

Sustainability at Fidelis MGU

To be different and make a difference

July 2023



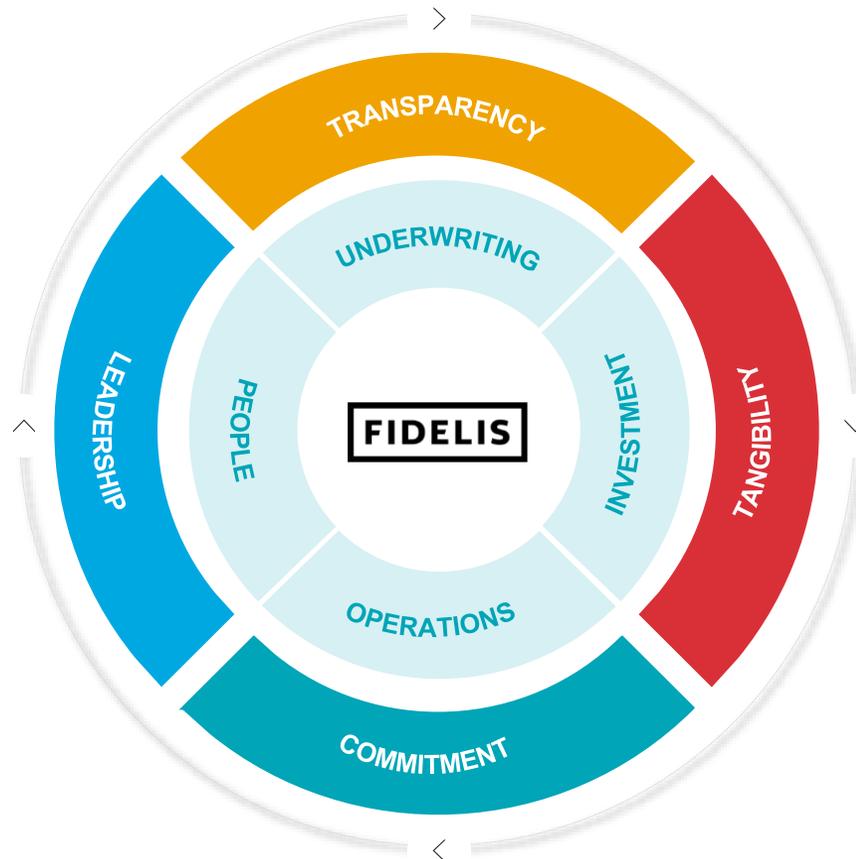
We are committed to setting and meeting ambitious, tangible goals in order to make a difference – here and now. We won't get everything right but we won't be half-hearted and we will shape our business by our values



- 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



- Apply sustainability constraints to **reduce risk** while **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



