

SUCCESSING TOGETHER

2022 ESG REPORT

CONTENTS

2 OVERVIEW

- 3 Message from our ESG Committee Chair
- 4 Message from our President & CEO
- 5 About us
- 6 Our mission
- 7 Awards and partnerships
- 8 Our ESG approach
- 10 Alignment with the United Nations Sustainable Development Goals

11 ENVIRONMENT

- 12 Our carbon footprint
- 15 Sustainability of our operations
- 18 Environmental efforts in our communities
- 19 Facilitating the adoption of climate and sustainability solutions for our clients

24 SOCIAL

- 25 Our people
- 29 Colleague engagement
- 30 Inclusion & diversity
- 35 Talent development
- 37 Bringing together colleagues and communities
- 39 Supporting Ukraine
- 40 Health & well-being
- 43 New standards in innovation for our clients

45 GOVERNANCE

- 46 Corporate governance
- 49 Enterprise risk management
- 51 Ethics & compliance
- 54 Cybersecurity and data privacy
- 56 Leading the way on government relations
- 59 Sharing our expertise on government issues

63 APPENDIX

- 64 2022 ESG Index
- 69 2022 TCFD Index
- 70 UNEP FI Principles for sustainable insurance

MESSAGE FROM OUR ESG COMMITTEE CHAIR

Dear colleagues, clients and shareholders,

The environmental, social and governance (ESG) landscape has rapidly evolved since our first ESG report in 2020. From shareholder engagement to emerging regulations, the expectations on companies and their Boards to respond to stakeholders on ESG matters is becoming increasingly complex.

Marsh McLennan considers the viewpoints of all our stakeholders, including our shareholders, colleagues, clients and the communities where we live and work. Throughout the year, our Board collaborates with management to continually evaluate and shape our ESG strategy to be responsive to these various needs. Importantly, the Board works with management, not just to develop a clear vision of what Marsh McLennan's ESG strategy is, but to understand how this strategy is actually impacting our stakeholders.

In that spirit, I am proud to introduce Marsh McLennan's third annual ESG Report, which builds off the groundwork laid in the past two years to increase transparency of the tangible outcomes of our ESG initiatives. In this year's report, we have expanded our disclosures to better connect the dots between strategy and results — from additional metrics to show progress on our diversity, inclusion and belonging initiatives, to reaching our initial goal of more than 30% female representation on our Board.

We believe this allows our various stakeholders to better track the company's performance against our commitments.

Marsh McLennan has made great strides on ESG and is delighted to present that progress in this year's report.

Sincerely,



Lloyd Yates
Chair, Board ESG Committee,
Marsh McLennan



“

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Lloyd Yates
Chair, Board ESG Committee, Marsh McLennan

MESSAGE FROM OUR PRESIDENT & CEO

Dear colleagues, clients and shareholders,

Marsh McLennan has the privilege of helping our clients find opportunity and navigate pressing issues in the areas of risk, strategy and people. A number of these issues fall within the broad spectrum of ESG — from guiding sustainable investments, to supporting diversity and inclusion, to improving healthcare systems, confronting cyber threats, and helping close the world's protection gaps.

We have a long track record of ESG engagement and achievements. As the world faces a host of urgent issues, including geopolitical instability, economic uncertainty, social inequities and the ongoing war in Ukraine, ESG is an area in which we continue to see an opportunity to support our colleagues, clients and communities.

Some of our work takes place as part of broader, global initiatives such as the UN's *Race to Resilience* program, where we're championing disaster-risk-reduction initiatives that make communities stronger. But much of it takes place with clients across our four global businesses, as we help enable them to meet their ESG goals. Increasingly, our clients' changing needs require the collective capabilities of Marsh McLennan.

One of the areas we're focused on is helping businesses develop low-carbon business models and

manage risks associated with the transition to a low-carbon economy.

Given the necessity of a secure energy supply for all, we believe we can best serve communities by working with operators of clean energy assets to accelerate progress to a lower carbon world and with traditional energy clients to enable them to make the transition as quickly and responsibly as possible.

Meanwhile, we're leading by example, starting with the commitment we announced in March 2022 to set and execute low-carbon transition strategies that chart a path to net-zero across our operations by 2050 — and reduce our emissions by 50% by 2030.

I am proud of the ESG progress we've made that you'll see reflected in this report, and grateful for our more than 85,000 colleagues, who help our clients and communities meet their biggest challenges, build resilience and find new possibilities every day.

All the best,



John Doyle
President and Chief Executive Officer



“

I am proud of our ESG progress and grateful for our more than 85,000 colleagues, who help our clients and communities meet their biggest challenges, build resilience and find new possibilities every day.”

John Doyle
President & CEO, Marsh McLennan

ABOUT US

Marsh McLennan is the world's leading professional services firm in the areas of risk, strategy and people. Our more than 85,000 colleagues advise clients in 130 countries. With annual revenue of over \$20 billion, Marsh McLennan helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses.

OUR BUSINESSES

Risk & Insurance Services



Insurance broking and risk management solutions



Reinsurance and capital strategies

Consulting



Health, wealth, and career consulting and solutions



Strategy, economic and brand consulting



OUR SCALE AND SCOPE

150+

years of leadership

85,000+

colleagues globally

Clients in more than

130 COUNTRIES

Among the

FORTUNE 200

companies

Annual revenue of over

\$20 BILLION

A GREATER PURPOSE TO OUR WORK

Our people bring the best ideas forward. Individually, and as an enterprise, we

MAKE A DIFFERENCE IN THE MOMENTS THAT MATTER

Three commitments unite us as we strive to live our purpose:

SUCCEEDING TOGETHER

We are in business to expand what's possible for our clients and each other.

ACCELERATING IMPACT

We embrace change and create enduring client value.

ADVANCING GOOD

We strive to serve the greater good.

AWARDS AND PARTNERSHIPS

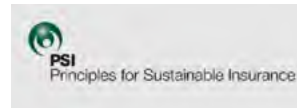
RECOGNITIONS



Marsh McLennan is a certified **CarbonNeutral@** company as of September 2021. See page 9 for more details.



For the fifteenth time, Marsh McLennan earned a perfect score on the **Human Rights Campaign's Corporate Equality Index**.



Marsh McLennan signed on to the **Principles for Sustainable Insurance (PSI)** in March 2022. See page 70 for our disclosures against PSI's four Principles.



Marsh McLennan was a founding signatory to the **Principles for Responsible Investment (PRI)** and continues to demonstrate leadership by scoring highly on the latest PRI annual assessment.



Marsh McLennan has been named to the **2023 Fortune World's Most Admired Companies** list. We placed in the top 200 overall and were cited as one of the most admired companies in the Property and Casualty Insurance industry.



Marsh McLennan is an active participant in the **Sustainable Markets Initiative (SMI)** and joined leaders from some of the largest and most influential global insurance firms to form an Insurance Task Force.



For the fifth year in a row, Marsh McLennan has been named to the **Bloomberg Gender-Equality Index**.



Marsh McLennan was proud to be recognized as one of the **2022 World's Most Ethical Companies**.

** "World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC.*



Marsh McLennan signed on to the **Task Force on Climate Related Financial Disclosures (TCFD)** in 2020 to support climate risk disclosures. See our TCFD index on page 69.



Across our businesses, we support the framework development of the **Task Force on Nature-related Financial Disclosures (TNFD)** through our thought leadership and pro bono support.



OUR ESG APPROACH

Our ESG strategy is built on our ESG philosophy. At Marsh McLennan, ESG is fundamental to our identity and the way we show up for our clients and the communities we impact.

We have formally integrated environmental, social and governance factors into our decision-making processes since 2008, and believe that transparent and consistent disclosure enables better-informed business and investment decisions.

The Board ESG Committee oversees and supports the company's commitment to social, environmental and other public policy initiatives. The Committee reports to the Marsh McLennan Board on a regular basis (typically each board meeting).

Our Management ESG Committee supports the Marsh McLennan Board and the ESG Committee in identifying and advancing ESG priorities. Members are drawn from senior management across our four global businesses and corporate departments, with our Deputy General Counsel & Corporate Secretary serving as Chair.

Our ESG philosophy

Our commitment to ESG starts at home

We model the behaviors we want to see in the world. Strong and effective corporate governance will help promote these behaviors and protect our culture.

Our people are our greatest strength

Our company's greatest strength is the collective talent of our people. Inclusion means more than acceptance — it means belonging. Every person has a unique knowledge and experience. Individually, that makes us valuable — and together, extraordinary.

Our future requires climate resilience

Climate change is a global issue and we all have a role to play in addressing it. A low-carbon future can support a sustainable, competitive business environment, while creating new opportunities for Marsh McLennan and all of our stakeholders.

Our company plays an important role

Many issues of public importance cannot be solved without corporate leadership — from developing and supporting high-quality and accessible healthcare systems to building climate resilience, addressing cyber risk and helping close the world's protection gaps. Marsh McLennan is uniquely positioned to help society take on these challenges.

Change is up to all of us

No individual, no company and no country can effect change alone. We will engage with our colleagues, our clients, our shareholders, our communities and governments around the world to take on the great challenges of our time.

2022 ESG HIGHLIGHTS

ENVIRONMENTAL



Internal

- Committed to achieving net-zero carbon emissions across our global business operations by 2050, with a 50% emissions reduction by 2030.
- Maintained certification as a CarbonNeutral® company for all of our global operations.
- Eliminated single-use plastics in 100% of office pantries.

External

- Advanced conversations at COP 27 around the orderly investment transition, the insurance sector's role in climate adaptation, and the link between climate and nature.
- Oliver Wyman launched its 3D carbon accounting service that allows companies to quantify and better understand their emissions.
- Mercer developed a climate-investing benchmarking tool and framework that provides practical climate investing protocols.

SOCIAL



Internal

- Earned an 80% favorability score on our annual all-colleague engagement survey.
- 95% of our colleagues completed at least one training or learning program across our learning platforms.
- Over 4,000 colleagues raised \$1.4 million to support the people of Ukraine through three humanitarian organizations.

External

- Mercer published its *Stepping Up for Equity* study to help employers craft a clear, comprehensive, and impactful roadmap for closing the career, health and wealth gaps in the US workforce for Black employees.
- Lippincott worked pro bono with NYC Pride to evolve its brand and bring to life a new brand identity.
- Marsh McLennan published *Life support: A people prescription for resilient health systems*, which examines the massive workforce challenge faced by acute-, primary-, and secondary-care providers.

GOVERNANCE



Internal

- Reached over 30% women representation on our Board of Directors.
- Introduced a new Financial Crime training to safeguard Marsh McLennan against illegal activity and the risks posed by sanctions, corruption, and money laundering.
- Strengthened our cybersecurity capabilities and developed a multi-year plan to further mature our program.

External

- Marsh developed the ESG Risk Rating (ERR) tool to help clients self-assess the maturity of ESG within their organizations.
- President & CEO, John Doyle, met with the Office of the National Cyber Director to discuss the insurance industry's important role in enhancing global cybersecurity.
- Our Government Relations team engaged the US Treasury and the US Federal Insurance Office regarding the (re)insurance market in Ukraine and how to support Ukrainian grain exports and global food security.

ALIGNMENT WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Our “Sustainable Six”

All United Nations (UN) Member States came together to create the 17 Sustainable Development Goals (SDGs), which serve as a comprehensive plan to address the world’s most pressing sustainability issues. While all 17 goals are crucial to global change, we have chosen to focus on our “Sustainable Six” where we can make the most impact as an organization (as depicted in the graphic).

Our work as a global professional services firm focuses on many SDGs, especially in the areas of risk, strategy, and people. But these six targets are the ones we see as most relevant to our company and where we can make the most difference.

More information on our progress toward each objective can be found on the linked pages.

SUSTAINABLE DEVELOPMENT GOALS



ENVIRONMENT

By making our operations more sustainable, assisting our clients on their sustainability journeys and providing our thought leadership, Marsh McLennan is helping enable the transition to a low-carbon economy. Our deep expertise, innovative thinking and the collective strength of all our colleagues will be our greatest resources as we address the challenges and opportunities ahead.

Highlights

Internal

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IN THIS SECTION

- 12 Our carbon footprint
- 15 Sustainability of our operations
- 19 Facilitating the adoption of climate and sustainability solutions for our clients





OUR CARBON FOOTPRINT

Climate change is one of the biggest challenges of our time, and Marsh McLennan takes our role in the transition to a low-carbon economy seriously. For us, climate action starts at home and we're taking action to reduce our own footprint.

Our Commitment to Net-Zero

In March 2022, Marsh McLennan announced goals to achieve net-zero carbon emissions across our global business operations by 2050, with a 50% emissions reduction by 2030. We signed a commitment letter to the Science Based Targets initiative (SBTi) and are currently working on a climate transition plan to achieve our targets. In the past year, we have taken a number of steps toward our long-term net-zero target.

Some highlights include:

- Sourced 100% renewable electricity for our largest offices in the UK and Ireland, with a plan to expand this sourcing to other markets
- Piloted the use of sustainable aviation fuels (SAF) and plan to expand our use of SAF in the future
- Increased our use of removals offsets in our offsets portfolio, recognizing the role carbon removals will play in meeting net-zero

Looking ahead, we plan to build on these successes to further decrease emissions with a focus on these key areas:

Our operations: Travel, technology, real estate and fleet are the largest emissions drivers from our operations. We will work to reduce emissions from each area through levers such as sustainable aviation fuels, energy efficiency, space optimization and renewable electricity

Our supply chain: Partner with our suppliers on shared climate goals and set sustainability standards on the products we purchase

Data and innovation: Increase the amount of primary data used to calculate our emissions and use these insights to identify and pilot innovative new technologies to reduce emissions

Our people: Engage our colleagues to act on climate by increasing awareness of our Green Traveler program, harnessing the power of Green Teams and enabling sustainable behavior changes

Our 2022 emissions inventory

	2019	2021	2022
Scope 1	24,758	24,130	27,036
Scope 2 (market based)	82,690	83,443	68,030
Scope 3 (air travel)	79,556	7,398	50,634
Total Inventory	187,004	114,971	145,700

*2019 represents our baseline year for our emissions goals

**Unit of measurement is mtCO₂e

***GHG emissions data was reviewed and verified by third party assurance provider Optera and is available on the ESG page of marshmclennan.com

Scope 1: Our Scope 1 emissions are direct emissions generated from business operations. As a professional services firm, our Scope 1 emissions come from fleet vehicles, onsite combustion, and fugitive emissions (gases that escape in the process of cooling our buildings and cars).

Scope 2: Our Scope 2 emissions are indirect emissions from electricity purchased for our 700 offices. The data included in this report represents market-based emissions. See below for additional information on energy consumption and renewable energy usage.

Scope 3: Marsh McLennan's reported and verified Scope 3 emissions include only our business commercial air travel. The COVID-19 pandemic has shown we can work effectively remotely, and it has also reinforced the value of in-person collaboration. While still below pre-pandemic levels, our business travel emissions increased in 2022 as travel rebounded, we returned to the office, and resumed in-person meetings. We also increased our data coverage for air travel related emissions in 2022. As we look to the future, we will continue to leverage our Green Traveler Program and virtual meeting tools to manage travel emissions. We are evaluating the role of Sustainable Aviation Fuel (SAF) in addressing emissions from travel that is unavoidable.

Emissions Intensity by Headcount

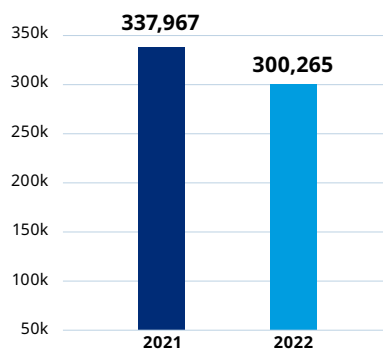
	2019	2021	2022
Scope 1	.33	.28	.31
Scope 2	1.09	1.01	.77
Scope 3	1.05	.09	.57
Total Inventory	2.47	1.38	1.65

While our emissions intensity remains below our baseline, it rose again in 2022 as we resumed travel.

