



WTW Sustainable Blue Economy Finance Principles & Partnership Mobilization Report

2022



Table of Contents

A message from our CEO.....	3
Recognition.....	4
How WTW aims to support the principles	
Projects.....	5
Reporting & Disclosure.....	6
Joint Initiatives & Partnerships.....	7
Net-zero Commitments.....	8
Memberships & Leadership.....	9
Scientific Research.....	10
Conclusion.....	11

A message from our CEO

Our vision is to be the best company we can be for the benefit of our various stakeholders. Specifically, we strive to be a magnet for the most accomplished and aspiring talent in the industry; to offer clients the best advice, broking and solutions in the areas of people, risk and capital; and to make a difference in the communities in which we live and work.

WTW is pleased to be a signatory to the Sustainable Blue Economy Finance Principles that provide guidance and frameworks to ensure investment, underwriting and lending activities are aligned to the UN Sustainable Development Goal 14, “life below water”, enabling financial institutions to rebuild ocean prosperity, restore biodiversity and regenerate ocean health.

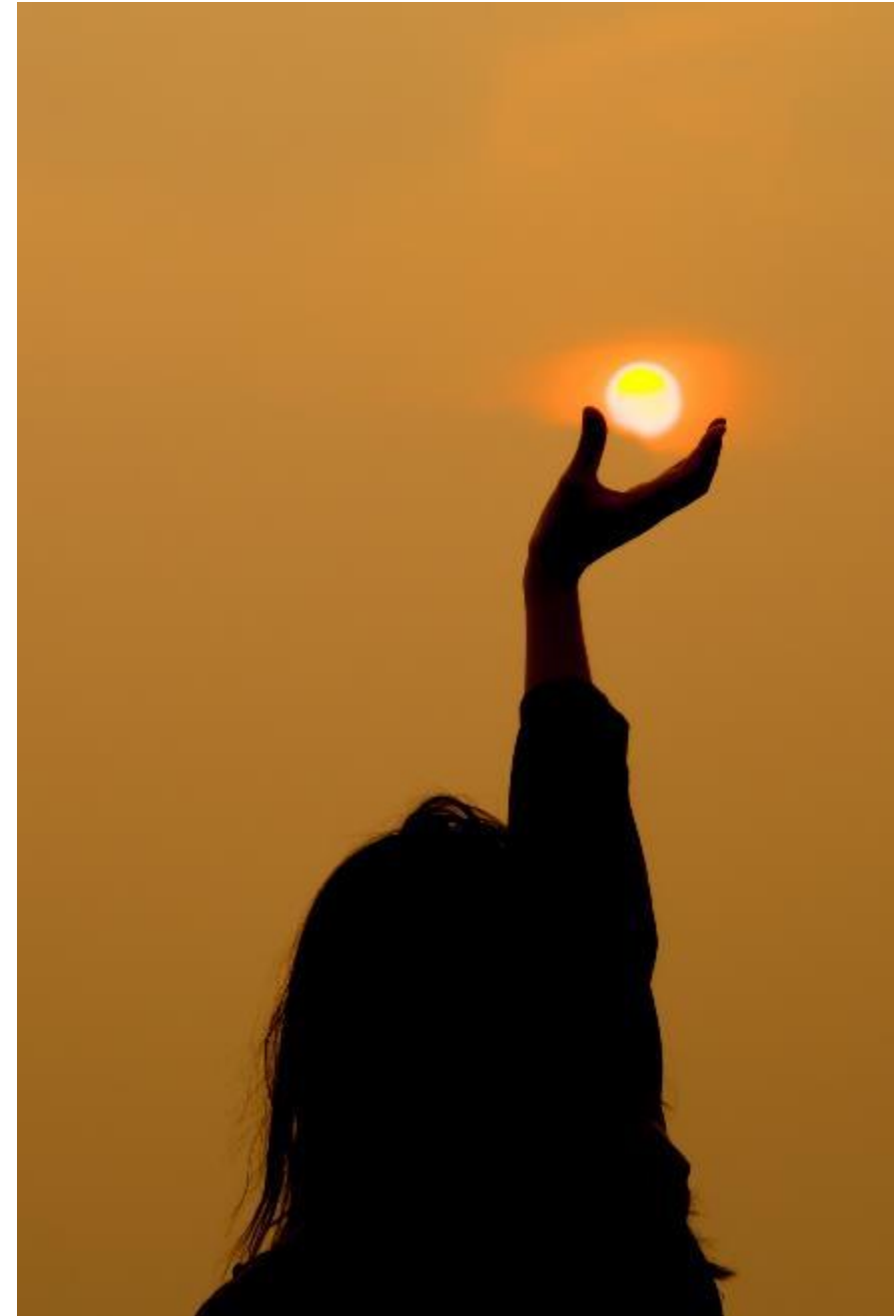
A healthy ocean is critical for a sustainable future – for every community and business, regardless of location or sector. As one of the world’s leading risk advisory companies, WTW is fully aware of the need to support measures aimed at helping to tackle the impacts of climate change and its subsequent impact on nature and biodiversity – on land, in the air and in the ocean. Assessing and mitigating risk is a core part of our business. It also speaks to our company’s purpose – “We transform tomorrows”.

