MarshMcLennan

ACCELERATING IMPACT

2021 ESG Report

Marsh GuyCarpenter Mercer OliverWyman

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About this report

This annual report covers our primary Environmental, Social and Governance (ESG) initiatives and accomplishments from 2021. 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 as well as CDP's (formerly the Carbon Disclosure Project) guidelines.

Cautionary statements

The statements, estimates, projections, guidance or outlook contained in this document include "forward-looking" statements which are 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 as the result of 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, 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 of 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 be dependent on the use of estimates and assumptions based on historical levels and projections and are therefore subject to change. This report has not been externally assured or verified by an independent third party.

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 by reference to this report and we can provide no assurance as to their accuracy. The use or inclusion of the information is also not intended to represent endorsements of any products or services.

A LETTER FROM LLOYD

Dear colleagues, clients, shareholders and community partners,

In 2021, Marsh McLennan published its inaugural ESG report to increase transparency into the company, its risk management and its decision-making for all stakeholders who value ESG considerations. This year, the company is excited to build on that foundation and share its progress.

Environmental, social and governance (ESG) concerns have come into focus for Boards across the world. Marsh McLennan has long recognized the importance of these issues to all stakeholders, including shareholders, colleagues, clients and the communities where we live and work. I'm proud of the actions the company has taken in each of these areas, which are showcased throughout this report.

Marsh McLennan's *Guidelines for Corporate Governance* state unequivocally that our Board is responsible, alongside the company's Executive Committee, for "setting the tone at the top" and overseeing the company's strategy to promote a culture of integrity and inclusion. We take this responsibility seriously. We fundamentally believe that a diverse Board and an inclusive culture make us stronger, more engaged and more innovative. In February, we appointed our newest director, Hafize Gaye Erkan. Gaye is the eighth director who meets our diversity criteria appointed to our Board in the last 10 years.

Our Board collaborates closely with leadership on ESG priorities and firmly stands behind the decisions to expand disclosures of diversity workforce data and to set a strategy to reach net-zero carbon emissions.

Marsh McLennan's more than 80,000 colleagues continue to confront many of the most complex ESG challenges of our time, on behalf of clients and the larger society that surrounds us all. I am pleased to again highlight examples of what the company has accomplished to date and share aspirations for a sustainable future.

Sincerely,

Lloyd Yates
Chair, Board ESG Committee, Marsh McLennan

A LETTER FROM DAN

To our colleagues, clients, shareholders and communities,

How our company advances good in the world has always been important to us; and environmental, social and governance (ESG) considerations have been a formal part of our decision-making since 2008.

Our actions for the greater good continue to become more important in attracting talent, clients and capital.

Every year, more job candidates want to know what their work will accomplish before giving us part of their career. More clients want to know we are addressing the challenges of the moment before engaging us to advise them. And more investors want to know what effects we will have on the world — in the work we do and how we do it — before helping us grow. They are exactly the colleagues, the clients and investors we hope to attract because, together, we can do great things.

Transparency is a vital element of our ESG strategy. With that in mind, our Executive Committee made the decision to disclose more granular diversity representation data. By analyzing this data, we're better able to identify the underlying drivers of our workforce representation and design solutions to enhance it. And by sharing this data, we are holding ourselves accountable.

In that same spirit, we made progress against our 2021 climate commitments — including achieving certification as a CarbonNeutral® company — and have made new commitments in 2022, including our intention to become net-zero across our operations globally by 2050.

That ESG concerns are moving toward the center of corporate decision-making is good news for society. Our shared challenge is to bring an even greater urgency to advancing social equity, sustainability and accountability.

I am delighted to share this report on the progress Marsh McLennan made in 2021, and how we are approaching the work ahead of us that will not wait.

Best regards,

Dan Glaser
President & CEO, Marsh McLennan

ABOUT THE COMPANY

Marsh McLennan is the world's leading professional services firm in the areas of risk, strategy and people. Our more than 80,000 colleagues advise clients in over 130 countries. With annual revenue of nearly $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

clients in more than **130 countries**

83,000 colleagues globally

Annual revenue of nearly **$20 billion**

One of the **Fortune 200 companies**

More than a century and a half of leadership and innovation

A greater purpose to our work

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

CELEBRATING 150 YEARS OF IMPACT

In 2021 we marked our 150th anniversary as a company. Few enterprises endure, let alone prosper, for a century and a half. The key to our sustained growth and relevance is our continued commitment to making a difference in the moments that matter for our clients, colleagues and communities in which we live and work.

We marked this milestone by celebrating our history, charting our future and demonstrating our commitment to the community.

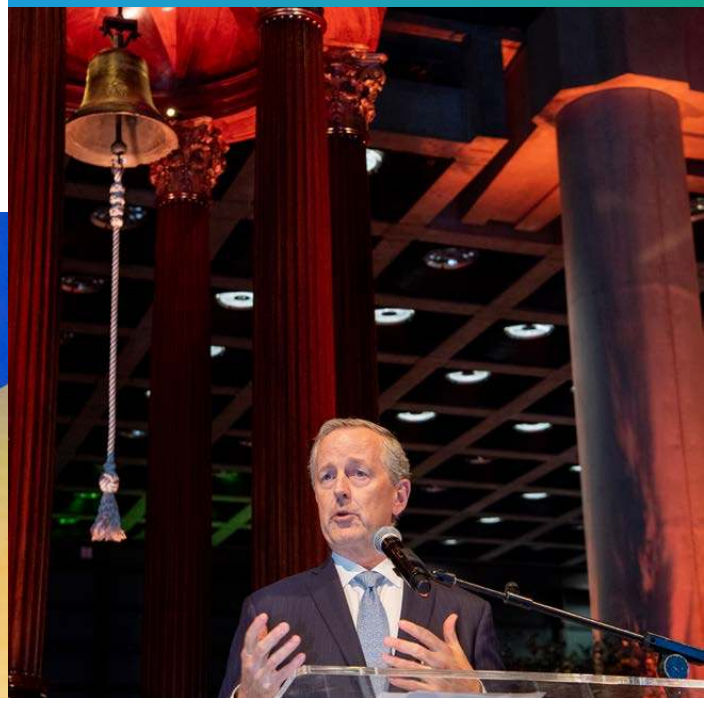
Here are a few ways that we celebrated:

In October, the Marsh McLennan Executive Committee rang the closing bell at the New York Stock Exchange, where we began trading as a company in 1969 (pictured below).

In November, Group President & Chief Operating Officer John Doyle spoke before ringing the Lutine Bell at Lloyd's of London. Formerly used to alert brokers and underwriters to news of overdue or lost ships, the Lutine Bell today is reserved to mark special occasions (pictured in lower right).

Colleagues around the world came together across disciplines, businesses and borders to celebrate our anniversary. In Germany, more than 750 colleagues tuned in for a live-streamed high-energy event that featured a live band, a special video welcome from Dan Glaser and a theme song, that was created using video submissions from various colleagues playing instruments, clapping and stomping their feet (pictured in upper right).

150



OUR APPROACH TO ESG

Board ESG Committee

Oversees and supports the company's commitment to social, environmental and other public policy initiatives.

Management ESG Committee

Supports the Marsh McLennan Board and the ESG Committee in identifying and advancing ESG priorities at Marsh McLennan. Members are drawn from senior management across our four global businesses and corporate departments.

"At the heart of our ESG strategy is our ESG philosophy, which drives our risk management and decision-making for our stakeholders who value ESG considerations. We believe transparent and consistent disclosure enables better-informed business and investment decisions."

Kate Brennan, General Counsel, Marsh McLennan, and Chair, Management ESG Committee

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 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 to addressing cyber risk to 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 alone effect change. 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.

OUR ESG ROADMAP

2001
- In response to 9/11, provided direct support to affected families, including a $10M relief fund

2004
- Mercer established an industry-leading responsible investing business

2005
- Appointed first independent Chairman of the Board of Directors

2011
- Published first Corporate Citizenship Report published
- Launched *The Greater Good*

2017
- Signed on to the CEO Action for Diversity & Inclusion™

2018
- Guy Carpenter arranged the first FloodSmart Re catastrophe bond for FEMA to secure flood reinsurance coverage

2019
- Guy Carpenter appointed sole reinsurance intermediary for the California Wildfire Fund
- Signed onto the US 30% Club, a commitment to female board representation
- Debuted on Bloomberg's Gender-Equality

2020
- Board of Directors re-named the Corporate Responsibility Committee to ESG Committee
- Created cross-business climate working group
- Signed on to TCFD
- Launched "Leading the Change" Inclusion & Diversity initiative
- Established $5M COVID-19 support fund for colleagues and families

2022
- Announced commitment to net-zero by 2050
- Selected as A World's Most Ethical Companies® Honoree by Ethisphere
- Expect to complete elimination of single-use plastics in 100% of office pantries
- Will reach 31% female representation on Board of Directors and meet our commitment
- Marsh introduces ESG Risk Rating

1978 — 2050

1978
- First female director, Adele Smith Simmons, appointed to the Marsh McLennan Board

2007
- Began reporting carbon emissions to CDP
- Announced as a "Best Place to Work for LGBTQ+ Equality" by Human Rights Campaign Foundation

2008
- Created a Board Corporate Responsibility Committee

2010
- Launched Social Impact team to organize global volunteer efforts
- Convened the first Insurance Diversity Roundtable

2012
- Set Scope 2 emissions reduction goal to reduce electricity usage 20% by 2017

2014
- Mercer's Inclusion & Diversity consulting practice released its inaugural When Women Thrive research

2015
- Reached 20% emissions reduction target two years early

2021
- Achieved certification as a CarbonNeutral company for all of our global operations
- Eliminated single-use plastics in 50% of office pantries
- Marsh created Global Renewable Energy Practice
- Established Inclusion & Diversity Center of Excellence
- Oliver Wyman launched the Climate Action Navigator
- Achieved our goal reducing at least 15% of overall carbon emissions

2030
- Aim to achieve 50% emissions reduction across core operations

2050
- Aim to achieve net-zero emissions across core operations

2021 ESG HIGHLIGHTS

Environmental

Internal

We achieved certification as a CarbonNeutral company for all of our global operations.

We announced our goal of reducing emissions from Scopes 1, 2 and business travel 15% below 2019 levels by 2025.

We eliminated single-use plastics in 50% of office pantries.

External

At the invitation of His Royal Highness The Prince of Wales, Marsh McLennan joined the Insurance Task Force (ITF) as part of the Sustainable Markets Initiative and co-led the product and services development work stream.

Oliver Wyman launched its Climate Action Navigator, an interactive tool designed to help senior leaders explore the actions they need to take to enable us to halve emissions by 2030, keeping a 1.5°C temperature rise in reach.

Guy Carpenter developed the Severe Thunderstorm Risk Magnitude Index (SToRMi), which provides a transparent approach to severe thunderstorm hazard assessment to afford clients an independent and current viewpoint of risk.

Social

Internal

We grew to more than 80,000 colleagues.

80% of our colleagues participated in the All-Colleague Survey.

On both pay and total compensation, we achieved less than 1% difference between women and men on a global basis and between non-White and White colleagues in the US as of April 1, 2021, after making certain adjustments.

External

Mercer launched the Inclusive Partner Network, a specialty practice group focused on collaborating with our clients and suppliers on innovative ways to promote supplier diversity.

Oliver Wyman's Health Innovation Center accelerated solutions to the crisis of high cost and poor quality healthcare that afflicts systems around the world.

Marsh collaborated with RIMS to publish thought leadership on how inclusion and diversity initiatives succeed and where they often fall short.

Governance

Internal

We created a stand-alone Chief Compliance Officer position, separating it from the Deputy General Counsel & Corporate Secretary role.

90% of colleagues who responded to our 2021 Engagement survey felt that ethical expectations had been clearly communicated.

We launched new required training on privacy and security best practices as part of our #BeCyberSmart initiative.

External

We launched the Marsh McLennan Cyber Risk Analytics Center, an enterprise-wide resource that brings together the cyber risk data and analytics expertise across our company to provide clients with a comprehensive view of their cyber threats.

We partnered with the World Economic Forum to publish the Global Risks Report that highlights the disruptive implications of major risks, including the COVID-19 pandemic, that were predicted to reshape our world in 2021 and over the next decade.

Marsh launched a new directors and officers (D&O) liability insurance initiative that recognizes US-based clients with superior ESG frameworks.

OUR "SUSTAINABLE SIX"

The 17 Sustainable Development Goals (SDGs), agreed upon by all United Nations Member States, provide an integrated framework for addressing the world's most urgent sustainability challenges. While all 17 goals are important to creating global change, we have prioritized six (see graphic), which we've dubbed "the Sustainable Six". As a global professional services firm with a focus on the areas of risk, strategy and people, our work covers many SDGs. However these six goals most relate to our business, and these are the areas we feel we can have the greatest impact.

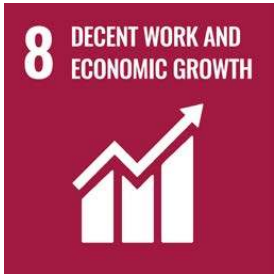
Please refer to the pages referenced below each goal for more information on our efforts in each area.

SUSTAINABLE DEVELOPMENT GOALS

See pages 15, 39, 40, 41, 42

See pages 31, 32, 40, 47

See page 15



See pages 35, 40

See pages 13-23, 49, 50

See pages 15, 19, 20, 22, 23, 32, 35, 50

ENVIRONMENT

The next decade will require significant action across all business sectors to mitigate the impacts of a warming world. Marsh McLennan is focused on developing solutions to help keep the projected global temperature increase to 1.5°C, and helping our clients embed pragmatic strategies to adapt and prepare for these changes. From navigating the transition to a resilient, low-carbon economy to managing the physical risks associated with extreme weather events, Marsh McLennan is helping evolve commerce while applying this expertise internally and empowering our colleagues to lead the way.

In this section:

Our commitment to net-zero

Sustainability of our operations

Engaging our colleagues in sustainability

Helping our clients implement climate and sustainability solutions

Environmental highlights:

SUCCEEDED
in becoming a certified CarbonNeutral company and reducing overall emissions at least 15%

ELIMINATED
single use plastics in office pantries in 50% of offices

LAUNCHED
an internal sustainability webinar series

CO-LED
a work stream of Sustainable Markets Initiative Insurance Task Force

PARTICIPATED
in COP26

"If companies do not embark rapidly on substantive change, they risk not only contributing to a climate disaster but also missing out on a new, green, front line for competition."

Nick Studer, President & CEO of Oliver Wyman and Vice Chair, Marsh McLennan

OUR COMMITMENT TO NET-ZERO

Marsh McLennan has committed to set and execute low-carbon transition strategies across our global business operations that collectively chart a path to net-zero across our core operations by 2050, with an emissions reduction target of 50% by 2030. In connection with this goal, Marsh McLennan has signed a commitment letter to the Science Based Targets initiative and will work to set a science-based emission reduction target aligned with the SBTi's target-setting criteria. While this commitment depends on enabling energy policies and a responsible transition to clean energy assets in the countries where we operate, on the geopolitical environment and on technological innovation, we are proud to be part of the global movement to find solutions to meet these goals.

