



2022 Taskforce on Climate-related Financial Disclosures (TCFD) Statement

Introduction

As one of the world's leading risk advisory companies, Willis Towers Watson public limited company and its subsidiaries (the "Company" or "WTW") is fully aware of the need to support measures aimed at helping to tackle the impact of climate change. Assessing and mitigating risk, including climate-related risks, represents the core of our business. It also speaks to our company's purpose – "We transform tomorrows".

Climate change and its associated risks impact, to varying degrees, every community and business, regardless of location or sector. WTW is a global leader in helping its clients assess and mitigate the effects of climate change and, where possible, identify new opportunities resulting from such change. Through numerous collaborative partnerships with governments, NGOs, academia and the private sector, WTW is working to help build resilience against climate change, often in the most vulnerable communities. To help deliver on this commitment and guide our overall environmental sustainability efforts, WTW appointed a third-party consultant who will help guide our baseline for future reporting purposes.

As part of our ongoing commitment to sustainability, WTW became a signatory to the [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#) in 2017.

The TCFD developed recommendations on climate-related financial disclosures that are applicable to organizations across sectors and jurisdictions. The recommendations are structured around four thematic areas:

- **Governance:**
The organization's governance around climate-related risks and opportunities.
- **Strategy:**
The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.
- **Risk Management:**
The processes used by the organization to identify, assess and manage climate-related risks.
- **Metrics and Targets:**
The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Additional Information

More information on the Company's environmental, social and governance (ESG) commitments is available on our website at <https://www.wtwco.com/en-US/About-Us/environmental-social-and-governance>.

The Company's 2021 Year-End Proxy Statement, as well as the Company's 2021 Year-End Irish Statutory Accounts are available in the "Investor Relations" section of our website at www.wtwco.com.

Information provided in this and other Company documents is current only as of the date of the relevant document and the Company undertakes no obligation to update those documents.

Governance

WTW's Board of Directors, through its Board Committees, oversees the Company's senior management, who is responsible for the strategy and day-to-day operations and management of the Company, including climate-related matters.

With respect to Board oversight of ESG matters in general, the Board takes an approach that the most appropriate committee should maintain oversight over a particular issue rather than concentrating all ESG initiatives into any one Committee. The Committees report to the Board on a regular basis. For example:

- The Governance Committee has oversight of ESG initiatives, reviews ESG disclosure in the proxy statement and discusses with management, on an annual basis, its corporate social responsibility efforts, which include the Company's environmental sustainability program and charitable contributions.
- The Audit and Risk Committee has the primary responsibility of assisting the Board in its oversight of the framework, policies and practices used by management to identify, assess and manage key strategic and operational risks (other than with respect to operational transformation and risks overseen by the Operational Transformation Committee) facing the Company. The Audit and Risk Committee reviews ESG financial disclosure included in documents filed with the SEC or required under Irish law.
- The Operational Transformation Committee oversees risks arising out of the Company's operational processes and functions that support the Company's businesses; as such, it reviews business continuity risks, including climate-related risks, if identified as having a material impact on the business strategy or operations.
- The Compensation Committee reviews talent and culture, including inclusion and diversity, as well as social initiatives such as gender pay gap reporting.

WTW's Chief Risk Officer (CRO), who reports into our General Counsel, is responsible for the Company's enterprise risk management framework and provides quarterly updates to the Audit and Risk Committee as well as the Operational Transformation Committee. As of part of this update, the CRO reports on the Company's risk profile, top risks based on agreed risk appetites and outcomes of detailed risk analysis. Prior to updating the respective Board Committees, the CRO discusses the material risks with the Controls Committee, which is comprised of members of senior management, including the General Counsel (who serves as the Controls Committee Chair), the CFO, the COO, the Chief Human Resources Officer, the Chief Compliance Officer, the Chief Risk Officer, the Chief Auditor, among other leaders from across the company. Pursuant to its charter, the Controls Committee exercises executive oversight of internal controls, risk (including business continuity) and compliance management across the Company and its subsidiaries and reports to the Audit and Risk Committee of the Board.

