

Global service  
built around you

North



North Group  
Impact Report 2021

# North Group Impact Report

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# Sustainability Statements



### Chair's statement

Shipping is an intrinsically low carbon form of transport in terms of emissions per tonne kilometre of cargo transported, but as 90% of global trade is carried by sea, it is responsible for more than 2% of global emissions, roughly comparable to air travel. As consumers, corporations and regulators strive to drive sustainability down through value chains, we are conscious of our role and of the huge changes and challenges that shipowners, and the entire maritime sector, will face in the next decade.

Sustainability is, however, not just about reducing carbon emissions. Sustainability has always been at the heart of much of our work – working collaboratively to minimise risk, make the seas safer and to protect third parties.

Over the last 18 months we have been rising to the challenge of responding to the Covid 19 pandemic and also reviewing our environmental and societal impacts more generally. We are proud to present this, our first Impact Report, which highlights the work being completed at North and how we intend to make further progress in the months and years to come.

**James Tyrrell**  
Chair

### Chief Executive statement

Our purpose – to enable our Members and clients to trade with confidence – means that our Members and clients must know we will be there when they need us. Business sustainability increasingly requires a commitment not just to financial sustainability, but also to environmental and social sustainability. We are committed to building on our commitments to address environmental and social issues. This Impact Report sets out the work currently being undertaken but also our strategy going forward and our seven ambitious but achievable top-level targets covering carbon emissions, waste, our supply chain, diversity and inclusion, corporate social responsibility, employee engagement and investments.

But our ambitions do not stop there. We can also support our Members, clients and stakeholders in meeting the challenge of

sustainability issues such as decarbonisation and seafarer health and wellbeing. North is in a strong position to act as an enabler of change in the maritime sector, not by forcing change, but by using our expertise to help ensure that our Members and clients are equipped to continue to trade with confidence in the decades to come.

**Paul Jennings**  
Chief Executive

### Global Director (People) statement

We are delighted to be able to share in our first Impact Report some of the ways that we have responded to the COVID-19 pandemic, both internally at North through our flexible working and wellbeing programmes, and externally with the development of our COVID-19 tracking tool and our focus on seafarer health. Our commitment to Diversity and Inclusion is already strong and we are also pleased to provide details of our strategy going forward and how we intend to improve our people impacts even further.

**Dawn Robinson**  
Global Director (People)

### Head of Sustainability statement

Our focus in this, our inaugural Impact Report, is on the tangible and important steps that we are currently taking at North and our strategy going forward. Sustainability for North is about trying to make real world differences in the ways that we internally operate and as a facilitator of sustainability more generally.

We are conscious that the format of this report will inevitably change in the years to come, as we are able to report on progress in our target areas and as more industry standard sustainability reporting emerges. For now, we hope this report gives an insight into our work and our priorities moving forward.

**Mark Church**  
Director (FD&D) and Head of Sustainability

# Introduction

North is a leading global marine insurer providing P&I, FD&D, war risks, to over 245M GT of owned and chartered tonnage. North Hull launched in July 2020 providing H&M and ancillary insurances and through its Sunderland Marine brand, North is also a leading insurer of fishing vessels, small craft, aquaculture risks and owners' fixed premium P&I cover. North is based in Newcastle upon Tyne, UK with regional offices and subsidiaries in Australasia, China (Hong Kong and Shanghai), Greece, Ireland, Japan, Singapore, the Netherlands, Canada and USA.

**Our purpose today remains as it was on our inception in 1860; to enable our Members to trade with confidence. In the 21st Century, that confidence includes addressing sustainability risks head on.**

We recognise the importance of a focus on sustainability:

- To protect the longevity of North, maritime industries and our planet;
- To meet the needs of our Members, clients and other stakeholders;
- To highlight and build on the positive impacts that North is having and to reduce our negative impacts.

Our core work is inherently supportive of a sustainability agenda – preventing and responding to maritime incidents, managing pollution, damage, and loss of life. Indeed, our success in preventing incidents, raising standards, and effectively dealing with claims when they arise has always been at the heart of our work.