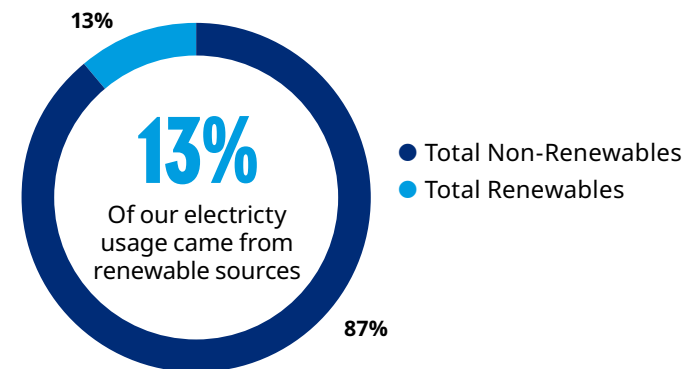
Energy consumption

Our energy consumption includes electricity used in our offices and data centers as well as fuel required for heating and for our vehicle fleet. Electricity consumption represents the majority of this usage and transitioning to renewable electricity is an important part of how we plan to reduce our emissions. In 2022, 13% of our electricity usage came from renewable sources.

Energy Consumption (MWh) - Excluding Fleet

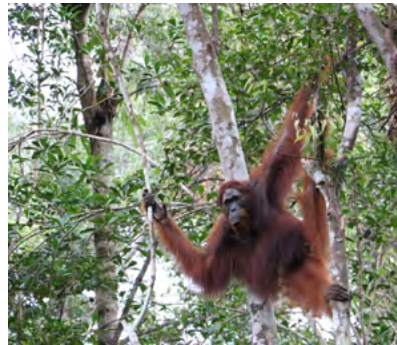


Electricity consumption from renewable sources



Proud to be a CarbonNeutral® company

Marsh McLennan first became certified as a CarbonNeutral® company in 2021 and we were re-certified in 2022. This certification is in accordance with The CarbonNeutral Protocol — the leading global standard for carbon neutral programs. To achieve this status, we calculated and offset emissions associated with the operations of our business, covering Scope 1, Scope 2 and select Scope 3 including business travel. Once again, we conducted a careful review of carbon offset projects, and selected a diversified portfolio of nine high-quality projects that reflect our values, global reach and the potential for impact. We are proud to provide essential carbon finance to the following projects.



Nature-based solutions

Protecting nature is one of the strongest defenses against climate change and by conserving and restoring habitats, we are also preserving biodiversity. Our portfolio includes integrated forest management and reforestation projects in the US and the Rimba Raya Biodiversity Reserve REDD+ project in Indonesia.



Clean cooking and water technology

In parts of the world without access to safe drinking water or efficient and affordable cooking technology, women and children are largely responsible for collecting fuel to cook and boil water. When the fuel is burned, it releases smoke and emissions. In 2022, we supported clean cookstove and water-filtration projects in Guatemala, Ghana and Bangladesh. This not only reduces emissions but improves indoor air quality and allows individuals to spend less time collecting fuel and water.

Sustainable infrastructure

The shift from fossil to renewable energy sources is crucial for the world to stay below 1.5 °C warming. The Orb Household solar project provides solar energy systems to homes in India which heat water and provide lighting, reducing the need for fossil fuels. In the US, the Seneca Meadow Landfill Gas project has created almost 420 acres of new wetlands and captures landfill gas to provide enough electricity to power 18,000 homes.



Industrial-process emissions reductions

Traditional building insulation is applied using a high emissions spray foam which release hydrofluorocarbons (HFCs), a very potent class of greenhouse gases. This project supports the voluntary transition from spray-foam insulation to low-emitting board stock, which prevents HFCs from entering the atmosphere.



SUSTAINABILITY OF OUR OPERATIONS



We recognize the importance of carefully controlling the effects of our business on the environment, especially as a multinational firm operating in more than 130 countries.

Greening our offices

Our offices provide a great opportunity for environmental stewardship and colleague engagement. We have a number of initiatives focused on reducing the impact of our spaces that address aspects of the real estate life cycle including site selection, site construction and fit-out, and day-to-day operations. Where possible, we seek to lease space in green certified buildings.

Managing technology sustainably

Marsh McLennan's technology team works to deliver sustainable IT solutions that support our global business. We strive to preserve resources and minimize emissions through recycling electronic waste, lessening the impact of personal computing, maintaining energy-efficient data centers and partnering on this effort with our strategic suppliers. Our Global IT Asset Disposal (ITAD) program works with our strategic partners to securely dispose of obsolete IT assets in an environmentally responsible manner.

In 2022, nearly 18,000 older laptops and 5,400 desktops were retired and replaced with modern energy-efficient laptops. Over the past 9 years, nearly 4.4 million pounds of electronic waste was either recycled or remarketed. Marsh McLennan has adopted many Software as a Service (SaaS) applications, which leverage high-efficiency public cloud infrastructure and reduce our physical infrastructure. In 2022, we completed migration to the Microsoft 365 suite of tools, which is now used by 100% of colleagues. We disposed of 1,644 servers in 2022 and will retire additional servers in 2023 as we continue to move data to the cloud.

Making our offices smarter

Building a future of work focused on a sense of community and connection, our Smart Office program was introduced in 2016 by Marsh McLennan's Real Estate Services division to promote collaboration, productivity and innovation, while reducing our environmental impact. The Smart Office concept features creative interior design and cutting-edge technology to support new digitized workflows and a hybrid work environment. Combining a reduced real estate footprint and increased space utilization with waste-reducing construction practices and energy-efficient mechanical systems, the Smart Office offers an active and engaging experience that enables us to achieve our business objectives while respecting the environment.

Since 2016, we've opened 79 Smart Offices in 26 countries, which house nearly 27,000 colleagues, including our recently renovated London office. We have seven more offices under construction, including our headquarters in New York City.

Green pantry update

In January 2021, Marsh McLennan committed to eliminating single-use plastics and reducing single-use waste in all office pantries globally and we are proud to announce we have achieved this goal. As of year-end 2022, 100% of our offices, representing more than 1,000 pantries, have eliminated single-use plastics in office pantries. In addition to conserving resources and reducing waste, our green pantries provide colleagues an opportunity to take part in our sustainability efforts.



The pantry of our newly renovated Singapore office.



Smart Office Spotlight – London Tower Place

In 2022, we completed our largest smart office at Tower Place in London. Located in the heart of London, across from the Tower of London, the renovated space was designed with sustainability, wellness and the colleague and client experience in mind. Some features of the space include sit/stand desks for colleagues, wellness areas such as a mothers' room, reflection room and bicycle parking. We used energy efficient lighting and HVAC, low-flow fixtures in restrooms and eliminated single-use plastics in the pantries. The entire building runs on 100% renewable electricity. During construction, 98% of stripped materials were diverted from landfill and either recycled, reused or donated and 100% of reusable furniture was donated to local charities.

Creating a sustainable supply chain

Our commitments to reduce our environmental impacts extend beyond our own workforce and operations to our suppliers. Our purchasing provides a significant opportunity to drive positive environmental impact and reduce emissions.

We are focused on several key areas.

Supplier engagement

We've developed sustainability questionnaires that are sent to key existing suppliers and included in requests for proposals (RFPs) for new suppliers. The questionnaires provide a way to share our commitments with our suppliers, learn more about their commitments, and explore avenues to work together toward our shared goals. In 2022, we surveyed 31 of our top suppliers to better understand their sustainability programs and will use this information to further engage our suppliers in future years.

Scope 3 emissions

Like many companies, purchased goods and services are an important part of our Scope 3 footprint. Through our supplier surveys, we ask about climate goals, whether they can attribute emissions to our spend, and if there are plans to expand upon this work in future years. As we look to the future, we will continue to engage our suppliers in our sustainability efforts plan to calculate our Scope 3 emissions from purchased goods and services.

Environmentally preferred purchasing

We provide our colleagues with guidance on how to make environmentally preferred purchasing decisions. This guidance includes energy efficiency guidelines, recommended sustainability certifications and suggestions for more sustainable alternatives to commonly purchased goods and services.

Travel

Travel is one of our most impactful areas of carbon emissions and we see SAF as one of the levers in reducing these emissions, along with technological advances and our green traveler program. In 2022, we conducted a small pilot of SAF to offset our emissions. According to the International Air Transport Association, SAF can reduce up to 80% of the emissions associated with air travel, depending on the technology and feedstock used. We will use the learnings from this pilot to scale our use of SAFs as we work towards our 2030 and 2050 climate goals.

Case Study: Sustainable Merchandising

Oliver Wyman developed a sustainable branded merchandise toolkit for colleagues to use when purchasing company branded merchandise. The toolkit provides best practices to drive more sustainable purchasing decisions, including asking if the item is necessary, recommending durable reusable items over single use items, partnering with suppliers to eliminate excess plastic packaging and preferring low-carbon or carbon-neutral shipping options.

To implement the toolkit, Oliver Wyman partnered with their preferred merchandising supplier. The implementation process included a review of product offerings and packaging methods for sustainability considerations. As a result, all products in the catalog meet our sustainability standards, and top suppliers have moved away from plastic packing materials to more sustainable options such as paper or recycled materials.

“We’re integrating sustainability considerations into our purchasing decisions. For example, in 2022, 99% of our purchased laptops were EPEAT Gold certified, a global eco-label for the IT sector that measures and rewards environmental performance.”



Paul Harvey,
Head of Global Sourcing and Procurement



Environmental efforts in our communities

Marsh McLennan's more than 85,000 colleagues have the collective power to be a force for good. Around the world, our colleagues are bettering their communities and the future of our planet by volunteering for environmental causes.

Volunteer efforts

1. Colleagues in the **UK** volunteered at the Kedleston Community Centre which includes multiple community gardens, two orchards, and hundreds of individual and communal beds. The group completed a variety of tasks including planting seedlings, weeding flowerbeds and repairing wooden planters.

2. During Global Volunteer Month in May, colleagues in **Argentina** planted trees and removed 40 bags of trash from part of the North Ecological Reserve in Parque Natural Municipal.

3. Marsh **Australia** donated 17,000 seedlings to non-profit organization Planet Ark to assist in creating a greener future. On July 31, colleagues across Australia participated in National Tree Planting Day, helping to plant nearly 3,000 of those seedlings through several different events.



Doing our part for the environment

9,000+ hours volunteered with environmental non-profits

900+ colleagues volunteered with environmental non-profits



Green Champions of Oliver Wyman Reforestation Program

Oliver Wyman's GROWTrees initiative is a philanthropic reforestation program focused on informing and engaging colleagues in tree planting and restoration. Partnering with the nonprofit, One Tree Planted, other local charities, and Climate Impact Partners' Million Mangroves Project, the program supports reforestation and restoration projects that protect wildlife, promote food and water security, support indigenous communities and improve long term climate resilience.

GROWTrees launched with the gift of a tree for every Oliver Wyman colleague, with an invitation to vote where the tree would be planted. Since then, teams have donated trees on behalf of clients, planted trees through hands-on community volunteering, given away tree donations at events to promote sustainability in place of 'swag', or used the program as a way to acknowledge fellow colleagues for a job well done.

FACILITATING THE ADOPTION OF CLIMATE AND SUSTAINABILITY SOLUTIONS FOR OUR CLIENTS



As a leader in the complex and increasingly interconnected dynamics around risk, strategy, and people, Marsh McLennan is helping our clients embed climate change strategies into many aspects of their businesses, from navigating the transition to a resilient, low-carbon economy to managing the physical risks associated with extreme weather events.

Sharing our knowledge and capabilities

Climate Week NYC

Convened during the UN General Assembly, Climate Week NYC 2022 brought together influential leaders from business, government, and civil society to drive climate action. Marsh McLennan hosted a range of events that showcased our thought leadership and capabilities.

Oliver Wyman was a Research Partner of Climate Week, and in collaboration with the Climate Group, launched the report *Getting Going*. The paper was presented



Oliver Wyman colleagues participated in a panel discussion during Climate Week NYC.



Marsh McLennan hosting a discussion on the pros and cons of avoidance and removal offsets.

in a livestreamed panel discussion viewed by more than 10,000 attendees, as well as a high-level roundtable with sustainability leaders from a wide range of corporations and financial institutions.

Marsh McLennan, in partnership with Climate Impact Partners, hosted a panel discussion on the pros and cons of avoidance and removal offsets and how to allocate budget and resources for the greatest value and impact. The key takeaway was that the conversation we need to have is not about removals OR avoidance, it is about removals AND avoidance. Each type of solution has a role to play in the ultimate goal of overall global emission reductions.

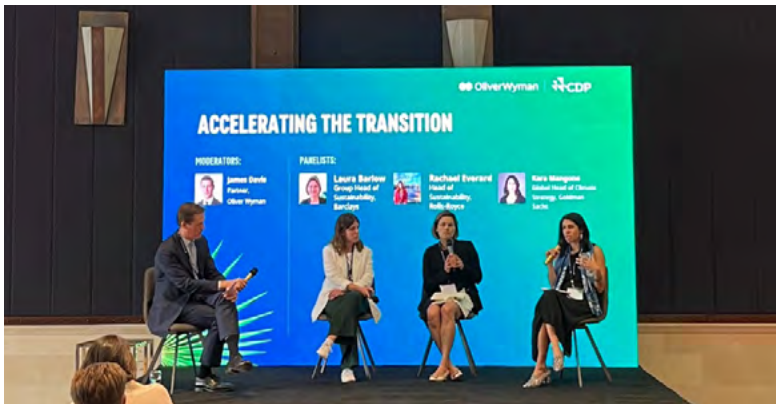
Marsh co-hosted a panel with the Taskforce on Nature-related Financial Disclosures (TNFD) that explored the nature-related risks that will impact the industry, the role of TNFD to inform decision-making to divert investment in nature positive economy and boost innovative-thinking in the insurance space. Our panel of experts discussed the urgency for action to halt and reverse nature and biodiversity loss, the importance of nature risks assessments for businesses to build resilience, the key drivers for innovation in nature-related insurance products and services.

COP27

At COP27, our businesses advanced the conversation through new reports, perspectives and action-oriented initiatives. We focused on issues — namely, the orderly investment transition, the insurance sector's role in climate adaption, communities and businesses' exposure to physical risks, and how companies need to address the inextricable link between climate and nature — that illustrate the breadth and depth of Marsh McLennan's climate capabilities.

Marsh and Guy Carpenter co-hosted the pre-COP27 conference *Adapting to a changing climate in the management of catastrophic risks in Egypt* in partnership with the Insurance Federation of Egypt. The conference provided a platform for public and private sector leaders to discuss the near and longer-term repercussions of climate change in Egypt. Experts also discussed how advances in risk mitigation, management, adaptation and risk transfer are needed to address climate-related catastrophic risks.

Oliver Wyman hosted a series of side events to support discussions and help find solutions to the climate challenge. We brought together climate and sustainability leaders from a range of corporations, and our colleagues spoke at key side events hosted by strategic partners. Mercer hosted a panel discussion — *Harnessing the power of global capital to target local climate challenges* — alongside esteemed guests. They debated and discussed client actions, opportunities and challenges to investing for net-zero pathways.



Oliver Wyman co-hosted a panel with CDP during COP27 in Egypt.

Integrating climate risks

We understand that catastrophic climate change — and the speed and scale of transformation needed to avoid it — threatens disruption unlike anything that has come before.

We're helping our clients navigate a path from risk to opportunity in a variety of ways.

