

CORPORATE SOCIAL RESPONSIBILITY REPORT

TO OUR SHAREHOLDERS, CUSTOMERS AND BUSINESS PARTNERS,

Welcome to Ambac's 2024 Corporate Social Responsibility (CSR) report. I am pleased to release this year's report, which highlights the progress we have made in advancing our priorities relative to our corporate culture and commitment to responsible business practices that advance environmental, social and governance (ESG) factors in our everyday decision-making and long-term strategy.

During 2021 we formalized our commitment to ESG practices and embarked on efforts to integrate our ESG stance within our corporate policies. In 2022 and 2023, we continued to develop our policies and procedures that form the foundation for this report.

Ambac is committed to making meaningful progress each year towards communicating our social responsibility efforts. Our Board of Directors, senior management team, and employees understand social responsibility is integral to our business operations and a means by which we can deliver greater value to our stakeholders.

Our Commitment: Board Oversight & Leadership

We take environmental, social and governance responsibilities seriously. We believe many of our shareholders, customers and business partners do too. The Governance and Nominating Committee of Ambac's Board of Directors is specifically charged with overseeing Ambac's corporate governance programs and practices, including integration of ESG and sustainability policies, practices and goals into the company's business strategy and decision-making.

Ambac's ESG strategy is further managed by our Executive Leadership Sponsors (which include Ambac's President and Chief Executive Officer; its Executive Vice President and Chief Strategy Officer; and its Senior Managing Director and General Counsel) and implemented by our internal ESG Committee and employees. Ambac's ESG Committee is comprised of senior leaders from across the organization including legal, human resources, risk management, and investor relations.

Some of our ESG policies address:

- [Diversity, Equity & Inclusion](#)
- [Environment](#)
- [Guiding Principles Concerning Responsible Investing](#)
- [Human Rights](#)
- [Information Security and Data Privacy](#)
- [Vendor Code of Conduct](#)

We also completed our responses to the revised Global Reporting Initiative ("GRI") and Sustainability Accounting Standards Board ("SASB") voluntary reporting frameworks. Those disclosures can be found in the appendix of this report and on our company [website](#).

Diversity, Equity & Inclusion

Ambac is committed to maintaining a work environment in which all individuals are treated with respect and dignity. Our Code of Business Conduct and Ethics provides that each person has the right to work in a professional atmosphere that promotes equal opportunities and prohibits discriminatory practices. Discrimination or harassment, whether based on race, color, ethnicity, national origin, creed/religion, age, disability, sex, gender, gender identity, or gender expression, sexual orientation, marital status, alienage, citizenship status, military or veteran status or any other protected class under U.S. Federal or state law is unacceptable and will not be tolerated. Our Diversity, Equity and Inclusion [policy](#) covers a host of topics, including but not limited to employee training and talent development.

Our People

Our company benefits are designed to support the health, safety, and well-being of each of our employees. We want every Ambac employee to be successful. We also encourage our employees to be involved in the communities in which we live and work.

Our Environment: Climate Change & Risk Mitigation

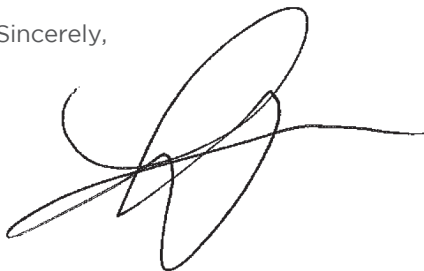
Though Ambac has limited impact on the environment due to the nature of our business, as an insurer we take climate change and risk mitigation seriously. We pay close attention to potential commercial exposure to environmental risks, including but not limited to climate change and natural catastrophes.

Good corporate citizenship is both ethically and commercially important to us. Ambac's long-term success depends not only on how we execute against our strategic priorities, but also how we manage our relationships with our employees, business partners, customers, stockholders, and the communities in which we work. For this reason, we take an integrated approach to sustained value creation and managing risk in and around our business.

In conclusion, as President and CEO of a company dedicated to positive performance, I am proud of our employees, whose hard work and dedication contribute to Ambac's continuous improvement in our ongoing corporate social responsibility journey.

We are excited about the progress we have made and the policies we have implemented which drive our ESG values. I look forward to keeping you updated as we continue to evolve our ESG framework. Thank you all for your time, interest, and support.

