

# **Sustainable Blue Economy Finance Initiative Progress Report 2022**





# Highlights

Hellenic Hull Management (HMA) Limited has a long-standing and highly successful history in the shipping industry, providing reliable and effective insurance coverage to thousands of vessels and managing companies over the years. With a reputation for reliability and strength, HMA's underwriting expertise and discipline have resulted in a remarkable historical loss ratio of 67%.

One of HMA's proudest achievements has been the management of American Hellenic Hull Insurance Company Limited, a joint venture with the American P&I Club, establishing American Hellenic Hull as a leading global player in the international blue-water marine hull insurance market.

In February 2022 American Hellenic Hull changed its name to American Club (Europe), extending its license to include P&I and related business for EU/EEA. As a testament to its success, HMA has maintained a record of zero bad debts and a renewal ratio of 99%, reflecting the trust and confidence that its clients have in the company's underwriting expertise and commitment to delivering tangible results. HMA's unique marketing strategy, enabled the company to establish its brand name as synonymous with success and underwriting profit.

## Reporting on sustainability

Hellenic Hull's 2022 Sustainable Blue Economy Report aspires to describe the actions undertaken to meet the Sustainable Blue Economy Finance Principles, endorsed by the European Commission, WWF, the World Resources Institute and the European Investment Bank (EIB) and hosted by UNEP FI as part of the Sustainable Blue Economy Finance Initiative.

Blue growth, as the strategic, innovative approach to improving the use of aquatic resources, plays a pivotal role to the maritime adventure as it depends on the simultaneously increase of social, economic and environmental benefits for insular communities.

The company is the first marine underwriter to enter the United Nations family, as a member and signatory company of United Nations Environment Programme Finance Initiative (UNEPFI), Principles for Sustainable Insurance initiative (PSI), United Nations Global Compact Initiative and UNEPFI's Net Zero Insurance Alliance and Sustainable Blue Economy Finance Initiative (SBEFI). Being part of UN' community, the company is committed to incorporate the social, environmental, and governance emerging issues into its sustainable and holistic approach.

We have participated in the development of two pioneering guidance papers that act as a toolkit for companies' sustainability strategies aiming to tackle Environmental, Social and Governance (ESG) risks: "Managing Environmental, Social and Governance risks for non-life insurance business", launched by UNEPFI PSI and "Turning the Tide: How to finance a sustainable ocean recovery" launched by UNEPFI SBEFI.

Sustainable Blue Economy Finance Initiative is the first pioneering step towards blue economy and the finance sector, quantifying threats and opportunities for a sustainable shipping industry. At Hellenic Hull, we support the UNEP FI Sustainable Blue Economy Finance Initiative, and we adopt all fourteen (14) of the Principles for Sustainable Blue Economy.

We believe in being proactive to achieve a more sustainable future. This is particularly important in our sector, given the essential role of insurance and the importance that maritime transport plays in global sustainability.

We aspire to contribute to the development of the sustainable blue growth strategy for the marine insurance industry. We should invest in sustainable best practices for blue economy, invest in education and training of our executives, the shipping community and younger generations.



**72.3%**



**62.4%**



**59.2%**



**54.3%**



**80.6%**



**64.2%**



**51.2%**



**100%**



**77.2%**



**78.6%**



**61.3%**



**73%**



**100%**

As member of the UN Global Compact, Hellenic Hull has adopted the SDG Action Manager. The SDG Action Manager is a tool that enables organizations to assess their impact relative to the various Sustainable Development Goals and to help them improve. We serve 13 out of the 17 goals.

