwriting insight to support our investment decisions, to ensure a consistent view of climate-related risks is taken. For example, the issuers on Aviva Canada’s investment Stoplist are mirrored as exclusions in our Underwriting Boundaries.
- **Financing the transition: grasping the opportunity of a low carbon economy:** We will grasp the opportunities arising from the transition, which will include continuously seeking net-zero transition opportunities across different forms of financing. We have set goals for transition financing which represents one of the biggest contributions that the financial industry can make toward a low-carbon economy, including investing \$350M in green assets by 2023.





Insuring a Net-Zero Future

Insurers play a critical role in enabling the transition of society and the wider economy toward a low-carbon future, on both sides of the equation – mitigation and adaptation. At Aviva Canada, we're playing our part across three core business areas:

- **Underwriting**
- **Products and services**
- **Claims management**



Underwriting: We are undergoing a cultural transformation across our underwriting business, embedding climate considerations in our strategic approach and risk-appetite decision-making. We are also committed to developing risk management expertise and guidance to assist our customers as they seek to reduce emissions and evolve their business practices to minimize their environmental impact.

Our global commitment, aligned to our membership in the NZIA, is to transition all operational and attributable GHG emissions from our insurance underwriting portfolios to net-zero emissions by 2040. As net-zero underwriting is a very new topic, we are developing a new methodology to measure absolute and intensity carbon emissions linked to insurance policies in collaboration with other Aviva General Insurance businesses, the NZIA and the Partnership for Carbon Accounting Financials (PCAF). For more details, see our [Climate Transition Plan](#).

Products and services: As an insurer, we can influence customer behaviour through the range of products and coverage we offer. To support the transition to a low-carbon economy, we continue to provide and develop climate-conscious products and services that reward customers for environmentally responsible actions and help to build resiliency in the face of extreme weather events and disasters.

Personal Insurance



Green Vehicle Discount – get a discount for saving fuel and contributing to a greener planet when you own an electric or hybrid vehicle.



Green Assure – customers can do their part for the environment by replacing damaged items with eco-friendly replacements (e.g. bamboo/cork flooring and Energy Star appliances.)



Green Home Power – discounted coverage for customers who choose solar panels and wind turbines to generate electricity.



Overland Water – protects property from water damage caused by water entering property due to overflow of any body of fresh water such as lakes and rivers.



Claim Prevent – provides up to \$2,500 reimbursement for any device or equipment that will prevent the same claim from happening again, including fire alarm systems, sump pumps and more.



Roof & Siding Coverage – offers up to \$2,500 for purchase of hail-resistant materials to replace roof/siding, following damage from a hailstorm, windstorm or the weight of ice, snow or sleet.



InsureMyTesla – enhances the ownership experience of Tesla drivers by offering Aviva Canada’s custom insurance coverage solutions, including for their charging equipment. These drivers also benefit from electric vehicle (EV) discounts.

“We’re offering products to enable customers to get on the net-zero journey – their homes, vehicles and businesses. It will take all of us to tackle climate change and Aviva is here to support Canadians and our communities through it.”

**Phil Gibson, Executive Vice President & Managing Director,
Personal Insurance**

Commercial Insurance

Currently, we offer several commercial insurance solutions that support the carbon transition for businesses:



Enterprise: A comprehensive insurance product for business that responds to their evolving needs and market trends. This product includes two climate-related coverages that enables the business to ‘build back better’:

- ▶ “Building Upgrade” provides additional coverage post claim for the business to repair or replace building components with materials to improve resistance to future loss; and
- ▶ “Environmental Upgrade” provides additional coverage to replace damaged property with components that improve the energy efficiency or environmental emissions of a building or its equipment post-loss, without a requirement for the replacement components to meet LEED certification.



Surety reclamation bonds: Aviva Canada writes Surety business for mining and oil and gas companies. We provide guarantees for the required reclamation work, as detailed in licensing and permitting agreements with local government. We hold corporate guarantees and/or collateral as security for Aviva, and endeavour to have our customers set aside funds to finance the reclamation work, as resource extraction operations near the end of their operational life cycle or prior to production becoming uneconomical.

“Tackling the climate emergency requires commitment from all businesses, and we believe it is critical to work alongside companies on their sustainability journey. We’ll proactively engage with our customers on climate action to provide insurance and risk management solutions as they seek to reduce emissions and evolve their business practices for a sustainable future.”

Susan Penwarden, Chief Technical Underwriter

Looking forward, the global transition away from fossil fuels is dependent on low-carbon innovations and we have a role to play in facilitating new technology through our insurance offerings. Aviva plc has developed a specialist renewable energy proposition providing insurance solutions for the full lifecycle of renewable energy risks worldwide. Through this product, we currently insure the largest windfarms in Africa, and also insure over \$500M of renewables assets in Canada (a mix of onshore wind, solar PV and battery storage projects). Aviva Canada now possesses local capability to underwrite renewable energy projects and is focused on expanding this line of business in 2022.

We are also developing new insurance products through a climate lens, such as parametric coverage, offering innovative ways of covering risks typically not supported by traditional insurance.

Our continued efforts to help our personal and commercial insurance customers to better adapt and build resiliency in the face of increasing extreme weather include:

- continued education on the most common perils facing Canadians
- leveraging a live catastrophe reporting tool, that enables our claims response team to mobilize more quickly to support customers impacted by severe weather events
- working with the wider industry and government to address the underinsurance and protection gap in Canada, particularly as it relates to flood. This past year, we offered \$2,500 to policyholders affected by the BC Floods disaster who were ineligible for flood insurance

Claims Management: We are working with our suppliers to reduce their associated emissions, making our claims management process net zero by 2030. Our approach is one of engagement and partnership, and we'll collaborate closely and provide support to collectively move the needle. We engaged with more than three quarters of our claims supplier base in 2021, to understand their climate ambitions, progress and challenges. We are encouraging them to set science-based targets across all three scopes, and by including their Scope 3 emissions they may influence suppliers within their own value chains, creating a ripple effect beyond Aviva Canada's direct influence.

To achieve net-zero claims by 2030, we are taking specific actions to increase the efficiency of our processes and reduce the carbon footprint of our suppliers. They include:

- In auto: working with our customers to consider the use of non-safety-critical recycled parts in specific vehicle repairs. Safety-critical parts are always replaced with new parts.
- In property: where possible, we:
 - ▶ repair than replace to drive down generated waste, and replace with household energy efficient appliances;
 - ▶ use video calls or 3D scanning to create a virtual image of the damage on site to assess claims, to reduce the need for travel; and
 - ▶ use an improved drying process for eligible flood claims, which restores drywall and building material, avoiding landfill and reducing carbon emissions.
- launched a sustainable claims management pilot using eligible claims from the British Columbia flooding disaster, focused on diverting waste from landfill.

We constantly monitor potential severe weather situations and are ready to respond 24/7. In 2021, we responded to seven events including floods, hailstorms, wildfires and tornadoes across eight provinces, assisting over 6,000 customers.

Helping non-profit housing protect against water damage: Water is the most common cause of damage to buildings. Water claims have more than doubled since 2015 across Canada. Water protection devices such as Water Protec's water leak detection system are on the market and help to significantly reduce water claims, yet developers, existing strata and building owners, and building codes are slow to adapt and recognize the need for water protection. Aviva Risk Management Services established a partnership with the BC Non-Profit Housing Association to have the Water Protec system installed in one of its properties under development, the Red Door Housing Society Project, which provides affordable rental housing to low-income community members. Aviva Canada contributed financially to the initiative, and was involved in all project phases, including installation, testing and ongoing maintenance. Since implementation, the device has prevented a claim for water damage, shutting the water down in a unit as soon as it detected a dishwasher leak. And the Red Door Housing Society and its tenants experienced minimum disruption as a result.



Case Study: EcoClaims Pilot – Handling Claims Sustainably After Devastating Flooding

In November 2021, a number of atmospheric rivers caused unprecedented rainfall for more than two weeks in southwestern British Columbia. According to Catastrophe Indices and Quantification Inc. (CatiQ) these floods caused more than \$515M worth of insured damage – making it the costliest insured event in British Columbia’s history.⁵

As we began to process claims in the days following the floods, we mobilized quickly to test new ways of handling claims. We launched EcoClaims pilot – a meaningful first step to reduce and divert landfill waste through sustainable claims handling from catastrophic floods. Working with MBC Group, our large loss appraisal partner and Platinum ProClaim, an industry leading contractor in sustainable claims management, the pilot includes:

- Selecting specific, eligible claims from the flooding to optimize learnings
- Creating a Green Site to sort and measure the waste from each claim and recycle materials wherever possible
- Tracking data about the amount and type of materials from each claim and support vendors on the ground with tear-out options for effective sorting
- Onboarding and educating vendors to support recycling protocols
- Creating a donation stream that allows for materials that would normally be sent to landfill to be repurposed for reuse by local charitable organizations and animal shelters

Learn more about how the pilot came to life [here](#)

The data and the key learnings from this pilot will help us determine how to embed sustainable claims handling into our standard process in the future.

As of March 2022, over 22 tonnes of waste have been diverted from landfills from these claims.



⁵ <http://www.abc.ca/bc/resources/media-centre/media-releases/british-columbia-floods-cause-450-million-in-insured-damage>



Targeting Operations and Supply Chain to be Net Zero by 2030

As a business, we are leading by example in reducing the environmental impact of our operations, procurement and supply chain activities.

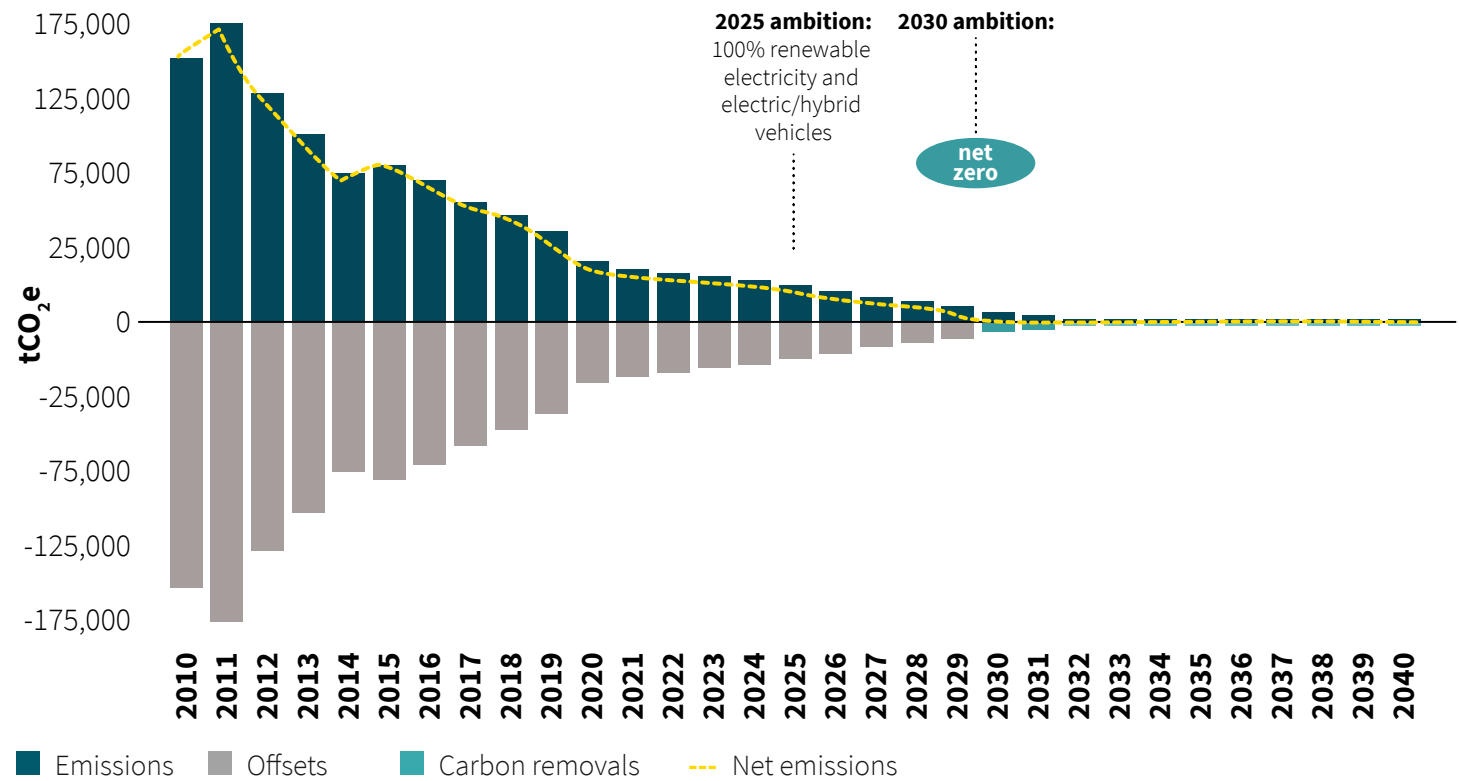
We do this in many ways by:

- deploying energy efficiency technology and digital communications
- using renewable energy sources
- minimizing the carbon intensity of our car fleet

Aviva plc was the first major insurer to be carbon neutral, through the purchase and retirement of carbon offsets from the voluntary carbon market. Globally, we plan to continue leading on these fronts, as we increase our climate-positive impacts.