We hope that after reading this inaugural report, you understand and appreciate:

- the work WTW has done to help various clients around the world assess and mitigate climate and nature-related risks, and
- the progress that’s been made through our collaboration with corporate, finance and public sector institutions.



Carl Hess,
Chief Executive Officer



Recognizing the role that a healthy ocean plays for our climate and our clients



WTW is a global leader in helping its clients to assess and mitigate climate and nature-related risks and, where possible, identify new opportunities (such as in the blue economy) 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. This work takes many forms: parametric insurance products that safeguard fishers and their livelihoods from inclement weather, engaging the insurance industry on risk awareness for ports and terminals, protecting sovereigns from disaster through innovative risk reduction mechanisms, and enabling the conservation and restoration of our most crucial ecosystems, such as coral reefs and mangroves.

WTW is a signatory to the Sustainable Blue Economy Finance Principles. These principles were created in 2018 to provide guidance and establish frameworks to ensure investment, underwriting and lending activities are aligned to the UN Sustainable Development Goal 14, “life below water”, enabling financial institutions to rebuild ocean prosperity, restore biodiversity and regenerate ocean health.

This inaugural report reflects our long-term commitment to actively support these partnerships and principles by enabling our clients to invest and embed safe and resilient practices for the marine environment and blue economy.

“We strive to secure a nature-positive future for coastal communities and the healthy oceans that they thrive on through investment and risk advisory. The insurance sector has an important role in financing a protected and sustainable ocean and these principles guide best practice for nature-positive outcomes. We aim to align and help shape the global agenda for private sector efforts for a sustainable blue economy.”
Rowan Douglas, Head of Climate and Resilience Hub

How WTW aims to support the principles through:

Projects

WTW is supporting the principles through multiple CLIENT partnership projects and activities, including:

Principles met:

