

December 2022

Sustainability Report



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Introduction: Supporting Members and adapting Club operations



“...the Club is determined to have a positive impact through its support for Members in their transition to alternative fuels and technologies”

I am pleased to present the UK P&I Club's first Sustainability Report, which sets out the Club's current approach to sustainability and our plan to make our business more sustainable in the future.

The UK Club is a signatory to the United Nations Global Compact and at the heart of our approach to sustainability is a desire to align the Club with the United Nations' Sustainable Development Goals (SDGs). These interlinked goals are designed to end poverty, fight inequality and injustice, and protect our planet. Every business has a part to play in achieving the goals and the Club is determined to do what it can, while also acknowledging its limitations. We support all 17 SDGs, but this first Sustainability Report focuses on our impact with reference to five of those goals: SDG3 on 'good health and well-being', SDG8 on 'decent work and economic growth', SDG13 on 'climate action', SDG14 on 'life below water' and SDG17 on 'partnerships for the goals'.

As stated in the Club's 2021 Directors' Report, one of the areas in which the Club can have the greatest positive impact is in our efforts to improve safety and prevent losses from happening in the first place. This is achieved through the Club's numerous loss prevention activities and by our efforts to mitigate negative impacts such as pollution when incidents occur.

Another key area in which the Club is determined to have a positive impact is through its support for Members in their transition to alternative fuels and technologies. We are working to achieve this by developing and sharing our understanding of the risks associated with the transition and how they can be avoided or mitigated, and by providing robust insurance products and services that give Members the confidence to make the change. The report also includes an explanation of the Club's procedures for managing sustainability and risks related to climate change.

Our Board recognises that the drive to make us more sustainable will require changes but, as one of the oldest P&I clubs in the world, the UK Club has endured for over 150 years by embracing many changes while maintaining a first-class service to Members. The UK Club's Board is determined that we continue in this vein, adapting our operations to ensure a sustainable future for both the Club and its Members. While the initial steps in this process involve a qualitative assessment of the Club's current sustainability impacts, we are working towards publishing a more quantitative assessment of these impacts together with targets and goals.

Nicholas Inglessis
Chairman, UK P&I Club



Report overview

This first Sustainability Report describes the Club's impacts in the areas identified as being most relevant to the Club and sets out the Club's plans for the future, which are focused mainly on its support for its Members but also on its commitment to support and embed into its operations and decision making the principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption.

The report begins with a summary of the UK Club's governance of sustainability-related matters and of its compliance with sustainability-related regulations and legislation.

The subsequent sections provide a qualitative assessment of the sustainability impacts of the Club's activities in five specific areas, and how those activities align with the SDGs and targets most relevant to the Club:

- The **'Collaboration and partnership'** section focuses on the Club's partnerships with its Members, with Thomas Miller, with other clubs through the International Group of P&I Clubs and with other industry groups, and how these initiatives align with SDG17 on 'partnerships for the goals'.
- The **'Insured people'** section focuses on the Club's many existing

safety projects, especially those focused on the human element, and the Club's ongoing support for various seafarer-focused charities, and how these link with the targets for SDG3 on 'good health and well-being'.

- The **'Insured operations'** section focuses on the Club's long-standing efforts to prevent and mitigate environmental damage from casualties through skilful loss prevention and claims handling, as well as support for Members making the 'green transition' to alternative fuels and technologies, all with reference to the targets for SDG14 on 'life below water'.
- The **'Own people'** section focuses on those people who work for the Club, addressing human resource-related matters such as equality and diversity of those working (via Thomas Miller) for the Club and how those align with SDG8 on 'decent work and economic growth'.
- Finally, the **'Own operations'** section focuses on the sustainability aspects of the Club's operations (again via Thomas Miller) and how those align with SDG13 on 'climate action'.

The report concludes with an explanation of the Club's sustainability plans, including an intention to set impact-improvement targets and goals in conjunction with Thomas Miller.

Sustainability governance and compliance: An inclusive approach

Governance

The UK Club is a mutual marine insurance business governed by a Members' Committee, which represents the Club's Members, and a regulated Board of Directors. Since 1885, the Club has fully outsourced its management to Thomas Miller. The Members' Committee and Board have responsibility for sustainability issues.

The Club has sought to adopt an inclusive approach to sustainability that involves input from all levels of the business. The Club has formed a Sustainability Impact Group tasked with implementing and informing the Club's sustainability policy and pursuing the Club's sustainability objectives, and a Sustainability Steering Group tasked with ensuring

that the Club's sustainability strategy and objectives remain aligned with the Club's wider strategy and objectives.

