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The International Group of P&I Clubs (the "Group") is a collective of 12 competing not-for-profit mutual insurance associations known as P&I clubs (the "Group Clubs"). The Group Clubs insure shipowners in respect of third-party liabilities arising from the operation of vessels in the global commercial shipping sector.

Each of the 12 Group Clubs has its own sustainability initiatives. In this report, we outline the areas where the Group Clubs collaborate. The Group's collective strength is harnessed by the Secretariat team in London who coordinate the Group's activities through various Committees addressing many of the important environmental, social and governance ("ESG") questions facing the shipping industry today.

The Group Clubs' insurance protection ultimately helps enable global maritime trade. We recognise the benefits of addressing ESG at all levels of the global maritime supply chain. Shipping is the most efficient form of commercial transport in terms of CO2 emissions per tonne of cargo transported one mile, but there is scope for improvement. We believe that we have an important role to play in supporting the maritime industry's transition towards the IMO's "net-zero" target.

In a fast-changing geopolitical landscape the Group, which celebrates its 125th anniversary in 2024, continues to support the IMO and governments in their work towards a uniform and fair global maritime regulatory framework within which all shipowners can operate. Certainty supports the continued provision of insurance and reinsurance to the benefit of claimants and society more broadly.





We encourage a culture of ESG awareness throughout Group work. The Secretariat team comprises 12 individuals which means that our carbon impact is relatively minor. However, to demonstrate the importance of transparency and disclosure of emissions, at the Secretariat, we are beginning to measure our carbon emissions and are committed to undertaking evaluations about travel on Group business. In particular, our Group education and casualty outreach schemes use webinar technology and regional offices as much possible to assist with training where this is appropriate.

Finally, there are approximately 1.9 million seafarers employed globally without whom our industry could not operate. We recognise that the Group represents a platform from which we can raise awareness of issues relating to seafarers' wellbeing and safety and we are committed to supporting continued improvements in these areas.

Nick Shaw, CEO

Facilitate the provision of unparalleled limits of P&I insurance cover by the Group Clubs

Strive collectively to improve safety at sea Promote clear mechanisms for dealing with liability and compensation in the event of maritime incidents

which leads to...

PEACE, JUSTICE AND STRONG INSTITUTIONS

Compensation of claimants following maritime disasters

13 CLIMATE ACTION



Protection and restoration of ocean environments

Reduced volatility
for shipowners
creating a financially
stable and
predictable global
trade environment

### How we do it?

Pooling claims between Clubs efficiently and fairly to spread risk Purchasing collective reinsurance to limits higher than if purchased by individual Group Clubs 3 GOOD HEALTH AND WELL-BEING

Sharing expertise on safety and preventing maritime / environmental disasters



Developing strong links and using our collective voice with governments, NGOs and industry organisations Supporting
educational initiatives
in the maritime
industry to improve
standards







# OUR COMMITMENT

### **Our Commitment**

The UN SDGs are 17 areas of focus which set the global agenda for collective action towards a sustainable future. We used the UN SDGs as a framework to understand where we already deliver a positive impact and where we can do more. We are committed to all the SDGs but the SDGs we have used as a foundation for our sustainability strategy and reporting in 2024 are as follows:



### Ensure healthy lives and promote well-being for all at all ages

We seek to support seafarers' emotional wellbeing through collaboration with industry initiatives and dissemination of safety and welfare information, guidance and advice.



# Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

The maritime industry is inherently international in nature. We believe that a maritime education leading to a successful career at sea or in the maritime industry should be open to all. Through our scholarships and fellowship, we increase access to maritime education. Our P&I Qualification helps build understanding of the maritime industry across the world.



# Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Everyone deserves to feel safe when they are at work. Seafarers work in some of the most challenging conditions. We promote safe and healthy working practices to reduce the risk of harm, injury and death (SDG 8.8). Through the P&I Qualification and our relationships with educational institutions offering maritime courses, we also support the development of skills for productive employment in the maritime industry.





### Take urgent action to combat climate change and its impacts

Reaching the IMO's targets of net zero greenhouse gas emissions from international shipping by 2050 will require a significant change in the maritime industry. We are supporting shipowners in understanding the risks of alternative fuels, adopting an inclusive approach to insurance cover and monitoring necessary regulatory changes that will enable the uptake and success of alternative fuels.



Conserve and sustainably use the oceans, seas and marine resources for sustainable development

We seek to help shipowners prevent or minimise casualties that threaten the marine environment, particularly shipsourced pollution. We build relationships that enable Group Clubs and maritime administrations to respond swiftly when serious maritime casualties occur.



Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development

We work with governments, legislators and maritime regulators both in connection with frameworks for liability and compensation and to enable an efficient response to maritime casualties and pollution. We partner with associations across the world aimed at supporting maritime education, promoting seafarer health and wellbeing, and reducing corruption.

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

One of our priorities as a Group is the implementation of fair and transparent frameworks for international liability and compensation. We support the IMO in their work to adopt uniform regulations underpinned by the IMO Conventions with the aim of having a consistent and predictable approach to liability claims.

# OUR DIRECTION

### **Our Direction**

Following our first sustainability report in 2022, we established a set of strategic priorities or "Pioneer Areas", based largely on the ESG focus areas that were apparent from the Group's first materiality assessment:

#### **Liability Regimes**

Continuing to support government/maritime administrations in their adherence and/or ratification of the IMO's liability regimes, consistent with the IMO's "safer ships and cleaner seas" slogan.

### Safety

Increasing analysis of relevant information and claims experience to promote safety.

#### **Educational Outreach**

Developing the Group's P&IQ programme and collaborating with universities and educational institutions to improve standards within the industry.

#### **Sanctions**

Continuing engagement with government and intergovernmental authorities to promote shipowners' interests and to help guide shipowners on the application of sanctions.





### **Casualty Response**

Continued proactive engagement with maritime authorities together with IMO, ITOPF, IOPC funds where appropriate. Actively reviewing casualties to identify trends and lessons learned in large casualty management.

#### **Decarbonisation**

Supporting and encouraging shipowners in the industry's transition to "net zero" by maintaining an inclusive approach to cover. Working to promote international liability and compensation frameworks to support shipowners and society through the transition.

Andrew Cutler, Group Chair

# OUR IMPACT

### **Our Impact**

The Group's work is undertaken by 42 Committees and 70 Working Groups on which approximately 379 Club representatives participate supported by the Group Secretariat. Below we identify some of the Group's core Committees for ESG purposes and their principal contributions towards the UN SDGs identified above.





#### **Sustainability Committee**

**Strategic discussion** of ESG issues relevant to the Group's activities.

Conducting stakeholder dialogues, mapping of the Group's positive and negative impact on ESG issues and materiality assessments.

Sharing sustainability principles to create an integrated approach throughout Group Committee work.

Group Sustainability Workshop September 2024



### Personal Injury and Occupational Diseases Committees

Collaborating with international stakeholders:

To promote seafarer mental wellbeing

Seafarer Mental Wellbeing Seminar September 2023



- To promote access to high quality medical care for seafarers and passengers following illness and injuries
- To reduce stowaways coming on board vessels and promote safe repatriation of those who are found on board
- To promote fair crew contracts for shipowners and crew

#### Identifying and mitigating areas

of potential or emerging risks relating to health and personal injury.



### **Data Analytics Committee**

**Supporting Committees** to collect data relating to safety and emerging risks on board ships.





#### **Pollution Committee**

Active participation in relevant
Correspondence Groups within the
IMO's Legal Committee and SubCommittee on Pollution Prevention
and Response to assist with the
development and implementation of
IMO Conventions governing liability
and compensation in the event of ship
sourced pollution damage as well as
active participation at the IOPC Funds'
Assembly and ad hoc projects.

Close collaboration with ITOPF, the leading ship-sourced pollution response experts and technical advisers.

**Providing guidance to shipowners** on the introduction of new legislation.

Memoranda of Understanding

with international and national compensatory bodies and responsible maritime authorities to ensure cooperation in the event of a pollution incident.

Supporting the drafting and promotion of claims guidance around IMO liability conventions, e.g. the Bunkers Convention Claims Manual and industry standard oil spill response contracts.

**Providing a forum** for Group Clubs to share expertise on how to handle pollution incidents.

Participating in over 50 workshops

and seminars with States across the globe involving over 100 governments explaining the role of the Group, the Clubs and the importance of Club cover that underpins the IMO liability and compensation Conventions (primarily the 1992 CLC, Bunkers Convention and Wreck Removal Convention). The workshops and seminars are held through the IMO's Technical Co-operation Programme (under which the IG is a trusted partner), by the IOPC Funds or at the Committee's own initiative.



### Pooling and Reinsurance Committees

Operating a resilient pooling mechanism.

