



Admiral Group Corporate Social Responsibility Report

March 2018



An introduction from David Stevens, CSR Board Representative

In 26 years, we have gone from 1 brand with 57 employees and 0 customers, to a truly global business, employing over 10,000 people in 9 countries, and with a global customer-base of over 6 million.

As insurers, we aim to provide people with peace of mind and protection from the risk of adverse consequences of events such as car accidents or damage to their homes. Our “test and learn” approach to business has proved time and time again to yield strong results, which can be seen in our growth, at home and abroad – as well as in our positive customer reviews.

We understand, however, that this growth brings with it a need to be more conscious of our impacts, both positive and negative, on our customers, our people, our communities, and our environment.

These – our stakeholders – are fundamental to our business, without which, we simply could not operate.

We reach out to our Customers in a variety of different ways and value any feedback we get.

Without our customers, we wouldn't have a business, so the faster we can react to their needs, the better we perform - something that underpins our “test and learn” philosophy.

As such, we try to engage each of them to ensure that we are meeting their expectations of us.

We have channels for them to give us their opinions and views and, good or bad, this feedback allows us to reflect on what we do and improve the service we provide.



When it comes to our commitment to our People, I think 2018 speaks for itself: the Group came 20th in the annual Great Place to Work awards, as well as the 4th Best Workplace for Women in the UK in the same survey; adding yet another fantastic accolade to our growing list of awards and further underpinning our commitment to diversity. On top of this we took third place in the Sunday Times Best Companies to Work For awards – the Group has featured every year since the award’s inception, and 2018 was the eighth consecutive year for us to feature in the top ten!

As for our Community, this year saw us radically change our approach to local sponsorship, opting instead to donate £400,000 pounds to four South Wales-based charities over the next two years, as chosen by our staff. We feel that their involvement at all levels encourages a greater level of emotional investment, which in turn sees greater commitment and dedication to these charities.

With regards to our Environment, 2018 was an interesting year in terms of both climate and weather, with the UK experiencing a fiercely cold winter followed by an unusually hot and dry summer, both of which had an impact on our claims cost.

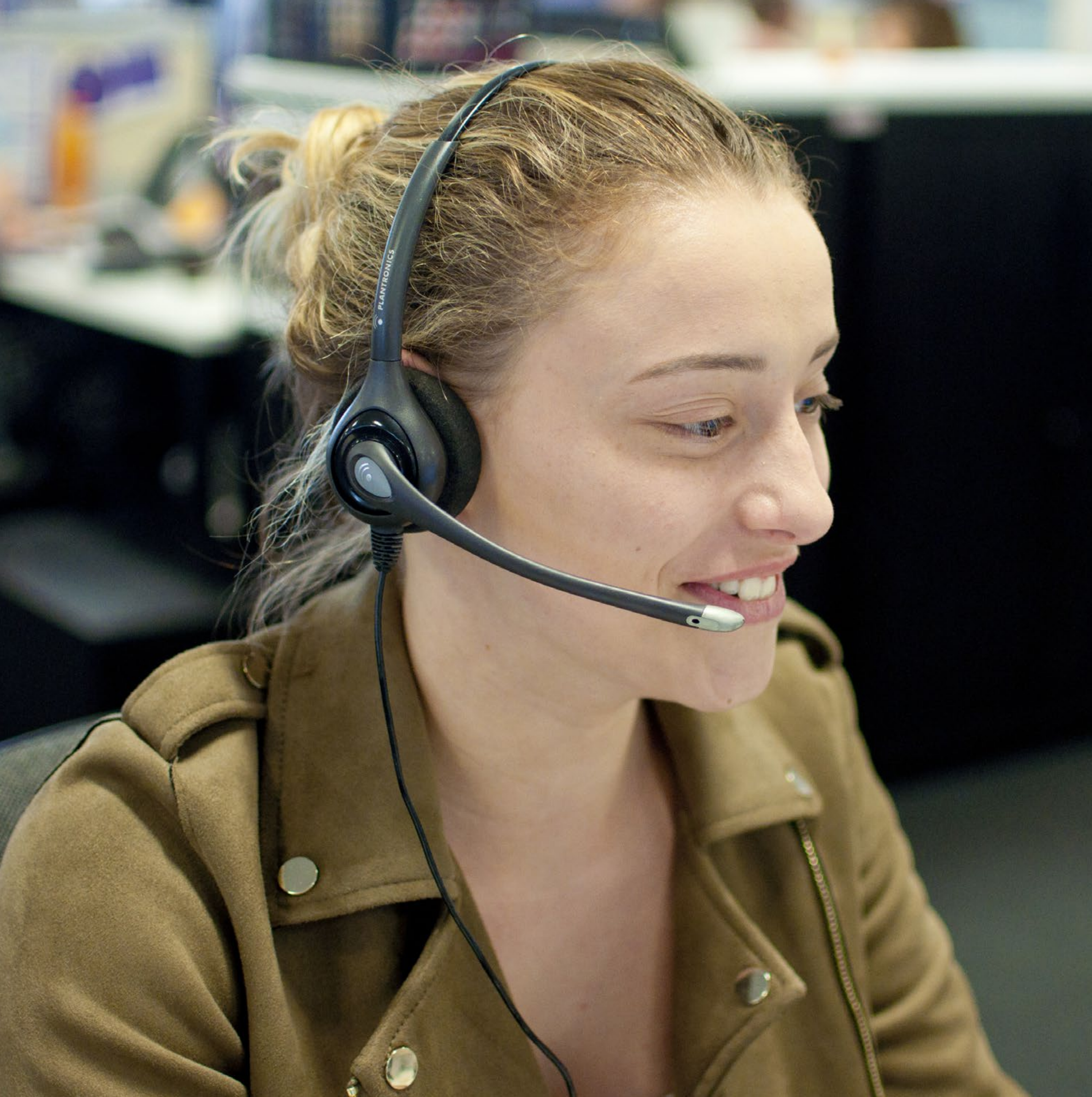
Similar wild weather was felt around the world throughout the year, highlighting the growing need for responsible, environmental efforts.

