



SUSTAINABILITY REPORT 2019

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ABOUT THIS REPORT

This is Gard's first sustainability report. We have based this report on the Global Reporting Initiative (GRI) Standards². An overview of the relevant GRI indicators we have reported on can be found in the GRI index on page 40. The GRI Index also identifies where we deliver on the UN Sustainable Development Goals (SDGs)³. Our Sustainability Report is our annual Communication on Progress (COP) to the UN Global Compact, and it incorporates information on our sustainability activities according to the UN Global Compact Advanced Level criteria as outlined on page 37. Our COP is available on the UN Global Compact's website.

The report has not been externally verified however, it has undergone a rigorous process of internal assurance, supported by an external consultant with expertise in sustainability reporting. It is Gard's ambition to report in accordance with the GRI core level in the future, which will include external verification.

Reporting criteria were defined as part of our materiality assessment (GRI 102-46). For certain data sets information is only available for our Norwegian operations at present, as specified in the relevant sections of this report.

1. Gard P. & I. (Bermuda) Ltd. and its subsidiary companies

2. <https://www.globalreporting.org/standards/>

3. The SDG's came into force in 2016 and represents a global 15-year plan to end poverty, fight inequality, and combat climate change. The goals are a global call to action – for all countries, businesses and civil society. It is 17 goals and 169 targets.

INTRODUCTION FROM THE CEO



It gives me great pleasure to introduce Gard's first sustainability report. We have set clear expectations for ourselves by placing sustainability at the core of our business and we are continuously working to ensure those expectations are met throughout our value chain. This report outlines our ambitions, how we will measure our impact, and illustrates the wide range of activities we are carrying out in our day-to-day work to meet our strategic goals.

Enabling sustainable maritime development is at the core of Gard's mission statement towards 2025 and beyond. We want to improve our own operations and aspire to be a driving force within our industry, as well help Members and clients, people and society make the most of opportunities offered by the blue economy.

The importance of the blue economy is not new to Gard. Around 90 per cent of the world's trade is carried by sea and Gard insures more than

40 per cent of the global merchant fleet, measured by gross tonnage. Protecting international maritime trade and the environment in which ocean-based industries operate, and on which so many communities globally depend, is a responsibility that we share with others whose lives and livelihoods are linked to the seas. It is for this reason that we are signatories to the UN Global Compact and will continue to support this global initiative and the ten principles going forward.

Climate change is having an impact on society and business globally, and the insurance industry is no exception. We are assessing the risks of climate change for the Gard group, and aim to develop our products and services, enabling our Members and clients to take part of the transition to a low-carbon economy. We work every day to help the maritime industries mitigate their operational risks and their consequences. This is guided by our shared industry goal of reducing emissions from vessels by 50 per cent by 2050.

The sheer range of topics covered in this report illustrates very clearly that sustainability is broadly woven into our core business activities. Our core focus is to manage risk and its consequences. Through risk prevention, risk reduction and risk sharing we help protect the lives and livelihoods of seafarers and make the oceans cleaner and safer. Every time we swiftly pay a valid claim for an injured seafarer we support a world in which everyone has access to decent work and economic growth. When we minimise the pollution

from an accident at sea, we help conserve the oceans and sustain life under water. When an owner with a good claims record secures a lower insurance premium, we reward the behavior of someone who has succeeded in their efforts to avoid or reduce damages to society and the environment.

Sustainable business is not just about what we do today. Change is happening all around us - climate change, energy transition, geopolitical tensions, digitalisation and cyber risks mean that our stakeholders demand more from us. So, this is also about what we can do to be better prepared for the future, ensuring that we meet the emerging needs and expectations of our Members, clients, employees, supply chain partners and other business partners as well as the expectations of society at large.

By enhancing our focus on sustainable business operations, we are future proofing our business while creating long term value for all our stakeholders. As a leading marine insurance group we have an important responsibility, but also an opportunity to use our leverage to support the transition to a more sustainable maritime industry. We hope this report will demonstrate our commitment to that future.

Rolf Thore Roppestad,
Chief Executive Officer

ABOUT GARD

GARD IS A SHIPOWNER-CONTROLLED PROVIDER OF P&I, MARINE AND ENERGY INSURANCE PRODUCTS. FOUNDED IN ARENDAL IN NORWAY IN 1907, WE HAVE BEEN PROVIDING THE MARITIME INDUSTRY WITH INSURANCE PRODUCTS THAT OFFER FINANCIAL PROTECTION AND PRACTICAL ASSISTANCE WHEN DISASTER STRIKES FOR OVER 100 YEARS. WE ARE NOW THE LARGEST SPECIALISED MARINE INSURER IN THE WORLD, OFFERING SHIPOWNERS AND OPERATORS, SHIPYARDS, CONTRACTORS AND OIL COMPANIES A COMPREHENSIVE RANGE OF PRODUCTS THAT MEET THEIR INSURANCE NEEDS.

AT A GLANCE 20/02/20

Total number of employees

541

CO₂ emissions

2,233t^{CO₂}

Total number of claims

17,330

Total number of people claims

2,420

GLOBAL PRESENCE



FRIENDLINESS

Being friendly and courteous towards colleagues and clients. We look for the positive in people. We aim to create an atmosphere where people feel at home.

ADAPTABILITY

Embracing change as a way of life. To be curious, to seek opportunities and accept challenges.

CORE VALUES FAIR

INTEGRITY

Doing the right thing. Bringing integrity into everything we say and do. We strive for honesty, trust, transparency and respect, both as individuals and as an organisation.

RESULT ORIENTED

To be successful, we must meet our goals on time, set new ones, and seek better ways of achieving them.

KEY FACTS 20/02/20

Result after tax
on an Estimated Total Call (ETC) basis

\$93m

Result after tax
on an actual call basis

\$20m

Combined ratio
net (CRN)

102%

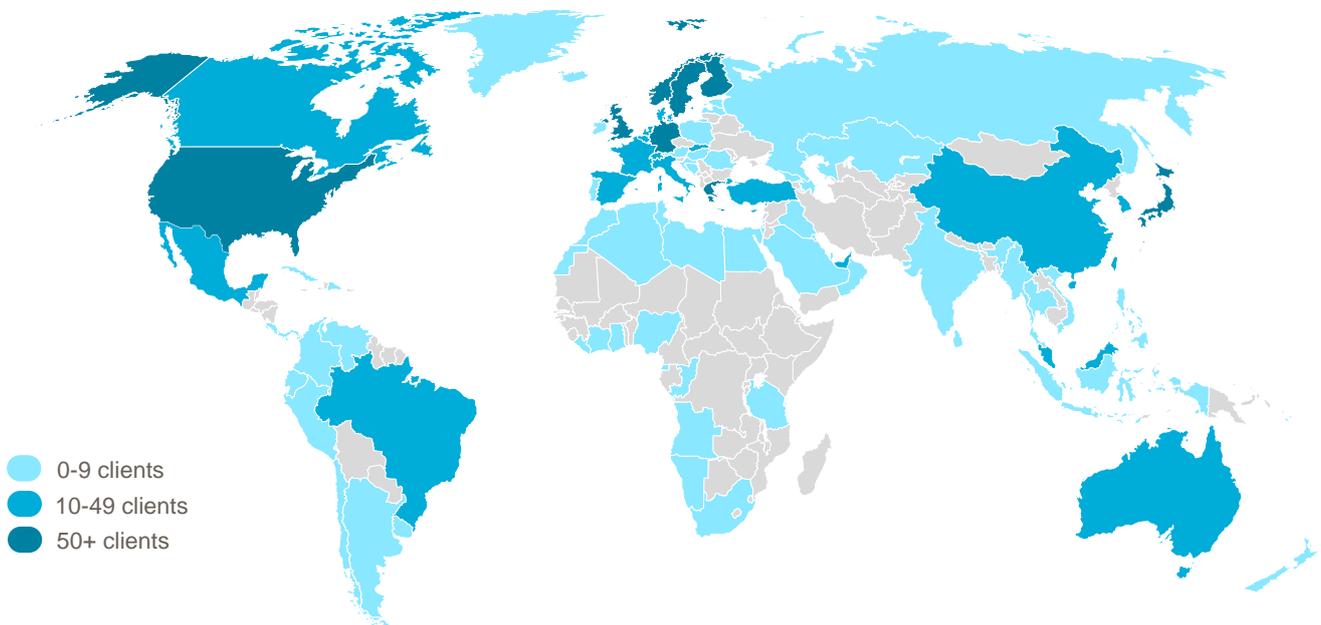
Non-technical
result of

\$118m

Equity
of

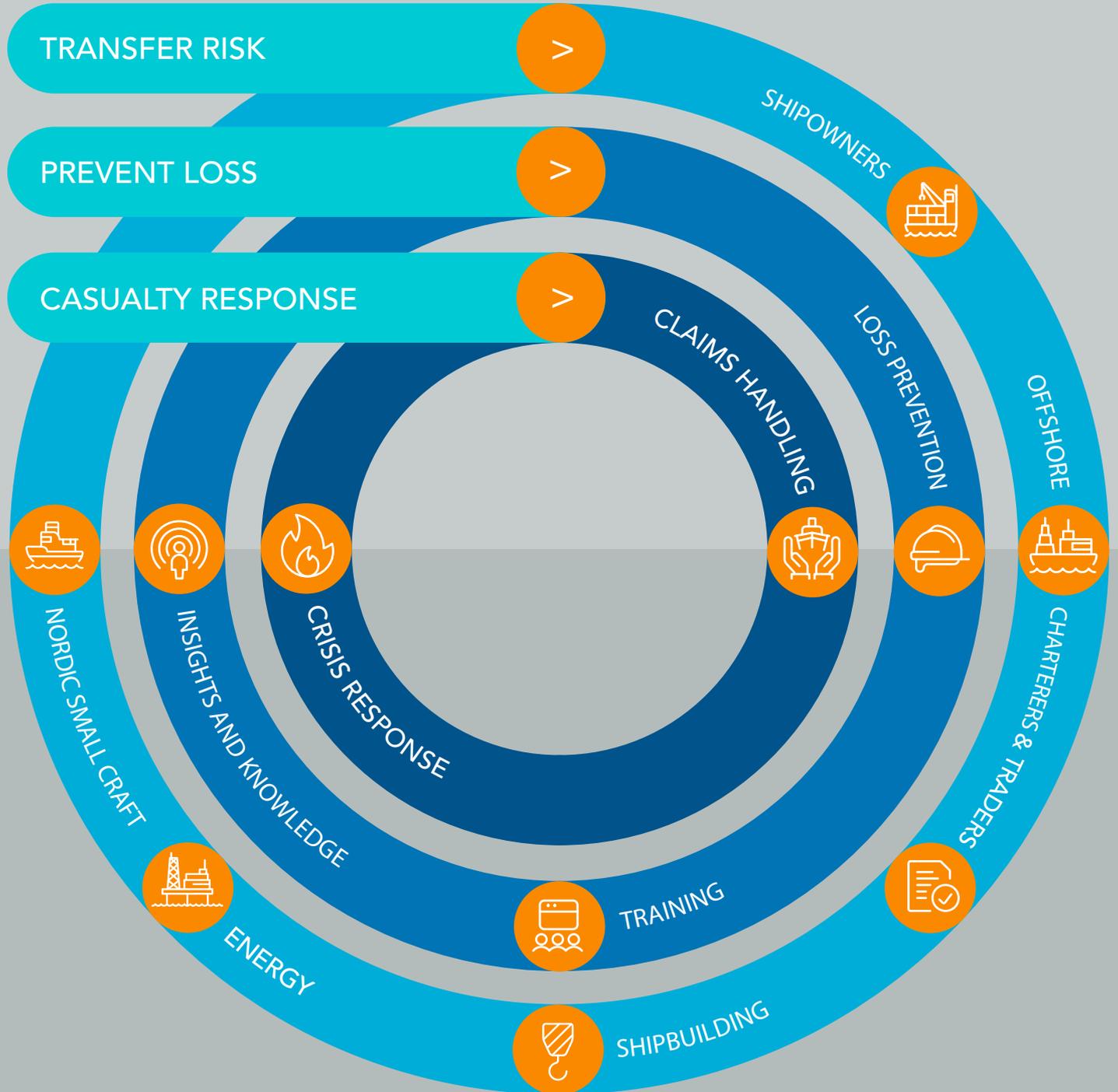
\$1,179m

OUR PORTFOLIO IS WORLDWIDE



BUSINESS AREAS

We help our Members and clients manage the totality of their exposures – both to existing and developing risks.

