Willis Towers Watson commits its delegated investment portfolios to net zero

April 15, 2021

GLOBAL, April 15, 2021 – Willis Towers Watson Investments today announced that it is targeting net zero greenhouse gas emissions by 2050 at the latest, with at least a 50% reduction by 2030*, in its fully discretionary delegated investment portfolios.

Craig Baker, Willis Towers Watson’s Global Chief Investment Officer, said: “Climate change, and a just transition to net zero greenhouse gas emissions, is a systemic and urgent global challenge. We believe that working to achieve net zero by 2050 in our discretionary portfolios is completely consistent with the financial goals we have been given by our clients as climate change has the potential to impact returns across multiple asset classes. We have already embedded this in our investment process and ultimately in the portfolios we are managing and stewarding.

“Being strategically ahead of a low-carbon transition will, in our opinion, significantly improve risk-adjusted returns for our clients as the mispricing of climate issues is resolved.”

Craig Baker | Global Chief Investment Officer

“Being strategically ahead of a net zero transition will, in our opinion, significantly improve risk-adjusted returns for our clients. This will come from two sources – ‘better beta’ due to more effective stewardship and ‘alpha’ as the mispricing of climate issues is resolved. We think that understanding this transition will be one of the biggest sources of alpha across all asset classes and that this alpha opportunity is likely to be greatest in the next few years. We will therefore target pathways to net zero that seek out pricing opportunities while delivering a reduction in emissions of more than 50% between 2015 and 2030, consistent with the goals of the Paris Agreement (https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement).

“Measurement of our progress and that of the whole investment industry towards stewarding the transition to a net zero and climate-resilient economy is an important issue. There is no single definitive metric that can be used to measure progress and the data and analytics in the climate space are rapidly evolving. We are therefore investing heavily in leading analytics in this space, including our proprietary Carbon Journey Plan methodology, the ‘impact measurement framework’ that we have developed together with other industry participants via the Thinking Ahead Institute (https://www.thinkingaheadinstitute.org/), our acquisition of Acclimatise (https://www.acclimatise.uk.com/) in December 2020, and the arrival of the energy finance team from the Climate Policy Initiative (https://www.willistowerswatson.com/en-US/News/2020/12/wwt-invests-in-low-carbon-transition-analytics-with-transfer-of-climate-policy-energy-finance-team) in January 2021.

“We will also continue to work with our advisory clients to set out and deliver on their own climate-related goals via Carbon Journey Plans, including analytics on how climate change might impact liabilities as well as assets.”

In addition to integrating climate risk into its multi-asset investment process, Willis Towers Watson also offers a range of multi-manager funds where sustainable investment is a key part of the investment proposition, which clients can use to help them achieve their sustainable investment goals.


Willis Towers Watson has $166bn** in assets under management globally across its delegated investment business.
About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Together, we unlock potential.

Notes to editors

*This represents a halving of emissions compared to a 2015 baseline, consistent with the goals of the Paris Agreement. If we started managing the portfolio on a fully discretionary basis after that date or there was a significant change in the nature of the mandate subsequent to 2015, then an appropriate allowance for the shortened timeframe would be made.

**As of 31st December 2020

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