



BRITANNIA P&I
SUSTAINABILITY REPORT 2021

EXECUTIVE OVERVIEW

INTRODUCTION

This executive overview provides a summary of Britannia P&I's approach to sustainability and accompanies our full sustainability report, which explains in more detail how we are embedding the management of climate related risk into our business strategy and integrating sustainability into our core processes.



Britannia P&I will confirm where its Environmental, Social and Governance (ESG) goals align with those set by our regulators and international or industry bodies and will explain where the application to shipping is more complex and requires a more nuanced approach.

Britannia P&I will also describe where its sustainability goals are dependent on third parties and where they can be met through its own decisions and actions.

Britannia P&I comprises The Britannia Steam Ship Insurance Association Holdings Limited, The Britannia Steam Ship Insurance Association Europe (Britannia Europe) and The Britannia Steam Ship Insurance Association Limited (Britannia).

Britannia and Britannia Europe are members of the International Group (IG) of P&I Clubs.



COLLECTIVELY STRONGER

AS MEMBERS OF THE IG, WE ARE COMMITTED TO SUPPORTING THE IG'S SUSTAINABILITY STRATEGY WHICH PROMOTES THE COMBINED STRENGTH OF THE IG IN FOUR AREAS.



STATEMENT FROM THE CHAIR, ANTHONY FIRMIN

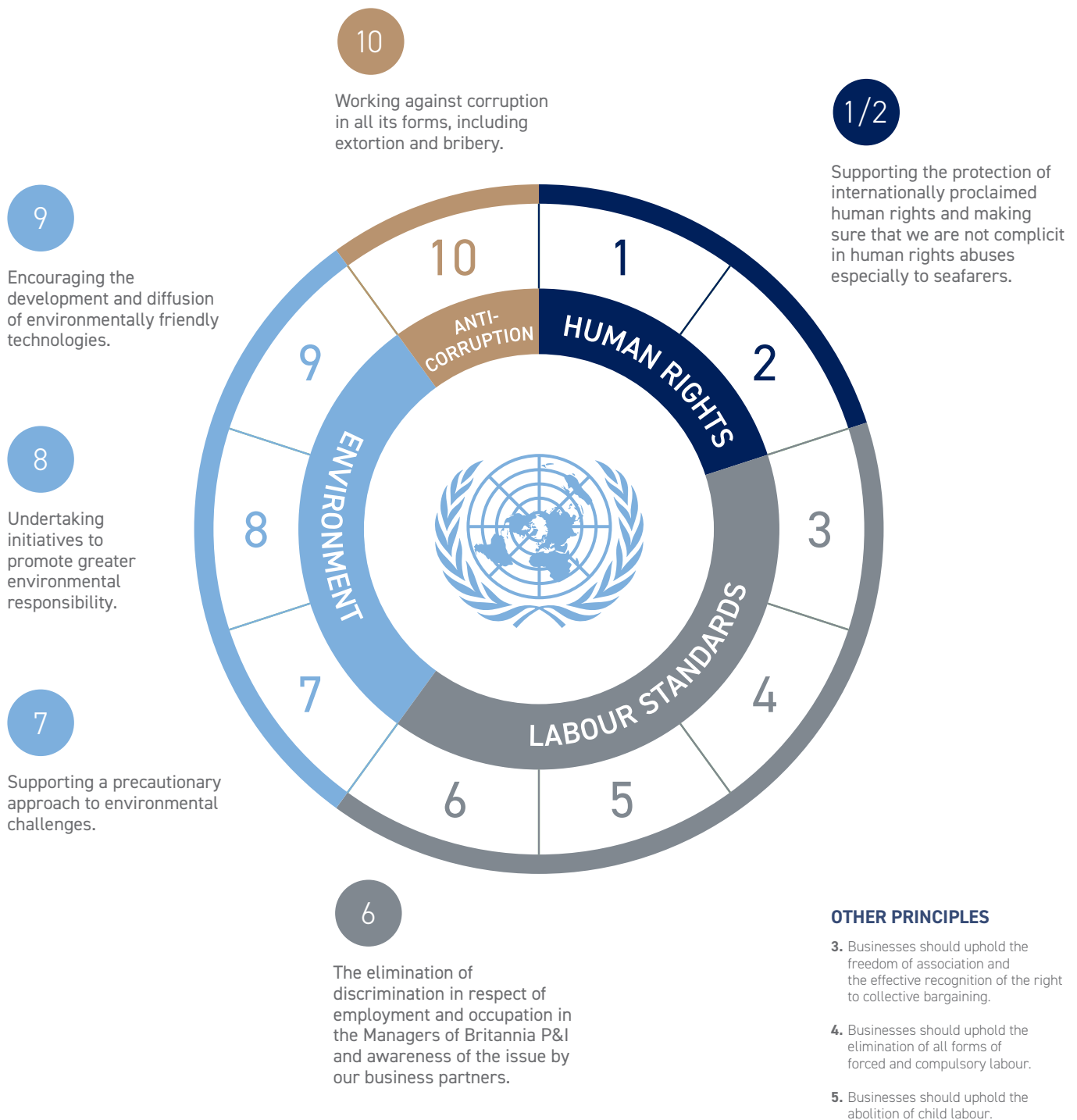
Sustainability is essential for a P&I Club as Members rely on us to be their long term trusted partner.

