

2021

Social impact report





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1.

Committed to change



2021 continued to challenge us. But adversity also fueled opportunities for transformative change. This report highlights our firm's ongoing progress in our third year as a signatory of the United Nations Global Compact.

With this report, I affirm Milliman's ongoing support of the **10 Principles of the UN Global Compact** on human rights, labor, environment, and anti-corruption. Milliman has also committed to advance the UN's Sustainable Development Goals, which aim to unite global stakeholders to end extreme poverty, fight inequality and injustice, and protect our planet by 2030.

At Milliman, our primary focus is on the following goals because of their alignment with our mission to protect the health and financial well-being of people everywhere: #3 Good Health and Well-Being, #4 Quality Education, and #8 Decent Work and Economic Growth.

Three pillars guide our social impact efforts:

Our Work

Our mission drives our work. We're conducting research about racial inequities and holding global conferences about climate change. And we're collaborating to solve societal challenges, including addressing gaps in retirement savings and long-term care. Our microinsurance programs are helping people all over the world manage risks.

Our People

We've built a collection of recruitment resources and a career pipeline to attract and retain a more diverse workforce. In 2021, we added additional employee resource groups to build a more inclusive culture. Our mentorship program began a diversity, equity, and inclusion pilot program that includes coaching on how to have productive conversations about belonging and equity.

Our World

We're addressing climate change globally through research and actionable steps to mitigate the effects and increase climate resilience. We're advancing diversity in our professions through scholarships, sponsorships, and mentoring for interns and actuarial students. Our employee-funded Milliman Giving Fund supports programs that include math tutoring, clean water and sanitation, and strengthening health systems to address cancer and chronic illnesses.

As we aspire to create a better world, we continue to draw on our culture of collaboration to ignite global solutions for a more sustainable future for all.

Best regards,



Dermot Corry
President and CEO

2.

Our mission

Our mission is to serve our clients to protect the health and financial well-being of people everywhere.



Every day, in countries across the globe, Milliman works with clients to improve healthcare systems, manage emerging risks, and advance financial security, so millions of people can live for today and plan for tomorrow with confidence.



3.

Building a better future



Health and financial well-being have no borders. That's why we're committed through our work and our partnerships to addressing global challenges in education, health, and economic development.

Our employees are driving innovation in microinsurance, solving retirement security challenges, and using the power of analytics to assess risks and trends of natural disasters.

We're also breaking barriers by creating opportunities for underrepresented people in our industry. And we're engaged in global education programs that offer training and hope for a more secure future.

4.

The 10 Principles of the UN Global Compact



As a signatory of the United Nations Global Compact, Milliman incorporates the UN's 10 Principles into its strategies, policies, and procedures—affirming a culture of integrity. Corporate sustainability starts with a company's value system and a principles-based approach to doing business and, at a minimum, meeting fundamental responsibilities in the areas of human rights, labor, environment, and anti-corruption.

Milliman has four ways to ensure all employees are aware of and compliant with our standards:

1. All policies, including those regarding human rights, labor practices, environmental standards, and anti-corruption are reviewed by each employee at the outset of their employment. These policies are continuously available on our intranet site, and the Chief Compliance Officer sends an email to all employees when policies are updated.
2. Education and training are made available through Milliman's e-learning platform, Milliman University.
3. A peer review process is in place to assess risks, compliance, business effectiveness, and ethics for each line of business within Milliman. The firm also has an internal audit process that reports to the Audit Committee.
4. The Chief Compliance Officer provides requisite reporting on an annual basis.

Human Rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2

Make sure that they are not complicit in human rights abuses.

Milliman is committed to supporting and upholding the provision of basic human rights to all individuals globally.

Our operations are governed by a series of policies and processes that ensure that work is high quality and provided in a legal and ethical manner. A series of specialized committees oversee various business areas, including a

Social Impact and Sustainability Committee, and a Global Compliance Committee.

The Global Compliance Committee is responsible for ensuring that all laws, rules, regulations, and Milliman policies are followed globally. Our compliance program is designed with key elements as outlined by the Department of Justice and the U.S. Sentencing Guidelines, including policy oversight, training, monitoring, and reporting. The initial steps of the program are implemented through a global risk assessment that identifies the regulatory risks associated with Milliman's services.

The Global Compliance Committee reviews this risk assessment on an annual basis and oversees compliance with all Milliman's policies. Potential violations should be reported to the Global Compliance Committee and investigated based on the nature of the potential violation. If a severe issue arises, the chief compliance officer may report it to the board at any time. The chief compliance officer has direct access to all executives, officers, and/or directors and can immediately report potential issues if needed.

The Global Compliance Committee reports annually to the Enterprise Risk Management Committee. This report includes information on the risk assessment, policy review, training, monitoring activity, and potential violations. If a severe issue arises, the chief compliance officer may report it to the board at any time.

Training and acknowledgment

Our goal is to ensure that each employee is aware of his or her obligations with respect to human rights. Social impact training is available on Milliman University on specific topics, including anti-discrimination and anti-bribery. Each employee is required to attest to certain Milliman policies upon hire and receives training in specific areas and access to all corporate policies.

Auditing standards

Milliman policies pertaining to human rights are reviewed and affirmed on an annual basis. Changes or additions to policies are made as needed. The Global Compliance department monitors policies for effectiveness and compliance. Focus areas are determined through the risk assessment completed by the Global Compliance Committee. The compliance department audits these annual focus areas and reports its findings to the Global Compliance Committee.

Handling policy violations

Potential violations may be reported in several ways as outlined in the Whistleblower and Anti-Retaliation Policy detailed in the Employee Handbook and on the intranet. Once a violation is reported, a senior employee performs an investigation. If a violation of law or policy is confirmed, action will be based on the nature and severity of the violation. Disciplinary action may include termination of employment and/or reporting to law enforcement agencies if the violation is severe.

