



Skuld annual report 2022/23

Financial- and sustainability reporting

125
YEARS
YOUNG



SKULD



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01
CEO's report



Onwards and upwards

It's been an eventful year. The world moved through the pandemic into the tragic war in Ukraine and the ensuing economic turmoil and geopolitical unrest. Despite this landscape of turbulence, Skuld delivered a robust result, and served our members, brokers, and clients with distinction, stepping up to handle ever-widening sanctions and the multiple, crucial questions from our members. In the midst of all this, we were very pleased to be able to celebrate Skuld's 125-years' anniversary. It made 2022/23 a year to be remembered also on a positive note.





“Skuld remains the third-largest P&I club measured by premium income”

Our claims experience was benign during the year. The impact of reported International Group claims was low, although we’ve experienced some negative development of previous pool years. The moderate claims level in 2022/23 came as a surprise, since shipping-sector activity has been high, but such years occur from time to time. The positive contribution to our result from the commercial side of Skuld’s operations is continuing proof that our diversification strategy is the right way to go. We are proud of our strong underwriting result in hull and other lines, and we are equally pleased with our positive underwriting result in mutual P&I.

Meanwhile the geopolitical landscape, dominated by war in Europe, had a dramatic impact on financial markets. That volatility has been a pointed reminder to the insurance industry that we cannot rely entirely on investment income. Skuld continues to target a balanced underwriting result also in this year; our work during the recent renewal to rectify mutual P&I premium levels brings us closer to that target.

A final addition to the year’s performance was the one-off gain realised from the sale of our shareholding in the Lloyd’s managing agency Asta, completed in July. It marks another positive point in 2022/23.

Growth strategy

Our top line premium income crossed the USD 500 million threshold during this year’s renewal. Despite club mergers, Skuld remains the third-largest P&I club measured by premium income. We continue to believe that size is important for success in our business. The current result supports that belief. Size and our clear growth strategy keep us solid and strong in today’s tumultuous environment and make us more than ready for further sustainable growth. As we expand, we shall always keep a close eye on premium levels, ensuring they are right for our high-quality membership.

Growth through diversification remains vital to our strategy. Our door is open for M&A dialogues, although in today’s market, and with our robust financial strength and size, we stand very comfortably alone. Plus, we’re acutely aware that it can be difficult to combine those with a taste for rock ‘n roll with those who favour classical music. We don’t judge, but we see great advantage in choosing for ourselves which music to play.

Environmental, Social and Governance

Sustainability and ESG issues remain high on our agenda. For the first time we have combined our annual financial and sustainability reports into a single



document. The two meet here, just as they intersect in all our day-to-day actions. During the year we signed the Poseidon Principles for Marine Insurance, a global framework for assessment and disclosure of the climate alignment of insurers' hull and machinery portfolios. It is another step towards decarbonisation and reduced emissions. We also became a member of the Maritime Anti-Corruption Network (MACN), which today has more than 180 member companies working against corruption through collective action.

Diversity at Skuld is a competitive strength. Of the many signals of our focus on equality, diversity, and inclusion, we can report 38% gender equality in all managerial and key positions in Skuld. Our goal is 40% by 2025 which we are well underway to reach.

Digitisation

Skuld could not maintain its reputation for industry-leading service without digital tools and systems that improve everyday working life. Our technological developments continue, with a current focus on improved digital services for our members, brokers, and clients. I encourage everyone to make use of our user-friendly self-service solutions, and to explore and exploit the information and intelligence available at your fingertips through logged-in pages on Skuld.com.

125 years young

Our jubilee was a chain of important and energising events. Throughout 2022, every office held local celebrations. They were topped when our entire global staff assembled in Oslo in September, joined by members, clients, brokers, and friends for a fantastic party. The events positioned Skuld positively in the market and were a great internal motivation boost.

The entire year exemplified our culture of teamwork, equality, excellence, and leadership. I believe that culture is critical to Skuld's continued long-term success: to stay strong, we need to attract the best talents. We are dependent on professional colleagues at every level, so investing in people, talents, competencies, and our culture is the most important expenditure we can make.

Thank you to all our members, clients, brokers, and Skuld colleagues for a great effort in 2022/23. We will no doubt encounter new challenges in the year ahead, but rest assured, we will face them together in a robust state of financial strength and as a strong, united team.

STÅLE HANSEN
President and CEO



02
Chairman's report

Steadfast into the future

Against the global backdrop of a geopolitical rollercoaster and financial-market volatility, Skuld's result is very pleasing to me, and certainly better than I anticipated. Our P&I club has been a safe haven for members during a difficult year. The Skuld team has served them professionally and provided expert advice in demanding circumstances.





I congratulate the Skuld team on the outcome of the 20 February 2023 renewal. Proudly we not only renewed our business with great support from members – along with a much-needed premium rate increase – but we saw a very positive addition of new members and new tonnage. Welcome, all of you, to Skuld!

The renewal shows the strength both of Skuld's mutual P&I operation and of our commercial activities. It has provided an excellent starting point for the new policy year – and for the future.

Global shipping trends

Shipping markets in 2022/23 offered a good year for some of our shipowning members, but a very volatile one for others. With the sad circumstance of the war in Ukraine and the resulting embargo on Russia, the tanker market did very well as the oil trade experienced a geographical redistribution which prompted high shipping rates. The development was quite the opposite for containers because inflation and interest rates pushed freight rates down, reversing the boost seen during the height of the Covid-19 pandemic. Bulk trade also experienced falling rates, partly due to reduced imports into China.

The outlook for 2023 is uncertain. War is ongoing, but inflation seems to be stabilising, and interest rates are higher. That said, bank collapses and bailouts could tip the global economy into recession. Either outcome – booming trade or economic gloom – has contributed historically to higher claims levels, so as an insurer, Skuld needs to ensure its premium levels are balanced.

Handling sanctions was a hot topic this past year. Skuld's highly skilled network of employees around the world has proven they stand for quality. Along with their handling of claims and casualties, they have delivered first-class advice to members and clients on complicated matters arising from sanctions and other compliance issues. Skuld's unique culture of cooperation, competence, and service stands out.

Sustainability

Our commitment to sustainability is very much in focus, both among our members and within Skuld's board and management. ESG concerns will be with us for many years to come, but Skuld is working hard to stay ahead of them. We perceive widespread support for dealing with sustainability issues now, and we

“We saw a very positive addition of new members and new tonnage. Welcome, all of you, to Skuld!”

will continue to do our very best to help members as they face new requirements and work to reduce emissions.

Strong and robust

Skuld stands on a strong platform. With recent top-line growth and a solid 2022/23 result, we are ready for further quality growth, both within P&I and in the commercial insurance market. We have talented people throughout our organisation, a professional and highly experienced management team, and every possibility for further successful development for the benefit of our members. We also enjoy excellent cooperation between the board and management, which helps to push Skuld forward.

Ready for the next 125 years

Last year's 125th anniversary celebrations really brought out Skuld's strength and successful team spirit. It was a great occasion to meet, build on our strong culture, and enhance personal relations

with members and friends from around the world.

With the worst of the pandemic behind us, the tragedy of an ongoing war, and the looming threat of further economic turmoil, the world seems less safe and secure. That makes human contact more important than ever. Growth is in Skuld's strategy plan, but we genuinely want to grow in the right way, with quality in mind, always while taking care of our people, property, and planet, and serving our high-quality members, clients, and brokers.

Skuld stands strong. Our house is in order. We are well organised and successfully managed from a robust financial platform. Together we are ready for any future challenge.

KLAUS KJÆRULFF
Chairman of the Board



03
Our role in society



Our purpose

Protecting ocean industries

“Protecting ocean industries” emphasises our role in society, our commitment towards global ocean industries and our inherent role of protecting people, the environment and property.

Vision

Skuld will be the world leading marine insurance provider through sustainability, financial strength and the talents of our people.





For the first time

For the first time, we include both financial- and sustainability reporting in our annual report.



04
Highlights



Highlights

The following highlights sum up the year 2022/23.

Bottom line result

31.8 Million
USD

Bottom-line result of USD 31.8 million is significantly up from USD -15 million last year.

Contingency reserve

445 Million
USD

Skuld's contingency reserve stands at USD 445 million, making us robust and well placed for future challenges.

Premium income

473 Million
USD

Mutual

226
Million USD

Commercial

247
Million USD

Our total premium income of USD 473 million includes both mutual and commercial premium and is up from a total of 420 MUSD last year.

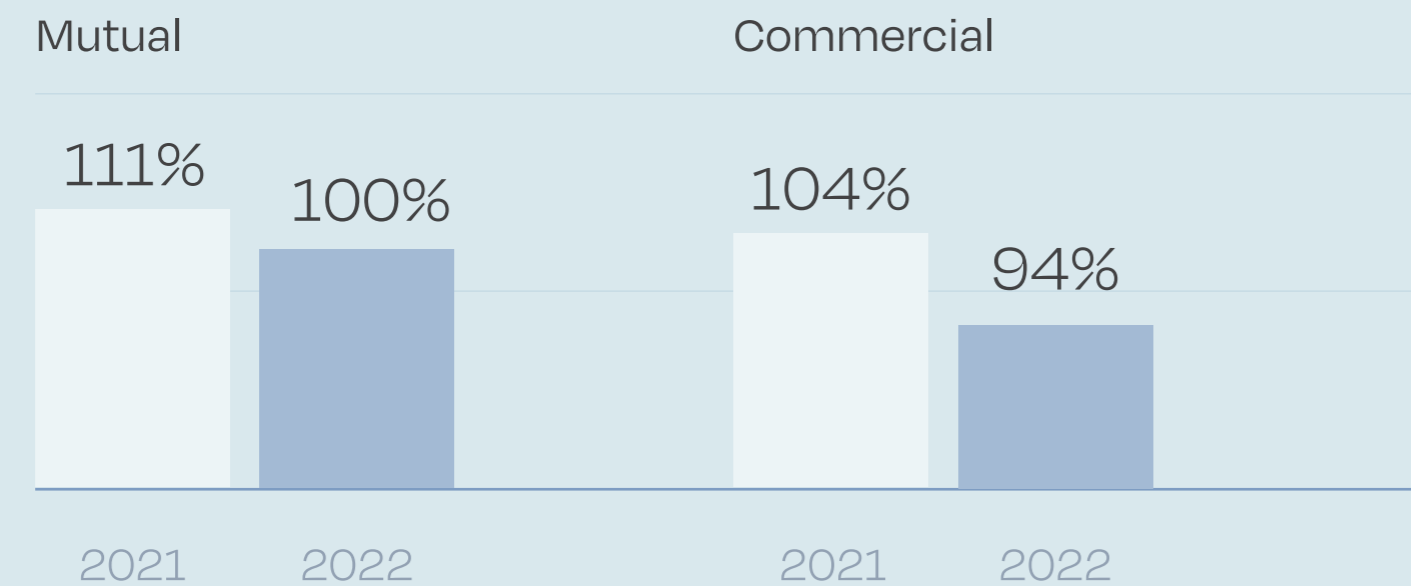


Highlights

The following highlights sum up the year 2022/23.

Combined ratio

97%



This year's combined ratio of 97% is an improvement from last year's 107% (mutual 111%, commercial 104%). A combined ratio below 100% indicates a positive underwriting result and is measured by calculating the sum of claims and operation expenses as a percentage of premium income.

Net investment return

0.3%

We have a net investment return of 0.3%. Our solvency position is robust, which gives us a solid basis for further growth.

Standard & Poor's

A

Skuld is 'A' rated by Standard & Poor's and has a strong financial position.

Skuld maintains a strong customer focus and longstanding relationships with members and clients.



05
Key figures



Key Figures 2022/23

Skuld delivers a financial result of USD 32 million for the year ended 20 February 2023 with a positive technical result of USD 15 million. The combined ratio improved year-on-year to 97%.

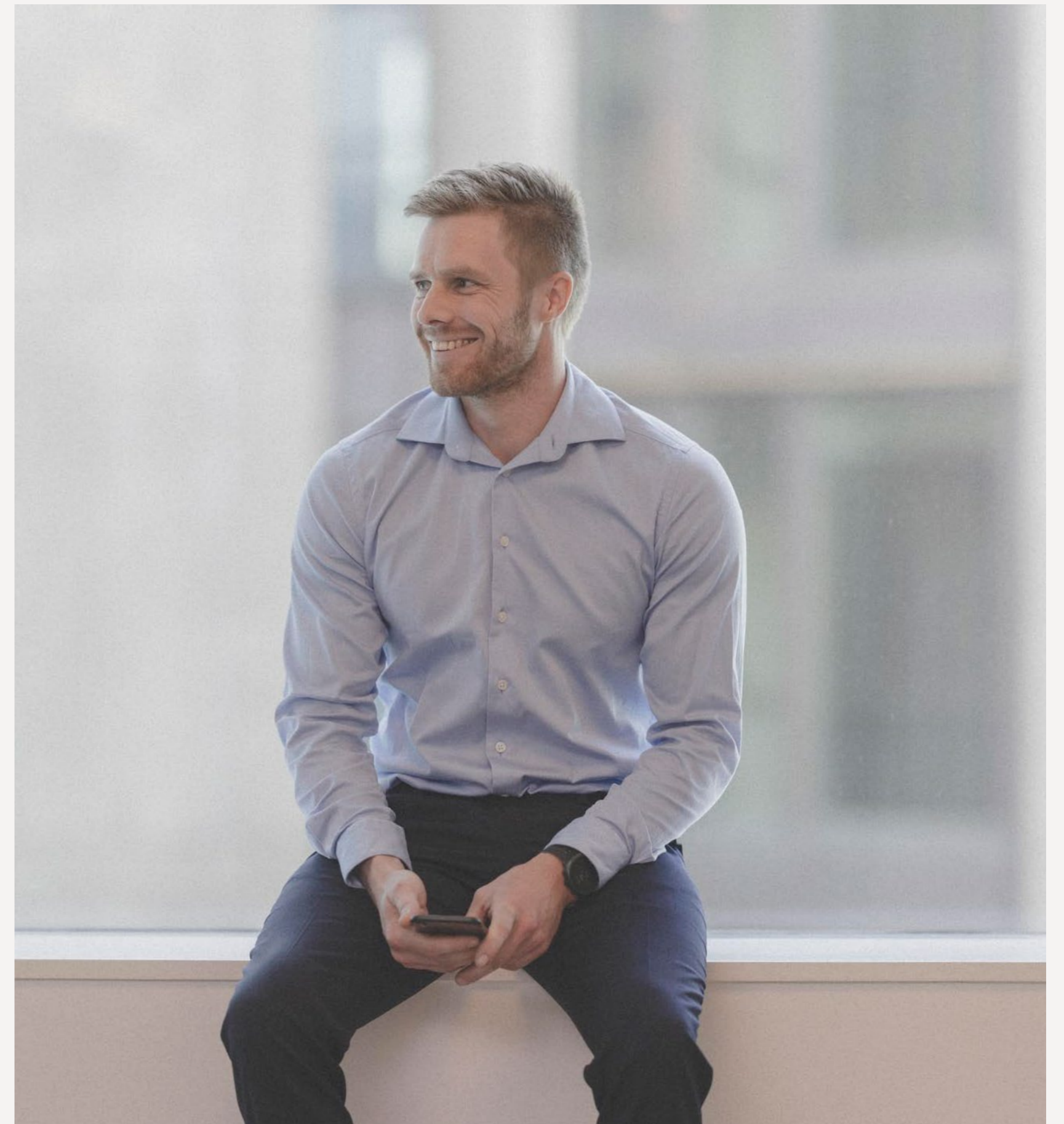
The technical result improved with USD 45 million compared to last year. A strong 2022/23 renewal with portfolio growth in both mutual and commercial lines of business, contributed to a growth in gross earned premiums and calls of USD 54 million. This was partly offset by an increase in reinsurance premiums of USD 27 million and net premium ended at USD 392 million, compared to USD 365 million in 2021/22.

Net claims incurred ended at USD 287 million, compared to USD 318 million in 2021/22. In general, 2022/23 was a benign claims year with a reduction of large

claims compared to historical average. Covid-19 related claims were significantly reduced, partly offset by a couple of larger Hull War claims in connection with the war in Ukraine. Also this year, claims costs have been significantly influenced by pool claims from other members of the International Group of P&I Clubs mainly driven by development on earlier years. Skuld reported no new pool claims this year.

After a period of non-sustainable rates in the mutual book of business, there was a gradual improvement of technical result during 2022/23. With expectation of inflation increases and uncertain claims environment, Skuld continues the work on improving the performance of the mutual portfolio through improved rates also for policy year 2023.

Volatility and market fluctuations in the financial markets led to a challenging year for the investment portfolio, due to



Transparency policy | Skuld was the first member of the International Group of P&I clubs to publish six-month and nine-month reports in addition to the annual review and has done so since 2003. Transparent, clear and precise communication with members and clients, brokers, the general public and the media is a priority for Skuld. Our objective is to ensure that all information made available by Skuld is accurate and relevant, and we continuously develop our communication with stakeholders.



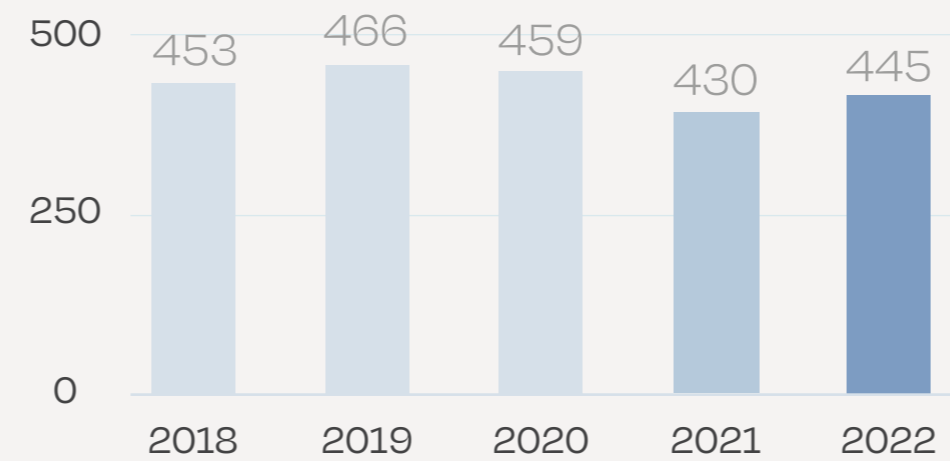
rising yields, a strengthening of the USD and weakening equity markets. With a positive contribution from the sale of Asta, net investment income ended at USD 4.7 million, compared to USD 2 million last year. This equals a net investment return on financial assets of 0.3%.

Taxes amounted to an income of USD 14 million in 2022/23, mainly driven by currency effects of tax balances in NOK and negative results in the Norwegian Association.

Skuld's financial and solvency position is strong, and the contingency reserves now stand at USD 445 million. Skuld remains well above all regulatory solvency requirements and is aligned with its own stricter internal solvency targets as set by the Board.

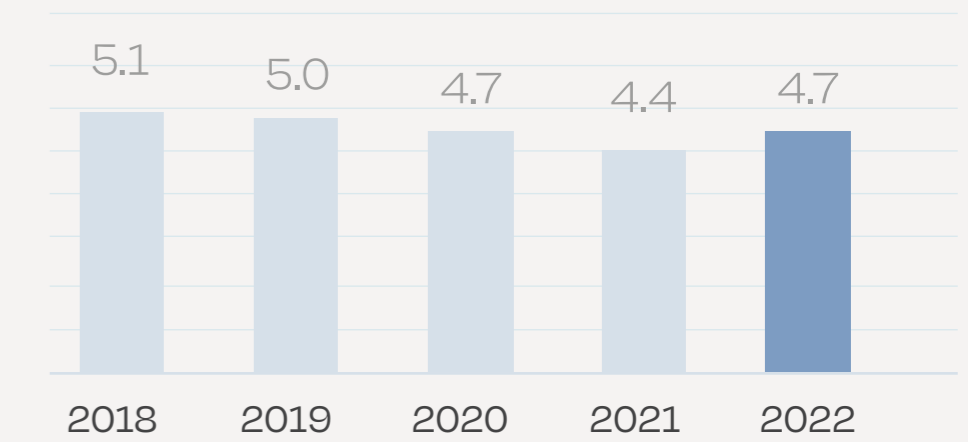
Contingency reserve

USD mill.



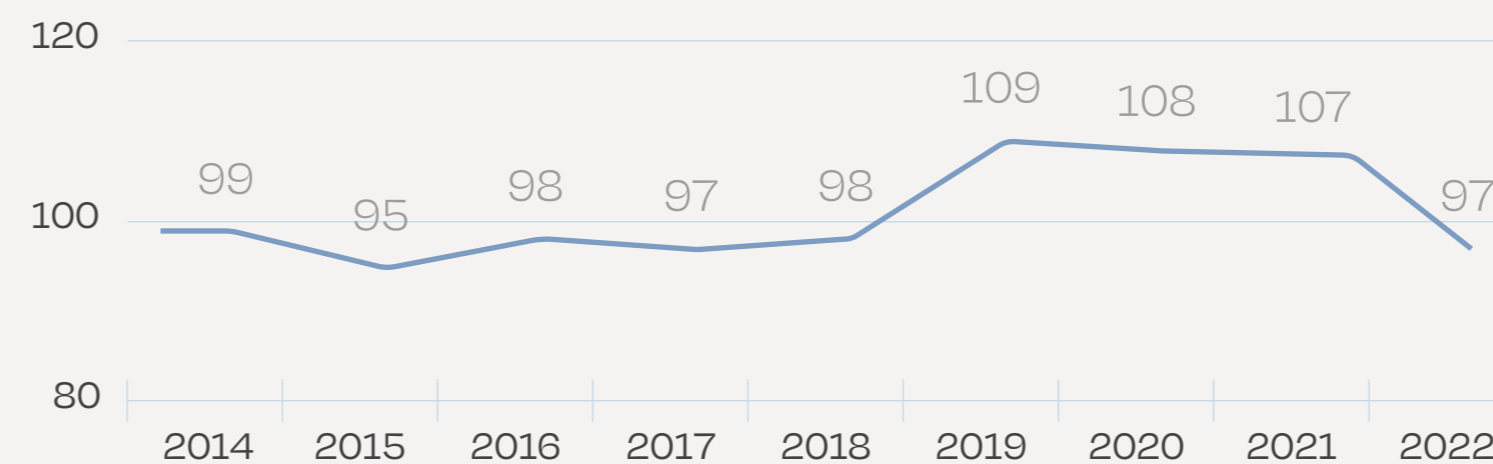
Contingency reserve per GT

USD



Combined ratio

In percent

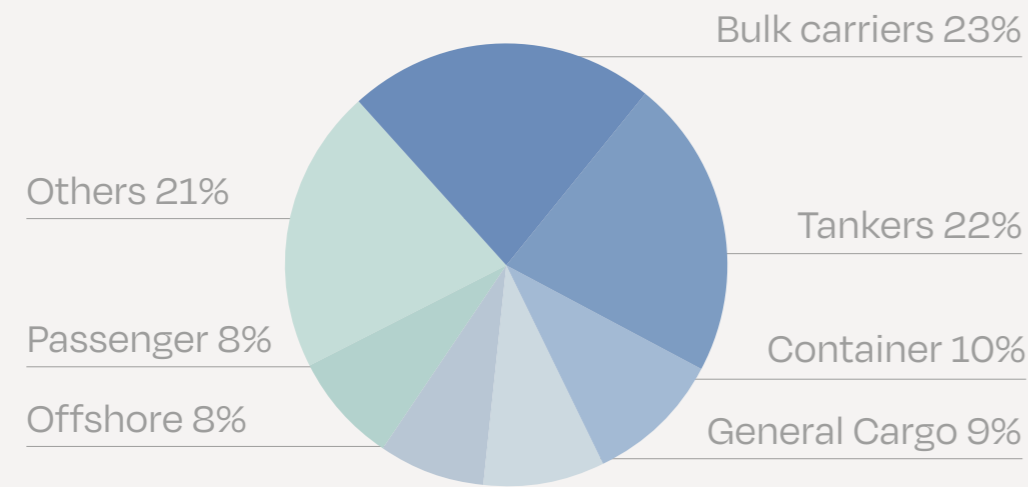


The combined ratio is a measure of underwriting performance calculated by the sum of claims and operating expenses as a percentage of premium income. A ratio below 100% indicates a positive underwriting result, while a ratio above 100% means that more money is paid out in claims than what is received in premiums.