We will collaborate with partners across the industry to ensure the sustainability of the wider maritime industry. This will ensure that we contribute to, but do not duplicate, the activities of others.

We are involving and encouraging members of the Managers' staff to understand our sustainability strategy and apply it in their day to day responsibilities.

PRINCIPLES OF THE UNITED NATION'S GLOBAL COMPACT

BRITANNIA P&I IS COMMITTED TO THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT AND, AS A MUTUAL MARINE INSURANCE COMPANY, PARTICULARLY TO THE FOLLOWING PRINCIPLES:



“ AS A KEY CONTRIBUTOR TO THE MARINE SECTOR, WE VIEW SUSTAINABILITY NOT AS A TARGET BUT AS AN ESSENTIAL”.

Andrew Cutler, CEO of Britannia P&I

UNITED NATION'S SUSTAINABLE DEVELOPMENT GOALS (SDGs)

WE HAVE DEVELOPED BRITANNIA P&I'S SUSTAINABILITY STRATEGY IN RELATION TO THE ESG ASPECTS OF THE 17 UN SDGs AS THEY RELATE TO OUR BUSINESS.

The UN SDGs are integrated: action in one area will affect outcomes in others and all must enhance social, economic and environmental sustainability.



WE BELIEVE THE FOLLOWING SDGs ARE KEY TO ENSURING THE FUTURE SUSTAINABILITY OF BRITANNIA P&I.



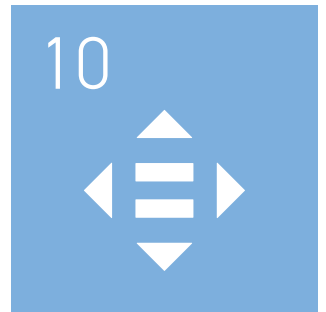
GOOD HEALTH AND WELLBEING

with an emphasis on the care and protection of our employees and also crews on board our Members' and other's ships.



DECENT WORK AND ECONOMIC GROWTH

with an emphasis on the work to improve the marine industry with our peers in the IG.



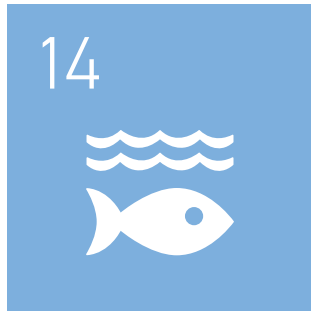
REDUCED INEQUALITIES

with an emphasis on employee diversity and inclusion.



CLIMATE ACTION

focusing on managing the risk of our potential enhanced liability through a transition to a low carbon economy and climate change resulting in further severe weather. There is also increasing pressure to consider a sustainable investment strategy for our balance sheet reserves.



LIFE BELOW WATER

with an emphasis on crisis management and pollution prevention in the air, sea and on land.



PEACE, JUSTICE, STRONG INSTITUTIONS

with an emphasis on corporate governance, robust and auditable policies, and transparent procedures and reporting together with the elimination of corruption in the marine industry.



PARTNERSHIPS TO ACHIEVE GOALS

with an emphasis on participation in the mutual risk sharing of the IG and collaborating to provide a leading industry voice.



STRATEGY AND GOVERNANCE



GOVERNANCE RESPONSIBILITIES FOR ESG

- Britannia P&I's Boards govern Britannia P&I and interact closely with our Members' Representative Committee
- The Managers report to the Boards and MRC and ensure ESG requirements are fully implemented in Britannia P&I's strategy and policies and reported on
- Risk and Audit Group provides oversight on the effectiveness of ESG risk management framework
- Investment Group provides the strategy towards sustainability considerations in the investment strategy
- Standards Sub Committee responsible for assisting the Managers in developing the standards of membership.

RISK MANAGEMENT APPROACH

- Understanding the implications of ESG in short and long term
- Considers wider risks to Members as well as more traditional risk management considerations.

BRIBERY, CORRUPTION AND ETHICS

- Britannia P&I has a clear financial crime policy that all staff are made aware of
- Britannia P&I is committed to ensuring that there is no modern slavery or human trafficking in our supply chains or any part of our business.

