THE FIDELIS PARTNERSHIP

CLIMATEWISE
Report 2024

ClimateWise
Insuring a sustainable future

Contents

Opening Remarks

"The insurance industry is crucial for re-thinking the way in which we understand, measure, and manage the risks arising from climate change. As Fidelis celebrates its 10-year anniversary, we continue to have climate considerations at the heart of our business, which helps us to make the best possible decisions for our partners."

Richard Brindle, Group CEO and Chairman

"We have a responsibility to deliver for all of our stakeholders and to ensure that The Fidelis Partnership continues to make responsible and informed underwriting decisions. We are also committed to supporting, in every way that we can, important initiatives to limit the impacts of climate change and protect the most vulnerable communities."

Charles Mathias, Deputy Chairman

"As we move towards a more sustainable world and low carbon economy, the insurance sector has a crucial role to play. Transparency remains a critical element in building consensus and trust with our partners and ClimateWise is an important framework that allows us to demonstrate the work we continue to do on embedding climate considerations within our business"

Charlie Heathcote, Head of Sustainability

Executive Summary

In June 2025, The Fidelis Partnership (TFP) celebrated 10 years since the launch of Fidelis Insurance. Since these early days, sustainability has underpinned everything we do, from the way we underwrite, to how we operate our business. Last year was no different and TFP continued to embed sustainability at the heart of our business, and to develop the sophistication of our approach.

While this report is focused on climate, it should be understood in the broader context of TFP's commitment to sustainability. We believe that the insurance industry has an important role to play in making change happen. We also believe that a robust sustainability framework leads to a better risk and return profile for our business as well as better long-term returns for our stakeholders.

The insurance industry has a key role in managing the risks arising from climate change, as well as to support clients as the global economy decarbonises to meet net-zero goals. Our 2024 ClimateWise report provides an update on our progress in understanding, measuring, and managing climate change risks and opportunities, as well as those related to wider sustainability issues.

The business model of The Fidelis Partnership is unique. We operate as a Managing General Underwriter, allocating risk on behalf of a number of long-term capacity providers, such as Fidelis Insurance Group, alongside Lloyd's of London and other capacity. We are focused on making the best possible decisions for our partners, which sees us embed our understanding and approach to climate change across all areas of our risk selection process.

Throughout 2024 we have embedded and iterated these processes to ensure we keep pace with a rapid changing world. The key highlights included:

- **Continued focus on embedded ESG underwriting** – we review every risk against our ESG underwriting guidelines to ensure that we understand the direction of carbon intensive sectors, and that we consider several other sustainability factors such as nature, environmental, or human rights impact
- **Considering the impacts of climate change** – climate considerations, particularly around physical risk, have been embedded in our core underwriting and risk management processes since our inception. We continue to iterate these to ensure that we consider the latest view of climate change for each region and peril
- **Managing our own operations with respect to climate** – we continue to actively measure and monitor our own carbon footprint, which helps us to understand how we can reduce this over the long-term
- **Championing good causes** – we support the communities in which we operate through employee-led activities, such as through The Fidelis Foundation and other charities that we support on climate and nature-related issues. We also actively participate in broader industry initiatives that help define sustainability frameworks and best practice

Governance

Governance

1.1
Overview of governance structure

The Fidelis Partnership corporate structure

The Fidelis Partnership is a leading privately-owned, Bermuda-based Managing General Underwriter, which, through its subsidiaries, is a global underwriter of property, bespoke and specialty insurance and reinsurance products. Prior to January 2023, The Fidelis Partnership and Fidelis Insurance Group (renamed Pelgaos Insurance Capital in 2026) were separated through a bifurcation process into two distinct legal entities. The Fidelis Partnership as a Managing General Underwriter and Fidelis Insurance Group as a balance sheet insurance company. Fidelis Insurance Group continues to be one of our long-term capacity providers. The Fidelis Partnership is one of the largest independent Managing General Underwriters globally and its operations also include outwards reinsurance, claims handling, exposure management and portfolio analytics. The Fidelis Partnership also sponsors and incubates specialist MGAs through its Pine Walk platform.

The Fidelis Partnership operates a governance structure whereby TFP Group Limited (formerly Shelf Holdco Ltd.), the ultimate parent company of The Fidelis Partnership Group, sets the group strategy, with each of its underwriting subsidiaries being responsible for setting its own strategy within the confines of the Group strategy set by the group board. Topco's corporate structure is designed to deliver our strategic ambitions. We have incorporated several legal entities that enable The Fidelis Partnership Group for writing business across multiple regions to meet global client needs.

In 2024, TFP also launched an office in Abu Dhabi that supports our growth ambitions, as well as Lloyd's Syndicate 3123, a Lloyd's Syndicate that allows us to broaden our offering to clients.

Involving the Boards of Directors in sustainability

Sustainability is embedded within the governance of TFP with a dedicated Sustainability team who have a direct reporting line into the c-suite and regular reporting to each relevant forum.

Sustainability and climate discussions involve the Board of Topco, which covers TFP operations across its key locations of London, Bermuda and Ireland. This includes delegated underwriting through TFP's MGA platform, Pine Walk.

The Board approve the ESG Underwriting Policy and discuss the sustainability strategy and priorities, including quarterly updates on progress and focus areas for the coming months.

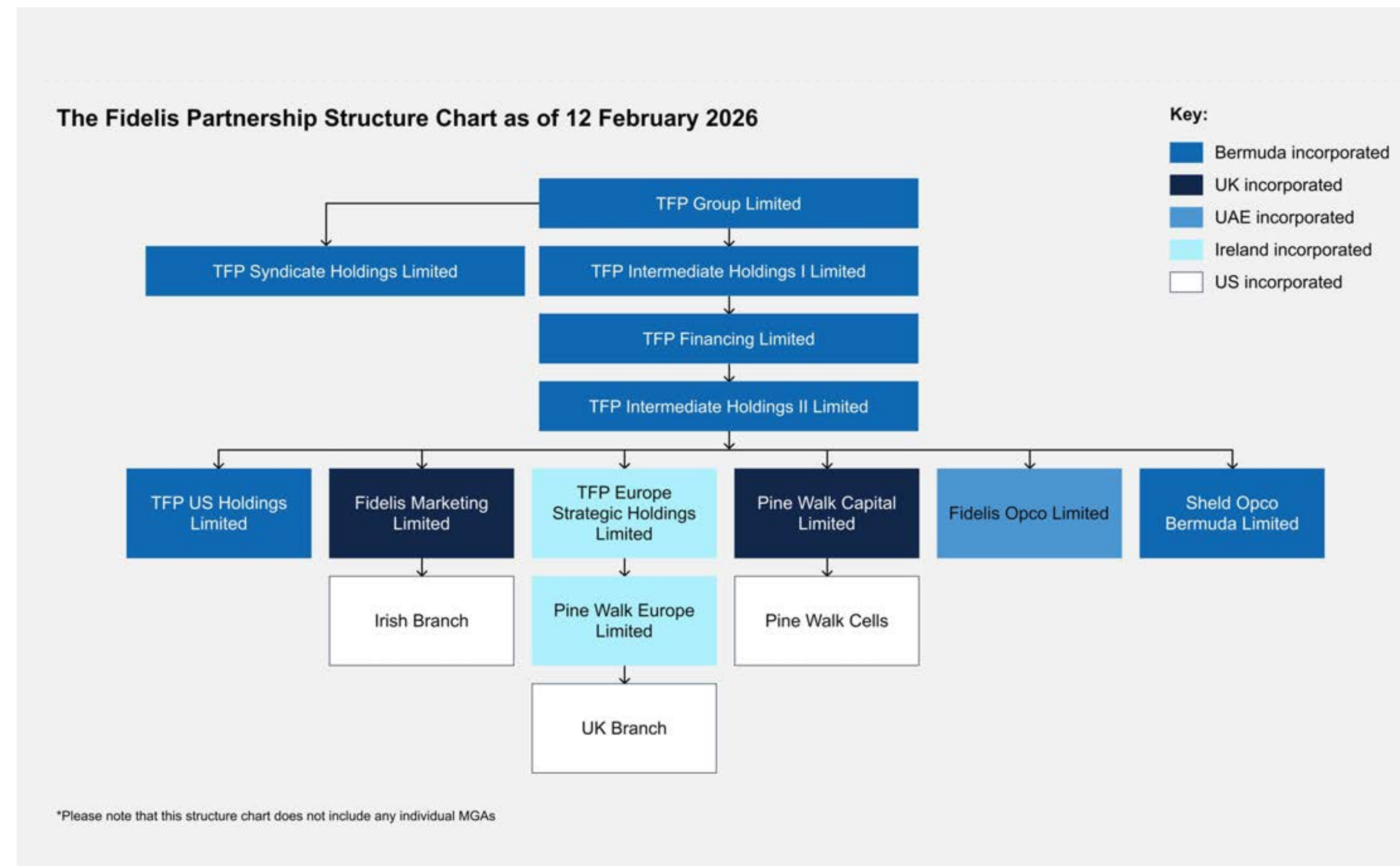
Prue-bifurcation, Fidelis started started collating key ESG metrics and KPIs in 2022. Following the bifurcation, TFP continued this practice and routinely reported this important information to the Board in quarterly updates to enable effective monitoring of our sustainability strategy implementation. Content includes updates on recent milestones or projects, metrics on the ESG referral process in underwriting, metrics on diversity and inclusion and metrics on sustainable operations initiatives. These metrics are shared with Board Members as part of quarterly reporting.

