

# Milliman Social Impact and Sustainability

Statement and Policies

September 2024



## Table of Contents

|  |           |
|--|-----------|
| <b>OUR WORK – SOLUTIONS FOR A WORLD AT RISK</b> .....  | <b>2</b>  |
| <b>OUR PEOPLE</b> .....                                | <b>5</b>  |
| DIVERSITY AND INCLUSION.....                           | 5         |
| EMPLOYEE RESOURCE GROUPS.....                          | 5         |
| PROFESSIONAL DEVELOPMENT AND ADVANCEMENT.....          | 5         |
| PERFORMANCE MANAGEMENT.....                            | 5         |
| EMPLOYEE RELATIONS AND LABOR PROTECTIONS.....          | 5         |
| EMPLOYEE HEALTH AND SAFETY.....                        | 7         |
| BENEFITS AND LEAVES PROTECTIONS.....                   | 7         |
| FAIR HIRING PRACTICES.....                             | 7         |
| WAGE AND FAIR PAY PROTECTIONS.....                     | 7         |
| EMPLOYEE ENGAGEMENT.....                               | 7         |
| WORKFORCE DEMOGRAPHICS.....                            | 7         |
| <b>OUR COMMUNITIES</b> .....                           | <b>8</b>  |
| PHILANTHROPY – LOCAL AND GLOBAL.....                   | 8         |
| SPONSORSHIPS AND SCHOLARSHIPS.....                     | 9         |
| <b>OUR ENVIRONMENT</b> .....                           | <b>9</b>  |
| CARBON FOOTPRINT MITIGATION.....                       | 9         |
| SUSTAINABLE OPERATIONS.....                            | 9         |
| <b>GOVERNANCE AND REPORTING</b> .....                  | <b>10</b> |
| GOVERNANCE.....  | 10        |
| SOCIAL IMPACT AND SUSTAINABILITY PROGRAM OVERVIEW..... | 10        |
| ETHICAL BEHAVIOR.....                                  | 10        |
| ANTI-CORRUPTION AND ANTI-BRIBERY.....                  | 11        |
| CONFLICTS OF INTEREST.....                             | 11        |
| FRAUD AND ANTI-CORRUPTION.....                         | 11        |
| MONEY LAUNDERING.....                                  | 11        |
| ANTI-COMPETITIVE PRACTICES.....                        | 12        |
| GIFTS AND ENTERTAINMENT.....                           | 12        |
| GLOBAL SANCTIONS.....                                  | 12        |
| HUMAN RIGHTS.....                                      | 12        |
| FORCED AND COMPULSORY LABOR.....                       | 12        |
| FREEDOM OF ASSOCIATION.....                            | 13        |
| PRIVACY AND DATA PROTECTION.....                       | 13        |
| QUALITY.....   | 13        |

RESPONSIBLE PROCUREMENT .....14

FRAMEWORKS AND REPORTING.....14

RISK MANAGEMENT AND COMPLIANCE .....14

HANDLING OF POLICY VIOLATIONS .....15

Milliman is among the world's largest providers of actuarial and related products and services. Founded in 1947, we are an independent firm with offices in major cities around the globe. A spirit of social responsibility has been a critical part of Milliman since our inception. We formalized this tradition in 2019 when we became a signatory of the United Nations Global Compact. At Milliman, our approach to achieving our mission to protect the health and financial well-being of people everywhere is framed by our three pillars: our work, our people, and our communities. We believe that social impact and sustainability (SIS) is integral to our success and demonstrate this through our care for our employees, our communities, and the environment.

This statement details our standards, guidelines, and procedures within the scope of social impact and sustainability and describes how we uphold our values of quality, integrity, and opportunity.

Our impact areas are as follows:

- Diversity equity and inclusion
- Employee relations and labor protections
- Ethics and anti-corruption
- Human rights
- Privacy and data protection
- Philanthropy
- Environmental matters
- Reporting and governance structure

## Our Work – Solutions for a World at Risk

Milliman's body of professionals includes numerous specialists, ranging from actuaries to clinicians and technologists. For more than 75 years, we have combined technical expertise with business acumen to create innovative solutions for our clients. Additional information can be found on our website and in our annual impact report at <https://www.milliman.com/-/media/social-impact/Milliman-Impact-Report.ashx>.

Highlights of our social impact and sustainability work include: [The MicroInsurance Centre at Milliman](#), [The UNDP-Milliman Global Actuarial Initiative](#), and [climate resiliency leadership](#).

