



Institute  
and Faculty  
of Actuaries

# IFoA Life Conference



# Overview of climate change disclosures

6 November 2025

Debashish Dey FIA C. Act.



Institute  
and Faculty  
of Actuaries

# Speaker introductions



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

# 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



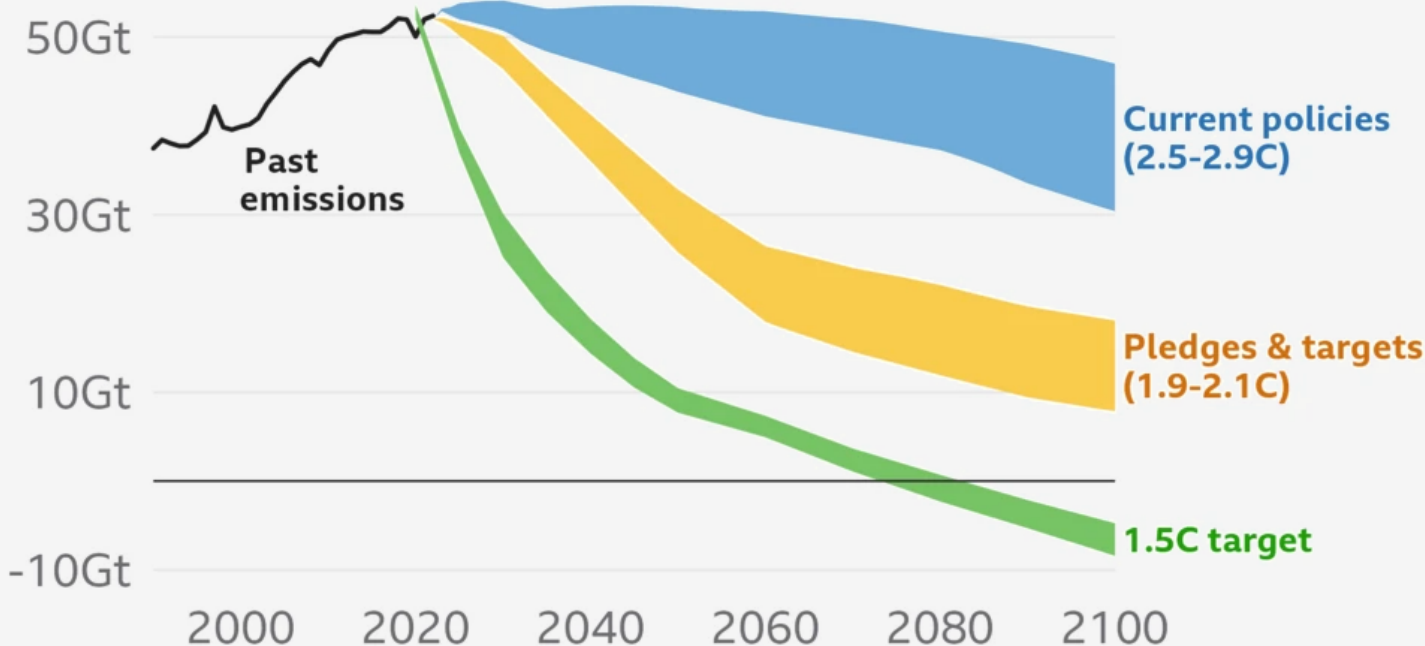


# Recap on climate change

## 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 **B B C**

### 12% reduction in GDP

for every 1C increase (WEF)

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

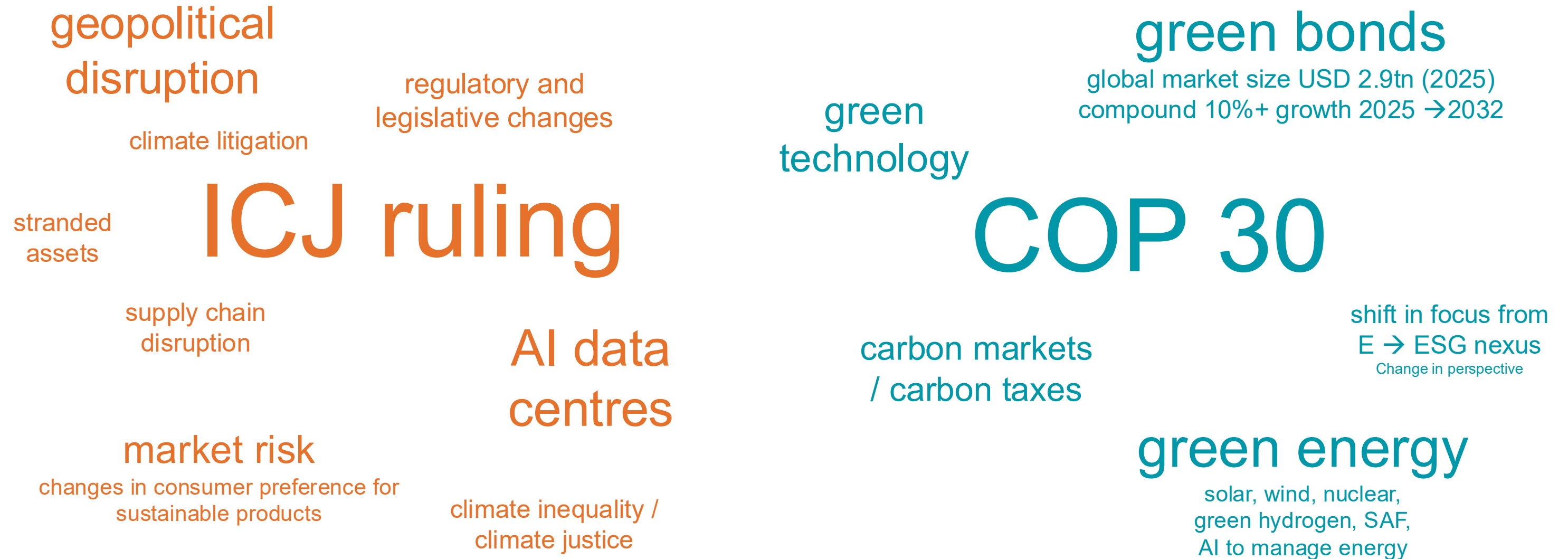
*Insurers will no longer be able to offer  
coverage for many of these risks...  
Entire regions are becoming  
uninsurable (Allianz)*