Annual report to board

The Social Impact and Sustainability Committee reports annually to the board on developments in the program and progress on its ongoing initiatives.

United Nations sanctions

Milliman is committed to complying with the United Nations Security Council Sanctions (whenever these apply to its operations). The firm will not sell products or services to individuals, companies, or entities in the nation states on the UN Sanction lists. We have included this as part of our Social Impact and Sustainability Statement and Policies.

Labor

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4

The elimination of all forms of forced and compulsory labor.

Principle 5

The effective abolition of child labor.

Principle 6

The elimination of discrimination in respect of employment and occupation.

Child labor/slavery

Slavery, human trafficking, and child labor are fundamental violations of a person's rights and freedoms. Milliman is totally opposed to such abuses in its direct operations, its indirect operations, and its supply chain as a whole. Milliman will not use or allow the use of forced or compulsory labor, slavery, servitude, human trafficking, or child labor in the course of its business. It's our policy that these practices are strictly prohibited in any Milliman office. We're confident in the steps we take to ensure that slavery, human trafficking, and child labor do not take place in any part of our business, but we remain alert for possible occurrences.

We're committed to driving high standards across all supply chains. We maintain a zero-tolerance policy, and any vendor found violating this policy will be terminated immediately.

Discrimination

With the full support of our board of directors and executive staff, we're committed to protecting the rights of all applicants and employees. We recruit, train, promote, and consider qualified applications for employment in all positions without regard to age, ancestry, citizenship status, color, creed, familial status, genetic information, marital status, national origin, political ideology, race, sex, sexual orientation, gender identity, status as an individual with a disability, or veteran status, and we prohibit discrimination against any individual or any other characteristic protected by law.

An active Diversity, Equity, and Inclusion Committee made up of leaders throughout Milliman drives efforts in our firm to increase awareness and build a more diverse workplace.

In 2021, the board of directors approved the hiring of a chief diversity officer and recruitment has begun. The firm also launched two new employee resource groups (ERGs). Unidos ERG is committed to increasing numbers of Latinos in STEM-related jobs and the actuarial field and Milliman PRIDE is a LGBTQ+ ERG.

Employees who attend annual employee forums for our lines of business have the option to

display the pronouns they identify with on their nametags—e.g. "they, them;" "she, her;" "he, him." It's part of our commitment to a culture of respect and inclusion and sends a clear sign of solidarity and support to all employees.

We're promoting awareness about equality and diversity in the workplace through Milliman University, our online training platform. It hosts anti-harassment training and classes about cross-cultural considerations, unconscious bias, understanding gender identity, and creating a more inclusive workplace.

In 2021, the firm began a pilot program as part of the Milliman Mentorship Program offering mentors and mentees outside coaching on how to have productive conversations about the subjects of belonging and equity. Going forward, the intent is to offer this training for Mentorship Program participants to maximize the value of mentoring relationships.

Milliman's Unlawful Harassment Policy states that all employees are responsible for ensuring that our workplace is free from all forms of unlawful discrimination and harassment. Employees are required to avoid any action or conduct that could be viewed as harassment, including unwelcome sexual advances, offensive conversations or comments, requests for sexual acts or favors, or other verbal or physical conduct of a harassing nature.

Employees must also avoid any action or conduct that could be viewed as violent or threatening behavior toward a coworker, coworker's family, supervisor, or visitor. To ensure awareness of our policies, all employees are required to complete annual anti-harassment training.

Employee health and safety

Our employees are our greatest asset, and their safety and well-being are a primary concern. Each office provides safe working conditions that are conducive to creating high-quality work. Each office is required to develop a disaster plan that includes a focus on employee safety in case of emergencies. During the pandemic, we brought in doctors to speak at virtual all-employee meetings about COVID-19 and answer questions. The firm created guidelines for a safe return to work, including flexible options for remote and in-office arrangements.

Career management

We believe we strengthen our company by encouraging employees to grow and build new skills. We advocate career development from short-term, project-driven goals to long-term, career-oriented goals. We believe we'll increase job satisfaction by cultivating the next generation of leaders early on. Our Professional Development Committee identifies and explores opportunities to help employees advance professionally and develop technical and consulting skills that supplement their expertise.

Environment

Principle 7

Businesses should support a precautionary approach to environmental challenges.

Principle 8

Undertake initiatives to promote greater environmental responsibility.

Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

Commitment to our environment

As a service provider, Milliman doesn't have the same carbon footprint as a manufacturing company. Even so, we encourage sustainable processes, primarily in the areas of recycling and energy conservation. Several of our offices are located in Leadership in Energy and Environmental Design (LEED) Certified buildings. We also support sustainable procurement initiatives.

To encourage environmentally friendly commuting options, many offices provide subsidies for using public transportation. For example, the Seattle office provides each employee the opportunity to purchase a transportation pass at a dramatically reduced rate. This pass covers the full fare for regional buses, trains, water taxis, and light rail.

As part of our environmental commitment, in 2021, we engaged a climate consultant to assist us with carbon data collection and strategies to calculate our carbon footprint as a step toward a carbon reduction strategy.

Anti-corruption

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Anti-bribery

Milliman's Anti-Bribery Policy prohibits all types of bribery or the appearance of bribery to public officials and private entities. Our employees are educated on this policy through communication and training. We monitor activities on a global basis through a series of financial audits by internal and external auditors. Milliman's Audit Committee oversees the audit process, and the Global Compliance Committee oversees compliance with the policy.

Conflicts of interest

Milliman is committed to a conflict-free environment. As a privately held company, we retain our independence. Conflicts are managed through a series of procedures, starting with a conflict check prior to entering into any client work and continuing with conflict reporting and management throughout the project. Milliman's policy requires any employee who becomes aware of a conflict or potential conflict to report it in a timely manner. Conflicts are analyzed and addressed either through conflict mitigation or disclosure.