With another year well under way, I’m confident that we will continue to build on our previous successes and make 2019 another triumph.

David Stevens

Chief Executive Officer

06 March 2019



Our approach

Admiral is always looking for ways to develop and improve as a business, and when it comes to being a responsible business, things are no different.

It is our aim to adopt a fair and responsible approach to CSR with a positive impact on our stakeholders and the wider community: this has always been an integral part of how we do things at Admiral.

From procurement and supply chain management, to diversity, fair pay, and inclusion, we have considered key elements, identifying the areas that have the most impact on our stakeholders and the highest level of materiality. This allows us to take action and report effectively on the topics that matter most.

In an unpredictable world, we have to confront difficulties and challenges, but in so doing we are able to learn and develop, preparing us for the next change around the corner. In compiling this report, we have taken a holistic approach to how we set and achieve our CSR goals.

Our culture is fundamental to our business success, and is built upon 4 pillars: 1 - Communication, 2 - Equality, 3 - Reward and Recognition, and 4 - Fun.



“People that like what they do, do it better”

Admiral has always been about people; from day one we have always made sure that our people are happy coming to work each morning, wherever they are and whatever their role.

Often quoted, we believe that ‘people who like what they do, do it better’ and, by putting our people right at the centre of what we do, aim to create a positive, productive and fun work environment.

We’re always open to hear what our staff think and have multiple opportunities to engage internally, which has over the years crafted an important element of how we operate as a company.

We invest a lot of time in surveying how our staff feel about their work and consult them whenever we make changes. We’re always open to hear what our staff think and have multiple opportunities to engage internally, which has over the years crafted an important element of how we operate as a company.

We are always looking for ways to improve our staff experience, from the very start of the recruitment process, through what we hope and often are, long and varied careers at Admiral.

Central to this are our four pillars: Communication, Equality, Reward and Recognition, and Fun. These four components form our unique culture, making us who we are.

Throughout the report, we’ll take a closer look at each of these and how they shape our working environment.

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The four pillars

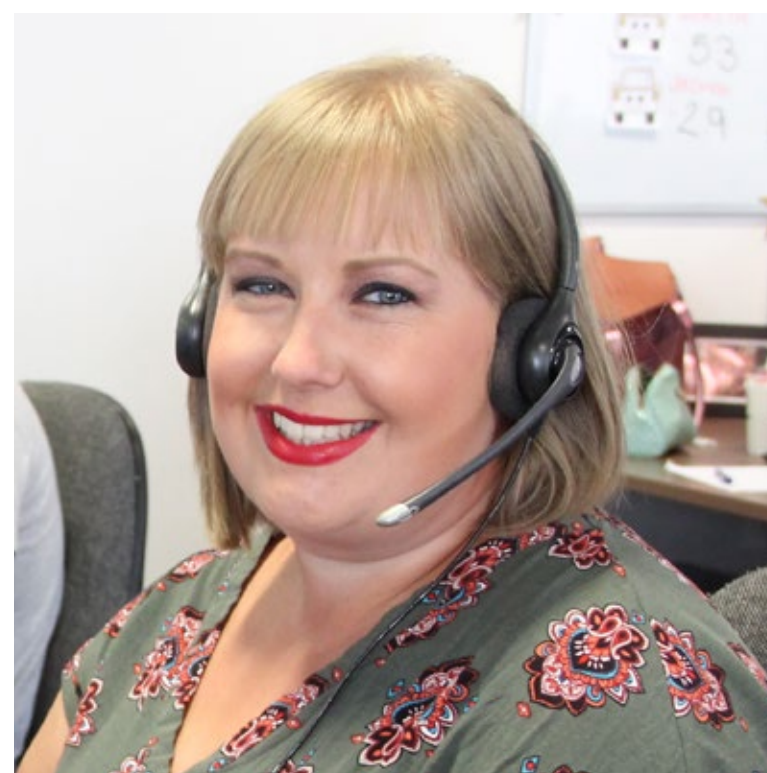
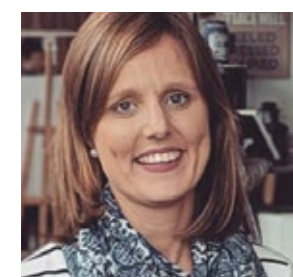
Communication, Equality, Reward and Recognition, and Fun. These four components form our unique culture, making us who we are.