Premium distribution*

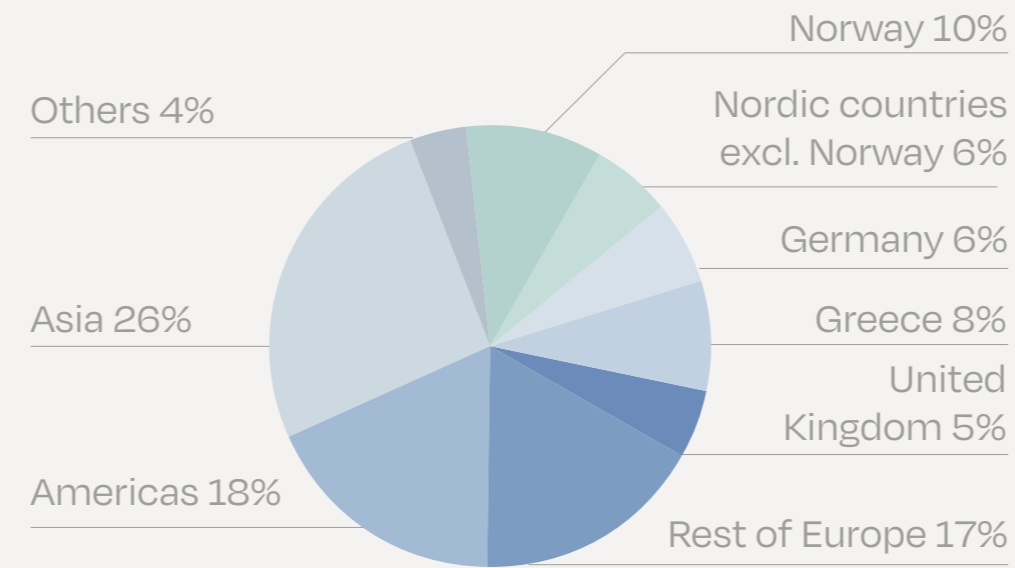
By vessel type



* Total gross premium: USD 473 million

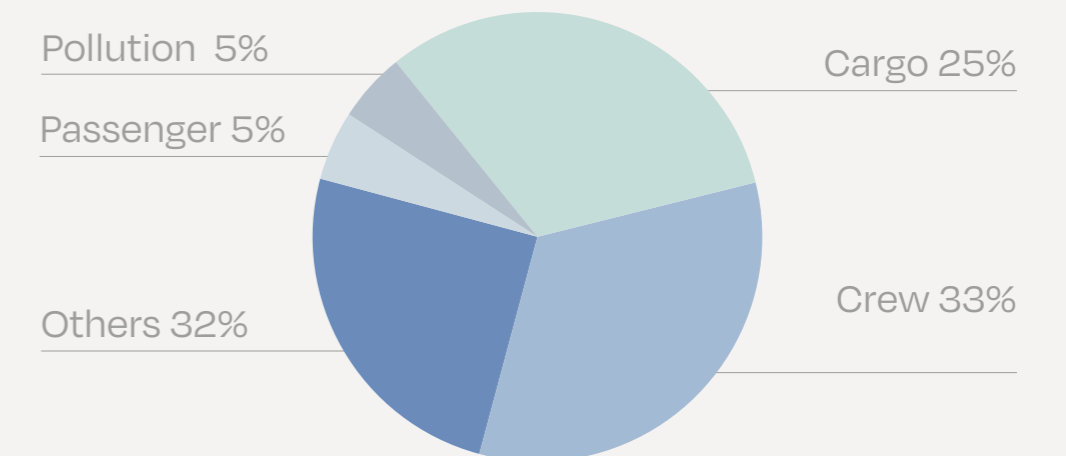
Premium distribution*

By region



Distribution of claims costs

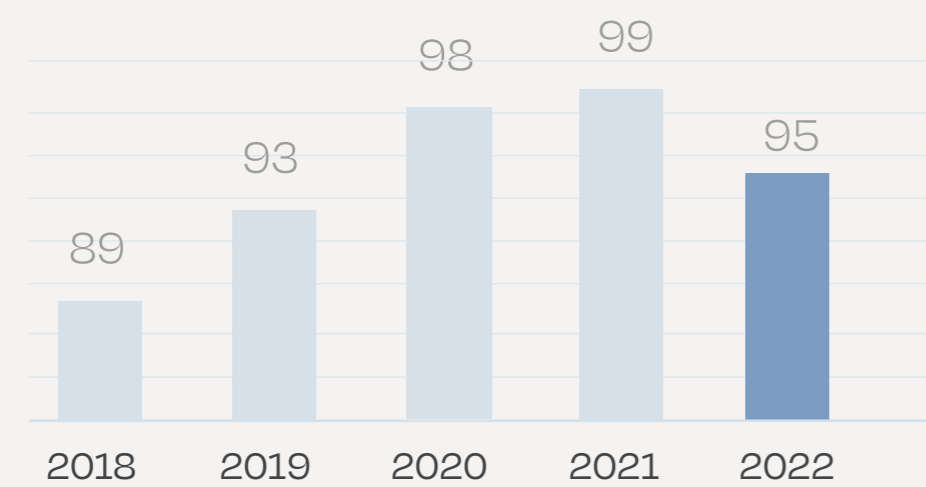
In percent



Only claims relating to the Association included in the above chart.

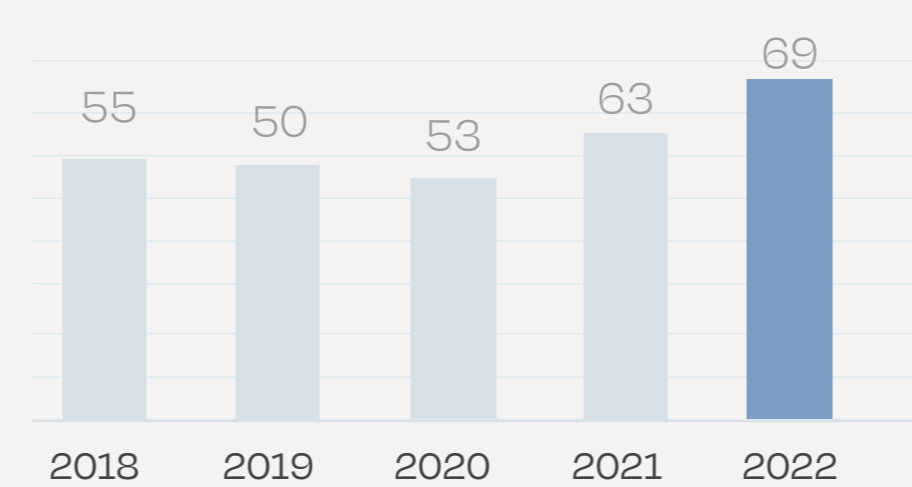
P&I owners' GT

Mill. GT



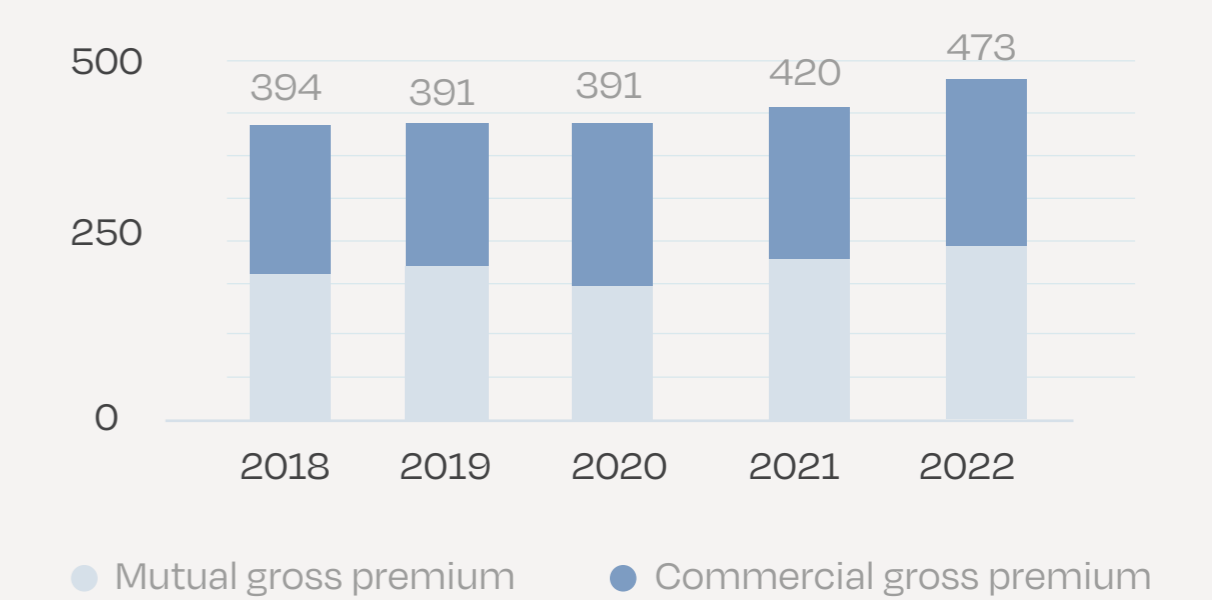
Charterer P&I GT

Mill. GT



Gross premium

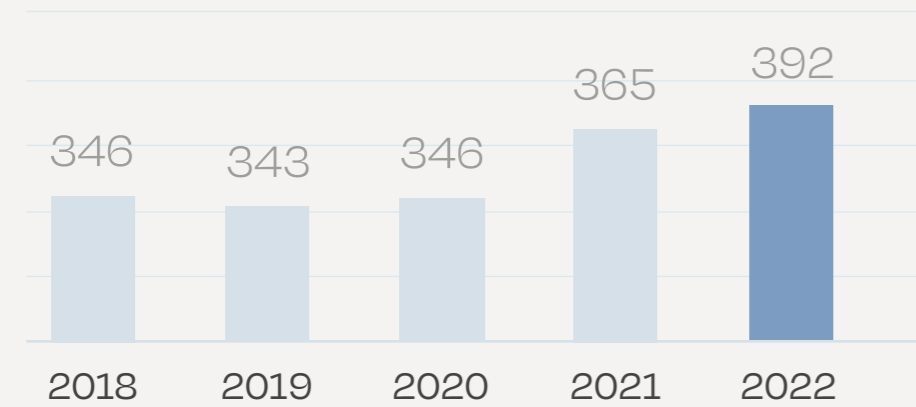
USD mill.





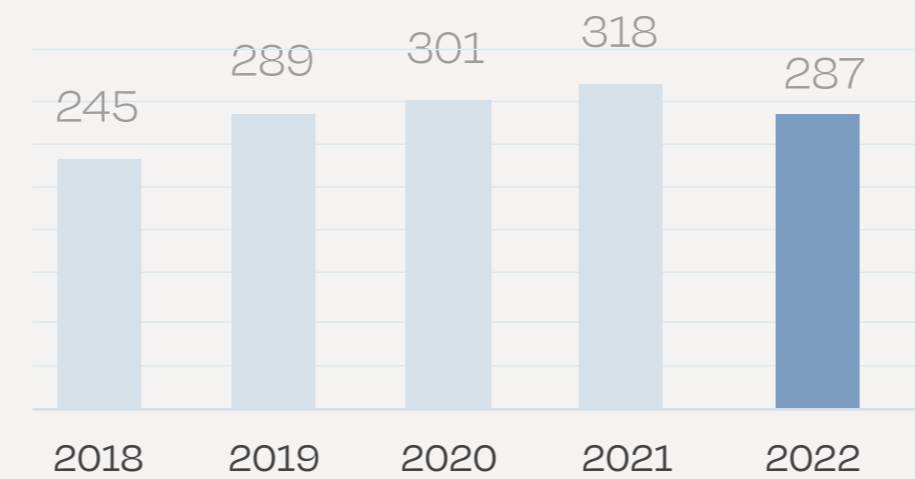
Net premiums and calls for own account

USD mill.



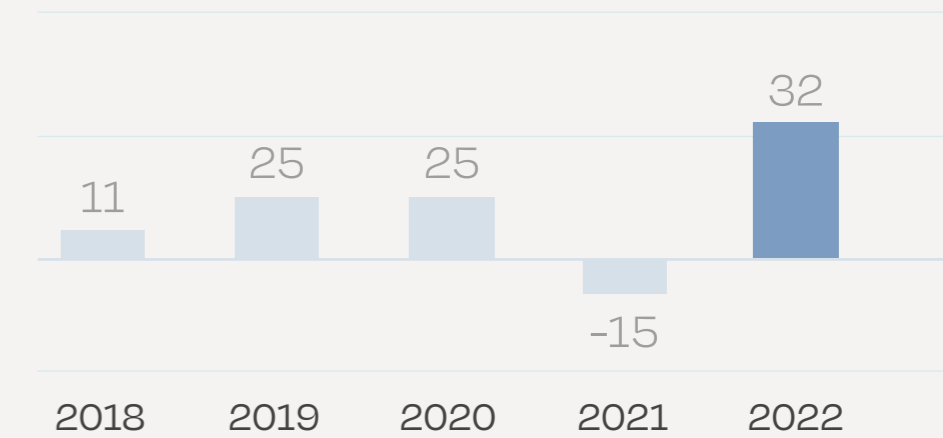
Net claims incurred for own account

USD mill.



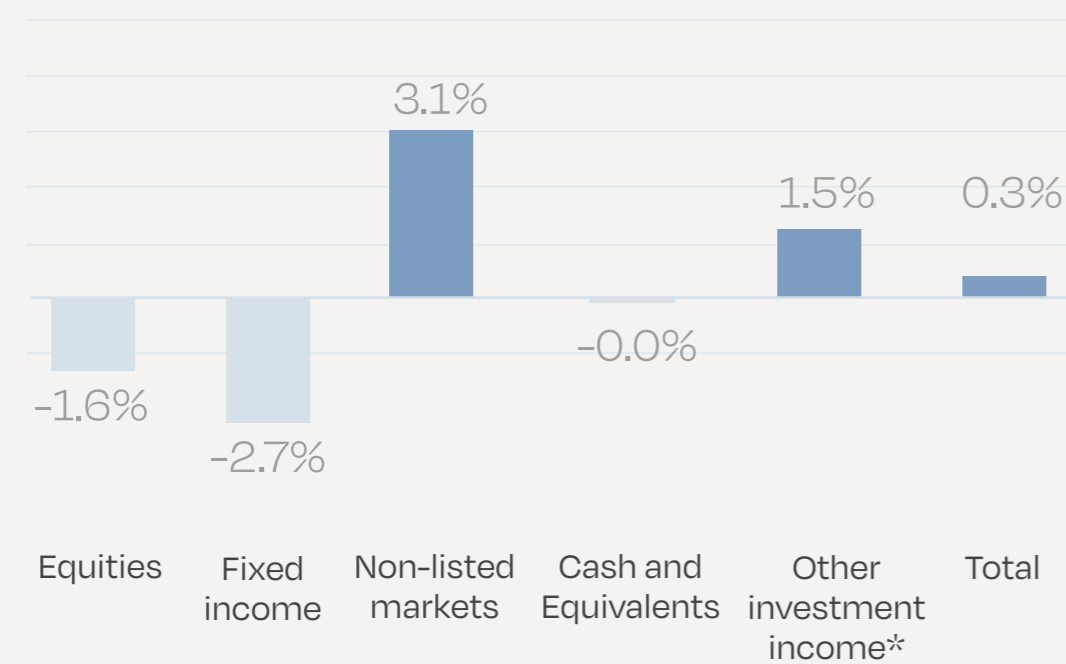
Balance carried to contingency reserve

USD mill.



Contribution to net investment performance

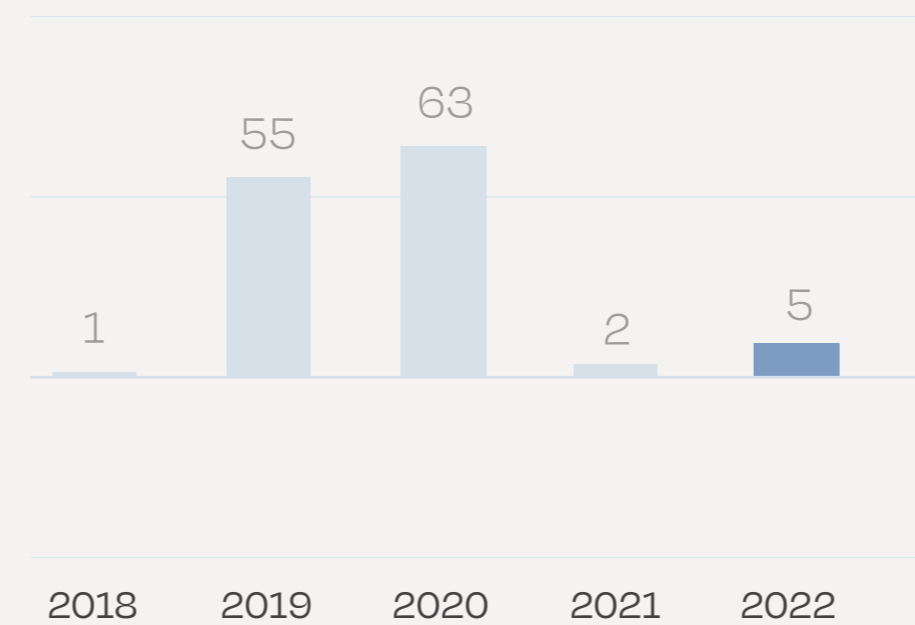
In percent



* Primarily consists of FX adjustments on liabilities and other assets.

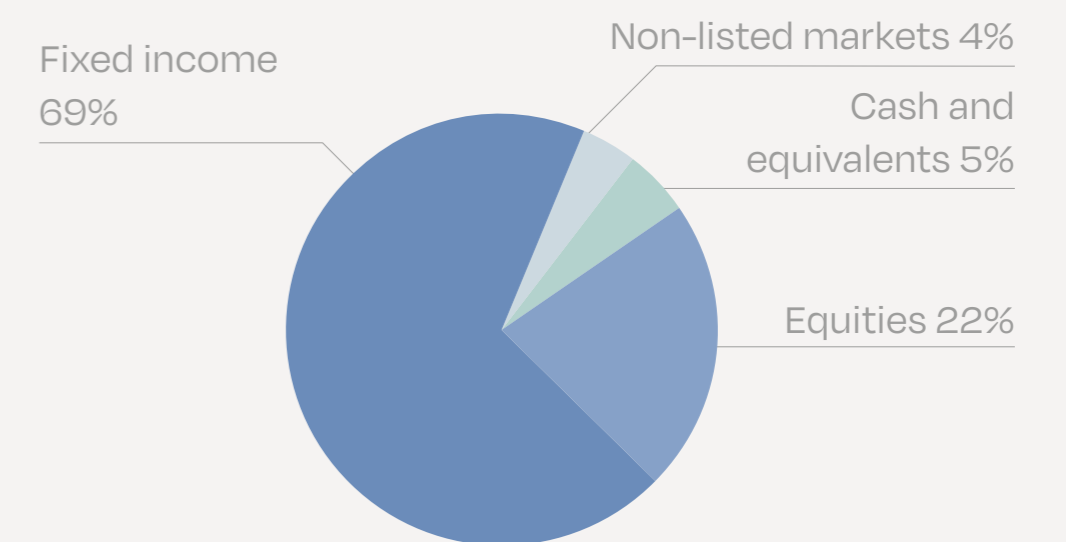
Net investments income

USD mill.



Investments by asset class

In percent





Consolidated income and expenditure account as at 20 February

USD million	2022/23	2021/22	2020/21	2019/20	2018/19
TECHNICAL ACCOUNT					
Premiums and calls	473.3	419.5	390.8	390.8	401.6
Reinsurance premiums	-81.3	-54.1	-44.7	-47.4	-56.1
Premiums for own account	392.0	365.4	346.1	343.4	345.6
Pool claims	-29.1	-31.2	-41.1	-24.5	-32.1
Own claims for own account	-258.1	-286.7	-260.0	-264.3	-212.4
Claims incurred for own account	-287.2	-317.7	-301.2	-288.8	-244.6
Acquisition costs	-69.5	-59.9	-57.7	-70.5	-74.5
Administrative expenses	-20.2	-18.3	-17.4	-19.3	-18.5
Net operating expenses	-89.7	-78.0	-75.1	-89.8	-92.9
Balance carried to non-technical account	15.0	-30.3	-30.1	-35.2	8.0
NON-TECHNICAL ACCOUNT					
Balance from technical account	15.0	-30.3	-30.1	-35.2	8.0
Net investment income	4.7	2.1	62.9	55.1	0.9
Taxes	13.8	13.2	-6.3	5.0	-0.5
Other result components	-1.6	0.3	-1.9	0.6	2.2
Balance carried to contingency reserve	31.8	-14.7	24.6	25.5	10.7



Balance sheet as at 20 February

USD million	2022/23	2021/22	2020/21	2019/20	2018/19
ASSETS					
Intangible assets	2.0	0.0	0.0	0.0	0.0
Financial investments	912.7	889.2	863.5	817.5	845.1
Debtors	36.3	11.2	7.6	11.7	6.4
Other assets	181.0	196.7	192.8	216.6	158.9
Prepayment and accrued income	25.5	19.0	17.1	21.2	18.4
Total assets	1 157.5	1 116.0	1 081.0	1 067.1	1 028.8
LIABILITIES					
Provision for outstanding claims for own account	608.0	595.2	529.9	546.9	529.0
Contingency reserve	444.6	430.1	459.1	465.8	452.7
Members' funds	401.2	370.7	385.4	363.8	452.7
Deferred cessation tax	43.4	59.4	73.7	102.1	
Minority interest	0.0	0.0	0.0	-3.4	-3.4
Technical provisions for own account	1 052.6	1 025.2	989.0	1 009.4	978.3
Provisions for other liabilities	47.6	58.8	61.1	11.7	8.2
Creditors	50.4	30.0	24.3	27.1	33.0
Accruals and deferred income	6.9	2.0	6.5	19.0	9.4
Total liabilities	1 157.5	1 116.0	1 081.0	1 067.1	1 028.8



⁰⁶
Skuld 125 years young



125
YEARS
YOUNG

125 years young - Oslo celebrations

In September, our entire global staff assembled in Oslo for three days of teambuilding, knowledge sharing and celebration of our 125-years' anniversary. Thank you to all members, clients, brokers, and friends who joined us for our fantastic party!





125
YEARS
YOUNG



125 years young -
Oslo celebrations



125 YEARS YOUNG

125 years young - Around the world

Throughout 2022, all Skuld offices held local celebrations. These events positioned Skuld positively in the market and were a great internal motivation boost. Thank you, to everyone who joined in and celebrated with us!





125
YEARS
YOUNG



125 years young -
Around the world



06

Service and teamwork



Service and teamwork – Global network

People is our most important asset. Our service is personal and hands-on. Dedicated and coordinated teamwork across our network of offices and time zones underpins our close cooperation with members to protect their interests.

Claims

Cases opened

11 285

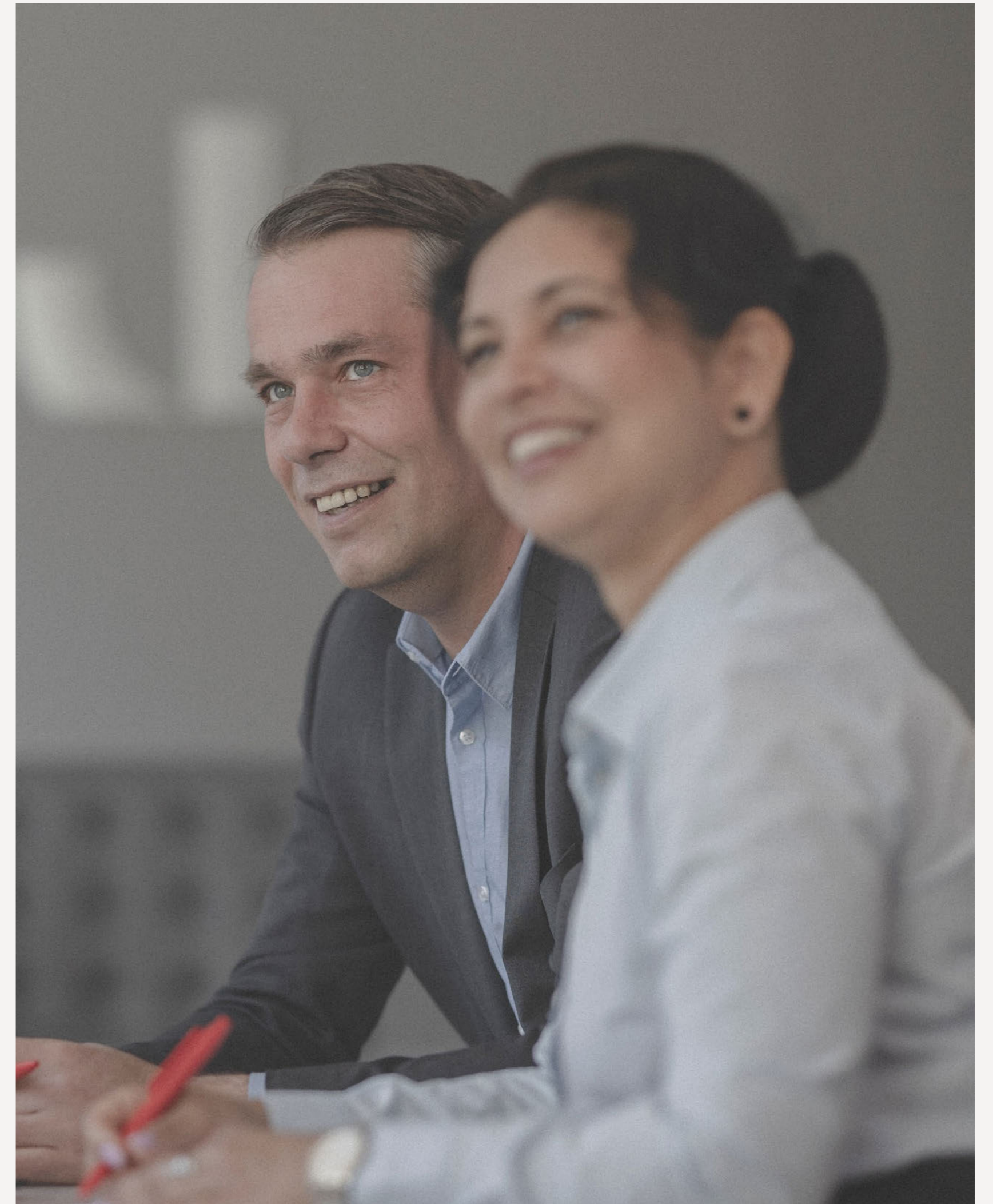
Lawyers and claims executives

123

Legal jurisdictions

22

Proactively serving members and clients with competence, experience and in-house legal and technical specialists.





Loss Prevention

Condition surveys

216

Master mariners, naval architects and engineers

14

Webinars, seminars and workshops

163

Providing timely, accurate and actionable loss prevention advice is a key service to our members.

Casualty and Major Claims

24/7/365

Hands-on casualty response.
Legal, technical and operational support.
Worldwide collaborative network.

