THE FIDELIS PARTNERSHIP

CLIMATEWISE
Report 2023

ClimateWise
Insuring a sustainable future

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Opening remarks

"The Fidelis Partnership understands that the insurance industry needs to fundamentally re-think the way that climate is impacting the risk landscape. We make every effort to build the most current information into our business decisions so that we continue to make the best possible decisions for our partners."

Richard Brindle, Group CEO and Chairman

"We have a responsibility to all of our stakeholders to ensure that The Fidelis Partnership is not only making responsible and informed underwriting decisions but also to support important initiatives to limit the impacts of climate change and to support the most vulnerable communities."

Charles Mathias, Deputy Chairman

"Following the emergence of The Fidelis Partnership as an independent organisation, we continue to prioritise the organisation's fundamental understanding that the insurance industry has an important role to play in moving toward a more sustainable working world. Transparency remains a critical element in building consensus and trust with our partners. We welcome the evolution of the ClimateWise principles to provide a benchmark and reminder as to the key topics of interest to our community."

Chris Sweetser, Chief Risk Officer

Executive Summary

The Fidelis Partnership (The Fidelis Partnership, TFP, we, us, our), rebranded from Fidelis MGU in March 2024, has sustainability as part of our core strategy and has embedded the consideration of the climate change across our business as part of this strategy.
The insurance industry has a key role to play in supporting the world to manage the risks from a changing climate, as well as supporting clients as the world decarbonises to meet net-zero goals.

Our 2023 ClimateWise report provides an update on our progress in understanding and managing climate change and other sustainability-related risks and opportunities. A critical change for the business during 2023 was our separation from Fidelis Insurance Holdings Limited (FIHL) and its existing insurance companies (together referred to as Fidelis Insurance Group) at the beginning of 2023, forming an independent Managing General Underwriter (the Separation Transaction). As such, TFP ceased to operate as an insurance carrier and was no longer subject to all of the associated regulatory requirements. Despite the reduction in regulatory responsibilities, TFP adopted the fundamental Sustainability Principles of its antecedent organisation. It continued to build on the solid foundations put in place for its climate strategy and disclosure the previous year. The relevance of the topic spans underwriting, operational and reputational aspects of the business, with increasing focus from a range of TFP's stakeholders. Managing exposure to climate risk is core to what we do to manage insurance and reinsurance portfolios and is therefore not a new consideration for our business. One of the commitments we made is to disclose according to a recognised standard such as the Task Force on Climate-Related Financial Disclosures (TCFD). We joined ClimateWise in order to meet this commitment, but also to connect with like-minded peers and to access a valuable forum for discussion of climate topics. This is our first ClimateWise report as an MGU which reflects refreshed and expanded principles as the initiative evolves in line with best practice around climate disclosure.

Climate considerations, particularly around physical risk, have been embedded in our core underwriting and risk management processes since our inception. This includes strong links to business strategy and financial planning, as well as consideration of climate scenario analysis. We explicitly factor climate into pricing decisions: the 'Fidelis View of Risk' was first formally defined in 2022, spanning all major perils, and is something that we continually refine. In addition, TFP has stepped up its focus on transition risk as well as on exploring potential new underwriting opportunities linked to climate.

In 2022, prior to the bifurcation of Fidelis Insurance Holdings Limited (Fidelis Insurance), we made a commitment to net zero underwriting and pledged to set a first concrete target in 2023. TFP has adopted that commitment following the bifurcation and reached this milestone when we published an initial 2030 target to reduce insured emissions from our energy and aviation clients by 26-49%, against a 2022 baseline. We were amongst the first of our peers in the insurance industry to publish its baseline number and to set a decarbonisation target.

In 2023, we calculated our first standalone operational carbon footprint – following separation from the Fidelis Insurance Group. The total of 7.9k tonnes CO_2e includes a full assessment of operational Scope 3 categories. This was offset at 110% through high quality carbon credits certified by Plan Vivo.

TFP remained active in industry discussions related to climate in 2023, participating in initiatives such as Partnership for Carbon Accounting Financials (PCAF), Poseidon Principles for Marine Insurance (PPMI), Principles for Sustainable Insurance (PSI) and the International Underwriting Association's Sustainability and Climate Change Committees.

We participated in a range of panels and conferences on climate topics. We began to have more extensive discussions with clients and key broker counterparts in connection with our decarbonisation initiatives.

The Fidelis Foundation (the Foundation) is a UK registered grant making charity established by Fidelis in 2020 to foster a culture of altruism and philanthropy in line with the company's values while offering additional opportunities to advance on our sustainability principles. A number of charities supported in 2023 help to address climate-related issues: World Land Trust works to protect biodiversity and ecosystem functionality which in turn helps to stabilise climate, while FareShare and FoodCloud tackle food waste which accounts for up to 10% of global emissions. Late in 2023 we added a new partner, Rewilding Britain, whose focus on restoring and protecting nature is strongly aligned with our sustainability initiatives and increasing climate resilience.

While this report is focused on climate, it should be read 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.

ClimateWise Principles

Principle 1	Steering Transition
Principle 2	Engaging Stakeholders
Principle 3	Enabling Transition
Principle 4	Diclosing Effectively

Principle 1

Steering Transition

Principle 1: Steering Transition

Governance

1.1

Ensure that our Board has oversight of climate- and nature-related risk and opportunity management, including any transition plans

In March 2024, Fidelis MGU rebranded to The Fidelis Partnership (TFP) – comments in this report therefore reference TFP, as the key processes and structures remain the same as for Fidelis MGU in 2023.

Shelf Holdco Limited is the ultimate parent company of TFP Group

During 2023, the Board of Shelf HoldCo Limited discussed sustainability and climate covering TFP business acitivities undertaken in its key office locations such as London, Bermuda, and Ireland. This includes business activities undertaken by each of the MGAs operating through TFP's MGA platofrm, Pine Walk.

Involving the Boards of Directors in sustainability

The first Board meeting in February 2023 included a discussion of the sustainability strategy and priorities agreed on in 2022. Subsequent meetings provided quarterly updates on progress and focus areas for the coming months.

Fidelis Insurance started collating various ESG metrics and KPIs in 2022. Following the bifurcation, TFP continued this practice and routinely reported this important information to the senior underwriting management team in monthly 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. This is shared in advance with Board Members to allow time for reflection and challenge, outside of the meetings.

Throughout 2023, the Head of Sustainability reported to Charles Mathias, who in addition to being Group Deputy Chairman is also the dedicated Board member with responsibility for sustainability.