Throughout 2024, the Head of Sustainability reported to the Group Deputy Chairman is also the dedicated Board member with responsibility for sustainability.

The relevant Boards continue to be updated on a regular basis – both at the Group level and operating subsidiaries level.

Climate- and nature-related topics and the Boards of Directors

Climate-related topics were part of the regular Board updates on sustainability in 2024 – this included TFP's second round of work on insured emissions and portfolio decarbonisation commitments, as well as the most recent operational carbon footprint and related carbon offsetting. TFP produced its first transition plan in 2023 for internal use and measurement against our commitments. The Boards will continue to be updated on climate and TFP's evolving transition plan will feature increasingly as the approach is matured.

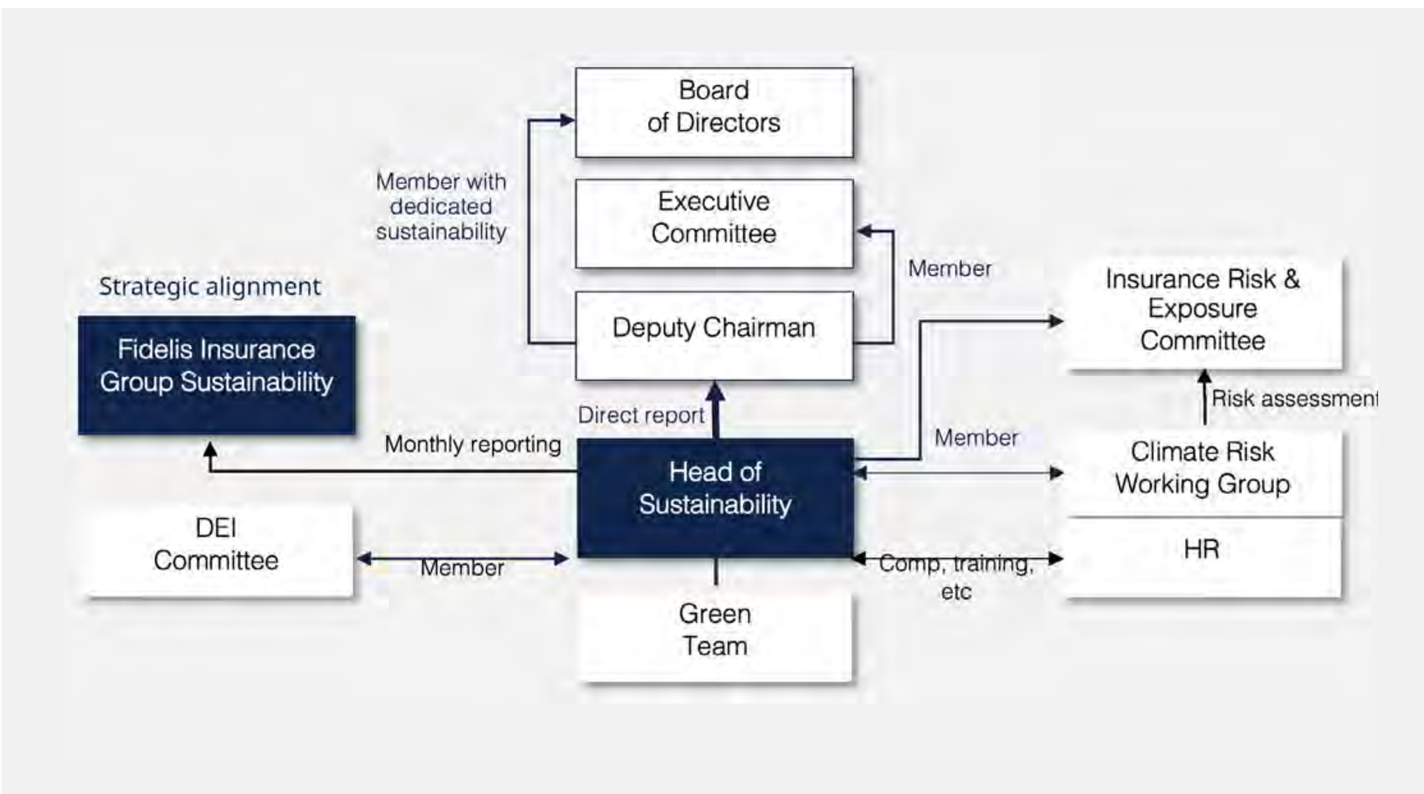


1.2

Senior Management oversight of climate and nature related issues

Sustainability governance framework

TFP has a well embedded governance framework with direct reporting into the c-suite and involvement of staff at all levels. This collaboration across the business includes regular engagement with the Fidelis Insurance Group to ensure strategic alignment and allow the Insurance Group oversight of TFP's activities in relation to sustainability (including climate).



Overview of governance structure in 2024

Direct reporting into the Deputy Chairman, c-suite member and board executive responsible for climate risk, with monthly sustainability updates to Executive Committee members.

- The Sustainability function attends a number of committees or working groups to enable the sharing of sustainability updates across different functions at TFP on a quarterly basis. The group included representatives from across the business including Underwriting, Claims, Risk, Human Resources, Communications, Operations and Actuarial.
- A collaboration with Human Resources is in place around topics such as Diversity & Inclusion and employee incentives.
- A regular risk assessment process operates, together with Risk Management. This follows the same quarterly risk review process for ESG risks as for other risks TFP is exposed to. Engagement with Risk Management also involves membership of the Insurance Risk and Exposure Committee, which manages all risks to TFP including climate risk.
- The Sustainability function is an active participant in the Green Team, which consists of employees across functions and locations, meeting quarterly.
- The Sustainability function provides regular updates to the Fidelis Insurance Group, including sharing of key underwriting metrics.

Accountability for sustainability

Having a dedicated Head of Sustainability with a clear reporting line to a senior member of both the Executive Committee and the Board of Directors gives clear accountability for these topics.

When the sustainability strategic principles and commitments were developed, these were signed off by the Executive Committee (ExCo). This continues to be true of any major sustainability initiatives, such as reporting initiatives or the decision to update the ESG underwriting guidelines.

Governance and accountability for climate- and nature-related issues

Climate was one of the key topics covered by the sustainability framework and was therefore included in the governance processes already discussed.

However, there were also additional elements of governance related to the physical risk aspects of climate risk – in particular, how we quantified these and included them in our pricing, as well as the impact on our exposure management.

As a result, the Risk Management and Actuarial functions were central to climate topics in a way which is not true for other, broader, sustainability issues. In 2024, Risk Management and Actuarial continued to be the owners of the day-to-day incorporation of physical climate risk considerations into TFP's business – working closely with Underwriting to embed this into individual transactions.

Risk management of climate is also discussed cross-functionally at the Insurance Risk and Exposure Committee (IREC) which has responsibility for managing and discussing climate risks. This includes senior management from the Executive Committee and key functions including underwriting, actuarial, finance and sustainability.

TFP is still in the early stages of defining a formal framework for nature. The responsibility for articulating this more precisely sits with the Sustainability function, however nature considerations are given for many of the underwriting deals and we have clear nature and environmental standards set out in the TFP ESG Underwriting guidelines.

1.3
Link between governance and oversight

Policies and guidelines

The Fidelis Partnership had a range of policies and guidelines in place during 2024 which provided guidance and held the company to account on sustainability-related matters.

The key guidelines relevant to climate and environmental issues are across the following key areas:

- *Underwriting*: we have market leading ESG guidelines that are used to steer our daily underwriting decisions and form the basis of our ESG referral process. These cover a number of topics related to climate and nature (e.g. cases of damage to protected habitats and our stance on fossil fuels) in addition to social impacts (e.g. to human rights or animal welfare)
- *Risk management*: in 2024, work also continued in conjunction with Risk Management to define a more comprehensive climate risk framework including references to physical, transition, liability and reputational factors
- *Operations*: TFP has guidelines for how it works with suppliers, which incorporate sustainability considerations

During 2024, an internal audit was conducted of the governance, risk management and disclosure of TFP's Sustainability function. This internal audit was completed by external auditors which found the controls of the sustainability framework to be satisfactory. Actions resulting from the audit have been presented to executive management and subsequently completed to ensure rigorous oversight of sustainability matters.

More details of the various policies mentioned above are provided in the relevant sections of this report. In addition, the remainder of this chapter outlines the sustainability governance framework which embeds sustainability considerations across the organisation.

Underwriting process

The ESG underwriting guidelines referred to above are enforced on a risk-by-risk basis as part of TFP's core underwriting approach. The Sustainability function is responsible for reviewing all relevant risks against the guidelines and providing guidance on whether the required standards were met. This approach is unique and gives the Sustainability function the ability to challenge individual risk decisions as they are being made.

During 2024, the Sustainability team reviewed over 2,000 individual risks against the ESG underwriting guidelines as part of the broader underwriting risk assessment process. In certain cases, ESG-related risk factors contributed to decisions not to provide cover, alongside other underwriting considerations.

Some examples include declining opportunities for thermal coal plants and projects adversely impacting protected areas or species. This is the core of the day-to-day embedding of sustainability into TFP's business, where underwriting is the central function. Climate commitments are a cornerstone of this.

All risks are ultimately discussed and signed off as part of TFP's Underwriting Market Conference Call meetings, in which ESG review determinations are displayed. This provides an additional layer of oversight as these meetings are attended by senior members of the Underwriting team and selected senior individuals from across the business (e.g. actuarial).

1.4
Board training

Building knowledge and expertise

We are driven by our ethos of excellence and being able to respond with agility as the world moves – this is particularly true for a changing climate, where regular discussions and training sessions are held to improve our understanding of the impacts from climate change.

