

# Sustainable Investing Policy

WTW Investments

March 2026



# Introduction and scope

We believe sustainable investing (“SI”) is an important foundation for strategy and the generation of long-term financial returns. As such, it is an important part of WTW Investments’ beliefs and investment processes. We use the term SI to describe a range of long-term, finance-driven processes that integrate consideration of environmental, social and corporate governance (“ESG”) risk factors, apply effective stewardship and — for certain investment strategies — directly manage sustainability impacts. We believe these approaches reflect good financial risk management.

WTW Investments’ Sustainable Investing Policy (“SI Policy”) applies to our delegated investment portfolios, where relevant to the mandate. Detailed implementation may vary by jurisdiction depending on local regulatory environment and each delegated portfolio faces distinct operating parameters given its risk and return objectives, asset class and implementation constraints. Certain investment strategies may not consider particular ESG risk factors where it is not currently feasible or appropriate to do so (for example a high turnover derivative process).

Please refer to portfolio/fund specific documents for specific information around the particular SI characteristics and process applied.

Delegated portfolios are designed to contain our best ideas in return generation and risk management taking account of the objectives and context of the various clients we service. In doing so, we leverage our expertise across integrated SI research, risk management and stewardship. This policy is aimed at establishing the structure and principles for doing this.

Key areas covered are:

- **Investment beliefs** — Explaining our investment beliefs around sustainable investing
- **Governance and strategy** — A Sustainability governance framework has been established to identify, manage and monitor how SI is incorporated within our processes, strategy and controls

- **Integration** — How our various research teams provide SI related insights which are distilled by the Portfolio Management Group and client teams
- **Stewardship** — How stewardship responsibilities are exercised across asset manager engagement, issuer engagement, voting and wider industry engagement
- **Exclusions** — The principles around when exclusions may be used

Within the broad remit of sustainable we have identified climate change as a priority, given the potential financial risk it presents to our clients’ investments. Please refer [here](#) for more details around our net zero goal and approach.

Note: Although this policy document reflects WTW Investments’ current approach and understanding, it may be subject to change and/or update at a later date.



# WTW Investments' beliefs

As noted previously, we believe SI is an important foundation for strategy and the generation of long-term financial returns. As such, it is part of our beliefs and investment processes.

We have a responsibility to act in the best interests of our clients. Fundamentally this means seeking the best financial outcomes as applied to their individual investment contexts, which includes considering material financial risks (current and future), including those which are sustainability related.

Sometimes achieving better financial outcomes might mean improving the robustness of the savings system (system-level risk) so that savers' confidence in that system increases and they are willing to save more. It may also mean investing and undertaking stewardship to help reduce the probability of a future systemic risk event (such as a significant increase in global temperatures) from transpiring.

In order to fulfil this responsibility, we attempt to think and act like a leading asset owner and responsible market participant. One of our core investment beliefs (copied in the box to the right) is specifically focused on SI.

## **WTW Investments' perspective: sustainable investing as a foundation for long-term financial investor strategy**

- Sustainable investing describes a range of long-term finance driven processes that integrate consideration of ESG risk factors and apply effective stewardship, with regard for the impact on society and the environment given that this can influence financial risk, both at issuer level and market-wide system level
- Sustainability risks are often not accurately appreciated by the market. Investors should look to use informational and implementation advantages to improve long-term outcomes by avoiding unrewarded risks, seeking financially attractive sustainability related investment opportunities and undertaking effective stewardship
- Public policy engagement and working with wider industry groups is important to give the investment industry a stronger voice and improve financial investment outcomes for all participants
- Climate change is a systemic financial risk — it involves portfolio risk management, opportunity identification and pursuit of viable transition pathways

# Governance and strategy

Our governance structure is designed to promote clarity, focus and effective decision making. Embedded within the wider WTW Investments' governance structure, our sustainability governance seeks to combine central global co-ordination and expertise with regional decision makers to best cater for our clients' sustainability preferences, as well as local regulatory environments.

## Key sustainability-related governance intersections

### Investments Sustainability Leadership team

The Investments Sustainability Leadership team consists of members of the Investments Global Leadership team ("GLT") and Investments Sustainability leaders who set business-level objectives related to our sustainability strategy and oversees the implementation, compliance, governance and resourcing to achieve those objectives. This team coordinates with relevant legal entity Boards across regions and is supported by relevant functions and SMEs (Compliance, Legal and Risk).