## Sustainability Strategy

The company's services reduce sustainability risks, whilst they have a positive impact on ESG issues. Furthermore, Hellenic Hull has strengthened its commitment to serve the UN Sustainable Development Goals, encouraging its clients to adopt the SDGs. The company already serves the following SDGs:

- **SDG 1:** No poverty. At HMA we serve the SDG 1 aiming to end poverty in all its forms. For this reason, we are paying living wage to all our employees. Moreover, we are against forced child labour and we are committed to cooperate with clients and suppliers that share the same vision.
- **SDG 4:** Quality Education. At HMA we serve the SDG 4, aiming to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. For this reason, we have institutional co-operation with the Academia, namely the World Maritime University, founded by the International Maritime Organisation, the University of Piraeus in Greece, and other institutions, aiming to enhance education in marine insurance. Among the areas of the agreement of the Memorandum of Understanding between the two parties are a Post Graduate Diploma in marine insurance, Professional Development Courses and joined events. . We provide training to our executives and we pride ourselves that all of our executives in the underwriting and claims department have surpassed the IUMI's Hull Tutorial.

- **SDG 6:** Clean Water and Sanitation. At HMA we serve the SDG 6 aiming to ensure availability and sustainable management of water and sanitation for all. We declare the respect of the rights to water and sanitation, we do monitor and manage water use in our premises and we commit ourselves to provide clean water and sanitation to all our employees.

- **SDG 7:** Affordable and Clean Energy. At HMA we serve the SDG 7 aiming to ensure access to affordable, reliable, sustainable and modern energy for all. We commit ourselves to manage renewable energy usage in our worldwide offices.

- **SDG 8:** Decent work and economic growth. At HMA we serve the SDG 8 aiming to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Furthermore, we provide training opportunities to employees for professional development and we are committed to responsible innovation practices. Finally we provide policy advocacy to contribute to decent economic growth.



- **SDG 9:** Industry Innovation and Infrastructure. At HMA we serve the SDG 9 aiming to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. We are striving to promote and enhance innovation in all aspects of our company's activity, committed to advance our research and development programs.
- **SDG 10:** Reduced Inequalities. At HMA we serve the SDG 10 aiming to reduce inequalities within and among countries. As we are a multinational company with offices around the globe, we fully respect the diversity, we have adopted a nondiscrimination policy and through our initiatives we contribute to reduce inequalities.
- **SDG 11:** Responsible consumption and production. At HMA we serve the SDG 11 aiming to make cities and human settlements inclusive, safe, resilient and sustainable, as we adopt a business model designed to contribute to responsible consumption and production.
- **SDG 13:** Climate Action. At HMA we serve the SDG 13 aiming to take urgent action to combat climate change and its impact. We are a proud member of HELMEPA, and we adopt the anti-plastic strategy and the strategy against illegal fishing. Furthermore, we strongly support recycling, we operate in a paperless way and we monitor energy usage.

- **SDG 14:** Life below water. At HMA we serve the SDG 14 aiming to conserve and sustainably use the oceans, seas and marine resources for sustainable development. We support the actions to support marine protected areas, we have adopted the anti-plastic strategy and we do monitor the reduction of waste.
- **SDG 15:** Life on land. At HMA we serve the SDG 15 aiming to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss. Furthermore, we work with stakeholders to improve behaviour performance on SDG 15.
- **SDG 16:** Peace Justice and Strong Institutions. At HMA we serve the SDG 16 aiming to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. In addition, we provide more transparency by sharing publicly information, such as our financial performance and our social and environmental performance, while we support the stakeholders' engagement.
- **SDG 17:** Partnerships for the goals. At HMA we support initiatives and projects that protect the economic, social and governance framework whilst promoting sustainable development goals (UNEPFI Principles for Sustainable Insurance, Sustainable Blue Economy Finance Initiative, UN Global Compact).

# Sustainable Blue Economy Finance Principles

## Principle 1 Protective

As Sustainable Development Goals are at the forefront of the global interest and decision making, we firmly support initiatives and projects aiming to protect the marine environment and ecosystem whilst promoting SDGs. We are the first marine insurance signatory company of United Nation's Environment Programme – Principles for Sustainable Insurance and Sustainable Blue Economy Finance Initiative, we are members of the Ship Recycling Transparency Initiative and Net Zero Insurance Alliance, while we are aligned also with United Nations Global Compact.

### Our executives

Our utmost priority is the human rights engagement within our company, thus through our policies, we aim to protect health and safety of our executives in respect of human rights. Our business strategy encourages openness, transparency, accountability, integrity and non-discrimination of any kind.