- The goal of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) is to develop recommendations on the types of information that companies should disclose to support investors, lenders and insurance underwriters in appropriately assessing and pricing risks related to climate change. Serving as strategic advisor to the Task Force through 2021 and 2022, Oliver Wyman assisted in the development of the Task Force's 2022 status report, which sought to understand the current state of disclosure practices as well as progress in firms' disclosures in line with the TCFD recommendations over the past five years. The report found encouraging signs of progress in companies disclosing climate-related financial information but also evidence that more urgent progress is needed to improve transparency.
- Marsh Advisory helps clients across all sectors understand, model and manage their evolving climate and ESG risk landscape, with a particular focus on adaptation and resilience. Marsh worked with FirstGroup plc, a UK transportation operator, to prepare a fast turn-around climate and transition risk assessment for TCFD reporting. The national service provider is a complex business with public climate and net-zero commitments and had sought to quantify and report on its transition and physical risks. Marsh conducted physical and transition scenario modelling, identified risk exposures and interviewed company stakeholders. Ultimately, Marsh's analysis supported an ambitious report meeting the required TCFD criteria, including a full financial assessment of the costs and opportunities of climate transition.
- Marsh and Oliver Wyman collaborated to integrate climate modelling into credit risk for multiple large financial institutions. For instance, we built bespoke climate models to translate robust physical and transition climate risk data into key attributes of credit risk for mortgage books. The clients now have full ownership of the climate-adjusted credit models.

Financing the transition

The net-zero transition requires new insurance and investment solutions. Investors, banks and insurers need to consider how and what emissions to measure, how to decarbonize their portfolios, and how to support their clients' decarbonization journeys.

Partnering with the Glasgow Financial Alliance for Net Zero (GFANZ)

The Glasgow Financial Alliance for Net Zero (GFANZ) is the world's largest coalition of financial institutions with a goal of raising climate ambition across the financial sector and driving systemic change for the transition to a global net-zero greenhouse gas emissions economy. Oliver Wyman served as the knowledge partner to the GFANZ secretariat, whose 550-plus members globally represent some of the leading banks, insurers, asset owners and managers, investment consultants, and financial services providers, globally.

GFANZ's 2022 program focused on operationalizing its members' net-zero commitments. Recognizing the wide range of institutions represented in its membership, GFANZ-wide efforts seek to drive coherence, comparability and transparency across the implementation of members' net-zero commitments via pan-sector guidance and frameworks. The end goal is intended to translate member targets into meaningful action and real-economy impact, aligned with net-zero pathways.

GFANZ, supported by Oliver Wyman, published five major reports which help financial institutions translate their net-zero pledges into actionable, near-term and science-based transition plans. At the heart of these publications is a ten-point recommendation framework for financial institutions, setting out guidance on building out, governing and measuring net-zero transition plans.

“Leading with how you will contribute to the transition, rather than focusing only on emissions outcomes, is essential for orchestrating the big shifts required and directing the actions needed.”



Simon Glynn

Partner, Climate and Sustainability Co-Lead, Oliver Wyman

Benchmarking climate investments

Using the investment practices of advanced global investors, Mercer developed a climate-investing benchmarking tool and framework that provides practical climate investing protocols. The self-assessment tool evaluates 10 categories of activity and assesses the current level of progress on a scale of one to five, with one indicating 'not started' and five indicating 'fully developed'.

The roadmap allows investors to improve risk-adjusted returns by factoring climate change impacts into their organizations and portfolios. Using aggregated results, Mercer also identified the top four current challenges as well as solutions, drawing upon the advanced practices of global asset owners.



Evaluating responsible investments

Mercer's Responsible Investment Total Evaluation (RITE) tool is an easy to follow three-stage process for helping our clients integrate ESG considerations into their investment decision making.

Highlights of improvements for our our UK Investment clients over the last 12 months include:

- **RITE has grown:** RITE 2.0 has over 1,000 individual schemes, \$400bn+ in assets and impacts over 5 million pension scheme members. We believe this is the largest ESG dataset in the industry and a key differentiator amongst competitors.
- **Our clients have improved their integration of ESG considerations:** over the past 12 months, many schemes have carried out the RITE interventions to improve their RITE score, with the average score increasing from C+ to B.

Client Advisory Spotlight

Oliver Wyman worked with Everen, a mutual property insurer and the largest insurer of energy assets in the world, to develop a five-year strategic plan to better serve its members in light of evolving energy and insurance markets. The strategic review confirmed Everen as one of the leaders in renewable and alternative energy technologies, and repositioned the insurer with new energy sub-sectors while continuing to maintain cornerstone support for the traditional assets of existing members. A critical component of the strategic plan included changing the mutual's name and branding from Oil Insurance Limited (OIL) to Everen to better reflect the changing mix of their insured assets and its commitment to the long-term future of the energy sector.



Encouraging the transition to a low-carbon economy

Global decarbonization efforts need to accelerate if we are to avoid the most catastrophic consequences of climate change. Current actions and commitments fall short of reaching the 2015 Paris Agreement goal of limiting global warming to well below 1.5°C. As the industry leader in risk management solutions, Marsh McLennan is working to accelerate renewable energy initiatives.

Innovating on Carbon Accounting

Oliver Wyman's 3D carbon accounting service allows companies to quantify and understand their emissions, plan net zero strategies, and monitor performance. As emerging legislation makes reporting scope 3 carbon emissions mandatory, the Oliver Wyman service offers a best-in-class approach that solves this complex challenge.

The system comes with hundreds of thousands of emissions parameters already pre-integrated, and also includes an extensive library of abatement actions, such as the emissions impact, cost uplift and timing of each action.

Facilitating carbon capture payments

In September 2022, Marsh introduced the Carbon Credit Payment Program that gives US clients the opportunity to pay their Marsh service fees in voluntary carbon offset credits and renewable energy certificates (RECs). The program is believed to be a first-of-its-kind in the financial services industry, and is part of Marsh's commitment to help accelerate the energy transition from traditional energy sources to renewables and to recognize clients pursuing and exceeding net-zero carbon emission goals.

Under the payment program, US Marsh clients can opt to pay for US insurance broking or risk advisory services by transferring agreed upon voluntary carbon offset credits and RECs to a key corporate banking partner via a registry account. Only offsets and RECs that adhere to the highest standards and have rigorous oversight will be considered.



Marsh establishes new insurance facilities dedicated to renewable energy

As investment in renewable energy accelerates at pace, stringent lender requirements needed to secure financing can significantly affect the total cost of insurance and viability of projects. To address this, Marsh Specialty's Energy & Power practice developed new products that secure insurance capacity from top-rated insurers globally.

In 2022, dedicated insurance facilities were established for four types of renewable energy projects – offshore wind, solar, battery energy storage systems, and hydrogen (the first of its kind). These facilities provide coverage for projects in operation or under construction, and typically include engineering advisory services during project feasibility, design, and operation. This comprehensive risk management package is an important step to ensuring that developers can access adequate, cost-effective insurance coverage, in some instances significantly reducing the total cost of insurance.



“Marsh’s innovative renewable energy facilities encourage traditional insurance markets to support the energy transition while providing dedicated capacity, increased competition and improved certainty for our clients and other project stakeholders.”



Michael Kolodner,
Global Head, Renewable Energy, Marsh Specialty

Thought Leadership

The role of wind in the transition

Offshore wind generation of electric power has been an established source of generating clean energy for more than a decade in coastal regions of Europe. More recently, growth in power generation as well as turbine construction projects has grown significantly in the Asia Pacific region. With increased awareness of climate change and the role of renewable energy in fulfilling growth in ESG mandates, it has become increasingly important to address the inherent risk behind building and operating wind facilities.

In the article *Can Offshore Windfarms Help Address ESG Concerns?*, Guy Carpenter maintains that the special circumstances in Asia Pacific call for a fresh look at the risks involved in developing and maintaining these projects. As the size and complexity of offshore windfarms continue to intensify, the (re)insurance market will need to expand to provide appropriate coverage opportunities for these facilities.

SOCIAL

At Marsh McLennan, our people are the foundation of the company, and they work every day to make a difference in the moments that matter for clients, communities and each other.

We strive to help our colleagues achieve their best, feel a sense of belonging, prioritize their health and well-being, and give back to their communities. We are also accelerating impact for our clients by setting new standards in innovation.

As we continue to embrace a changing world, we're opening doors for our colleagues to help them achieve their full potential.

Highlights

Internal

Earned an 80% favorability score on our annual all-colleague engagement survey.

95% of our colleagues **completed** at least one training or learning program across our learning platforms.

Over 4,000 colleagues **raised \$1.4 million** to support the people of Ukraine through three humanitarian organizations.

External

Mercer **published** its *Stepping Up for Equity* study to help employers craft a clear, comprehensive, and impactful roadmap for closing the career, health and wealth gaps in the US workforce for Black employees.

Lippincott **worked** pro bono with NYC Pride to evolve its brand and bring to life a new brand identity.

Marsh McLennan **published** *Life support: A people prescription for resilient health systems*, which examines the massive workforce challenge faced by acute-, primary-, and secondary-care providers.

IN THIS SECTION

- 25 Our people
- 29 Colleague engagement
- 30 Inclusion & diversity
- 35 Talent development
- 37 Bringing colleagues and communities together
- 39 Supporting Ukraine
- 40 Health & well-being
- 43 Standards in innovation for our clients



OUR PEOPLE



As a global professional services firm of more than 85,000 colleagues, our business relies on the strength of our workforce. We have become more diverse at all levels of the organization as our company has grown over the years. Our people analytics team tracks data across multiple factors to help us to continually improve.

85,000+

Colleagues

130+

Countries served around the world

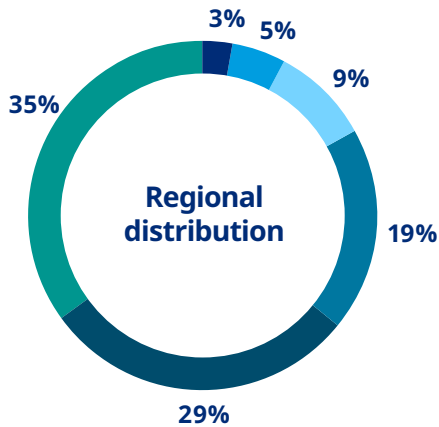
Global gender diversity

54%

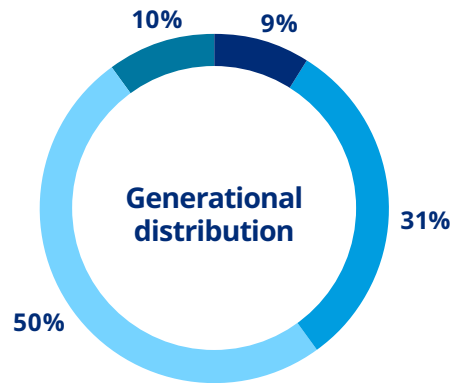
Of our colleagues are female

32%

Of our leaders are female

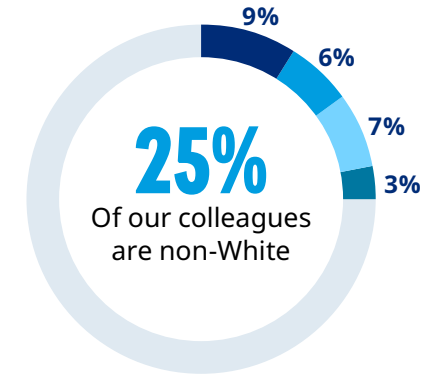


- Africa & Middle East
- Asia
- Pacific
- Europe
- Latin America
- North America

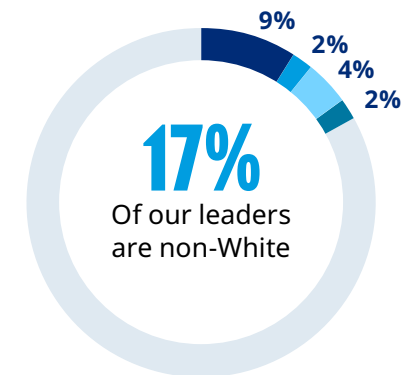


- Baby Boomers
- Millennials
- Gen X
- Gen Z

US ethnic & racial diversity



- Asian
- Black
- Latinx
- Other

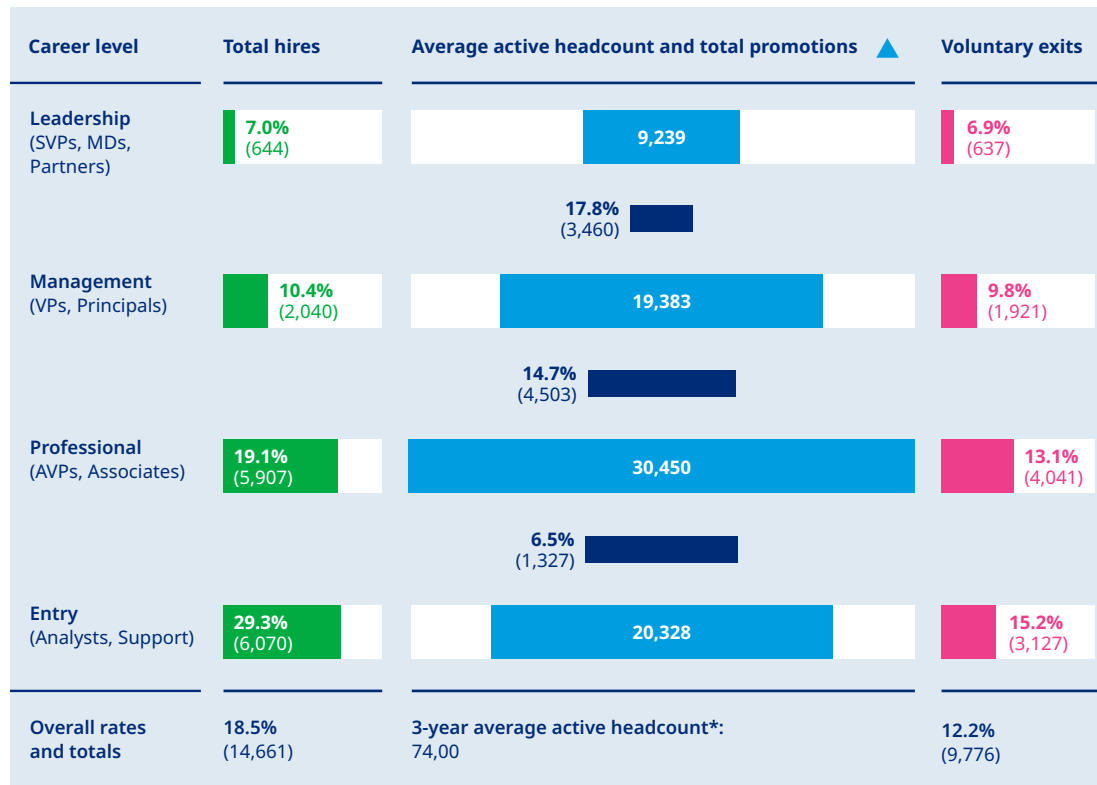


- Asian
- Black
- Latinx
- Other

*All data as of December 31, 2022

Our internal labor market

Figure 1: Marsh McLennan Enterprise Internal Labor Market (ILM) Map, 2020–2022



*Marsh McLennan's enterprise-wide ILM map represents three-year average annual counts and rates, calculated using actual hire, promotion and termination events between January 1, 2020 and December 31, 2022 (excluding a small percentage of colleagues with unassigned career levels).

Our tailored methodology

The ILM methodology was created by our Workforce Strategy & Analytics team at Mercer and is used by many of our clients to draw out initial observations and hypotheses. We use ILMs to uncover root causes of workforce outcomes, enabling evidence-based decisions regarding our people priorities and investments.