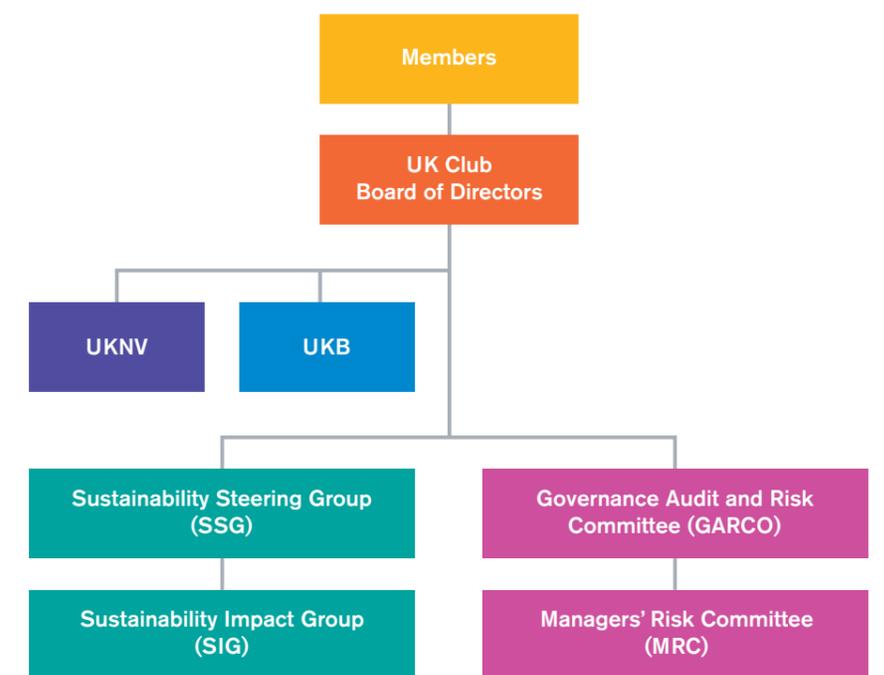
These actions also feed into the Club's enterprise risk management framework for assessment, mitigation and reporting of sustainability-related risks.

Compliance

The Club complies with all current regulations and legislation, both in the UK and through its subsidiaries in the Netherlands and Bermuda. The Club is also looking and planning ahead to ensure that it is prepared for anticipated future regulations and legislation. Further details are set out in the Club's annual Directors' Reports and Financial Statements, and other statutory disclosures.

Sustainability governance structure

- Financial Services Regulators of the Regulated Companies**
- Prudential Regulation Authority (PRA)
Financial Conduct Authority (FCA)
 - De Nederlandsche Bank (DNB)
Autoriteit Financiële Markten (AFM)
 - Bermuda Monetary Authority (BMA)



Recent progress and commitments: the United Nations Global Compact

In 2022, the Club has developed preliminary materiality and impact assessments and has committed to support the United Nations Global Compact.

United Nations Global Compact

The Club has identified the United Nations Global Compact as the framework that best captures what the Club is seeking to achieve, and that provides the best set of references

when describing the Club's impact and efforts to drive progress.

As a signatory of the Compact, the Club has committed to implement the ten principles of the UN Global Compact, take action in support of the Sustainable Development Goals, and submit an annual Communication on Progress (COP).

The Club supports all ten key principles of the Global Compact, which are as follows:



As a signatory of the Global Compact, the Club also supports all 17 of the United Nations' Sustainable Development Goals (SDGs). Many of the Club's sustainability-related activities could fall within a number of these goals but, to see how the Club's activities align with SDGs and their targets (see below), the Club has identified the following five goals as being particularly pertinent to the Club's activities:

- SDG3 on 'good health and well-being'
- SDG8 on 'decent work and economic growth'
- SDG13 on 'climate action'
- SDG14 on 'life below water'
- SDG17 on 'partnerships for the goals'

The Global Compact sets out targets for each of the SDGs, and the Club's initial materiality assessment has also considered which of the targets are most relevant to the Club, so it can describe its impact with reference to those targets and, in due course, set Club-specific goals.

Initial impact and materiality assessments

The Club's initial impact and materiality assessments were carried out by teams drawn from the Sustainable Impact Group. The assessments showed that, in framing the Club's impact in basic terms, it was useful to distinguish between people-oriented aspects of the Club's impact and operational aspects, and between the Club's own operations and people, and those it insures. This initial exercise also highlighted the importance of the Club's key partnerships with its Members (in relation to insured operations and people) and with its managers (in relation to its own operations and people).

The Club's preliminary materiality assessment highlighted that the sustainability impacts of the Club's own operations and people are many orders of magnitude smaller than those relating to the operations and people it insures; for example, this initial exercise indicated that the Club could have the most positive impact by working with its Members to enhance safety at sea and by supporting their ongoing transition to greener technologies.



The exercise also highlighted that the Club's own operations and people are intertwined with those of its managers, Thomas Miller. This first Sustainability Report therefore provides some detail on how the Club is working with its Members to have a positive impact on the operations and people it insures, as well as an overview of how the Club is working with its managers to address the sustainability aspects of its own operations and people.

Sustainability impacts: Initial qualitative assessment

This section provides an initial qualitative assessment of the Club's sustainability impacts in five areas – 'collaboration and partnership', 'insured people', 'insured operations', 'own people', and 'own operations' – and how these align with the five selected SDGs.

Collaboration and partnership

The Club's partnership with its Members is integral to its strategy and thinking in relation to sustainability, as with all other aspects of Club business. The Club's impact and materiality analysis has also shown that it is through working with its Members that the Club can have the greatest positive impact. The Club's partnership with its managers, Thomas Miller, is also key, especially with regard to the sustainability impacts of the Club's own operations and people.

International Group



The Club is a founding member of the International Group of P&I Clubs, which is a collective of 13 competing protection and indemnity mutual clubs, each of which provides third-party liability insurance to its respective Members under its own rules of cover, and which together insure approximately 90% of the world's ocean-going tonnage.