Maintaining partnerships with the world's leading reinsurance markets to ensure that the Group Clubs can continue to provide the highest levels of cover for maritime liability incidents, including ship-sourced pollution.

### The International Group Reinsurance Structure





### **Our Impact**



**Dealing with Large Maritime Claims** 



### **Large Casualty and Salvage Committees**

Reviewing trends in casualty management in order to issue best practice advice for avoiding and handling casualties.

#### Liaising with maritime authorities

to build relationships which will enable effective collaboration in the event of a serious environmental incident, including providing workshops on the operation of P&I and incident handling around the world.

#### Liaising with industry stakeholders

to ensure standard contracts for the salvage or wreck removal of vessels in distress are fit for purpose.

12 Memoranda of understanding signed with maritime authorities



### **Ships' Technical Committee**

Identifying and mitigating areas of potential risk related to crew safety and operations on board ships to minimize negative financial, environmental and social impacts.

Assessing emerging risks and the liability consequences from technical innovations within the industry.

**Engaging with industry** on measures to improve safety standards on board ships.





Providing a forum for Clubs to share knowledge and information with a view to reducing incidents caused by pilot error.

Collaborating with industry **stakeholders** to improve standards for pilot safety, e.g., the IMO draft performance standards for pilot transfer arrangements to enhance safety.

### **Our Impact**





### Claims Cooperation Committee

**Developing guidance** for safe carriage of cargoes by sea to reduce incidents affecting human and vessel safety at sea, whilst seeking to preserve the marine environment.

Participating in the IMO's Sub-Committee on Carriage of Cargoes, which is responsible for updating the IMSBC and IMDG Codes.

Reducing corruption through partnership with Maritime Anti-Corruption Network (MACN)



### **Correspondents Committee**

Developing relationships with P&I correspondents across the world and providing guidance to ensure proper governance and good practice in handling issues for shipowners.

Promoting anti-bribery and anticorruption principles, e.g., through a collaboration with MACN and associated presentation by MACN at the 2022 Group Correspondent Conference.



#### **Education Committee**

Creating and coordinating the P&I Qualification, a maritime course open to all.

Offering up to five scholarships each year for the P&I Qualification.

**Designing and coordinating**a new P&I Qualification for Seafarers.

**Building and maintaining** relationships with relevant maritime educational institutions around the world and offering educational outreach activities.

Awarding a fellowship for students across the world to study at the International Maritime Law Institute.

See further pages 22 and 23



6 Memoranda
of understanding
signed with
educational
establishments with
a maritime focus



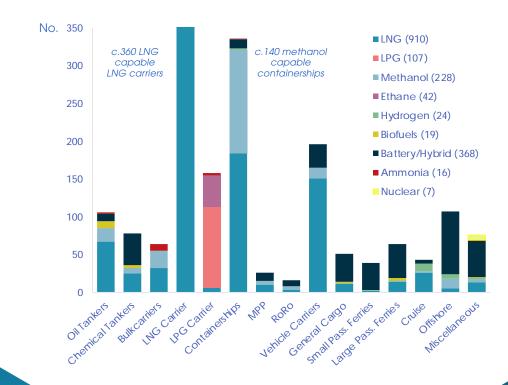
# SUPPORTING DECARBONISATION OF THE MARITIME INDUSTRY

# Supporting Decarbonisation of the Maritime Industry



We recognise the IMO's Revised
Greenhouse Gas Strategy that
sets a target of reaching net zero
greenhouse gas emissions from
international shipping by 2050.
Achieving this target will be difficult
and will require significant change
for the international maritime
industry. The Group has a role to
play in supporting shipowners
through the fuel transition required
to meet these targets.

### Orderbook (100+ GT) Set To Use Alt. Fuels (~50% Of GT)





# Pooling of Vessels using Alternative Fuels

The Group recognises the role that its claims sharing (pooling) arrangements and reinsurance programme can play in facilitating the industry's transition to low or zero-carbon fuels. The Group Clubs have historically sought to meet and support the needs of shipowners by adapting to changing demands and adopting an inclusive approach to cover within the mutual system. The same approach to pooling will apply to any changing insurance needs from low or zero-carbon fuels.

13 CLIMATE ACTION

As of January 2024, the Group insured **100%** of ammonia ready ships, **96.7%** of methanol ready and **98.5%** of LNG (being a lower emission carbon fuel) ready ships, recognising that most of these vessels are "dual fuel" vessels which may initially burn carbon fuels.

