

**FIDELIS EUROPEAN HOLDINGS LIMITED**  
**Annual report and financial statements**  
**For the year ended 31 December 2021**

**Strategic Report**

The directors present their strategic report for the year ended 31 December 2021.

**Business review**

Fidelis European Holdings Limited (“FEHL”, or “the Company”), is a 100% directly owned subsidiary of Fidelis Insurance Bermuda Limited (“FIBL”) and is part of the Fidelis Group (“the Group”). The Group also comprises Fidelis Insurance Holdings Limited (“FIHL”), Fidelis Marketing Limited (“FML”), Fidelis Insurance Ireland Designated Activity Company (“FIID”), Fidelis Underwriting Limited (“FUL”) and a number of Managing General Agents (“MGAs”) which are not wholly owned.

The COVID-19 crisis continues to impact businesses since the World Health Organization declared the disease to be a global pandemic in March 2020. Management has recognised the impacts in these financial statements as appropriate. Areas within the Group's financial statements that have a potential to be impacted include valuation of the Group's investment portfolio and net reserves for losses and loss expenses. The potential for losses arising from COVID-19 have been and will continue to be monitored and discussed by management, and are currently immaterial.

The Company was incorporated and commenced trading on 11 January 2018 as part of Fidelis' Brexit solution and exists as a holding company with an investment in FIID, an Irish incorporated insurer.

The Company reported a loss after taxation of \$22,790 for the year to 31 December 2021 (2020 : \$25,409 after taxation).

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

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

All strategic decisions, including changes to FEHL's corporate and Board structures, are approved by the Board as and when required.

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

A set of legally compliant, culturally appropriate and best practice human resources policies underpins the interests of the Group's employees. The human resources function delivers an annual performance management and compensation review which includes the benchmarking of employees' salaries against market data and a calibration of fairness and consistency across multiple variables including function, gender, and ethnicity. The performance management system in particular takes a balanced score card approach which includes assessment against the Fidelis ethos; a key element of the working culture. Ownership for professional development sits with employees and is supported by managers and by the human resources infrastructure which includes a learning and development portal housed on the Group's intranet. The Group has a vision for diversity and inclusion, “Bring Your Whole Self to Work”. This vision, and the associated diversity and inclusion strategy and annual plan is intended to establish a culture whereby all employees can thrive and share in the rewards of a successful business.

**The need to foster the Company's business relationships with suppliers, customers and others**

Statistics regarding our adherence to supplier payment terms are regularly reviewed and published. The Group tracks the speed of claims payments to our customers and review this on a weekly basis.

**The impact of the Company's operations on the community and the environment**

FEHL has a commitment to its communities, which we recognise includes environmental responsibilities. In line with our Group Carbon Positivity Policy, the Group measures its carbon emissions and purchased 200% of its 2020 carbon emissions in equivalent carbon credits. Through the development of best practices in our business, the Group aims to use no more consumables than are necessary and recycle the maximum of those we do use. The Group also believes that embedding environmental awareness throughout the organisation will be best achieved through a continuous programme of employee engagement. Historically, the Group has been a net carbon positive firm. Other commitments that have been made publicly are detailed on the Group's internet site:

<https://www.fidelisinsurance.com/corporate-responsibility/Our-Commitments>.

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**The impact of the Company's operations on the community and the environment (continued)**

The Environmental, Social and Governance (“ESG”) working group is determining what climate related strategy / targets the Group should be working towards. The Company is aware of climate laws and regulations in respect of both the ones that are in-force and those that are expected to be enacted in the future for the jurisdictions in which the Company operates as that could affect its assets.

Further details regarding the Group’s commitments to its communities can be found here:

<https://www.fidelisinsurance.com/corporate-responsibility/Our-Commitments>

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

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

**The need to act fairly between members of the Company**

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