



Institute
and Faculty
of Actuaries

IFoA Life Conference

Overview of climate change disclosures

6 November 2025

Debashish Dey FIA C. Act.

Speaker introductions

	Debashish Dey FIA C. Act.	
Background	<ul style="list-style-type: none">- Currently working in capital modelling- Prior consultancy roles- Prior chair on IFoA ESG and AI-related working parties	
Publications	Links	
LinkedIn	<ul style="list-style-type: none">• https://www.linkedin.com/in/debashish-dey-669025a3/	
Publications	<ul style="list-style-type: none">• https://orcid.org/0009-0009-0579-3197	
Actuarial blogs	<ul style="list-style-type: none">• https://blog.actuaries.org.uk/authors/debashish-dey/	
British Actuarial Journal	<ul style="list-style-type: none">• https://www.cambridge.org/core/journals/british-actuarial-journal/article/overview-of-climate-disclosures/444DFC5ECB35B3AD2640A52B2950CB26	

Agenda

- Recap on climate change
- Overview on disclosures
- Specific disclosure frameworks and regions
- Challenges / Solutions
- The missing disclosure...
- Final thoughts
- Q&A



Question 1

How prepared do you feel the actuarial profession is to address climate-related financial risks?



Question 2

Can actuaries make a difference against
climate change?



Question 3

Is the United Kingdom well placed to transition to a low carbon economy...?



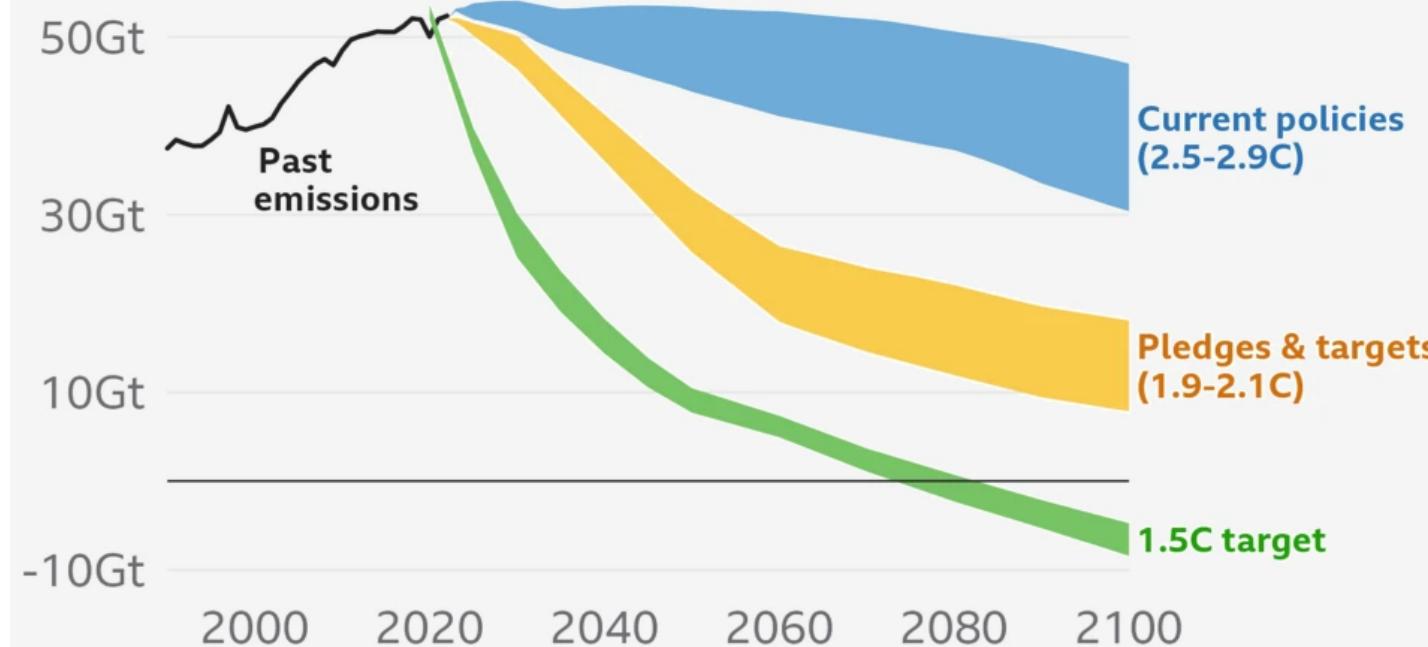
Recap on climate change

Recap on climate change

Global projections and high-level figures

World far off track for 1.5C target

Projected greenhouse gas emissions and future warming levels vary by actions taken



Emissions measured in gigatonnes of carbon dioxide equivalent. Warming relative to pre-industrial levels. "Pledges & targets" includes net zero goals under discussion

Source: Climate Action Tracker, Nov 2024. Broad lines show possible range **BBC**

Sources: BBC, CNBC, WEF

12% reduction in GDP

for every 1C increase (WEF)

USD 1bn+ bank losses due to climate-related foreclosure (CNBC)

Insurers will no longer be able to offer coverage for many of these risks... Entire regions are becoming uninsurable (Allianz)

USD 8bn+ insurance losses LA wildfires in Jan 2025 (BBC)

Global risks ranked by severity **climate change-related risks ranked top 4** over next 10 years (WEF Global Risks Report 2025)

Recap on climate change

Recap on current themes – risks and opportunities

geopolitical
disruption

climate litigation

stranded
assets

supply chain
disruption

market risk

changes in consumer preference for
sustainable products

ICJ ruling

regulatory and
legislative changes

AI data
centres

climate inequality /
climate justice

green
technology

COP 30

carbon markets
/ carbon taxes

green energy

solar, wind, nuclear,
green hydrogen, SAF,
AI to manage energy

green bonds

global market size USD 2.9tn (2025)
compound 10%+ growth 2025 → 2032

shift in focus from
E → ESG nexus
Change in perspective

Recap on climate change

Focus on United Kingdom

Climate Change
Act 2008

net zero by 2050

“insufficient”