Notified Casualties

42

Significant wreck removal incidents

1

Casualty specialists

15

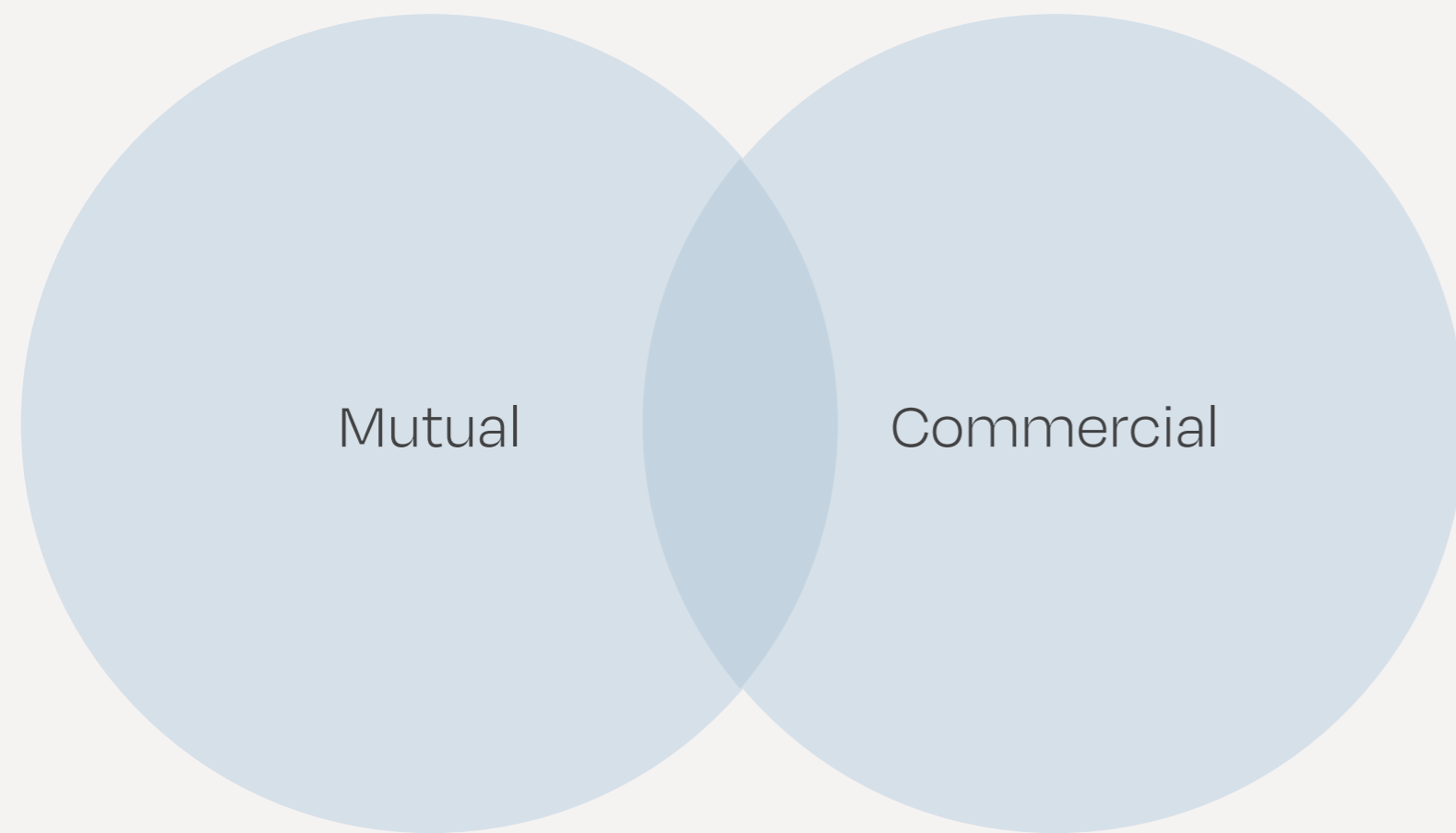
Pool claims

0



Underwriting

Synergies – one team



Premium growth

+13%

Mutual

+12%

2021/22

2022/23

Commercial

+13%

2021/22

2022/23

Earned premium for 2022/23 as of 20 February 2023 compared to earned premium for 2021/22 as of 20 February 2022.

Quality selection of members and vessels. We cover all marine insurance needs for shipowners, charterers, the offshore and energy sector, the superyacht community, offshore aquaculture and more.



Global network - one team

Ratio men/women



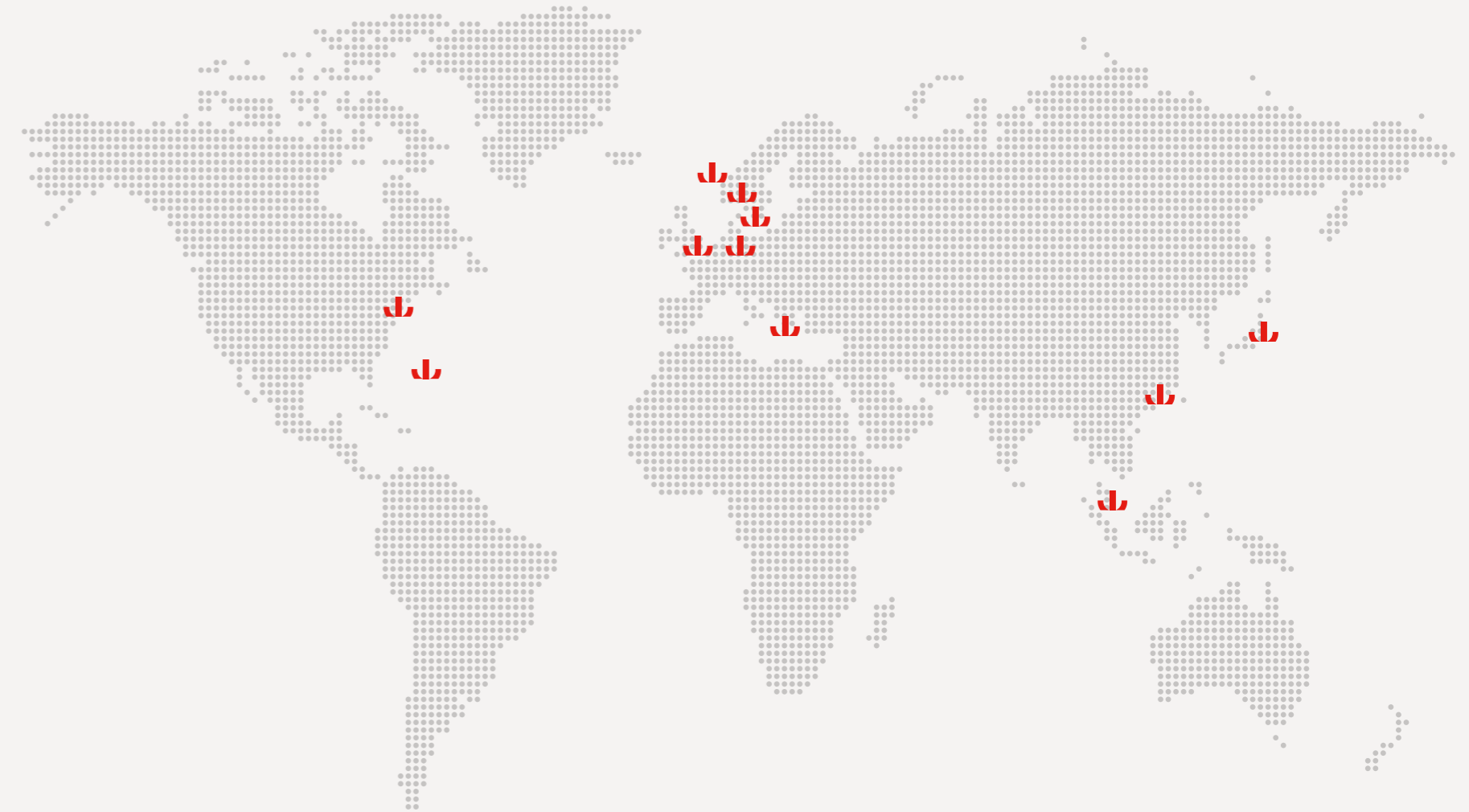
Total employees

298

148 (50%)

150 (50%)

11 offices around the world



Average age

44

Nationalities

31

Average years employed

9

North America

Skuld New York
Skuld Bermuda

Europe

Skuld Oslo (HQ)
Skuld Bergen
Skuld Copenhagen
Skuld Hamburg
Skuld London
Skuld Piraeus

Asia

Skuld Hong Kong
Skuld Singapore
Skuld Tokyo



ABCD

Our values

Our values, **Accurate, Bold, Caring and Dedicated**, are deeply rooted in our culture, and guide us in everything we do.





08

We are committed



Committed to sustainability

Skuld is committed to sustainability. We have reduced our carbon footprint since 2019, our first sustainability reporting year, implemented soundly sustainable practices, and adopted rigorous new standards.

We are equally committed to transparency. To enhance our sustainability reporting and increase its transparency, we are proud this year to publish our first integrated annual report, which unites our annual Financial and Sustainability Reports into a single document. It constitutes our fourth Communication on Progress (COP) towards realising the Ten Principles of UN Global Compact (UNGC) throughout Skuld. To further improve the transparency of our reporting, we will begin this year additionally to deliver our COPs through a new digital platform provided by the UNGC.



UN guidance

We see the UN's sustainability work as a beacon and a touchstone. In September 2020, on the 75th anniversary of the United Nations and the 20th of the UNGC, our CEO signed a global statement calling for and committing to renewed international cooperation on sustainability.

Together we pledged to align with the sustainability mission of the UN to steer our world onto a more equitable, inclusive, and sustainable path. We had already committed to integrate the Ten Principles of the UNGC into Skuld's business strategy, corporate culture, and daily operations. We remain dedicated to these goals.

One way we are working towards them is by participating in collaborative projects that advance the UN's broader development objectives, particularly its Sustainable Development Goals (SDGs). This year, as we implement Norway's

new Transparency Act throughout Skuld, our focus is on Human Rights, which are inextricably linked to the UN's 2030 Agenda for Sustainable Development. Skuld's systematic approach to sustainability encompasses all our main functional and business areas. To achieve the best possible outcomes, all sustainability-specific initiatives are managed by Skuld's Sustainability Working Group (SWG), on which all those areas are represented by individual members. The SWG ensures Skuld contributes to all 17 UN SDGs through a wide range of activities, minor and major. This approach and the actions which support it are now embedded in Skuld's strategy, operations, and culture. Meanwhile, we aim to infuse everyone in the Skuld family with a powerful consciousness of sustainability and understanding of the UN SDGs.



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Related information:

- ▶ [UNGC ten principles](#)
- ▶ [UNGC participation Skuld profile](#)
- ▶ [UNGC UN 75 United Business Statement](#)



09
ESG Highlights



ESG Highlights

Environmental

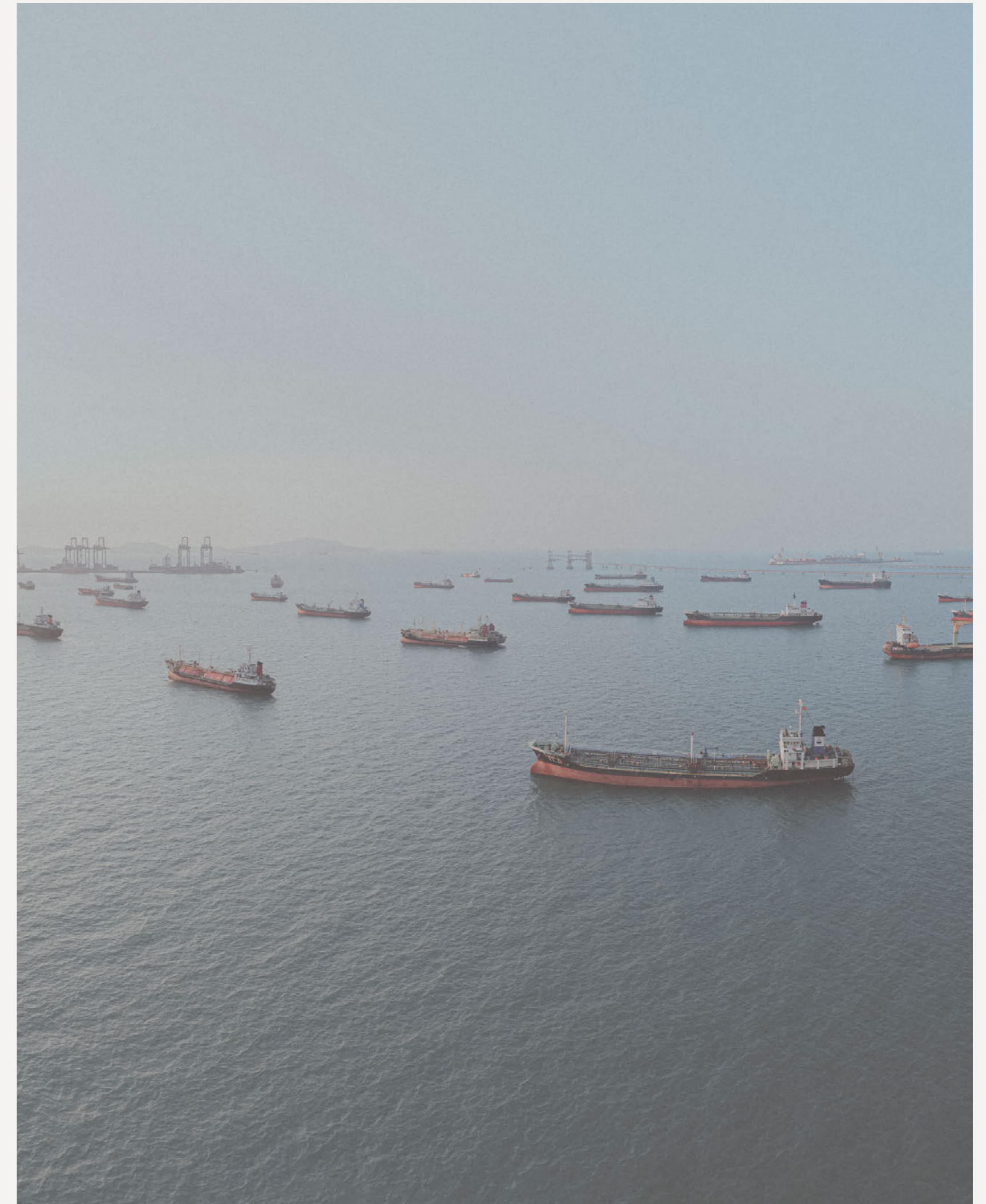
- Signed Poseidon Principles for Marine Insurance.
- Introduced sustainability reporting as a standard requirement in wreck removal contracts.
- Participated in ammonia powered bulk carrier pilot project with Green Shipping Programme.

Social

- Signed agreement with Norwegian Training Centre supporting mental health for seafarers.
- Achieved 38% gender equality in managerial and key positions.
- Obtained 86.6% score on employee engagement survey.

Governance

- Became member of Maritime Anti-Corruption Network (MACN).
- Reassessed 100% of Skuld's operations in effort to strengthen our anti-money laundering, counter-terrorism and anti-corruption measures.
- 97% of employees completed new tailor-made anti-money laundering e-learning course.





10

Skuld sustainability platform



Skuld sustainability platform

Our sustainability platform outlines the principles and commitments we have selected to reflect the governing elements of sustainability at Skuld. They include chosen UN Sustainable Development Goals, the UN Global Compact (UNGC), the UN Women's Empowerment Principles, and the Global Reporting Initiative, or GRI.

The Platform highlights the main areas of our work.





01

Selected UN sustainable development goals

The 17 UN SDGs constitute a universal call to action to end poverty, protect the planet, and improve the lives and prospects of everyone, everywhere. As part of our commitment to sustainability, Skuld focuses on five key SDGs:



GOOD HEALTH AND WELLBEING

Skuld works to improve the health and safety of crew and employees during their working hours and beyond.



REDUCED INEQUALITIES

Skuld promotes diversity and gender equality, internally and externally.



CLIMATE ACTION

Skuld integrates climate-change measures into our strategy, decision-making, underwriting, and investment practices.



LIFE BELOW WATER

Skuld encourages resource-sensitive behaviours.



PEACE, JUSTICE AND STRONG INSTITUTIONS

Skuld acts against corruption and bribery in all their forms.

02

Voluntary commitments

Skuld commits voluntarily to:

ENVIRONMENTAL

- Signatory to the **Poseidon Principles for Marine Insurance**. Aligning our Members' hull and machinery emissions with the goals of the Paris Agreement on climate change.
- Mission Ambassador for **Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping**. Accelerating the development of new, sustainable technologies and fuels for the shipping industry.
- Partner to **Norway's Green Shipping Programme**. Promoting and encouraging the adoption of environmentally sustainable practices in the shipping industry.
- Signatory to the **Call to Action for Shipping Decarbonization**. Contributing to the achievement of a zero-emissions shipping sector by 2050.

- Member of **Getting to Zero 2030 Coalition**. Accelerating the decarbonization of the shipping industry.

SOCIAL

- Signatory to the **Neptune Declaration on Seafarer Wellbeing and Crew Change**. Contributing to the wellbeing of seafarers.
- Adherent to the seven **UN Women's Empowerment Principles**. Supporting women's careers.
- Signatory to **WISTA Norway's '40 by 30' pledge**. Contributing to gender equality in the maritime industry.
- Reporting to the **SHE Index**. Benchmarking our performance against others in the industry.



GOVERNANCE

- Member of the **Maritime Anti-Corruption Network**. Contributing to elimination of bribery and corruption in the maritime industry.
- Signatory to the **UN Global Compact**. Adopting sustainable and socially responsible policies.
- Dedicated to the **Ten Principles of the UNGC** on human rights, labour, the environment, and anti-corruption. Operating responsibly and sustainably.
- Reporting according to the **Global Reporting Initiative** Improving our transparency and accountability.

03 Stakeholder cooperation

In cooperation with employees, members, clients, brokers, correspondents, authorities, industry organisations, and suppliers, Skuld contributes to multiple sustainability initiatives.

04 Skuld sustainability projects and initiatives

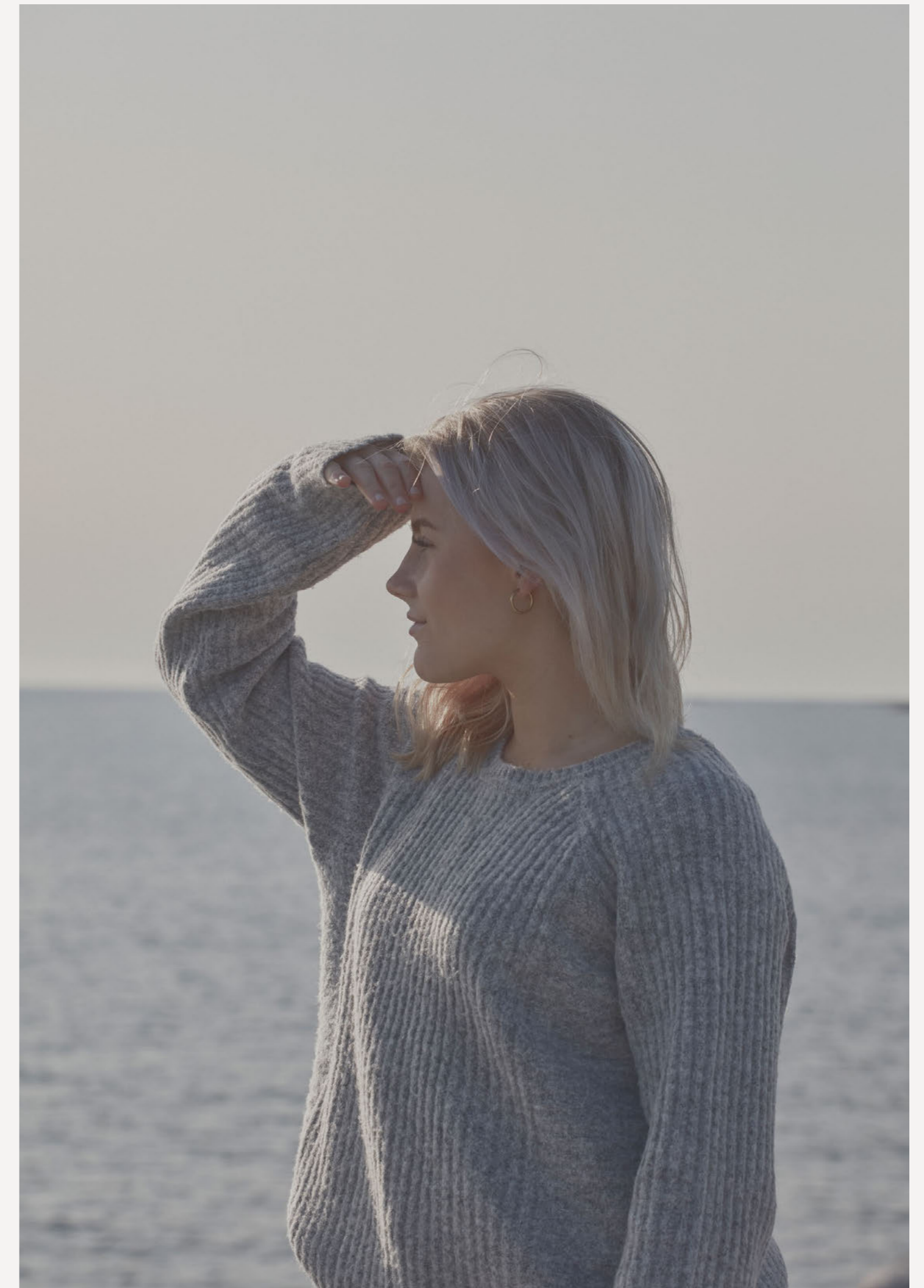
Our Sustainability Working Group spans all organisational key functions and is dedicated to various sustainability projects and activities, internal and external.

05 Continuous ESG risk assessment

Skuld conducts continuous internal assessments of Environmental, Social, and Governance (ESG) risks.

06 Global ESG regulations and requirements

We comply with all mandatory ESG risk assessment and reporting requirements, seek to embrace them as an opportunity, and see them as a baseline, not a target.

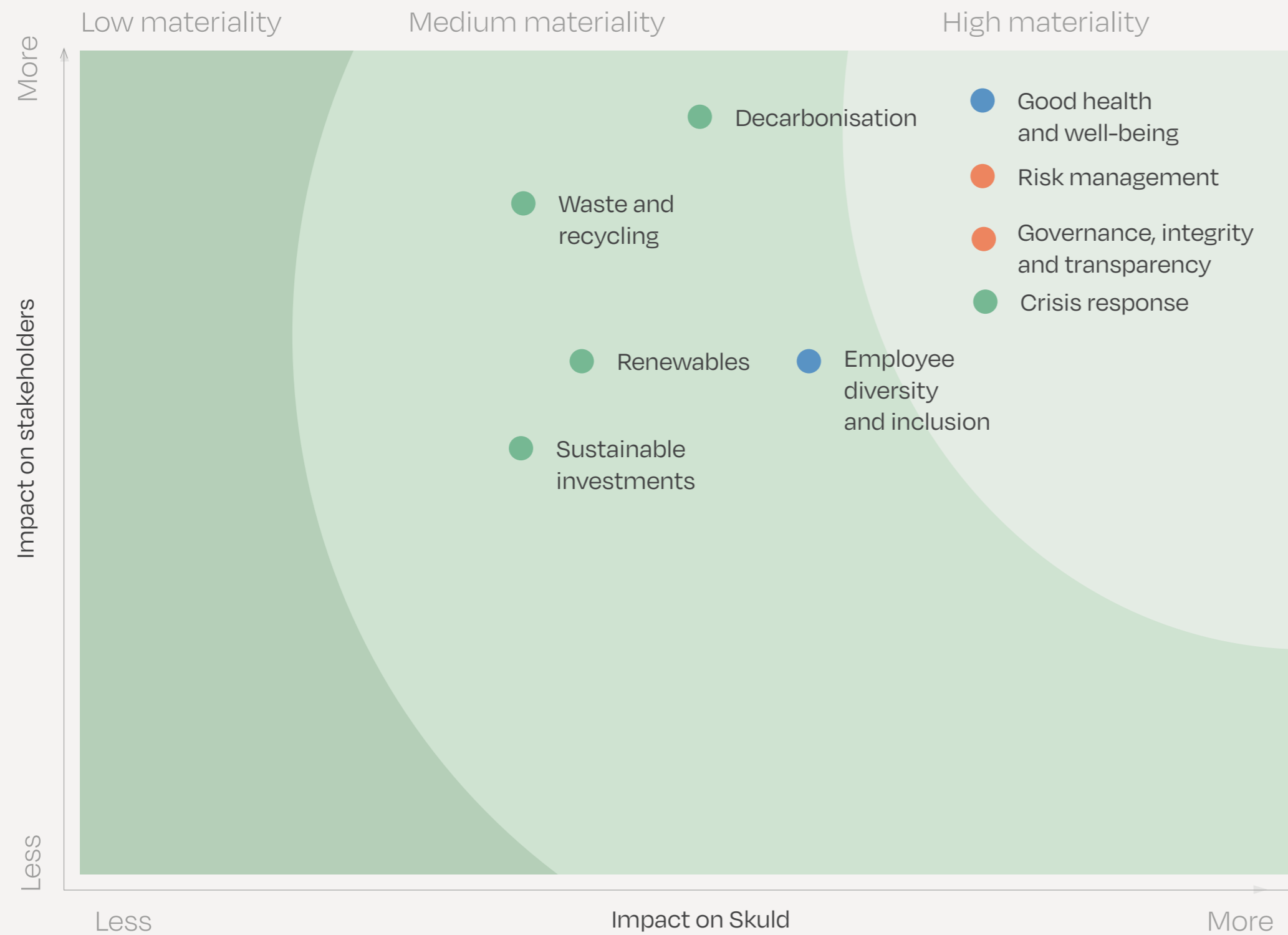




¹¹ Skuld materiality matrix



Skuld materiality matrix 2022/23



Skuld materiality matrix

Skuld materiality assessment 2022/23

Skuld’s materiality matrix review identified and prioritised the most critical sustainability issues in 2022-23, taking into account ESG factors. The nine material areas identified are aligned with our five selected SDGs, and remain unchanged from last year.

Health and well-being continuous to be our highest priority. In view of the ever-changing, complex risk environment, risk management again remains a high priority area, in addition to crisis response and governance, integrity, and transparency.

- **Environmental**
 - Decarbonisation
 - Crisis response
 - Waste and recycling
 - Renewables
 - Sustainable investments
- **Social**
 - Good health and well-being
 - Employee diversity and inclusion
- **Governance**
 - Risk management
 - Governance, integrity and transparency



Skuld stakeholders

Employees

Skuld's main asset and the foundation of our organisation is our employees. We demand high levels of professional competence to assess and underwrite risk, handle claims, manage Skuld's capital, develop innovative products to meet market needs, update operational systems, and comply with applicable laws and regulations. We believe our dedication to sustainability helps us to attract the best-quality employees.

Members, clients & brokers

Skuld acts as an extension of the operations of our Members, clients, and brokers (collectively, our customers). In turn, their good performance is fundamental to ours. Skuld regularly conducts market research to obtain feedback from these critical stakeholders.

