



# UNEP-FI Principles for Sustainable Insurance (PSI)

Gard became a signatory to the PSI in 2021 and will, in collaboration with other insurers, seek to better understand, prevent, and reduce environmental, social and governance risks.

As a signatory to the PSI, Gard is required to make an annual disclosure of the progress we have made in implementing the principles. The key actions implemented during the past year are summarized below in accordance with each principle and with reference to the applicable section in our Annual Report 2022. This is our second disclosure for 2022 as we changed our reporting cycle for the annual report coinciding with the adoption of calendar year format. We started a new calendar year covering the period 21 February 2022 to 31 December 2022. The Annual Report 2022 covers the financial statements and corporate activities for the year ending 31 December 2022.

<p><b>Principle 1:</b> We will embed in our decision-making environmental, social and governance (ESG) issues relevant to our insurance business</p>	<p>Sections:            Our service to members and clients – p. 14-17            Our support to the industry – p. 18-22            Our people and organization – p. 23-26            Our investments – p. 27-28            Governance – p. 34</p>
<p>Our main activities encapsulate who we are as a company and how our operations impact the UN Sustainable Development Goals:</p> <ul style="list-style-type: none"> <li>▪ <b>We support the industry</b> Positive portfolio development with focus on sustainable business. Based on insight and deep maritime expertise, we provide timely advice and services that reduce losses and mitigate risks.</li> <li>▪ <b>We push for sustainable solutions</b> Focusing on emerging technologies, the safety and wellbeing of seafarers, and ESG standards.</li> <li>▪ <b>We focus on our people</b> By developing competence, fostering diversity and ensuring equal opportunities, we create good working conditions and stay forward-looking and curious.</li> <li>▪ <b>We strive for long-term sustainable investment</b> Through our scale and financial strength, we invest responsibly to the benefit of our Members and society.</li> </ul> <p>Since 2019 the Sustainable Operations Panel (SOP) has functioned as a strategic discussion forum to ensure that social and environmental risks and opportunities are escalated to the group leadership team. In addition, all team leaders are responsible for integrating sustainability into their team goals and for helping the organization identify relevant targets and KPIs in line with Gard’s strategy realization process.</p> <p>In line with the UN SDGs, we have implemented the following initiatives and activities for the year 2022:</p> <ul style="list-style-type: none"> <li>▪ <b>Limit the impacts of climate change</b> One of Gard’s strategic goals is to become the preferred insurance partner for our customers in the green transition. As decarbonization transforms the maritime industries, shipowners will increasingly have to convert their operations to alternative fuels and</li> </ul>	

propulsion systems, exposing them to new risks and challenges. Our role as a leading marine insurer is to support the industry in this transition.

We also aim to increase our renewable energy portfolio. This is about future-proofing our business and making sure we have the competence and understanding needed to support the energy transition. We provide support to maritime decarbonization by not only providing insurance covers but by also engaging with the research community and other stakeholders to understand what lies ahead.

- **Help Members and clients by protecting the health and wellbeing of seafarers**

We see a continued need to put seafarers' safety and wellbeing on the top of the agenda, both in our dialogue with shipowners and in wider industry forums owing to lingering Covid restrictions and geopolitical tensions caused by the war in Ukraine. We launched a free, industry-wide medical app, the Mariners Medico Guide, tailored for seafarers, assisted Members with seafarer surveys, and guidance and checklist for crew contracts.

- **Handle and prevent marine accidents and pollution**

As part of our continuous efforts to integrate ESG considerations in our claims handling, we issued our first claims specific ESG report which seeks to address all relevant issues related to the casualty, environmental impact, and carbon footprint of the response operations.

We prevent high-impact casualties by providing immediate support and casualty handling to limit the impact on people and environment. We enhanced our large claims loss control efforts with particular focus on container stack collapses and cargo related containership fires.

