

Principles for Sustainable Insurance Progress Report 2022



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Highlights

Hellenic Hull Management (HMA) Limited has a long-standing and highly successful history in the shipping industry, providing reliable and effective insurance coverage to thousands of vessels and managing companies over the years.

With a reputation for reliability and strength, HMA's underwriting expertise and discipline have resulted in a remarkable historical loss ratio of 67%. One of HMA's proudest achievements has been the management of American Hellenic Hull Insurance Company Limited, a joint venture with the American P&I Club, establishing American Hellenic Hull as a leading global player in the international blue-water marine hull insurance market. In February 2022 American Hellenic Hull changed its name to American Club (Europe), extending its license to include P&I and related business for EU/EEA

As a testament to its success, HMA has maintained a record of zero bad debts and a renewal ratio of 99%, reflecting the trust and confidence that its clients have in the company's underwriting expertise and commitment to delivering tangible results. HMA's unique marketing strategy, enabled the company to establish its brand name as synonymous with success and underwriting profit.

Reporting on sustainability

The 2022 Sustainability Report of HMA is intended to describe the actions undertaken to meet the UNEPFI's Principles for Sustainable Insurance and Sustainable Development Goals, launched during the United Nations Conference on Sustainable Development in Rio in 2012. As the Sustainable Development Goals (SDGs) are a blueprint to achieve a better and more sustainable future for all, HMA is prioritising the goals at all levels of our company's activity.





United Nations Global Compact HMA's impact assessment



72.3%



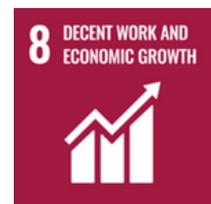
62.4%



59.2%



54.3%



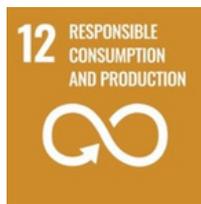
80.6%



64.2%



51.2%



100%



77.2%



78.6%



61.3%



73%



100%

HMA has joined the United Nations Global Compact community adopting the SDG Action Manager. The SDG Action Manager is a tool that enables organizations to assess their impact relative to the various Sustainable Development Goals and to help them improve. We serve 13 out of the 17 goals.



Principle 1

We will embed in our decision – making environmental, social and governance issues relevant to our insurance business.

Company strategy

Establish a company strategy at the Board and executive management levels to identify, assess, manage and monitor ESG issues in business operations.

The Managers:

The Managers are responsible for implementing the sustainability strategies at all levels of the company's activity. In particular, the managers of HMA's departments who report to the HMA's CEO, have been given responsibility for defining and implementing the company's sustainability strategy, following the CEO's guidelines.

HMA's departments (Underwriting, Claims, Finance, H.R., Marketing) are responsible for identifying, assessing and mitigating all environmental, social and governance (ESG) issues horizontally, embracing the Sustainable Development Goals.

We aspire to identify the megatrends in marine insurance, while being in a position to either organizing or participating in seminars, debates, panel discussions and press conferences, sharing our knowledge and aiming to raise awareness among all stakeholders in the maritime industry, including insurers, re-insurers, brokers, shipowners and others.

Dialogue with company owners on the relevance of ESG issues to company strategy.

In order to better embed Environmental, Social and Governance issues in the Company's culture and decision-making, the Managers have established a dialogue with the Board of Directors to relate overall strategy to ESG issues.

We also stand ready to promote sustainability issues through our relationships with investors and analysts.

Integrate ESG issues into recruitment, training and employee engagement programmes

Over the past year we have further strengthened our commitment to excellence and innovation in the field of marine insurance, through strategic partnerships and lifelong learning opportunities.

Being dedicated to support the professional growth and development of young executives, we have enhanced our institutional co-operation with World Maritime University (WMU), founded by the International Maritime Organization (IMO), having awarded bursaries for WMU's PgD program, "Marine Insurance Law and Practice." Additionally, we have fostered cooperation with esteemed educational institutions, including the Universities of Piraeus in Greece and Frederick in Cyprus, to create valuable opportunities for academic collaboration and knowledge-sharing.