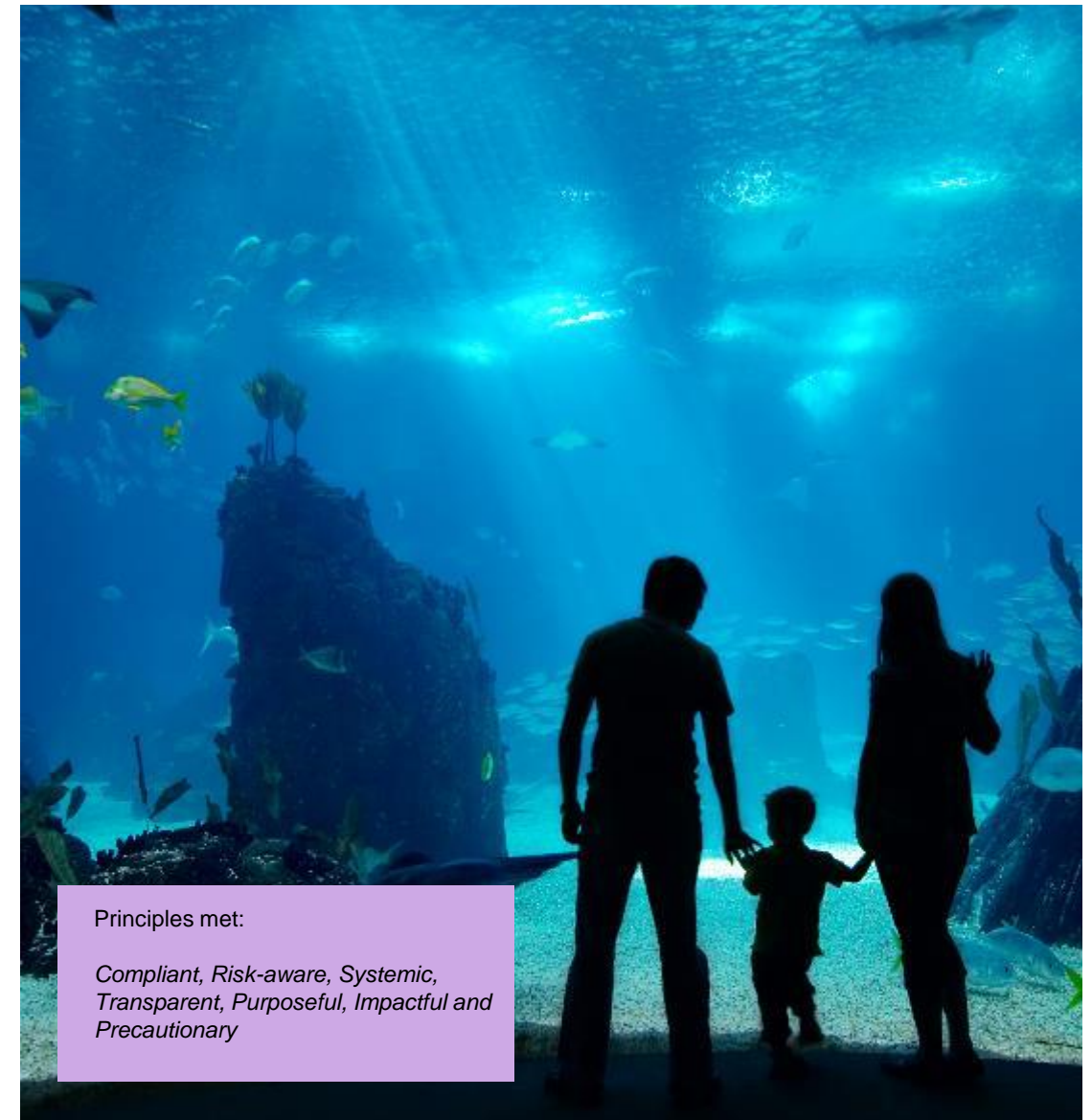
Protective, Risk-aware, Inclusive, Cooperative, Transparent, Purposeful, Impactful, Precautionary, Diversified, Solution-driven, Partnering and Science-led

- **The Mesoamerican Reef (MAR) insurance programme:** In partnership with the MAR Fund, WTW led the development and implementation of a parametric insurance solution covering hurricane risk that helps protect and restore coral reefs along the coastline of Mexico, Guatemala, Belize and Honduras. The protective and impactful value of this project ensures early (pre-funded and pre-coordinated) action to clean up the reef and jump-start restoration and recovery to reduce the overall impact of lost ecosystem services—in both social and economic terms, which satisfies SDG 14 (“Conserve and sustainably use the oceans, seas and marine resources for sustainable development”). This project is particularly impactful because it avoids harm for ecosystems and the coastal communities that underpin them, while ensuring the social, environmental and economic benefits from the ocean are visible for current and future generations.
- **Improving the resilience of coastal fishing communities through financial inclusion project:** Funded by Ocean Risk and Resilience Action Alliance (ORRAA) and managed by non-profit organization Rare Inc., WTW is responsible for assessing the feasibility and informing the development of a bespoke risk financing mechanism that is intended to provide predictable and timely funds to small-scale fisherfolk in the Philippines when weather conditions would likely have prevented safe fishing (thereby significantly impacting livelihoods) in nearshore waters over many days in a given month. The protective value of this project lies in both the guaranteed pay-out of funds to fishers when fishing grounds are inaccessible and livelihoods are put on pause, as well as incentivizing fishers to not go out and fish in dangerous weather that may harm them or threaten their lives.
- **Financial tools for small-scale fishers in Melanesia project:** Funded by the Global Environment Facility (GEF) Special Climate Change Fund and developed in collaboration with WWF, WTW is helping vulnerable fishing communities in Fiji and Papua New Guinea (PNG) to be more resilient to the adverse impacts of climate change. Through the creation of financial “shock-absorbing” products that are tailored for fishing communities in Fiji and PNG, the payouts after physical damage can be deployed faster at the most critical time, to help them withstand the adverse impacts of climate change and effectively manage natural resources to ensure the resilience of the ecosystems themselves.