Our workforce is dynamic, constantly evolving and a direct outcome of our talent decisions over time. We track colleague movement in, out and around the company to better understand where we need to focus. Using Internal Labor Market (ILM) maps and other workforce statistics, we can learn about factors that affect the workforce and identify important questions for further examination.

- How can we better retain diverse talent?
- Do we have the right recruitment strategy?
- Are we developing talent in the right ways?

We've steadily developed our workforce through internal promotions and external hires. For example, Marsh and Guy Carpenter mix building and recruiting senior-level talent. In contrast, Mercer and Oliver Wyman Group primarily promote from within.

Our enterprise people strategy — one that benefits Marsh McLennan while adapting to each business — considers intricacies and talent goals. We use ILM maps and other indicators to track the evolution of our talent pool.



Our workforce

North America and Europe remain our largest work regions, and together account for nearly two-thirds of our workforce (figure 2). Asia saw the most regional growth in 2022, with a nearly 20% increase in colleagues.

The average age of our colleagues is 41, with an average of eight years of service to the company (Figure 2). Company tenure and longer workforce experience (as measured by age) both increased across our workforce in 2022. Our fast-growing markets tend to have a higher proportion of recent recruits (lower tenure).

In the United States, where we have the most complete data on self-identified race and ethnicity, 25% of colleagues identify as non-White. At the leadership level, 17% of colleagues identify as non-White, a notable trend upward since 2020.

Figure 2: Workforce composition: geographic footprint & experience, 2022

Work region	2022 Headcounts		2022 Averages (years)	
	# of Colleagues	% of Total	Age	Tenure
Africa	1,060	1%	43	7
Asia	17,081	19%	35	4
Europe	25,842	29%	41	9
Latin America	7,865	9%	39	11
Middle East	1,690	2%	46	5
North America	30,581	35%	44	9
Pacific	4,139	5%	43	8
Total	88,258	100%	41*	8*

Figure 3 shows that women make up more than half of our global workforce at 54%, while Figure 4 shows that this number has remained steady over the last three years. 32% of leaders are women, showing progress since 2020.

Figure 3: Current diverse representation, by level

Career level	Gender	Ethnic & racial diversity: % non-White colleagues (US only)				
		% Female (global)	Non-White	Asian	Black	Latinx
Leadership	32%	17%	9%	2%	4%	2%
Management	47%	22%	10%	4%	5%	3%
Professional	58%	30%	10%	8%	9%	4%
Entry	64%	32%	6%	12%	11%	4%
Enterprise	54%	25%	9%	6%	7%	3%

*Other non-white colleagues includes: American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and Two or More Races.

Figure 4: Global female representation, 2020-2022

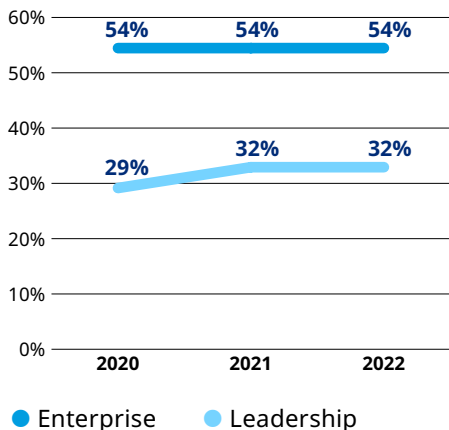


Figure 5: US ethnically and racially diverse representation, 2020-2022

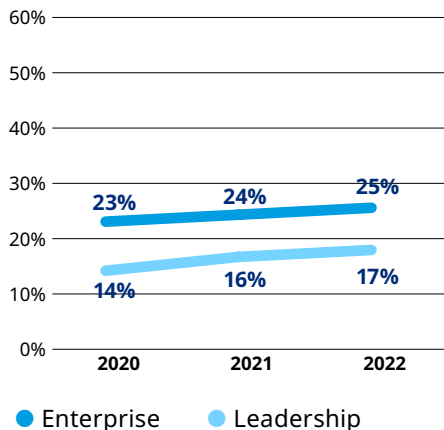


Figure 6: Average voluntary turnover rates, 2020-2022, by colleague group

Colleague group	2020-2022 Average voluntary exit rate*
Female (global)	11.4%
Non-White (US only)	13.4%
Asian	15.1%
Black	14.7%
Latinx	12.6%
Other non-White	14.2%
Overall global	12.0%

*The 3-year average was calculated by dividing the total voluntary exits for 3 years (12/31/19-12/31/22) by 3, and dividing this by the average headcount between start date and end date

We don't just track and analyze colleague information; we also simulate promotion and compensation structures. Figure 6 displays the raw voluntary turnover rates by colleague type, showing that female attrition rates are lower than the global average and US non-White attrition rates are higher than global standards.

“At Marsh McLennan, we leverage data-driven approaches to inform, shape and monitor our people strategy. We use these insights to create engaging work experiences where our people can continually learn, grow and deliver impact.”



Edith Clee,
Global Head, HR Strategy, Analytics & Rewards



COLLEAGUE ENGAGEMENT

At the core of our culture is a sense of community

Our business culture prioritizes welcoming everyone and their ideas. We value belonging and collaboration, and our business success depends on our culture.

We care, we listen, we act

Marsh McLennan's annual, enterprise-wide All-Colleague Survey is our opportunity to understand how we are doing for our colleagues on key measures over time. In 2022, our participation rate was 80%.

Our leaders use the survey results to formulate strategies for bolstering the organization's strengths and addressing its flaws, with the goal of maintaining a committed and enthusiastic workforce. More than 500 leaders receive data specific to their unique organizations, allowing them to tailor their teams' initiatives. On a larger scale, we use the findings to inform our strategic priorities and investment decisions. This includes areas like learning and development, which are directly related to employee engagement, as well as those that help us remove obstacles for our colleagues, such as technology.

The 2022 survey consisted of 55 questions in 11 categories:



Our 2022 survey added a new section, "Manager Effectiveness," with five sub-questions. Overwhelmingly, our people believe that their managers care for their well-being, promote inclusion, provide valuable feedback regularly, and support development, exceeding benchmarks on the four of five items where available.

2022 favorability score from survey



80% Favorable

14% Neutral

6% Unfavorable

80% Completed our survey

2022 colleague feedback

- Our environment is welcoming and safe, and our colleagues feel comfortable at work.
- New ideas multiply our effect. Our colleagues think critically and challenge the status quo.
- Honesty and ethics are the compass points by which we navigate. Our colleagues are comfortable voicing their concerns.
- We could explore newer technology and continue to eliminate inefficient activities.
- While some colleagues indicated managing stress and maintaining work-life balance was a challenge, our colleague well-being initiatives were well received.

INCLUSION & DIVERSITY



Our sense of belonging is the foundation

Inclusion, diversity and belonging require leaders that mirror our colleagues and communities.

At Marsh McLennan, we believe that building a diverse workforce and inclusive culture is a business imperative. It is on all of us to drive diversity at Marsh McLennan, not just those who have “Diversity” in their job title.

Our enterprise strategy to drive inclusion and belonging focuses on five areas:

- Attracting & Hiring
- Developing & Educating
- Retaining & Rewarding
- Building Community
- Assessment & Evaluation

Our goal is to have a workforce more reflective of the regions and locations, as well as the clients and consumers that we service and support.

To understand our diverse colleague community and inform our representative leadership activities, colleagues are encouraged to voluntarily self-identify their gender, veteran status, sexual orientation and disability status. In the US, UK, and Canada, where we report on racial and ethnic diversity, over 80% of colleagues have voluntarily disclosed their race/ethnicity. It influences our efforts to recruit and retain the best team members and evaluate how well our programs, benefits and resources fulfill their needs.

We assess and measure our IDB efforts by participating in key benchmarking surveys like the Human Rights Campaign’s Corporate Equality Index (CEI) and Bloomberg’s Gender Equality Index (GEI). We are proud to have received a 100% on the CEI once again this year.



Our “Leading the Change” Commitments

Bigotry, discrimination, and racism are not tolerated at Marsh McLennan. We are dedicated to advancing human worth, equality and solidarity. Building a community where everyone feels included and their contributions are valued is paramount to our company’s success.

In 2020, our Executive Committee committed to taking concrete action and establishing initiatives to advance social justice and serve as a catalyst for the change we seek in our organization globally.

Here’s what we’ve done:

Formed a Race Advisory Council

In 2020, we created the Race Advisory Council, tasked with providing counsel to the Executive Committee and fostering an environment where colleagues’ voices could be heard and respected during decision-making processes. Senior Black leaders from all departments are represented on our council. The recommendations made by the Race Advisory Council since its inception have had a significant impact on our talent and commercial diversity initiatives. Our new approach for fostering supplier diversity and a flagship event called *Equity=Possibility*, will be launched in 2023, with a Black Leaders Symposium convening 100 Black executives and C-suite leaders to discuss their most pressing business issues.

Established RISE (Racial Inclusion and Social Equity)

We launched RISE in 2022 and partnered with Historically Black Colleges and Universities and organizations such as NAAIA to create a pool of diverse talent. We created the RISE Program with Fisk University and the National Black MBA Association to train the next generation of Black leaders and change-makers. There were over 50 Fellows from the United States, United Kingdom and Canada in our inaugural cohort. In October 2022, we welcomed 55 new RISE Fellows from more than 30 colleges and universities in the United States, United Kingdom and Canada. During the program, our cohort partnered with a group of peers to solve a current business challenge presented by Marsh McLennan leaders, published white papers and presented their findings.



Marsh McLennan colleagues representing our RISE program at the National Black MBA Association conference.

Created the Global Black Colleague Network (GBCN)

This initiative serves as an empowering, supportive and safe space for Black colleagues around the world. The GBCN provides professional development, mentorship, and community building opportunities for colleagues globally and since its inception, it has grown over 200% from 150 to 462 members.

Launched an IDB Learning Curriculum

In 2022, we launched our enterprise IDB Learning Curriculum on our Degreed learning platform with the aim of:

- Building leaders who value diversity, inclusion and belonging to success in teams and with clients.
- Ensuring a consistent level of inclusive conduct and giving colleagues the tools, they need to feel comfortable engaging in meaningful dialogues at pivotal junctures.

To make education more accessible, we developed IDB Toolkits, one-page guides that focus on microinequities and microaggressions that can derail progress toward a more equitable society. We support learning in different modalities including articles, podcasts, webinars and trainings.

2022 Supplier Diversity Achievements

Our Sourcing and Procurement function are focused on increasing diverse representation within our Supply Chain, and particularly Black-owned businesses. In 2022, we reached over \$100M in spend with diverse suppliers in the US and continue to expand our program.

Expanded Development Opportunities

We launched Black Leadership Program (BLP) and Accelerated Leadership Program (ALP) to create a more diverse and representative talent pipeline through expert and peer coaching to help participants develop and hone leadership capabilities. In 2021, we completed the first cohorts of the BLP and ALP with overwhelmingly positive feedback from the more than 80 participants. In 2022, we launched the second cohorts of these programs and between the two, we've had nearly 300 of our top diverse talent participate.

Committed to Social Justice Partnerships

In 2020 we committed \$5 million to social justice advocacy organizations and are currently in the second year of those partnerships. Marsh McLennan works with A Better Chance (US), Blueprint for All (UK) and Gideon's Promise (US), to take a stand against racism and inequity. These partnerships offer colleagues the opportunity to actively learn about how to combat racism in the workplace and in the community as well as provide volunteer opportunities to support transformational change.

Strengthened Metrics and Reporting

In March 2021, we conducted a self-identification campaign to better understand our colleagues and how to best support their career development. Through that process, we received feedback to help make the language we use more inclusive. In November 2022, we expanded the gender identity and sexual orientation self-identification fields in our system to be inclusive of more identities so more colleagues could see themselves represented. This initiative resulted in 99% participation in our gender self-identification efforts across all four of our businesses. In the US, UK and Canada, where we report on racial and ethnic diversity, over 80% of colleagues have voluntarily disclosed their race and ethnicity.

Creating moments that matter with our colleagues

Members of our Colleague Resource Groups have the opportunity to build their professional networks both internally and externally through participation in company events, conferences, and work with partner organizations. These experiences also help to amplify the value of our brand and culture, and often are responsible for driving tremendous value in commercial engagements.

We have active groups in the following areas, with over 200 local chapters spread across the globe:

- Racial and ethnic diversity
- Mental health
- LGBTQIA+
- Women & gender equality
- Rising professionals
- Working families
- Community engagement
- Military veterans
- Access abilities



The Internal Audit team / Asian colleague resource group in New York celebrates Lunar New Year.

Proud to be prideful

We use Pride Month to celebrate and reflect, with events all month long honoring the Stonewall Uprising of 1969 in New York City. In June 2022, colleagues across the company shared their experiences as members of the LGBTQIA+ community in the workplace.

This year, our company signed onto a letter from the Human Rights Campaign to support marriage equality in the United States. We have always been and continue to be firm supporters of LGBTQIA+ equality.



Colleagues in India celebrate LGBTQIA+ History Month.

Asian & Pacific Islander Heritage Month

For Asian and Pacific Islander Heritage Month, we were honored to have Robert Chen, best-selling author of *Selling Your Expertise: The Mindset, Strategies and Tactics of Successful Rainmakers*, provide practical tips and strategies to our colleagues on building business development acumen to accelerate their careers. Attendees walked away with new insights on leveraging their brand and expertise and recognizing their unique value.

Aspire and Emerge: our UK and South African women's leadership programs (Women Who Lead)

Each year, 30 women in Marsh UK participate in our Aspire program and 16 high-potential rising leaders participate in our Emerge program. These programs give group coaching and membership to elite peer networking organizations like Insurance Supper Club (ISC). This upcoming year, the Emerge program will grow to include coaching and development for 15 participants in our Mercer business and five participants from our Guy Carpenter business. In our South Africa program, 60% of program participants identify as a woman of color. To promote workplace gender inclusion in South Africa, we created a Gender Inclusivity Program.

Our Women's Leadership Development program

Marsh, Mercer, Guy Carpenter Operations, MMC Tech and Corporate Functions are just few of the divisions in India that participate in **Women's Leadership Development**. Allies who identify as women can use this program's designated development space to do honest self-evaluations, secure sponsorship and access the program's organizational support for advancing their careers.

In April 2022, we began our second cohort of the India Women's Leadership Development Program with 16 established businesswomen. In tandem with this initiative, we introduced **Lean In Circles**, which serve as a forum for women to network, share experiences, and cheer each other on in an atmosphere of trust. With the beginning of this program, we have noticed a marked reduction in the attrition rates of female-identifying colleagues between the first and third quarters of 2022.

To better serve the needs of the LGBTQIA+ community, set a standard for LGBTQIA+ inclusion, and broaden our diversity hiring efforts, we launched our first **Pride resource group in India**. In line with this initiative, we have begun rolling out company LGBTQIA+ awareness sessions across India's management team. Over 3,000 of our colleagues have participated.

Diversity partnerships for talent attraction, retention and development

Marsh McLennan develops diversity partnerships that emphasize early-career through experienced hire talent to diversify our colleagues pool and guarantee intentional hiring at all levels.

We collaborate with FairyGodBoss, MyGWork, National African American Insurance Association (NAAIA), the Afro-Caribbean Insurance Association (ACIA), Women Who Code, National Black MBA Association (NBMBAA) and Management Leadership for Tomorrow (MLT), to improve our talent attraction efforts and increase the diversity of our talent pool.

Out&Equal

More than 5,000 people attended the 2022 Out&Equal Workplace Summit, making it the largest LGBTQIA+ conference in the world. A group of Marsh McLennan colleagues engaged in dialogue on issues central to LGBTQIA+ workplace equality.



Marsh McLennan colleagues attend the Out&Equal Workplace Summit.

Dive In

Marsh McLennan has sponsored the Dive In Festival, the premier D&I event in the insurance services industry, every year since its inception in 2015.