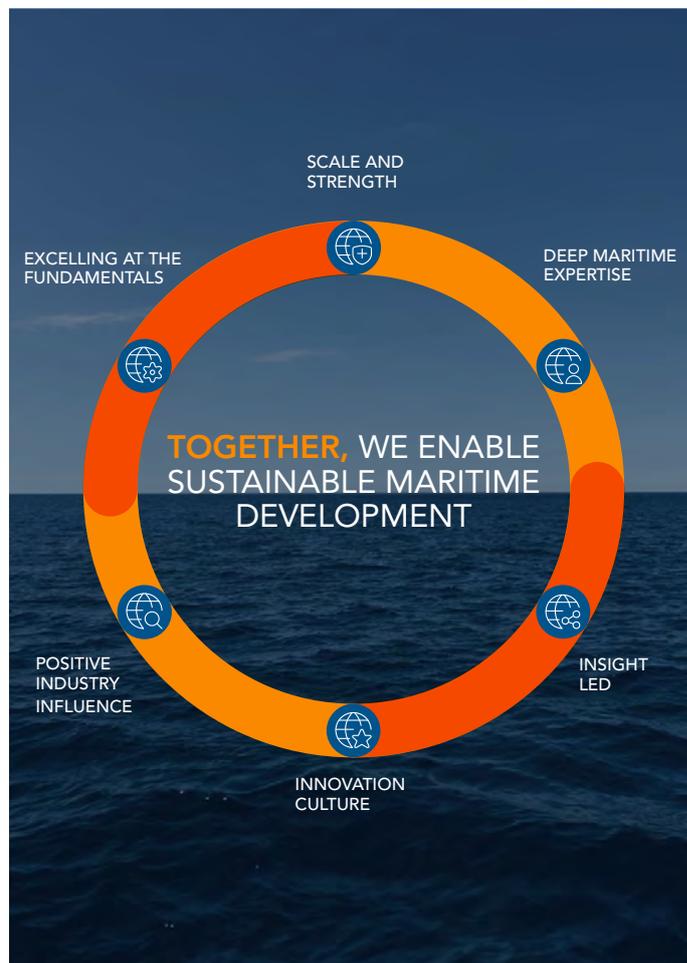


OUR APPROACH TO SUSTAINABLE BUSINESS

In a rapidly changing world, a critical success factor for Gard is a clear purpose and a set of values that binds the organisation together as it grows and diversifies its business.

Enabling sustainable maritime development is at the core of Gard's mission statement towards 2025 and beyond. We want to improve our own operations and be a driving force within our industry, as well as raising awareness and meeting society's expectations for a more sustainable maritime sector. We also want to help Members and clients, people and society make the most of opportunities provided by the blue economy.

Gard adopts the precautionary principle of 'prudent overreaction' when addressing social and environmental risks. We have set clear expectations for ourselves by placing sustainability at the core of our business and we are continuously working towards setting clearer expectations throughout our value chain.



NAVIGATING BY THE SDGS

Gard is committed to the Agenda 2030 for Sustainable Development⁴. We use the SDGs as our framework for defining our ambitions and targets for running a sustainable business. Gard is also a signatory to the ten principles of the United Nations Global Compact and The Principles for Sustainable Ocean Business⁵.

Within the financial industry in which Gard operates, Environment, Social, Governance (ESG) assessments provide a complimentary lens for assessing and evaluating non-financial material risk. ESG is increasingly expected to be an integrated element of a company's strategy and we align this with our SDG targets.



4. The Agenda was launched by a UN Summit in New York on 25-27 September 2015 and is aimed at ending poverty in all its forms. It envisages “a world of universal respect for human rights and human dignity, the rule of law, justice, equality and non-discrimination”.

5. <https://www.unglobalcompact.org/docs/publications/Sustainable%20Ocean%20Principles.pdf>

SUSTAINABILITY GOVERNANCE



Since 2018 one of Gard's main priorities has been to establish a framework for our work with sustainability and to ensure that the group has a common approach to sustainable business operations that is in line with internationally recognised principles and guidelines, expectations from our Members and clients, as well as society at large.

As a part of this process, internal policies, governance structures and public commitments have been approved and implemented in our organisation.

Our Board of Directors has approved our Policy on Sustainable Business that sets out the general framework for Gard's work in this area. The policy defines sustainability as an integrated approach to working to fight corruption, reduce our environmental impact, protect labour

rights and respect human rights throughout our value chain.

Our overriding objective is to carefully manage our impact on environmental, social and economic indicators, leading to long term profit and growth. The policy introduces our commitments to the SDGs, the UN Global Compact, the UN Sustainable Ocean Principles and the IMO 2050 decarbonisation strategy. It aims to guide strategic decisions regarding our company. Underlying policies and action plans will further guide employees in their daily tasks.

With sustainability being directly connected to Gard's core business and an integral part of our strategy, we aim to be transparent about our approach to sustainable business operation. Our policy is publicly available for external stakeholders through our website together with

our sustainability report. The policy will be reviewed annually by the Executive Committee and it is our Audit Committee that will review the sustainability report.

ROLES AND RESPONSIBILITIES

The Vice President for Sustainable Business is a dedicated group function, responsible for co-ordinating and driving the overall sustainability agenda within Gard, in close collaboration with the Chief Legal Counsel who ensures implementation in accordance with the decisions of the Chief Executive Officer (CEO). The Vice President for Sustainable Business acts as an inter-functional advisor to support management in implementing strategic objectives throughout our operations.

GOVERNANCE STRUCTURE

THE FOCAL POINTS FOR SUSTAINABLE BUSINESS

Each relevant business function is represented by a colleague who is their focal point for sustainability in a working group led by the group function for sustainable business. The focal points for sustainability contribute to the continuous development, co-ordination, monitoring and evaluation of the Gard group's sustainable business action plans.

In addition, they are responsible for assisting the management in their respective business area in integrating sustainability in the decision-making process.

Evaluating progress and challenges is another important component of our sustainable business framework. This does not mean that the

focal points are responsible for implementing all activities within the sustainable business framework. On the contrary, this would be counter to the aim of mainstreaming sustainability efforts within the Gard group where all staff members should incorporate sustainability into their work content and processes.

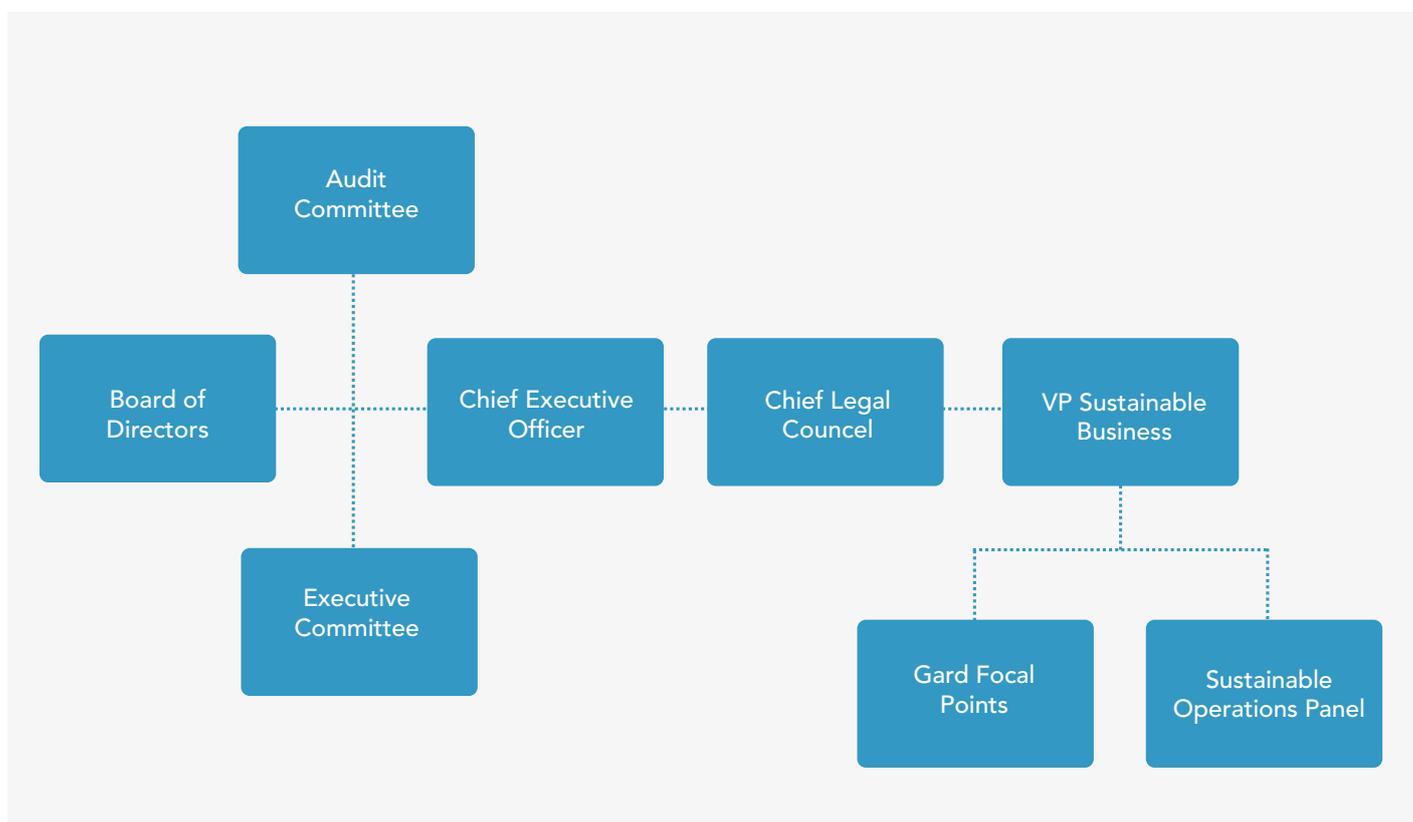
SUSTAINABLE OPERATIONS PANEL

The Sustainable Operations Panel (the Panel) consists of representatives from all relevant business units and is led by the group function for sustainable business.

The extent and diversity of business relations linked to Gard's operations, products and services provides challenges for sustainability due diligence. The Sustainable Operations Panel have been established with a mandate

to identify, prevent, mitigate and account for how Gard addresses adverse impacts on sustainable business conduct, specifically within the areas of human rights, labour rights, environment and anti-corruption.

The Panel primarily focuses on specific thematic areas where Gard could potentially have a negative impact on sustainable business conduct, either directly through its own activities or indirectly through its business relationships. We have therefore decided to start by focusing on prioritised areas where the risks of adverse impacts on sustainable business conduct are most significant. These are described in more detail throughout this report.



MATERIALITY AND STAKEHOLDER ASSESSMENT

A critical part of developing our sustainability ambition is to identify and prioritise those issues that are of material importance to us and our stakeholders. Based on Gard's core values, our aspirations and stakeholders' requirements and expectations, we have carried out a materiality assessment to identify our most important focus areas. The materiality assessment drives our sustainability action plan and reporting, providing the direction for our future work.

We have placed the most important focus areas within the context of the SDGs. The objective of this process is to point out and clarify our contributions in the long term and how we will incorporate the SDGs in our goals and actions.

Our approach is based on international best practice standards including leading sustainability frameworks, specifically the GRI Standards and the UN Global Compact reporting framework. Our materiality assessment follows these four steps:

1. IDENTIFY KEY STAKEHOLDER GROUPS

Gard identified ten stakeholder groups and prioritised six for the materiality assessment: senior management, employees, sustainability leaders, Members and clients, policymakers and regulators, reinsurance.

2. CONSULTING STAKEHOLDERS TO IDENTIFY ISSUES OF CONCERN

Through desktop studies and interviews we identified a long list

of important topics throughout the entire value chain.

3. PRIORITISATION OF ISSUES

To achieve a short list of material issues for our business and key stakeholders, we assessed the ESG related impact of our activities with respect to all topics identified, as well as the impact for Gard. Each material topic has been defined in more detail for internal use, in order to ensure clarity in communication and adequate focus on the actions necessary to achieve the goals.

4. ONGOING EVALUATION AND ADJUSTMENT

The material issues will be followed up and adjusted annually. We also aim to conduct a more systematic and structured engagement with the various stakeholder groups, including representatives from the Board of Directors in Gard Bermuda. This will be followed up later in 2020.