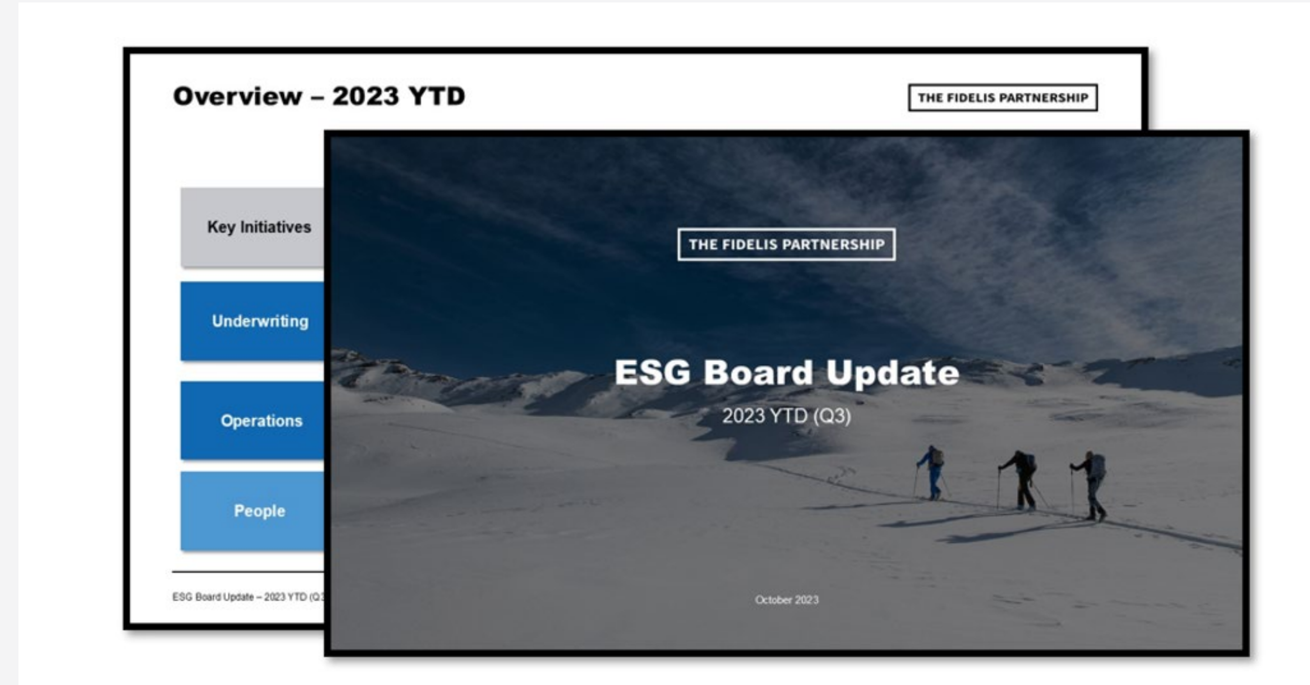
Going forward, the following Key Operating Subsidiary Boards will continue to be updated on a regular basis:

- Shelf Opco Bermuda Limited
- Pine Walk Capital Limited
- Pine Walk Europe S.R.L

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

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

Summary slide of February 2023 Board pack on sustainability



1.2

Ensure that our senior management has responsibility of climate- and nature-related risk and opportunity management, including any transition plans

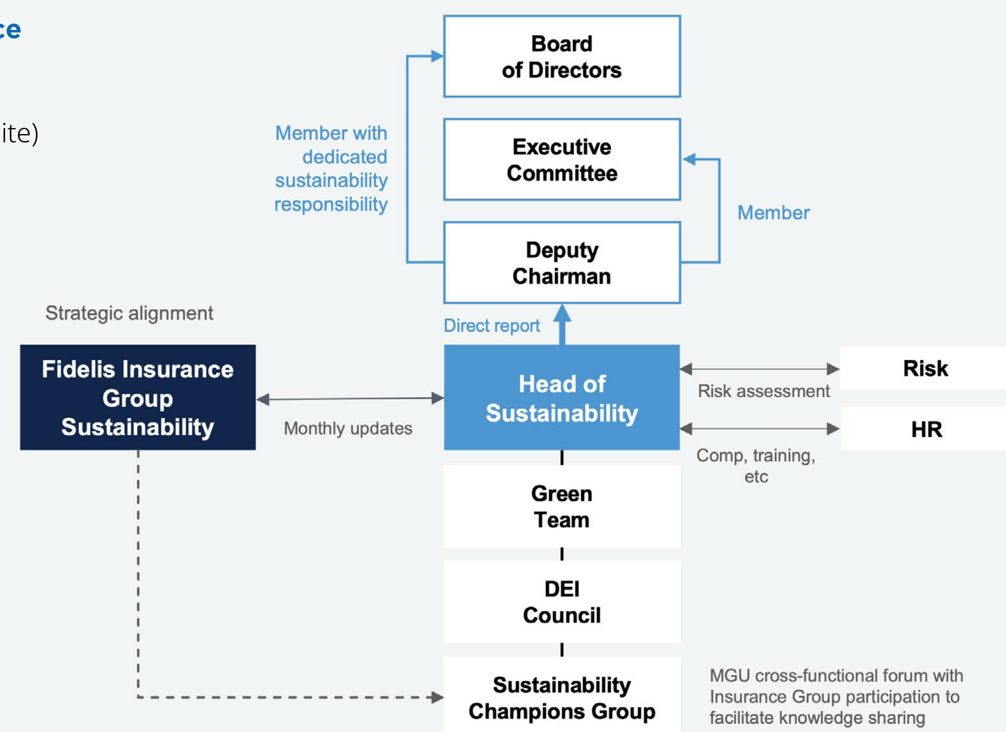
Establishing a sustainability governance framework

TFP further built out the sustainability governance framework first implemented by Fidelis Insurance starting from 2021. Following the Separation Transaction, this incorporated collaboration continued with the Fidelis Insurance Group in order to ensure strategic alignment and the give the Insurance Group oversight of TFP's activities in relation to sustainability (including climate).

- The Sustainability function oversaw the ESG Champions Group to enable the sharing of sustainability updates across different functions at TFP on a quarterly basis. The ESG Champions Group included representatives from across Underwriting, Claims, Risk, Human Resources, Communications, Operations and Actuarial.
- A collaboration with Human Resources was in place around topics such as Diversity & Inclusion and employee incentives.
- A regular risk assessment process was established together with Risk Management (following the same quarterly risk review process for ESG risks as for other risks TFP was exposed to).
- The Sustainability function was an active participant in the Green Team, which consisted of employees across functions and locations, meeting quarterly.
- The Sustainability function also provided regular updates to the Fidelis Insurance Group, including sharing of key underwriting metrics.

Overview of governance structure in 2023

(included in sustainability presentation on TFP website)



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 was also true for any major sustainability initiatives, such as signing up to the Poseidon Principles or the decision to update and publish details of 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 2023, 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.

TFP's initial transition plan, developed in 2023, was owned by Sustainability. This will remain the case going forward, albeit with increased input from relevant underwriting teams.

TFP is still in the early stages of defining a framework for nature. The responsibility for articulating this more precisely sits with the Sustainability function.

1.3

Create a clear link between governance and oversight, establishing a robust governance framework and underlying policies and procedures

Policies and guidelines

The Fidelis Partnership had a range of policies and guidelines in place in 2023 which provided guidance and held the company to account on sustainability-related matters.

The key guidelines relevant to climate and environmental issues were the guidelines used to steer our daily underwriting decisions and form the basis of our ESG referral process (e.g. cases of damage to protected habitats and our stance on fossil fuels).

In 2023, work began in conjunction with Risk Management to define a more comprehensive climate risk framework including references to physical, transition, liability and reputational factors.

TFP has guidelines for how it works with suppliers, which incorporate sustainability considerations.

More details of the various policies mentioned above are provided in the relevant sections of this report. In addition, the remainder of this Principle 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. Where necessary, TFP declined to provide cover for counterparties which did not demonstrate adequate sustainability standards. Some examples include rejecting 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 daily Underwriting Market Conference Calls (UMCC), in which ESG review determinations are displayed and considered. 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

Ensure that our Board and Senior Management have the required knowledge and incentives to oversee risks and establish a culture aware of environmental issues

Building knowledge and expertise

Numerous teach-ins were held over the course of 2023 in the lead-up to TFP's public launch of its 2030 decarbonisation target. These involved all underwriters as well as members of the Senior Underwriting Management Team. Materials were also produced and shared to facilitate discussions with external stakeholders, such as brokers.

As TFP continues to evolve its approach to transition and energy business, there has been more education of relevant underwriters as well as senior individuals on these topics.

Additionally, TFP helped to create a more structured training programme, driven by the Better Insurance Network.

Sustainability objective for all employees, including senior management

In 2022, the ExCo incorporated the previous 'Fidelis ethos' behaviours (such as 'doing the right thing') into an expanded sustainability objective for all employees. This expanded objective took effect in the 2023 calendar year for TFP employees, creating additional incentives going forward for all employees to promote, among other things, an increasingly climate-aware and climate-friendly business approach.