Colleagues from our Reading and Theale offices in the UK volunteered to clean up a local beach.

SUSTAINABILITY OF OUR OPERATIONS

As a global firm with operations in 130 countries, we understand that responsibly managing our environmental footprint is essential.

Carbon emissions

In 2020, we committed to reducing our emissions from Scopes 1, 2 and business travel 15% below 2019 levels by 2025. As of year-end 2021, we surpassed this goal. This reduction was primarily due to limited business travel in 2021 as the COVID-19 pandemic continued. While we expect business travel to increase, we are taking a purposeful approach to travel and strive to use travel alternatives whenever possible.

Scope 1: Our Scope 1 emissions are direct emissions generated from business operations, including onsite combustion, fleet vehicles and fugitive emissions (from 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 750 offices. Scope 2 emissions shown here represent our market-based emissions. The reduction from 2020 to 2021 represents more efficient energy grids and a reduction in square footage in our real estate portfolio.

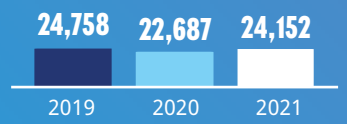
Scope 3: Marsh McLennan's reported and verified Scope 3 emissions include only our business commercial air travel. As the COVID-19 pandemic continued in 2021, business travel remained low. We plan to continue to use travel alternatives even when travel rebounds after the pandemic. See page 16 for more information on our Green Traveler program.

Emissions intensity by headcount

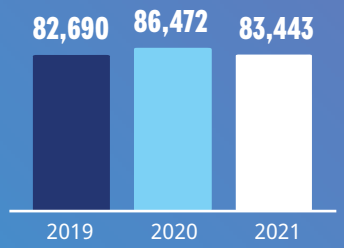
	2019	2020	2021
Scope 1	.33	.30	**.28**
Scope 2	1.09	1.14	**1.01**
Scope 3	1.05	.25	**.09**
Total Inventory	2.48	1.63	**1.33**

Unit of measurement is $mtCO_2e$

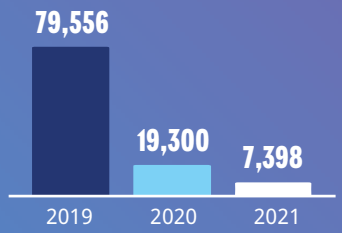
Our 2021 Scope 1, 2, and 3 emissions calculations incorporated methodological changes made to more accurately reflect our true impact. To maintain consistency, emissions data from 2019 and 2020 have been modified to reflect these changes. We're committed to continuously improving our data collection and accounting methodology to ensure accuracy and consistency. All GHG emissions data was reviewed and verified by third party assurance provider Optera.



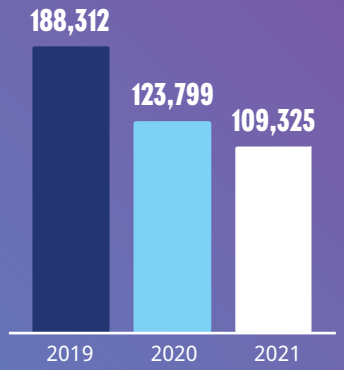
Scope 1



Scope 2 (Market Based)



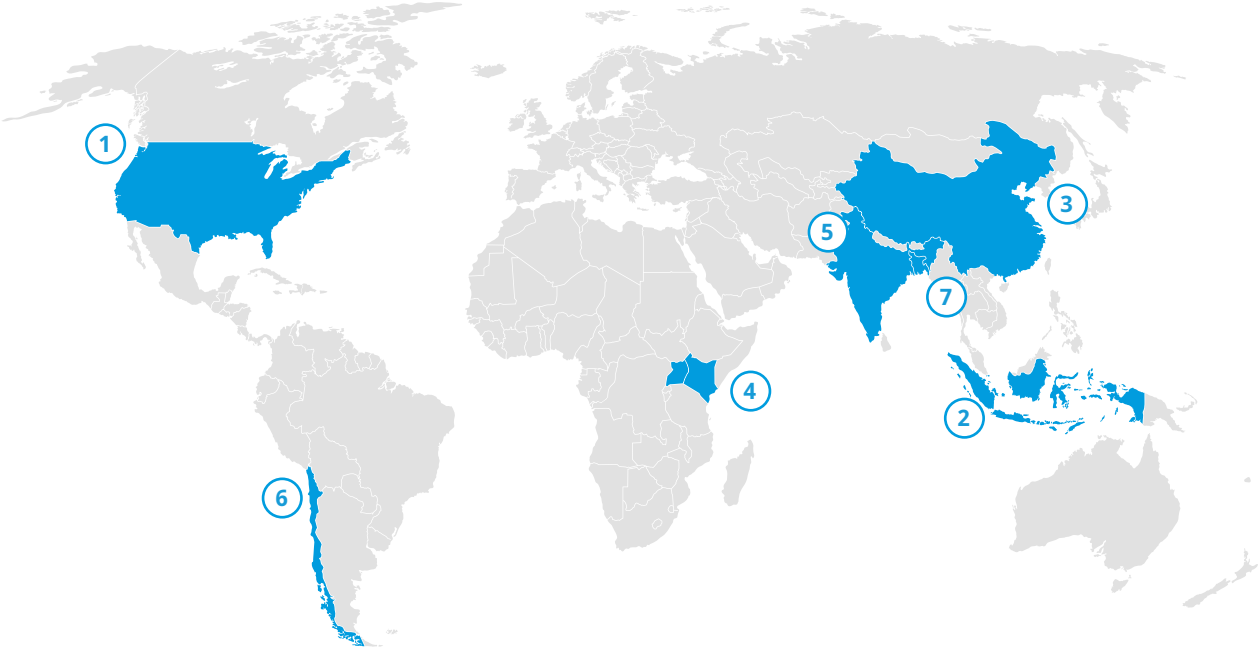
Scope 3 (Air Travel)



Total Inventory

Achieving certification as a CarbonNeutral® company

In 2021, Marsh McLennan became certified as a CarbonNeutral company 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, including Scope 1, Scope 2 and select Scope 3 including business travel. After an extensive review of carbon offset projects, we selected a diversified portfolio of seven that reflect our values, global footprint, and the opportunity for impact. We are proud to provide essential carbon finance to the following projects.



1 Seneca Meadows Landfill Gas, USA

Seneca Meadows has created almost 420 acres of new wetlands, established an environmental education center and generated electricity from the landfill gas to power 18,000 homes.

2 Rimba Raya Biodiversity Reserve, Indonesia

Based on the island of Borneo in Indonesia, this project preserves carbon-dense tropical peat swamp by helping to halt deforestation of roughly 65,000 hectares of forest, which was originally slated for conversion to palm oil plantations.

3 Sichuan Household Biodigester, China

This project distributes small-scale biogas plants to low-income rural households with livestock across the Sichuan Province of China. The biogas plants improve the quality of rural homes by converting animal waste to a clean energy source.

4 Community Reforestation, East Africa

90,000 farmers across Kenya and Uganda participate in forestry projects which combine carbon sequestration with sustainable development, helping to improve community livelihoods through education and training.

5 Domestic Energy Systems, India

This project distributes and maintains clean lighting and cooking technologies, providing access to clean and affordable cooking and energy services across India.

6 Degraded Land Afforestation, Chile

Natural soil microbes are used to improve the health and growth rate of trees across degraded lands in Chile. The microbial technology is applied to saplings while they are in the nursery.

7 Bondhu Chula Stoves, Bangladesh

Traditional cooking in Bangladesh is done over an open fire pit, releasing smoke and particulate pollutants. The Bangladesh Bondhu Foundation is changing this through its Bondhu Chula, which is designed to ensure more efficient and cleaner home cooking.

Making our offices smarter

In 2016, Marsh McLennan's Real Estate Services group launched our Smart Office workplace initiative. The Smart Office concept incorporates creative space design, energy-efficient lighting and HVAC systems, as well as construction practices focused on waste reduction. Working together, these decrease our overall real estate footprint, use fewer resources, reduce our carbon footprint and increase the utilization of the spaces we provide.

Since 2016, we've opened 51 Smart Offices in 22 countries, which house nearly 14,000 colleagues. We have nine more offices under construction, including our largest offices in New York City and London.

Greening our pantries

In January 2021, Marsh McLennan committed to eliminating single-use plastics and reducing single-use waste in all office pantries globally by the end of 2022. As of year-end 2021, 50% of our offices, which house 50% of colleagues, have eliminated single-use plastics in office pantries. We asked colleagues to participate in this effort by bringing in their own mugs, water bottles and utensils.

A sustainable approach to travel

The COVID-19 pandemic decreased Marsh McLennan's reliance on business travel. During 2021, we enhanced our Green Traveler program to include new resources focused on sustainability for colleagues to use when considering business travel. Our three-minute video educates colleagues on the effect of travel on our environment, and our *Purposeful Travel Guide* takes colleagues through a series of questions to help them make an informed decision regarding travel. When colleagues must travel, our *Tips for Greener Travel* guides colleagues on how to make sustainable choices while flying, staying in a hotel, and renting a car.

Managing technology sustainably

Marsh McLennan's Global Technology Infrastructure (MGTI) develops and delivers sustainable IT solutions that support our global business. We strive to preserve resources and minimize emissions through recycling electronic waste, decreasing 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 2021, more than 10,500 older laptops were retired and replaced with modern energy-efficient laptops. Over the past eight years, nearly 3.6 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 2021 we accelerated migration to the Microsoft 365 suite of tools and anticipate that 100% of colleagues will be migrated by mid-2022. We retired 16 servers in 2021 and will retire 275 additional servers over the first nine months of 2022 as we continue to move data to the cloud.

Smart Office

We eliminated all single-use plastics in one of our newest Smart Offices in Montreal, Canada, along with 50% of our offices globally.

ENGAGING OUR COLLEAGUES IN SUSTAINABILITY

Harnessing the energies of Marsh McLennan's more than 80,000 colleagues and the institutional weight of our businesses can lead to meaningful, measurable change. From volunteering for environmental causes to reducing the impact of our offices along with ongoing education, our colleagues have shown a demonstrated interest in advancing our sustainability objectives.

Embracing learning opportunities

The sustainability series

In 2021, we launched a three-part webinar series focused on our sustainability efforts. Each session covered a different topic on how we're working together towards a sustainable future and building climate resilience, both as a company and with clients.

Kate Brennan, General Counsel of Marsh McLennan and Chair, Management ESG Committee, welcomed special guests from Natural Capital Partners to discuss carbon neutrality, why it's important and how we'd achieve it at Marsh McLennan.

Carmen Fernandez, Chief People Officer, Marsh McLennan, led a panel of three colleagues from around the enterprise for an engaging panel discussion on how everyone at Marsh McLennan can get more involved in sustainability.

To round out the series, Nick Studer, CEO of Oliver Wyman, hosted a panel of colleagues across each of our businesses who discussed how we're supporting clients on their own sustainability journeys.

Educating our colleagues

Oliver Wyman's Climate Academy is a learning and training curriculum designed to give all consulting staff the tools they need to execute high impact strategies for our clients through the climate transition. The program was built in partnership with top-tier external providers and internal experts.

Marsh's Climate & Sustainability Learning Series is a 22-part program that begins with the fundamentals of sustainability and climate and then moves on to how our colleagues can support our clients in the transition to a low-carbon economy.

Building a global green team network

The Marsh McLennan Green Team is a global network of colleagues who are passionate about environmental issues and living more sustainable lives, both at home and the office. For many years, our Green Teams have operated independently in their local offices. In 2021, we formalized and connected these efforts. The Green Team is led by a steering committee of 14 colleagues across eight countries representing all of our businesses and corporate functions. The steering committee provides guidance and creates opportunities for colleagues to adopt more sustainable behaviors. Whether it's leading Green Team efforts in the office or participating in the occasional campaign or event, there's an opportunity for everyone to make an impact.

Environmental efforts in our local communities

United States

In November, a group of 40 Oliver Wyman colleagues volunteered with GrowNYC, a New York City nonprofit organization, to revitalize a community garden in Brooklyn. The group cut wood, planted bulbs and built and painted new wooden benches (pictured top).

Continental Europe

Colleagues in Continental Europe participated in Marsh Moves for the Earth, which planted one tree for every hour of exercise colleagues logged from April 22-25. After the four days, 198 colleagues exercised for 445 hours, which planted 445 trees in the Marsh Forest. The Marsh Forest was created in January 2021, and more than 1,500 trees have been planted, aiding reforestation efforts in several locations including Nepal and Madagascar.

Puerto Rico

Colleagues in Puerto Rico worked with Para la Naturaleza, an organization that protects lands of high ecological value and encourages Puerto Ricans to take responsibility for preserving local natural resources. As part of their annual Conservation and Reforestation Fair, the organization set a goal of distributing 10,000 native and endemic trees to thousands of people throughout the island. Marsh contributed to this effort by distributing and planting 100 trees in our colleagues' own communities.

Singapore

On Earth Day, Marsh colleagues in Singapore spent the morning at East Coast Beach cleaning up the beach and surrounding park. The group collected garbage and other debris that had washed up on the coast line (pictured middle).

Netherlands

Oliver Wyman colleagues in Amsterdam spent a day volunteering with Natuurmonumenten, the largest private Dutch nature conservation organization. The group removed unwanted vegetation from the 'Marker Wadden', a land reclamation project that aims to boost plant, shellfish, bird and fish populations by creating new habitats. The volunteer day was in conjunction with a 6-week pro bono project that Oliver Wyman conducted for the organization, which provided a business case for the further extension of the Marker Wadden project (pictured bottom).

HELPING OUR CLIENTS IMPLEMENT CLIMATE AND SUSTAINABILITY SOLUTIONS

Marsh McLennan is encouraging low-carbon, climate-resilient investment in the corporate sector by helping our clients embed climate into planning and decision-making in the areas of Risk, Strategy and People.

We help capital providers and corporations to understand and quantify climate risks, leading to better investment, lending and CAPEX decisions. We work with businesses and financial institutions to set and execute low-carbon transition strategies that collectively chart a path to net-zero. We help our clients understand, manage and reduce their exposures to physical climate risks. We also advise our clients on how to prepare, engage and empower their workforces in order to execute the profound transformations required.

Contributing to a more sustainable world

Sustainable markets initiative

At the invitation of His Royal Highness The Prince of Wales, Marsh McLennan joined leaders from some of the largest and most influential global insurance firms to form an Insurance Task Force (ITF) as part of the Sustainable Markets Initiative. The goal was to drive progress as a group and accelerate the pace of industry transitions towards a more resilient and sustainable future, putting nature first.

