

Climate change is a significant threat to the aviation industry, impacting operational resilience, financial performance and stakeholder trust.

Momentum in the aviation industry is moving towards increased transparency and more ambitious climate targets. As an industry with high fixed costs and volatile profitability, it is more important than ever that aviation companies have a keen understanding of the short to long-term financial implications of their climate risk.

Increasingly, aviation risk managers are being asked to develop robust climate risk strategies which meet the challenges of a rapidly changing operating environment.

Are you ready to justify your climate risk mitigation plans for the next three to five years?

WTW is here to help you play a leading role in understanding your organization's climate risks and building protections for it.

Our Climate Practice has the tools and expertise to identify and quantify the business impact of climate risk on your cash flows to better guide you in developing a bespoke climate risk management strategy.

Top three climate risk questions for aviation risk managers:

- How exposed is your business assets and supply chain to physical climate risks, such as floods, catastrophic storms, heat and wildfires under various warming scenarios?
- 2. How will the transition to a low-carbon economy impact demand for your products and services, or fuel and commodity pricing? What impact will new technology such as Sustainable Aviation Fuel have on your business?
- 3. What is your role in responding to emerging climate regulation and what is the impact of these regulations on your risk management strategy?

At WTW, we provide you with a holistic picture of climate risk across your assets and value chain.

We are specialists in:

- · Physical and transition risk & resilience
- · Climate risk data & analytics
- Natural catastrophe modelling & risk engineering
- Climate policy & regulation
- Alternative risk transfer & financing
- Adaptation planning
- Transition planning
- Enterprise risk management



Our integrated approach translates physical and transition risk into financial impact

Identify

Quantify

Manage

Physical risk

Identify, rank and prioritize future hazards to real assets and portfolios

Assess the financial impact of physical risks for portfolio / individual assets including the value chain

Identify measures to avoid, reduce, transfer or retain risks from physical climate change

Transition risk

Identify risk drivers, benchmark against sector/peers, and prioritize risks

Assess the future cashflows affected by transition risks across a business model

Support business planning to minimize risks and capture opportunities arising from the transition



Implement a response to climate risks that protects financial performance, and informs reporting and disclosure

WTW difference on climate

Focus on risk quantification and management

We quantify financial impact to help you manage risk, capitalize on opportunities and preserve long-term value. Our approach will inform decisions on cost-effective risk financing, mitigation, adaptation and investment strategies.



Industry specialization and regulatory expertise

Our company-wide focus on industry specialization results in a deeper understanding of your climate-related risks and opportunities, with benchmarks against your peers. Our regulatory expertise supports you in meeting the growing demands for climate risk disclosure.



Technology & consulting

Our interactive tools and tailored dashboards provide straightforward, high-quality data output, and our experts cut through the complexity to help you understand the impacts of climate change on your business.



Transparent and customizable models

We offer complete transparency on our data, assumptions, and methodologies, and our models are customized to align with your business for greater accuracy.



Physical risk: comprehensive and high resolution

Our natural hazard and climate data encompasses 20 hazards and 100 indices at a high spatial resolution. We apply approximately 20 CMIP6 climate models to assess each hazard to reduce uncertainty.



Transition risk: beyond carbon and forward-looking

We provide granular analysis of the transition factors affecting future cash flows. Our models cover over 8,000 listed equities and dynamics across all major sectors and geographies.





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