## Our People

Our people are our most precious resource, and our goal is to create an environment that recognizes and meets our employees' personal and professional needs.

### **DIVERSITY AND INCLUSION**

As described in our public [Diversity, Equity, and Inclusion \(DEI\) Statement](#), DEI is core to Milliman's mission to protect the health and financial well-being of people everywhere. By including everyone and drawing on differences in who we are, our lived experiences, and how we think, we are better able to deliver services that exceed the expectations of our clients, strengthen our communities, and provide opportunities for all.

### **EMPLOYEE RESOURCE GROUPS**

Milliman's Employee Resource Groups (ERGs) are employee-led groups based on shared experiences and goals designed to strengthen and support our commitment to DEI. Our ERGs are open to all employees globally, and are empowered to influence policies, develop future leaders, and increase employee engagement. They organize events and communications to celebrate and raise awareness during heritage months and to advance their efforts in recruiting, retention, belonging, development, and other growth areas to add to our culture of belonging. More details about their areas of focus and activities can be found in our annual impact report.

### **PROFESSIONAL DEVELOPMENT AND ADVANCEMENT**

We make our company stronger by encouraging employees to grow and build new skills to cultivate the next generation of leaders. Our Professional Development Committee, which includes members of our corporate learning and development team, identifies and explores opportunities to help employees advance professionally and develop

skills that supplement their technical expertise. We have robust training, development, and mentorship programs, focusing on providing advancement opportunities, that are open to all employees. Some programs have eligibility requirements, based on tenure or duration of employment at Milliman. Our learning and development opportunities cover our global operations. The firm safeguards against inequitable or discriminatory advancement through requisite annual anti-harassment and discrimination training, and role transparency.

### **PERFORMANCE MANAGEMENT**

All employees, globally, are required to receive an annual written performance review. Many teams provide more frequent quarterly or biannual reviews to better support performance management. Goals and reviews are recorded in an HR management system and available at any time to employees and managers. Training is available to all employees in setting goals, and manager-level training is provided for performance management. Notifications of review periods and details are communicated to employees via email.

### **EMPLOYEE RELATIONS AND LABOR PROTECTIONS**

Labor concerns are protected by two policies/trainings at Milliman that all employees and contractors globally must abide by and are a condition of employment: annual Anti-Harassment Training and annual attesting to the [Milliman Code of Conduct](#).

At Milliman, all employees and contractors, globally, must complete annual anti-harassment and anti-discrimination training. 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, 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.

Milliman's *Anti-Discrimination and Unlawful Harassment Policy* states that all employees are responsible for ensuring that our workplace is free from all forms of unlawful discrimination and harassment. Milliman's *Grievance Policy* outlines both an informal and a formal process that employees may initiate. If any employee witness such prohibited behavior, they should report the behavior through the various methods outlined in Milliman's *Whistleblower and Non-Retaliation Policy*. If any employee who, in good faith, reports a violation of law or of Milliman policy is retaliated against, Milliman will address this violation of the policy.

The *Code of Conduct* contains four key areas: values in action, responsibilities, reporting misconduct, and response. The *Code of Conduct* also details specific processes to report violations, such as our whistleblower hotline and web portal, and our commitment to non-retaliation.

All U.S. employees and contractors 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. Outside of the U.S. Milliman conducts background checks within the letter of the law and complies with local regulations in this area. Milliman's employee and labor protections are ensured through the following actions.

### **EMPLOYEE HEALTH AND SAFETY**

Though the risk of workplace safety issues is low due to the nature of Milliman's business, Milliman strives to be compliant with all local workplace safety laws and regulations, including OSHA compliance in our U.S. office spaces. 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.

### **BENEFITS AND LEAVES PROTECTIONS**

Milliman operates in over 30 countries. In countries/jurisdictions where paid family leave is not protected/available through government programs, we may offer benefit packages that include paid family leave.

Workers' compensation/occupational injury benefits are available to all employees and are based on the policy and laws of the local state/country. We also offer employee assistance resources at no cost to employees in many locations. These resources can include mental health resources, suicide prevention resources, legal services, and financial management services.

### **FAIR HIRING PRACTICES**

Milliman engages in fair, non-discriminatory hiring practices globally. 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, political ideology, race, sex, sexual orientation, gender identity, disability, or veteran status, and we prohibit discrimination against any individual or any other characteristic protected by law. As a U.S. federal contractor, Milliman has an annual obligation to notify contracted vendors, subcontractors, suppliers, and recruiters that we expect them to comply with the requirements for non-discriminatory hiring and employment practices outlined in Executive Order 11246. Training and guidance are available to all hiring managers on fair, non-discriminatory hiring practices, anti-bias in job description development and job posting language, and best practices in interviewing. All US hiring is managed through our HR management system, which ensures GDPR-compliant security for the applicant, but also transparency of role and hiring expectations.