Marsh McLennan co-led the product and services development work stream of the ITF, which resulted in a Sustainable Products and Services Showcase, published in October 2021. These innovative insurance solutions allow clients to develop, invest in and scale their sustainability initiatives and show the critical role the global insurance industry is playing in driving climate-positive action. The Showcase included six Marsh products ranging from parametric products for small-scale farmers to carbon offset insurance.

Marsh is also an active participant in the ITF work stream that is defining the insurance industry's ability to enable multi-sector transitions through developing an approach to measuring the carbon footprint across underwriting portfolios and establishing a framework to track the global insurance industry's ability to support the transition towards net-zero across multiple industries and geographies.

Thought leadership

Sustainable at the Core
To nurture a brighter future for people and planet, we need to pick up the pace on sustainability. Mercer's report *Sustainable at the Core* explores how organizations can ensure sustainability is at the heart of business transformation — from company purpose, incentive systems and investment strategies to circular economy aspirations, environmental impact and social standards within the entire supply chain.

Climate Journal
Transitioning to a net-zero future will require everyone's support and creativity. The inaugural *Oliver Wyman Climate Journal* reflects our latest thinking, benefitting from our work with many generous clients, partners and collaborators, on the steps that businesses can take to deliver on both climate-driven and commercial goals. This collection of articles shares ideas for how businesses can best pursue a climate agenda that extends across their leadership, financing, business systems and customers.

Propelling the transition to a low-carbon economy

Net-zero commitments from businesses and governments doubled in 2020, but many lack the right guide to fulfill them. Despite recent progress made, current announcements and pledges are not enough to curb projected warming levels. There is a need for leaders to take greater action.

Climate Action Navigator

The Climate Action Navigator from the Oliver Wyman Forum is the roadmap to achieving the world's climate goals. Created with the goal of offering a one-stop shop for actionable decarbonization solutions, the interactive tool is designed to help senior leaders explore the actions they need to take to enable us to halve emissions by 2030, keeping a 1.5°C temperature rise in reach.

The navigator assigns several actions out of 17 — such as scaling low-carbon power generation or reducing transport emissions — to the world's most carbon-heavy regions and sectors. Each action in the navigator shows its mitigation potential, giving business and government leaders each piece of the puzzle to realize their 2030 climate goals. These 17 actions are housed within six distinct themes, like energy and fuels or transportation. Each theme has a large role to play in reducing today's emissions to 2030 targets.

Thought leadership

Getting Real: A Blueprint for a Commercially Smart Climate Transition
Built from the real-world experiences of 27 corporates in turning their climate commitments into action, Oliver Wyman and the Climate Group proposed a "blueprint" for a commercially smart climate transition that extends across the domains of leadership, the business system, customers and finance. The report identifies two overarching themes that run across all four domains, with each chapter exploring a key question.

Running Hot: Accelerating Europe's Path to Paris
Oliver Wyman, in collaboration with CDP Europe, analyzed data from nearly 1,000 of the largest European companies, worth around 80% of the region's market capitalization. *Running Hot: Accelerating Europe's Path to Paris* looks at the progress made by companies in reducing emissions and their transition plans to net-zero. It finds a gap of more than €4 trillion between the lending that banks plan to align with the Paris agreement and the current available demand for such financing.

Marsh McLennan at COP26

The COP26 UN Climate Change Conference, hosted by the UK in partnership with Italy, took place in November 2021 in Glasgow, Scotland. The summit brought parties together to accelerate action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change. Marsh McLennan was well-represented in Glasgow.

- Marsh's COP26 blog series looked at the role of insurance in ensuring positive change — including helping to ensure a smooth energy transition, underpinning finance for green infrastructure and mitigating the costs of the increased climate-related risks we have yet to see. The series helps organizations understand how the insurance industry can play a part in climate action.
- Mercer joined 460 investors, representing $41 trillion, in signing the Global Investor Statement to Governments on the Climate Crisis, which called on governments to undertake five priority actions before COP26.
- Oliver Wyman was an Industry Partner of the 12th Sustainable Innovation Forum, convened alongside COP26 to discuss clear pathways for a net-zero future. Oliver Wyman partners also moderated COP26 panels including the Climate Finance Roundtable with the Climate Group and a Gender and Climate discussion with the 30% Club.

Mitigating climate risk

At Marsh McLennan, 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. Therefore, we're helping our clients navigate a path from risk to opportunity.

Assessing storm risk

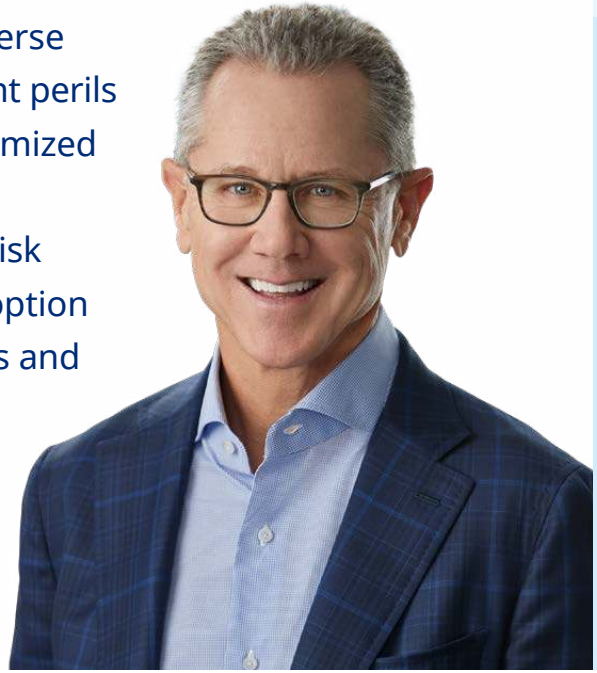
Over the last decade, a noteworthy increase in the frequency and severity of severe thunderstorm losses across the central and eastern United States has had massive economic, social and human impact. It has also created a lack of profitability for insurance carriers exposed to these perils. Out-of-date catastrophe models and high loss activity are resulting in systematic underestimation of risk. Guy Carpenter developed the Severe Thunderstorm Risk Magnitude Index (SToRMi), which provides a transparent approach to severe thunderstorm hazard assessment to afford clients an independent and current viewpoint of risk.

Rethinking flood

Flooding is the most pervasive among natural disasters, yet its costs are routinely underestimated. The Marsh McLennan Flood Risk Index leverages research from international organizations and academic institutions to provide a global overview of flood risk and its potential implications on human and economic systems. It is accompanied by *Rethinking Flood*, a series of publications examining the implications of flooding for corporations, governments and society.

"It is crucial for society to understand the adverse impacts brought by more intense and frequent perils such as convective storm and flooding. Customized guidance can help communities, businesses and the public sector adapt to the changing risk landscape. They can achieve this through adoption of new analytical tools, underwriting practices and risk management strategies that account for the evolving threats, to help secure future growth, profitability and resilience."

Dean Klisura, President & CEO of Guy Carpenter and Vice Chair, Marsh McLennan



Client advisory spotlight

Oliver Wyman worked with a major steel manufacturer and a large multi-utility company to define a partnership to build innovative solutions for green transition. The main objective for the manufacturer was to accelerate transition to carbon neutrality and improve the sustainability of its production process. The goal of the multi-utility was to support the manufacturer in its green transition on three main work streams. For each work stream, Oliver Wyman provided a diagnostic assessment, industry benchmark and project management. The result was that both parties agreed to a long-term power purchase agreement and targeting a 20% reduction in Scope 2 emissions by 2023.

Pro bono spotlight

Oliver Wyman colleagues worked with UNHCR, the UN Refugee Agency, to develop a unique fund that leverages the environmental benefits of reforestation and cookstove projects to generate income on the rising carbon credit market. The innovative financing solution will enable the delivery of social and environmental impact at unprecedented scale and duration, saving millions of trees per year, providing much needed income to refugees and host communities.

Rewarding superior ESG performance

The need for strong ESG frameworks is becoming an even greater priority for organizations, their senior executives and board members. Maintaining insurance coverage can be vital to protecting against ESG-related litigation threats. In October 2021, Marsh launched a new directors and officers (D&O) liability insurance initiative that recognizes US-based clients with superior ESG frameworks. Under the initiative, participating Marsh clients engage with select international law firms to independently review, evaluate, and, in some cases, bolster their ESG frameworks. Subject to underwriting, Marsh clients are considered for preferred D&O policy terms and conditions on ESG-related exposures — such as climate change disclosures and representations — from four participating D&O insurance carriers.

Evaluating ESG risk

Embedding ESG in business is increasingly a source of competitive advantage for companies that do it right. As capital providers (including insurers) progressively focus their portfolios on sustainability-linked assets, it is critical to have a view on current ESG performance and where it can be improved. With this in mind, Marsh developed an ESG Risk Rating that self-assesses the extent to which ESG is embedded within an organization. The ESG Risk Rating tool factors in over ten internationally-recognized standards, tailors the rating by industry sector and identifies an organization's most critical sustainability and climate-related risks and opportunities.

Thought leadership

Risk Resilience Report
Despite a broad consensus across large and midsize organizations about the rising threat posed by a range of emerging risks, the vast majority continue to overlook and underemphasize the potential impact of these risks on their businesses. To find out what behaviors, strategies and risk management practices define a risk-resilient organization, Marsh surveyed nearly 1,000 global clients across more than 30 diverse industries. In the *Risk Resilience Report*, Marsh outlines four key steps towards building a more resilient business.

Quantifying Insurance Benefits of a Nature-Based Approach to Reducing Risk
With input from The Nature Conservancy in California, Guy Carpenter research found that building codes, coupled with the use of wildfire-risk reduction buffers, in the form of vegetation management or removal, could have measurable financial and wildfire risk reduction benefits for communities and minimize ecological impacts. Based on the study, Marsh McLennan developed *Quantifying Insurance Benefits of a Nature-Based Approach to Reducing Risk*, which examines the complex challenge of fire risk reduction, natural-resource conservation and community resilience in an ecologically integrated way.

Client advisory spotlight

- The Executive Board of Northern Ireland Water, a national water utilities provider, wanted to begin reporting against TCFD and was seeking a risk advisor to support them. To quantify the financial impact of climate on the client, Marsh deployed a leading climate risk model which allows a client's business to be stressed using a digital representation ("digital twin") against both physical and transition risk scenarios. Marsh worked closely with key stakeholders throughout the company to design a bespoke digital twin and apply calibrated physical and transition 'shocks' over various timescales and future climate-warming scenarios. Northern Ireland Water now has full perspective on the projected financial impacts of climate change on its business and is now using the results to guide net-zero planning and inform effective implementation of climate resilience measures.
- In an ongoing effort to diversify public sector balance sheets and risk management initiatives, Guy Carpenter arranged the fourth FloodSmart Re catastrophe bond for the benefit of the U.S. Federal Emergency Management Agency (FEMA) to secure flood reinsurance coverage from the capital markets for its National Flood Insurance Program (NFIP). FEMA and the NFIP's entry into the catastrophe bond market began in 2018. To date, USD 1.8 billion of bonds have been issued.

Sustainable finance

The world is changing dramatically. Society is demanding answers — and demanding that those with power, capital and influence act positively to provide them.

Investing to protect the environment

Since 2014, sustainability has been a critical part of the global investment beliefs Mercer employs to help shape clients' portfolios. To better reflect this emphasis on sustainability, in 2021 the team rebranded from Responsible Investment to Sustainable Investment.

In line with the goal to place sustainability at the center of its investment approach and meet client demand, Mercer committed to align portfolio decarbonisation with a science based net-zero target for absolute portfolio carbon emissions by 2050 across Mercer's multi-asset, multi-manager client portfolios (valued at $80B) in Australia and New Zealand and for all discretionary assets in Europe, Asia, Middle East and Africa. By 2030, portfolio emissions are expected to reduce by at least 45% on Dec 2019 or June 2020 baselines (different regions).

Responsible Investment Total Evaluation

With trillions of pounds invested by large sophisticated asset owners in the UK, institutional investors have a huge role to play and should be helping to drive the UK's sustainable investment agenda. This is why Mercer created Responsible Investment Total Evaluation (RITE).

RITE is an easy to follow three-stage process for helping our clients work towards best practice in ESG with their investment decision making. The tool gives an evaluation across each area of Mercer's Sustainable Investing Pathway (Beliefs, Policy, Process and Portfolio) to show how a company is doing on an A++ to C scale with peer comparisons. It also provides a way of monitoring improvement over time.

Climate Credit Analytics

Oliver Wyman, in collaboration with S&P Global Market Intelligence, created Climate Credit Analytics, a climate scenario analysis and credit analytics model suite. These tools combine S&P Global Market Intelligence's data resources and credit analytics capabilities with Oliver Wyman's climate scenario and stress-testing expertise. Climate Credit Analytics translates climate scenarios into drivers of financial performance tailored to each industry, such as production volumes, fuel costs and capex spending. These drivers are then used to forecast complete company financial statements under various climate scenarios, including those published by the Network for Greening the Financial System (NGFS), a group of over 80 central banks and supervisors.

Thought leadership

Raising Your Impact Ambition
As the number, magnitude and urgency of the world's ESG problems grow, the motivation for finding ways for "risk, return and the real world" to co-exist increases. Mercer's *Raising Your Impact Ambition - A Case for Impact Investment* explores how impact investing can help address this coexistence challenge by targeting the interconnections between investments and the effect they have on lives and our environment.

Financing the Transition to a Net-Zero Future
In October 2021, Oliver Wyman and the World Economic Forum (WEF) jointly published *Financing the Transition to a Net-Zero Future*, which brings together the expertise of over 50 financial institutions and the public sector and unveils sector-specific financing blueprints and enabling policy interventions to help mobilize capital towards decarbonization technologies and achieve industry net-zero goals by 2050.

Client advisory spotlight

More than 450 financial firms, from 45 countries, responsible for more than $130 trillion in financial assets, have committed to aligning their operations and financing with achieving 1.5°C - as set out by the Glasgow Financial Alliance for Net-Zero (GFANZ). Oliver Wyman served as knowledge partner to GFANZ. Since its launch in April 2021, the GFANZ Principals Group has set out an ambitious program of work across seven work streams. The work streams are organized to drive the commitment, engagement, investment and, ultimately, the alignment required to transition the financial system and global economy to net-zero.

"Climate is going to play a major part in the long-term performance of investment portfolios, and Mercer is helping clients to make the changes that need to happen to protect our environment."

Mark McNulty, International Head of Clients, Investments Solutions, Mercer

SOCIAL

For 150 years, the people of Marsh McLennan have shaped our shared enterprise to address the challenges of their time and to make a difference in the moments that matter for clients, communities and each other.

Today, our priorities inside the organization are the same as our aspirations for business and society: to help people realize their individual and collective potential; to advance belonging, opportunity, health and well-being; and to change what's possible through partnerships and shared solutions.