All TFP staff are required to consider their Continuous Professional Development (CPD) requirements, which includes relevant training on climate and nature where appropriate.

In addition to ongoing learning being embedded in the way we work, specific work to understand how climate and nature risks will impact TFP was undertaken and discussed with senior management.

Central to this was our annual update of the Fidelis View of Risk (FVoR), which includes consideration for climate change in how we model business. In October 2024, the FVoR was updated to reflect the latest changes to physical risks.

Over 2024 we also had specific touch points on climate and nature that were available to staff. This included a session conducted by an external climate scientist, on climate change and its impacts to weather-related risks, including how this may change over the long-term horizon. This session was recorded and made available to staff who were unable to attend the session.

Sustainability objective for all employees, including senior management

All permanent TFP employees have an annual objective related to ESG that requires them to align to our ESG ambitions for their role. This metric was first established in 2023 and creates additional incentives for all employees to promote, among other things, an increasingly climate-aware and climate-friendly business approach.

Strategy

2.1 Overview of TFP strategy with respect to climate

The business structure of The Fidelis Partnership is unique and we are driven by excellence and outperformance. We take an equally stringent view to sustainability, with climate and broader sustainability considerations deeply embedded across our business. This covers all areas of our business model across underwriting, risk management, operations, and also includes the partners in our Pine Walk business.

The Fidelis Partnerships sustainability strategy is focussed on four key pillars:

- **Commitment**: Apply sustainability constraints to reduce risk whilst simultaneously improving returns for our stakeholders – we see this as good risk management and believe we have empirical evidence of the link between sustainability and insurance loss performance
- **Leadership**: Seek out new opportunities through which we can actively support sustainable outcomes, in particular the energy transition and decarbonisation of the economy (for example supporting renewable energy insurance)
- **Tangibility**: Take real steps towards implementing sustainable business principles and practices: we do not simply adopt long term timelines but focus on tangible near and medium term actions with concrete timelines
- **Transparency**: Actively promote sustainability in the industry, including underrepresented social issues. This includes leveraging our soft and real power to engage with clients, brokers and peers, to encourage (where necessary require) more sustainable behaviour

We are committed to do more than is required of us and aim to contribute to, and influence, meaningful change. Across the last year we have continued the following activities of our strategy:

- ESG reviews of every risk where appropriate
- Measurement of ESG Positive Premium, where we are actively contributing to the UN Sustainable Development Goals
- Measurement of our underwriting portfolio insurance associated emissions – the third year of completing this exercise and enabling us to track against our near-term decarbonisation target
- Measure our operational emission and continue to offset these by more than 100% in order to be climate positive

2.2
Impacts of climate- and nature on our strategy

Implications for business strategy and financial planning

Both physical and transition risks are material to TFP's strategy and financial performance. As outlined in more detail below, the impacts of physical risk are already evident and quantifiable; consideration of transition risk is more recent and we started to assess this more strategically from 2023 onwards.

TFP also outlines the different time periods relevant to the consideration of climate impacts. The exact impacts will be different for TFP and Fidelis Insurance Group on a going-forward basis, and we currently consider three perspectives:

- Short-term: In the near term, a key priority remains to maintain existing risk management and underwriting processes which integrate a view of physical climate risk into our daily underwriting and exposure management processes. Our public climate commitment was also made to make a near term decarbonisation of our underwriting book by 2030 for aviation and energy classes of business. Linked to this, work continues on TFP's internal climate transition plan and broader climate strategy to lay out the approach to all aspects of this complex issue.
- Medium-term: This primarily relates to the initial TFP decarbonisation target set in 2023, which covers a period until 2030. TFP continues to refine its data collection and methodology for assessing client transition plans, as well as its engagement strategy with relevant insureds. There will be an ongoing refinement of the decarbonisation target over time to cover a broader range of industries and also ensure we keep pace with industry best-practice approach as it evolves. This will lead to an evolving approach to climate risk within the underwriting portfolio, with a particular focus on transition risk.
- Long-term: In 2022, Fidelis made a commitment to net zero underwriting and TFP has adopted that commitment post bifurcation. In the long term, we recognise that this will lead to shifts in strategy and we will need to adapt as the world decarbonises.

Climate risk within investment strategy

Following the separation from Fidelis Insurance in 2023, TFP no longer has the investment portfolio to support capital requirements of the insurance liabilities. That capital is maintained and managed by the Fidelis Insurance Group which is a separate and distinct legal entity.

2.3
Environmental resilience planning

TFP maintains Operational Resilience standards and are enhancing those practices to meet the regulatory requirements relating to Digital Operational Resilience (DORA). Two important elements of our processes include the identification of Important Business Services and to run regular crisis management workshops.

Based on TFP's current operating model, the only environmental factor that is reasonably likely to create a major interruption to our operations is storm activity impacting our offices in Bermuda. Contingency plans have been established and are overseen by our Operational Resilience and Crisis Management Teams.

TFP considers a broad range of sustainability topics in making business decisions including the ESG checks on underwriting counterparties which is described elsewhere in this document.

2.4
Material climate- and nature-related risks and opportunities

Throughout TFP's first year of operation in 2023, the assessment of climate- and nature-related risks and opportunities were performed as part of the establishment of TFP's own Risk Management Framework and through the regular interaction with the Sustainability Team with TFP executives, underwriters and other functions.

In 2024, TFP ran a comprehensive double-materiality assessment against the Corporate Social Responsibility Disclosure (CSRD) requirements to inform an appropriate prioritisation of risks and opportunities. This assessment is expanded upon in the Risk Management chapter including key stakeholders and material risks.

TFP also continues to monitor how we can support climate adaptation and resilience, as well as wider sustainability goals. To do this, we monitor how much of our underwriting is aligned to the United Nations Sustainable Development Goals (UN SDG's) and badge this as "ESG Positive" premium that is reported to senior management on a monthly basis.

Underwriting & the energy transition

The Fidelis Partnership have embedded climate and nature considerations throughout our underwriting process both in respect to business impacts and the impacts of our business on nature and climate.

3.1
Physical climate-related considerations in underwriting

Continual understanding of and adaptation to physical climate risk is at the heart of our risk management and underwriting, both in terms of defining risk appetite and pricing.

Climate impacts to natural perils are considered throughout Fidelis' underwriting as informed by quantitative adjustments to key loss related underwriting metrics. Fidelis has developed its own view of climate risk (the Fidelis View of Risk) that adjusts catastrophe related underwriting metrics based on the quantitative outputs of recognised academic papers. This approach was informed by targeted engagement with a meteorological academic.

Additional to its use in underwriting decisions, the Fidelis View of Risk is used within stress testing for the purpose of capital modelling. The Fidelis View of Risk adjusts catastrophe model outputs based on expected changes to the frequency and severity of meteorological catastrophes. Adjustments are made on an annual basis to reflect the continuing impacts of climate change on natural perils.

Examples of updates to the View of Risk for 2024 include:

- **North Atlantic hurricane**: Standard vendor models do not apply a forward-looking trend for continued climate warming. TFP conducted a study into determining an annual climate load factor by taking a scenario based on the PRA's 2019 Climate Change General Insurance Stress Test (which roughly approximates a 2-degree change in global mean temperatures). This load has been updated again for 2024 to reflect contemporary climate change.
- **California Wildfire**: Standard vendor models do little to distinguish between the damage caused by low temperature burning fuels like shrub compared to high temperature fuels like redwood trees. This assumption is reflected in loss data. As a result, Fidelis applies a calibration load by event depending on the county of ignition and its vegetation type.

TFP utilised the coverage of reinsurance capital in order to manage climate impacted losses for accounts impacted by relevant perils. TFP increasingly deployed reinsurance capital across large-scale, well-resourced national accounts away from smaller regional underwriters, who (we believe) are less able to adjust and manage large catastrophe events.

This includes reducing our exposure to business that may be more exposed to increased frequency and severity of losses as a result of climate and secondary perils associated with floods and wildfires, without commensurate increases in rates. Over time, we expect the impact of these changes to improve the quality of our natural catastrophe-exposed portfolios and reduce volatility.

TFP continues to utilise risk transfer wherever available, in particular accessing the growing catastrophe bond market: Catastrophe bonds provide our carriers with flexible, long term capital protection allowing it to offer climate risk solutions to its clients while protecting its shareholders from the potential downside of major events.

3.2
Transition and liability climate-risk

The Fidelis Partnership also considers risks from climate outside of physical risks, including transition and litigation risks:

- **Transition risk:** This relates to both ongoing exposure to sectors/industries which will be heavily impacted (strategically and financially) by the transition to a greener economy, and the risk of missing out on transition-related opportunities which could subsequently adversely impact our market position.
  - The majority of TFP's business has a short tail and is subject to an annual renewal cycle, minimising the risk of becoming locked into coverage for stranded assets.
  - Underwriting guidelines continue to reflect adjustments adopted in 2022 to reduce exposure to fossil fuels (confirmed in a public press release), and for the business still written TFP is committed to encouraging companies to adopt best practice around transition, for instance by requiring robust decarbonisation plans.
  - TFP committed to ensure it is evolving in line with the broader economy by increasing exposure to renewables and green energy, addressing potential risks as well as presenting the company with a significant opportunity, i.e. the ability to support emerging new technologies and develop new products to address emerging client needs.
- **Litigation risk:** TFP does not have legacy exposure to liability business, including Directors' & Officers' (D&O) insurance, which is most at risk from climate litigation. Ongoing trends should be monitored to assess any potential relevance to property lines of business, however, giving the evolving nature of climate litigation. Given the shorter-tail nature of the lines of business that we underwrite, the opportunities here for TFP appear to be less significant although we will continue to evaluate these.