Figure 2: Aviva plc's Scope 1 and 2 emissions (operations) trajectory, for illustrative purposes only



Emissions reduction forecasts are for illustrative purposes only. Pathways are based on a reduction of 8% per year 2020–2030. This goes beyond SBTi's AC 1.5-degree pathway (>4.2% per year, which would reach net zero by 2040). Exact targets and milestones will be determined as part of SBT commitment.

Source: Aviva plc – Aviva plc's data used for reference as we build out Aviva Canada's data set.

Renewable Energy and Emission Reductions: Aviva plc has already achieved the company’s global long-term carbon emissions reduction target of 70% by 2030, set in 2010, by reducing our emissions by 81%. We’re aiming for operations in Aviva’s core markets (UK, Canada and Ireland) to be net zero by 2030. By end 2021 Aviva Canada met our target of running our operations on 100% renewable electricity (aligned to the RE100 commitment) through the purchase of verified Renewable Energy Certificates, which we will renew annually. This action reduced our Canadian operational carbon footprint by 43% in 2021.

Data-driven Buildings: Aviva Canada has introduced Aviva plc’s award-winning Smart Building Optimization Program to our two largest offices, in Markham and Oakville, linking data-capture technology linked to building management controls. This project will enable us to further identify and abate the emissions across our leased estate that are more challenging to eliminate. We expect a minimum 9% annual energy reduction from our leased facilities in 2022 and beyond through this program, with an anticipated payback period of under a year.

Corporate Fleet: In March, Aviva plc joined the EV100 initiative, which aims to accelerate the use of electric or plug-in hybrid vehicles in corporate fleets by sharing best practices among members. Our goal is to deliver all new company car leases in Canada, the UK and Ireland through battery electric (BEV), plug-in hybrid (PHEV), or hydrogen fuel cell electric vehicles (FCEV) vehicles by 2025.

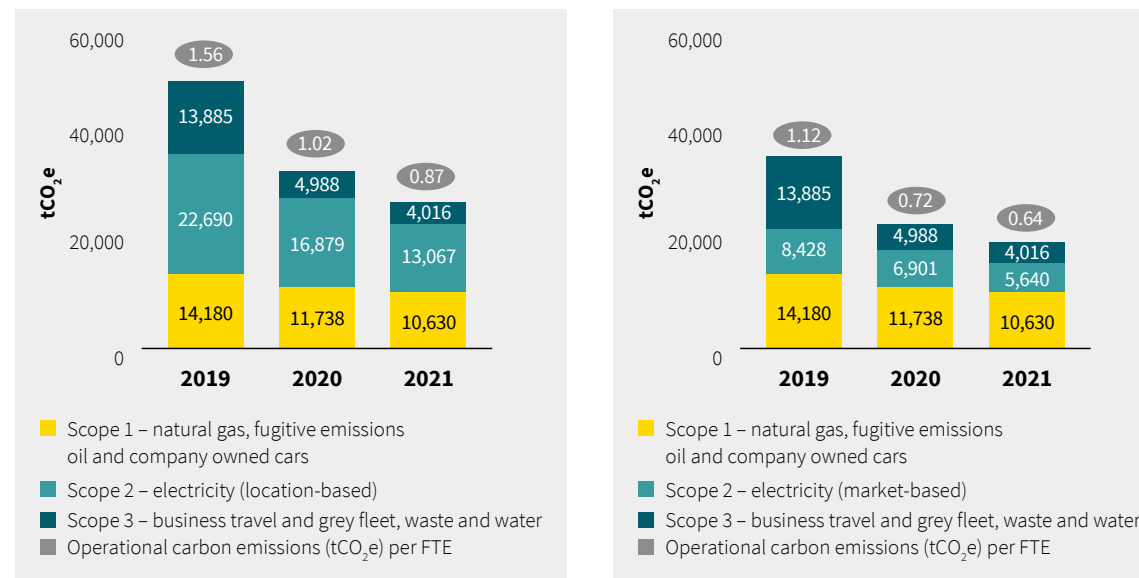
Transparency: While our operational decarbonization program is ambitious, there are still emissions across our value chain that we are currently unable to abate. With more companies considering how they treat residual carbon emissions from their operations, the focus on offsetting emissions and the type of offsets employed has increased dramatically.

Aviva plc is continuing to maintain the carbon neutrality of our operations through use of avoidance/reduction credits⁶ through to 2030. At that stage, we will switch to using removal credits.⁷ To contain costs and ensure our operational carbon neutrality status, Aviva plc worked with carbon development partners to develop a Gold Standard cookstove project in the Bihar region of India. This project will deliver enough carbon avoidance credits to ensure our operations remain carbon neutral through to 2030.

Aviva plc has expanded our operational carbon emissions methodology to calculate the emissions produced per employee, which includes the emissions from homeworking to reflect our hybrid operating model. As this methodology is still nascent and is based on a number of assumptions, we have not included these emissions in our operational carbon footprint table. However, we estimate this equates to 3,051 tCO₂e for our core businesses, net of the Renewable Electricity Certificates (RECs) we have purchased. We believe these emissions to be Aviva’s responsibility and have, therefore, purchased carbon avoidance offsets to account for them. In Aviva Plc’s Annual Report and Accounts, we have included an expanded table featuring our energy use and carbon emissions data. Figure 3 below provides a view of our absolute operational emissions in recent years, which is currently disclosed on an Aviva plc-wide basis.

Figure 3: Aviva plc absolute operational carbon emissions tCO₂e

Operational carbon emissions (tCO₂e) location-based Operational carbon emissions (tCO₂e) market-based



Source: Aviva plc – Aviva plc’s data used for reference as we build out Aviva Canada’s data set.

⁶ These credits represent the carbon dioxide equivalent that is prevented from being emitted into the atmosphere.

⁷ These credits represent the carbon removed from the atmosphere as the result of a carbon removal project.

Procurement: We are seeking to work with organizations with a shared ambition to reduce their environmental impact in Canada, and particularly those that have enshrined this commitment through external benchmarks such as science-based targets. Our work in 2021 included:

- developing a Climate Action schedule, to be included in our standard contracts with suppliers
- Ensuring compliance with Aviva-wide ‘Stoplist’ that sets out what we will not invest in, underwrite or engage as a supplier due to poor ESG credentials.

Beginning our fleet electrification journey: We understand the need to accelerate the decarbonization of the transportation sector, as the second highest contributor to Canada’s greenhouse gas emissions accounting for one quarter of our total⁸. We also support the Canadian government’s mandatory target to achieve 100% zero-emission vehicle sales by 2035 in support delivery of national net-zero targets.

This is why we’ve committed – both in Canada and across our global operations – that all new company vehicle leases will be either electric or plug-in hybrid by 2025. As part of our EV100 pledge, we will transition our fleet and install appropriate infrastructure on our premises, ensuring that 5% of all our office parking spaces offer EV charging in Canada.

We are working collaboratively with our fleet drivers and external partners to develop our EV fleet 2025 transition plan. This includes surveying our people to understand their needs, concerns and charging requirements, in order to develop an effective change management process. Delivering on our global commitment, an EV100 compliant fleet by 2025, will save up 4,200 tonnes of carbon emitted into the atmosphere every year.



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⁸ <https://www.canada.ca/en/environment-climate-change/services/environmental-indicators/greenhouse-gas-emissions.html>



Embedding Climate in Our Culture

Our people are the driving force behind everything we achieve as a business, which is why we want to empower them to take climate action alongside us and in partnership with organizations that share our ambition. Significant transformation is required to respond to climate change, and this requires a marked change in individual behaviour. We are enabling our people to adjust their behaviour and reduce their environmental footprint. We supported our people in a number of ways this past year including:

- Releasing an employee guide, [Tackling Climate Change Together](#), which takes them on a journey through our actions and equips them with information to play their part, in their job, in the wider workplace, at home or in the community.
- Offering a Personal Spending Account of \$200 per employee, which can be used for many green living items, such as bike-sharing memberships, solar energy products and composters.
- Developing a plan to install additional EV charging ports across our offices in Canada, to ensure 5% of all spots are equipped by 2025, with our next installation slated for Markham, Ontario in 2022.
- Making available Essential Learning training for our people and in-depth training for those with direct responsibility to identify, manage, measure and report climate-related risks and opportunities with a completion rate of 100% and 96% respectively.
- Volunteering and fundraising through AvivaGives in support of our national partner, WWF-Canada, and other climate-related causes across Canada. Benefits include three paid volunteer days and up to \$300 in matching dollars annually.

We empower our people to make the changes they want to see to ensure we can embed climate action across our organization and demonstrate true leadership on climate change. Analysis from our annual employee Voice of Aviva survey indicates that 89% of Canadian employees took personal sustainability actions at work and 70% took actions within their core role.

We have integrated climate considerations into the day-to-day decisions we all make, from insurance through to procurement. The work we have been doing to enhance the climate risk reporting and controls are utilized across our Canadian business. We are upskilling our workforce along the way, and ensuring climate is engrained in what we do.

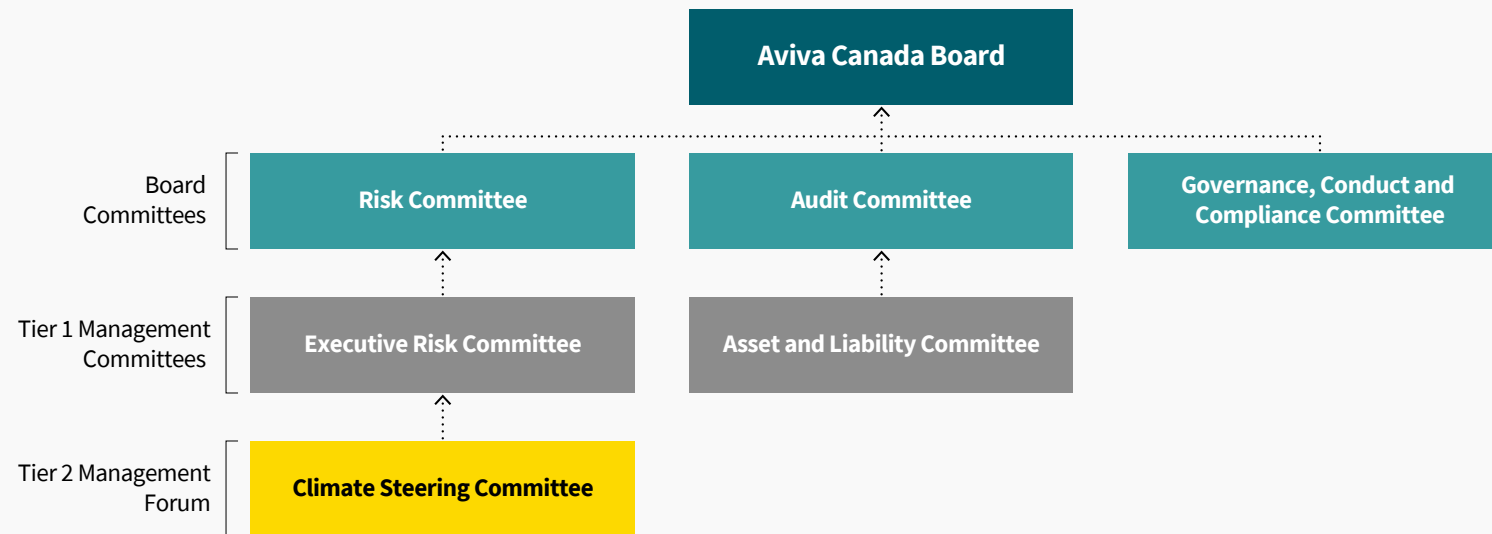


Governance

We are embedding climate change considerations across our organization

Aviva Canada has a strong system of governance, with effective and robust controls. This governance is proportionate to the nature, scale and complexity of the operations across our business. It allows the Board, management committees and senior leadership to integrate climate-related risks and opportunities into our strategy, decision making and business processes. The governance structure, primary committees and their respective roles and responsibilities are summarized in Figure 4 below. Our sustainability team provides advisory services internally.

Figure 4: Aviva Canada’s climate governance structure



“To reach net zero, we’re using our influence to encourage real change in the companies we invest in. It’s also essential that we bring our partners and other financial institutions along with us in our journey.”