Strategy

1.5

Describe the impacts and implications of climate- and nature-related risks and opportunities on our business model and performance, strategy, and any decision-making processes

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 in 2023.

TFP also began to outline 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. A public climate commitment was also made to publish TFP's first interim target towards net zero underwriting by the middle of 2023, with significant implications for strategy over time. Linked to this, work began on a 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 established that it would need 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. 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.

Climate risk within investment strategy

Following the Separation Transaction, 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.

1.6

Describe how environmental resilience plans are incorporated into business decision making, including disclosure of any material outcomes of climate risk scenarios

TFP maintains Operational Resilience standards and are enhancing those practices to meet the upcoming regulatory requirements relating to the EU Digital Operational Resilience. 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.

1.7

Describe the outcomes of our materiality analysis and any material climate- and nature-related risks and opportunities that affect our prospects

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 dual-materiality assessment against the Corporate Social Responsibility Disclosures (CSRD) to inform an appropriate prioritisation of risks and opportunities.

Risk Management

1.8

Establish appropriate processes to identify, assess and prioritise climate- and nature-related impacts, risks and opportunities

Overall risk identification and assessment process

Our operating model changed significantly since the separation 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 maintained strong actuarial resources and strengthened 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 apply to TFP, directly. 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 expected regulatory reporting requirements.

During 2023, TFP exclusively managed the insurance portfolio of one insurance carrier, the Fidelis Insurance Group. As such, our approach adopted the standards described in the Fidelis Insurance Group's Risk, Capital and Solvency Framework which were codified through detailed service level agreements.

The dedicated Sustainability team at TFP established the ESG Champions network and maintained close working relationships with each underwriting team. This is evidenced through the "ESG checks" which are part of each relevant insurance policy and is presented at the daily UMCCs.

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

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 TFP 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), our Risk Management Framework requires 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 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's risk selection reflects our view of risk and our underwriting strategy set by the board.
- **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, the pricing of California wildfire risks were adjusted to reflect the clear increase in fire size and severity in recent years, partly due to climate impacts.
- **Reality check:** TFP did not rely solely on model pricing, weighting to 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 identify areas where they feel reinsurance structures would 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 also provided its expertise and assistance to capacity providers in purchasing cat bond coverage, including on a multi-year and aggregate basis. This provided more efficient capacity with greater certainty when compared to traditional retrocession deals. We also arranged aggregate coverage which provided valuable protection against unexpected frequency as well as severity.

1.9

Describe how scenario analysis has been used to inform the identification, assessment and management of climate- and nature-related risks

Scenario analysis – overview

In addition to its regular Exposure Management processes, TFP conducted annual scenario and stress testing analysis on the insurance portfolios under management to inform strategic planning and determine the impact of the financial risks from climate on the overall risk profile and business strategy for the insurance portfolios under management. 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. We note that in 2023, TFP was not under a regulatory obligation to disclose the details of the scenario analysis performed for the insurance portfolios under management.

In 2023, Fidelis Insurance Group conducted a stress test exercise for Fidelis Insurance Group to ensure that the insurance portfolios under management had more than sufficient capital to cover a related shock scenario. Results were shared with Fidelis Insurance Group. Rather than being a one-off exercise, such stress testing is reviewed as appropriate following an annual View of Risk updates.

Principle 2

Engaging Stakeholders

Principle 2: Engaging Stakeholders

Operations

2.1

Manage and seek to reduce the environmental impacts of the internal operations and physical assets under our control

The Global Facilities Management team drove significant new initiatives in 2023, involving a Green Team to focus on environmental issues (with the support and involvement of the Sustainability function).

Some key areas of focus outside of emissions were:

- **Recycling and waste management:** New recycling bins with clear labelling were introduced to the London office, and a teach-in from recycling company Bywaters was arranged to inform employees about how to dispose of office waste. 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 2023 was incinerated at a waste-to-energy facility (plastic and paper) or recycled where possible. Going forward, we are working towards putting in place the monitoring framework to maintain our recycling objectives, leveraging data being collected by the building management teams.
- **Plastics:** The London office took part in a plastic fishing event to raise awareness of plastic waste and help clean up a local area in the city.
- **Water usage:** We track water usage in our Dublin and London offices whilst the water used in the Bermuda office is sourced from rainwater collected on site.

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.

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.

2.2

Engage our employees on our commitment to address climate- change and nature, helping them to play their role in meeting this commitment in the workplace and encouraging them to make climate- and nature-informed choices outside work

Fidelis 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:

- **London:** Switching to more local, sustainably sourced snacks and beverages.
- **Dublin:** Supported FoodCloud to prepare food festival in which profits funded FoodCloud's activities redistributing 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.

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 2023 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."

Link to performance and remuneration

As noted above, in the 2023 performance year, the 'Fidelis ethos' objective was expanded to include a reference to sustainable behaviours.

"For 2023 we are keen that an ESG centric approach is at the forefront of all we do, this could be through membership of relevant committees/ working groups (e.g. Diversity, Fidelis Foundation, Green Team, ESG), regular participation in wider company events or the underwriting teams' ensuring the involvement of the ESG team in deals as appropriate."

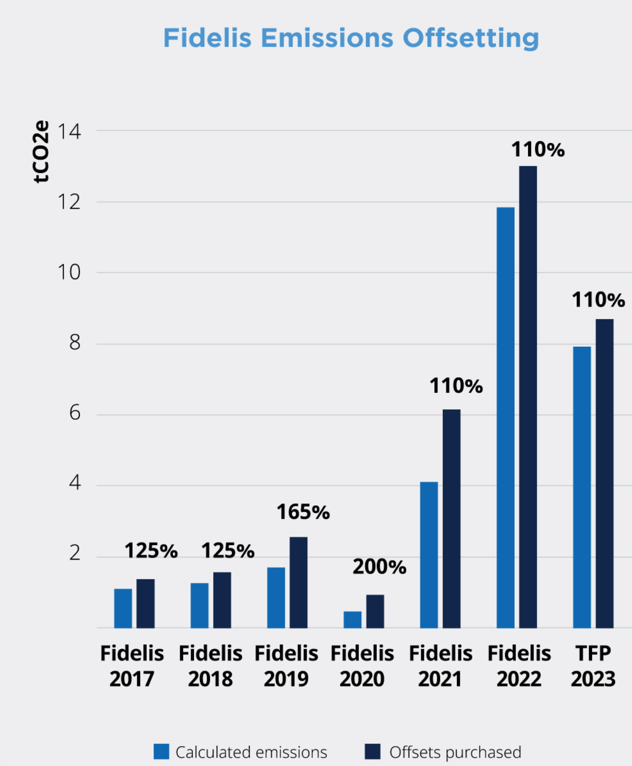
Value chain

2.3

Understand and disclose the sources of emissions and adverse climate- and nature-related impacts on our value chain, which might in turn impact our business

From 2017 onwards, Fidelis Insurance 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, 2021, 2022 and 2023).