Fraud

We're committed to legal and ethical behavior throughout the organization as stated in the Milliman Code of Conduct. Internally, this is maintained through a series of policies, including our Anti-Bribery Policy and our Whistleblower and Non-Retaliation Policy. Milliman also acts to prevent fraud from outside the company. Our Milliman Information Security Policy and various policies relating to the protection of data require all employees to take steps to ensure that threats from outside the company are detected and prevented where possible. All employees are required to take monthly training on information security and threats such as phishing.

Money laundering

As a service provider, Milliman is unlikely to be involved with money laundering. However, it is our policy to prohibit money laundering in all areas. We do our best to detect and prevent any work or support provided to any individual or entity engaged in money laundering.

All U.S. employees submit to a background check, which includes screening against the Office of the Inspector General exclusion lists prior to starting employment and each month thereafter. Prior to providing services to any potential client, an entity undergoes a thorough background check. For global entities, this includes a screening through WorldCheck. On a continuous basis, all employees maintain close contact with their clients. If employees notice any suspicious behavior, they're required to report it through the Whistleblower and Non-Retaliation Policy.

On a global basis, several business units are legally required to implement anti-money laundering programs. These robust programs are tailored for the types of services provided and the clients who receive the services. Each program is reviewed by an expert located within the business unit on a periodic basis, and any suspicious activity must be reported. Employees who are subject to these anti-money laundering programs are trained to identify and detect money laundering.

5.

Our approach

A spirit of social responsibility has permeated Milliman's DNA since its founding in 1947.

Three pillars represent our commitment:

Our Work

Our innovative work and pioneering technology are helping revolutionize the financing and delivery of healthcare, the management of risk across complex systems and organizations, and the development of retirement planning and financial risk management solutions.

Our People

We nurture and celebrate employees through activities that promote diversity and inclusion. We're committed to increasing underrepresented people in our industry through scholarship programs and sponsorships of the International Association of Black Actuaries and the Organization of Latino Actuaries. Education and mentoring programs, including Milliman University and the Milliman Mentorship Program, help employees grow in their careers.

Our World

We're creating a better future for people everywhere by contributing to our communities through volunteer activities and financial donations.

Three themes guide our efforts:

Good health and well-being

Promote access to public and mental health services.

Quality education

Support underserved populations in the STEM categories.

Community investment

Focus on creating employment opportunities and environmentally friendly and sustainable practices.

Our work

We strive to be a catalyst for social change for our clients and the people they serve.

In our work, we're driving discussions about climate resiliency, highlighting issues of racial inequity, and offering insights on how to create a more secure financial future.

Leading analysis and insight to solve social inequities

Addressing racial disparities in healthcare

Milliman is committed to identifying racial inequities through research and data. We're applying our analytic capabilities to highlight hidden bias and systemic inequities in healthcare and insurance.

To that end, in 2020 we formed the Racial Disparities in Healthcare Work Group with a mission to initiate and promote Milliman research that addresses racial disparity gaps.

One of the most read articles on Milliman.com in 2021 was, "[Racial disparities in cardiovascular conditions: An analysis of prevalence and provider care patterns.](#)"

While the overall rate of heart disease is declining, it remains the leading cause of death in the United States, and disproportionately affects Black people.

Milliman's claims-based study focused on prevalence rates and provider patterns of care. Our research examined all insurance coverage segments—commercial, Medicaid managed care, Medicare fee-for-service, and Medicare Advantage plans.

For example, the data in our report highlighted that, compared with their non-Hispanic white counterparts, Black people experienced a higher prevalence of cardiovascular conditions.

Also, Black patients presenting to an emergency department with potential acute coronary syndrome were less likely to be hospitalized and to receive certain diagnostic testing and therapies during recommended times. Further, Black patients undergoing coronary artery bypass grafting surgery experienced higher morbidity and mortality rates.

To help alleviate these issues, healthcare professionals and providers can take several approaches toward achieving health equity: Address structural racism, raise awareness of implicit bias to resolve blind spots, and consistently collect and use data to quantify and reduce healthcare gaps in cardiovascular conditions.

Milliman's other racial disparity health research includes [racial disparities in preventive care for type II diabetes](#) and the impact of COVID-19 on [racial disparities in oral healthcare in the United States](#).

Examining how current practices contribute to insurance inequities

The disproportionate health and economic impact of COVID-19 on communities of color has highlighted current systems and how they may contribute to racial disparity. Consumers and regulators are looking for more transparency.

This renewed interest has led the insurance industry to reexamine how business practices could contribute to potential systemic societal inequities.

In the article, "[The insurance industry's renewed focus on disparate impacts and unfair discrimination](#)," we examine the subject in depth.

The actuarial community is evaluating what it means for rates to be "unfairly discriminatory" or result in a "disparate impact," when a set of seemingly neutral practices disproportionately impact a protected class and are otherwise unjustified by legitimate rationale.

The article details how to structure an ideal first-time disparate impact analysis and identifies which components to evaluate. It also highlights how regulators and state legislatures are acting to create more equitable systems.

Understanding future healthcare expenses for a more secure future

Milliman works with clients to improve healthcare systems, manage retirement risks, and plan for a more secure financial future. As part of this focus, the firm publishes annual research highlighting annual estimated health care costs and retiree health costs.

Predicting family healthcare expenses with the Milliman Medical Index

The [Milliman Medical Index](#) is released annually and estimates the annual cost of healthcare for a hypothetical family of four and identifies the factors that determine those costs. The report highlights employer contributions, employee contributions, and employee out-of-pocket costs.

Our 2021 research reported on 2020 with a look forward to 2021. It explained some of the effects of COVID-19 on healthcare and expected trends.

In 2020, the cost of healthcare for a hypothetical American family of four covered by an average employer-sponsored preferred provider organization (PPO) plan was \$26,078; for 2021, it is projected to be \$28,256.

Individuals can use an [online tool](#) to determine healthcare costs for their family by selecting their family characteristics and city.