We also understand the critical importance of working with our communities and meeting the environmental and societal challenges that we collectively face in the 21st century, such as climate change, health and wellbeing and diversity and inclusion. This, our first Impact Report, highlights where we have focussed our efforts to date.

But we also understand that we can and must do more.

To bring together and accelerate the progress that we are making on sustainability, both internally and with our Members and clients, we have developed our first formal sustainability strategy which will help guide us over the coming years. Our targeted areas in accordance with this strategy are set out in the second half of this report.

North is a member of the International Group of P&I Clubs. The thirteen not for profit International Group P&I Clubs between them provide protection and indemnity cover for approximately 90% of the world's ocean-going tonnage. The unique structure of the Group allows the sharing of large loss exposures, and knowledge and expertise on matters, to the benefit of third parties impacted by marine incidents. The availability of International Group cover to as many vessels and owners as possible is therefore of real benefit to third parties and in addressing environmental risks. That is why we believe our role should be as a facilitator of sustainability, enabling change but not pushing shipowners outside of the International Group system by policing their own sustainability journeys.



# Context

# Context



In 2015, the United Nations agreed 17 Sustainable Development Goals (SDGs). Together, the goals have become the top-level global context for action on sustainability.

In reviewing our impacts and in formulating our sustainability strategy we have used the SDGs as our framework. We also undertook a materiality assessment of our environmental and societal impacts to help develop our targets for 2030, which are detailed later in this report. In relation to the SDGs we have determined that these seven goals underpin our sustainability efforts.



For each of these goals there are many shipping wide issues and challenges including:

**SDG**

**3 GOOD HEALTH AND WELL-BEING**

**Shipping Industry Issues**

- Seafarer welfare
- Communicable diseases
- Mental health
- Substance abuse
- Impact of hazardous chemicals, discharges and emissions such as ship sulphur emissions
- Ship casualties and pollution

**SDG**

**13 CLIMATE ACTION**

**Shipping Industry Issues**

- Office based emissions
- Carbon emissions from ships
- Business travel
- Climate resilience and adaptation - including aquaculture
- New business opportunities in the low carbon economy

**5 GENDER EQUALITY**

- Discrimination
- Equal opportunities
- Gender pay gap

**14 LIFE BELOW WATER**

- Marine pollution from ship operations
- Ship casualties
- Ship recycling processes
- Preventing the introduction of invasive species via hulls or ballast water
- Ocean acidification due to carbon emissions

**8 DECENT WORK AND ECONOMIC GROWTH**

- Seafarer welfare
- Economic growth
- Growth in developing countries
- Decoupling of economic growth from environmental degradation
- Eradicating forced labour, modern slavery and human trafficking
- Safe and secure working environments for all workers

**16 PEACE, JUSTICE AND STRONG INSTITUTIONS**

- Engagement with regulators and enforcement bodies
- Setting high voluntary standards via industry bodies
- Supporting high mandatory standards via regulatory bodies
- Legislation covering sanctions, anti-bribery, anti-money laundering and anti-terrorism financing
- Supporting the International Maritime Organization

**9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**

- Increased resource-use efficiency and greater adoption of clean and environmentally sound technologies in shipping
- Industrialisation of developing countries and access to markets

13 CLIMATE ACTION



**Climate Change**

With reference to goal 13, climate action, we recognise that this is the biggest sustainability challenge that we face.

Climate change will increasingly impact our Members and clients as the markets of global commodity transportation and marine resources change. Claims liabilities may be affected by changes to the physical environment. Underwriting risks, claim types and investment asset values may also be impacted because of environmental changes, and as we transition to a carbon neutral environment and adopt new technologies. Increased environmental awareness and environmentally focussed regulation will also introduce new liabilities and challenge the operations of our Members and clients.

To monitor and address these risks and their financial impact on us, we have adopted a cross cutting approach to climate change by incorporating climate related risks within our existing risk management framework. Climate related risks have been incorporated into our risk registers and their potential financial implications are monitored by risk owners across our business which include representatives from our leadership, underwriting, claims, risk and compliance teams. Risk reporting is undertaken on a quarterly basis and considered by our risk committees and Group Boards, enabling the financial risks of climate change to be continuously monitored and associated mitigating controls to be reassessed. Climate related risks are also considered within our annual own risk and solvency assessment report (ORSA) and stress testing programme to ensure these risks are factored into our overall risk assessments.