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

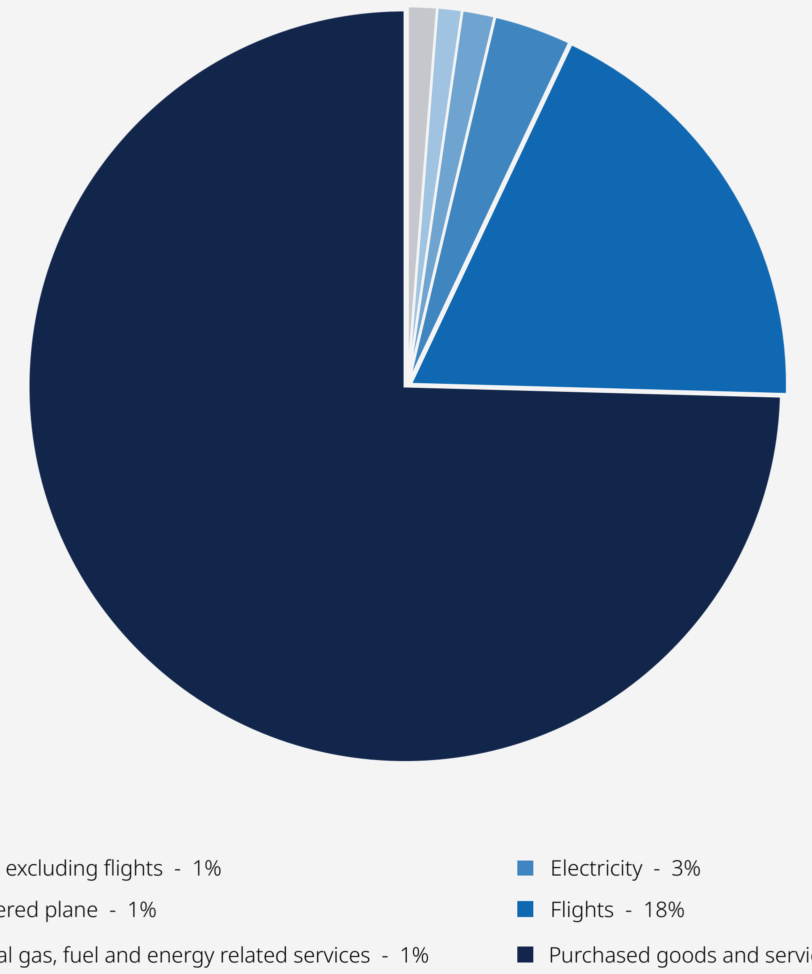


The scope of the calculation evolved between 2017 and 2023, meaning that the trend in calculated numbers cannot be assessed.

- 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 the Separation Transaction, the operational footprints were calculated separately for the first time.
- TFP consolidated fully the impact of the MGAs operational carbon footprint operated under the Pine Walk platform, 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 2023. Scope 3 accounted for 96.1% of the total, Scope 2 for 3.3% and Scope 1 for 0.6%.



The Fidelis Partnership did not have any explicit targets around its operational emissions in 2023, although our 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 carbon footprint. In 2023, we offset 110% of our operational emissions.

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.

2.4

Advocate and engage across the supply chain to encourage our suppliers to improve the environmental sustainability of their products and services, and understand the implications these have on our business

In 2023, 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 2023, this prompted TFP to stop working with specific computer hardware providers due to ESG concerns.

Innovate & Advocate

2.5

Support and undertake research and development to inform current business strategies, develop new products, and help support and incentivise our customers and stakeholders, including affected communities, in adapting to and mitigating climate- and nature-related issues

Product innovation to support mitigation and adaptation

Insurance and reinsurance play a key role in helping communities to recover following natural disasters – a role which is becoming more important given the impact of climate events. Through its coverage of natural perils in the property and reinsurance lines of business, TFP helps to support resilience and adaptation. In addition, TFP has a sizeable portfolio of political risk and contract frustration business supporting governments in developing countries. In many cases, the financing that is enabled by these transactions supports social infrastructure which leads to, among other things, more resilient communities.

TFP expanded its renewable energy offering in 2023 by starting to underwrite standalone battery storage and operational hydropower within wider renewable energy portfolios– in addition to growing its existing portfolio covering wind and solar projects. At the end of 2023, we supported 20.32 gigawatts of new offshore wind construction projects across Europe, the US and Asia, as well as covering several new intercountry cable connectors which enhanced energy security and energy system resilience.

Some of TFP' insurance products address climate issues in less direct ways: for instance, in 2023, we insured the salvage operation of an abandoned Floating Storage and Offloading vessel along Yemen's coast, metropolitan rail transport and a portfolio of conservation easements.

Research and data quality issues

In 2022 Fidelis Insurance carried out its own analysis to develop and implement its View of Risk. This was generally linked to scenarios developed by regulators which were in turn based on research by international climate bodies like the Intergovernmental Panel on Climate Change (IPCC). TFP did not carry out its own fundamental research and does not currently have academic or similar partnerships in this area. However, we did obtain input from a respected climatologist when defining our View of Risk. We discuss and exchange information on these topics with some of our key stakeholders, for instance core quota share partners.

Public communication on climate-related issues

For policies with a 2024 inception date, TFP has implemented extended underwriting restrictions for fossil fuel business, requiring a measurable emissions target. The public communication of The Fidelis Partnership's ESG underwriting criteria made its position as an insurer clear to clients and stressed that there will be a greater requirement for decarbonisation commitments. The press release as well as TFP's **Sustainability Presentation** contained a summary of these policies.

Screenshot of press release on ESG underwriting guidelines

Fidelis extends its ESG underwriting guidelines, including new fossil fuel restrictions

Home > News and Insights > Historic Fidelis Insurance news > Fidelis extends its ESG underwriting guidelines, including new fossil fuel restrictions

22 Sep 2022

HAMILTON, BERMUDA — 22 September 2022 — Fidelis Insurance Holdings Limited ("Fidelis") is pleased to affirm its commitment to sustainability by implementing extended underwriting guidelines which cover a range of industries and issues relating to its insurance lines of business.

The guidelines span both environmental and social topics, with four umbrella guidelines (Environmental, Human & Labour Rights, Animal Welfare, Rule of Law) and six industry-specific guidelines (Defence & Armaments, Forestry & Agriculture, Mining, Coal, Oil & Gas, Nuclear). Fidelis has already been focused on many of these issues, for instance by applying a Forced Labour Clause to marine cargo business since 2020 and taking a strong stance on animal testing.

> We intend to reach the net zero target well before 2050 and… we will be publishing interim targets for this in 2023. We are already developing metrics in our underwriting, not just on carbon and environmental issues but on social and governance ones as well. We firmly believe that this makes our business more sustainable and more profitable over time."

Richard Brindle, Chairman and Group Chief Executive Officer of Fidelis (May 2022 press release)

Screenshot of a slide from the 2023 sustainability presentation

TFP also communicated with its stakeholders through industry media outlets and participation in industry panels on sustainability related topics (detailed in previous section). This expanded the range of communication beyond existing clients and day-to-day contacts and made clear TFP's stance within the industry.

Day-to-day and strategic interactions with brokers

TFP underwriters regularly speak to broking partners on ESG issues and at a strategic level. TFP underwriters continue to work with broking partners on a day-to-day basis in relation to specific risks; seeking additional information from the relevant broker, and if risks were declined (e.g. because thermal coal or tar sands were covered, or unmitigated environmental damage was identified) a clear rationale was provided for this.

As a supplement to risk-by-risk interactions, TFP leveraged its strong relationships with key brokers to discuss climate-related topics at a more strategic level. In 2023, this included discussions around the collection of client emissions reports for the purpose of Insurance-Associated Emissions calculations.

