Strategic Report

The directors have considered and applied their statutory duty to promote the success of the Company under S172 of the Companies Act 2006, and in so doing, have regarded the issues, factors and stakeholders relevant to each of the following:

1. *The likely consequences of any decision in the long term*

As part of the business planning process, the possible consequences of decisions made including those in the longer term, are considered. All strategic decisions, including changes to the Group's capital, corporate and Board structures, dividend declarations and changes to accounting and outsourcing policies, are approved by the Board as per the Board Terms of Reference and Matters Reserved for the Board.

2. *The interests of the Group's employees*

A set of legally compliant, culturally appropriate and best practice human resources policies underpins the interests of the Company's employees ensuring that employees do the right thing throughout their employment. To encourage the engagement and to maintain the high performance culture of the Fidelis Partnership, the human resource function delivers an annual performance management and compensation review. This review includes the benchmarking of employees' salaries against market data and a calibration of fairness and consistency in performance ratings across multiple variables including function, gender, and ethnicity. The performance management system takes a balanced score card approach and includes assessment against the Fidelis ethos; a key element of the working culture. Ownership for professional development sits with employees who are supported by their managers alongside the human resources infrastructure, utilising multiple learning platforms as well as in-person and appropriate professional development.

There is a comprehensive line of communication through the human resources and communications function to systematically provide employees with pertinent information on matters of concern to them, including regular updates through a monthly newsletter and the use of internal communication channels and social media.. The Company holds quarterly townhall meetings in order to achieve a common awareness among all employees of the financial and economic factors affecting the Company's performance. The Human Resource function is accessible at all times to managers and employees, all managers are encouraged to carry out one-to-one meetings with direct reports on a regular basis.

The Company has a vision for diversity and inclusion called "Bring Your Whole Self to Work". This vision, with associated diversity and inclusion strategy, is intended to establish a culture that celebrates and embraces diversity in every respect. Opportunities for training, career development and promotion are equally available to all employees.

The Fidelis Partnership fosters an environment where every employee, regardless of their identity or background, has equal opportunities for career advancement and receives equitable recognition for their contributions to both personal and The Fidelis Partnership's achievements. Achieving this vision requires a workforce committed to promoting Diversity & Inclusion at all levels and in every department.

The recruitment process is underpinned by the Diversity and Inclusion policy, through blind CV's, mixed interview panels, minimum mix of candidates in the applicant pool, competency interviews, and psychometric and skills based testing as part of the selection process. This commitment is integral to our corporate values and is reflected in our practices aimed at ensuring full and fair consideration for everyone throughout the employment lifecycle.

3. *The need to foster the Group's business relationships with suppliers, customer and others*

As a regulated financial service company, the Group is obliged to treat its customers and suppliers fairly at all times.

4. *The impact of the Group's operations on the community and the environment*

As member of TFP, the Group is a committed leader in the industry with respect to sustainability matters and the Group has embedded environmental, social and governance ("**ESG**") factors and restrictions in its underwriting processes where appropriate. These underwriting restrictions include not directly insuring thermal coal (including dedicated infrastructure projects such as ports and railways), tar sand extraction, Arctic oil and gas exploration and drilling and fracking operations. The Group will continue to incorporate ESG assessments in the underwriting process and refine the process for reviewing individual insurance risks.

For some time the Group have used a policy clause to mitigate the potential risks of inadvertently supporting modern slavery or human trafficking within our business in particular in the marine cargo business and other lines of business where relevant. The Clause operates as a reminder to the insureds of their legal duties in respect of forced or child labour. "*It is hereby understood and agreed that the Insured shall exercise best efforts to be compliant with all applicable legal and regulatory obligations that the Insured should be aware of in their country of domicile, relating to the cargo insured, in respect of forced and/or child labour.*"

The Fidelis Partnership strongly believes in supporting communities and charities that operate both locally, and around the world via its charitable foundation The Fidelis Foundation (the **"Foundation"**). The Foundation provides a platform for staff to contribute to a culture of altruism and philanthropy aligned with The Fidelis Partnership values. The Foundation funds charities that are efficient, financially sustainable and have measurable impacts and currently includes those spanning human rights, health care, education and environmental issues. These attributes are part of our selection process criteria.

5. *The desirability of the Group maintaining a reputation for high standards of business conduct*

The Group has a compliance function which seeks to be a trusted advisor to the business, driving and supporting innovation whilst partnering with the business and regulators to ensure regulatory obligations are met. The compliance function seeks to ensure that the culture and behaviours of the Group put clients' interests at the heart of its business activities and that the Group acts with integrity in the market.

6. *The need to act fairly between members of the Group*

All interactions with other Group entities are carried out at arm's length and are governed by service level agreements.