How WTW aims to support the principles through: Reporting & Disclosure

WTW makes disclosure statements available on the website (<https://www.wtwco.com/en-US/About-Us/environmental-social-and-governance>) such as:

- Inclusion and Diversity Report 2021
- Environmental, Social and Governance (ESG) Commitments
- Environmental, Social and Governance (ESG) – Oversight and Activities
- Climate change and institutional investment
- 2021 Sustainability Accounting Standards Board (SASB) Disclosure
- 2022 Taskforce on Climate-related Financial Disclosures (TCFD) Disclosure
- Net zero greenhouse gas emissions commitment (enterprise)
- Net zero greenhouse gas emissions commitment (delegated investment portfolios)
- Environmental Sustainability Statement



How WTW aims to support the principles through: Joint Initiatives & Partnerships

WTW continues to build partnerships with companies and governments that help us achieve the principles, such as:

Bermuda Institute of Ocean Sciences (BIOS) Internship Sponsor

WTW is a proud sponsor of the 2022 UK Universities Scholarship Programme, which provides internships for students at UK universities to enroll in an educational Coral Reef Ecology (CRE) program. BIOS, a world-class center of excellence in marine science research and education, developed the program and allows high-caliber students to explore fields of study that directly address issues relating to climate change and challenges to the marine environment. Many program participants go on to take up important roles in climate and environmental science.

MasterTrust LifeSight and MSCI

We have collaborated with MSCI in developing a new core equity strategy, which integrates ESG scoring and ESG momentum within a low-cost solution suitable for both DB and DC schemes. The strategy's seed investors included the MasterTrust LifeSight.

Centre for Risk Studies, Judge Business School

We sponsor the University of Cambridge's Centre for Risk Studies Risk Index, which looks to quantify the impact of future catastrophe shocks on the world's economy, including those from cyber-attacks, commodity price volatility, geopolitical events and financial crises.

Secure income and multi-asset pooled solutions

As part of secure income and multi-asset solutions, clients can invest in a range of high-quality opportunities that are compelling investments in their own rights.

Examples include:

- Advanced greenhouse for sustainable agriculture
- Specialist temporary accommodation for vulnerable families and housing for disabled adults
- Renewable energy, such as Japanese solar, Scottish hydropower
- Venture capital to harness world-leading scientific research
- Insurance linked securities supporting climate resilience

Principles met:

Risk-aware, Inclusive, Cooperative, Purposeful, Impactful, Diversified, Solution-driven, Partnering and Science-led

How WTW aims to support the principles through: Net-zero Commitments

Principles met:

Compliant, Risk-aware, Systemic, Impactful, Precautionary, Solution-driven and Partnering

As a company, WTW commits to delivering 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.

As a fiduciary, we believe it is important to consider and manage the financial impact of climate change on our clients’ investment portfolios. Therefore, WTW is committed to targeting net zero greenhouse gas emissions by 2050 at the latest, with a 50% reduction by 2030, in our fully discretionary delegated investment portfolios. We aim to **embed the assessment of climate risk and opportunity** at three levels in our discretionary portfolios:

- **Macro** – Our Climate Dashboard helps us to monitor how the macro landscape is changing with respect to climate issues.
- **Asset allocation** – We use detailed climate scenarios to stress test our multi- and single-asset class portfolios, and identify key thematic risks and opportunities.
- **Security-level analysis** – Our proprietary Climate Quantified physical and transition risk analytics enable us to get a much better understanding of the true climate value-at-risk in our portfolios.

Our goal is to identify best-in-class asset managers and to work with them to build portfolios that deliver strong risk-adjusted returns over the long term. We have recently invested in opportunities across sustainable agriculture, forestry, electrification infrastructure and renewable energy, among others.

We actively **assess the characteristics of market indices** and make a deliberate choice of which to use – climate risk is one of the factors we use in this decision. Our proprietary climate transition analytics are used to assess transition risk in quoted companies and to design indices that better account for climate value-at-risk than traditional market cap indices.