State and regulatory authorities

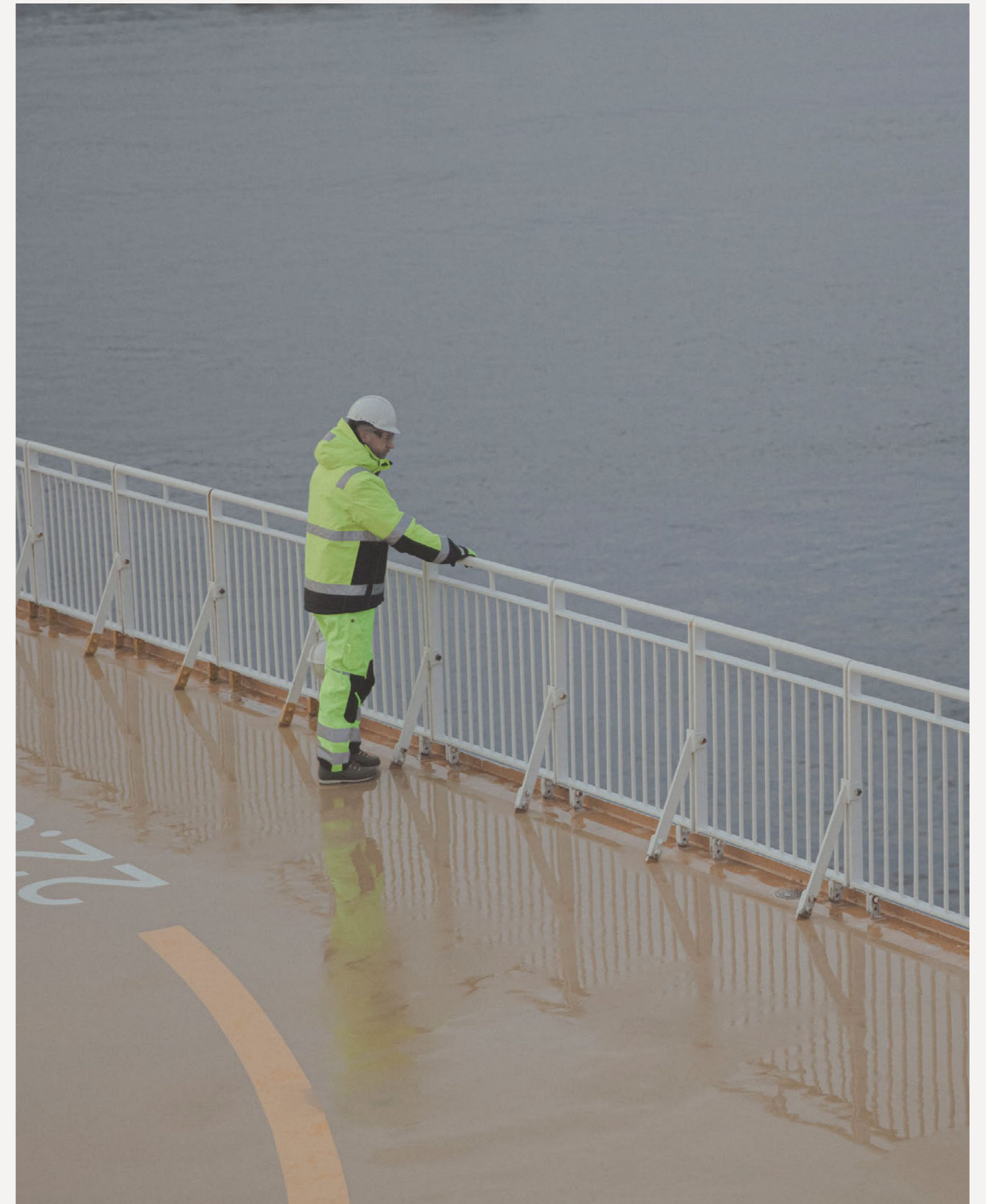
Compliance with licensing, financial, and other regulations is an expanding responsibility. Open, effective dialogue with authorities, alongside constant monitoring of regulatory developments – including sustainability requirements and expectations – are vital to Skuld's operations.

Industry organisations

Skuld cooperates with international industry organisations such as the International Group of P&I Clubs and the Nordic Association of Marine Insurers (CEFOR) to follow and influence regulatory changes, and to share information on various topics.

Suppliers and correspondents

Skuld relies on a wide range of suppliers and a global network of correspondents. We continue to encourage and support their sustainability efforts, and where appropriate we consider suppliers' ESG activities in procurement decisions.







12 Our impact

Environmental

Decarbonisation and emissions
Underwriting
Renewables
Crisis response
Waste and recycling
Sustainable investments
Digital solutions

Social

Health and well-being
Equality, diversity and inclusion
Activity and reporting obligation
Skuld impact week

Governance

Risk management
Governance, transparency and integrity
Human Rights and Decent Working
Conditions (Transparency Act)



Decarbonisation and emissions



Climate action is high on the shipping-sector agenda. As an insurer, we embrace activities, partnerships, and programmes that support shipowners' desire to be operationally sustainable. A critical area of focus for the industry and for Skuld is the reduction of the shipping sector's global greenhouse gas (GHG) emissions, which we address decisively in a number of ways.

Poseidon Principles for Marine Insurance

Skuld is a significant provider of hull and machinery insurance cover to the world fleet. The Poseidon Principles for Marine Insurance (PPMI) are a global framework for assessment and disclosure of the climate alignment of insurers' hull and machinery risk portfolios with climate goals. They establish a common global baseline to quantify and disclose the carbon intensity of such portfolios of insured tonnage, and therefore enable broad transparency.

The PPMI are consistent with the policies and ambitions of the International Maritime Organization (IMO), including:

- To reach peak GHG emissions as soon as possible.
- To reduce by 2050 the shipping sector's total annual absolute GHG emissions by at least 50% compared with 2008 levels.
- To take steps towards measuring portfolio alignment with the Paris Agreement to achieve net-zero emissions by 2050.





- To limit global warming to well below 2 degrees Celsius, and preferably to below 1.5 degrees, compared with pre-industrial levels.

The PPMI are built on four principles:

1. Assessment of climate alignment
2. Accountability
3. Enforcement
4. Transparency

These principles are shared with the Poseidon Principles for Financial Institutions and with the Sea Cargo Charter. Together the three initiatives, established under the auspices of the Global Maritime Forum, aim to increase the transparency of environmental impacts within global seaborne trade, to promote industry-wide change, and to support a better future for the industry and society.

Skuld has teamed up with a third-party data provider to support our work to estimate the carbon intensity of Skuld's hull and machinery insurance portfolio. We are now able to calculate our total Scope 3 emissions through Automatic

Identification System (AIS) data, and therefore to understand our portfolio-level emissions impact.

Industry initiatives

Skuld is the only P&I club to have engaged in certain key industry initiatives focused on the energy transition. As partner to the Green Shipping Programme and ambassador for the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping we support two of the most comprehensive industry projects to create low- or zero-carbon solutions.

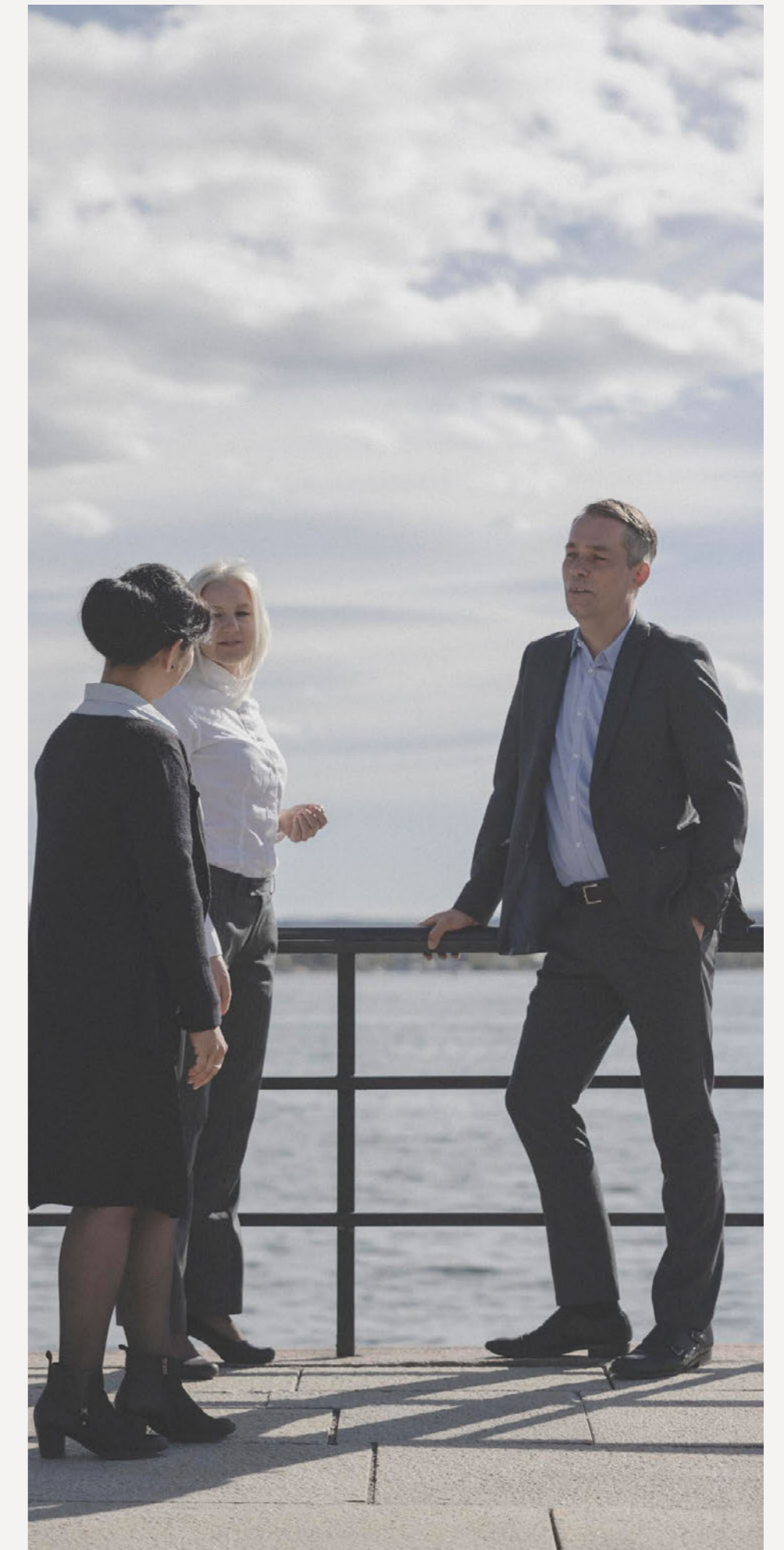
"As partner to the Green Shipping Programme and ambassador for the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping we support two of the most comprehensive industry projects to create low- or zero-carbon solutions."

Reducing the environmental impact of Skuld's offices

Our business premises impact the environment. Skuld has therefore adopted environment-friendly office practices, set clear goals, and implemented activities to achieve them. In 2019 we set two goals to be achieved within three years:

1. A substantial reduction in the use of plastic.
2. A significant reduction in non-organic waste.

We have made satisfactory progress in the reduction of our environmental footprint. For example, through the introduction of "bean to cup" coffee machines we have eliminated our use of more than one metric tonne of aluminium coffee capsules each year, and we have reduced the number of plastic waste bags we use by 20,700 annually while ensuring all our office waste is properly sorted for recycling.





Direct energy consumption

We have enhanced to our data gathering to include two more Skuld offices, Piraeus and newly opened Japan, in the overall calculation of Skuld's electricity consumption. Our objective is to incorporate all offices in next year's annual report.

Period	Oslo kWh (total reported)	London kWh	Bergen kWh	Singapore kWh	Hong Kong kWh	New York kWh	Hamburg kWh	Copenhagen kWh	Japan kWh	Piraeus kWh
January	13 021	1 490	883	1 477	2 226	2 905		1 247		2 310
February	14 295	1 270	977	1 398	1 678	3 097		1 233		2 146
March	18 440	1 299	1 077	1 633	1 710	3 041		1 409		2 500
April	14 922	7 171	945	1 322	1 678	2 950		1 277		1 972
May	16 373	2 099	1 014	1 715	1 619	2 506		1 392		2 554
June	15 369	1 760	969	1 681	1 856	1 956		1 371		3 924
July	15 817	4 160	906	1 257	1 986	1 991		1 332		4 206
August	16 930	2 292	982	1 631	1 904	1 952		1 481		4 263
September	16 388	2 281	1 010	1 632	152	1 974		1 367		3 361
October	16 780	3 423	1 007	1 550	1 834	2 101		1 412	457	2 003
November	16 610	2 984	993	1 547	175	2 224		1 377	480	1 921
December	15 041	3 349	982	1 512	2 052	2 199		1 255	456	2 154
Sum electricity per office	189 986	33 578	11 745	18,355	18 870	28 896	12 088	16 153	1 393	33 314
CO ₂	4 559	7 152	317	9 067	8 208	9 680	4 437	3 731	3 731	15 790
Total	364 378									
Total MT CO₂	66 metric tonnes									

Table 1 Energy consumption within the organisation



Indirect (Scope 2) GHG emissions

Skuld’s overall carbon dioxide (CO2) emissions declined between 2020 and 2021, primarily due to reduced office occupancy during the Covid-19 pandemic. The return to office working and the integration of two more locations into Skuld’s collective CO2 calculation drove increased total electricity consumption and subsequent CO2 emissions in 2022, despite successful initiatives to reduce energy consumption at work.

Energy consumed at Skuld headquarters is generated primarily from renewable sources including hydro, wind, and solar. Although Norway is part of the Nordic power market and integrated into the European market, fluctuations in the availability of green energy due to factors such as rainfall, wind, and sunlight mean that it is not always possible to guarantee a steady flow of renewable energy. To mitigate our future CO2 emissions, we will introduce green energy certificates which guarantee the supply of renewable electricity. This initiative will be implemented over the next three years.

Other Indirect (Scope 3) GHG emissions – Business Travel

Skuld’s total gross Other Indirect (Scope 3) GHG emissions derived from

CO2	Reporting Year	Consumption Year	Number of offices	Formula changes
55 metric tonnes	2020	2019	4	
53 metric tonnes	2021	2020	7	Added new offices: Hong Kong, New York, Copenhagen
42 metric tonnes	2022	2021	8	Added new offices: Hamburg
66 metric tonnes	2023	2022	10	Added new offices: Piraeus, Japan

	Bergen	Oslo	UK	Singapore	Hong Kong	New York	Denmark	Hamburg	Piraeus
Factor (kgCO ₂ e per kwh)	0.027	0.024	0.213	0.494	0.435	0.335	0.231	0.3671	0.474
Low-Carbon (includes renewables and nuclear)	100%	100%	64%	4%	28%	49%	80%	37%	42%
Renewable	100%	100%	52%	4%	0%	14%	80%	32%	42%

Table 2 Energy Indirect (scope 2) GHG emissions

business travel were 149 tons metric tons of CO2 equivalent in 2022. The Emissions Calculator used by our travel agency estimates fuel consumption and emissions using several parameters. The most important are aircraft type and distance flown. Distance is calculated as the great circle distance (the shortest distance between two airports). Emissions are based on data from aircraft and engine manufacturers.

In line with Skuld’s sustainability commitments, we have established measurable objectives to reduce the number of business flights we undertake. To encourage employees to undertake only necessary business travel, we updated our travel instructions two years ago, and set the following objectives in 2019:

1. Reduce the number of business flights made by Skuld by 10% against 2019 levels.

2. Reduce Skuld’s travel costs by 15% against 2019 levels.

Our travel-related CO2 emissions fell by 60% from 2020 to 2021, primarily as a result of pandemic-related travel restrictions. However, the pandemic allowed us to gain very useful experience using TEAMS and Zoom, which will remain instrumental to our business. Still, our total travel-related CO2 emissions increased in



2022, primarily due to the post-pandemic effect.

We continue to challenge all employees to consider and explore sustainable measures and options that will contribute to the reduction of our environmental impact when they must meet others on behalf of Skuld. We encourage the use of new video-conferencing technologies. When business

travel is necessary, employees should be mindful of ways to make their journey as sustainable as possible, and:

- Select the most sustainable options among hotels and airlines.
- Choose economy class for flights with a duration of four or fewer hours.
- As hotel guests, follow the hotel's sustainability initiatives.

Year	Kg CO ₂	Number of employees	Average Kg CO ₂ per employee*
2020	45 000	270	166.6 kg CO ₂
2021	17 791	303	58.7 kg CO ₂
2022	148 937	303	491.5 kg CO ₂

Table 3 Business travel breakdown



Underwriting

The long-term aim of Skuld's Underwriting Sustainability Competence Group is to ensure sustainability is integral to underwriting decisions. This guided underwriters' sustainability effort in 2022, with the main goal of creating a framework to support members and align with market expectations.

As part of Skuld's 125th anniversary celebrations in 2022 we held a global underwriting gathering on the theme of decarbonisation and regulation. We discussed how policies and industry changes are affecting global underwriting and shipowners' needs. Following the workshop, Skuld's underwriting team has created a sustainability strategy encompassing a framework for member support and communication in this critical area.

Our message to shipowners

The key message we wish to deliver to shipowners is that Skuld is supportive of their ambitions to transform to low- or zero-carbon activities. We will support them directly, and through initiatives such as the Green Shipping Programme and the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping. We continuously build knowledge, and seek to lead the sector in our support of shipowners as they face the challenges of the transition.

We seek also to lead among marine insurers, so we monitor our alignment with the International Maritime Organization and our performance against industry targets, including measurement of Skuld's Scope 3 emissions. However, such estimates are only a reflection of actual

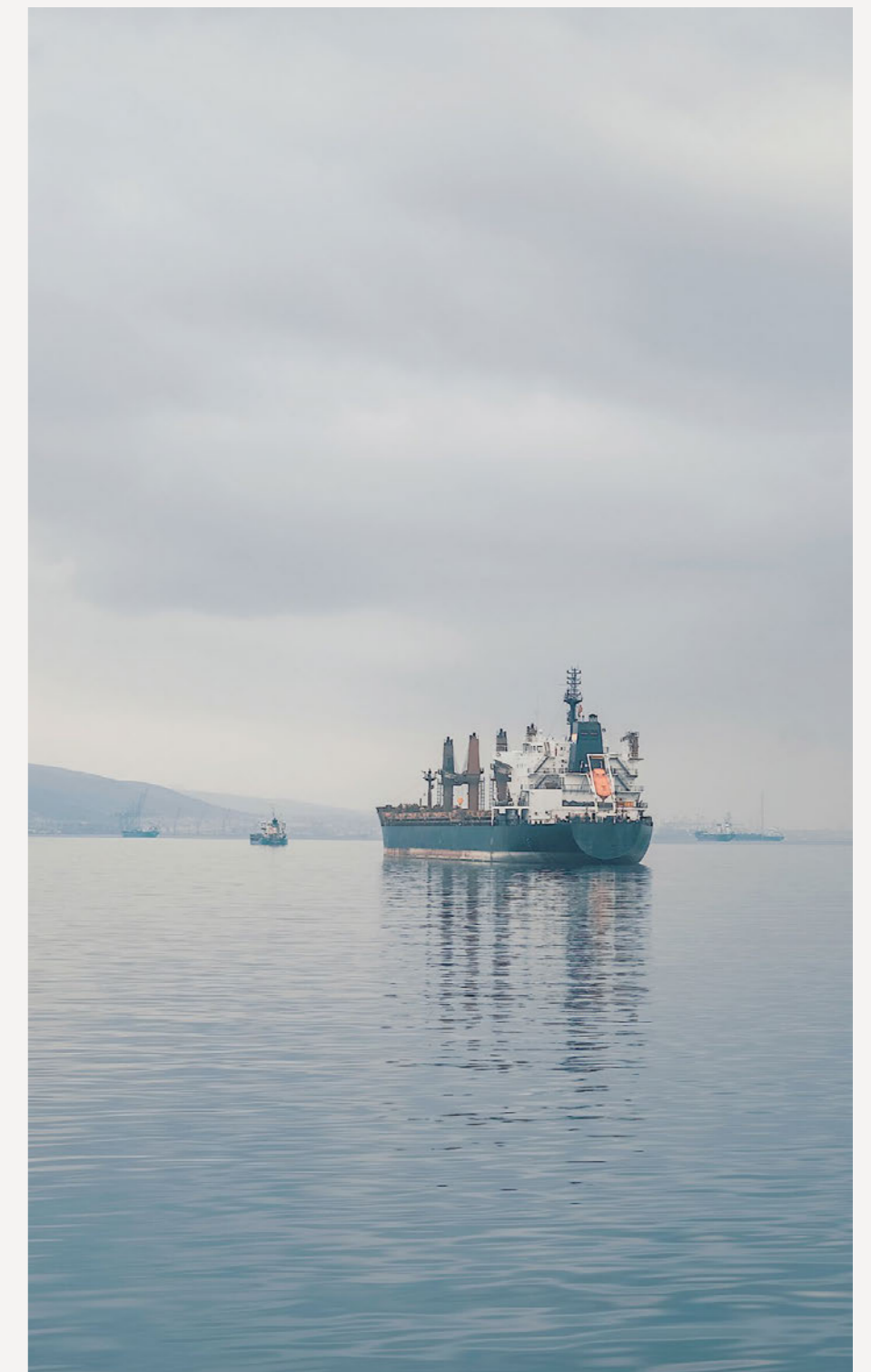
emission performance. We believe the best framework for Skuld and our marine insurance peers to monitor their portfolio alignment with IMO goals is to follow the Poseidon Principles, which we have signed.

In 2021 we identified three main challenges related to risk-portfolio Scope 3 emissions for underwriting to tackle during the current reporting year:

Assess emerging alternative fuels

Skuld's underwriting team continuously follows market developments, and is keenly focussed on the innovation phase of multiple alternative marine fuels. We seek to gain first-hand knowledge of shipowners' needs and challenges, and through our partnership in the Green

13 CLIMATE ACTION





Shipping Programme (GSP) joined two pilot projects utilising ammonia in 2022, including participation in the safety and regulations workstream of the GSP's Grieg Ammonia Powered Bulk Carrier pilot project.

Evaluate Carbon Intensity Indicator ratings

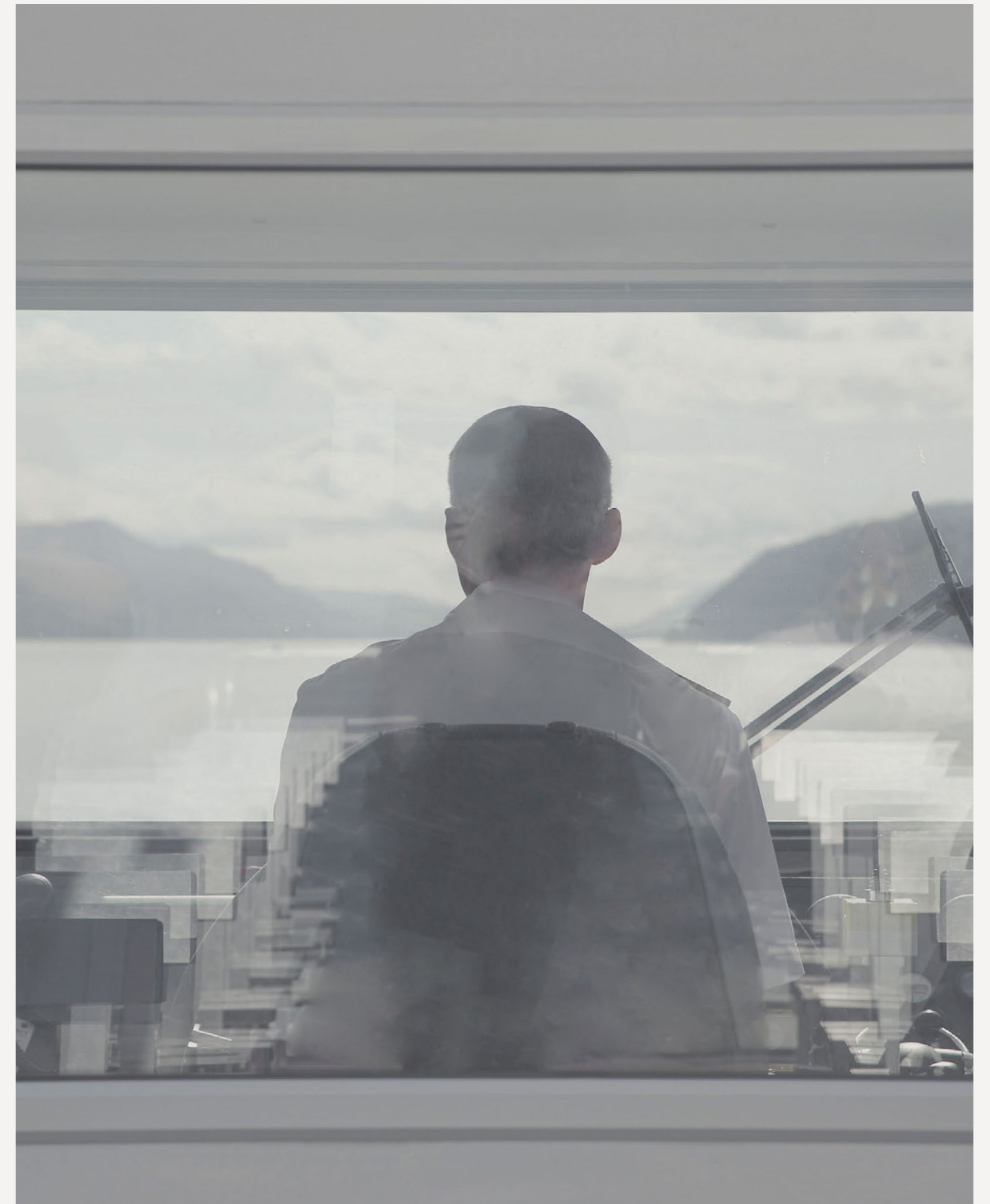
The Carbon Intensity Indicator (CII) regulation, which standardises the measure of the transport efficiency of vessels, came into force on 1 January 2023. In Skuld we have gained a thorough understanding of how the CII on vessels would affect our insurance portfolio. We will monitor our portfolio's CII rating throughout 2023 using Automatic Identification System data, recognising the need for greater insight into actual emissions.

