

# Climate Transition Pathways

Climate Transition Pathways (CTP) is an accreditation framework being incubated by WillisTowers Watson until it is adopted as an industry standard. It provides insurance companies and financial institutions with a consistent approach to identifying which organizations have robust transition plans aligned to the Paris Agreement, and supports their role as stewards in the transition to a low-carbon economy.

## Supports Transition:

- To ensure that high carbon industries transition effectively, in line with what the science indicates is needed to maintain a healthy climate trajectory, organizations need continued access to insurance capacity during their transition.
- With Climate Transition Pathways (CTP), insurance can contribute to climate transition and be recognized as a force for good. CTP will help businesses committed to transition to a low-carbon economy gain continued access to insurance capacity and capital.

## Recognizes Progress:

- Willis Towers Watson sees the need for a consistent way of identifying and supporting those organizations committed to transition and is incubating Climate Transition Pathways, linking progress against transition goals with ongoing access to insurance.
- Organizations will be able to secure insurance capacity throughout their transition period and identify the right partners as they shift towards a low-carbon business model. This solution supports an orderly transition for organizations that can demonstrate their commitment.

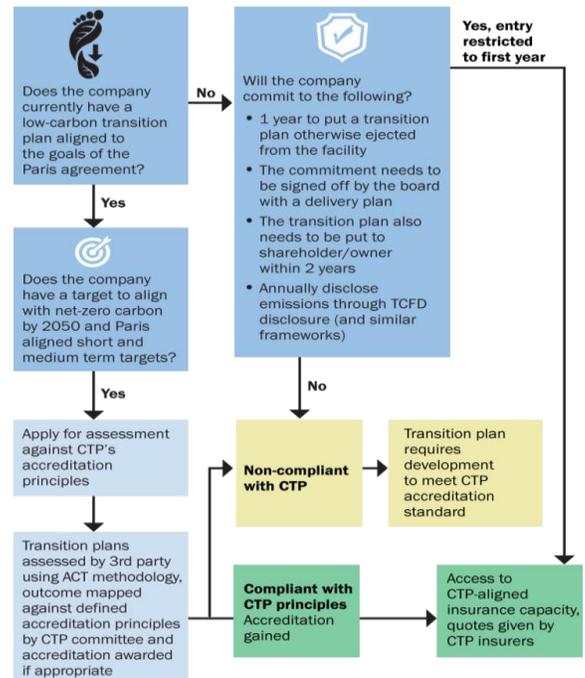
## Independent Accreditation:

- Companies will undergo accreditation to assess alignment of their transition plans to the goals of the Paris Agreement.
- This assessment will be performed by CDP Worldwide, an international non-profit organization

recognized for its environmental risk reporting, and will involve sharing details of the insured's existing or future transition plans. CDP is approved by insurers supporting Climate Transition Pathways.

- By using the independent accreditation model, insurers can consistently identify, engage with and offer solutions to organizations committed to measurable and verifiable change, pro-actively helping to accelerate progress to a low-carbon economy.

## How It Works:



*"To achieve net zero, we need a whole economy transition - every company, bank, insurer and investor will have to adjust their business models, develop credible plans for the transition and implement them. As insurers take steps to align their underwriting activities with the transition, companies will increasingly need to display that they have the right plans or risk losing access to insurance. Willis Towers Watson's work to develop tools to assess companies' transition plans is a valuable contribution to this process to ensure that every professional financial decision takes climate change into account."*

Mark Carney, UN Special Envoy for Climate Action & Finance

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