We **assess the managers' ability to reflect climate risk in their decisions** when selecting securities, and we regularly engage with the asset management industry regarding their stewardship practices. However, we also recognize that this is an evolving area and that a “whole portfolio” approach needs to be taken to the potential impact of climate risk. Over 2020 alone, we carried out over 200 engagements with over 70 managers on sustainability, and continue to focus our industry engagement efforts on the topics of culture, sustainable investment and inclusion and diversity.

How WTW aims to support the principles through: Memberships & Leadership

Global Ecosystem Resilience Facility (GERF)

We launched the Global Ecosystem Resilience Facility (GERF) to develop resilience for vulnerable ecosystems, such as coral reefs and mangroves, through innovative finance and risk management opportunities. GERF seeks to address ecosystem risk and vulnerability and support public and private organizations in understanding the true value of ecosystems and putting in place effective protection measures.

Ocean Risk and Resilience Action Alliance (ORRAA)

The Ocean Risk and Resilience Action Alliance (ORRAA) is a multi-sector collaboration committed to building resilience to ocean risk. The Alliance will achieve its mission by driving investment into coastal natural capital through the development of innovative finance solutions that reduce vulnerability and build resilience in the most exposed and vulnerable regions and communities. ORRAA's mission is to catalyze the investment of at least USD \$500 million into coastal and marine natural capital through the development and deployment of finance products that build the resilience of 250 million climate vulnerable coastal people, by 2030. WTW joined ORRAA in 2019 and so far, has engaged in multiple projects, bringing innovative risk financing, understanding and analytics to the fore of enhancing ocean and coastal community resilience.

#backblue signatory

WTW is one of the first signatories of a United Nations-backed initiative called the #BackBlue Ocean Finance Commitment, which is designed to protect the ocean against the impact of climate change. Launched ahead of the start of the COP26 summit, it was spearheaded by the Ocean Risk and Resilience Action Alliance (ORRAA) and aims to encourage financial and insurance companies to incorporate ocean conservation in their business decisions. WTW also sits on the advisory board for #backblue's insurance pillar of the Sea Change Impact Finance Facility (SCIFF).

ClimateWise

WTW is a member of ClimateWise, which aligns a global network of leading insurance organizations to enhance societal resilience to climate risk, convened by the University of Cambridge Institute for Sustainability Leadership (CISL). We are currently members of the ClimateWise Nature and Insurance Task Group.

Principles met:

Protective, Risk-aware, Systemic, Inclusive, Cooperative, Transparent, Purposeful, Impactful, Diversified, Solution-driven and Partnering

Transition Pathway Initiative (TPI)

We are official supporters of the TPI, a global investor initiative led by asset owners, which assesses companies' preparedness for transition to a low-carbon economy. Led by academic research from the Grantham Research Institute and London School of Economics, TPI is supported by over 40 investors globally with combined assets over USD \$13 trillion.

Principles for Responsible Investment (PRI)

We are a signatory of the PRI and an active member of the working group for ESG/Sustainable Development Goals (SDGs) in Strategic Asset Allocations. This work aims to identify the ways in which ESG, the SDGs, and sustainability in general can be incorporated in the strategic asset allocation decision making process.

Ports and Terminals Risk Forum and Index

With ports and terminals client members worldwide, as well as risk forum specialists from WTW, the Ports and Terminals Risk Forum acts as a members' network to explore risk identification and response, while delivering customized risk management solutions. Reinforcing the company's focus on the industry's risk landscape, the Forum is collaborating with the Centre for Risk Studies at the University of Cambridge Judge Business School, a long-term Willis Research Network partner, to develop an annual index of risk disruptors for ports and terminals worldwide to be launched in 2022. This study will take an analytical approach to look at the range of disruptive threats ports and terminals are having to address as a result of global trends and how prepared they are.

Lastly, WTW is **actively involved in the global discussion** on implementing innovative tools and solutions for risk understanding and financing, specifically on parametric insurance. This year alone, WTW has been represented at the following conferences: The Economist's World Ocean Summit, ADB's Ocean Finance Event, Island Finance Forum, UN Ocean Conference, World Economic Forum's BiodiverCities Nature Action Agenda Community, InsuResilience Sectoral Communities workshops on nature-based solutions and risk financing, One Ocean Summit and Palau's Our Ocean Conference.