Projecting healthcare costs for retirees

Milliman also produces annual estimates of retiree health costs to help employees and retirees plan for the potential cost of healthcare in retirement.

This [white paper](#) covers projected cost for a healthy 65-year-old retiring in 2021, and a healthy 45-year-old couple retiring at age 65.

It also discusses an estimate of the portion of Social Security benefits spent on healthcare, and the average premium plus out-of-pocket cost at age 65. The information was prepared and intended as a planning tool for retirement plan participants.

Measuring retirement readiness

Planning and saving for a secure retirement are among the biggest challenges people face.

This paper introduces [Milliman's Retirement Income Security Evaluation \(RISE\) Score](#), which measures how well a retirement portfolio will cover basic living expenses, healthcare, and other costs after leaving the workforce.

The [RISE Score](#)[™] offers institutions, financial planners, and their customers an easy-to-understand measure of income security in retirement. RISE is modeled after the idea of a credit score, giving it instant familiarity to any consumer who has applied for a loan or a credit card. It provides a realistic estimation of results across a variety of circumstances.

As retirement time horizons lengthen, workers are faced with many complex questions. How much do they need to save? What kinds of investments should they own? At what age should they retire? What income will they need for their lifestyle?

A RISE Score can help savers and financial professionals determine their level of readiness for projected retirement income needs.

Goal setting is critical for this stage of life but many people avoid taking the first critical step to check their readiness. We have included the RISE Score to enhance financial readiness for plan participants on Milliman's [retirement plan administration platform](#), which is part of our Employee Benefits Practice.

As a founding member of the nonprofit [Alliance for Lifetime Income](#), Milliman supports the development of insights, tools, and resources that consumers and financial advisors can use to protect and measure retirement readiness. The RISE Score is a featured tool on the Alliance website, which contains stories, tools, and guides.

Since Milliman launched the tool in early 2018, almost 1 million financial professionals and individuals have used it to calculate RISE Scores, delivering on our mission to help our clients protect the health and financial well-being of people everywhere.

Driving discussion and sharing insight about climate resilience

Milliman coalition opens new pathways to climate resilience

With experts in many different types of risk, Milliman has a unique view into the world's climate future and its cascading effects on governments, communities, and businesses. That's why we've created a powerful climate risk coalition to open new pathways to resilience.

The Milliman Climate Change Resilience Initiative (MCRI) unites perspectives across industry, government, nonprofit, and academia to anticipate and measure climate risks, find long-term solutions, and drive change.

Whether it's drawing on our breadth of expertise across various insurance sectors and global benefits, or tapping into our data solutions, MCRI provides insight into the complex interrelationships between multiple climate risks.

Better intelligence, smarter decisions, safer world

In 2021, we hosted a three-day virtual forum on climate that brought together 50 global leaders in business, government, and not-for-profit organizations. Together with speakers from renowned global organizations, including the United Nations, the Insurance Development Fund, AXA, the Bank of England, Fannie Mae, and Stanford University, we led discussions on how to strengthen climate resilience through analytics, regulatory action, and industry innovation or adaptation. The event drew more than 1,000 attendees across sectors.

Since then, Milliman has continued to build on the momentum of the forum through our regular webinar series and thought leadership on climate change. Participants from over 100 countries, including business executives, academics, scientists, risk experts, and students, have joined the virtual conversations, which range in topic from an exploration of wildfire risk mitigation to lessons that came out of COP26, the United Nations Climate Change Conference.

Milliman continues to drive research across property, casualty, health, and financial markets to measure current and future risks. Solutions to combat climate challenges require a collective effort that includes the right people, data, and technology. With our climate initiative, we're creating a coalition to make decisions now that will create a more resilient future.

Five climate case studies show how microinsurance can protect vulnerable people

An additional 100 million people could be living in extreme poverty by 2030 due to the climate crisis, according to the World Bank. These types of events cause vulnerable people to suffer more losses that push them into poverty.

Milliman is working to mitigate the impact of climate change on low-income and vulnerable populations globally who face disproportionate effects from extreme weather.

One way to protect people from climate events that affect their livelihood, health, and survival is by insuring them against losses and assisting them with strategies to mitigate the impact of climate disasters. But it can be difficult to move into climate risk microinsurance without data and clear examples.

The MicroInsurance Centre at Milliman collaborated with five programs to develop case studies about how they built viable, climate risk insurance solutions. Our goal was to help insurers and reinsurers learn more about real-world opportunities for climate investments.

Low-income populations often live in riskier situations, with less access to healthcare, resources to adapt, and insurance against business losses. They're less likely to have safety nets to call on when a disaster strikes. So they're less able to recover from effects of extreme weather events, including drought, flooding, high winds, frost, hail, and rising sea levels.

Each case study takes an in-depth look at the strategic need and country climate context, the objectives of the organizations' climate initiatives, delivery model, program performance, and key findings.

- [Making climate risk microinsurance work: Kenya Agriculture Insurance Programme with APA Insurance, Kenya](#)
- [Making climate risk microinsurance work: Philippine Crop Insurance Corporation, Philippines](#)
- [Making climate risk microinsurance work: Green Delta Insurance Company, Bangladesh](#)
- [Making climate risk microinsurance work: MiCRO & Aseguradora Rural, Guatemala \(Download Spanish translation\)](#)
- [Making climate risk microinsurance work: Sanasa General Insurance Company Ltd \(SGIC\), Sri Lanka](#)

GUTSI initiative spurs work on pressing world problems

It's no small thing to change the world. But it's absolutely possible. And it's not only possible, it's essential. This philosophy led an Israeli employee to propose an idea to colleagues. He wanted to see who was interested in applying their passion and diverse skills to tackle large-scale global issues.

Employees answered the call, and the Ground-Up Think Tank for Social Impact (GUTSI) formed in early 2021.

Milliman's collaborative and innovative culture, mix of skillsets, and entrepreneurial structure create an ideal incubator for dreaming up and launching solutions to challenging problems.

