



# Human Rights Due Diligence

GARD'S TRANSPARENCY ACT  
REPORT 2023





Gard is committed to our corporate responsibility to respect human rights.

Rolf Thore Roppestad, CEO Gard

## Contents

01	<b>Introduction</b>	<b>3</b>
02	<b>Gard's approach to human rights</b>	<b>5</b>
03	<b>Human rights impact assessment</b>	<b>7</b>
04	<b>Measures to prevent and mitigate negative impacts</b>	<b>10</b>
05	<b>Way forward</b>	<b>13</b>

## CHAPTER 01

# Introduction

This report has been prepared in accordance with the Norwegian Transparency Act and outlines Gard's human rights due diligence process and the measures we have implemented to prevent and mitigate adverse impacts on fundamental human rights and decent working conditions. The reporting period is 1 January 2023 to– 31 December 2023.

# About Gard

Established in 1907, Gard is a marine and energy insurance group providing insurance products and services in relation to:



Protection and Indemnity (P&I) (liability) insurance for owners, charterers, and operators of ships and mobile offshore units.



Marine and Energy insurance to shipowners, shipyards, as well as operators and contractors in the offshore energy industry.

The Gard group consists of the following entities:

- Gard P. & I. (Bermuda) Ltd. (Gard Bermuda)
- Assuranceforeningen Gard – gjensidig (Gard P&I Norway)
- Gard Marine & Energy Limited (Gard M&E), including its subsidiaries: Gard Marine & Energy Insurance (Europe) AS (Gard M&E Europe) and Gard Marine & Energy Limited – Escritório de Representação no Brasil Ltda (Gard Brazil)
- Gard Reinsurance Co Ltd (Gard Re)
- Hydra Insurance Company Ltd. (Hydra)
- Lingard Limited (Lingard)

- Gard AS (the Norwegian agency company) and its subsidiaries
- A/S Assuranssegården (property company)
- Sagagården AS (property company - wholly owned subsidiary of AS Assuranssegården)
- Gard Krysset AS (property company - wholly owned subsidiary of AS Assuranssegården)

All Gard entities are owned by the parent company, Gard Bermuda, and operate in the marine insurance industry, although each entity differs in the products and services it offers. Being a mutual association owned by the insureds (Members), there are no shareholders or external capital owners expecting a return on their investments.

The Gard group consists of four direct insurance entities, two captive reinsurance companies, one insurance management company, eight insurance intermediary companies, one representative office, and three property companies (which own and operate properties needed to support the operations of Gard). The insurance entities have eleven branches in six different jurisdictions, with branches having been established where required to conduct business. Gard AS, the Norwegian insurance intermediary company, has also a branch in United Kingdom.

In general, there are separate direct insurance companies for P&I and for Marine & Energy business and European Economic Area (EEA) domiciled direct insurance companies in addition to the Bermuda-based insurance entities. Risk and capital in the

group are pooled through Gard Re. The Hydra is an entity in the operations of the claims pooling through the International Group of P&I Clubs.

Gard operates worldwide and we have a network of offices catering to more than 2,000 customers in the maritime industry. Gard maintains a diverse workforce of 683 employees in offices located in Arendal, Oslo, Bergen, Bermuda, Helsinki, Hong Kong, Imabari, Tokyo, London, New York, Piraeus, and Singapore.

The following companies and branches in the Gard group fall within the scope of the Transparency Act and are covered by this report:

- Gard AS
- Assuranceforeningen Gard – gjensidig – (Gard P&I Norway)
- Gard Marine & Energy Insurance (Europe) AS
- Gard P. & I. (Bermuda) Limited, Norwegian Branch
- Gard Marine & Energy Limited, Norwegian Branch