Let's take a closer look at each of these and how they shape our working environment.



Communication

Effective communication is fundamental to us, and we pride ourselves on the many ways in which information is shared throughout the business.



We believe strongly in two-way communication, at all levels. To encourage this, we have an open door policy at Admiral. All managers, including all senior managers, do not have offices and prefer to sit open-plan in their departments.

We make sure that everyone knows what's going on with the business because our people want to be involved. Our staff portal, Atlas, is updated daily with all the news from around the business, whether we've won an award or changed a procedure – our staff will know about it!

Furthermore, David, our Group Chief Executive Officer (CEO) also has an 'open door' policy, and if any member of our staff wants to ask him a question, they can email him directly through our 'Ask David' intranet initiative.

Our senior managers and Directors also participate in regular online chats with staff. This year we have held several online group chats with David Stevens our Group CEO, Geraint Jones our Chief Financial Officer (CFO) and many of the senior management team. Having these company-wide online chats every quarter, allows staff to engage with senior management on a variety of topics including the way we do things, Group results, future strategy or even which team will win in the World Cup.

In addition, we make use of a broad variety of communication tools to inform and involve our staff in understanding our business goals and objectives including internal newsletters, videos, team briefings, suggestion schemes, staff forums and the annual Staff General Meeting (SGM).

In the 2018 annual staff survey, 84% of staff were happy with the amount of information they receive about the company (2017: 83%).

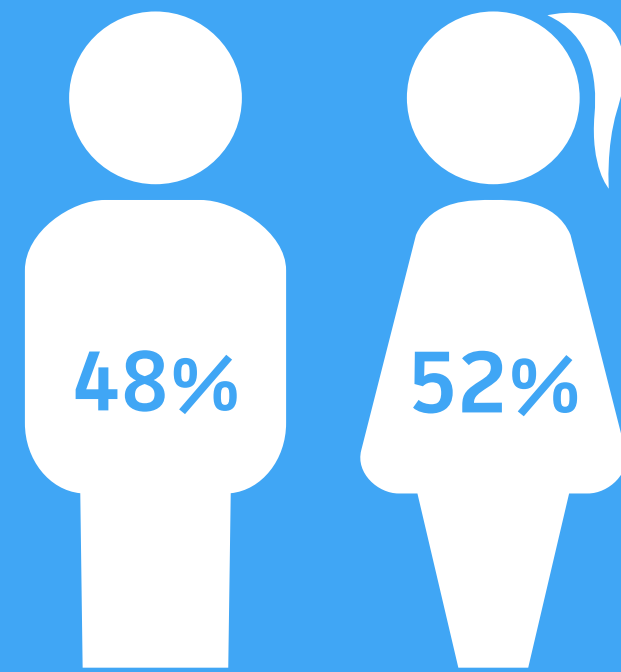
All members of staff receive a formal annual performance review from their immediate manager, often these will take place over a coffee or a meal. These reviews are designed to reflect upon performance in the previous year, integrate rounded and informed development feedback, and set objectives for the year ahead.

The appraisal is a two-way process in which staff members can question their manager. 360-degree evaluations are also used across the company for managers. This is at the heart of our belief that managers are here to support their employees.

Gender split

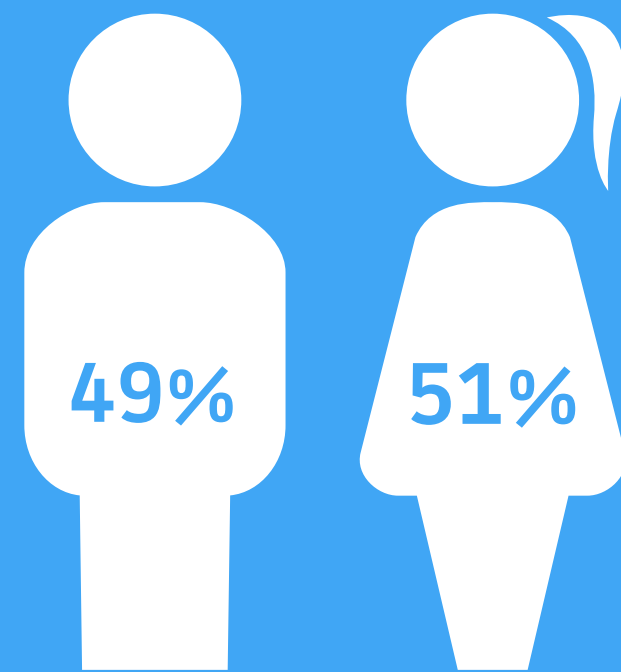
United Kingdom

Total headcount 7,385



Rest of the world

Total headcount 3,461¹



¹Headcount figures for Con.TE and EUIGS are 2017 figures

Equality

We work hard to make our staff feel comfortable and secure in the workplace, reduce gender bias in the wording of job postings, and always look for new ways to improve our selection process.

At Admiral, we're fully committed to breaking down gender barriers to provide genuinely equal opportunities for all roles across the Group.

We work hard to make our staff feel comfortable and secure in the workplace, reduce gender bias when recruiting, and always look for new ways to improve representation across our sites and roles.

The figures to the left break down the general sex distribution between the UK and the wider Group.

