



Institute
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of Actuaries

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Supporting Sustainability at the IFoA

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Chair Elect IFoA Sustainability Board



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- Overview of current activity

2021/22 Goals & Objectives

Goal

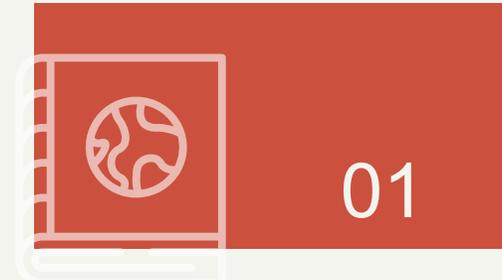
- Create **meaningful engagement** by all actuaries, their clients and wider stakeholders in understanding, and addressing, the **uncertainties for economic and financial systems** arising from sustainability issues.
- Be a **centre of expertise and leadership** for the IFoA in sustainability issues

Objectives

- **Equip** current and future actuaries with the knowledge, skills and tools to embed climate and sustainability risks into all actuarial practice;
- **Articulate the systemic risks**; engaging with stakeholders, policy makers and regulators to influence them to take the urgently needed financial market and real economy actions;
- **Support actuaries working in specialist sustainability fields** in their practice and, in turn, seek to encourage such actuaries to contribute to the ongoing development and understanding of R&E issues within the IFoA;
- **Engage with the IFoA Council, Executive and Management Board** to ensure that issues identified by the Board are appropriately recognised and actions are sufficiently prioritised and that the broader strategy of the IFoA is encapsulated within the work of the Board.



Setting the Destination



01

Climate Change Statement¹

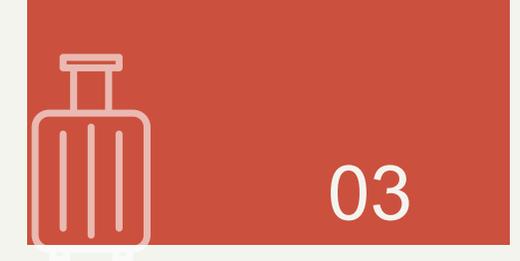
- Supports the aim of the Paris Agreement
- There must be a transition to a global economy that has no net greenhouse gas emissions ('net zero') by 2050.



02

Green Finance Education Charter

- Tool for focusing collaboration between government and industry.
- IFoA commits to integrate green finance and sustainability into the core curricula, new qualifications and their members' continued professional development.



03

IFoA Sustainability Board

- Meaningful engagement by all IFoA actuaries and wider stakeholders arising from climate change and other sustainability issues.
- Centre of expertise and leadership for the IFoA in climate change and other sustainability issues
- Identify, educate and raise awareness

1. <https://actuaries.org.uk/about-us/climate-change-statement>



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IFoA Climate Related Risk Taskforce

Planning the next part of the trip

Collaboration between IFoA Council and Sustainability Board with report endorsed by council in September 2020¹

Objective: “to consider the broad implications of climate risk and opportunity for the IFoA and develop an organisation-wide action plan.”