As we adapt to new ways of working, we are creating new possibilities for our colleagues to help enable them to do their best work and lead their best lives.

In this section:

Inspiring leadership

Vibrant and inclusive culture

Growing and learning workforce

Compelling value proposition

Our ways of working

Social highlights:

CODIFIED
Our leadership mindset for all colleagues

EXPANDED
Our focus on inclusion, diversity and belonging

CONNECTED
Our 80,000+ colleagues with virtual learning and community

ENCOURAGED
Colleagues to perform & grow and prioritize well-being

EMBRACED
Flexibility and new ways of working

"Great things happen when we lead with trust, listen, prioritize well-being and encourage people to learn and grow. We expand value and unlock potential."

Carmen Fernandez, Chief People Officer, Marsh McLennan

INSPIRING LEADERSHIP

At Marsh McLennan, leadership is a mindset, not a title. We are working to empower all of our colleagues to become leaders in their sphere. In 2021 we codified what great leadership looks like — and *feels* like to others — so we could put it into practice at every level, across our businesses and everywhere we operate.

Leadership is a mindset, not a title

We believe that our leaders have an elevated duty to amplify impact: making our clients more successful, our communities more resilient, our people more empowered and our company more enduring. In day-to-day interactions, we are guided by five principles:

Inspire others with vision and passion

Expand impact and value for clients

Drive growth and deliver results

Unlock people's full potential

Display resilience, humanity and humility

Leading others with empathy now counts as part of leaders' performance, and we are activating this evolution through training, interactive exercises and individual development plans. Our top leaders are also charged with cascading the new leadership mindset through their organizations in 2022.

"Nothing happens without an aspiration, without first a dream. Leadership helps bring that out by setting a direction, aligning resources and motivating action, saying: how do we make this place better?"

Dan Glaser, President & CEO, Marsh McLennan

How we unlock potential

Marsh McLennan's 14,000 people managers are our most influential cohort. They interact with virtually every one of our colleagues directly, which allows them to elevate performance and build culture. Frequent, conversational check-ins are the heart of the manager-colleague relationship.

One-to-one interactions follow the "4 Cs" of great people managers:

Having frequent **conversations** with people on our teams

Showing colleagues that we **care** about them as unique individuals

Providing **clarity** with transparent communication and guidance

Connecting colleagues to resources that allow them to succeed

We encourage feedback to be continuous and go both ways: how things are going, the progress we've made, how to move forward and opportunities for development. These conversations allow for flexibility to fit colleague needs and the rhythm of business. Successful performance includes not only what is achieved but how we achieve it. We use three performance categories for formal evaluation: Stand Out, On Track and Off Track. The categories are focused on encouraging high performance and growth, and identifying areas for development.

Enabling our people managers

Over the last two years we've rolled out a program to equip every people manager with the know-how, resources and professional support to be their best, including peer-to-peer support.

Playlists and learning pathways on our internal People Manager Hub are pitched for different experience levels. Webinars and toolkits cover subjects from career development, to pay and rewards, to how to have difficult workplace conversations.

We've seen that colleagues whose managers dedicate time to learn are twice as likely to be active learners as well, which correlates with learning participation and talent retention.

Preparing our colleagues to lead

In 2021 we launched a program aimed at helping new and aspiring managers to succeed at the next level. Following a large-scale pilot in 18 countries, we are now offering the program enterprise-wide, accelerating the potential of a new generation of managers.

+37%

usage of our internal people manager hub

VIBRANT AND INCLUSIVE CULTURE

We are more than 80,000 people unique in our individual experiences and united in our shared purpose: making a difference in the moments that matter for our clients, our communities and each other. Belonging is the key to our culture and collaboration is the soul of our enterprise. We succeed when we bring the widest range of people and views to the table. This makes the culture that we create for each other central to our success as an enterprise.

Our people are our company and we listen

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.

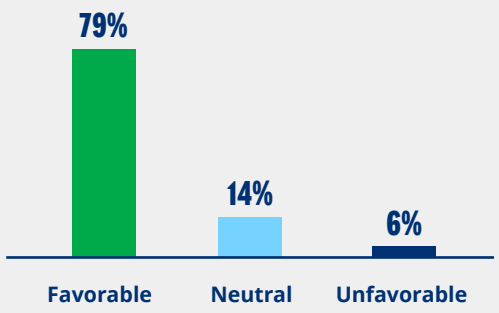
Our survey consists of 50 questions in 10 categories:

- Core Engagement
- Supporting Wellness
- Inclusion & Diversity
- Ethics & Integrity
- Leading Strategically
- Enabling Colleagues
- Driving Innovation
- Removing Barriers
- Recognizing Performance
- Creating Opportunities

2021 colleague feedback themes

- **Colleagues are proud of our company** and go above and beyond to help the business succeed.
- **Our colleagues feel comfortable being themselves** at work and find our workplace positive and welcoming.
- **New thinking amplifies our impact.** Colleagues feel empowered to challenge the status quo.
- **We're guided by integrity and respect for one another.** Colleagues feel safe to express their concerns.

Overall favorability score:



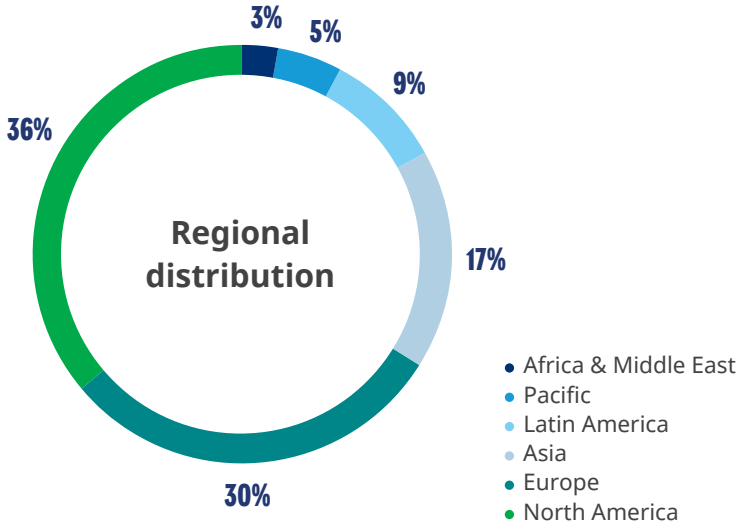
Survey results are rounded to the nearest full percentage point and may not total to 100.

Nearly
80%
completed the survey

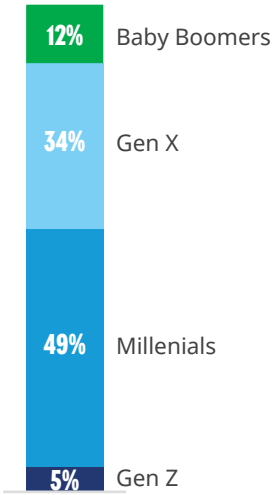
Marsh McLennan by the numbers

80,000+
Colleagues

130+
Countries served around the world



Generational distribution



Global gender diversity

US ethnic & racial diversity

24%
of our colleagues are non-White

16%
of our leaders are non-White

• Asian • Black • Latinx • Other

It starts with belonging

Marsh McLennan rejects racism, bigotry and discrimination in all forms. We are committed to furthering human dignity, equality, community and mutual respect. The most important thing we can do as an organization is create a culture where everyone feels welcomed, and that their ideas belong.

A sense of belonging is an aspiration that we can all share. To belong at Marsh McLennan means each of us can be ourselves in any role and see our individual contributions in the work we do together. Together, we create a culture of belonging in the ways we show up, big and small, every day.

Focusing our efforts to accelerate impact

We aspire to expand what is possible by leading with empathy and embracing every voice. We advance belonging across our enterprise and at every level through three core strategies:

Clear Purpose

Establish inclusion and diversity as **growth imperatives** for all of our businesses.

Colleagues & Culture

Embrace inclusion and diversity as **our way of unlocking potential** — how we attract, retain, develop, reward and connect hearts and minds in delivering our purpose.

Advisory & Partnership

Expand resources and introduce standards to progress inclusion and diversity for our colleagues, clients and communities.

"At Marsh McLennan, our value is in how we think. If we all feel like we belong and see ourselves represented, we bring our best thinking to the challenges at hand. Belonging anchors so much of what we have done and everything we will do."

Moreland Murray, Chief Inclusion & Diversity Officer, Marsh McLennan

To lead the change we want to see in our company and in our world, we committed to eight concrete actions for social justice in 2020. Read more about our progress here.

Creating connections for our colleagues

Beyond peer support, our Colleague Resource Groups provide members with access to leaders, relevant volunteer and mentoring opportunities, and interactions with their counterparts in industry groups and client organizations. With over 200 local chapters around the world, we have active groups in the following categories:

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

Marsh McLennan has been included in the Bloomberg Gender-Equality Index since inception in 2018. The index uses a comprehensive scorecard to measure companies' performance with regard to gender equality and transparency. This honor reflects our global commitment to advancing women in the workplace.

For the fourteenth year, Marsh McLennan earned a perfect score on the Human Rights Campaign's annual Corporate Equality Index, naming us a Best Place to Work for LGBTQ+ Equality.

Growing Pride at Marsh McLennan

Over the past year, we launched new Pride Colleague Resource Group Chapters in Argentina, Botswana, Brazil, Chile, Colombia, Mexico and South Africa.

Our expanding Pride chapters helped raise awareness, develop resources on allyship, update recruitment policies to target specific LGBTQIA+ groups via social media and more.

For Pride month in June, our Colleague Resource Groups collaborated across businesses to present a month-long event series celebrating the contributions of our LGBTQIA+ communities. The global agenda included building inclusivity in the workplace, exploring intersectionality and thriving as LGBTQIA+ in different parts of the world.

Oliver Wyman launches Inclusion Festival

In September 2021, Oliver Wyman launched an inaugural Inclusion Festival, creating a space for colleagues to learn, share, celebrate and make new connections. The 20+ sessions offered to participants covered inclusion topics curated in partnership with external speakers.

Advocating for a more inclusive and diverse workforce

Marsh McLennan is helping clients and governments apply objective measures, new insights and best practices to meaningfully address longstanding barriers to inclusion and diversity. This shapes how we show up not only for our colleagues and communities, but also for the clients and governments we advise.

Influencing policy

Our Government Relations team helps governments around the world assess and formulate policy by providing current data and relevant expertise from specialized disciplines across Marsh McLennan. Our work includes:

- Advising the European Commission on the EU Equal Pay and Transparency Directive that will make providing objective, gender-neutral pay data to workers a requirement for businesses
- Assisting in the government of Singapore's comprehensive review of women's issues that aims at a cultural shift as well as policy changes
- Providing data and insights on inclusion and diversity with business leaders at AmCham EU and the EU Commission Insurance Sectoral Social Dialogue
- Sharing our I&D data and research findings with US industry groups and regulatory bodies, and hosting informal town hall meetings with legislators on social and economic parity

Thought leadership

Making the Invisible Visible

Oliver Wyman's 2021 report *Making the Invisible Visible* uncovers four hidden barriers for women achieving corporate leadership roles:

- There are different rules for men and women;
- Results do not speak for themselves;
- Qualified women are unintentionally left on the sidelines;
- Implicit biases and microaggressions are exhausting.

Drawing on responses from more than 450 executives, our consultants offer insight into each of these barriers and spell out the steps required to make lasting change.

Excellence in Risk Management

This research collaboration between Marsh and RIMS provides an in-depth analysis of how inclusion and diversity initiatives succeed and where they often fall short. Key success factors include an enterprise-wide strategy, formal diversity, inclusion and belonging programs, retention and hiring strategies, and diversity at the Board level.

Client advisory spotlight

Demand from clients for investments that align with a company's values is only increasing. Mercer has developed a range of research, advice and investment solutions called the "Leap Continuum", which support the advancement of historically underrepresented groups in investments. Leap helps clients to invest in private market funds that are owned or led by diverse professionals, helping to support our clients' inclusion & diversity objectives.

Community spotlight

Dive In is a global insurance movement, promoting year-round best practices and activation resources in I&D. The annual Dive In Festival, sponsored by Marsh and Guy Carpenter, is considered the premier I&D event in the insurance services industry. The 2021 Festival included more than 145 events with 31,000 participants from 35 countries.

Expanding impact with diverse suppliers

By doing more business with diverse suppliers we create more value for our clients and help to build prosperity in the communities we serve. We are:

- Deploying purchasing strategies, processes and behaviors consistent with our culture and strategy
- Seeking out qualified, diverse suppliers that can provide competitive, high-quality goods and services
- Creating opportunities to assist in the development and recognition of diverse supplier groups through instruction, mentoring and outreach
- Monitoring progress on the effectiveness of our supplier diversity efforts

Through recommendations from our Race Advisory Council, we are focusing on increasing representation of diverse suppliers, particularly Black-owned businesses.

Providing opportunities for diverse firms does not exist singularly within our own supply chain. We encourage all clients, prospects and suppliers to support supplier diversity initiatives. We continue to challenge our own assumptions, expand our strategic ambition and deliver a culture of belonging for the sustained growth of our people, our businesses and all those we impact.

Race Advisory Council

Our Race Advisory Council serves as an internal advisory group to our Executive Committee with a focus in four areas:

Our culture
improving the experience for racially diverse colleagues

Our people
improving representation of racially diverse colleagues at all levels of the organization

Our clients & stakeholders
expanding our network of minority-owned businesses

Our brand
elevating our brand with internal and external racially diverse communities

Mercer launches Inclusive Partner Network

Mercer's specialty practice group is focused on collaborating with our clients and suppliers on innovative ways to promote supplier diversity.

Mercer has dedicated resources that are focused on helping clients achieve supplier diversity goals, identify proven suppliers, realize their return on investment and create new value.

Health and benefits
Inclusive Partner Network

Connecting colleagues with communities

Marsh McLennan provides our colleagues with a platform to advance good in the world. Beyond the work we do together to make businesses more successful and societies more resilient, colleagues contribute their energies and talents directly to organizations and communities that need them.

We help our colleagues support their causes and communities through nonprofit partnerships, global volunteer initiatives and by matching their personal charitable contributions.

Charitable giving: what mattered most in 2021

Colleagues are encouraged to give to the causes they care about. Our online social impact platform facilitates giving and applies company matches, up to $1,000 a year. We double match for causes that impact our workforce and communities. Our Social Justice Double Match Program, as an example, began two years ago and continues today.

Here is where colleague donations focused in 2021:

- Racial justice
- Disaster relief, including COVID-19
- Social inclusion
- Environment

Specific efforts were directed towards racial justice, including Black and Asian advocacy groups in the US and UK; Earth Day and the climate crisis; humanitarian support in Afghanistan; ice storm relief in Texas; and COVID-19 efforts, particularly in India.

Volunteering is in our DNA

Our colleagues enjoy making a difference. Our social impact platform connects colleagues to organizations with express needs, while also allowing them to create their own initiatives and rally others in joining them.