### Global Sustainability Risk, Product and Control Committee

The Global Sustainability Risk, Product and Control Committee (the "Global SRPC") is constituted as a Sub-Committee of the Investments GLT. The Global SRPC is responsible for overseeing and monitoring existing and future regulatory and business requirements related to sustainability impacting the WTW Investments businesses and activities globally. It supports appropriate monitoring, oversight, disclosure and compliance of the processes related to sustainability and/or ESG regulations, business requirements, the risk processes and entity and product disclosures required to meet the relevant sustainability requirements. Alongside its global remit, the Global SRPC also holds region specific meetings throughout an annual cycle to ensure regional divergence is appropriately addressed. In addition, it coordinates sustainable investing portfolio-level and entity-level ESG regulatory working groups as necessary.

We monitor the governance of our SI processes on an ongoing basis, taking into account relevant requirements for portfolio investments and recognising current and evolving regulations, guidance and standards.

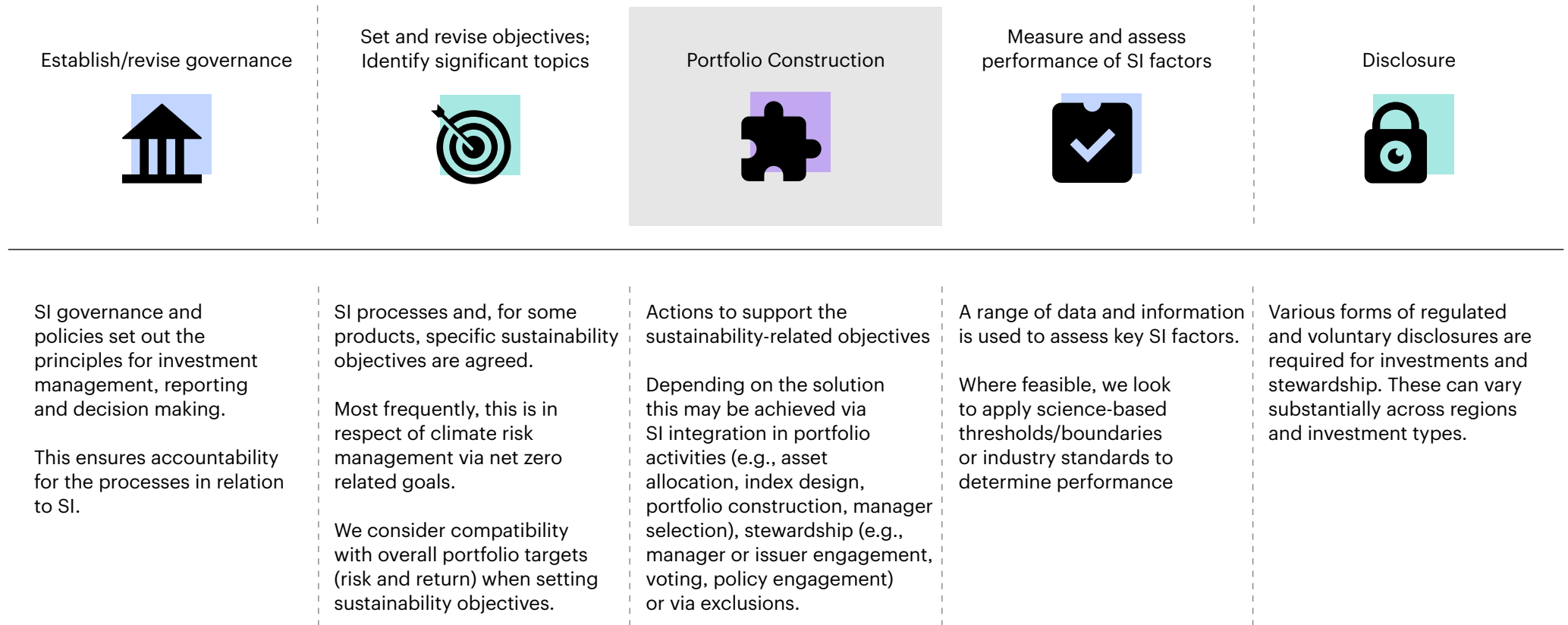
This policy is authored and regularly reviewed by the SI Standards Committee and our adherence to it is monitored by the Global SRPC, with the Sustainability Leadership team and GLT having ultimate oversight responsibility.