Toward this end, GUTSI identified challenges, formed teams, and set to work. After months of meetings and research, 10 teams presented their challenges, proposed solutions, and shared next steps at a virtual special board of directors meeting in January 2022.

Currently, challenges include solving the long-term healthcare crisis, preparing for the next pandemic, addressing gaps in lifetime retirement income, reducing carbon emissions, and using social good insurance to mitigate wildfire risk and prevent chronic disease.

Teams leveraged a variety of employee skills and backgrounds to fine-tune problem statements, create financing models, propose solutions, and note next steps. Initial work has set the stage for further development.

And the Lifetime Retirement Income team has published a [white paper](#) that proposes new retirement plan structures that improve retirement outcomes and security.

Teams are poised to move forward with additional business planning, research, white paper creation, and product development. These projects aim to produce tools, services, and client research that align with Milliman's mission and support UN Sustainable Development Goals.

Our people

In the past several years we have accelerated and expanded our actions to create a more diverse, equitable, and inclusive workplace. Recent racial injustice and the COVID-19 pandemic continue to illuminate social inequities and the pressing need for progress.

We're also keeping the needs of our people at the forefront. To facilitate an environment of support, Milliman offers wellness and professional resources so employees can navigate personal challenges while building their careers.

We are dedicated to making immediate, long-term, and continuous improvements inside our organization, in our communities, and within our industries. In 2021, Milliman's board of directors approved hiring a chief diversity officer. Recruitment began in late 2021 with the goal of filling the new position in 2022.

We have made substantial progress; however, we have much more to learn and do. Milliman engaged SDS Global consultant, Shirley Davis, to hold a series of focus groups with leaders and employees and to evaluate prior and current employee surveys.

Our approach to diversity, equity, and inclusion

The results of the evaluation and focus group feedback informed a three-year strategy to advance our DEI objectives. Our multipronged strategy includes creating a culture of belonging, offering equitable opportunities for advancement, and attracting a diverse pipeline of talent.

We recognize that we must ensure diversity at all levels, including management positions. We are committed and have taken steps to:

- Expand the pool of qualified employment candidates.
- Enhance our recruiting efforts to attract more diverse qualified job applicants.

- Support a workplace that fosters retention, professional growth, and career advancement and mobility of all our people.

We also sponsor and work with a variety of organizations to promote technical and actuarial careers to candidates who might not otherwise see those positions as a career path.

To hold ourselves accountable, we have begun publishing workforce diversity statistics internally.

Recruitment tools drive firmwide diversity

Recruitment of Black candidates is a key goal of Milliman's Black Employee Resource Group (BERG). As part of our commitment to creating a more diverse workforce, the BERG created several tools to help hiring managers find diverse candidates:

- **The BERG Recruitment Playbook** guides hiring managers in networking, identifying, and communicating with diverse talent. Milliman's HR team has also created a best practice recruitment guide using material from the BERG playbook to decrease bias in the recruitment process and source more diverse talent.
- **The DEI Recruiting Pipeline** provides a place for U.S. hiring managers to access and add diverse candidates. It has expanded to include contacts from the International Association of Black Actuaries (IABA), the Organization of Latino Actuaries, students at job fairs, and

referrals. It also includes recipients of the Milliman Opportunity Scholarship and IABA Scholarship. Milliman hiring managers and colleagues can also add candidates.

- **University presentations and recruiting best practices.** The BERG has identified and created relationships with professional organizations, historically Black colleges and universities, and universities with diverse student populations in STEM programs, including Georgia State University, Morgan State University, and Montclair State University.

In 2021–2022, Milliman hired six interns and five full-time employees sourced by the BERG. We created the Scholar Internship Program to help deepen professional connections with scholarship recipients. This program matches scholarship recipients with Milliman offices that have committed to hiring interns. In 2021, 25 scholarship recipients were awarded summer 2022 internships.

Creating an inclusive culture

Our ERGs are a critical component of fostering an inclusive workplace, and as such have been an area of focus. In our expanding ERG program, three groups have been working to enhance inclusion, representation, and support employees across the firm: the BERG and two others that formed in 2021—PRIDE ERG and Unidos ERG. As part of their goals, the BERG and Unidos are addressing employee recruiting, advancement, and retention.

We also created a DEI Mentoring List. This informal program connects students, graduates, incoming interns, and new employees with professionals throughout the firm. All scholarship recipients and others who have expressed an interest have been paired with mentors.

Celebrating Black history globally

Throughout February, the firm celebrated Black History Month in the United States. The BERG shared a series of emails and hosted an all-employee event that included stories of recognition, learning, and growth, including a video, [On the path to equity](#).

In October, employees in the United Kingdom celebrated Black History Month by highlighting historic moments and contributions of the Black community.

Hispanic Heritage Month

During Hispanic Heritage Month in September, employees launched the Unidos ERG, which is committed to increasing numbers of Latinos in STEM-related jobs and the actuarial field. The ERG shared stories of individuals inside and outside of Milliman to celebrate the rich culture of Latin American countries, and cover various topics, including the need for more representation in the STEM fields.

International Women's Day stories

Milliman marked International Women's Day (IWD) in 2021 by embracing the IWD theme #ChooseToChallenge. The Diversity, Equity, and Inclusion (DEI) Committee chose to challenge inequality in representation by forging positive visibility of women in personal and professional roles.

Each month, we featured someone on our DEI Community of Practice and Milliman's social media platforms who identifies as a woman and whose story illustrates positive change for women. As the year closed, we featured all 12 women on [Milliman.com](#) as our commitment to raise positive visibility of women.

Pride and a focus on families

In June, employees launched the PRIDE ERG for LGBTQ+ employees and allies. Family was the focus in Milliman's second annual all-employee Pride celebration, which included a [new video](#) featuring Milliman employees and their families.