To empower our executives with the latest industry insights and expertise, we conducted internal workshops that focused on enhancing their skills and knowledge. These workshops served as invaluable platforms for co-construction, and co-development of our sustainability strategy.

Furthermore, we ensured that our employees had access to world-class online training programs organized by prestigious organizations, such as the United Nations Environment Programme Finance Initiative (UNEPFI), the International Union of Marine Insurance (IUMI), and the Hellenic Marine Environment Protection Association (HELMEPA).

We also take great pride in our underwriting and claims department, as all of our executives have surpassed the rigorous IUMI's Hull Tutorial. We are also delighted that our underwriting team is in the process of being accredited by the Chartered Insurance Institute (CII). These accomplishments underscore our team's expertise and dedication to providing exceptional service to our clients.





Risk management and underwriting:

The insurance industry plays an important role in promoting Environmental, Social and Governance (ESG) issues, which pose a shared risk to marine insurers and the shipping community. ESG risks are arising out of climate change, violation of human rights, pollution, together with risks related to health and safety of the onshore and offshore employees in the shipping industry.

HMA integrates the Environment, Social and Governance issues into risk management, underwriting and capital adequacy decision – making processes.

Unsustainable practices come at a serious cost to all insurance companies balance sheets, and insurance capacity is not limitless and comes at a considerable price both for the insurance industry. In order to Implement sustainability strategies and pioneer in new business models that embrace ESG risks, HMA has invested in partnerships towards this direction.

The company is the first marine underwriter that is member and signatory company of the United Nations Environment Programme (UNEPFI), Principles for Sustainable Insurance initiative, United Nations Global Compact Initiative and UNEPFI Sustainable Blue Economy Finance Initiative. Being part of United Nations' the UN community, the company is committed to incorporate the social, environmental, and business emerging issues into its sustainable and holistic approach.

Climate risk mitigation

Climate change risk is defined as the risk stemming from trends or events caused by climate changes and has two main drivers, the transition risk and the physical risk.

Transition risk is the risk arise from the transition to a low-carbon and climate-resilient economy which is sub divided to:

- policy risk
- legal risk
- technology risk
- market sentiment risk
- reputational risk





Establish processes to identify and assess ESG issues inherent in the portfolio and be aware of potential ESG-related consequences of the company's transactions.

In our business operations, we implement strict, sustainable underwriting criteria in order to maintain the quality we wish to share with our client shipowners and ship managers.

Our underwriting team is comprised of highly skilled professionals, with over 40 years of experience in underwriting and claims handling. We are dedicated to providing our clients and brokers with first-class service and maintaining relationships built on trust for a sustainable and mutually beneficial future.

Integrate ESG issues into risk management, underwriting and capital adequacy decision – making processes, models analytics, tools and metrics.

We integrate the Environment, Social and Governance issues into HMA's risk management, underwriting and capital adequacy decision – making processes.

With regards to the action against climate change, HMA aims to protect the environment and promote environmental awareness.

With respect to our commitment to the Poseidon Principles for Marine Insurance, to assess the climate alignment of our portfolio, we have shared our climate alignment scores for the 2021 insured portfolio:

- IMO 50% CO2 reduction: +11.6%
- 100% CO2 reduction: +16.4%

In addition, we place great importance on continued vigilance of marine insurance market developments arising out of competition among marine insurers and external market factors. For this reason, we closely cooperate with the Company's auditors to maintain an up-to-date Risk Register.

The updated Risk Register is published as part of ASOMIC's Own Risk and Solvency Assessment (ORSA). The ORSA includes the company's own assessment of risks, the Risk Register and stress testing.

Product and service development

Develop products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management.

Through its sustainability strategy, the company's services reduce sustainability risks, whilst they have a positive impact on ESG issues. Furthermore, HMA has been strengthening its commitment to serve the UN Sustainable Development Goals and encouraging its clients to adopt the SDGs. The company already serves the following SDGs:

- **SDG 1:** No poverty. At HMA we serve the SDG 1 aiming to end poverty in all its forms everywhere. For this reason, we are paying living wage for all our employees. Moreover, as we are against forced labour we are committed to cooperate with clients and suppliers that share the same vision.
- **SDG 4:** Quality Education. At HMA we serve the SDG 4, aiming to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. For this reason, we have launched an institutional co-operation with the World Maritime University, founded by the International Maritime Organization striving for enhancing education in marine insurance & constant training of HMA's executives. Additionally, we have fostered cooperation with esteemed educational institutions, including the Universities of Piraeus in Greece and Frederick in Cyprus.