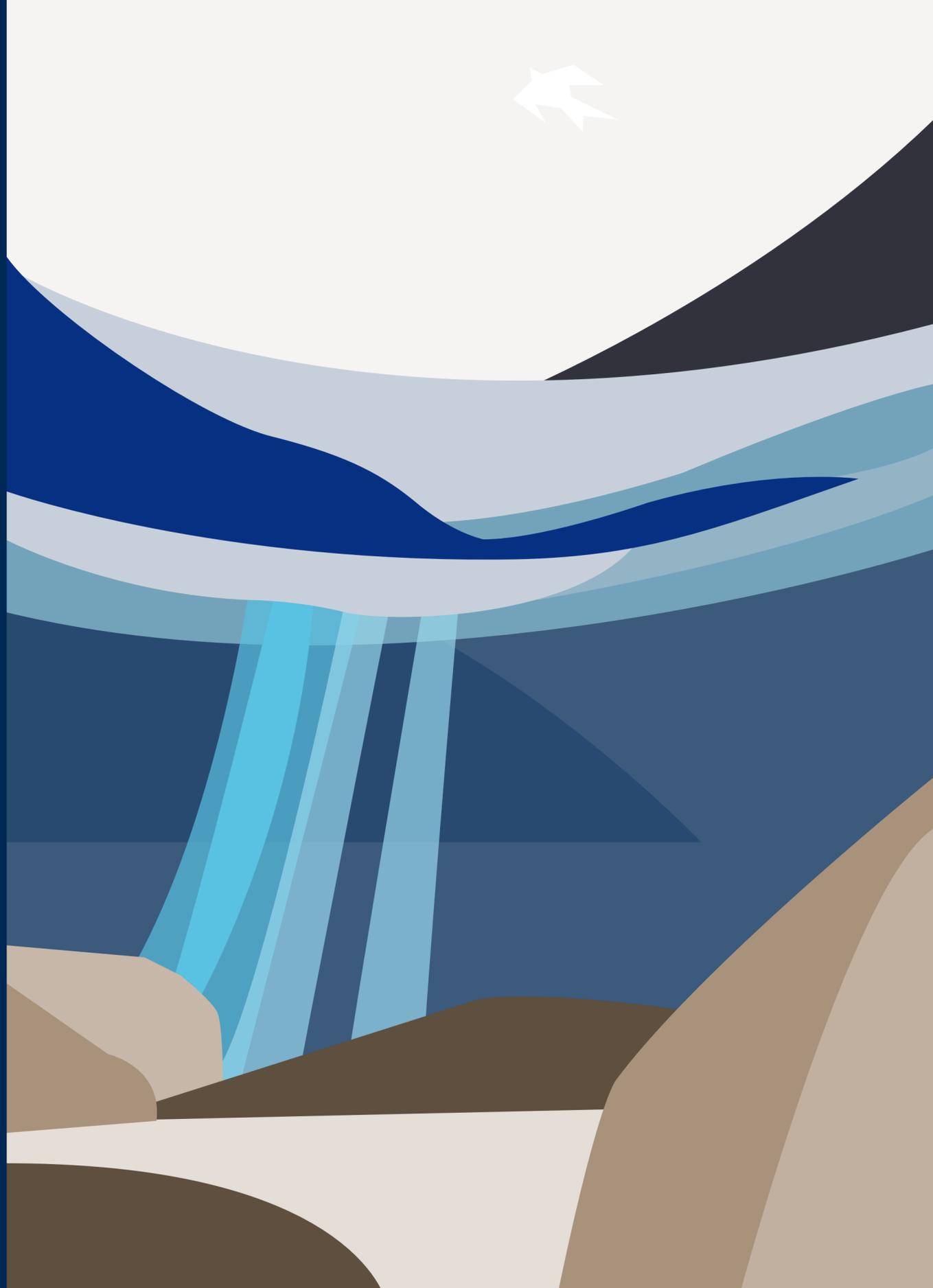
01 Introduction

→ Gard's approach to human rights

03 Human rights impact assessment

04 Measures to prevent and mitigate negative impacts

05 Way forward



CHAPTER 02

# Gard's approach to human rights

# Our people and commitment

In Gard, people are at the core of our value creation. We heavily depend on having an empowered, engaged, and competent workforce throughout the value chain. We respect each other – in the way we support one another at work, in how we ensure that employees are not discriminated against, and in how we help our Members and clients to protect the safety and wellbeing of seafarers.