Sincerely,



Claude LeBlanc

President and Chief Executive Officer

TABLE OF CONTENTS

1. About Ambac	4
2. Supporting Environmental Stewardship	5
2.1 Our Company	
2.2 Our Suppliers & Partners	
3. Corporate Social Responsibility	6
3.1 Diversity, Equity & Inclusion	
3.2 Human Capital Management	
3.3 Community	
3.4 Responsible Investing	
4. Good Corporate Citizenship and Governance	7
4.1 Integrity & Ethics	
4.2 IT Security	
4.3 Cybersecurity Training	
5. Climate Risk Management	9
6. ESG-Related Policies	9
7. Safe Harbor	10
8. Appendix	10
GRI Content Index	
SASB Content Index	

I. ABOUT AMBAC

Ambac is a financial services holding company headquartered in New York City. Ambac’s core business is a growing specialty property and casualty insurance distribution and underwriting platform. Ambac also has a legacy financial guaranty business in runoff. Ambac’s subsidiaries include specialty P&C insurance carriers within Everspan Group; Xchange Benefits, a P&C managing general underwriter; All Trans Risk Solutions, a transportation insurance broker and program manager; Capacity Marine Corp., a wholesale broker; Riverton Insurance Agency, Corp., an insurance services business consisting of an MGA and a retail agency; and Ambac Assurance Corporation and Ambac Assurance UK Limited, financial guarantee insurance companies currently in runoff. Ambac Financial Group, Inc. serves as the holding company for our subsidiaries and does not have any operations of its own.

Ambac is managed by a small, highly experienced corporate staff that sets goals, defines risk parameters and appropriate incentives, and monitors progress against long-term objectives for each of our businesses and teams. We have approximately 169 employees in the United States and 10 employees in the United Kingdom.

Our people are our greatest asset. At Ambac, ethics and integrity, accountability, and relations with each other, our partners and customers, are paramount. Hence, we put heavy emphasis on human capital development, diversity, equity, and inclusion.

Our [Code of Business Conduct and Ethics](#) (“Code”) and [ESG Supplement](#) to the Code are the starting points from which other policies flow. A tone of high ethical standards is set from the top and expected throughout our organization.

To ensure that ESG is appropriately managed and communicated throughout the organization, we have designed the following governance structure:



Our ongoing engagement with shareholders, stakeholders and business partners is also very important to us, and we continually look for ways to enhance our communications and integrate ESG considerations into what we do.

As a publicly listed company, Ambac has a responsibility to keep both its current and potential investors apprised of material developments necessary for making investment decisions. This CSR report is an important vehicle for providing our investors with the incremental insights they require to make investment decisions.

See also our [Proxy Statement](#) and Ambac responses to related voluntary reporting frameworks. [GRI Content Index: 102-42](#). [SASB Content Index: FN-IN-270a.4, FN-IN-410a.2](#).

2. SUPPORTING ENVIRONMENTAL STEWARDSHIP

Ambac recognizes that climate change presents risks in our businesses and that natural resources are limited. The Company is committed to protecting the environment and reducing Ambac's environmental footprint. We believe that a sustainable approach to our business will benefit our stakeholders by both meeting our strategic business goals and protecting the quality of the environment in which we operate.

2.1 Our Company

Ambac recognizes the importance of minimizing its environmental footprint and is committed to maintaining an environmentally conscious workplace. The direct environmental footprint of our company is modest, given the service nature of our business. Even so, we strive to be environmentally responsible in our business operations.

In 2019, Ambac reduced its corporate footprint by consolidating its New York headquarters from approximately 103,000 square feet to 47,000 square feet and moved into an energy-efficient building at One World Trade Center.

One World Trade Center has been awarded a Leadership in Energy and Environmental Design (LEED) gold certification. LEED is a green building certification program developed by the non-profit U.S. Green Building Council and is a designation recognized worldwide. LEED certified buildings are designed and constructed to save energy, use less water, reduce emissions, and provide healthier indoor environmental quality.

Given the relatively small size of our company, energy consumption is not a material initiative and emissions are impractical to track. As a tenant, Ambac also has no direct control over energy use in the office space it occupies. However, we take many other steps to contribute to the circular economy. For example, in conjunction with our move to One World Trade Center, we adopted the following sustainability practices:

- **Green cleaning policy to promote the use of green cleaning products, equipment, and strategies**
- **Electronic waste recycling**
- **Office furniture reuse program for unwanted and discarded furniture and fixtures**
- **Organic collection program designed to reduce the amount of greenhouse gas emissions associated with conventional organic waste disposal**

2.2 Our Suppliers & Partners

We expect all vendors providing goods and/or services to Ambac to comply with all applicable environmental laws and regulations. Vendors are also encouraged to employ sustainable solutions (when feasible) that reduce their carbon footprint and are designed to protect the environment. Please refer to our [Vendor Code of Conduct](#) for additional information.