- **SDG 6:** Clean Water and Sanitation. At HMA we serve the SDG 6 aiming to ensure availability and sustainable management of water and sanitation for all. We declare the respect of the rights to water and sanitation, we do monitor and manage water use in our premises and we commit ourselves to provide clean water and sanitation to all our employees.

- **SDG 7:** Affordable and Clean Energy. At HMA we serve the SDG 7 aiming to ensure access to affordable, reliable, sustainable and modern energy for all. We commit ourselves to manage renewable energy usage to our worldwide offices.

- **SDG 8:** Decent work and economic growth. At HMA we serve the SDG 8 aiming to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Furthermore, we provide training opportunities to employees for professional development, we have a written Human Rights policy, we are committed to responsible innovation practices. Finally we provide policy advocacy to contribute to decent economic growth.





- **SDG 9:** Industry Innovation and Infrastructure. At HMA we serve the SDG 9 aiming to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. We are striving to promote and enhance innovation in all aspects of our company's activity, committed to advance our research and development programs.
- **SDG 10:** Reduced Inequalities. At HMA we serve the SDG 10 aiming to reduce inequalities within and among countries. As we are a multinational company with offices around the globe, we fully respect the diversity, we have adopted a nondiscrimination policy and through our initiatives we contribute to reduce inequalities.
- **SDG 11:** Responsible consumption and production. At HMA we serve the SDG 11 aiming to make cities and human settlements inclusive, safe, resilient and sustainable, as we adopt a business model designed to contribute to responsible consumption and production.
- **SDG 13:** Climate Action. At HMA we serve the SDG 13 aiming to take urgent action to combat climate change and its impact. We are a proud member of HELMEPA and our CEO is an Executive Member of HELMEPA's training committee, we adopt the anti-plastic strategy and the strategy against illegal fishing. Furthermore, we strongly support recycling, we operate in a paperless way and we monitor energy usage.

- **SDG 14:** Life below water. At HMA we serve the SDG 14 aiming to conserve and sustainably use the oceans, seas and marine resources for sustainable development. We support the actions to support marine protected areas, we have adopted the anti-plastic strategy and we do monitor the reduction waste.
- **SDG 15:** Life on land. At HMA we serve the SDG 15 aiming to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss. Furthermore, we work with stakeholders to improve behaviour performance on SDG 15.
- **SDG 16:** Peace Justice and Strong Institutions. At HMA we serve the SDG 16 aiming to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. In addition, we provide more transparency by sharing publicly information, such as our financial performance and our social and environmental performance, while we support the stakeholders' engagement.
- **SDG 17:** Partnerships for the goals. At HMA we support initiatives and projects that protect the economic, social and governance framework whilst promoting sustainable development goals (UNEPFI Principles for Sustainable Insurance, Sustainable Blue Economy Finance Initiative, UN Global Compact).

Develop or support literacy programmes on risk, insurance and ESG issues.

Since our inception we have developed several information channels. We stand ready to share our knowledge and expertise through dedicated communication strategies including among others, social media strategies, infographics, newsletters, articles, interviews and participation in conferences. In addition, HMA's CEO participates in all IUMI's meetings and shipping fora.

Through our cooperation with universities and institutes, such as the World Maritime University and the University of Piraeus, we organize seminars and lectures to enhance education in marine insurance.

In addition, through our partnership with HELMEPA - Hellenic Marine Environment Protection Association, we have launched an innovative program focused on promoting sustainable blue economy education among primary school students.

We are proud to have already welcomed on board primary schools from Kastelorizo, Megalochori-Lesvos, Arkioi, Telendos, Kalymnos, Gavdos, Thymaina, Leipsoi, Ag. Efstratios, and Diafani-Karpathos.





Claims management

Respond to clients quickly, fairly, sensitively and transparently at all times and make sure claims processes are clearly explained and understood

We are fulfilling the promise that to settle a covered loss is the essence of insurance. Thereafter, speedy and diligent handling of valid claims is essential so that any loss, disruption or inconvenience is minimized for our clients.

