



## Collaborative initiatives

We believe that collaborative initiatives are important to address the sustainability-related challenges in investment markets, economies, society and the environment. We are proud to have deep pockets of knowledge on these topics across our organisation. We use those skills to collaborate with other groups with the aim of improving long-term outcomes for our clients. Some highlights of Willis Towers Watson's recent activities in this area include:

- **Willis Towers Watson's '1-in-100 Initiative'**: Successfully working with the G20 Financial Stability Board, Bank of England, US Treasury, IAIS and other authorities to propel reform on the disclosure of near term climate and natural disaster related risks by financial institutions culminating in the creation of the FSB Taskforce for Climate Related Financial Disclosure (TCFD) led by Michael Bloomberg. Willis Towers Watson contributed to the consultation by the task force in developing its guidelines.
- Ongoing work by the **Thinking Ahead Institute**, a not-for-profit think tank sponsored by Willis Towers Watson, to effect positive change for the industry as a whole. Topics of focus have included stranded assets and the investment eco-system. Working groups include sustainability portfolio construction, long-term investment and integrated reporting on which Willis Towers Watson representatives are contributors.
- **Willis Towers Watson's Capital, Science and Policy Practice** provides input and support for major international summits including G7, G20, WB-IMF, UN and World Economic Forum, UK Committee on climate change. Specific examples include:
  - Co-sponsoring events with the British Consulate in the US to advance insurance and related analytical tools and innovative finance approaches: Congressional Briefing at the US Capitol on Natural Hazard, Community Resilience and Economic Risk and the Resilience Roadshow 2.0 in selected North American coastal communities working to invest in adaptation and sustainability.
  - Organising a Community Resilience Finance Summit (February 2018) in Washington, DC, to assemble leaders across the range of disciplines, sectors, and levels of government to explore innovative mitigation and adaptation of finance approaches to support infrastructure investment and the sustainable and resilient recovery from disasters.
- Willis Towers Watson is a member of **ClimateWise** which aligns a global network of leading insurance organisations to enhance societal resilience to climate risk, convened by the University of Cambridge Institute for Sustainability Leadership (CISL). Willis Towers Watson was the lead broker in performance for 2017 as measured against the ClimateWise principles.
- We have partnered with the **UK AMNT** and the **UK Sustainable Investment and Finance Association**, recognising recent Pensions Regulator guidance on the consideration of long-term sustainability and ESG factors for defined benefit and defined contribution schemes.
- Members of the **Santa Fe Institute** including hosting events around climate change and long-term investing.
- Willis Towers Watson has a seat on the leadership group of the **Global Innovation Lab for Climate Finance**.
- Signatories to the **Principles for Responsible Investment (PRI)**. Willis Towers Watson is contributing to the PRI's Investment Consultant Services Review as part of the PRI's initiative to promote a sustainable financial system.

## Stewardship

- Signatories to the **UK Stewardship Code** with a Tier 1 rating on our stewardship statement.
- Ongoing discussions with the **UK Financial Reporting Council** around our joint efforts to improve the quality of stewardship by asset managers.
- We employ the services of **Hermes EOS** to undertake public engagement on our behalf. Particular topics we have encouraged are carbon/stranded assets, corporate ESG disclosure and board governance.
- Willis Towers Watson Japan published a book related to **Stewardship Code & Corporate Governance Code** and was one of the first institutions to support the Japanese Stewardship Code.
- Assisting the **UK Association of Member Nominated Trustees (AMNT)** Red-Line Voting initiative which should enable greater trustee focus on voting policies by asset managers.
- Discussions with **Share Action** in a joint Share Action/ PRI initiative to conduct an analysis on the current level of investor awareness and engagement with regards to the **Sustainable Development Goals** (SDGs).
- Signatories to **Tomorrow's Capital Markets** which aims to promote long-term investing.
- Founding members of the **Diversity Project**, an investment industry initiative to attract and retain diverse talent in the industry.
- Created the **Natural Resource Risk Index**, which analyses the severity of impact and ease of management of the top 50 risks facing the natural resources industry, grouped into five megatrends and using data from 350 senior executives.
- The **Willis Research Network** (WRN) is at the forefront of insurance industry engagement with public science institutions. A range of flagship research projects have a significant climate change component affecting frequency and severity of events. WRN researchers won the 2016 **Lloyd's Science of Risk Prize** in the category of Natural Hazards. The winning paper by Dr Ben Youngman and Professor David Stephenson of the University of Exeter, "A geostatistical extreme-value framework for fast simulation of natural hazard events", published in the Proceedings of the Royal Society, presents a statistical method for simulating natural hazard events.
- Willis Towers Watson sponsors the **Global Assessment Report** (GAR) co-ordinated by the United Nations Office for Disaster Risk Reduction (UNISDR) which is the first globally consistent and comparable risk assessment tool for a wide range of perils.
- Willis Towers Watson sponsors the **Global Risk Index** (a.k.a. project 'Pandora') of the University of Cambridge's Centre for Risk Studies (CRS).
- Willis Towers Watson participates in the Global Adaptation & Resilience Investment Working Group (GARI) working to establish the **Global Adaptation and Resilience Fund**, supported by private sector investors and other stakeholders from institutional investors to corporations, start-ups, think tanks, advisory firms and development finance institutions.
- Tim Hodgson, founder of the Thinking Ahead Institute, was a member of the advisory panel for the **Patient Capital Review**. The review, led by the UK Treasury, will identify the barriers to accessing long-term finance for growing firms. He is also a working group member of the World Economic Forum's project on Mitigating Risks in the Innovation Economy.
- Roger Urwin continues to engage with the CFA Institute to raise the profile of ESG as a topic in the curriculum, and is Strategic Director of the **Future of Finance** initiative.
- Willis Towers Watson hosted **Measuring What Matters**, on behalf of the Accounting for Sustainability Group which was set up by HRH the Prince of Wales.
- Willis Towers Watson is a member of the US PA Chapter Board of **The Nature Conservancy** which is an environmental organisation advancing conservation around the world.
- Willis Towers Watson's Environmental Practice sponsors Wharton's **Initiative for Global Environmental Leadership** (IGEL) which promotes knowledge for business sustainability.

## 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 40,000 employees serving more than 140 countries. 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. Learn more at [willistowerswatson.com](http://willistowerswatson.com).



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