Review new clauses

Skuld has reviewed new clauses from the Baltic and International Maritime Council (BIMCO) covering Carbon Intensity Indicator (CII), compliance with the Energy Efficiency Existing Ship Index (EEXI), and the European Union

Emissions Trading System (ETS). We acknowledge the potential conflict between charterers and owners regarding such clauses, and will assist both parties as much as possible. The underwriting and claims teams have co-operated to enhance cross-departmental work, increase knowledge, and improve internal communication channels. Our main 2023 goal is to report on Skuld's performance against the Poseidon Principles, and make our sustainability effort more visible to members and clients.

Finally, a Skuld representative participates in the Joint Hull ESG Sub-Committee in London. The group recently concluded that increased co-operation on sustainability matters with organisations such as the International Union of Marine Insurers and the International Group of P&I Clubs is the best way to promote sustainable underwriting. The Sub-Committee seeks to present a united front on emissions and fuel technologies.





Renewables

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Skuld insures many maritime companies active in the green economy, including P&I coverage for offshore wind turbines and the emerging offshore aquaculture sector, and we continue to expand our engagement and involvement in these sectors.

Our commitment to companies that are engaged in developing, promoting, and delivering sustainable energy is clear evidence of our own desire to play an active and leading role in the green transition and the move to a carbon neutral world. In 2022, we have further engaged with stakeholders in this market and

dedicated an internal resource to continue to build expertise, competence, and risk appetite to support the development in the green economy. Emerging technology will introduce new risks, and Skuld is well equipped to support members and clients in this respect.





Crisis response

Reducing the impact of marine casualties

A core part of Skuld's business is to handle and reduce the negative impacts of marine casualties on people, the environment, and property, all of which rely upon a sustainable ocean. To this end, Skuld works hard to raise competence levels in casualty handling and to promote greater environmental responsibility.

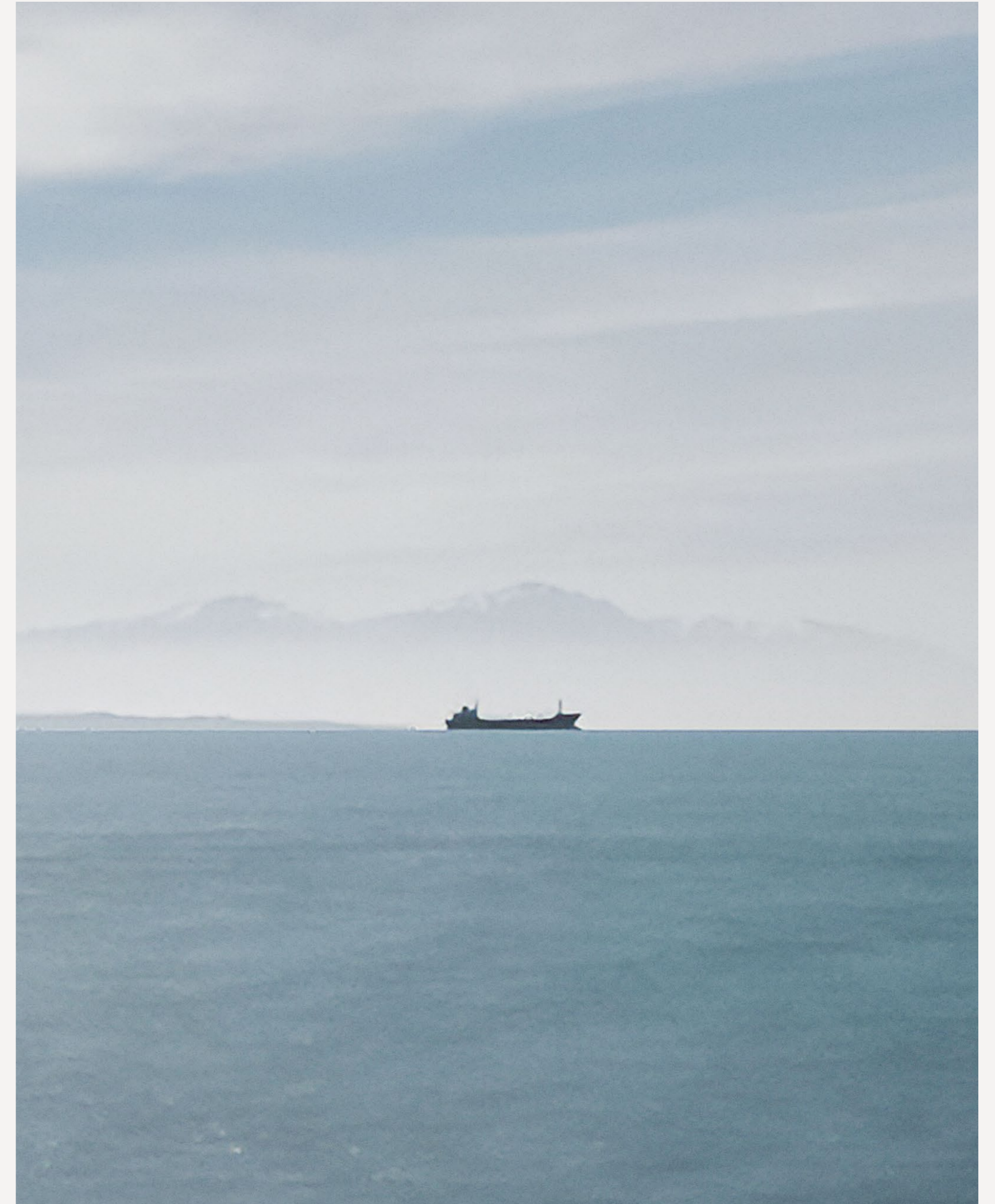
Most Skuld Casualty Coordinators and Technical Managers, and a significant number of claims handlers, have now received casualty response training, including use of a virtual reality platform. We had targeted 100% participation for Casualty Coordinators and Technical Managers in 2022, but personnel changes and Covid-related travel restrictions delayed progress in Asia. The remaining training is scheduled for 2023. Other Business Units will receive refresher training, and the program will continue, ultimately to provide casualty handling training to 100% of current and future claim handlers.



"A core part of Skuld's business is to handle and reduce the negative impacts of marine casualties on people, the environment, and property, all of which rely upon a sustainable ocean."

Reporting requirements in wreck removal contracts

A wreck removal operation is normally undertaken to conserve and support ocean environments by eliminating environmental hazards that were introduced to the sea involuntarily during the incident. While the overall goal is always to minimise environmental damage, wreck removal may introduce new sustainability impacts.





Such operations are often large projects that involve a significant number of marine assets operating on site for a given period. This necessarily generates emissions and waste. Removals may be undertaken in almost any jurisdiction, which raises governance and compliance challenges. Finally, the technical complexity of operations introduces risks to the health and safety of the workers involved.

Skuld addresses many of these concerns at the outset of projects through thorough risk assessments and contractual clauses with service providers. To ensure appropriate control and understanding of the specific operational impacts of a removal, we introduced a sustainability reporting requirement into a wreck removal contract in 2022, and have since made the clause standard. The requirement helps to raise contractors' awareness of the environmental and social impact of large-scale removals, and provides information on the handling of sustainability concerns.

Over time, the intelligence collected through contractor reporting will inform decision-making, and support emissions reduction and the mitigation of other negative consequences of removals. The information may also help affected shipowners' analysis of their own ESG

impacts. We are now receiving the first reports from completed projects, analysing their contents, and considering appropriate content and format expectations for future reports.

Screening the sustainability of crisis-response suppliers

Many Skuld customers have implemented sustainable procurement practices. Casualty handling may include procurement of services from multiple providers, but it is not always possible, in times of urgency, to screen suppliers against sustainability standards. In response, to improve ocean sustainability and align with customer expectations when we deal with casualties on their behalf, Skuld is to pre-screen regular crisis-response suppliers.

A self-assessment questionnaire is to be completed by suppliers including technical and legal consultants and salvors. This process is new, but has already contributed to awareness and promoted greater environmental responsibility. We have launched discussions with several suppliers in the salvage sector to prepare them for screening and ensure our expectations are understood.



Waste and Recycling

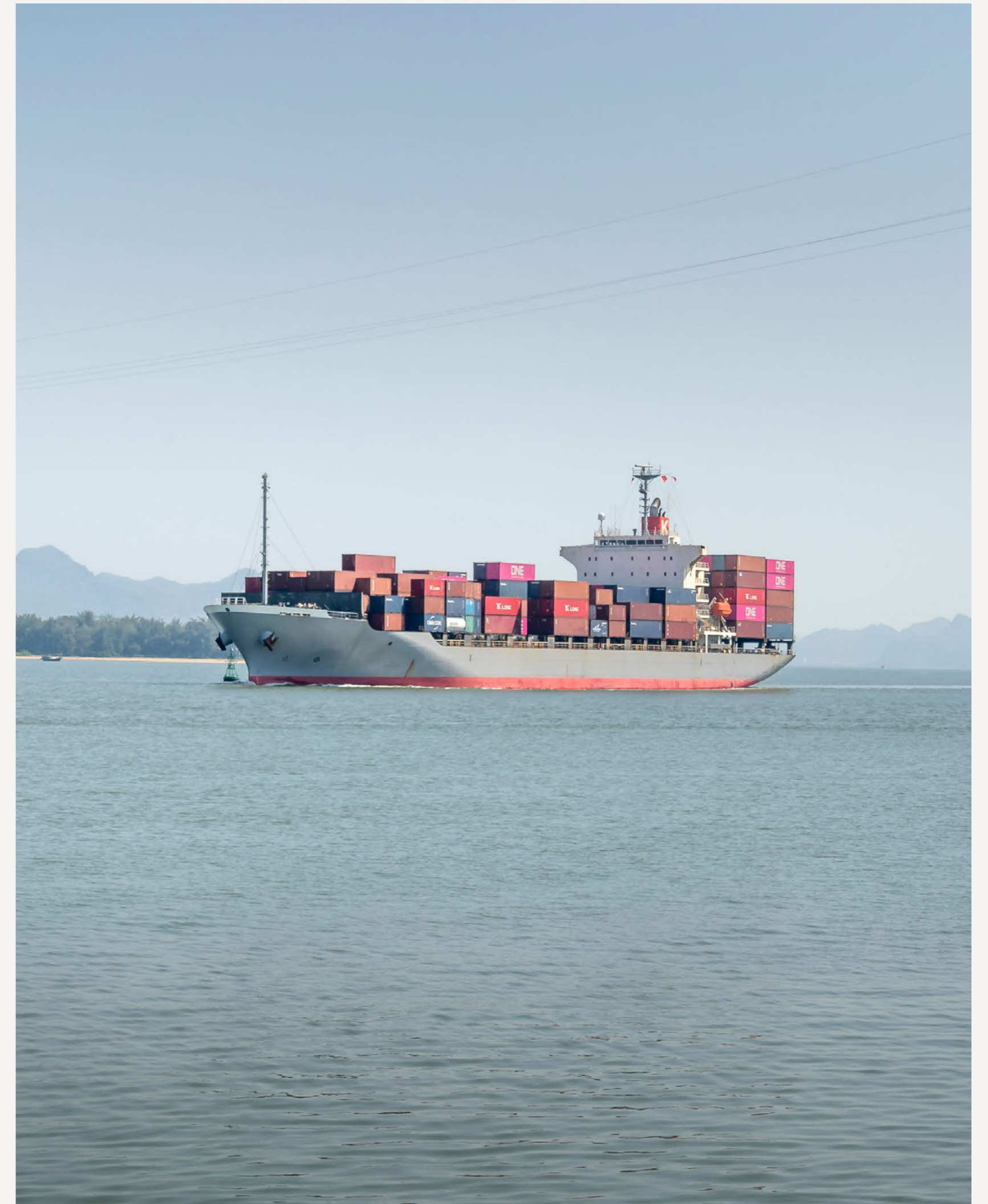
Ship and Waste Recycling

Disposal of wrecked vessels and of waste generated during salvage has become an increasing industry concern. Skuld is paying close attention and prompting sustainable action. We commit to recycle wrecked ships and other waste, and aim to reduce the environmental and social impact of any disposal processes.

Skuld's involvement in ship recycling is limited to handling wrecks and related waste. We managed just one casualty which involved recycling in 2022 – fewer than previous years – but we recognise the importance of sustainable wreck recycling. Not all of the multiple traditional methods of ship disposal adequately consider the health, safety, and employment conditions of the workers involved, nor the environmental impact of pollutants spread

during disposal. We select or encourage best-practice alternatives to minimise these impacts.

Skuld continues to ensure all legal requirements are met, including those of the Hong Kong and Basel Conventions when applicable. We also impose additional requirements for the disposal of wrecks and waste, and maintain an open dialogue with salvors about sustainable approaches to all aspects of salvage. We continue to work closely with contractors to satisfy ourselves that salvage, waste disposal, and recycling are carried out in accordance with our goals of conserving the oceans and promoting sustainable and safe employment practices, regardless of whether we contract directly or indirectly with the recycling yard.





Sustainable investments

13 CLIMATE ACTION



“Skuld is building a technology-driven analysis tool to collate ESG data in support of this goal, and to underpin decision making and compliance.”

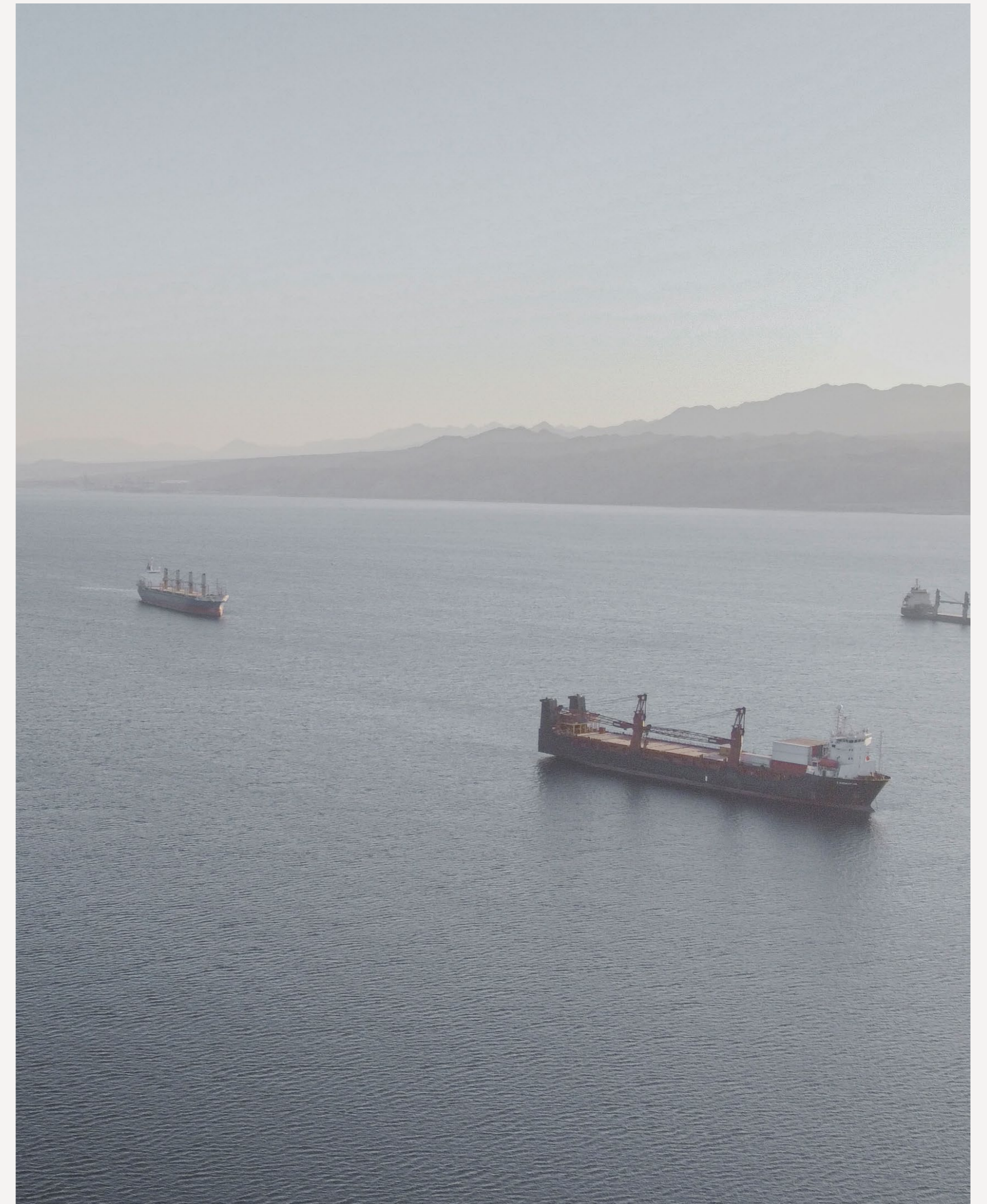
A meaningful portion of Skuld’s investment portfolio is allocated to fund managers that track indices passively, and the sustainability profile of index funds continuously evolves with the companies that comprise their holdings. The influence of fund managers and forthcoming regulation are moving the broader market in a more sustainable direction. Skuld will continue to strengthen our knowledge and gain insights to prepare for regulatory disclosures and for specialised ESG-focussed investment.

Measuring investment sustainability

The financial sector is a key catalyst of the global transition towards a more

sustainable future, and Skuld wishes to contribute. Our investment portfolio is an important contributor to Skuld’s overall corporate sustainability, since it comprises many thousands of lines of investment across various asset classes. We are working actively to obtain broad insights into the underlying ESG exposures of our investment portfolio, and to monitor how they evolve over time.

Skuld is building a technology-driven analysis tool to collate ESG data in support of this goal, and to underpin decision-making and compliance. Environmental impact is the EU’s leading current regulatory focus, so this has been adopted as our starting point for systematising portfolio-level sustainability data. We will be able to assess the sustainability profile





of individual securities held within funds, for example.

Following EU norms

The EU leads in classification systems for sustainability reporting, so Skuld follows the EU system. The Corporate Sustainability Reporting Directive (CSRD) encompasses all lines of business, and a common project has emerged in Skuld to address our alignment with the EU taxonomy it sets out. We are currently defining a method to append EU taxonomy information to our individual holdings within funds. The work will reveal transition risk inherent in the investment portfolio, and will inform choices to improve our ESG investment profile.

Green investing

We will continue to employ low-cost participation in the financial markets, primarily through index funds invested in

ostensibly efficient markets. However, we will improve the overall ESG profile of our investments by deploying some through fund managers with specialised mandates. The war in Ukraine and the subsequent European energy crisis have highlighted energy-market vulnerability and the need to diversify supply. As the market appears to stabilise, Skuld will seek to allocate investment capital to opportunities that present ESG-aware strategies. The outcome over time should lead to a greater alignment with the EU taxonomy, as Skuld's investment portfolio mix includes a larger share of sustainable activities. We believe active managers with a long track record of sustainable investment are best to navigate this emerging market successfully.

Together these efforts support UN SDG 13, Urgent action to combat climate change, and the UNGC's ninth principle, Encourage the development and diffusion of environmentally friendly technologies.





Digital solutions for Sustainability

“Each insight is based on first-hand experience gained by Skuld when handling actual claims, so they present facts, not assumptions.”

Measures to avoid loss events contribute intrinsically to sustainability. Sharing information to help our Members reduce the risk of loss is one of Skuld’s main Loss Prevention initiatives. We have embraced technology to do so more widely and with greater efficiency.

Skuld is building a library of insights which deliver information to support Members’ daily risk assessments. These measure the risk to people and property inherent in their shipboard and shore-based activities. Each insight is based on first-hand experience gained by Skuld when handling actual claims, so they present facts, not assumptions.

We have learned much during the 125 years in marine insurance; our program of digitalisation will make all this knowledge much more widely accessible. Insights can be accessed and downloaded through the Members’ area of Skuld.com, and are distributed via email. Users can even opt to receive alerts that reflect risk arising from a named vessel’s actual current locations.

Our objective is to commence operation of the Insights Library and Alert System during the third quarter of 2023, and to expand the number of Insights by 10% every subsequent year.



Health and well-being



Skuld's overall strategy is to provide best-in-class Loss Prevention Services to our Members, including measures which protect crews from on-the-job harm. Each year in November Skuld's Board of Directors reviews the concrete deliverables in this area to ensure they are aligned with our sustainability goals. The dynamic nature of Skuld's insured portfolio makes assessment of some of the initiatives difficult to measure against performance indicators, yet each is valuable as a risk-reduction measure.

Supporting mental health

Skuld co-operates with Norwegian Training Centre (NTC), the global shipping community's leading maritime and offshore simulator training service, under a long-term strategic initiative to create

and deliver sustainable loss prevention training. In December 2022, we signed a memorandum of agreement with NTC to develop and deliver a seminar series for Skuld customers, Mental health for Seafarers. The program will be rolled out in 2023. In addition, NTC is to develop a series of Skuld safety videos. The first will explore the risk of cargo liquefaction, which presents a danger to those on board. Finally, NTC and Skuld will together deliver the long-established Skuld School for Seafarers.

The long-term aim of the NTC partnership is to foster a safer life at sea. That intangible is difficult to measure, but we will record the number of seafarers who undergo training in 2023, and seek to increase the number each year. We intend to deliver at least one Skuld School for Seafarers in the Philippines in 2023, with mental health on the agenda.





Safely with Skuld

After several months' hiatus due to Skuld's rebranding, we have resumed preparation of the second edition of Safely with Skuld, a comprehensive but easy-to-read guide to the prevention of shipboard losses and injuries through awareness-raising and guidance for seafarers and shore-based personnel. Publication is imminent.

Employee wellbeing

Employees' wellbeing and mental health is a constant concern at Skuld, so we work actively to maintain it. We focus on providing a safe and healthy workplace, and ensuring a high degree of autonomy that empowers people to make their own decisions. We believe such self-direction is essential for people to grow, learn, and understand that their efforts serve a valuable purpose, which makes daily work more meaningful and motivating. We truly believe that meaningful work in a safe environment is and will remain a powerful contributor to our employees' wellbeing and mental health.

We acted throughout 2022 in support of this approach.

- Trust-based leadership was discussed at the Leaders' Forum in April, when all Skuld managers shared ideas about ways they could support employees after the pandemic.

- A separate employee engagement survey recorded an all-time high for employee engagement. The combined score of 5.2 is the equivalent for Skuld of 86.6%. Every team reflected on their results and selected actions to maintain employee engagement and satisfaction. Our goal is to maintain employee engagement and leadership evaluation survey results above 5.0.

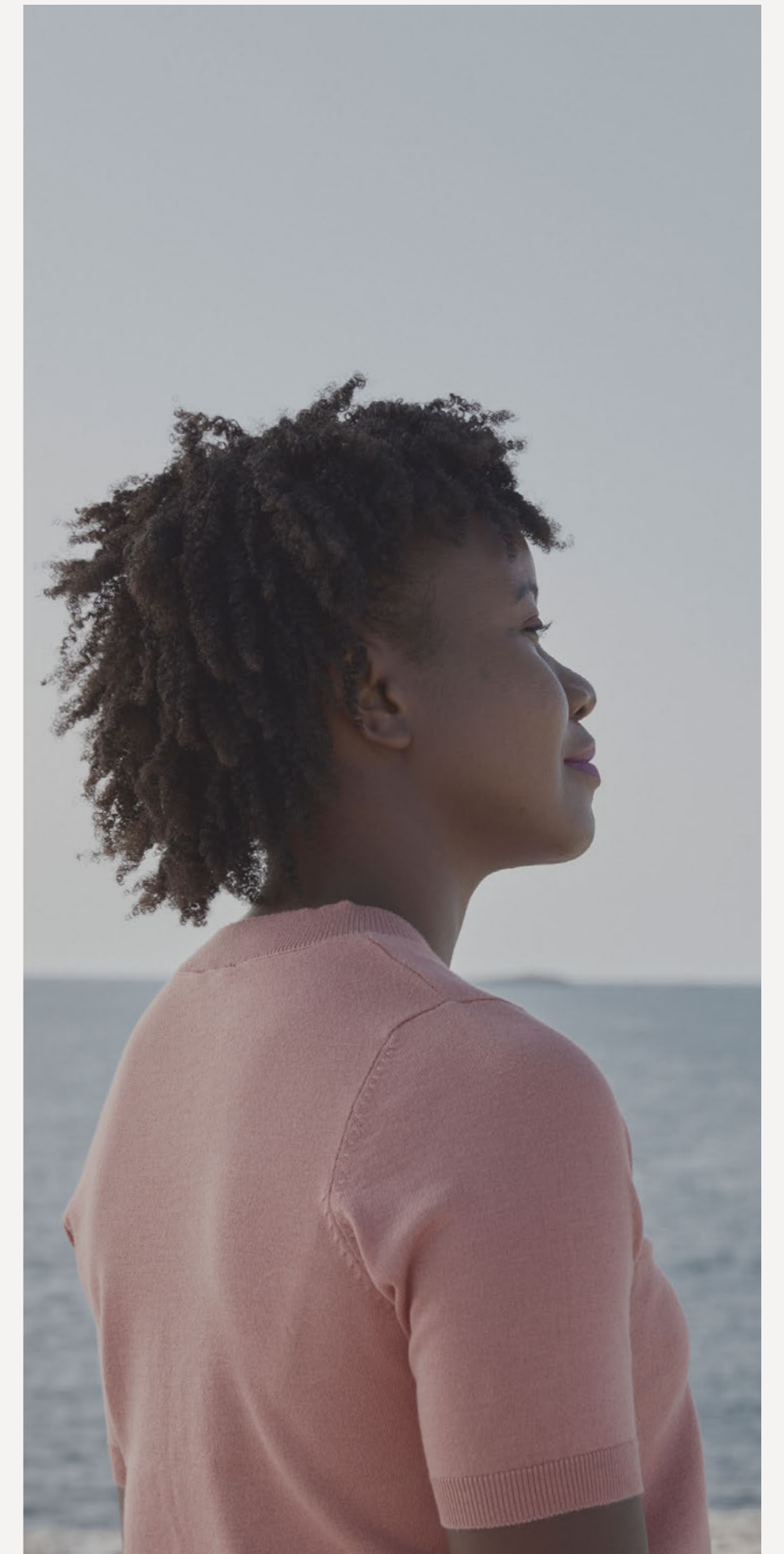
- As part of the onboarding programme, all new employees are asked to complete an onboarding survey. The combined score in 2022 was 5.2 on a scale from 1-6. The feedback from the survey indicates that Skuld is an attractive employer in our market, where opportunities for career development and company culture are listed as important factors for new employees to join Skuld.