This is the heart and soul of what HMA does. Integrity and transparency are the cornerstones of our operation as a leading marine insurer.

HMA's Claims Department maintains a continuous dialogue with the clients, always seeking solutions rather than exclusions. Our pragmatic approach leads to swift and prompt settlement of all valid claims, and we are proud of having one of the speediest claim processing records in the market.

Our team combines technical knowledge, seagoing experience, adjusting experience and law-oriented personnel with a collective deep understanding of marine insurance.

HMA believes in being hands-on and in addition we can draw on an extensive network of competent surveyors, salvors, solicitors and other resources that may be required in order to provide fast and efficient management of claims, even in the most complex cases. We are focused on improving speed, efficiency, understanding, reassurance to our clients wherever we can.

Integrate ESG issues into repairs, replacements and other claims services

Claims risks related to ESG issues:

- High risk appetite for unsustainable practices such as plastic pollution and illegal fishing, climate change related emissions and decarbonization.
- Direct risk appetite for air pollution, greenhouse gas emissions, and transition risks.



HMA's claims department

Our scope is to implement efficient services and monitoring processes of high quality. Therefore, we have co-operated with Microsoft launching a cutting-edge technological application, the Navision. Navision enables us to provide more transparency and efficiency to our clients.

In order to diminish lack of audit trail, unnecessary duplication of work and promote transparency we have introduced robotic process automations (RPA) in the daily business operation of the Claims department. RPA assist to minimize human error and increase security and governance tasks.

Continuously aiming to achieve one of the shortest claim lifecycles in the market, we invest in constant training of our Claims Handlers and Managers. Our executives, inspired by the lifelong learning experience, provide high quality services to the shipping industry.





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 solutions.

Clients and suppliers

Dialogue with clients and suppliers on the benefits of managing ESG issues and the company's expectations and requirements on ESG issues

Relations with our clients are long-term relationships based on mutual trust. Our special understanding of shipowners, derived from many years of successfully managing a shipowners' mutual association, has been given an additional layer with the local expertise provided by our global network of offices. Our track record in providing hull and machinery insurance cover to shipowners is second to none.

During our 27 years in this business, we have insured more than 12,500 vessels for more than 450 shipowners, and we have worked with 110 different broking houses. But those numbers are only half the story. They reflect long relationships and client satisfaction – as underlined by our average renewal ratio of 99%.

+110 broking
houses

27 years

99% renewal
ratio

+12,500 insured
vessels

+450
shipowners

Provide clients and suppliers with information and tools that may help them manage ESG issues.
Integrate ESG issues into tender and selection processes for suppliers & Encourage clients and suppliers to disclose ESG issues and to use relevant disclosure or reporting framework.

We aim to provide our clients with information and tools that may help them manage ESG issues as well as providing regular presentations of the company's own performance and initiatives. Thus, we have created a practical toolkit

In addition, through articles, presentations, events and social media campaigns we urge our clients to undertake initiatives towards sustainability. Marine insurance, as part of the maritime cluster should follow the IMO's regulations and guidelines that consider 2020-2030 as a key decade in progress towards sustainability.

As such, we actively encourage our clients to subscribe to the antiplastic policies and the strategy against illegal fishing. In addition, we firmly believe that paperless operation is a sine qua non for sustainable business.

Insurers, reinsurers and intermediaries

At HMA, initial actions as signatory company of the UNEP FI Principles for Sustainable Insurance Initiative include:

In June 2020, the Managing ESG issues for non-life insurance guide was launched. HMA has participated in the co-development of the guide to tackle sustainability issues for non-life insurance, in co-operation with UNEPFI PSI and other key stakeholders.

In September 2020, HMA became the exclusive marine insurance signatory company to UNEPFI's Sustainable blue Economy Finance Initiative, integrating the Principles for Sustainable Insurance to Sustainable Blue Economy.

In October 2020, CEO of HMA participated in the launch of the guide through a webinar hosted by UNEPFI and International Union of Marine Insurance.

In December 2020, Mr. Ilias Tsakiris, CEO of HMA, was elected member of the Ocean Hull Committee of International Union of Marine Insurance (IUMI) representing Cyprus.