The festival's theme in 2022 was *Building Braver Cultures*, which aimed to empower participants to create environments where people feel safe, valued, respected and free to express themselves. More than 1,785 of our colleagues registered for the Dive In Festival.



Marsh's Lucy Clarke (second from left) joins Dive In 2022's opening panel event.

Expanding development opportunities

Increasing opportunities for coaching, mentorship, sponsorship, and promotion for all colleague groups at Oliver Wyman is a priority, and as a result we have expanded our IDB career and affinity-based development programs. Our Inspire, Cultural Advocacy, and Aspire for Black, Indigenous and People of Color (BIPOC) talent programs have all helped increase the progression of racially & ethnically diverse colleagues within the company. To better support our LGBTQIA+ and female colleagues in the Asia Pacific Region, we have expanded our Connect+ initiative.

TALENT DEVELOPMENT

Motivating leaders to take charge

Marsh McLennan's leadership is character-based, not position-based. We're letting every team member lead. In 2022, we formalized exceptional leadership attributes and how others perceive them for system-wide implementation.

95%

Of our colleagues completed at least one training or learning program in 2022.

A leader's mindset, rather than their position, is what matters to us

Every day, we rely on these five guiding principles to make decisions and conduct ourselves:

- Inspire with vision and passion
- Display resilience, humanism, and humility
- Unlock people's full potential
- Drive growth and deliver results
- Expand impact and value for our clients

Training to lead

We offer courses in a variety of formats, including online and in-person workshops and festivals, as well as curated pathways in Degreed and access to world-class digital content from institutions like Harvard SPARK and LinkedIn Learning. Colleagues from all over the world can take advantage of our live translation services.

In 2022 we hosted three Learning Festivals where colleagues were encouraged to take time away from work to participate in training opportunities. Sessions covered a range of professional and technical topics including Climate and ESG, Allyship, Staying Connected in a Hybrid Environment and Overcoming Challenges and Building Resilience. Leaders took an active role and hosted office events to foster sense of community.



Unlocking our colleagues' potential

The 14,000 people managers at Marsh McLennan have the most significant impact on our company. They have direct contact with our colleagues, which helps them improve productivity and foster a positive work environment.

Successful people managers use the "4 Cs" in their one-on-one interactions with colleagues and clients.

- Frequent team **conversations**
- Showing colleagues, we **care** about them
- **Clear** communication and guidance
- **Connecting** peers to success resources

We provide people managers with training, resources, and peer-to-peer assistance. Our People Manager Hub has playlists and learning tracks for different expertise levels. Webinars and toolkits include career growth, salary and rewards, and handling uncomfortable workplace dialogues. We found that colleagues whose supervisors take time to learn are twice as likely to be active learners, which increases overall participation and talent retention.

For our formal evaluation, we divide performance into three groups: Stand Out, On Track and Off Track. The categories are intended to inspire improvement and progress, as well as highlight areas for improvement.

Creating a culture of learning

To realize our goal of a dynamic and ever-evolving workforce, we must foster a culture of lifelong education. In 2022, our colleagues enrolled in more than 37,000 individualized courses and 440 development workshops to grow in self-awareness and skill.

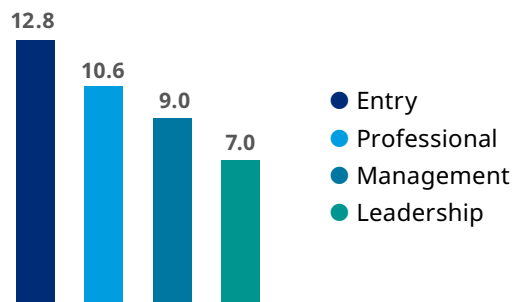
In 2022, we offered more bite-sized learning opportunities for colleagues, both live and on-demand, to accommodate various schedules and learning styles. All of our colleagues have access to high-quality, on-demand, multilingual training from Harvard Business Publishing and LinkedIn Learning. Total learning hours are up 36% vs. 2021, led by a 50% increase in the use of LinkedIn Learning and a 23% increase in the use of Harvard Business Publishing.



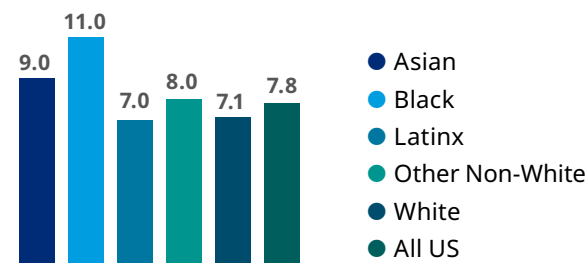
Recorded hours of learning*

10.2 For all colleagues **10.6** Male **10.0** Female

By employee category



By race / ethnicity (US)



*Do not include on-the-job learning, coaching or learning from others.

We expect businesses to empower next-generation market leaders by maximizing their potential

Marsh McLennan leaders urged the (re)insurance industry to prepare the next generation of executives for the constantly changing risk landscape in the context of the Marsh McLennan Rising Professionals' Global Forum held in London on June 29, 2022.

"Navigating an extraordinary world" was the Forum's theme, that featured world class speakers discussing the critical issues challenging the industry.

Marsh McLennan is a strong supporter of Diversity & Inclusion, which are critical for successful innovation. This year, 1,000 rising professionals of diverse backgrounds and experience attended.

BRINGING COLLEAGUES AND COMMUNITIES TOGETHER

At Marsh McLennan, we give our colleagues the opportunity to contribute to society by giving their time and skills to non-profit organizations and community groups that are doing important work. We encourage our colleagues to give back to the communities in which they live and work by matching their charitable donations, forming partnerships with non-profits, and organizing volunteer efforts worldwide.

Our social impact platform connects colleagues with non-profits with specific needs while also empowering them to launch their own initiatives and mobilize support from their peers.

All colleagues receive eight hours of paid time off to volunteer, and those who volunteer for 20 hours or more receive \$200 to give to an organization of their choice.

2022 community impact

9,000

Volunteers
58% increase from 2021

175,000+

Hours
30% increase from 2021

18%

Participation
50% increase from 2021

**Data as of December 31, 2022*

2022: A record-breaking year for volunteering

In 2022, in-person volunteering made a comeback, and it's more popular than ever as our colleagues find new ways to bond while serving their communities. Many colleagues have also continued to volunteer remotely, aligning to the hybrid return to work model the company has adopted.

Over 19,000 colleagues volunteered in 2022, a 58% increase on 2021. They contributed over 175,000 hours of time, which benefited more than 1,900 organizations.

Inclusion, mentoring, and disaster resilience and recovery are all areas that the Cherie Blair Foundation for Women, Junior Achievement, Ambitious about Autism and Missing Maps have worked with us on in the past and continue to do so today. In 2022 alone, 438,000 people have been reached through these specialized initiatives.



Colleagues in the UK volunteered at a community garden.

Our annual Global Volunteer Month celebration in May was our most successful event to date, beating our 2021 engagement by a margin of 50%. To have a greater impact in our communities, we give our colleagues a focal point for team building and philanthropy that cuts across our businesses. 7,600 colleagues in 288 cities and 55 countries volunteered a total of 30,000 hours during Global Volunteer Month alone.



More than 30 colleagues in South Africa volunteered with Junior Achievement's More than Money Program to teach 200 students how to make smart decisions when managing money.



Colleague giving in 2022

Colleagues are encouraged to make charitable donations to organizations that mean something to them. Our online social impact platform makes it easy to donate and apply for a match. Through our matching gifts program we match donations up to \$1,000 a year. In addition, we double-match all colleague donations to social justice organizations, with no limit.

Here is where colleague donations focused in 2022:

The number of colleagues who participated in the company's matching gifts program in 2022 was 76% higher than in 2021, setting a new record for our company.

- Education and human services, disaster relief, and aid to the people of Ukraine all received significant donations. In addition, our Social Justice Double Match Program brought in \$580,000 for racial justice organizations.
- Thanks to our colleagues' donations and our matching program, we raised more than \$7.7 million for 4,300 organizations.
- Through these initiatives, our company and our colleagues across all business units are working together as one powerful force for good.

2022 giving stats

\$7,700,000+

Donated — 52% increase since 2021

12,300

Donors — 76% increase from 2021

4,000+

Organizations supported

59

Countries represented

**Data as of December 31, 2022*

SUPPORTING UKRAINE

Marsh McLennan condemns the unprovoked attack by the Russian government against the people of Ukraine. As the war in Ukraine began to unfold last year, we brought the best of our company together to support our colleagues and clients. Immediate actions included providing resources to help clients better understand some of the critical implications of the war and hosting colleague sessions with our business leaders to discuss the ways in which we could best assist our clients.

Volunteering & giving

The Warsaw Taskforce provides immediate and direct support to the refugees fleeing from war-torn Ukraine to Poland. At the beginning of the war, Oliver Wyman colleagues in Warsaw organized themselves and created a plan to help Ukrainian refugees. They then received special funding from Oliver Wyman's leadership to put that plan into action. Their support included deliveries of supplies to selected NGOs, financial aid and grass-roots international crowdfunding, with Oliver Wyman colleagues raising funds to support initiatives such as buying groceries or paying for the housing of Ukrainian families newly arrived in Poland. Our volunteers have directly helped over 80 people displaced by the war and even more through the monetary support of non-profit organizations.



Giving to Ukraine



4,000+ Colleague donors

55+ Countries represented

\$1.4 Million raised

Supporting:

- American Red Cross
- International Rescue Committee
- US Association for UNHCR

Welcoming Refugees

In 2015, Oliver Wyman began efforts to offer refugees either short-term job security or a whole new career pathway. In response to the war in Ukraine, the program leaders quickly mobilized a team across Human Capital, Mobility and Marketing & Communications to support individuals displaced by the crisis. In 2022, Oliver Wyman welcomed 15 new colleagues, who were placed in roles across consulting, support and specialized services for a mix of permanent and temporary positions in Poland, the United Kingdom, Germany, Spain, Ireland and Canada.

HEALTH & WELL-BEING

The wellness of our colleagues is our priority

We take a holistic approach to ensuring the health and well-being of our colleagues. All aspects of mental, physical, financial, and social health are considered when assessing their well-being at our company. The best possible quality of life for our colleagues begins with giving colleagues the tools, security and confidence they need to take care of themselves physically, mentally and emotionally.

Facilitating our colleagues' pursuit of happiness

We make it a priority to promote a culture of care and empathy that encourages each colleague to prioritize their own health and happiness. Common well-being issues and available resources are highlighted throughout the year in an organization-wide wellness campaign. We facilitate colleague wellness by connecting them to:

- Global sessions addressing topics like burnout, stress, nutrition, exercise, sleep and financial security
- Robust resources covering many areas of emotional, physical, financial and social well-being
- Over 175 webinars held in 2022
- Formal support through our Employee Assistance Programs
- Mental health awareness training for managers

Through our worldwide wellness initiatives, we aim to show our colleagues how much we appreciate their efforts to improve their own health and happiness. Colleagues have access to a wealth of resources, which are bolstered by industry and geographic initiatives. For this purpose, we enlist the aid of professional speakers and encourage colleagues to tell their own stories.



Improving financial literacy in our colleagues

- In the United Kingdom, 15 offices hosted financial education roadshows where colleagues learned about various financial topics such as financial detox/education, pensions, mortgages and will writing.
- We held 44 real-time virtual workshops on topics like getting out of debt, saving money, investing, getting a head start in your career, getting a mortgage and more.
- Edelman Financial Engines and MetLife in the United States organized workshops to help colleagues improve their knowledge of personal finance.
- Financial education is typically provided by plan vendors in countries with private retirement plans, such as Australia, Germany, Japan and South Africa.

Benefits in full for our colleagues

Our compensation strategy is built to attract and retain top talent, reward our people for their contributions to the success of the company, and encourage each one of them to reach their full potential.

We encourage a high-performance work environment by rewarding our colleagues based on their contributions to the company, their teams, and their own personal achievements. We offer our US colleagues a minimum wage of \$16 per hour to remain competitive in the market, and we regularly review and adjust our pay based on market data.

We provide incentives to increase their financial security. Salary is only the beginning. Along with annual bonuses, we give sales incentives for certain positions and long-term incentives for those who play a pivotal role in determining the company's long-term success. All our colleagues are given access to comprehensive retirement, savings and stock investing plans, which allow them to build wealth over time.

Insurance and protection benefits

It is our goal to provide our colleagues with benefits that can help them every day and with unexpected expenses:

- All-inclusive health insurance
- Fundamental health benefits
- A confidential Employee Assistance Program (EAP) is available to all colleagues 24/7
- Leave benefits, including parental leave, aligned with local standards
- Assistance at a critical crisis in post-disaster zones
- Death benefits and life insurance are included
- All colleagues who travel on business are covered by accident and health insurance

Whether a colleague is eligible for extra insurance and protection depends on their country and business.

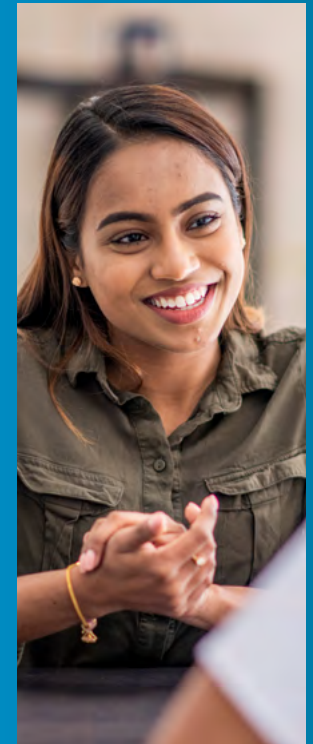
Mercer Pacific is dedicated to being a family-friendly workplace, which is why in 2022 the Paid Parental Leave policy was revised to offer more options and support to caregivers. Marsh Pacific also developed a Flex@Marsh Policy in support of flexible work arrangements and piloted RTO transition-support coaching for parental leave returners, receiving an external accreditation as a Family Friendly Workplace.

In India, we have enhanced our policies to better assist returning mothers during their first year in the workplace. Our policies help women in our Lean In Circles make sense of professional advancement opportunities, personal flexibility requirements and the possibility of mentorship.

Supporting Women's Health

In June 2022, the United States Supreme Court decision in *Dobbs v. Jackson Women's Health* overturned *Roe v. Wade* and has altered access to reproductive care in many states around the country. Public health issues are workplace issues. The health and well-being of our colleagues is our top priority.

Marsh McLennan is committed to providing competitive benefits and to ensuring that our colleagues can access these benefits wherever they are located. To support this, we expanded our travel and lodging benefits to make all types of medical care more accessible. These travel benefits apply to all procedures, including those related to reproductive care, that are covered under our national, self-insured medical plans.





Our Commitment to Pay Equity

Pay equity is fundamental to our ability to attract, retain and motivate the highly qualified and diverse colleagues who are critical to our success.

Marsh McLennan managers around the world are accountable for ensuring pay equity and we provide specific guidance for compensation decisions based on objective factors, including:

- Skills
- Performance
- Level, aligned to our global job architecture
- Location
- Experience

We conduct an annual study to identify new discrepancies in pay based on gender globally and race/ethnicity in the US. A statistical analysis examines the current base salaries and total compensation of colleagues in comparable roles to determine whether there are differences in pay that cannot be explained by the objective factors listed above. We consult with Mercer as a leader in this space.

When unexplained discrepancies in pay are identified in our analysis, adjustments are made.

Our most recent annual study covered our global workforce as of June 1, 2022. The results, as modified for the adjustments described above, continue to show a difference of less than 1% between women and men on a global basis and between non-White colleagues and White colleagues in the US on both pay and total compensation.

“At Marsh McLennan, we believe that the strength of our compensation and benefits programs play a pivotal role in the attraction and retention of our talented colleagues. We continually strive to provide our colleagues with the resources, protection and peace of mind to help them live their best lives.”