### Our clients

We pride ourselves on providing secure and innovative solutions for our clients, tailored to the characteristics of each relationship. We stand ready to support our valuable partners anytime around the globe, as the team's decision-making is guided by a long-term view of the maritime adventure and a firm belief in the sustainability of the shipping industry.

During Covid-19 pandemic outbreak through our business and innovation strategy we provided safety to our clients and their needs. Our business continuity plan was set into force with an immediate effect preventing business disruptions. We stand by our clients through transparent and risk management procedures, we support our clients anytime around the globe.



# Principle 1

## Protective

### The ecosystem

Aiming to protect our company, our clients and the marine ecosystem, we have adopted series of sustainable, strict underwriting criteria.

Our vessels need to be members of the International Association of Classification Societies, we conduct extensive sanction checks, whilst they need to fly white listed flags and their age need to be no more than 15 years old.

During our underwriting process we involve other insurance professionals that are privy of our sensitivity to the sustainable insurance. At the same time by keeping our independence we are not subject to pressures for profiteering by insuring sub-standard vessels which could potential harm the environment of become a health hazard for their members of the crew. In our view sub-standard vessels should become uninsurable.





## Principle 2 Compliant

Our top priorities are the establishment and application of suitable procedures for the purpose of achieving a timely and on-going compliance of the Company with the existing legal and regulatory framework.

We are in constant dialogue with regulatory authorities, the shipping community and the International Maritime Organization, we continuously invest in protecting our business from disruptions, adopting best practices for our clients and constantly monitoring Environmental, Social and Governance risks that might affect our sustainability strategy.

Compliance with regulatory frameworks is our top priority as we aim to achieve integration with our sustainable approaches. Furthermore, all individual employees share the responsibility of compliance with applicable laws, regulations and business standards. To this effect, Senior Management ensures that all staff in their respective departments has knowledge of applicable compliance policies, and understand the regulations, standards and best practices associated with the discharge of their respective duties, as well as the compliance risks involved and managing of such risks.

## Principle 3 Risk aware

The insurance industry plays an important role in promoting Environmental, Social and Governance (ESG) issues, which pose a shared risk to marine insurers and the shipping community. ESG risks are arising out of climate change, violation of human rights, pollution, along with risks related to health and safety of the onshore and offshore employees in the shipping industry.

At HMA we embrace a holistic approach in risk management, assessment and mitigation. We continuously stress test our ability to withstand adverse scenarios which incorporate environmental, social and governance issues.

Through our effective risk management mechanism, we design and implement sustainability strategies, monitoring processes and transparent reporting, while we review carefully and apply risk management procedures to new products, market business and renewal terms.



## Principle 4 Systemic

We adopt a systemic approach to our activities, bearing in mind that marine insurance is a commodity and should be considered as a vital part of the maritime cluster. Therefore, we examine impacts related to Environmental, Social and Governance issues.

Furthermore, our systemic approach is based on integrating, complying and implementing policies, rules and regulations is liaised to internal processes, state and international law. Our commitment to excellence is evident in our strong adherence to regulatory frameworks and our dedication to comply with reporting duties. We prioritize the fulfillment of requirements outlined in the Solvency II Directive and the Insurance and Reinsurance Activities and Related Matters Law 38(I)/2016 in Cyprus.

## Principle 5 Inclusive

We are prioritizing Sustainable Development Goals at all levels of the company's activity, whilst safety, protection and risk awareness are at the heart of our underwriting, finance and claims processes.

We embrace an inclusive growth approach to our business model, through identifying and mitigating risks in co-operation with all stakeholders in the maritime adventure.

In addition, as sustainability is considered the new smart way of business operations, investments and projects, marine underwriters should endorse ESG issues in their business and investment activity, whilst investing in projects and initiatives that identify and disclose unsustainable practices, providing guidance to inclusive growth.





## Principle 6

### Cooperative

To implement sustainability strategies and pioneer in new business models that embrace ESG risks, we need to invest in partnerships. Therefore, at HMA we cooperate with financial institutions, regulatory and governmental authorities, along with International Organizations and Universities, to implement Sustainable Blue Economy Finance Principles.