### **WAGE AND FAIR PAY PROTECTIONS**

Milliman is building out a global compensation management program to safeguard against unfair and inequitable hiring compensation practices. All roles in the U.S. are required to have approved job descriptions and compensation ranges prior to job postings. In addition, some locations have performed wage gap analyses to further protect our workforce. For instance, we complete the requisite analyses per French labor laws: article D.1142-5 of the Labor Code, and formally submit our gender pay gap reports per regulation.

### **EMPLOYEE ENGAGEMENT**

Milliman's HR department conducts regular voluntary, anonymous employee engagement surveys to assess levels of employee satisfaction and to identify areas of opportunity to improve the employee experience. The results are communicated to employees and reported to leadership and the Board of Directors. Additionally, detailed data is communicated to all business units with results specific to their groups.

### **WORKFORCE DEMOGRAPHICS**

Milliman is not a certified diverse-owned business. We monitor workforce diversity data including gender and age group, and may include ethnicity, disability, and veteran status, depending on geography. The information is used internally to monitor and measure our progress and adapt policies accordingly. Milliman collects employee diversity data through voluntary self-reporting during the onboarding process and we disclose some demographic information publicly in our annual impact report.

## **Our Communities**

Milliman is a signatory of the United Nations (UN) Global Compact and is committed to upholding its 10 Principles. Each year we affirm this commitment in our UN Communication on Progress report and in our annual impact report, published on our website. Milliman promotes good corporate citizenship throughout our global operations.

### **PHILANTHROPY – LOCAL AND GLOBAL**

Many Milliman offices support organized volunteer activities for employees and their families to serve their communities, such as adopt-a-family programs, charitable walks, school supply and food drives, Junior and Special Olympics, cleanup and restoration, and classroom and literacy tutoring. Given the mathematical aptitude and focus of our professionals, many employees regularly volunteer in schools. These efforts are captured in an online system that tracks volunteer hours and donations and their alignment with United Nations Sustainable Development goals. The Milliman Giving Fund (MGF) is a philanthropic initiative led by the employees and retirees of Milliman that supports Milliman's mission by funding transformative programs to improve the health, education, and economic development of communities worldwide.

### **SPONSORSHIPS AND SCHOLARSHIPS**

We attract and advance diverse talent through sponsorships and scholarships including the International Association of Black Actuaries (IABA), Organization of Latino Actuaries (OLA), Network of Actuarial Women and Allies (NAWA), and Abacus Actuaries in 2023. Our sponsorship as an Ally includes recognition, prior registration, and participation in an upcoming career fair.

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

- The Milliman Opportunity Scholarship assists students from ethnic groups and races underrepresented in actuarial science, data science, computer science, economics, programming, mathematics, statistics, data analytics, or finance.
- The Stuart Robertson Actuary of Tomorrow Scholarship assists students majoring in actuarial science.
- The Wendell Milliman Scholarship assists college-bound children of Milliman employees.

## Our Environment

Milliman is committed to upholding all environmental laws throughout our global operations and as a mission-driven firm including:

### **CARBON FOOTPRINT MITIGATION**

In 2022, Milliman's Board of Directors formally approved Milliman becoming net zero by 2040, and in June 2023 our science-based targets to reach net-zero emissions across the value chain by 2040 were confirmed the Science Based Targets Initiative (SBTi). We have committed to reducing absolute scope 1, 2, and 3 GHG emissions 46.2% by 2030 from a 2019 base year, and to reduce absolute scope 1, 2, and 3 GHG emissions 90% by 2040 from a 2019 base year. We report our GHG emissions in our annual impact report.

### **SUSTAINABLE OPERATIONS**

Milliman encourages sustainable processes in our daily operations across more than 30 countries. We encourage the formation of local "green teams" in our offices to provide awareness and education around sustainable practices, in partnership with facilities staff for implementation. In major cities, we offer transit passes. We partner with vendors that manage sustainable/ethical recycling and disposal of e-waste and repurpose and redistribute surrendered IT assets to those in need. We will continue to monitor our carbon footprint mitigation through ongoing analysis of our operations, working across the scope of our company globally to identify areas of opportunity, and address any critical gaps that may arise.