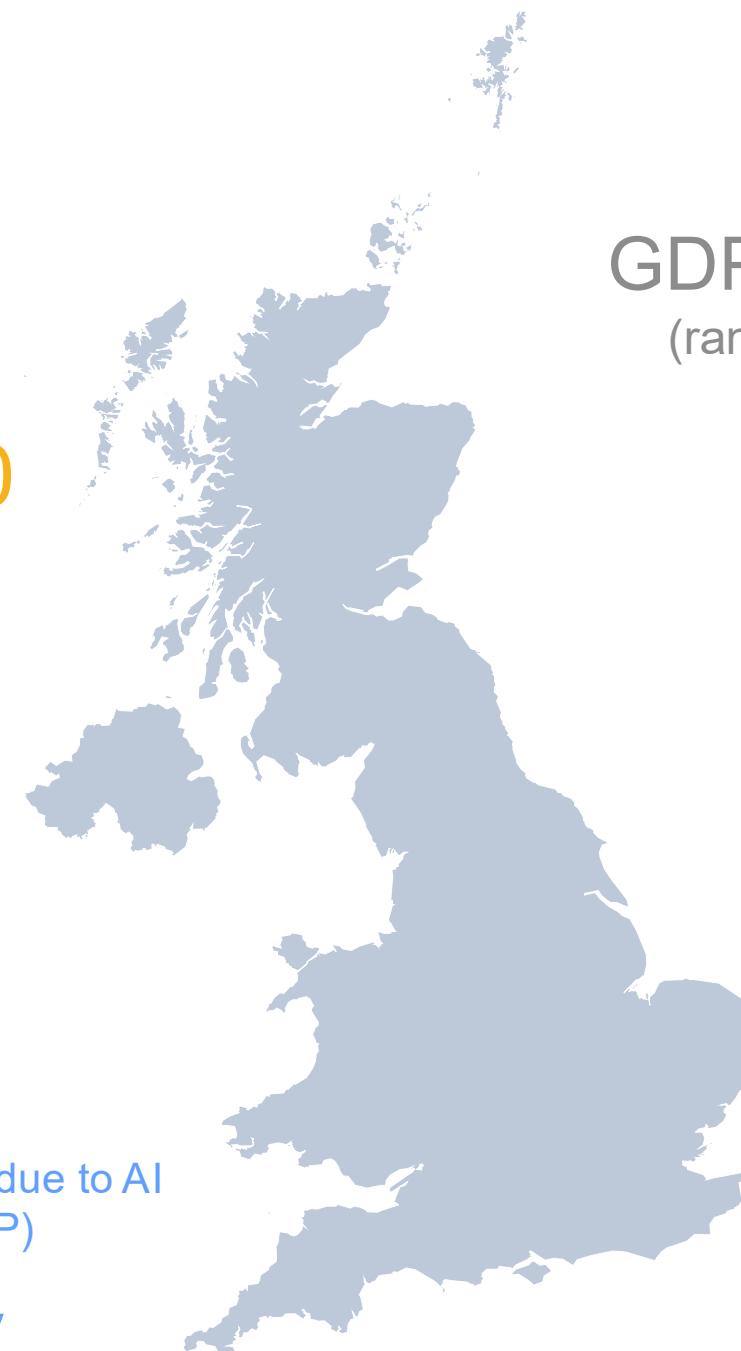
Climate Action Tracker

6th global ranking
Climate Change Performance Index

AI ranking
5th globally

GDP 232bn+ by 2030 due to AI
(c.10.3% of GDP)

quantum economy
GBP 690m+ investment by 2030



GDP £2.5 trillion
(ranked 6th globally)

main imports / exports:
gas turbines, commodities, cars,
gold, crude petroleum

transport sector accounts
for 29% of GHG
emissions in 2023

UK net zero
strategy

UK ETS

UK100

UK Green
Finance Strategy

UK 10 point plan for
Green Industrial Revolution

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Overview on disclosures

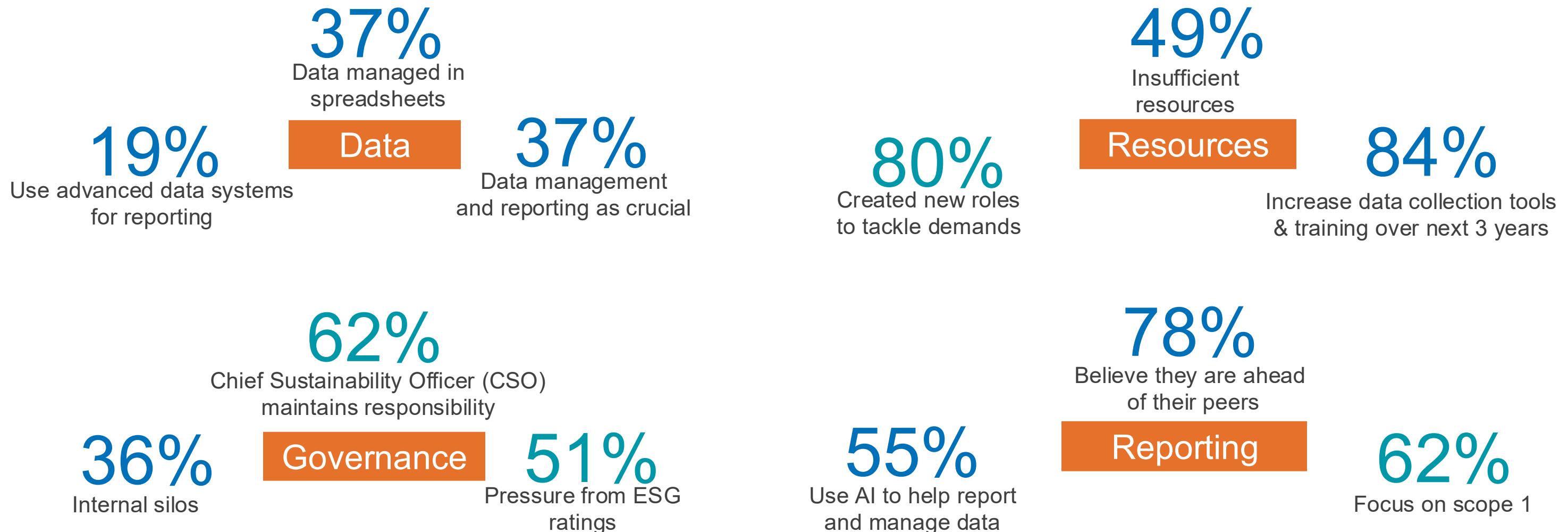
Overview on disclosures

Importance of disclosures

What does not get disclosed,
does not get actioned

Overview on disclosures

Reporting trends (UK life insurer surveys)



- Deloitte 2024 sustainability survey (life focus)

- KPMG 2024 sustainability survey (healthcare and life focus)