STRATEGIC CONSIDERATIONS

In developing our sustainability strategy, we have considered the following:



Alignment with Task Force on Climate Related Financial Disclosures (TCFD)



**BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY**

Compliance with BoE PRA Climate Supervisory Statement 3/19



**Monetary Authority
of Singapore**

Compliance with Monetary Authority Singapore's Environmental Risk Management



PSI
Principles for Sustainable Insurance

UN Environmental Programme - Principles for Sustainable Insurance



Senior Managers and Certification Regime

MEASURING OUR ESG PERFORMANCE

BRITANNIA P&I WILL ADOPT THE WORLD ECONOMIC FORUM (WEF) APPROACH TO ESG METRICS WHICH ARE ORGANISED UNDER THE FOUR SDG PILLARS OF GOVERNANCE, PLANET, PEOPLE AND PROSPERITY.

Our target is to collect data over the next two years and, from 2023, set a five-year target for improvements.

PRINCIPLES OF GOVERNANCE	BRITANNIA P&I IMPLICATION	REPORT REFERENCE
GOVERNING PURPOSE	How Britannia P&I provides ESG solutions in the delivery of its business. The value to stakeholders and shareholders	GRI 102 -26
QUALITY OF GOVERNING BODY	Competencies of the highest governance body and its committees relating to ESG issues.	GRI 102-22 GRI 405-1a
STAKEHOLDER ENGAGEMENT	A list of topics material to stakeholders and how they are engaged	GRI 102-21 GRI 102-43 GRI 102-47
ETHICAL BEHAVIOUR	Anti-corruption, ethical controls, unlawful behaviour	GRI 102-17
RISK AND OPPORTUNITY OVERSIGHT	Integrating ESG risks and opportunity into business processes	GRI 102-15
PLANET		
CLIMATE CHANGE	Greenhouse Gas Emissions (CO ₂ equivalent) TCFD implementation (alignment targets with the Paris Accord)	GRI 305 1-3 TCFD and Science Based Targets Initiative
NATURE LOSS / FRESHWATER AVAILABILITY	Not considered relevant to Britannia P&I	SASB / WRI risk tool
PEOPLE		
DIGNITY AND EQUALITY	Diversity and inclusion % Gender pay equality % Wage level % Child, forced or compulsory labour incidents	GRI 406-1 GRI 405-2 GRI 202-1 GRI 408 409
HEALTH AND WELLBEING	Health and safety TRIR Absentee rate	GRI 40-2 SASB
FUTURE SKILLS	Average training hours per person Average training budget per employee	GRI 404-1
PROSPERITY		
WEALTH CREATION AND EMPLOYMENT	New jobs created by age, gender and region Total number and rate of employee turnover by age, gender and region	GRI 401-1a/b
NET ECONOMIC CONTRIBUTION	Economic value generated and distributed Financial assistance received from governments Net economic contribution	GRI 201-1/4
NET INVESTMENT	Not considered relevant to Britannia P&I	IAS 7
INNOVATION FOR BETTER PRODUCTS AND SERVICES	R&D equivalent expenditure as a percentage of income	Frascati Manual (OECD 201a)
COMMUNITY AND SOCIAL VITALITY	Community investment normalized as % of profit Tax disclosures for each jurisdiction	GRI G4-EC1 GRI 207-4

SUSTAINABLE AND RESPONSIBLE INVESTMENTS



Britannia P&I will consider aligning its investment strategy with the UN Principles of Responsible Investment (PRI) and the embedding of responsible investment considerations into its main investment policy.

Those discussions will include recognition that as a P&I insurer it is entirely right to respond to the demands of our Members in carrying legal cargoes worldwide that contribute to the world's economy (and therefore is itself a key part of the UN SDGs).

OPERATIONAL CONSIDERATIONS

ENERGY AND EMISSIONS

Reduce Britannia P&I emissions and overall carbon footprint

- Reduce travel-related emissions
- Maximise energy-saving and water conservation.

EMPLOYEE DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY

- Committed to eliminating discrimination and encouraging diversity
- Striving to create a working environment that is free from discrimination, harassment and victimisation: where all are treated equally and fairly.

SAFETY, HEALTH AND WELLBEING

EMPLOYEES

The Managers recognise their responsibility to ensure that all reasonable precautions are taken to provide and maintain working conditions which are safe, healthy and comply with all statutory requirements and codes of practice.

MEMBERS' CREWS

Britannia P&I recognises its ability to contribute to the safety, health and wellbeing of its Members' crews through the Managers:

- distributing best practice and recommendations to Members
- disseminating lessons learned from claims as well as perceived future risks via their loss prevention department
- contributing to the work of the IG in the collation of global HSE data
- corporate giving to seafarer charities providing social support networks to seafarers.