STAKEHOLDERS

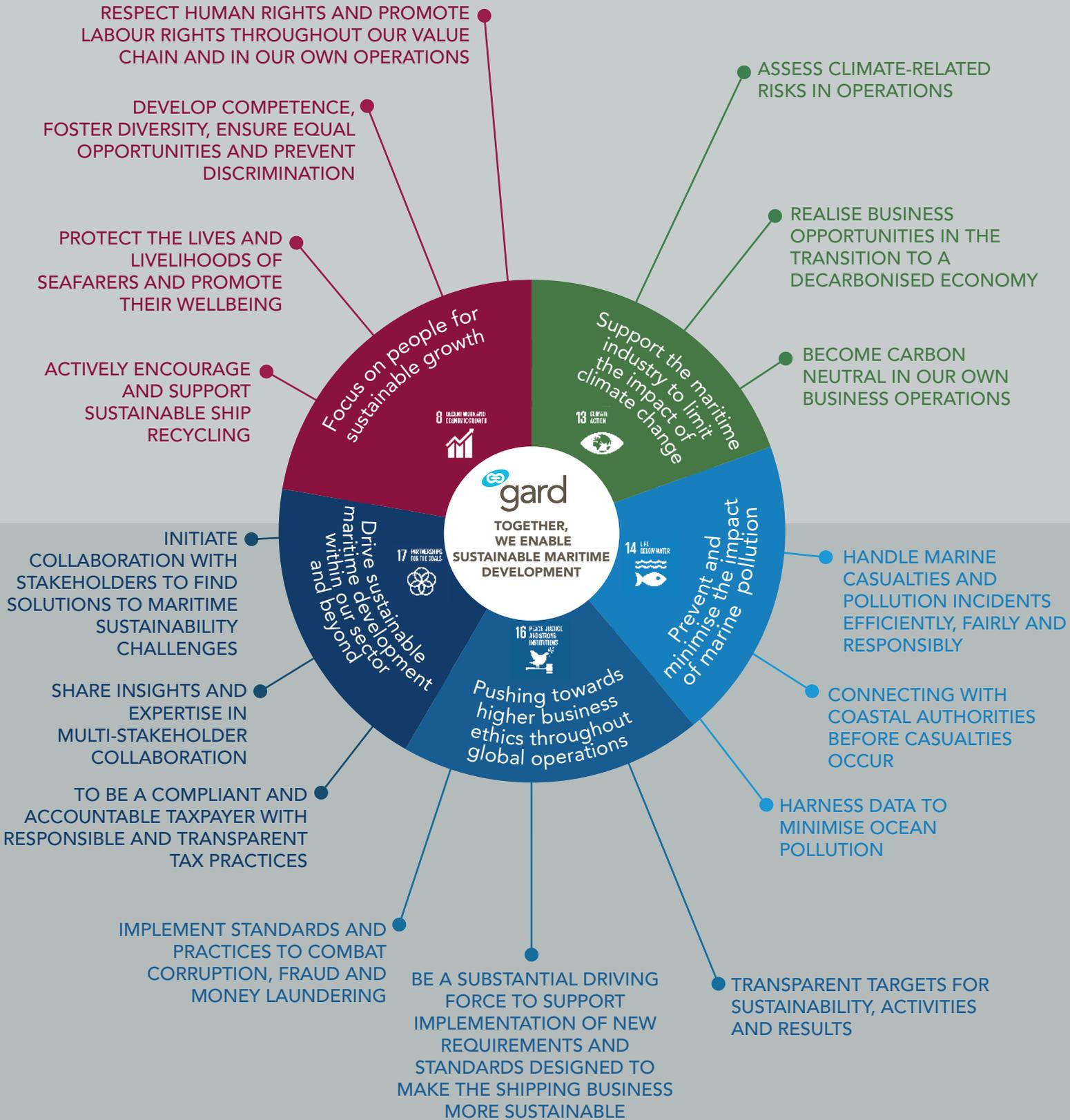


The matrix below shows the result of our materiality assessment



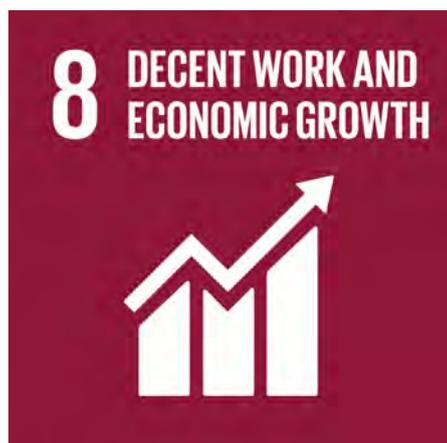
GARD'S FOCUS

The 17 SDGs are interdependent and each goal is equally important. However, in our sustainability strategy we focus on the goals where we can have the greatest impact. These goals were identified through dialogue with selected stakeholders and the materiality assessment process conducted in the autumn of 2019.





FOCUSING ON PEOPLE FOR SUSTAINABLE GROWTH



Sustainable economic growth means decoupling economic growth from social and environmental degradation. Technological innovation is a key enabler for achieving higher levels of productivity. Promoting policies that encourage entrepreneurship and job creation are key, as are effective measures to eradicate forced labour, slavery and human trafficking. With these targets in mind, the goal is to achieve full and productive employment, and decent work, for all women and men by 2030.

HOW DOES IT RELATE TO GARD AND WHY DOES IT MATTER?

In Gard, people are at the core of our value creation and all employees deserve to be treated with dignity and respect. Productive employment and decent work conditions entail that no one should be discriminated against and there should be equal pay for work of equal value. We strive to create an inclusive culture where all employees can contribute to their fullest. A key objective is to attract and retain people from the widest talent pool across gender, nationality and seniority.

Gard, as a global group, is aware that in jurisdictions with limited regulations or lack of enforcement, poor working conditions exist. This can have negative consequences, including occupational health and safety risks, harm to the health of local communities as well as environmental damage. We aim to respect and protect human and labour rights and create a safe and secure working environment in our entire value chain to ensure sustainable economic growth.

OUR COMMITMENT: RESPECT HUMAN RIGHTS AND PROMOTE LABOUR RIGHTS THROUGHOUT OUR VALUE CHAIN AND IN OUR OWN OPERATIONS

Our ambition is to ensure that human rights are respected throughout our value chain. A key focus has been to eliminate child labour and eradicate forced labour, as defined in Gard's Modern Slavery Act statement.⁶

Gard's supply chains fall into two main categories:

- i. professional - shipping/insurance industry related services for example brokers, lawyers, surveyors, local shipping correspondents and other marine investigators.
- ii. operational - services to maintain the businesses for example ICT support, on site/off site contractors, office services, supplies and support.

Due to the nature of Gard's business and its supply chains, the risk of slavery and human trafficking within those supply chains is considered low. However, Gard is taking steps to examine the various aspects of its supply chains in order to limit the risk further.

Over the last three years Gard has been working closely with other members of the International Group of P&I Clubs (IG) on issues relating to modern slavery. We have revised the Guidelines for Correspondents to include a zero-tolerance clause in respect of modern slavery and human trafficking.

We have also revised the Service Level Agreement (SLA) and now require panel law firms to confirm that there is no modern slavery or human trafficking in their supply chain. This also requires them to include a clause of similar effect to be included in agreements with their subcontractors. We have also revised the sourcing policy and our own Code of Ethics and Business Conduct to make explicit commitments to tackling modern slavery and human trafficking in our global supply chain. Our Code of Ethics and Business Conduct is to be signed by all Gard employees and, by the end of 2019, 98 per cent of our correspondents⁷ had also signed.

We have developed a dedicated training module on modern slavery for all employees and, by the end of 2019, 80 per cent of our staff had undertaken the training. We will continue to promote

6. <http://www.gard.no/web/content/gards-modern-slavery-act-statement>

7. A Gard-listed correspondent is part of an extensive network of third party providers worldwide who provide local support and guidance as well as practical knowledge of the shipping regulations and practices in their local ports.

awareness internally and externally around these issues. We have also undertaken to identify other potential and actual risks relating to human rights in our value chain and will align this process with the UN Guiding Principles on Business and Human Rights.

We are also working to standardise and improve our contracts to ensure compliance with regulations regarding fair wages and working conditions for employees of contractors and subcontractors. Contractors must, on request, document compliance with such requirements. Our revised Code of Conduct will be distributed to all suppliers in 2020.

In addition to promoting fundamental labour principles in our value chain, Gard recognises the International Labour Organization (ILO)'s core conventions and supports their work for a decent working life based on social justice and internationally recognised labour rights.

LOOKING AFTER STAFF

Gard has staff working in 13 offices in 10 jurisdictions. Employees' rights and responsibilities are governed by their respective contracts of employment in accordance with local laws and tariffs, and furthermore in accordance with Gard's global corporate policies including our business ethics policy. This also applies to contract workers or secondees.

Gard's Health, Security and Environment (HSE) handbook describes our occupational health and safety (OHS) management system, and our approach to preventing and mitigating negative HSE impacts. Our OHS management system is designed such that local offices are responsible for ensuring compliance with local HSE legislation. As an office-based business, key HSE risks include ergonomics (musculoskeletal risks), psychosocial factors (such as stress) and physical risks such as fires and falls. Responsibility for ensuring compliance with local HSE legislation is delegated to the regional offices. In 2019, we established HSE Safety Inspections, a collaboration



At the 2019 Hove Tri triathlon, Gard employees participated individually and together with representatives from Members, clients, correspondents, lawyers and brokers.

between union representatives, management, externally-appointed health professionals and HR with a main focus on physical environment, employee health and ergonomics.

In Gard, we offer various programmes and initiatives aimed at improving our employees' health and well-being. We promote physical health, for example weekly workout sessions for employees and arranging events and competitions for a wide range of sports.

Gard's offices in Norway employ 70 per cent of our employees. Total sick-leave in 2019 was 3.9 per cent for these offices compared to an average for Norway based insurance companies of 4.5 per cent. Our global turnover is 6.2 per cent and is considered low. 2019 saw no work related injuries.

All our employees have full freedom to organise themselves in unions and the majority do. Eight employees are elected as employee union representatives in Gard Norway for a minimum period of two years. They facilitate good cooperation between the management and employees which helps to ensure a positive working environment for all. The union employee representatives are further consulted in matters that relate to employment conditions and working conditions and help to ensure that the company is in compliance with relevant employment legislation.

In 2019, employee representatives met with the Management twice and had more informal meetings each quarter. Employee representatives

form part of the Salary Committee and take part in annual salary reviews for employees in Gard Norway. All employees in Norway are covered by collective bargain agreements.

The Board of Gard AS includes three employee representatives. They are, as opposed to the shareholder board representatives, elected by the employees of Gard AS. They hold the position for two years and participate in the board meetings to the same extent as the other board members elected by the shareholders at the annual general meeting. Additionally the employee representatives participate as observers at the meetings of the Executive Committee of Gard Bermuda. In 2019 the employee representatives participated in five Gard AS board meetings and four Executive Committee meetings.

RAISING CONCERNS

Gard's whistleblowing policy⁸ underpins the importance of raising matters of concern and helps us improve as an organisation. Any concern can be submitted by employees using Gard's Whistleblowing Portal and there is also an option through the portal to whistleblow anonymously. All issues submitted through the portal are sent to a designated team at Ernst & Young (EY). EY conducts an initial review of the case, before it is handed over to the Group Compliance Officer and/or HR, dependent on the underlying reason for the concern. In some cases EY can act as a third-party advisor to ensure the case is resolved satisfactorily.

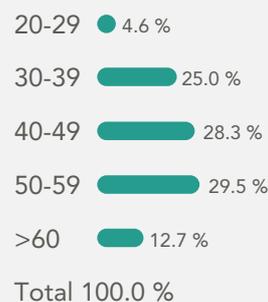
OUR COMMITMENT: DEVELOP COMPETENCE, FOSTER DIVERSITY, ENSURE EQUAL OPPORTUNITIES AND PREVENT DISCRIMINATION

We believe that diversity is a success factor for team performance. At the end of 2019 we had 541 employees in total (499 full-time and 42 part-time) representing over 25 different nationalities. 53 per cent of the full-time employees are female however females only account for 24 per cent of the senior management⁹. We have a focus on achieving a gender and diversity balance in senior positions. In addition, we have a focus on achieving a greater gender balance in support functions which have traditionally been over-represented by women.

GENDER SPLIT



AGE CATEGORIES



8. http://www.gard.no/Content/19808843/CorporateGovernanceManual_Dec2019.pdf

9. Senior Vice Presidents and Vice Presidents

In 2019 we also established a new HR policy showing how leaders should relate and manage expectations with people in various life cycles.

We have started to work on developing a diversity and inclusion policy which is a step towards a more systematic approach to the subject throughout the group and we aim to take part in the SHE index¹⁰ for the first time in 2020.

In Gard we have zero tolerance for all forms of discrimination. Everyone deserves to be treated with dignity and respect and we are committed to creating such a working environment. No employee shall be discriminated against because of race, religion, nationality, ethnic background, gender, sexual orientation, political opinion, disability, age, marital status, pregnancy, parental status or union membership.

Our aim is to achieve prospective pay parity for employees with comparable roles and responsibilities, regardless of gender, whilst accepting differences driven by other factors, e.g. market demand, seniority or individual performance. In this first report, we have made a comparison for employees in Norway only. Going forward our ambition is to make comparisons for our global operations. In 2019, females in high rank leader roles had a salary that was on average 15 - 20 per cent behind that of their male peers. The average salary level for females in first level leader roles was 15 - 20 per cent higher than their

PROGRESS TOWARDS OUR GOALS

Measure		2019	2022	2025
		Result	Target	Target
Correspondents who have signed our Code of Ethics and Business Conduct	% of total	98%	100%	100%
Employees who have completed training on our Code of Ethics and Business Conduct	% employees	77%	100%	100%
Gard Modern Slavery Awareness Training	% employees	80 %	100%	100%
Women in senior management positions				
Manager/Team Leader		69%	50%	50%
Senior Manager	% female	50%	50%	50%
Vice President		19%	30%	40%
Senior Vice President		20%	30%	40%

male peers. For female employees in other positions, the salary level was on average about 20 per cent lower than males. This comparison is affected by the fact that there are a large majority of females in support staff roles that have a lower average salary level.