In March 2021, HMA participated in the co-development of UNEPFI's Sustainable blue Economy Finance Initiative guide to tackle Sustainability issues in Blue Economy. "[Turning the Tide: How to finance a sustainable ocean recovery](#)" guidance paper.

In September 2022, Ilias Tsakiris was elected Chairman of the Ocean Hull Committee of International Union of Marine Insurance, during its annual conference in Chicago.

It is the first time since 1874 that an insurance executive from the Greek or Cypriot market will lead IUMI's Ocean Hull Committee

International Union of Marine Insurance

Ocean Hull Committee

Ilias Tsakiris was elected Chairman of the Ocean Hull Committee of the International Union of Marine Insurance (IUMI), during its annual meeting in September 2022, in Chicago. It is the first time since 1874 that an insurance executive from the Greek or Cypriot market will lead IUMI's Ocean Hull Committee.

Members of IUMI's committees assist the marine insurance society with a roadmap on the trends, risks and myriad of other factors that influence the industry. By sharing its perspective and insights, the company can help shape the direction of the industry and influence public policy providing a lead for hull and machinery underwriters, brokers and shipowners around the world.

IUMI can trace its roots as a forum and a voice for the international marine insurance industry back to the 19th century. IUMI's mission is to enhance marine insurance standards through activities that include research and reporting, education and training, networking among members, and lobbying. The Ocean Hull Committee identifies risk trends and issues, whilst raising awareness of global threats and opportunities for the marine hull and machinery insurance sector.

Mr. Tsakiris started his career at sea as an apprentice Deck Officer and moved up the ranks, before coming ashore to work in London as an average adjuster.

In 1995 he joined Hellenic Hull Management, then-managers of a predecessor insurer Hellenic Hull Mutual Association Plc., becoming Chief Executive Officer of Hellenic Hull Management in 2005.

In 2015-2016, on behalf of the American P&I Club, he launched American Hellenic Hull Insurance Company, now renamed American Club (Europe).

Mr Tsakiris has been a strong advocate for IUMI's increasing focus on sustainability in marine underwriting and educational issues. Hellenic Hull Management has been an early mover in the sector and was among the first marine companies to become a member of UNEPFI's Principles for Sustainable Insurance, the Sustainable Blue Economy Finance Initiative, the Net Zero Insurance Alliance, the Ship Recycling Transparency Initiative, the UN Global Compact and the Poseidon Principles for Marine Insurance. He is a visiting lecturer in various academic institutions, including the World Maritime University and University of Piraeus.





Support the inclusion of ESG issues in professional education and ethical standards in the insurance industry

We aim to support the inclusion of ESG issues in professional education. Being dedicated to support the professional growth and development of young executives, we have enhanced our institutional co-operation with World Maritime University (WMU), founded by the International Maritime Organization (IMO), having awarded bursaries for WMU's PgD program, "Marine Insurance Law and Practice."

Additionally, we have fostered cooperation with esteemed educational institutions, including the Universities of Piraeus in Greece and Frederick in Cyprus, to create valuable opportunities for academic collaboration and knowledge-sharing.

To empower our executives with the latest industry insights and expertise, we conducted internal workshops that focused on enhancing their skills and knowledge. These workshops served as invaluable platforms for co-construction, and co-development of our sustainability strategy.





Principle 3

We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

Governments, regulators and other policymakers

Support prudential policy, regulatory and legal frameworks that enable risk reduction, innovation and better management of ESG issues

At HMA, we aim to support prudential policy, regulatory and legal frameworks. In order to achieve this, we actively participate in all key international shipping fora to actively promote UNEPFI PSI.

Through HMA's membership to the Sustainable Blue Economy Finance Initiative, we aim to upscale the sustainability agenda to Blue Economy sectors and invest in being proactive in Blue Growth initiatives undertaken by all stakeholders.

Furthermore, HMA is in close cooperation with the Cypriot and Greek Governmental entities as a company of exceptional importance within the Cypriot and Greek Maritime Cluster.

Our corporate social responsibility program "Joining hands with the world" aims to create a positive impact in local communities. Our main focus is on blue growth initiatives to promote sustainable economic growth in the maritime sector, while ensuring environmental protection.