3.3
Consideration of nature impacts within underwriting

Limiting underwriting impact to nature

TFP's responsible underwriting guidelines restrict our underwriting for activities that may have a detrimental impact to nature.

These restrictions are applied through quantitative thresholds, such as limits based on the proportion of client revenue or insurance coverage linked to high-risk activities, including those that impact protected habitats or species.

Where necessary, TFP will engage with clients and brokers on climate and nature issues to better understand a client's business operations and their approach to climate and nature topics with our ESG underwriting guidelines in mind.

Wordings consideration

Additionally, TFP uses policy wordings for certain sustainability-related subjectivities, typically where historic issues or areas of concern are identified and TFP requires evidence of progress going forward in order to continue providing capacity. For instance, in industries with complex supply chains and a history of involvement in deforestation (such as soy or cocoa) there are risks that have been approved on the condition that there is progress over a 12-month period in disclosed metrics such as the proportion of the value chain that has been audited.

Separate to exclusions, TFP has written business that is supportive of nature restoration including bespoke products such as transaction liability on debt for nature swaps in which amongst 10 other insurers,
TFP underwrite the political risk insurance of the largest sovereign debt conversion for marine conservation to protect the Galápagos.

3.4
Underwriting the transition

TFP continues to take a market leading position on quantifying and reducing the impact of underwriting activities on the climate.

TFP's sustainable underwriting guidelines include provisions relating to climate, in particular through the restrictions on fossil fuels. This includes exclusions related to thermal coal (and related infrastructure), tar sands, Arctic exploration and drilling as well as fracking. These generally exclude direct coverage for the named activities and only allow TFP to provide coverage to the client if these activities fall below a specified threshold. Where appropriate TFP has used contract wordings to exclude coverage for coal dedicated infrastructure.

From January 2024, TFP introduced a requirement that clients engaged in upstream oil and gas are required to also provide a measurable emissions target. This requirement extends across all classes of business including traditional marine and energy business, to terrorism and political risk where the underlying insured is engaged in these activities.

Tiomanta, the Pine Walk energy MGA, was relaunched from a traditional energy MGA. Tiomanata now focusses on writing energy transition focussed business and adheres entirely to TFP's fossil fuel exclusions and offers coverage for green solutions.

TFP & Tiomanta's energy underwriters regularly review target accounts alongside the group sustainability team to consider factors such as absolute emissions and Insurance-Associated Emissions through quarterly review. Tiomanta's intention to support the energy transition is also evidenced by the MGA's additional capacity offered to new technologies, focussed on emissions reductions and displacement.

Further to the energy transition focus of Tiomanta, TFP has launched an additional renewable energy MGA through our Pine Walk platform: Novagen. Novagen is a renewable energy focussed on the full spectrum of renewable technologies with a global remit. The capacity offered through this MGA will facilitate the construction and operation of renewable energy projects not previously within TFP's underwriting appetite and hence allows for broader support of the energy transition.

3.5
Transition Planning

TFP is committed to achieving Net Zero its underwriting portfolio by 2050, with an interim target of reducing Insurance-Associated Emissions by 26-49% between 2022 and 2030, this initial target currently covers clients within the energy and aviation industries. This target has been approved by the executive management committee (including Richard Brindle, Group CEO and Chairman) and progress is reported back to the committee on an annual basis. To support this target, TFP has an internal transition plan and continues to calculate the portfolio-wide Insurance-Associated Emissions on an annual basis, the results of which are reported to senior management and underwriting teams.

Additionally, TFP regularly considers the decarbonisation progress of energy clients, including quarterly reviews of upcoming accounts between the sustainability and energy team to discuss target accounts and monitor insured's targets and progress on decarbonisation.

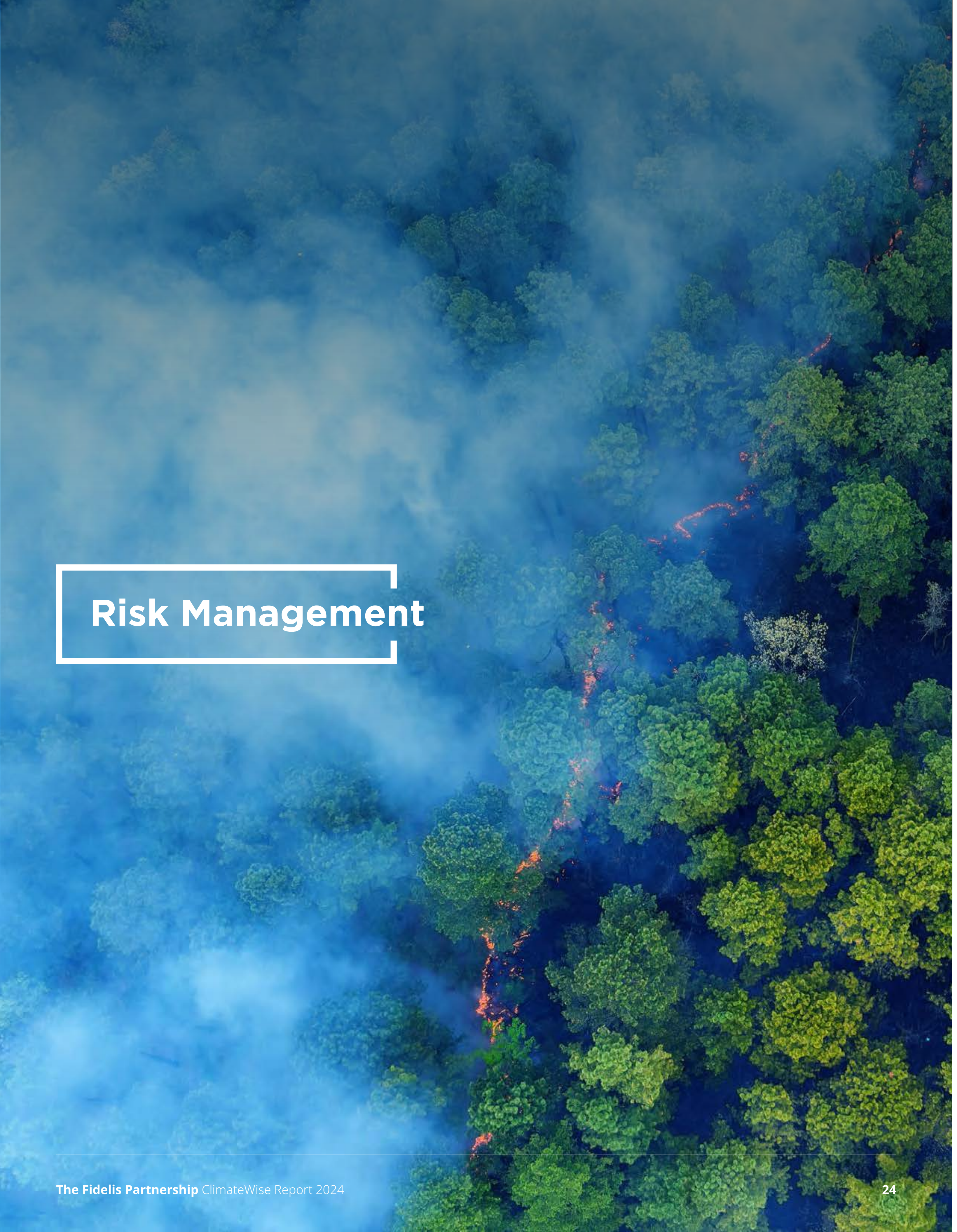
3.6
Stakeholder Engagement

TFP continues to be an active participant in the UN convened Forum for Insurance Transition to Net Zero, which over the past year has worked towards establishing a guidance document on transition planning in insurance. Additionally, TFP has contributed to understanding the climate impacts of insurance through participation in the Partnership for Carbon Accounting in Financials' Insurance Working Group and the Science Based Target Initiative's pilot consultation on the Financial Institutions Net Zero Standard.

Aside from contributing to climate related standards for insurance, TFP continued to participate in initiatives that focus on disclosure of climate impacts including the Poseidon Principles for Marine Insurance (PPMI) and ClimateWise.

TFP continues to participate in public events and communicate publicly on climate and nature issues. Over the past year this has included sponsorship of Rewilding Britian and the Marine Conservation Society's parliamentary event on marine rewilding and attendance of London Climate Week.

TFP was also a founding participant of Humanity insured, launched by Howden and six other founding partners in September 2024. Humanity insured is an independent charity helping people pay for cutting-edge insurance solutions that keep people out of poverty. Designed by the people they protect, these solutions are tailored to their needs and supports climate resilience to regions of the world who need it the most.



Risk Management

4.1
Risk management process for climate and nature related risks and opportunities

Overall risk identification and assessment process

Our operating model changed significantly since the bifurcation of TFP from the Fidelis Insurance Group. The organisation's Enterprise Risk Management Framework was adjusted to suit the new structure but was consistently overseen by an independent Risk Management Function. TFP also maintains strong actuarial resources and continues to strengthen these teams to enhance our monitoring of the insurance portfolios under management, including pricing, capital modelling and exposure management expertise.

The policies and practices put in place within TFP built upon the risk management and Fidelis Insurance Group Own Risk and Solvency Assessment ('ORSA') principles set out under the Solvency II Directive even though these regulatory requirements no longer directly apply to TFP. TFP recognises its responsibility to apply a high standard of oversight over the portfolios it manages, and this includes oversight over the risks and opportunities relating to climate change.