Colleagues receive 8 hours of paid time off to volunteer, and those who volunteer 20 or more hours receive $200 to donate to a nonprofit of their choice.

While pandemic disruptions continued in 2021, we saw the number of colleagues volunteering return to pre-pandemic levels. This is a testament to the resilience of our colleagues — taking advantage of virtual volunteering and finding creative ways to give back.

Our community impact

12,000 colleague volunteers

75 countries and **385** cities

136,000 volunteer hours

$5.1M donated to **3,800** nonprofit organizations

Longstanding partnerships with lasting impact

Marsh McLennan forges formal partnerships with organizations that align with our purpose and excite our colleagues. We balance global, national and local empowerment with a focus on mentorship, inclusion and climate.

Cherie Blair Foundation helps aspiring entrepreneurs in low and middle income countries lift up their communities and local economies through volunteering.

Missing Maps
helps make the world's most vulnerable communities visible to humanitarian assistance organizations by creating reliable maps.

JA (Junior Achievement) prepares young people to succeed with career development support and advice.

20 years later, a day of remembrance and hope

On September 11, 2001, 358 of our colleagues and friends perished when the towers fell in New York, along with 412 first responders who rushed to help. September 11 is now our day to stand together against violence — and stand for kindness, courage and care.

In 2021, we double matched colleague donations to 300 first responder organizations around the world. Our colleagues also put themselves on the front lines, volunteering with 92 first responder organizations in 23 countries.

Becoming an Autism-confident employer in the UK

Marsh McLennan has committed to becoming an Autism Confident employer in the UK. A comprehensive review of our HR policies is underway, as well as a physical and sensory workplace assessment of our primary offices, beginning with Tower Place in London.

In 2022, we will develop a policy to improve inclusion and recruitment practices for autistic talent and launch a colleague focus group with lived experience to support decision making. We've also committed to a partnership through 2023 with Ambitious about Autism, a UK nonprofit advancing employment opportunities for autistic young people.

GROWING AND LEARNING WORKFORCE

We serve clients in virtually every industry around the world. Their evolving challenges and possibilities require that we constantly grow and learn. We believe our colleagues realize their potential when they can thrive as individuals and learn from each other in a dynamic community where career mobility is supported.

Our internal labor market

Our workforce is constantly evolving and shaped by our talent decisions and investments over time. We monitor talent flows to understand how colleagues move in, around and out of the organization.

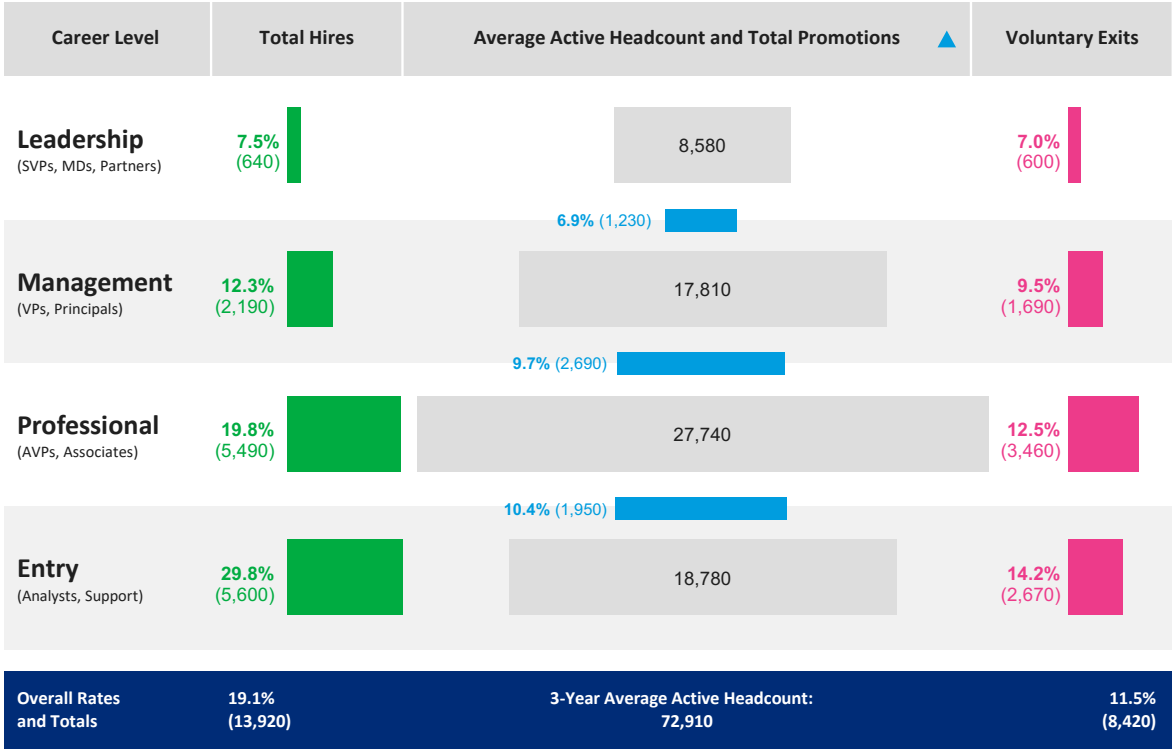
Internal Labor Market (ILM) maps and other workforce reporting allow us to understand workforce drivers and identify critical questions for further investigation.

- How are we growing talent at various levels?
- Does our workforce composition support our strategic objectives?
- How are we retaining and growing diverse colleagues?

We grow our headcount over time and sustain new job creation by both promoting from within and hiring externally. Looking across each of our businesses, we find that our Risk & Insurance Services (Marsh and Guy Carpenter) mix building and recruiting senior-level talent. In contrast, our Consulting businesses (Mercer and Oliver Wyman Group) primarily build talent from within.

Understanding the nuances and how each aligns with a specific talent objective helps inform our enterprise people strategy — one that serves Marsh McLennan overall while addressing the unique needs of each business. In addition to ILM maps, we review other workforce statistics to monitor the evolution of talent profiles across the organization.

Figure 1.1: Marsh McLennan Enterprise Internal Labor Market (ILM) Map, 2019–2021*



*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, 2019 and December 31, 2021 (excluding a small percentage of colleagues with unassigned career levels).

Our tailored approach

Developed by our Workforce Strategy & Analytics team at Mercer, the ILM methodology is used by 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.

Who and where we are

Two-thirds of our global workforce are located in either North America or Europe (figure 2.1). While these remain our largest work regions, we saw our highest growth in Asia, with strong growth in Latin America as well.

- **Guy Carpenter** and **Oliver Wyman Group** colleagues are most heavily represented in North America and Europe.
- **Marsh** and **Mercer** colleagues are more geographically distributed. Marsh has a relatively larger footprint in Latin America, whereas Mercer has a larger share of its workforce based in Asia and the Pacific.

Globally, our colleagues are on average 40 years of age with six years of tenure (figure 2.1). Colleagues in our largest regions tend to have more years of experience, in terms of both general labor force experience (using age as proxy) and firm-specific tenure. As expected, we have more new hires (i.e., lower tenure) in markets where we are fast-growing.

More than half of our global enterprise workforce are women (figure 2.2), driven by our two largest businesses, Marsh and Mercer. 54% of global colleagues identify as female. At the leadership level, over 30% are women, with the largest share in our corporate functions and Mercer.

In the United States, where we have the most complete data on self-identified race and ethnicity, 24% of colleagues identify as non-White. At the leadership level, nearly 16% of colleagues identify as non-White, with the largest share in our corporate functions and Oliver Wyman.

Beyond tracking and reviewing these workforce data, we often undertake statistical modeling of key talent flows and rewards. For example, we can see from the raw voluntary turnover rates by colleague group (figure 2.3) that average attrition for women has been slightly below and US non-White colleagues has been above global norms. We conduct statistical modeling to account for various factors that may contribute to these aggregate results in order to identify the underlying drivers (e.g., specific career levels, departments, locations, role types, etc.) and to more effectively design solutions.

Figure 2.1: Workforce composition: geographic footprint & experience, 2021

Work region	2021 Headcounts		2021 Averages (years)	
	# of Colleagues	% of Total	Age	Tenure
Africa	1,020	1%	40	6
Asia	14,170	17%	33	4
Europe	24,570	30%	40	7
Latin America	7,650	9%	37	5
Middle East	1,370	2%	32	4
North America	29,360	36%	43	7
Pacific	4,170	5%	42	6
Enterprise	82,310	100%	40	6

Figure 2.2: Current diverse representation, by level

Career level	Gender: % Female (global)	Ethnic & racial diversity: % non-White colleagues (US only)				
		Non-White	Asian	Black	Latinx	Other NW*
Leadership	32%	**16%**	8%	2%	4%	2%
Management	46%	**20%**	9%	4%	5%	3%
Professional	58%	**28%**	10%	7%	8%	3%
Entry	64%	**31%**	6%	10%	11%	4%
Enterprise	54%	**24%**	9%	5%	7%	3%

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

Figure 2.3: Average voluntary turnover rates, 2019-2021, by colleague group

Colleague group	2019-2021 Average vol. exit rate
Female (global)	11.2%
Non-White (US only)	13.7%
Asian	14.1%
Black	14.8%
Latinx	12.1%
Other non-White	14.2%
Overall global	11.5%

Developing skills for the future

A culture of continuous learning is key to supporting our vision of a growing and learning workforce. More than 32,000 individual courses and 400 development workshops help colleagues to build greater self-awareness, as well as develop and hone new skills and expertise. This year in particular, we encouraged colleagues to participate in bite-sized learning, both live and on-demand, to best suit their schedules and preferences. Learning and activation resources are developed either internally or provided through leading vendors. They are available to all colleagues through our Colleague Connect intranet and Workday.

Top quality learning from Harvard Business Publishing and LinkedIn Learning is offered to all colleagues, on-demand and in multiple languages. Our LinkedIn Learning saw increased engagement from colleagues in 2021, including a repeat learner rate of 69% and a usage increase of 68% over 2020. Our colleagues were especially interested in courses providing future-focused skills like data visualization and Microsoft Excel, as well as professional development topics such as time management, customer service and business correspondence.

Total recorded learning hours were about 30% higher than the previous year. Our 2022 focus is on further enabling access to relevant and timely learning, leveraging new technology and a diversified delivery strategy.

Our first Global Learning Festival

We connect colleagues to internal and external experts through live, virtual workshops and on-demand learning.

In November 2021, we hosted our first Global Learning Festival: 30 skill-building sessions in two weeks across multiple time zones. Over 10,000 colleagues joined to learn about topics like audience engagement, data storytelling, inclusive leadership and the future of work. In post-course surveys, 95% of participants recommended the sessions as worthwhile.

COMPELLING VALUE PROPOSITION

Helping our colleagues to live better and do meaningful work is our imperative. For us, a compelling value proposition means securing the health and safety of our colleagues; providing comprehensive and competitive rewards, especially as it relates to our colleagues' holistic well-being; and creating opportunities for connection, and personal and professional growth.

Helping colleagues live their best lives

Our success depends on the health and well-being of our colleagues, and we take a comprehensive approach. At Marsh McLennan, well-being includes colleagues' and family members' mental, emotional, physical, financial and social wellness. We strive to provide them with the resources, protection and peace of mind to help them live their best, healthiest lives.

Mental health *is* health

We understand that mental and emotional challenges can affect our colleagues at any time, and we're on a mission to normalize and champion mental health in the workplace. A year-round, enterprise-wide mental health campaign highlights common mental health issues and support mechanisms. Through a central mental wellness hub, we connect colleagues to:

- Global mindfulness sessions
- Robust resources covering mental, emotional, physical, financial and social well-being
- Over 40 webinars held in more than 10 languages in 2021
- Formal support through our Employee Assistance Program

Our global mental wellness efforts reinforce that nobody is alone. Resources are available to all colleagues and augmented by business- and region-specific programs. Informal get-togethers every month with local leaders and expert speakers raise awareness, and we train managers on how to offer support to people on their teams.

How we create a sense of belonging in a virtual world

One-fourth of our colleagues joined Marsh McLennan during the pandemic. Second only to keeping each other safe is the challenge of creating connection among people who may have never met their teams in person.

Our goal from day one is to include and empower them to learn, grow and connect with their colleagues. This is the mission of a new, enterprise-wide onboarding experience that supports new joiners throughout their journey and introduces them to work we do together. A dedicated landing page for new joiners establishes community and ways to get involved in the life of our company. We also support their hiring managers with tools and techniques to turn a warm welcome into lasting bonds.

Total rewards for our colleagues

Our compensation program is designed to pay our colleagues competitively for the roles they perform, recognize individual contributions to our shared enterprise, and empower everyone to achieve their full potential.

Marsh McLennan supports a culture of strong performance, where business, team and individual performance all influence pay outcomes. Our competitive compensation practices include regular analysis and adjustment of our pay compared to the market and a minimum wage of $16 per hour for US colleagues.

We offer rewards to help build colleagues' personal wealth and improve their financial well-being. Base pay is just the start. We also provide eligible colleagues with discretionary awards through our annual bonus programs and offer sales incentives for certain roles, as well as long-term incentives to roles that have a significant impact on our long-term performance. Robust retirement benefits, savings and stock investment plans help all of our colleagues build wealth over time.

Insurance and protection benefits

We aim to provide our colleagues with benefits that support extraordinary as well as routine needs:

- Comprehensive medical coverage
- Core health benefits
- 24/7 access to an Employee Assistance Program (EAP) for confidential counselling on personal issues
- Leave benefits, including parental leave, that are in line with local standards
- Critical incident support in areas where a disaster has occurred
- Life insurance and supplemental death benefits
- Travel accident and medical insurance for all colleagues who travel on behalf of the company

Eligibility for additional insurance and protection benefits vary depending on the colleague's country and business.

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
- Level, aligned to our global job architecture
- Performance
- 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 April 1, 2021. The results, as modified for the adjustments described above, showed 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.

COVID-19 update

The pandemic has fundamentally shifted the world of work. Our company's professional scope enables us to help reduce risk and increase resilience for businesses, governments, nonprofits and individuals around the world.

Marsh McLennan is helping policy makers and business leaders make better-informed decisions with quantitative models that relate public health data to economic and business outcomes.

We continue to forge public-private partnerships that are now building public sector resilience in more than 40 countries, and pandemic insurance solutions that are bringing peace of mind to individuals in more than 25. Learning from all of this work improves our own colleagues' safety and is already being applied to improve strategies for the next pandemic.

Getting back to the office, when and where it's safe

The health and safety of our colleagues is always our top priority. Workplace decisions are made office-by-office based on local conditions and official guidance. Individuals and teams are encouraged to determine the flexible work approach that best enables their personal well-being, team connections and business success.

As colleagues return, we generally expect to see two to three days in the office. Colleagues and managers are empowered to make decisions based on their unique circumstances and take full advantage of the tools and spaces available.