IGP&I

100%

Ammonia ready

96.7%

Methanol ready

98.5%
LNG ready



(2024)

# **Supporting Shipping's Role** in Global Decarbonisation

Because the Group Clubs insure shipowners against liabilities arising from cargo carried on board ships, the Group has had experience insuring liabilities arising from alternative fuels to the extent that such fuels have been carried as cargoes for some time, e.g., carriage of ammonia for the agriculture industry. In order to decarbonise the global economy, it will be necessary for new low or zero-carbon fuels and technologies (or the ingredients required to make them) to be transported in large volumes over long distances. Shipping will have an important role to play in supporting the transition through the safe and efficient transportation of such fuels and technologies from source to market. This role is in turn supported by the Group Clubs through the provision of high levels of liability cover.

This gives shipowners and operators confidence to invest in new technologies and infrastructure and provides governments and businesses around the world is confidence that there is a robust insurance regime, ready to respond if required.







13 CLIMATE ACTION

# Supporting a Safe Transition

Through the Ships Technical Committee, the Group participates in the IACS Technology Readiness Level Working Group and Safe Decarbonisation Panel which will review environmental and safety issues for the development and application of sustainable energy sources and technologies on board ships.

The Alternative Fuels and Pollution Committees are also helping analyse the risks, potential losses and liabilities which may result from the use of alternative fuels when compared to traditional mineral hydrocarbons. The Group's role is to support the solutions that the industry chooses, recognising that there may be complexities in doing so. Its work with IACS will help support the case for inclusive insurance cover of alternative fuels in the maritime insurance and reinsurance markets and supports a safe transition through the identification and mitigation of risks.

### **Building Legal Infrastructure for Sustainable Fuels**

The journey to 'net zero' will require more than simply developing the technology for ship propulsion using alternative fuels. There will need to be the technical, logistical and legal infrastructure in place internationally to support shipowners who invest in ships operating using alternative fuels. This will take time and planning plus access to sufficient fuels to support the transition.

The Group has significant experience contributing to the development of international liability and compensation regimes. Such regimes are important for the industry from a public policy perspective as they are built on principles of strict allocations of liability in exchange for limitations of liability which ultimately provides a predictable framework for claimants and insurers. We are working with relevant stakeholders, such as ICS and ITOPF to understand what changes are required to ensure an international legal framework which responds appropriately to the new fuels, but ultimately States at the IMO will need to address this issue. Through increasing certainty around the applicable legal systems, operators can be more confident in beginning to use alternative fuels.



## PROMOTING MARITIME EDUCATION







# Promoting Maritime Education

We believe that a maritime education leading to a successful career at sea or in the maritime industry should be open to all, irrespective of background or nationality.

#### The P&I Qualification

We established the P&I Qualification (P&IQ) in 2010. The P&IQ comprises seven modules covering the shipping business, the P&I industry, underwriting, claims handling, loss prevention and specific P&I risks, e.g., people or cargo. By setting up remote exam invigilation, we have sought to widen access to the P&IQ to candidates across the world. Similarly, the cost of the course is kept relatively modest with all profits being reinvested into the P&IQ and our scholarship programmes.

The P&IQ contributes to the skill, quality and training of Group Club employees. In 2024, we have been working towards the first edition of our P&IQ for Seafarers. This P&IQ is focused on seafarers looking to adapt their skills to work ashore and those looking to continue their careers at sea with an understanding of the wider maritime industry aimed at building knowledge around loss prevention, personal safety and wellbeing and confidence in dealing with P&I related incidents.

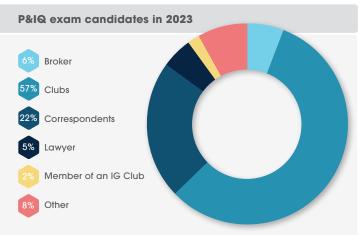
In 2022 and 2023, we also developed our P&IQ scholarship programme. In 2024, we have awarded seven scholarships. By building strong and consistent knowledge of the industry, we can facilitate strong relationships and effective management of maritime incidents.

#### Geographical take-up of P&IQ exam candidates 2023



#### Industry P&IQ exam candidates in 2023





# Promoting Maritime Education







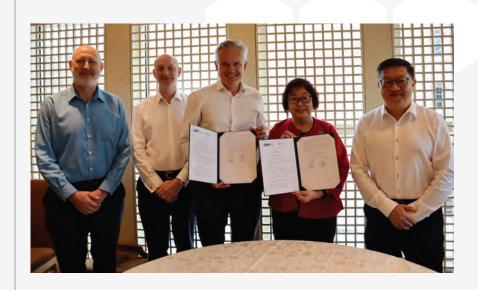
#### **Fellowship**

In 2023 we were delighted to have offered a fellowship to Patience Ella Diaba to study for a Masters of Law in International Maritime Law at the IMO International Maritime Law Institute (IMLI) for the 2023/2024 academic year. IMLI was set up to enhance maritime learning and understanding across all states, but particularly developing states to promote safe, environmentally sound and sustainable shipping.