Our approach was delivered through a series of dynamic business processes operated with a frequency designed to provide on-going management of the changing risk profile and our business partner's capital position on both a current and projected basis. This was intended to be proportionate to the risk and capital profile of capacity providers whilst addressing minimum stated regulatory reporting requirements.

During 2024, TFP managed the insurance portfolio of one insurance carrier, the Fidelis Insurance Group, as well as The Fidelis Syndicate 3123. For the insurance carrier, our approach adopted the standards described in the Insurance Group's Risk, Capital and Solvency Framework which were codified through detailed service level agreements.

TFP also worked closely with the Fidelis Insurance Group, to drive consistency of approach and to meet service-level expectations.

For Syndicate 3123, we are aligned to Lloyd's processes through our third-party Managing Agency, Asta Underwriting Management Ltd. Asta manage additional risk processes for the syndicate, including the ORSA process for the Syndicate as well as management of climate risks over and above TFP's own comprehensive processes. Asta is regulated by Lloyd's and the PRA, and as such adheres to PRA guidance on managing the financial risks from climate change (Supervisory Statement 3/19).

In addition to the regular reports from the Sustainability team, TFP Boards receive output and highlights from the Enterprise Risk Management Risk Framework, which includes specific consideration of ESG and climate-related risks. In particular, this Framework includes the foundational elements of the Enterprise Risk Management principles, which includes a clearly defined risk universe along with associated appetites and tolerances.

Managing and reviewing climate-specific risks

The specific processes in place for TFP to identify financial risks from climate (to itself and its capacity providers) included but were not limited to:

- Undertaking a qualitative assessment on an annual basis to identify the areas of the company and the lines of business that were potentially most impacted from either a physical, transition or liability aspect.
- Undertaking scenario analysis and stress testing to inform the risk identification process and understand the short- and long-term financial risks to our insurance portfolios under management from climate. As part of this process TFP considered future trends in catastrophe exposure.
- Provide relevant insight, data and support to our capacity providers to enable them to make appropriate analyses and disclosure in their own ORSA process. The Underwriting process includes a more transactional view over climate related risks relating to specific risk selection and counterparts. TFP utilises industry-leading models and other tools for pricing and exposure considerations prior to binding the risk. In addition, the actuarial team considers whether a specific Climate Change overlay is required to the estimated Ultimate Loss Ratio (ULR) where we feel that the referenced models may not reflect these risks adequately.

The following circumstances are examples of what would trigger a review of TFP's strategy for addressing the financial risks from climate:

- A material change in either the assessed impact or timeframe for the financial impacts of climate to materialise.
- A change in underwriting strategy such that it would materially increase its exposure to the financial impacts of climate.
- A change in operational footprint or outsourcing arrangements such that it would materially increase its exposure to the financial impacts of climate.

Where the potential impacts of the financial risks from climate are assessed to be material (for example as a result of scenario analysis), the Risk Management Framework mandates the implementation of demonstrable measures to mitigate these financial risks, as well as the creation of a credible plan or policies for managing these exposures. This includes actions to reduce concentrations of these risks.

Climate risk framework

In Q3 2024, TFP implemented a Climate Risk Framework following formal approval by its Insurance Risk and Exposure Committee. The framework was developed through scenario testing and cross-functional workshops to identify material climate risks, including physical, transition, liability, and reputational risks.

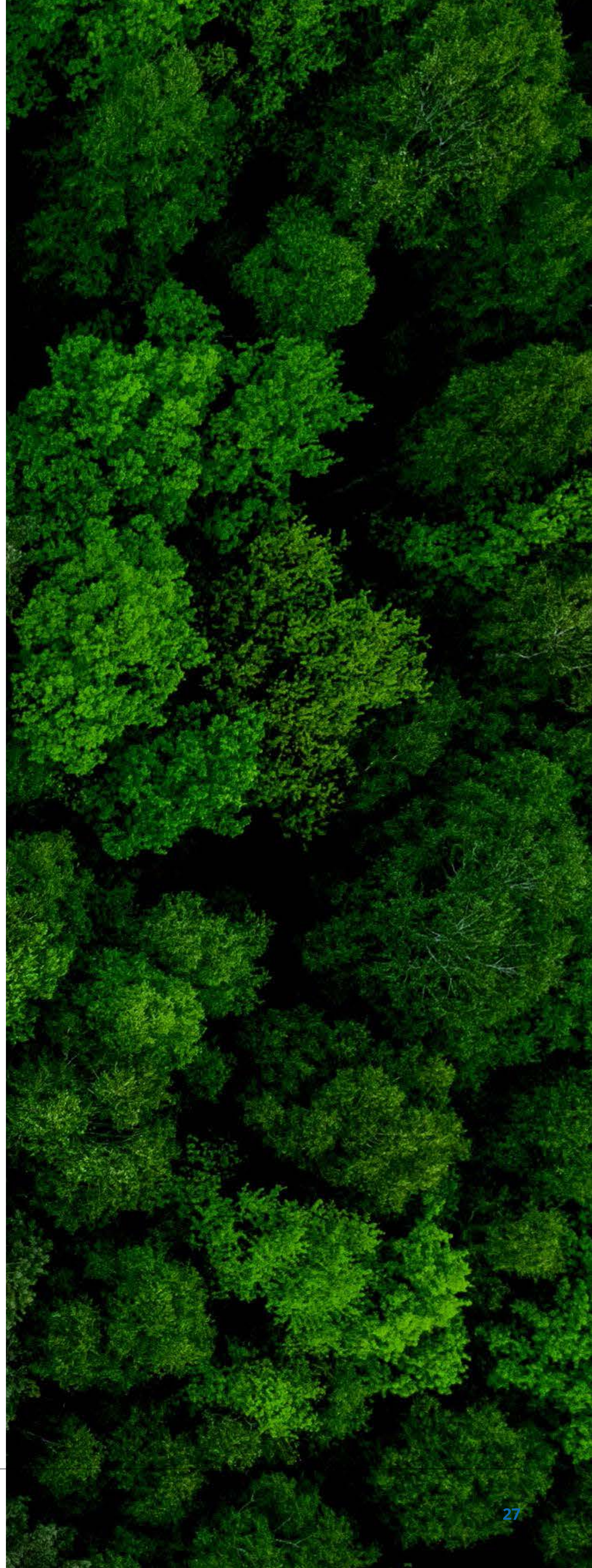
This is monitored through the Insurance Risk and Exposure Committee to ensure it remains appropriate.

The framework to managing climate risk adopts the following core principles:

- Adopting a climate risk framework that is designed with reference to the company's Sustainability Strategy, Climate Change Strategy and ESG Underwriting Guidelines.
- The framework highlights both risks and opportunities whilst this framework focuses on the downside risks to the Group and its subsidiaries.
- The framework considers the principle of double materiality at the forefront of its approach to managing climate change. Therefore, climate risk factors are considered with respect to both direct impact on the Fidelis Partnership as well as the impact Fidelis may have on climate change through its investment, operational and underwriting activities.
- The framework was designed to meet evolving regulatory expectations across a variety of jurisdictions and for several business partners including capacity providers.
- The framework is based on an iterative approach to identifying, assessing, and mitigating climate risks.

The following core risk factors were identified through the process:

- Significant increase in flooding
- Significant increase in wildfires
- Significant increase in subsidence
- Pandemic / Widespread disease
- Diminishing agriculture



4.2
Climate risk management within underwriting

The Fidelis Partnership took a four-pronged approach to pricing and managing climate risk within the underwriting process.

- Superior risk selection: TFP actively avoided high frequency perils during 2024, with a preference for higher layers on natural catastrophe-exposed programmes. There was a strong preference for occurrence structure and limited appetite for aggregates. Insurance portfolios under management were generally weighted towards residential risks, avoiding complex commercial exposures which could be difficult to understand in terms of their climate risk.
- State-of-the-art catastrophe pricing modelling: TFP used, as a starting point, the most recent natural catastrophe models and with the calibrations most reflective of observed real-world events.
- Prudent pricing model adjustment: TFP added a tailored load to pricing model output to reflect risk better when uncertainly was identified in the model. TFP also researched and applied climate loads where clear trends were identified. For instance, California wildfire risks were significantly loaded to reflect the clear increase in fire size and severity in recent years, partly due to climate impacts.
- Reality check: TFP did not solely rely on model pricing, and also weighted to actual experience that was most appropriate. For instance, experience observed from the active 2017-2022 years provided data to assess a stress test against model results.

Additionally, TFP works closely with its capacity providers to highlight areas where reinsurance structures may be appropriate to optimise the balance between premium and exposure.

Capacity providers maintain the ultimate decision-making responsibility as to how outwards reinsurance is employed to mitigate climate and other risk factors to the insurance portfolios under management. TFP was also increasingly active in purchasing catastrophe bond coverage on behalf of The Fidelis Insurance Group, including on a multi-year and aggregate basis. This provided more efficient capacity with greater certainty when compared to traditional retrocession deals. Aggregate coverage provided valuable protection against unexpected frequency as well as severity.

CSRD Double Materiality Analysis

During 2024, TFP completed a Double Materiality Assessment to determine sustainability topics that are material to TFP's business operations. The project was aligned to the EU's Corporate Sustainability Reporting Directive (CSRD) requirements, and considered which sustainability topics impacted TFP's financial performance and the impact that TFP's business operations have on the planet. The intention of this project was to determine topics to be included in potential CSRD reporting for either TFP's EU domiciled entity or the group.