DEVELOPING COMPETENCE

Learning while working is part of everyday life in Gard. Our philosophy is that 70 per cent of what people learn is structured on the job learning. We also believe that 20 per cent of the learning comes from interaction with dedicated resource persons while working and 10 per cent comes from formal learning. In 2019 we have had a focus on leadership development with 23 leaders in the Gard group taking part in a virtual leadership development programme, where technology was utilised to engage and develop leaders across locations and cultural

boundaries. We have also prepared the organisation for the rollout of the programme that will replace one of our current insurance systems. This has included analysing competence needs for all affected target groups, designing and developing learning solutions and making plans for implementation. A sponsor group, team leaders and super-users have been involved in the process to ensure common ground and clear direction.

10. <https://shecommunity.no/app/uploads/2020/03/SHE-Index-2020-Report.pdf>

OUR COMMITMENT: PROTECT THE LIVES AND LIVELIHOODS OF SEAFARERS AND PROMOTE THEIR WELLBEING

Decent and safe working conditions are crucial for a healthy and productive workforce which contributes to economic growth – for the individual seafarer, the shipping company and the society as a whole.

Incidents and claims relating to people are one of the most frequently occurring types of maritime insurance claim. They may arise when crew members are injured or sick; when stevedores get injured during cargo operations, when passengers are delayed; when stowaways are found on board; and with search and rescue operations for refugees saved at sea. These types of claims have a human element, in addition to the operational and financial sides. Preventive measures are important, but it is also vital to focus on best practice should an incident occur.

Gard assists Members in securing high quality medical treatment for their seafarers globally with the assistance from our network of correspondents. Our ability to quickly resolve, settle and fund claims can be critical for the seafarer and their families.

To ensure timely medical treatment, Gard often provides security for costs directly to the medical facility and settles medical bills. Due to the number of parties involved when handling a claim, and to avoid delay for the receiving party, contractual compensation to the ill or injured

seafarer or to his/her relatives in case of death, is routinely settled directly by Gard, despite the insurance agreement which provides for the “pay to be paid” principle.

We have a continuing focus on finalising cases efficiently as predictability and resolution of a claim helps those involved to move on. Statistics show that, over the last decade, the average number of days for a case to be settled has decreased significantly.

In addition to quality handling by Gard in the event of an illness or injury on board, Gard is also concerned with improving access for the seafarers on board ships to better medical advice.

Extending beyond the standard P&I liability, Gard has committed to being directly responsible under the Maritime Labour Convention (MLC) in the event that a shipowner abandons their crew. Gard will proactively assist the seafarers in making sure that they have necessary provisions on board and with rightful repatriation. In some cases, Gard has settled costs directly in accordance with the responsibility agreed to secure under the MLC regulation, and in some cases we have worked with the shipowners in order to raise awareness around their responsibility towards the crew. Gard’s P&I (and MLC financial security) benefits approximately 250,000 seafarers.



CASE: SAVING LIVES AND LOSSES THROUGH ADOPTING GEOFENCING TECHNOLOGIES

Gard's depth and breadth of insurance data reflects both individual performance, wider market trends and allows for augmented decision-making. Translating data and expertise into insights for underwriting, claims and loss prevention allows us to support our Members and clients in all aspects of risk management, not least in the prevention of accidents with harmful consequences for the people involved.

For example, certain dry cargos transported in bulk can "liquefy" causing the cargo to shift and

making the vessel unstable. Of particular concern are cargoes of nickel ore loaded in Indonesia and the Philippines. Although they often look dry at the time of loading, these cargoes contain moisture in the spaces between the particles. Despite the fact that the International Maritime Solid Bulk Cargoes (IMSBC) Code is designed to ensure that cargoes are loaded only if the moisture content is sufficiently low to avoid liquefaction occurring during the voyage, reliance upon inaccurate declarations and certificates from shippers has resulted in the total loss of a number of ships and their crew. Liquefaction of nickel ore has resulted in the deaths of 117 seafarers since 2009.

Since December 2017, Gard has applied 'geofencing' as a proactive approach to preventing losses arising from the carriage of nickel ore. Use of Gard entered ships' Automatic Identification System (AIS) data, coupled with local knowledge about high risk ports and critical ports for the loading of nickel ore, allows us to interact with ship operators at a very early stage. Specific guidance and advice on how to reduce the risks can be provided to the Member and, at the same time, we can ensure the right resources are available in the event of issues arising at the loading port. Gard sent 26 alerts to Members in 2018 and 33 in 2019 with the goal to reduce the risk to seafarers, as well as avert damage to the environment and loss of property.



OUR COMMITMENT: ACTIVELY ENCOURAGE AND SUPPORT SUSTAINABLE SHIP RECYCLING

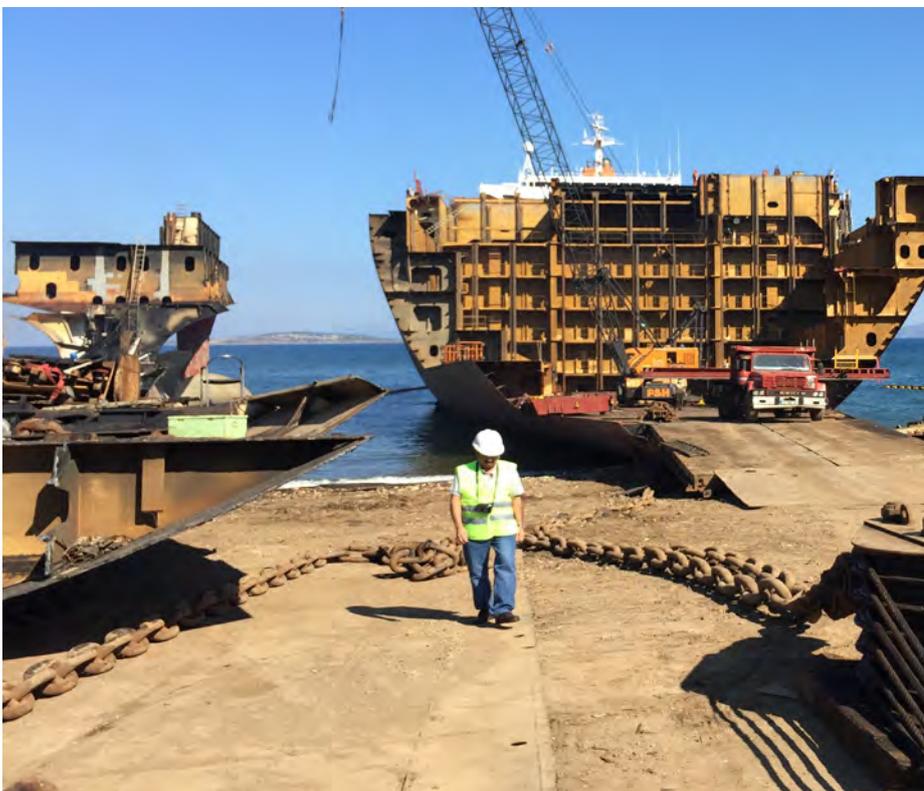
Commercial vessels have a 'lifespan' and when they reach the end of it, they are recycled. The European Commission estimates that up to 1,000 ships are recycled each year world-wide. In addition to valuable and re-useable products like steel, ships also contain hazardous waste and pollutants that are harmful to people and the environment. Dismantling and recycling that is carried out in countries with weak regulatory frameworks or in unregulated ship-breaking yards poses increased risk of sub-standard working conditions, exploitation, injuries and fatalities.

The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships establishes mandatory requirements on shipowners to ensure the safe and environmentally sound recycling of ships. The Convention also applies to ship recycling facilities. In general, the Convention requires facilities "to establish management systems, procedures and techniques which do not pose health risks to workers or the population in the vicinity of the facility and which will prevent, reduce, minimise and, to the extent practicable, eliminate adverse effects on the environment caused by ship recycling." The Hong Kong Convention was adopted in 2009 but does not have the requisite

number of signatory states to come into force. Absence of international regulation provides a financial incentive to recycle at facilities using practices that are dangerous to people and damaging to the environment.

In 2019, Gard's Board of Directors led the way in helping the group to establish a common approach to sustainable ship recycling as demonstrated in our statement on the topic¹¹. This statement is aligned with our Policy on Sustainable Business, Code of Ethics and Business Conduct and sets out our expectations and requirements for our Members and clients. We support the IMO Hong Kong Convention. In cases of constructive total loss or wreck removal of Gard insured ships, Gard uses only EU approved or Hong Kong compliant shipyards and we recommend to our Members that they voluntarily comply with the Hong Kong Convention.

Gard is the first insurer to join the Ship Recycling Transparency Initiative. Their mission is to accelerate a voluntary market driven approach to responsible ship recycling practices through transparency which will inform decision-making and create fair competition across the shipping industry. Going forward and together with our peers in insurance and from the wider finance sector we aim to leverage our influence to drive transparency and responsible ship recycling until entry into force of the Hong Kong Convention.



The "Heidelberg Express", one of the most modern ships in the Hapag-Lloyd fleet when commissioned in 1988, was dismantled in 2015 over a period of four months in Aliaga, Turkey. Photo: Hapag Lloyd.

11. <http://www.gard.no/web/content/gard's-statement-on-sustainable-ship-recycling>

SUPPORTING THE INDUSTRY TO LIMIT THE IMPACT ON CLIMATE CHANGE



With rising greenhouse gas emissions, climate change is occurring at rates much faster than anticipated and its effects are clearly felt worldwide. While there are positive steps in terms of the climate finance flows and the development of nationally determined contributions, far more ambitious plans and accelerated action are needed on mitigation and adaptation.

HOW DOES IT RELATE TO GARD AND WHY DOES IT MATTER?

Climate change is an issue that is increasingly affecting communities around the world, from extreme weather patterns to coastal erosion, ocean warming and acidification. Climate change poses serious social and economic challenges for local and global business communities.

The impact of climate change present both risks and opportunities for the maritime sector. Managing the transition to a low-emissions society will be a key success factor in succeeding in a more sustainable maritime sector. Our focus is to support our Members and clients in managing this transition, and realise business opportunities in a low-emissions society.

OUR COMMITMENT: ASSESS CLIMATE-RELATED RISKS IN OPERATIONS

Gard is a signatory to the Call to Action to reduce emissions from vessels by 50 per cent by 2050¹². We embrace the need for transparency and co-operation to help drive this change and we recognise that this will require reductions in the carbon intensity of vessels to accommodate the expected growth in global trade. Technological advances and the need for sustainable solutions at sea require safe, flexible and adaptable approaches. To this effect, we support and work with Members, clients and the maritime industry to understand the benefits and risks, and to provide insurance solutions to meet new and evolving needs.

In 2019, we assisted Members and clients with preparing for the Marpol global sulphur cap on marine fuel coming into force on 1 January 2020. We developed materials and presentations, launched insurance cover designed for new risks such as scrubber cover for loss of hire/loss of use, and provided legal advice and expertise to prepare for new terms in charter parties and other contracts. We will take the same proactive approach, engaging with our Members and clients, industry stakeholders and public governmental entities, to reduce greenhouse gas emissions.

In 2020 we will continue to work on estimating climate-related risks using the recommendations developed by the G20 Financial Stability Board's Task Force on Climate-related Financial Disclosure (TCFD). We will

ensure that outcomes are reflected in future company strategy processes. We will also integrate physical acute climate-risk scenarios in established catastrophe risk assessments and investigate how physical and transitional risk can be combined to evaluate total climate risks.

In October 2019, Gard joined the Getting to Zero Coalition to support the IMO ambition of reducing vessel greenhouse gas emissions by at least 50 per cent by 2050. The Coalition is a partnership between the Global Maritime Forum, the Friends of Ocean Action and the World Economic Forum, and includes more than 90 companies within the maritime, energy, infrastructure and finance sectors.

The goal of the Coalition is to have commercially viable zero emission vessels (ZEVs) operating along deep sea trade routes by 2030. This will require both developing the vessels, as well as the future alternative fuel supply chain, which can only be done through close collaboration and deliberate collective action between the maritime industry, the energy sector, the financial sector, and governments and intergovernmental organisations. Gard's role is to share expertise by participating in groups and workshops and providing insurance products and services that meet the needs of Members and clients developing, testing and utilising ZEV technology.

12. <http://www.imo.org/en/MediaCentre/HotTopics/Pages/Reducing-greenhouse-gas-emissions-from-ships.aspx>



OUR COMMITMENT: REALISE BUSINESS OPPORTUNITIES IN THE TRANSITION TO A DECARBONISED ECONOMY

Gard is well-positioned to take a key role in a sustainable maritime industry. We develop products and services and identify new business areas that enable Gard, and its Members and clients, to thrive in the transition to a more sustainable maritime sector. The value of this way of thinking and working has led to major developments in new product areas such as autonomous and electric ships and offshore wind. In 2019, approximately 25 per cent of premium in our energy portfolio came from offshore wind farms.

Around 90 per cent of the world's traded goods are transported by sea, and in Europe, almost 60 per cent of international shipping is along

short routes¹³. The EU's Motorways of the Sea initiative aims to move even more cargo from road to sea, creating sustainable and efficient supply chains. To achieve this, while minimising climate impact, a profitable, low-emissions fleet of vessels is needed.