Similarly, Ambac's expectations of its commercial underwriting and distribution partners with respect to ESG considerations and specifically environmental stewardship are outlined in our [Everspan Group's Underwriting Statement](#).

3. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is an integral part of the fabric of Ambac's operations. Together with our employees, Ambac drives change inside and outside the workplace.

Throughout Ambac's history, we have made unquestioned integrity a cornerstone of our corporate culture and professional relationships. Fundamental to this commitment is respect for the [human rights](#) and dignity of our employees, suppliers, vendors, customers and other business partners.

Our [Code of Business Conduct and Ethics](#) is our foundation. We review and update it on an annual basis and in 2022 augmented it with an [ESG Supplement](#) and other ESG-related policies and procedures. Anti-bribery/anti-corruption, lobbying and political involvement, and whistleblower instructions are just a few of the many topics covered in our Code.

We believe our talent recruitment and retention successes are driven, in part, by our culture of diversity, equity and inclusion; our human capital management, health and safety practices; our community volunteering support, and our responsible investing practices.

See also Ambac responses to related voluntary reporting frameworks. [GRI Content Index](#): 102-16, 102-17, 102-33, 205-2, 206-1.

3.1 Diversity, Equity & Inclusion

Ambac is committed to maintaining a work environment in which all individuals are treated with respect and dignity.

The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities, and talent that our employees invest in their work represents a significant part of not only our culture, but also our reputation and our company's achievements.

Our Code provides that each person has the right to work in a professional atmosphere that promotes equal opportunities and prohibits discriminatory practices. All employees, officers and directors are required to attend bias awareness and anti-harassment training annually.

Our company DE&I policy can be found on our [website](#).

See also specific Ambac responses to related voluntary reporting frameworks. [GRI Content Index](#): 405-1.

3.2 Human Capital Management

Ambac is committed to the professional development and personal health of its employees through established policies and employee focused resources, which we believe has contributed to our low 4.3% voluntary turnover rate.

The training, development, and well-being of our employees, both professionally and personally, strengthens our entire organization.

We offer a mentoring program to foster upward mobility and enrich employee development. In 2023, our employees benefitted from 1,200 hours of company-sponsored training and professional development.

Our employees' health and wellness matter greatly to us. In 2023, Ambac's commitment to the health and safety of its employees was recognized by the International WELL Building Institute (IWBI) with the WELL Health-Safety Rating. The WELL Health-Safety Rating is an evidence-based, third-party verified rating, focusing on operational policies, maintenance protocols, stakeholder engagement and emergency plans to address the post-COVID environment now and broader health and safety-related issues in the future.

See also specific Ambac responses to related voluntary reporting frameworks.

[GRI Content Index](#): 2-7, 401-1, 401-2, 401-3, 403-6, 404-2, 404.3.



3.3 Community

Ambac supports many charities, both domestic and abroad. Beginning in 2019, Ambac instituted paid time off for volunteering. Our volunteer program promotes charitable work and provides opportunities for employees to volunteer for causes that benefit our communities.

In addition, Ambac and its third-party asset managers invest in community infrastructure projects across the U.S. through municipal bonds, military housing bonds, residential mortgages, student loan-backed securities, and project-specific direct lending and equity investments.

See also Ambac responses to related voluntary reporting frameworks. [GRI Content Index](#): 203-1, 413-1.

3.4 Responsible Investing

In 2021, we developed our Guiding Principles Concerning Responsible Investing to demonstrate Ambac's intent to incorporate environmental, social and governance factors into the management of our investment portfolio. These principles can be found on our company [website](#).

See also Ambac responses to related voluntary reporting frameworks. [SASB Content Index](#): FN-IN-550a.1, FN-IN-550a.2, FN-IN-550a.3.

4. GOOD CORPORATE CITIZENSHIP AND GOVERNANCE

At Ambac, we believe that good corporate citizenship starts with purpose, values, and awareness, and is encouraged through thoughtful governance oversight and leadership.

Staying on top of current issues and ESG practices germane to insurance companies, and the sub-sectors in which Ambac competes, is ongoing. Involvement in relevant external associations is important and encouraged.

Some of the policy, research and trade associations with which we engage include: American Property Casualty Insurance Association; Target Markets Program Administrators Association; Wholesale & Specialty Insurance Association; Surety & Fidelity Association of America (SFAA); Association of Financial Guaranty Insurers; National Association of Corporate Directors; Structured Finance Association, and The Council of Insurance Executives (of The Council of Insurance Agents & Brokers).

See also Ambac responses to related voluntary reporting frameworks. [GRI Content Index](#): 2-28, 2-9 through 2-15, and 2-18. .