## Policy commitment

In Gard, we have policies relating to human rights. These policy commitments are contained in our Code of Ethics and Business Conduct, Supplier Code of Conduct, Statement on Modern Slavery and Human Trafficking, and policies on Human Rights, Equality, Diversity, and Inclusion (EDI), Data Privacy, Sustainable Ship Recycling, and Whistleblowing.

## Human rights due diligence

As part of our compliance with the Transparency Act, Gard continuously conducts human rights due diligence in our own operations and supply chain to proactively prevent and mitigate potential impacts on human rights. Our human rights due diligence approach involves the following stages:

- Assess impacts. We map and evaluate our business operations and supply chains and associated human rights issues. We identify high-risk suppliers which undergo further and more extensive human rights impact assessments.
- Integrate and act. We address any uncovered

human rights issues.

- Track performance. We monitor the effectiveness of the measures implemented to ensure continuous improvement.
- Communicate. We report internally and externally any identified issues and actions taken.

## Access to remedy and grievance mechanisms

Access to remedy is an important aspect of corporate responsibility to respect human rights. Remedy refers to both the process of providing a remedy for a negative human rights impact, and designing effective operational grievance mechanisms. Grievance mechanisms are processes established to allow affected stakeholders to raise complaints or concerns with the relevant parties, and to have those concerns addressed and resolved.

Gard's grievance mechanisms help to identify incidents, facilitate prompt intervention, and ensure that issues are dealt with in a timely manner:

- Internal intermediary channels – any complaint related to misconduct or workplace-related issues is to be reported to the responsible leader or relevant body.
- Whistleblowing portal – concerns relating to misconduct or censurable conditions can be raised or reported on this platform by anyone, including employees, Members, personnel of suppliers and subcontractors, former employees, job applicants, and business partners. The portal

operates on anonymity and is managed by Ernst & Young.

- External whistleblowing – this gives access to external channels where a concerned person can notify public authorities, after having notified internally or through the whistleblowing portal.

For more information, please see the Governance chapter in our 2023 Annual Report.

## Governance

A cross-functional working group is tasked with ensuring that the human rights due diligence process is followed. Part of this process is to undertake human rights risks and impact assessments of our operations, our supply chains and business partners. This process is facilitated by the Sustainable Business team with guidance from the Sustainable Operations Panel (SOP) specifically focusing on areas requiring improvement. The SOP is composed of senior representatives from all business functions and serves as a discussion body for sustainability-related issues and inquiries. Based on the materiality of the topic, the panel recommends actions that are communicated to and approved by the Gard Leadership Team.



CHAPTER 03

Human rights  
impact assessment

# Assessment and key findings

Below is an overview of our assessment of own operations, our supply chains and business partners, as well as our key findings.

## Assessment of own operations

In 2023, Gard completed a thorough evaluation of our operational sustainability practices with our external rating provider, Ecovadis. The assessment focused on 4 themes – Labour and Human Rights, Environment, Ethics, and Sustainable Procurement and evaluated Gard's policies, measures, and reporting on key performance indicators.

As a result, Gard maintained our gold rating for the second consecutive year with an improved overall score and revealed no actual adverse impacts or significant risks on human rights. For the 2023 assessment, we received an improved score in Ethics and Sustainable Procurement owing to our periodic corruption and bribery risk assessments, reporting on ethics issues, supplier management, and audit process.

Although our score improved in these two areas, we recognize that our most important improvement area is reporting based on quantitative key performance indicators (KPIs) measuring Gard's implementation of employee management practices:

- Employee health and safety
- Working conditions
- Social dialogue
- Career management and training – average hours of training provided per employee

## Assessment of supply chains and business partners

As part of our assessment, we divided our suppliers and business partners into three groups.