We have also introduced an annual dashboard for our risk committees, covering our risk owners' views of the potential short, medium, and long-term financial risks associated with climate change. We believe this additional report supports the embedding of climate related risk management within our governance and risk management frameworks, and will help to ensure our risk appetites are aligned to our sustainability strategy. It also enables us to consider emerging external data sources that may assist our risk assessments.



# Impact Review – Planet

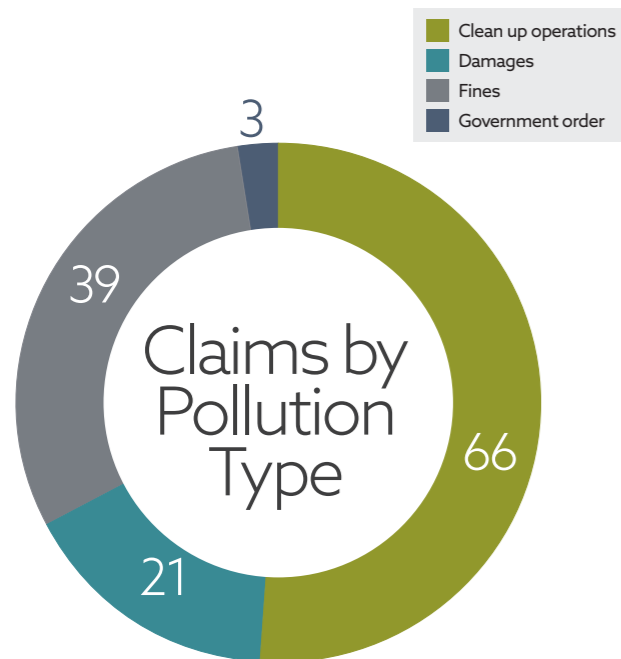
Highlights include: Claims performance, Navigating decarbonisation, Global Maritime Forum partnership and the 2020 Sulphur Cap.

## Claims performance

North's aim when handling maritime incidents is to ensure that we provide the best technical, operational, and legal expertise to protect crew wellbeing and that of other stakeholders affected, minimise any damage to the environment, protect our Members' reputation and try to ensure that downtime to the affected vessels is kept to a minimum. We can achieve these goals through the expertise of our claims' teams.

Safety of life is our number one priority when dealing with casualty situations. We have expertise in ensuring crew members are properly looked after when they are brought ashore; attending to their medical and wellbeing needs in the aftermath of a casualty.

Safeguarding the marine environment is also always at the forefront of our minds. In the last twelve months, the claims teams at North have handled 129 new pollution related claims.



Our preference is of course to prevent rather than minimise environmental damage and our Members and clients also make good use of in-house expertise at North to try and avoid environmental damage. Over the last twelve months, the teams at North have also dealt with almost 200 pollution related enquiries.

We strive to prevent the entry of pollutants into the seas. North is keen to support innovative solutions to minimise environmental impact.

A notable example of this was the utilisation of a specially constructed environmental protection barrier (EPB), consisting of sixty 1.2m diameter steel piles driven into the seabed, connected by a 1.2m diameter plastic piping and ocean oil boom with a net lowered to the sea floor. The EPB provides a containment area to capture vehicles, small debris and surface pollutants thus reducing the environmental impact of the wreck removal of an overturned car carrier off Brunswick, USA.

Another technically challenging bunker removal involved using contractors to organise bunker removal from a general cargo vessel which had sunk to a significant depth of 120 metres off the coast of South Korea. This involved the use of remotely operated vehicles to survey the wreck followed by accessible tanks being hot tapped to pump out the bunkers contained therein. Following bunker removal, any observed cracks in the hull were sealed with the bunker removal operation successfully achieving the removal of all accessible and available oil from the wreck.