The Group provides a structure through which the Group clubs can pool their respective risks and arrange collective reinsurance, thereby providing a robust

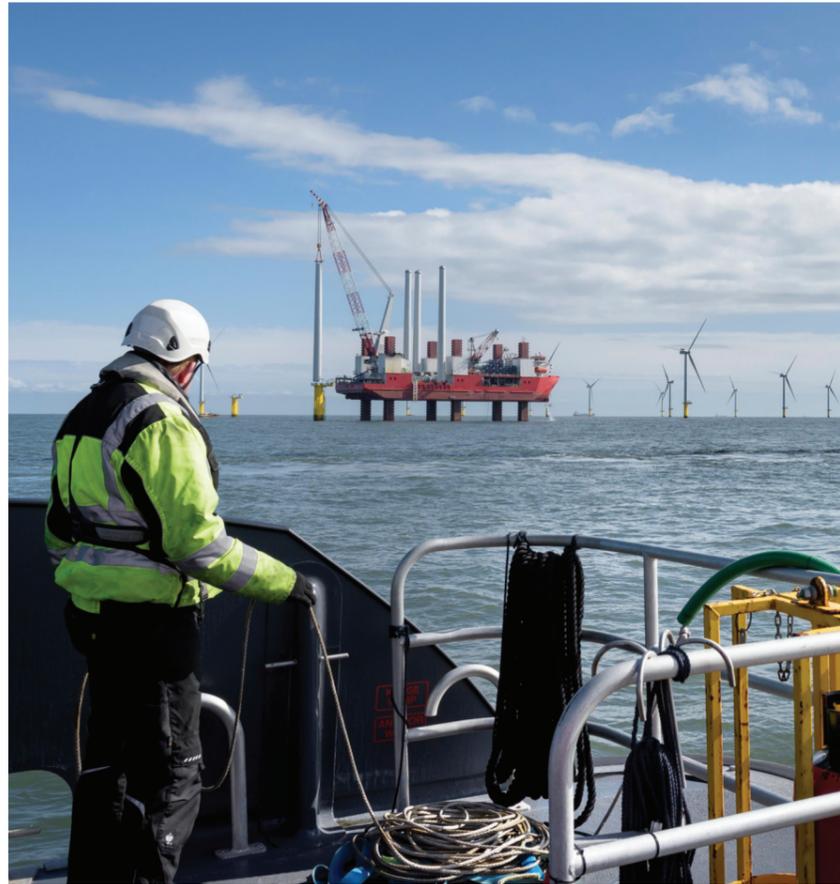
system by which due compensation and funding for the containment and clean-up of an incident can be provided promptly, up to an unrivalled level of cover. This long-standing claims sharing arrangement, as set out in the International Group Pooling Agreement, has ensured that Group clubs have been able to pay for compensation and clean-up even when the largest of incidents have occurred.

The Group structure also provides a forum through which safety-related lessons can be shared to prevent or minimise future incidents, and through which the Group clubs can speak with one voice to drive change for the good. For example, clubs contributed through the Group to the formulation of international conventions, such as during the establishment of initiatives such as ITOPF and the IOPC Fund, which have benefitted not only the shipping industry but also society as whole.

Together in Safety



The Club is a founding member of and leading contributor to Together in Safety, which is a non-regulatory industry consortium connecting the maritime sector with the common purpose of working together to protect seafarers' lives while delivering improved business efficiency and commercial effectiveness. The Together in Safety Coalition was formed in 2019 and has since developed a framework of three key strategic drivers designed to allow any shipping company to move quickly to



deliver improvements in its safety management programme without the need to spend time or incur high costs in preparing materials.

The first strategic driver is leadership. Together in Safety includes modules and guidelines that will help improve leadership through developing a vision and plan, by leading by example, and by improving engagement and collaboration. Importantly, this also requires verification of procedures, as experience from major incidents has shown that correct procedures may not be applied correctly, even when in place.

The second driver is incident prevention. Together in Safety has undertaken a detailed review of shipping incidents across the industry and this review has highlighted that the same types of incident keep happening. Together in Safety views these incidents not as accidents that must be accepted, but as repeatable events that could and should have been avoided. To drive change, Together in Safety is focusing on 14 categories of major incident and, for each incident type, a set of 'golden safety rules' has been outlined, including guidelines and best practices, training and engagement tools, and checklists.

The third strategic driver for change is well-being and care. Together in Safety believes that ensuring well-being and care is fundamental to developing a healthy, happy and high-performing team of seafarers. The Together in Safety initiative seeks to deliver a high-quality well-being and care programme, and to improve seafarer mental health.

The UK Club has incorporated the principles of Together in Safety into its own loss prevention programme.

Maritime Anti-Corruption Network



The UK P&I Club has been a partner of the *Maritime Anti-Corruption Network (MACN)* since 2021.

The aims of the *MACN* align with the UK P&I Club's ongoing commitment

to the highest standards of ethical behaviour and corporate citizenship, while recognising the importance of collective action to tackle bribery and corruption within the industry. Together with the other members of *MACN*, the Club is committed to eliminate maritime corruption.

Alignment with SDG17

The sustainability aspects of the Club's collaboration and partnership activities most closely align with SDG17 on 'partnerships for the goals', which aims to 'strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development'. This SDG has 19 outcome targets. The Club has identified two of the targets that are most relevant to its collaboration and partnership activities, and the following table shows how the Club's activities align with those targets.



