



**Admiral Group plc**  
Sustainability Report 2021

Looking after  
our future





# → Admiral has always focused on building profitable, sustainable businesses for the future.

We continued to evolve and refine our sustainability disclosures in 2021, striving to improve the quality and consistency of our ESG reporting.

## What's new this year?

The structure of this report aligns with our newly developed Group purpose framework. The framework shows how we integrate our purpose statement into all that we do, and what that statement means for our customers, our people, our society, and our business. Further detail on our purpose framework is available on page 05.

In parallel to the development of our purpose framework we ran our first ESG materiality assessment this year. The results are highlighted on page 08. This has provided a platform to refine our approach and ambitions going forward. We aim to ensure that our sustainability approach complements our

corporate strategy and builds on our Group purpose framework.

As part of our efforts to provide stakeholders with improved material sustainability disclosures, we also began reporting against the SASB insurance standards in 2020. Our 2020 SASB disclosures have been included in this report, in addition to the 2021 disclosures and can be found on page 36.

Admiral's climate-related reporting has been aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) since 2019. The full disclosure is available in the [annual report](#) on page 107.

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Download a PDF of the Annual Report at [admiralgroup.co.uk](http://admiralgroup.co.uk)

# 0.1 2021 Highlights



## Great customer experiences



In 2021, Admiral's customer support team helped over 2,700 financially vulnerable customers and almost 6,000 customers who have lost loved ones. The team was created in 2020 in response to the pandemic and helps support customers who face financial difficulty due to job loss, furlough, and/or illness.

→ Read more on [page 11](#)



## A great place to work



In 2021, we hosted a Diversity & Inclusion awareness week under our commitment to build a working culture where all feel supported and welcome. The week was focussed on breaking down barriers to progression and celebrated National Mentoring Month, LGBTQ+ History Month, Black History Month, International Women's and Men's Days, Neurodiversity awareness and more!.

→ Read more on [page 18](#)



## Positive impact on society



In April, Admiral donated £1 million to The UK Committee for UNICEF (UNICEF UK) to support its efforts in communities hardest hit by the pandemic in India. Admiral, which employs 700 people in Delhi, witnessed first-hand the impact of Covid in the region. The donation helped provide access to critical oxygen supplies and increased rapid Covid testing capacity.

→ Read more on [page 26](#)



## Successful businesses



Our purpose is to 'Help more people to look after their future. Always striving for better, together.' In 2021, we clarified our purpose led approach to sustainability. We conducted our first materiality analysis and worked to outline our sustainability ambitions in line with feedback received from internal and external stakeholders.

→ Read more on [page 32](#)

### Customers

1.2pt

Group retention rate increase

>90%

UK Motor customers likely to renew after a claim<sup>1</sup>

£5m+

Excess fees waived for key workers in 2021

### People

17th

Great Place to Work in Europe<sup>2</sup>

2nd

Great Place To Work for women in the UK<sup>2</sup>

>95%

staff feel treated fairly regardless of race, gender or sexual orientation<sup>2</sup>

### Society

£6m

Covid fund to support local communities

Net Zero

New ambition to reach Net Zero by 2040

Over 350

organisations supported as part of the Admiral Support Fund

### Business

A

MSCI ESG rating

55%

average Group Return on Equity last 5 years

100%

of the investment portfolio is managed by UN PRI<sup>3</sup> signatories

1 UK Car (excl. UK Van customers).

2 Great Place To Work survey result.

3 United Nations Principles for Responsible Investment.

An introduction from  
**Milena Mondini**, Group  
CEO & Sustainability  
Board Representative

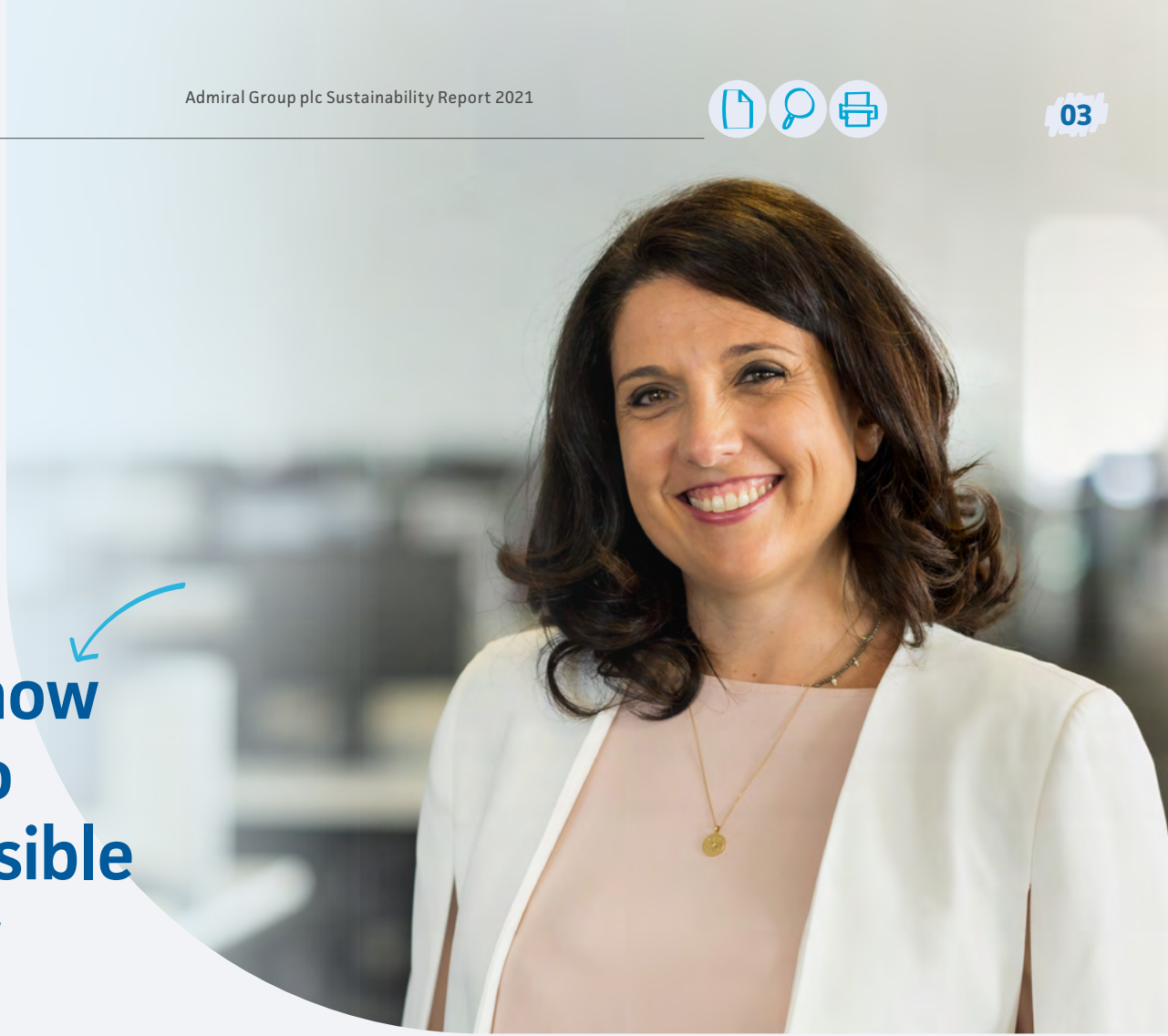


I am truly proud of how  
Admiral has acted to  
deliver the best possible  
outcomes for all our  
stakeholders. ↻



2021 was again a year deeply marked by the pandemic and a year where, despite improving conditions, many continued to suffer from its devastating effects. But it was also a year that I look back on with a deep sense of pride. Pride for all that Admiral did to support our colleagues, customers and communities and pride for the work our colleagues did every day to shape Admiral into the amazing place that it is today.

**Milena Mondini de Focatiis**  
Chief Executive Officer





**Admiral is a unique organisation for many reasons, and I'll highlight a few of our achievements which help define why I believe this is such a special business.**

In 2021, we maintained our track record of delivering superior margins and broke several business records. We passed the 8 million customer mark (!) and continued to see more customers choosing to stay with us year after year – a testament to our strong customer proposition. Whilst undoubtedly our performance this year is again marked by the unique market conditions, these achievements are also a reflection of Admiral's leading customer service, underwriting and claims management capabilities. These are capabilities which we've delivered on consistently well over the years and which are core to the long-term success of the business.

Despite most of our colleagues still working from home, we worked hard to continue to be an open and inclusive business. In our most recent company-wide survey, more than 95 percent of colleagues from across the Group said that they felt people here are treated fairly regardless of race, gender or sexual orientation. We also made good progress against our commitment to achieve more balanced gender representation across the Group's executive leadership. In 2021, 44% percent of Admiral's UK Executive team was female, and we achieved 50% female representation on the Group Board.

This year also marked the acceleration in our journey to support the environment. At the half year results, we announced our commitment to reach net zero emissions by 2040, having already reached carbon neutral status in 2020. In addition, we've worked hard

£6m

**In 2020, we launched a £6 million Admiral Support Fund to help communities in need.**

£1m

**As part of the Admiral Support Fund fund, we donated £1 million in 2021 to UNICEF to support communities in India hardest hit by the pandemic.**



to support the transition to electric vehicles. We aim to make sure that when customers come to us, they can find a convenient product that best suits their needs and at an affordable price.

We've taken a step back and reviewed our community strategy, looking at ways we can deliver the most impact. In 2020, we launched a £6 million Admiral Support Fund to help communities in need. As part of this fund, we donated £1 million in 2021 to UNICEF to support communities in India hardest hit by the pandemic. In our international operations, we allocated £1.2m from the fund and over the past two years, support has gone towards the fight against Covid and to causes close to our colleagues' hearts.

These are just some of the fantastic achievements from this year, with many more that make me proud every day. But we're not resting on our laurels. We've refreshed our sustainability commitments in 2021, outlining ambitions which directly support our efforts to build a business that helps more people look after their future. A business that strives for better every day, with all of us working together.

I believe that the progress we have made this year demonstrates our purpose of helping people to look after their future.