Our return-to-office playbook spells out responsibilities for leaders, managers, Human Resources teams, facilities managers and colleagues in our more than 800 offices across the globe. The playbook covers preparing workspaces and maintaining safe conditions, as well as protocols for meetings, travel and potential exposures.

Worldwide, we've supported our colleagues' families with ongoing COVID-related health costs not covered by insurance or government care systems.

Our company is practiced at responding to catastrophes of all kinds, and we've helped with vaccination efforts where governments have invited businesses to play a role, including Indonesia, Japan and the United Arab Emirates.

Caring for colleagues who care for others

In Europe and the Pacific region, Marsh's #Care&Grow initiative helps working parents balance their responsibilities. Elements of these programs include transition coaching for those returning from parental leave and guidance for their managers.

Additionally, the Care & Living with Mercer (CaLM) initiative in the Pacific region helps colleagues and our clients organize living arrangements and ongoing care for aging family members.

Mobilizing to support our colleagues in India

When a COVID-19 surge swamped India's healthcare system in April, we rallied to respond. A local team stood up a website that enabled 5,200 colleagues and their families to find vaccines in two weeks. The company organized supplies and covered medical costs that insurance didn't — with a further $200,000 for community relief efforts.

Promoting healthy societies

Marsh McLennan is bringing resources together across our enterprise to help healthcare organizations, providers and consumers achieve better outcomes.

Thought leadership

Global Inclusive Benefits
Mercer has pioneered Global Inclusive Benefits development for more than eight years, helping organizations to understand the gaps in support and care for a diverse workforce and to shape the markets, working with carriers and vendors to provide inclusive benefits around the world. The 2021 global study covers more than 40 countries with the participation from more than 740 companies.

Personalizing Well-Being
Mercer Marsh Benefits' Health On Demand research found that employers providing meaningful support to their employees create a more resilient and loyal workforce — in turn improving company performance. The research captures what employees want from their employer when it comes to the personalization and delivery of health and well-being solutions.

"Healthy societies start by promoting the health of the individuals within that society. That means providing beneficial environments for people to live and work, as well as access to affordable healthcare, jobs that provide financial security and inclusive spaces for everyone — all through sustainable means that protect people and the planet."

Martine Ferland, President & CEO of Mercer and Vice Chair, Marsh McLennan

Fostering innovation in healthcare

Oliver Wyman's Health Innovation Center accelerates solutions to the crisis of high cost and poor quality healthcare that afflicts systems around the world. A central part of this effort is a cross-industry community of researchers, thinkers and practitioners that share and shape ideas. An annual Health Innovation Summit convenes hundreds of senior healthcare executives for seven weeks of study and conversations around key challenges and transformative solutions.

Client advisory spotlight

When one of the world's largest reinsurers learned it was at risk of losing a third of its employees to retirement over the next 10 years, it decided to take action. The organization partnered with Mercer to construct a more attractive retirement plan and extend the career longevity of its people. In an expedited 12-week pilot, Mercer worked with the reinsurer to successfully develop, test and prove their new multigenerational and multi-life-stage retirement solution. A new flexible retirement program is now in place which is retaining talent and being enjoyed by participants.

OUR WAYS OF WORKING

The pandemic has accelerated a shift in how we collaborate across disciplines and boundaries. Even before COVID-19, global networks and rapidly evolving technologies were transforming the world of work. Our understanding of what is possible is changing. In an environment where change is the norm, adaptability and resilience — both as an organization and as individuals — is the name of the game.

We trust and empower our colleagues

We are at our best when we work side by side, in person or virtually, to solve challenges and create opportunities for those around us. Every colleague has a role to play in defining our ways of working now and in the future. We take a principles-based approach that empowers leaders and colleagues to deliver their best as a team.

Colleague well-being and collaboration are fundamental to achieving results

Take the best of before and right now

Being together is core to our culture and success

We trust managers and colleagues

Leverage all tools and spaces to create connection and value

"During the pandemic, flexibility has become fundamental to how we operate. This has made us a better company for our colleagues and a more effective organization from every standpoint."

John Doyle, Group President & Chief Operating Officer, Marsh McLennan

Creating opportunity for dialogue and connection

Marsh McLennan's uniquely collaborative culture helps the best ideas travel fast. We're creating an environment where new ways of working can thrive and our colleagues are encouraged to test, learn and grow. Together, we are:

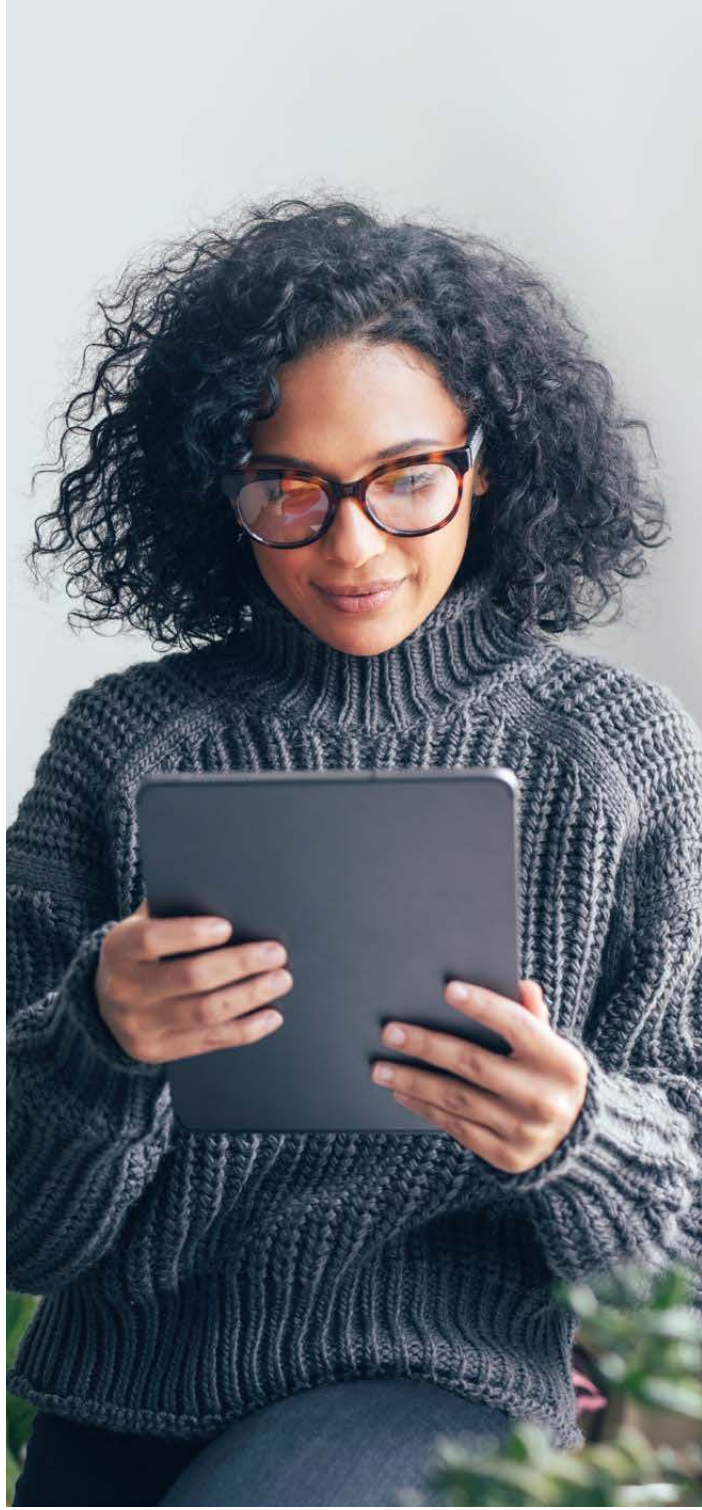
- Enabling courageous conversations
- Accelerating use of collaborative technology
- Making offices smarter and more magnetic
- Placing a deliberate focus on health & well-being
- Growing our digital onboarding experience to connect newcomers
- Creating virtual communities and resource networks
- Providing interactive tools and learning focused on hybrid, inclusive and agile work behaviors

Measuring our progress as we build new ways of working

A test-and-learn approach within teams and across our global network requires rigor in how we measure and track our progress as we develop new ways of working. This chart shows how objective data guides our decisions about people and work.

	Measure	Consider
Health and safety conditions	• Confirmed COVID-19 case rates • Community and colleague vaccination levels • Local safety and gathering restrictions	• How effective are we at flexing to the unique concerns of individual communities and colleagues? • Do colleagues have access to the public infrastructure necessary to support their health and safety?
Business and team performance	• Financial performance • Team and individual performance • Quality of outcomes	• Do colleagues have access to diverse internal networks? • How is the team connecting and collaborating with consideration for flexible and diverse working styles?
Colleague well-being	• Sentiment and satisfaction • Retention • Workload	• Are there clear growth and development opportunities available to colleagues? • How aligned are colleagues' career aspirations with their everyday work?
Inclusion, diversity and belonging	• Representation across teams and by level • Hiring trends • Professional development and career progression	• How does our hiring strategy enable and accelerate diverse talent? • How do local markets perceive our value proposition and brand integrity?

Measuring our progress is the first step on a continuous path towards better outcomes. We harness our lessons learned to clarify our path, rebalance and refocus our objectives and enhance colleague connections.



GOVERNANCE

At Marsh McLennan, understanding governance risks and opportunities in decision-making is a fundamental part of what we do. Our governance practices underpin our corporate purpose, and allow us to better support our clients, colleagues and communities. Indeed, our commitment to strong governance has been the foundation of all of our ESG efforts.

In this section:

Corporate governance

Enterprise risk management

Ethics and compliance

Cybersecurity and data privacy

Preparing our clients for cyber risk

Government relations and political engagement

Governance highlights:

ENGAGED
with our shareholders on key ESG issues

EVOLVED
strategies to manage ESG risk

MAINTAINED
the highest ethics and compliance standards

LAUNCHED
required colleague training on data privacy and cybersecurity best practices

TESTIFIED
before the US Senate on the role of insurance in managing pandemic risks

"Strong governance remains the cornerstone of our ESG philosophy and strategy."

Connor Kuratek, Deputy General Counsel & Corporate Secretary, Marsh McLennan

CORPORATE GOVERNANCE

Marsh McLennan's comprehensive governance policies and robust system of internal controls help safeguard our culture and promote our corporate purpose.

Key features of the Marsh McLennan Board:

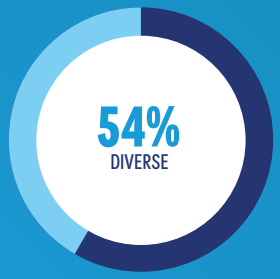
- Our Board is led by an independent Chairman, and all directors are independent, with the exception of our CEO, who is the only member of management serving on the Board.
- The Chief Executive Officer and Chairman of the Board are separate roles as a matter of policy.
- We are committed to maintaining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

A history of Board diversity

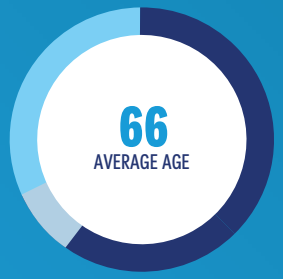
Marsh McLennan has a strong history of Board diversity. Our first woman director, Adele Smith Simmons, joined the Board in 1978. Ms. Simmons served as the first chair of the Corporate Responsibility Committee of our Board, which was the predecessor to our Board ESG Committee and served as a foundation 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. Our newest director, Hafize Gaye Erkan, is the eighth director who meets our diversity criteria appointed to our Board in the last 10 years.

Key director statistics

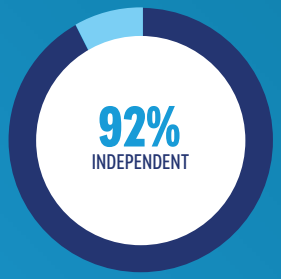
Our newest director, Hafize Gaye Erkan, joined the Board in March 2022. In accordance with our mandatory retirement policy, Marc Oken is not standing for re-election at the May 2022 annual meeting. The following key director statistics are presented as of the May 2022 annual meeting.



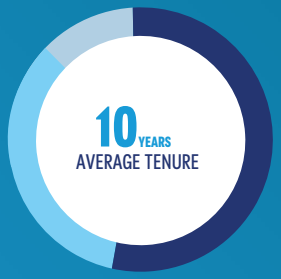
- 31% gender diversity
- 23% racial/ethnic diversity



- 40s
- 60s
- 70s



- Independent
- Not Independent



- 0-6
- 7-9
- 10+

GOVERNANCE QUALITYSCORE HIGHEST RANKED BY ISS ESG 1

As of March 2022, our ISS QualityScore is 1, the best score out of 10.

Building strong relationships with our stockholders

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, executive compensation, Board and workforce diversity, climate and other environmental and social topics

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

For example, we incorporated stockholder feedback in evaluating the next set of our climate commitments and how we disclose Board and workforce diversity.

In 2021, Kate Brennan, General Counsel of Marsh McLennan, was named Governance Professional of the Year by Corporate Secretary Magazine. At Marsh McLennan, good governance is more than just policies, transparency and oversight — it's how we live our values. Kate's leadership of our Crisis Management, ESG and Compliance teams during 2021 illustrated our values and commitments to our corporate purpose.

ESG Governance

Marsh McLennan Board of Directors

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

Climate 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.

At the global level, senior management again identified **ESG Risk** as a top enterprise risk. In 2021, we:

- Operationalized our Client Engagement Principles
- Executed on our first phase of climate commitments
  - » Fulfilled our commitment to be a CarbonNeutral company in 2021
  - » Surpassed our goal of reducing emissions by 15% by 2025
  - » Eliminated single-use plastics in 50% of our offices
  - » Launched the Marsh McLennan Sustainability Series — three educational webinars held in July, September and November 2021

The risk management strategies also focused on developing cross-business climate offerings for clients. We are committed to working with our clients to advance climate innovation to accelerate the transition to a low-carbon economy. We formed cross-business working groups to tackle many of the offerings that are detailed on pages 19-23.

Our Client Engagement Principles help us navigate an evolving risk landscape in order to make responsible decisions and better serve the long-term interests of our clients and the communities in which they operate. 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, either as proposed or with appropriate limitations in scope or content. (See Appendix page 73 for full statement).

"The effective management of risk, including ESG-related risk, is a key component of Marsh McLennan's strategy"

Meredith Frick, Director of Risk Management, Marsh McLennan

Key features of our ERM process

Multiple risk committees

Each of our four businesses has its own global risk committee, which plays 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. Our President and Chief Executive Officer, Chief Financial Officer, General Counsel, Chief Compliance Officer and Director of Risk Management are members of the Risk Committee.

