

STRATEGIC REPORT (Continued)

Members and Assureds

COVID-19 has inevitably affected our engagement with our Members, Assureds and friends in the shipping community with travel limitations leading to the cancellation of our usual annual calendar of business functions across the regions in which we do business. We have, however, continued to hold Members' Committee meetings remotely and three meetings took place in 2020 enabling the Board to consult with the Members' representatives prior to taking significant decisions affecting Members and Assureds in relation to the renewal strategy and payment of large claims, thus ensuring the fair treatment of the Membership.

The Board receives regular reports on developments likely to impact Members and Assureds and in particular has been closely monitoring the Managers' ability to maintain service levels throughout the pandemic.

Our People

The Association's people are the employees of its Managers and the Board has supported Management with its efforts to ensure their safety and well-being and effective home-working. Internal surveys have been carried out to obtain feedback from the Managers' staff, on how well supported and informed they feel and to undertake a 'temperature test' of the culture within the organisation to help identify changes required post pandemic. An employee focus group is in place to respond to the results of the surveys enabling staff to influence change. Such steps, we believe, help us to build and maintain trust and allow for openness, honesty and transparency in the workplace.

Regulators

As an insurance company, the Association is subject to financial services regulations and approvals in all the markets in which we operate and through the Managers the Board is kept informed of regulatory change and any issues arising where action is required to be taken by the Board. We remain open and constructive with our regulators; during 2020 the main areas of regulatory attention being the Association's liquidity and solvency positions during the March to July period when the COVID-19 impact on insurers was at its most severe.

Community and wider environment

The Association continues to provide support to seafarers and in addition to the regular programme of accident prevention education aboard ships, this year, in response to the challenges from COVID-19, it partnered with the International Seafarers Welfare and Assistance Network (ISWAN) to provide additional support to vulnerable seafarers.

The Board has continued to supporting human rights by imposing strict sanctions controls across the Association and has made further enhancements to its ability to detect vessels undertaking 'sanctioned activity' with the purchase of improved AIS tracking software.

The Board has reviewed the Association's sustainable business approach and over the coming years will focus its efforts on taking action on climate change and supporting Members on their transition to reduce their Green-House Gas emissions (GHG) as well as continuing loss prevention activities to prevent environmental damage from pollution following a claims event.

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The Managers have commissioned an external assessment of the GHG emissions of themselves and the Association in order that targets can be set for reducing these emissions over time and the Association is also currently evaluating the impact of its investment strategy on climate change.

INTERNATIONAL GROUP

The International Group of P&I Clubs monitors the operation and reinsurance of its claims pooling arrangements, so that they can continue providing the Association and other participating Clubs with efficient high level reinsurance protection. In turn these arrangements underpin the key role that the Group plays in supporting global regulatory regimes to compensate victims of maritime accidents, promoting safety of life at sea and protecting the environment and property.

Examples of the Group's activities in these areas during the year under review include its report on P&I claims involving ships under pilotage, highlighted in the Chairman's Report. Additionally it has recently produced a safety animation to help prevent the loss of life in enclosed spaces on board ships. The Association's management team participates on a wide range of the Group's sub-committees and working groups, and more detailed news of its work can be found at: www.igpandi.org.

PRINCIPAL RISKS & UNCERTAINTIES

A description of the principal financial risks and uncertainties the Association faces on a recurring basis is set out at Note 3 to the Financial Statements.