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)

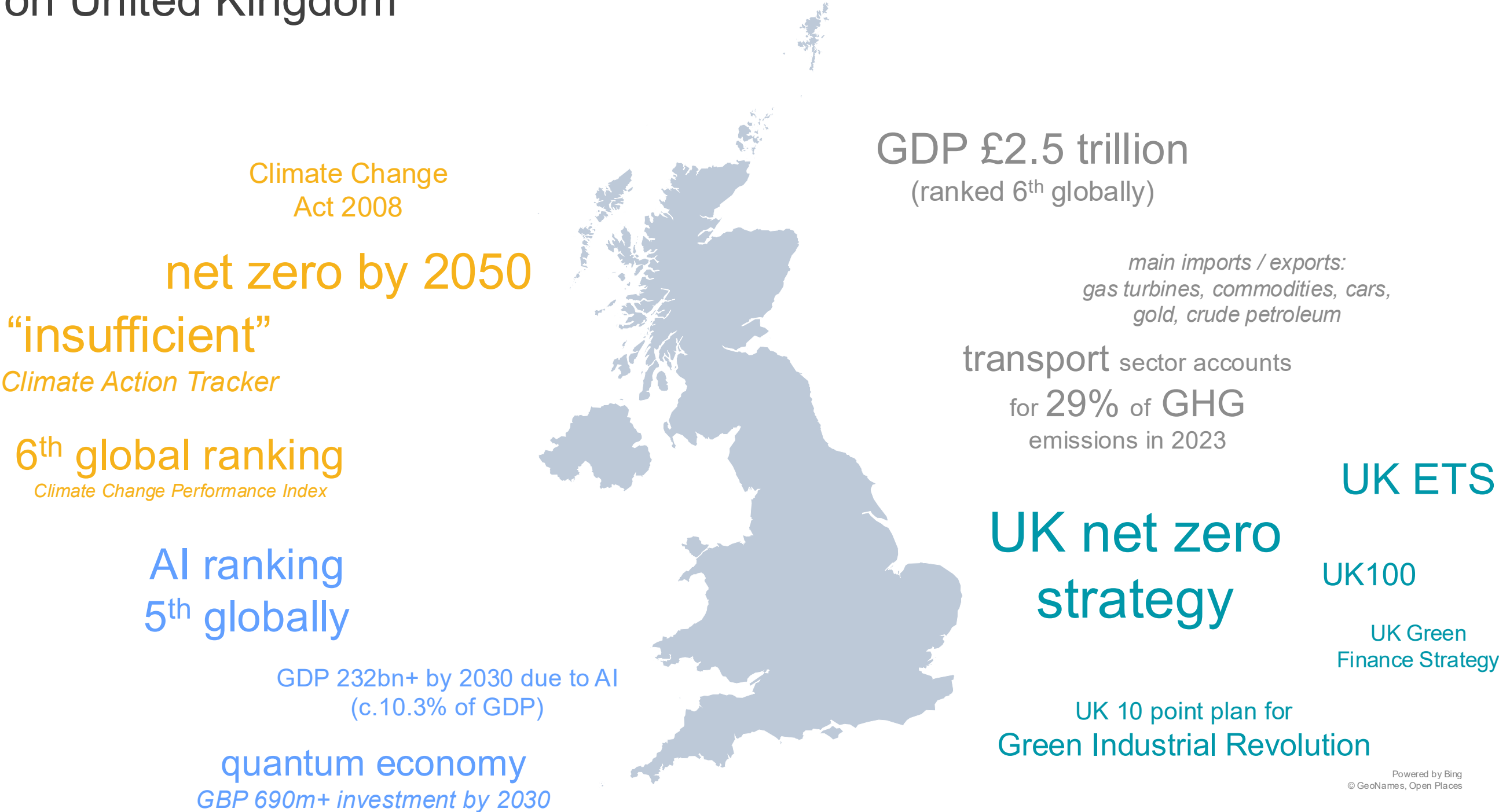
# Recap on climate change

Recap on current themes – risks and opportunities



# Recap on climate change

Focus on United Kingdom



# Overview on disclosures





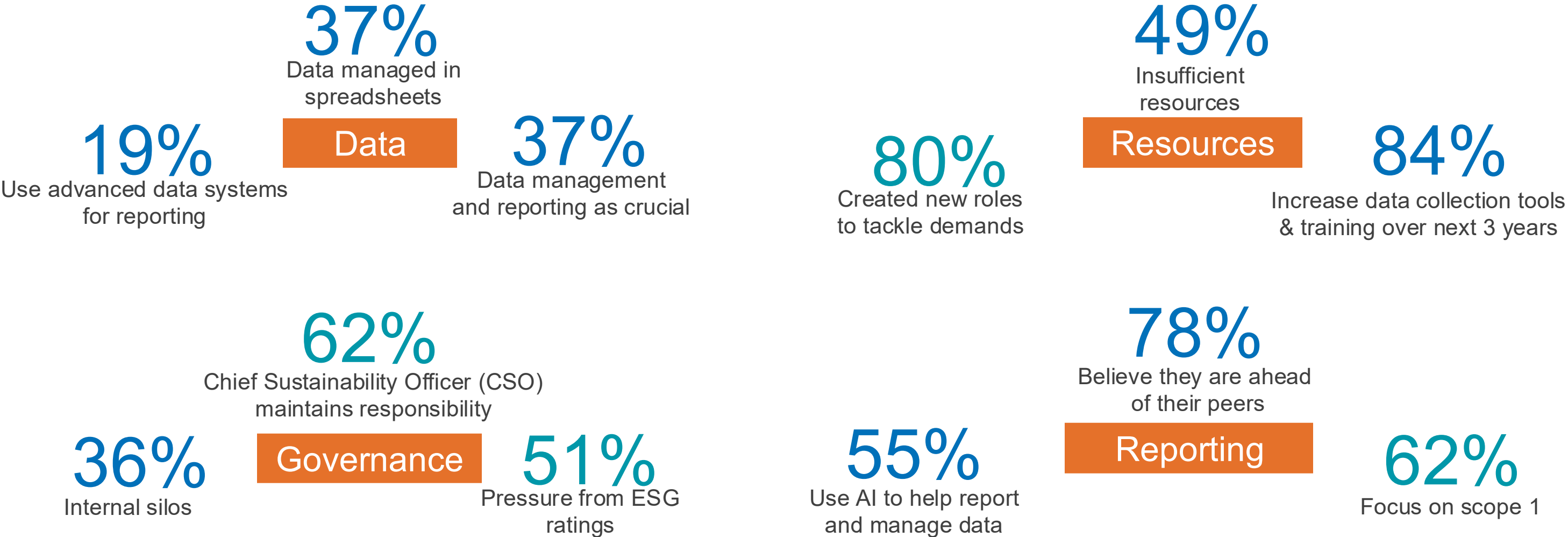
# Overview on disclosures

## 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

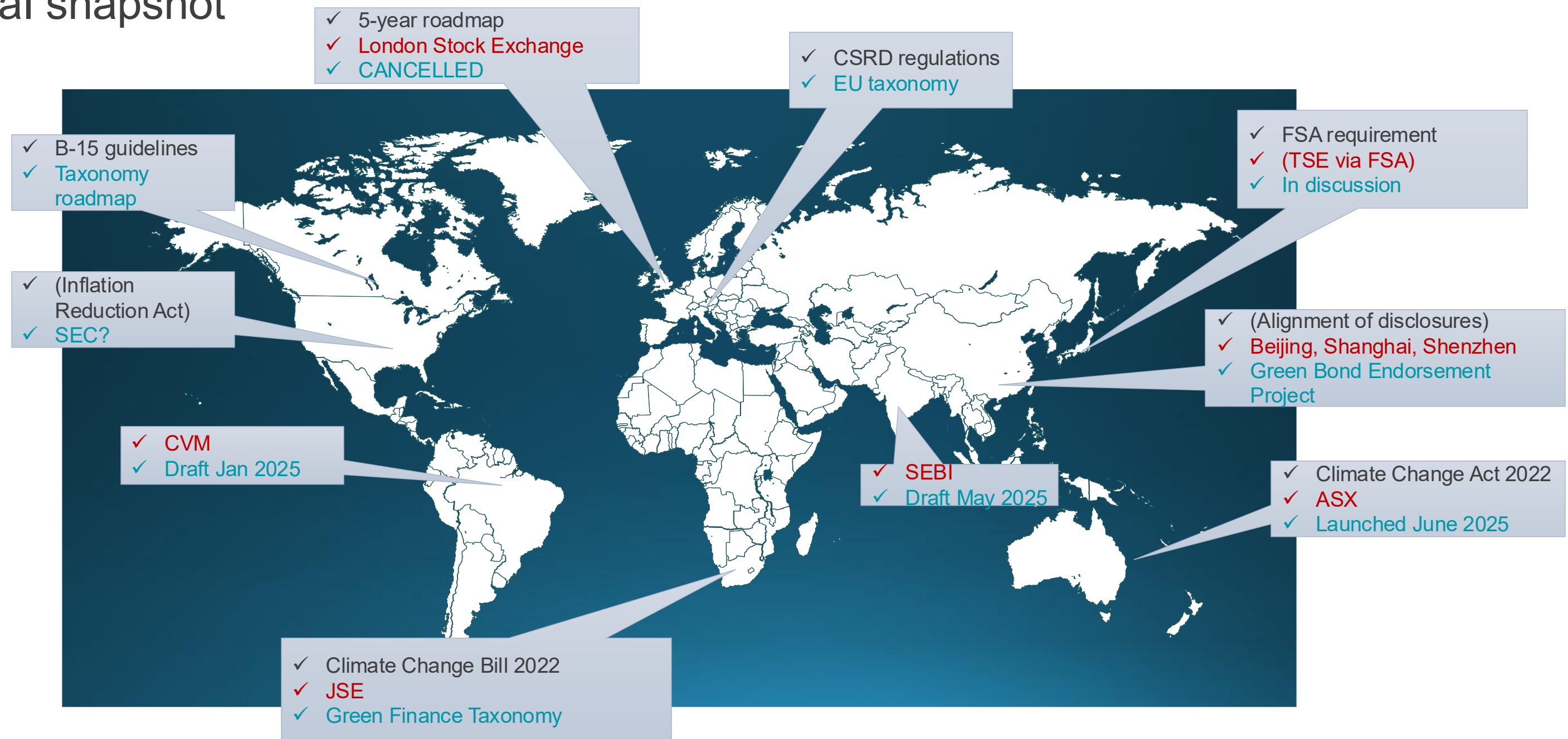
