



UNEP-FI Principles for Sustainable Insurance

The key activities implemented during the past year are summarized below in accordance with each principle and with reference to the applicable section in our Integrated Annual Report.

<p>Principle 1: We will embed in our decision-making environmental, social and governance (ESG) issues relevant to our insurance business</p>	<p>Sections: Foreword from the CEO, p. 9-11 We support the industry, p. 28-34 We push for sustainable solutions, p. 36-45 We focus on our people, p. 46-53 We strive for long-term sustainable investments returns, p. 53-58 Governance and risk management, p. 67-73</p>
<p>Sustainability is an integrated part of Gard’s strategy, and our aim is for sustainability to be embedded as a watermark throughout our operations. This is an important priority for Gard to create a good environment for managing climate and sustainability risks and capitalizing on the opportunities these factors represent. We believe that having a clear strategy supporting the Sustainable Development Goals allows us to create long-term returns in future markets and leads us to greater success.</p> <p>Having assessed the SDGs, the opportunities, and responsibilities each of them represents for our business, and our ability to have an impact on them, we identified 5 SDG focus areas characterized by our main business strategies:</p> <ol style="list-style-type: none"> <p>1. SDG 8 – Focus on people for sustainable growth We respect human rights and promote labour rights throughout our value chain and in our own operations. We develop competence, foster diversity, equal opportunities, and prevent discrimination. We help Members and clients by protecting the lives and livelihoods of seafarers and promoting their wellbeing. We realize business opportunities for sustainable growth.</p> <p>2. SDG 13 – Support the maritime industry to limit the impacts of climate change We respond to our Members’ and clients’ changing operations and needs by developing products and services that enable them to thrive in the transition to a more sustainable maritime sector. We use the risk categorization proposed by the framework of the Task Force on Climate-related Financial Disclosures (TCFD) to identify and report on climate risks and opportunities. We are carbon neutral in our own business operations.</p> <p>3. SDG 14 – Prevent and minimize the impact of marine pollution We handle marine accidents and pollution efficiently, fairly, and responsibly, and continue to work with responsible authorities to prepare for such eventualities. We use data to prevent and guide our response to marine accidents. We encourage ship recycling according to the Hong Kong Convention and the EU Ship Recycling Regulation.</p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 65%;">  </div> <div style="width: 30%; text-align: center;"> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 65%;">  </div> <div style="width: 30%; text-align: center;"> <p>13 CLIMATE ACTION</p> </div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 65%;">  </div> <div style="width: 30%; text-align: center;"> <p>14 LIFE BELOW WATER</p> </div> </div>	

4. SDG 16 - Push towards higher business ethics throughout global operations

We implement standards and practices to combat corruption, fraud, and money laundering. We implement requirements and standards designed to make shipping more sustainable. We are transparent in our own sustainability targets, activities, and results.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



5. SDG 17 – Driving sustainable development within maritime industries and beyond

We cooperate with private, public, and civil society, and share insights with multiple stakeholder groups through seminars, articles, and partnerships.

17 PARTNERSHIPS FOR THE GOALS



In addition, we find that good internal governance is critical to the successful integration of sustainability initiatives within the whole organization. The Sustainable Operations Panel (SOP), established in 2019, provides high-quality advice and guidance to the organization and accounts for how we address any adverse impacts on sustainable business conduct. With the SOP in place, the integration of sustainability within Gard has improved. As sustainability and ESG are integrated into our 2025 aspirations, team leaders are responsible for integrating sustainability in team goals and helping the organization identify relevant sustainability targets and KPIs in line with Gard’s strategy realization process.