Bottom-up and top-down reviews

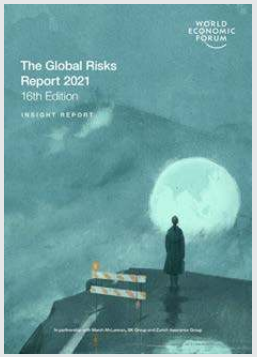
Our annual ERM process consists of (1) a bottom-up review of all risks facing Marsh McLennan, with business risk committees ultimately escalating risks to the Marsh McLennan Risk Committee, and (2) a top-down review of all risks facing the company through the Board and Executive Committee risk assessments.

Board oversight

The Board's risk oversight includes an annual review of the company's key enterprise risks. Senior management briefs the Board on its strategy for each risk and provides mid-year and year-end reports. The Board receives updates on specific risks throughout the year, including on cybersecurity and human capital management.

"The 2021 Global Risks Report reflects the depth and disparity of the pandemic's impact, explores how critical global challenges have been exacerbated and reshaped, and highlights the need to address these risks in a more collaborative way."

Carolina Klint, Managing Director, Risk Management Leader, Continental Europe, Marsh



Global Risks Report

The 16th edition of the Global Risks Report, published in January 2021 by the World Economic Forum with support from Marsh McLennan, highlights the disruptive implications of major risks, including the COVID-19 pandemic, that were predicted to reshape our world in 2021 and over the next decade.

The report draws on the survey results from nearly 700 experts and decision-makers globally who were asked about their concerns for the next decade, how global risks interact and where opportunities exist to collectively act to mitigate these threats.

A failure to act on climate change dominated the risk landscape in 2021 as the world prepared for a delayed COP26. Like 2020, environmental risks ranked highly in consequence and likelihood, with infectious disease and its ripple effect on employment and livelihood high on the risk landscape.

ETHICS AND COMPLIANCE

At Marsh McLennan, our values define who we are and shape our aspirations for the future. We strive to create a culture of inclusion, committing to the fundamental principles of human dignity, equality and mutual respect. Our Code of Conduct, *The Greater Good*, is aligned around three key pillars:

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.

Leading a culture of integrity and inclusion

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. In 2021, we created a stand-alone Chief Compliance Officer position, separating it from the Deputy General Counsel & Corporate Secretary role.

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. Marsh McLennan's Chief Compliance Officer regularly briefs the Audit Committee on ethics and compliance matters. See page 55 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.

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 on page 72 of the appendix.

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.

2022 WORLD'S MOST ETHICAL COMPANIES® ™
WWW.ETHISPHERE.COM

Marsh McLennan was honored to be recognized as one of the 2022 World's Most Ethical Companies®. The recognition honors companies demonstrating exceptional leadership and a commitment to business integrity through best-in-class ethics, compliance, and governance practices.*

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

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 provides guidance on myriad topics including anti-corruption, data handling, conflicts of interest, trade sanctions, anti-money laundering and environmental and social responsibility. It applies to our directors, officers and other colleagues and requires the company's agents, subcontractors and suppliers to comply with relevant aspects of our compliance policies.

The Greater Good is also accessible digitally. A one-click desktop shortcut, deployed on every company computer and mobile device, allows colleagues to seamlessly interact with the Code of Conduct. The digital platform is our one-stop hub for legal and ethical guidance. Colleagues can ask questions of our chatbot, Gigi; consult FAQs; find policies; and review our video series, Choose Your Path — all in one convenient and easy to remember website (integrity.mmc.com).

A scene from our award-winning compliance video series, *Choose Your Path*, featuring our own colleagues.

Learning spotlight

Our signature compliance video series, ***Choose Your Path***, brings to life principles from ***The Greater Good*** and takes a closer look at some of the key risks we may encounter in the course of our work. Featuring humor, drama — and the incredible acting of our own colleagues — each video portrays real-life ethical dilemmas that could arise as our colleagues do their jobs, and helps them understand how to respond to them. Our compliance team develops the training scenarios featured in the videos and bases them on real-world compliance issues our colleagues have experienced.

The ***Choose Your Path*** training is required for all colleagues and includes interactive quizzes where colleagues practice decision-making by stepping into the shoes of a colleague grappling with a tough choice. With its personalized storytelling and interactive approach to testing, Choose Your Path encourages a high degree of colleague engagement while reinforcing our culture of inclusion and belonging.

The series includes eight modules, each of which focuses on a different area of risk.

- Confidentiality
- Prudent use of email and social media
- Trade sanctions
- Data protection
- Preventing errors and omissions
- Anti-corruption awareness
- Conflicts of interest
- Respect in the workplace

Confidential ethics hotline

Marsh McLennan provides an external channel to allow colleagues and third parties to report violations or concerns regarding business ethics or compliance; and allegations of fraud, abuse and other misconduct in the workplace.

Colleagues are able to 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.

In addition to the externally managed reporting line, we have an experienced internal investigations team. The investigations team reviews employee misconduct or negligence. Colleagues may face disciplinary actions where claims are substantiated. We maintain open channels of communication and promote a positive work environment, allowing for better outcomes for our clients.

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.

"Marsh McLennan promotes possibilities and builds integrity into our core culture and values. It is the responsibility of every colleague to uphold our principles."

Denise Sanchez, Chief Compliance Officer, Marsh McLennan

90% of colleagues who responded to our 2021 engagement survey felt that ethical expectations had been clearly communicated.

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 continuously working to mature the effectiveness of our cyber program based on the ever-changing threat landscape, which is heavily informed by our cyber threat intelligence program.

Marsh McLennan has a Global Chief Information Security Officer (CISO) who is responsible for the company's cybersecurity program and works closely with the Legal & Compliance, Privacy, Business and Risk Management teams.

Our policies and procedures are supported by senior management and are based on generally accepted cybersecurity principles including, but not limited to, the NIST Cybersecurity Framework (NIST CSF) and ISO\IEC:27001. We carry a SOC 2 Type II certification for our data centers globally.

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

Track, assess and remediate security vulnerabilities and emerging threats according to risk priority

Static and dynamic security application testing is a core capability of our software development lifecycle

Patch systems regularly and track, assess for risk, test and deploy patches or hot fixes to known vulnerabilities

External penetration tests of our systems and applications and continuous monitoring our external attack surface

Data privacy

Marsh McLennan has a designated Global Chief Privacy Officer who reports to the company's Chief Compliance Officer and runs our Privacy Office. The Global Chief Privacy Officer also coordinates with Chief Privacy Officers and teams in each business, the European Data Protection Officer, as well as with dozens of data protection coordinators across the globe who are responsible for privacy matters in their respective jurisdictions.

The Privacy Office is responsible for administering our Privacy Program and overseeing the proper handling and use of personal information across the company. The Privacy Office coordinates closely with the IT and Information Security 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.

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.

Incident response

A dedicated problem management team follows a 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

We employ defense-in-depth strategies along with a Secure Access Service Edge (SASE) architecture to deliver on our requirements for confidentiality, integrity and availability.

Compliance

Internal and external audit reviews are performed on a risk basis to review compliance with business and regulatory requirements, such as GLB, GDPR, HIPAA, NYDFS, CCPA and Sarbanes-Oxley. Results are reported to senior management.

Our systems are patched regularly and we strive

#BeCyberSmart

As cyber attacks become increasingly complex and challenging to detect, it is crucial that our colleagues have the diligence and awareness to help prevent data compromise and loss. Through the onboarding process, all colleagues receive training on our information security and confidentiality policies. To provide even more ongoing cyber education, in 2021 we launched a new required training on Marsh McLennan's privacy and security best practices.

The training covers:

- Marsh McLennan's policies, procedures and tools for securing and protecting data
- How to recognize and avoid cybersecurity threats
- How to report an incident when something goes wrong
- Tips for both remote and in-office working

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, encouraging our colleagues to #BeCyberSmart.

PREPARING OUR CLIENTS FOR CYBER RISK

Marsh McLennan delivers advisory and market-leading solutions to help organizations advance their cyber resilience agenda. By combining a well-thought-out strategy, quantified risk measurement, appropriate defenses, insurance coverage and resiliency plans, we help clients manage cyber risk with confidence.

In October, we launched the Marsh McLennan Cyber Risk Analytics Center, an enterprise-wide resource that brings together 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. In addition to integrating the data, modeling, and risk expertise of our businesses, the Center conducts research and development with a global network of commercial, government and academic partners.

Thought leadership

"If you want to move beyond prevention and start looking at resilience, you have to more actively prepare to respond when something goes wrong."

Tom Reagan, Cyber Practice Leader for the US and Canada, Marsh

Cyber Literacy

The Oliver Wyman Forum conducted extensive research to produce the *Cyber Literacy and Education Index*. The rationale is simple: studies show that most cybersecurity issues stem from human error, such as accidentally clicking on a malicious link and downloading malware. Increasing people's awareness and motivation on cyber issues should be a key element of every geography's defense strategy.

The index assesses 49 geographies on a range of factors, including government cyber policies and educational curriculums. It aims to measure the population's cybersecurity knowledge as well as the ways that geographies can enhance that knowledge through education and training.

SolarWinds lessons learned

In April 2021, Marsh hosted a two-part web series featuring executives from SolarWinds, a US information technology company that experienced a serious cyberattack. The attack on SolarWinds underscores the potential vulnerability of every organization and highlights the importance that companies have structures in place to quickly respond and start the remediation process.

During the webcast, representatives from SolarWinds shared information about the unique attack, how it affected the company and its supply chain, and the actions the company took — and is still taking — to remediate and improve its security. A crucial step was close coordination between all stakeholders — between in-house legal and outside counsel and finance teams and insurance partners like Marsh. This enabled SolarWinds to quickly assess and respond.

GOVERNMENT RELATIONS AND POLITICAL ENGAGEMENT

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.

Marsh McLennan's government relations activity is subject to our code of conduct, *The Greater Good*, and other corporate policies that address interactions with public officials, gifts and entertainment of public officials.

Governance

Our Government Relations activity is overseen by the ESG Committee of our Board of Directors, which receives a comprehensive report and briefing of these activities at least annually. Government Relations is led by our Chief Public Affairs Officer who reports to our General Counsel, who in turn reports to Marsh McLennan's CEO.

Marsh McLennan's government relations activity is subject to our code of conduct, *The Greater Good*, and other corporate policies that address interactions with public officials, gifts and entertainment of public officials and corporate political contributions.

Advocacy and lobbying

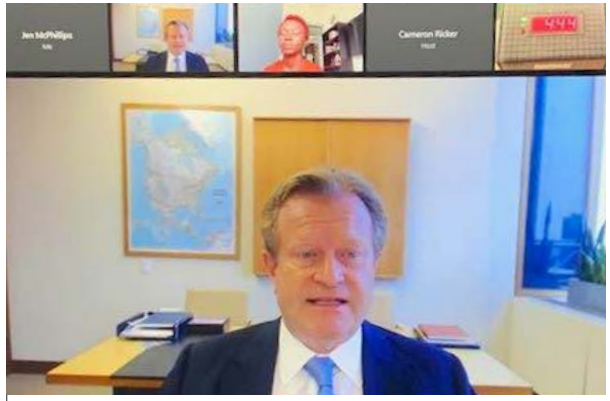
Marsh McLennan engages with key policy makers and governments in many countries on issues that impact our colleagues, businesses and clients. We regularly express our views to public officials and provide them with factual briefings to inform their decisions. We lobby both through our colleagues on our Government Relations teams and through outside consultants. Our Government Relations team approves any engagement of lobbyists on behalf of Marsh McLennan. Lobbying activity and reporting requirements are regulated by state, federal and international law. As described under "Public Disclosure of Political Spending", we file public reports that outline our activities and expenses related to lobbying. Marsh McLennan is a member of industry trade associations representing the insurance industry, benefits community and the broader business communities.

Engaging in the political process

Leading on pandemic preparedness

Martin South, Vice Chair, Marsh McLennan and CEO of Marsh, testified at a Senate Banking hearing on the role of insurance in managing pandemic risk. Our role as an insurance broker is, first and foremost, to be an advocate for policyholders, our clients. Marsh is the only broker to publicly advocate for swift action on the development of a public-private partnership solution to address the insurance challenges created by COVID-19.

Led by our Government Relations team, Marsh McLennan collaborated with the Organization for Economic Cooperation and Development (OECD) on a two-day conference that explored approaches to providing protection against future pandemic-related financial losses and how public-private partnerships can address the protection gap for pandemic risk on a global scale. David Priebe, Chairman of Guy Carpenter, and Flavio Piccolomini, CEO of Marsh International led two high level panels with key global stakeholders.



Martin South, President & CEO of Marsh and Vice Chair, Marsh McLennan, testified on July 22nd, 2021 before the US Senate Banking Committee.

Securing a strong retirement

Mercer continues to be a leading voice and advocate for legislation that builds on the success of the employer-sponsored retirement system. The company has penned letters to Congressional leadership expressing support for expanding retirement plan coverage and helping individuals generate more savings and retirement income.

John Doyle, Group President & Chief Operating Officer, Marsh McLennan, testifies before the House Financial Services Committee on the authorization of the Terrorism Risk Insurance Program in October 2019.

"At Marsh McLennan, we bring our values and know-how to conversations in Washington, London, and Brussels. We connect policymakers with our expert colleagues and industry-leading solutions to help advance healthy societies, cybersecurity, pandemic resilience, and social justice."

Erick Gustafson, Chief Public Affairs Officer, Marsh McLennan

Policies on political expenditures and conduct

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.

2021 GRI Index

Material in this report references disclosures from the GRI Sustainability Reporting Standards. An index of our responses can be found below.

