

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

These are considered three times a year as part of the business planning process and annually within the ORSA report, looking three years forward. Additionally, the Company will undertake an ORSA if there is a material change to the risk profile of the organisation. All strategic decisions, including changes to FUL's capital, corporate and Board structures, dividend declarations and changes to accounting and outsourcing policies, are approved by the Board as per the Board Terms of Reference and Matters Reserved for the Board.

The interests of the Company's employees

A set of legally compliant, culturally appropriate and frequently best practice human resources policies underpins the interests of the Company'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, is supported by managers and by the human resources infrastructure which includes a learning and development portal housed on the Group's intranet. During 2019 a vision for diversity and inclusion at Fidelis was established, "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. We track the speed of claims payments to our customers and review this on a weekly basis. As a regulated financial services company, FUL is obliged to treat its customers fairly at all times.

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

FUL has a commitment to its communities, which we recognise includes environmental responsibilities. Our goal is to minimise our environmental impact whilst adhering to our other company principles and our company profile. In line with our Group Carbon Positivity Policy, we measure our carbon emissions and purchase 125% in equivalent carbon credits. Through the development of best practices in our business, the Company aims to use no more consumables than are necessary and recycle the maximum of those we do use. The Company also believes that embedding environmental awareness throughout the organisation will be best achieved through a continuous programme of employee engagement.

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

FUL 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 FUL's culture and behaviours put clients' interests at the heart of its business activities and that FUL 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.