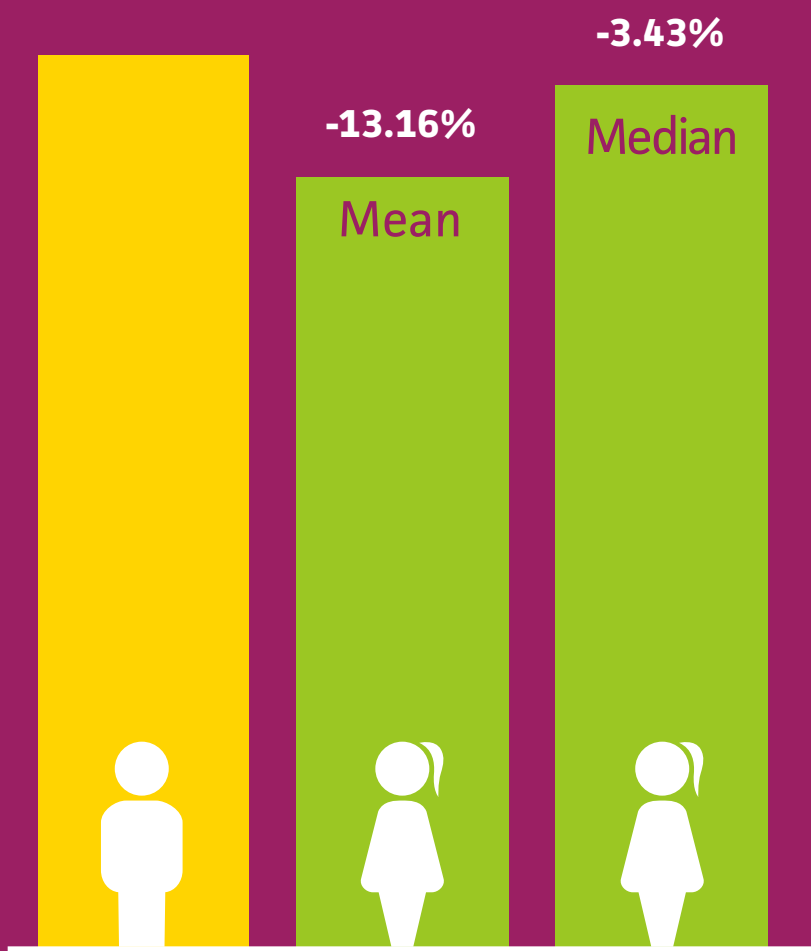
For more information on Board gender distribution and remuneration, please see the Admiral 2018 Annual Report.

We recognise, of course, that there's room for improvement, but are pleased that by having an approach to equality that offers equal opportunities and rigorous self-evaluation rather than by setting arbitrary quotas, we are laying the foundations for sustainable, long-term balanced development.

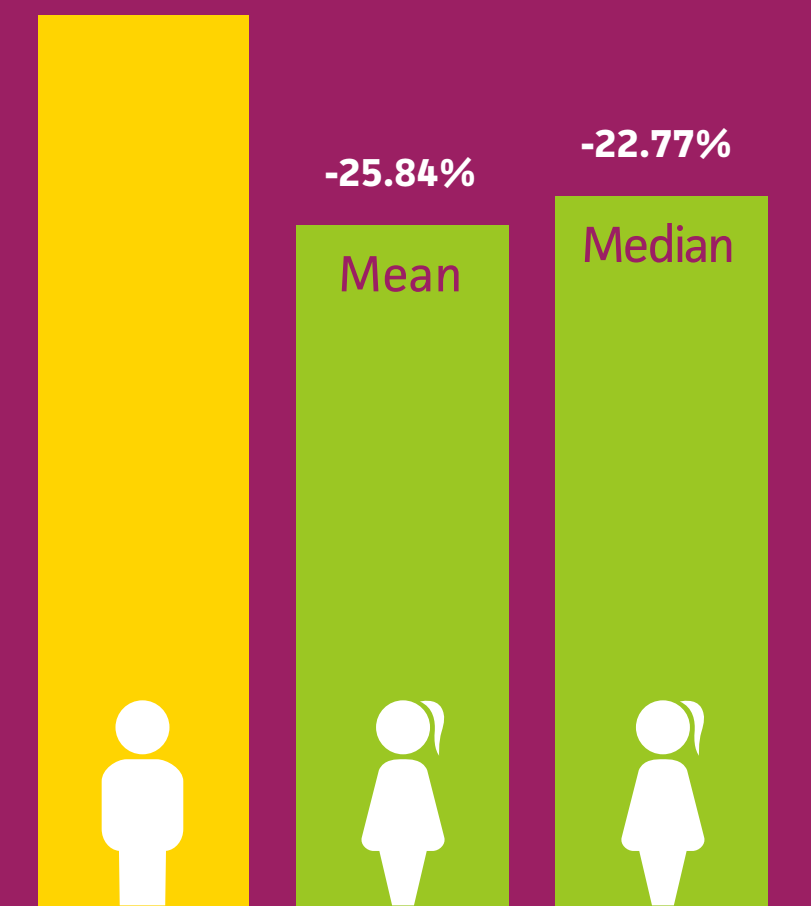
We have set up a diversity working group to look at a variety of diversity issues around gender, age, LGBT, disability, and ethnicity, to ensure we continue to be a workplace which encourages diversity, and also to see what else we could be doing.