**Milena Mondini de Focatiis**  
Chief Executive Officer  
3 March 2022

## 0.3 Our purpose framework





## 0.4 Our approach to sustainability

**Our purpose as a business, and the reason we exist, is to ‘Help more people to look after their future. Always striving for better, together.’**

This statement feeds into everything that we do and is supported by our purpose framework which shows how we plan on living by this purpose statement, and what that statement means to not only our people but our company, our business, and our society. It is surrounded by the Admiral ‘formula’:

**Being a great place to work = Great Customer experiences = A successful business = A positive impact on society.**



**As a leading financial services provider we take careful steps to ground all our business practices with responsible management and effective decision-making.**

**Our approach to sustainability complements our corporate strategy and helps translate our purpose into action.**



### Our strategy

As a leading financial services provider we take careful steps to ground all our business practices with responsible management and effective decision-making. Our Group corporate strategy centres around two key priorities: to strengthen our core competitive position and to increase our resilience to potential disruptive market changes. To that end, we have accelerated our evolution towards what we call Admiral 2.0, which aims to leverage Admiral’s historical strengths, whilst growing our digital and agile capabilities. We are targeting growth via product diversification, finding new opportunities where we can deploy our competitive advantages, and we are evolving our propositions for changes in mobility, keeping on top of the latest industry developments.

You can read more about our strategy and what we do as a business in [the annual report](#).

Our approach to sustainability underpins our corporate strategy and helps translate our purpose into action. To help communicate how our approach drives long-term stakeholder value we launched a sustainability project in 2021. The aim of the project was to further clarify our sustainability approach and focus. To ensure that our approach addresses the key ESG issues that matter most to our business and our stakeholders we conducted a formal materiality assessment. The results of the assessment can be found on page 08 of this report.



### People

**Be one of the best places to work in the world**

Commitment: Achieve top 25 ranking in the Great Place to Work awards, across our businesses



### Customers

**Provide great customer experiences**

Commitment: Improve NPS scores across the Group



### Business

**Build successful businesses with operational resilience**

Commitment: Consistently strong business performance and shareholder return



### Society

**Make a difference through a positive impact on society**

Commitment: Achieve Net Zero by 2040



Find out more  
[admiralgroup.co.uk](https://admiralgroup.co.uk)



## 0.5 Sustainability governance

**Group Board:** The Admiral Group Board is responsible for promoting the long-term sustainable success of the Group and is its principal decision-making forum. It is the principal governing body for sustainability-related issues and takes ownership of sustainability and climate-related topics and associated stakeholder engagement. The Board approves the Group's sustainability approach and objectives, including any related ESG ambitions which could have a material impact on Admiral. Milena Mondini, Group CEO, is the appointed Sustainability Representative on the Group Board.

**Board Committees:** The Board has delegated authority to several permanent committees that deal with sustainability related matters where relevant and in accordance with written Terms of Reference. The Committees of the Board are the Audit, Remuneration, Group Risk and Nomination and Governance Committees. These committees play an important role in the Group's sustainability-related decision making processes. For example, the Group Risk committee oversees the management of climate-related risk and provides appropriate governance oversight.

**Sustainability Working Group:** A Sustainability Working Group (SWG) was established in 2020 to help identify, monitor and facilitate the implementation of sustainability ambitions across Group operations. The working group supports the Group Board and Admiral's Executive leadership team to ensure adequate

oversight is in place around sustainability-related decision-making. This includes monitoring the latest market developments around ESG, supporting subsidiary entities with their sustainability commitments, and sharing best practice ESG management.

In 2021, sustainability champions were appointed from across the business to support our ESG ambitions. Each champion is required to report progress against our commitments directly to the sustainability working group on a quarterly basis.

**Climate Change Steering Group:** Given the impact of climate change and the increased focus the area has received in recent years, a subcommittee dedicated to climate change was set-up in 2021. The climate change steering group reports directly to the sustainability working group.

**Forums & Ministries:** Several internal forums and ministries exist across the business to uphold the pillars of our culture and monitor areas related to sustainability such as staff diversity, happiness, and wellbeing. For example, the Diversity & Inclusion forum consists of six working groups and drives diversity and inclusion initiatives across the Group. Several ministries such as the Ministry of Fun and the Ministry of Health organise regular events to keep staff happy and engaged.







## 0.6 Materiality assessment

When outlining Admiral’s sustainability approach, we wanted to integrate our stakeholders’ key sustainability priorities and better understand areas where Admiral could have the strongest impact. To effectively do this, we conducted our first comprehensive materiality assessment in 2021, engaging directly with our customers, key leaders across the organisation, and wider members of the community.

### Methodology

A materiality survey was designed internally with questions relating to the perceived strategic importance to the business, as well as the opportunity to have a positive impact in these areas. We interviewed over 500 managers, over 2000 customers and over 2000 people in our communities. Participants were asked to rank pre-identified and defined focus areas, that had been pre-qualified by the project team and deemed to be in alignment with Admiral culture.

Survey results were sense checked at various forums and subsequently allocated across three areas based on the feedback received. Once the sustainability-related initiatives were categorised, we were able to outline what our immediate priorities were based on their materiality weighting.

Our approach is likely to evolve over time, and we will look to conduct further materiality assessments in future which will continue to engage with various stakeholders for input, including our people, customers, partners and suppliers, shareholders and wider community.

### Category definitions

**Monitor:** Topics that fall into the ‘Monitor’ section will be added to an ESG tracker and maintained/updated by the sustainability working group. The aim is to record information and developments relating to these topics, with the view that they may progress to an area that will be actively managed in time.

**Manage:** Topics that fall into the ‘Manage’ section will be prioritised in the ESG tracker, as an ambition for the business to develop and build on. Topics in this category are also viewed as things that we do well, and will be managed and maintained. All ambitions will have an assigned owner, and initiatives will be underway across the business to maintain and/or enhance these focus areas.

**Focus:** The topics that fall into this ‘Focus’ section are the areas that the Sustainability Approach will focus on in the short term (18 -24 months). It is expected that our ambitions in this section will evolve over time.

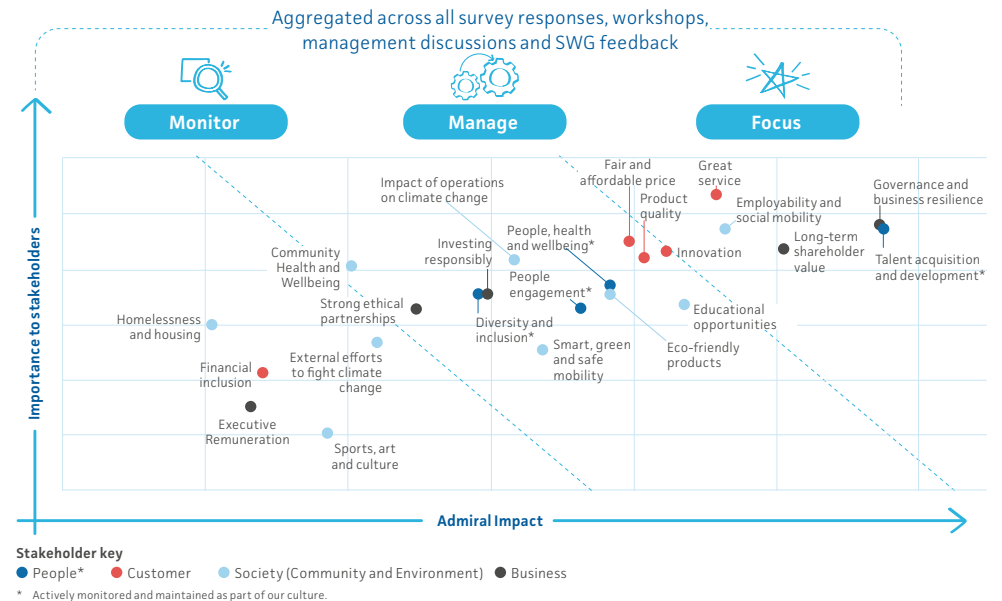
Our results revealed the following priorities:

| ESG Priority  | Stakeholder           | How we address |
|---|-----------------------|----------------|
| Governance of managing risk and business resilience | Business              | Page 34        |
| Talent Acquisition & Development                    | People                | Page 20        |
| Great Service                                       | Customer              | Page 14        |
| Product Quality                                     | Customer              | Page 13        |
| Employability and social mobility                   | Society (Communities) | Page 31        |
| Long-term shareholder value                         | Business              | Page 33        |

You can also read more in our section 172 in the [Annual Report \(link\)](#) to see how these priorities feed into our strategy and reinforce our purpose.

### Materiality matrix

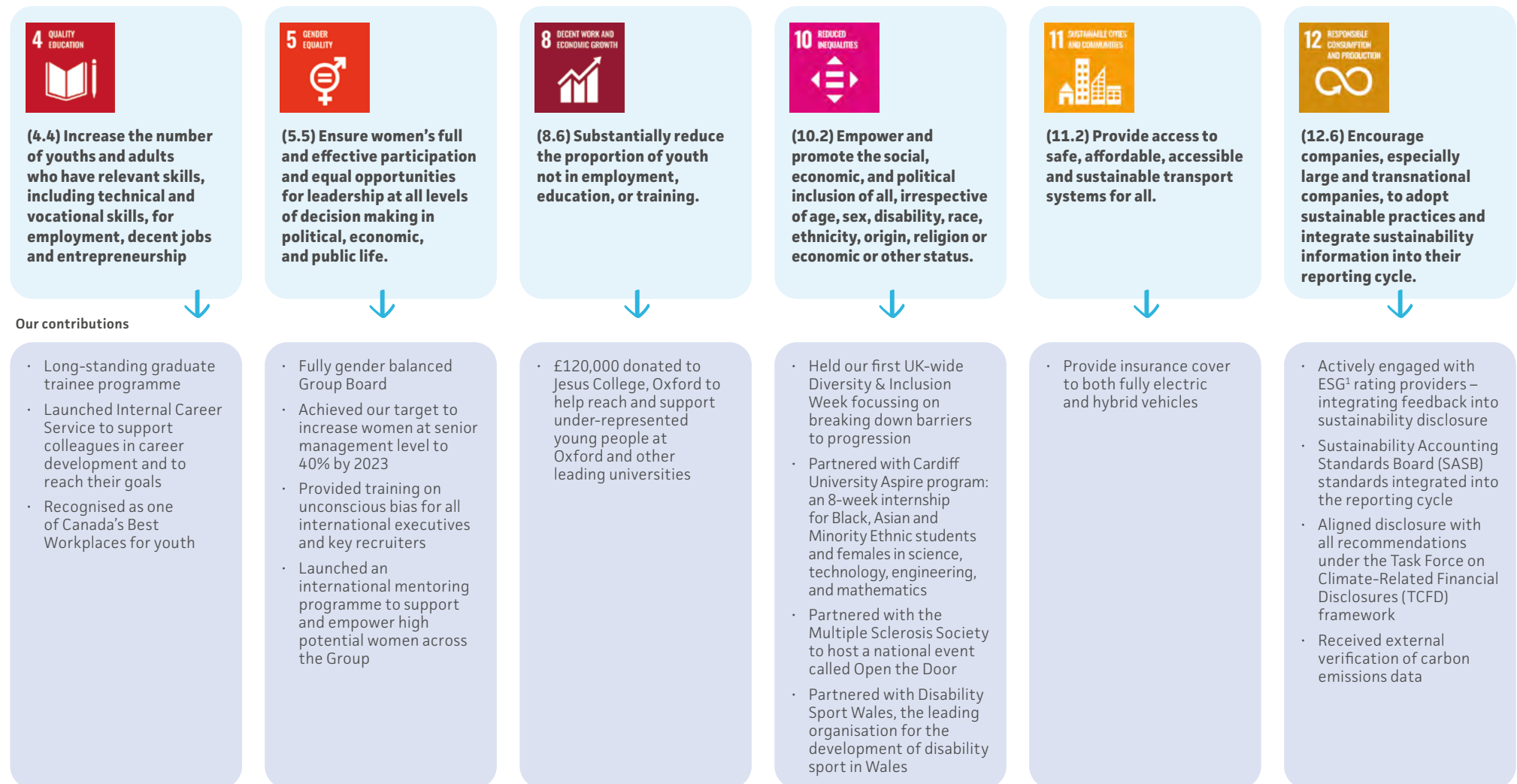
The matrix presents an overview of the materiality analysis conducted in 2021 to rank Environmental, Social and Governance (ESG) priorities of Admiral Group Plc.





