Why climate and why now?
The global challenge of achieving a just and orderly transition to a low carbon, climate resilient economy increasingly dictates that climate considerations are an integral part of mainstream financial decision making across the public and private sectors.

Evolving policy and regulation, in tandem with rising investor and consumer expectations and activism, demand a strategic risk management and mitigation approach, underpinned by appropriate methods and metrics.

That’s linked to the risks associated with climate risk and resilience. These vary from physical risks and the related economic impacts to liability risks and risk arising from the pace of transition to a low carbon economy. Broadly, these comprise:

+ Physical – the physical risks to premises and supply chains that arise from extreme and adverse weather and the economic losses that result.
+ Liability – legal costs and damages that result from failing to meet responsibilities for climate risks.
+ Transition – the legal, technology, market and reputation costs linked to how organizations adapt to, and the speed at which they adapt to, lower carbon and climate resilient economies.

Delivering change through Climate Quantified™
Willis Towers Watson takes its social and planetary responsibility seriously and is actively contributing to how organizations respond to climate risk and the need to show clear plans for resilience.

There are no off-the-shelf solutions. Our Climate Quantified approach recognizes that responding effectively and taking a strategic approach is truly multi-dimensional and requires solutions to managing people, risk and capital.

Potential climate risk action areas
1. Assessment and quantification in the short and long term
2. Transition and resilience planning
3. Financial reporting and disclosure
4. Investment strategy and implementation
5. Capital management
6. Risk hedging and transfer
7. Health/Demography
8. Human capital: talent, rewards and culture alignment, non-executive director responsibilities, pensions management, corporate governance

Fundamentally, addressing climate change is a responsibility we all share – we believe we all are the ‘they’ who must and can act.
Climate Quantified™ at a glance

Climate Quantified integrates our deep weather and climate analytical experience from the (re)insurance, broking and investment markets, our knowledge of and role in contributing to climate and resilience policy and regulation, our extensive academic, research, and institutional investor relationships, and our multi-discipline expertise and capabilities.

Specific service offerings that underpin Climate Quantified include:

- Insights into the rapidly evolving policy and investor landscape
- Risk and scenario modelling using the latest science
- Climate risk audits and stress testing
- Risk transfer and financing solutions – broking and insurance product development, reinsurance and insurance-linked securities
- Investment solutions based on integrating environmental, social and governance (ESG) principles and effective stewardship, as well as the research and development of both more sustainable, climate resilient portfolios and specifically targeted funds and investment options for asset owners
- Analytical support for climate-related financial reporting and regulatory requirements
- Developing talent and rewards strategies to support organizational objectives related to climate

The extra value we bring comes from recognition of the interplay of data and sophisticated analytics with law, regulation and policy, and how these factors impact the allocation of capital.

The activities of the Willis Research Network, our Climate and Resilience Hub and the Thinking Ahead Institute in building knowledge and understanding of climate risks and resilience are also key and differentiated components of our offering.
Climate Quantified™ - championing climate action and resilience

Nor are we simply a service provider. Climate Quantified™ embodies a proactive approach to helping shape the global community’s response to climate risks through independent and shared initiatives, including:

- Our leadership role in efforts to address the insurance protection gap in many developing countries, including creation of the Insurance Development Forum
- Being a signatory to the Principles for Responsible Investment and the Principles for Sustainable Insurance
- Our contributions to work on climate stress testing for disclosures
- Our support of thousands of insurers, reinsurers and corporates in evaluating natural hazard risks and weather extremes using a team of over 500 analysts worldwide
- Our $50 million investment in the Willis Research Network over the last decade to support open climate and natural hazard research in partnership with over 50 institutions such as the National Center for Atmospheric Research, Columbia University, Karlsruhe Institute of Technology, the National University of Singapore, and Newcastle and Exeter universities in the UK
- Our creation of the Thinking Ahead Institute that aims to influence change in the investment world, including how we think about climate-resilient investment
- Together with the World Economic Forum, our founding of the Coalition for Climate Resilient Investment, which aims to improve the pricing of climate risks and climate resilience in investment decision-making
Climate Quantified™ – actions not words

- We assess natural catastrophe risks for hundreds of insurers and reinsurers worldwide
- Willis Towers Watson Securities is the leading arranger of catastrophe bonds in Europe
- We are the leading reinsurance broker for the world's largest multi-sovereign parametric natural catastrophe emergency response programs.
- Of the more than 1000 organisations that have voluntarily signed up to the TCFD (Taskforce for Climate-related Financial Disclosures) disclosure requirements, we are supporting a number in their preparations.
- We have worked with a major UK land developer to improve its knowledge of physical and transition risk, and to manage its operational resilience and investment strategy across the business.
- We are a leading investment solutions provider, advising some of the largest and most sophisticated asset owners globally (with over $2.5tn of assets under advice and running outsourced CIO mandates in excess of $140bn), as part of which we are redesigning and implementing portfolios that integrate the best of our climate risk management, stewardship and idea generation capabilities.
- In collaboration with top academic institutions, we are supporting governments in their efforts to enhance national investment decision-making, by allowing them to prioritize specific areas and sections of their infrastructure networks based on the exposure of social and economic value to climate risks.
- Working with one of the largest financial institutions in the world, we have assessed the exposure of its real asset portfolios to climate risks, resulting in a series of follow-up phases aimed at reshaping internal decision making based on our climate analytics.
- We supported a large bank to understand its climate risk exposure for a large rail infrastructure provider. This engagement focused on physical risks to assets and anticipated downtime following damage as part of creating a common asset resilience language.
- We advise on insurance policies for coral reefs and other marine and terrestrial natural capital via our Global Ecosystems Resilience Facility.
Climate Quantified™ – a strategic approach to diverse climate risk drivers

The risks associated with climate risk and resilience, and therefore the impetus and motivations for action, will originate from different sources and will vary for each organization, including: legal, liability and regulatory drivers; the need to build asset and infrastructure resilience based on available scientific evidence; meeting investors’ sustainable investment agendas; internal identification of risk and opportunity; corporate responsibility; and potential reputational impact.

The bottom line is that climate risk is financially material and becoming more so.

Climate Quantified™ delivers the strong scientific base, analytics, advice and transactional capability to enable organisations to embrace the ‘climate decade’ ahead.

$131bn of gross domestic product in 279 of the world’s leading cities is exposed to direct climate-driven risks.

Source: Cambridge University Centre for Risk Studies’ 2019 estimate

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For further background, research and articles related to climate risk, visit:

Related Sites:
Willis Towers Watson Climate and Resilience Hub:

Willis Research Network:

Thinking Ahead Institute:
https://www.thinkingaheadinstitute.org/
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, optimise 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.