We are also talking to the Equalities Commission and Welsh Government to use their expertise, and to see what other companies are doing.

Hourly Rate Gender Pay Gap



Bonus Gender Pay Gap



Gender Pay Gap	2017 Reported Figures	2017 Revised Figures	2018
Women's Hourly Rate lower (mean)	13.30%	13.64%	12.88%
Women's Hourly Rate lower (median)	5.10%	3.89%	3.60%

Pay Quartiles (M/F)	2017 Reported Figures	2017 Revised Figures	2018
Top Quartile Split %	61/39	60/40	61/39
Upper Middle Split %	49/51	49/51	48/52
Lower Middle Split %	46/54	47/53	44/56
Lower Quartile Split %	49/51	48/52	47/53
Women's Bonus Pay lower (mean)	35%	28.84%	28.08%
Women's Bonus Pay lower (median)	32.90%	25.47%	24.93%
Men Receiving Bonus Pay	91.50%	92.84%	89.46%
Women Receiving Bonus Pay	87.90%	89.93%	87.71%

Gender Pay Gap

While our gender pay gap is materially lower than the UK average (2018: 17.9% for all employees, ONS) and the industry average for the financial services industry, we are committed to reducing it further by ensuring everyone gets equal opportunities and fair compensation for the work they do.

The main reason for the gender pay gap is related to the balance of men and women at differing seniority levels in the business. In the upper quartile there is a higher proportion of men, which reflects the split of senior managers in the group (29% female).

After an internal audit of the figures we have changed the way we treat one element within the figures from last year to fully reflect the ACAS guidance. It relates to the employees' pension contributions made under salary sacrifice, we have been advised that the employees' gross salary after the reduction should be used, where this wasn't used in the previous year.

Great Place to Work Awards – diversity-specific questions	Total
People here are treated fairly regardless of their sexual orientation.	97%
People here are treated fairly regardless of their race or ethnic origin.	96%
People here are treated fairly regardless of their disability.	96%
People here are treated fairly regardless of their sex.	94%
People here are treated fairly regardless of their age.	91%



Recruitment

Throughout the year we have seen a huge number of applications for posts in all of our departments in all our sites, right around the globe. In general, the Group has a minimal level of staff turnover yet continues to grow is hence seeing a steady increase in staff numbers.

Case Study – Outbound

One of the departments that consistently scores the highest morale in its staff surveys in Admiral, is our Cardiff Outbound Sales department. This is in no small part due to the way Cardiff Outbound Operations manager, Gurmeet Singh runs his department and in particular how he speaks to his managers and front-line staff.

Giving an insight into the culture in his department, Gurmeet said:

“Outbound is not precious about holding onto staff. Admiral is a big company and if our staff are not succeeding in their roles, we encourage them to look at other departments where they may be

better suited. This has proved very successful in a number of cases. One person gave their team manager a box of chocolates as a thank you for her three years in the Outbound department. She was moving on to a job in our Customer Accounts team but thanked us for a lot of personal growth and development throughout her time with us. She was an average performer in Outbound and was moving on to a job that was better suited to her skills. She had learnt the importance of putting the customer first in her role within Outbound and she was able to take that skill and experience to her new role in Accounts. That’s a win for my team and we believe this massively contributes to Admiral’s success.

I’m so proud that my department consistently has the highest attendance rate amongst our call centres. This is because we make coming to work about the team - we take inspiration from retired Irish rugby player Paul O’Connell who said, “let’s be the best at all things that require no talent”. So, when my staff don’t feel like coming in because they know there won’t be many opportunities for a sale today, or they feel down, or they just don’t fancy it; they get up and come into work anyway because they know that everyone’s in this together.

They know that success is all about putting in the effort, especially when you don’t feel like it.”

Operational Roles

15,279
Applications

9,580
Phone Interviews

4,432
Meet & Greets

1,549
Hires

Combined figures²

27,634
Applications

1,993
Hires

Support Roles

12,355
Applications

2,697
Interviews

444
Hires

Recruitment 2018

The diagrams shows how our UK offices have fared in terms of recruitment in 2018, giving us a snapshot of how the Group has grown over the past 12 months, and highlighting the importance of efficient recruitment department.

As can be seen clearly in the diagrams, a large amount of time and effort goes into the recruitment process to find the best candidate for the job;

even before one considers advertising available positions and headhunting, and onboarding, narrowing down overall applications right to the final hiring stage. Our skilled recruiters have keen eyes for spotting talent, finding alternative or more suitable roles for high-calibre candidates who aren't successful in their original application.