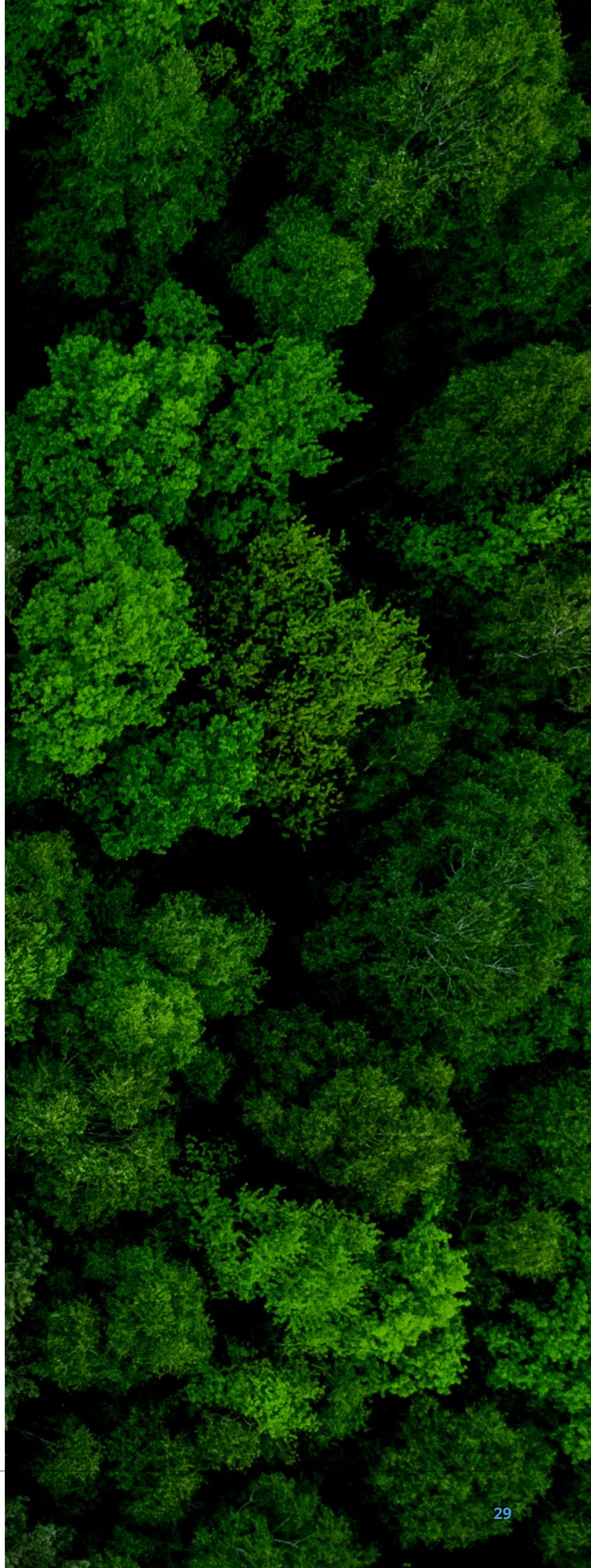
Real changes in underwriting behaviour to mitigate climate risk.

TFP believes that underwriting behaviour will change as the world transitions to a low-carbon economy. Through public disclosures and media statements already referred to in earlier sections, TFP made clear its belief that insurers must start to change the way in which they deploy capital and factor climate considerations into their core underwriting processes as part of this progress.

Over 2023, TFP continued to apply the approach first implemented in 2022, applying its ESG guidelines across underwriting risks. This did not yet include an assessment of emissions and transition plans, but it did cover other environmental topics such as involvement in deforestation, unmitigated pollution or damage to protected species and habitats. TFP also started to lay out how it will adjust underwriting behaviour for risks linked to highly emitting industries.

Supporting clients in assessing climate risk

TFP operated predominantly through intermediaries such as brokers and did not offer direct services to insureds. For instance, TFP did not share its own tools or methods for assessing climate risk. Since we do not work with private clients and do not offer personal lines insurance, only commercial lines for corporate buyers, certain types of risk knowledge sharing were not relevant: TFP's clients are typically sophisticated in their understanding of how they can mitigate climate risk.



2.6

Promote and actively engage in public debate on climate- and nature-related issues and the need for action by publicly communicating our beliefs and strategy on climate- and nature-related issues and providing support and tools to our customers/clients so that they can assess their levels of risk

Engagement in climate-related initiatives

In 2023, TFP continued to support multiple market initiatives promoting sustainability and specifically decarbonisation. For instance, this included signing up to the PPMI – TFP was the first London Market underwriter to join this – as well as becoming a member of ClimateWise. TFP also chaired the International Underwriting Association's new ESG Committee during 2023.

In addition to entailing various specific commitments, these initiatives provided a valuable forum for engagement and debate around climate topics.

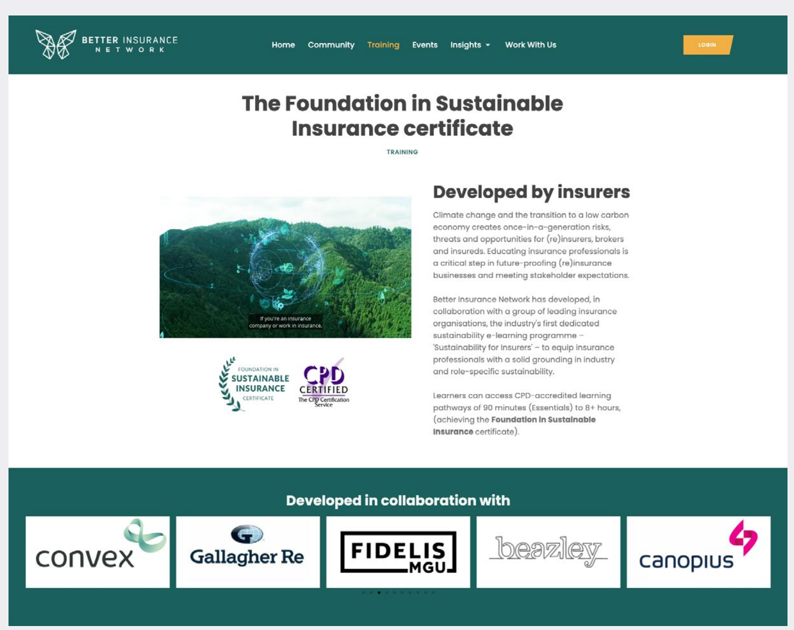
While being active in these various initiatives, TFP did not directly engage public policymakers on climate topics.

Participation in conferences and other media appearances

The Fidelis Partnership's Sustainability function was represented in a number of insurance industry events related to sustainability and climate in 2023: for instance, speaking at a sustainability panel at the Better Insurance Network's Sustainable Insurance Summit 2023 which involved a large audience across various insurance industry practitioners. We believe that discussing these topics with a broad audience and making them aware of the priorities as well as challenges is of huge importance.

In addition to larger organised events, TFP also commented on climate topics in dedicated interviews (e.g. with Better Insurance Network) and trade press articles (e.g. in the Insurance Insider).

Screenshot of the Better Insurance Network's Foundation in Sustainable Insurance Certificate, developed in collaboration with The Fidelis Partnership.



2.7

Where appropriate, work with policy makers and share our research with scientists, society, business, governments and NGOs in order to advance a common interest

Collaboration with universities

In 2023, TFP initiated a Climate Risk Working Group that brings together internal expertise on risk, exposure management, actuarial pricing and sustainability and is led by the Group Chief Risk Officer. This working group began meeting in 2024 and has engaged academic partners, the outcome of which will be reported on in the 2024 ClimateWise report.

