



Mark Williams
19 June 2014

This material is for general information purposes only and is not a substitute for specific professional advice. These materials may not be reproduced or distributed, in whole or in part, without Towers Watson's prior written consent. The written information in this presentation should be considered in conjunction with the supporting and amplifying oral comments provided. Any views or opinions expressed are those of the presenter, not those of Towers Watson Limited.

TOWERS WATSON 

© 2014 Towers Watson. All rights reserved.

Agenda

Introduction

- What is Corporate Social Responsibility ("CSR") and why it is important

CSR in action

- The potential benefits of CSR
- Increasing employee engagement

Using our expertise...

- Engaging in CSR within the pensions world:
 - "Micro pensions"
 - Adequacy of UK pensions and the future of retirement
- Recent developments from the Resource and Environment Board

Summary & questions

towerswatson.com

© 2014 Towers Watson. All rights reserved. 2



Introduction

TOWERS WATSON 

© 2014 Towers Watson. All rights reserved.

**Save the Children**

Syria Home Syria Appeal Take Action #YouTube4Syria

Give now to help Syria's children>

GIVE NOW TO HELP SYRIA'S CHILDREN

The humanitarian crisis in Syria and neighbouring countries is at critical levels inside Syria and the surrounding region to give children the basics they need we urgently need your support to help more children. Please donate now.



Inside the war-torn country an estimated 3.1 million children need help. More than 900,000 children have fled the country and are now living in over-stretched refugee camps or villages.

The number of registered refugees has increased 17-fold in the past year and the 2 millionth refugee is expected to flee any day now.

Our teams have so far helped 400,000 refugee children and their family members and another 163,000 inside Syria with food, safe water, medicine, and shelter.

towerswatson.com

British company develops technology to recycle disposable coffee cups

James Cropper becomes world's first firm to separate plastic content from cups, leaving pulp fit for making luxury papers

Rebecca Smithers, consumer affairs correspondent
guardian.co.uk, Wednesday 17 July 2013 10:51 BST
 Jump to comments (27)

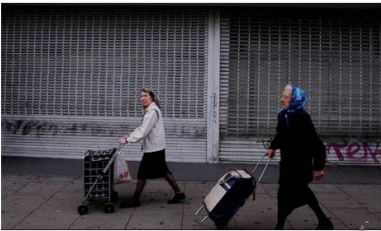


James Cropper plc has developed high quality paper products, and is a leading manufacturer of disposable coffee cups. Photograph: Maitland PR

Elderly people's care: government to set out role for volunteers

Social care minister Norman Lamb will outline neighbourhood watch-style scheme to help meet needs as care budget shrinks

David Brindle
The Guardian, Wednesday 3 July 2013



Elderly women in Islington, north London. Photograph: Sarah Lee for the Guardian

What is CSR?

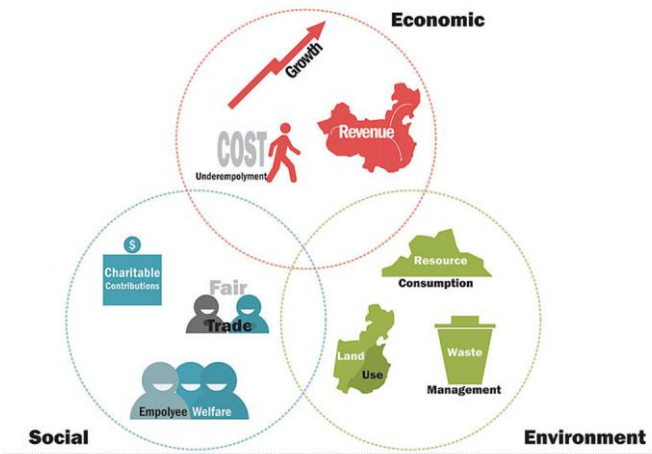
- Using our time, money and talents to have a positive impact on the communities where we live and work



towerswatson.com

5
© 2014 Towers Watson. All rights reserved

Embedding CSR – the “Triple Bottom Line”



Fourth element – focus on future generations, long-term sustainability and intergenerational equity

towerswatson.com

6
© 2014 Towers Watson. All rights reserved



© 2014 Towers Watson. All rights reserved.