Further to UNEPFI's Principles for Sustainable Insurance and Sustainable blue Economy Finance Initiative we encourage all initiatives towards sustainable blue economy, resilience, protection of endangered species, sustainable investments and financial tools.

## Principle 7

### Transparent

Integrity and transparency are the cornerstones of our operation as a leading marine insurer. At HMA we adopt transparency in all aspects of our business activity.

We are committed to transparency and accountability through regular public disclosures. Thus, we publish as a management company ASOMIC's Solvency and Financial Condition Report . Especially with reference to the ESG issues, we disclose sustainability reports and publications towards the implementation of the Principles for Sustainable Insurance and Sustainable Blue Economy Finance Principles on an annual basis.

## Principle 8

### Purposeful

We support projects towards the Sustainable Development Goals, aiming to quantify the SDGs for the marine insurance industry. We aim to endorse a heat map for the 17 SDGs enabling the global insurance industry to react in a responsible way.



## Principle 9

### Impactful

We believe in lifelong education to minimize sustainability related risks and raise awareness on sustainable blue economy and ESG issues. We seek interdepartmental dialogue and adopt a horizontal approach of implementing our sustainability strategy. To achieve this, we invest in lifelong education.

Therefore, we have signed a MoU for cooperation with the World Maritime University, aiming to launch a Post Graduate Diploma in marine insurance. We co-operate with National and International Universities, adopting an extensive internship and training program. In addition to the professional trainings adjusted to our executives, we launched a pioneer online training program for all our employees. We support initiatives, alliances and projects that provide social, environmental and economic benefits for our ocean.

Furthermore, our executives from our Underwriting and Claims Departments have successfully passed International Union of Marine Insurance Hull Tutorial Exams, broadening their knowledge and expertise in the area of underwriting, risk assessment and claims management.

## Principle 10

### Precautionary

**Assessment is the cornerstone of our activity.**

We are fulfilling the promise that to settle a covered loss is the essence of insurance. Consequently speedy and diligent handling of valid claims is essential so that any loss, disruption or inconvenience is minimized for our clients.

We believe in being hands-on and in addition we can draw on an extensive network of competent surveyors, salvors, solicitors and other resources that may be required in order to provide fast and efficient management of claims, even in the most complex cases. We are focused on improving speed, efficiency, understanding and reassurance to our clients.





## Principle 11

### Diversified

Our scope is to make the difference in sustainable blue economy, through inspiring and encouraging the marine insurance industry to embrace sustainability related initiatives and act in a responsible way.

For this reason, we are committed to extend our network of co-operations with regards to sustainable development projects, whilst participating in international fora raising awareness on the topic. Part of our marketing strategy is also committed to meet the ESGs KPIs and enter into new institutional and non-institutional co-operations to achieve the inclusive blue economy targets.

Furthermore, we adopt anti-bureaucratic procedures and we communicate our initiatives with all stakeholders related to the maritime adventure.

In addition, following bottom up procedures, we encourage interdepartmental dialogue through which each executive may propose new initiatives that ameliorate company's functions and operation. As part of our communication strategy, we share in public and via our media and digital media channels all innovative actions undertaken by HMA. Moreover, we encourage all stakeholders to take part in our innovative projects aiming to share knowledge and expertise.

## Principle 12

### Solution-driven

We adopt an innovative strategic approach in our business aiming to foster best practices for the marine ecosystem, with a firm belief that best practices start from within.

As part of HMA's innovation strategy, we invest in cutting-edge technology, best practices, training and education and in institutional co-operations with International Organizations and Universities.



## Principle 13

### Partnering

We encourage institutional co-operations with public, private and nongovernmental entities to promote Sustainable Blue Economy adopting an inclusive approach to all our business scenarios.

We are in close co-operation with the Insurance Association of Cyprus, actively participating in its committees aiming to enhance the dialogue within the institutional organization of the insurance industry in Cyprus. We co-operate closely with the Cyprus Shipping Chamber (CSC) and our CEO, Mr. Ilias Tsakiris is Board Member of Piraeus Marine Club, member of the (CSC) marine insurance committee. Finally, we are in close co-operation with the Greek Shipping Chamber and the Greek Maritime Cluster, so as to develop integrated ESG risk management approaches in the Greek shipping community.