Gard is now collaborating with Members and clients, and participating in various industry, academic and legal working groups and forums, both national and international, looking into maritime autonomous surface ships powered by alternative fuels. Our Loss Prevention and Risk Assessment team is looking into how human factors and new technology affect maritime accidents and casualties, our Group Legal and Claims teams are looking into regulations and liability issues for autonomous ships, and our Underwriting team is providing insurance for those

who are testing and developing autonomous navigation and docking solutions.

Marine insurance is based on the premise that a ship is properly classed, operates in accordance with flag state and IMO requirements and is seaworthy – all of these need re-defining in the context of autonomous and unmanned ships. There are many legal issues to be clarified, such as deciding whether a Master sitting at a remote-control station below deck or onshore, or an engineer in a remote location would be legally part of a ship's crew. This is most likely to be viewed differently by various legal jurisdictions when applying the law to insurance claims.

As an international marine insurer, it is crucial for us to closely follow the development of autonomous ships and the impact they will have on worldwide shipping. To provide

13. <https://www.theexplorer.no/solutions/yara-birkeland--the-worlds-first-zero-emission-autonomous-container-ship/>

insurance solutions to meet the new and evolving needs, we need to understand the development of new rules and regulations as they will have a direct effect on how we handle claims and risk assessments.

Autonomous vessels remain an important long-term area for Gard. We participate in an Autonomous Vessels Working Group in the IG and we have largely co-ordinated the Groups input in the IMO's Legal Committee Regulatory Scoping Exercise. Gard further participates in CMI's International Working Group on Unmanned Ships and we have represented IUMI (Legal & Liability Committee) in the IMO's Regulatory Scoping Exercise. In addition, Gard sits on the Bimco drafting committee for the first autonomous vessel standard ship management contract and, through The Nordic Association of Marine Insurers, provided comments to the review of the Nordic Plan and given input to Norwegian Maritime Directorate and DNV-GL's drafting of their rules for autonomous ships.

Gard is collaborating with Yara International to develop insurance solutions for a zero-emission,

autonomous containership and logistics project. With no fuel or a crew, the ship will save up to 90 per cent in annual operating costs compared to similar-sized conventional vessels. It is also estimated to replace 40,000 truck journeys per year, cutting local pollution and greenhouse gas emissions accordingly. We are also collaborating with the other partners in the project, including the class society DNV-GL, and the Norwegian Flag and Coastal Administration.

In 2019, we also started collaborating with Plymouth University and PROMARE, a nonprofit charity established to promote marine research and exploration throughout the world, on providing insurance to the MAYFLOWER autonomous ship. We will provide insurance for the MAYFLOWER this summer and when the autonomous ship begins its journey, it will cross the Atlantic Ocean, from Plymouth, UK to Plymouth, US. The ship will be powered by several sources including solar power and be capable of conducting scientific research and be able to operate remotely in all corners of the world.

OUR COMMITMENT: BECOME CARBON NEUTRAL IN OUR OWN BUSINESS OPERATIONS

To achieve our ambition of reducing emissions in our own operations, we are focusing first and foremost on energy efficiency and increasing the use of video-conferencing to reduce business-related travel.

Gard increased the scope of its carbon accounting from our main office in 2018 to all our offices in 2019. Our global operations are now climate neutral as we offset residual emissions through Verified Carbon Units¹⁴ scheme and the Gold Standard Foundation¹⁵. For 2019, we will purchase credits in the Thor Heyerdahl mangrove re-forestation project in Myanmar. The destruction of mangrove forests in tropical coastal areas is an ecological disaster for the people who live there, and the ecosystems and mangrove forests need to be restored urgently and managed in a sustainable way. The restoration and re-planting of destroyed mangrove forests has numerous positive impacts on climate, the environment and on local socio-economic conditions. Planting new mangrove forests binds CO₂ from the atmosphere through photosynthesis and thereby contributes to mitigating climate change.

PROGRESS TOWARDS OUR GOALS

	Measure	2019 Result	2022 Target	2025 Target
Total emissions own operations		2233	-10%	-20%
Scope 1	tCO ₂ e	36		
Scope 2	tCO ₂ e	155		
Scope 3	tCO ₂ e	2043		

14. <https://verra.org/project/vcs-program/>

15. <https://www.goldstandard.org/>

PREVENTING AND MINIMISING THE IMPACT OF MARINE POLLUTION



The world's oceans are our greatest common resource to create growth and jobs in areas including food, energy and transport. A thriving maritime sector is dependent on the sustainable use of ocean resources. Existing policies and treaties encouraging responsible use of ocean resources are currently insufficient to combat the adverse effects of overfishing, pollution and growing ocean acidification due to climate change. Increased efforts and interventions are needed to conserve and sustainably use ocean resources at all levels.

HOW DOES IT RELATE TO GARD AND WHY DOES IT MATTER?

It is estimated that 90 per cent of the world's trade is transported across the seas. Gard is directly involved by insuring more than 40 per cent of the global merchant fleet, measured by gross tonnage. Through risk prevention and handling of marine casualties and pollution incidents efficiently, fairly and responsibly, we help make the ocean cleaner and safer.

We strive to handle marine casualties and pollution incidents efficiently, fairly and responsibly by taking

active steps in organising casualty response, repairs, wreck removals, environmental clean-up and other claims services.

OUR COMMITMENT: HANDLE MARINE CASUALTIES AND POLLUTION INCIDENTS EFFICIENTLY, FAIRLY AND RESPONSIBLY

When handling casualties we apply the principle of "prudent overreaction" when mobilising resources, enabling us to take proactive steps in preventing loss of life, pollution and damage to third party property. We now wish to improve the way we take account of ESG¹⁶ principles. By focusing on ESG in our decision making we can ask prospective contractors competing for a job about their workers' rights, health and safety measures, and how they handle waste from the planned operation. In the end, this will give us the necessary information to be able to consider ESG issues when making strategic decisions on individual cases. We will also be able to better evaluate the impact of our operation and be transparent on these issues with clients and other stakeholders.

We aim to implement internal reporting on ESG issues for claims with exposure in excess of USD 1 million. Internal reporting will commence during Spring/ Summer 2020 for claims under the Environmental Claims Area as a pilot project for future ESG reporting in Claims.

An essential feature of P&I insurance is cover for pollution liabilities

and the certification of mandatory insurance required by International Conventions. Incidence of major ship source oil pollution has declined steadily since a high in the 1970s due to implementation of international conventions, focus on quality from shipowners and oil companies and implementation of new ship designs but accidents will always happen.

The insurance cover Gard provides, and the financial guarantees issued, continue to underpin the framework of Conventions governing liability and compensation for ship sourced pollution damage as adopted by the International Maritime Organization (IMO). The statistics continue to point towards a significant decrease in the number of large oil spills (>700 tonnes) over the last few decades and, since 2010, is now averaging 1.9 per year¹⁷. The group continues to work closely with the IMO and the International Oil Pollution Compensation Funds (IOPC Funds) to promote this international framework of Conventions.

OUR COMMITMENT: CONNECTING WITH COASTAL AUTHORITIES BEFORE CASUALTIES OCCUR

Co-operation is a critical part of preparing for and handling marine casualties. Gard has vital experience when it comes to co-operation between authorities and the maritime industry, building good processes that serve to prevent environmental losses and enable efficient handling of casualties when they happen.

16. See page 9 for how the SDGs and ESGs are interlinked

17. https://online.flowpaper.com/78ad0729/IGPI201819AnnualReview/docs/IGP-I-2018-19-Annual-Review_20.pdf?reload=157926125726



Gard met all key maritime authorities and representatives from the Spanish shipping industry, April 2019

A formal programme - Gard Outreach, was initiated in 2013 to meet coastal authorities to exchange information to enable efficient handling of casualties when they happen. Our casualty response experts met governmental counterparts in countries such as Brazil, China, Finland, Great Britain, Japan, Mexico, Norway, Singapore, Spain, Greece and the United States. We co-operate with other expert organisations, such as ITOPF, the leading not-for-profit marine ship pollution response advisers, as well as salvors and local responders to

share knowledge and build trust to prepare for and handle maritime accidents more effectively. In 2019, we met with authorities in workshops and seminars in Brazil, Spain, Finland and Norway.

The Gard Outreach Programme creates value by reducing insurance costs for Members and clients, as well as reducing the consequences of major marine casualties through efficient clean-up and wreck removal operations and streamlining the funding of those entitled to compensation. Our commitment

is to continue the programme with salvage and pollution response authorities and salvage companies to ensure strong cooperation in future casualties and pollution incidents.



OUR COMMITMENT: HARNESS DATA TO MINIMISE OCEAN POLLUTION

As an insurer, we apply our long experience and extensive knowledge on what causes losses and how they can be avoided to help conserve and advise on sustainable use of the world's oceans and marine resources. By the end of the financial year ending 20 February 2020 we had 6,502 vessels on cover for Protection and Indemnity liabilities for shipowners and 13,379 vessels covered for physical damage to the actual vessel or its machinery and we received a total of 17,330 claims. As the largest specialised marine insurer we have a depth and breadth of data that can reflect both individual performance, as well as wider market trends and allows for augmented decision-making. Translating data and expertise into insights for underwriting, claims, loss prevention and other Gard departments allows us to better support our Members and clients in all aspects of risk management, not least in the

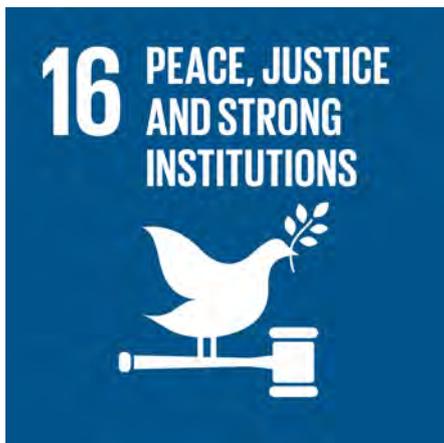
prevention of accidents with harmful consequences for the environment. Our aim is to prevent casualties occurring in the first place, with the inevitable business disruption that may follow, and to assist in getting our Members' and clients operations back on track as quickly as possible after a casualty has occurred.

Gard is a signatory to the UN Global Compact Sustainable Ocean's Principles where sharing of data and transparency are important elements. Through a number of forums, Gard has for a long time been sharing data, as well as expertise, with the aim of helping save lives at sea, protecting the environment and not least preventing accidents. Data sharing takes place in both an informal, ad-hoc, manner, as well as in a more formalized fashion through industry associations such as Cefor (The Nordic Association of Marine Insurers) and the International Group of P&I Clubs (including its Data Analytics Subcommittee), where Gard is an important data contributor.

Our experience has shown us that such sharing enables us to identify trends and improve our understanding of what drives risk. This helps us understand how we can better handle claims more sustainably, but more importantly, prevent future claims from happening. This is why we believe data will play a pivotal role in tomorrow's loss prevention. This idea is coined by some as "data driven loss prevention".

Gard is a signatory to the world's first insurance industry statement on sustainable marine insurance. Through this statement, we are committed to tackling illegal, unreported and unregulated (IUU) fishing through education, awareness building, risk management and insurance underwriting. Through applying data-driven solutions we monitor that we do not have any IUU-listed vessels on risk.

PUSHING TOWARDS HIGHER BUSINESS ETHICS THROUGHOUT GLOBAL OPERATIONS



Advances in promoting the rule of law, strengthening institutions and increasing access to justice are uneven and continue to deprive millions of their security, rights and opportunities and undermine the delivery of public services and broader economic development.

HOW DOES IT RELATE TO GARD AND WHY DOES IT MATTER?

We believe that effective corporate governance is essential to make our insurance operations secure, efficient and transparent. Gard believes that a modern, sustainable maritime sector must be built on transparency, fairness, and inclusion.

OUR COMMITMENT: IMPLEMENT STANDARDS AND PRACTICES TO COMBAT CORRUPTION, FRAUD AND MONEY LAUNDERING

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. We review codes of conduct and standards of behavior, implement internal and external mechanisms for reporting unlawful behavior, have appropriate escalation methods, and disclose information on legal compliance systems. For more information, see our Corporate Governance Manual¹⁸. It is intended to ensure that the Members of the boards and committees can review and evaluate the group's governance structure and to make decisions in the right forum, as needed.

Gard strives to embed high ethical standards in our employees and external service providers as described in the Code of Ethics and Business Conduct and underlying policies, instructions and guidelines.

Gard's Anti-Corruption policy sets out our responsibilities, principles and values on bribery and corruption. We are committed to the United Nations' Convention against Corruption. Gard has a zero-tolerance approach to corruption and this applies equally to employees, contractors and external service providers. Training in ethics, anti-corruption, fraud and money laundering has been made available to all employees. At the end of 2019, 77 per cent of all employees had completed this training. In 2020 this training will become mandatory and all remaining employees will be required to complete the training by the end of the year.

Corruption risk is high due to the nature of our global business and legal environment, and we are committed to ensuring that all

employees have a safe, reliable, and confidential way of reporting any suspicious activity. Our procedure for following up concerns is also designed to protect the identity of a person wishing to report a concern anonymously, and the privacy of persons involved. Still, we have seen limited cases reported to the Compliance department. Therefore, a risk assessment is planned to take place during 2020 to better understand and monitor the risk of non-reporting.