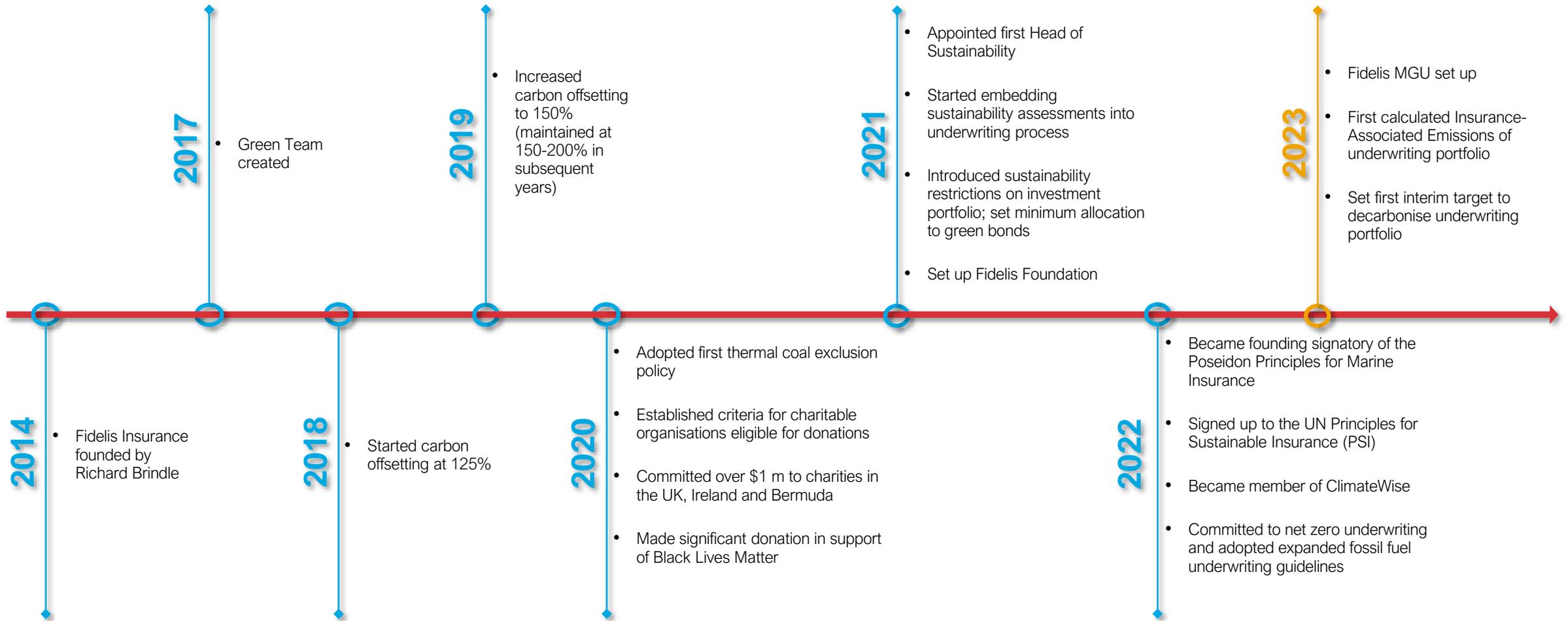
- **Actively promote** sustainability in the industry, including underrepresented social issues. This includes leveraging our soft and real power to engage with clients, brokers and peers, to encourage (where necessary require) more sustainable behaviour



- **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)

Our journey so far

We progressively broadened the scope of sustainability at Fidelis Insurance and continue to do so at Fidelis MGU



Key commitments

We have tangible sustainability commitments, which we have aligned with the Sustainable Development Goals of the UN

Underwriting

- Implement sustainable underwriting policies (e.g. fossil fuel exclusions) through daily underwriting calls attended by the Head of Sustainability
- Measure and improve over time the sustainability profile of our underwriting portfolio (e.g. alignment with the UN SDGs)
- Measure our portfolio carbon footprint and reduce this from 2023, with the ambition to reach net zero well before 2050

Operations

- Monitor our carbon footprint and reduce it from 2023 onwards
- Continue to offset more than 100% of our operational emissions in order to be climate positive

Diversity, Equity & Inclusion (DEI)

- Target equal opportunities across all stages of the hiring process and monitor implementation of this
- Measure pay gaps and seek to minimize these where reasonably possible
- Insofar as possible, ensure the composition of our workforce reflects the make-up of the local community (by gender and ethnicity)

Disclosure

- Provide annual updates on key metrics and performance, with disclosure according to a recognised industry standard (ClimateWise) from 2023

Contribution to SDGs



We have embedded sustainability into our governance structure as appropriate, with clear responsibilities allocated

Accountability

- We have a Head of Sustainability reporting into the Deputy Chairman, who is also the dedicated Board member with responsibility for sustainability