Metrics and targets related to climate

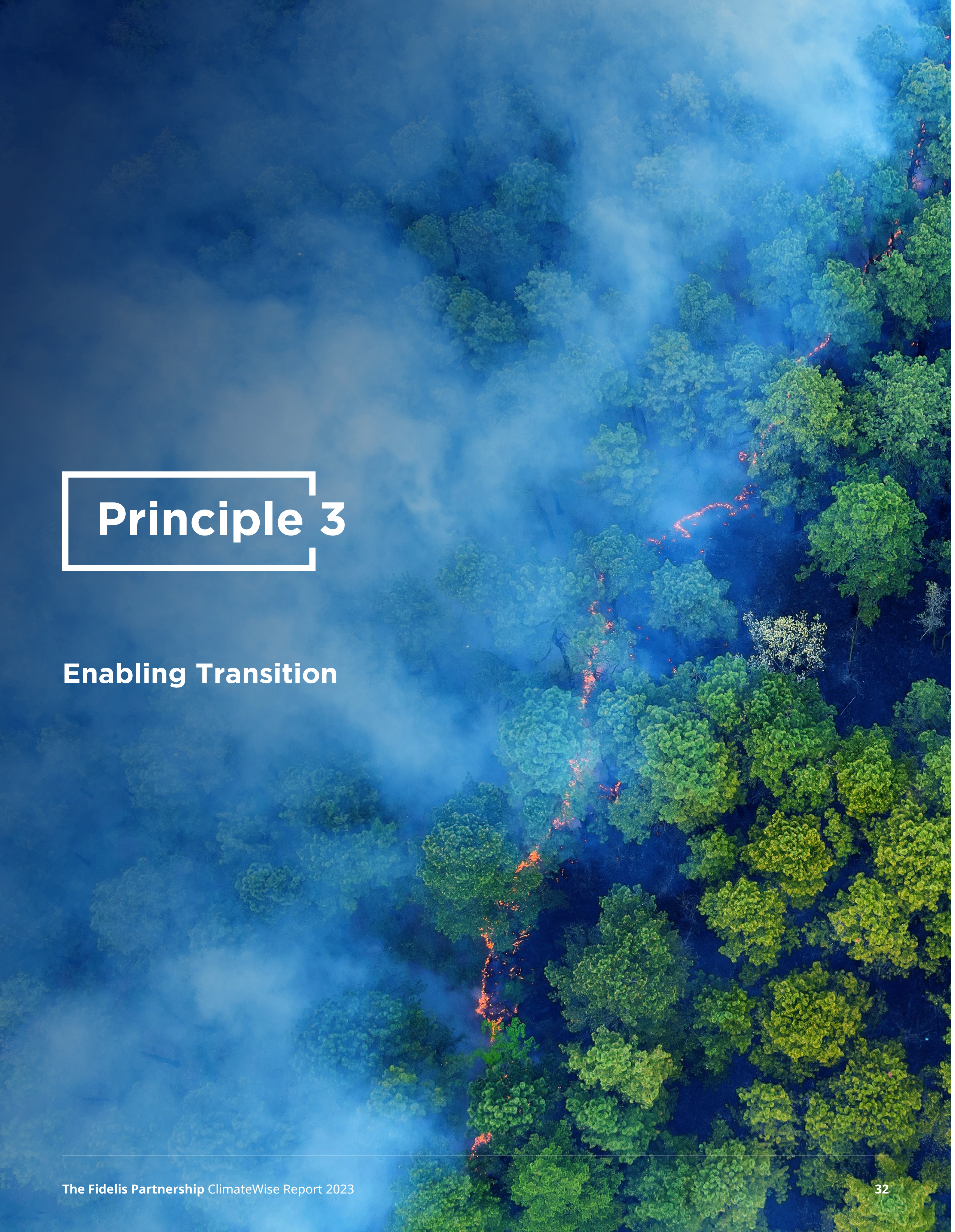
Over the course of 2023, TFP started measuring and reporting various metrics linked to sustainability within its underwriting.

- **Business declined on ESG grounds:** This included a record of the relevant issue driving the declinature. One potential issue related to environmental damage and another related to guidelines around fossil fuels. This metric was tracked by recording data around risks referred to the Sustainability function and logged in our underwriting system.
- **ESG-positive business written:** Defined as business that supports the achievement of sustainable outcomes, determined broadly by reference to the UN Sustainable Development Goals (SDGs)This therefore included business that supported the green economy and transitional activities. As above, this metric was tracked by recording data around risks referred to the Sustainability function and logged in our underwriting system.

In 2023, there was an increase in ESG-Positive business written of >50% relative to 2022 and an increase of 14% of programmes declined for ESG reasons.

There are no targets for these metrics, but we have expanded our collection by estimating declined premiums for programs declined for ESG reasons.

TFP is committed to achieving Net Zero its underwriting portfolio by 2050 at the latest, 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.



Principle 3: Enabling Transition

Investments

3.1

Integrate consideration of climate- and nature-related risks and opportunities into investment strategies and decision making

TFP has not managed an investment portfolio since the separation from the Fidelis Insurance Group. This is not expected to change in the foreseeable future.

3.2

Take action to manage the implications of climate- and nature-related risks and opportunities on, and of, our investments

TFP has not managed an investment portfolio since the separation from the Fidelis Insurance Group. This is not expected to change in the foreseeable future.

Underwriting

3.3

Develop and use models to incorporate climate- and nature-related issues and describe how the outputs of the models inform our underwriting decisions

Physical climate-related considerations in underwriting

Fidelis Insurance (and going forward, both TFP and Fidelis Insurance Group) was a specialist (re)insurance company, which was by the nature of its business activity exposed to climate risks. Although its underwriting was generally focused on low-frequency, high-severity losses worldwide, the frequency and unpredictability of such losses has significantly increased in the decade due to, among other things, changing climate conditions.

The frequency and severity of catastrophes is rising as seen by the increases in catastrophes globally in more recent years, requiring rate increases to reflect the risk-based premium levels. We believe that the impact of a warming climate, increased atmospheric moisture and changing weather patterns will result in further increases to the frequency and severity of elemental catastrophe losses (risks related to the elements such as weather-related hail and storms). The frequent incidence of annual industry-wide natural catastrophe losses in excess of $100 billion during the period from 2018 to 2022 (including 2022 itself) led TFP to reshape its portfolio and reduce its exposure to certain perils, thereby reducing the volatility traditionally associated with the property reinsurance class.

Since 2021, we have developed a detailed pricing view of climate risk informed by thorough analysis and discussions with meteorological experts. We have concluded, among other things, that the effects of climate on perils such as convective storm, flood and wildfire are not currently represented adequately in vendor models. As such, we have superimposed our own expectations of frequency and severity on these models, to form a base for exposure and aggregation tracking. Our analysis shapes what we call the 'Fidelis View of Risk,' which was first formally defined in a consistent way within Fidelis Insurance in 2022 (driven by the Actuarial and Risk Management functions). Going forward, further adjustments will be made at least annually to incorporate our view of the trajectory of climate-driven changes, as well as on an ad hoc basis in response to recent or updated loss events. The proprietary View of Risk is thoroughly implemented throughout the underwriting and pricing decisions, as well as stress testing for the purposes of capital modelling.

In 2023, a few concrete examples of updates to the View of Risk 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).
- **Australian bushfire:** Standard vendor models for this peril tend to be based on data which is several decades out of date. TFP looked at the implications of scientific studies which examine more recent trends, and which suggest significant adjustments needed to bring vendor models in line with today's climate.
- **North American severe convective storm:** After observed periods of increased frequency and severity in most regions of North America, TFP adjusted its view of risk to better align with actual losses, not just taking the unadjusted vendor model output. This adjustment varied by region and specific peril.

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. We reduced our exposure to the middle layers of treaty accounts which are 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.

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

TFP continues to assist insurers to assist insurers to utilise risk transfer wherever available, in particular accessing the growing catastrophe bond market. Catastrophe bonds provide insurers 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.

In terms of opportunities, the escalating impacts of climate-related events mean there is likely to be a growing demand for (re)insurance solutions in order to support both climate mitigation and adaptation. We expect there will be an increase in the amount of protection needed, as well as a need for new and innovative products. TFP has therefore begun to explore opportunities to offer additional capacity to these types of products – a process was initiated in 2023 to hire a new Head of Energy Transition to drive this. Going forward, this is incorporated in Tiomanta Specialty Limited, an energy transition MGA operating under the Pine Walk platform: we will provide more details of this in the 2024 submission.

Transition and liability climate-related considerations in underwriting

Thinking about transition and liability risks is less mature in comparison to physical risk – which as described above, has been core to our underwriting and risk management for a number of years.