Colin Simpson, Chief Financial Officer

Committee	Roles and responsibilities	Activity during 2021
Aviva Canada Board	The Board provides leadership of Aviva Canada within a framework of prudent and effective controls which enables risks (including climate-related risks and opportunities) to be assessed and managed.	The Board received an update on execution of the Aviva Sustainability Ambition, highlighting work in place to deliver our commitments. It approved the 2022-2024 Business Plan which includes climate metrics, targets and mitigation actions. The climate risk appetite and associated thresholds were adopted by the Board.
Risk Committee	This Committee assists the Board in its oversight of risks, including climate-related risks and opportunities, by assessing the effectiveness of our risk management framework, strategy, risk appetite, risk profile and compliance with regulatory requirements.	The Committee met four times to review, manage and monitor all aspects of risk management, including climate-related risks. The Committee approved the climate risk appetite, monitored progress made in meeting targets (via the CRO report), reviewed the outcomes from the PRA Climate Biennial Exploratory Scenario (CBES) exercise as well as our Own Risk and Solvency Assessment (ORSA) report including climate analysis.
Audit Committee	<p>The Committee working closely with the Company's Risk Committee, is responsible for:</p> <ul style="list-style-type: none"> • monitoring the integrity of the Company's financial statements and the effectiveness of the systems of control over financial reporting, including having comfort in respect of Aviva Group whistleblowing provisions; • monitoring the effectiveness, performance, independence and objectivity of the internal audit function, the external auditors and other oversight functions of finance and Chief Actuary; • Oversight and management of investment activities of the Company in accordance with Section 165(2)(h) and Section 492 of the Insurance Act. And • working with the Risk Committee, requiring management to implement and maintain appropriate internal control procedures 	As part of Aviva Canada's 2021 Strategic Asset Allocation in May, the Investments & Assets and Liability Management team presented targets for reducing the carbon intensity of the investment portfolio and purchasing green assets. This Committee reviewed and approved the recommended targets. Throughout the rest of the year, this Committee monitored the progress toward attaining these carbon intensity and green assets aspirations. The Committee also reviews all disclosures in the financial statements to ensure compliance with applicable standards and requirements.
Governance, Conduct and Compliance Committee (the "Governance Committee")	The purpose of the Governance Committee is to assist the Board to oversee the governance framework of the Company, pensions and in performing the duties in the Insurance Companies Act related to Self-Dealing, Conflicts of Interests, Privacy and Use of Confidential Information. The Committee also assist the Board in the oversight of Conduct Responsibilities including overseeing the brand and reputation of the Company.	The Governance Committee received quarterly or regular reports on complaints handling, conduct framework and regulatory compliance matters that enable the Committee to monitor compliance with requirements of applicable policies, standards and regulations and the conduct framework of third parties.
Asset and Liability Committee	This Committee supports the CFO to ensure we optimize opportunities to make best use of capital across Aviva Canada while ensuring there is appropriate oversight in relation to the management of: (1) the balance sheet; (2) financial risk exposure; and (3) position against the risk appetites as set by the Aviva Canada Board. Importantly, their mandate includes responsibility to review and approve climate-related financial disclosures.	Newly established, this Committee met once during the year. The Committee will meet four times per year in 2022 and beyond. The Committee added quarterly monitoring of the investment portfolio's carbon intensity and green assets holdings within its Terms of Reference.
Executive Risk Committee	This Committee's responsibility is to review and challenge assessment of impact to the risk profile from climate change, including associated management actions.	This Committee met four times and reviewed progress updates from our Executive Climate Steering Committee. They also reviewed and approved our first internal production of a Climate-Related Financial Disclosure, and monitored the metrics, targets and mitigating actions throughout the year.
Climate Steering Committee	This Committee's responsibility is business-wide delivery of our climate ambition, which includes identifying, assessing and managing climate-related risks and opportunities. It comprises eight Executive Committee members who each hold accountability for delivery of our climate commitments.	The Committee met thrice to provide strategic direction to our Business-Led Climate Working Groups who cover the core areas of our business, our investments, engagement with our people and our community impact. This Committee reviewed and approved the development and progress of each Working Group's action plans and ensured appropriate management support and resourcing.

Aviva Canada's Management's Climate Roles and Responsibilities

Like all property and casualty insurers, Aviva Canada ensures dialogue and compliance with all federal and provincial regulators.

In 2021, we provided inputs on The Office of the Superintendent of Financial Institutions' (OSFI) climate-related policy discussion paper. As a wholly-owned subsidiary of Aviva plc, we are also in line with [PRA's Supervisory Statement 3/19](#) "Enhancing banks' and insurers' approaches to managing the financial risks from climate change".

Aviva Canada's CEO is accountable for:

- Compliance with legal, regulatory, corporate governance, social, ethical and environmental principles.
- Ensuring that climate-related risks and opportunities are considered as part of the investment, underwriting, product design, pricing and claims processes through clearly defined roles and responsibilities in regard to climate risk.
- From January 1, 2022, identifying and managing the financial risks from climate change and the development and oversight of Aviva's sustainability ambition execution.

Aviva Canada's Chief Financial Officer is responsible for:

- Advising the Board on our exposure to the financial risks arising from climate change – including how these risks impact our strategy and business model – and assisting the Board with addressing and overseeing these risks.
- Assisting the Board with developing and maintaining an appropriate approach to disclosure and regulatory reporting of the financial risks from climate change.
- Preparing and publishing the climate-related financial disclosure, production and monitoring of the key measures within the climate risk appetite (quarterly) and against plan.

Aviva Canada's Chief Risk Officer (CRO) is responsible for

- Ensuring climate-related risks and opportunities are identified, measured, monitored and managed through our risk management framework and in line with our risk appetite.

For the last two years, our CRO engaged in an Aviva-wide climate-related risks and opportunities project, the aim of which was to integrate identified risks and opportunities into our existing processes. The project was executed by an inter-disciplinary team with representation from across the business. The embedding of climate-related risks and opportunities is integrated into our business-as-usual activities across our three lines of defence⁹.

Leadership teams across Aviva Canada are responsible for managing those areas of the business which may affect or be affected by climate change. For example, our Chief Financial Officer (CFO) is accountable for ensuring the delivery of our 2030 net-zero operations and supply chain commitments, including property and energy decarbonization and alignment of procurement practices to the SBTi.

Remuneration: We believe we can make our climate and wider ESG agenda a key differentiator for Aviva Canada.

Aviva plc's 2021-2023 Long Term Incentive Plan (LTIP) – with 10% of the plan based on ESG metrics, split across separate measures (one climate and two diversity & inclusion metrics) – was approved at its 2021 Annual General Meeting. Our Canadian CEO is part of this plan.

The LTIP is intended to (i) incentivize and reward senior executives for delivering Aviva's long-term objectives, (ii) align them with the interests of shareholders, and (iii) encourage a focus on value growth. This change will ensure that the LTIP supports delivery of our sustainability ambition goals across all Aviva markets.

Climate training: Aviva Canada has prioritized building the skills of our Board, leadership and employee base with respect to climate considerations. This will help ensure appropriate resources and expertise are developed to inform and manage the associated risks and to create climate cultural awareness. We delivered tailored climate training to relevant Management and Board Committees this past year.

⁹ This sets out the risk management responsibilities across the business.

Figure 5: Illustrative examples of Aviva Canada’s climate-related roles and responsibilities

<p>Actuarial Responsible for developing climate methodology, risk appetite and calibrations.</p>	<p>Claims Ensures climate considerations are incorporated into the claims process e.g. “build back better” and work with customers to help them become more resilient.</p>	<p>Legal Supports business with climate-related legal requirements.</p>	<p>Reinsurance Incorporates climate change considerations in reinsurance arrangements.</p>
<p>Asset and liability management Ensures the ALM position is effectively managed and the Strategic Asset Allocation is in line with the business plan.</p>	<p>Enterprise risk management Ensure climate considerations are part of our risk processes, including risk opinion and ORSA; and all relevant functions meet Aviva’s standards and frameworks, including climate-related risk controls.</p>	<p>Operations (including IT, Property and Facilities) Ensure our Operational Carbon emissions are in line with targets focusing on reducing our environmental impact through energy efficiency, clever use of technology, using renewable energy sources and minimizing the carbon intensity of our car fleet.</p>	<p>Sales and marketing Incorporates climate change considerations into how our products are marketed to customers.</p>
<p>Asset management Incorporates environmental, social and governance considerations into investment management.</p>	<p>External reporting Produces the climate-related financial disclosure in line with our customers’ expectations and regulatory requirements.</p>	<p>People Ensures we build the required skills and knowledge of our colleagues so we all understand how we can mitigate climate-related risk, grasp opportunities and support the delivery of our commitments.</p>	<p>Strategy Considers climate change in strategy development.</p>
<p>Brand and corporate affairs Develops our sustainability strategy, defines the climate action plan, influences the integration with the business, advocates for climate policy, and supports non-financial reporting and communications.</p>	<p>Internal audit Assesses and reports on the effectiveness of the design and operation of the controls with respect to climate.</p>	<p>Pricing/Product development Incorporates climate considerations in product pricing and development; to further develop climate conscious product and services, which reward customers for environmentally responsible actions, provide some element of adaptation/resilience or additional cover where possible for those customers at risk of extreme weather impacts.</p>	<p>Underwriting Incorporates climate change considerations e.g. flood risk profiling for equity release and commercial mortgage lending.</p> <p>Our new Tackling Climate Change Together guide for employees equips them with the information they need to contribute at work, at home and in their community.</p>
<p>Business planning Sets up the business plan in line with the strategy, climate transition plan and risk appetite.</p>	<p>Investment Ensures the end-to-end investment process factors climate considerations.</p>	<p>Procurement Ensures best practices are in line with the Science Based Targets Initiative.</p>	



Risk Management

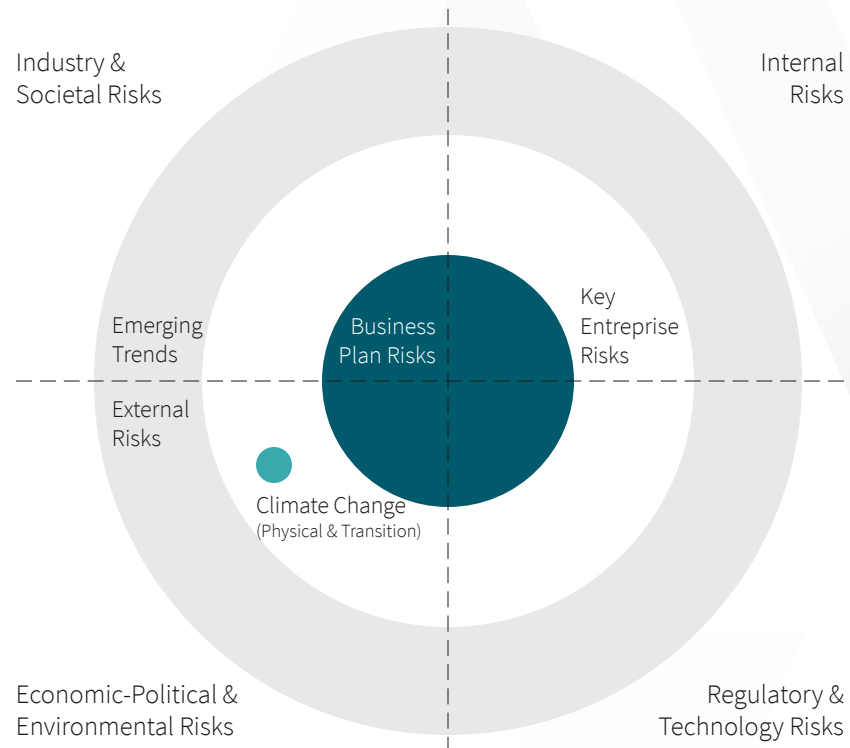
A rigorous and consistent risk management framework is embedded across Aviva Canada.

Aviva Canada's process for identifying and managing climate-related risks

Aviva Canada's risk management framework sets out how we identify, measure, monitor, manage and report on the risks to which our business is, or could be, exposed to – including climate-related risks, such as new climate public policies or increases in average temperatures. We then conduct an analysis to understand how these risks will impact our most material exposures. We map emerging risks and trends on our Emerging Risk Spectrum (see Figure 6) according to the nature and size of their impact to assess their materiality, which dictates the prioritization for management action and reporting necessary. This assessment is primarily qualitative but is supported by quantitative data. Aviva Canada considers climate change to be a significant risk to our strategy and business model and its impacts are already being felt. We are acting now through our business strategy and sustainability ambition to mitigate and manage its impacts both today and in the future. Through these actions, we continue to build resilience to climate-related transition, physical and liability risks.

Aviva plc's global climate change ambition has been factored into Aviva Canada's business plan. As well, we've incorporated it in our risk management frameworks, and risk appetite to ensure alignment with the ambition, as well as in Aviva plc's Long-Term Incentive Plan for Senior Management, including Aviva Canada's CEO.