Case Study

Bodily Injury Claims

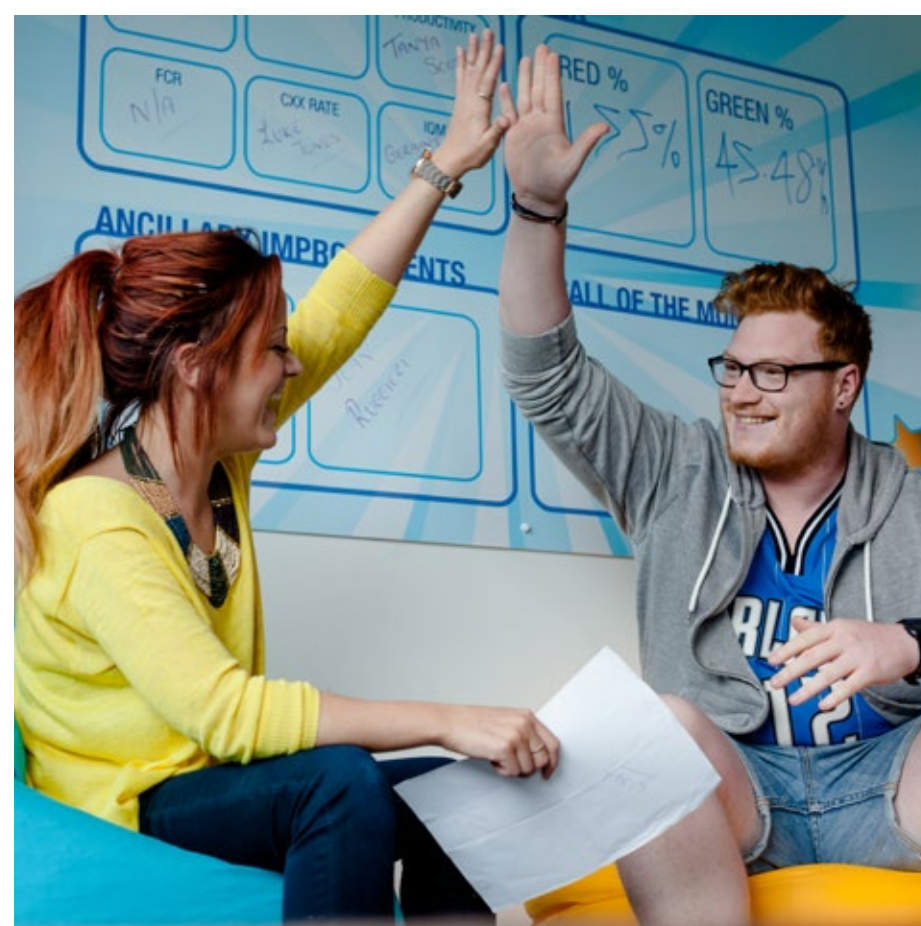
In the complex and busy world of Bodily Injury Claims (BI), there is a constant demand for highly-skilled individuals with analytical minds and an aptitude for acquiring new skills and areas of expertise.

If we recognise this potential in talented applicants who would be more suited to a career in BI rather than where they had originally applied, they'll be advised by our

recruitment team on the most suitable career choice. Of course, if they wish to pursue their original application, we'll support their decision either way.

And it's not just BI, if a candidate's particular skillset is desirable but ultimately would be more useful in another role, we'll make our case and help them decide on how to proceed with their application.

² Figures for UK offices only



We aim to keep our application process as smooth as possible and will try our best to accommodate every candidate's needs and requirements.

With our contact centre roles, we offer candidates the opportunity to visit our premises and spend time shadowing current staff in an active role.

We feel that by exposing potential recruits to an authentic work environment they know what to expect and are able to make a truly informed decision over their future career with us.

Case Study Cellan

We don't see disability as a barrier to work – far from it. If someone has the motivation and skills to work, then we will make the necessary provisions to welcome them to the business. This includes accessible meeting rooms, and even some things that appear as banal as differently coloured paper for recruitment documents and special-designed fonts for our dyslexic applicants.

“Back in 2018, we received an email from a gentleman called Steve who was enquiring about the possibility of work experience for his son Cellan, who is autistic.

Steve advised his son has a natural flare for Mathematics and would relish the opportunity of doing some work experience in Admiral.

Having met up with Steve and Cellan at Ty Admiral over a coffee and informal chat, it became apparent that Cellan would be a great addition to the Admiral Group. As a result of this meeting, we shared Cellan's CV within our Data Departments and set up a meeting with him and various managers. Consequently, it was agreed that Cellan would conduct a four-week paid work placement in one of our Data teams. On completion of said work experience, the managers were enormously impressed with his work ethic, personality and ability. We then made the decision to extend his experience and offer him a 6-month contract within our MI Department.

Throughout the 7 months, Cellan has received a huge amount of training, support and guidance and as has now been offered a permanent contract as a Data Analyst in our IT Department.”



Reward and recognition

Without the hard work and dedication of our staff, we wouldn't be where we are today.

Reward and Recognition is one of our Four Pillars, and something we take to heart. We make sure that we give credit where it's due, be it with a departmental awards ceremony, the award of additional shares, or even just a simple 'thank you'.

Fundamental to both Reward and Recognition and Equality, is our performance-related pay structure and share ownership scheme. We like to reward and recognise our people for both their own personal achievement and the overall performance of the Group.

All employees are rewarded for the overall success of the Group through our approved Free Share Incentive Plan (SIP), a key feature of employee remuneration.

As of 31st December, 2018, an employee who joined us on 1st January, 2005 would have received a total of 3,698 shares, of which 3,156 would now have matured and 2,723 which could be sold free of income tax and national insurance.