SDG17 target number	SDG17 target description	How the UK Club's 'collaboration and partnership' activities align with SDG17 targets
17.16	Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries	The Club is involved in a number of partnerships that entail sharing of knowledge and expertise for the wider benefit of shipping. For example, the Together in Safety initiative has at its core the idea that safety-related lessons should be shared so that all can benefit from collective experience and partnership.
17.17	Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	The Club has long been a promoter of partnerships across the industry, from its early days as a founder member of the International Group of P&I Clubs, through to its recent role as a founder member of Together in Safety.



Insured people

This section provides a qualitative assessment of the impact of the Club's existing activities on the safety and well-being of Members' seafarers, its 'insured people'. It then explains how these activities support the targets of United Nations SDG3 on 'good health and well-being'.

Loss prevention programme

Safety is at the core of the Club's operations, and its loss prevention department is one of the most active in the market. A primary focus of the Club's loss prevention programme is a desire to keep Members' seafarers away from harm by promoting safer conditions for seafarers. The Club's loss prevention initiatives include the in-depth analysis of major claims, conducting on-board safety assessments, and sharing training videos with seafarers and shore personnel on lessons learnt.

The Club has ingrained the principles of Together in Safety within its approach.

As part of its drive to share safety knowledge, the Club has recently expanded its award-winning 'Lessons Learnt' videos for seafarers. These

training videos maximise the opportunities for seafarers to learn from these important safety-related lessons.

CAE safety training

The Club has formed a partnership with CAE, the world's largest civil aviation training company, to offer Members access to top-quality soft skills and human performance training. These three-day courses are designed specifically for the whole ship team. The courses cover managing the human element, exploring leadership styles, decision making, problem solving, delegation, and error management in everyday situations.

Crew health programme

The Club recognises the fundamental importance of seafarer health and well-being, and has long recognised the importance of mental health in addition to physical health. The Club has created several initiatives and guides to help crews understand the concepts of mental wellness and to identify and address any mental health issues.

PEME screening

The Club provides a leading pre-employment medical examination



Lessons Learnt video series: Bunker spill

(PEME) service, based on recognised maritime standards, to check the health of seafarers before they join ships entered in the Club. Since the programme was launched in 1996, there have been over 450,000 examinations and Members have seen a continual improvement in crew fitness.

BlueMed telemedicine services

In 2020, the Club began a partnership with specialist marine medical company BlueMed to provide 24/7 telemedicine services to Members' ships. Crewmembers can receive expert medical advice from UK doctors familiar with on-board environments, to assist with managing medical conditions, illnesses and injuries at sea.

Seafarer welfare initiatives

The Club has developed strong and enduring relationships with many of the maritime health and welfare charities, and has provided significant financial and practical support for key initiatives.



Following Club support for several of the charity's projects, the Club formed a partnership with *The Mission to Seafarers* in 2018 to develop the Mission's WeCare programme. Launched in 2019 with core funding from the UK Club, WeCare's aim is to promote seafarer well-being on board and at home, through support and training for the seafarers themselves and their families. Almost 100,000 seafarers and their families have had access to WeCare in 2022 and the programme was shortlisted for the Safety4Sea Crew Welfare Organisation Award 2022. The Club has also supported *The Mission to Seafarers'* Flying Angels campaign,

which was aimed at mitigating the impact of Covid-19 on seafarers.



The Club has funded a number of the *Sailors' Society's* projects, including the charity's Wellness at Sea Programme, a coaching programme aimed at improving seafarers' on-board well-being. The Club has also supported the charity's Crisis Response Network, a network of trained crisis responders available to counsel seafarers and their families after a traumatic event such as piracy. The network also assists shipowners and crew managers in designing and implementing response plans for different types of crises.



In 2022, the Club has supported a *Stella Maris* project to create a refuge near Gdynia, Poland, to house and support Ukrainian seafarers and their families who are seeking refuge from the war in Ukraine.



The Club is a supporting member of the *International Seafarers' Welfare and Assistance Network (ISWAN)*, an international maritime charity that works to improve the lives of seafarers and their families. The charity focuses on promoting and supporting the welfare of seafarers including by providing a helpline and access to free online mental health resources. The Club has provided both financial

and practical support to *ISWAN*, including sponsorship of a pop-up medical screening centre that was staffed (for free) by the Club's PEME programme doctors and staff.



The Club has a decade-long partnership with this medical charity, including involvement in recent projects to fit out a crew social lounge and fund the cost of three medical beds for the charity's new ship *Global Mercy*. The Club has also contributed significant funding towards the cost of eye-care clinics on *Global Mercy*. By deploying

hospital ships to the areas where they are needed most, the charity is able to deliver state-of-the-art hospital facilities to regions where clean water, electricity, and medical facilities and personnel are limited or non-existent.

Alignment with SDG3

The Club's impact on the health and well-being of its insured people aligns most closely with SDG3 on 'good health and well-being', which aims to 'ensure healthy lives and promote well-being for all ages'. This SDG has nine outcome targets. The Club has identified four of the targets that are most relevant to its activities with regard to its insured people, and the following table shows how the Club's activities align with those targets.



SDG3 target number	SDG3 target description	How the UK Club's 'insured people' activities align with SDG3 targets
3.5	Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol.	The Club's crew health programme provides advice on substance abuse. The Club has collaborated with a self-care expert to provide seafarers with access to resources aimed at treating substance abuse.
3.7	By 2030, ensure universal access to sexual and reproductive healthcare services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes.	Seafarers have 24/7 access to telemedicine services at sea, and some of the Club-supported charitable projects aimed at supporting seafarers' families touch on these. Mercy Ships' women's health programme addresses some of these issues.
3.8	Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	Seafarers have 24/7 access to telemedicine services at sea, and the Club also seeks to achieve a positive impact in this area through its support of the work of Mercy Ships.
3.9	By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	The Club's loss prevention programme focuses on avoiding accidents from hazardous chemicals and environments. Seafarers have 24/7 access to telemedicine services at sea.