- **Focus on people for sustainable growth**

We continue to grow as an organization within the areas of regulatory and technical support. As such, we updated and upscaled our internal systems and processes related to employee development. A significant priority this period has been our continued work on equality, diversity and inclusion (EDI). Following the implementation of our EDI policy in 2021, we conducted a company-wide survey, seeking to identify gaps and potential pain points that needed to be addressed and we have now started to implement measures in this area.

- **Push for transparency and good governance**

We strive to conduct our business operations with the highest legal and ethical standards. In this regard, we expect all employees and external business partners to be familiar with and to comply with our Code of Ethics and Business Conduct, and Supplier Code of Conduct. Following the implementation of the Norwegian Transparency Act on 1 July 2022, we have also established formal systems and processes to be able to conduct human rights due diligence as required by the law and to effectively respond to any public inquiries relating to this matter, and published our first human rights due diligence report.

In 2022, our whistleblowing policy was updated to comply with the Norwegian Working Environment Act and the EU Whistleblowing directive. Together with our supplier, we also conducted whistleblowing awareness training with all employees and all leaders.

On other areas of business, specifically in our investments, we have our equity portfolio screened in terms of ESG, where we have received two separate ratings – ESG rating and Carbon risk rating. We continuously engage with our asset managers, making sure that we progress from having ESG 'on the agenda' to actually integrating it into our investment decisions. By the end of 2022, 100 per cent of our fund managers were signatories to the UN Principles for Responsible Investment.

<p><b>Principle 2:</b> We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop situations</p>	<p>Sections:  Our service to members and clients – p. 14-17  Our support to the industry – p. 18-22  Our people and organization – p. 23-26  Our investments – p. 27-28  Governance – p. 34</p>
<p>Gard shares knowledge and insights with a broad range of stakeholders where we seek to raise awareness and improve operational standards across the industry. We perform analytics, share insights, and develop data-driven loss prevention by publishing safety alerts, articles, podcasts, and other learning materials and hosting seminars and training sessions. Our top priorities are seafarers’ safety and wellbeing, prevention of high impact casualties, and supporting maritime decarbonization.</p> <p>We maintain a close dialogue with industry stakeholders and regulatory authorities, and collaboration with the International Group of P&amp;I Clubs and consultation with industry peers to discuss rapidly changing regulations provided us with clarity and reassurance in tackling the challenges brought about by geopolitical tensions. We significantly geared up our internal compliance and know your customer efforts.</p> <p>We engage with our suppliers and business partners to improve sustainability in our value chain and to increase the awareness and transparency around the human rights challenges we face in the industry. And as part of our efforts to combat corruption and promote a fair maritime industry, Gard joined the Maritime Anti-Corruption Network to combat corruption in the maritime industry.</p>	
<p><b>Principle 3:</b> We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance (ESG) issues</p>	<p>Sections:  Our service to members and clients – p. 14-17  Our support to the industry – p. 18-22  Governance – p. 34</p>
<p>Gard entered into partnerships with two global decarbonization centers in 2022: the Global Centre for Maritime Decarbonization (GCMD) and Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping. GCMD is a non-profit organization established in Singapore in 2021, aiming to help the maritime industry eliminate greenhouse gas emissions by shaping standards for future fuels, financing and piloting new projects, and facilitating increased collaboration across sectors. Similarly, the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping, based in Copenhagen, is a non-profit, independent research and development center working across the energy and shipping sectors with industry, academia, and authorities. It explores viable decarbonization pathways, facilitates the development and implementation of new energy technologies, and works to accelerate the transition toward a decarbonized economy.</p> <p>In combatting corruption within the industry, we work with Maritime Anti-Corruption Network (MACN), a network of more than 170 global companies, in sharing anti-corruption principles and best practices and collaborate closely with governments, non-government organizations and other stakeholders to mitigate the underlying causes of corruption.</p>	

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

This is our third progress report referencing our Annual Report 2022. Our Annual Report shows our accountability and transparency in implementing the Principles for Sustainable Insurance.