All employees must complete a minimum of five hours of culture and compliance training each year, which was achieved in 2022. During the year, HR together with

“We truly believe that meaningful work in a safe environment is and will remain a powerful contributor to our employees' wellbeing and mental health.”

the Chief Compliance Officer, also rolled out compulsory e-learning programmes to build knowledge and awareness on important compliance topics. The first two courses focused on Anti-Money Laundering and GDPR and were completed with a response rate of 97% and 98% respectively. A third e-learning course on compliance will follow in 2023.

Staff turnover was slightly higher in 2022, which is to be expected in a global market with high demand for skilled employees. We recorded turnover for 2022 of 7.4%. Skuld completed 25 recruitments in 2022, including return of former colleagues, which confirms that Skuld is an attractive place to work.





Employee diversity and inclusion



"Achieving and sustaining an inclusive and diverse culture is one of Skuld's four strategic objectives approved by the Board."

Achieving and sustaining an inclusive and diverse culture is one of Skuld's four strategic objectives approved by the Board. This is a central part of our sustainability effort under UN SDGs 3 and 10, Good health & wellbeing and Reduced inequalities. Gender equality is of great importance to Skuld, as reflected in our long-term commitment to initiatives such as the UN's Women's Empowerment Principles, the SHE Index, the 40 by 30 initiative of the Women's International Shipping & Trading Association, and our own internal gender equality goals. We intend to achieve a minimum of 40% gender representation (whether male or

female) in all managerial and key positions by 2025. Further, we have committed to ensure salary equality on all levels by 2025.

We have embraced the following three targets to maintain and develop an inclusive and diverse culture at Skuld:

1. Ensure 40% gender equality by 2025

From 2021, as a matter of policy, Skuld has interviewed at least one person of each gender for all vacant key positions. In cases where either men or women exclusively

SHE Index score

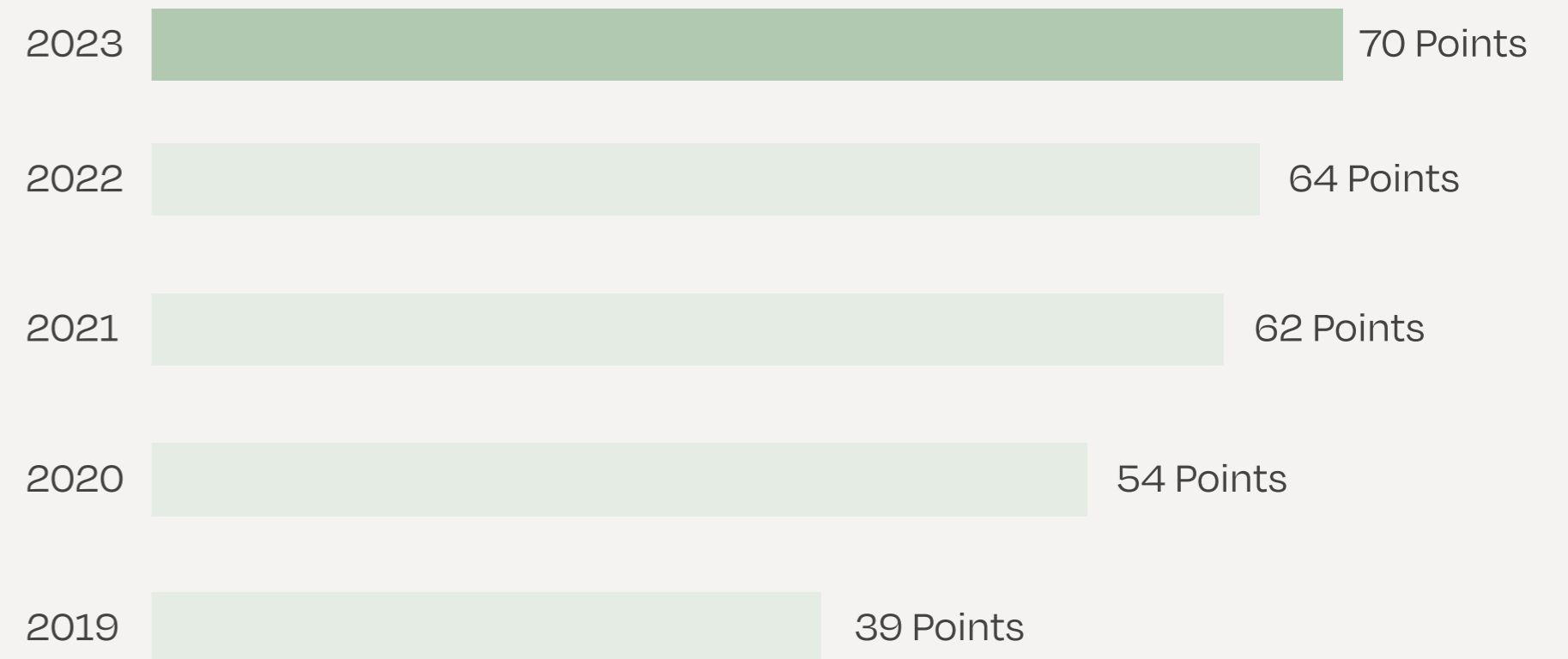


Figure 3 SHE Index score



applied for a position, we extended our search and/or directly encouraged qualified employees to apply. Of all the employees we promoted in 2022, exactly half were female and half were male.

The share of women attending our leadership development programme increased from 29% in 2018 to 52% in 2022. Skuld's strong achievement in matters of gender

equality and especially female leadership is reflected in our performance against the SHE Index, which measures and compares gender balances within organisations. Skuld has improved its SHE score every year. We are proud to have scored 70 points in 2023, reflecting the increased proportion of women in key positions and our continued work on processes to reflect diversity and inclusion.

Goal: 40% gender equality in managerial and key positions by 2025

	2019	2020	2020/21	2021/22	2022/23
Share of female leaders in all managerial and key positions (levels 1 to 4)	33%	35%	35%	37%	38%





2. Ensure salary equality by 2025

Skuld believes in equal pay. We aim to achieve equality of salaries at all levels (excluding CEO) by 2025. In 2021 we conducted a thorough review of average salaries across the business, compared them with similar companies, and explained the findings to all leaders involved in salary adjustments. We will use the findings to inform salary changes, promotions, and recruitment processes that focus on equal pay for equal work.

Skuld globally	Women's salary as percent of men's					Share of women		Goal 2025
	2019	2020	2021	2022	2023	22/23		
Operations/Trainees	145%	n/a	n/a	n/a	n/a	100%	100% Salary equality	
Executives	100%	102%	100%	95%	104%	72%	100% Salary equality	
Senior Executives	91%	92%	92%	90%	87%	44%	100% Salary equality	
AVP/VP	97%	96%	93%	95%	98%	39%	100% Salary equality	
SVP	95%	100%	100%	100%	110%	19%	100% Salary equality	
CXO (excluding CEO)	87%	81%	79%	79%	82%	25%	100% Salary equality	
All levels (excluding CEO)	n/a	n/a	50%	43%	71%	49.7%	n/a	

Table 4 Women's salary as percent of men's.



Globally	Share of women 2022/23	Goal 2025
Norwegian board members	43%	
Global board members	27%	
Leaders at level 1-2	25%	
Leaders in all managerial and key positions	38%	40% gender equality

	Women's salary as percent of men's			Share of women	Goal 2025
	2021	2022	2023	2022/23	
Skuld Norway Only					
Operations/Trainees	n/a	n/a	n/a	100%	100% Salary equality
Executives	100%	95%	104%	72%	100% Salary equality
Senior Executives	92%	90%	87%	44%	100% Salary equality
AVP/VP	93%	95%	98%	39%	100% Salary equality
SVP	100%	100%	110%	19%	100% Salary equality
CXO (excluding CEO)	79%	79%	82%	25%	100% Salary equality

Table 5 Ensuring equal salaries by 2025

3. Ensure equality and non-discrimination

Skuld aims to be an inclusive and diverse employer that offers equal opportunities unbiased by gender, age, nationality, race, religion, or other personal factors.

Throughout 2022 we continued our work to ensure diversity, equality, and non-discrimination through clearly defined recruitment and compensation processes, promotions and opportunities for development, adjustments to accommodate individual needs, and by fostering a positive working environment that supports non-discrimination, health and safety, parental leave and work-life balance for all.



In 2021 a cross-departmental working group was established to conduct an Activity and Reporting Obligation risk assessment. It includes representatives from HR, legal, and employee health and safety. To build on the previous year's findings, the group repeated the risk assessment in 2022. They followed a four-step model to inform the updated report:

1. Map the relevant processes at Skuld
2. Identify and analyse the causes of risk
3. Implement risk mitigation measures
4. Evaluate their impact.

This work identified several new priority areas. In response, concrete measures were implemented during the year. The plan was aligned with and approved by Skuld's Work Environment and Co-operative Committee, and anchored with Executive Management.

Key Figures	Female			Male			Total
	2021	2022	2023	2021	2022	2023	2023
Total no employees (permanent) pr. 20.02	147 (51%)	150 (50%)	148 (50%)	139 (49%)	148 (50%)	150 (50%)	298
Number of employees recruited	14 (52%)	10 (38%)	15 (56%)	13 (48%)	16 (62%)	12 (50%)	27
Total turnover	4.81%	5 (3.30%)	14 (9.40%)	5.12%	6 (4.20%)	8 (5.40%)	7.40%
Number of employees working part-time	4	3	4	0	0	0	4
Number of employees working part-time involuntary	0	0	0	0	0	0	0
Temporary employees	2	3	3	0	0	0	3
Employees on parental leave	6	10	10	9	9	8	18
Number of weeks on parental leave (per 31.12.2022)	-	189	237	-	87	58	295
Global sick leave (per 31.12.2022)	2.48%	1.94%	1.54%	0.90%	1.51%	0.82%	2.10%

General Figures	
Average age	44
Average years of employment	9
Number of nationalities	31
Number of legal jurisdictions	22
Number of lawyers and claims executives (Claims handler + leader claims (exp technical managers/ CCO))	123

Table 6 Key figures male - female



Activity and reporting obligations

Measures and results in 2022

Based on an Activity and Reporting Obligations (ARO) risk assessment conducted in 2021, the following measures were selected for action 2022:

Annual review of corporate governance

The review is to be conducted annually in line with Skuld's internal policies. Following the thorough review and update of the Skuld's corporate governance documents in 2021, including procedures covering equality, non discrimination, recruitment, reward and recognition, anti-harassment, whistle-blowing, and Code of Conduct, the annual review conducted in 2022 confirmed that Skuld's governance documents remain compliant with our ambitions and with legislation. These documents apply to all Skuld employees globally.

Recruitment

We continue to follow the recruitment equality and diversity processes adopted in 2021, which include the requirement to interview at least one candidate of each gender for all managerial and key positions. By applying this recruitment strategy, we aim to have no fewer than 40% of people of each gender in all such positions by 2025.

Salary/promotions/competence development

Our reward and recognition processes, including protocols for salary reviews and

promotions, continue to focus on Skuld's established goal of achieving salary equality at all levels (ex. CEO) by 2025. We conduct an annual review of all promotions to ensure equality among promoted employees, which found that 11% of Skuld employees were promoted in 2022, of whom 50% are female and 50% male. In 2023 we will launch a tailor-made Diversity and Inclusion training program for all employees. It is intended to support greater understanding, competence-building, and awareness of these areas.

Individual adjustments

In 2022 our Health, Safety, and Environment Representatives conducted a survey and physical inspection of the headquarters in Oslo to ensure we operate a safe, inclusive, and, where needed, adjusted working environment. More than 80% of employees responded to the survey. Already 60% of the findings have led to action, with more in the pipeline. Measures implemented include the clear marking of glass areas and stairs, an update of office equipment, the installation of noise reduction dividers in common areas, and engagement with the third-party facilities manager to improve office air quality and better regulate its temperature. Building on the experience



post pandemic and the new working trends Skuld has established a working group to map and establish the Future Way of Work principles for the organisation.

Global approach

As a global organisation, Skuld strives to ensure equal treatment of its employees in all our international offices. Our Human Resources department began to update the Employee Handbook for Norway in 2022, and this work continues. They engaged with all other offices to map local requirements on diversity, non-discrimination, and parental benefits, and will continue to update local Employee Handbooks to ensure compliance with relevant employment requirements and Skuld's own vision for a diverse and inclusive culture.

As part of Skuld's 125th anniversary celebrations, all our employees gathered in Oslo for three days of professional

development, group activities, and teambuilding. This extremely positive experience boosted motivation, built trust, integrated newcomers, and fostered knowledge-sharing. HR, together with the Executive Management, is now evaluating the benefits of similar, future, and potentially regular "All Skuld" in-person events.

Work-life balance and flexibility

A new employee satisfaction survey was conducted in 2022. 91% of employees responded. They confirmed overall support for Skuld's 3+2 flexible working arrangement, and our overall vision. Further work to adapt working conditions to expectations and demands highlighted by the survey will be carried out through the Future Way of Work project





Skuld Impact Week

Raising awareness and funds for seafarers

For the second year running, Skuld colleagues in all global offices participated in #SkuldWalkingForSeafarers. The activity raises awareness and funds for seafarers around the globe, and supports UN SDG 3, Good health and wellbeing. Over a week in October 2022, Skuld employees collectively walked 19.3 million steps. That exceeded our goal of 15 million, and beat last year's total of 17.9 million steps.

Skuld donated the fund raised to the Sailors' Society Ukrainian appeal. We encourage all our friends in the maritime industry to participate in #WalkingForSeafarers, and to support seafaring communities around the world.

2021

17.9 Million steps

2022

19.3 Million steps

Skuld helps protect ocean industries through our support of various initiatives which contribute to marine humanitarian causes, safety at sea, and marine education and heritage.

See www.skuld.com/about/sponsorships





Risk management

Identifying, measuring, and managing climate change

Climate change, environmental degradation, and social risk issues have an increasing impact on Skuld, presenting opportunities as well as risks. The physical impact of climate change – physical risk – increases the potential for claims. The ongoing transition to a carbon-neutral economy requires shipowners to make strategic decisions under significant uncertainty, and entails increasing costs. Sudden and unanticipated future policy responses could disrupt the industry, as the manifestation of transition risk. To fall behind – even to be perceived as insufficiently active to become more sustainable – could increase reputational, regulatory, and financial risks.

In response to these threats, Skuld has made management of climate-related risks an area for high-priority action. In line with UNGC Principle 7, Businesses should support a precautionary approach to environmental challenges, Skuld has established a cross-functional Climate Risk Working Group to address the risks arising from climate change, and to examine and embrace the opportunities. The Working Group has identified a number of action points to ensure that Skuld manages to implement strategies that are resilient to the effects of climate change.

13 CLIMATE ACTION





Resilience strategies

Despite international policy responses, global emissions continue to grow. Increasing global average temperatures are leading to more extreme weather and the manifestation of physical risks such as increased storm activity. Parallel to that, the energy transition in the shipping industry is gaining pace. The initial greenhouse gas strategy of the International Maritime Organisation, to be revised in 2023, is already impacting the design and operation of all ships. At the same time, shipowners face commercial pressure from cargo owners, the public, and investors to do more. It is reasonable to assume that ever more extreme weather events will increase the urgency of action and accelerate the energy transition.

Skuld stands ready to support its customers through the transition. We are working actively to build up in-house knowledge of alternative and carbon-neutral fuels. We continue to invest in knowledge-building initiatives, and to learn from our Members and the Norwegian cluster of ocean industries. We aim to gain the understanding necessary to identify technology trends which could

“Skuld stands ready to support its customers through the transition. We are working actively to build up in-house knowledge of alternative and carbon-neutral fuels.”

be important in the decades ahead. We further support our customers by developing and implementing new loss-prevention methods and risk mitigation activities intended to counteract the physical risks associated with climate change.

Alternative fuels and RoRo ferry fires

For example, concern over fires on RoRo (roll on, roll off) ferries, including passenger RoRos, has increased with the number of alternative fuelled vehicles they transport, since these fuels present different risks and if ignited must be extinguished special ways. Alongside vessel operators, Skuld Loss Prevention is working actively in multiple forums attempting to address this challenge, including the International Group of P&I Clubs and CEFOR. The current goals are to develop common standards

for the transport of vehicles and to lobby for mandatory training of crew working with these cargoes.

Internal resilience

The global drive for decarbonisation also affects Skuld directly. Prospective customers increasingly request insight into Skuld’s progress on sustainability before committing their business to us. Further, we are met by progressively more complex regulatory requirements, which we work proactively to identify and understand. We believe they are an important tool on our common journey to a net-zero society. Some will enhance our operations and may potentially increase our competitiveness.

Manifestations of physical risk will be a driver of insured losses among Skuld’s customers. Skuld’s Climate Risk Working Group has identified clear action points

that enable data-driven analysis of climate change impacts at an appropriate level of granularity based on actual claims data. We will develop methodologies to measure the effects of climate change on the frequency and severity of climate-related claims. This intelligence will allow us to set appropriate risk-adjusted prices and to reserve adequately.

Looking ahead

The shipping industry and the environment in which we operate are transforming fast as a consequence both of the energy transition and of the direct effects of climate change. The transition is proceeding in an orderly fashion. However, if it fails to deliver the desired results, future policy-based climate mitigation responses will become increasingly forceful, potentially leading to greater disruption. It is therefore impossible to predict where the transformation of the sector will lead. Skuld carries out scenario analyses to assess the potential effects of possible policy responses and to identify arising opportunities.



Governance, transparency, and integrity

Enhancing measures to counter financial crime

In 2022 Skuld has been deploying the new, integrated Customer Due Diligence system. It identifies and assesses potential money laundering, terrorism financing, and sanctions risks in our underwriting portfolio. All customers, their ownership structures, and associated individuals are screened through a series of checks defined to identify breaches of sanctions and financial crime risks, including corruption. The system proved to be instrumental in monitoring the quickly evolving Russia sanctions regime.

By improving the quality of data collection and applying analytics and risk monitoring, Skuld obtains deeper customer insights

that improve our financial-crime risk management. Moreover, these client-onboarding and monitoring tools and processes contribute to UN SDG 16, Peace, justice and strong institutions, by strengthening Skuld's compliance with sanctions and our efforts to combat financial crime and corruption.

Skuld appointed a dedicated Anti-Financial Crime Officer in 2022, who oversees our continuing work to build increasingly efficient due diligence measures and controls. This includes an ongoing effort to strengthen our anti-money laundering and counter-terrorism measures by reassessing 100% of Skuld operations.





We will ensure that all relevant employees have completed tailored anti-money laundering training by the end of 2023, and that the associated protocols are amended to support their enhanced understanding of the applicable requirements and routines.

Transparent business practices

Bribery and corruption undermine the UN SDGs and have severe adverse effects on society. Skuld opposes them in all forms, and is committed to conduct business in a manner sustainable and positive to the community. To boost our anti-corruption effort in 2022 we assessed 100% of Skuld's operations. We revised the central policies that set forth our global framework to counter bribery and corruption, which articulate the required procedures in central areas including risk assessments, training, controls, and reporting.

We are likewise committed to contribute to collective action to tackle corruption in the maritime industry. We have partnered with the Maritime Anti-Corruption Network, which comprises like-minded companies dedicated to the promotion of

compliance with anti-corruption laws and the elimination of corrupt practises.

Ensuring Data Privacy

The 2023 focus is to improve our framework and measures for data protection, ensure employee training, and to provide adequate handling of any complaints related to breaches of data privacy.

Whistleblowing and Skuld's non-retaliation culture

Skuld's whistle-blowing procedures allow anyone to report incidents and breaches, witnessed or suspected, of the Skuld Code of Conduct, of other internal policies, or of laws and regulations. The internal Instruction which sets out the policy ensures the availability of multiple reporting channels – including an external whistleblowing channel – for safe and confidential referrals.

The procedure is designed to protect whistle-blowers from any type of retaliation, and to create awareness about

the important role employees and others associated with Skuld have in reporting wrongdoing. By encouraging reporting of corrupt, fraudulent, unethical, illegal, or otherwise inappropriate behaviour, Skuld will continue to foster transparency and honesty. It leaves us better positioned to discover and to correct any bad behaviour. We will review existing procedures in 2023 to ensure alignment with best practice, and we will conduct further training to ensure a high level of awareness across the organisation.



Human Rights and Decent Working Conditions (Transparency Act)

"Skuld's cross-functional Human Rights Working Group ensures our commitment to human rights is embedded in the organisation."

Skuld is committed to respect and promote human rights and decent working conditions. As a global business, this includes a focus on respecting human rights in our own business, as well as in our supply chain and with our business partners. We will act ethically and with integrity in all our business dealings and relationships. That includes zero tolerance to modern slavery. We implement and enforce effective systems and controls to ensure modern slavery does not take place within Skuld or our supply chains. We state our zero-tolerance policy on slavery, human trafficking, and human rights abuse clearly in our global Code of Conduct. We pledge

transparency on these issues wherever it is relevant or required.

Skuld's cross-functional Human Rights Working Group ensures our commitment to human rights is embedded in the organisation. It works to map and assess how well Skuld, our suppliers, and our business partners adhere to fundamental human rights, and whether employees enjoy decent working conditions.

The latest version of Skuld's report on human rights and decent working conditions will be available on www.skuld.com as required by the Transparency Act.





Skuld's Human Rights governance framework

We have integrated into Skuld's governance framework our commitment to respect and support human rights and decent working conditions, both internally and when working with suppliers and business partners. Our board-approved Human Rights Policy outlines Skuld's commitment to respect, support, and promote human rights. It includes our commitment to comply with the Norwegian Transparency Act in its references to:

- The UN Convention on Economic, Social and Cultural Rights from 1966.
- The UN Convention on Civil and Political Rights from 1966.
- The International Labour Organization's core conventions on fundamental rights and principles in working life.

Our Correspondent Guidelines have been updated to enhance their focus on human rights and decent working conditions. They

make clear our expectation that suppliers adhere to these precepts. We seek continuously to improve our knowledge and work related to human rights.

Our procedure for handling information requests under the Transparency Act is described in our Transparency Act Information Request Instruction. Skuld's Purchasing Instruction is to be updated to include human rights considerations, and a Supplier Code of Conduct will be introduced in 2023.

Protecting employees' Human Rights

Skuld is a knowledge-based company headquartered in Norway. As such, we have identified the main potential drivers of internal risk to human rights as discrimination and working hours. We believe measures currently in place are sufficient to manage those risks. Over time we have focused on work-life balance, and prioritized employee well-being. We offer the flexibility of hybrid working, and have delivered mental health training to our managers and employees. This year that

training concentrates on reducing stress and increasing attention spans. In addition, Skuld's Working Environment Committee (AMU), Cooperative Committee (SAMU) and Health & Safety Representatives help to address risks within the workplace and are important forums for addressing working conditions.

Human Rights due diligence

Human rights due diligence has been completed covering Skuld and our value-chain suppliers and business partners. Its purpose was to identify and assess actual and potential negative scenarios, and to implement suitable measures to cease, prevent, or mitigate their adverse impacts. The risk-based approach deployed directs greater focus towards higher-risk areas, and to those where we have sufficient leverage to implement change. An initial high-level risk assessment that identified the risk factors which pose the greatest threat was followed by detailed mapping of suppliers and business partners. All suppliers and business partners with whom we transact more than NOK100,000 per year were included.

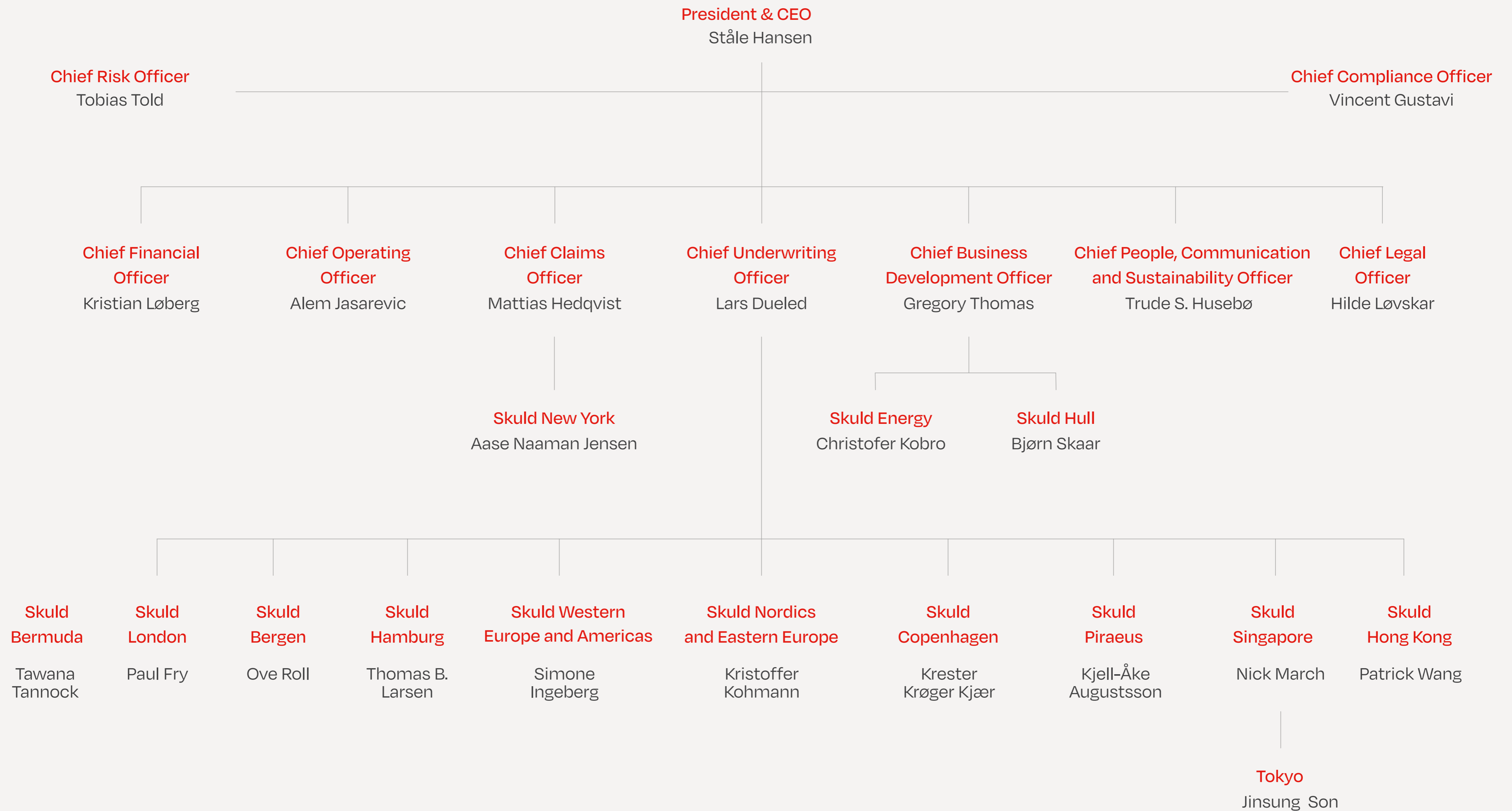
We considered several risk factors including geographic location, sector and number of employees in our risk assessment of all suppliers and business partners within scope. Subsequently, factors such as scale, probability and leverage was taken into account to decide which risks to prioritize for follow-up and potential enforcement.