For the second year, the DEI Committee in the United Kingdom sent its Gayly News emails throughout the month that profiled notable people and featured a range of stories, across time, space, sexuality, gender, and more.

Learning and professional development

We support our colleagues as they build their careers by offering courses and certification programs to help them meet professional goals and gain new skills.

Milliman Mentorship Program

Our mentoring program helps employees further enrich their careers by pairing participants based on individual interests and goals. Participation has greatly expanded since its start seven years ago. In 2021, 322 employees participated.

In 2021, mentorship program members were given the opportunity to participate in a DEI pilot program that includes coaching from an external consultant on how to have productive conversations on the subjects of belonging and equity. Going forward, the intent is to include this coaching for all participants to maximize the value of mentoring relationships. The BERG worked with Learning and Development to craft this part of the program, which also includes senior members of the firm. Milliman's current and past CEO and our Health Practice director are all DEI mentors.

Courses and certifications

Milliman University, our e-learning portal, provides access to more than 300 professional development classes to give employees skills and tools to develop their careers. Topics include compliance, goal setting, leadership and manager development, business acumen, and relationship management. Milliman University also provides annual anti-harassment and courses about understanding gender identity and creating a more inclusive workplace.

Two additional platforms offer technical training. The Skillsets Online platform and a Microsoft training portal provide access to thousands of courses, including learning paths and certification programs in cloud technologies, computer programming, network administration, and project management.

Promoting personal and workplace wellbeing

Milliman's HR department maintains a wellness resources page on its intranet that offers links to social, intellectual, emotional, occupational, environmental, financial, spiritual, and physical wellness articles and resources. It also includes links to a Milliman Peloton group in Teams and a Strava group for tracking outdoor activity.

U.S. employees can access a healthy financial outcomes website with articles, webinars, and podcasts about financial topics such as saving, retirement planning, budgeting, and investing.

Milliman responded to the continuing challenges of working remotely by supporting remote employees with valuable resources and information they may need. For example, all employees received a free subscription to the wellness app Calm. In addition, as employees adjusted to changes in their work and personal lives, the firm launched the Goodbye 2020, Welcome to 2021 Wellness Challenge that focused on physical and mindfulness goals.

A Grin and Bear It Community of Practice created a place for employees to share memes, photos, jokes, and other lighthearted ideas, such as building the Milliman logo in origami. Additionally, our Working Remotely Community of Practice, which previously catered to fully remote employees, became a place for everyone to share remote work tips.

The firm has worked globally to create guidelines for a safe return to work, including flexible options for remote and in-office arrangements.

Our World

At Milliman, we're working to make a difference in the world—in our communities and globally—by working on initiatives to create climate resilience, building actuarial resources, and increasing the diversity of our professions.

Charting a path for firmwide carbon reduction

The push for a cooler planet starts with data. So, in 2021, Milliman partnered with climate consultant South Pole to gather greenhouse gas (GHG) emission numbers from offices firmwide.

Using the GHG data, South Pole calculated Milliman's carbon footprint—the first step to creating a carbon reduction strategy. The year 2019 was used as a baseline, since it was the most recent year the firm operated under normal conditions. South Pole also calculated 2020 numbers as a point of reference to see the pandemic's impact and what an extreme reduction of our largest carbon contributors would yield.

The 2019 total covers our three scopes of emissions (as defined in the Greenhouse Gas Protocol), and this baseline and other ongoing data will help guide the firm's carbon reduction strategy.

Filing with the CDP

The carbon footprint data also helped Milliman provide a more detailed report to the nonprofit CDP (Carbon Disclosure Project). The CDP works with investors, governments, and companies to disclose and manage their environmental impact. It provides organizations with an annual rating, which some Milliman clients are requesting—and in some cases requiring.

Taking action: Three ways to improve climate change resilience

Milliman is working with the Insurance Development Forum (IDF) to help drive climate change resilience through the insurance industry's risk management expertise.

At the UN's COP26 climate conference, the IDF's Secretary General Ekhosuehi Iyehen announced three major initiatives that help insurers, reinsurers, and policymakers implement more and better interventions around climate change.

In a [webinar](#) in December, Ken Mungan, Milliman chairman of the board and an IDF Steering Committee member, and Michael J. McCord, managing director of the MicroInsurance Centre at Milliman, moderated a discussion about the programs with Iyehen and other guests.

The three initiatives offer a springboard for action and opportunities to improve climate change resilience. They include:

- [Global Risk Modelling Alliance](#) is a public good program that supports countries developing their risk analytics functions through affordable access, increased choice, and transparency of data inputs.
 - [Start Ready](#) program is a coalition of more than 50 humanitarian charities that support development of new global financial services for the humanitarian sector. It helps agencies analyze the risk of crises and create timely, reliable funding options for different types of events. In turn, NGOs can forecast crises and access timely funding to reduce the impact of disaster on communities and protect more people when a climate-related crisis occurs.
- Speakers shared more than 10 ideas for insurers, governments, and policymakers who want to take action around climate change, especially under these three initiatives.
- The IDF is a public-private partnership led by the insurance industry and supported by the United Nations and the World Bank.
- ## Pilot programs provide mentoring and exam resources
- We're working to strengthen the actuarial industry through programs to boost minority participation in the United States and build actuarial resources globally.
- [Global Resilience Index Initiative](#) is a multi-agency effort to create the first public good, globally consistent, multi-hazard catastrophe risk model, with the goal of driving resilience and resilient investment.



Mentors give University of Illinois students a boost

The University of Illinois' Department of Mathematics and Milliman launched a new actuarial mentorship program for students who identify as underrepresented minorities. The program mentored students of color early in their college careers who are interested in a STEM-oriented field.

Students learned about the actuarial field from a practicing actuary at Milliman in one-to-one mentoring sessions. The program offers students a professional resource as they progress through the actuarial science curriculum.