TOWERS WATSON 

The potential benefits of expanding employee engagement in CSR...

- Team building and motivation
- Opportunities for connecting employees across locations, levels and lines of business
- Leadership opportunities
- Recruitment and retention
- Enhancing the working environment
- Building relationships / partnerships with external organisations
- Commercial factors

towerswatson.com

© 2014 Towers Watson. All rights reserved ⁸

Communicating with employees on CSR...

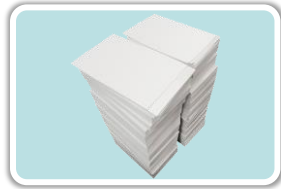
E-mail



Intranet



Posters/Flyers



Face-to-face



towerswatson.com

© 2014 Towers Watson. All rights reserved

CSR community

- Sub-set of interested employees from across all levels and areas of the business
- Designated leadership team with executive sponsorship
- Clearly defined business plan with key performance indicators
- Targeted communications using a variety of channels
- Community members encouraged to:
 - Raise awareness
 - Act as local ambassadors
 - Suggest ideas
 - Organise events

All underpinned by a clearly-defined global CSR strategy

towerswatson.com

© 2014 Towers Watson. All rights reserved



towerswatson.com

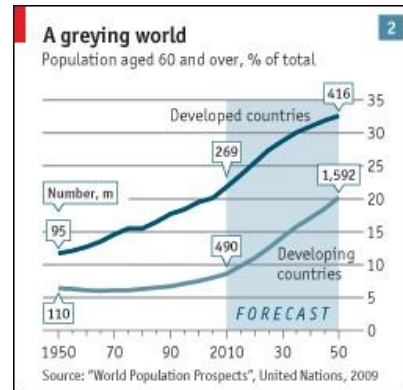
© 2014 Towers Watson. All rights reserved

11



“Micro pensions”

- Intended to provide second / third pillar old age income security in developing countries to informal sector workers, for whom the current level of pension provision is very low
- Operated by a Microfinance Institution (MFI)
- Typical micro pension design is:
 - fixed system of contributions
 - funds invested by professional asset manager
 - benefits provided as regular lump sums
- Research by HelpAge International shows that these programmes significantly reduce the probability that the recipient's household will be in poverty



towerswatson.com

13
© 2014 Towers Watson. All rights reserved

“Micropensions”

- Micropensions schemes are supported by the Pension and Development Network (part of the charity WorldGranny based in the Netherlands)
- Examples of recent schemes include those in Bangladesh, Honduras and Guatemala
- Need the support of pensions experts to help design and establish the schemes in conjunction with MFIs

Pension & Development network

towerswatson.com

14
© 2014 Towers Watson. All rights reserved

CSR implications of UK pension scheme design

- Adequacy
- Level of understanding and appreciation of pensions
- Increased flexibility created by the March 2014 Budget
- How will retirement look in the future – how can we play a role in ensuring “retirement” benefits meet the needs of the UK workforce...?