In offering the IMLI Fellowship, we have sought to increase accessibility to postgraduate education in the maritime industry in line with the UN SDGs 4 (promoting inclusive quality education) and 8 (lifelong learning opportunities).

#### Outreach

The Group's Education Outreach Initiative continues to make progress in reaching out to maritime-focused educational establishments worldwide. Through this initiative, we are forging relationships to collaborate and to offer Group presentations on maritime issues to students around the globe often through Group Clubs' regional representatives. The aim is to increase awareness of the P&I industry and to promote an understanding of the Group's role and the P&IQ with tailored training and networking opportunities that best suit the students/course.



### IMPROVING HEALTH AND SAFETY AT SEA

# Improving health and safety at sea

#### **Mental Wellbeing Seminar**

Seafaring is a job with high demands and long working hours. Seafarers are often separated from family for long periods of time, with potentially poor sleep and more limited access to recreational facilities than shore workers. These factors all raise the risk of mental health issues.

A 2019 study found that 25% and 17% of seafarer respondents had scores indicating diagnosable levels of depression and anxiety respectively\*. Sadly, the rate of suicide is significantly higher amongst seafarers than the general population, without including the numbers of seafarers reported to have disappeared at sea.

We are committed to improving seafarer mental wellbeing. As a Group we have a role in raising awareness and preventing P&I losses. Shipboard safety is likely to be improved when seafarers feel safe and well. In September 2023, we held our first Mental Wellbeing in Maritime Seminar. This included sessions led by the Seafarers' Hospital Society and expert clinical psychologists to raise awareness about seafarer mental wellbeing. There is much that can be done to improve conditions for seafarers and the starting point is raising awareness within the industry and promoting practices to preserve mental well-being.

\*The study and report by the ITF Seafarers' Trust and Yale University in 2019 found, in a survey of 1572 seafarers, that 25% suffer from depression. This compared with 6% of the general German population and 5% of oil and gas workers (who also spend significant time away from home).



### **Shipboard Safety**

Each year, seafarers and shore personnel continue to be injured or killed during mooring operations. The Group released an animation highlighting the human factors affecting risk in mooring operations.

### **Stowaways Project**

We are building a system to collect data on the points of entry and nationality of stowaways with a view to engaging with local governments around how to prevent individuals putting themselves at risk by boarding ships without authorisation.

The Group's Personal Injury Goals

Can't see this video? Click here to view online



# CASUALTY RESPONSE

# **Casualty Response**

Large scale maritime casualties pose serious threats to the environment, the crew and local communities. Such casualties are rare but inevitably occur from time to time.



### High levels of cover for response activities

In the first instance, our role at the Group is to ensure that the highest level of cover and financial security is available to support immediate response activities aimed at saving lives, minimising pollution, reducing the impact of significant maritime casualties and the restoration of healthy marine environments.

Our system has stood the test of time and has proved itself resilient to shock events, including the challenging wreck removal of the "Golden Ray", which involved a capsized car carrier off Baltimore, US in 2019, where the Group's pooling and reinsurance arrangements responded to liabilities in excess of \$840m.



Not all maritime States have experience of a large-scale maritime casualty. We therefore seek to establish lines of communications with maritime States and share the lessons that the Group, as a collective, has learned about casualty management, as well as endeavouring to understand the key lines of command and imperatives for those States in dealing with casualties.

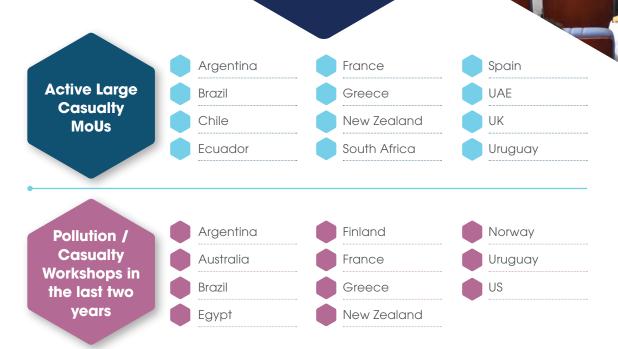
Where possible we encourage States to enact the appropriate legal frameworks to address large casualties. In some cases, we enter into a memorandum of understanding (MoU) to formalise our common understanding and ongoing relationship with the government administration which sets out a framework for cooperation. This work requires workshops and interaction around the world. To minimise air travel, we have set up a series of Regional Steering Groups which are predominantly comprised of individuals from Group Clubs working in or close to a relevant region or state who can conduct the day-to-day liaison and bespoke joint workshops with the relevant maritime authority.