- Professional (Claims' ESPs) – shipping/insurance industry related services, for example listed and non-listed correspondents, and external service providers such as surveyors, lawyers, experts, salvors and wreck removal contractors
- Operational (OPEX) – services to maintain the business, for example office services, ICT support, on site/off site contractors, supplies, and cleaning services
- Reinsurers – provide insurance products necessary for Gard to carry out its business where the reinsurer assumes a portion of the risk taken on by the ceding insurer (Gard)

Gard has about 6,500 suppliers and business partners in different industries worldwide, and we applied objective factors to identify those suppliers and business partners that potentially have a higher risk of causing adverse impacts on human rights and decent working conditions. The following criteria were used as screening factors:

- Country risks
- Level of spend/level and number of instructions <sup>1</sup>
- Sector risks – labor-intensive sectors and sectors where vulnerable groups, such as women, children and minorities, are at the greatest risks

- Link to business and relationship
- Entity structure

The process identified 16 OPEX suppliers categorized as at potential higher risk, which represented approximately 35% of our total supplier OPEX spend in 2023. Regarding Claims' ESPs, our risk-based selection process led to the identification of 22 companies needing assessment, which represented a small fraction of the several thousand of claims related services suppliers we actively use to support our Members and clients. These professional service providers are correspondents, surveyors, salvage, and wreck removal contractors located in 30 countries and operating in areas where risks of adverse human rights are potentially high. For reinsurers, based on our initial screening we found that 98% of reinsurers are domiciled in low-risk countries, with 2% from countries considered high-risk. These 2% are below the determined premium threshold or part of fronting agreements, and therefore categorized to have low exposure. As a result, no reinsurers have been subjected to further assessment.

3. This criterion allows us to exercise sufficient leverage to require suppliers and business partners to take the steps necessary to address human rights issues.

For the next assessment step, OPEX suppliers underwent assessments carried out by Ecovadis while our Claims' ESPs opted for our internal assessment process. Claims' ESPs chose to respond to our Gard Corporate Social Responsibility questionnaire followed by a thorough interview aimed at understanding their current procedures. The process was concluded with the sharing of our internal assessment findings about the companies' respective maturity levels and our suggestions for improvement areas and corrective measures where necessary.

In our internal assessment process, we designed a questionnaire based on the key human rights issues connected with our industry and our supply chain. These human rights issues are also cross-referenced with the results of our stakeholder dialogue where our stakeholders are requested to identify the topics Gard has material impact on.<sup>2</sup> The key human rights issues considered in our internal assessment process are:

- Forced labor
- Modern slavery
- Human trafficking
- Low wages and long working hours
- Occupational health and safety
- Discrimination
- Freedom of association and collective bargaining

No red flags were identified although the maturity levels can vary greatly between companies. Our suppliers and business partners were all very positive towards a dialogue on human rights and working conditions and the process increased their awareness of the need for better transparency in their own supply chains. In the spirit of ongoing due diligence, all companies assessed in 2023 will be contacted in 2024 and invited to share their progress of their improvement journey. In terms of our Supplier Code of Conduct, 100% of our OPEX suppliers and Claims' ESPs conveyed their adherence to our standards and expectations in relation to responsible business conduct.