If none of the matured shares had been sold, these shares would be worth £75,513.16 (based on the share price of £20.47 on 31 December 2018).

In addition to our SIP, we also operate an unapproved Discretionary Free Share Scheme (DFSS) to reward managers and 'star performers' – employees who have excelled in their role, regardless of business location or level of seniority.

Further details of our salary structure and our share schemes are available in the Directors' Remuneration Report of our 2018 Annual Report.

Our Board firmly believes that share ownership motivates employees, decreases attrition and makes it easier to recruit successfully.



According to our annual Staff Survey, 80% of our people are more likely to stay with us because of our staff share schemes (2017: 80%).

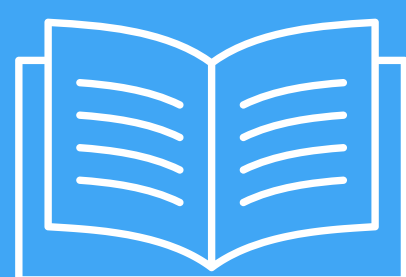
Admiral Academy 2018



Online courses completed
253,241



Classroom sessions delivered
698



Cost of 3,416 books purchased via Buy a Book
£64,817

Training and development

Something we're particularly proud of here is the Admiral Academy, our own in-house training and development team.

Admiral Academy is responsible for a huge number of different training courses, and in just as many diverse and varied areas of the business as can be imagined, the Academy is the driving force behind internal development, helping our staff discover and attain their full potential.

Not only does the Academy design, create, and run tailor-made courses and workshops across the business, but it is also an approved Institute of Leadership and Management (ILM) Centre, which provides nationally recognised management qualifications to employees.

The programme Admiral Academy has developed with the ILM means that from the outset of their career with Admiral, staff can pursue a professional qualification that complements their professional development. It also provides a strong incentive to progress within Admiral.

The two main legislative changes that came into force in 2018, the Insurance Distribution Directive (IDD) and the General Data Protection Regulation (GDPR), were both covered for all staff in several different online and classroom-based courses, ensuring that every one of our people are suitably prepared to assist and advise our customers.

Since becoming ILM accredited, over 850 employees have gained ILM qualifications through Admiral Academy to date.



Stories of talent



Danielle - Customer Services
 Photographer at the L&D conference
 supporting Admiral Academy



Thomas - Claims
 Grad Scheme video editor
 supporting Recruitment on the
 Admiral Jobs website



Owen - Renewals
 Supporting Renewals on the MI
 temp project and now in Vectus

Talent Bank

Since the launch of Talent Bank in March 2018, more than 1,100 staff have created profiles and here are a few examples of how we spotted talents and shared knowledge so far.

This year we launched our international Talent Bank to ensure we can tap into employees' talents and ensure we're sharing all our skills and knowledge across our global operations.

The Talent Bank is an online database of staff where anyone can log their talents in one place, whether they are skills, languages, qualifications, hidden talents, work experience or ambitions.

Staff can also find out about the talents of everyone else in the company to share knowledge, best practice and involve colleagues in new interesting projects.

Since its launch in March 2018, more than 1,100 staff have created profiles and on the left are a few examples of how we spotted talents and shared knowledge so far.

Case Study – Outbound

Owen, a CCR from our Renewals department helped on a temporary project with the Renewals Management Information team and has since moved to our IT department.

The world of work has its up's and down's, and fun plays a vital role in maintaining those up's and helping us to ensure that our people enjoy their work.



Having fun

The last of our four pillars, but still integral to us as a business, is Fun.

All teams in Admiral have regular away days to build team spirit and inspire and encourage people to enjoy coming to work. All departments have an annual budget for fun money, which can be put towards team events.

Examples of afternoons out taken by teams in the last 12 months include: circus skills at, pizza making, and, duck herding.

So how do we know that this approach works? Our staff tell us. One of the most important tools that we use to measure employee satisfaction is our anonymous annual Staff Survey, which collects views on what it is like to work for us.

The Ministry of Fun (MOF) also ensures there are fun activities every month across all our sites.

The survey results are analysed by department and each department manager shares the findings with their team, exploring any issues and concerns before making improvements.



Staff survey results 2018

2018 results at a glance ³	Total
This is a friendly place to work.	95%
People celebrate special events around here.	94%
People here are treated fairly regardless of their sex.	94%
Colleagues try to make new employees fit in with the team.	94%
People here are treated fairly regardless of their age.	91%
I think Admiral Group is doing a good job in supporting recreational and social events.	91%
I am treated as a full member here regardless of my position.	89%
People care about each other here.	89%
When people change jobs or work units, they are made to feel right at home.	89%
There is a "family" or "team" feeling here.	89%
Management is approachable, easy to talk with.	88%
I would recommend my immediate manager as a good manager.	88%
Our facilities contribute to a good working environment.	88%
I'm proud to tell others I work here.	88%

³ Group-wide results to the 2018 Great Place to Work awards



Governance

As our business continues to grow, we believe it's important to have a robust governance structure to ensure that we fulfil our regulatory obligations to the best of our abilities.



Corporate governance

We are able to monitor and oversee policies and structures on an international scale. In 2018 there was a greater focus on data-related regulation, some of which is explained below.