Since our last report, we have expanded our outreach programme:



"Thanks... for the team's training sessions in NZ. It is so important as part of readiness for maritime incident response to have strong relationships so that in the unfortunate case when an event does occur all parties understand and appreciate the roles different parties play and the focus can be on mitigating the risk and quickly and effectively managing the response and achieving good outcomes for operators, people, the environment and economies."

Kirstie Hewlett - Chief Executive, Maritime New Zealand - May 2023



### **SpillCon**

SpillCon is a conference focused on pollution prevention, response and environmental issues associated with oil spills. In 2023, we ran a workshop with the IOPC Funds at SpillCon focusing on international liability and compensation regimes for oil pollution damage. Whilst the priority must always be to avoid oil spills, we encourage awareness about how the Conventions operate and how claims are assessed to allow cost recovery in order to remediate and protect marine environments if and when pollution occurs.



### The 'Hugh Shaw Delay Project'

The Lloyd's Open Form (LOF) was established in 1908 to enable the immediate provision of salvage services to a vessel in distress without the risk of the situation deteriorating while terms are negotiated. Prompt engagement of emergency responders to a marine casualty is paramount in minimising risk to life, the environment and property. In 2019, the use of traditional LOF contracts was reported to be at a historic low. The Group was concerned that use of alternative contracts requiring negotiation might lead to delays in responding promptly to a casualty and associated threats to life and the environment. The Group commissioned Hugh Shaw, OBE, the former Secretary of State's Representative for Maritime Salvage and Intervention, to conduct an independent review into the causes and risks of delay in casualty response. In July 2022, the report was published including various recommendations such as improved communication with hull insurers and changes to LOF. Work is ongoing on these issues as part of the London Salvage Arbitration Branch's LOF Review. In the meantime, in March 2023, the Group jointly with the Joint Marine Claims Committee published Guidelines for Marine Casualty Claims. The Guidelines are an important step forward, providing a clear framework for property underwriters and the Group to work closely together in the interest of the assured in a casualty situation.



### **Casualty Review**

Every three years, the Group selects a cross-section of the most difficult and expensive wreck removal incidents and analyses the challenges encountered and any lessons that can be distilled and promulgated to the Clubs to improve handling of future casualties.

## LOOKING AHEAD

### **Looking ahead**





and working groups, focusing on issues such as seafarer safety and wellbeing and improved casualty response. Decarbonisation has also been defined as a strategic priority for the Group, and with this, our mindset will continue to be not whether we should cover new risks, but how we can cover them. In other words, what we can do to help. That is what we are here for – preventing and managing risks; benefiting the maritime industry as well as the wider society.

Together, we can make a world of difference.

Rolf Thore Roppestad

Chair of the Sustainability Committee

### Meet our 2024 **Sustainability Committee**

























### **Our Sustainability Committee includes** representatives from all twelve Clubs

The American Club: Richard Linacre

Britannia P&I: Jacob Damgaard

**Gard:** Tim Howse and Live Jacob Sydness

Japan P&I Club: Royston Deitch

The London P&I Club: Ian Gooch

NorthStandard: Ed Davies **Shipowners:** Louise Hall

Skuld: Hilde Sobstad Lovskar (on maternity), Anna Erlandsen

**Steamship Mutual:** Sue Watkins

The Swedish Club: Torjborn Claesson

**UK Club:** Patrick Ryan **West:** Richard Turner

Chair of the Sustainability Committee: Rolf Thore Roppestad Secretariat: Nick Shaw, Danielle Datta and Sophia Boutalbi

Whilst the Sustainability Committee helps to coordinate thought leadership around ESG issues, stakeholder dialogues and the dissemination of principles, the wider work of the Group towards sustainable outcomes is carried out by a far greater number of Group Club and Secretariat personnel through the many Group Committees and Working Groups.

# ICP& International Group of P&I Clubs