Overview on disclosures

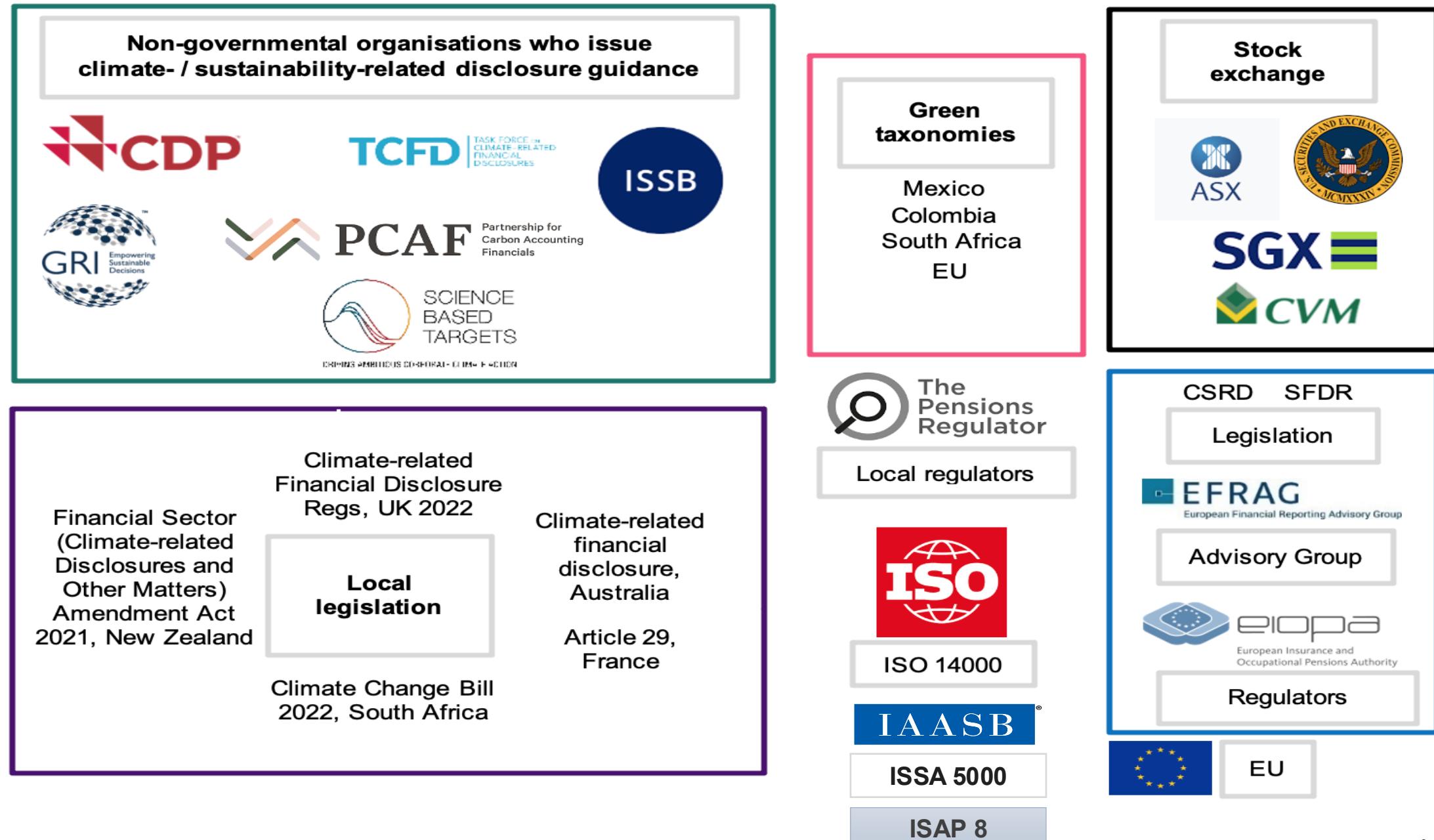
Greenwashing

Greenhushing
Greenwashing
Greenwishing

- UK FCA's **naming and marking rules** (2 December 2024+)
- **EU Green Claims Directive** (17 June 2024 plus 18-month window) – withdrawal / simplification?
- Other local legislation e.g. **Canada** (20 June 2024); being considered in e.g. India and Switzerland.

