

Mark Wilson, Group Chief Executive Officer, Aviva plc, 24th July:
Paris: A Giant Leap for Humanity

Introduction: Getting the Right Perspective

1. Well good morning everyone – and welcome to Aviva.
2. Now, I was flicking through the newspapers a couple of days ago, when I read about an anniversary we're marking this week: the first moon landings way back in July 1969. I was three.
3. And, to coincide with that anniversary, the Smithsonian Museum is crowdfunding US \$500,000 to restore and preserve the actual spacesuit in which Neil Armstrong took "one small step for man and one giant leap for mankind", climbing down the ladder onto the surface of the Moon - and into the annals of history.
4. So why are they raising the money? Well, over time the suit has become degraded and damaged.
5. Just like our planet.
6. The moon landings were an iconic, never-to-be-forgotten day in human history.
7. We've got another iconic moment coming up – the United Nations Climate Change Conference in Paris. We've got to take our own giant leap.
8. And we've got to think and act like those early astronauts.
9. When they looked down at the earth from space they gained a whole new perspective.
10. Our planet seemed tiny in all that immensity, suspended against the vast, fathomless depth of the cosmos.
11. Even then they understood that our planet is fragile, frail – and finite.

12. And one of those other early space pioneers, Scott Carpenter, from his perspective in space, realised that “the earth is all we’ve got” and “there is no resupply if the power fails”.
13. Ladies and gentlemen, we need to get that same perspective – and fast. Because from where I stand, we are in grave danger of the power supply getting very badly interrupted indeed.
14. That is why, Secretary of State, I applaud the language you are using about climate change and sustainability.

Climate Change: The Business Case

15. You’ve said that a low carbon future isn’t “fluffy” or “indulgent”. On the contrary, you’ve said it makes “cold, hard economic and business sense”.
16. That’s language we understand at Aviva.
17. We look at weather events costing us money. The once in a century weather events cost us about £100 million per event before reinsurance and they becoming more frequent. In fact in 2013, we had two such once-in-a –century events in Canada. Two in one year.
18. That is the sort of thing that concentrates a Chief Executive’s mind.
19. These are risks we literally cannot afford to take.
20. And that is no way to create legacy.

Aviva as a Good Ancestor: Creating Legacy

21. But creating the right sort of legacy – or as I call it, being a good ancestor - is one of our core values at Aviva.
22. A bad ancestor creates short term growth – and puts long term prosperity at risk.

- 23. But good ancestors make responsible, sustainable choices - so the lights stay on.
- 24. Good ancestors take the right decisions to create the right growth. And those decisions still stack up in the long term – in 5 or 10 or 20 or 30 years' time.

Aviva as a Good Ancestor: Tackling Climate Change

- 25. It's not just how we, as a company, act as an insurer. But how we, with around £300 billion of assets, also act as an investor.
- 26. So we have spent a lot of time looking at how markets behave and how to incentivise markets to act and invest sustainably.
- 27. And today, with our partners, we are launching this paper from the Economist Intelligence Unit – and I'd like to thank the EIU, Vivid, the Minda Foundation and KPMG for their sterling work and support.
- 28. It is a serious piece of research – and it has some seriously big numbers.
- 29. If we don't tackle climate change and temperatures rise by 6 degrees, the value at risk – roughly speaking the value of global assets - will decline by up to \$13.8 trillion for investors – that's 13.8 followed by an eye-watering 11 zeroes. And for governments it climbs higher – to \$43 trillion - if temperatures rise by 6 degrees.
- 30. This would be by far the greatest market failure of all time.
- 31. And today we are also publishing Aviva's response – which sets out how we are aiming to be good ancestors and good investors.
- 32. One. We are already major investors in renewable energy and energy efficiency.
- 33. But we want to invest more – our target is to invest £500 million each year for the next five years in renewable energy and energy efficiency – that would give us a carbon savings target for these

investments of 100,000 tonnes of CO₂ each year. That's the equivalent of the emissions from 10,000 UK households.

34. We think these are good investments – with good returns for our investors. And that's really the whole point.
35. Two. We'll embed carbon risk into our investment decisions. 90% of our investments are already covered by environmental, social and governance considerations - ESG.
36. Three. As an investor, we're going to challenge fossil fuel companies to look longer term - and to the low carbon economy.
37. We will ask: How much are they investing in low carbon technology and development – and when it will deliver.
38. Four. We will divest - where we think a company is not making sufficient progress towards the engagement goals set, we will divest.
39. This is not a decision we'll take lightly, and, to be clear, we won't divest from the entire fossil fuel sector. They do have an important role to play. Their investments in renewable energy are part of the solution. We need to engage with them so they become a greater part of the solution.
40. Five. We will engage with policymakers and governments who may – or may not – be striving to be good ancestors.
41. Secretary of State, we're also going to be a prominent voice backing you in making the business case in advance of Paris in December.
42. Because, in my view, Ladies and Gentlemen, Paris cannot be a talkfest, with lots of haggling, huge compromises and a lovely, fluffy statement at the end. It is our big opportunity to sort this out.
43. So, Secretary of State, when you and your team are at the negotiating table you might rightly feel the hand of history upon your shoulder.

44. And also the expectations of generations to come.
45. They might just look back at us as very good ancestors indeed - if we get it right and get a robust, legally binding agreement.
46. And we'll only get that deal if government, business and society at large all act together to achieve our goals.
47. Like the 400,000 people who came together to do that extraordinary feat I started with – putting a man on the moon.
48. If we achieve something equally extraordinary in Paris in December, you might bring us the best Christmas present we'll ever get.
49. And so, Ladies and Gentlemen, I'd like to welcome Amber Rudd MP, the Secretary of State for Energy and Climate Change.