## Disclosure landscape





# Overview on disclosures

## Global snapshot



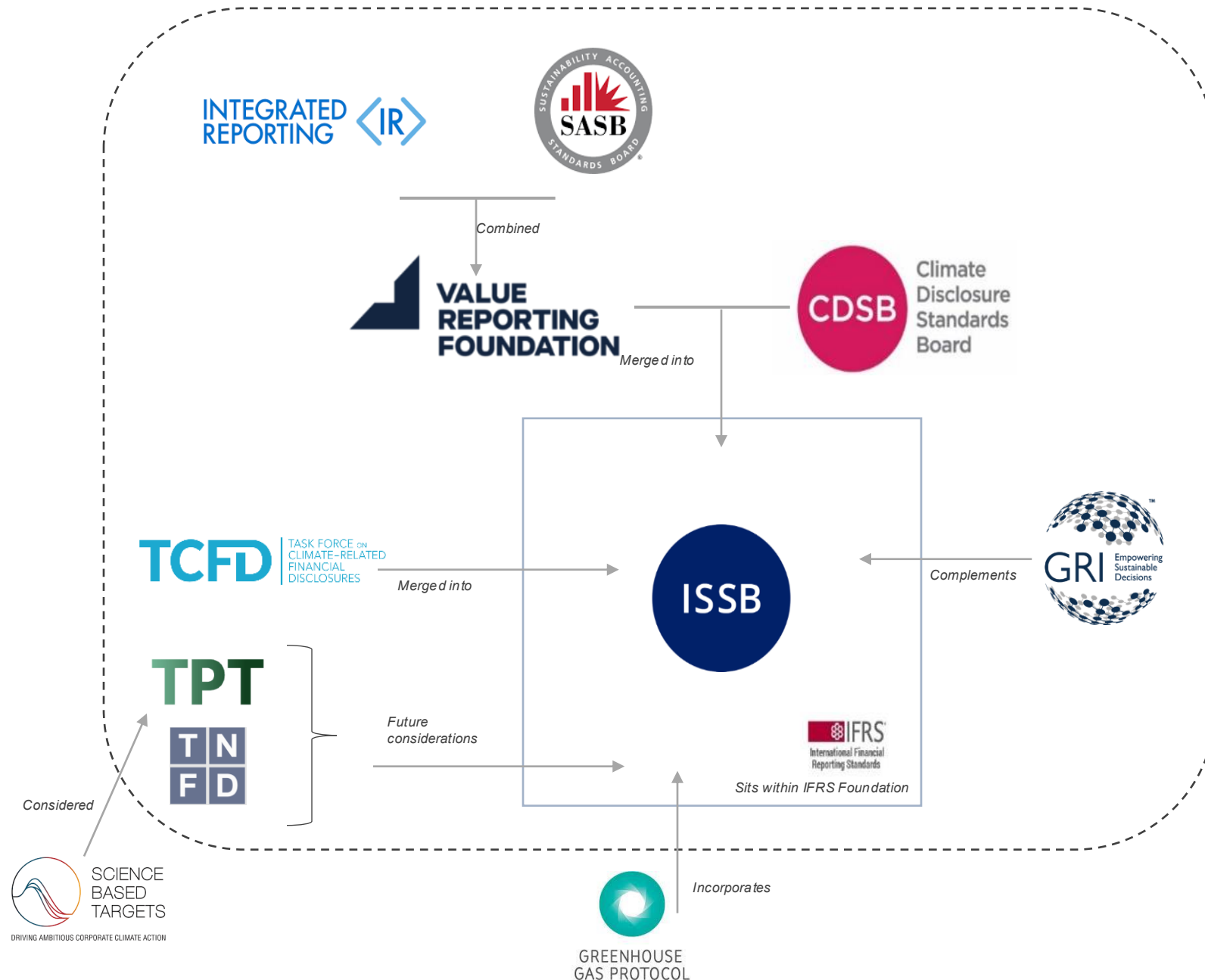
**Key**  
✓ Local legislation  
✓ Local stock exchange  
✓ Green taxonomy

# 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

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

Wider  
considerations?

- EU