Susan Murphy,
Head of Global Benefits

STANDARDS IN INNOVATION FOR OUR CLIENTS



Developing resilient health systems

Many health systems were strained going into the COVID-19 pandemic, are even more strained as they come out of it, and face the prospect of more shocks and stresses on the horizon.

Given the capacity crunch and related pressures, many health systems are in survival mode and may find it difficult to contemplate actions beyond immediate quick fixes. However, health systems need to shore up resilience for future risks.

Our report, *Life support: A people prescription for resilient health systems* examines the massive workforce challenge faced by acute-, primary-, and secondary-care providers. With workforce burnout, attrition and early retirement aggravated by the pandemic, health systems are struggling to clear care backlogs, meet current demand and anticipate new expectations. Three interlocking issues drive workforce fragility:

- Capacity (baseline and surge)
- Connectivity (across the healthcare ecosystem)
- Culture (of resilience)

The report offers ways forward for health systems, policy makers and regulators in the near, mid, and long-term to address people risks that will build resilience.



The Good Work Framework: A new business agenda for the future of work

The nature of work has been impacted by technological changes, demographic, social shifts and green transitioning. As companies navigate these trends and take stock of lessons learned, there is a mounting urgency to redesign their people processes and work practices to create a new vision for the future of work.

Developed in collaboration with the World Economic Forum (WEF), *The Good Work Framework: A new business agenda for the future of work* shares a framework of goals, metrics and target-setting that allows organizations to make good work a reality.

Objectives:

- Promote fairness in wages and responsible use of technology
- Provide flexibility and protection
- Deliver on health and well-being
- Drive diversity, equity and inclusion (DEI) gains
- Foster employability and a learning culture

By creating and delivering on values, organizations build human-centric enterprises that are ready and able to institute anticipatory, agile transformation.

The Good Work Alliance website is an additional resource for standardized metrics and target setting guidelines that organizations can use to make, track and report on the progress of their Good Work journey.

Merger's *Stepping Up for Equity* study

Heightened focus on social justice in the US has illuminated an array of longstanding disparities facing the Black community in the workplace. Traditionally, the connection between racial equity and work has focused on unemployment rates and representation in higher-level positions. The real disparities, however, run deeper and broader. In this report, we ask a different set of questions: "What happens to Black employees after they are hired?" and equally important, "What role can employers play in closing the gap for Black Americans?"

Merger undertook its *Stepping Up for Equity* study to help employers craft a clear, comprehensive and impactful roadmap for closing the career, health and wealth gaps in the US workforce for Black employees. The study combines a comprehensive survey of organizations' practices and outcomes bearing on these gaps with learnings from Merger's extensive work with clients in these areas.



Accelerating meaningful and sustainable change demands an impact- and data-driven approach. As a result, employers have a unique opportunity to step up their efforts to deliver the career equity, physical and financial health, and belonging that Black employees in the US workforce need to thrive.

Expressing diversity and inclusivity with NYC Pride



Heritage of Pride is a non-profit that produces LGBTQIA+ Pride events which inspire, educate, commemorate and celebrate our diverse community, including the trademark event, NYC Pride. The organization's leadership recognized that the event had an inconsistent brand identity that changed annually, and in order to drive equity and awareness around the organization's incredible impact, it needed an identity that would endure.

Working pro bono, Lippincott, part of Oliver Wyman Group, worked with Heritage of Pride to uncover the unique role the organization plays for many in the LGBTQIA+ community and bring it to life in a new brand identity for NYC Pride.

The evolved NYC Pride brand launched to the world in February 2022, and features the iconic Pride flag, capturing the brand's spirit of celebration and activism.



GOVERNANCE

At Marsh McLennan, strong governance practices drive our business and are the foundation of our company. We're committed to upholding best practices in corporate governance, conducting ourselves ethically, and earning and keeping the confidence of our shareholders. Our ESG initiatives are built upon our dedication to strong governance.

Highlights

Internal

Reached initial goal of 30% women representation on our Board of Directors.

Introduced a new Financial Crime training to safeguard Marsh McLennan against illegal activity and the risks posed by sanctions, corruption, and money laundering.

Strengthened our cybersecurity capabilities and developed a multi-year plan to further mature our program.

External

Marsh **developed** the ESG Risk Rating (ERR) tool to help clients self-assess the maturity of ESG within their organizations.

President & CEO, John Doyle, met with the Office of the National Cyber Director to **discuss** the insurance industry's important role in enhancing global cybersecurity.

Our Government Relations team **engaged** the US Treasury and the US Federal Insurance Office regarding the (re)insurance market in Ukraine and how to support Ukrainian grain exports and global food security.

IN THIS SECTION

- 46 Corporate governance
- 49 Enterprise risk management
- 51 Ethics and compliance
- 54 Cybersecurity and data privacy
- 56 Leading the way on government relations
- 59 Sharing our expertise on governance issues





CORPORATE GOVERNANCE

Marsh McLennan's comprehensive policies and robust internal controls help protect our company and foster a culture of excellence.

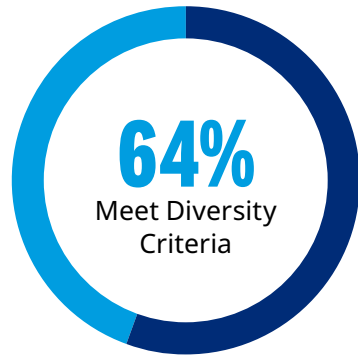
Guidelines for Corporate Governance

The fiduciary duties of the Board of Directors to the company's shareholders are outlined in [Marsh McLennan's Guidelines for Corporate Governance](#). They summarize certain policies and practices designed to assist the Board in fulfilling its fiduciary obligations to the company's stockholders.

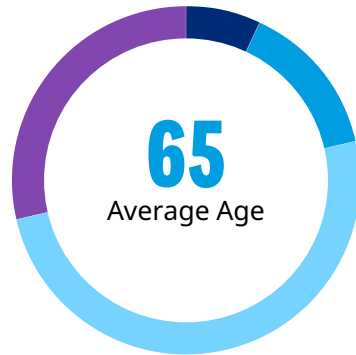
Board oversight

- Our chairman and all directors are independent, with the exception of our CEO, who is the only member of management serving on the Board.
- The Chief Executive Officer and Chairman of the Board are separate roles as a matter of policy.
- We are committed to maintaining a diverse and inclusive board. Our Board considers the gender, racial, ethnic and diversity of each potential director candidate as part of its annual evaluation of Board composition and in its recruitment process.

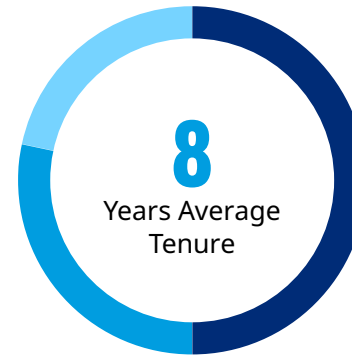
Key director statistics*



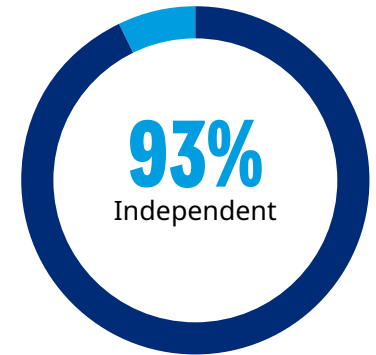
- 36% Women
- 29% Racial/Ethnic diversity



- 40s
- 50s
- 60s
- 70s



- 0-6
- 7-14
- 15+



- Independent
- Not independent

*Key Director Statistics are as of May 18, 2023

We appointed our **eighth consecutive director** who meets our **diversity criteria in 2023**

In the past **5 years**, we have appointed **5 independent directors**, all of whom meet our diversity criteria

As of our 2023 annual meeting, we expect **36% of our board to be women**



Board diversity

Marsh McLennan has a strong history of Board diversity. Our first woman director, Adele Smith Simmons, joined the Board in 1978. Ms. Simmons served as the first chair of the Corporate Responsibility Committee of our Board, which was the predecessor to our Board ESG Committee and served as a foundation for today's ESG initiatives. We are committed to maintaining an inclusive and diverse Board, and our first director meeting our racial and ethnic diversity criteria was appointed in 1998. Of the fourteen directors standing for re-election at our 2023 annual meeting, four are men who are racially or ethnically diverse and five are women.

Building moments that matter for our shareholders

Engaging in regular dialogue with our stockholders helps deliver our strategy in a manner that is consistent with their long-term values.



We are committed to engaging each year with the Governance and/or ESG teams of our institutional stockholders.



Discussions cover corporate governance matters, executive compensation and CEO succession, inclusion and diversity, and our progress against our ESG goals.



Feedback received is shared with senior executives, the Board and its committees and is considered in decisions.



For example, we incorporated stockholder feedback in evaluating how we report our progress against our ESG commitments and in considering Board committee rotation.

“At Marsh McLennan, we know maintaining strong and effective governance practices requires proactively anticipating and adapting to the evolving needs of all stakeholders.”



Connor Kuratek,
Deputy General Counsel and Corporate Secretary

ESG Governance

The Board oversees the company’s ESG initiatives and strategies through several committees. The Marsh McLennan Board receives reports from its committees on ESG-related risks and opportunities, which allow the Board to factor in ESG considerations when reviewing business decisions and strategic plans.

Audit

Responsible for:

- Culture
- Ethics and compliance
- Enterprise risk management
- Cybersecurity and privacy

Compensation

Responsible for:

- Incentive compensation plan design, including ESG metrics
- Inclusion and diversity
- Pay equity
- Talent management, including succession

Directors & Governance

Responsible for:

- Board composition, including director diversity, age and tenure
- Shareholder rights
- Corporate governance guidelines, including the Board’s role in risk oversight

ESG

Responsible for:

- Environmental initiatives, including climate and sustainability
- Social impact (philanthropy and volunteering)
- Government relations and public affairs
- Inclusion and diversity
- Pay equity



ENTERPRISE RISK MANAGEMENT

Our Enterprise Risk Management (ERM) team advocates for and facilitates strong risk management processes across our businesses and functions. Broadly stated, our goal is to manage risk — not avoid it. In coordination with our Executive Committee and Board of Directors, we've developed a Risk Appetite Statement to encourage debate about the level of risk that we're willing to absorb to achieve our goals.

Through our ERM process we:

- Raise awareness of key risks
- Implement a framework for managing top risks
- Integrate discussion about risk into our decision-making process
- Foster alignment between senior management and the Board of Directors

Important components of our ERM strategy

Multiple risk committees

Our business risk committees play an important role in identifying and escalating risk findings and engaging in robust discussions around risk with senior management. The Marsh McLennan Risk Committee is the highest-level risk committee that provides a forum for the discussion and resolution of risk-related issues.

Bottom-up and top-down reviews

Our annual ERM process consists of (1) a bottom-up review of all risks facing Marsh McLennan, with business risk committees ultimately escalating risks to the Marsh McLennan Risk Committee, and (2) a top-down review of all risks facing the company through the Board and Executive Committee risk assessments.

Board oversight

The Marsh McLennan Board annually reviews the company's key enterprise risks. Senior management presents to the Board on its strategy for each risk and delivers mid-year and year-end reports. The Board receives updates on specific risks throughout the year, including cybersecurity, human capital management and climate.

Integrating climate with overall risk

The ERM process includes an assessment of climate-related risks, both physical and transitional. Risk management for changing climate conditions is addressed at the local, regional and global levels.

Evaluation of physical risk

Our Business Resiliency Management (BRM) team aims to prepare, detect and respond effectively to adverse events and threats that may impact Marsh McLennan's colleagues, operations and assets.

Each of our office locations has a business resiliency plan which considers the specific risks for that location, including a range of weather and climate related risks such as earthquakes, tornadoes, flood, wildfire and hurricanes. All offices are evaluated and assigned a Tier from 1–4, ranging from most to least critical. Tiers are based on the types of potential incidents, the concentration of people, and what is critical in that location. Currently, 50 of our 700 offices are classified as Tier 1.

Tier 1 and 2 locations are considered critical and undergo an annual review of location-related risks, which have the potential to impact business operations and colleague safety. The risk assessment, conducted by BRM, identifies relevant risks such as seismic risk, weather-related threats, and proximity of natural and manmade hazards. Identified risks are reviewed and classified as high, medium or low based on impact and likelihood, and mitigation actions are captured for follow up and implementation.

Engaging responsibly

We have developed procedures to bolster our commitment to the Sustainable Development Goals. When considering proposed engagements that potentially conflict, in a fundamental way, with these goals, we will review the proposed project to evaluate whether the work can proceed. Our Client Engagement Principles help us navigate an evolving risk landscape and make responsible decisions in our engagement with clients to better serve the long-term interests of our colleagues, clients and communities. Each of our businesses has developed its own procedures for embedding the Principles.

The Client Engagement Procedures help guide colleagues who are not sure whether a new project or piece of business aligns with our Principles. The framework assists colleagues in making determinations at a local level and provides a path for them to get guidance from additional leaders in the organization if necessary. These protocols are reinforced through periodic leadership communications.

“Our Business Resiliency Management process rigorously assesses the physical risk of our offices and identifies threats.”



Luiz Vitoria,
Global Head, Business
Resiliency Management





ETHICS AND COMPLIANCE

Our shared beliefs and vision for the future are grounded in our values. Marsh McLennan values its colleagues and business partners and is dedicated to fostering an environment where everyone feels respected and valued. The individual efforts of each colleague are crucial to the company's success.

Promoting a culture of honesty and transparency where it is safe to speak up

Marsh McLennan maintains the highest professional and ethical standards. We are committed to remaining up to date on industry best practices and routinely participate in formal ethics and compliance benchmarking exercises.

Our Guidelines for Corporate Governance state unequivocally that the Board is responsible, alongside management, for “setting the tone at the top” and overseeing management’s strategy to promote a culture of integrity throughout Marsh McLennan.

The Audit Committee of the Board of Directors has responsibility for the company’s policies, systems and controls — which are designed to promote ethical behavior and compliance with applicable legal and regulatory requirements.

Management regularly briefs the Audit Committee on ethics and compliance matters. See page 54 for additional information on Board oversight. Marsh McLennan has also adopted an additional Code of Ethics for the Chief Executive Officer and Senior Financial Officers, which applies to our Chief Executive Officer, Chief Financial Officer and Controller.

“Our culture of integrity is the cornerstone of our values and impacts every aspect of our interactions with our clients, colleagues and communities.”



Kate Brennan,
General Counsel



Our Code of Conduct

The Greater Good is the cornerstone of our culture of integrity. Available in 13 languages, it underpins our values, ethical commitments and standards of business integrity and professionalism. It supports colleagues in making decisions in situations where it may not be clear — or easy.

The Greater Good covers a range of topics including anti-corruption, data privacy, conflicts of interest, trade sanctions, money laundering prevention and social responsibility. All agents, subcontractors and suppliers must follow the same compliance regulations that our directors, officers and other colleagues are obligated to follow.



***The Greater Good*, our Code of Conduct, is based on these three principles:**

Win with integrity. We compete vigorously and fairly. Work that might harm the reputation of the firm is simply not worth it.

You are never alone. The only mistake you can make at our company is the mistake that you make alone. When in doubt, reach out. To your manager. To Compliance. To HR. To a colleague. We are all in this together.

Speak up. If something doesn't feel right, speak up. You are not doing a service to anyone by keeping quiet. You have a right to raise concerns and, indeed, an obligation to do so.

All company computers and mobile devices have a quick link to *The Greater Good* so colleagues may access it with a single click. In addition, our colleagues have access to Gigi, our chatbot, Frequently Asked Questions (FAQs), Policies, and the Choose Your Path video series, all in one easy-to-remember website (integrity.mmc.com).