The responsibility for this project lied with the Head of Sustainability and Chief Risk Officer. This project was aided by a third-party consultancy and engaged stakeholders from across the business intended to represent the considerations of internal and external stakeholders. The process and outcome of this project can be found below.

Process

Define topics

Compiled long list of sustainability topics using ESRS & other sources-such as SASB, BIBA, and S&P Global

↓

Define stakeholders

Define and agree stakeholder groups (based on decision between CRO & HoS)

↓

Preliminary workshop

Defining outward materiality based on scale, scope, likelihood, and irremediable character	Defining inwards materiality of topics-based on impact, financial and stakeholder importance)

↓

Materiality matrix

Discussion outcomes added to materiality matrix and results validated & consideration of group vs entity based on impact and likelihood of risks & opportunities lihood, and irremediable character

↓

Gap analysis

Subsequent initial quantitative data gap analysis against ESRS expectations to inform future impact, risk & opportunity assessment of material topics identified.

Primary Stakeholders	Secondary Stakeholders
• Board and Executives	• Lenders
• Owners and Investors	• Auditors
• Capacity Providers	• Industry groups
• Reinsurers	• Media
• Brokers	
• Employees	
• Communities	
• Credit Risk Agencies	
• NGOs and Activists	
• Industry groups	
• Media	

Material topics identified

ESRS 2 - General disclosures	ESRS E1 - Climate change	ESRS S1 - Own workforce	ESRS G1 - Business conduct	Other
• Sustainable product innovation • Policies designed to incentivise responsible behaviour • Board skills • Board diversity • Systemic Risk Management	• Decarbonisation - Underwriting • Operations and owned assets - Managing physical risk • Operations and owned assets - Managing transition risks • Underwriting - Managing physical risk • Underwriting - Managing transition risks	• Working conditions (own workforce) • Workforce health and safety (including wellbeing and mental health) • Equal treatment and opportunities for all (including DEI) • Talent acquisition and retention • Data Privacy - Own workforce	• Corporate governance • Protection of whistle-blowers • Political engagement and lobbying activities • Anti-bribery and corruption (ABC) and anti-money laundering (AML)	• Cybersecurity • Incorporation of ESG factors in underwriting management

Next steps

In light of the extension to the CSRD reporting timeline and ongoing consideration of the Omnibus package, TFP has decided to await clarity on reporting expectations before further actioning the impact, risk & opportunity assessments for the identified sustainability topics. Our intention is to action the double materiality assessment considering the outcome of the omnibus proposal. Nonetheless, the double materiality assessment provided a useful exercise in proactively managing regulatory reporting expectations and engaging stakeholders across the business in understanding the material sustainability topics to our business and hence has provided and a comprehensive review of quantitative sustainability data and governance.

4.3 Scenario Analysis

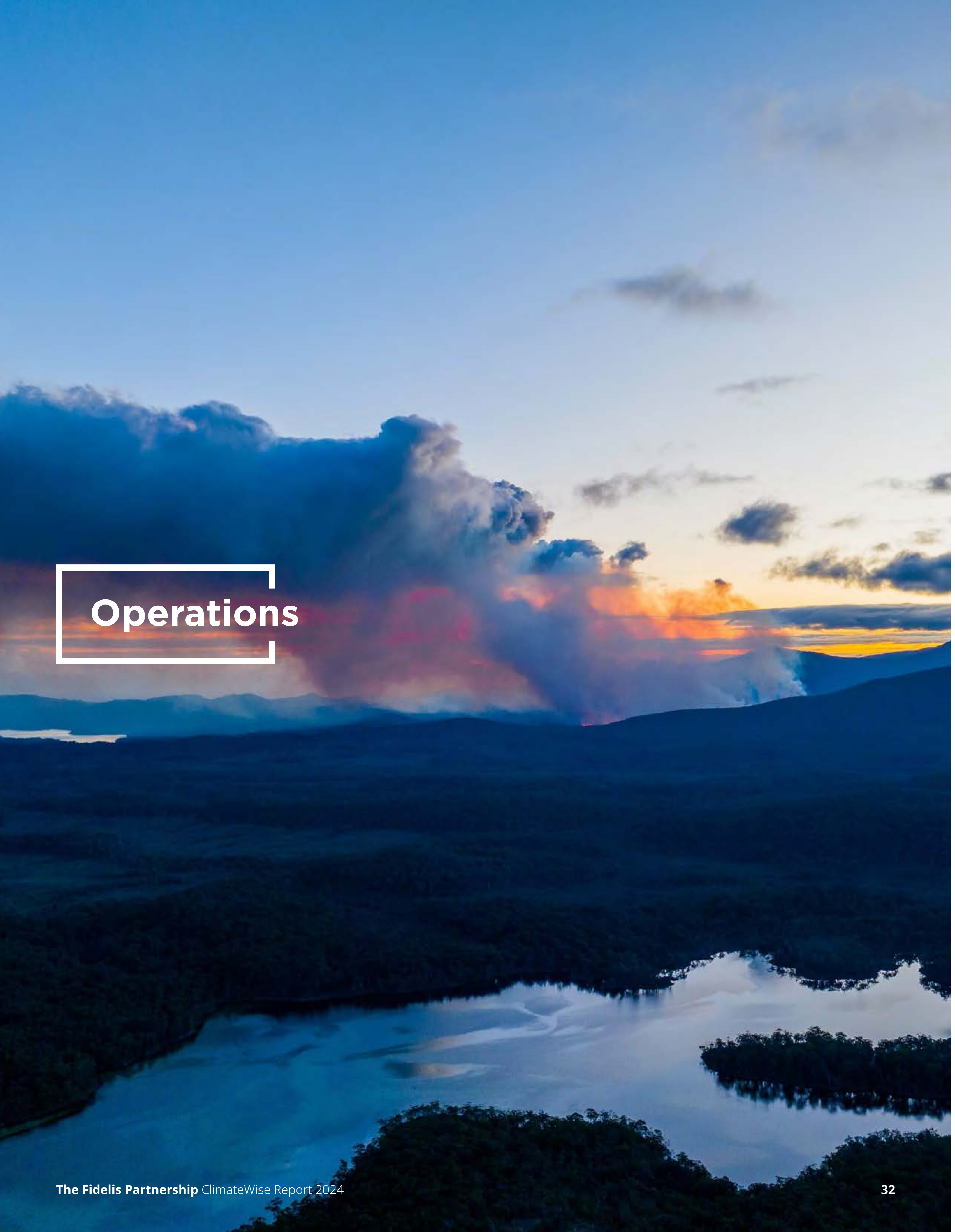
Scenario analysis – Overview

In addition to its regular Exposure Management processes, TFP conducts annual scenario and stress testing analysis on the insurance portfolios under management. This is to inform strategic planning and determine the impact of the financial risks from climate on the overall risk profile and business strategy. Scenario analysis was also used to explore the resilience and vulnerabilities of TFP's business operations to a range of outcomes.
The scenario analysis performed included, where appropriate, a:

- Short-term assessment which set out the insurance portfolio's exposure to the financial risks from climate within its existing business planning horizon, including, where appropriate, the quantification of these risks.
- Longer-term assessment of insurance portfolio exposure, based on its current business mix, of a range of different climate-related scenarios. For example, scenarios where early policy action (EPA) is taken to enforce a transition to a low-carbon economy as compared to a scenario in which no additional policy action (NAPA) is taken. These scenarios are performed for the insurance portfolios under management for results at a gross and net of reinsurance and across a range of timelines (current, 2030, 2050). As with other types of scenario analysis, this was not intended to be a precise forecast, but a qualitative exercise used to inform strategic planning and decision making.

The Fidelis Partnership use these scenarios to understand the impact of the financial risks from climate on the solvency, liquidity and strategy in place for the insurance portfolios under management. The scenarios applied were based on the Bank of England General Insurance Stress Test (GIST) parameters from 2021. TFP is not in scope of regulation that requires us to disclose the details of the scenario analysis performed for the insurance portfolios under management.

Based on the stress test exercise in 2024, the insurance portfolios under management had more than sufficient capital to cover a related shock scenario. Results were shared with our capacity providers. Rather than being a one-off exercise, such stress testing is reviewed as appropriate following the annual View of Risk updates.