Insured operations

This section provides a qualitative assessment of the impact of the Club's existing activities on the sustainability of Members' operations, its 'insured operations'. It then explains how these activities align with the targets of United Nations SDG14 on 'life below water'.

Supporting environmental compliance

The Club supports its Members in complying with all existing and proposed environmental regulations and legislation. One of the most important of these is the International Maritime Organization's (IMO's) International Convention for the Prevention of Pollution from Ships (MARPOL), which aims to protect the marine environment from accidental or operational ship-source pollution. There are five annexes covering pollution of the sea from oil, noxious liquids, harmful substances, sewage and garbage, plus a sixth annex on air pollution.

The Club publishes a raft of guidance advising Members on how to comply with existing MARPOL requirements as well as regular updates on the work of the IMO Marine Environment Protection Committee in planning further changes to the convention. The Club also provides Members with regular updates on new national environmental regulations and legislation as well as bespoke training for Members on environmental topics of relevance to them or their region.

Focusing on risk and loss prevention

The Club's support package for loss prevention is one of the most comprehensive available in the P&I market. This support package is designed to help Members prevent accidents occurring on their ships, including navigation incidents such as

collisions and groundings that can lead to major environmental pollution from cargo and bunker spills.

The Club organises condition surveys by impartial independent surveyors of all entered ships over ten years old (and any other vessels of concern) to determine whether they conform to acceptable maintenance and management standards. In addition, the Club offers all Members a specific risk assessment for each of their ships, the aim of which is to assist Members in identifying and mitigating threats based on their vessel and fleet claims history, across seven main risk areas: personal injury; security; navigation; pollution; machinery and equipment; cargo; and accident response.

The Club's many loss prevention advisory publications for Members include specific guides, webinars and videos on how to avoid polluting the environment from activities such as carrying hazardous cargoes, oil transfers, bunkering, hold washing and ballast water management.

Managing pollution incidents effectively

While prevention is better than cure, and the Club works hard to prevent such incidents from taking place, the Club has a long-standing track record for helping its Members minimise the effect of any pollution incident that does occur as quickly and efficiently as possible. Although there are clearly financial advantages to minimising the impact and containing any pollution in such circumstances, the Club's immediate priorities are to save life and protect the environment. The Club therefore seeks to take a proactive approach in such incidents, deploying local correspondents to attend the scene and liaise with local authorities, and actively seeking to develop practical plans for pollutant control and clean-up.

To help ensure that any such incidents are handled as quickly and effectively as possible, the Club also has in place a comprehensive casualty response plan that sets out procedures and protocols, including specific guidance on the handling of pollution incidents, based on the Club's hard-won experience over many years. To test and improve these protocols, the Club also carries out regular training with Members and sessions with the relevant local authorities, such as the UK Secretary of State's Representative (SOSRep). Through the International Group, the Club has also entered into a number of memoranda of understanding with maritime authorities to formalise the arrangements in place to enhance efficiency, communications and understanding in the event of a major incident. The Club also conducts training drills and engages with the relevant local authorities that would be involved in any major incident,

such as the United States Coast Guard and United Kingdom SOSRep, to ensure that internal and external teams are best placed to deal with such incidents.

Marine environment

The Club is an Associate Member of the Hellenic Marine Environment Protection Association (HELMEPA), an association of Greek seafarers and shipowners that promotes awareness of environmental issues and safety at sea, with the aim of preventing ship-generated pollution. The Club participates in HELMEPA beach-cleaning initiatives that, in addition to the practical benefits of collecting litter, are designed to raise awareness of increasing marine pollution, and plastic pollution in particular. The Club is a regular participant in HELMEPA's workshops focused on the prevention of oil pollution from ships, crew wellness,



decarbonisation of shipping and sustainability reporting. The Club also participates in a lecture series in collaboration with academic institutions aimed at educating younger generations on the importance of sustainability in the shipping industry and green shipping initiatives.

In recent years, there has been an increase in shipping accidents involving the release of plastic resin pellets used as building blocks for other plastic products (commonly referred to as 'nurdles') into the marine environment as a result of containers falling overboard, leaking containers and other shipping accidents. These nurdles can be spread over large areas by winds and currents, and threaten marine creatures and habitats for years. The Club has been supporting efforts to introduce new standards designed to prevent plastic nurdle pollution, both through the International Group and through participating in various industry dialogues.

To mark its 150th anniversary, the Club commissioned a dolphin sculpture made from reclaimed flip-flops cleared from the East African coastline by social enterprise Ocean Sole. This helped to support Ocean Sole's mission to clean up the oceans, provide a steady income to more than 1,200 low-income Kenyans and invest in a welfare programme for its employees and their families.



The Club has also engaged in its own beach clean-up initiatives, and most recently teamed up with the Marine Conservation Society to take part in a beach clean at Glyne Gap beach in Hastings, UK.



Supporting the transition to new technologies

The Club is committed to doing its part in reducing its own operational impact, but it recognises that the greater challenges, and the far greater potential emission reductions, lie in the decarbonisation of the vessels it insures.