## 0.7 Our contribution to the UN SDGs

The Sustainable Development Goals (SDGs) are a set of 17 global goals developed by the United Nations, which define global priorities and aspirations for 2030. The goals aim to address major societal and environmental concerns. The most relevant goals where we believe Admiral contributes are listed below:



1 Environmental, Social, Governance.



## 0.8 Ratings and recognitions

### 2021 company awards

Our company culture is based on four pillars: Fun, Communication, Equality and Recognition and Reward. The awards that we receive are a great testament to this culture, and reflect the positive energy, passion and values which our people have wherever they are.

#### Great Places To Work – UK

5th in the UK  
2nd best workplaces for women



#### Great Places to Work – International

17th in Europe  
1st in Spain  
5th in US  
6th in Italy and France



#### Moneyfacts

Best personal loan provider  
Best car finance provider



#### Best Companies – UK

5th best big company  
Best big company for wellbeing



#### Diversity leaders

Admiral UK ranked 26th out of 850 European companies in the Financial Time's Diversity Rankings  
Admiral Seguros named in Top 30 companies in diversity & Inclusion by INTRAMA<sup>1</sup>



#### Public Health Wales

Health & Wellbeing gold certified



### 2021 ESG ratings

Admiral has actively engaged with a number of key ESG rating providers since 2020. In 2021, we continued to disclose substantive ESG data that supports transparent decision-making. Over the past two years we have seen improved ESG risk rating performances in the ISS ESG tracker, the Dow Jones Sustainability Index, and in our annual CDP disclosure. We also continuously look at ways in which we can integrate the feedback received from rating providers, shareholders, regulators and ESG-related experts to ensure our reporting aligns with best practice expectations.

#### MSCI

MSCI ESG rating assessment<sup>2</sup>



• 2021: A

#### CDP

CDP Climate Score



• 2021: C<sup>3</sup>

#### Sustainalytics

Sustainalytics ESG Risk Rating<sup>4</sup>



• 2021: 21.0<sup>5</sup>  
• 8th percentile industry ranking<sup>6</sup>

#### ISS

ISS ESG performance



• 2021: C-  
• 4th industry decile ranking<sup>7</sup>

#### Dow Jones

Dow Jones Sustainability Index



• 2021: 37/100  
• 53rd percentile industry ranking<sup>8</sup>

#### Tortoise

Tortoise Responsibility100 index



• 2021: 21st out of 100

1 Spanish network of companies committed to diversity and equality.  
2 The use by Admiral Group of any MSCI ESG research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Admiral Group by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

3 Average industry score of B, Admiral continues to enhance disclosures to improve rating and has since made a public commitment to net zero ambitions and begun our pathway to decarbonisation.

4 Copyright ©2022 Sustainalytics. All rights reserved. This report contains information developed by Sustainalytics ([www.sustainalytics.com](http://www.sustainalytics.com)). Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational

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5 In September 2021, Admiral Group received an ESG Risk Rating of 21.0 and was assessed by Sustainalytics to be at Medium Risk of experiencing material financial impacts from ESG factors.

6 8th percentile score in the property and casualty insurance sub-industry rankings (7th out of 82)

7 A decile rank of 1 indicates high relative performance versus a decile rank of 10 which indicates poor relative performance.

8 Improved result. Average industry score: 40/100, composed of 127 companies

# 1. Our Customers



91%   
of staff agree that  
Admiral is truly  
customer focused <sup>1</sup>

## Placing the customer at the heart and start of every decision

In 2021 we have continued to evolve and invest in how we communicate – optimising our digital strategy and strengthening our operational capabilities.



1 Great Place to Work survey result.



## 1.1 Clear and easy communication

**In 2021 we've made good strides towards becoming a truly digital, and data first business. Our channels are both easy to access and easy to use.**

Throughout the customer lifecycle we offer a range of communication channels to meet the needs of our customers. The primary channels available are online, via our brand websites, the customer MyAccount portal, telephone, social media, or via our Admiral App (available to UK-based customers).





## 1.2 Selling responsibly

**Customer-centricity is at the core of what we do here at Admiral, and this is reflected in our service. When selling our products and services, we provide customers with key information in a transparent way.**



These characteristics cover crucial product features and limitations, as customers should be made aware of these before making an informed choice on whether to purchase the product. This includes a commitment to, and the maintaining of, responsible marketing practices<sup>1</sup>. For example, in our UK insurance business all marketing content complies with the advertising codes written by the Committee of Advertising Practice and enforced by the Advertising Standards Authority.

### **Vulnerable customers:**

We acknowledge that some customers may have different needs when it comes to being informed about our products. Systems and processes are in place across the Group to identify potentially vulnerable customers – ensuring that appropriate staff training is in place and that vulnerable customers are treated fairly at each stage of the customer journey. We strive for all communications and information about products to be understandable for customers and that potential vulnerable customer needs are considered. We try to ensure that, where possible, varied channels of communication are available. The needs of vulnerable customers are also considered in the development of all Group products, with specific considerations given to the potential positive and negative impacts of a product on vulnerable customers.

### **Ethical approach to machine learning and analytics:**

We know that our customers want taking out insurance to be an easy, hassle-free process. We also recognise that for most of our customers, digital platforms that offer tailored products suit their needs best. To develop the most convenient and competitive customer platforms, we need to incorporate a range of insights into our technological offering, including machine-based learning. We aim to do the right thing by our customers and commit to using the available data that is generated by the digital economy in a fair and ethical way.



<sup>1</sup> The Group has policies and guidelines in place to ensure that communication with customers meets regulatory standards and customers are making decisions based on relevant and transparent information. Overall responsibility for communicating to customers via these channels sits with the heads of department for marketing and the respective communication channel owners.



## 1.3 Measuring customer satisfaction

**We make every effort to integrate customer feedback into the core of our products and processes, and we measure customer feedback regularly across several benchmarks.**



Obtaining regular customer feedback is core to the way we do business, as it allows us to understand what we are doing well and enables us to identify the priority areas for improvement. Once we have received customer feedback, we then seek to improve our level of customer service by acting on this feedback and implementing any necessary changes. Across our UK and international insurance operations, the Net Promoter Score<sup>1</sup> (NPS) forms a key part of our business strategy and vision. In 2021, we confirmed our ambition to continue to improve NPS scores across our businesses – in line with our sustainability commitment to ‘provide great customer experiences’.



<sup>1</sup> Net promoter score (“NPS”) is a KPI that measures the willingness of customers to recommend products or services to a family and friend. It is used to measure customer’s loyalty to a brand.



## 1.4 Managing customer complaints

**In 2021 we helped over 9,000 of our most vulnerable customers through dedicated customer initiatives.**

As a Group, we approach complaints handling as an invaluable learning tool for the continuous improvement of our customer service and dedicated teams are in place to manage these accordingly. We enable customers to make complaints through a multitude of channels, including via telephone, email, and post and ensure that these are dealt in accordance with the timelines set by the regulatory bodies in the Group's respective operating locations.

As an example, Admiral's complaint handling process in the UK aims to make it easy for customers to report complaints. We ensure full investigations into complaints are carried out, and give complaints their required attention. We provide thorough accounts of Admiral's actions, and ensure customers are happy that complaints have been handled fairly. A complaint handling guide is made available to customers on the Admiral website and this outlines the timeline for dealing with complaints in accordance with FCA requirements, as well as details on escalating claims internally and to the Financial Ombudsman Service. Customer and Conduct Committee processes are then in place which ensure that appropriate complaints handling is conducted. This includes monitoring complaint volumes and trends, root cause analysis and assurance of the control framework.







## 1.5 Providing fair and transparent claims outcomes

**As an insurer, we are committed to providing appropriate claims practices that deliver fair and just outcomes for customers in a timely manner.**

We communicate with customers about claims through a range of different channels, including via telephone, on the website via webchat, through the MyAccount portal, via email, SMS message, and letter. As part of the claims handling process, Admiral informs customers about the scope and limits of their coverage. These details are explained when customers take out an insurance policy and are included in the customer's policy booklet or documentation. This process allows us to continually assess and challenge ourselves to achieve the best outcomes for our customers.

>90%

% of UK Motor customers likely to renew after a claim

92%

First Notification of Loss call answer rate



## 1.6 Key customer initiatives

**Support for NHS staff and emergency workers:** Several initiatives were launched in 2020 to support our customers during the turbulent period of the pandemic. As lockdowns continued into 2021, and the impact of coronavirus stayed longer than expected, we continued to support our

customers through a range of initiatives. As an example, in Admiral's Motor business we provided free replacement vehicles to NHS and emergency workers in the event of an accident and their excess fees were waived for any new claim that occurred during lockdown periods.