The Company also has an Enterprise Risk Management Steering Group (ERMSG) which receives quarterly risk reports. The ERMSG has cross business and functional representation and supports a positive risk culture.

Additionally, to reinforce our commitments, our ESG Taskforce provides central governance over our ESG efforts across the organization and to ensure our commitments are aligned with the Company's strategic priorities. The ESG Taskforce is sponsored by our General Counsel, CFO and Chief Administrative Officer, and comprises representatives from across the company.

Strategy

WTW recognizes that climate change presents a broad spectrum of risk and opportunity, both for our own company and our clients.

Being a responsible and sustainable company is one of the fundamental principles of WTW. Accordingly, addressing climate risk is an element of our business strategy. As an innovative broking, advisory and solutions company, we foster a positive impact through the climate change-related products and services we provide to our clients to facilitate better understanding, exposure management policies, and resilience capabilities with respect to climate risks.

In April 2021, WTW announced its commitment to achieving net zero greenhouse gas emissions in alignment with the Science Based Targets Initiative by 2050 at the latest, with at least a 50% reduction by 2030, across the company's business operations. This includes a commitment to achieving 100% renewable energy supplies across the company's real estate portfolio. We are currently working on the roadmap for meeting these targets. In the meantime, we are making meaningful progress by reducing our need for business travel through the use of virtual meeting technologies and optimizing our real estate footprint.

We describe a number of the Company's climate-related risks below and elsewhere in this report as well as related elements of our Enterprise Risk Management (ERM). We are a professional services company and not an insurance company that underwrites risk for its own account; therefore, our use of modelling and formal scenario planning is different than for insurance companies.

As part of company transformation and cost-saving efforts, specific programs have been identified and designed to address WTW's focus on climate related-issues and risk management. These include investments in technology, training, corporate goal setting and infrastructure support. We recognize the importance of our environmental responsibilities and our impact on the environment. We continue to focus on improving and tracking our emissions globally. In addition to reducing our need for business travel and optimizing our real estate footprint shared above, we are committed to minimizing our environmental impact and carbon emissions through improvements to energy efficiency in our operations, promoting recycling, reducing paper, minimizing the waste we send to landfills, purchasing environmentally responsible office supplies and encouraging our colleagues to adopt environmentally responsible habits.

Climate-related risk is a challenge that requires a multi-disciplinary response. WTW is well positioned to provide bespoke analytical solutions to clients using state-of-the-art technology and the latest in academic findings. Our climate change experts work closely across our global network to provide tailored, client driven advice. WTW has developed an extensive network of relationships with governments, international institutions, regulators and humanitarian organizations to advocate for an integrated approach to achieving climate resilience.

A changing climate presents both a challenge and an opportunity for investors and risk managers alike. WTW works with its clients to identify the full extent of their climate-related risks, in turn helping them to manage their financial and operational risks and improve their sustainability.

Risk Management

WTW has an enterprise-wide risk management framework which sets up the processes and methodologies for the identification and assessment of risks faced by the Company, including climate-related risks.

Risk identification is an important component of WTW's overall Risk and Control assessment process. It aims at understanding the risk and its potential likelihood and impact in the context of achieving the Company's strategic objectives. WTW conducts regular risk and control reviews that are designed to capture material risks, controls and key areas of focus to follow up through management actions. WTW considers climate change-related risks when conducting its analysis of key risk areas.

WTW's approach to managing climate-related risks is embedded within its ERM framework and processes. As such, climate-related risks are managed consistently with the other risks faced by the Company.

As described in more detail above, both the WTW Audit and Risk Committee and the Operational Transformation Committee oversee management's approach to risk identification, risk assessment and risk management. These Board committees are supported by management and management-level committees including the WTW Controls Committee, which provides executive management oversight of WTW's internal control system, risk management and compliance within internal policies and procedures.