Figure 6: Aviva Canada Emerging Risk Spectrum

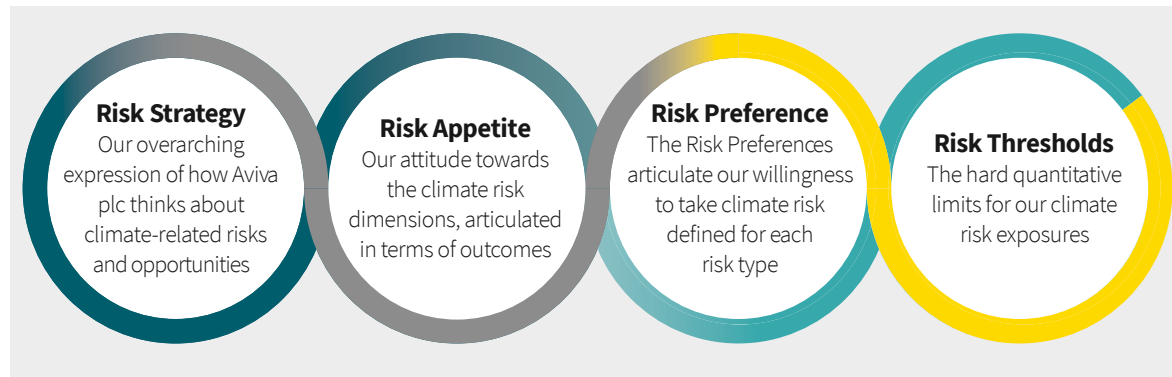


“To prepare for the impacts of climate change, all businesses should be integrating climate risk, into their business strategies. Even if the methodologies aren't yet perfect, and the path isn't perfectly laid out, we need to act.”

Rahul Gumber, Chief Risk Officer

Risk Appetite Statement: We have a very low appetite for climate-related risks which could have a material negative impact upon our balance sheet and business model, as well as our customers and wider society. We actively seek to reduce our exposure over time to the downside risks arising from the transition to a low-carbon economy. We also seek to identify and support solutions that will drive a transition to a low-carbon, climate-resilient economy; as well as limit our net exposure to the more acute and chronic physical risks that may occur in the event the Paris Agreement target is not met¹⁰. We actively avoid material exposure to climate litigation risks.

Figure 7: Key components within Aviva Canada’s Climate Risk Appetite



Escalation process: The climate risk appetite, its metrics and associated thresholds are set by Aviva plc and adopted by the Aviva Canada Board of Directors. The position against this risk appetite is closely monitored and reported to the Board.

Frequency of review: Aviva Canada reviews all metrics on a quarterly basis. These metrics are used internally in various processes from monitoring risk appetite to business planning and measuring progress against our external climate plan.

¹⁰ We note that physical risks will also occur even in the event the Paris Agreement target is met.

Risk Preferences

Our Risk Preferences form a key part of the Risk Appetite Framework. These express qualitative preferences for individual risk types specifying where the business wants to take risks and why.

Risk Type	Preference	Rationale
Transition risk	Avoid ¹	We seek to reduce the impact on our business that is likely to arise from the extensive policy, technology and market changes resulting from the transition to a low-carbon economy. Depending on the nature, speed and focus of these changes, transition risks may pose varying levels of financial and reputational risks.
Physical risk	Accept ²	We seek to limit, or where appropriate reduce, our investment and net underwriting exposure to the more acute and chronic physical effects of climate change, while recognizing that we have capabilities to manage these risks, support adaptation and build resilience.
Litigation risk	Avoid	We are averse to climate litigation risk that could arise from parties who have suffered loss and damage from climate change and seek to recover losses from Aviva if they consider that investment or underwriting activities have contributed to that loss.

¹ We want a small amount of this risk

² We want a moderate amount of this risk

Targets & Metrics

Our process to assess, manage and monitor climate-related risks and opportunities.

Globally, we use a variety of metrics and tools to manage and monitor our alignment with global or national targets on climate change mitigation, and to assess the potential financial impact of climate-related risks and opportunities on our business. In this Canadian disclosure, we cover the three metrics that are disclosed on a local business basis, by Aviva Canada: 1) Weighted average carbon intensity; 2) Investment in green assets; and 3) Weather-related losses. For details on the remaining metrics that we report on an Aviva-wide basis only, please refer to Aviva plc's 2021 [Climate-related Financial Disclosure and Reporting Criteria](#) document.



Aviva Canada's Climate-Risk Metrics: We use external sources to produce climate metrics; these sources are noted below.

While recognizing the limitations of the metrics and tools used (e.g. scope of coverage, data availability and extended time horizons, as well as the uncertainty associated with some of the underlying assumptions), we believe they are still valuable in supporting our climate-related governance, strategy and risk management.

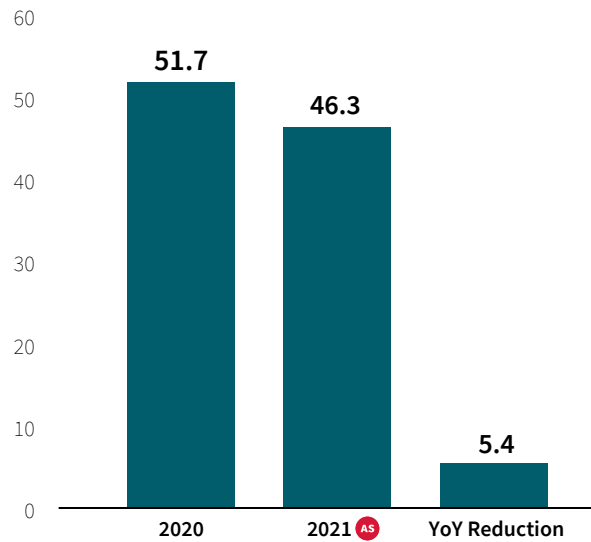
Climate Metric	Risk/Opportunity	Physical/Transition Risk	Scope	Disclosure Detail	Measurement	External Data Provider (where relevant)
Climate Value-at-Risk (VaR)	Equity, Credit, Sovereign, Real Estate, Life and GI liabilities	Physical & Transition	Shareholder (including shareholder component of with-profit funds)	External disclosure on Aviva plc-wide basis only (see Aviva plc 2021 Climate-Related Financial Disclosure)	Assess the potential business impacts of future climate-related risks and opportunities for different IPCC scenarios and in aggregate.	MSCI, ND-GAIN, ClimateWise
Weighted average carbon intensity	Equity and Credit	Transition	Shareholder and with-profit funds	External disclosure on Aviva plc-wide basis and on a Canadian business basis	Use weighted average carbon intensity data to assess the exposure of our assets compared to 25% reduction target by 2025 to reduce our carbon footprint.	MSCI
Absolute operational carbon emissions	Operational carbon emissions	Transition	Aviva operations	External disclosure on Aviva plc-wide basis only (see Aviva plc 2021 Climate-Related Financial Disclosure)	Measure the operational carbon emissions in tCO ₂ e and compare to target.	DEFRA, IEA
Investment in green assets	Green Bonds and Low Carbon Infrastructure	Transition	Shareholder and customer funds	External disclosure on Aviva plc-wide basis and on a Canadian business basis	Measure Aviva's investment in green assets i.e. green bonds and low carbon infrastructure and compare to target.	Bloomberg
Portfolio warming potential	Equity, Credit, Real Estate, Sovereign and Green Assets	Transition	Shareholder and with-profit funds	External disclosure on Aviva plc-wide basis only (see Aviva plc 2021 Climate-Related Financial Disclosure)	Measure the portfolio temperature pathways and alignment to Paris Agreement target.	MSCI, Climate Action Tracker
Monitoring sovereign holdings	Sovereign holdings	Physical	Shareholder and with-profit funds	External disclosure on Aviva plc-wide basis only (see Aviva plc 2021 Climate-Related Financial Disclosure)	Measure our exposure to countries highly or moderately vulnerable to climate change and review sovereigns holdings with Notre Dame-Global Adaptation Index (ND-GAIN) scores below 50.	ND-GAIN, World Bank, Climate Watch
Weather-related losses ¹¹	General Insurance liabilities	Physical	General insurance business	External disclosure on Aviva plc-wide basis and on a Canadian business basis	Actual weather-related losses versus expected weather losses by year and business unit and Weather impact on COR – over/under long-term average	N/A

¹¹ A catastrophic (CAT) event in Canada is "An event or series of events where the nature or duration is such that ordinary claims handling processes and resources need immediate change and/or strengthening, so that customer service and claims control are maintained. This typically will exceed \$5 million or 500 claims."

Weighted average carbon intensity: In line with the TCFD guidelines, we monitor the carbon footprint of our credit portfolio including preferred equity for shareholder funds on a regular basis. Aviva Canada portfolios comprise 66% of our total shareholder funds. We use weighted average carbon intensity data (tCO₂e¹²/\$m sales) to assess our investment portfolio’s sensitivity to an increase in carbon prices and our progress to the Paris Agreement target. Carbon intensity is based on Scope 1 and Scope 2 location-based carbon emissions for the investee company in accordance with the methodology used by MSCI. Work is ongoing to extend the range of asset classes for which we can calculate carbon emissions, for example extending to sovereigns and private/illiquid assets¹³.

Aviva Canada’s weighted average carbon intensity has been reduced by 10% compared to 2020, trending in line with our 25% NZAOA reduction target by 2025¹⁴. This is due to proactive investing by our business into less carbon intensive industries, as well as in companies reducing their carbon intensity. Our objective over time is to reduce the carbon intensity to align our investment portfolio to the Paris Agreement target.

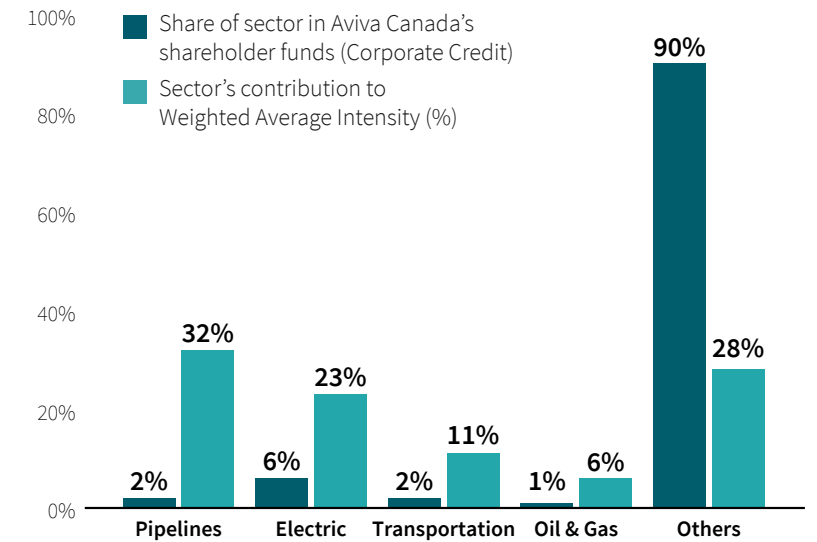
Figure 8: Weighted average carbon intensity (tCO₂e/\$m sales) of credit in Aviva Canada’s shareholder funds as at 31/12/2021 ^{AS} ¹⁵ compared to 2020



Source: Aviva plc / MSCI¹⁶

The weighted average carbon intensity scores of credit in Aviva Canada’s shareholder funds have decreased over 2021. We have high data coverage (93%) backing these scores.

Figure 9: Aviva Canada’s exposure to carbon intensive sectors in shareholder funds (credit) as at 31/12/2021



Source: Aviva plc / MSCI¹⁶

Carbon intensive sectors, such as pipelines, electric, transportation and oil & gas, represent 10% of our corporate credit (including preferred equities) shareholder funds but contribute 72% of the weighted average carbon intensity. The pipelines sector is the largest single contributor, representing 2% of the portfolio but contributing to 32% of the weighted average carbon intensity.

¹² Scope 1 and Scope 2 emissions. Scope 3 is excluded at present due to data credibility and availability. As per the TCFD consultation, we support the inclusion of scope 3 and will move to include it as soon as the data permits.

¹³ Note that not all firms publish emissions data (or indeed are estimated by data providers) so coverage of less than 100% is to be expected.

¹⁴ The target is set using carbon intensity by revenue metric (Scope 1 and 2) covering credit including preferred equity holdings.

¹⁵ Independent reasonable assurance has been provided only over 2021 data marked with ^{AS}. PwC’s assurance statement and a link to Aviva’s Reporting Criteria can be found in this document.

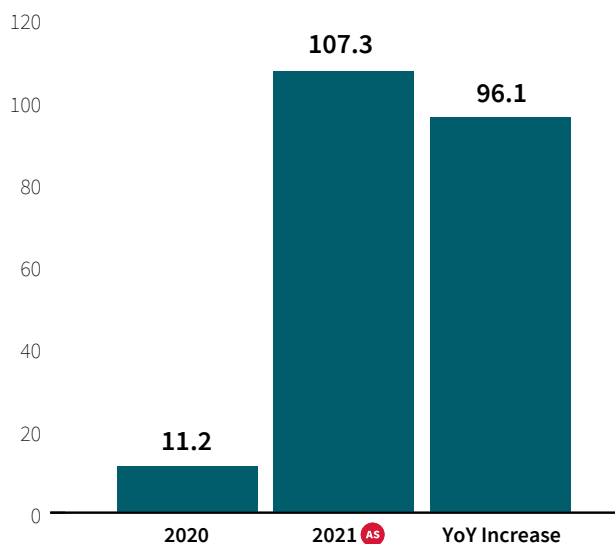
¹⁶ Certain information ©2021. MSCI ESG Research LLC. Reproduced by permission.

Investment in Green Assets: Increasing our investment in the transition and the green economy more broadly is a significant opportunity and is recognized as such with a specific green assets target. However, it is important to note that the Canadian market supply of green assets is somewhat limited given the early stages of Canadian green issuances. The portfolio could potentially return less by investing in green assets, due to the prospect that green issues may trade at a lower yield compared to similar non-green assets.