Through our partnership with HELMEPA - Hellenic Marine Environment Protection Association, we have launched an innovative program focused on promoting sustainable blue economy education among primary school students.

We are proud to have already welcomed on board primary schools from Kastelorizo, Megalochori-Lesvos, Arkioi, Telendos, Kalymnos, Gavdos, Thymaina, Leipsoi, Ag. Efstratios, and Diafani-Karpathos.



Dialogue with governments and regulators to develop integrated risk management approaches and risk transfer solutions

We are in close co-operation with the Insurance Association of Cyprus, actively participating in its committees aiming to enhance the dialogue with the institutional organization of the insurance industry in Cyprus. We co-operate closely with the Cyprus Shipping Chamber (CSC), since CEO, Mr. Ilias Tsakiris is a member of the (CSC) marine insurance committee.

Furthermore, we are in close co-operation with the Greek Shipping Chamber and the Greek Maritime Cluster, so as to develop integrated ESG risk management approaches in the Greek shipping community.

Through his position as Chairman of the Ocean Hull Committee of IUMI, HMA's CEO is committed to advance the sustainability agenda within Committee's members and participate in IUMI's initiatives towards sustainability.

Other key stakeholders

Dialogue with intergovernmental and non-governmental organisations to support sustainable development by providing risk management and risk transfer expertise & Dialogue with business and industry associations to better understand and manage ESG issues across industries and geographies

At HMA, we intend to enhance the dialogue with the intergovernmental and non-governmental organisations. Thus, we promote the dialogue with UNEP FI PSI, in order to serve the principles for sustainable insurance. Furthermore, we are a proud member of the Hellenic Marine Environment Protection Association (HELMEPA) supporting the action against climate change.

Moreover, as members of the Greek Shipping Hall of Fame Academy, subscribers of the UK Average Adjusters, members of the American Hellenic Chamber of Commerce and the British Hellenic Chamber of Commerce we aim to introduce more stakeholders into the dialogue towards sustainable development.

Dialogue with academia and the scientific community to foster research and educational programmes on ESG issues in the context of the insurance business

Our scope is to enhance the dialogue with Academia and the Scientific Community to foster research and developmental programmes on ESGs. This goal may be achieved through:

- Our co-operation with the World Maritime University (WMU) as launched with the signing ceremony between HMA's CEO, Mr. Ilias Tsakiris and the President of the WMU, Dr. Cleopatra Doumbia Henry in October 2019.
- Our co-operation with the University of Piraeus (UNIP), where we participate in the official internship program of the Department of Shipping and we provide lectures to the students.
- Furthermore, we intend to co-operate with the Frederick University in Cyprus and other Universities and scientific entities.

Dialogue with media to promote public awareness of ESG issues and good risk management

In terms of risk management, we have a close relationship with the national press (both in Greece and Cyprus). In addition, we have a direct relationship with editors of foreign publications, hence better management of the information being presented in the media and the public image of the Company is safeguarded.

Along with sound risk management, we stand ready to promote public awareness of ESG issues and the Sustainable Development Goals. For this reason, we share articles, interviews and panel discussions.

Due to our participation in the co-development of the guides aiming to manage sustainability issues for non – life insurance and blue economy, launched by UNEPFI Principles for Sustainable Insurance and Sustainable Blue Economy Finance Initiative, we promoted the guides in the official launch webinars organized by UNEPFI. Additionally, we launched social media campaigns dedicated to sustainability and our co-operation with UNEPFI.

4 QUALITY
EDUCATION





Principle 4

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

Assess, measure and monitor the company's progress in managing ESG issues and proactively and regularly disclose this information publicly

Participate in relevant disclosure or reporting frameworks

Dialogue with clients, regulators, rating agencies and other stakeholders to gain mutual understanding on the value of disclosure through the Principles

At HMA, we are committed to transparency and accountability through regular public disclosures. For this reason:

- We publish an annual Solvency and Financial Condition Report.
- We publish an annual Principles for Sustainable Insurance Disclosure
- We publish an annual Sustainable Blue Economy Report.
- We publish an annual GRI Context Index Report.