Operations

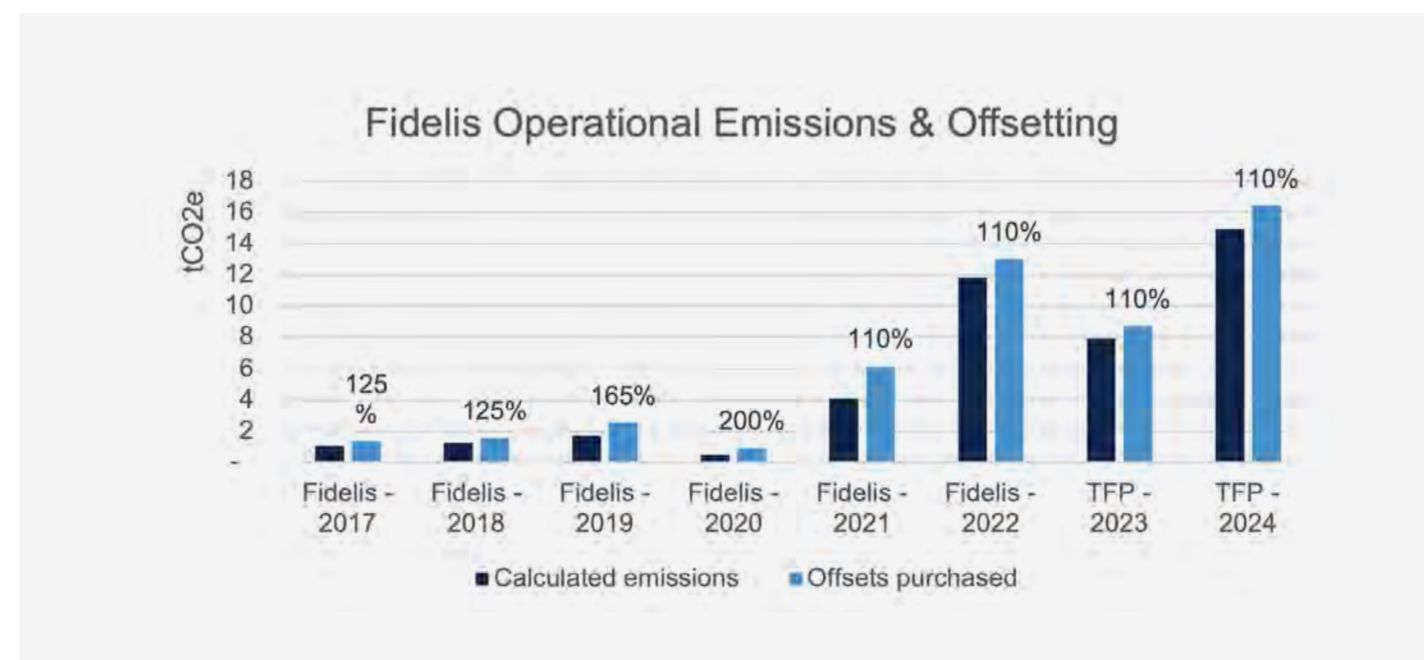
We are very aware that our operations have an impact on the climate and nature. As a company that has experienced considerable growth in recent years, including growth in headcount, office space and geographic territories our absolute impact is increasing. In order to manage our increasing impact we continue to make improvements in the sustainability of our operational activities and offset our operational emissions.

5.1 Increased focus on office impacts

With the support of the Green Team and the Sustainability function, the Global Facilities Management team drove significant new initiatives to focus on environmental issues such as reducing carbon emissions.

Some key areas of focus outside of emissions were:

- Recycling and waste management: Additional food recycling bins added to the London office to meet growing employee numbers. The scope to recycle is more limited in Bermuda as office waste is managed by the landlord and there are restrictions on what can be recycled generally on the island (tin, aluminium and glass only). All waste from the Bermuda office in 2024 was recycled where possible or incinerated at a waste-to-energy facility (plastic and paper).
- Sustainable forestry products: All paper and toilet paper for the UK and Ireland offices have been changed to plastic free and FSC-certified products.



5.2
Operational carbon emission

From 2017 onwards, TFP worked with third-party consultancies to calculate its operational carbon footprint and to source high quality carbon offsets (Climate Partner in 2027, 2018, and 2019 and C Level in 2020 - 2024).

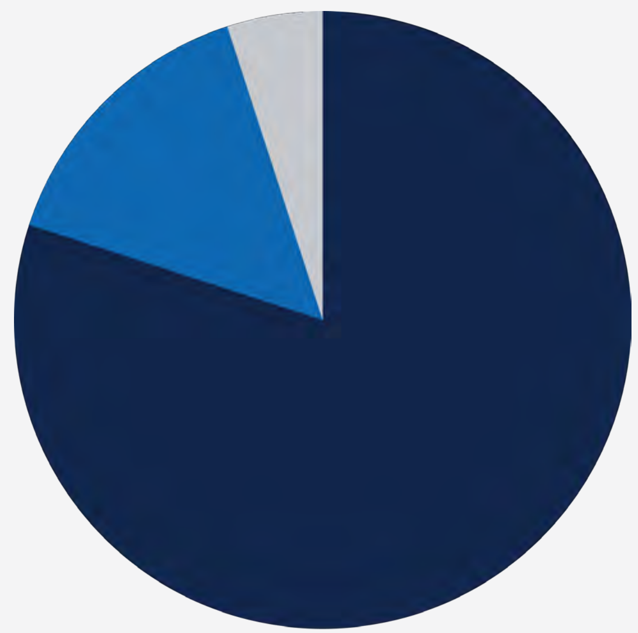
From the outset, all identified emissions were offset at more than 100%, with the coverage ratio varying over time.

The scope of the calculation evolved between 2017 and 2024, meaning that the trend in calculated numbers cannot be assessed.

- A major change to the methodology was made in 2021, when the calculation of Scope 3 emissions was expanded to include a number of categories of purchased goods and services (previous calculations had only incorporated business travel within Scope 3).
- A further major revision was made in 2022, when following a deep-dive assessment, a full Scope 3 calculation was included based on relevant spend items from within the Fidelis Insurance accounts. This calculation evaluated all the relevant categories of Scope 3 emissions according to the GHG Protocol (Categories 1-14, with category 15 emissions being addressed separately under investments and underwriting).
- In 2023, following legal separation of Fidelis Insurance into TFP and Fidelis Insurance Group, the operational footprints of each respective entity were calculated separately for the first time. In addition, TFP consolidated fully the impact of Pine Walk's operations, given the new group organisational structure.

C Level continued to support us as a partner, working with both TFP and Insurance Group to ensure consistency between the footprint calculations and to prevent any double counting.

The chart below shows a breakdown into the various elements of our operational emissions for 2024. Scope 3 accounted for 97% of the total, Scope 2 for 2% and Scope 1 for 1%.



The Fidelis Partnership did not have any explicit targets around its operational emissions in 2024, although our stated ambition was to reduce these going forward.

In the meantime, we purchased high quality carbon offsets certified by Plan Vivo to more than compensate for our footprint. In 2024, we offset 110%.

The carbon credits purchased by TFP supported the following projects:

- CommuniTree: Reforestation in Central America.
- Trees for Global Benefits: Agroforestry projects and ecosystem services in Uganda.

5.3
Climate risk impact on operations

The impact of climate is considered within business continuity planning across all TFP locations (London, Bermuda and Dublin). In particular, situations which could result from changes in climate were translated into scenarios which were in turn covered by the planning process and are updated on an annual basis.

For instance, the London offices (as well as the TFP data centre) could be impacted by a flood or storm event, combined with a potential failure of the Thames Flood Barrier. Such an event would restrict access to the building(s) as well as causing physical damage. The Bermuda office has an emergency action plan relating to hurricane events, the incidence of which may increase due to climate impacts.

TFP aims to review these impacts on an annual basis going forward and to ensure that the right contingency plans are in place should climate-related scenarios materialise.

5.4
Sustainable procurement

In 2024, TFP formalised consideration for social and environmental issues within the group procurement policy. These ESG issues are weighted and considered within the wider vendor scoring. Additionally, any vendor that scores below 10% of the ESG specific criteria must be escalated to the Sustainability team for further consideration. In 2024, this prompted TFP to stop working with specific computer hardware providers due to ESG concerns.

5.5
Employee engagement on climate-change and nature

TFP has continued to engage staff on climate & nature issues including promoting sustainable behaviours in the office and outside. TFP and the Fidelis Foundation regularly host lunch & learn sessions that include experts and charity partners educating employees on nature issues.

Examples in the past year include:

- Rewilding Britian giving a talk on marine rewilding and the state of marine protected areas in the UK.
- FoodCloud discussed the climate and human impacts of food waste.
- The World Land Trust spoke about the environmental challenges faced around some of the world's most sensitive ecosystems and the challenges they face in protecting these areas.
- TFP's Head of Sustainability covered TFP's approach to responsible underwriting in the context of sustainability challenges and opportunities faced in the real economy.
- Bermuda Green Team & the Bermuda College Foundation have a talk on environmental stewardship including lessons learned from the college's operational sustainability initiatives and the impact of sustainable travel choices

Aside from educational activities, employees are empowered to fundraise for nature issues. One example of employee fundraising efforts would be staff participating in the London Royal Parks Half Marathon in aid of the World Land Trust. Furthermore, employees were more actively engaged with the work of the Foundation when participating in the Kiva credits campaign which allowed employees to allocate micro-finance to borrowers worldwide including projects for sustainable agriculture and climate vulnerable people.

Within the office, TFP offers more sustainable food and drink choices included recyclable materials, locally sourced crisps, drinks made from wonky fruit and palm oil free nut butters. Outside of the office, TFP promote sustainable lifestyle choices through employee benefits such as offering a cycle to work scheme and an electric vehicle scheme.

5.5
Employee-led sustainability initiatives

TFP has had an employee Green Team since 2017, operating across all locations (London, Dublin, Bermuda) and involving employees across various functions. This was a global initiative in 2023, although local representatives in London, Dublin and Bermuda drove the implementation of projects to make these relevant to all employees. The focus of Green Team projects was on issues such as nature, cleaner energy and recycling, with an emphasis on increasing employee engagement.

The Green Team benefitted from refreshed membership and governance, and a dedicated budget as well as a clear annual action plan. Examples of Green Team and other employee engagement initiatives included the following:

- In London, used coffee grounds dried and distributed to employees to be used for the purpose of compositing.
- Dublin: Volunteered at FoodCloud's distribution hub and kitchens to redistribute surplus food to charities and community groups.
- Bermuda: Partnering with Keep Bermuda Beautiful by 'adopting' a specific location in Hamilton where the team carries our quarterly clean-ups.
- Global: Seed planting campaign to celebrate Earth Day, with every office providing wildflower and vegetable seeds for employees to grow. Ongoing support for UK-based charity FareShare and FoodCloud in Dublin, both of which were supported by The Fidelis Foundation. The charities redistribute surplus food in an effort to fight hunger and tackle food waste. According to FareShare, if food waste were a country, it would be the world's third biggest greenhouse gas emitter.

