

UNEP FI Principles for Sustainable Insurance



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Launched at the 2012 UN Conference on Sustainable Development, the UN Principles for Sustainable Insurance (PSI) serve as a global framework for insurance companies to manage environmental, social, and governance (ESG) risks and opportunities in their business strategies and operations. 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.

We support the call for transparency and disclosure enshrined in the principles, and we have reported on key accomplishments and progress so far in our Sustainability Report of 2020/2021. Our main activities implemented over the last year are summarized below, in accordance with each of the principles and with reference to the applicable section in our Sustainability Report.

Principle 1: We will embed in our decision-making environmental, social and governance (ESG) issues relevant to our insurance business

Section in Sustainability Report 2020/2021:
Governance for Sustainable Business, p. 37

Sustainability is an integrated part of Gard's strategy, starting with our mission statement "Together, we enable sustainable maritime development". Gard's aspirations towards 2025 consist of three main pillars: Financial Strength, Market Development and Global Operational Excellence. Our aim is that sustainability becomes a watermark across all strategic drivers to reach our aspirations and that each team in Gard define how they can contribute to minimize any negative impact – and enhance their positive impact – on sustainable maritime development.

Even though Gard started working towards a more structured approach to sustainable business in 2018, we are continuously learning and maturing. Good internal governance is critical for successful integration, and hence it is essential to evaluate and update our approach regularly. A couple of years ago, we established the Sustainable Operations Panel (SOP) – an internal panel with representatives from different parts of our organisation – to identify, prevent, and mitigate matters where there is or could be an adverse impact on the sustainable business conduct related to our business. The overarching goal of the SOP was to provide high-quality advice and guidance to the organisation and to account for how we can address such adverse impacts. Since then, the integration of sustainability within Gard has improved. Going forward, the SOP will also function as a discussion body for strategic and sustainability-related dilemmas and ensure that potential risks and opportunities are escalated towards the highest leadership level in Gard. As sustainability is increasingly integrated into our 2025 aspirations, team leaders are responsible for integrating ESG considerations into their team goals and helping the organisation identify relevant goals and KPIs in line with Gard's strategy realisation process.

For further information relating to our corporate strategies, please refer to the "Governance for Sustainable Business" section of our Sustainability Report 2020/2021.

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

Section in Sustainability Report 2020/2021:

Five goals for our sustainable business, p. 6-33

Gard has used the UN Sustainable Development Goals (SDGs) as a framework for identifying our key impact opportunities and to define our ambitions and targets for a sustainable business. We assessed the SDGs, the opportunities and responsibilities each of them represents to our business, and our ability to have an impact through our own resources and competence.

Based on this assessment, we selected five goals for sustainable business. These goals include:

1. Focus on people for sustainable growth where we aim to respect and protect human and labor rights and work for a safe and secure working environment in our entire value chain.



2. Support the maritime industry to limit its impacts on climate change. Climate change poses serious social and economic challenges for local and global business communities and climate-related risks are likely to affect business models. Our focus is to support our members and clients in managing the transition to a low-carbon future and realizing the business opportunities of a low-emissions society.



3. Prevent and minimize the impact of marine pollution. We see data and digitalization as critical components of this, finetuning our risk assessment and improving loss prevention. Translating data and experience into valuable insights allow us to offer specific and real-time guidance to our Members and clients, reducing the risk of casualties and marine pollution.



4. Push towards higher business ethics throughout global operations governed by the rule of law. We believe that a modern, sustainable maritime sector must be built on transparency, fairness, and inclusion. Gard, as a global insurance company, must comply with multiple laws and regulations including sanctions, anti-bribery, anti-money laundering and anti-terrorism financing legislation. Gard has a comprehensive compliance framework, comprising policies, guidelines, instructions and internal/external reporting requirements.



5. Drive sustainable maritime development through a range of industry and multi-stakeholder partnerships. Gard has around 110 direct and indirect memberships in industry bodies, boards, and committees including a wide range of participation in working groups and subcommittees. We have an active line of engagement through our employees' participation. In addition to this, we engage on a regular basis with the academic community to encourage further collaboration on relevant topics such as emerging technologies, climate risks and maritime law.



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 in Sustainability Report 2020/2021:

Five goals for our sustainable business, p. 6-33
Materiality and Stakeholder Dialogue, p. 34-36

As part of our commitment to realize our selected goals, we engage proactively with key stakeholders to identify and address the most relevant ESG topics. Based on the material topics that have been identified in this stakeholder dialogue, we develop sustainability action plans for each of them.

We also maintain a close dialogue with organizations supporting crew and with maritime authorities across the world. Our GARD Outreach Program provides us with a platform to actively engage with these stakeholders in a systematic way, to share knowledge, exchange experiences, and enable efficient response when accidents occur.

For further details about Gard's Outreach Program, see pages 6-36 of our Sustainability Report 2020/2021.

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

This is Gard's first progress report to the PSI. The steps and actions taken are further detailed in our Sustainability Report 2020/2021.