It is important that financial institutions, including Gard, avoid taking part in or being used by clients or counterparties to facilitate illegal activities. Gard has proper processes enabling us to know our customers, clients and service providers before we do business with them. Our Know Your Customer (KYC) programme ensures that we minimise the risk of contributing to or facilitating illegal activities and raises awareness as to how to identify and react in the relevant situations.

The KYC programme was implemented in 2017 after a thorough risk assessment of Gard and its business had been conducted in line with the Norwegian Anti-Money Laundering and Counter Terrorism Financing Act (the AML Act). All companies subject to the AML Act are obliged to conduct such a risk assessment.

The risk assessment identifies and assesses the risks of money laundering and terrorist financing specific to Gard's business. Together with the statutory requirements for

18. http://www.gard.no/Content/19808843/CorporateGovernanceManual_Aug2019.pdf

customer due diligence measures, the risk assessment shall be the basis for specific, risk-based measures, both for on-boarding of customers and for ongoing monitoring of customers, including controls and monitoring of transactions.

A working group lead by Gard's legal department together with employees from Underwriting, Claims and Accounting conducted a full new risk assessment of Gard from November 2019 to February 2020.

**OUR COMMITMENT:
BE A SUBSTANTIAL DRIVING
FORCE TO SUPPORT
IMPLEMENTATION OF
NEW REQUIREMENTS AND
STANDARDS DESIGNED
TO MAKE THE SHIPPING
BUSINESS MORE SUSTAINABLE**

Marine insurers contribute by making insurance policies conditional upon ships complying with flag state and class requirements, and possibly further safety regulations determined by the insurers supplementing flag and class regulations, if necessary. For example, compliance with the SOLAS and MARPOL Conventions is a requirement for P&I mutual cover. In the first instance, the classification societies set technical standards for building and operating ships and offshore structures such as oil platforms. They certify that vessel building complies with relevant IMO and other standards and regularly survey ongoing construction work to ensure continuing compliance. Marine insurers then work with them to ensure compliance with relevant international standards set by the global institutions. Insurers require

vessels to maintain Class standards as a condition of the insurance. Failure to maintain Class certification can result in loss of insurance cover.

This a powerful financial incentive to maintain the standards that are necessary for the safe and environmentally sound operation of a ship. Together with the 12 other mutual insurers making up the International Group of P&I Clubs (IG), we provide liability insurance for more than 90 per cent of commercial shipping. The IG Clubs provide the insurance cover and guarantees under IMO conventions, such as the Civil Liability Convention and Bunker Convention covering oil spills and the Maritime Labour Convention (MLC) which provides wages and repatriation for abandoned seafarers.

Marine insurers, and in particular the P&I Clubs, ensure that financial resources are made available for the international maritime compensation and liability regimes to work in practice. The necessary funding can be made at short notice to restore damage and to compensate victims of maritime incidents. This contributes to a sustainable development both seen from an environmental perspective and from the perspective of individuals and businesses having suffered injuries or losses as a result of maritime casualties. Without the Clubs (and indirectly the shipowners), international compensation and liability regimes do not work efficiently in practice.



CASE: LIFE-SAVING CHANGES TO THE SOLAS CONVENTION

Container ship fires are a growing concern. Fires, originating from dangerous goods in containers, occur with alarming frequency. In 2019 alone there were 40 cargo related fires – one every 10 days.

Severe container ship fires, in addition to threatening the lives of the crew and risking damage to the environment, also cost the insurance industry millions of dollars in covering loss or damage to the vessel and equipment, and cargo losses. Carriers face a wide range of uninsured losses and commercial challenges including business interruption and reputational damage. Determination of liability and allocation of losses among the parties often results in complex and costly litigation.

“WHILE THE DEVELOPMENT OF IMO REGULATIONS IS INDEED A LENGTHY PROCESS, THE CONFERENCE IN ARENDAL DID MARK AN IMPORTANT OPPORTUNITY TO JOIN FORCES ACROSS THE INDUSTRY TOWARDS A COMMON GOAL: PREVENTING AND MITIGATING DEVASTATING FIRES ABOARD CONTAINER VESSELS.”

Helle Hammer, Managing Director of CEFOR and Chair of IUMI Policy Forum

In October 2019 Gard invited industry stakeholders, authorities and experts to address the growing concern with devastating fires aboard container ships and to propose life-saving changes to the Safety of Life at Sea (SOLAS) Convention. The fire safety objectives of the SOLAS Convention are to prevent fires and explosions and reduce risk to life, environment and property. It was said by several

during the conference that these objectives are not met onboard the larger, modern container ships. Gard continues to work closely with industry associations and authorities to promote revisions to the SOLAS Convention to meet the risks presented by cargo fires on today's container ships.



DRIVING SUSTAINABLE MARITIME DEVELOPMENT WITHIN OUR INDUSTRY AND BEYOND

17 PARTNERSHIPS FOR THE GOALS



Enhanced international cooperation is needed to ensure that we achieve the Sustainable Development Goals. Global partnerships for sustainable development, including multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, are needed to support the achievement of the sustainable development goals in all countries, in particular developing countries.

HOW DOES IT RELATE TO GARD AND WHY DOES IT MATTER?

There are many profound changes in the way we do business happening around us. We are seeing a continuing increase in liabilities as environmental laws become more stringent and society demands more sophisticated clean-up in the aftermath of casualties. Gard is actively involved in a range of industry partnerships, collaborating to achieve an environmentally and economically sustainable future.

OUR COMMITMENT: INITIATE COLLABORATION WITH STAKEHOLDERS TO FIND SOLUTIONS TO MARITIME SUSTAINABILITY CHALLENGES

Gard proactively builds networks and partnerships to bring the maritime world together, using our industry leading position and knowledge for sustainable maritime development. Gard has about 200 separate lines of participation within the industry, covered by 93 members of Gard's global workforce. Although each industry organisation has its own mandate, there are overlaps in broad areas of interest such as on the environment, in financial matters, including governance, innovation, legal and regulatory, safety and on the topic of sustainability.

Gard has categorised the areas of interest for each organisation, so we are able to contribute positively on specific sustainability initiatives (i.e., ship recycling) in a unified manner, and naturally we focus most on the areas where we feel that we can have the greatest positive influence.

PLAYING A LEADING INDUSTRY ROLE TO SHAPE POLICY

Our significant industry footprint across marine insurance trade bodies creates opportunities for Gard to influence the industry positively, specifically in the field of sustainability.

INTERNATIONAL GROUP OF P&I CLUBS (IG)

We promote sustainable maritime practices within the IG through the



The Gard contributors to the 'Global Goals, Ocean Opportunities' report at the launch in Oslo, June 2019.

establishment of a Sustainability Working Group, which we now chair. CEOs of the other Clubs sit on this Working Group and can share the output with their shipowner boards. This can positively influence the shipping industry which carries 90 per cent of goods worldwide.

INTERNATIONAL UNION OF MARINE INSURERS (IUMI)

Gard holds several prominent positions within IUMI, including on the Executive Committee and in Technical Committees such as Facts & Figures, Legal & Liability and Loss Prevention. This creates a platform through which we can influence educational and training outputs, policies and industry standard wordings. Gard has been asked by the IUMI Secretariat to give a keynote speech on the topic of ESG at IUMI's winter meeting in 2020.

THE NORDIC ASSOCIATION OF MARINE INSURERS (CEFOR)

Gard has a place on the Board of Directors and the Election Committee as well as drafting

committees, i.e. Coastal & Fishing Committee, Compliance, Offshore Energy, Statistics, and Technical & Underwriting Forums.

While holding the position of Chair of Cefor, Gard worked actively to get sustainability on the agenda. Our Vice President for Sustainable Business was invited to present on the importance and relevance of sustainability to marine insurers during the annual strategy meeting, the result was the formation of an ESG working group. The working group is considering the 17 UN Sustainable Development Goals in relation to Cefor's clauses, statistics, industry policy and education functions.

Gard also heads Cefor's Compliance Forum where best practice within anti-corruption, fraud and KYC-processes are exchanged.

OUR COMMITMENT: SHARE INSIGHTS AND EXPERTISE IN MULTI-STAKEHOLDER COLLABORATION

Multi-stakeholder collaboration is key when there is a need for a global level playing field.

Gard makes its views on technical subjects known at the IMO through its position within the IG and IUMI whose committees make submissions on their members' behalf. Occasionally Gard might be nominated to make submissions at the IMO alongside or in place of members of those Secretariats. For example, in 2019, Gard represented the IG at the IMO on the subject of autonomous vessels and it has represented IUMI at IMO on the subject of container ship fires.

Gard's CEO is also part of the Norwegian Minister for Trade, Industry and Fisheries Strategic Council for the maritime sector. The Minister addresses relevant topics for the maritime industry with a focus



Gard's CEO, Rolf Thore Roppestad, at the Our Oceans conference in Oslo in October 2019.



The launch of the Global Goals, Ocean Opportunities report at Nor-shipping with Lisa Kingo, CEO Global Compact and the Norwegian Prime Minister Erna Solberg. Gard's CEO Rolf Thore Roppestad to the far right.

on exchange of knowledge and developing framework conditions.

In October 2019 we were invited by the Norwegian Minister of Foreign Affairs to take part in the Our Oceans conference hosted in Oslo. The conference brought together leaders from governments, businesses, civil society and research institutions to share their experience, identify solutions and commit to action for a clean, healthy and productive ocean.

SECURING A HEALTHY AND PRODUCTIVE OCEAN

Gard is a Patron Member of the UN Global Compact Action Platform for Sustainable Ocean Business. The Action Platform is taking a comprehensive view of the role of the ocean in achieving the 17 SDGs. The aim is to explore attractive, viable solutions and best practices for sustainable use and management of the ocean.

In September 2019, nine Sustainable Ocean Principles were launched, calling on companies around the world to commit to securing a healthy and productive ocean. We were founding signatories to the principles and have contributed to their development. Signatory companies commit to preventing pollution, managing their use of marine resources to ensure long-term sustainability, and being transparent about their ocean related activities and impacts. A set of practical guidance documents to support companies in different sectors will be published in 2020.

Gard employees have been active in many of the works streams, contributing with our experience and competence in producing guidance on the Ocean Principles for the Shipping sector, Ship Building and the Arctic region. Gard's maritime law experts contributed in the Mapping Ocean Governance

and Regulation that provides a comprehensive overview of the current multi-lateral rules and regulations for the ocean. In addition to outlining current mechanisms in place for ocean governance, the paper also identifies potential gaps in certain areas.

Gard employees were also part of the editorial group for the Global Goals, Ocean Opportunities report released in June 2019. The report outlines the linkages between a healthy, productive and well-governed ocean and the 17 SDGs. The report further elaborates on how private sector innovation and investment, together with strong public and private governance frameworks, could exponentially increase the amount of sustainable ocean resources, including healthy food, affordable clean energy, and more efficient and lower carbon transport.

The benefit of contributing to these guidelines and working papers is two-fold – Gard provides its expertise while at the same time collaborating and learning from the other participating companies, NGOs, governmental authorities and academics as we work together for the common goal of sustainable ocean business.

OUR COMMITMENT: TO BE A COMPLIANT AND ACCOUNTABLE TAXPAYER WITH RESPONSIBLE AND TRANSPARENT TAX PRACTICES

Well-functioning tax systems nationally and internationally help finance education, infrastructure and other public services that support sustainable maritime development. We recognise the need for companies to support the local economy where they do business.

Tax avoidance involves legally minimising a company's tax burden. It is however recognised globally as a significant barrier to sustainable development. The Gard group's parent company, Gard Bermuda, is, together with four other group companies, registered and tax domiciled in Bermuda and we are therefore mindful that this exposes us to allegations of tax avoidance from a range of stakeholders. Our approach to taxation is transparent and open and we are committed to ensuring that our tax policy is aligned with our ambitions and commitments for sustainable development in the countries in which we operate.

Although Bermuda is recognised as a tax haven, in February 2020 it was graded by EU Finance Ministers (ECOFIN) as a 'cooperative jurisdiction' (the highest grade available) with respect to good tax governance. ECOFIN endorsed the assessment of the European Commission and the EU's Code of Conduct Group on Business Taxation (CoCG) that Bermuda had met its commitments to address concerns raised by the EU in 2019 in relation to economic substance requirements.

Bermuda has a track record as an attractive jurisdiction for international insurance business due to its stable regulatory conditions. This has also been an important aspect for Gard when choosing Bermuda as the hub for its insurance activities, even though it was to create a fail-safe solution in case of political or military unrest in Norway.

The Gard group has established branches in locations where we see a commercial need to be present and these set-ups are not related to tax considerations. Gard Bermuda operates through branches in Norway and Singapore and Gard Marine & Energy Limited operates through branches in Norway, Singapore, Hong Kong and the UK. Although the insurance companies are domiciled for tax purposes in Bermuda, the branches pay tax on the profits relating to the operation of the branches in the jurisdictions where they are based and in accordance with local law.