Risk

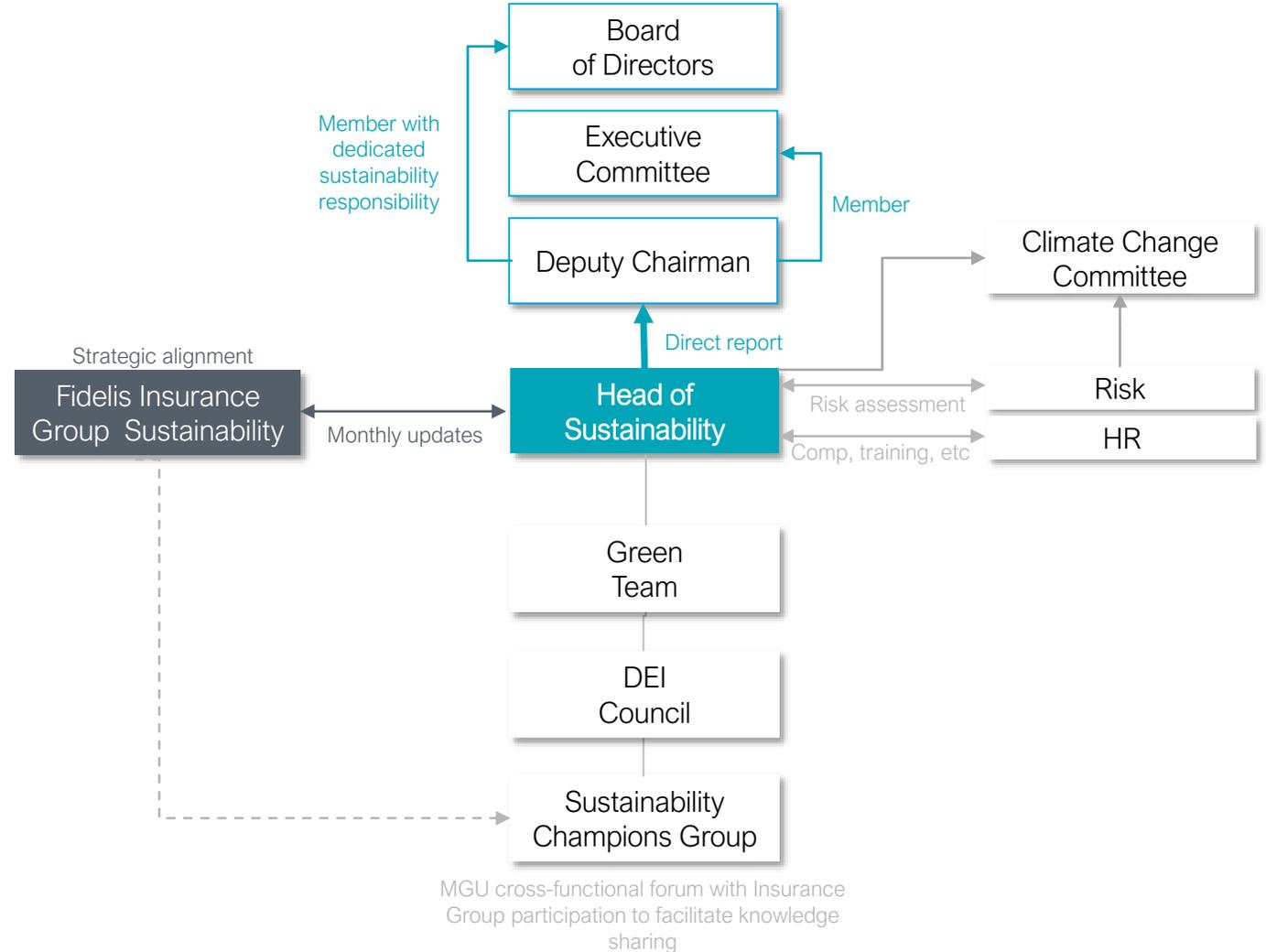
- Sustainability risk is monitored through quarterly reviews with Risk Management
- Sustainability function is part of Climate Change Committee