- **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 exisiting business TFP is committed to encouraging clients through their brokers to adopt best practice around transition, for instance by requiring robust decarbonisation plans. In addition, TFP committed to ensure it is evolving in line with the broader economy by increasing its support to renewables and green energy. This addresses a potential risk as well as presenting TFP 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, such as Directors' & Officers' (D&O) insurance, which is most at risk from climate litigation. Ongoing trends will be monitored to assess any potential relevance to property lines of business, however, giving the evolving nature of climate litigation. Given our limited appetite in writing long-tail and liability lines, the opportunities here for TFP appear to be less significant although we will continue to evaluate these.

Factoring climate into underwriting guidelines

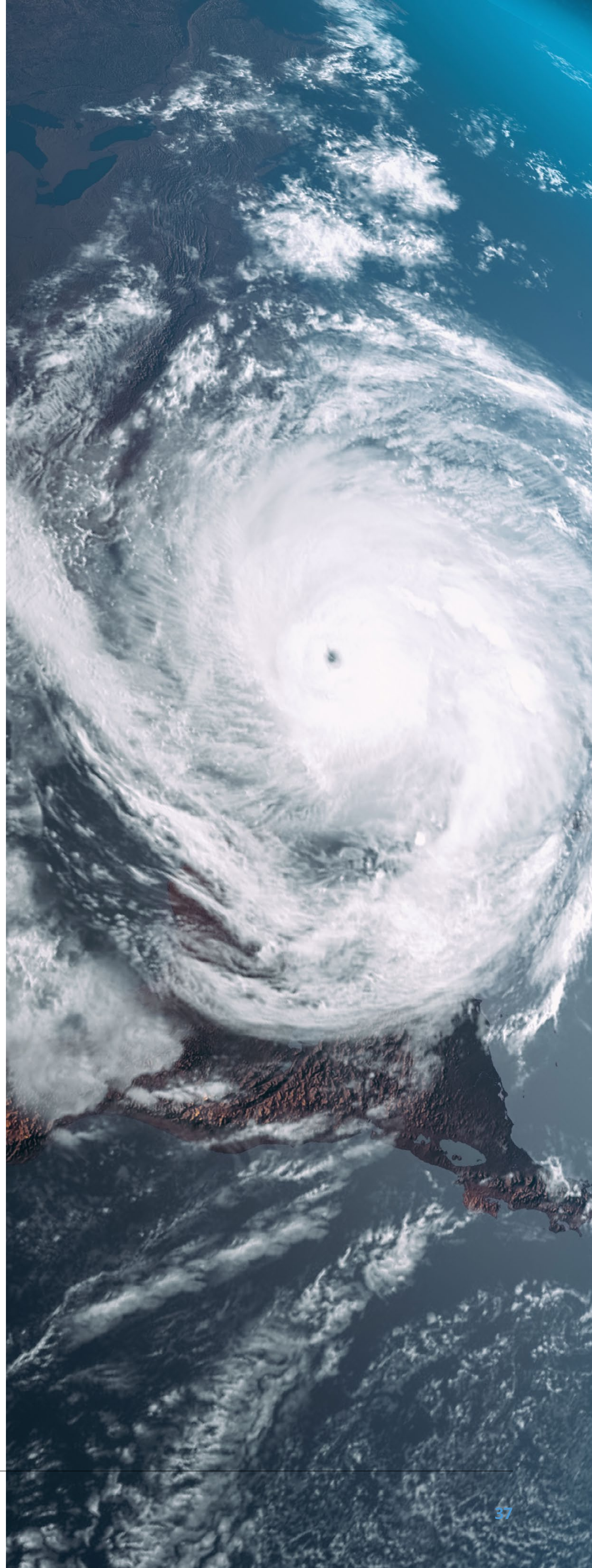
TFP's sustainable underwriting guidelines include provisions relating to climate, in particular through the restrictions on fossil fuels. There are exclusions related to thermal coal (and associated infrastructure), tar sands, Arctic exploration and drilling as well as fracking. These generally exclude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

Over the course of 2023, certain industries were required to put in place credible decarbonisation targets or commitments in order for TFP to provide cover (e.g. metallurgical coal). From January 2024, we further extended this to cover all upstream oil & gas clients – these now need to have a decarbonisation target or commitment in order to meet our criteria.

Nature and underwriting

In 2023, TFP did not factor specific nature considerations into its modelling. This was not planned for 2024, however it will be revisited in 2025.

There have been nature and biodiversity-related guidelines in place since 2022, which aims to provide a qualitative approach to sustainable underwriting in this domain.



3.4

Incorporate clauses in our insurance policies' terms and conditions that incentivise the reduction of exposure to climate- and nature-related issues of the insured structures through pricing of policies

TFP does not currently adjust the pricing of its products to incorporate climate- or nature-related considerations. We do not have sufficient evidence of the link between these factors and claims performance.

It is likely that pricing and capacity incentives will be introduced over time, in order to help TFP meet its portfolio decarbonisation targets – this is explicitly planned to be included in future versions of the TFP transition plan.

TFP is working with key broking partners to explore dedicated products linked to climate and nature related issues – for instance, making coverage conditional upon the performance of clients against KPIs.

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.

Transition Plans

3.5

Disclose our climate- and nature-related transition plans and the objectives, priorities and commitments we are looking to address

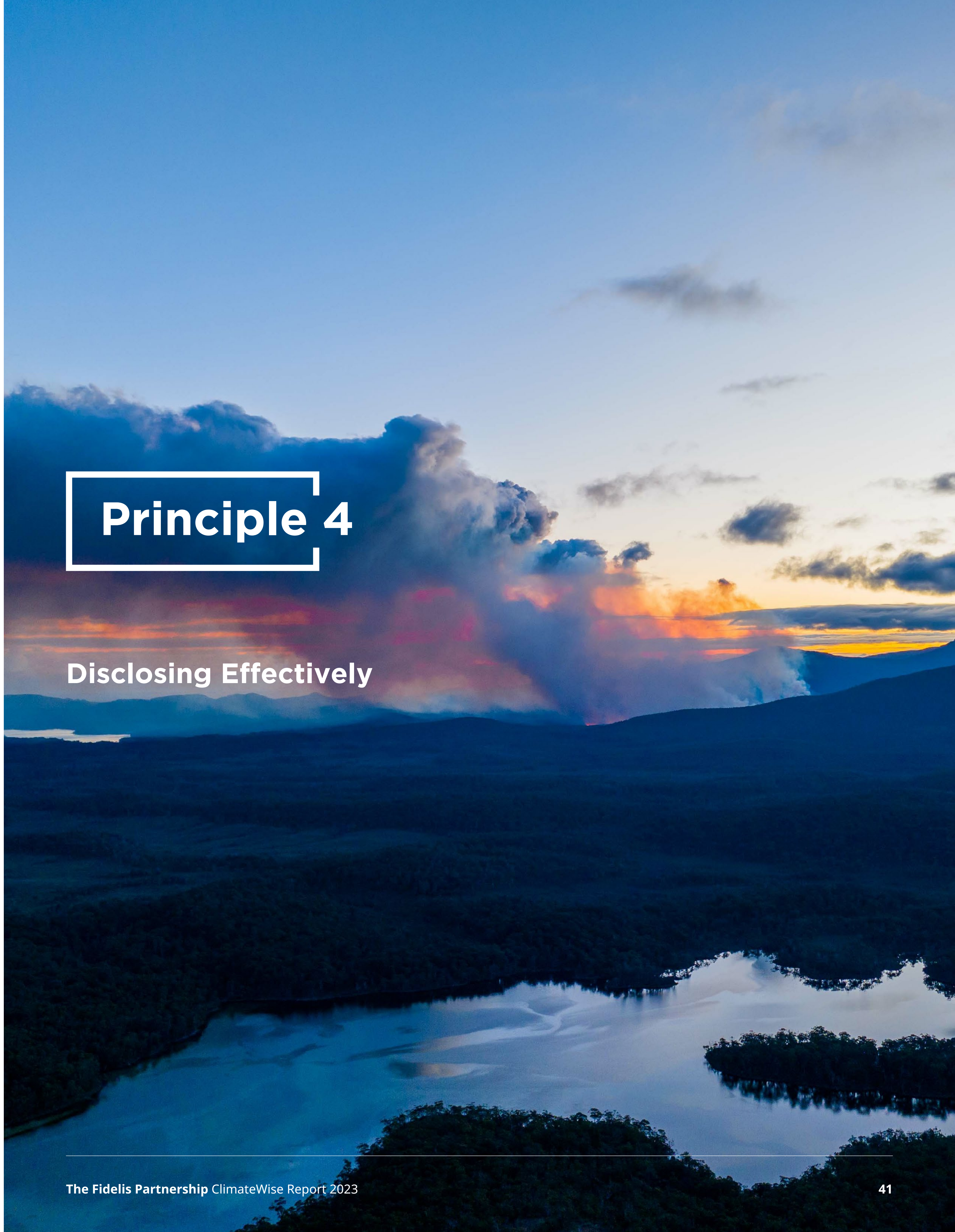
TFP created its first transition plan in 2023. This initial version was not disclosed but used to support the publication of our first interim decarbonisation target for underwriting. This was to lay out the various elements that would be required in order to meet our commitments, and to drive internal awareness of the extent of organisational change needed.