Based on the outcomes of the risk assessment and in line with our risk-based approach, a group of suppliers and business partners was identified for follow-up measures and action during 2023. We have issued questionnaires to these companies to gain greater understanding of their position on human rights and decent working conditions. Further action will be considered on a case-by-case basis.





All Skuld units are included in the boundary of this report.





13

Annual accounts



Consolidated income and expenditure account

All figures in USD 1,000

	Note	2022/23	2021/22
TECHNICAL ACCOUNT			
Premiums and calls			
Gross earned premiums and calls	2	473 276	419 548
- Reinsurance premiums		- 81 275	- 54 123
Premiums and calls for own account	12, 13	392 001	365 425
Claims incurred			
Gross claims paid		352 592	299 191
- Reinsurance recoveries		- 98 044	-63 115
Gross change in estimated outstanding claims		211 828	244 218
- Reinsurers' share		- 179 137	-162 642
Claims incurred for own account	3, 12, 13	287 240	317 651
Operating expenses			
Acquisition costs		69 540	59 758
Administrative expenses	5	20 207	18 277
Net operating expenses	4	89 747	78 035
Balance carried to non-technical account		15 013	- 30 262

All figures in USD 1,000

	Note	2022/23	2021/22
NON-TECHNICAL ACCOUNT			
Balance from technical account		15 013	-30 262
Investment income			
Investment income		9 772	2 334
Unrealised gains / losses on investments		- 74 051	-23 854
Realised gains / losses on investments		64 619	21 294
Total investment income / expenses		341	-226
Investment management expenses			
Investment management expenses		1 158	1 099
Foreign exchange adjustments			
Foreign exchange adjustments		5 475	3 411
Balance before tax on ordinary activities		19 671	-28 175
Taxes			
Taxes		- 13 760	-13 220
Other income and expenses			
Other income and expenses	1	- 1 607	288
Profit / loss		31 825	- 14 667
Balance carried to members' funds		31 825	- 14 667



Balance sheet

All figures in USD 1,000

	Note	20.02.2023	20.02.2022
ASSETS			
Intangible assets			
Intangible assets	5	2 034	0
Total intangible assets		2 034	0
Financial assets			
Strategic investments		20	10 447
Shares	6	212 105	226 615
Bonds	6	670 947	619 954
Other investments	6	29 610	32 190
Total financial assets		912 682	889 207
Debtors			
Reinsurers		31 272	7 568
Other debtors		4 986	3 618
Total debtors		36 258	11 186
Other assets			
Fixed assets	5	4 174	6 259
Cash at bank		176 822	190 397
Total other assets		180 996	196 656
Prepayments and accrued income			
Total prepayments and accrued income		25 495	18 999
Total assets		1 157 466	1 116 048

All figures in USD 1,000

	Note	20.02.2023	20.02.2022
LIABILITIES			
Technical provisions			
Gross provision for outstanding claims	8,9	1 107 176	917 595
Reinsurers' share	8,9	- 499 184	- 322 420
Provisions for outstanding claims for own account	8,9	607 991	595 176
Contingency reserve		444 626	430 063
- Members' funds	7	401 205	370 701
- Deferred cessation tax	1,7	43 421	59 362
Total technical provisions for own account	8,9	1 052 617	1 025 239
Provisions for other liabilities			
Pension liabilities		8 712	8 919
Deferred tax		9 361	33 022
Tax payable	7	29 503	16 904
Total provisions for other liabilities		47 575	58 845
Creditors			
Members and brokers		19 187	13 589
Reinsurers		19 792	6 606
Financial derivatives		918	0
Other creditors		10 460	9 754
Total creditors		50 357	29 950
Accruals and deferred income			
Total accruals and deferred income		6 916	2 015
Total liabilities		1 157 466	1 116 048



Paris, 11 May 2023

sign.

KLAUS KJÆRULFF
Chairman of the Board

sign.

MARTIN LARSEN
Board member

sign.

TERJE HJ MICHELSEN
Board member

sign.

BERNT O. BODAL
Board member

sign.

CATHERINE CHEUNG
Board member

sign.

EIVIND EIDESVIK
Board member

sign.

ERIK HÅNELL
Board member

sign.

GERARD PATRONIS
Board member

sign.

TRYGVE SEGLEM
Board member

sign.

UTA URBANIAK-SAGE
Board member

sign.

ANN-MARIE ÅSTRÖM
Board member

sign.

DARIA AVDEEVA
Employees representative

sign.

PETER BLØCHER
Employees representative

sign.

STÅLE HANSEN
President & CEO



Note 1

Accounting policy

The accounts have been prepared according to regulations for Norwegian Insurance Companies and are prepared in USD. These sets of USD accounts are based on the official Norwegian accounts, but some reclassifications and modifications have been made in order to make the accounts comparable to the accounts of the other P&I clubs in the International Group.

- Provisions for bad and doubtful debts are included in calls and premiums.
- Interest on overdue payments is included in calls and premiums
- Claims management expenses are included in claims incurred.

The notes have been prepared in accordance with International Group of P&I Clubs' agreed accounting standards, hence they are a simplified version of the official accounts.

Basis of accounting

The accounts are prepared on an annual accounting basis and include the following:

- All premiums for policies commencing during the year.
- The cost of claims incurred and reinsurance for the current year.
- Any adjustments relating to earlier years.
- Operating expenses and investment income.

Consolidation

The consolidated accounts include the accounts for Assuranceforeningen Skuld (Gjensidig), Skuld Mutual Protection and Indemnity Association (Bermuda) Limited, Assuranceforeningen Skuld (Gjensidig)'s subsidiaries: Vika Management AS, Skuld Germany GmbH, Skuld Far East Ltd, Skuld Hellas Ltd, Skuld North America Inc, Skuld Services Ltd, and Skuld Prosjekt AS. Hydra Insurance Company Ltd, Skuld Holding Ltd, Skuld Investments Ltd and Skuld Re Ltd are fully-owned and controlled by Skuld Mutual Protection and Indemnity Association (Bermuda) Ltd.

In the accounts, shares in subsidiaries, receivables from and payables to subsidiaries, and transactions between

the companies within Skuld, have been eliminated. subsidiaries, and transactions between the companies within Skuld, have been eliminated.

Calls and Premiums

Calls and premiums include gross calls and supplementary calls, less return premiums and provisions for bad and doubtful debts. These calls and premiums are the total receivable for the whole period of cover provided by the contracts commencing during the accounting period, together with any premium adjustments relating to prior accounting years and unearned premium for future accounting years. The calls and premiums include provisions for estimated future supplementary calls in respect of open policy years. The calls and premiums, reinsurance premiums, claims and commission to brokers are allocated to the policy year to which they relate.

Claims

The claims expenses include all claims incurred during the year together with claims administration expenses. The

technical provision for claims outstanding includes an element of claims incurred but not reported (IBNR). Provisions for claims are assessed individually by the claims handlers, and IBNR provision is based on empirical data for estimating the extent of subsequent claims based on statistical models. In addition, unallocated loss adjustment expenses are included in the technical provision for claims.

Reinsurance premiums

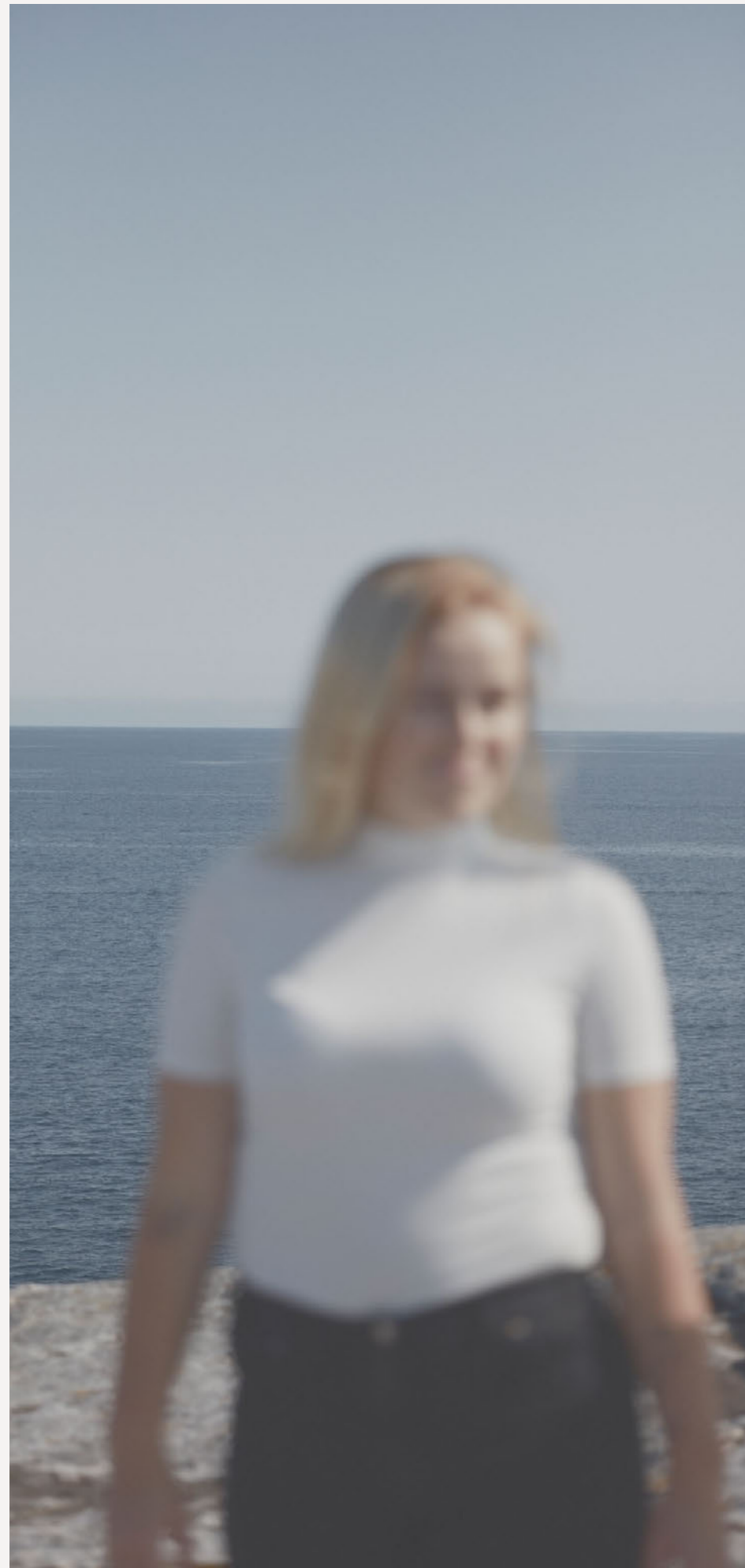
These include premiums payable to market underwriters, charged to the consolidated income and expenditure account on an accruals basis.

Reinsurance recoveries

Reinsurance recoveries are accrued to match relevant claims, and include estimated recoveries on estimated outstanding claims.

Operating expenses

Operating expenses consists of acquisition cost and administrative expenses.



Foreign currency

Income and expenses in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Assets and liabilities in foreign currencies are converted to the functional currency at the exchange rate at the date of the balance sheet. Changes in valuations due to changes in exchange rates between the date of the transaction and the date of the balance sheet are recognised in the income statement.

Investments

Financial assets are measured at transaction value at initial recognition. After initial recognition, financial assets are measured at fair value with profit and loss recognised in the income statement. Divested financial assets are measured at transaction value at derecognition.

Taxes

In 2018 the new tax regulations were approved with impact for the current financial year. In the transition to the new regulations, 75% of contingency reserve was reclassified to members' funds, while the remaining balance of 25% was recognised as deferred cessation tax

and will be payable over a 10-year period. Under the current tax regulations, Skuld can offset incurred claims against the provision for deferred cessation tax. Skuld has disputed the taxation of historical contingency reserve in tax papers since 2018. In 2022 a notice of adjustment of tax assessment was received, which has been challenged by Skuld to the Norwegian Tax Appeals Committee. Members' funds for 2022/23 is presented in accordance with the general tax regulations for insurance companies.

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax assets are recognised when it is probable that the association or group will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the association or group no longer regards it as probable that it can utilise the deferred tax asset.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the group where temporary differences have arisen.

Deferred tax and deferred tax assets are recognised at their nominal value and classified as non-current asset (long-term liabilities) in the balance sheet.

Other income and expenses

Other income and expenses consist of exchange differences on subsidiaries, profit / loss on financial instruments available for sale and remeasurement of deferred pension plan.

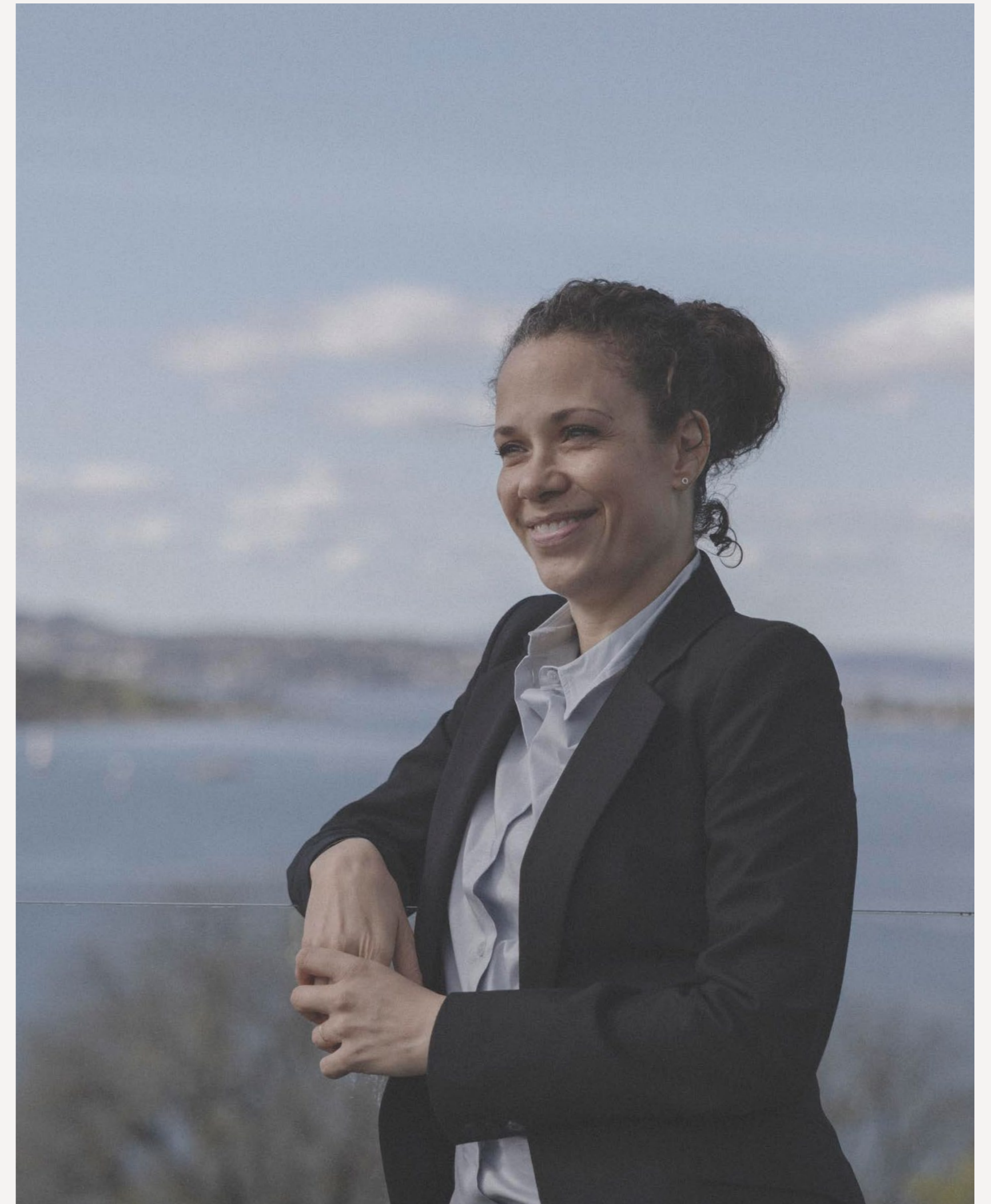


Note 2

Gross earned premiums and calls distributed by country

All figures in USD 1,000

Country	Premiums	%
Norway	49 879	10.5%
Nordic countries excl. Norway	28 108	5.9%
Germany	28 221	6.0%
Greece	38 655	8.2%
United Kingdom	21 861	4.6%
Rest of Europe	80 650	17.0%
Americas	83 390	17.6%
Asia	122 308	25.8%
Other	20 204	4.3%
Total gross earned premiums and calls	473 276	100.0%





Note 3

Net claims incurred

All figures in USD 1,000

	2022/23	2021/22
Gross claims paid		
Own claims	321 275	274 146
Group pooling arrangements	31 317	25 044
Gross claims paid	352 592	299 191
Reinsurance recoveries		
Group pooling arrangements	- 55 587	- 33 325
Market underwriters	- 42 457	- 29 790
Reinsurance recoveries	- 98 044	- 63 115
Net claims paid	254 548	236 076
Change in provision for gross claims		
Provision opening balance	917 595	690 573
Provision closing balance	1 107 176	917 595
Change in currency valuation at year end	22 248	17 195
Gross change in estimated outstanding claims	211 828	244 218

	2022/23	2021/22
Less movements in provision for reinsurers' share		
Provision opening balance	- 322 420	- 160 636
Provision closing balance	- 499 184	- 322 420
Change in currency valuation at year end	- 2 372	- 858
Reinsurers' share	- 179 137	- 162 642
Change in provision for future claims		
Net change in claims provision	32 692	81 575
Claims incurred for own account	287 240	317 651



Note 4

Net operating expenses

All figures in USD 1,000

	GROUP		ASSOCIATION	
	2022/23	2021/22	2022/23	2021/22
Administrative expenses	20 207	18 277	20 211	18 244
Commissions	43 006	38 302	37 785	32 596
Allocated underwriting expenses	21 823	19 739	22 053	19 704
Marketing	4 176	1 410	3 062	963
Surveys	535	307	531	304
Acquisition costs	69 540	59 758	63 431	53 567
Net operating expenses	89 747	78 035	83 642	71 811

In the consolidated income and expenditure account, direct claims cost and a relevant portion of overhead expenses are allocated to claims-, acquisition- and investment expenses respectively.

In accordance with Schedule 3 of the international Group Agreement, the Association is required to disclose the Average Expense Ratio ("AER") for the Association's P&I business. The AER is calculated as operating expenses divided by premium and investment income. The operating expenses include all expenditure incurred in operating the Association's P&I business, excluding expenditure dealing with claims and a reasonable allocation of general overhead expenses. The premium includes all earned premium allocated to the policy year of origin.

For the five-year period ended 20 February 2023, a ratio of 12.7% (12.4% at 20 February 2022) has been calculated in accordance with the Schedule and the guidelines issued by the International Group and is consistent with the relevant Financial Statements.



Note 5

Fixed and intangible assets

All figures in USD 1,000

	Fixed assets	Intangible assets
Cost at 20.02.22	12 272	8 607
Purchases in the year	323	1 376
Sales / Scrapping in the year	871	0
Cost at 20.02.23	11 724	9 982
Accumulated depreciation	7 551	7 948
Net book value 20.02.23	4 174	2 034
Depreciation this year	810	636

Note 6

Financial investments

All figures in USD 1,000

	20.02.23 Market value	20.02.22 Market value
Shares		
Listed shares and funds	212 105	226 615
Total shares	212 105	226 615
Bonds		
Treasuries	499 704	479 618
Corporate Securities	156 657	122 160
Cash and Money Market	1 532	1 720
Other	13 054	16 456
Total bonds	670 947	619 954
Other investments		
Hedge Funds	12 922	14 229
Infrastructure	12 348	11 844
Private Equity	4 341	6 117
Total other investments	29 610	32 190



Note 7

Members' funds and contingency reserve

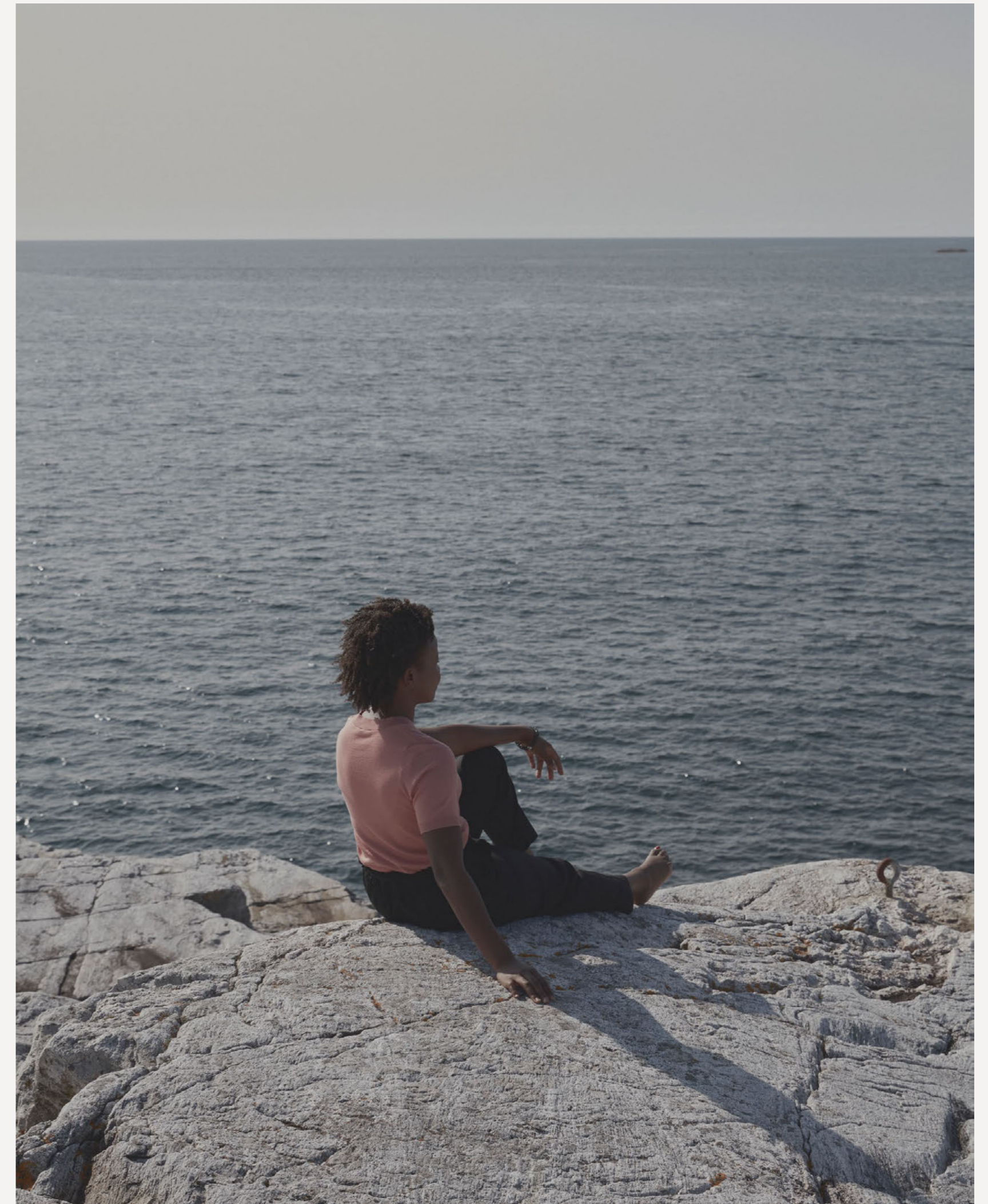
All figures in USD 1,000

	2022/23	2021/22
Members' funds opening balance	370 701	385 367
Change in earlier years	- 1 321	0
Balance carried forward to members' funds	31 825	- 14 667
Members' funds closing balance	401 205	370 701
Deferred cessation tax	43 421	59 362
Contingency reserve closing balance	444 626	430 063

The Norwegian Ministry of Finance have for a number of years been working on new tax regulations for insurance companies. In 2018 the new tax regulations were approved with impact from financial year 2018. Skuld has disputed the taxation of historical contingency reserve in tax papers since 2018. In 2022 a notice of adjustment of tax assessment was received, which has been challenged by Skuld to the Norwegian Tax Appeals Committee. Members' funds for 2022/23 is presented in accordance with the general tax regulations for insurance companies.

Deferred cessation tax will be payable over a 10-year period starting from financial year 2018/19. The liability is in NOK and will fluctuate with currency.

Incurred claims can be offset against deferred cessation tax, hence presented as part of the contingency reserve.





