

# Milliman Sustainability Services

Climate-related and broader sustainability-related risks remain highly topical and a key focus for insurers and regulators. Milliman's approach to considering sustainability across the whole of enterprise risk management is helping our clients to achieve better **ability**, better **agility** and better **alignment**.

## OUR CORE SUSTAINABILITY SERVICES

### Sustainability Stress and Scenario Testing: Embracing Complexity

- Understanding how to develop decision-useful, realistic sustainability scenarios
- Getting started with qualitative scenario analysis using our tried and tested cognitive mapping approach
- Moving on to quantitative analysis using CRisALIS™, our proprietary advanced risk modelling and analysis platform
- Embedding sustainability into the ORSA process

### Embedding, Gap Analysis and Benchmarking

- Operationalising sustainability risk - support embedding into Risk Management Frameworks
- Board and Senior Management training
- Gap analysis reviews – compliance with latest regulations and guidance
- Benchmarking of approaches compared to peers
- Support on embedding 'emerging' topics and areas with lesser focus to date, such as biodiversity and social

### Reputational Risk and Purpose Alignment

- Support in achieving alignment of sustainability efforts with corporate strategy, purpose and values
- Greenwashing risk workshops and gap analyses



# Why Milliman for these services?

We recognise that not all companies are starting from the same place and that your priorities will reflect how you want to participate in the growing sustainability landscape.

We understand that not all the parts of a corporate group will necessarily move at the same pace or at the same time, but sustainability is an area where there is an important need for maintaining broad consistency.

Our approach is based on well-tried and tested methods which are designed to help you practically navigate through the complexity of sustainability to choose the right strategy for you; bearing in mind industry best practice as it emerges and progress against peers.

## Our experience

We've supported various clients in developing their approach to sustainability, including:

- Helping Boards to advance their sustainability strategy
- Embedding and maturing sustainability risk management frameworks and capabilities
- Using our CRisALIS™ approach to elicit rich sustainability scenarios
- Gap analyses of current approaches against regulatory expectations and market best practice
- Delivering tailored sustainability training sessions

In addition, through our global internal research programme we are currently developing causal models to examine the impact of climate change on inflation, mortality and morbidity.

[Explore the power of CRisALIS™](#)

## Our thought leadership

Milliman regularly publishes thought leadership papers and articles based upon regulatory developments, internal research and our experience.

Through widely distributed papers on various areas of risk, Milliman has shared insight on recent consultations, supervisory statements, and sustainability issues.

Our sustainability thought leadership material can be found here:



<https://uk.milliman.com/en-gb/insurance/climate-change>

# Integrating The Expanding Sustainability Knowledge Base

Keeping pace of developments requires the integration of emerging academic and industry research. Recently there have been particular developments in climate science, biodiversity and in the role and agency of asset owners especially on the interaction of fiduciary duty and universal owner mindsets. Some recent papers are listed below.

## Climate Science

- [“JFAR: The Science of Climate Change”](#) (2022),
- [“The Emperor’s New Climate Scenarios: Limitations and assumptions of commonly used climate-change scenarios in financial services”](#) – some of the key critiques of commonly used climate scenarios
- [“No Time To Lose New Scenario Narratives for Action on Climate Change.”](#) illustrates a framework to develop short term “decision useful” climate scenario analysis
- [“UNEP: Humanity is still ‘breaking all the wrong records’ in fast-warming world”](#), essentially 1.5 budget is 250 GtCO<sub>2</sub> which at 40-50 GtCO<sub>2</sub> pa is gone within 6 years
- [“Global Warming in pipeline”](#), Hansen (2023): why climate sensitivity may be higher,

## Sustainability

- [Nature-related Financial Risks: a Conceptual Framework to guide Action by Central Banks and Supervisors](#), overview of connections between nature-related risks and financial markets
- [“Green Scorpions the macrocriticality of nature for finance”](#) (Ranger et al, 2023):
- [Global Tipping Points Report 2023](#)
- [“The economics of immense risk, urgent action and radical change: towards new approaches to the economics of climate change”](#), Stern, Stiglitz, Taylor (2023)
- [“Rational Sustainability”](#), Edmans (2024)
- [“Just Nature: How finance can support a just transition at the interface of action on climate and biodiversity”](#), Robins & Muller, (2022),

## Investment Perspectives

- [“A Resilient Future Managing risk in an interconnected world”](#), Neil Cantle ; an introduction to interconnected risks and complexity
- [“Paris \(mis\) Aligned Benchmarks: The Unintended Consequences of Paris Aligned Products”](#), Osmosis IM
- [Can Investors Save the Planet? - NZAMI and Fiduciary Duty](#), Gosling & McNeil (2022)
- [“Universal owners and climate change”](#), Tom Gosling (2024),
- [“Universal Ownership in Practice: A Practical Investment Framework for Asset Owners”](#), Quigley(2020)
- [“Divestment: Advantages and Disadvantages for the University of Cambridge”](#), Quigley, Bugden, Odgers
- [‘Counterproductive Sustainable Investing: the Impact Elasticity of Brown and Green Firms’](#), Hartzmark & Shue (2023),

# Thank you



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