Mentees also received financial aid to help with costs of their first actuarial exam, including preparation materials, courses, and exam sitting fees. These exams are critical steps along the path to becoming an actuary and are often required by employers for both internships and full-time job offers.

Nigerian students find support on their actuarial journey

In a pilot project with the Nigerian Actuarial Society, Milliman employees mentored students to help them prepare for and pass actuarial exams. The program aimed to increase students' access to quality support for actuarial exams, improve exam performance, and provide beneficial course content.

In many parts of Africa, actuarial trainees struggle to access and afford quality tuition and support for actuarial exams. They also face other challenges, including unstable internet access, power outages, challenges with commuting, and the need to support family members. Consequently, pass rates are extremely low and drop-out rates are high.

Fourteen Milliman employees volunteered to be mentors and seminar leaders for a Milliman-funded project. The project matches the expertise of Milliman's consultants with organizations that are working to bring financial security to vulnerable populations across the globe.

Milliman mentors worked with English-speaking mentees who are actuarial students and professionals in Nigeria. Mentors provided career advice, resume building, presentation skills, and exam preparation support. Other

Milliman employees volunteered as seminar leaders to provide live support for on-demand exam tutorials. The mentees were preparing for either Society of Actuaries or UK Institute and Faculty of Actuaries exams.

A long-term goal of the project is to enhance the capacity of the actuarial field in Nigeria, Cameroon, Cote d'Ivoire, and Togo by providing exam education support and mentorship to aspiring actuaries.

The MicroInsurance Centre at Milliman provided project management and Milliman's Mentorship program coordinated volunteer mentors.

Building diversity in our professions

We've pledged to lead diversity, equity, and inclusion efforts in our communities and with our global clients and partners. One way we're attracting and advancing diverse talent is through sponsorships and events.

International Association of Black Actuaries

Milliman has sponsored the IABA since 2016. We are members of the IABA's Corporate Advisory Council. We also participate in several activities and events throughout the year to support its mission to develop and recognize achievements of Black actuaries.

In 2021, 20 Milliman colleagues volunteered at an IABA virtual career fair booth and met with about 20 IABA members.

Organization of Latino Actuaries

We're on a mission to increase the numbers of Latin actuaries in our firm and in the actuarial field. Milliman's Financial Risk Management office in Chicago sponsored a scholarship for an Organization of Latino Actuaries (OLA) member for summer 2022.

In November, Milliman attended an OLA speed networking event that gave OLA members a chance to learn more about actuarial firms. Earlier in the year, 16 Milliman consultants attended two virtual OLA career fairs. Recruiters followed up with about 30 candidates.

Network of Actuarial Women and Allies

As part of our goal to increase diversity in our professions, including in leadership positions, we sponsored the Network of Actuarial Women and Allies (NAWA).

Our sponsorship includes a position on NAWA's Corporate Action Council and sponsorship of its annual meeting. We can also post featured job openings on the NAWA site and a link to our website.

Growing our professions through education

Milliman provides educational opportunities in our industry with scholarships that encourage academic achievements in actuarial and computer science, mathematics, and finance.

The Actuary of Tomorrow—Stuart A. Robertson Scholarship

This scholarship honors our co-founder Stuart Robertson's dedication to excellence and influence on the professional lives of many colleagues. This scholarship recognizes academic achievements of undergraduate students pursuing a career in actuarial science. Now in its 16th year, the scholarship has provided funding for a total of 33 students. In 2021, the Stuart A. Robertson Memorial Scholarship Fund granted three scholarships and four honorable mention awards to college seniors majoring in the actuarial field.

The Wendell Milliman Scholarship Fund

This scholarship is awarded annually to qualified children of Milliman employees worldwide. Students must be attending an accredited two- or four-year public or private college or university full time at the undergraduate level. They must be majoring or intending to major in mathematics, computer science, business, finance, economics, actuarial science, or health sciences. In 2021, 20 children of non-shareholder employees received Wendell Milliman Scholarships.

Milliman Opportunity Scholarship

Opportunity Scholarships assist students from ethnic groups and races that are underrepresented in the fields of actuarial science, data science, computer science, economics, programming, mathematics, statistics, data analytics, or finance. Recipients must have demonstrated academic excellence and plan to pursue a career in actuarial science or related fields. In 2021, 25 students from colleges and universities across the United States, Australia, and South Africa received scholarships. Since it began in 2017, the Opportunity Scholarship program has awarded 86 scholarships.

International Association of Black Actuaries

Milliman has sponsored one IABA scholarship annually since 2017. Scholarships are available to Black students of African descent originating from the United States, Canada, the Caribbean, and African nations. Recipients must be studying actuarial science or courses that will help them pursue an actuarial career.

Sharing with our communities

Milliman employees support causes worldwide through philanthropic donations in their communities. Our social impact dashboard tracks both practice and office charitable donations to local communities in dollars and their volunteer hours as a group.

In 2021, despite the pandemic, employees spent nearly 800 hours volunteering with their Milliman colleagues at organizations in their communities. This does not include individual volunteer efforts.

Milliman donated approximately \$450,000 to a variety of organizations around the world in the communities where we work, including Mossy Earth, the Movember Foundation, the Alzheimer's Foundation of America, COA Youth and Family Centers, the Water Project, Second Harvest Japan, and Dementia UK. This amount represents only local giving. Employees also donate generously to global causes through the Milliman Giving Fund.



6.

Transformative initiatives

Our Philanthropy

Milliman Giving Fund

Milliman provides operational support to the Giving Fund, so all donations go directly to our partner programs. The Giving Fund is governed by a committee comprised of employees and retirees who donate their time—and resources—to make it succeed. Committee members matched employee donations in our 2020 and 2021 funding campaigns.

The Milliman Giving Fund primarily funds programs aimed at creating transformational change in communities worldwide. To date, it has donated more than \$3.6 million to partners worldwide.