- USA

# 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:

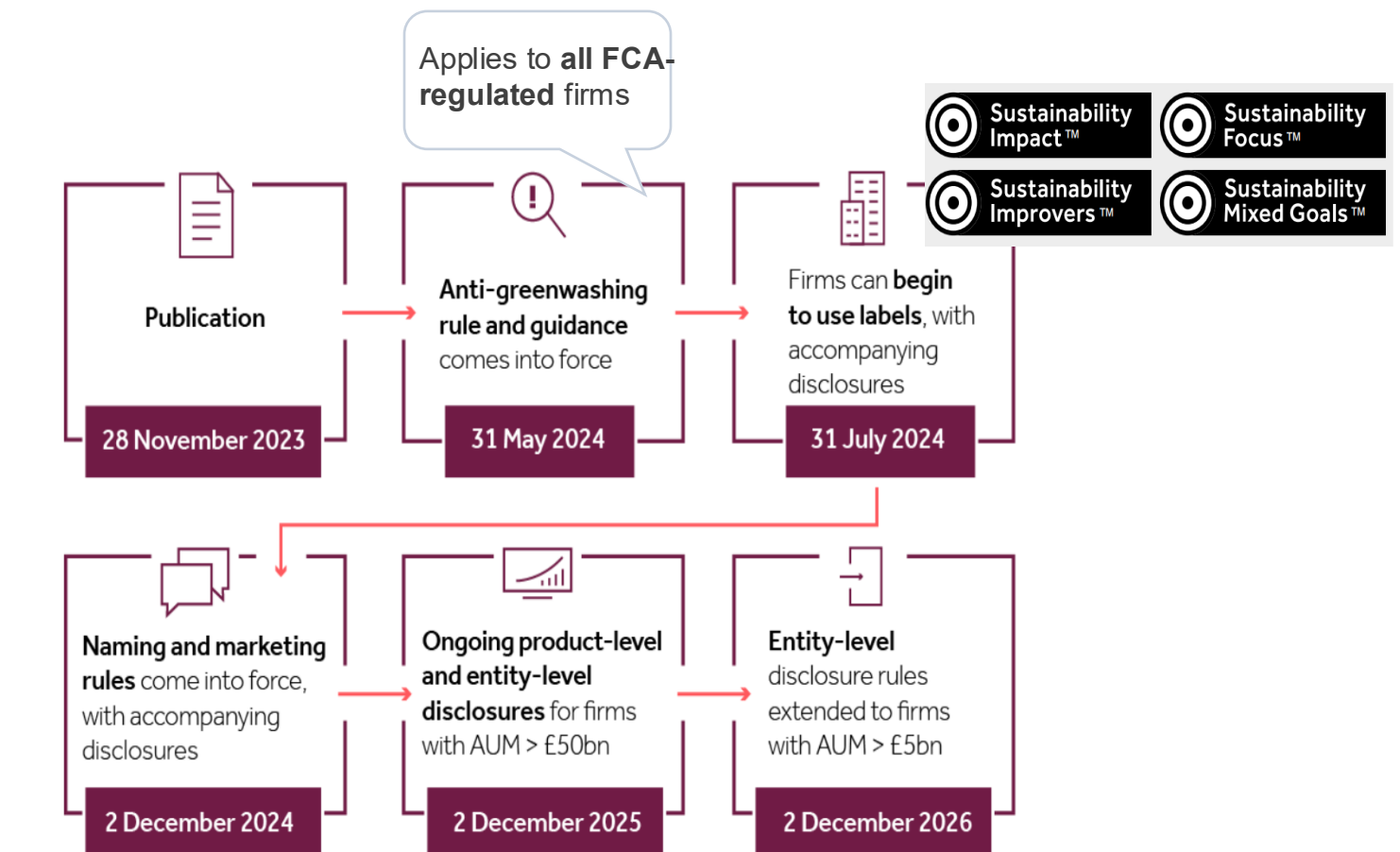
- Relevant **knowledge**
- **Materiality / Proportionality**
- **Data**
- Business **model & value chain**
- **Strategy** & decision-making
- **Financial position**, performance & cashflows
- **Qualitative vs Quantitative**
- Climate **resilience** and **risk management**