The initial greenhouse gas (GHG) strategy set out by the IMO in 2018 targeted a 40% reduction in carbon dioxide intensity of maritime transport by 2030, a 70% reduction by 2050 and a 50% reduction in all GHG by 2050, all with reference to 2008 levels.

The Club is committed to supporting its Members through their transition and by ensuring that, as the technologies and associated risks change, the Club can help its Members by offering insurance products that cover the new risks and

by providing underwriting, loss prevention and claims handling services that are based on a proper understanding of the emerging risks and technologies.

As part of its efforts to support shipping's green transition, the Club sponsored the International Chamber of Shipping's 'Shaping the Future of Shipping' conference, which formed part of the United Nations Climate Change Conference (COP26) programme in Glasgow in November 2021, at which leaders from across the shipping industry discussed how shipping can be decarbonised.

A 'Declaration on Zero Emission Shipping by 2050' was signed at COP26 by 14 countries including the UK. This called on the IMO to review its targets and to form a resolution to adopt the goal that GHG emissions from international maritime transport will be reduced to zero by 2050 at the

latest. The declaration acknowledged three other shipping emissions initiatives: the 'Zero Emission Shipping Mission', which aims to demonstrate deep-sea ships operating on commercially viable zero-emission fuels by 2030; the 'Call to Action for Shipping Decarbonization', in which 200 companies urged governments to commit to decarbonising international shipping by 2050; and the 'Clydebank Declaration for Green Shipping Corridor', which seeks to create at least six green shipping corridors by 2025. The Club welcomes these developments, recognises the challenges that these changes will bring for its Members, and is determined to play its part in supporting its Members through these changes.

The Club is working closely with its Members to understand the challenges and risks of the transition to new 'green' maritime technologies. As part

of this process, the Club has published various guides, webinars and videos for Members on topics such as very low sulphur fuel, liquefied natural gas bunkering, biofuels, green shipping, retrofitting, alternative fuels and decarbonisation, as well as a decarbonisation roadmap that seeks to summarise the key practical and legal issues.

Alignment with SDG14

The Club's impact on the sustainability of its insured operations aligns most closely with SDG14 on 'life under water'. SDG14 aims to 'conserve and sustainably use the oceans, seas and marine resources for sustainable development' and has seven outcome targets. The Club has identified three of these targets as most relevant to its activities relating to its insured operations and the following table explains how the Club's activities align with those targets.



SDG14 target number	SDG14 target description	How the UK Club's 'insured operations' activities align with SDG14 targets
14.1	By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.	The Club's loss prevention programme focuses on reducing accidents that might lead to marine pollution, both in port and at sea, and the Club's efforts to contain pollution and mitigate the impact of incidents also serve to reduce pollution.
14.2	By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration to achieve healthy and productive oceans.	The Club uses experts from ITOFF and local correspondents to limit any adverse impact to ecosystems from pollution by an insured ship, and funds their subsequent restoration. Through HELMEPA and its own beach clean-up initiatives, the Club supports marine and coastal restoration projects.
14.3	Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels.	The Club supports its Members in complying with regulations and legislation on reducing emissions of oxides of sulphur, nitrogen and carbon, which can lead to ocean acidification. It also supports its Members in introducing new, more sustainable propulsion technologies.



Own people

This section provides a qualitative assessment of the impact of the Club's sustainability approach to staff, its 'own people'. It then explains how the approach supports the targets of United Nations SDG8 on 'decent work and economic growth'.

All Club staff are employed by the Club's managers, Thomas Miller, meaning that the Club's approach is intertwined with Thomas Miller's approach and the Club is working closely with its managers towards future reporting in this area.

Equality and diversity

The UK Club, through its managers Thomas Miller, is committed to ensuring that it has a diverse, transparent and inclusive workplace culture within its UK head office and all offices of its international subsidiaries and branches. The company carries out a robust recruitment and selection process to choose the best candidates for each role against the required job criteria, with each job specification incorporating the importance of diversity and inclusion.

Thomas Miller complies with all applicable equality and diversity reporting standards and, through the use of robust internal and external benchmarking, ensures that people in comparable roles are paid equally.

All managers undertake training on unconscious bias and behaviour and a diversity and inclusion 'playlist' is included in the learning and development online portal available to all staff. In support of its efforts to engender diversity and inclusion, Thomas Miller is collecting diversity data from employees in the UK and is implementing a programme of data collection in other international locations.

The Club is conscious that only about 2% of merchant navy seafarers are

women and is looking for ways to redress this. The Club shares in Thomas Miller's pride that a female cadet who was sponsored by Thomas Miller through the Maritime London Officer Cadet Scholarship (MLOCS) scheme has taken over as Master of her vessel in 2022. In an effort to encourage more women to take up careers within the maritime sector, the Club has provided financial support to the 1851 Trust charity's science, technology, engineering and mathematics (STEM) Maritime Roadshows, which are designed to inspire young women to consider STEM-related maritime careers. Thomas Miller also provided female speakers and role models to support the roadshows.

Diversity is always taken into consideration by the Club when selecting members of the Board, as stated in the Board's diversity policy. This policy is reviewed annually, with appointments made against objective criteria, acknowledging the benefits of diversity in the context of the overall balance of skills and background that the Board needs to be effective.

Well-being

The Club recognises that people are its biggest asset and that their physical and mental well-being is a primary concern. This was particularly important during the recent Covid-19 pandemic.