Managing and disposing of waste from salvage and wreck removal operations in a sustainable manner continues to be a challenge. Our experience is that advance planning, engaging with local authorities to identify suitable waste landing and disposal sites and incorporating the requirement for sustainable disposal of waste into the tendering and contractual stages often assists in achieving the aim of sustainable disposal without any material increase in costs. We successfully achieved this during the wreck removal and disposal of a feeder container vessel and its cargo off the east coast of India. This involved us having to form a team including international waste management planners working alongside local experts, government, and port authorities and the local salvors to agree a Waste Management Plan which was then incorporated in to the wreck removal and disposal contract at very competitive lumpsum rates.

Where, despite our best efforts, environmental damage does occur and can't be rectified then our liability cover will in most cases make financial compensation available.

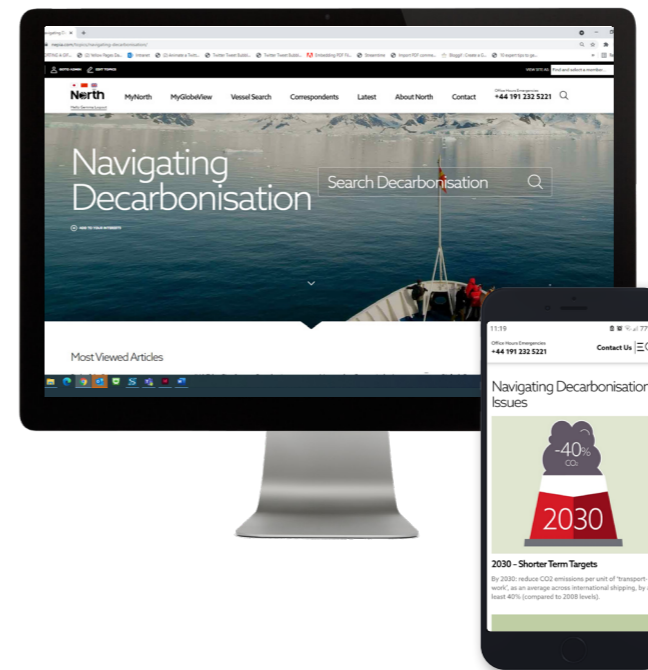


## Global Maritime Forum

The Global Maritime Forum is an international not-for-profit organisation committed to shaping the future of global seaborne trade to increase sustainable long-term economic development and human wellbeing. North is a partner of the Global Maritime Forum, helping the Forum fulfil its ambition of creating a common platform to drive positive change that benefits not only North and the maritime industry, but society as a whole.

The Forum brings together leaders from across the maritime industry together with stakeholders such as regulators, policy makers, NGOs, intergovernmental institutions and academia to create opportunities for collaboration and problem-solving to tackle important issues facing the industry.

[Click here to find out more here at Global Maritime Forum.](#)



## Navigating decarbonisation

The pressure to meet the IMO targets and an increased regulatory focus means that the next decade is going to be one of immense change for shipowners and charterers.

We have responded by establishing a cross departmental "Navigating Decarbonisation" group. This group is already supporting our Members and clients by advising on topics such as alternative fuels, new technologies, the emerging regulatory framework and potential contractual issues.

In addition to providing bespoke advice to our Members and clients we are running regular interactive webinars on subjects such as the plans to add shipping into the EU Emissions Trading System.

Further information on Navigating Decarbonisation can be found [here](#).



## Sulphur cap

We also played a part in facilitating the introduction of the MARPOL Annex VI global fuel sulphur cap to 0.50% which came into force on 1 January 2020, helping our Members and clients through our "2020 vision" outreach programme. Our team of claims handlers and lawyers then helped our Members and clients with disputes and challenges that arose post implementation. A study on the human health impacts of sulphur emissions from ships, submitted to IMO's Marine Environment Protection Committee (MEPC), had estimated that if the cap had not been introduced in 2020 and instead delayed to 2025, then the air pollution from ships would have contributed to more than 570,000 additional premature deaths worldwide between 2020-2025.

Further information on the Sulphur Cap can be found [here](#).