Strategy & operations

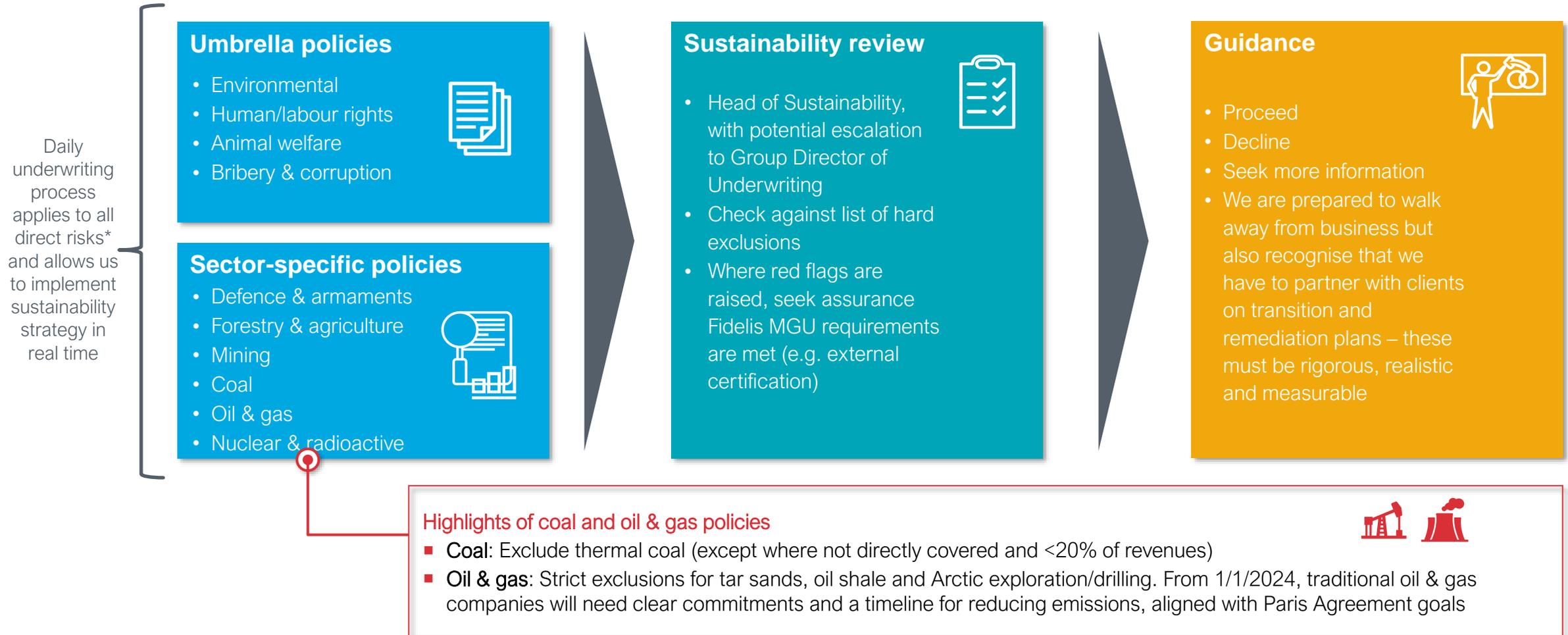
- Sustainability is engaged in strategic and operational topics, e.g. around new products and greener operations
- This includes strategic alignment with Fidelis Insurance Group

Compensation

- We will link sustainability performance to employee compensation at all levels (effective from 2023)



There isn't always a clear right and wrong but we do our diligence and decline business where requirements are not met – or where no credible, measurable transition or remediation plan is in place



(*) Current focus is on direct insurance, with an approach for treaty reinsurance being explored

Fidelis recognises it cannot maximise impact by acting alone, but also challenges industry timelines for taking action