38 Recommendations

Five key enablers



Knowledge and
skillsets



Regulation



Research and
thought leadership



Membership
Engagement



Internal
operations

1. <https://www.actuaries.org.uk/system/files/field/document/CRRT.pdf>



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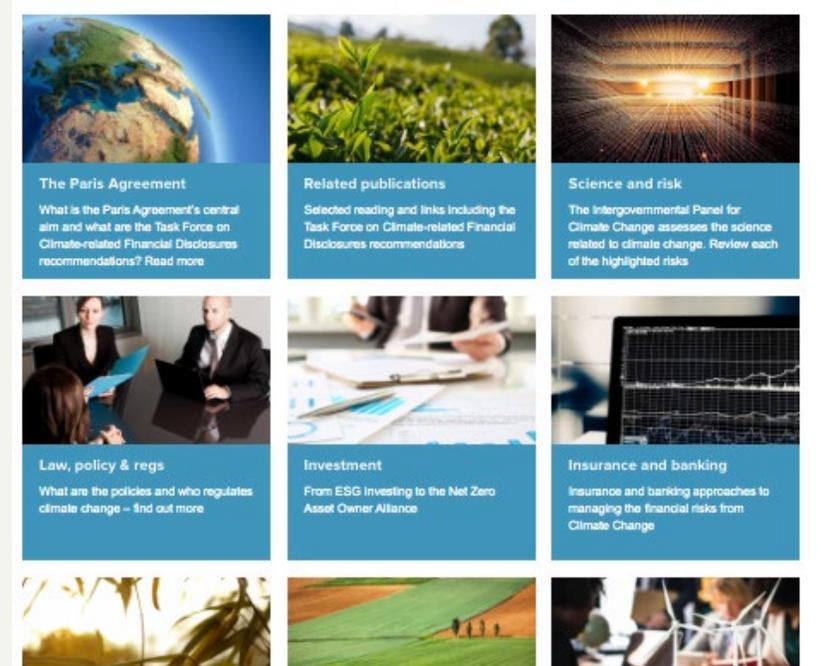
Resources for members

Climate Change Curated Library



Knowledge and
skillsets

- Climate Change Curated Library¹
- Climate Change for Actuaries: An Introduction²
- Practical Guides³ (GI, Life, Pensions...)
- Updated Associate & Fellowship syllabuses
- Sustainability Certificate
- Joint IFoA/IEMA user guide to climate related financial disclosures⁴



1. Curated Climate Guide <https://www.actuaries.org.uk/learn-and-develop/lifelong-learning/sustainability-and-lifelong-learning/climate-change-curated-library>
2. <https://www.actuaries.org.uk/system/files/field/document/Climate-change-report-29072020.pdf>
3. Practical Guides: <https://www.actuaries.org.uk/practice-areas/sustainability/sustainability-practice-area-practical-guides>
4. https://www.actuaries.org.uk/system/files/field/document/J27006_IEMA_TCFD_Guide_V4.pdf



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Research & Thought-Leadership



Research and
thought leadership

- Research program including Climate scenario analysis, carbon offsets¹
- Public Interest & Thought-Leadership events (e.g. Wicked Problems, Finance in the Public Interest)²
- FinSTIC & Economics MIG³
- Biodiversity Sessional x5 papers⁴ (published in British Actuarial Journal)
- SDG's Podcasts⁵
- The Actuary Articles⁶
- [Current research programme](#)

1. [Climate scenario analysis - An illustration of potential long-term economic & financial market impacts](#), [Climate Scenario Analysis for Pension Schemes](#)

2. <https://www.actuaries.org.uk/learn-and-develop/events-calendar/thought-leadership-speaker-series>

3. <https://finstic.org.uk/>

4. <https://blog.actuaries.org.uk/blog/biodiversity-sessional-planting-seeds>, [British Actuarial Journal: Volume 27 - | Cambridge Core](#)

5. <https://www.actuaries.org.uk/practice-areas/sustainability/sustainable-development-goals-sdg-podcasts>

6. [Act natural: how the economy and biodiversity loss can impact actuarial work | The Actuary](#), [Hand in glove: aligning SDGs and the Paris Agreement | The Actuary](#), <https://www.theactuary.com/2022/05/03/easy-being-green-are-investors-persuaded-green-bonds>, <https://www.theactuary.com/features/2021/03/03/when-nature-comes-knocking>, <https://www.theactuary.com/2021/11/04/aligning-code-climate-impacts-actuary-activities>, <https://www.theactuary.com/2021/04/30/playing-our-part-actuaries-sustainable-journey>



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Climate scenario analysis

An illustration of potential long-term
economic & financial market impacts

By Luca Bongiorno, Andrew Claringbold, Lisa Eichler
Claire Jones, Bert Kramer, Louise Pryor and Nick
Spencer

