

Climate Diagnostic



Reveal the strategic path to more effective physical climate risk management and climate reporting.

Climate Diagnostic addresses regulatory requirements around physical risks such as the Task Force for Climate-related Financial Disclosure (TCFD) and standards / frameworks such as the International Sustainability Standard Board (ISSB) climate standards or in the EU the Climate Sustainability Reporting Directive (CSRD) / EU Taxonomy as described later in this document (by clarifying your global exposures with insurance market recognized climate hazard data using the latest scientific projections).

Managing the physical risks of climate change, such as extreme flooding, wildfire weather and hurricanes, means understanding which risks are most likely to impact your business, its supply chain partners and customers.

Effective physical climate risk management is also about quantifying these exposures so your mitigation and adaptation strategies are effective and represent value to the business, while readying it to meet new and emerging climate reporting obligations.

Climate Diagnostic from WTW gives you a strategic path to improved climate risk management and climate reporting through an analytical view on your physical risk exposures.

These perspectives allow you to evaluate climate change and the impact on your global assets, those of your partners and customers.

These valuable and dynamic insights can inform more targeted and effective climate risk management and align to your evolving climate reporting disclosures.

How can Climate Diagnostic direct your physical climate risk management and sustainability strategy?

The model delivers an actionable risk view of your global assets by considering the impact of a wide range of physical climate risks in alternate climate scenarios and over shorter, medium and longer-term time horizons.

Which of your assets are most susceptible from physical climate risk now and decades into the future? How will your customers be impacted? Should you be moving to alternative suppliers ahead of climate-related disruption? What climate risk controls should the business be prioritizing to strengthen resilience in a warming world?

Climate Diagnostic gives you the answers and clarity that can drive:

- **Strategic planning insight** — The model outputs provide valuable insight towards your longer-term strategic planning
- **Portfolio resiliency** — Identify which assets or properties have the highest physical risk, allowing targeted mitigation to reduce risk exposure
- **Regulatory alignment** — Our approach responds to evolving climate reporting regimes, allowing you to meet regulatory, investor and stakeholder expectations.

How Climate Diagnostic clarifies your climate risk view

Climate Diagnostic allows you to understand both the impact of **acute physical climate risks** - those arising from changes in event-driven hazards - including tropical cyclones (hurricanes), extreme flooding and wildfire weather and more **chronic physical climate risks** - those driven by longer-term shifts in climate patterns such as heat stress, sea-level rise, precipitation and drought under multiple climate scenarios.

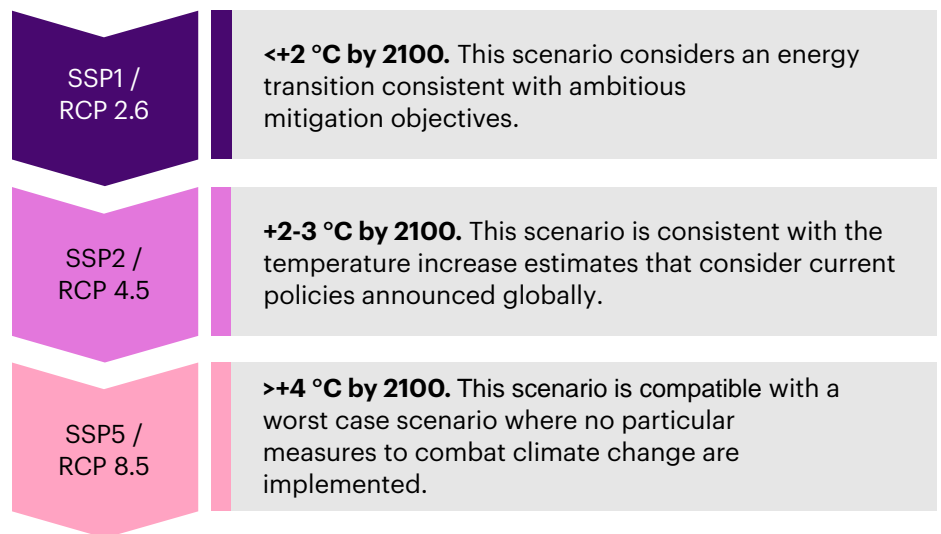


To drive longer-term resilience, the model also offers you the flexibility to assess acute and chronic climate risks over shorter and longer-term views, **assessing your global exposures over time horizons to 2030, 2050 and to 2100.**

Climate Diagnostic informs climate risk management action by giving you options to view high-risk areas, locate individual assets and identify the relative impact of each hazard.

To explore relative risk over time you can adapt your climate view, both by time horizon and by climate scenario projecting your exposure under Representative Concentration Pathways (RCP) 2.6,4.5 and 8.5.

Pathways are also mapped to the Shared Social Economic Pathways (SSPs), the **scientific standard climate projection scenarios**, based on greenhouse gas concentration in latest climate research from the Intergovernmental Panel for Climate Change (IPCC).