Sponsored by:
TOWERS WATSON 

towerswatson.com

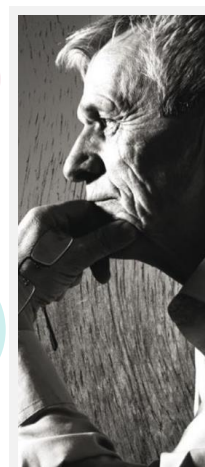
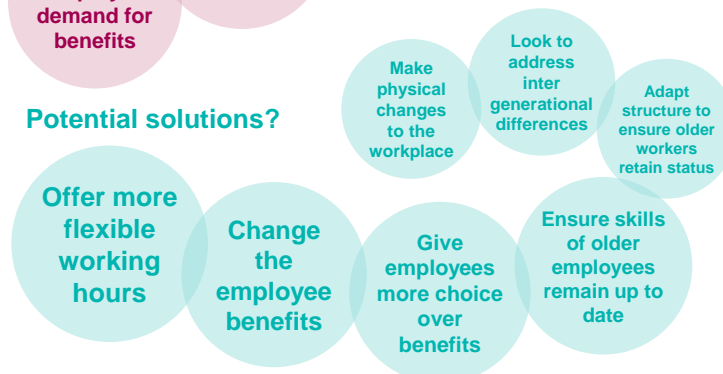
15
© 2014 Towers Watson. All rights reserved

Is 75 the new 65? Rising to the challenge of an ageing workforce

The challenges



Potential solutions?




How might employment practices and benefit schemes need to change?

towerswatson.com

© 2014 Towers Watson. All rights reserved. 16

Is 75 the new 65?
Rising to the challenge of an ageing workforce

The importance of health and talent management



“How can we get the best out of people, given their specific talents – no matter their age?”

“We need to see a new culture in companies, one where you don’t consider an employee’s chronological age at all.”

“Making simple changes to the work environment – like wooden flooring, which is easier on the workers’ joints such as knees and hips, or monitors with bigger fonts – resulted in significant improvements for employees.”

“... better awareness of health issues and prevention ... impacts the motivation of the workforce and their dedication.”

“We need to keep older workers fully engaged and keep their skills and knowledge for longer. Some companies are already doing this, but many are unsure of their options. The key to engaging and retaining older workers is to adjust work to their needs.”

“Change the work, not the people.”

towerswatson.com

© 2014 Towers Watson. All rights reserved. 17

Is 75 the new 65?
Rising to the challenge of an ageing workforce

Rethinking retirement

Healthy workers

Health and wellbeing will be increasingly important for employers

Strongly Agree Somewhat agree

The state will play a reduced role in providing healthcare

Somewhat agree

Healthcare costs will increasingly fall on employers

Somewhat agree

Healthcare benefits will be increasingly important to employees

Strongly Agree Somewhat agree

Easing into retirement

Greater flexibility

Job sharing

Part-time working

Working from home

Flexible working patterns

Portfolio careers

Phased retirement

“If older people maintain a healthy lifestyle there is no reason why they can’t choose to continue to work well beyond the pensionable age and contribute in some way, at no extra burden to the Employer.”

towerswatson.com

© 2014 Towers Watson. All rights reserved. 18

Resource and Environment Board

- Established in 2013
- Chaired by Oliver Bettis
- Building on the previous work of the Resource and Environment Member Interest Group (MIG)
- Recent developments / topical issues:
 - Response to the Law Commission's Consultation Paper "Fiduciary Duties of Investment Intermediaries"
 - "Stranded Assets"
 - Draft European pensions directive includes references to sustainability and climate change
 - Actuaries Climate Index (ACI)
 - Extreme risks

towerswatson.com

19
© 2014 Towers Watson. All rights reserved



© 2014 Towers Watson. All rights reserved.

TOWERS WATSON 

Key points

- Increasing employee engagement in CSR brings wide-ranging benefits, both internally and externally
- Getting communications right is key
- There are a variety of ways we can participate in CSR within our day-to-day work, using our expertise and influencing change

Questions / comments?

towerswatson.com

21
© 2014 Towers Watson. All rights reserved

Disclaimer

- This material is for general information purposes only and is not a substitute for specific professional advice.
- These materials may not be reproduced or distributed, in whole or in part, without Towers Watson's prior written consent.
- The written information in this presentation should be considered in conjunction with the supporting and amplifying oral comments provided.
- Any views or opinions expressed are those of the presenter, not those of Towers Watson Limited.

towerswatson.com

22
© 2014 Towers Watson. All rights reserved