The Fidelis ethos

In addition to voluntary engagement activities, TFP employees were also required to adhere to the 'Fidelis ethos' – this was already included in the performance review process in 2022, and the decision was made to expand this to explicitly refer to sustainability from 2023 onwards. Part of the ethos statement in 2024 included the following:

> *"We are underpinned by a strong ethical belief with a desire to add value not only to our customers and investors but also to our broader stakeholders. We actively avoid trading with industries that cause harm to people, the environment and animals. We provide development opportunities to our employees, taking action to advance diversity and inclusion, being environmentally responsible, and volunteering for and supporting charitable activities in our communities and worldwide."*

As noted above, in the 2024 performance year, the 'Fidelis ethos' objective was expanded to include a reference to sustainable behaviours.

Disclosure

Disclosure

Underwriting-related reporting

We continue to monitor and disclose our Insurance-Associated Emissions (IAEs) using the PCAF methodology – in 2024 the total of our in-scope portfolio was 1.3 million tonnes of CO2 equivalent. The calculation of Insurance-Associated Emissions relies on assumed economic based emissions intensities for many of our clients and otherwise, the mapping of client reported emissions to our internal client data which itself relies on the accuracy of client's publicly disclosed emissions.

Further to our calculation which received limited assurance, we have continued to improve upon data accuracy through onboarding new data providers and embedding data points required to attribute emissions factors and market identifiers within our underwriting policy system. Furthermore, we continue to participate in the PCAF Insurance Working Group, contributing towards further refinements in understanding Insurance-Associated Emissions and appropriate reporting.

We continue to monitor progress towards our target of a 26-49% reduction across energy and aviation clients by 2030. In order to meet these targets, quarterly updates on upcoming accounts with high absolute and relative IAEs are shared to underwriting teams and the IAEs of top energy accounts are reviewed in depth alongside a more detailed view of client emissions practices and targets on a quarterly basis. Furthermore, TFP introduced a group underwriting restriction on upstream oil & gas clients that requires clients to hold a measurable emissions reduction target. We will continue to monitor progress against this target and consider underwriting decisions with our decarbonisation target in mind at the portfolio and client level.

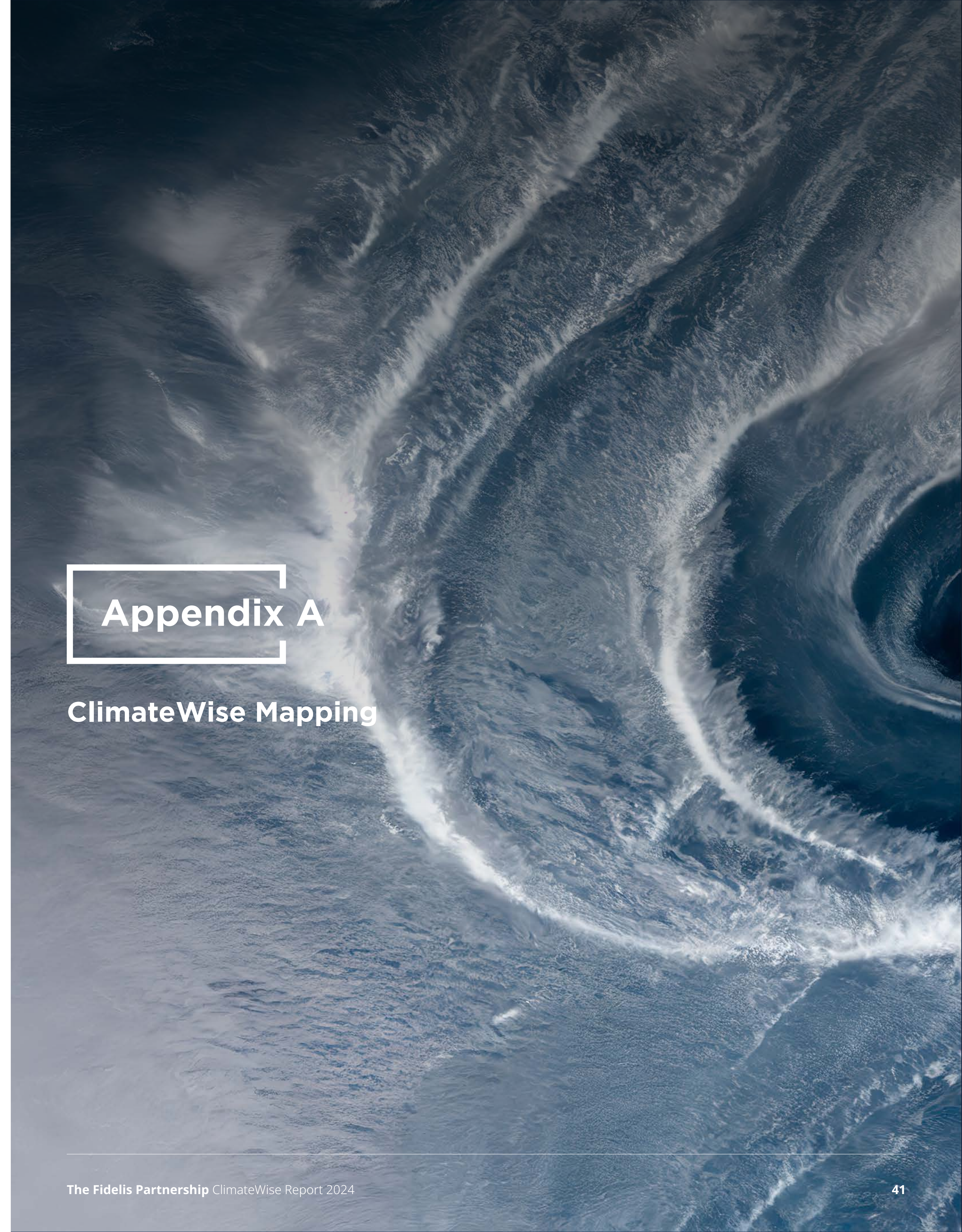
As part of our ESG review process, we track the number of ESG-related declinatures and their underlying ESG concerns for our non-MGA, open market business. In 2024, approximately 35% of programs declined for ESG reasons in 2024 were related to climate and nature issues. These underwriting metrics are distributed to senior management including the group CEO and representatives of our carriers on a monthly basis and included within board reports across the group's entities.

Non-underwriting-related reporting

In 2024, TFP once again calculated its operational carbon footprint, covering all emissions scopes. This is further enhanced by our UK companies disclosing their energy usage and emissions within their financial reporting as part of UK Streamlined Energy and Carbon Reporting. TFP also makes non-climate related disclosures on sustainability such as publishing a Modern Slavery Statement. Additionally, TFP continues to monitor emerging regulatory expectations including CSRD referenced within the Risk Management section and the UK Sustainability Reporting Standard which is under public consultation as of the time of publishing.

The publishing of this report was driven by the Sustainability function, with review from Senior Underwriting Management Team and sign-off from Group Disclosure Working Group prior to external sharing. Key climate-related metrics were calculated with the support and verification of third parties; C Level supported the calculation of operational carbon emissions and Crowe UK provided a Limited Assurance opinion for insurance-associated emissions.

Last year, TFP published the 2023 ClimateWise Report on our website for public view and intends to do the same for this report. The ClimateWise report is supplemented by other sustainability disclosures including an annual UN PSI statement and a sustainability presentation to give stakeholders view of our ESG commitments and processes. Alongside our own climate related reporting, we contribute to industry reporting initiatives such as the Poseidon Principles for Marine Insurance to build greater transparency around industry-wide progress on decarbonisation.



Appendix A

ClimateWise Mapping

Appendix A – ClimateWise Mapping

			Governance				Strategy				Underwriting						Risk Management			Operations						Disclosure
Principle	**Theme**	**Sub-principle**	1.1	1.2	1.3	1.4	2.1	2.2	2.3	2.4	3.1	3.2	3.3	3.4	3.5	3.6	4.1	4.2	4.3	5.1	5.2	5.3	5.4	5.5	5.6	6
Steering Transition	Governance	1.1		●											●											
		1.2	●		●					●					●											
		1.3			●																					
		1.4				●																				
	Strategy	1.5					●	●						●			●	●								
		1.6					●		●													●				
		1.7								●								●								
	Risk Management	1.8		●													●									
		1.9											●	●			●	●								
		1.10									●								●							
Engaging Stakeholders	Operations	2.1																		●		●			●	
		2.2				●																		●	●	
	Value Chain	2.3													●						●					
		2.4																		●			●		●	
	Innovate & Advocate	2.5												●		●										
		2.6														●								●		
		2.7														●										
Enabling Transition	Investments	3.1	*Not applicable due to The Fidelis Partnership being a Managing General Underwriter*																							
		3.1																								
	Underwriting	3.3									●	●						●								
		3.4											●													
	Transition plans	3.5												●	●											
		3.6													●											
Disclosing Effectively	Measure & Monitor	4.1														●										●
		4.2												●	●											●
	Report Robustly	4.3	●																							●
	Disclose Transparently	4.4																								●
		4.5																								●
		4.6																								●

THE FIDELIS PARTNERSHIP