While the specific approach used to SI will vary by asset class and mandate depending on context, Figure 1 on the next page sets out our broad strategic framework.



Figure 1:

## Managing Sustainable Investing performance



The remaining sections of this document outline the key process areas identified in the middle column above: integration, stewardship and exclusions.

# Integration

This section describes how we undertake SI across our various teams. We look to integrate SI throughout our investment processes: we view SI as part of the financial risk and return related decisions we make, not a disconnected consideration.

We believe a team structure where SI is integrated means we are well placed to work together as required to meet clients' needs and provide a strong platform for training and development of colleagues while benefiting from the diversity of insight that an integrated model can provide.

The graphic below depicts how our various research teams, shown in the outer circle, provide a range of SI related insights which are distilled by the Portfolio Management Group (which is responsible for managing delegated portfolios) and client teams to drive client outcomes. The role and SI processes of each team is described further below.

Figure 2:

## SI integrated team structure and process



### **Core SI team: Enabling SI processes**

Our Core SI team consists of a number of full time SI specialists with expertise across areas such as certain ESG topics (in particular, climate), ESG data, analytics, stewardship, voting, best practice industry standards and reporting requirements. Our Core SI team provides SI-related capabilities that feed into, and leverage, the work we do across all other teams globally.

### **Manager Research: Assessing managers, creating solutions, industry engagement**

Our Manager Research team looks to identify, across a wide range of asset classes, leading asset management organisations capable of delivering positive outcomes to clients and on advancing industry good practice.

This includes assessing, amongst many other factors, an asset manager’s SI practices in the context of each asset class, as summarised in Asset Manager Sustainable Investing Reports. These reports feed into our overall view of the suitability of asset manager products for our delegated clients’ portfolios and are an important input for the Portfolio Management Group (see below).

Asset Manager Sustainable Investing Reports are driven by proprietary questionnaires sent to asset managers and the insights from asset class specialists within the Manager Research team. Figure 3 outlines the five areas considered in these reports. The assessment of each area is tailored to reflect the nuances of each asset class.

Figure 3:

## **SI criteria in asset manager assessment**



### **Resources and integration**

ESG integration within investment research and decision-making, including resources available.



### **Portfolio influence**

How big a driver ESG considerations typically play on a portfolio.



### **Policies**

An asset manager’s policies on areas such as stewardship, voting and managing climate risk.



### **Engagement**

Engagement activity including involvement in industry initiatives and transparency of engagement reporting.



### **Voting**

(Where applicable), including disclosure of voting rationale to companies and transparency of vote reporting.

Our Manager Research team recognises that exposures to certain long-term ESG themes may provide attractive return opportunities and contribute to a wider risk management strategy. The team aims to selectively identify attractive investment strategies with positive alignment to these trends, particularly in private markets, such as financing renewable energy, infrastructure or energy efficient real estate.

Engagement with asset managers, both to improve practices and to guide product design, is a key activity of this team — see Stewardship section below for more details.

### **Portfolio Strategy: Top-down SI integration**

Our Portfolio Strategy team is a key support function for the Investments business and is responsible for the evolution of the principles, frameworks and tools used to design or advise on multi-asset portfolios for clients. This includes the integration of climate considerations into the portfolio construction process from a top-down perspective. Part of assessing portfolio resilience is considering the impact of different climate scenarios on portfolio outcomes.



### **Climate Analysis: Quantifying climate risk**

Climate analysis at WTW brings together extensive climate expertise to help identify, quantify and manage climate-related financial risks.

This includes transition and physical risk insights used within our investment process. For example, Climate Transition Value-at-Risk (CTVaR) analysis, quantifies transition risk faced by issuers, given the real-world decarbonisation required to mitigate global temperature rises. This analysis is integrated into the risk management and monitoring processes used by the Portfolio the Portfolio Management Group.

### **Thinking Ahead Group: Innovation and horizon scanning**

The Thinking Ahead Group (TAG) is the WTW executive to the Thinking Ahead Institute (TAI), WTW's global not-for-profit research and innovation member group.