4.1 Integrity and Ethics

Ambac's Code of Business Conduct and Ethics reflects our values and reaffirms our commitment to integrity as the cornerstone of our business. All of our employees are responsible for acting in accordance with high ethical standards. At Ambac, these ethical standards are based on respect—for the law, for our company, and for the dignity of each individual. Complying with laws and regulations is just the beginning of our ethical commitment. Beyond that, we strive for honesty, fairness, and respect in all our dealings and relationships.

We conduct our business for the benefit of all our stakeholders — that is, our clients, stockholders, regulatory bodies, vendors, host communities and fellow employees. The Code is designed to assist in making the right choices when confronted with difficult situations.

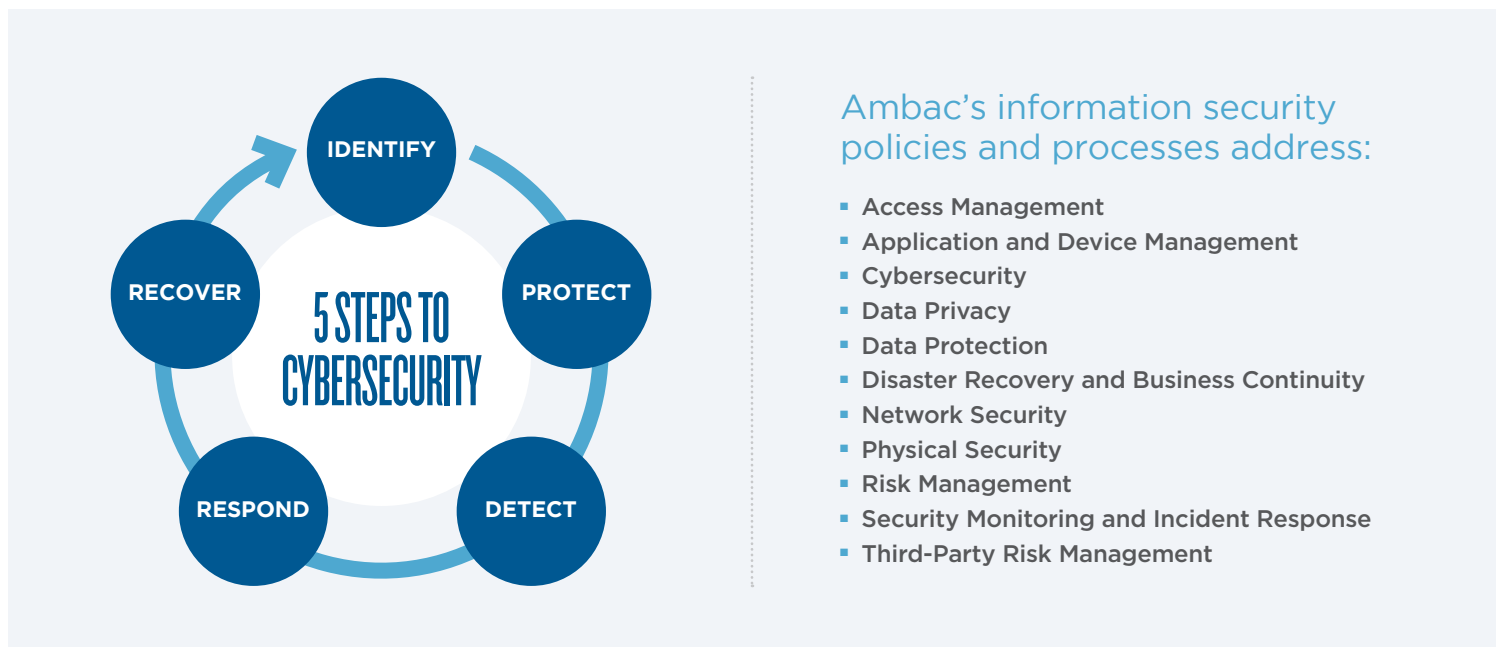
4.2 IT Security

Given the nature of our business, privacy and data security are integral to everything we do, from inward-facing protection of our own data systems and internal stakeholder privacy to outward-facing protection related to our customers, business partners and prospective employees.

We take this subject seriously, as does our Chief Information Security Officer (CISO). All matters related to IT security and cybersecurity are led by our CISO.

Information is a critical and essential asset to Ambac's business and the information security program is designed to maintain the confidentiality, integrity and availability of our information systems and data.

Our processes focus on the five steps of industry best practice for cybersecurity: identify, protect, detect, respond, and recover, as set by the U.S. National Institute of Standards and Technology (NIST).