How WTW aims to support the principles through: Scientific Research

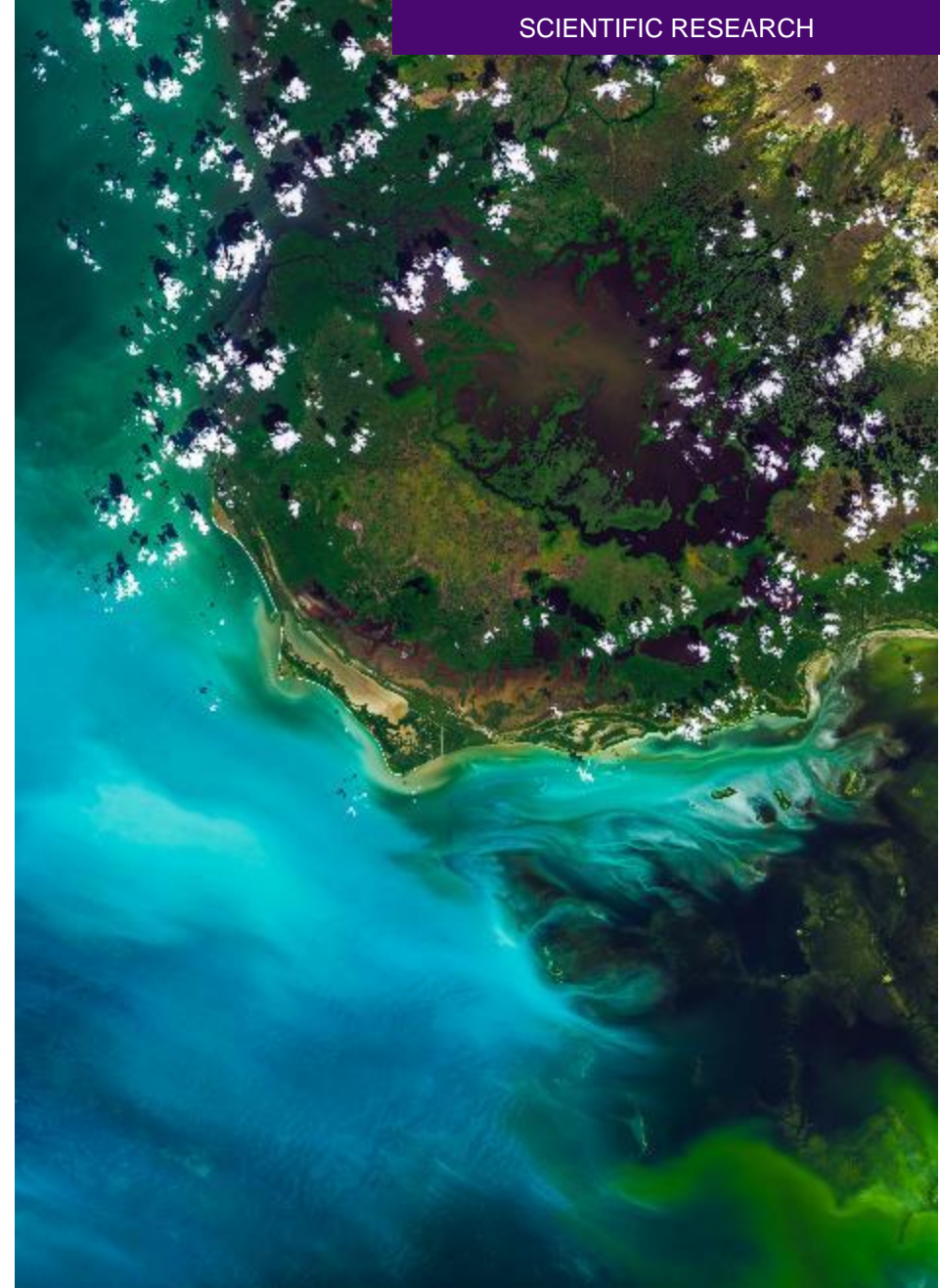
WTW supports ocean-related projects and activities that assess the environmental and social risks and impacts based on sound scientific evidence. Our analytical approach is underpinned by robust analytics, using the best available science. WTW is also home to the WTW Research Network, award-winning collaboration between science and the insurance, finance and risk management sector, going back to 2006.