The ERM process assesses whether management believes there are significant changes in risk profile related to climate change risk that need to be escalated to the appropriate risk governance forum for discussion.

We are a professional services company and our climate risks are different from and more limited than for other companies with more extensive financial exposure to climate (such as insurance companies) or companies with manufacturing facilities. Nevertheless, we face a number of direct risks to our operations that could be exacerbated by changing climate conditions. This includes the risk that our facilities or the operations of suppliers are disrupted by a climate-related event. We also face a number of more indirect risks, such as exposure to economic and political conditions, which could be exacerbated by changing climate conditions. We describe our risks in more detail in the "Risk Factors" section of our Form 10-K. Based on the ERM process as well as prior property-risk modeling completed, the Company believes that the exposure of WTW's properties to climate-related risks is generally limited and mitigated through its insurance program.

WTW relies on a number of key processes to manage climate-related risks. These include:

- **Legislative and Regulatory Review.** Monitoring legislative and regulatory developments allows the Company to keep abreast of any change in climate-related legislation that may impact our operations globally (e.g., UK Climate Change Act 2008).
- **ERM Reporting Dashboards.** ERM Dashboards quarterly reporting program supports the assessment of company risks. ERM Dashboards are reviewed by senior management regularly, including through relevant Company committees, and management actions are developed to address identified control weaknesses, as appropriate.

- Business Continuity and Disaster Recovery Plans. Extreme weather events (e.g., hurricanes, heat waves, droughts, etc.) can significantly impact our ability to provide continuity of services to our clients. To mitigate this risk, the Company has a comprehensive business continuity program and disaster recovery plans. The level of criticality of locations and business applications is based on detailed impact analysis performed by all segments and lines of business. The results of this analysis determine the level of priority to recover normal business activities.
- Supply Chain Management. The business depends on purchasing goods and services from our suppliers, especially within IT, professional services, travel and real estate, to ensure we can service our customers / clients. Our supply chain network is exposed to potential adverse events, including climate-related disruptions, all of which could impact our ability to service our customers and clients. WTW actively works with our key / strategic suppliers (such as key IT suppliers) in terms of their disaster recovery / business continuity plans with the goal of mitigating any disruptions of service to the Company. This approach is currently being strengthened, through enhancing the supplier onboarding checks and ongoing supplier risk management processes focused on risk mitigation, social responsibility and climate change.
- Climate Steering Group. The Company's Climate Steering Group, chaired by its CEO, was established to coordinate climate-related activities across WTW. In addition, our partnership with the World Economic Forum (WEF) will allow us to work with the WEF on the United Nation's Climate Action Summit.

Metrics and Targets

In April 2021, WTW announced its commitment to achieving net zero greenhouse gas emissions in alignment with the Science Based Targets Initiative by 2050 at the latest.

See press release here:

<https://www.wtwco.com/en-US/News/2021/04/willis-towers-watson-commits-to-net-zero>

We are currently focused on base-lining our environmental data, setting new carbon reduction targets and developing an approach to track and report our emissions and carbon footprint. To help deliver on this commitment and guide our overall environmental sustainability efforts, WTW appointed a third-party consultant who will help guide our baseline for future reporting purposes.

We are in the process of designing and implementing processes to reduce our carbon footprint. Our work involves reducing our environmental impact and carbon emissions through improvements to energy efficiency in our operations, reducing our need for business travel through the use of virtual meeting technologies, promoting recycling and reducing the waste we send to landfill.

Client Services

Climate risk-related opportunities cover all aspects of our people, risk and capital related businesses.