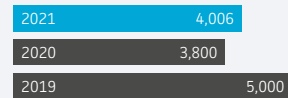
**To help support NHS key workers in the UK in 2021 we:**

- Waived over £5m in excess fees
- Provided nearly 1,000 hire cars free of cost



**Kudos:** Kudos is a customer experience programme that is available to all staff in customer facing contact centres. Kudos' aim is to give a holistic view on the customer experience and focusses on the speed at which calls are answered, customer complaints, SMS feedback and external call monitoring by senior

management. Dedicated to delivering excellent customer service, 2021 saw us make positive progress across these core metrics. Senior managers reviewed over 4,000 calls with an average score of 8.3 out of 10 per call. In total, almost half of all calls reviewed scored a 9 or a 10, an increase on 2020's performance



**Number of calls monitored by senior managers**

4,006



**% of Kudos calls scoring a 9/10 or 10/10**

49%

**Cristina's customer commentary:** In recent years, our UK Insurance CEO, Cristina Nestares, has shared monthly feedback to staff on her customer service highlights. This commentary usually includes examples of great customer service and describes any process changes made that have helped improve the customer experience. Cristina also awards the title of Customer Champion to one of our customer-facing agents as recognition of their outstanding service for receiving 10 out of 10 scores on their SMS feedback questions.



**International operations:** Initiatives across our international operations have focused on operational improvements to strengthen pricing and claims capacity. For example, Admiral Seguros launched a 'cash-to-go' initiative that utilises artificial intelligence to analyse images of a damage claim and expedites the settlement process for customers. L'olivier made improvements to its online customer journey, facilitating customer access to digital solutions. A subsequent increase in claims registered online followed, highlighting customer demand for more digital solutions.

## 2. Our People

# People who like what they do, do it better

**Admiral is built on a culture that values employees, that is vibrant, fun and open to all.**

We believe that a key driver of financial success starts with people who are happy to come into work each morning and we are guided by principles such as “leave your ego at the door” and “people who like what they do, do it better”.

In 2020 we took the opportunity to reflect on our purpose as an organisation. Following hundreds of hours of listening to employees and multiple employee workshops we outlined a new Group purpose statement – **Help more people to look after their future. Always striving for better, together.**

In 2021, we put an employee engagement program in place to help our employees understand how our new purpose statement fits, not just with our colleagues, but within the wider business and the societies we operate in. Colleagues were able to learn about our purpose through interactive courses, various presentations across the business, and internal news communication.



96%

of Admiral staff believe that when you join Admiral, you are made to feel welcome



## 2.1 New ways of working

**During the pandemic, we embraced the challenge of transitioning almost our entire workforce to a remote working model, whilst maintaining positive outcomes for our customers and protecting our strong employee culture.**

To ensure the successful transition, we implemented a new Smart Working approach built on four key pillars: Smart People – Smart Technologies – Smart Spaces – Smart Business Practices. Under this new Smart Working umbrella we've been actively engaging with our employees to understand their individual needs and testing new solutions to implement as we transition out of the pandemic-driven lockdowns. Department blueprints have been created and as we emerge out of the pandemic, employees will have working solutions that best tailor to their evolving needs and that of their departments.





## 2.2 Our approach to talent development

**The Central Learning & Development department (formerly Admiral Academy) is Admiral's central training hub and offers support, learning opportunities and career advice to all employees. It is composed of professionals and trainers from across the Group who are on hand to offer a prospectus of training programmes and standalone courses.**

41%

of open UK positions filled by internal candidates

2020: 36%

In 2021, a core area of focus has been to maintain a focus on diversity and inclusion across all of our learning and development efforts.

**Staff training:** When a new member of staff joins Admiral, they are given comprehensive induction training that covers both core topics such as compliance and data protection, as well as relevant material tailored to their role. Following their induction, staff members are invited to attend a wide range of compulsory and non-compulsory training programs annually which ensures they are kept on top of expected codes of conduct and can effectively develop in their roles. We collect feedback at the end of each training session to maintain programs which are both relevant and effective, and if gaps are identified, we tailor our approach accordingly. In addition, all staff participate in annual performance reviews, which are an opportunity to discuss their performance over the year and discuss whether there is any additional training that they may benefit from.

In 2021, a new Head of Learning and Development was hired within our UK operations to refresh the wider staff development's team purpose and offerings – expanding our training content to better cater to the needs of the wider business. A new suite of content to satisfy the learning needs of our new "Smart Working" environment was rolled out and will continue to expand in 2022.

**Management training:** We adopt a bespoke approach to leadership training and tailor our management development programs

in line with strategic business needs. Senior managers can access individualised coaching sessions through a mix of internal and external providers, and further executive education is offered in areas such as negotiation, communication, and leadership. Technical training and qualifications are also made available to help our leaders navigate the latest developments in fields such as automation and artificial intelligence.

At the end of each training program managers are asked to evaluate themselves to determine if they have reached a sufficient level of comfort in the relevant topics covered. Further training needs are assessed based on the responses received. In 2021, we began actively developing a leadership pipeline framework which will further enhance our tailored learning and development approach for Admiral's managers and future leaders.

**Internal mobility:** During our 2020 annual staff engagement surveys some members of staff highlighted that they felt more could be done to support their career and development. So, we listened and we acted. In 2021 we launched a new Internal Careers Office which incorporates a number of different initiatives designed to help staff develop and achieve their goals. Some of the services offered focus on career advice, others with writing applications and interview prep. We've seen some positive results since it was launched and will continue to build on learnings in 2022. Since it was set up in January we've held 494 career advice sessions, answered over 800 queries and held 128 interview coaching sessions.



450+

online courses are available to staff (UK operations)

192k

online courses completed by staff in 2021 (UK operations)

48k hours

spent by staff completing online ilearn courses in 2021 (UK operations)

30.9 hours

average staff training (UK operations)<sup>1</sup>

<sup>1</sup> UK operations includes EUI operations in Canada and India.



## 2.3 A diverse and inclusive business

### We firmly believe that in order to create a successful working environment, companies must embrace diversity and inclusion across all levels of the business.

Admiral has always built its business on a strong culture where people are encouraged to be themselves and share their thoughts and ideas.

**Diversity policy:** Guidelines and expected standards of behaviour for diversity and inclusion are communicated to all members of staff via the Group's Equality, Diversity and Dignity at Work Policy. This document outlines our commitment to prohibit any type of unfair discrimination and is the basis by which we ensure that staff are treated with dignity and respect. The policy highlights that all managers should be alert to any potential discrimination and harassment and should actively prevent them from occurring. Managers are expected to communicate the policy across their teams and must be responsive to anyone who makes a complaint.

#### Key diversity and inclusion initiatives:

We continued our engagement on diversity and inclusion issues in 2021, building a more diverse and inclusive business for all.

- Mandatory Diversity and Inclusion training for all colleagues.
- During the year, we held our first ever Diversity and Inclusion awareness week focussing on breaking down barriers to progression.
- The number of women at executive senior management level increased to 44%<sup>1</sup> (2020: 34%).
- The Age Diversity Forum was relaunched and a new steering group implemented to take new initiatives forward.
- An international mentoring program to help women aspiring to be leaders in the Group was put together and will be launched in 2022.
- We signed up to the Business in the Community Race at Work charter, and implemented its key requirements such as appointing an executive race sponsor for the Group.

#### Tracking and strengthening diversity:

To monitor and strengthen diversity across Admiral, a Diversity and Inclusion Forum was created in 2018. This forum is headed up by the Group's Head of Diversity and Inclusion and consists of six working groups. These consider and implement ways we can better support a diverse and inclusive working culture. To drive the conversation around diversity at the highest level, Cristina Nestares, CEO of UK Insurance, was appointed as the Diversity and Inclusion executive sponsor in 2020.

The table below provides a breakdown of the gender of Company Directors and employees at the end of the 2021 financial year:

|                                    | Male  | Female |
|------------------------------------|-------|--------|
| Company Directors <sup>2</sup>     | 6     | 6      |
| Other senior managers <sup>3</sup> | 4     | 3      |
| All employees <sup>4</sup>         | 5,722 | 5,595  |



Read our **Diversity Report** at [admiralgroup.co.uk](https://admiralgroup.co.uk)

#### Additional key Diversity KPIs:<sup>5</sup>

# 6.9%

of our employees have an ethnic minority background

# 6.8%

of our employees identify as LGBTQ+

# 7.3%



of our employees consider themselves to have a disability or long-term condition

<sup>1</sup> Across our UK-based operations.

<sup>2</sup> Company Directors consists of the Board of Directors, as detailed in the [2021 Annual Report](#).

<sup>3</sup> Other senior managers is as defined in the Companies Act 2006 (Strategic Report and Directors' Report) and includes persons responsible for planning, directing or controlling the activities of the Company, or a strategically significant part of the Company, other than the Company Directors defined in the note above. Any other Directors of undertakings included in the consolidated accounts that are not considered strategically significant have not been included.

<sup>4</sup> All employees totalled 11,403 people. Of which 5,722 identify as male, 5,595 identify as female, 22 identify as other and 64 preferred not to say.

<sup>5</sup> UK Employee data, including our support operations in India, Canada, Admiral Pioneer, AFSL, and Admiral Law.



### 2.3 A diverse and inclusive business continued

Across our international operations we've also established an International Diversity and Inclusion Forum hosted by People Services. The forum connect Diversity and Inclusion sponsors from across the Group to identify ways we can better implement diversity and inclusion practices across business functions.

Over the last few years we have used our strength in analytics and data to look at diversity through a more detailed lens. And it has showed us that we can be better. As of 2020, sensitive diversity data is collected from information questionnaires on the staff intranet which employees are asked to fill out annually. We continue to focus on increasing staff sensitive information completion rates, as it will allow us to represent our staff more accurately and inform strategy. We do, however, acknowledge that not all staff feel comfortable disclosing this type of information.

Admiral's full 2021 diversity data report can be accessed [here](#).

**Supporting disabled employees:** We give full and fair consideration to applications for employment made by those with disabilities, having regard to their particular aptitudes and abilities. We support any employee who is disabled or has a life-threatening illness and help them to contribute as long as their health allows. To that end, a Disability Forum is in place to help promote inclusivity for those with a disability. In 2019, the Company was awarded Level 2 status of the Disability Confident Award and is now aspiring to achieve the Disability Leader Award. There is also a Workplace Support Team to provide support for those with physical disabilities, neurodiversity and short-term mental health problems. Training sessions to help employees better understand those with neurodiversity are also readily made available for our colleagues.

**Diversity partnerships and signatory commitments:** Actively engaging with our communities and the societies around us has been a crucial part of Admiral's culture since 1993.