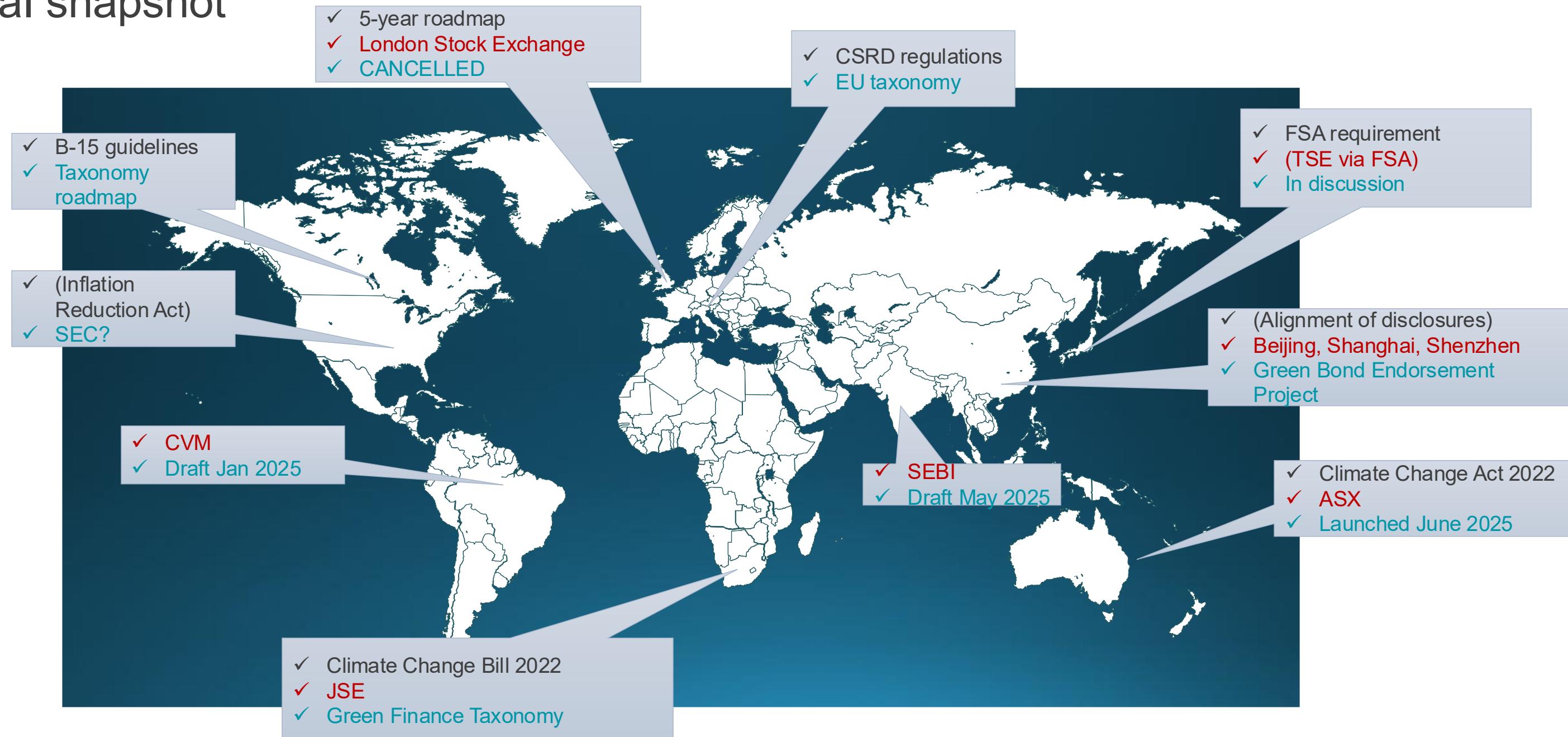
Overview on disclosures

Disclosure landscape



Overview on disclosures

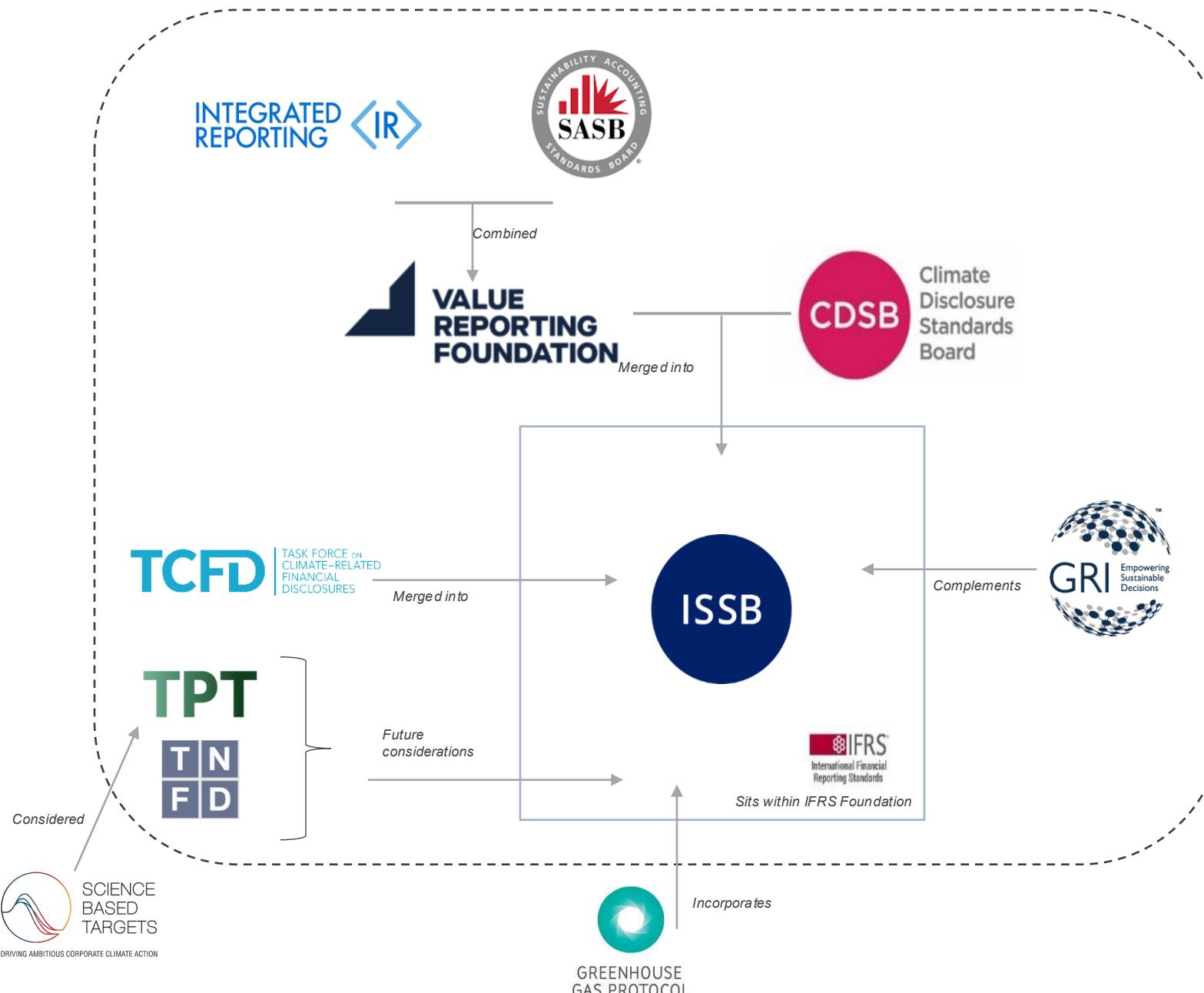
Global snapshot



Specific disclosure frameworks and regions

Specific disclosure frameworks and regions

International Sustainability Standards Board (ISSB)



- Formed in 2021
- Issued standards **IFRS S1 / S2** in 2023
- **“Global baseline”**

Symposium
(Feb 2024)

- Promotion of global IFRS S1 / S2 take-up

Adopted / Planning to adopt

Wider considerations?

- Australia
- Brazil
- Canada
- Kenya
- Japan
- Turkey
- UK
- ...

Specific disclosure frameworks and regions

International Actuarial Association's International Standard of Actuarial Practice 8

- ISAP 8: IFRS S2 climate-related disclosures
- ...*a model for actuarial standard-setting bodies to consider*
 - *Facilitate consistent and appropriate approach*
 - *Increase public confidence*
 - *Facilitate collaboration; and*
 - *Demonstrate the IAA's commitment*
- First Exposure Draft published 8 December 2024
- Final consultation period till 14 September 2025



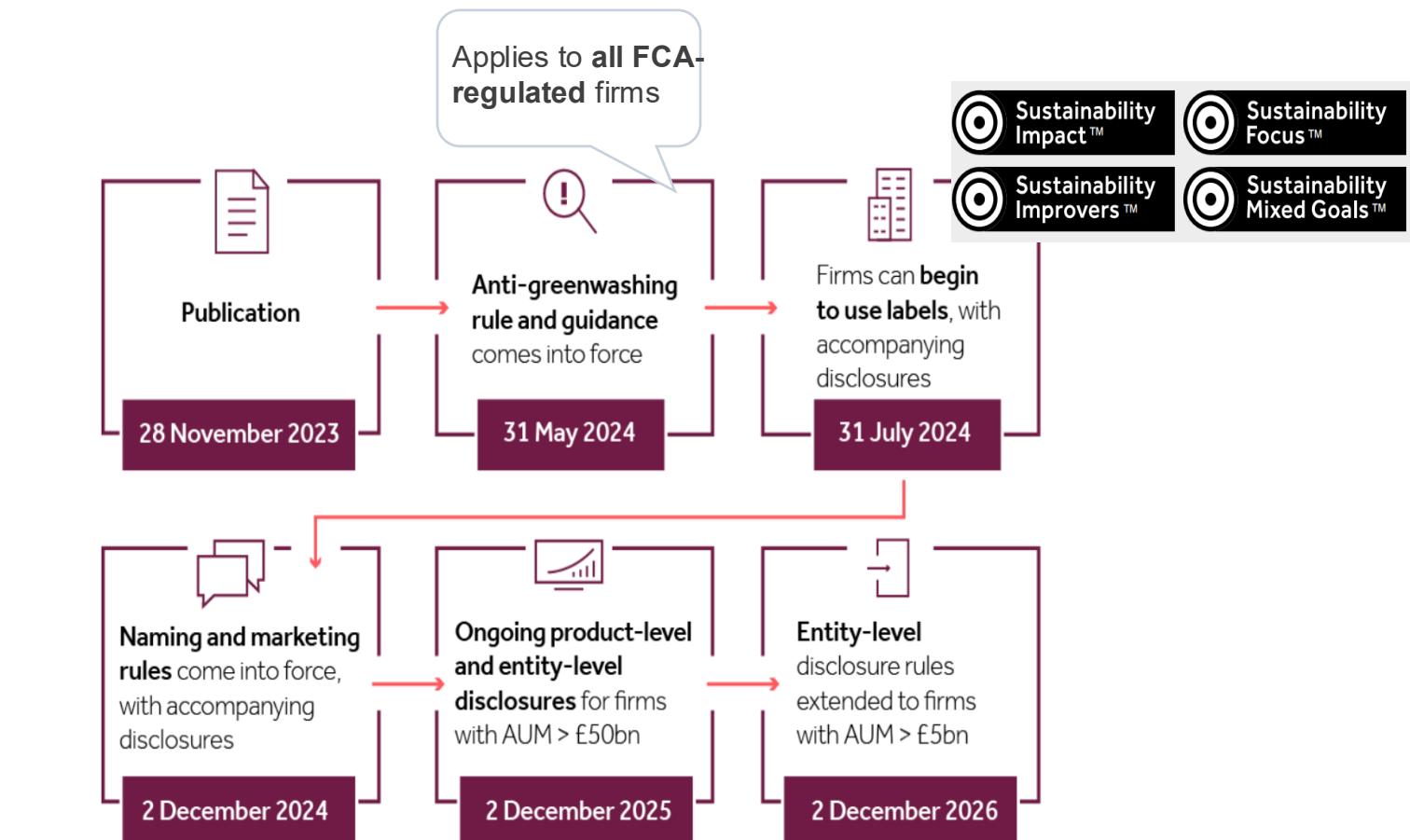
Key considerations raised:

- Relevant knowledge
- Materiality / Proportionality
- Data
- Business model & value chain
- Strategy & decision-making
- Financial position, performance & cashflows
- Qualitative vs Quantitative
- Climate resilience and risk management

Specific disclosure frameworks and regions

UK

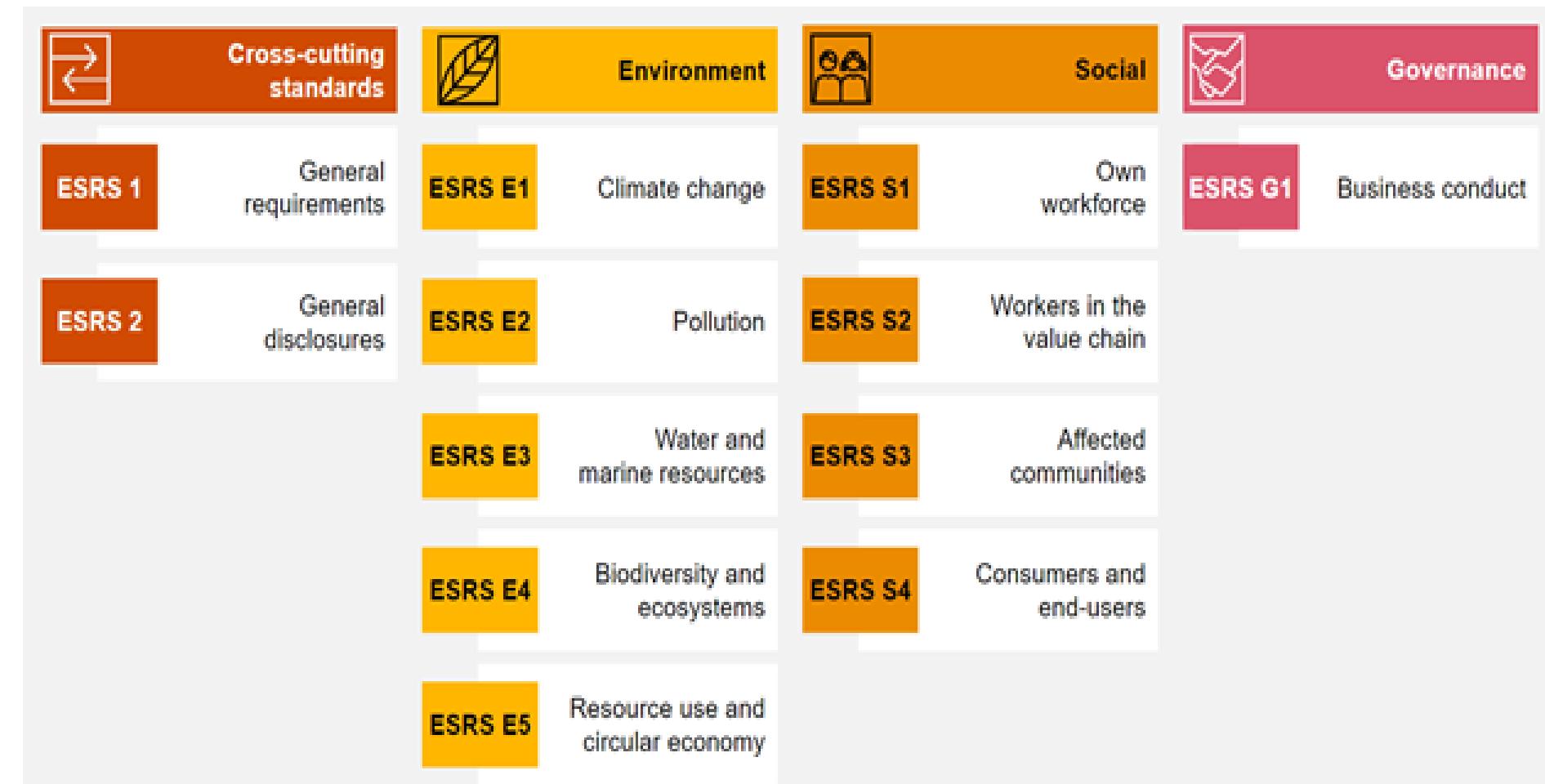
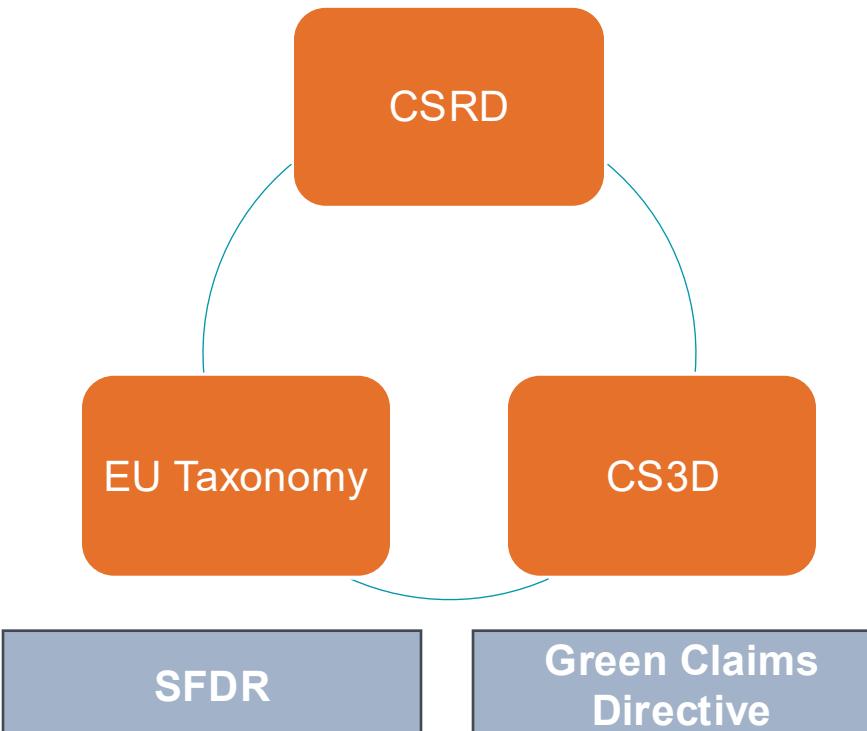
- The FCA's **Sustainability Disclosure Requirements (SDR)** aim to **improve the trust and transparency** of sustainable investment products and reduce greenwashing.
- Progress towards **UK Sustainability Reporting Standards (UK SRS)** based on ISSB.
- Draft legislation to regulate **ESG rating agencies**. Aim to finalise in 2025.
- June 2025, UK government launched 2 **Exposure Drafts** (transition plans, ESG assurance).
- **FRC consultation** on voluntary UK-based ISSA 5000.