GRI 102: General disclosures

GRI standard	Disclosure name	URL or direct response, page number(s)
Organizational Profile		
102-1	Name of the organization	Marsh & McLennan Companies, Inc.
102-2	Activities, brands, products and services	2021 10-K, pages 1-7
102-3	Location of headquarters	1166 Avenue of the Americas, New York, NY
102-4	Location of operations	Who and where we are, page 37
102-5	Ownership and legal form	Marsh McLennan is a public corporation. Corporate governance, pages 47-48
102-6	Markets served	2021 10-K, pages 1-7
102-7	Scale of the organization	Who and where we are, page 37 2021 10-K
102-8	Information on employees and other workers	Who and where we are, page 37
102-10	Significant changes to the organization and its supply chain	No significant changes
102-12	External initiatives	CDP Global Reporting Initiative (GRI) Sustainability Accounting Standards Board (SASB) Task Force for Climate-related Financial Disclosures (TCFD) UNEP FI Principles for Sustainable Insurance (PSI) Principles for Responsible Investment (PRI)

GRI 102: General disclosures (continued)

GRI standard	Disclosure name	URL or direct response, page number(s)
Strategy		
102-14	Statement from senior decision-maker	A letter from Lloyd, page 2 A letter from Dan, page 3
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	A greater purpose to our work, page 5 *The Greater Good*
102-17	Mechanisms for advice and concerns about ethics	Ethics and compliance, pages 51-53 *The Greater Good*
Governance		
102-18	Governance structure	Corporate governance, pages 47-48
102-20	Mechanisms for advice and concerns about ethics	Our approach to ESG, page 7
102-21	Mechanisms for advice and concerns about ethics	Corporate governance, pages 47-48
102-22	Composition of the highest governance body and its committees	Corporate governance, pages 47-48 2022 Proxy, pages 10-17
102-23	Chair of the highest governance body	Corporate governance, pages 47-48
102-24	Nominating and selecting the highest governance body	2022 Proxy, pages 6-8
102-26	Role of highest governance body in setting purpose, values and strategy	Our approach to ESG, page 7 Corporate governance, pages 47-48
102-27	Collective knowledge of highest governance body	Corporate governance, pages 47-48 2022 Proxy, pages 3-4
102-28	Evaluating the highest governance body's performance	2022 Proxy, pages 12-13

GRI 102: General disclosures (continued)

GRI standard	Disclosure name	URL or direct response, page number(s)
102-29	Identifying and managing economic, environmental and social impacts	2022 Proxy, pages 3-4
102-30	Effectiveness of risk management process	2022 Proxy, page 3 Enterprise risk management, page 49-50
102-31	Review of economic, environmental and social topics	2022 Proxy, pages 3 and 14
102-32	Highest governance body's role in sustainability reporting	Our approach to ESG, page 7
102-33	Communicating critical concerns	2022 Proxy, pages 9
102-35	Remuneration policies	2022 Proxy, pages 15-16 and 27-68
102-36	Process for determining remuneration	2022 Proxy, pages 15-16 and 27-68
102-37	Stakeholders' involvement in remuneration	2022 Proxy, page 27
102-38	Annual total compensation ratio	2022 Proxy, page 77
Reporting Practice		
102-45	Entities included in the consolidated financial statements	2021 10-K, pages 1-7
102-46	Defining report content and topic boundaries	About This Report, page 1
102-48	Restatements of information	There are no such restatements for this reporting period
102-49	Changes in reporting	No changes in reporting
102-50	Reporting period	January 1, 2021-December 31, 2021
102-51	Date of most recent previous report	January 1, 2020-December 31, 2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Georgia Maloney, ESG Reporting & Sustainability Director ESG@mmc.com

GRI 102: General disclosures (continued)

GRI standard	Disclosure name	URL or direct response, page number(s)
102-54	Claims of reporting in accordance with the GRI Standards	Material in this report references disclosures from the GRI Sustainability Reporting Standards.
102-55	GRI content index	GRI index, page 60
102-56	External assurance	None

GRI 200: Economic

GRI Standard	Disclosure Name	Page number(s), URL or direct response
Anti-Corruption		
205-2	Communication and training about anti-corruption policies and procedures	Ethics and compliance, pages 51-53 *The Greater Good*

GRI 300: Environmental

GRI Standard	Disclosure name	Page number(s), URL or direct response
Emissions		
305-1	Direct (Scope 1) GHG emissions	Carbon emissions, page 14
305-2	Energy indirect (Scope 2) GHG emissions	Carbon emissions, page 14
305-3	Other indirect (Scope 3) GHG emissions	Carbon emissions, page 14
305-5	Reduction of GHG emissions	Carbon emissions, page 14

GRI 400: Social

GRI standard	Disclosure name	Page number(s), URL or direct response
Employment		
401-1	New employee hires and turnover	Our internal labor market, page 36
401-2	Benefits provided to employees	Total rewards for our colleagues, page 40
Training and education		
404-2	Programs for upgrading employee skills	Developing skills for future, page 38
Diversity and equal ppportunity		
405-1	Diversity of governance bodies and employees	Corporate governance, pages 47-48 Who and where we are, page 37
405-2	Ratio of basic salary and remuneration of women to men	Pay equity objectives and process, page 40
Public Policy		
415-1	Political contributions	Colleague political action committee, page 59

2021 SASB Index Professional & Commercial Services

Accounting metrics

Topic	Code	Metric	Reference/response
Data security	**SV-PS-230a.1**	Description of approach to identifying and addressing data security risks	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 Marsh McLennan has a dedicated Global Chief Information Security Officer (CISO) who is responsible for the company's cybersecurity program. The CISO works closely with the Company's Legal & Compliance, Privacy, Business and Risk Management teams. Our policies and procedures are supported by senior management and are based on generally accepted cybersecurity principles including, but not limited to, the NIST Cybersecurity Framework (NIST CSF) and ISO\IEC:27001. The cybersecurity program and supporting strategies are organized around the core tenants of Identify, Protect, Detect, Respond, Recover. Cybersecurity and Data Privacy
	SV-PS-230a.2	Description of policies and practices relating to collection, usage, and retention of customer information	Marsh McLennan has a designated Global Chief Privacy Officer who reports to the company's Chief Compliance Officer and runs our Privacy Office. The Global Chief Privacy Officer also coordinates with Chief Privacy Officers and teams in each business, the European Data Protection Officer, as well as with dozens of data protection coordinators across the globe who are responsible for privacy matters in their respective jurisdictions. The Privacy Office is responsible for administering our Privacy Program and overseeing the proper handling and use of personal information across the company. The Privacy Office coordinates closely with the IT and Information Security 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.

Accounting metrics (continued)

Topic	Code	Metric	Reference/response
Workforce diversity & engagement	**SV-PS-230a.3**	(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.
	SV-PS-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management (2) all other employees	**Figure 2.3: Average voluntary turnover rates, 2019-2021, by colleague group** Colleague group: 2019-2021 Average vol. exit rate Female (global): 11.2% Non-White (US only): 13.7% Asian: 14.1% Black: 14.8% Latinx: 12.1% Other non-White: 14.2% Overall global: 11.5% Our workforce, page 37
	SV-PS-330a.2	(1) Voluntary and (2) involuntary turnover rate for employees	Marsh McLennan's 3-year average annual voluntary turnover rate from January 1, 2019 to December 31, 2021 was 10.8%. (excluding a small percentage of colleagues with unassigned career levels). Our internal labor market, page 36
	SV-PS-330a.3	Employee engagement as a percentage	Each year we ask our colleagues share their views on working at Marsh McLennan through an enterprise-wide engagement survey. Developed internally by our Talent and Learning team, the survey methodology has been consistent since 2011, with updates to specific questions as necessary. A third-party supplier administers our survey in order to maintain confidentiality of responses. In 2021, 79% of colleagues who responded were actively engaged. Our people are our company and we listen, page 28

Accounting metrics (continued)

Topic	Code	Metric	Reference/response
Professional integrity	**SV-PS-510a.1**	Description of approach to ensuring professional integrity	At Marsh McLennan, our values define who we are and shape our aspirations for the future. We strive to create a culture that is inclusive, and we are committed to the fundamental principles of human dignity, equality and mutual respect. Our Code of Conduct, The Greater Good, 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* provides guidance on myriad topics including anti-corruption, data handling, conflicts of interest, trade sanctions, anti-money laundering, and environmental and social responsibility. It applies to our directors, officers and other colleagues and requires the company's agents, subcontractors and suppliers to comply with relevant aspects of our compliance policies. Ethics and compliance, page 51
	SV-PS-510a.2	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.

Activity Metrics

Code	Metric	Reference/response
SV-PS-000.A	Number of employees by:	All headcount numbers are as of December 31, 2021 and are rounded to the nearest hundred.
	(1) full-time and part-time,	Full-time, regular: 79,000
	(2) temporary, and	Non full-time, regular 3,600
	(3) contract	Non-regular temporary employees (e.g., temps, interns, apprentices): 1,900
		Non-regular contingent employees: 14,100

2021 TCFD Index

Topic	Disclosure area	Recommended disclosure	Response
Governance	Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.	Our approach to ESG, page 7 and ESG Governance, page 48 Our approach to ESG, page 7
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 climate-related risks and opportunities the organization has identified over the short, medium, and long term. b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	CDP Climate Change 2021 C2.2, C2.2a, C2.3a, C2.4a CDP Climate Change 2021 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. b) Describe the organization's processes for managing climate-related risks. 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 Enterprise risk management, page 49 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. b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Sustainability of our operations, page 14 Sustainability of our operations, page 14 Our commitment to net-zero, page 13 and Achieving certification as a CarbonNeutral® company, page 15

UNEP FI Principles for Sustainable Insurance

Principles	Resources
Principle 1 We will embed in our decision-making environmental, social and governance issues relevant to our insurance business	• Our approach to ESG, page 7 • Our ESG roadmap, page 8 • Corporate governance, page 47-48
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.	• Helping our clients implement climate and sustainability solutions, page 19 • Advocating for a more inclusive and diverse workforce, page 32 • Promoting healthy societies, page 42
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.	• Government relations and political engagement, page 57 • Advocating for a more inclusive and diverse workforce, page 32
Principle 4 We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.	• This annual ESG Report • Proxy statement • Annual Report and 10-K

Inclusion & diversity: an update on our "Leading the Change" commitments

Our 2020 commitment	Our 2021 progress
Establish a Race Advisory Council	Our Race Advisory Council serves as an advisory group to our Executive Committee with a focus in the four following areas: • **Our culture:** improving the experience for racially diverse colleagues • **Our people:** improving representation of racially diverse colleagues at all levels of the organization • **Our clients & stakeholders:** expanding our network of minority owned businesses • **Our brand:** elevating the Marsh McLennan brand with internal and external racially diverse communities
Deliver focused hiring of diverse colleagues at every level	Hiring rates increased at every job level across US non-White colleague segments. We are expanding our impact by investing in community partnerships, including the National African American Insurance Association (NAAIA) and Historically Black Colleges and Universities (HBCUs).
Commit $5 million over the next three years to support social justice advocacy organizations	We have an established double match program for social justice. Marsh McLennan gave $1M to new community non-profit partners and our colleagues raised an additional $1M, including the company double match, for 68 organizations around the world that advocate for social justice. We onboarded new community partners with an emphasis on education & mentorship and criminal justice reform: **A Better Chance** **Blueprint for All** **Black Girls Code** **Gideon's Promise**

Our 2020 commitment	Our 2021 progress
Deliver professional development opportunities for career progression and promotion of diverse colleagues	We now have three diverse development programs designed to strengthen skills and promote accelerated career growth: • **The Accelerated Leadership Program** promotes community, highlights the value of diverse leadership and provides participants with tools to inspire change. • **The Black Leadership Program** offers participants modularized development content, personalized coaching and learning through real business challenges. • **The Racial Inclusion and Social Equity (RISE) MBA Fellowship** is the first of its kind, providing Black leaders with practical business knowledge and skills for advocating social justice. RISE is delivered in partnership with the National Black MBA Association and Fisk University.
Facilitate colleague connection and empowerment, including a dedicated platform for Black colleagues	Marsh McLennan's Global Black Colleague Network provides a safe space for Black colleagues around the world to connect, share experiences and exchange ideas. Our Colleague Resource Groups provide additional opportunities for connection, including access to local leaders, volunteering and mentoring.
Implement mandatory diversity training for colleagues, managers and leaders at every level	An inclusion and diversity curriculum is part of our core learning offering. All colleagues are assigned training on allyship and unconscious bias when they join Marsh McLennan. We also offer a robust library of live and on-demand digital learning, which includes a broad spectrum of inclusion and diversity topics.
Host a series of Safe Space sessions with our Executive Committee and Black colleagues	Our Executive Committee held a series of listening sessions with Black colleagues across our organization to learn and identify opportunities for better. We continue to engage colleagues in discussion on what belonging means for our organization through public and safe space forums.
Strengthen the rigor of our I&D metrics and reporting	We actively monitor the evolution of our workforce, including the hiring, progression and retention of diverse talent across the organization. Insights are used to better inform talent decisions, development programs, benefits and colleague engagement opportunities.

Marsh McLennan and human rights

Marsh McLennan respects the dignity and worth of every individual. We're committed to upholding human and workplace rights in all our operations, wherever we do business. This policy applies to all Marsh McLennan colleagues worldwide, candidates for hire and contingent workers. It applies to all locations and situations where our business is conducted and all events.

Our policy

We support and abide by recognized international human rights principles.

These include the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles for Business and Human Rights, the European Human Rights Convention, the Organisation for Economic Co-operation and Development's Guidelines for Multinational Enterprises and the UN Convention Against Corruption.

As water is essential to life, we regard access to this critical natural resource as a fundamental human right.

We support the fair treatment of all people in accordance with international, national and local labor laws.

Our commitment to human and workplace rights is embodied in The Greater Good, our non-negotiable code of conduct that defines equal opportunities and responsibilities for every colleague around the world.

Marsh McLennan supports fulfilling its responsibility for:

- **A SAFE AND HEALTHY WORKPLACE** for all colleagues in compliance with applicable laws, regulations and policies. We also expect our suppliers to comply with these practices.
- **AN ENVIRONMENT OF RESPECT FOR ALL,** free from unlawful discrimination and harassment, in which our colleagues and all with whom we do business are treated with dignity and respect.
- **PERSONAL SECURITY** in a workplace that is free from violence, harassment, intimidation or other unsafe conditions.
- **FAIR PAY, HOURS AND BENEFITS** in compliance with applicable local laws and regulations.
- **PROHIBITION OF CHILD LABOR AND FORCED LABOR.** We comply with applicable local laws and regulations relating to child labor. We prohibit the use of all forms of forced labor, including indentured labor, bonded labor, military labor, slave labor and any form of human trafficking.

A formal grievance and remedy process is available for reporting human rights concerns.

Anyone is invited to use our third-party-operated ethics and reporting portal or https://mmchotline.alertline.com/gcs/welcome.

We promptly investigate allegations and act to mitigate any adverse human rights impacts.

We don't tolerate retaliation against anyone who makes a good faith report of possible violations of the law, our code of conduct or other company policies; or anyone who questions actions by the company or participates in an internal investigation.

Marsh McLennan client engagement principles

Marsh McLennan is a trusted advisor to clients around the world on three core issues that touch every organization: risk, strategy and people.

Our principles

Our values:

Our values define who we are and shape our aspirations for the future. We strive to create a culture at our company that is respectful, collaborative and inclusive. We are committed to earning the trust of our colleagues, clients, shareholders and our communities. We call this living *The Greater Good*.

Our goal at Marsh McLennan is to advance the interests of all stakeholders by:

- Investing in our colleagues;
- Creating breakthrough impact for our clients;
- Generating long-term value for shareholders; and
- Contributing to the community.

Our commitment to Sustainable Development Goals around affordable healthcare:

To that end, we have developed procedures to bolster our commitment to Sustainable Development Goals around affordable healthcare, human dignity, gender equality, energy security and access to reliable and sustainable energy supplies, inclusive economic growth and job creation, climate change mitigation and resilience to climate-related natural disasters and the promotion of public-private partnerships to achieve these goals.

Our responsibility to do what is right:

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, either as proposed or with appropriate limitations in scope or content.

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