Gard shall at all times be compliant with local tax requirements in any jurisdiction where we have a presence. Gard ensures that all intra-group transactions are done in accordance with the arm's length principle. The group has prepared extensive transfer pricing documentation based on current OECD guidelines. The transfer pricing documentation ensures that the value creation within the group is taxed in the correct country and is reviewed every year by the Audit Committee, which is a sub-committee of the Board of Directors of Gard Bermuda. The Audit Committee is responsible for ensuring that Gard operates in compliance with governing laws, regulations and guidelines.

In cases of importance concerning tax, either by way of doubt as to how local legislation is interpreted or by way of strategic decisions that need to be taken, management will involve the Board of Directors of Gard Bermuda in the decision making process. We also have a proactive approach towards local tax authorities in order to make sure that our tax status is transparent, predictable and stable.

OUR ROLE AS A RESPONSIBLE INVESTOR

Investing capital is at the heart of insurance and we had USD 2.0 bn invested in assets as of 20.02.20. The Gard group is a responsible investor and continues to increase the focus on sustainable investments in its portfolio. Gard has established a global impact portfolio, focusing on equity investments that are aligned with the ambitions set out in the UN Sustainable Development Goals. This fund comprised a total of USD 55.1 million of assets under management at the end of the financial year ending 20 February 2020.

Impact investing allows investors to help solve some of the world's major social and environmental challenges whilst earning financial returns on their investment. Impact investing is a subset of traditional investing that aligns social and/or environmental values with financial goals. We aim to deliver competitive returns for Gard

by investing in companies dedicated to providing innovative solutions in alignment with long-term societal trends.

Gard's global impact portfolio invests in companies that help address issues like food insecurity, health care access and financial inclusion. Portfolio managers identify companies whose impact activities they can track and measure through ongoing engagement with them and the calculation of key performance indicators, such as clean energy production, volume of cleaned water, number of affordable housing units and students enrolled in schools.

We fully support the UN Principles of Responsible Investment (UN PRI) and encourage fund managers to sign up to them. These principles recognise that long-term sustainable returns are dependent on stable, well-functioning and well-governed

social, environmental and economic systems. We aspire to have all our fund managers as signatories to UN PRI by 2022. Being a signatory is an important selection criteria for selecting new managers, and we actively encourage existing managers who are not signed up to do so. At the end of the financial year ending 20 February 2020, 87 per cent of fund managers had signed the UN PRI, totaling USD 1.8 bn which is equal to 86 per cent of assets under management.

All equity or corporate credit mandates on our own investment platform should apply an appropriate ESG framework for the investment process. Gard will monitor the effectiveness of the applied framework, by occasional screening versus the market reference provided by Sustainalytics and RobecoSAM.

OUR ROLE AS A COMMITTED CORPORATE CITIZEN

In Gard, we applaud philanthropy and charitable giving but believe that we achieve the best results by applying our resources, expertise and management talent to problems we understand and in which we have a stake. This is why we integrate social and environmental concerns into our day-to-day work and are committed to making a positive contribution to the industries we serve by offering dedicated resources to share knowledge and expertise.

SPONSORSHIPS

Gard's sponsorships are strongly linked to our pillars of excellence as well as our business goals. In particular, we contribute to educational institutions and other measures that promote knowledge sharing. Gard sponsorships are commitments made for a longer period of time and can be monetary and/or resource contributions.

Gard is an official partner of the Norwegian Red Cross. The aim is to strengthen the Red Cross's humanitarian work while increasing the knowledge and engagement among our employees of the humanitarian situation in those countries and regions where we operate.

It is also important to us to give back to the society in which we operate. We support Arendal International School by offering personnel resources (Gard Academy and teacher training) and actively participating in the management of the school in the form of board membership. In addition, we also make inventory donations (computer



hardware). We also support among others Arendalsuka, Arendal Kulturhus and the Canal Street festival.

DONATIONS

Donations made by Gard are subject to a standard application process. In general, donations are made to charitable causes loosely linked to Gard's pillars of excellence. These are single donations which are allocated according to a set of pre-defined criteria. The application form is available on our website and the Donations Committee meets twice a year to review the applications received. A list of the donations made is published in our social channels after each meeting.

COMMITMENT BY STAFF

Plastic and other litter naturally collects on shorelines so an effective way to remove plastic and other marine litter from the ocean environment is to clean beaches. Gard employees, family and friends have joined the Norwegian national beach cleaning days in the spring and autumn since 2017. Our branch offices have also joined in cleaning and other anti-litter initiatives in their cities. In 2018 Gard became the first Arendal company to "adopt a beach" in the Raet National Park.

Twice a year, Gard staff pick up litter from the shoreline of Merdø island, including lost and discarded fishing gear and other plastic items that could ensnare wildlife. Gard also has a plastics working group that is collaborating with our facilities staff to remove single use plastic products from the canteen and office.

REDUCING PLASTIC LITTER IN THE OCEAN

The goal of the non-profit foundation The Ocean Cleanup is to rid the oceans of floating debris by collecting plastic from the ocean gyres and capturing plastic litter in the 1,000 most polluting rivers.

Gard is an official partner of The Ocean Cleanup, providing P&I insurance for their systems and chartered vessels cleaning the Great Pacific Garbage Patch, the largest and most polluted of the five gyres.

In October 2019, they introduced the Interceptor - a solar powered, autonomous, floating solution which extracts plastic from rivers before it reaches the ocean. Gard provides liability cover for three Interceptors operating in Malaysia, Indonesia and the Dominican Republic.

GLOBAL COMPACT ADVANCED COP: SELF-ASSESSMENT 2019

GARD P & I (BERMUDA) LTD.

Criteria	Description	Section(s)	GRI Standard	Comment
1	The COP describes mainstreaming into corporate functions and business units	Sustainability governance	102.18	Governance structure
2	The COP describes value chain implementation	Introduction by the CEO Our approach to sustainable business operations Focusing on people for sustainable growth	102.9	Supply chain
3	The COP describes robust commitments, strategies or policies in the area of human rights	Sustainability governance Focusing on people for sustainable growth		
4	The COP describes effective management systems to integrate the human rights principles	Sustainability governance		
5	The COP describes effective monitoring and evaluation mechanisms of human rights integration	Sustainability governance		
6	The COP describes robust commitments, strategies or policies in the area of labour principles	Sustainability governance Focusing on people for sustainable growth Actively encourage and support sustainable ship recycling	403.8 403.9 403.7	Material topics: Seafarer safety and wellbeing, Working conditions, Sustainable Ship Recycling, Supply chain management, diversion and inclusion competence development Workers covered by an occupational health and safety system Work-related injuries Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Criteria	Description	Section(s)	GRI Standard	Comment
7	The COP describes effective management systems to integrate the labour principles	Sustainability governance	403.1	Occupational health and safety system
			403.2	Hazard identification, risk assessment
		Focusing on people for sustainable growth	403.3	Occupational health services
			403.4	Worker participation, consultation, and communication on occupational health and safety
			405.2	Ratio of basic salary and remuneration of women to men
8	The COP describes effective monitoring and evaluation mechanisms of labour principles integration	Focusing on people for sustainable growth		
9	The COP describes robust commitments, strategies or policies in the area of environmental stewardship	Our approach to sustainable business		Material topics: Marine casualty and pollution, Climate risk, Business development. Emissions
			102.11	Precautionary principle
10	The COP describes effective management systems to integrate the environmental principles	Support the maritime industry to limit the impact on climate change	305.4	Emissions
11	The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	Prevent and minimize the impact of marine pollution	307.1	No fines for non-compliance with environmental laws and regulations
12	The COP describes robust commitments, strategies or policies in the area of anti-corruption	Pushing towards higher business ethics throughout global operations		Material topic: Anti-corruption and anti-money laundering
13	The COP describes effective management systems to integrate the anti-corruption principle	Pushing towards higher business ethics throughout global operations	205.2	Communication and training about anti-corruption policies and procedures
14	The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	Pushing towards higher business ethics throughout global operations	205.1	Operations assessed for risk related to corruption
			205.3	No confirmed incident of corruption in 2019

Criteria	Description	Section(s)	GRI Standard	Comment
15	The COP describes core business contributions to the UN Goals and issues			See heading for each chapter
16	The COP describes strategic social investments and philanthropy	Our role as committed corporate citizen Our role as sustainable investor		
17	The COP describes advocacy and public policy engagement		415.1	No political contributions
18	The COP describes partnerships and collective action	Driving sustainable maritime development within our industry and beyond	102.12 102.13	Material topic: sharing competence and knowledge External initiatives Membership of associations
19	The COP describes CEO commitment and leadership	Introduction from the CEO	102.14	Statement from senior decision-maker
20	The COP describes Board adoption and oversight	Sustainability Governance		Sustainability governance
21	The COP describes stakeholder engagement	Materiality and stakeholder assessment	102.40 102.42 102.43 102.44	List of stakeholder groups Identifying stakeholders Approach to engagement Material topics

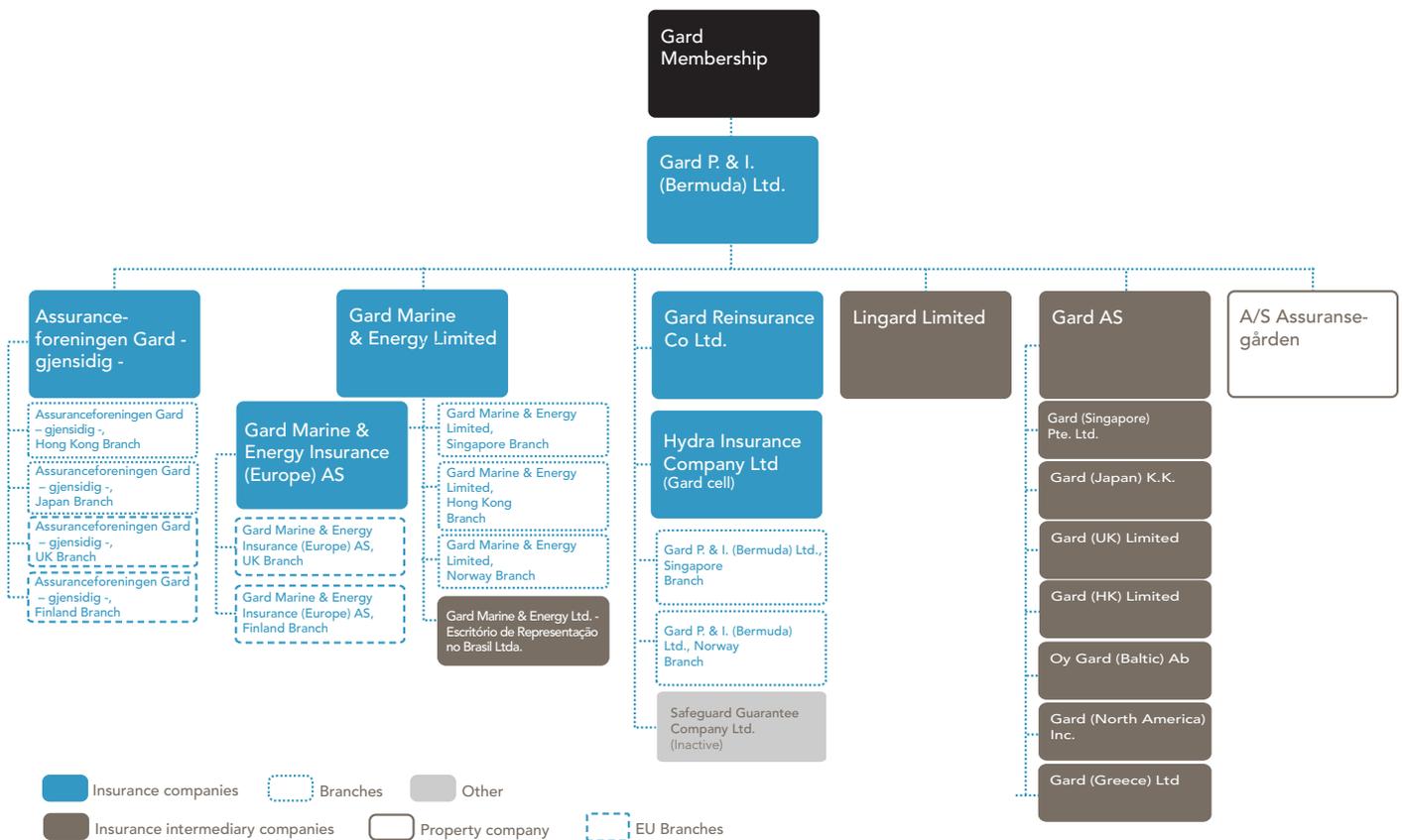
ADDITIONAL REFERENCES FOR GRI DISCLOSURES