#TechSheCan



Women in Finance charter



10,000 black interns



30% club



ABI Talent and Diversity network



Armed Forces covenant



## 2.4 Health and wellness across our operations

### We are committed to providing a work environment where people feel supported and engaged.

We encourage staff to actively communicate how they're feeling, especially so during recent periods of homeworking, and provide managers with the appropriate tools to support employee needs.

**Flexible working solutions:** All employees have the right to request flexible working solutions for any reason, whether that be a needed adjustment in individual's workload, or changes to working hours due to caring responsibilities. We offer staff the opportunity to adjust their total required working hours, or the times at which they work, to ensure that they can maintain a healthy work-life balance. In 2021 we began setting-up several community groups for parents and carers to help share best practice/tips and build internal networks to support their return to work and ensure they can integrate back into the workforce effectively

**Mental and physical health:** Our internal People Services and Workplace support teams have implemented a wide set of initiatives and created several training resources to help support staff with their particular wellbeing needs. These are made readily available on our staff intranet and regular emails are also sent to highlight the various resources available.

Staff have access to Employee Assistance Programs which provide free and confidential support. In cases where staff may have been identified as potentially vulnerable, we take additional steps to put them in touch with assigned people services executives who ensure they receive the appropriate level of support. In the UK, Admiral has achieved a Gold status in the annual Healthy Working Wales awards every year since 2013 – a testament to the work done to prioritise health and wellbeing in the business.

**Grievance reporting:** Grievance processes are in place to ensure open communication across the business. These give staff the appropriate tools to discuss any issue they may have and resolve these effectively. The severity of a given issue dictates whether formal or informal steps are taken to solve the problem. If considered a severe issue, an independent party is allocated to the case to ensure the process remains impartial. If at any point a staff member feels uncomfortable with the grievance process, steps are also taken to ensure they receive the necessary support from our people services function. The length of any grievance process will depend on the type of grievance reported but we aim to resolve these appropriately and quickly. If staff feel unhappy with the outcome of their formal grievance process, they are able to raise an appeal which is investigated accordingly.



**Employee Benefits:** An important pillar of Admiral's core benefits program is the Group's share scheme. We strongly believe that a company works at its best if people feel like they own part of the company, and can actively benefit from its success. As such, all of our people, at every level, and in every part of our business, who have been fully employed for one year receive shares<sup>1</sup> through our Approved Free Share Plan (SIP) or SIP equivalents<sup>2</sup>. In addition, a large number of managers and high-performing employees also receive shares through the discretionary free share scheme program (DFSS) as a reward for their hard work. In 2021, over 3,700 staff received DFSS shares under this program.

A wide range of non-salary benefits covering all employees are also available. This includes support for medical appointments, buy-a-book schemes, company support for dependent care through cooperation with local childcare facilities, and a wide variety of leave opportunities such as maternity/paternity leave, dependent care leave, career break leave, compassionate leave and charity leave.

<sup>1</sup> Pro-rata for part time staff.

<sup>2</sup> Over 10,000 staff received shares under the share scheme program in 2021.





## 2.5 Recruiting the right people

**Our Recruitment programs are designed to align with the strategic needs of the business. In 2021 we maintained a flexible approach to recruitment, in light of the pandemic and limited face-to-face interactions.**

44%

**we reached our 2023 gender diversity target, achieving 44% female representation at a senior management level across our core UK functions.**

We've taken steps to strengthen our recruitment practices this year, bringing together several recruitment areas to offer candidates a wider choice of opportunities and investing resources to increase internal mobility. Additionally, to support diverse and inclusive recruitment at senior executive level, recruitment teams were tasked to ensure women are present on short lists for advertised senior roles, and where possible for the lists to be 50/50 gender balanced. This also includes making sure that our interview panels are diverse.

### **Maintaining a diverse talent pipeline:**

As a signatory of the Women in Finance Charter, we are committed to supporting the progression of women into senior roles in the financial services industry by focusing on the Executive and mid-tier talent pipeline. In 2021 we reached our 2023 gender diversity target, achieving 44% female representation at a senior management level across our core UK functions.

To ensure that we maintain a high proportion of women in senior leadership positions, in 2021 we created a leadership training course designed to support the development of future female leaders. The 18-month training and mentoring programme, Get Discovered, opened for applications in January 2022 and will begin in May 2022. The programme, which is open to every woman who is a permanent employee of the Group and aspires to be a leader, has been developed to run alongside a candidate's current role. Get Discovered is just one of the ways that we are delivering on our promise to ensure our female colleagues can reach their full potential at Admiral.



979

**Total number of new employee hires (Male – UK operations)**

2020: 461

934

**Total number of new employee hires (Female – UK operations)**

2020: 441

213

**Total number of new management hires (Male – UK operations)**

2020: 110

159

**Total number of new management hires (Female – UK operations)**

2020: 76



## 2.6 Engaging and communicating with our employees

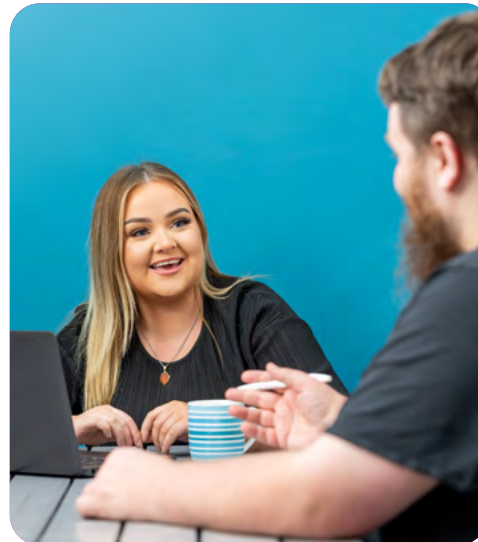
### We work hard and dedicate a lot of effort to making sure our employees feel involved and know what is going on around the business.

Our culture is built on an environment where staff feel that they are part of a wider collective and that their contributions play a vital role in our continued success. This is best exemplified by the 'Admiral puzzle piece' which all new starters receive, and which symbolises that only together, as a complete picture, can we be successful over the long term.

**Employee Consulting Group:** The Admiral Employee Consulting Group, or ECG for short, was implemented in 2019 and gives staff a further platform to engage with management and the Admiral Group Board. Each department in the business has an assigned ECG representative, voted for by peers and colleagues, who are responsible for putting forward the views, opinions and questions from their department to the ECG. ECG representatives share with the Board and senior managers what they believe Admiral is doing well, or needs to improve. In 2021, topics discussed included Admiral's corporate strategy, developments around smart working, and the Group's remuneration practices. No topics are considered 'off-limits' and staff are encouraged to share their opinions to ensure transparent and fair conversations can occur.

**Great Place to Work Survey (GPTW):** The GPTW Best Workplaces survey is our annual Group staff survey and acts as an important mechanism for the business to understand how staff are feeling and which areas they would like to improve. The survey forms part of our ongoing commitment to create an environment where our people feel valued, respected and listened to. We encourage staff to give honest feedback that helps us understand what staff would like changed or are currently unhappy about.

As part of our 2021 sustainability commitment to 'be one of the best places to work in the world', we've set out the ambition to achieve top 25 rankings in the GPTW surveys across all businesses and geographies.



### Responding to employee feedback:

Following the 2020 GPTW survey feedback, three areas of focus were identified. Those areas are Reward, Career & Development, and Wellbeing.

- (1) Across rewards, a new team has been set up to focus on everything we do as a business that falls under the reward umbrella. This includes pay, working hours and shares to understand how we can ensure our rewards remain competitive and continue to attract the right talent.
- (2) Admiral's Central Learning & Development department has sought to build stronger relationships with various parts of the business through a learning & development business partner network. New training initiatives have been rolled out across the business and programs are being developed to help support the transition to a fully Smart Working environment.
- (3) Additional counselling sessions have been made available to staff as a result of feedback received and anyone with difficulties working from home has been able to access one on one support from the business. Wellbeing Champions have been introduced across various areas to support and enhance communication on all the services available to colleagues.



# 78%

Group Great Place to Work (survey) completion rate

# 88%

Colleagues believe that Admiral is a great place to work

# 90%

Colleagues feel encouraged by Admiral's commitment to Smart Working



### 3. Our Society



## A positive impact on society

**We strive to have a positive impact on the communities and environment around us.**

As a large organisation across a number of countries we firmly believe it is our responsibility to give back to the communities around us and to demonstrate responsible behaviour with regards to the environment.

<sup>1</sup> Great Place to Work survey result.



## 3.1 Investing responsibly

### In order to manage ESG risks across Admiral's proprietary investments – which stem primarily from the premiums collected across our insurance operations – a responsible investment policy was established in 2019.

The policy requires ESG considerations to be integrated into each step of investment decision-making, for ESG risks to be monitored, and active engagement with our asset managers. In total, we currently have invested £3.86bn across a variety of asset classes, with systematic ESG integration across the entire investment portfolio<sup>1</sup>.

**ESG Integration:** ESG considerations are integrated across all of Admiral's assets. The purpose of the Responsible Investment policy is to mitigate Environmental Social and Governance (ESG) related risks and achieve more sustainable long-term returns. Admiral's investment portfolio weighted average ESG score has an MSCI "A" rating (6.85 ESG score).

**Investment management:** All of Admiral's proprietary investments are managed by third-party asset managers. Oversight is held by Admiral's internal investment department, which works with Admiral's third-party managers to implement the Group's investment policy requirements. Progress reports are provided on a quarterly basis to the Group's Investment Committee, which reports directly into the Group Board. The committee ensures compliance with both outlined policy requirements and the Group's investment risk appetite. Additionally, the Head of Investments at Admiral collaborates closely with other sustainability-related functions and acts as the designated representative for responsible investing on the Sustainability Working Group and Climate Change Steering Group<sup>2</sup>.

**Asset manager selection:** We actively collaborate and engage with our asset managers to address ESG risks and opportunities. We conduct regular reviews and ensure all our asset managers are signatories to the UN Principles for Responsible Investments (UN PRI). In 2021, 100% of our assets continued to be managed by UN PRI signatories.

**Identifying ESG investment risks:** In 2021 we began applying an ESG scoring process across our listed asset classes to help systematically identify and manage ESG risks across our portfolio. We use external data provided by a third-party provider (MSCI ESG Research) to provide us with relevant investee ESG scores and their contribution to the United Nations Sustainable Development Goals. This data is integrated into the Group's wider investment decision-making process and ensures an appropriate level of ESG management. Per the Group's responsible investment policy, minimum average ESG scoring requirements are in place and we actively engage with asset managers where risks are identified. This process is overseen by Admiral's Head of Investments who acts as the dedicated ESG representative responsible for analysing ESG issues and monitoring investment policies.