TAG provides valuable horizon scanning insights into potential future systemic ESG risks and potential approaches to manage these risks. This innovative forward-looking work is a driver of our SI process evolution over time.

### **Portfolio Management Group: Portfolio construction and monitoring**

The Portfolio Management Group has the job of bringing together the research, risk management and idea generation done by the specialist research teams described above in a consistent manner for our delegated client portfolios and funds, therefore integrating SI in the investment-decision making process.

Our clients may have different preferences, constraints and types of mandate with us, meaning a 'one size fits all' approach is not possible. Each portfolio management team must make different trade-offs to create the best quality portfolio possible through our lenses, guided by our Global Portfolio Management Group (GPMG), which is responsible for setting the portfolio construction principles and frameworks for delegated clients globally.

In order to assist our portfolio construction and monitoring, this team draws on a number of portfolio construction tools maintained by the Portfolio Strategy team, the majority of which have been developed and tailored in-house to best align with our approach to

building portfolios and our investment beliefs.

We recognise that while many sustainability considerations have clear risk and return consequences, embedding this 'sustainability lens' into portfolios also requires us to consider issues that are subject to greater uncertainty, less measurement and which are heavily context dependent. Therefore, the roles of judgement and qualitative overlays are important.

### **Client team: Understanding client needs and delivery**

Our client teams work closely understand their SI needs, preferences and deliver services to help achieve their objectives.

# Stewardship

We believe that effective stewardship is a key aspect of SI and important to a well-functioning investment industry. We recognise our role as an engaged industry participant, and seek to exercise our stewardship responsibilities, either directly or via third parties, across a range of activities:

- Asset manager engagement
- Issuer engagement
- Voting
- Policy engagement and supporting wider industry groups

## Asset manager engagement

As noted above, engagement with asset managers is an important activity for the Manager Research team.

A foundation for this engagement work is the Asset Manager Sustainable Investing Reports, described above. These reports provide a baseline of where asset managers stand in the various elements of help us identify particular managers that we can actively engage with to improve their approach.

With closed-end funds, we sometime have representation on investor advisory committees which allows us a mechanism for ongoing engagement.

In those instances where our engagement process does not lead to sufficient progress, the Manager Research team may revise its view on a strategy potentially leading capital to be reallocated to other opportunities.

Figure 4:

## Key pillars of our engagement with asset managers in 2024

Being able to measure, manage and report climate related portfolio risks

Modern slavery and human trafficking policy, reporting and statement

Culture and human capital management

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**The Manager Research team publishes SI related thought pieces to help guide good practice. These papers provide a useful resource for asset managers to encourage improvements in SI practice.**

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## Issuer engagement

We promote issuer engagement as a tool to help achieve positive change. In the majority of cases, this engagement is the responsibility of the underlying managers. It is therefore a key part of our research and engagement with managers (as above) to assess the engagement capabilities and practices of managers, share and encourage best practices, and advocate for greater and more effective SI stewardship at an industry level.

To supplement corporate engagement carried out by individual managers, we have appointed specialist stewardship services provider, EOS at Federated Hermes (“EOS”), in relation to several of our funds. We have worked closely with the stewardship services provider for many years and input to their prioritisation process.

## Voting

Voting on equity shares is an important engagement tool. Whether investments are implemented through third party funds or directly held equities, our standard approach is to delegate stock selection and voting decisions to third party asset managers. Therefore, assessing the voting practices of our agents is an important part of our process. Our Manager Research team considers voting processes, resources and metrics in this process.

In addition to the voting practices of the third-party managers, the stewardship services provider provides voting recommendations to the managers for certain mandates.

We provide input into the stewardship services provider’s engagement plan and voting approach, alongside other clients of theirs, with a focus on the issues that are most material to financial outcomes for our clients. We review the stewardship providers’ voting recommendations annually.

The stewardship services provider’s global voting guidelines are available [here](#). Their voting guidance incorporates the services of a proxy voting provider. The stewardship services provider shares its preferred voting approach each year with the proxy voting provider. The proxy provider interprets this to arrive at a custom policy which drives initial guidance for each vote. The stewardship services provider then reviews this initial guidance from the proxy provider and may override based on the insights from the stewardship services provider’s own company engagements and their team’s general expertise.