Support for industry-wide initiatives

Fidelis is collaborating with others on sustainability

- Signatory to Principles for Sustainable Insurance
- Member of ClimateWise*
- Supporter of Willis Towers Watson Climate Transition Pathways



Driving change in specific issues

Fidelis also actively promotes more specific initiatives

- Founding member of Poseidon Principles for Marine Insurance
- Developed Forced Labour Clause for high-risk industries and works closely with Anti Slavery International**

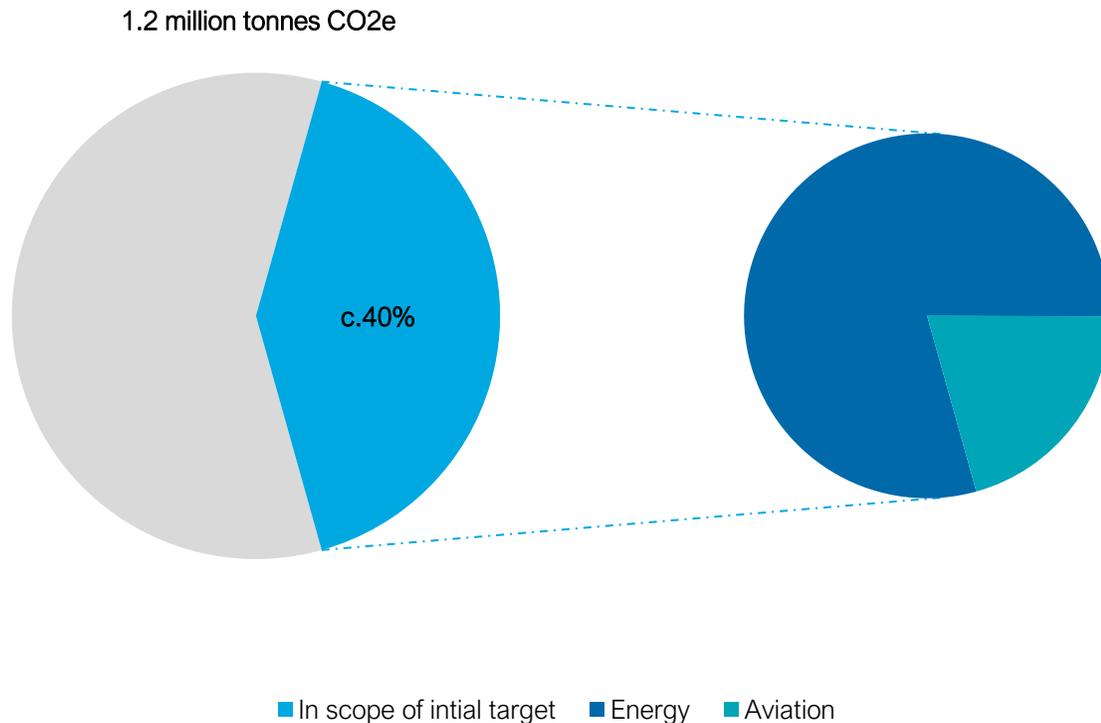


(*) Fidelis MGU and Fidelis Insurance Group are both members of ClimateWise

(**) Fidelis applies the forced labour clause by default to marine cargo (adopted on c.90% of the portfolio) and property policies covering the garments industry

Fidelis MGU is committed to net zero underwriting and has set a first interim target towards this

2022 Insurance-Associated Emissions



- 2022 baseline Insurance-Associated Emissions (IAEs) calculated using globally agreed methodology (developed by the Partnership for Carbon Accounting Financials, PCAF) with limited assurance by Crowe UK LLP
- Fidelis MGU made a commitment to net zero underwriting in 2022, and has now set a first interim decarbonisation target towards this:

26-49% reduction of IAEs by 2030 for energy and aviation insureds*

- The immediate years will be focussed on enhancing emissions data quality and building a time series of client progress against their commitments – over time, a clear approach will be put in place to assess this and determine an appropriate underwriting response

(*) Energy and Aviation are defined by the assured's underlying industry irrespective of the insurance coverage provided. 'Energy' relates to assureds across upstream, midstream and downstream energy with the exception of those assureds that exclusively operate renewable energy projects.