Specific disclosure frameworks and regions

EU

- In many ways “ahead of the curve”
- **Double materiality**
- **ESG reporting** (auditor involvement)
- **EU Omnibus**
- **ESG Ratings Regulations**



EU regulations can impact global life insurers with EU subsidiaries and operations

Challenges / Solutions

Challenges

Key considerations for insurers



Business alignment

- Sustainable alignment e.g. investment funds, new products (direct / indirect); use of ESG rating agencies for better **strategic opportunities**.
- **Greenwashing** e.g. potential fines and negative brand impact.



Brand impact

- **Market perception** e.g. tool to enhance trust amongst stakeholders?
- Scope to gain a **competitive advantage**?
- Level of disclosure and where they want to **position** themselves within the market?



Qualitative vs Quantitative?

- **Risk management:** disclosures help insurers identify and mitigate these risks?
- Allows businesses to **acknowledge** and address its wider impact to ESG / vice versa?



Changes to internal processes?

- Changes to **internal governance**?
- Potential **costs** within given significant regulatory changes
- Do businesses have sufficient **capacity / knowledge** for producing new framework?

Solutions

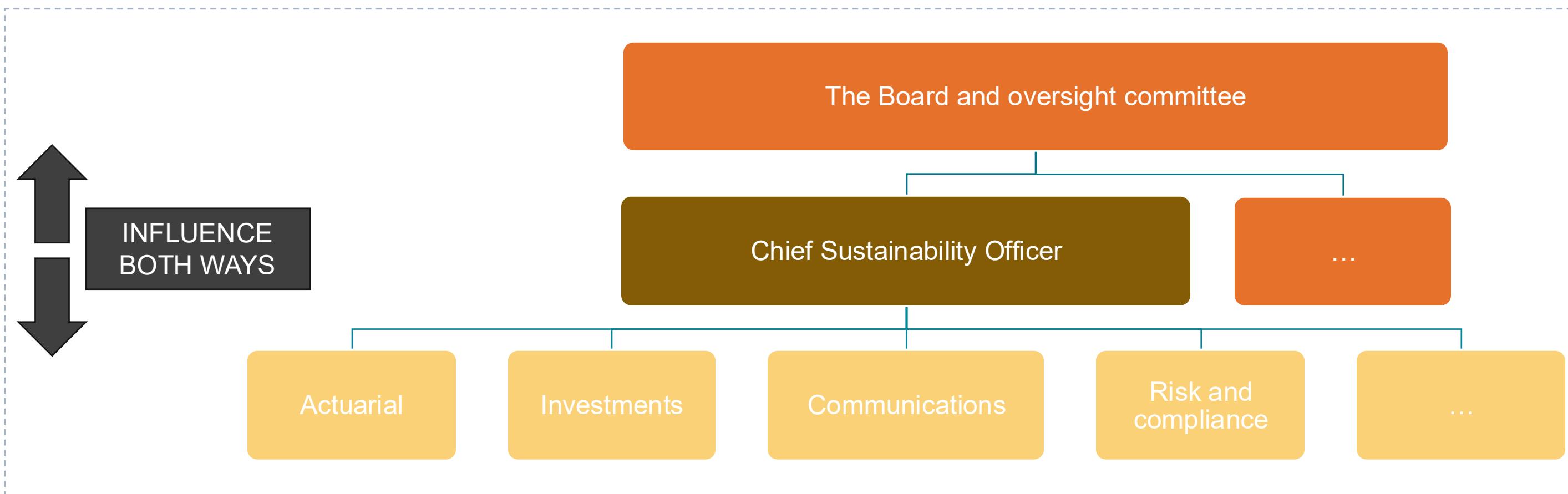
Changes to governance?

Effective disclosures should ...

Be about more than regulatory compliance and optics

Embed climate change into business capabilities and decision making

Needs a **strong governance structure**. There is no “one-size fits all” arrangement, but typically:

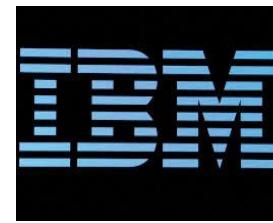


Solutions

Technology to tackle reporting and data

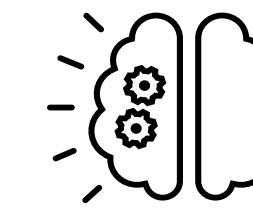


Microsoft



ORACLE

DISCLOSURE PLATFORMS & DATA COLLECTION



greenly

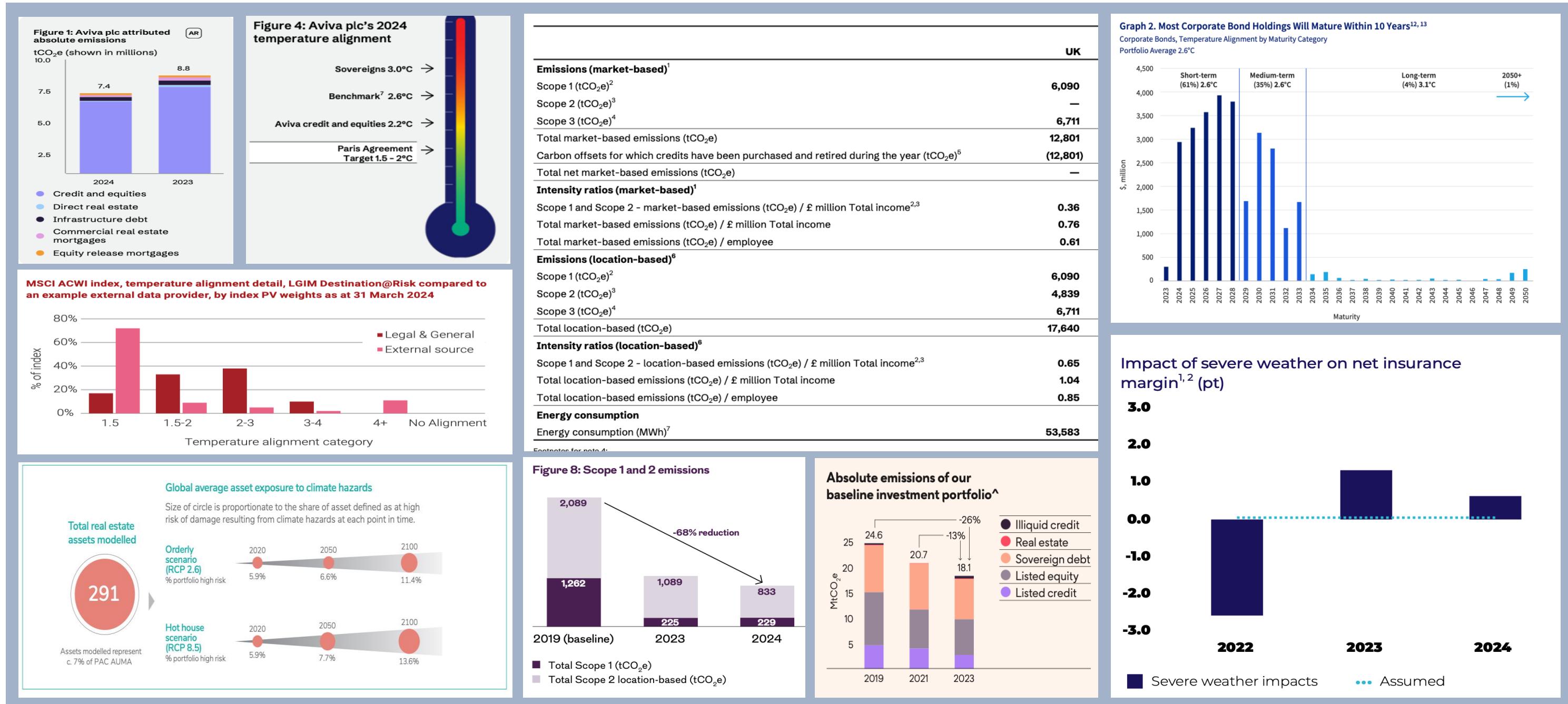


DATA SCIENCE TECHNIQUES

The missing disclosure...

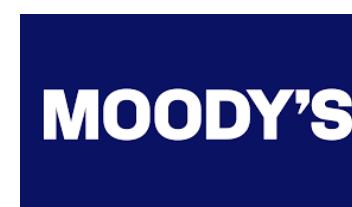
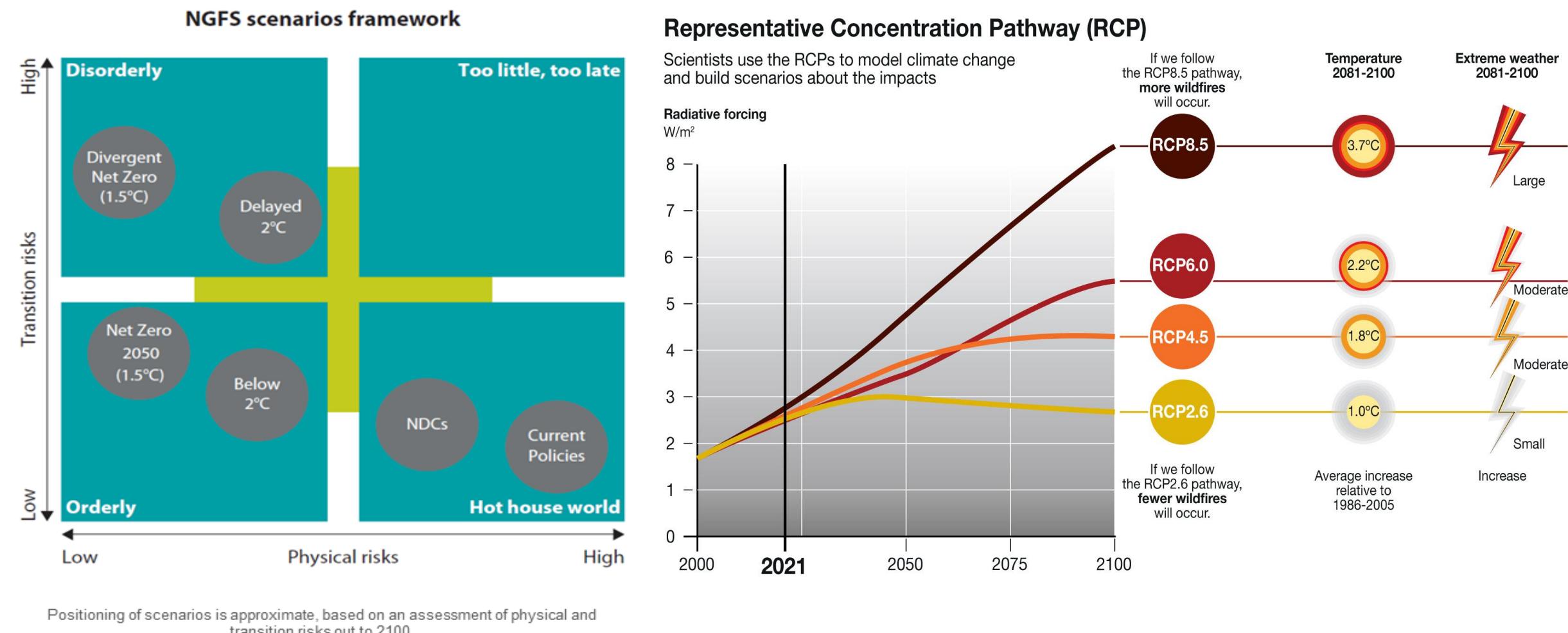
The missing disclosure...

Example metrics in current corporate climate-related disclosures



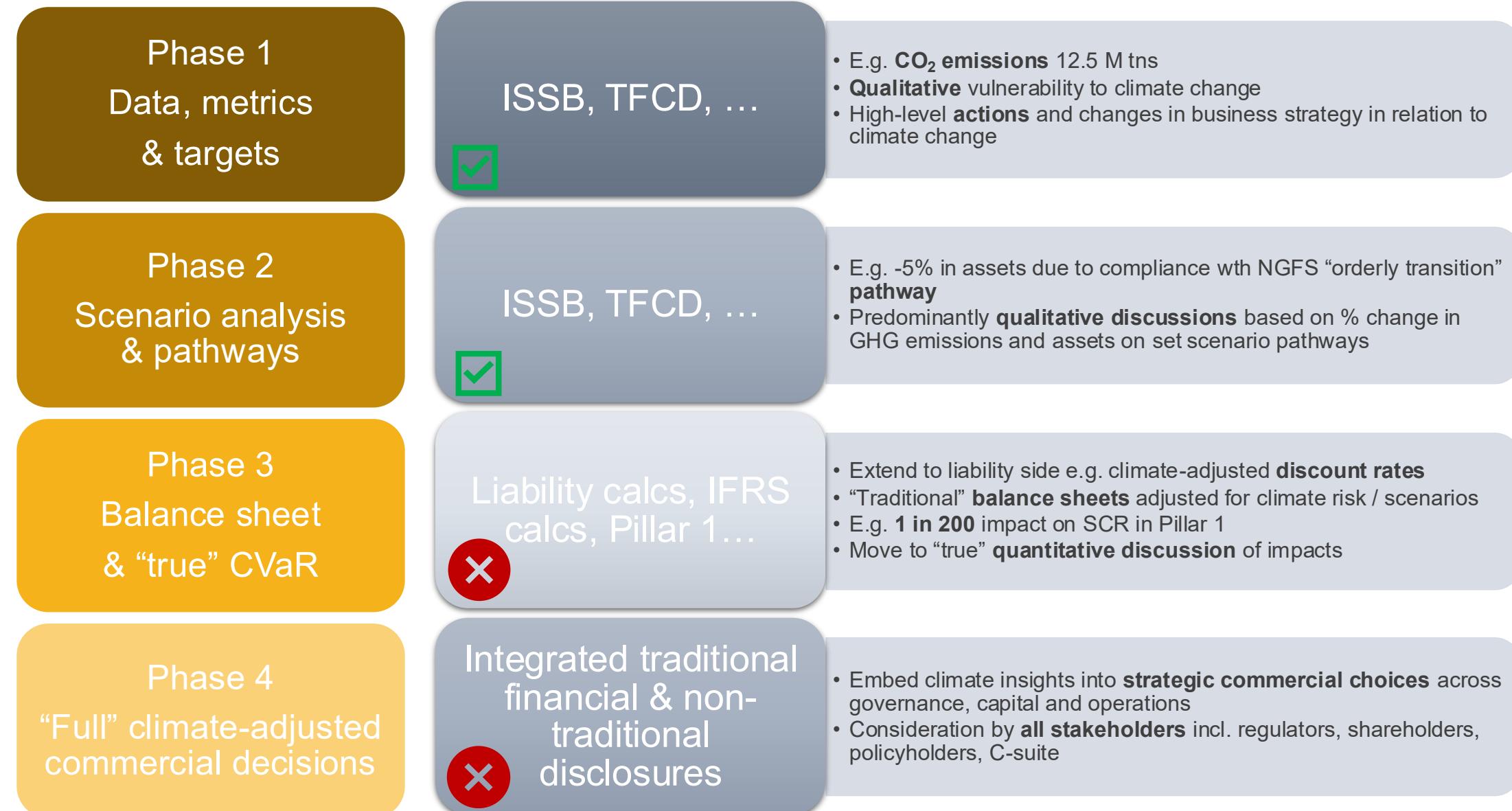
The missing disclosure...