3.6

Describe how the transition plan is overseen, resourced and implemented

The transition plan was created and owned by the Sustainability function. This initial version was supported by the extensive discussions with internal stakeholders which aimed to support the public launch of our 2030 emissions target. Future iterations of the plan will increasingly involve the relevant underwriting teams, in particular those involved in energy transition.

The transition plan drew on the Transition Plan Taskforce (TPT) guidance for best practice, as well as the Glasgow Financial Alliance for Net Zero (GFANZ) transition planning guidelines.



Principle 4: Disclosing Effectively

Measure & Monitor

4.1

Measure and disclose the impacts and potential impacts on our business of material climate- and nature-related risks and opportunities, including the results of the resilience analysis

As described under Principles 1.5, 1.6 and 1.7 – which detail the impacts and implications of climate- and nature-related risks and opportunities on various aspects of TFP's business.

4.2

Disclose the metrics used to measure and manage our contribution to climate- and nature-related risks, and targets used for monitoring progress

Insurance-associated emissions

In 2023, we calculated and disclosed the Fidelis Insurance 2022 Insurance-Associated Emissions (IAEs) following the PCAF methodology – the total for our in-scope portfolio was 1.2 million tonnes of CO2 equivalent. In 2024, we restated this to 3.5 million tonnes due to changes in the PCAF emission factors and the inclusion of additional data sources. This baseline underlies our 2030 target to reduce IAEs associated with our energy and aviation clients by 26-49%. The two selected industries account for c.80% of our baseline IAEs.

In 2023, our IAEs increased by 6% year-on-year – this compares to 20% annualised premium growth for the business, representing a modest reduction in emissions intensity. We note that no specific action was taken between 2022 and 2023 to target IAE reduction, although the impact of certain sustainable underwriting guidelines is likely to have contributed to the drop of emission intensity (e.g. our exclusions around certain types of fossil fuel activities).

Going forward, we will continue to track IAEs on an annual basis, alongside additional metrics (e.g. intensity-based metrics). This is laid out in detail in our transition plan and a more detailed framework will be agreed over the course of 2024.

Underwriting-related metrics

As part of our ESG review process, we track the number of ESG-related declinatures and their underlying ESG concerns. In 2023, approximately 30% of declinatures were related to clients breaching fossil fuel related exclusions, and a further 12% were a result of environmental damage concerns..

In 2024, we have also started to include estimates of declined premiums within our reporting process.

Nature-related metrics

In 2023, there was no tracking of nature-specific metrics and no targets set in this area.

Operational metrics

In 2023, TFP once again calculated its operational carbon footprint, covering all emissions scopes. This is detailed under Principle 2.3. There are currently no specific targets related to operational emissions.

Report Robustly

4.3

Maintain and enhance a robust reporting regime, processes and internal controls over climate-related disclosures in order to avoid material errors or material misstatements

TFP built out the core of a new climate reporting framework in 2023, leading to the publication of its first ever climate report towards the end of the year. Reporting was driven by the Sustainability function, with review from Senior Underwriting Management Team and sign-off from Group Disclosure Committee 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 insured emissions.

This process was reinforced in 2024 to produce the current report, following the new and expanded ClimateWise principles (which reflect advancing market best practice). This has led to a more comprehensive report. In addition, the 2023 report provides significantly more detail on ongoing and planned activities.

Restatements

TFP does not have a formal restatement policy, however restatement of material climate-related metrics is carried out as appropriate. This was done most prominently when disclosing the 2023 Insurance-Associated Emissions, when the 2022 baseline was also restated to reflect an updated PCAF methodology as well as the latest emissions factors from the PCAF database. This led to a restatement from 1.2 to 3.5 million tonnes of CO2 equivalent. TFP transparently disclosed this in its publicly available sustainability presentation, including specifying the key drivers of change.

Compliance with current and emerging requirements

The 2023 regulatory and reporting requirements were relatively limited given TFP's jurisdiction.

In early 2024, we have engaged an external consultant to map out future regulatory and reporting requirements. As a consequence of this, in anticipation of future needs – in particular CSRD compliance from 2026 – we are doing significant work throughout the remainder of 2024 to build the required knowledge and capabilities. This will lead, over the coming two years, to a regime which can be subjected to external audit.

Disclose Transparently

4.4

Annual submission against the ClimateWise Principles

TFP provided disclosure against all applicable ClimateWise sub-principles for 2023, with timely submission against formal deadlines.

4.5

Annual public disclosure of the climate-related disclosures including ClimateWise Principles as part of annual reporting

TFP published a version of its 2022 ClimateWise report on its website and intends to do the same for 2023.

The appendix provides a mapping of the disclosures made in this report to the TCFD reporting framework.

As a private company, TFP did not produce an annual report for 2023. The content of this report is consistent with filings made for regulatory purposes.

4.6

Ensure reports are easy to understand, accurate, prudently and neutrally presented, well explained and allow organisations to be held to account

This report follows best practice principles to help ensure transparent disclosure, including:

- Stating key assumptions and highlighting areas of uncertainty
- Maintaining a neutral and accurate tone throughout
- Providing year-on-year comparators where relevant
- Being clear on reporting periods
- Being up-to-date and flagging the most recent initiatives as well as planned activities

Appendix

TCFD Disclosure Mapping

TFCD Theme	Recommended Disclosure	Status	Reference
Governance	Describe the organisation's governance around climate-related risks and opportunities.	Disclosed	ClimateWise Principle 1.1
	Describe management's role in assessing and managing climate-related risks and opportunities.	Disclosed	ClimateWise Principle 1.2
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Disclosed	ClimateWise Principle 2.1
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Disclosed	ClimateWise Principle 2.1, 2.2
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Disclosed	ClimateWise Principle 2.1, 2.2
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks.	Disclosed	ClimateWise Principle 3.1
	Describe the organisation's processes for managing climate-related risks.	Disclosed	ClimateWise Principle 3.1
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Disclosed	ClimateWise Principle 3.1
Metrics & Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Disclosed	ClimateWise Principle 2.2
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Disclosed	ClimateWise Principle 4.2
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Not disclosed: Plan to disclose in 2023	N/A

THE FIDELIS PARTNERSHIP