## Key findings and results:

Supplier category	Common improvement areas	Actions taken
Operational expense (OPEX) suppliers	<ul style="list-style-type: none"> <li>• Reporting on key performance indicators</li> <li>• Documentation of own risk assessment procedures</li> <li>• Documentation of organisational actions and practices</li> </ul>	<ul style="list-style-type: none"> <li>• Assessed suppliers are requested to sign and adhere to our Supplier Code of Conduct</li> <li>• Ongoing monitoring of progress against the corrective action plans using Ecovadis' dashboard</li> <li>• Dialogue between Procurement and relevant business units to ensure execution of the corrective action plans</li> <li>• Ongoing dialogue with the supplier on how the corrective action plans will be implemented</li> </ul>
Professional suppliers (ESP Claims)	<ul style="list-style-type: none"> <li>• Formalising grievance mechanisms and reporting channels</li> <li>• Adoption of thematic policies and code of conduct</li> <li>• Screening and assessment of own supply chain</li> <li>• Documentation of own risk assessment procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Assessed ESPs are requested to sign and adhere to our Supplier Code of Conduct</li> <li>• Based on the assessment results, we suggested improvement measures</li> <li>• Track and monitor ESP maturity level rating using our internal platform</li> <li>• Ongoing dialogue with ESPs where Gard serves as a discussion partner when needed or in case of guidance in relation to the suggested improvement measures</li> <li>• Informed assessed ESPs that there will be a follow-up meeting to assess their progression</li> <li>• Encouraged ESPs to join or participate to the UN Global Compact or check UNGC's resources or materials that they may find useful and relevant to their improvement process</li> </ul>

<sup>3</sup> Stakeholders are asked to prioritise Gard's material topics in line with the reporting guidelines and upcoming Corporate Sustainability Reporting Directives. Stakeholder groups consist of correspondents, brokers, Board members, industry organisations, non-profit organisations, external service providers, Gard group leadership team, Gard employees, reinsurers, and maritime authorities.



CHAPTER 04

Measures to prevent  
and mitigate  
negative impacts

# Promoting positive change

Apart from the abovementioned actions that we have taken in relation to our suppliers' improvement areas and although our assessments reveal that Gard did not cause adverse impacts nor contributed to any harm to human rights, we implemented the following measures to mitigate and to prevent potential human rights issues. These measures extend to the workers in our value chain where we exercise our leverage to influence, and effect change in addressing human rights issues within the industry.

## 1. Own operations

### Developing key performance indicators and utilization of new system

We are working to identify relevant indicators in relation to career management and training where we have launched a tool that will assist in managing an employee's career development. Likewise, we are in the process of putting in place systems needed for data gathering and monitoring.

### Awareness raising on Gard's reporting channels

Gard encourages employees to speak up and to voice concerns if there are gaps in our policies or guidelines, or if there are human rights issues that need to be addressed in the workplace, such as issues relating to discrimination, harassment, or working conditions. We reinforce this message in our internal webinars, information material on Gard's whistleblowing portals and internal reporting channels. The message

Gard implemented the following measures to mitigate and to prevent potential human rights issues

# 1

## Own operations

- Developing key performance indicators and utilization of new system
- Awareness raising on Gard's reporting channels

# 2

## Supply chain

- Review of assessment methodology
- Review of Supplier Code of Conduct and introduction of a new document sharing routine

# 3

## Workers in the value chain

- Release of internal guidelines on implementing sustainability and ESG principles in Hull and Machinery damage repairs
- Launch of Mariners Medico Guide for seafarers

# 4

## Collaboration within the industry

is also disseminated through the leadership development program on diversity to ensure leaders are competent, aware, and able to handle issues relating to discrimination and harassment in the workplace. For more information, see the Governance chapter in our 2023 Annual Report.

**2. Supply chain**

Review of assessment methodology

For 2023, we reviewed our assessment methodology adopted in 2022 to modify the screening criteria and to consider other areas of our business where an assessment is most relevant and applicable. We specifically looked at the sector risks where our suppliers and business partners are connected:

- The service industry, because of the nature of the services involved – an industry that relies heavily on low wage workers or a predominance of low skilled labour
- Labor-intensive sectors and sectors where vulnerable groups such as women, children or minorities are at greatest risk - construction, cleaning, repair, and technical services
- Specific sectors such as information technology and the legal sector due to working conditions

The adjustments to the screening criteria yielded a wider coverage of suppliers and business partners for initial screening, which resulted in a higher number of suppliers and business partners for further assessments. As to the assessment method, we used the same approaches and will continue to monitor the progress of completed assessments.