We periodically monitor the voting decisions each asset manager makes. Where the stewardship services provider is employed in the mandate, we also monitor the asset managers’ voting against the guidance by the stewardship services provider. We will engage with or challenge the underlying asset manager where necessary. Throughout this process we pay particular attention to ESG related resolutions especially on the topic of climate given we, and many of our clients, have identified this as a key topic.





### Public policy engagement and supporting wider industry groups

Long-term value creation relies on robust economic and investment markets but these are challenged by systemic financial risks. The investment industry cannot address systemic financial risks in isolation — mitigation is also contingent on the actions of other participants, such as investment industry standard setters, governments and other policymakers.

Related to this, we participate in several industry groups and provide a sample of our 2024 activities below.

#### Thinking Ahead Institute (TAI)

TAI is a global research and innovation network founded by WTW Investments that connects organisations from around the investment world to harness collective thought leadership and implement strategic projects.

#### EOS at Federated Hermes (EOS)

We also partner with EOS to undertake public policy engagement. Stewardship has become increasingly complex as topics become more specialist and engagements need to build on existing frameworks and industry standards. In this environment we see value from using EOS as a specialist engagement provider.

#### Inclusion in Finance

Colleagues from WTW Investments in the U.K. participate in this U.K. focused initiative, which aims to accelerate progress towards a more inclusive, high-performing finance industry.

#### Investment Consultants Sustainability Working Group (ICSWG)

ICSWG has established links with UK regulatory and oversight bodies, as well as the asset management and asset owner communities. WTW Investments has representation on the Steering Committee and in the UK Raise the Bar workstream.

#### Principles for Responsible Investment (PRI)

We are a signatory to the United Nations-supported Principles for Responsible Investment (PRI), as a service provider.

In 2024, the Thinking Ahead Institute, commissioned by PRI, [published findings](#) from their joint project which analysed stewardship resourcing among institutional investors.

#### WTW Research Network

The WTW Research Network (WRN) is a not-for-profit, award-winning group comprised of academia, and the insurance, finance and risk management sectors. Founded in 2006 and funded by WTW, its research team works with colleagues across WTW to encourage and support innovative research aligned with clients' needs, through long-term partnerships to gain the clarity of vision required to turn risks into opportunities. Partnerships with more than 60 research organizations across the world help the WRN confront the full spectrum of risks facing our societies, providing applied risk insights to clients.