Principle 2: We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop situations

Sections:

Foreword from the CEO, p. 9-11

We support the industry, p. 28-34

We push for sustainable solutions, p. 36-45

We focus on our people, p. 46-53

Governance and risk management, p. 67-73

Gard works closely with Members, clients, suppliers, and business partners in advancing sustainable solutions. We considered the following initiatives and activities in raising awareness of ESG issues and in managing risks:

1. We recognized that our industry is highly exposed to climate-related risks, and to address this we appointed an internal expert group to identify and assess climate-related risks and opportunities for Gard.
2. Gard works to have a positive influence in our industry through participation and memberships in industry bodies, boards, and committees. The strategic partnerships and coalitions include:
 - International Group of P&I Clubs (IG) – we were part of the discussions that led to the establishment of a sustainability working group in 2019 and the creation of four work streams in 2020, using the UN SDG framework to better understand how P&I can both enhance its positive impact and reduce its negative impacts on society. We hope this will lead to increased awareness within the shipowning community, by focusing on the potential for new areas of engagement but also on the broad range of detailed work on sustainable development the IG has been doing for many years. This includes safety and loss prevention work aimed at minimizing the risk of personal injury and damage to the environment, thereby preserving the economic welfare of those within our value chain.

- International Union of Marine Insurers (IUMI) – we were involved in producing a recommended model wording where priority is given to compensating victims of marine casualties and the restoration of the environment.
 - Global Maritime Forum (GMF) – we are a strategic partner to the GMF and in 2021 became a co-founding partner to the Poseidon Principles for Marine Insurance. The Poseidon Principles are an important contribution by the marine hull insurance industry where leading marine insurers come together to support shipping’s transition towards a decarbonized future. Being a signatory to the Principles will enable us and other financial institutions to assess our portfolios’ impact on the environment, using a common set of guidelines.
 - UN Global Compact – as a member, we continue to raise the need to designate seafarers as “key workers” to ensure access to appropriate medical care.
 - Singapore Maritime Foundation – having gained a seat on the board creates an opportunity for us to influence the sustainable development of the maritime industry.
3. We work with shipowners and seafarers to ensure the highest levels of performance and safety. We are constantly improving our terms and conditions to ensure safe working conditions in the industry.
 4. In the same manner, we work to ensure that disposal of removed wrecks are done in compliance with the Hong Kong Convention and EU regulatory standards and ensure that salvage and wreck removal operations are conducted with minimal adverse effects on the environment. We are also part of the Ship Recycling Transparency Initiative.
 5. We initiated a pilot project where we require potential contractors to report the expected carbon footprint as well as other environmental effects of the operation. This gives us the opportunity to compare the expected environmental impact of each tender (bidder), which will then be one of the key factors considered when Gard decides on which contractor to use.
 6. We created a template for reporting casualties involving substantial response operations to address relevant ESG issues.
 7. We communicate the challenges and the lessons learned associated with plastic nurdle spills that occurred in 2020 through podcasts and articles on our website to raise awareness and to share information on plastic nurdle spills.
 8. Together with fellow CEFOR members, we amended the terms of the Nordic Marine Insurance Plan to include consideration of carbon footprints when selecting repair yards.
 9. Our insurance products play an integral part in helping our Members and clients to mitigate risks, and so as an important step, we mapped our products and identified gaps and opportunities for integrating ESG considerations.
 10. We communicated our expectations to our correspondents through our Code of Ethics and Business Conduct. We established a Procurement unit to ensure a competitive and sustainable supply chain. There is a focus on ESG measures when selecting suppliers and solutions.

Principle 3: We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance (ESG) issues

Sections:
 We support the industry, p. 28-34
 We push for sustainable solutions, p. 36-45

We undertook a review together with our regional offices of Gard’s outreach activities which involve developing trusted relationships with local authorities in cases of future casualties. The review allowed us to identify opportunities across our regional offices for greater engagement with industry bodies on a local level. We likewise maintain strong relationships with other stakeholders such as with academic institutions and universities. We established the Gard Fund – enabling sustainable maritime development with the Institute of Maritime Law at the University

of Southampton. The fund will support international workshops to review the legal framework governing maritime labour and best practices.

Principle 4: We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles

This is our second progress report referencing our first Integrated Annual Report 2021/2022. Our Integrated Annual Report shows our accountability and transparency in implementing the Principles for Sustainable Insurance.