Fidelis MGU leads the insurance industry on addressing forced labour and modern slavery in the supply chain

90% of Fidelis MGU marine cargo risks carry an explicit Forced Labour clause: contrary to concerns, discussing sustainability with clients creates positive engagement. These are issues they are already addressing and often have a story they are pleased and proud to tell

2017

- First Modern Slavery Statement issued
- Started work on a Marine Cargo Clause to support fight against modern slavery

2018

- Fidelis Insurance was the first insurer to sign the Anti-Slavery Charter
- First market meeting organised by Fidelis Insurance with brokers, marine insurers and Anti Slavery International (ASI; world's oldest anti-slavery charity)

2019

- Worked with Lloyd's Market Association (LMA) to produce the first Forced Labour Clause (JCC 2019-08)

2020

- New Marine Cargo Insurance Clause announced for London Market (requiring confirmation of compliance with forced/child labour regulations) and Lloyd's and International Underwriting Association (IUA) endorse the approach

2021

- Arranged market briefing by ASI on "Forced Labour in the Global Supply Chain" attended by both brokers and insurers

2022

- Involved UK Independent Anti Slavery Commissioner (IASC) and arranged a market meeting to draft a 'Commitment from insurance organisations on combatting modern slavery,' which has been adopted by three London Market companies and is under consideration across the market

We aim to run our operations sustainably and work towards a progressive reduction of our environmental footprint

Green Team

- Made up of employees across our locations
- Focus on energy, recycling and engagement
- Drives regular communications and employee activities (e.g. topical campaigns, volunteering, regular lunch & learn sessions)
- We aim to eliminate all single use plastics from London and Dublin offices and are working towards recycling 90% of our waste (by 2023)



Carbon footprint

- 2022 carbon footprint of 11.8 tonnes,* following deep-dive assessment of Scope 3
- 110% offset in 2022*: continue to target over 100%
- Offset through Communitree (reforestation in Nicaragua), Hadza Hunter Gatherers (indigenous land rights in Africa) and Trees for Global Benefits (agro forestry in Uganda)
- Offset projects certified by Plan Vivo



Procurement and code of conduct

- We confirm that all our property managers as well as our investment managers comply with anti-slavery and human trafficking laws
- This requirement also applies to other material service contractors, e.g. IT and actuarial
- All employees are required to uphold the Fidelis MGU's ethos which acts as a set of guiding principles in how to conduct business activities



(*) Scope 1, scope 2 and scope 3 operational footprint; note these are figures relating to combined Fidelis MGU and Fidelis Insurance Group operations in 2022

Our commitment to social issues naturally extends to our own employees

Diversity, Equity & Inclusion (DEI) in our workforce



- Insofar as possible, we aim to ensure the composition of our workforce reflects the make-up of the local community (by gender and ethnicity).
- This is a particular focus in Bermuda, where we engage actively with local organisations (e.g. BFIS, ABIC) to source diverse talent and provide coaching/mentoring for underrepresented groups
- 43% of total workforce is female (mid 2022)*
- 24% of senior management is female (mid 2022)*
- 20% people of colour in workforce (mid 2022)*
- 14% of senior management are people of colour (mid 2022)*

(*) Note these are figures relating to combined Fidelis MGU and Fidelis Investment Group entities

Equal opportunities



- We aim to maintain a focus on equal opportunities across all stages of hiring process (by gender and ethnicity) and monitor this
- We measure and minimise the pay gap where possible (by gender and ethnicity)
- Specific programmes in both London and Bermuda to support diversity within hiring process, e.g. internship and scholarship award programmes

The Fidelis Foundation fosters a culture of altruism and philanthropy aligned with the company's values