## Governance and Reporting

### **GOVERNANCE**

Milliman is independently owned and managed by our principals and led by a board of directors, which consists of senior leaders from diverse practice areas. We have a culture of transparency in our governance. Prior to Board meetings, each owner is provided with meeting materials and a chance to offer their opinions on voting items to their board contact. Formal meeting minutes and informal notes from each meeting are available on our intranet. All policies are available on our intranet and are accessible to all employees. Each new employee is required to acknowledge certain Milliman policies upon hire and annually thereafter. Milliman employs a committee structure to effectively manage our widely distributed business operations and functions. All committees have a charter, a transparent reporting structure and are required to set goals and report on progress.

### **SOCIAL IMPACT AND SUSTAINABILITY PROGRAM OVERVIEW**

The SIS department is led by a Chief Sustainability and DEI officer who reports directly to the President and CEO. The team consists of a Director of Social Impact and Sustainability, an SIS Program Manager, a DEI Coordinator, and an SIS Analyst. The SIS Committee guides the structure, functioning, and reporting of the program. The Board Chair, Chief Executive Officer, Chief Sustainability and DEI Officer and Chief Compliance Officer sit on the committee. The Director of Social Impact and Sustainability co-chairs the committee along with a senior business leader. The Social Impact and Sustainability Committee reports annually to the board on areas that include the effectiveness of the program and on global employee participation.

### **ETHICAL BEHAVIOR**

We are committed to legal and ethical behavior throughout the organization and work to prevent corruption in all areas of our business operations. Prior to providing services to any potential client, an entity undergoes a thorough background check. For global entities, this includes a screening through WorldCheck. Employees who deal with

sensitive client information receive additional training to ensure its security. Our staff remains vigilant and if they notice any suspicious behavior, they are required to report it through the *Whistleblower and Non-Retaliation Policy*.

### **ANTI-CORRUPTION AND 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 our outreach and training program. 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 Enterprise Risk Management 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. Milliman's policy requires any employee who becomes aware of a conflict or potential conflict to report it in a timely manner. Conflicts are managed through a series of procedures, starting at project inception and continuing with conflict reporting and management throughout the project. Conflicts are analyzed and addressed through either conflict mitigation or disclosure.

### **FRAUD AND ANTI-CORRUPTION**

We're committed to legal and ethical behavior throughout the organization as stated in the *Code of Conduct*. Internally, this is maintained through a series of policies, including our *Anti-Bribery Policy* and our *Whistleblower and Non-Retaliation Policy*. Our *Insider Trading* policy prohibits the use of nonpublic information for monetary gain. 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.

### **MONEY LAUNDERING**

Due to the nature of our services, Milliman is unlikely to be involved in or able to detect or prevent money laundering. However, some of our business units globally 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 employees must report any suspicious activity.

### **ANTI-COMPETITIVE PRACTICES**

Milliman's *Unfair Competition Policy* prohibits conduct that reduces competition or involves competition by unfair means. All employees are expected to conduct business in compliance with laws, regulations, and our policy. Any activity of an anti-competitive nature in violation of this policy may subject an employee to disciplinary measures up to and including termination of employment. We do not collude with competitors to set prices nor do we attempt to obtain information on competitors' prices. Employees who perform work for or participate in professional associations pay particular attention to ensure their actions do not conflict with this policy.

### **GIFTS AND ENTERTAINMENT**

The receipt and provision of gifts and entertainment must comply with Milliman's *Anti-Bribery Policy*. All gifts or entertainment must be paid with Milliman resources and are subject to additional finance review. All gifts and entertainment must be reasonable, taking into consideration the nature of the services provided and the location and culture where the office is located. Some business units have specific gift and entertainment policies that provide further guidance.

### **GLOBAL SANCTIONS**

#### **Sanctions**

Milliman is committed to complying with applicable United Nations Security Council sanctions. We will not sell products or services to individuals, companies, or entities as prohibited by United Nations Security Council sanctions without obtaining an exemption for humanitarian services.



### **Office of Foreign Asset Control (OFAC)**

Milliman complies with the U.S. Treasury Department Office of Foreign Asset Control (OFAC) restrictions on countries and individuals related to economic sanctions programs. We accomplish this in two ways: as part of our client screening process (entities and senior leaders), and through the U.S. Background Check new hire process. In compliance with U.S. regulations, we may provide humanitarian assistance in support of an NGO's authorized activities.