You can visualize all of this through interactive maps, while the executive summary and dashboard functionalities make it easy to articulate your climate risk priorities to stakeholders.

How to use Climate Diagnostic to meet your climate risk reporting requirements?

Many organizations are facing challenges defining their climate risk priorities from the multitude of issues and from the proliferation of developing climate-related financial disclosures.

To support you in meeting your climate reporting obligations, as well as take a deeper dive into specific hazards and resulting exposures, you can use data from Climate Diagnostic to generate reporting summaries at an aggregate level, or break down your view by region, time projection and by acute and chronic climate risks.

In this way, Climate Diagnostic can help you meet climate risk reporting obligations, such as:

- International Financial Reporting Standards Standard 1 (IFRS S1) and International Financial Reporting Standards Standard 2 (IFRS S2)
- The Financial Stability Board (FSB)'s Task Force on Climate-related Financial Disclosures (TCFD)
- The proposed Securities and Exchange Commission (SEC) climate proposal to standardize climate-related disclosures for investors in the U.S.
- For the EU, the Corporate Sustainability Reporting Directive (CSRD) alongside the EU Taxonomy common classification scheme for sustainable economic activities

You can also take greater ownership control of your physical climate change risks and how to strategically manage them by combining our state-of-the-art models and data with our industry expertise through climate risk consulting.

Climate Diagnostic key features

- Dynamic results dashboard and reporting to reveal changes in your risk profile

- Interactive maps by climate scenario and time horizon
- Physical climate risk scorecards at location level
- Comparison of current versus future climate risk by asset location
- Linkage of hazard scores to relevant metrics
- Executive summary of key climate exposures
- Ability to view the physical risks to your suppliers' and customers' global footprint
- Expert support

Which organizations can benefit from Climate Diagnostic?

The model can generate strategic and climate risk reporting providing benefits across many global industries and company sizes, but in particular for large companies in the following areas:

- Real estate and asset management
- Hotels and hospitality
- Medical care
- Food supply
- Retail particularly organizations with dependence on distribution and supply
- Manufacturing particularly organizations with strong dependence on natural resources or a global supply chain
- Renewables/energy

Cost and time required

The Climate Diagnostic model is run by one of our trained analysts within the Risk and Analytics teams, with climate specialists on hand to provide bespoke interpretation of the results as required. You can use this service on a stand-alone consulting basis or license it on an annual basis to gain access to the model, including data cleansing support or a combination of both annual license, plus consulting package.

The fee for this service depends on several variables, for example:

- Number of assets in your portfolio
- Quality of available data
- Type of deliverable you required
- Whether annual licence/log-on for the model is also required.



To discover more on smarter ways to understand physical climate risk, get in touch.

Contacts:

GB

Torolf Hamm
Senior Director, Climate & Natural Catastrophe Resilience Management
torolf.hamm@wtwco.com

Hristo Markov
Director, Climate & Natural Catastrophe Resilience Management
hristo.markov@wtwco.com

Fiona Ribbons
Associate Director, Enterprise & Transition Risk Consulting
Fiona.Ribbons@wtwco.com

Asia Pac

James Wong
Director, Strategic Risk Consulting
james.wong@wtwco.com

Europe

Julien Hornacek
Director - Risk & Analytics,
julien.hornacek@wtwco.com

Richard Stublely
Director - Risk & Analytics,
richard.stublely@wtwco.com

Moritz Enderle
Head of Risk & Analytics and Strategic Risk Consulting DACH
moritz.enderle@wtwco.com

US and Canada

Ben Fidlow
Global Head of Core Analytics,
ben.fidlow@wtwco.com

Lisa Lipuma
Director, Strategic Risk Consulting
lisa.lipuma@wtwco.com

Pietro Andreotti
Associate Director, Strategic Risk Consulting
andreottiPi@wtwco.com

WTW offers insurance-related services through its appropriately licensed and authorised companies in each country in which WTW operates. For further authorisation and regulatory details about our WTW legal entities, operating in your country, please refer to our [WTW website](#).

It is a [regulatory](#) requirement for us to consider our local licensing requirements.

The information given in this publication is believed to be accurate at the date of publication shown at the bottom of this document. This information may have subsequently changed or have been superseded and should not be relied upon to be accurate or suitable after this date.

This flyer offers a general overview of its subject matter. It does not necessarily address every aspect of its subject or every product available in the market and we disclaim all liability to the fullest extent permitted by law. It is not intended to be, and should not be, used to replace specific advice relating to individual situations and we do not offer, and this should not be seen as, legal, accounting or tax advice. If you intend to take any action or make any decision on the basis of the content of this publication you should first seek specific advice from an appropriate professional. Some of the information in this publication may be compiled from third party sources we consider to be reliable, however we do not guarantee and are not responsible for the accuracy of such. The views expressed are not necessarily those of WTW. Copyright WTW 2023. All rights reserved.

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.



wtwco.com/social-media

Copyright © 2023 WTW. All rights reserved.
FPS5446829 WTW-121800/09/2023

wtwco.com