- The Foundation was established in December 2020 to provide a platform for staff to contribute to a culture of altruism and philanthropy aligned with the company values
- Fidelis MGU contributes 1% of annual profits (up to a maximum of \$2m) to the Foundation
- Fidelis MGU has long-standing relationships with its charities and also supports mentoring programmes for several of them. All selected charities have an employee advocate responsible for continuing engagement, including reporting on progress against targets for delivery and impact
- The governance process is driven by advocates (all Fidelis MGU staff members can propose new charities), the Foundation Working Group (comprising of Fidelis staff), and The Fidelis Foundation Board of Trustees (which includes two independent members)



Human Rights



Education & Empowerment



Environmental



Poverty



Animal welfare



Mental health



The other charities currently supported are: Bermuda College Foundation, Child Bereavement UK, Down Syndrome Ireland, Dublin Rape Crisis Centre, FoodCloud, International Care Ministries, Irish Children's Rights Alliance, Irish Refugee Council, National Museum of Bermuda, Noah's Ark Children's Hospice, St Giles Trust, Eliza DoLittle Society, Mind, Mercy Ships, The Ocean Clean-Up

Important notice



Presentation and are not responsible for its content. This Presentation is solely for Fidelis's use on its own website and not for further dissemination or distribution and should not be reproduced or copied

This Presentation and all data, information and all other contents or materials contained herein (collectively, the "Presentation") are intended for general informational purposes only. This Presentation is not intended, nor shall it be considered, construed or deemed, to constitute, nor does it constitute, an offer to sell or a solicitation of an offer to buy any securities or any other financial product or asset of, or related to, the Company, any of its affiliates, any other company, or any insurance-linked securities vehicle to any person or in any jurisdiction where it is not permitted

No securities of the Company have been registered under US securities laws, and unless so registered may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of US securities laws and applicable state securities laws. This Presentation is made and directed only at persons (i) who are outside the United Kingdom, (ii) having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "Order") or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). This Presentation must not be acted or relied on by persons who are not Relevant Persons

No representation or warranty of any kind (whether express or implied) is given by the Company or any of its affiliates or any of their respective directors, officers, employees, advisors, agents or representatives (and any warranty expressed or implied by law is hereby excluded to the fullest extent possible) as to the accuracy or completeness of the contents of this Presentation or any other document or information supplied at any time by or on behalf of the Company or any opinions or projections expressed therein (including, without limitation, in respect of the accuracy, completeness, timeliness, or sufficiency of this Presentation), nor is any such party under any obligation to update this Presentation or correct any inaccuracies or omissions in it which may exist or become apparent. To the maximum extent permitted by law, the Company and its affiliates and their respective directors, officers, employees, advisors, agents and representatives (collectively, the "Representatives") disclaim any and all liability relating to this Presentation and none of the Company nor any of its Representatives shall have any liability to any party for any claim, loss, damage or liability in any way arising from or relating to the use or review of this Presentation (including, without limitation, any actions or inactions, reliance or decisions based upon this Presentation), any errors in, or omissions from, this Presentation (including, without limitation the correctness, accuracy, completeness, timeliness, sufficiency, quality, pricing, reliability, performance, adequacy, or reasonableness of the information contained in this Presentation), or otherwise in connection with this Presentation. To the maximum extent permitted by law, none of the Company nor any of its Representatives will be liable, in any event, for any special, indirect, consequential, or punitive loss or damage of any kind arising from, relating to or in connection with this Presentation. The Company does not provide, and this Presentation does not constitute, any form of legal, accounting, taxation, regulatory, or actuarial advice. This Presentation includes or makes use of intellectual property or other information owned by the Company or its affiliates, and the Company and its affiliates reserve and retain all of their respective rights in such property and information and grant no rights or license (express or implied) pursuant to this Presentation or any portion hereof