People

- Advising our clients on ESG through areas such as:
 - Support for boards providing oversight on ESG matters, including through the measurement and disclosure of ESG performance, and consideration of ESG metrics in executive and/or broad-based incentives.
 - Stakeholder awareness, education, and awareness
 - Employee Experience (EX) and Employee Value Proposition (EVP) work with clients, which stresses the importance of ESG and related issues to many segments of the population and the impact on Purpose, Work, People, and Total Rewards (e.g., pay, benefits, careers, wellbeing)
 - Diversity, Equity & Inclusion (DEI), wellbeing (physical, emotional, financial, and social), and financial resilience
 - Employee sensing, with focus on the importance of culture and an ESG orientation as an engagement driver
 - Data and analytics around ESG
- Specific to Sustainable Human Capital, we have:
 - Developed and are rolling out a framework and content on Sustainable Human Capital, which includes support for process, programs, and technology that drive sustainability-related growth opportunities, including ESG activities and measures.
 - Created an inventory of sustainable human capital measures, including those connected to ESG and environmental impact.
 - Updated our human capital risk model to include factors relating to culture and climate impact.
 - Updated our definition of culture to include “healthy company” dimensions, including ethical conduct and behaviors.

Risk

- WTW is assisting its clients to assess, quantify and manage the physical, transition and liability risks associated with climate change. We do this by combining the latest climate modelling and analytics with enterprise risk management-type assessments, and actuarial analysis to identify and quantify climate risks and develop strategic risk management approaches in close collaboration with our clients.
- WTW and partners created Climate Transition Pathways (CTP), an accreditation framework that provides insurance companies and financial institutions with a consistent approach to identifying businesses with effective low carbon transition plans.
- Assisting governments, cities, and multilateral organizations with strategies to improve their climate resilience and disaster risk financing.
- Natural catastrophe modelling, which helps clients to understand the implications of climate change on their risk exposures and financial performance.
- Physical insurance and contingent finance, including risk transfer and the integration of climate risk factors into investment decision making and asset management strategies.
- Climate-related Legal Liability Insurance, Contingent Finance and Climate-resilient investment.

- Assisting clients to align their people strategies with their climate strategies and integrate climate resilience into their operations and governance structures.

Capital

- In our Investment business, we provide advice and solutions to institutional investors globally with \$4.8tn¹ in assets, as well as running discretionary mandates with \$186.6bn² in assets under management. We view sustainable investment as central to successful long-term investment outcomes for our clients, and therefore embed sustainability, including climate risks and opportunities, within our advice and solutions.
- Given the scale and systemic nature of climate change, we recognize it as a significant and financially material risk for investors, and therefore use a range of tools, data and strategies to measure and help manage it accordingly for our clients.
- In 2021, we committed 100% of our fully discretionary delegated investment portfolios to net zero greenhouse gas emissions by 2050 at the latest, with at least a 50% reduction by 2030. This commitment has been made via the Net Zero Asset Managers Initiative (NZAMI). We also co-founded and launched the Net Zero Investment Consultants Initiative (NZICI). We have begun publicly reporting on our progress towards net zero – please refer to our Sustainable Investment Annual Report for that.
- We co-created and launched the Climate Transition Index (CTI). This is a family of indices offering investors an innovative solution to help manage climate risk whilst capturing our latest investment thinking and research. It provides a more sophisticated approach to climate risks management through our proprietary Climate Transition Value at Risk (CTVaR) methodology. We help our clients allocate capital to particular investment opportunities related to climate change which include controlled environments sustainable agriculture, solar and hydro renewable energy projects, district heating, energy from waste facilities, electrification of transport and reforestation.
- We use proprietary climate scenario modelling to assess the impact of different emissions pathways on asset returns and liability profiles, from both a top-level perspective, and across different industries, sectors, and countries.
- We use detailed ESG, climate and carbon data analytics, including multiple sources of third-party data, to identify overall portfolio risks as well as security-specific issues and areas of most significant risk exposure. We have created a brand-new portfolio level climate dashboard aligned to the Climate Financial Risk Forum climate data and metric guide which we co-led. This allows our clients and portfolio managers to access their climate metrics and monitor progress in an efficient and effective way.
- We were one of the first wave of applications recognized by the Financial Reporting Council in 2021 as a signatory of the 2020 UK Stewardship Code. Climate risk is the top priority in our stewardship and engagement activities. Since 2015, we have partnered with EOS at Federated Hermes, a leading stewardship provider on public policy engagement, corporate engagement and voting services to supplement that of asset managers. On behalf of our clients, they engage with all types of companies to improve sustainability practices and climate change action remains their top priority.