Description	Page(s)	GRI Standard	Comment
<i>General disclosure</i>			
Name of organisation		102.1	Gard P & I (Bermuda) Ltd
Activities, brands, products, and services	5, 7	102.2	
Location of head offices		102.3	Head office: Hamilton Main office: Arendal
Location of operations	5, 6	102.4	Global presence
Ownership and legal form	Appendix I	102.5	
Markets served	6	102.6	
Scale of the organisation	5, 6	102.7	
Information on employees and other workers	15, 16, 17	102.8	
Supply chain	15	102.9	
Significant changes to the organisation and its supply chain		102.10	No significant changes
Precautionary Principle	8	102.11	
External initiatives	32, 33	102.12	Material topic: sharing competence and knowledge
Membership of associations	31, 32	102.13	Material topic: sharing competence and knowledge
Statement from senior decision-maker	4	102.14	
Key impacts, risks, and opportunities	4	102.15	
Values, principles, standards, and norms of behavior	6	102.16	
Governance structure	11	102.18	
<i>Stakeholder Engagement</i>			
List of stakeholder groups	12	102.40	
Approach to stakeholder engagement	12	102.43	
<i>Reporting practice</i>			
Entities included in the consolidated financial statements	Appendix I	102.45	
Defining report content and topic boundaries	3	102.46	
Restatements of information		102.48	None
Changes in reporting		102.49	No significant changes
Reporting period		102.50	01.01.2019 – 31.12.2019 for non-financial data 21.02.2019 – 20.02.2020 for financial data
Date of most recent report		102.51	This is our first sustainability report
Reporting cycle		102.52	Annual
Contact point for questions regarding this report		102.53	Live Jacob Sydness E: live.jacob.sydnness@gard.no
Claims of reporting in accordance with the GRI standards		102.54	No claim for 2019
GRI content index		102.55	This index and the UN Global Compact index above

External assurance		102.56	The report has not been externally verified, however, it has undergone a rigorous process of internal assurance, supported by an external consultant with expertise in sustainability reporting.
<i>Economic</i>			
Management approach for material topic		103.1	Material topic: Business Development
		103.2	
	3, 10, 11, 12	103.3	UN SDG target 8.2, 13.1
Economic value generated	23	201.1	
<i>Climate related risks and opportunities</i>			
Management approach for material topic		103.1	Material topic: Climate risk
		103.2	
	3, 10, 11, 12	103.3	UN SDG target 13.1, 13.2, 13.3
Financial implications and other risks and opportunities due to climate change	22	201.2	
<i>Anti-corruption</i>			
Management approach for material topic		103.1	Material topic: Anti-corruption and Anti-money laundering
		103.2	
	3, 10, 11, 12	103.3	UN SDG target: 16.5, 16.6, 16.7
Operations assessed for risk related to corruption	29	205.1	
Training about anti-corruption policies and procedures	28	205.2	
Confirmed incident of corruption		205.3	No confirmed incident of corruption in 2019
<i>Taxation</i>			
Management approach for material topic		103.1	Material topic: Tax transparency
		103.2	
	3, 10, 11, 12	103.3	UN SDG target 16.6, 17.1
Approach to tax	34	205.2	
Country-by-country reporting	Annex II	207.4	
<i>GHG emissions</i>			
Management approach for material topic		103.1	Material topic: GHG emissions
		103.2	
	3, 10, 11, 12	103.3	UN SDG : 13
Direct (Scope 1) GHG emissions	24	305.1	
Energy indirect (Scope 2) GHG emissions	24	305.2	
Other indirect (Scope 3) GHG emissions	24	305.3	
GHG emissions intensity		305.4	In 2019, emissions per FTE were 4.2 tCO ₂ e, emissions per office were 171.8 tCO ₂ e and emissions per revenue (mill USD) were 2.7 tCO ₂ e
<i>Occupational health and safety</i>			
Management approach for material topic		103.1	Material topic: Working conditions
		103.2	
	3, 10, 11, 12	103.3	SDG 8.8

Employee turnover	17	401.1	
Collective bargaining agreements	17	102.41	
Occupational health and safety system	16	403.1	
Hazard identifications, risk assessment and incident investigation	16	403.2	
Occupational health services	16	403.3	
Worker participation, consultation, and communication on occupational health and safety	16	403.4	
Workers covered by an occupational health and safety system	16	403.8	
Work-related injuries	17	403.9	
Management approach for material topic		103.1	Material topic: Sustainable ship Recycling
		103.2	
	3, 10, 11, 12	103.3	SDG 8.7, 8.8
Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	21	403.7	
<i>Training and education</i>			
Management approach for material topic		103.1	Material topic: Competence development
		103.2	
	3, 10, 11, 12	103.3	
Programs for upgrading employee skills and transition assistance programs	18	404.2	
<i>Diversity and equal opportunities</i>			
Management approach for material topic		103.1	Material topic: Diversity and inclusion
		103.2	
	3, 10, 11, 12	103.3	SDG 8.5
Diversity of employees	17	405.1	
Ratio of basic salary and remuneration of women to men	18	405.2	
<i>Environmental compliance</i>			
Management approach for material topic		103.1	Material topic: Marine casualty and pollution
		103.2	
	3, 10, 11, 12	103.3	SDG target 14
		307.1	No fines for non-compliance with environmental laws and regulations

APPENDIX I



Our corporate structure

GARD P&I BERMUDA AND ITS SUBSIDIARIES

Gard P. & I. (Bermuda) Ltd. (Gard Bermuda) is the parent company in the Gard group and is a Bermuda domiciled mutual insurance association registered by the Bermuda Monetary Authority as a “Class 2” insurer. Gard Bermuda provides Protection & Indemnity insurance (“P&I”) and related products to its policyholders (Members), who are shipowners and operators. As a mutual insurance association, the company does not issue shares and is owned by its Members.

There are no external capital owners, therefore, any profits which are earned by Gard Bermuda are retained by the company for the benefit of the Members.

Assuranceforeningen Gard is a P&I mutual incorporated in Norway in 1907 and is the founding company within the Gard group. It mirrors the ownership structure and product offering of Gard Bermuda and is registered as a sister company to Gard Bermuda with the International Group of P&I Clubs (IG)ⁱ.

Gard Marine & Energy Ltd. is a wholly owned Bermudan incorporated subsidiary of Gard P&I Bermuda. It offers fixed premium marine and energy products together with its Norwegian subsidiary, Gard Marine & Energy Insurance (Europe) AS.

The Gard group of companies is committed to maintaining high standards of corporate governance. We believe that effective corporate governance is essential to the group and establishes an open and transparent framework for delivering insurance products and services to our Members and clients.

i. <https://www.igpandi.org/>

APPENDIX II

Gard AS

Consolidated Accounts	
Gross Written Premium & Management Fees: 83 298 274 Intergroup Services: 125 255 925 Consolidation Adjustment: (10 125 377) Profit/Loss: 4 997 962 Consolidation Adjustment: (11 670) Tangible assets: 7 272 974 Tax accrued: 2.091.083 Employees: 524 (headcount)	
NORWAY	Gard AS <i>Insurance agency and intermediary company providing underwriting and claims services on behalf of the insurance entities</i> GWP/Management Fees: 83 278 974 Intergroup services: 93 151 107 Profit/Loss: 5 305 412 Tangible Assets: 3 203 307 Tax accrued: 1.557.402 Employees: 381
UK	Gard (UK) Limited <i>Provides insurance intermediary services in local markets and on behalf of Gard AS' principals</i> GWP/Management Fees : 0 Intergroup services: 12 601 820 Profit/Loss: (721 268) Tangible Assets: 1 025 914 Tax accrued: 109.871 Employees: 41
USA	Gard (North America) Inc. <i>Provides insurance intermediary services in local markets and on behalf of Gard AS' principals</i> GWP/Management Fees : 19 646 Intergroup services: 6 160 151 Profit/Loss: (155 668) Tangible Assets: 206 121 Tax accrued: 67.479 Employees: 15
HONG KONG	Gard (HK) Limited <i>Provides insurance intermediary services in local markets and on behalf of Gard AS' principals</i> GWP/Management Fees : 0 Intergroup services: 8 411 699 Profit/Loss: 79 473 Tangible Assets: 2 323 795 Tax accrued: 33.711 Employees: 31
FINLAND	Oy Gard (Baltic) AB <i>Provides insurance intermediary services in local markets and on behalf of Gard AS' principals</i> GWP/Management Fees : 245 Intergroup services: 2 459 791 Profit/Loss: 43 212 Tangible Assets: 101 224 Tax accrued: 16.110 Employees: 11
GREECE	Gard (Greece) Ltd. <i>Provides insurance intermediary services in local markets and on behalf of Gard AS' principals</i> GWP (USD): 0 Intergroup services: 3 999 497 Profit/Loss: 224 179 Tangible Assets: Tax accrued: 224.180 Employees: 16
JAPAN	Gard (Japan) K.K. <i>Provides insurance intermediary services in local markets and on behalf of Gard AS' principals</i> GWP/Management Fees : 850 Intergroup services: 3 701 613 Profit/Loss: 95 737 Tangible Assets: 162 019 Tax accrued: 57.104 Employees: 13
SINGAPORE	Gard (Singapore) Pte. Ltd. <i>Provides insurance intermediary services in local markets and on behalf of Gard AS' principals</i> GWP/Management Fees : 259 Intergroup services: 4 895 624 Profit/Loss: 138 555 Tangible Assets: 250 595 Tax accrued: 25.225 Employees: 16

APPENDIX II

Gard P. & I. (Bermuda) Ltd.

Consolidated Accounts	
Gross Written ETC Premium & Management Fees: 873 708 520 Intergroup Services: 0 Consolidation Adjustment: (521 899 463) Profit (ETC)/Loss: 107 356 000 Consolidation Adjustment: 1 917 758 Tangible assets: 31 411 815 (fixed assets and real estate) Tax accrued: 12.806.887 Consolidated Adjustment: 13.309.741 Employees: 21 (headcount)	
BERMUDA*	Gard P. & I. (Bermuda) Ltd. <i>Direct insurance company providing P&I insurance and related products</i> GWP (ETC)/Management Fees: 357 985 799 Intergroup services: 21 939 223 Profit (ETC)/Loss: 57 888 125 Tangible Assets: 660 514 Tax accrued: (5.911.612) Employees: 0
NORWAY**	Assuranceforeningen Gard – gjensidig - <i>Direct insurance company providing P&I insurance and related products</i> GWP (ETC)/Management Fees : 161 310 698 Intergroup services: 4 156 787 Profit(ETC)/Loss: 406 412 Tangible Assets: 2 148 038 Tax accrued: (3.539.019) Employees: 13
NORWAY	A/S Assuransegården <i>Property development</i> Revenue: 228 352 Intergroup services: 3 435 242 Profit/Loss: 964 877 Tangible Assets: 21 285 330 Tax accrued: 212.359 Employees: 4
BERMUDA	Lingard Limited <i>Insurance management company administering the day-to-day business and corporate functions of the Bermuda domiciled companies</i> GWP/Management Fees : 20 480 Intergroup services: 85 515 759 Profit/Loss: 173 691 Tangible Assets: 44 855 Tax accrued: 0 Employees: 4
BERMUDA	Hydra Insurance Company Ltd. <i>Captive insurance company reinsuring certain layers of risk retained by the parties to the IG Pooling Agreement</i> GWP/Management Fees : 0 Intergroup services: 51 955 184 Profit/Loss: 5 826 190 Tangible Assets: 0 Tax accrued: 0 Employees: 0
BERMUDA	Gard Reinsurance Co Ltd. <i>Captive insurance company for the Gard group</i> GWP (USD): 0 Intergroup services: 229 641 343 Profit/Loss: 18 649 597 Tangible Assets: 0 Tax accrued: 0 Employees: 0
BERMUDA	Safeguard Guarantee Company Ltd. <i>No activity</i> GWP/Management Fees : 0 Intergroup services: 0 Profit/Loss: 410 Tangible Assets: 0 Tax accrued: 0 Employees: 0

* Bermuda, Singapore, Norway

**Norway, Finland, Japan, Hong Kong, UK

APPENDIX II

Gard Marine & Energy Limited

Consolidated Accounts	
Gross Written Premium: 354 412 023	
Intergroup Services: 0	
Consolidation Adjustment: (63 080 781)	
Profit/Loss: 17 343 802	
Tangible assets: 104	
Tax accrued: 6.644.335	
Employees: 14	
	BERMUDA*
	Gard Marine & Energy Limited <i>Direct insurance company providing standard marine and energy insurance products</i> GWP (USD): 256 276 825 Intergroup services: 62 605 401 Profit/Loss: 27 431 487 Tangible Assets: 0 Tax accrued: 8.565.317 Employees: 0
	NORWAY**
	Gard Marine & Energy Insurance (Europe) AS <i>Direct insurance company providing standard marine and energy insurance products</i> GWP (USD): 98 135 198 Intergroup services: 0 Profit/Loss: (10 179 278) Tangible Assets: 0 Tax accrued: (1.958.333) Employees: 13
	BRAZIL
	Gard Marine & Energy Ltd. – Escritório de Representação no Brasil Ltda. <i>Representative office authorised to carry out insurance agency activities in Brazil on behalf of Gard Marine & Energy Limited</i> GWP (USD): 0 Intergroup services: 475 380 Profit/Loss: 91 593 Tangible Assets: 104 Tax accrued: 37.351 Employees: 1

* Bermuda, Singapore, Hong Kong, Norway
 ** Norway, UK, Finland



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