This Presentation is provided as of the date on the cover page, does not purport to be all-inclusive or necessarily contain all information that may be of interest to the recipient, and is subject to change, amendment, update, completion and review without notice. In particular, please note that any financial projections or illustrative return information are, at this stage, preliminary estimates only and have not been verified, audited or subjected to an independent accounting or auditing review. In particular, returns may vary depending on the size and nature of the portfolio of business actually written as contracts incept, which at this stage is uncertain, as well as other important assumptions. The Company expressly disclaims any obligations to update the information in this Presentation to the fullest extent permitted by laws

This Presentation contains "forward-looking statements", which include all statements that do not relate solely to historical or current facts. These statements are subject to certain assumptions which reflect the Company's current views with respect to future events. These assumptions include significant expected growth across the Company's portfolio, hardening rates in the reinsurance and specialty pillars, and the availability of outwards reinsurance via quota shares as required. This presentation does not contemplate the impact of COVID-19 on the Company, the insurance industry as a whole or the global economy. The Company's business is subject to numerous risks, uncertainties, and other factors, many of which are outside of the control of the Company. In particular, although the Company's management's expectations are based on its own expertise as well as evidence given by prominent (re)insurance industry commentators as to the emerging trend of rate hardening and factors likely to drive rate hardening, there can be no certainty that the market will indeed continue to harden as forecast, and lead to increased gross written premiums for the Company, or that such written business would be profitable. Accordingly, the Company's actual results in the future could differ materially from those anticipated in any forward-looking statements. The Company's past performance should not be construed as a guarantee of future performance.

This Presentation includes reference to the Company's "steady state". "Steady state" means when the ratio of net earned premium to net written premium equals approximately 94%, which management currently expects will be achieved in 2022. There can be no assurance that the "steady state" as described herein will be achieved in 2022.

The statements and estimates in relation to the Company's "adjusted book value" and "additional value" are based on a number of key assumptions. In particular, the earn-out of unearned premium reserve is based on the projected earning patterns of the Company's Bespoke business written as at December 31, 2019 and is on a net of reinsurance basis; future estimated Bespoke profit is based on the future earned premium less expected claims and acquisition costs, and is net of reinsurance, expenses and tax; estimated future claims are based on the initial expected ultimate loss ratios applied to the net earned premium for each underwriting year; acquisition expenses are already paid but the release of the deferred acquisition expenses asset reduces future Bespoke profit; expenses are calculated based on an estimate of management expenses required to run off the in-force policies in a manner consistent with the Bermuda Monetary Authority regulatory model; future profits are not discounted to be consistent with how the claims liabilities are presented under US GAAP; the impact of future lapses is not included; and the estimated future Bespoke profit is on an after-tax basis and is based on the average effective tax rate over the forecast period for the Group. There can be no assurance that the expected losses and expenses for the Company's Bespoke business will ultimately result in line with current expectations.

The Company's reserves and management's best estimate reflected in historical loss ratios and other financial information is based on the management's then current state of knowledge and explicit and implicit assumptions relating to the incurred pattern of claims, the expected ultimate settlement amount, inflation and dependencies between lines of business. The Company's reserves are prepared on the basis of US GAAP accounting and for the Company's own purposes and for no other purpose. Such financial information is subject to important assumptions which are likely to be the subject of future change, amendment, update, completion and review, as necessary. The Company's estimate of natural catastrophe losses involves the exercise of considerable judgement and is based, amongst other factors, on a review of individual treaties and policies to be impacted, information available as at the relevant date from clients and brokers, initial loss reports, modelled loss projections and exposure analysis. The Company's actual losses from any loss events may differ materially from estimates provided and reserves currently held.

Financials presented in this Presentation include rounding adjustments where appropriate. Accordingly, totals in some exhibits may not be an arithmetic aggregation of the figures that preceded them and percentage calculations using these adjusted figures may not result in precisely the same percentage values as are shown elsewhere in this Presentation.