- Low carbon infrastructure assets (including low carbon real estate)
- Green bonds (including green Federal/Provincial bonds), social bonds, sustainability bonds, and green and sustainability-linked loans
- Specific climate-related funds

The portfolio scope for green assets within this disclosure covers Aviva Canada’s own shareholder assets. We have made a commitment to reach targets of \$100M, \$200M, and \$350M of total green assets holdings by year end 2021, 2022, and 2023 respectively.

Figure 10: Green Assets (CAD\$m) as at 31/12/2021 ^{AS} ¹⁷ compared to 2020



Aviva Canada’s green assets have increased over 2021, and our target was met through investments in green bonds. Green bonds are types of bond instruments where the proceeds will be exclusively utilized to finance projects with clear environmental benefits. The International Capital Market Association (ICMA) provides standards for the specific Green Bond Principles. These investments support the transition to a Net-Zero economy through means such as financing renewable and low carbon energy generation projects.

Source: Aviva Canada

¹⁷ Independent reasonable assurance has been provided only over 2021 data marked with ^{AS}. PwC’s assurance statement and a link to Aviva’s Reporting Criteria can be found in this document.

Weather-related losses: Aviva Canada is dedicated to helping our customers protect their property against devastating weather-related events such as floods, hailstorms, windstorms, wildfires, hurricanes, and tornados. Weather-related events may become more frequent, severe, clustered, and persistent. The speed of this change and the ability of society to adopt mitigation strategies may impact our ability to provide products for our customers at affordable levels over the longer term. We build the possibility of extreme weather events into our pricing to ensure it is adequate and we monitor actual weather-related losses versus expected weather losses across all Aviva businesses. Catastrophic event model results are supplemented by in-house disaster scenarios. For Aviva Canada, our actual weather-related losses in 2021 were slightly better than expected¹⁸.

A catastrophic (CAT) event in Canada is “An event or series of events where the nature or duration is such that ordinary claims handling processes and resources need immediate change and/or strengthening, so that customer service and claims control are maintained. This typically will exceed \$5 million or 500 claims.”

We’ll continue to work with our preferred vendor network on expectations for sustainable practices and build those important foundations for the future. Municipalities are also recognizing the need for change and are enhancing building codes to improve resilience in the face of likely increased weather-related events.



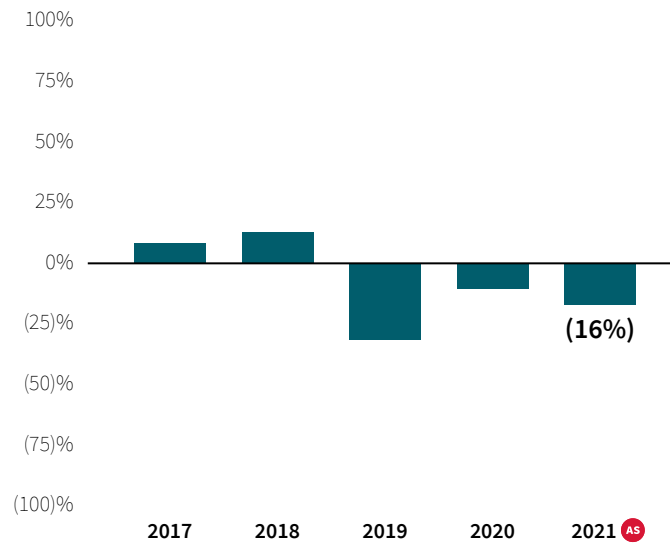
¹⁸ The expectation for weather-related losses is based on the long-term average (LTA).

Our Canadian general insurance business is protected against large, single catastrophe events by reinsurance, purchased in line with local regulatory requirements. These catastrophe reinsurance programs limit Aviva Canada’s exposure to \$50M for up to a 1-in-500-year event¹⁹, in line with regulatory requirements. In the medium to longer term, there is potential for the premiums we need to charge to cover our risk exposure to increase, to be in line with the intensity and frequency of extreme weather events.

Looking across all of Aviva Canada’s property insurance portfolios, the proportion of property insurance premiums attributable to catastrophic weather-related losses is currently quite small, so the impact on premiums would be correspondingly low. Areas at higher risk would see proportionate increases in premiums accordingly.

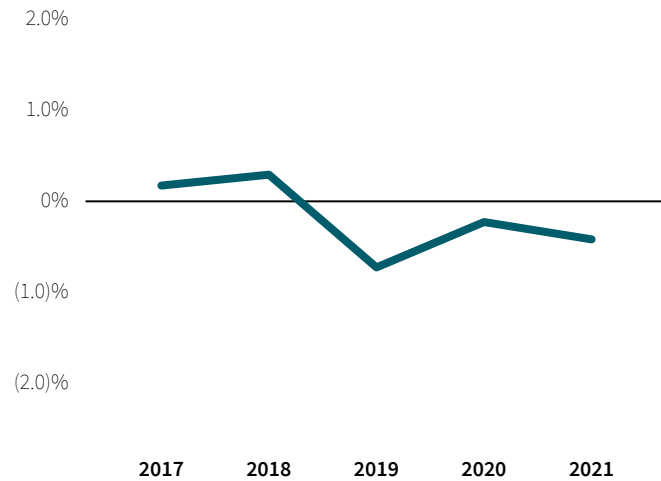
As can be seen in both Figures 11 and 12, the actual weather-related losses have performed better than expected from 2019 to 2021.

Figure 11: Actual catastrophic weather-related losses versus expected losses by year (net of reinsurance)

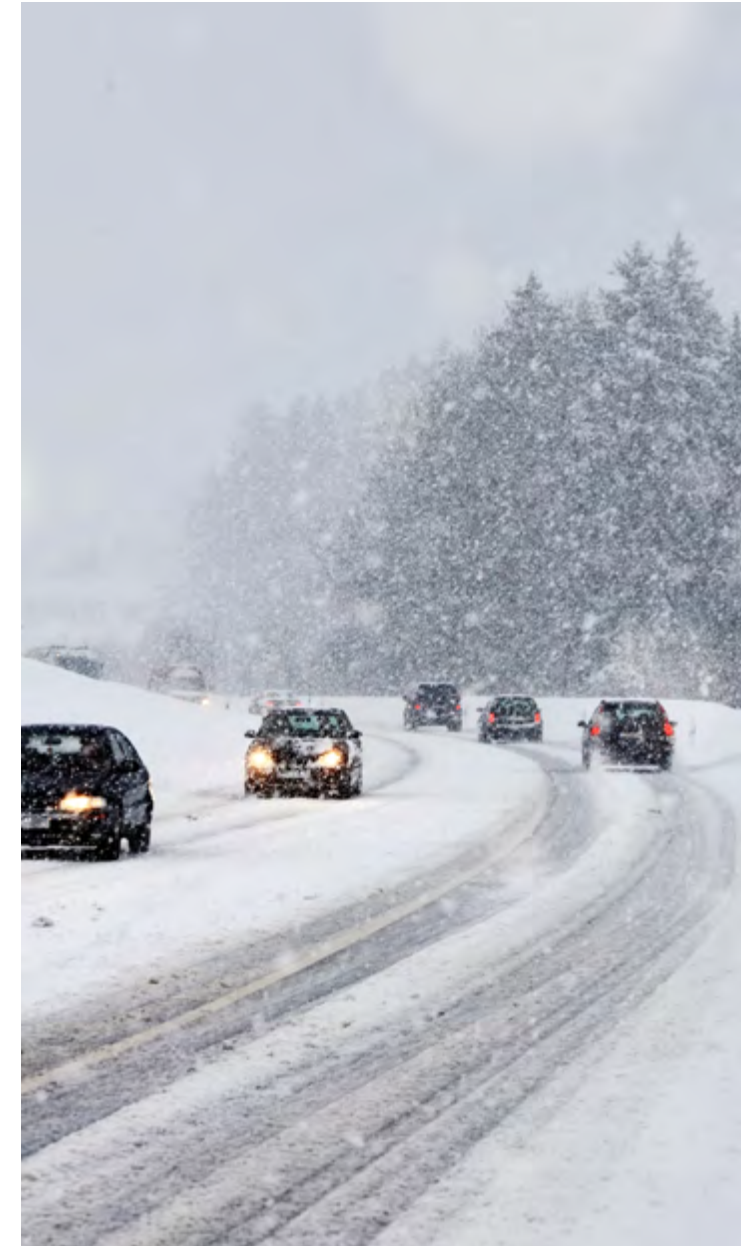


Source: Aviva Canada. When the actual weather-related losses is equal to the long-term average, the percentage is equal to 0%. Better than expected performance will result in a negative percentage and worse than expected performance will be a positive percentage.

Figure 12: Catastrophic weather impact on Aviva Canada’s COR (net of reinsurance)



Source: Aviva Canada. When the impact on Aviva Canada’s Combined Operating Ratio (COR) is as expected, the percentage is equal to 0%. Better than expected performance will be a negative percentage (hence a reduction in COR) and worse than expected performance will be a positive percentage (hence an increase in COR).



¹⁹ The Office of the Superintendent of Financial Institutions, our local regulator, established a glide path to a 1:500 protection which was put in place in January 2022 (prior to that, the cover was up to a 1-in-490-year event).

²⁰ Independent reasonable assurance has been provided only over 2021 data marked with AS. PwC’s assurance statement and a link to Aviva’s Reporting Criteria can be found in this document.

Limitations

Given the emerging nature of methodologies and data used to estimate absolute emissions and carbon footprint, there are significant limitations to consider as discussed below.

Data Quality

Accurate computation of climate-related metrics in investment portfolios requires high quality security-level data including GHG emissions data for underlying investee companies. Many companies are measuring and publicly reporting their emissions, which facilitates the type of high-quality data that investors need to effectively calculate climate-related portfolio metrics. However, many companies have not yet begun their emissions reporting journey. Recognizing that deferring measurement and reporting until 100% reported data is available would impede the progress Aviva could make in the near-term in providing transparency to stakeholders, estimates are used, when necessary. However, using estimated data reduces the reliability of the metrics since estimated emissions may not accurately reflect the actual emissions of any given company. In the case that companies in MSCI's dataset have not reported their emissions, MSCI uses proprietary methods to estimate the company's emissions.

Lagged Data

ESG data reporting by companies is often produced on a lag relative to financial data – as most ESG data disclosure and reporting takes place on an annual basis and requires significant time to produce. In addition, there may be a lag between the time when data is disclosed by companies and when it is incorporated into the dataset produced by MSCI. While Aviva sought to mitigate the impact of lagged data on the estimates by varying the holdings analysis date and the emissions effective date, emissions data included in the analysis for a given holding each year may reflect GHG emissions from prior year(s) for at least a subset of holdings included in the analysis.

Looking Ahead

Taking action on climate change, we are determined to improve the resilience of the financial system, our economy, and society more widely. By contributing to the transition to a low-carbon future, we will help our customers, our people and our business.

There is more we must do. We are laser-focused on delivering our Aviva plc-wide Climate Transition Plan, taking the required steps to reduce emissions to net zero across our operations and supply chain by 2030, and investments and underwriting by 2040. This includes setting science-based targets aligned to a 1.5°C pathway for our operations, supply chain and investments, and ensuring that our climate goals are executed in a way that simultaneously addresses our impact on biodiversity and nature to ensure wider ecosystem resilience.

Aviva Canada will continue our journey toward disclosing the risks and opportunities posed by climate change on our business. We'll continue to play our part, collaborating with others in the financial services industry, the private sector and with government stakeholders to accelerate the transition to a low-carbon future. We are fully committed to realizing a better tomorrow for all Canadians.

Building Stronger Communities

In 2021, we achieved our global goal of donating 2% of Aviva's annual profits to community investment and continued to inspire our people to give back to the causes that matter most to them through our AvivaGives volunteer and giving program. We also contributed to help reduce injuries and fatalities on Canadian streets through Aviva Canada's Take Back Our Roads initiative.

“Part of making sustainability a guiding force in business takes standing up for what you believe in. We believe in making big changes to help people and communities become stronger and more resilient – so they're better equipped to handle setbacks.”

Paul Fletcher, Chief Corporate Affairs Officer

AvivaGives Back in 2021²¹

- **4,044** volunteer hours
- **\$213,185** employee donations
- **\$243,418** corporate matching
- **\$2,690,915** amount of community investment (including value of skills)
- **~61,000** Canadians helped: 58,298 directly benefited; 2,500 indirectly benefited

²¹ Our community investment figures are in alignment with the B4SI global standard for measuring and managing a company's social impact.

AvivaGives empowers our people by giving them time off work to volunteer in their community, matching their personal donations (up to \$300/year) to charities they care about. We also match team fundraising up to \$5,000 per fundraiser across Aviva Canada.

Volunteer days: Our people have up to three paid days off every year to volunteer in their communities. Whether volunteering virtually to gain a better understanding of how they can contribute to a diverse and inclusive Canada, or planting trees, we are proud that our people are taking the time to build stronger, more resilient and inclusive communities.