Note 8

Provisions for outstanding claims by policy year

All figures in USD 1,000

	2022	2021	2020	Closed years	Total
Gross estimated outstanding including IBNR	237 949	197 394	301 783	246 135	983 261
The Association's estimated share of other associations' pool-claims including IBNR	14 609	32 155	33 532	43 619	123 915
Gross provision for outstanding claims	252 557	229 549	335 315	289 754	1 107 176
Estimated outstanding recoveries including IBNR from:					
Pooling agreements	0	8 439	0	57 178	65 617
Group excess loss	0	0	0	12 005	12 005
Other reinsurers' share	68 091	70 988	225 845	56 639	421 562
Total estimated outstanding recoveries	68 091	79 427	225 845	125 822	499 184
Provisions for outstanding claims for own account	184 467	150 122	109 470	163 932	607 991
Members' funds	- 360	- 6 442	11 735	396 271	401 205
Deferred cessation tax	0	0	0	43 421	43 421
Technical provisions for own account	184 107	143 681	121 206	603 624	1 052 617



Note 9

Technical provisions for own account

All figures in USD 1,000

	20.02.23	20.02.22
P&I		
Gross estimated outstanding including IBNR	836 268	683 583
The Association's estimated share of other associations' pool-claims including IBNR	123 915	112 141
Gross provision for outstanding claims	960 183	795 724
Estimated outstanding recoveries from:		
Pooling agreements	- 65 617	- 90 935
Other reinsurers' share	- 425 887	- 230 675
Total estimated outstanding recoveries	- 491 504	- 321 609
Provision for outstanding claims for own account P&I	468 679	474 114
Physical damage, FD&D and other		
Gross estimated outstanding including IBNR	146 993	121 871
Gross provision for outstanding claims	146 993	121 871

All figures in USD 1,000

	20.02.23	20.02.22
Estimated outstanding recoveries from:		
Other reinsurers' share	- 7 680	- 810
Total estimated outstanding recoveries	- 7 680	- 810
Provision for outstanding claims for own account Physical damage, FD&D and other	139 313	121 061
Total P&I, Physical damage, FD&D and other		
Provision for outstanding claims for own account	607 991	595 176
Members' funds	401 205	370 701
Deferred cessation tax	43 421	59 362
Technical provision for own account	1 052 617	1 025 239



Note 10 Off-balance sheet items

Guarantees

Bank Guarantees and "Club Letter of Guarantees" amounting in total to USD 857.4 million have been issued in connection with claims, of which the latter makes up by far the greater part. The face value of these guarantees greatly exceeds the expected payments from the related claims. The expected payments from these claims are fully covered in the provisions made for outstanding claims.

The Association entered into a 10-years lease period for the Oslo office building commencing 1 June 2012, prolonged with 5 years.





Note 11

Risk management and reporting

Skuld's core business is marine insurance, and underwriting risk is Skuld's main risk. Skuld is further exposed to financial risk, i.e. market risk and liquidity risk, due to investment activities. Internal risks, of which sanctions risk is currently the most significant, originate from within the organisation, while Skuld at the same time operates in a risk landscape, being affected by a number of external risks. Skuld's business operations and the way risks are being dealt with may give rise to reputational risk.

Skuld measures its risk through monthly calculations of solvency capital requirements with the standard formula.

Underwriting risk

The main documents for managing underwriting risk are Skuld's underwriting policy, describing management of underwriting

risk, and more detailed underwriting instructions. In order to mitigate underwriting risk reinsurance is applied to ensure that underwriting risk is kept within risk appetite. Skuld's reinsurance policy describes the management of the reinsurance process.

Financial Risk

Financial risk consists of market risk, counterparty default risk and liquidity risk. Skuld is exposed to these types of risk through investment activities and the reinsurance programme.

Total risk tolerance for market risk is described in Skuld's risk appetite statement. Investment mandates are established to respect these risk limits. The investment strategy details the operationalisation of investment beliefs, policy and mandates.

Skuld's liquidity strategy details a framework and guidelines for ensuring adequate cash management to meet liabilities in due time.

Market risk

Skuld's equity exposures are mainly investments in internationally diversified funds, with the majority focusing on the United States and other developed markets. There are also investments in private equity funds as well as hedge funds.

Shifts in interest rates will have an effect in the financial statement because outstanding claims are held at nominal value and are not adjusted to net present value. This implies that increased interest rates could cause a drop in Skuld's assets while the liabilities are unchanged. In real economic terms the net present value of

the liabilities will have the same drop and the total effect will be limited. Surplus assets will be exposed to the same risks, as they include fixed income instruments and holdings in other currencies than USD.

Counterparty default risk

Bond issuers, account receivables, bank deposits and reinsurers represent important counterparty risks. The majority of bond holdings consist of high rated issues. The average rating of bonds is AA (as defined by S&P). Minimum rating requirements are applied to reinsurers and banks, enabling efficient control of counterparty risk. Bank guarantees issued in favour of the group shall not be rated below A.

Liquidity risk

Liquidity is controlled by placing parts of financial assets in instruments that



are highly liquid. A separate portfolio containing liquid bank deposits ensures sufficient cash resources to meet Skuld's daily obligations.

Operational risk

For operational risk, regulations require calculation of risk capital. Unlike for financial risks there is, however, no connection between risk capital and actual risk level, so that risk capital calculations have no real control function for operational risk. A risk assessment process, carried out at least bi-annually, as well as incident reporting and the follow-up of incidents are important tools to manage operational risk.

Sustainability risk

Sustainability risk are factors with potential consequences for the climate and environment or socio-economic consequences. Skuld considers especially the following risks within this category:

1. Reputational, regulatory and financial risk of making insufficient progress in

- addressing sustainability issues.
2. Physical impact of climate change and potential consequences for Skuld's portfolio.
3. Risks connected with the transition to a lower carbon economy, and
4. Liability risks.

Global unrest

The risk picture for Skuld throughout 2022 and in the beginning of 2023 has been characterised by general global unrest, consequences of the war in Ukraine and volatility in financial markets.

Sanctions risk continues to be significant, with EU, UK and US keeping a dynamic and escalating sanctions regime. Many of the sanctions are coordinated, while many more are specific. Skuld screens all entered members, clients and third-party recipients automatically against continuously updated sanctions lists. Manual screening is carried out for members with Russian touchpoint.

An indirect consequence of the sanctions regime is the risk of business disruption which has increased throughout 2022 in

line with bank's stricter self sanctioning with respect to Russian nexus transactions. Skuld may not receive premium from members with even a very distant Russian nexus and may neither be able to pay a claim with an unexpected Russian nexus.

The war in Ukraine has also complicated the renewal of Skuld's reinsurance programme, with a number of war exclusions having been introduced. All inclusions are mirrored in P&I terms and conditions and additional clauses.

Uncertainty about the future transmits to volatility in financial markets translating into substantial fluctuations in Skuld's investment portfolio. The recent upheaval in the banking sector has only had a minor impact on Skuld, the estimated exposure to Credit Suisse was around USD 260,000.

Right after the invasion, increased cyber risk and higher claims cost were anticipated. Even though there have been several coordinated cyber-attacks during the year, Skuld has not been affected. The

main focus in recent months has been on phishing attempts.

Anticipated higher claims costs have not materialised, and 2022 has ended being a benign claims year. Going forward it is expected that claims costs will normalise.



Note 12

Policy year statement by class as at 20.02.23

All figures in USD 1,000

	2022	2021	2020
P&I			
Advance calls, releases and other gross premiums charged in:			
years to 20 February 2021	0	0	259 138
year to 20 February 2022	0	266 119	19 517
current financial year	293 481	23 898	442
	293 481	290 016	279 097
Supplementary calls levied in:			
years to 20 February 2022	0	0	0
current financial year	0	0	0
	0	0	0
Total calls and premiums	293 481	290 016	279 097
Reinsurance premiums	- 60 486	- 49 531	- 45 668
	232 995	240 486	233 429
Claims incurred net of reinsurance recoveries	- 177 660	- 231 365	- 235 058
Net underwriting profit	55 335	9 121	- 1 629
Net operating expenses	- 56 097	- 51 559	- 52 866
Net investment income	- 432	2 041	58 606
Taxes	13 028	12 333	- 3 999
Total P&I	11 834	- 28 064	112

All figures in USD 1,000

	2022	2021	2020
Physical damage, FD&D and other			
Advance calls, releases and other gross premiums charged in:			
years to 20 February 2021	0	0	64 074
year to 20 February 2022	0	70 859	59 460
current financial year	80 838	67 126	6 600
	80 838	137 985	130 135
Supplementary calls levied in:			
years to 20 February 2022	0	0	0
current financial year	0	0	0
	0	0	0
Total calls and premiums	80 838	137 985	130 135
Reinsurance premiums	- 9 890	- 7 548	- 4 999
	70 948	130 437	125 136
Claims incurred net of reinsurance recoveries	- 67 506	- 83 180	- 89 056
Net underwriting profit	3 442	47 257	36 080
Net operating expenses	- 19 847	- 26 853	- 25 521
Net investment income	3 479	331	3 348
Taxes	733	887	- 2 283
Total Physical damage, FD&D and other	- 12 194	21 622	11 623
Total P&I, Physical damage, FD&D and other	- 360	- 6 442	11 735

Calls and premiums, reinsurance premiums, claims and commission to brokers are allocated to the policy year to which they relate. A part of the fixed premiums for the policy year 2022 will be earned in 2023. Operating expenses and investment income have been allocated to the policy year corresponding to the accounting year.



Note 13

Policy year statement as at 20.02.23 – Mutual and fixed business

All figures in USD 1,000

	2022	2021	2020
Mutual			
Total calls and premiums	220 701	195 588	191 412
Reinsurance premiums	- 33 776	- 25 325	- 24 741
	186 925	170 262	166 671
Claims incurred net of reinsurance recoveries	- 136 796	- 184 877	- 190 553
Net underwriting profit	50 129	- 14 615	- 23 882
Net operating expenses	- 42 245	- 35 871	- 38 227
Net investment income	1 032	4 038	33 586
Taxes	9 241	8 051	1 469
Total Mutual	18 158	- 38 397	- 27 054

Calls and premiums, reinsurance premiums, claims and commission to brokers are allocated to the policy year to which they relate. A part of the fixed premiums for the policy year 2022 will be earned in 2023. Operating expenses and investment income have been allocated to the policy year corresponding to the accounting year.

All figures in USD 1,000

	2022	2021	2020
Fixed			
Advance calls, releases and other gross premiums charged in:			
Years to 20 February 2021	0	0	131 178
Year to 20 February 2022	0	140 247	79 660
Current financial year	153 617	92 167	6 983
	153 617	232 414	217 821
Total calls and premiums	153 617	232 414	217 821
Reinsurance premiums	- 36 600	- 31 753	- 25 926
	117 017	200 660	191 894
Claims incurred net of reinsurance recoveries	- 108 370	- 129 667	- 133 561
Net underwriting profit	8 648	70 993	58 334
Net operating expenses	- 33 699	- 42 541	- 40 160
Net investment income	2 016	- 1 667	28 367
Taxes	4 519	5 169	- 7 752
Total Fixed	- 18 517	31 955	38 789
Total Mutual and Fixed business	- 360	- 6 442	11 735



14
GRI Index



Gri standard Other source	Disclosure	Location	Omission			GRI sector standard Ref. No.	
			Requirement(s) Omitted	Reason	Explanation		
General disclosures							
GRI 2: General Disclosures 2021	2-1 Organizational details	skuld.com/about/	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.				
	2-2 Entities included in the organization's sustainability reporting	skuld.com/about/facts--figures/					
	2-3 Reporting period, frequency and contact point	Annual report and the traditional P&I coverage year 20.02.22-20.02.23					
	2-4 Restatements of information	No restatements					
	2-5 External assurance	No external assurance					
	2-6 Activities, value chain and other business relationships	skuld.com/about/facts--figures/ skuld.com/products/ skuld.com/about/service/					
	2-7 Employees	Global network – one team, page 32					
	2-8 Workers who are not employees	--			Confidentiality constraints	Skuld manages various external consultants primarily for digitisation projects and audit. Most of these projects are confidential.	
	2-9 Governance structure and composition	skuld.com/about/governance/					
	2-10 Nomination and selection of the highest governance body	skuld.com/about/governance/board-of-directors/ skuld.com/about/governance/ https://www.skuld.com/contentassets/11b0345af9b84481864d42ae63520f70/2023_skuld_statutes.pdf					
	2-11 Chair of the highest governance body	skuld.com/about/governance/board-of-directors/ skuld.com/about/governance/ https://www.skuld.com/contentassets/11b0345af9b84481864d42ae63520f70/2023_skuld_statutes.pdf					



Gri standard Other source	Disclosure	Location	Omission			GRI sector standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
General disclosures						
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	skuld.com/about/governance/board-of-directors/ skuld.com/about/governance https://www.skuld.com/contentassets/11b0345af9b84481864d42ae63520f70/2023_skuld_statutes.pdf				
	2-13 Delegation of responsibility for managing impacts	Skuld annual report 2022/23 Skuld sustainability platform - Sustainability Working Group				
	2-14 Role of the highest governance body in sustainability reporting	Chief People, Communication and Sustainability Officer				
	2-15 Conflicts of interest	https://www.skuld.com/contentassets/11b0345af9b84481864d42ae63520f70/2023_skuld_statutes.pdf				
	2-16 Communication of critical concerns	Skuld annual report 2022/23 Skuld - Governance, transparency, and integrity - Whistleblowing and Skuld's non-retaliation culture				
	2-17 Collective knowledge of the highest governance body	Skuld annual report 2022/23 Skuld - Governance, transparency, and integrity				
	2-18 Evaluation of the performance of the highest governance body	https://www.skuld.com/contentassets/11b0345af9b84481864d42ae63520f70/2023_skuld_statutes.pdf Annual Board Self-assessment				
	2-19 Remuneration policies	--			Confidentiality constraints	
	2-20 Process to determine remuneration	--			Confidentiality constraints	
	2-21 Annual total compensation ratio	--			Confidentiality constraints	
	2-22 Statement on sustainable development strategy	Skuld annual report 2022/23 Skuld CEO's report and Chairman's report page 4 - 9.				
	2-23 Policy commitments	Skuld annual report 2022/23 Governance, transparency, and integrity - Human Rights and Decent Working Conditions (Transparency Act), page 76				



Gri standard Other source	Disclosure	Location	Omission			GRI sector standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
General disclosures						
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Skuld annual report 2022/23 Governance, transparency, and integrity - Human Rights and Decent Working Conditions (Transparency Act), page 76				
	2-25 Processes to remediate negative impacts	--		Not applicable	The disclosure is only relevant to environmental remediation processes (e.g., processes to remove contaminants from soil) when these are connected to impacts on stakeholders or grievances raised by stakeholders.	
	2-26 Mechanisms for seeking advice and raising concerns	www.skuld.com/about/code-of-conduct/				
	2-27 Compliance with laws and regulations	Skuld annual report 2022/23 Governance, transparency, and integrity, page 74-75				
	2-28 Membership associations	skuld.com/about/sponsorships/				
	2-29 Approach to stakeholder engagement	Skuld annual report 2022/23 Skuld stakeholders, page 45				
	2-30 Collective bargaining agreements	--		Information unavailable/incomplete	Skuld complies with Norwegian law	



Gri standard Other source	Disclosure	Location	Omission			GRI sector standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Skuld annual report 2022/23 Skuld materiality matrix, page 44	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	Skuld annual report 2022/23 Skuld materiality matrix, page 44				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	Skuld annual report 2022/23 Sustainable Investments, page 59				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Skuld annual report 2022/23 Key Figures, page 17 - 22				
	201-2 Financial implications and other risks and opportunities due to climate change	Skuld annual report 2022/23 Risk Management, page 72 and 73. Key Figures, page 17 - 22				
	201-3 Defined benefit plan obligations and other retirement plans	--	Confidentiality constraints			
	201-4 Financial assistance received from government	--	Not applicable			
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	--	Not applicable			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	--	Not applicable			
	202-2 Proportion of senior management hired from the local community	--	Not applicable			



Gri standard Other source	Disclosure	Location	Omission			GRI sector standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	--				Not applicable
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	--				Not applicable
	203-2 Significant indirect economic impacts					Not applicable
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	--				Information unavailable/ incomplete
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	--				Information unavailable/ incomplete
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	Skuld annual report 2022/23 Governance, transparency, and integrity page 74-75				
GRI 205: Anti- corruption 2016	205-1 Operations assessed for risks related to corruption	Skuld annual report 2022/23 Governance, transparency, and integrity page 74-75				
	205-2 Communication and training about anti-corruption policies and procedures	Skuld annual report 2022/23 Governance, transparency, and integrity page 74-75				
	205-3 Confirmed incidents of corruption and actions taken	Skuld annual report 2022/23 Governance, transparency, and integrity page 74-75				



Gri standard Other source	Disclosure	Location	Omission			GRI sector standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	Skuld annual report 2022/23 Governance, transparency, and integrity page 74-75				
GRI 206: Anti- competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Skuld annual report 2022/23 Governance, transparency, and integrity page 74-75				
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	--			Not applicable	
GRI 207: Tax 2019	207-1 Approach to tax	--			Not applicable	
	207-2 Tax governance, control, and risk management	Skuld annual report 2022/23 Key Figures, page 18, 21, and 22				
	207-3 Stakeholder engagement and management of concerns related to tax	--			Not applicable	
	207-4 Country-by-country reporting	--			Not applicable	
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	--				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	--			Not applicable	Not part of our business as Skuld only manage marine insurance
	301-2 Recycled input materials used	--			Not applicable	Not part of our business as Skuld only manage marine insurance



Gri standard Other source	Disclosure	Location	Omission			GRI sector standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Materials						
GRI 301: Materials 2016	301-3 Reclaimed products and their packaging materials			Not applicable	Not part of our business as Skuld only manage marine insurance	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Skuld annual report 2022/23 Decarbonisation and emissions, page 48-52				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Skuld annual report 2022/23 Decarbonisation and emissions, page 48-52				
	302-2 Energy consumption outside of the organization	Skuld annual report 2022/23 Decarbonisation and emissions, page 48-52				
	302-3 Energy intensity	Skuld annual report 2022/23 Decarbonisation and emissions, page 48-52				
	302-4 Reduction of energy consumption	Skuld annual report 2022/23 Decarbonisation and emissions, page 48-52		Not applicable		
	302-5 Reductions in energy requirements of products and services	--		Not applicable		
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	Skuld annual report 2022/23 Decarbonisation and emissions, page 48-52				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Skuld annual report 2022/23 Decarbonisation and emissions, page 48-52				
	305-2 Energy indirect (Scope 2) GHG emissions	Skuld annual report 2022/23 Decarbonisation and emissions, page 48-52				
	305-3 Other indirect (Scope 3) GHG emissions	Skuld annual report 2022/23 Decarbonisation and emissions, page 48-52				



Gri standard Other source	Disclosure	Location	Omission			GRI sector standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Emissions						
GRI 305: Emissions 2016	305-4 GHG emissions intensity	Skuld annual report 2022/23 Decarbonisation and emissions, page 48-52				
	305-5 Reduction of GHG emissions	Skuld annual report 2022/23 Decarbonisation and emissions, page 48-52				
	305-6 Emissions of ozone-depleting substances (ODS)	--		Not applicable	Not part of our business as we only manage marine insurance	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	--		Not applicable	Not part of our business as we only manage marine insurance	
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	Skuld annual report 2022/23 page 49, 57 and 58				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Skuld annual report 2022/23 page 49, 57 and 58				
	306-2 Management of significant waste-related impacts	Skuld annual report 2022/23 page 49, 57 and 58				
	306-3 Waste generated	--		Information unavailable/incomplete		
	306-4 Waste diverted from disposal	--		Information unavailable/incomplete		
	306-5 Waste directed to disposal	--		Information unavailable/incomplete		



Gri standard Other source	Disclosure	Location	Omission			GRI sector standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Skuld annual report 2022/23 Crisis Response, Screening the sustainability of crisis-response suppliers Page 57. Human Rights and Decent Working Conditions (Transparency Act), page 76 and 79				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Skuld annual report 2022/23 Crisis Response, Screening the sustainability of crisis-response suppliers Page 57. Human Rights and Decent Working Conditions (Transparency Act) , page 76 and 79				
	308-2 Negative environmental impacts in the supply chain and actions taken	Skuld annual report 2022/23 Crisis Response, Screening the sustainability of crisis-response suppliers Page 57. Human Rights and Decent Working Conditions (Transparency Act), page 76 and 79				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Skuld annual report 2022/23 Employee diversity and inclusion, page 64				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Skuld annual report 2022/23 Employee diversity and inclusion, page 64				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	--		Confidentiality constraints		
	401-3 Parental leave	Skuld annual report 2022/23 Employee diversity and inclusion, page 64				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	--				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Governed by Norwegian Law		Not applicable		



Gri standard Other source	Disclosure	Location	Omission			GRI sector standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Skuld annual report 2022/23 Health and well-being, page 62 and 63				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Skuld annual report 2022/23 Health and well-being, page 62 and 63				
	403-2 Hazard identification, risk assessment, and incident investigation	Skuld annual report 2022/23 Health and well-being, page 62 and 63				
	403-3 Occupational health services	Skuld annual report 2022/23 Health and well-being, page 62 and 63				
	403-4 Worker participation, consultation, and communication on occupational health and safety	Skuld annual report 2022/23 Health and well-being, page 62 and 63				
	403-5 Worker training on occupational health and safety	Skuld annual report 2022/23 Employee diversity and inclusion, page 64				
	403-6 Promotion of worker health	Skuld annual report 2022/23 Employee diversity and inclusion, page 64				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Skuld annual report 2022/23 Employee diversity and inclusion, page 64				
	403-8 Workers covered by an occupational health and safety management system	Skuld annual report 2022/23 Employee diversity and inclusion, page 64				
	403-9 Work-related injuries	none				
	403-10 Work-related ill health	none				
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	Skuld annual report 2022/23, page 63, 70, 74, 76, 78				



Gri standard Other source	Disclosure	Location	Omission			GRI sector standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Training and education						
GRI 403: Occupational Health and Safety 2018	404-1 Average hours of training per year per employee	Skuld annual report 2022/23, page 63, 70, 74, 76, 78				
	404-2 Programs for upgrading employee skills and transition assistance programs	--		Information unavailable/incomplete		
	404-3 Percentage of employees receiving regular performance and career development reviews	--		Information unavailable/incomplete		
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Skuld annual report 2022/23 Employee diversity and inclusion, page 64- 68				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Skuld annual report 2022/23 Employee diversity and inclusion, page 64- 68				
	405-2 Ratio of basic salary and remuneration of women to men	Skuld annual report 2022/23 Employee diversity and inclusion, page 64- 68				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	--				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	none				



Gri standard Other source	Disclosure	Location	Omission			GRI sector standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	--				Not applicable
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	--				Not applicable
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Skuld annual report 2022/23 Human Rights and Decent Working Conditions (Transparency Act), page 76 and 77				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Skuld annual report 2022/23 Human Rights and Decent Working Conditions (Transparency Act), page 76 and 77				
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Skuld annual report 2022/23 Human Rights and Decent Working Conditions (Transparency Act), page 76 and 77				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Skuld annual report 2022/23 Human Rights and Decent Working Conditions (Transparency Act), page 76 and 77				
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	--				Not applicable
GRI 3: Material Topics 2021	3-3 Management of material topics	--				Not applicable



Gri standard Other source	Disclosure	Location	Omission			GRI sector standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Rights of indigenous peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics	--		Not applicable		
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	--		Not applicable		
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	Skuld annual report 2022/23 Skuld Impact Week, page 71				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Skuld annual report 2022/23 Skuld Impact Week, page 71				
	413-2 Operations with significant actual and potential negative impacts on local communities	--		Not applicable	Not part of the business as Skuld only manages marine insurance	
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Skuld annual report 2022/23 Crisis Response, Screening the sustainability of crisis-response suppliers Page 57. Human Rights and Decent Working Conditions (Transparency Act), page 76 and 77				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Skuld annual report 2022/23 Crisis Response, Screening the sustainability of crisis-response suppliers Page 57. Human Rights and Decent Working Conditions (Transparency Act), page 76 and 77				
	414-2 Negative social impacts in the supply chain and actions taken	Skuld annual report 2022/23 Crisis Response, Screening the sustainability of crisis-response suppliers Page 57. Human Rights and Decent Working Conditions (Transparency Act), page 76 and 77		Not applicable		



Gri standard Other source	Disclosure	Location	Omission			GRI sector standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	--				Not applicable
GRI 415: Public Policy 2016	415-1 Political contributions	--				Not applicable
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Skuld annual report 2022/23 Health and well-being, page 62 and 63				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Skuld annual report 2022/23 Health and well-being, page 62 and 63				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Skuld annual report 2022/23 Health and well-being, page 62 and 63				
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	--				Information unavailable/ incomplete
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	--				Information unavailable/ incomplete
	417-2 Incidents of non-compliance concerning product and service information and labeling	--				Information unavailable/ incomplete
	417-3 Incidents of non-compliance concerning marketing communications	--				Information unavailable/ incomplete



Gri standard Other source	Disclosure	Location	Omission			GRI sector standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Skuld annual report 2022/23 Governance, transparency, and integrity, page 74				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Skuld annual report 2022/23 Governance, transparency, and integrity, page 74				



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Corporate governance



High governing standards

Skuld's Statutes set out the structure and roles of our governing bodies and more detailed instructions cover the responsibilities of the Board, its Chairman and the President and CEO. The purpose is independence and control in governing Skuld, while ensuring equal terms for equal members.

The General Meeting is Skuld's highest authority. Skuld is owned by its member shipowners and all members have a right to attend. This year's Annual General Meeting (AGM) takes place in Oslo on 14 September 2023.

The Committee is composed of member representatives and supervises Skuld's business and elects the Board.

The Board of Directors, elected mainly among Skuld members, is responsible for strategic decisions related to Skuld's operations and deal with Skuld's strategy, budget and premiums, International Group of P&I Clubs (IG) issues, reinsurance contracts and more.

The President and CEO is responsible for the day-to-day management of the association and communicates with the Board on matters of importance to Skuld. The President and CEO shall ensure Skuld's compliance with all applicable legislation and forms the Executive Management team together with other members from Skuld senior management.

Skuld aims at having open and transparent communication with members, employees and other stakeholders.

Code of Conduct describes our ethical commitments and requirements. It sets expectations for personal conduct and business practise. Areas covered include conflict of interest, fraud prevention, human rights and employment conditions.

Together with other global policies, instructions, guidelines and legal requirements, Code of Conduct applies to all leaders, employees and others who perform services on behalf of Skuld.





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Do you have questions?

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mc@skuld.com



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www.skuld.com



Rest assured.