<sup>1</sup> The responsible investment policy covers all assets under management.

<sup>2</sup> More detail on Admiral's sustainability governance process can be found in page 07 of this report.



### 3.1 Investing responsibly (SASB disclosure requirement) continued

**Engagement strategy:** All forms of company engagement are conducted by the Group's third party asset managers. We believe engagement from the asset managers is far more effective than direct engagement from Admiral. We actively encourage our asset managers to engage with companies that underperform against defined ESG requirements and ensure appropriate steps are in place to manage any emerging ESG risks. Stewardship is an important factor in manager selection and Admiral reviews stewardship and engagement reports and discusses the results with asset managers. In relation to climate laggards, Admiral has mandated its asset managers who run bespoke accounts to engage with high emitting firms who are not aligning themselves with the goals of the Paris Agreement.

**Exclusions:** Outlined in the Group's responsible investment policy is the commitment to exclude investments in: Energy firms deriving over 10% of annual revenue from coal, energy firms deriving over 10% of annual revenue from tar sands, all cluster munition producers.

**Aligning our portfolio with a below 2-degree world:** In 2021, the Group made a commitment to reach Net Zero across all emissions by 2040. This is a comprehensive target which includes the Group's scope 1 and 2 operational footprint, as well as the impact

of our scope 3 investments (all asset types are included). To ensure this is done correctly we are following the Net Zero Investment Framework that was laid out by the Paris Aligned Investment Initiatives (PAII). Whilst this process will likely evolve through time, we are committed to aligning ourselves with the latest climate science to minimise our carbon impact.

In 2021 our focus has been on refining and strengthening the portfolio's climate data set to enable better decision-making towards our net-zero commitments. To support our efforts, Admiral Group became a member of the Institutional Investors Group on Climate Change (IIGCC) in 2020. Together with other signatories, we are working to enable better investments in solutions that drive tangible progress towards a more resilient future

**Sustainability themed investments:** In 2020 we outlined our commitment to allocate a minimum amount of securities in our investment portfolio to those with a clear positive impact e.g. those which provide climate solutions or progress towards the UN Sustainable Development Goals. By the end of 2021, this included green bonds, loans backed by shared ownership housing, renewable energy infrastructure, and a range of corporate bonds which have revenues contributing positively to sustainability issues (as defined by the MSCI Sustainable Impact Revenue metric).





## 3.2 Responsible products



**The Group's principal underwriting policy mandates the delivery of fair customer outcomes across insurance operations and creates a framework under which individual group entities are expected to embed a customer centric approach at all levels. Products are expected to meet consumer needs, provide competitive prices, and maintain high retention rates.**



**Managing underwriting risks:** Coinsurance and quota share reinsurance arrangements are used extensively in the Group's business model to share the risks with third parties. In addition, excess of loss reinsurance arrangements help reduce the exposure to large single losses and catastrophic weather events. Experienced pricing, underwriting, and claims management teams are in place across the business and ensure that Admiral continues to maintain an industry leading underwriting track record. Data is core to our decision-making and forms a key pillar by which gaps in performance are quickly addressed and rectified. Looking ahead, we have also taken steps to monitor the impact arising from climate change risks<sup>1</sup>, covering both physical and transitional risks, as well as other emerging risks which may impact premium or catastrophe drivers.

Appropriate reporting channels are in place across each Group entity to ensure underwriting and pricing decisions are aligned to the Group's underwriting policy requirements and aligned with what is best for our customers. Regular reporting is in place to relevant local Boards and Committees, with processes that enable efficient escalation to Group Risk and Admiral Group Board where necessary.

### **Products which incentivise health and/or environmentally responsible action:**

Admiral provides several insurance solutions related to energy efficiency and low carbon technology as part of its core Motor book. These include insurance cover for both electric and hybrid vehicles, telematics insurance, flexible insurance under the Veygo brand, and more recently as part of our new Kooalys small fleet insurance venture in France. These enable our customers to embrace more flexible driving habits and reduce their footprint on the environment.

We have continued to evolve our electric vehicle (EV) proposition in order to give customers the assurance that if they choose to go electric, they will continue to find the right level of cover with us. The share of electric vehicles still forms a relatively small part of total motor product sales but it is rapidly growing. In 2021, our electric vehicle customer base in the UK grew by 150% year on year.

Telematics products involve fitting a small device into a customer's car which measures how well the customer drives and rewards safe drivers with discounted insurance at renewal.

This device records data on cornering, braking, journey lengths and time of driving. Admiral uses this data to create a personalised driving score for each customer, with those who drive safely being more likely to get a discount at renewal. Customers can access their personal dashboard to view their driving performance and receive regular tips to help them drive more safely and receive the best discount.

Through Admiral's UK Veygo brand, the Group offers temporary car insurance cover and learner driver insurance to UK-based customers. These products provide access to flexible and easy to use insurance solutions that works around customer's lifestyles. Veygo forms an important part of Admiral's test-and-learn strategy where new opportunities are constantly explored in response to wider societal changes in mobility trends. Temporary insurance solutions in particular could play an important role in the transition to the low carbon economy as customers choose to reduce their use of personal vehicles or move away from vehicle ownership completely.



## 3.3 Embedding environmental sustainability across our operations

**We strive to run our facility operations in an efficient and responsible manner, minimising our impact on the environment where possible and investing in low-carbon solutions to reduce our environmental footprint.**

### Our net zero commitments:

Admiral Group has formally committed to achieving net zero greenhouse gas emissions by 2040 at the latest, across all three scopes of emissions, and to cut these emissions in half by 2030. A commitment was also made to achieving net zero in directly controlled operational emissions by 2030. There is a high level of alignment between Admiral Group's announced targets and the ABI's climate change roadmap, published in July 2021: intermediate targets of a 50% reduction in emissions by 2030 are aligned, both cover all scopes of emissions, however Admiral is targeting net zero by 2040, ten years ahead of the ABI's roadmap.

In 2022 Admiral aims to complete verification of its scope 3 emissions, and then begin working to set Science-Based Targets, which will complement the Group's overall net zero ambitions.

### Carbon emissions:

During the reporting period January 2021 to December 2021, our measured Scope 1 and 2 emissions (location-based) totalled 4,516 tCO<sub>2</sub>e.

|  | FY2020 |               |       | FY2021 |               |       |
|--|--------|---------------|-------|--------|---------------|-------|
|  | UK     | Rest of world | Total | UK     | Rest of world | Total |
| Scope 1  |        |               | 1,121 | 1,285  | 192           | 1,477 |
| Scope 2 – location-based                       | 2,074  | 1,712         | 3,786 | 1,768  | 1,272         | 3,039 |
| Scope 2 – market-based                         | 0      | 1,798         | 1,798 | 25     | 1,332         | 1,357 |
| <b>Total Scope 1 &amp; 2 (Location-Based)</b>  | 2,074  | 1,712         | 4,907 | 3,053  | 1,463         | 4,516 |
| Total Scope 1 & 2 (Market-Based)               | 0      | 1,798         | 2,920 | 1,310  | 1,523         | 2,834 |
| Scope 1 & 2 intensity per FTE (Location-Based) | *      | *             | 0.4   | 0.4    | 0.4           | 0.4   |
| Scope 3  | *      | *             | 535   | 435    | 517           | 952   |

Overall, our Scope 1 and 2 emissions have decreased by 8% against last year. This was due to improved control in our Building Management Systems in our largest locations. We purchase 64% of our electricity from renewable sources, meaning our Scope 1 and 2 market-based emissions were 2,834 tCO<sub>2</sub>e, a decrease of 3% from last year.

The impact of Covid has resulted in working from home being adopted as the norm, with the office spaces being managed in alignment with statutory and regulatory compliance requirements. This has naturally resulted in a reduction of utility usage and driven a floor space reduction, which has further increased the energy or utility savings.

The building management within the UK sites of Newport, Cardiff and Swansea are controlled by Building Management System (BMS) which are actively monitored for performance optimisation and time schedule efficiency, and with the requirement to introduce greater amounts of fresh air into the buildings which is achieved via the BMS systems has resulted in a marginal increase in utility consumption.

During this period, we have taken the opportunity to engage with specialist consultants to review the building operation and explore decarbonisation measures such as the removal of natural gas in Cardiff and introduction of air source heat pumps.

Equipment and plant modernisation is also being planned for the next financial year and includes the upgrade of the BMS system in Cardiff and replacement of air-condition plant in Swansea.

We continue to engage our employees in energy efficiency campaigns and to explore the use of emerging technology, such as hydrogen boilers.

Our Scope 3 emissions account for business travel, waste and water<sup>1</sup>.

This year, we have expanded our reporting boundary to include Category 3: Fuel and Energy-Related Activities not included in Scope 1 or Scope 2 (FERA). Our measured Scope 3 emissions totalled 952 tCO<sub>2</sub>e. During the year, our total fuel and electricity consumption totalled 18,493 MWh, of which 72% was consumed in the UK. The split between fuel and electricity consumption is displayed below:

| Energy consumption (MWh) | FY2021 |               |        |
|--------------------------|--------|---------------|--------|
|                          | UK     | Rest of world | Total  |
| Electricity              | 8,325  | 4,606         | 12,931 |
| Fuels <sup>2</sup>       | 5,033  | 530           | 5,562  |

For further detail on the ways climate change will impact the Group now and in the future, please refer to [Admiral's 2021 TCFD report](#).

<sup>1</sup> Further detail on the methodology used is available in the Streamlined Energy and Carbon Reporting section of the [2021 Annual Report](#).

<sup>2</sup> Natural gas and transportation fuels (petrol and diesel).



## 3.4 Giving back to our communities

**As a large employer with offices across a number of countries, we firmly believe it is our responsibility to give back to the communities around us. In 2021 we have focused on exploring ways by which we can generate meaningful impact and reviewed the Group's approach to community engagement from a holistic perspective.**



The Community Chest scheme is a core pillar of our efforts to support local organisations and a means by which we make sure our staff have a say in where community funding is allocated.



**Financial support:** Across our UK operations, the Community Chest scheme is a core pillar of our efforts to support local communities and a means by which we make sure our colleagues have a say in where community funding is allocated. The scheme enables staff to submit community funding requests directly to the business and helps provide support for organisations close to their hearts. Since the fund was set up in 1998 by Admiral co-founder Henry Engelhardt, it has contributed to hundreds of different organisations each year. In 2021, the community chest scheme had a total budget of £130,000.