Volunteering with the Canadian Red Cross

“My involvement with the Canadian Red Cross began as a *Ready When The Time Comes* volunteer in the Greater Toronto Area. It wasn’t long before I put my training into practice by volunteering at a temporary housing facility for those displaced by a building fire in Toronto. I find volunteering for the Red Cross to be personally rewarding as it allows me to give back to the community and help those in need while applying my own knowledge and learning new skills. Recently, I worked on the Connection New Brunswick asset mapping project, which updated a registry of services in local communities available to seniors, which was particularly important during the pandemic.”

Don Williams, AVP, National Line Lead | Commercial Automobile | Corporate Risk Aviva Global Corporate & Specialty

Our People in Action

Credit Valley Conservation

In October, our people and their families spent a morning at Credit Valley Conservation, planting trees and shrubs to help the community be more sustainable and ready for a changing climate. Credit Valley is one of the seven projects that Aviva Canada is supporting through the [WWF-Canada Nature and Climate Grant Program](#).

“Tree planting is one of the best activities for making the planet greener, livelier and healthier. Without trees, the existence of human life, as well as other species on earth, is impossible.”

Siva Mathiapparanam, Manager, Document and Digital Mail Services | Corporate Services | Finance

“It was the first time my wife and I planted trees. We planted three trees and received a free tree to take home. It was a good feeling knowing the opportunity helps us to address climate change, even in a small way, and also benefitted the community as these trees will grow and provide cleaner air. I believe every individual has an equal responsibility in the preservation of this planet, be it planting trees or making small lifestyle changes. I take pride in working for an organization that takes proactive steps in the fight against climate change.”

Nick Masood, Commercial Auto Underwriter | Small Business Unit



Fighting Biodiversity Loss & Climate Change

We partnered with World Wildlife Fund (WWF)-Canada in 2021, investing over \$2M, over three years, in its Nature and Climate Grant Program to fight biodiversity loss and climate change²². Aviva Canada's new climate-focused partnership with the WWF-Canada builds on our announcement in March to target net-zero by 2040.

Aviva Canada's investment will help WWF-Canada's Nature and Climate Grant program identify and support local groups and Indigenous organizations restore degraded lands and shorelines in order to improve habitats and capture carbon. The program will support projects focused on planting trees, native seeds and plants, restoring natural saltwater flows, bank stabilization and habitat creation and enhancement in coastal zones, former agricultural sites, riparian zones, wetlands and forests.

In April 2021, seven grant recipients were awarded. Combined, their work will restore over 100 hectares of habitats to support wildlife and absorb carbon.

1. **ALUS Canada:** Engaging farmers and ranchers in nature restoration in Chatham-Kent, ON and Outaouais, QC
2. **Credit Valley Conservation:** Hungry Hollow Sustainable Neighborhood Action Plan in Halton Hills
3. **Ducks Unlimited Canada:** Maintaining Saint John River floodplain wetlands and measuring carbon accumulation at coastal wetlands
4. **Hammond River Angling Association:** Cutting hedge technology: Using shrubs to sequester carbon and restore Palmer Brook
5. **Nottawasaga Valley Conservation Authority:** Take a load off: Restoring habitat and water quality in the Nottawasaga Valley
6. **Comox Valley Project Watershed Society – Kus-Kus-Sum:** Restoration of key habitat to re-establish ecosystem services and build coastal resiliency
7. **SeaChange Society:** Saanich Peninsula blue carbon recovery project

²² According to WWF-Canada, Canada is facing the dual crises of biodiversity loss and climate breakdown. The decline of at-risk species is driven largely by habitat loss, which is also driving climate change: One-third of climate-change-causing GHG emissions result from the destruction of trees, ground cover, peatlands, and coastal plants and ecosystems. Nature-based climate solutions use the unique powers of nature to both capture and store carbon, which helps mitigate climate change, and safeguard species.

“As a leading insurer we see first-hand the devastating impacts of climate change. Fixing a home means nothing if we ignore the natural surroundings and degraded lands and shorelines. We’re so proud to be partnering with WWF-Canada to lead this charge and make meaningful change in communities across Canada.”

Jason Storah, Chief Executive Officer

A survey conducted by Aviva Canada found that 89% of Canadians consider protecting nature and biodiversity important to solving the climate crisis. To act quickly on the climate emergency and help achieve the goals of the Paris Agreement on climate action, Aviva and WWF are joining forces to lead the fight against climate change, in Aviva's core markets.



Partnering With Canadian Red Cross to Drive Positive Health Outcomes & Support Flooded Communities

Community Health and Wellness: Over the past five years, Aviva Canada has contributed \$750,000 to help the Canadian Red Cross connect seniors and vulnerable populations living with illness or injury to gain better access to community health services and resources. As its founding Community Health & Wellness Corporate Partner, our work with the Red Cross continues to drive positive health outcomes in Canadian communities. Our ongoing funding supports the Mobile Food Bank program, which delivers healthy food hampers directly to the homes of clients; and, the Health Equipment Loan Program, which provides free access to health equipment to support individuals recover with dignity and independence from illness or injury.

BC Floods: In 2021, our partnership focus turned to communities in British Columbia impacted by devastating floods. Aviva Canada's \$50,000 donation to the British Columbia Floods & Extreme Weather appeal helped provide immediate assistance to over 33 individuals, including securing them emergency shelter, food, clothing and other necessities after they were forced to evacuate. The funds were also used to help set up reception sites, mobile emergency response teams, and to provide emergency financial assistance to more than 7,200 eligible households.



“The devastating situation in B.C. is yet another reminder that climate change is making Canadians extremely vulnerable – physically, emotionally and financially. As insurers, we must help Canadians mitigate and adapt to climate change and bend the curve on these alarming trends.”

Jason Storah, Chief Executive Officer

Aviva Take Back Our Roads

Through our Take Back Our Roads initiative, we are helping to reducing injuries and fatalities on Canadian street. In 2021, we continued to bring together people, technology and educational tools to make our roads and communities safer.

Safe x Connected Cities Accelerator

This program supports start-up enterprises dedicated to tackling road safety, mobility and smart city problems. Aviva Canada and our partner Highline Beta work closely with each start-up to provide mentorship and accelerate their development of proof-of concepts or implement a pilot solution.

We provided funding for *Safe x Connected Cities Accelerator* to three new start-ups whose work are set to make an impact on road safety in Canadian communities, making them safer and more inclusive for all roadway users including drivers, cyclists and pedestrians:

- **AutoGuardian By SmartCone** empowers municipalities to improve traffic flow and make streets and traffic intersections safer for all. Its first-of-its-kind, intelligent safety infrastructure uses AI technology to create awareness of vehicles, autonomous shuttles, cyclists and pedestrians, giving everyone the time to act and be safe on the road.
In November, an AutoGuardian pilot in Beaumont, Alberta, validated that adding flashing lights to unsignaled crossings is beneficial, showing a decrease in the average speeds of vehicles during school and working hours, which can greatly reduce the chance of accidents occurring and/or their severity. Cities can use this technology to identify key areas to reduce risk and create safer roads for all.
- **Numina** measures all kinds of curb-level activity – what, where, when, and how things move in streets and open space, with sensors that leverage computer vision while protecting personal privacy. This data helps city planners, mobility companies, and other stakeholders design safer and more accessible systems for people, bicycles, wheelchairs, strollers, and more. In this pilot, the team is gaining insight into how its prototype technology could be made commercially available to insurance companies, municipalities and others.
- **Weatherlogics** provides detailed, future weather information for all major highways in Canada and the U.S. It also provides specialized weather forecasts to different industries including agriculture, insurance and transportation, to help people make important weather-dependent decisions. Weatherlogics' technology uses different factors, such as pavement temperature, incoming sunlight, wind speed etc. to determine changes to road conditions and enhance road safety for drivers.

Through this pilot, the company is scaling its technology and building out its commercial use cases for this weather platform, and is ready to meet with as many transportation, insurance and agriculture companies to accelerate the growth of its business.



Parachute x Aviva

Our partnership with *Parachute*, Canada's national charity dedicated to injury prevention, focuses on the Elementary Road Safety (ERS) Program which aims to make Canadian school zones safer.

In 2021, the project reached over 7,000 elementary students and 600 teachers, established 12 ERS leadership teams comprising 117 individuals, and provided 12 grants to school communities.

Key highlights include:

- Recruiting three Indigenous schools in Saskatchewan to the program – Belle Point Elementary School (Lac La Ronge Indian Band), Nawigizigweyas Education Centre (Yellow Quill First Nation), and Kopahawakenum Community School (Flying Dust First Nation). Parachute helped assemble their leadership teams and conducted an orientation session to communicate the key elements of the three-year program.
- Training all six Atlantic schools on data collection methods and facilitating ERS leadership team meetings: King Street Elementary, Miramichi, NB; Priestman Street Elementary School, Fredericton, NB; Bedford South Elementary, Bedford NS; Sackville Heights Elementary, Middle Sackville, NS; Kingswood Elementary, Hammonds Plains, NS; and Bridgewater Elementary School and Junior High, Bridgewater, NS.
- Worked with Phoebe Gilman P.S., St. Stephen School and St. Stephen Catholic Elementary School in Ontario to implement evidence-based built environment changes over the summer, such as speed bumps and flex posts to slow down traffic near these schools.
- Developing a school zone safety video in both English and French to educate the public on school zone safety and promote the ERS program.
- Advancing the Aviva MicroTraffic pilot project, which has now made recommendations including interventions regarding stop sign violations. The partners are currently investigating the possibility of implementing these interventions, which have the potential to prevent future road related injuries and fatalities in school zones.

MADD Canada (Mothers Against Drunk Driving)

Partnered with MADD Canada on *SmartWheels* – an elementary school program developed for students in grades 4 to 6 – to educate them on the harmful risks associated with alcohol, drug use and impaired driving. Aviva sponsored this program for the 2020-2021 school year, which was delivered to 150 schools in Ontario, and over 10,000 students.

SmartWheels is a mobile classroom designed to teach kids safety strategies for when they are older²³, using powerful videos and technology to educate kids about the risks of combining alcohol, drugs and driving – long before they're old enough to get behind the wheel.

While the program includes presentations, virtual reality videos, tablets, reality goggles, decision-making scenarios, the most effective teaching tool is the personal victim story that leaves a lasting impact on the students.



²³ According to MADD Canada, motor vehicle crashes are the leading cause of death among 16 to 25-year-olds. Approximately 55 per cent of these fatal crashes involve alcohol or drugs. The use of alcohol and cannabis starts as early as age 11, according to [further studies](#). These statistics are worrisome for any parent.

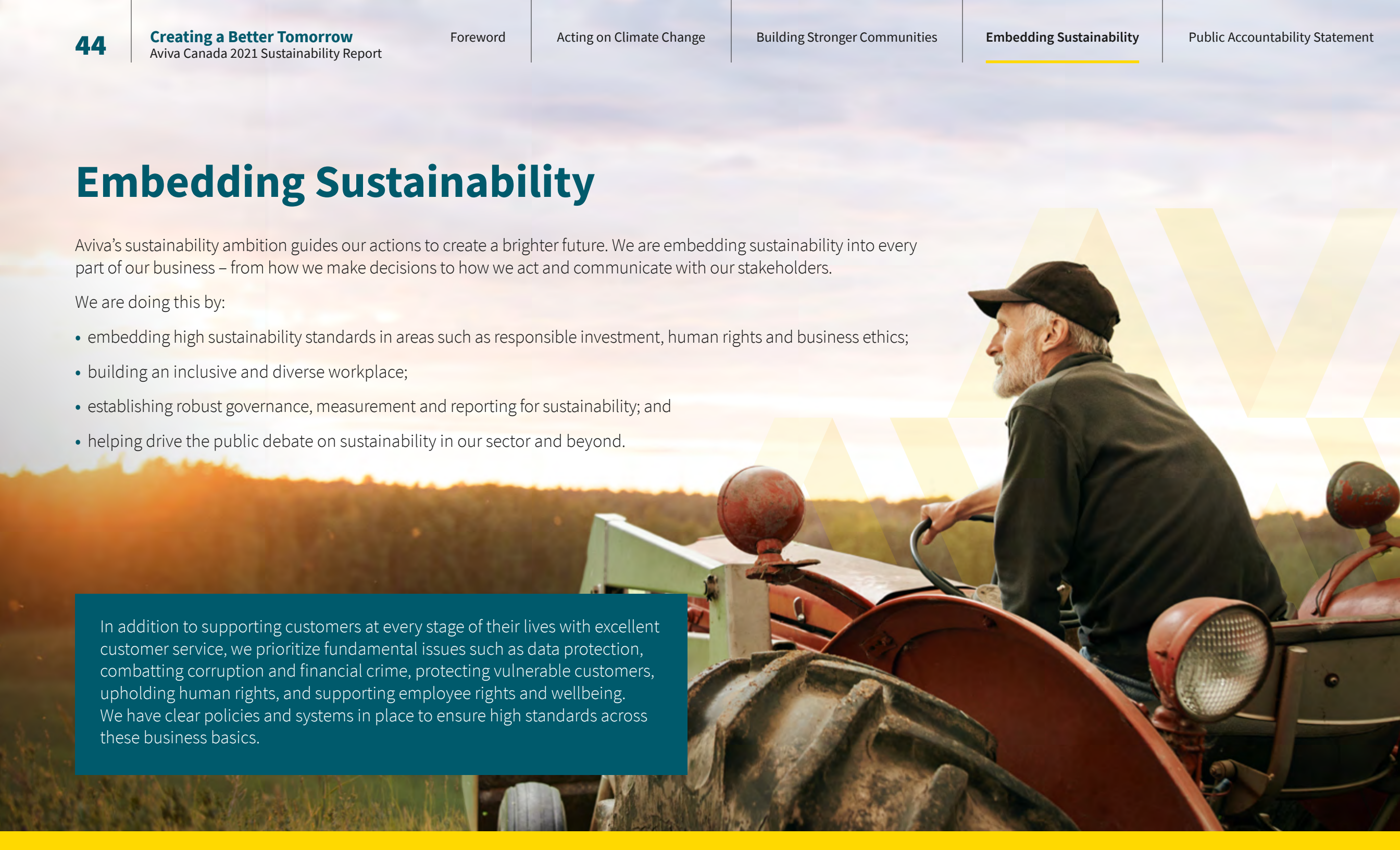
Embedding Sustainability

Aviva's sustainability ambition guides our actions to create a brighter future. We are embedding sustainability into every part of our business – from how we make decisions to how we act and communicate with our stakeholders.