# Specific disclosure frameworks and regions

## UK

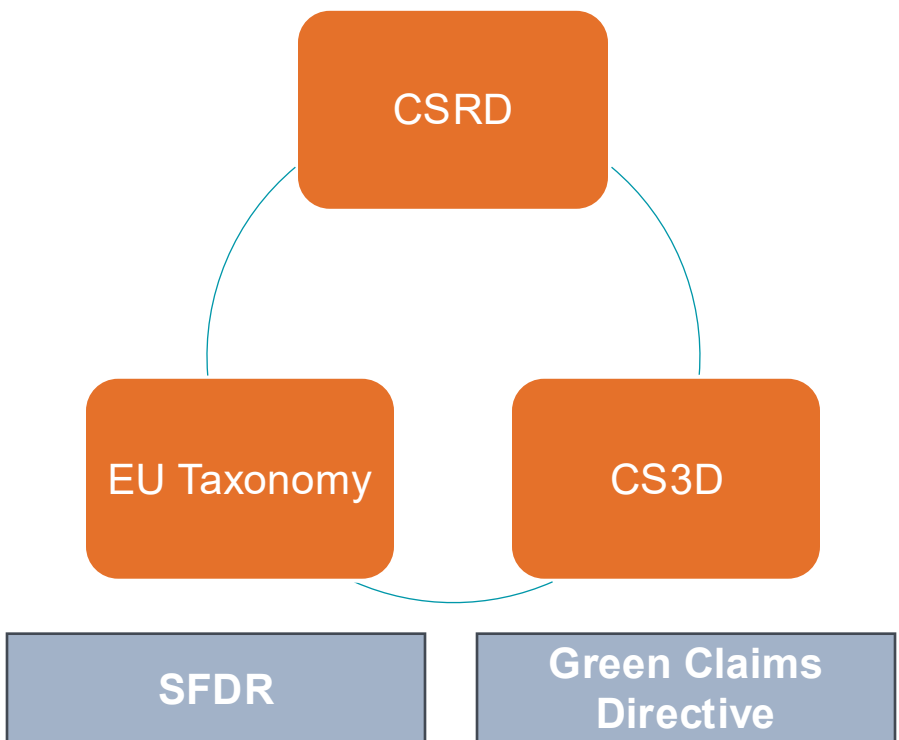
- The FCA's *Sustainability Disclosure Requirements (SDR)* aim to improve the trust and transparency of sustainable investment products and reduce greenwashing.
- Progress towards **UK Sustainability Reporting Standards** (UK SRS) based on ISSB.
- Draft legislation to regulated **ESG rating agencies**. 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**



Cross-cutting standards	Environment	Social	Governance
ESRS 1 General requirements	ESRS E1 Climate change	ESRS S1 Own workforce	ESRS G1 Business conduct
ESRS 2 General disclosures	ESRS E2 Pollution	ESRS S2 Workers in the value chain	
	ESRS E3 Water and marine resources	ESRS S3 Affected communities	
	ESRS E4 Biodiversity and ecosystems	ESRS S4 Consumers and end-users	
	ESRS E5 Resource use and circular economy		

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

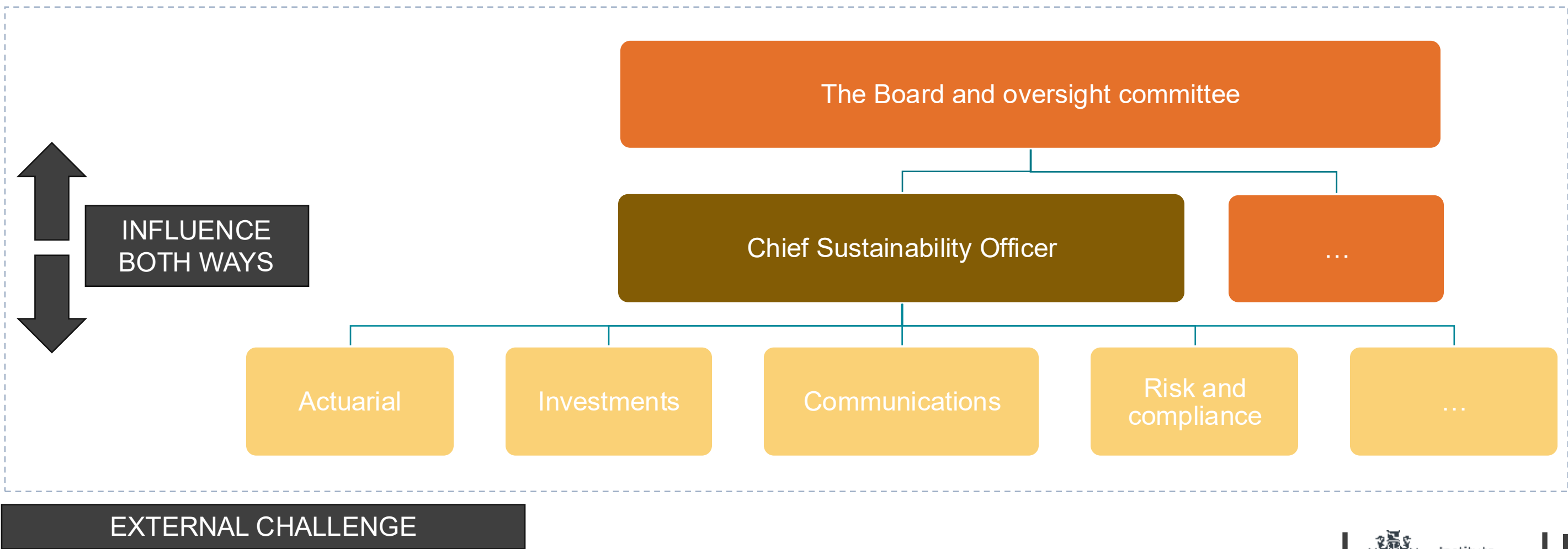
## Changes to governance?