Review of Supplier Code of Conduct and introduction of a new document sharing routine

We conducted a review of our Supplier Code of Conduct (SCOC) and amended minor provisions to improve the clarity of the terms in line with industry best practice.

We have requested assessed suppliers and business partners to sign and adhere to our SCOC as one of our mitigating measures. In August 2023, we expanded the practice of introducing and sharing our Supplier Code of Conduct to include new operational expense suppliers and new supplier contracts where our Procurement section is involved. We are currently working on including other suppliers and business partners in this practice.

**3. Workers in the value chain**

Release of internal guidelines on implementing sustainability and ESG principles in Hull and Machinery damage repairs

We strive to comply with the Hong Kong Convention or the EU Ship Recycling Regulation when involved in a Constructive Total Loss (CTL) and/or a wreck removal. We take climate and environmental impacts into account when selecting contractors and methodology for repairs, salvage, and wreck removals. Salvors and wreck removal contractors are one of the external service providers screened and prioritized for further assessment due to human rights risks related to salvage and wreck removal operations.

In parallel, Claims released internal Guidance to Marine Claim Handlers where ESG principles are considered in the choice of contractors to perform ship damage repairs. Where possible, i.e. when Gard is involved as Hull and Machinery Claims Lead and in agreement with our clients, request for compliance with certain ESG minimum standards can be part of the yard selection process. The Guidance contains a questionnaire that can be sent via surveyors and addressed to the particular repair yards.

Launch of Mariners Medico Guide for seafarers

Implementation of measures in relation to human rights and working conditions are not confined to our own workforce and supply chain. In our value chain we ensure that we contribute to protecting the lives and livelihoods of seafarers and promote their wellbeing through our loss prevention initiatives.

In collaboration with the Norwegian Centre for Mari-

time and Diving Medicine, Gard launched an innovative digital medical guide, Mariners Medico Guide (MMG), to improve medical treatment onboard and potentially save seafarers' lives. It covers more than the medical conditions covered by previous IMO/WHO hardcopy publications.

The MMG provides global access to medical guidance and is tailor-made for use by seafarers. It is provided as an app to be used on portable devices in all areas on board including iPhones and Android, and can be downloaded and used offline mid-ocean without internet reception.

For more information, see the section on Seafarer Health and Wellbeing in our 2023 Annual Report.

**4. Collaboration within the industry**

Gard is a member of the Nordic Association of Marine Insurers (CEFOR). Through this membership, we are currently looking into adopting a common approach to assess external service providers operating within our industry.

**In our value chain we ensure that we contribute to protecting the lives and livelihoods of seafarers and promote their wellbeing through our loss prevention initiatives.**