We are doing this by:

- embedding high sustainability standards in areas such as responsible investment, human rights and business ethics;
- building an inclusive and diverse workplace;
- establishing robust governance, measurement and reporting for sustainability; and
- helping drive the public debate on sustainability in our sector and beyond.

In addition to supporting customers at every stage of their lives with excellent customer service, we prioritize fundamental issues such as data protection, combatting corruption and financial crime, protecting vulnerable customers, upholding human rights, and supporting employee rights and wellbeing. We have clear policies and systems in place to ensure high standards across these business basics.



Maintaining High Standards

Our governance structure: A well-established governance structure provides strong leadership, direction and support for the implementation of our sustainable, responsible business efforts. In 2021, Aviva plc established an executive level Aviva Sustainability Ambition Steering Committee, which includes Aviva Canada's CEO, to drive and monitor the delivery of our global plan and targets. We established a Canadian Climate Steering Committee with the responsibility for business-wide delivery of our climate ambition, which includes identifying, assessing and managing climate-related risks and opportunities. It comprises eight Executive Committee members who each hold accountability for the realization of our climate commitments. We have documented and agreed on clear individual executive accountability for sustainability key performance indicators (KPIs). Our global Board Governance Committees oversee our Aviva-wide responsible and sustainable business strategy and the policies that underpin it.

Our business protection and privacy training: We are committed to safeguarding and ensuring the security and privacy of information belonging to our customers, employees and operations. Each year, all employees must successfully complete Business Protection and Privacy training, which sets out the provisions they must take to protect all types and classes of information.

Business Ethics Code: Our Business Ethics Code outlines our high ethical standards and ensures we operate responsibly and transparently. It sets out a practical set of principles, and minimum standards of behaviour that ensure Aviva employees act appropriately and earn the trust of our customers and wider stakeholders. We require all our people, at every level, to read and attest to our code every year. Aviva's Business Ethics Code can be found [here](#).

Speak Up: At Aviva Canada, we support a 'Speak Up' culture across our business. We expect everyone connected to Aviva to do the right thing to protect our customers, assets, reputation and each other. Our third-party reporting service, Speak Up, includes a confidential and secure whistleblowing service that enables all employees to report any suspicions or concerns confidentially for independent investigation. We take all concerns in the workplace seriously and our employees can be assured that they will be heard, protected and supported.

Modern Slavery & Human Rights: Our human rights policy sets out our global commitment to respect human rights and identifies the key stakeholders and issues for our business.

Globally, Aviva is fully committed to respecting human rights in accordance with the United Nations (UN) Universal Declaration of Human Rights²⁴, the International Labour Organisation's (ILO) Core Labour Standards and its Tripartite Declaration of Principles²⁵, the UN Global Compact principles on Human Rights and Labour Standards²⁶, the Women's Empowerment Principles²⁷ and the UN Guiding Principles on Business and Human Rights, which detail the "Protect, Respect and Remedy" (PRR) framework²⁸. We also uphold the values behind the Children's rights and Business Principles²⁹.

In 2021, Aviva plc published the latest Anti-Modern Slavery Statement and conducted a Group-wide human rights due diligence assessment to create an action plan for 2022-23.

Suppliers: We work hard to ensure our supply chain is responsible and sustainable. We perform due diligence for each of our suppliers before we begin working with them and ask that they sign our Supplier Code of Behaviour. We continue to engage them around sustainability issues over time to help and influence our suppliers to act now on sustainability issues like climate change.



²⁴ For more information please consult "The Universal Declaration of Human Rights"

²⁵ For more information please consult the "Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy"

²⁶ For more information please consult "The Ten Principles | UN Global Compact"

²⁷ For more information please visit "The Women's Empowerment Principles"

²⁸ Divided into three pillars, the PRR Framework sets out the complementary roles of the private and public sectors regarding business and human rights: 1. States have a duty to protect, respect and promote human rights 2. Companies have a responsibility to respect human rights 3. Victims of business-related harm should have access to remedy. Companies, therefore, should consider and proactively assess the human rights impacts associated with their business actions, activities and relationships. Where relevant, they should address how they impact the lives of all their stakeholders, irrespective of the national laws under which they operate.

²⁹ The Children's Rights and Business Principles, created by the UN Global Compact, UNICEF and Save The Children are the first encompassing set of principles that help companies on a wide range of responsibilities and actions that they can take in the workplace, marketplace and community to respect and support the rights of children. More information can be found at <https://www.unicef.org/partnerships/corporate/our-partners>

Aviva Champions Diversity & Inclusion (D&I)

Aviva's strength rests in the diversity of our workforce and the inclusiveness of our workplace culture. Aviva Canada is pleased to be the first major financial services company in Canada to achieve gender equality (50/50 male-female split) in our senior leadership team (VP and above). We have been actively championing the career development of women and have more than tripled the number of women on our succession plans over the past four years. We champion D&I because we know stronger and more resilient communities are built through diverse perspectives and inclusive cultures.

Valuing All Aviva People: Aviva Canada's D&I five areas of focus: Race and Ethnicity, 2SLGBTQ+, Age, Disabilities and Gender – are supported by five Employee D&I Communities: Origins, Pride, Generations, AvivAbility and Gender. Together, they provide a safe space for our people to lift their voices and share their experiences.

In 2021, recognizing the important work being done on the diversity and inclusion front, we provided \$100,000 – \$20,000 to each of our five Diversity and Inclusion communities – that will go towards charitable partnerships to support the essential work that's being done to build a more diverse and inclusive Canada.

Our Origins Community explores diversity and champions the differences that unite Aviva employees based on race, ethnicity, faith, cultural and socio-economic backgrounds. In 2021, the community:

- supported the company's Unconscious Bias training, which has now been provided to 98% of our people;
- provided resources to honour the National Day of Truth and Reconciliation;
- launched the Black Summer Student program, with a group of post-secondary students joining us for a four-month internship to gain business acumen, insurance industry experience and an opportunity to work with inspirational leaders; and
- partnered with [Global Indigenous Development Trust](#) to create local economic development opportunities in Indigenous communities through coaching, mentoring, connecting and empowering; and the [Jean Augustine Centre for Young Women's Empowerment](#) to build the self-esteem and self-worth of young women by positively influencing their outlook on life, broadening their horizons, and helping them to empower themselves.

Our Pride Community fosters an environment where everyone can bring their true self to work. The Community builds awareness of and for the **2SLGBTQ+** community and its allies and builds a comfortable culture of advocacy and representation at Aviva. In 2021, the community:

- celebrated Pride Month by raising awareness and educating people on Allyship, 2SLGBTQ+ issues, and the use of pronouns and terms associated with sexual orientation; and
- partnered with [The 519](#) to help expand the reach of their *Food Security Program* and support their *New to Canada Early Learning Child Initiative*. The former focuses on reducing food insecurity and inaccessibility while the latter supports children of 2SLGBTQ+ refugees and newcomers by providing parenting workshops, a child-minding program, as well as arts and cultural programming.

“The 519 is a space for change, where they strive to make a difference while promoting inclusion, understanding and respect. I can't think of a better charity to partner with that aligns to our values and supports the Pride Community theme of increasing awareness and fostering a safe environment where all individuals can be themselves.”

**Julie Manske, Assistant Vice President,
Commercial Lines**



Our Generations Community strives to create a flexible and collaborative intergenerational workforce for Aviva Canada. In 2021, the community:

- focused on financial wellbeing, kicking off the year with an RRSP event and creating a toolkit for people to save and reference, and one that can support them through any stage in life;
- partnered with the [Legacy of Hope Foundation](#) to support Indigenous people and the intergenerational trauma they have faced through residential schools. This included the removal of generations of Indigenous children from their families, and the post-traumatic stress disorders that many First Nations, Inuit, and Metis continue to experience, all while trying to address racism, foster empathy and inspire action to improve the situation of Indigenous Peoples today.

Our AvivAbility Community champions a culture of value, support and respect for all Aviva employees to enhance their well-being and resiliency so everyone can come to work as their whole self. During the year, the community:

- provided health and wellness resources including virtual fitness classes and nutritionists; and
- supported the [Holland Bloorview Kids Rehabilitation Hospital Foundation](#) through the Foundation's *Dear Everybody Anti-Stigma* campaign and its *Family Support Fund*. *Dear Everybody* is a national movement to end stigma and eliminate bias toward disability, while the *Family Support Fund* helps meet the financial needs of families that receive services at Holland Bloorview.

“We selected Holland Bloorview because of the incredible work they have done toward ending discrimination for those living with a disability. We are also proud to support the Family Funding Program as this will make a financial difference in the lives of families who are caring for a child with a disability.”

Barbara Adamson, Broker Operations Specialist

Our Gender Community promotes diversity, equality, fairness and respect by actively challenging gender stereotypes and biases, broadening perceptions, improving situations, recognizing women's achievements and acknowledging the challenges women continue to face in the quest for gender equality in the workplace. In 2021, the Gender Community launched the first Women in Leadership Program and a Women in Leadership Speaker Series. It also helped Aviva Canada undertake some ground-breaking work with the YWCA Canada including:

Ending Gender-Based Violence

Aviva Canada is the inaugural funder of YWCA Canada's first *National Emergency Survivor Support Fund*, an initiative that provides women, gender-diverse people and their families with immediate financial aid to support them in leaving violent living situations or shelters, as well gain access to counselling, employment, childcare and legal support to assist them in their healing journey. As a vital partner in this initiative, Aviva Canada is helping survivors access grants to cover the expenses associated with relocation, including first and last month's rent, utilities set up, moving and travel expenses, and other urgent needs. This fund will provide a lifeline to over 300 survivors and their families in 2022.

Our **Gender Community** also partnered with the YWCA to bring awareness to gender-based violence in Canada through the *16 Days to End Gender-Based Violence*. The goal of the campaign was to educate Aviva employees on the prevalence of gender-based violence, and to provide support for those who may witness this type of violence. Through our partnership with the YWCA, we created a *Bystander Intervention Training program* hosted on our Aviva University online platform. This training is available to all our people and provides real world tactics to support victims when they see these acts taking place.

“The shadow side of the COVID-19 pandemic has been a sharp increase in gender-based violence. With people being asked to stay home more than ever, it is important that we all have a safe place to stay. Supporting Canada's First National Survivor Emergency Fund through the YWCA provides direct support to those fleeing violence and is essential to ensuring all people in Canada have long-term safety.”

Lindsay Scott, Sr. Surety Underwriter

Equal Access for All Customers

Commitment to meeting accessibility needs: We are supportive of the Accessibility for Ontarians with Disabilities Act (AODA), and its goal of achieving accessibility with respect to goods, services, facilities, and employment. We are committed to meeting the needs of people with disabilities in a timely manner, and will do so by preventing and removing barriers to accessibility and meeting the accessibility requirements under AODA.

This includes providing policy documents in large print, braille or other formats, including accessible PDF documents, as required. In addition, our websites are designed according to WCAG (Web Content Accessibility Guidelines) 2.0 to provide an accessible user experience. We are committed to continually improve the usability of our sites.

Aviva will provide our customers with disabilities equal access to the goods, services and benefits we provide. We do not discriminate on the basis of disability and hold ourselves to high standards of inclusion in all our work.

Aviva University

We launched Aviva University in September to make it easier for our people to access learning and grow in their current roles and career. The Aviva University experience is personalized, using insight from an employee's current role and career ambitions to help them find the right learning and development path. The online platform offers 16 academies to help employees unlock their full potential and achieve their career goals.



Voice of Aviva

The annual Voice of Aviva survey is a vital opportunity for Aviva to hear from our people about how engaged they are, how they think the organization is doing, and where we need to improve. In 2021, our engagement score was up 1% to 83%, which is significantly above the benchmark of the top financial services companies. As well, 89% of our people agree that Aviva Canada is a good corporate citizen; the same number said they embed sustainability considerations into their everyday actions at work; and 70% of our people said they embed sustainability considerations within what they do in their job role.