CONCLUSION FROM BRITANNIA P&I'S CEO, ANDREW CUTLER

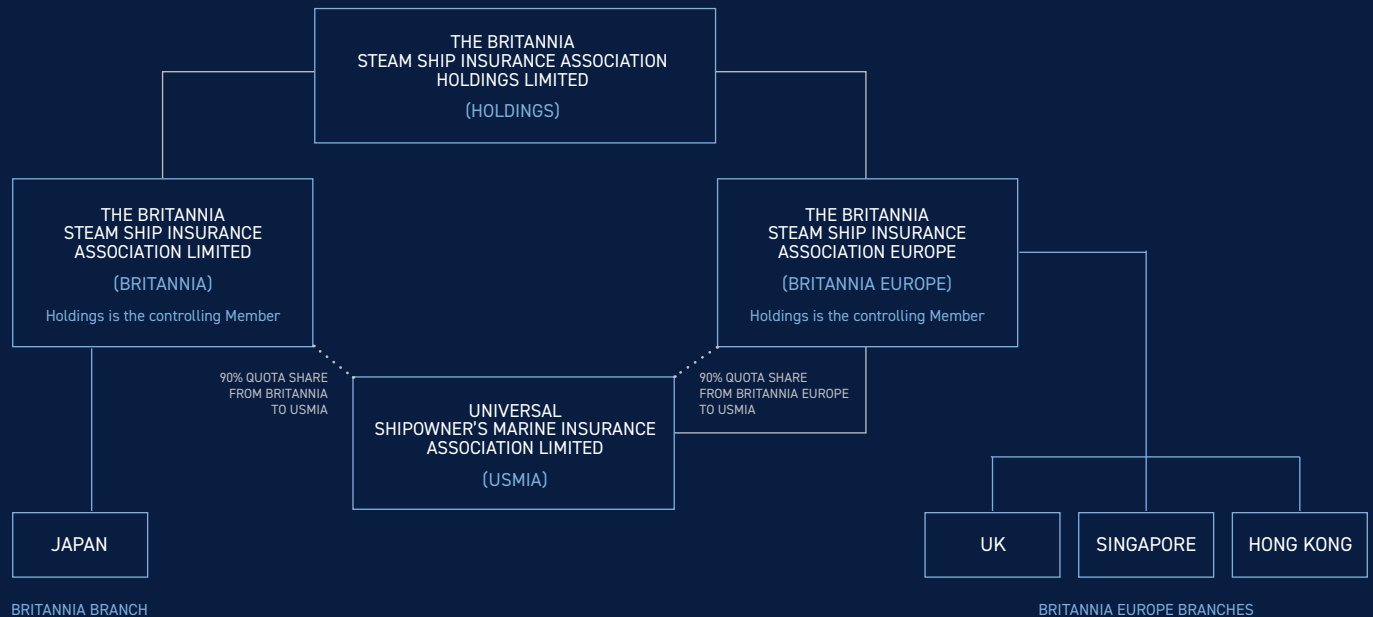
WE ARE SETTING OUT A ROADMAP FOR THE FUTURE AND WILL CONCENTRATE IN 2021 ON CONTRIBUTING TO THE SUSTAINABILITY STRATEGY OF THE IG AND, AS APPROPRIATE WITH THE GUIDANCE OF OUR MEMBERS, DEVELOPING AND DEFINING:

- Our sustainable investment strategy
- Our carbon footprint targets from air travel
- The impact of our corporate giving programme
- The ESG responsibilities of key managers
- Engaging our employees in contributing to our ESG strategy through focus groups.

Insurance is a long term business and Britannia P&I has a long history. We support the marine sector through providing protection to our Members whose ships support the global population and economy and its longer term sustainability through the essential transport of global goods.

As a key contributor to the marine sector, we view sustainability not as a target but as an essential. We will continue to support the UN SDGs, the UN PRI, The Paris Accord and The Principles for Sustainable Insurance, and we will transparently declare our ongoing progress in our future reports.

CURRENT STRUCTURE OF BRITANNIA P&I



Branches of Britannia Europe and Britannia entail further oversight by local regulators in:

BRITANNIA EUROPE

is regulated by the Commissariat aux Assurances (CAA)

BRITANNIA

is regulated by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA)

JAPAN

Japanese Financial Services Agency (JFSA)

SINGAPORE

Monetary Authority of Singapore (MAS)

HONG KONG

Insurance Authority (IA)



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THE BRITANNIA STEAM SHIP INSURANCE ASSOCIATION EUROPE UK BRANCH
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 The Britannia Steam Ship Insurance Association Europe is incorporated in Luxembourg and registered as a mutual association (No.B230379). Authorised by the Luxembourg Minister of Finance and regulated by the Commissariat aux Assurances.