The Milliman Giving Fund partners with organizations to fund transformational programs in three areas of focus selected by employees at the Giving Fund's inception in 2018:

- **Community and Economic Development** – focusing on job creation
- **Education** – focusing on STEM at the primary and secondary level in low resource communities
- **Health** – focusing on provision of and access to global, public, and mental health services

Ideally, the program aligns with Milliman employees' unique skills and strengths and can offer, in addition to the financial support, possibilities for volunteering. Math Motivators is the first organization with such a partnership, and we hope to facilitate additional opportunities in the future.

Community and economic development

Opportunity International—Opportunity Zone Commitment: \$750,000 from 2019–2022

The Milliman Giving Fund has partnered with [Opportunity International](#) to accelerate progress in escaping poverty and building a better future for thousands of parents and children in Mityana, Uganda. The Opportunity Zone program focuses on four objectives:

- Economic empowerment for entrepreneurs, including smallholder farmers and agribusinesses

- Improved educational opportunities, including more schools and more teacher training
- Job creation and startup capital for youth, women, and rural entrepreneurs
- Sustainable, high-impact lending and digital tools to reach people with no/limited access to banks

When schools and businesses closed and jobs were lost during the pandemic, Opportunity International continued to establish partnerships with new financial institutions, grow the agricultural finance program, and expand services to more rural families living in poverty.

To date, they have given more than 10,000 loans to businesses. Farmer support agents have provided training—including financial literacy—to more than 12,000 farmers in the zone. The Women's Economic Empowerment program has distributed nearly 2,500 loans to women-owned businesses. The Youth Enterprise Challenge program has trained 6,000 youth on business skills and financial literacy and provided 358 loans to youth businesses. Eighty-eight percent of those trained are self-employed and using these skills. The education program has impacted 350,000 children by digitizing education training to make it more accessible, giving improvement loans to 1,113 schools for building, expanding, or hiring, and providing 261 school fee loans to parents. Additionally, they opened a bank in a refugee settlement, which provides the only available ATM.

The Opportunity Zone piloted in Mityana has been so successful that Opportunity International is now in the process of starting two more – in Cartagena, Colombia and Gemena, Democratic Republic of the Congo.

Education

The Actuarial Foundation—Math Motivators Initial grant \$750,000 from 2019–2021

Follow up grant: \$100,000 for 2022

The Milliman Giving Fund's initial grant made us the premier sponsor of The Actuarial Foundation's [Math Motivators](#) math tutoring program. To help close the math achievement gap, the program pairs lower-income middle and high school students with professionals and college students who have strong mathematics backgrounds.



Our \$750,000 commitment drove Math Motivators' expansion across the United States and helped more than triple the number of tutoring sites and expanded from seven cities to over 30 cities in 18 states and Washington, D.C.

Math Motivators shifted to virtual learning during the pandemic, expanding opportunities for both students and tutors who can now get involved regardless of location. Milliman has the most tutors of any corporate partner. Since spring 2019, Milliman volunteers logged over 1,000 hours with the Math Motivators program in Atlanta, GA; Chicago, IL; Hartford, CT; Milwaukee, WI; New York, NY; Portland, ME; Seattle, Bellevue, and Shelton, WA; and Minneapolis-St. Paul, MN.

The program has expanded beyond high school to upper elementary, middle school, and community college, and it now includes financial literacy and tutoring in multiple languages. The Milliman Giving Fund grant in 2022 will support this continued expansion, making math more accessible to thousands of students throughout the United States.

Health

Partners In Health

Commitment: Up to \$750,000 from 2021–2023

Partners in Health collaborates with national governments to provide care and strengthen public health systems in areas such as cancer and chronic disease, child health, emergency response, HIV/AIDS, maternal health, mental health, and tuberculosis. Their Navajo nonprofit partner [Community Outreach and Patient Empowerment](#) strives to promote healthy, prosperous, and empowered Native communities through robust, community-based outreach; local capacity building and system-level partnerships; and increased access to healthy foods. Our grant helps to fund their work to strengthen the health system and improve the lives of those living with chronic diseases on the [Navajo Nation](#), the largest Native American reservation in the United States.

Splash

Commitment: Up to \$750,000 from 2021–2023

Splash is an international non-governmental organization (NGO) focused on improving the lives of the poor in urban settings by providing clean drinking water to children. Our grant helps to fund [Project WISE](#), which works to bring clean drinking water, sanitation facilities, and menstrual hygiene education to more than 1 million children in all government schools (~1,580) in Addis Ababa, Ethiopia, and Kolkata, India. This work has already begun and is expected to be completed by the end of our grant period. The five-year, nearly \$40 million project has other funders, but we are the largest corporate donor.

Emergency COVID-19 relief in India: \$162,595

As we evaluated future health partners, the COVID-19 pandemic reached unprecedented levels in India, where Milliman has offices with more than 400 employees. When Opportunity International reached out for support, we felt compelled to contribute. The Milliman Giving Fund contributed \$100,000 initially, and the Milliman community responded generously with an additional \$62,595.

Our donor community

"Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has." – Margaret Mead

This quote goes right to the ethos of the Milliman Giving Fund. Our employee donor community has risen to meet the needs—planned and unplanned—that we set out to meet in 2021, to build stronger, healthier, more vibrant communities around the world.



Social Impact and Sustainability Statement and Policies

Social responsibility is embedded in everything we do—how we work with clients, hire and develop our people, and interact with our communities. Our corporate social responsibility statement and policies set a standard for ethical and sustainable business practices, innovation that transforms communities, philanthropic pursuits, and diversity and inclusion.

For more information about our social impact activities, contact us at socialimpact@milliman.com and visit milliman.com/social-impact.

About Milliman

Since 1947, we have combined technical expertise with business acumen to create elegant solutions for our clients. Today, we are helping organizations take on some of the world's most critical and complex issues, including retirement funding and healthcare financing, risk management and regulatory compliance, data analytics, and business transformation.

Visit us at milliman.com.