Thomas Miller has a global well-being programme for all staff, focusing on the pillars of social, financial, mental and physical well-being. The aim of this scheme is to empower employees to make positive choices about their health and well-being, creating an environment that promotes personal fulfilment, engagement, performance and achievement. This has allowed employees to share different cultures and to create a forum for supporting one another.

Trained 'mental health first aiders' are also available to all employees working for the Club and an independent employee assistance programme is provided to give employees and their families somewhere confidential to go to or call if they have personal or workplace issues that might be affecting their mental health.

Employment terms and conditions

The rights and responsibilities of all people working for Thomas Miller in support of the Club are governed by their contracts of employment in accordance with local laws. Each jurisdiction in which the Club has a presence also has an employee handbook clarifying global and local policies.

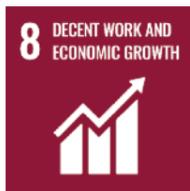
Thomas Miller has enhanced its maternity and parental leave and pay entitlements to facilitate more choice and flexibility around childcare. Maternity coaching is offered to all employees in the UK before and after

maternity leave to support a transition back to work.

In many of the regions where the Club operates, employees are entitled to participate in private health insurance schemes and medical screenings as part of the employee assistance programme. Thomas Miller also has a health and safety policy in place to ensure the provision of a working environment that is safe and healthy for all Club staff, contractors and visitors.

Alignment with SDG8

The Club's sustainability impact on its own people most closely aligns with SDG8 on 'decent work and economic growth'. SDG8 aims to 'promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all' and has ten outcome targets. The Club has identified two of the targets as most relevant to its activities relating to its own people and the following table shows how the Club's activities align with those targets.



SDG8 target number	SDG8 target description	How the UK Club's 'own people' activities align with SDG8 targets
8.5	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	The Club and its managers are committed to providing a diverse, transparent and inclusive workplace culture, with equal pay for comparable roles. The Club's support for the 1851 Trust's Maritime Roadshow is designed to encourage more women to take up careers within the maritime sector.
8.7	Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.	The Club has a zero-tolerance policy against modern slavery or human trafficking within its supply chain, as well as robust policies to detect and avoid money laundering, which can often be connected with such activities. All staff who work for the Club and its managers are employed under fair terms and conditions.



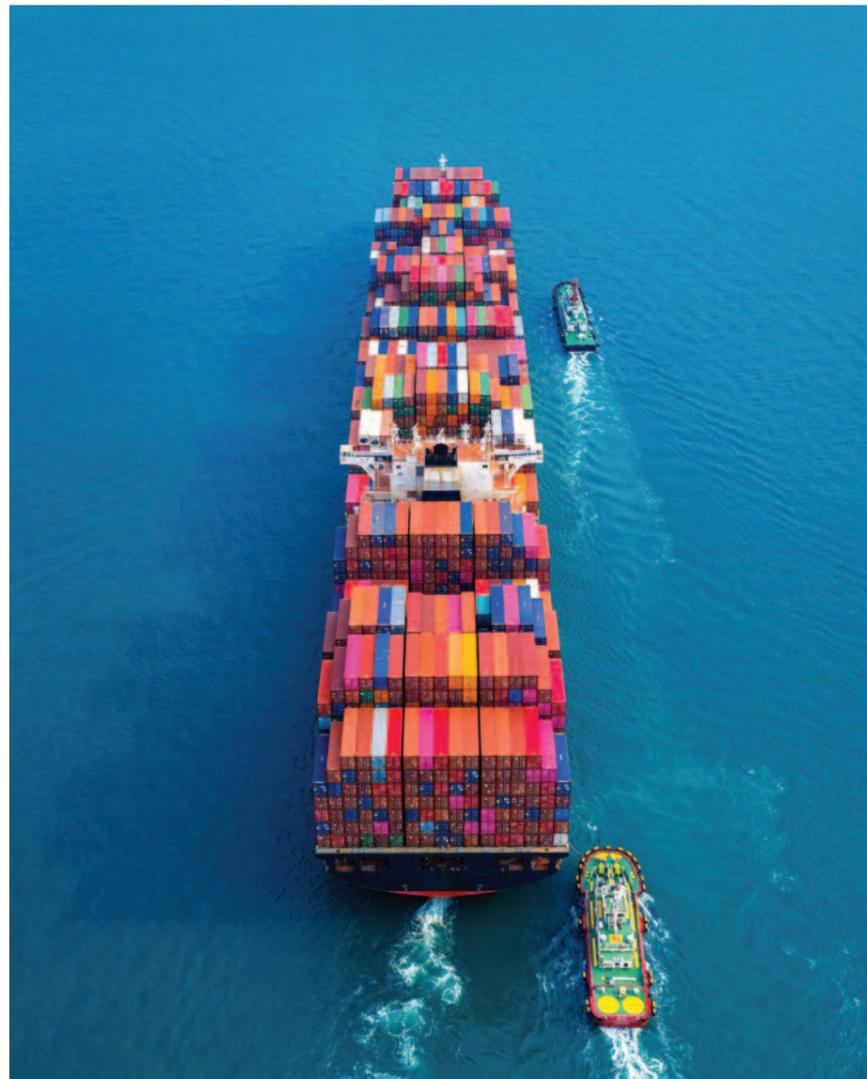
Own operations

This section provides a brief assessment of the environmental and social impact of the Club's premises and corporate activities, its 'own operations'. All Club premises are provided and operated by its managers, Thomas Miller, meaning that the Club's approach is intertwined with Thomas Miller's approach and the Club is working closely with its managers towards

future reporting in this area. This section also explains how measures taken to reduce the negative impact of these operations align with the targets of United Nations SDG13 on 'climate action'.