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:

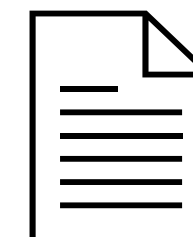
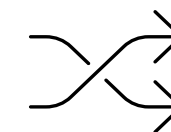
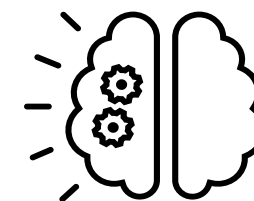


# Solutions

Technology to tackle reporting and data



DISCLOSURE PLATFORMS & DATA COLLECTION



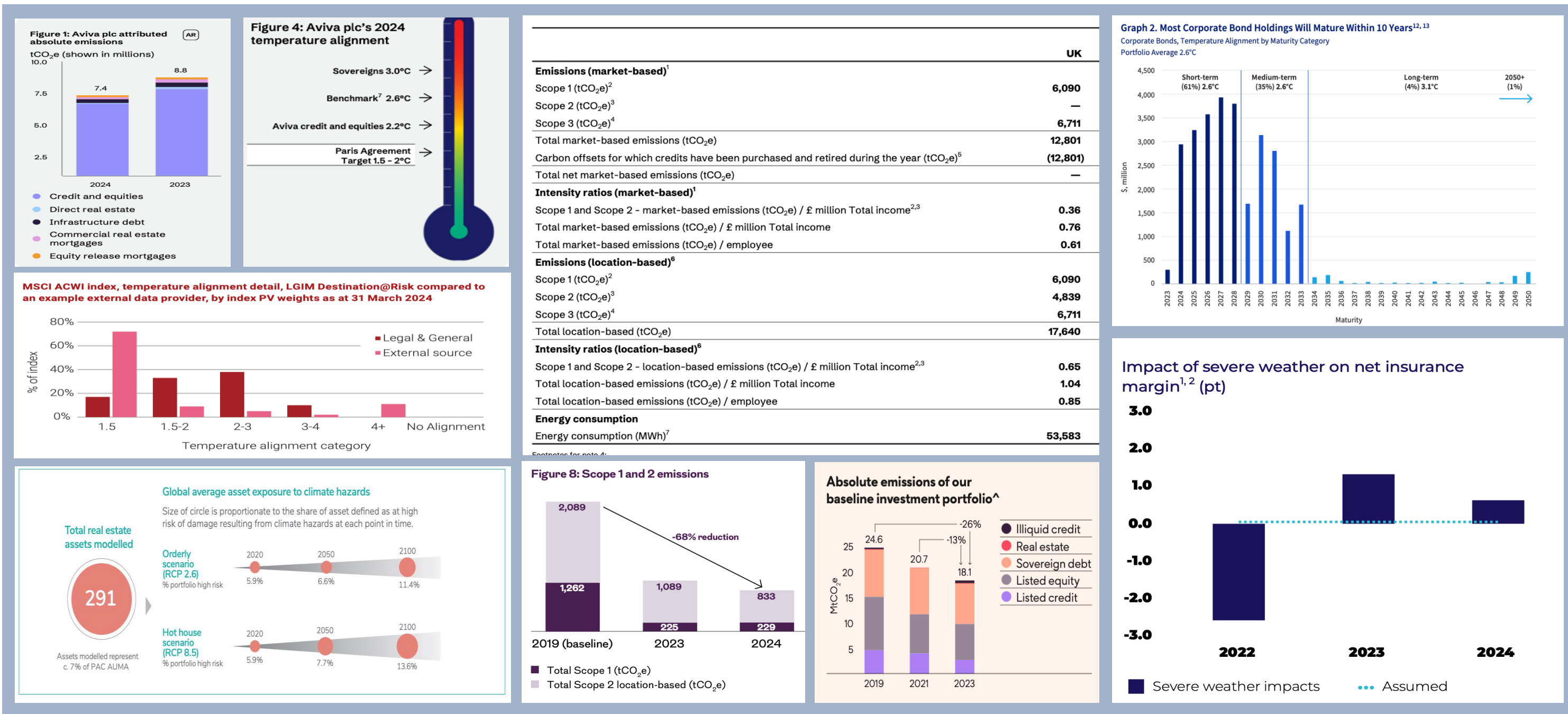
DATA SCIENCE TECHNIQUES

# The missing disclosure...



# The missing disclosure...

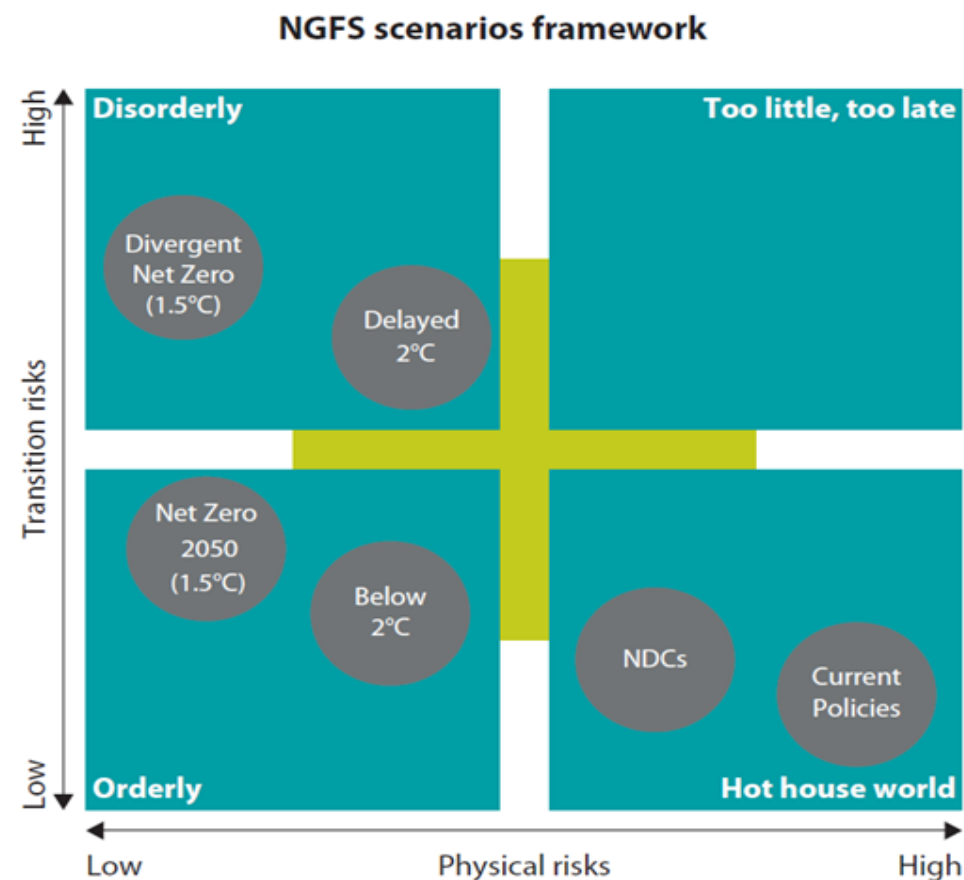
## Example metrics in current corporate climate-related disclosures