A collaborative project between an IFoA Resource
and Environment Working Party and Ortec Finance

Presented at the online Sessional Meeting of the
Institute & Faculty of Actuaries on

1 June 2020



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Member Engagement



**Membership
Engagement**

- IFoA Practice Board engagement plans
- Events¹
 - Sessional meetings, regional, climate hotspot webinar, public interest
- Weekly Newsletter²
 - LinkedIn Group
- Sustainability Volunteer Group³
 - Film Club, Book Club
- The Actuary articles, IFoA blog, podcasts⁴ etc

1. <https://www.actuaries.org.uk/learn-and-develop/conference-paper-archive/2020>

2. Sign up to the [Newsletter](#) and the [LinkedIn group](#)

3. [Sustainability Volunteer Group](#)

4. Eg <https://www.theactuary.com/2021/03/03/march-2021-digital-issue>, <https://blog.actuaries.org.uk/blog/bringing-sustainability-forefront-covid-19-recovery>, <https://www.actuaries.org.uk/practice-areas/sustainability/sustainable-development-goals-sdg-podcasts>

Invitation: *Our Planet: Too Big To Fail*



"The biggest risk is inaction, inaction today."

Mark Carney, UN Special Envoy for Climate Action and Finance as featured in the film

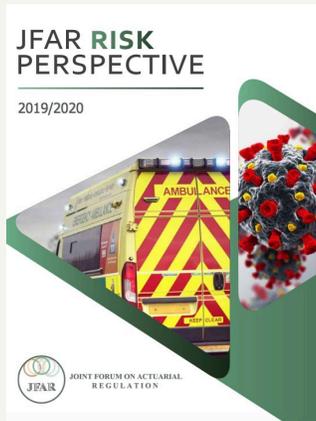
You're invited! *Our Planet: Too Big To Fail*

The IFoA's Sustainability Board are proud to host a one-hour panel discussion of the new film inspired by the Our Planet Netflix series. *Our Planet: Too Big To Fail* explores the risks of inaction, the impact of investing-as-usual, and the role the finance sector can play in powering a sustainable future.



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Regulation



- Support Joint Forum for Actuarial Regulation (Climate Risk #1 hotspot)¹
- Informal meetings with PRA and other regulators
- Support IFoA regulation board: review Actuarial Code, APS, TAS

Risk Alerts²



May 2017: Actuaries should ensure that they understand, and are clear in communicating, the extent to which they have taken account of climate-related risks in any relevant decisions, calculations or advice.

April 2022: There is a risk that actuaries may not appropriately consider, or communicate clearly, the impact of climate change and sustainability related issues in their actuarial work

1. JFAR Risk Perspective <https://www.frc.org.uk/getattachment/2bddf6ca-7d5d-4f79-9560-ff023142fc76/JFA-Risk-Perpective-Web-2-1.pdf>
2. <https://actuaries.org.uk/standards/risk-alerts/>

Member Consultation: *Proposals for changes to the Regulatory Framework on Climate Change and Sustainability*

Option A

Competence and Care Principle

2.1 Members must ensure they have an appropriate level of relevant knowledge and skill to carry out a piece of work. **This includes relevant knowledge and skill on climate change and sustainability**

Communication Principle

6.3 Members must take reasonable steps to ensure that any communication for which they are responsible or in which they have significant involvement is accurate, not misleading and contains an appropriate level of information. **This includes relevant communications on climate change and sustainability.**

Option C

- Additional non-mandatory guidance to support members in the application of the code to matter of sustainability
- (+/- A & B)

Option B

Competence and Care Principle

2.1 Members must ensure they have an appropriate level of relevant knowledge and skill to carry out a piece of work. **This includes relevant knowledge and skill on climate change, sustainability and new and emerging areas.**