A private and secure ethical hotline

Marsh McLennan provides an external channel to allow colleagues and third parties to report violations or concerns regarding business ethics or compliance.

Colleagues can report anonymously via the Ethics & Compliance Line, a comprehensive and confidential reporting tool hosted by an independent third party's secure servers that are not part of the Marsh McLennan website or intranet. If a caller would like to speak a language other than English, live operators can ask an interpreter to join the call to translate a wide variety of languages.

We also have an experienced internal investigations team that reviews colleague misconduct or negligence and may conduct an internal inquiry into allegations of wrongdoing. In cases where allegations are substantiated, colleagues may face remediation. We keep lines of communication open and foster a supportive atmosphere to get the best results for our clients worldwide.

We communicate the whistleblower program through our onboarding training process and reference it in many of our ongoing compliance trainings. Colleagues can also easily find the information on Colleague Connect, our enterprise-wide intranet.

Record keeping and handling information appropriately

Many segments of Marsh McLennan's business operate in the highly regulated insurance and financial services industries and must comply with strict recordkeeping requirements for certain transactional claims, communications and benefits data. To ensure compliance with these responsibilities, Marsh McLennan maintains a Records Retention Policy that is supplemented by business-specific protocols and Records Retention Schedules. The schedules reflect legal, regulatory and business mandatory retention periods for various types of data across our sectors and geographies.

Included in *The Greater Good* is the Handling Information Appropriately Policy which contains three sections — Acceptable Use of Company Information and Systems, Protecting Privacy and Records Retention. It is the first section of this policy that defines appropriate behavior regarding company systems — including email and Internet use, and company devices.



Human rights and modern slavery

Marsh McLennan respects the dignity and worth of every individual. We are committed to upholding human and workplace rights in all our operations, wherever we do business. In an effort to increase transparency on important workplace values, we published a statement on Human Rights, which is available at marshmclennan.com.

As professional services providers, Marsh McLennan and its businesses do not operate in industries where modern slavery is prevalent. Nevertheless, we are committed to taking steps to uncover any potential risks within our supply chain. We have various policies in place, which aim to minimize the risk of modern slavery or human trafficking, and encourage reporting of any related concerns.

Anti-corruption

We are committed to compliance with trade sanctions, anti-terrorist financing laws, export controls and anti-boycott laws to protect our people, clients and stakeholders. We do not offer or accept bribes or kickbacks in any form, and we do not tolerate corruption in connection with any of our business dealings. We follow one ethical standard wherever we do business.

Financial Crime Training

In 2022 we introduced a new Financial Crime training to safeguard Marsh McLennan against illegal activity and the risks posed by sanctions, corruption and money laundering that could hurt our business and reputation. The training highlights the importance of upholding our values and standards set out in our financial crime policies and *The Greater Good*.

CYBERSECURITY AND DATA PRIVACY

Reliable information is at the core of the products and services we offer. Marsh McLennan is committed to:

- Data privacy and security, establishing effective controls that comply with business and regulatory requirements; and
- the protection of our information systems, including the confidential and personal information that clients entrust to us.

We are constantly working to mature the effectiveness of our cyber program based on the ever-evolving threat landscape, which is informed by our cyber threat intelligence program. We continuously improve our technology mix and invest in advanced cyber capabilities designed to enhance our ability to detect and prevent progressive threat adversaries from impacting our systems and applications. We build key partnerships across the industry to create and participate in cyber information sharing channels which help to inform the best, most proactive, threat protections possible.

Marsh McLennan's Global Chief Information Security Officer (CISO) oversees the company's cybersecurity program. All policies and procedures are supported by upper management and are based on industry standards for cybersecurity, such as those outlined in the NIST Cybersecurity Framework (NIST CSF) and ISO/IEC:27001. In addition, our worldwide network of data centers are SOC 2 Type II certified.

Board oversight

While the Audit Committee regularly reviews Marsh McLennan's policies and practices with respect to risk assessment and risk management, including cybersecurity and privacy risk, the full Board also receives regular briefings regarding cybersecurity and privacy matters. The company maintains a response plan for significant incidents that have the potential to cause large-scale disruption to the company's operations, revenue or reputation. The response plan for significant incidents requires immediate notification to Marsh McLennan's Chairman of the Board and Chair of the Board Audit Committee.



Training our colleagues to #BeCyberSmart

As cyber-attacks become more complicated and difficult to detect, our colleagues play an essential role in protecting Marsh McLennan's data, information, business and reputation. All new hires receive information security and confidentiality training, and all colleagues must complete the annual cybersecurity and privacy training. The interactive training underscores the importance of information classification rules, how to recognize and avoid cybersecurity threats and how to report an incident when something goes wrong.

In addition to formal training, all colleagues receive periodic information security and compliance newsletters and notifications. We also conduct internal communications and education campaigns for Cybersecurity Awareness Month and International Privacy Day, including specific role-based training, a series of educational games representing real-world cyberattacks and our spot the "Phish" campaign.

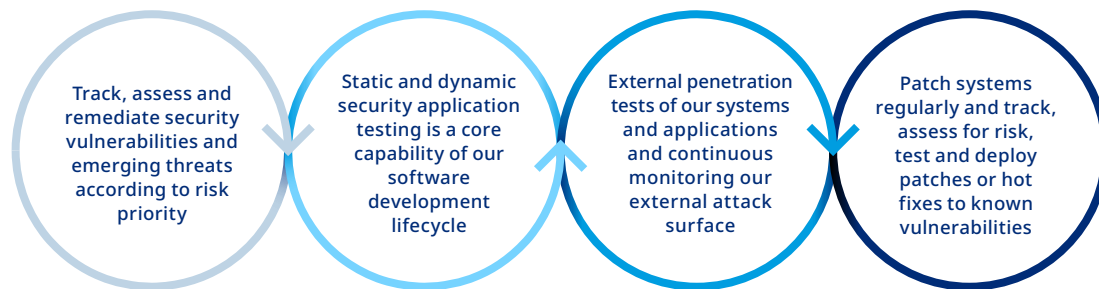
"In 2022 we continued to strengthen our cyber capabilities and protect the company from increasingly complex threats."



Jeff Lund,
Chief Information Security Officer

Vulnerability management

Our robust vulnerability identification, assessment and management program includes system hardening, scanning, alerting, operating system and application patch management



Incident response

A dedicated problem management team support our Unified Incident Response process for both cybersecurity and privacy matters. This process assists the company's Global Technology Infrastructure support teams in performing problem analysis and troubleshooting to determine the root cause of one or more incidents. The problem management process is based around Information Technology Infrastructure Library (ITIL) standards and includes development and production of corrective actions plans and post-mortem reports. Depending on scope and scale, corrective actions are prioritized as changes (following the change management process), service improvement programs or formal IT projects. In the case of a data breach, we are committed to notifying data subjects in a timely manner, in accordance with local laws and regulations.

Network security

To meet our rigorous confidentiality, integrity and availability standards, we have in place a Secure Access Service Edge (SASE) architecture and a defense-in-depth approach leveraging the MITRE ATT&CK framework to test how our environment responds to a variety of threat tactics. We are actively implementing a multi-year zero-trust architecture strategy which includes workload segmentation and network access control solutions.

Compliance

Compliance with business and regulatory requirements like GLB, GDPR, HIPAA, NYDFS, CCPA and Sarbanes-Oxley are assessed through internal and external audits performed on a risk basis. Senior management is updated on the outcomes.



Data Privacy

Marsh McLennan has a designated Global Chief Privacy Officer who manages our global Privacy team. The Global Privacy Team includes a network of dedicated Privacy Officers across various regions and businesses, a European Data Protection Officer and dozens of data protection coordinators across the globe who are responsible for privacy matters in their respective jurisdictions.

The Privacy Team is responsible for administering our Privacy Program and overseeing the proper handling and use of personal information across the company. The team works closely with IT, Information Security, Human Resources and various other functional groups in this effort. We have an established process for conducting risk-based privacy assessments for new products, services and IT initiatives that includes a review of technical, administrative and physical safeguards in order to comply with applicable Marsh McLennan policies and regulatory regimes.



LEADING THE WAY ON GOVERNMENT RELATIONS

Marsh McLennan views engagement in the legislative process as part of responsible corporate citizenship. Our Government Relations team, with colleagues based in Washington, New York and Brussels, represents our public policy priorities by strategically engaging policymakers and external stakeholders to help shape positive outcomes for the company and its clients. This includes sharing thought leadership with policymakers, providing expert witness testimony and engaging with trade associations and coalitions to amplify our messaging

Governance

The ESG Committee of our Board of Directors receives a comprehensive report at least once a year on our government relations efforts. Marsh McLennan's Chief Public Affairs Officer oversees government relations and reports to our General Counsel who in turn reports to the CEO. Our company's government relations efforts are governed by our code of conduct, *The Greater Good*, and corporate policies on interactions with public officials, gifts and entertainment, and corporate political contributions.

“We created a Regulatory Working Group in 2022 to actively monitor and participate in the regulatory process and ensure Marsh McLennan is on top of important and emerging issues.”



Marshall Yuan,
Chief Corporate Regulatory Counsel

Political engagement

In 2022, we continued to strengthen our government relations work to lead the way on climate resilience, public sector and disaster preparedness. The following are some of our most relevant actions:

- Engaged the European Commission and Members of the European Parliament in support of the proposed Pay Transparency Directive that seeks to increase transparency around the gender pay gap.
- Organized an opportunity for a NY congressman to meet with leaders in NYC to discuss our diversity, equity and inclusion initiatives.
- Met with leading employee benefit trade associations to discuss legislative priorities around expanding consumer choice for healthcare and retirement benefits.
- Former President and CEO Dan Glaser led an in-person meeting with the US Treasury's Federal Advisory Committee on Insurance (FACI) to discuss the benefits of community-based catastrophe insurance. To fully leverage this product, Washington is leading the development of a Community-Based Catastrophe Insurance (CBCI) Coalition to remove legislative and regulatory roadblocks. The coalition will consist of carriers, policyholders, modelers and other stakeholders who stand to gain from pre-disaster preparedness.
- Prompted a meeting with the Biden Administration National Security Council on long-term disaster recovery strategies. The meeting highlighted the value of Community-Based Catastrophe Insurance in supporting effective mitigation and recovery principles for all consumers, including state and local municipalities.
- Engaged the US Treasury and the US Federal Insurance Office regarding the (re)insurance market in Ukraine and how to support Ukrainian grain exports and global food security.
- Joined a group of climate experts to advise the EU Commission's newly launched Climate Resilience Dialogue. The group will provide the EU Commission with expert views on climate adaptation policies. The Dialogue held its inaugural meeting in November 2022 and is set to issue a report in 2024.





Budgetary and ethical restrictions on political actions

Marsh McLennan does not use corporate funds for independent political expenditures in support of or opposition to any candidate for office. The Company has a policy in place to monitor and restrict payments to state trade associations whose primary purpose is lobbying activity.

Further, it is our policy that Marsh McLennan does not engage in the following kinds of political conduct:

- Directly paying for independent advertising or public communications that expressly support or oppose a federal political candidate
- Communicating its view on specific candidates
- Communicating a view on whether a candidate's voting record is in line with the company's view on issues
- Establishing a federal political action committee (PAC) in order to engage in so-called "independent expenditures"

Public disclosure of political spending

Marsh McLennan discloses its lobbying activities and the resources it spends advocating for clients, colleagues and our businesses.

- Marsh McLennan files public reports every quarter with the US Congress and state and local lobbying regulatory bodies disclosing our lobbying activities. At the federal level, these reports disclose Marsh McLennan's lobbying activities and the amounts spent by Marsh McLennan on those activities. Our reports are available at lobbyingdisclosure.house.gov.
- The colleague political action committee files public disclosure reports with the Federal Election Commission, in accordance with applicable laws.
- In Europe, Marsh McLennan is in the EU Transparency Register, a voluntary register whereby companies engaging with European policy makers agree to a code of conduct. As a registrant, Marsh McLennan also discloses the budget for lobbying activities and its areas of interest.

Colleague Political Action Committee

The Marsh McLennan Political Action Committee (PAC) is a non-partisan, US federal political action committee that receives voluntary contributions from, and is operated by, our colleagues. The PAC provides the Government Relations team with important opportunities to build relationships with federal lawmakers, but does not use corporate funds to make political contributions.

The PAC has its own governance structure, including an Advisory Committee and bylaws, which are available at marshmclennan.com. The PAC's Advisory Committee is composed of senior business managers who approve the PAC's budget and contributions.

SHARING OUR EXPERTISE ON KEY GOVERNANCE ISSUES



Marsh McLennan delivers advisory and market-leading solutions to help our clients advance their resilience agendas in the areas of cyber, risk and ESG. By combining strategic solutions with quantified risk measurement, we help clients manage their business risks with confidence.

Mitigating cyber risk

Marsh McLennan's Cyber Risk Analytics Center is a firm-wide resource that combines the cyber risk data and analytics expertise of Marsh, Guy Carpenter and Oliver Wyman to provide clients with a comprehensive view of their cyber threats, the maturity and availability of their existing and future controls, and the economic impact of their risk. The Center also conducts research and development with a global network of commercial, government and academic partners and integrates the data, modeling and risk expertise of our businesses.

Cyber US engagement

- Our President & CEO, John Doyle, met with the Office of the National Cyber Director to discuss how insurance is essential to cybersecurity. After the discussion, the Marsh Cyber Practice team published a white paper for the Office of the National Cyber Director on signs of a strong cyber insurance market and its impact on cyber framework security. John Doyle and Marsh Cyber Practice Team members briefed the CISA on our cyber insurance priorities.
- Marsh and Guy Carpenter authored the paper "Signs and Signals of a Healthy Cyber Insurance Market" to inform policymakers about the role of cyber insurance in enabling economic activity. The report analyzes key indicators of an effective cyber insurance marketplace and considers potential US government actions to address systemic cyber events.
- Tim Marlin of Marsh testified at a Department of Labor hearing on cyber insurance and employee benefit health plans.
- Marsh McLennan colleagues spoke to government stakeholders at the 2022 Billington Cybersecurity Summit.

Cyber EU engagement

Marsh McLennan has kept up its efforts to provide the European Union's policymakers with the knowledge and data they need to make informed decisions on cyber insurance.

To that end, we convened a meeting with ENISA, the European Union's cyber defense agency, and employees from throughout the company to talk about the state of cyber insurance in Europe. This information contributed to ENISA's report examining insurance uptake in vital EU sectors.



President & CEO John Doyle met with policymakers to discuss the importance of cyber insurance for cyber security and how it makes institutions and businesses more resilient in the face of cyber risk.

Case study: Measuring cyber resilience

Marsh McLennan's Cyber Risk Analytics Center analyzed the BitSight Security Ratings Platform, which helps underwriters develop cyber insurance policies. Boston-based BitSight offers a Security Rating and 13 "risk vectors" to measure how many of a company's systems are vulnerable and how quickly they are fixed.

Marsh McLennan analyzed 365,000 companies' cybersecurity events, claims, and BitSight security data. Poor performers were linked to cyberattacks. In addition, the study found a statistically significant association between BitSight Security Ratings and risk vectors and cybersecurity incidents.

BitSight's measurements can help insurance officials make informed judgments. For example, endpoint management, malware detection, vulnerability management, secure communications, and user training and awareness have measured correlation.

Our study highlighted the relevance of an organization's patching initiatives, with "patching cadence" associated to the chance of a cybersecurity incident.



Asking the right questions about war exclusions in the context of cyber operations

In the last several years, reinsurance and insurance markets have grappled with the meaning of the war exclusion in the context of cyberattacks (or more broadly, "cyber operations"). The ongoing Russian invasion of Ukraine, including cyber operations that crashed websites of Ukraine's defense ministry and two large Ukrainian banks, underscores the need for contract certainty regarding coverage for state-sponsored cyber operations. Yet, legal guidance on the application of the war exclusion to cyber operations remains elusive.