# The missing disclosure...

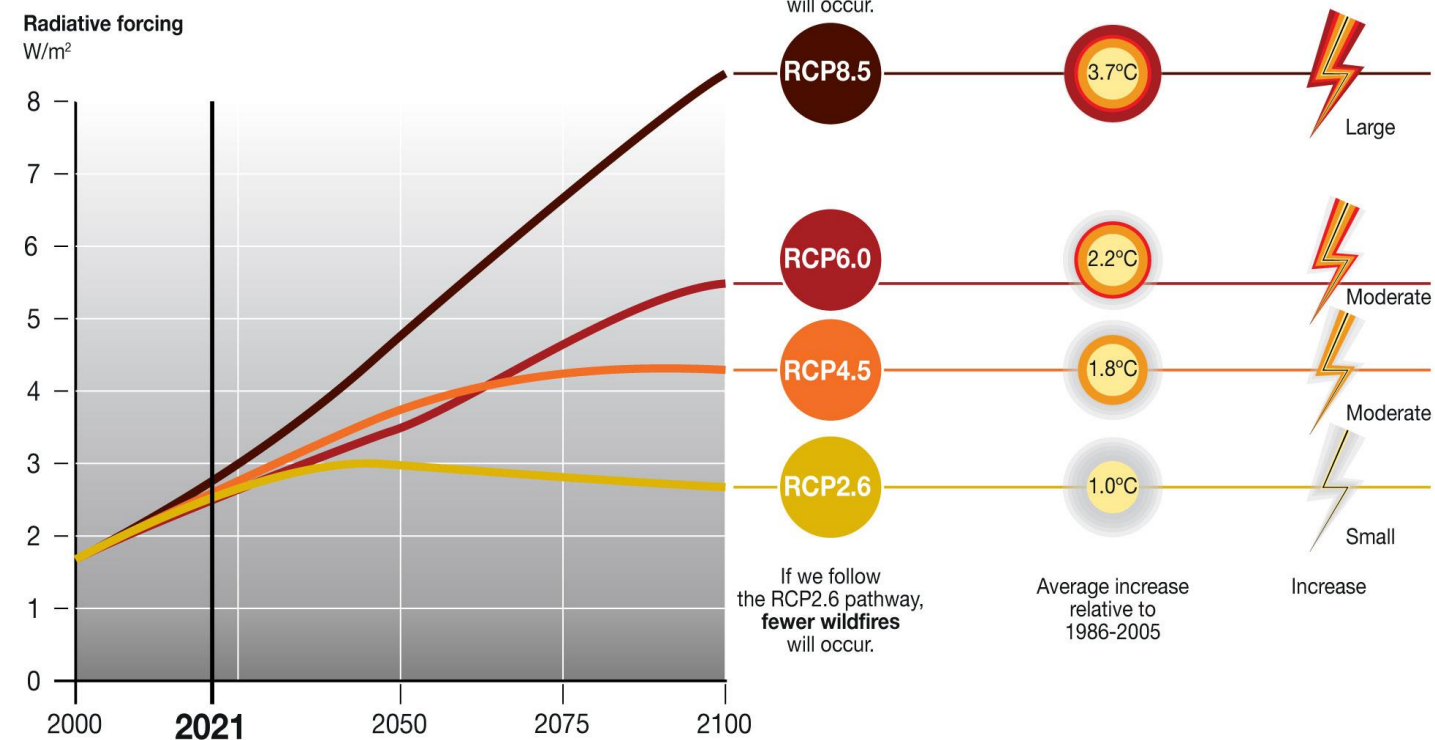
## Current example scenario pathways



Positioning of scenarios is approximate, based on an assessment of physical and transition risks out to 2100.

### Representative Concentration Pathway (RCP)

Scientists use the RCPs to model climate change and build scenarios about the impacts



**MOODY'S**





**MSCI**

**S&P Global**



# The missing disclosure...

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

Phase 1 Data, metrics & targets	ISSB, TFCD, ... 	<ul style="list-style-type: none"> <li>• E.g. <b>CO<sub>2</sub> emissions</b> 12.5 M tns</li> <li>• <b>Qualitative</b> vulnerability to climate change</li> <li>• High-level <b>actions</b> and changes in business strategy in relation to climate change</li> </ul>
Phase 2 Scenario analysis & pathways	ISSB, TFCD, ... 	<ul style="list-style-type: none"> <li>• E.g. -5% in assets due to compliance with NGFS “orderly transition” <b>pathway</b></li> <li>• Predominantly <b>qualitative discussions</b> based on % change in GHG emissions and assets on set scenario pathways</li> </ul>
Phase 3 Balance sheet & “true” CVaR	Liability calcs, IFRS calcs, Pillar 1... 	<ul style="list-style-type: none"> <li>• Extend to liability side e.g. climate-adjusted <b>discount rates</b></li> <li>• “Traditional” <b>balance sheets</b> adjusted for climate risk / scenarios</li> <li>• E.g. <b>1 in 200</b> impact on SCR in Pillar 1</li> <li>• Move to “true” <b>quantitative discussion</b> of impacts</li> </ul>
Phase 4 “Full” climate-adjusted commercial decisions	Integrated traditional financial & non- traditional disclosures 	<ul style="list-style-type: none"> <li>• Embed climate insights into <b>strategic commercial choices</b> across governance, capital and operations</li> <li>• Consideration by <b>all stakeholders</b> incl. regulators, shareholders, policyholders, C-suite</li> </ul>

RCP SSP  
NGFS IEA CBES

# Impact on insurers and actuaries

Adjustments to SCR and Pillar 1 calcs...?