Our various projects and activities include (but are not limited to):

- Aligning our net-zero commitment with Science-based Targets Initiative (SbTI).
- A partnership with Tohoku University and the International Research Institute of Disaster Science (IRIDeS) in Japan to: improve the understanding and quantitative assessment of tsunami risk (including for building vulnerability) in Japan and other target areas in the world; better understand the earthquake risk in the Japan Sea coastline region.
- Funded by Natural Environment Research Council (NERC) at the University of Exeter, and in collaboration with multi-sectoral and multidisciplinary experts, WTW's Bloodstock, Estates, Livestock & Aquaculture Practice supported a study on the UK's fisheries to explore the factors that affect how fishers trade off the physical risks and economic rewards of being at sea and to assess the extent to which fishers expertly manage weather-related risks. From an insurance perspective, this work can inform appropriate setting of trigger thresholds in parametric products for business interruption caused by storms, and it implies that these triggers should vary by fishery, depending on economic need, fishing methods and fishing boat size and design.

Principles met:

*Risk-aware, Systemic, Cooperative, Transparent, Purposeful, Impactful,
Precautionary, Solution-driven, Partnering and Science-led*



Closing remarks

WTW is pleased to be a signatory to the Sustainable Blue Economy Finance Principles, which provide guidance and frameworks to ensure investment, underwriting and lending activities are aligned to the UN Sustainable Development Goal 14, “life below water”, enabling financial institutions to rebuild ocean prosperity, restore biodiversity and regenerate ocean health.

Like all companies, WTW is on a journey to help tackle the impacts of climate change and its subsequent impact on nature and biodiversity – through our own efforts, partnerships and the way in which we support our clients. We are proud of the steps we are taking, in line with the Sustainable Blue Economy Finance Principles. We know there is more to do and look forward to continuing our efforts internally and supporting our clients and other partners in this space.

About WTW

About the Climate and Resilience Hub

The Climate and Resilience Hub (CRH) is the focal point for our climate expertise and capabilities, pooling knowledge from across our people, risk and capital businesses and from our collaborations to deliver climate and resilience solutions in response to a range of regulatory, investor, consumer, employee and operating pressures. Under the Climate Quantified™ brand we deliver analytics, advice and transactions to enable corporate, finance and public sector institutions to embrace the climate decade ahead.

About WTW Research Network

The WTW Research Network is an award-winning collaboration between science and the insurance, finance and risk management sector, going back to 2006. Our mission is to encourage and harness innovative research to improve our understanding of a wide range of risks, operationalize this research to support better risk solutions, help clients and society become more resilient and take advantage of growth opportunities. Harnessing relationships with more than 60 organizations across the world from science, academia, think tanks and the private sector, the WTW Research Network forms innovative partnerships to confront the full spectrum of risk, bringing the latest science to our clients, and highlighting emerging risks before they make the headlines.

About WTW

WTW (NASDAQ: WTW) provides data-driven, insight-led solutions in the areas of people, risk, and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help organizations sharpen their strategy, enhance organizational resilience, motivate their workforce and maximize performance.

Legal Disclaimer

Forward-Looking Statements

Some of the statements contained in this report and on the Company's website are 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, are forward-looking statements. Also, when we use words such as "may," "will," "would," "anticipate," "believe," "estimate," "expect," "intend," "plan," "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. These statements are based on assumptions that may not come true and are subject to significant risks and uncertainties.

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. In light of the significant uncertainties inherent in the forward-looking statements included in our Annual Report on Form 10-K and subsequent filings, 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 on our website may not occur, and we caution you against unduly relying on these forward-looking statements.

Risk Factors

As discussed above, a number of risks and uncertainties could cause actual results to differ materially from those projected in any forward-looking statements. The Company's risk factors are described in "Risk Factors" in Item 1A of our Annual Report on Form 10-K and in our subsequent filings and should be carefully considered in evaluating our business. 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.

Policy Statements

Each of the policy statements attached to this Legal Disclaimer is a statement of general policy. It is possible that specific circumstances in our global operations may differ from those described in our policy statements

About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help you sharpen your strategy, enhance organizational resilience, motivate your workforce and maximize performance. Working shoulder to shoulder with you, we uncover opportunities for sustainable success – and provide perspective that moves you. Learn more at [wtwco.com](https://www.wtwco.com).



Copyright © 2022 Willis Towers Watson. All rights reserved.
[wtwco.com](https://www.wtwco.com)