Source: Willis Towers Watson. All figures are subject to change.

¹ Assets under Advice as at December 31, 2020

² Assets under Management as at December 30, 2021

Legal Disclaimer

Many of the targets, goals, impacts, policies, and programs described in this report are aspirational, and as such, no guarantees or promises are made that these goals and projects will be met or successfully executed.

In this report we may use certain terms that the TCFD or others refer to as “material” to reflect the issues or priorities of the company and its stakeholders. Used in this context however, these terms are distinct from, and should not be confused with, the terms “material” and “materiality” as defined by, or construed in accordance with, securities or other laws and regulations. Accordingly, issues or priorities considered material for purposes of this report may not be considered material in the context of our financial statements, reporting with the U.S. Securities and Exchange Commission (“SEC”), or our other public statements.

This report includes certain non-financial data and information which is subject to measurement uncertainties resulting from limitations inherent in 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.

Disclaimer Regarding Forward-Looking Statements

We have included in this document ‘forward-looking statements’ within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, which are intended to be covered by the safe harbors created by those laws. These forward-looking statements include information about possible or assumed future results of our operations. All statements, other than statements of historical facts, that address activities, events or developments that we expect or anticipate may occur in the future, including such things as our outlook, metrics and targets, the impact of the global pandemic on our business, future capital expenditures, ongoing working capital efforts, future share repurchases, financial results (including our revenue, costs or margins), the impact of changes to tax laws on our financial results, existing and evolving business strategies and acquisitions and dispositions, including the sale of Willis Re to Arthur J. Gallagher & Co. (‘Gallagher’), demand for our services and competitive strengths, goals, the benefits of new initiatives, growth of our business and operations, our ability to successfully manage ongoing leadership, organizational and technology changes, including investments in improving systems and processes, our ability to implement and realize anticipated benefits of any cost-savings initiatives including the multi-year operational Transformation program, and plans and references to future successes, including our future financial and operating results, plans, objectives, expectations and intentions are forward-looking statements. Also, when we use words such as ‘may,’ ‘will,’ ‘would,’ ‘anticipate,’ ‘believe,’ ‘estimate,’ ‘expect,’ ‘intend,’ ‘plan,’ ‘continues,’ ‘seek,’ ‘target,’ ‘focus,’ ‘probably,’ or similar expressions, we are making forward-looking statements. Such statements are based upon the current beliefs and expectations of the Company’s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. All forward-looking disclosure is speculative by its nature.

A number of risks and uncertainties that could cause actual results to differ materially from the results reflected in these forward-looking statements are identified under Risk Factors in Item 1A of our Annual Report on Form 10-K and in our subsequent filings. Copies are available online at www.sec.gov or www.wtwco.com. The risk factors described in our filings are not the only risks and uncertainties that we

face. Additional risks and uncertainties that are presently unknown to us could also impair our business operations, financial condition or results.

Although we believe that the assumptions underlying our forward-looking statements are reasonable, any of these assumptions, and therefore also the forward-looking statements based on these assumptions, could themselves prove to be inaccurate. Given the significant uncertainties inherent in the forward-looking statements, our inclusion of this information is not a representation or guarantee by us that our objectives and plans will be achieved.

Our forward-looking statements speak only as of the date made and we will not update these forward-looking statements unless the securities laws require us to do so. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document may not occur, and we caution you against unduly relying on these forward-looking statements.