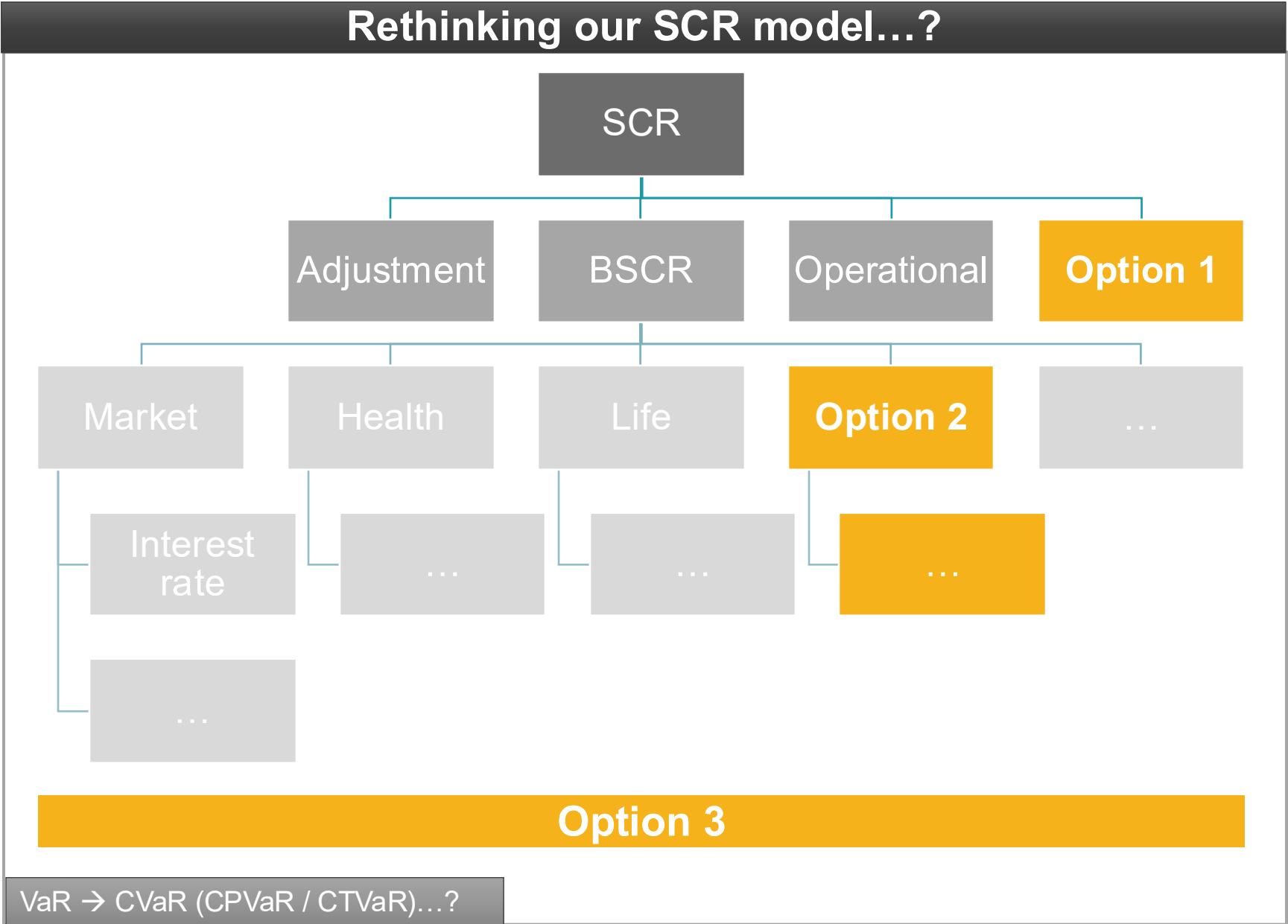
*IFRS* Climate-related  
and Other Uncertainties in the  
Financial Statements  
Proposed illustrative  
examples  
(exp. Oct 2025)

IAS 37

TAS 100  
A1.2

PRA  
CP10/25

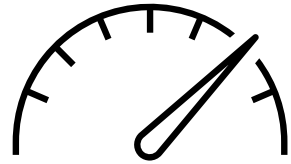
- How far into the future are the **projections**...?
- Is 1 in 200 statistical or *tipping point* ...?
- How do we parameterise “**human behaviour**”..?



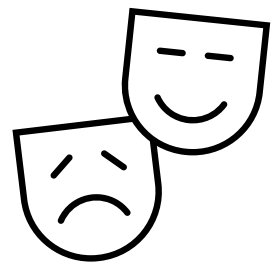
# Final thoughts



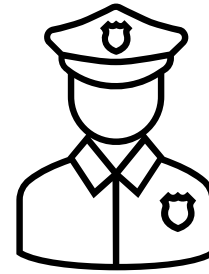
# Final thoughts



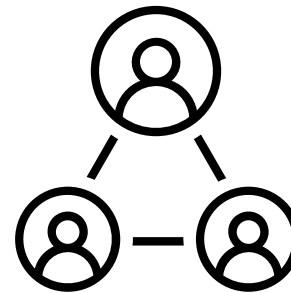
Rapidly  
evolving space –  
though more work  
required!



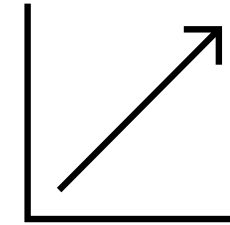
Disclosure  
vs Meaningful  
action



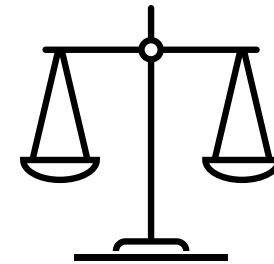
Accountability?  
regulators, auditors,  
rating agencies



Stakeholder  
considerations



Wider ESG  
disclosure  
requirements



Alignment with  
business strategy?  
RFPs, Supply chain



# Q&A

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