In September 2022, Mr. Ilias Tsakiris, CEO, of HMA was elected Chairman of the Ocean Hull Committee of International Union of Marine Insurance, representing Cyprus. It is the first time since 1874 that an insurance executive from the Greek or Cypriot market will lead IUMI's Ocean Hull Committee.

At HMA, we intend to enhance the dialogue with the intergovernmental and non-governmental organisations. Thus, we promote the dialogue within the UNEP FI Sustainable Blue Economy Finance Initiative, in order to serve the Sustainable Development Goals. Furthermore, we are a proud member of the Hellenic Marine Environment Protection Association (HELMEPA) supporting the action against climate change.

As members of the Greek Shipping Hall of Fame Academy, subscribers of the UK Average Adjusters, members of the American Hellenic Chamber of Commerce and the British Hellenic Chamber of Commerce we aim to introduce more stakeholders into the dialogue towards sustainable development.

Our scope is to enhance the co-operations with Academia and the Scientific Community to foster research and developmental programmes on ESGs, through our co-operation with World Maritime University (WMU), University of Piraeus (UNIP) and other key scientific and academic institutions.





## International Union of Marine Insurance

Ilias Tsakiris was elected Chairman of the Ocean Hull Committee of the International Union of Marine Insurance (IUMI), during its annual meeting in September 2022, in Chicago. It is the first time since 1874 that an insurance executive from the Greek or Cypriot market will lead IUMI's Ocean Hull Committee.

Members of IUMI's committees assist the marine insurance society with a roadmap on the trends, risks and myriad of other factors that influence the industry. By sharing its perspective and insights, the company can help shape the direction of the industry and influence public policy providing a lead for hull and machinery underwriters, brokers and shipowners around the world.

IUMI can trace its roots as a forum and a voice for the international marine insurance industry back to the 19th century. IUMI's mission is to enhance marine insurance standards through activities that include research and reporting, education and training, networking among members, and lobbying. The Ocean Hull Committee identifies risk trends and issues, whilst raising awareness of global threats and opportunities for the marine hull and machinery insurance sector.



## Principle 14

### Science-led

Our main priority is to foster education and to provide young leaders, professionals and other stakeholders with educational and professional skills in order to serve the maritime adventure in a sustainable way. We embrace education aiming to endorse the industry with relevant skills, upscaling marine insurance within the maritime cluster.

We encourage Research & Development projects for Hull & Machinery insurance arising directly out of the industry and driven by the industry in co-operation with educational institutes, other key stakeholders and public entities. Through various educational toolkits such as marinfographics, social media campaigns, articles, internal tutorials, internships, guides, papers and publications we develop innovative solutions for the new generation of marine underwriters.

In addition, we disclose and develop data on potential ESG risks, whilst being transparent and sharing in public information related to Sustainable Blue Economy.

Furthermore, we aim to support the inclusion of ESG issues in professional education.

We decided, among other initiatives, to launch Professional Development Courses and a Postgraduate Diploma in marine insurance. We are committed to include ESG issues in the Professional Development Courses and the Postgraduate Diploma. The WMU, founded by the IMO, embraces and promotes the Sustainable Development Goals.

Thus, together with the WMU, we will work to advance the SDGs in the marine insurance industry.



# Pioneering in corporate social responsibility

Hellenic Hull's innovative CSR program, aims to connect the students of remote insular areas.

Supporting SDG No.4, we enhance education in remote insular areas of Greece, through a special series of events and donations to the islands' primary schools. We established lending libraries at Arkioi and Mathraki islands. We have provided technological equipment to the primary schools at Arki and Gavdos islands and we coordinate an innovative blue growth program in cooperation with primary schools at Leipsi, Telendos, Ag.Efstratios, Thymaina, Kastelorizo, Arkioi, Karpathos, Lesvos and Kalymnos.







**Signatory** to the