## Negative impacts

We also understand that we have negatively impacted the planet through our internal operations, energy use and travel (which has obviously dramatically reduced during the pandemic). Our negative impacts are minimised by the use of our global network of over 500 correspondents situated worldwide to assist in dealing with enquiries and claims.

We are seeking to understand better and address our negative impacts through the strategy detailed in the second half of this report.

# Impact Review – People

Highlights include: COVID-19 tracking tool, Mind Matters crew welfare programme, North 150 Fund and flexible working for North employees.



## COVID-19 tracking tool

As part of our response to COVID-19 we devised an online COVID-19 tracking tool through our GlobeView platform, providing live updates on pandemic measures worldwide through data collected from correspondents and other organisations. We then freely distributed the technology behind the tool to allow the International Group to create and share its own digital dashboard with other P&I Clubs. The value of this platform was recognised when it won the 2020 Safety4Sea Technology Award.

**“We are really proud of our COVID-19 tracking tool and the real world impact it has had.”**

Colin Gillespie, Director (Loss Prevention) at North

The tracking tool is an example of innovative technology working together with global expertise to provide information that was able to have a real impact on vessels and their crew in minimising disruption to supply chains. We know the impact the tool is having – over 3,500 people in the international shipping industry have used the technology thus far.

## Seafarers health and wellbeing

Seafarers are of course among the unsung heroes of the pandemic. North has used its voice to repeatedly call for seafarers to be recognised as ‘Key Workers of the Sea’ to ensure that crew do not once again become ‘collateral damage’ in any future crisis.

We are particularly proud of the impact had through our “Mind Matters” programme. Mind Matters is a North initiative to provide our Members and clients with materials to support their crew in maintaining emotional wellbeing at sea and to give guidance if problems arise. As part of this programme, Mind Call is a free, confidential and dedicated emotional support helpline for seafarers, provided to seafarers in partnership with seafarer’s charity, the International Seafarers’ Welfare and Assistance Network (ISWAN).

The helpline is available 24/7/365 days a year and we have made improvements to the service in 2020 by adding WhatsApp to the contact options. In addition to our Mind Matters programme and in order to reduce incidents and ensure the good health of crew North has also been successfully running two enhanced pre-employment medical programmes, one in the Philippines and one in the Ukraine.



## North 150 Fund - North in the Community

Since 2010, we have been supporting the maritime industry and local communities in which we live and work through our North 150 Fund and have donated £1 million during this time. Through funding or volunteering, we have helped buy vital medical equipment for local hospitals, provide breakfasts for school children and clothing and equipment for vulnerable children and adults. Beneficiaries include the Mission to Seafarers, Sailors’ Society, ISWAN, Stella Maris and regional organisations such as Smile of a Child in Greece, the Umisakura beach clean in Japan and the RNLI in the UK.

**“We believe in behaving ethically, protecting the environment and building relationships with the communities in which we live and work”**

Kim Rogerson & Lisa Easom, Leads of our North in the Community Programme

Whilst we run our own apprenticeship programme at North, we are also mindful of the importance of helping to invest in the marine sector as a whole. We have therefore provided financial support for an apprentice at Pharos Offshore in Blyth, Northumberland through the Shipwrights Apprenticeship Scheme in 2021.

## Flexible working and wellbeing

At North the pandemic quickened the pace of adopting a more flexible approach to working practices. Our commitment to flexible working is now simple and straightforward – namely a commitment to allow colleagues to work at times and places which work well for them and enables them to work well. Our global network of offices will continue to be hubs of innovation and collaboration, but we also recognise that the ability to work flexibly can also have benefits for our colleagues, on service delivery and on the environment.

Our Wellbeing team has helped our people throughout the pandemic, launching “North Natters” as an informal space to connect virtually and providing virtual activities and guidance on how to manage mental health, from seminars with experts to global coffee mornings.

We were also awarded a gold Award from Better Health at Work. A Better Health at Work Award recognises the efforts of employers in the North East and Cumbria in addressing health issues within the workplace.

# Impact Review – Performance

Building our financial stability in a sustainable manner is critical to our ability to positively impact on people and planet.

Our Annual Review sets out our financial performance and the results of our growth and diversification strategy.