This publication from Guy Carpenter suggests that stakeholders ask new questions and explains the problems posed by traditional war exclusions in the cyber context. The report also explains how recently drafted clauses, which markets have increasingly adopted, address these problems. It then considers reinsurance implications, particularly the need for cedents to avoid a gap of coverage between original policy and reinsurance treaty.





Improving business resilience

Case study: Financial services & crisis resilience

Marsh was engaged to assure, test and remediate group-wide crisis and resilience structures, processes and procedures to generate crisis readiness ahead of potential merger-induced vulnerabilities.

Complexities in designing processes for a 'combined company' (i.e. two merged enterprises) centered on translating two different organizational structures, cultures and leaders into a single approach to crisis management. This required a considered and deliberate approach to stakeholder management.

Advisory solution:

- Live crisis support leading the Crisis Management Team from London
- Coordinated international sites in terms of policy and guidance
- Managed information and communications across the Group, internationally
- Reported situation updates and recommended courses of action to the Board
- Developed an interim crisis management playbook

Client outcome: the client now has a crisis readiness plan and wider business resilience procedures. Marsh has also been retained to support the new combined company with continued crisis, resilience, cyber and BCDR consultancy.

Building organizational resiliency

Marsh UK provided pro bono support to the Marsh McLennan UK Charity Partner Ambitious about Autism (AaA). Valued at £23,000 the project supported the development of a business continuity and disaster recovery plan for the Treehouse School.

The work Marsh provided has allowed AaA to develop skills to support the implementation of similar plans for each of their other education settings.

The Marsh team supported AaA staff in developing a robust and practical plan. The team also conducted workshops to teach the staff skills needed to maintain the plan and replicate it at other education settings, giving the project a truly lasting impact.

Global Risks Report

The *Global Risks Report 2022*, published by the World Economic Forum in collaboration with Marsh McLennan, examines how global divergence across multiple domains in the post-COVID-19 recovery threatens to widen disparities and aggravate societal fractures.

Drawing upon insights from over 950 experts and decision-makers worldwide, the 17th edition of the report unpacks some of the critical global tensions that may worsen the pandemic's cascading impacts and complicate the coordination needed to tackle common challenges that include strengthening climate action, enhancing digital safety, restoring livelihoods and societal cohesion and managing competition in space. It concludes with reflections on enhancing national and organizational resilience, informed by lessons from year two of the pandemic.



Helping our clients build and evaluate ESG programs

ESG Risk Rating

Embedding ESG into the business is increasingly a source of competitive advantage for the companies that do it right. Marsh developed the ESG Risk Rating (ERR) tool to help clients self-assess the maturity of ESG within their organizations. This free resource assists companies in measuring, managing, and communicating ESG risks. Clients can use the results to identify their most critical climate and sustainability related risks and opportunities.

The output one-page “scorecard” based on a set of quantitative questions across 18 core ESG themes. The rating received differentiates between more than 60 industries, recognizing the different relative importance of themes across industries.

The scorecard provides:

1. An overall rating (out of 10)
2. A component rating for E, S and G
3. Scores across 19 themes
4. Recommendations to consider across controls, reporting and resilience

Type of clients who use this: corporate and risk management clients looking to better understand or articulate their ESG position/journey

Research focus: ESG performance and workers’ compensation

Marsh, with input from Mercer and Oliver Wyman colleagues, has begun to investigate possible correlations between ESG performance and risk performance using the granular data captured through our ESG Risk Rating tool.

Uncovering these relationships is expected to grow our understanding of some of the additional levers that influence loss outcomes.

When looking at US workers’ compensation data we found a strong correlation between organizations with higher social scores (in the ERR categories of social, social (controls), community and vitality, dignity and equality) experiencing fewer, less severe workers’ compensation losses.

ESG Pulse Check

ESG reporting is top-of-mind for leaders. However, with multiple ESG frameworks and quickly developing regulations, it can be unclear where to begin. To address this, Mercer and Marsh developed the ESG Pulse Check Assessment: for no additional, cost companies can evaluate where their ESG program stands today and what areas to focus on going forward. Unlike other assessments, this quick 12-question survey takes less than 10 minutes to complete. Helpful feedback and a custom-built plan for improvement are generated immediately upon completion, which help define a clear strategy.

Results include:

- The organization’s overall ESG program score
- Gaps in ESG program and planning
- Key recommendations for improvement across each category



Building blocks of ESG

Small and medium enterprises (SMEs) are increasingly required to develop and grow their ESG strategy. Smaller organizations may not have the budgets to undertake highly detailed assessments, so Marsh Advisory created the ESG Building Blocks tool, which allows clients to undertake high-impact, low-cost options that can help them on their ESG journey.

The Building Blocks are designed to be an end-to-end ESG service allowing clients to tell their ESG story. The tool breaks ESG down into modular activities which include ESG Strategy Builder, ESG Reporting framework and ESG Risk Register framework.

APPENDIX

2022 ESG Index

Disclosure	URL or direct response	GRI	SASB
Organization and Reporting Practices			
Organizational details	Marsh McLennan is a public corporation Marsh & McLennan Companies, Inc. 1166 Avenue of the Americas, New York, NY About Us, page 5 Our people, page 25 Our internal labor market, page 26 Our workforce, page 27 Corporate governance, page 46	2-1	
Entities included in the organization's sustainability reporting	2022 10-K, pages 1-7	2-2	
Reporting period, frequency and contact point	January 1, 2022 - December 31, 2022 Marsh McLennan's ESG reporting follows an annual cycle For questions, please contact ESG@mmc.com	2-3	
Restatements of information	There are no such restatements for this reporting period	2-4	
External assurance	None	2-5	
Activities and Workers			
Activities, value chain and other business relationships	2022 10-K, pages 1-7 Our people, page 25 Our workforce, page 27	2-6	
Employees	Our people, page 25 Our internal labor market, page 26 Our workforce, page 27 2022 10-K, page 10	2-7	SV-PS-000.A
Employee engagement as a percentage	In 2022, 80% of colleagues who responded were actively engaged Colleague engagement, page 29		SV-PS-330a.3
Workers who are not employees	Our workforce, page 27	2-8	

Disclosure	URL or direct response	GRI	SASB
Governance			
Governance structure and composition	Corporate governance, page 46 2022 10-K, page 120 2023 Proxy, pages 10–18	2-9	
Nomination and selection of the highest governance body	2023 Proxy, pages 6–8	2-10	
Chair of the highest governance body	Corporate governance, page 46	2-11	
Role of the highest governance body in overseeing the management of impacts	Corporate governance, page 46 Our ESG approach, page 8 2023 Proxy, page 1	2-12	
Delegation of responsibility for managing impacts	Our ESG approach, page 8	2-13	
Role of the highest governance body in sustainability reporting	Our ESG approach, page 8	2-14	
Conflicts of Interest	Our Code of Conduct, page 52	2-15	
Communication of critical concerns	2023 Proxy, page 9	2-16	
Collective knowledge of the highest governance body	Corporate governance, page 46 2023 Proxy, page 1	2-17	
Evaluation of the performance of the highest governance body	2023 Proxy, pages 12–13	2-18	
Remuneration policies	2023 Proxy, pages 15–16 and 28–71	2-19	
Process to determine remuneration	2023 Proxy, pages 15–16 and 28–71	2-20	
Annual total compensation ratio	2023 Proxy, page 83	2-21	
Strategy, Policies and Practices			
Statement on sustainable development strategy	Message from our ESG Committee Chair, page 3 Message from our President & CEO, page 4	2-22	
Policy commitments	Our purpose, page 6 Ethics and compliance, page 51 <i>The Greater Good</i>	2-23	
Embedding policy commitments	Ethics and compliance, page 51 <i>The Greater Good</i> Human rights and modern slavery, page 53	2-24	

Disclosure	URL or direct response	GRI	SASB
Processes to remediate negative impacts	Ethics and compliance, page 51 <i>The Greater Good</i>	2-25	
Mechanisms for seeking advice and raising concerns	Ethics and compliance, page 51 <i>The Greater Good</i>	2-26	
Compliance with laws and regulations	Ethics and compliance, page 51 2022 10-K, page 8-9	2-27	
Membership associations	Awards and partnerships, page 7	2-28	
Material Topics			
Process to determine material topics	About this report, page 71	3-1	
List of material topics	No changes in reporting	3-2	
Economic Performance			
Anti-Corruption			
Communication and training about anti-corruption policies and procedures	Ethics and compliance, page 51 <i>The Greater Good</i>	205-2	
Professional Integrity			
Description of approach to ensuring professional integrity	Ethics and compliance, page 51 <i>The Greater Good</i>		SV-PS-510a.1
Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Except as a matter of public record, Marsh McLennan does not disclose this information.		SV-PS-510a.2
Environmental			
Emissions			
Direct (Scope 1) GHG emissions	Our 2022 emissions inventory, page 13	305-1	
Energy indirect (Scope 2) GHG emissions	Our 2022 emissions inventory, page 13	305-2	
Other indirect (Scope 3) GHG emissions	Our 2022 emissions inventory, page 13	305-3	
GHG emissions intensity	Our 2022 emissions inventory, page 13	305-4	
Reduction of GHG emissions	Our 2022 emissions inventory, page 13	305-5	

Disclosure	URL or direct response	GRI	SASB																
Social																			
Employment																			
New employee hires and employee turnover	Our internal labor market, page 26	401-1																	
(1) Voluntary and (2) involuntary turnover rate for employees	Figure 5: Average voluntary turnover rates, 2020-2022, by colleague group		SV-PS-330a.2																
	<table border="1"> <thead> <tr> <th>Colleague group</th> <th>2020-2022 Average voluntary exit rates*</th> </tr> </thead> <tbody> <tr> <td>Female (global)</td> <td>11.4%</td> </tr> <tr> <td>Non-white (US only)</td> <td>13.4%</td> </tr> <tr> <td>Asian</td> <td>15.1%</td> </tr> <tr> <td>Black</td> <td>14.7%</td> </tr> <tr> <td>Latinx</td> <td>12.6%</td> </tr> <tr> <td>Other non-White</td> <td>14.2%</td> </tr> <tr> <td>Overall global</td> <td>12%</td> </tr> </tbody> </table>	Colleague group	2020-2022 Average voluntary exit rates*	Female (global)	11.4%	Non-white (US only)	13.4%	Asian	15.1%	Black	14.7%	Latinx	12.6%	Other non-White	14.2%	Overall global	12%		
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	<i>*The 3-year average was calculated by dividing the total voluntary exits for 3 years (12/31/19-12/31/22) by 3, and dividing this by the average headcount between start date and end date.</i>																		
Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits in full for our colleagues, page 41	401-2																	
Parental leave	Benefits in full for our colleagues, page 41	401-3																	
Training and Education																			
Average hours of training per year per employee	Talent development, page 35	404-1																	
Programs for upgrading employee skills and transition assistance programs	Talent development, page 35	404-2																	
Diversity and Equal Opportunity																			
Diversity of governance bodies and employees	Corporate governance, page 46 Our people, page 25 Our workforce, page 27	405-1																	
Percentage of gender and racial/ethnic group representation for (1) executive management (2) all other employees			SV-PS-330a.1																

Disclosure	URL or direct response	GRI	SASB
Ratio of basic salary and remuneration of women to men	Our commitment to pay equity, page 42	405-2	
Public Policy			
Political contributions	Budgetary and ethical restrictions on political actions, page 58	415-1	
Customer Privacy and Data Security			
Description of approach to identifying and addressing data security risk	Cybersecurity and data privacy, page 54		SV-PS-230a.1
Description of policies and practices relating to collection, usage, and retention of customer information	Cybersecurity and data privacy, page 54		SV-PS-230a.2
(1) Number of data breaches (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	Except as a matter of public record, Marsh McLennan does not disclose this information.	418-1	SV-PS-230a.3

2022 TCFD Index

Theme	Recommended Disclosures	Reference
Governance Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Our ESG approach, page 8 and ESG Governance, page 48
	b) Describe management's role in assessing and managing climate related risks and opportunities.	Our ESG approach, page 8
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	a) Describe the organization's processes for identifying and assessing climate-related risks.	CDP climate change 2022, C2.2, C2.2a, C2.3a, C2.4a
	b) Describe the organization's processes for managing climate-related risks.	CDP climate change 2022, C3.2a, 3.3, 3.4
Risk Management Disclose how the organization identifies, assesses and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	Enterprise risk management, page 49
	b) Describe the organization's processes for managing climate-related risks.	Enterprise risk management, page 49
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Enterprise risk management page 49
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Our 2022 emissions inventory, page 13
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks.	Our 2022 emissions inventory, page 13
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Our commitment to net-zero, page 12

UNEP FI Principles for Sustainable Insurance

Principle	Resources
Principle 1	
We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.	<ul style="list-style-type: none">• Our ESG approach, page 8• Corporate governance, page 46• ESG Governance, page 48• Enterprise risk management, page 49
Principle 2	
We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.	<ul style="list-style-type: none">• Facilitating the adoption of climate and sustainability solutions for our clients, page 19• New standards in innovation for our clients, page 43• Sharing our expertise on key governance issues, page 59
Principle 3	
We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.	<ul style="list-style-type: none">• Political engagement, page 57• Sharing our Expertise on key governance issues, page 59
Principle 4	
We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.	<ul style="list-style-type: none">• This annual ESG report• Proxy statement• Annual report and 10-k

About this report

This annual report covers our primary Environmental, Social, and Governance (ESG) initiatives and accomplishments from 2022. Material in this report references disclosures from the Global Reporting Initiative (GRI) Sustainability Reporting Standard, the Sustainability Accounting Standards Board's (SASB) Professional & Commercial Services Standard, and The Task Force on Climate-Related Financial Disclosures (TCFD). An index for each can be found in the appendix.

We draw on guidance from the World Resources Institute's (WRI's) Greenhouse Gas Protocol for our carbon reporting and CDP's guidelines.

Cautionary statements

The statements, estimates, projections, guidance, or outlook contained in this document include "forward-looking" statements intended to take advantage of the "safe harbor" provisions of the federal securities law. The words "believe," "expect," "intend," "estimate," "anticipate," "forecast," "outlook," "plan," "project," "should," and similar expressions identify forward-looking statements. These statements may contain information about financial prospects, economic conditions, and trends and involve risks and uncertainties. Our actual future results, including the achievement of our targets, goals, or commitments, could differ materially from our projected results due to changes in circumstances, assumptions not being realized, or other risks, uncertainties, and factors. Such risks, uncertainties, and factors include the risk factors discussed more fully in our filings with the Securities and Exchange Commission (SEC), including our reports on Forms 10-K, 10-Q, and 8-Ks, as well as with respect to our ESG targets, goals, and commitments outlined in this report or elsewhere, and other assumptions, risks, uncertainties, and factors identified in this report.

We urge you to consider all the risks, uncertainties, and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this report. We cannot assure you that the results reflected or implied by any forward-looking statement will be realized, or even if substantially realized, that those results will have the forecasted or expected consequences and effects.

You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We do not undertake to update or revise any forward-looking statements except as required by law.

Calculations and statistics included in this report may depend on the use of estimates and assumptions based on historical levels and projections and are, therefore, subject to change. An independent third party has not externally assured or verified this report.

The inclusion of information or the absence of information in this report should not be construed to represent our belief regarding the materiality or financial impact of that information. For a discussion of information that is material to Marsh McLennan, please see our filings with the SEC, including our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

This report may contain links to other internet sites or references to third parties. Such links or references are not incorporated in this report, and we cannot assure their accuracy. The use or inclusion of the information is also not intended to represent endorsements of any products or services.



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