“A key part of embedding climate in our culture is through educating our people. We all have a part to play in the transition to a low carbon future. Solutions to solving the climate crisis are evolving every single day and we know our people are hungry to learn more, build their skills and get involved. With our leading net zero ambition, our people are at the forefront so we’re providing them with the opportunity.”

Paul Fletcher, Chief Corporate Affairs Officer

Our Record of Achievement

We are proud of our record of achievement in business, employee, sustainability and community involvement. Some of the awards and recognition we received in 2021:

1. **Insurance Business Canada Awards – P&C Insurer of the Year:** The IBC awards celebrate outstanding insurance companies and professionals for their achievements, leadership and innovation. Aviva was awarded P&C Insurer of the Year, reflecting our values and commitment to our customers, our corporate culture, and our leadership across different areas of the industry.

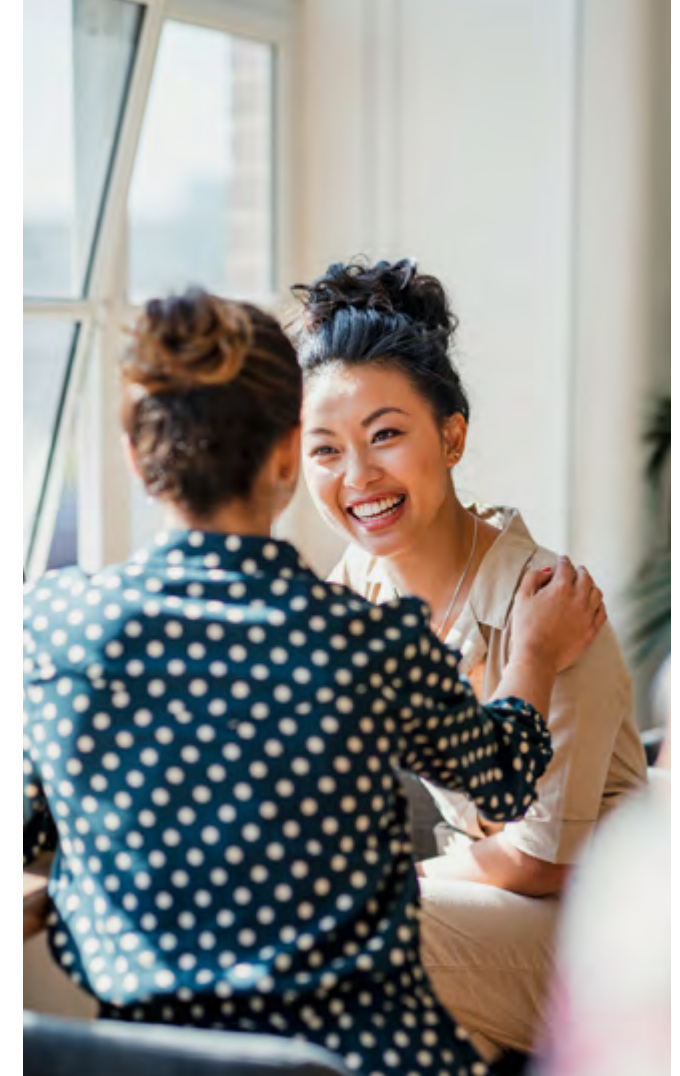
2. **Toronto Star Readers' Choice Awards:** This award highlights outstanding people and businesses in the Greater Toronto Area. Aviva Canada won Best Insurance Company (Gold) Best Home Insurance Company (Diamond), Best Car Insurance Company (Diamond).

3. **Insurance Business Canada 5-star Construction Award:** selected by brokers for our strength of relationships, ability to handle claims, strength of products and underwriting expertise.

4. **Insurance-Canada.ca Technology Awards (ICTA) 2021 People's Choice Award:** recognized for our real-time integration with AutoTRADER for total loss vehicle valuation.

5. **Greater Toronto Top Employer for 2022:** Aviva was awarded for its health benefits plan, the maternity and parental leave options for employees who want to start a family, flexible work options, and employee charitable involvement.

6. **Corporate Social Responsibility (CSR) Campaign Best of Show for Take Back Our Roads:** 2021 IMCA Showcase Winner



TCFD Index

The table below sets out our compliance with TCFD and references where the relevant disclosure is included. For our first report, Aviva Canada has taken an integrated reporting approach to reflect our efforts to embed climate into everyday decision making.

TCFD pillars	TCFD recommended disclosure	What section the disclosure is included in
<p>Governance Disclose the organization's governance around climate-related issues and opportunities.</p>	<p>a. Describe the board's oversight of climate-related risks and opportunities.</p> <p>b. Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>Governance: Our climate governance structure</p> <p>Governance: Our climate governance structure</p>
<p>Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning where such information is material.</p>	<p>a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p> <p>b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p> <p>c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Strategy: Decarbonizing our Investment Portfolio Strategy: Decarbonizing our Insurance Portfolio Strategy: Decarbonizing our Operations and Supply Chain</p> <p>Strategy: Decarbonizing our Investment Portfolio Strategy: Decarbonizing our Insurance Portfolio Strategy: Aviva's Climate Value-at-Risk (VaR) measure Strategy: Aviva's Climate Value-at-Risk (VaR) measure</p>
<p>Risk Management Disclose how the organization identifies, assesses and manages climate-related risks.</p>	<p>a. Describe the organization's processes for identifying and assessing climate-related risks.</p> <p>b. Describe the organization's processes for managing climate-related risks.</p> <p>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>Risk Management: Aviva's process for identifying and managing climate-related risks Metrics & Targets: Our process to assess, manage and monitor climate-related risks and opportunities</p> <p>Risk Management: Aviva's process for identifying and managing climate-related risks Metrics & Targets: Our process to assess, manage and monitor climate-related risks and opportunities</p> <p>Risk Management: Aviva's process for identifying and managing climate-related risks</p>
<p>Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	<p>a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.</p> <p>c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>Metrics & Targets: Our process to assess, manage and monitor climate-related risks and opportunities</p> <p>Climate Data for Scope 1, Scope 2 and Scope 3 GHG emissions are disclosed on an Aviva plc-wide basis, please find 2021 information here. For the related risks, please refer to Metrics & Targets: Weighted Average Carbon Intensity</p> <p>Climate Data for Scope 1, Scope 2 and Scope 3 GHG emissions are disclosed on an Aviva plc-wide basis, please find 2021 information here.</p>

Public Accountability Statement



Public Accountability Statement

This Public Accountability Statement includes the contributions of the following Aviva Canada wholly-owned insurance companies:

- Aviva Insurance Company of Canada
- Elite Insurance Company
- Pilot Insurance Company
- Scottish & York Insurance Co. Ltd
- S&Y Insurance Company
- Traders General Insurance Company
- Aviva General Insurance Company



Our People

Aviva Canada's workforce is made up of more than 4,000 individuals dedicated to delivering exceptional products and services to our customers and brokers. With a strong focus on a supportive culture, diversity and inclusion, we're committed to creating an engaged and accelerated environment that attracts top talent and enables our people to thrive and develop their careers.

Employees in Canada

Province	Full time	Part time	Grand Total
AB	282	1	283
BC	119		119
MB	38	1	39
NB	25		25
NL	9		9
NS	140		140
ON	3,230	16	3,246
PE	1		1
QC	384	9	393
SK	1		1
YT	1		1
Grand Total	4,230	27	4,257

Our Economic Contribution

In 2021, Aviva Canada paid the following federal and provincial taxes:

(\$000 CAD)	Income Taxes	Premium & Fire Taxes	Total Taxes
Total Federal	57,849	-	57,849
Newfoundland	1,478	8,213	9,691
Prince Edward Island	538	1,805	2,343
Nova Scotia	1,590	7,672	9,262
New Brunswick	1,223	4,466	5,689
Quebec	4,065	19,341	23,406
Ontario	25,666	106,736	132,402
Manitoba	643	3,526	4,169
Saskatchewan	393	2,915	3,308
Alberta	4,285	32,116	36,401
British Columbia	3,476	21,057	24,533
Yukon	108	388	496
Northwest Territories	134	660	794
Nunavut	71	295	366
Total Provincial	43,670	209,190	252,860
Total	\$101,519	\$209,190	\$310,709

Total sponsorships and charitable donations:

Total Amount of Charitable Donations/Sponsorships (\$'000 CAD)	
Charitable Donations	1,450
Sponsorships	231
Total	\$1,681

In 2021, Aviva Canada invested in the following bonds:

Version 1: Aviva Canada Inc. Excludes Pension

(\$'000 CAD)	Alberta	British Columbia	Manitoba	New Brunswick	Newfoundland	Nova Scotia	Ontario	Quebec	Saskatchewan	Total
Federal Bonds										3,789,344
Provincial Bonds	97,877	357,872	77,227	–	–	20,222	636,673	515,030	41,271	1,746,172
Municipal Bonds	–	139,486	–	–	–	–	28,344	21,075	–	188,905
Total	\$97,877	\$497,358	\$77,227	–	–	\$20,222	\$665,017	\$536,105	\$41,271	\$5,724,421

Aviva Canada has also invested \$1,849.9M in Canadian corporate bonds.

In 2021, Aviva Canada made debt financing available to small businesses:

Section: 3(1)(e) Public Accountability Statements Regulations

(\$'000 CAD)	Alberta	British Columbia	Manitoba	New Brunswick	Newfoundland	Nova Scotia	Ontario	Quebec	Saskatchewan	Total
\$0–\$24	–	–	–	–	–	–	–	–	–	–
\$25–\$99	85	–	–	–	–	50	135	–	–	270
\$100–\$249	203	–	–	–	–	1,329	1,116	–	–	2,648
\$250–\$499	357	–	–	–	–	310	3,038	–	–	3,705
\$500–\$999	2,101	–	–	–	–	–	4,829	–	–	6,930
\$1,000–\$4,999	6,328	–	–	1,438	–	3,257	28,479	1,284	–	40,786
\$5,000 and greater	14,702	5,000	–	–	–	–	35,621	69,348	–	124,671
Total	\$23,776	\$5,000	–	\$1,438	–	\$4,946	\$73,218	\$70,632	–	\$179,010



Independent practitioner’s reasonable assurance report in relation to the selected key performance indicators as presented in the Aviva Canada 2021 Sustainability Report

To the Board of Directors and Management of Aviva Canada Inc.

We have undertaken a reasonable assurance engagement of the selected key performance indicators detailed below (“the subject matter information”) contained in the Aviva Canada 2021 Sustainability Report (“the Sustainability Report”) during the year ended December 31, 2021.

Subject Matter Information

Our reasonable assurance engagement was performed on the following subject matter information:

Selected key performance indicators	2021	Report Page
Weighted average carbon intensity of credit and equities	46.3 tons CO ₂ e/\$M	34
Investment in Green Assets	\$107.3M CAD	35
Actual weather-related losses versus expected losses	-16%	36

Management’s responsibility

Management is responsible for the preparation of the subject matter information in accordance with the following applicable criteria:

- Task Force on Climate-Related Financial Disclosures. Implementing the Recommendations of the Task Force on Climate-Related Financial Disclosures. Supplemental Guidance for the Financial Sector, Asset Owners;
- Partnership for Carbon Accounting Financials; and
- Management’s internally developed [reporting criteria](#)³⁰ as published on March 2, 2021 and supplemented within the Sustainability Report.

Management is also responsible for such internal control as management determines necessary to enable the preparation of the subject matter information that is free from material misstatement, whether due to fraud or error.

³⁰ The maintenance and integrity of Aviva Canada Inc.’s website is the responsibility of Aviva Canada Inc.; the work carried out by PricewaterhouseCoopers LLP does not involve consideration of these matters and, accordingly, PricewaterhouseCoopers LLP accepts no responsibility for any changes that may have occurred to the reported information or criteria since they were posted on the website.

Our responsibility

Our responsibility is to express a reasonable assurance opinion on the subject matter information based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the subject matter information is free from material misstatement.

Reasonable assurance is a high level of assurance but is not a guarantee that an engagement conducted in accordance with this standard will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. The nature, timing, and extent of procedures selected depends on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involves obtaining evidence about the preparation of the subject matter information in accordance with the applicable criteria.

We believe the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Our independence and quality control

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements*, and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Significant inherent limitations

Emissions data used to calculate the weighted average carbon intensity of credit and equities are subject to inherent limitations given the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Opinion

In our opinion, Aviva Canada Inc.'s ("Aviva Canada") subject matter information during the year ended December 31, 2021, is prepared, in all material respects, in accordance with the applicable criteria.

Purpose of statement and restriction on distribution and use of our report

The subject matter information has been prepared in accordance with the applicable criteria to assist Aviva Canada's management to report to the Board. As a result, the subject matter information may not be suitable for another purpose. Our report is intended solely for Aviva Canada. We neither assume nor accept any responsibility or liability to any other third party in respect of this report.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
June 3, 2022

Creating a Better Tomorrow

Aviva Canada 2021 Sustainability Report