Current example scenario pathways



The missing disclosure...

What's missing for actuaries and businesses...?



RCP SSP
NGFS IEA CBES

Adapted from: Bloomberg

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Impact on insurers and actuaries

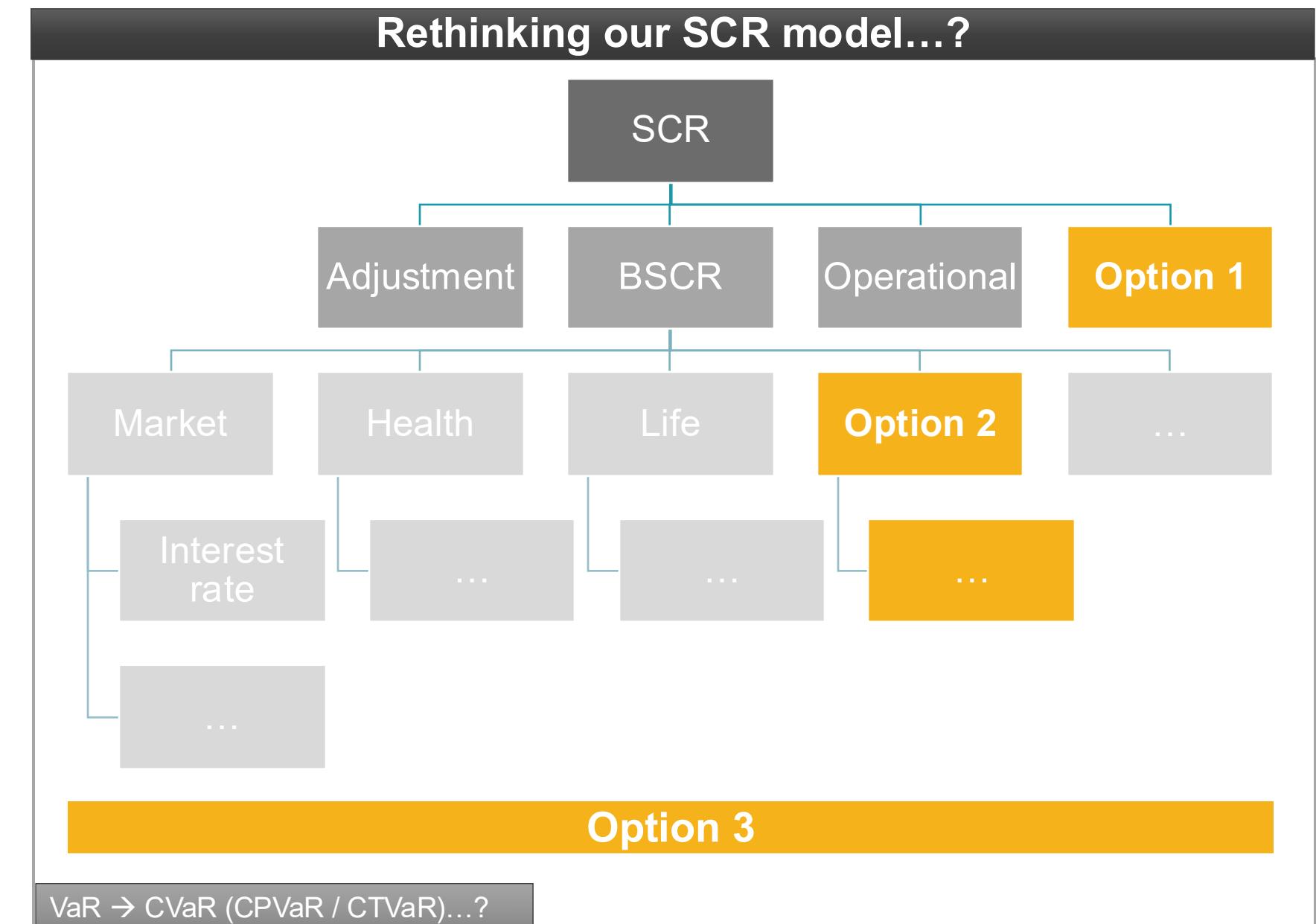
Adjustments to SCR and Pillar 1 calcs...?

IFRS Climate-related
and Other Uncertainties in the
Financial Statements
Proposed illustrative
examples
(exp. Oct 2025)

TAS 100
A1.2

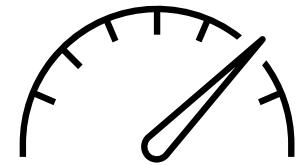
PRA
CP10/25

- How far into the future are the **projections**...?
- Is 1 in 200 statistical or **tipping point** ...?
- How do we parameterise “**human behaviour**”..?

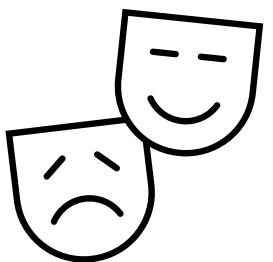


Final thoughts

Final thoughts



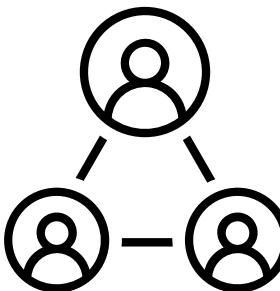
Rapidly
evolving space –
though more work
required!



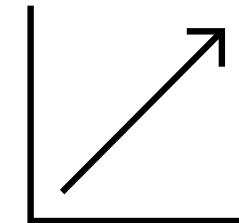
Disclosure
vs Meaningful
action



Accountability?
regulators, auditors,
rating agencies



Stakeholder
considerations



Wider ESG
disclosure
requirements



Alignment with
business strategy?
RFPs, Supply chain

Q&A

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