[Click here to download the Annual Review.](#)

In late 2020 we also completed our third Member and Broker satisfaction survey, measuring feedback on a range of product and service-related issues including how we dealt with the impact of the COVID-19 pandemic. The survey revealed an incredibly positive set of results with improvements across all of our key service areas. [More detail can be found by clicking here.](#) Our Net Promoter Score (NPS) reached a record high with a score of +60, and everyone at North is enormously proud of this result.

Our Net Promoter Score (NPS)



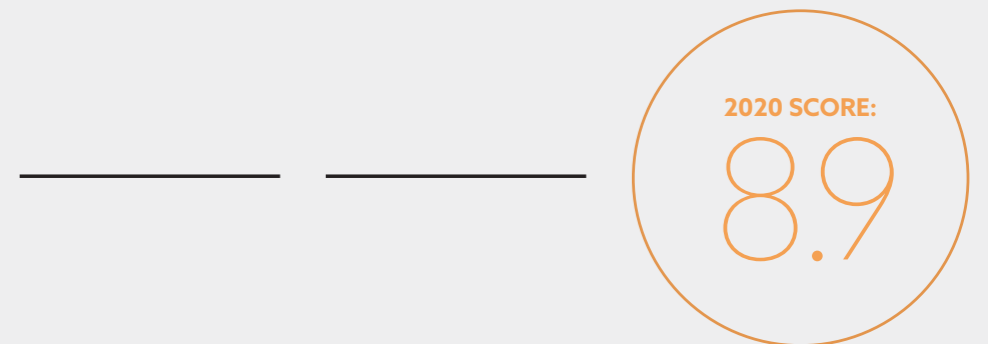
Overall satisfaction with North



Likelihood of continuing to work with North



Overall satisfaction with how North has dealt with the Pandemic





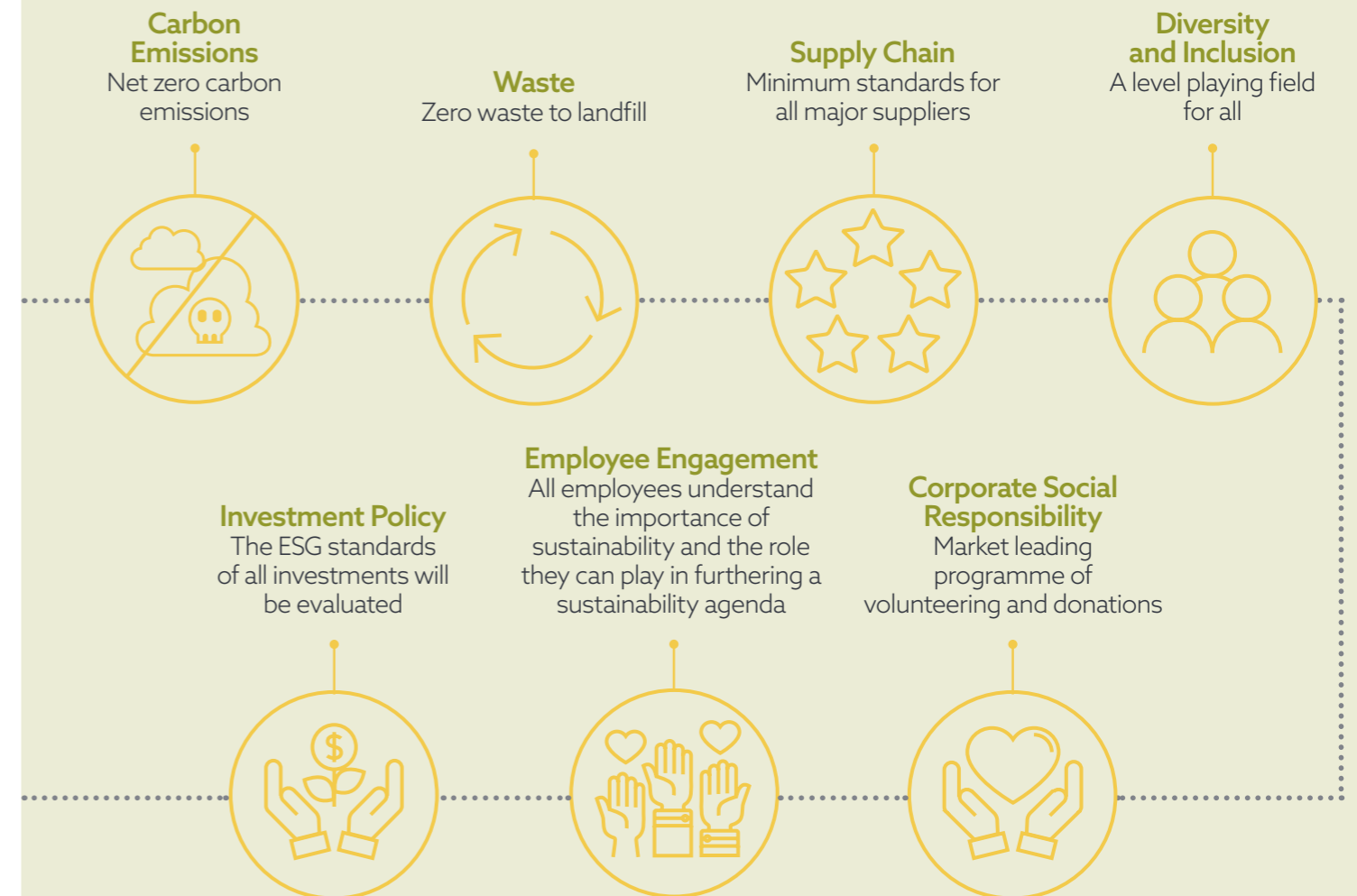
# Our 2030 strategy

## Our 2030 strategy

Looking forward, we want to do more, and quicker. In formulating our sustainability strategy we recognised that we have a dual role to play in addressing critical environmental and societal challenges. Firstly, we can take further steps to address sustainability issues within North. Secondly, we can act as a facilitator of sustainability more generally.

## Addressing sustainability issues within North

We have set the following headline targets for 2030 in order to improve our people and planet impacts:



**“We know that a more diverse pool of people within North will inevitably invite more diverse and creative thinking. Whilst this is still about having the right person in the right role to do the job, it is ensuring that we consider the opportunities that are available, across not just one channel, but many...”**

Dawn Robinson, Global Director (People) at North

### Carbon Emissions

We have committed to ‘net zero’ emissions by 2030. This covers emissions as a result of directly burning fossil fuels in our buildings, fugitive emissions (eg from air conditioning) and use of company vehicles (known as ‘Scope 1’ emissions), electricity use (‘Scope 2’ emissions) and business travel/commuting (part, but not all, of ‘Scope 3’). ‘Net zero’ means reducing our carbon footprint as much as possible before offsetting the rest.

Offsetting carbon emissions has had a controversial past as it is only effective if the measures would only happen due to the offsetting process; a principle known as ‘additionality’. While this may appear straightforward, in practice additionality is a complex issue so we will provide assurance to stakeholders by using a scheme which meets a recognized international standard.

### Waste

We will strive for Zero Waste offices around the world. We will carry out a global waste assessment and set some general principles for waste minimisation and recycling. As the type of waste generated and disposal options differ from location to location, we will ask employees in each office to develop their own waste action plan to address the general principles. This will have double benefits: reducing waste and engaging employees in the sustainability agenda.

### Supply Chain

As an office-based organisation, our supply chain is relatively easy to manage. We will assess the products and services we purchase and determine the best way to ensure that their impact on the environment is minimised. This will also contribute to our zero-waste goal by eliminating the purchase of products incompatible with that goal, and to our carbon goal by purchasing energy efficient equipment. As this work progresses, we will draft a Sustainable Procurement Policy and publicise it to all key suppliers and those taking part in future tendering processes.

### Diversity and Inclusion

Our commitment to Diversity and Inclusion is already strong. Having a diverse and inclusive workforce is critical to our success. We report on the gender pay gap as per UK Regulations; our annual reports together with our Board Diversity Policy are available on our website.