In addition to the community chest scheme, an Admiral Support Fund was set up in 2020 to provide community support to those most impacted by the pandemic. A combined £6 million was set aside and as at the end of 2021, over 350 organisations have received support from the fund. From this £6 million commitment, Admiral donated £2 million to the ABI Covid relief fund in 2020 and £1 million to UNICEF in April 2021 to help support our colleagues and local communities in India. Through the donation, UNICEF were able to deliver over 7,000 oxygen concentrators, more than 300 PCR testing machines, and distribute over 10 million items of personal protective equipment.

Of the remaining £3 million, an additional £1.8m went to supporting local UK organisations. This included a £350,000 super-donation in December 2021 to ten organisations across Wales.

One of the charities benefitting from the donation is Tŷ Hafan, a leading Welsh children's charity which provides comfort, care, and support to children with life-limiting conditions. The remaining £1.2m was allocated to our international operations. International community initiatives focused primarily around support for Covid protective equipment as well as organisations that are close to our colleagues in areas such as social injustice and natural disaster relief.

**Employee support:** One of the other ways our employees can give back is through Admiral's 'Give a Day' scheme. The scheme was launched in 2021 and exists to help our colleagues support local communities. As part of the scheme, each member of the Group's UK operations are allocated 2 paid days off annually to go out and help a local charity or other organisations of their choice.

**Employability & Education:** A focus of our community support initiatives in 2021 centred around enabling education, whilst supporting social mobility. In 2021, Admiral donated £120,000 in support of Oxford's Jesus College outreach programmes across Wales; support that will enable the University Access & Outreach team to develop new access activities, enhance existing programmes and reach more academically-gifted young people in Wales.



Social Mobility  
PLEDGE  
Social Mobility Pledge

IIGCC

The Institutional Investors  
Group on Climate Change

Institutional Investors  
Group on Climate Change

Business  
Disability  
Forum

Business Disability Forum



Fintech Pledge

The Cardiff  
Commitment  
Addewid Caerdydd

The Cardiff Commitment

Arts  
& Business  
Cymru

Arts and Business Cymru



## 4. Our Business

# Building successful businesses with operational resilience

**As a leading financial services provider we take careful steps to ground all our business practices with responsible management and effective decision-making.**



1 Great Place to Work survey result.



## 4.1 Shareholder engagement

### We regularly engage with the Group's shareholders to promote open and transparent dialogue.

Issues discussed generally relate to the Group's financial performance, product & service updates, and the long-term strategy of the Group. These engagements provide current and potential investors with insights into Admiral's strategy and are a means by which we receive feedback. The Investor Relations Team oversees engagement with the Group's shareholders and provides regular updates to the Group Board. The team also organises meetings between Board members and/or management and investors, including conferences, one to one management meetings, and annual Corporate Governance meetings with our Board Chair and investors. In 2021, all meetings were held online as the impact of the Covid pandemic continued to impact face-to-face communication. Despite this, the Group was able to continue its regular shareholder engagement.

# 14

**Investor conferences attended by management in 2021**

# 150+

**investor activities hosted by the Investor Relations team in 2021**





## 4.2 Strong relationships with our partners and suppliers



### The Group's strategic partners and suppliers comprise a mix of financial partners, reinsurance partners, IT hosting, distribution and claims management and claims services partners.

**Relationship with suppliers:** In 2021, we continued to embed sustainable practices across all our procurement engagements. Our approach is guided by the Group's Procurement and Outsourcing Policy, which provides the framework and policy guidelines for all procurement activity<sup>1</sup>. As part of these guidelines, employees who engage in procurement activity are required to maintain the highest standard of integrity at all times and to fully comply with laws and regulations. During any tender process, potential suppliers are asked to complete a due diligence questionnaire which focuses on areas such as financial crime, data protection, modern slavery, and environmental accreditation.

Suppliers are grouped into supplier types based on their strategic importance and risk profile. Where risks are identified, we actively engage to understand the cause and take appropriate action based on the response received. We maintain a zero-tolerance approach towards modern slavery and regularly risk assess suppliers within our supply chain to ensure modern slavery is not a feature.

Detailed information about the Group's approach to mitigate modern slavery risks can be found in our annual modern slavery statement on the Admiral website.

We've also taken steps to improve technology and automation solutions within our Group Procurement function to increase governance oversight and strengthen relationships with suppliers. Looking ahead, we are working to fully embed these procurement controls in 2022. This will help ensure we can continue to effectively assess our supply chain, engage with suppliers on the most important and relevant topics, and give appropriate consideration to any rising modern slavery and environmental risks in the future.

#### Co-insurance and reinsurance partners:

We consider our co-insurance and reinsurance contracts to be essential to the running of the Group's business. Particularly as a number of these arrangements include features that allow for reinsurers to recover losses incurred under certain scenarios considered remote by the Group Board. As such, we were pleased in the first half of 2021 to conclude negotiations with our largest reinsurer Munich Re to extend our risk sharing partnership in the UK car insurance business<sup>2</sup>. These renewed agreements form part of our commitment to mitigate any large claims losses by ensuring that a diverse range of financially secure reinsurance partners, including a long-term relationship with Munich Re, are in place.

<sup>1</sup> This excludes the placement of reinsurance (which is governed by the Reinsurance Policy).

<sup>2</sup> Further detail on the Group's co-insurance and reinsurance arrangements can be found in the [2021 Annual Report](#).



## 4.3 Data protection and cyber security

**Data privacy and protection:** Admiral's data protection policy outlines the Group's commitment and obligations regarding the processing of personal data. The policy applies to all Admiral Group users with access to personal data and data processing systems, and applies equally to permanent and temporary staff, contractors, partners, and suppliers.

In line with the General Data Protection Regulation (GDPR) we work to ensure the correct, lawful and transparent handling of personal data and ensure staff stay informed via regular compliance training. Privacy by design is fundamental within product and process design, and all developments are subject to robust Privacy Impact Assessments, and continued compliance is monitored through regular reviews and audit activities carried out by the Data Protection and Privacy Team and the Internal Audit function.

To ensure transparent customer engagement, we publish a privacy notice, which data subjects are presented with to read and agree to, prior to Admiral Group processing any personal data. Within that privacy notice, we explain instances where personal data may be shared with select third parties. Due diligence is conducted on suppliers before we engage in a relationship with them and this includes specific data protection due diligence processes. We consistently strive to ensure third-party contracts are robust and inclusive of data protection clauses.

**Information security:** Governance and managing risks and business resilience was flagged as the most important issue by both the business and external stakeholders in the Group's 2021 Materiality survey. As an organisation handling a large amount of customer and employee data, our stakeholders expect personal information to be treated with the utmost care and attention and we take this matter very seriously.

Admiral's Group information security aligns its practices to internationally recognised information security and cyber risk management frameworks and risks are managed in line with the Group Enterprise Risk Management Policy. Information security policies are in place to ensure that all employees understand their responsibilities and we provide all employees and contractors with regular training. In 2021, information security teams regularly engaged with staff to strengthen the Group's information security practices and build a resilient cyber risk culture in a new world of hybrid working. Information security risk assessments are carried out regularly by the Information Security Teams across the Group and the results are monitored, managed and reported via the appropriate governance channels, based upon the materiality of the risk.

For further insights into the principal risks and uncertainties Admiral has identified through its Enterprise Risk Management framework, the impact of those risks, and actions to mitigate them please refer to the Principal Risks section in the [2021 Annual Report](#).



## 5. 2021 SASB Disclosure

# Admiral's 2021 SASB disclosure.

**Admiral is a leading provider of personal lines insurance products in the UK, including motor, household, and travel insurance.**

The Group also has insurance operations in Spain, France, Italy, and the US, whilst Admiral Financial Services offers personal loans and car finance products<sup>1</sup>. The Group provides comprehensive disclosure on its approach to value creation annually across both the Annual Report and Sustainability Report, as well as providing supplementary information on the [corporate website](#). The disclosure below is based on the Sustainability Accounting Standards Board (SASB) insurance industry standard and forms part of our efforts to provide stakeholders with financially material information.

<sup>1</sup> As insurance is the largest and most material part of Admiral Group, this report focuses on Admiral's insurance operations.





## 5 2021 SASB Disclosure continued

| Accounting Metric  | Code                | Response / Reference  |
|--|---------------------|---|
| <b>Transparent Information &amp; Fair advice for customers</b>   |                     |   |
| Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers | <b>FN-IN-270a.1</b> | There were no legal proceedings and/or losses, associated with the marketing and communication of insurance product-related information to new and returning customers across the Group in 2021 <sup>1</sup> .  |
| Complaints-to-claims ratio   | <b>FN-IN-270a.2</b> | <p>We do not currently disclose the ratio of complaints per 1,000 claims.</p> <p>In accordance with UK regulatory requirements, within our UK Motor operations, the Group's largest and most material business, Admiral monitors the number of claim related complaints per 1,000 policies in force.</p> <ul style="list-style-type: none"> <li>• H2 2021 claim related complaints per 1,000 policies in force: 1.46</li> <li>• H2 2020 claim related complaints per 1,000 policies in force: 1.10<sup>2</sup></li> <li>• H2 2019 claim related complaints per 1,000 policies in force: 1.65</li> </ul>   |
| Customer retention rate  | <b>FN-IN-270a.3</b> | <p>Group-level customer retention average<sup>3</sup>:</p> <ul style="list-style-type: none"> <li>• 2021: 76.7%</li> <li>• 2020: 75.5%</li> </ul>   |
| Description of approach to informing customers about products  | <b>FN-IN-270a.4</b> | <p>A summary of the Group's core business areas and products can be found in the company overview section of the <a href="#">2021 Annual Report and Accounts</a>.</p> <p>An overview of our approach to informing customers about our products is detailed in section 1.1 of the 2021 Sustainability Report.</p> <p>Across all operations, Admiral communicates with current and prospective customers through a range of different channels, including telephone, product websites, the Admiral app, emails, and social media.</p> <ul style="list-style-type: none"> <li>• Below are the webpages for each of our insurance business operations:</li> <li>• <a href="#">Admiral – UK</a></li> <li>• <a href="#">Conte – Italy</a></li> <li>• <a href="#">Admiral Seguros – Spain</a></li> <li>• <a href="#">L'olivier – France</a></li> <li>• <a href="#">Elephant – USA</a></li> </ul> |

1 On an operational level, some departments may have paid out goodwill gestures or other methods of compensation following complaints that fit the categories under section 1.1 of the guidance for accounting metric FN-IN-270a.1; however, the overall cost of such gestures is considered immaterial.