# Exclusions

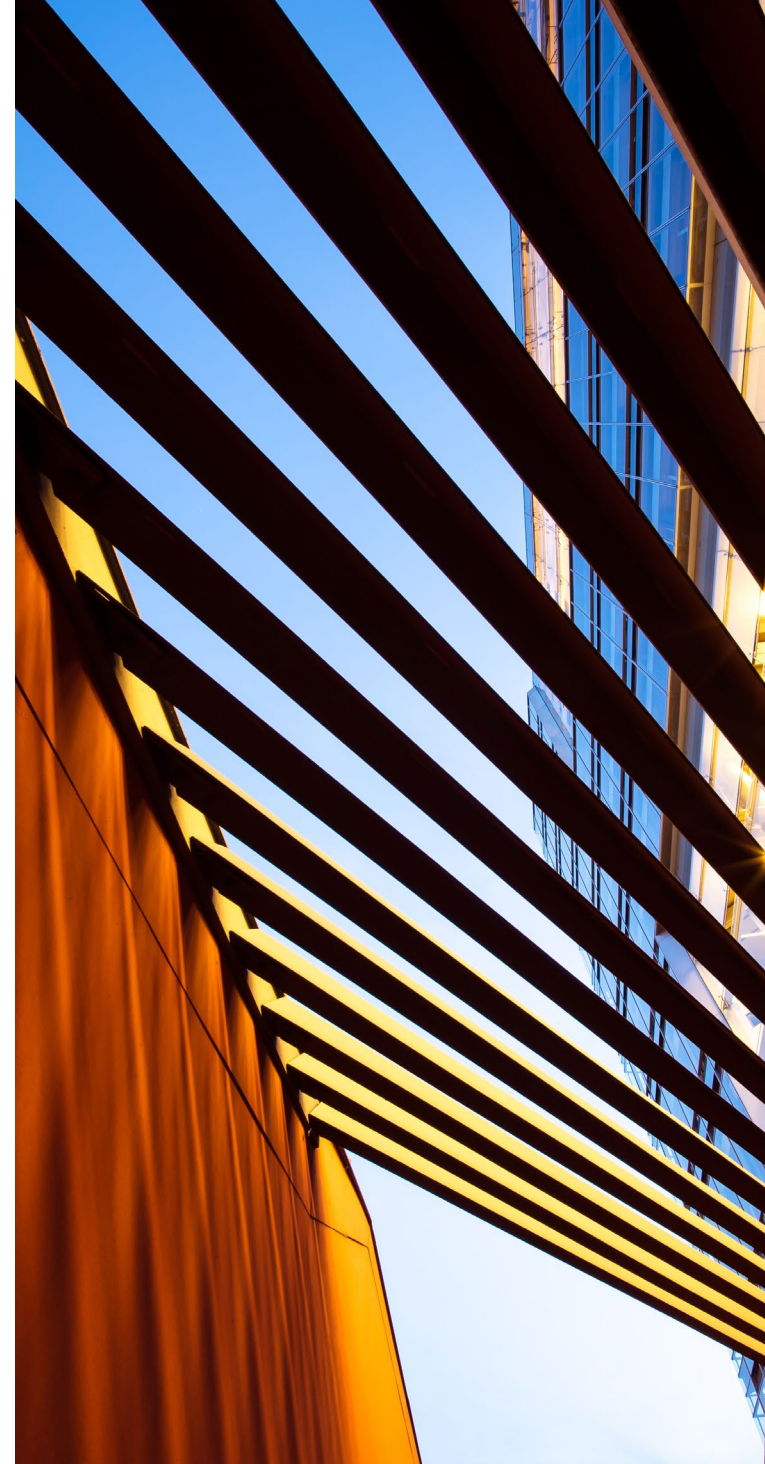
We describe below the principles we apply when considering exclusions criteria and their thresholds. For the precise exclusion definitions and thresholds in place for any given strategy please refer to product specific documentation.

We start with the view that having active managers that integrate sustainability into their process and undertake effective stewardship (voting and engagement) is often a better approach than exclusions, however, we recognise that there are instances where exclusion may be an effective strategy such as:

- The mandate is passive or smart beta in nature so there is no active manager applying fundamental judgment around ESG risks as they arise
- We might believe that the active managers employed have a shorter time horizon that does not sufficiently capture a longer-term risk
- For risk management, we want to moderate exposures in one part of our portfolio given exposures elsewhere in the portfolio

Where exclusions are in place for a strategy, they fall into two categories:

- Category A: Those that represent an expectation by investors that don't change materially over time. This can include client value-based/ethical preferences, common market practices and regional norms, such as:
  - Where it is illegal to invest in these in some markets, such as controversial;
  - Where it is common practice in a market and hence key to make the solution meet the needs of our clients; and
  - To meet ethical preferences as requested by a particular client
- Category B: Those that we believe reduce exposure to a particular financial risk



### Disclaimer

WTW Investments has prepared this sustainable Investing Policy (“SI Policy”) for general information purposes only and it should not be considered a substitute for specific professional advice. In particular, its contents are not intended by WTW to be construed as the provision of investment, legal, accounting, tax or other professional advice or recommendations of any kind, or to form the basis of any decision to do or to refrain from doing anything. As such, this SI Policy should not be relied upon for investment or other financial decisions and no such decisions should be taken on the basis of its contents without seeking specific advice.

All statements, other than statements of historical facts, including our expectations and intentions regarding net zero implementation, and statements when we use such words as “may”, “will”, “believe” and “estimate” are forward-looking statements. Such statements are based upon current beliefs and expectations of management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements and all forward-looking disclosure is speculative in nature.

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 inaccurate. Given the significant uncertainties inherent in them, our inclusion of this information is not a representation or guarantee by us that our objectives and plans will be achieved.

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WTW’s membership or support for certain sustainability-related organizations or initiatives such as those described in this statement may change or be withdrawn

### 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 organisational resilience, motivate your workforce and maximise 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).



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