### **HUMAN RIGHTS**

Milliman is committed to supporting and upholding the provision of basic human rights to all individuals globally. Our policy aligns with the United Nations (UN) Universal Declaration of Human Rights, and their 10 Principles, as Milliman has been a signatory of the UN Global Compact since 2019. Should any employee witness such prohibited behavior, they are required to report the behavior through the various methods outlined in Milliman's *Whistleblower and Non-Retaliation Policy*. Any employee who, in good faith, reports a violation of law or of Milliman policy will be shielded from retaliation through our policy, documented in the *Code of Conduct*.

### **FORCED AND COMPULSORY LABOR**

Milliman does not use or allow the use of forced or compulsory labor, modern slavery, servitude, human trafficking, or child labor in our direct operations, indirect operations, or our supply chain. Milliman has voluntarily put a three-year plan in place to become fully compliant with the UK Modern Slavery Act by 2026. This includes publishing the requisite transparency statement on milliman.com, assessing our vendors and suppliers, followed by evaluation and implementation. These efforts are part of establishing our firm's global supplier engagement program, which will be supported by policies and enforcement mechanisms.

### **FREEDOM OF ASSOCIATION**

Milliman is a global company and there is a wide variety of applicable laws related to freedom of association and is an issue broader than just labor unions. The firm recognizes the law and fundamental human rights associated with freedom of association and the right of collective bargaining. Many countries have specific laws around these rights, and we strive to be fully compliant with those laws. Freedom of association is defined as the right that every individual is free to organize and to form and participate in groups, either formally or informally. We uphold this in many ways such as our employee resource groups, local office teams and clubs, and by encouraging membership in industry-specific professional organizations.

### **PRIVACY AND DATA PROTECTION**

Milliman is dedicated to safeguarding electronic data, based on the ISO 27001 international standard for cybersecurity and privacy protection. We are committed to the ongoing evaluation and enhancement of our cybersecurity controls, adapting proactively to address emerging threats and safeguard sensitive data. The firm has established a comprehensive information security policy and has employed layered controls and safeguards in a defense-in-depth strategy to protect electronic information. These protections cover all Milliman operations globally. As privacy regulations evolve, our Compliance, Global Data Privacy, and Information Security teams take actions as appropriate to address compliance with applicable laws and regulations.

### **QUALITY**

Milliman is committed to providing superior services and work products. We employ a strong ethic of peer review in all our projects. This process requires a secondary review of the work performed, reports prepared, and overall project management. Selected reviewers are familiar with the project but have not performed significant work on the specific project. This allows for impartial review and the opportunity to provide additional insight. The review is structured to identify outstanding issues not addressed, ensure that information is presented logically and completely, and confirm that the overall quality of the work meets Milliman's high standards. This process adds an additional level of security for our clients.

### **RESPONSIBLE PROCUREMENT**

Milliman has a public supplier diversity statement and are working to set up a vendor management program to allow us to engage with our vendors and suppliers, hold them accountable to meeting our standards, and monitor their diversity, sustainability, and other attributes. These efforts are led by our Chief Sustainability and DEI officer, who reports directly to our President and Chief Executive Officer, and our Director of Global Procurement, who reports to

our Chief Financial Officer. We are members of the National Minority Supplier Development Council (NMSDC) and the Women's Business Enterprise National Council (WBENC), increase our spend with diverse suppliers and offer support to those who wish to do business with us.

### **FRAMEWORKS AND REPORTING**

Milliman embraces a continuous improvement approach to our reporting. We take our scores from reporting bodies seriously and use them to identify opportunities for improvement. We report annually on our social impact and sustainability program and progress, encompassing all global operations, to CDP, EcoVadis, IntegrityNext, and the United Nations Global Compact Communication on Progress. We also report supplier diversity information to several bodies quarterly, such as Supplier iO, Unitier, and Viva Stars. In addition to reporting to external frameworks, we publish two annual reports: an internal Diversity Data Report, and the Milliman Impact Report, which includes some diversity data, and is available on our website.

### **RISK MANAGEMENT AND COMPLIANCE**

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

### **HANDLING OF POLICY VIOLATIONS**

Potential policy violations may be reported many ways as outlined in the *Whistleblower and Non-Retaliation Policy*. Usage of the whistleblower system is outlined in our *Code of Conduct*. Once a violation is reported, a senior employee investigates. 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.



Milliman is among the world's largest providers of actuarial, risk management, and technology solutions. Our consulting and advanced analytics capabilities encompass healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe.

[milliman.com](https://www.milliman.com)

#### **CONTACT**

**DEI and Social Impact and  
Sustainability Team**

[socialimpact@milliman.com](mailto:socialimpact@milliman.com)