2 Figure impacted by the material reduction in claims frequency due to Covid.

3 This includes UK car, van, travel, and home insurance customers and motor insurance customers across France, Spain, Italy, and the US.



## 5 2021 SASB Disclosure continued

| Accounting Metric   | Code                | Response / Reference  |
|---|---------------------|---|
| <b>Incorporation of Environmental, Social, and Governance Factors in Investment Management</b>  |                     |   |
| Total invested assets by industry and asset class   | <b>FN-IN-410a.1</b> | Please refer to the financial statements section of the <a href="#">Group's 2021 Annual Report and Accounts</a> for an overview of total invested assets by industry and asset class.   |
| Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies | <b>FN-IN-410a.2</b> | The Group's approach to incorporating Environmental, Social, and Governance (ESG) factors in investment management processes and strategies can be found in <a href="#">Admiral's 2021 TCFD report</a> and in section 3.1 of the 2021 Sustainability Report.  |
| <b>Policies Designed to Incentivise Responsible Behaviour</b>   |                     |   |
| Net premiums written related to energy efficiency and low carbon technology   | <b>FN-IN-410b.1</b> | We do not disclose a separate identification of premiums related to energy efficiency and low carbon technology.  |
| Discussion of products and/or product features that incentivise health, safety, and/or environmentally responsible actions and/or behaviours      | <b>FN-IN-410b.2</b> | An overview of the Group's products and/or products features that incentivise health, safety, and/or environmentally responsible actions and/or behaviours can be found in section 3.2 of the 2021 Sustainability Report and in the <a href="#">Group's 2021 TCFD Report</a> .  |
| <b>Environmental Risk Exposure</b>  |                     |   |
| Probable Maximum Loss (PML) of insured products from weather related natural catastrophes   | <b>FN-IN-450a.1</b> | <p>Admiral utilises various methods and evaluations to make underwriting and reinsurance decisions that manage the Group's exposure to catastrophic events. Across the Group's insurance book, the main weather-related risks exist in relation to Admiral's UK Household book, as well as the US Motor book.</p> <p>Admiral's Household excess of loss<sup>1</sup> reinsurance provides catastrophe cover with a limit that is considerably higher than the estimated 1-in-200 loss<sup>2</sup>. As of January 2022, this was estimated to be £400 million from floods and storms for the UK Household Insurance business. Admiral's excess of loss deductible<sup>3</sup> is £40 million, and the 70% quota share leads to a net event loss of £12 million.</p> <p>In relation to Admiral's UK Motor Insurance business, the 1-in-200 estimated possible loss as of December 2021 was £100-130 million<sup>4</sup>. Admiral currently has £80 million of cover from the Motor excess of loss reinsurance and a further £5 million from the Household excess of loss reinsurance. Therefore, after the £12 million deductible, Admiral is covered up to a £97 million single event.</p> <p>In relation to the US Motor Insurance business, the 1-in-200 estimated possible loss as of August 2021 was \$15-18 million<sup>4</sup>. The US business has \$17.5 million of cover from the Motor excess of loss reinsurance. Therefore, after the \$2.5 million deductible, the US business is covered up to a \$20 million single event.</p> |

1 'Excess of loss' is a term describing reinsurance which indemnifies the reinsured against the amount of loss in excess of the specified loss retention but subject to a specified limit.

2 A '1-in-200 loss' is an estimate of an extreme stress to the business, equivalent to 0.5% probability of occurring or at the 99.5th percentile. This level is the most commonly used level in the Solvency II framework.

3 'Deductible' represents the amount incurred before reinsurance recoveries take place.

4 This is after applying vehicle deductibles and depreciation. The exact figure is dependent on the external model used to generate the figure.



## 5 2021 SASB Disclosure continued

| Accounting Metric   | Code                    | Response / Reference  |                                    |  |  |  |        |        |          |              |                   |                         |                       |                       |      |                 |                     |                     |      |                 |                     |                     |      |                 |                     |                     |
|---|-------------------------|---|------------------------------------|--|--|--|--------|--------|----------|--------------|-------------------|-------------------------|-----------------------|-----------------------|------|-----------------|---------------------|---------------------|------|-----------------|---------------------|---------------------|------|-----------------|---------------------|---------------------|
| <b>Environmental Risk Exposure</b> continued  |                         |   |                                    |  |  |  |        |        |          |              |                   |                         |                       |                       |      |                 |                     |                     |      |                 |                     |                     |      |                 |                     |                     |
| Total amount of monetary losses attributable to insurance payouts from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)  | <b>FN-IN-450a.2</b>     | <p>Admiral Group does not separately identify losses by modelled and non-modelled catastrophes. However, the table below provides some details on the weather-related losses following natural catastrophes in relation to the UK Household book, which represents the main weather-related risk from across the Group's operations. The table covers property catastrophe losses above £500,000 across 2018-2021.</p> <p><b>Property catastrophe losses above £0.5m FGU (net of reinsurance)</b></p> <table border="1"> <thead> <tr> <th colspan="4">01 January 2018 – 31 December 2021</th> </tr> <tr> <th>Period</th> <th>Perils</th> <th>Paid (£)</th> <th>Incurred (£)</th> </tr> </thead> <tbody> <tr> <td>2018<sup>1</sup></td> <td>Freeze, Flood and Storm</td> <td>13,000,000–13,500,000</td> <td>13,000,000–13,500,000</td> </tr> <tr> <td>2019</td> <td>Flood and Storm</td> <td>1,250,000–1,750,000</td> <td>1,250,000–1,750,000</td> </tr> <tr> <td>2020</td> <td>Flood and Storm</td> <td>6,250,000–6,750,000</td> <td>6,250,000–6,750,000</td> </tr> <tr> <td>2021</td> <td>Flood and Storm</td> <td>2,750,000–3,250,000</td> <td>7,000,000–7,500,000</td> </tr> </tbody> </table> | 01 January 2018 – 31 December 2021 |  |  |  | Period | Perils | Paid (£) | Incurred (£) | 2018 <sup>1</sup> | Freeze, Flood and Storm | 13,000,000–13,500,000 | 13,000,000–13,500,000 | 2019 | Flood and Storm | 1,250,000–1,750,000 | 1,250,000–1,750,000 | 2020 | Flood and Storm | 6,250,000–6,750,000 | 6,250,000–6,750,000 | 2021 | Flood and Storm | 2,750,000–3,250,000 | 7,000,000–7,500,000 |
| 01 January 2018 – 31 December 2021  |                         |   |                                    |  |  |  |        |        |          |              |                   |                         |                       |                       |      |                 |                     |                     |      |                 |                     |                     |      |                 |                     |                     |
| Period  | Perils                  | Paid (£)  | Incurred (£)                       |  |  |  |        |        |          |              |                   |                         |                       |                       |      |                 |                     |                     |      |                 |                     |                     |      |                 |                     |                     |
| 2018 <sup>1</sup>   | Freeze, Flood and Storm | 13,000,000–13,500,000   | 13,000,000–13,500,000              |  |  |  |        |        |          |              |                   |                         |                       |                       |      |                 |                     |                     |      |                 |                     |                     |      |                 |                     |                     |
| 2019  | Flood and Storm         | 1,250,000–1,750,000   | 1,250,000–1,750,000                |  |  |  |        |        |          |              |                   |                         |                       |                       |      |                 |                     |                     |      |                 |                     |                     |      |                 |                     |                     |
| 2020  | Flood and Storm         | 6,250,000–6,750,000   | 6,250,000–6,750,000                |  |  |  |        |        |          |              |                   |                         |                       |                       |      |                 |                     |                     |      |                 |                     |                     |      |                 |                     |                     |
| 2021  | Flood and Storm         | 2,750,000–3,250,000   | 7,000,000–7,500,000                |  |  |  |        |        |          |              |                   |                         |                       |                       |      |                 |                     |                     |      |                 |                     |                     |      |                 |                     |                     |
| Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy  | <b>FN-IN-450a.3</b>     | Please refer to the <a href="#">Group's 2021 TCFD Report</a> for details on our approach to incorporating environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy.   |                                    |  |  |  |        |        |          |              |                   |                         |                       |                       |      |                 |                     |                     |      |                 |                     |                     |      |                 |                     |                     |
| <b>Systemic Risk Management</b>   |                         |   |                                    |  |  |  |        |        |          |              |                   |                         |                       |                       |      |                 |                     |                     |      |                 |                     |                     |      |                 |                     |                     |
| Exposure to derivative instruments by category: (1) total potential exposure to non-centrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives | <b>FN-IN-550a.1</b>     | Admiral Group's total exposure to derivative instruments totals £3.0m million. This exposure is related to Admiral Financial Services Limited (c.£3.0m). The derivatives linked to the Group's financial investments were in a small asset position as at 31 December 2021 (c.£2.2 million). All these derivatives are non-centrally cleared derivatives.   |                                    |  |  |  |        |        |          |              |                   |                         |                       |                       |      |                 |                     |                     |      |                 |                     |                     |      |                 |                     |                     |
| Total fair value of securities lending collateral assets  | <b>FN-IN-550a.2</b>     | Not applicable.   |                                    |  |  |  |        |        |          |              |                   |                         |                       |                       |      |                 |                     |                     |      |                 |                     |                     |      |                 |                     |                     |
| Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities  | <b>FN-IN-550a.3</b>     | Not applicable.   |                                    |  |  |  |        |        |          |              |                   |                         |                       |                       |      |                 |                     |                     |      |                 |                     |                     |      |                 |                     |                     |
| <b>Activity Metric</b>  |                         |   |                                    |  |  |  |        |        |          |              |                   |                         |                       |                       |      |                 |                     |                     |      |                 |                     |                     |      |                 |                     |                     |
| Number of policies in force, by segment   | <b>FN-IN-000.A</b>      | Please refer to strategic section of the <a href="#">Group's 2021 Annual Reports and Accounts</a> for details on the Group's customer figures.  |                                    |  |  |  |        |        |          |              |                   |                         |                       |                       |      |                 |                     |                     |      |                 |                     |                     |      |                 |                     |                     |

1 The amount in 2018 includes payments following the 'Beast from the East', which remains the biggest weather event the Group has faced since launching the UK Household insurance business in 2012.

All data is at 31 December 2021.