We will continue to strive to make North a genuinely inclusive place to work and seek to present a level playing field for recruitment and appointments through the following actions:

- Embedding the commitment to flexible working – allowing colleagues to work at times and places which work well for them and enables them to work well.
- Providing leaders and managers with training, including on unconscious bias awareness, to ensure that we are providing equal opportunity for all.
- The undertaking of a third-party (PwC) external culture audit at North.
- We have also created a specific D&I action plan, along with our other people initiatives; beginning with raising awareness of what D&I represents and a commitment to having a deeper understanding of how all our people contribute to creating a fully diverse North community; this can enable discussions on future talent and needs based on substance as opposed to assumptions.



### Corporate Social Responsibility

We are committed to our communities in which we live and work, building relationships with not-for-profit organisations through our North 150 Fund and North in the Community Programme. Our aims are to have a positive impact on our communities and environment and to maintain high levels of engagement in CSR, wellbeing and environmental initiatives.

Going forward we will increase the scale and scope of our volunteering and continue to build long term partnerships in our local communities. We will further recognise colleagues’ involvement in our CSR initiatives.

We are sponsoring a scholarship at South Shields Marine School through the Maritime London Officer Cadet Scholarship scheme.

We will also increasingly support activities that can benefit directly from our expertise, committing our time and knowledge to such projects.

We have published commitments to global CSR issues such as Anti-Bribery & Trading and Modern Slavery. These are available on our website.

### Employee Engagement

We will not meet any of these goals without the support and active involvement of our employees. We have made sustainability sessions available to all North employees. We are challenging our colleagues to develop ideas as to how they can personally contribute to our sustainability strategy.

We have set up an Innovation Forum on our internal website which provides an informal opportunity to allow colleagues to post, or comment upon, any ideas or suggestions about how we can improve the way that we operate to improve our impacts.

### Investment Policy

Like the rest of the P&I industry, North has extensive investments which underpin the protection we give our members. We will work with our investment advisors and seek to establish an appropriate environmental, social and corporate governance (ESG) framework for our investments.

**“We are committed to being responsible investors and to monitoring and improving the environmental, social and corporate governance (ESG) standards across our investment portfolio”**

Ed Davies, Chief Financial Officer at North

# A facilitator of sustainability

We believe that the environmental and societal issues that we are seeking to impact also directly affect the ability of our Members and clients to trade with confidence. It is important that they know that we are minimising risks, making the seas safer and dealing with incidents in an environmentally sound manner. It also means knowing that we are there to support, facilitate and enable Members and clients as they also take steps to become more sustainable. We also believe that this focus on sustainability will make North a natural home for sustainable maritime projects and next generation vessels.

We are committed to acting as a facilitator of sustainability by:

**1. Further embedding sustainability considerations into our claims handling**

We can, and will, do more to ensure that sustainability considerations are applied consistently in the management of claims; that sustainability issues are considered by claims handlers and are a factor in our decision making, whatever the subject matter of the claim. We are therefore taking steps to integrate sustainability into our claims handling procedures and guidelines.

**2. Cooperation and data sharing**

Each of the thirteen International Group P&I clubs has access to information and data not only around trading areas, vessels, crews and cargoes but also around casualty and incident response. The IG P&I Clubs collectively undertake a periodic large casualty review to assess the management of major casualties. We will continue to look for appropriate opportunities to further share data and information as a means of minimising risks and improving safety. We will also work with the other IG clubs to develop and deliver a sustainability strategy at International Group level.

**3. Focussing on the challenges facing our Members and clients**

Our Members and clients face a number of critical societal and environmental challenges on issues as diverse as seafarer wellbeing and decarbonisation. We will be there to support our Members and clients utilising our expertise and resources, enabling them to trade with confidence.

Our "Navigating Decarbonisation" group will become ever more important in helping Members and clients with the complex and emerging regulatory decarbonisation legislative framework. We will provide technical and legal training and guidance together with support when challenges arise, helping our Members and clients on their decarbonisation journeys.

Our "Mind Matters" programme will continue to be developed as part of our effort to support seafarer health and wellbeing.