Building energy consumption, waste and recycling

The Club expects Thomas Miller to manage the buildings and facilities used for Club business in a



sustainable way in terms of building energy efficiency, waste and recycling, and Thomas Miller ensures that it meets these expectations. In particular, the Club and Thomas Miller are working together to monitor and reduce the energy use and greenhouse gas emissions of the offices in which the Club operates, not least to meet the UK's Streamlined Energy and Carbon Reporting (SECR) requirements, and to monitor and reduce waste at their premises.

Corporate travel

The Thomas Miller travel policy requires travellers and travel approvers to consider the environmental impact of travel in the planning and decision-making processes.

Supply chain

In addition to Thomas Miller, the Club's supply chain includes correspondents and lawyers in some 700 ports around the world, plus numerous brokers, surveyors, financial advisers, accountants and other specialist professionals. When working on the Club's business, each of these contributes to the Club's overall impact, and consideration is given to the environmental impact of any travel.

Corporate and personal social responsibility

In addition to the charitable projects supported directly by the Club, Thomas Miller also operates a corporate social responsibility (CSR) programme entitled 'Be the Difference'. This provides a framework through which all employees who work on Club business are enabled to engage in CSR activities, for example, by being able to take three days' paid leave per year to volunteer in civic duties and community projects.

Alignment with SDG13

Improving the sustainability impact of the Club's own operations most closely aligns with SDG13 on 'climate action'. SDG13 aims to 'take urgent action to combat climate change and its impacts' and has three outcome targets. While only one of these targets is directly relevant to the Club's activities, as shown in the following table, the Club recognises that it is through its work with its Members to support their transition to new 'green' technologies that it can have the greatest impact in terms of climate action.



SDG13 target number	SDG13 target description	How the UK Club's 'own operations' activities align with SDG13 targets
13.3	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	The Club is supporting its Members through their decarbonisation transition, and is engaging in numerous projects with its Members, staff and across industry to help make this transition take place as quickly and as safely as possible.

Sustainability plans: Establish a platform for further actions



The purpose of the UK Club's increased focus on sustainability during 2022, and of preparing this first Sustainability Report, has been to establish a platform for further actions and further reports in the future. The Club's initial impact and materiality assessments have shown those areas where the Club is having (and can have) the most impact, but have also highlighted those areas in which further work is required. The Club is determined to build on this platform to drive future improvements.

This and future reports will in due course sit alongside the Club's Global Compact Communication on Progress Reports and Thomas Miller's own sustainability reports.

Supporting Members

The Club's primary focus for its future sustainability efforts is on supporting its Members' efforts to make their ships and operations safer and more sustainable, and ensuring that robust insurance is in place to cover the emerging risks.

"The Club's first priority remains its continued support for its Members. In sustainability terms, this means supporting them in their own drives towards a more sustainable future. In particular, the Club will ensure that appropriate insurance is available to cover the risks associated with the new technologies, and will ensure that its loss prevention, underwriting and claims handling services continue to evolve to reflect the emerging needs and requirements of these technologies."

Patrick Ryan,
Sustainability Director, UK P&I Club

United Nations Global Compact

The Club sees its support of the United Nations Global Compact as an important part of its sustainability plans. As a signatory of the Compact, with its ten principles of corporate sustainability and the 17 SDGs, the Club is committed to adopting sustainability principles, supporting the SDGs, engaging more with society, and reporting annually on its progress. The Club is committed to using these structures to drive change within its business and will make its first annual Communication on Progress report to the UN in June 2023.

Ongoing compliance with sustainability regulations and legislation

The Club is also working hard to ensure that it complies with the reporting and disclosure requirements of all current and future sustainability-related regulations and legislation in all relevant jurisdictions.

Quantifying and setting impact reduction targets and goals

The earlier sections of this report provided qualitative assessments of the sustainability of the Club's activities with regard to its collaboration and partnership, insured people, insured operations, own people and own operations, and each of these areas was considered in relation to the most relevant SDG. They showed that the Club and its managers Thomas Miller are already making a positive contribution but

also highlighted that more can be done in each of these areas. To drive progress, the Club is working with Thomas Miller to better measure the Club's impacts and to set out targets and goals for future improvement.

Future reporting

Following publication of this first Sustainability Report, the intention is to update the report periodically to explain the Club's progress. In addition to the Sustainability Reports, the Club's website will also be updated to contain details of new sustainability-related regulations and goals, as well as details of the Club's progress and achievements in this area. These reports will sit alongside the Club's annual Global Compact Communication on Progress reports in summarising and shaping the Club's progress in all sustainability matters.

"The year 2022 has seen the UK P&I Club increase its focus and efforts on matters of sustainability and we are pleased to be able to summarise those efforts in this, our first Sustainability Report. The report provides an overview of our sustainability impacts and challenges."

"The Club's key role remains support for its Members, for which the scale and immediacy of the challenge is enormous as they seek to transition to new fuels and technologies. A strong partnership with each Member will be vital during a period of such rapid change, and the UK Club is committed to supporting each of our Members on their own challenging voyages towards a safer and more sustainable future."

Andrew Taylor,
Chief Executive Officer, UK P&I Club