Ambac's business operations rely on the continuous availability of our computer systems. We maintain and test our business continuity plan and report results to senior management and our Board of Directors. The Board of Directors oversees the risk management process and engages with management on risk management issues, including cybersecurity risks. Ambac relies on digital technology to conduct its businesses and interact with internal and external parties. With this reliance on technology comes associated security risks. We maintain an information security program that is designed to protect and preserve the confidentiality, integrity and availability of information located on our systems.

Ambac and its subsidiaries are subject to laws and regulations in multiple jurisdictions regarding our information systems, particularly regarding certain personal information. We have implemented measures to prevent access to personal information housed within our systems. Ambac's and its subsidiaries' privacy policies are available on their respective websites.

We also maintain a cyber incident response plan that outlines the appropriate processes and procedures for incident management (including minimizing impact, investigating, and remediating root cause) and complying with applicable legal requirements (including timely and accurate reporting of any required cybersecurity or privacy incident). Given the ongoing proliferation of cyber threats, we continue to evolve our defense capabilities with enhanced monitoring of our computer systems for potential new threats. We also leverage the use of multi-factor authentication to provide an additional layer of defense against unauthorized access to our systems.

4.3 Cybersecurity Training

Ambac requires cybersecurity awareness training for all employees at the time of onboarding and on an annual basis. The training is designed to educate employees about cyber risk and help them identify and avoid potential threats. We also regularly test employee awareness through simulated phishing exercises. Ambac also engages third-party consultants to conduct penetration tests and periodic risk assessments to identify any potential technical security vulnerabilities.

5. CLIMATE RISK MANAGEMENT

At Ambac, we take climate change and risk mitigation seriously. We closely monitor potential commercial exposure to environmental risks, including but not limited to climate change and natural catastrophes. The balance between risk and opportunity is an inherent part of being an insurance company and is carefully overseen by our executive leadership, and Board of Directors.

Many events, including extreme weather patterns caused by climate change, can have an impact on Ambac's existing insured exposures. Direct climate change risk is currently not considered to be a material risk to Ambac, and Ambac does not isolate the effect of climate change on its insured portfolio. As the business continues to transform, climate change risk materiality will be monitored through our risk management process.

Everspan Group's actuaries and underwriters consider climate-related catastrophe risks in underwriting and pricing decisions, predominantly on a qualitative basis by considering analytical studies on evolving risks in certain climate-related catastrophe lines of business. As our business matures, we expect industry tools and our internal processes will incorporate such factors in a more direct manner. In managing aggregate risk, we purchase substantial reinsurance and monitor exposures in key geographic zones and product lines already prone to catastrophic events. Additional underwriting information can be found in our [Underwriting Statement](#).

The company's policies and procedures relating to risk assessment and risk management are overseen by its Board of Directors. The Board takes an enterprise-wide approach to risk management oversight that is designed to support the company's business plans at a level of risk considered reasonable by the Board.

See also Ambac responses to related voluntary reporting frameworks. [SASB Content Index: FN-IN-450a.1, FN-IN-450a.2, FN-IN-450a.3.](#)

6. ESG-RELATED POLICIES

As of the date of this publication, Ambac company policies germane to ESG include:

- [Ambac Code of Business Conduct and Ethics](#)
- [ESG Supplement to the Code of Business Conduct and Ethics](#)
- [Corporate Governance Guidelines](#)
- [Diversity, Equity and Inclusion](#)
- [Human Rights](#)
- [Vendor Code of Conduct](#)
- [Guiding Principles Concerning Responsible Investing](#)
- [Environmental Statement](#)
- [Information Security and Data Privacy](#)
- [Underwriting Statement](#)

7. SAFE HARBOR

In this report, we have included statements that may constitute “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words such as “estimate,” “project,” “plan,” “believe,” “anticipate,” “intend,” “planned,” “potential” and similar expressions, or future or conditional verbs such as “will,” “should,” “would,” “could,” and “may,” or the negative of those expressions or verbs, identify forward-looking statements. We caution readers that these statements are not guarantees of future performance. Forward-looking statements are not historical facts but instead represent only our beliefs regarding future events, which may by their nature be inherently uncertain and some of which may be outside our control. These statements may relate to plans and objectives with respect to the future, among other things which may change. We are alerting you to the possibility that our actual results may differ, possibly materially, from the expected objectives or anticipated results that may be suggested, expressed or implied by these forward-looking statements. Important factors that could cause our results to differ, possibly materially, from those indicated in the forward-looking statements include, among others, those discussed under “Risk Factors” in our most recent SEC filed quarterly or annual report.

8. APPENDIX

See also Ambac responses to related voluntary reporting frameworks. [GRI Content Index](#) and [SASB Content Index](#).