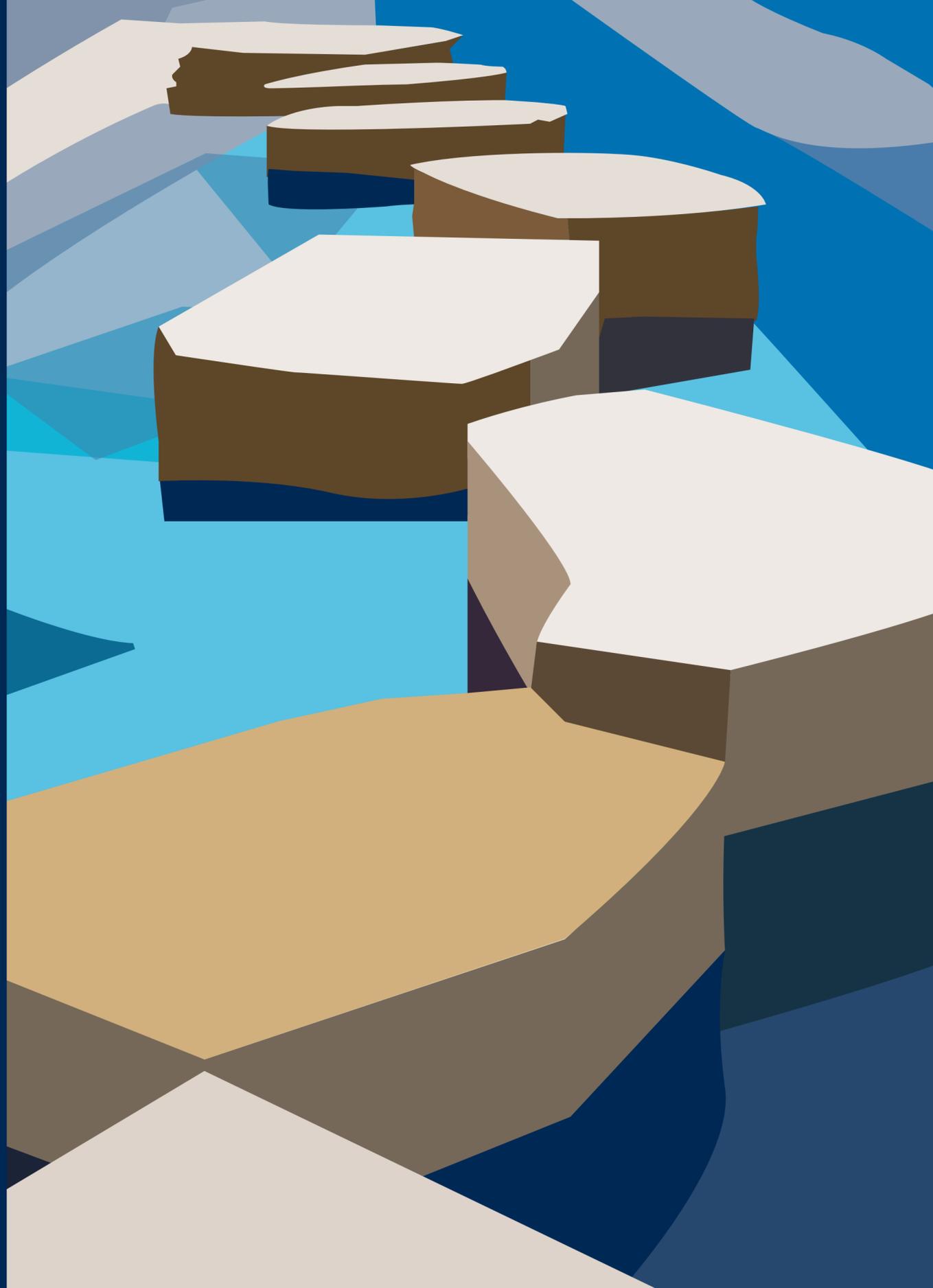
01 Introduction

02 Gard's approach to human rights

03 Human rights impact assessment

04 Measures to prevent and mitigate negative impacts

→ Way forward



CHAPTER 05

# Way forward

# Continuous improvements

For the year ahead, we will have an even closer focus on stakeholder expectations and the changing regulatory landscape. To keep up with developments, we will review the scope of our human rights due diligence to consider other areas of business with potential risks. For instance, we are currently looking into the possibility of expanding the scope of our human rights risk assessment to include the whole value chain.

We will continue to work with our suppliers and business partners to monitor their performance and we will seek to engage our stakeholders and effectively communicate our work as part of our improvement areas.

Finally, human rights challenges are too big for a single actor to address alone. We believe that cross-functional and industry collaboration is essential to identify and develop good practices to address human rights challenges within the industry. Gard will continue to be a strong advocate for such collaboration.

Pursuant to Section 5 of the Norwegian Transparency Act, this report was approved by Gard's management and the Board of Directors of the following Gard entities on March 15, 2024:

- Gard AS
- Assuranceforeningen Gard – gjensidig – (Gard P&I Norway)
- Gard Marine & Energy Insurance (Europe) AS
- Gard P. & I. (Bermuda) Limited, Norwegian Branch
- Gard Marine & Energy Limited, Norwegian Branch

The reporting period covers financial year 1 January 2023 to 31 December 2023."