Communication Principle

6.3 Members must take reasonable steps to ensure that any communication for which they are responsible or in which they have significant involvement is accurate, not misleading and contains an appropriate level of information. **This includes relevant communications on climate change, sustainability and new and emerging areas.**

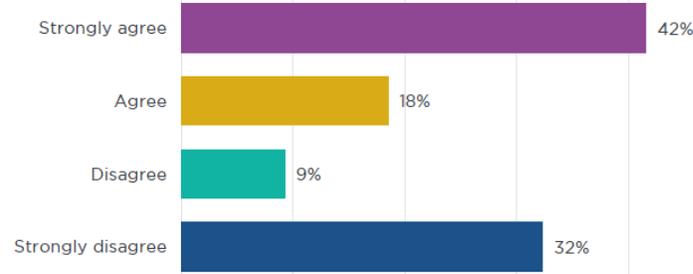
Option D

- New Actuarial Professional Standards on climate change and sustainability.
- Mandatory & Cross practice. Could sit alongside the current TASS

Member Consultation: *Response*

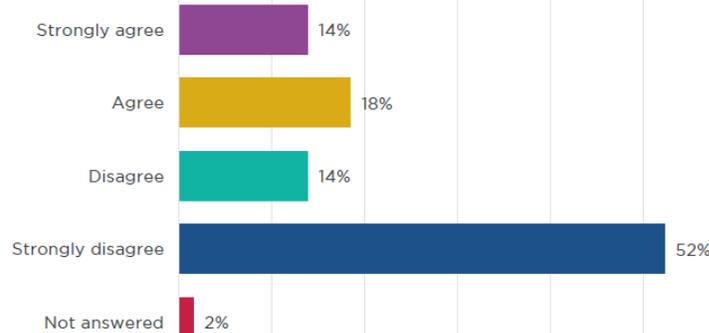
Question 1

To what extent do you agree that the IFoA should explicitly reference climate change and sustainability in its regulatory and professional requirements⁴?



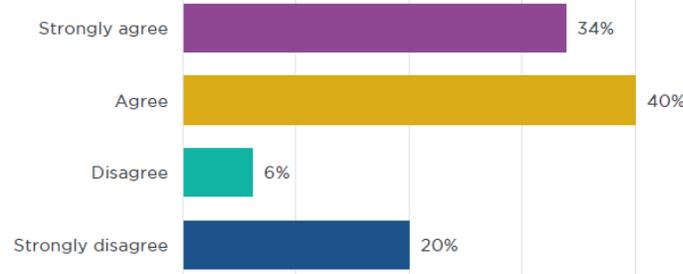
Question 2

To what extent do you agree with option A that amplification 2.1 (competence and care principle) of the Actuaries' Code should be amended to include 'climate change and sustainability', as outlined in the consultation document?



Question 6

To what extent do you agree with Option C and the IFoA issuing specific non-mandatory guidance on climate change and sustainability issues that highlights the resources available and illustrates ways to fulfil the requirements of the Code?



- Support for referencing climate change and sustainability in regulatory and professional requirements
- Not a great deal of support for mandatory requirements
- Support for further work to assist actuaries in understanding expectations placed upon them in relation to their professional responsibilities & for more opportunities for learning and development

Next Steps

1. Reinforce the importance of climate change and sustainability issues:
 - Up-to-date Risk Alert
 - Develop guidance to support the Actuaries' Code requirements.
2. Continue work to incorporate climate change and sustainability content across IFoA's career-long-learning provision.
3. Engage with the Financial Reporting Council (FRC) (who set TAS's)
4. Develop further professionalism and case-study materials on climate change and sustainability issues on an annual basis.
5. Revisiting further potential mandatory regulation in after 12-18 months



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THANK YOU



From : Lucy Saye

Chair Elect IFoA Sustainability Board

www.actuaries.org.uk/practice-areas/sustainability

If you are keen to get in touch and/or be involved in IFoA's Sustainability research, please contact Caryn Chua at caryn.chua@actuaries.org.uk.