Data Handling

Data plays a critical role in everything we do, from accurate pricing and fraud prevention, to renewal reminders and customer support. Everyone knows that all data growth will continue exponentially, so we understand our responsibility to ensure a firm and uncompromising approach to data security. Our updated Privacy Policy explains in detail how and why we collect data, our security measures, and how to exercise data subject requests. This is available on our website, along with our cookie policy.

GDPR

2018 saw the introduction of the General Data Protection Regulation (GDPR) across Europe. Admiral requires customer data for pricing and customer servicing purposes, and hence the new regulation and subsequent UK Data Protection Act is relevant to our businesses. Preparatory work began in 2014 before the legislation had even been drafted, to ensure that all of our operations would not be disrupted by any potential changes.

Thanks to an intelligent and focused approach to data protection, delivered by agile and highly-skilled Data Protection team, we embraced the far-reaching changes of the GDPR, giving us a further opportunity to show our customers and partners our commitment to delivering the highest level of security and peace of mind. All staff must complete training on this as part of their induction and then repeat this training annually.



Data has always been one of Admiral's greatest assets.



Procurement Policy

Procurement exposes an organisation to financial, legal, regulatory, reputational, contractual and operational risks. Procurement also exposes individuals to potential risks. A coherent Procurement Policy, supported by appropriate Procurement Procedures, is essential for ensuring effective governance of these risks.

Group Procurement Policy and the Procurement Procedure provide the framework and policy guidelines for all Admiral Group procurement activity in relation to the Admiral UK businesses including support functions located overseas, with the exception of the placement of reinsurance (which is governed by the Reinsurance Policy).

The Group Procurement department work with the business to ensure third party agreements are monitored proactively as outlined in the Appendices to ensure the business adheres to the Group Procurement Policy. The Head of Group Procurement is responsible for reviewing and monitoring the effectiveness of this Procurement Policy.

For critical or important functions, Internal Audit will review the outsourced provider, in line with their risk-based approach.

Anti-Bribery policy

We recognise that market practice can vary across the territories in which we operate and that what is acceptable in one may not be the case in another. This policy prohibits any inducement which results in a personal gain or advantage to the recipient or any person or body associated with them, and which is intended to influence them to take action which may not be solely in the interests of the Group, the person, or the body employing them or whom they represent. Staff receive regular online training informing them of the Group's expectations and their responsibilities in relation to the policies.

Modern-Slavery Act

Admiral Group, and all its subsidiaries and branches, is opposed to the exploitation of people in any way and has a zero-tolerance approach.

Our full policy, which explains in detail what this means to us as a business, to each of our employees, and to everyone as members of our community, can be found both on our corporate website.

Whistleblowing Policy

We take care that our staff know not to feel uncomfortable for doing the right thing. It is always acceptable to raise concerns even if it is later found to be a mistake; we prefer our staff to be vigilant.

We inform employees of two different ways to report any suspected wrongdoing - both internally through designated HR channels and externally through the Financial Conduct Authority (FCA), the Prudential Regulation Authority (PRA), or the independent charity, Public Concern at Work - with the reassurance that they will be taken seriously. This policy is a core part of initial training taken during induction and is repeated regularly throughout the year.



Our Reevo results



98%

NPS Score⁴



96%

Would buy again⁵

⁴ Reevo – based on 31,690 responses.

⁵ Reevo – based on 42,834 responses.

Our Customers

Quite simply, without our customers we wouldn't have a business – they are at the heart of what we do. We strive to ensure that each and every one our customers receives the best service possible, whenever they get in touch.

Many of our customers will only need to contact us at Renewal or when they are making a claim. In all cases, we try to provide as smooth and efficient a service as can be expected, but we're always looking to improve things.

As the technological world has evolved, we have adapted to provide new and effective methods for us to stay connected with our customers, be it by Facebook chat (both manned and automatic), email, telephone, and through webchat on our websites.

Feedback is vital for us to know exactly what we're doing well and where we need to improve. We try to make giving feedback as quick and easy for customers as possible, be it by text and email, to more stringent monitoring of calls for greater complaint root-cause analysis.

One of the feedback services we use is Reevo, who survey our customers after they have purchased insurance with us.

As can be seen on the left, the response from respondents was quite clearly favourable!



**The Personal
Finance**
Awards 2018/19

Personal Finance Awards

We are proud to feature in the Personal Finance Awards, once again. This year we were awarded best Customer Service in an Insurance Company. Additionally, we added to our track record claiming Best Motor Insurance Provider in the Personal Finance Awards for the 6th year in a row! The results of the awards, which are based entirely on consumer votes, are made available to the public to demonstrate who consumers consider the best in various personal finance categories

Going Beyond

Sometimes, disaster strikes out of the blue, and 2018 started with a fire at the Liverpool Echo Arena car park. Given our large UK customer-base, it was probable that some of the people affected by this disaster would be our customers. This assumption turned out to be correct.

In 2018 we launched our Vulnerable Customer Working Group in order to help us better understand the potential scope for dealing with customers in need of special care.

Over 1,600 cars were destroyed on New Year's Eve 2017, in a car park in Liverpool. Not surprisingly, being one of the largest insurers in the UK, we received a large number of claims from customers caught in the blaze. Thankfully no one was seriously injured, but the impact on customers was severe.

We immediately put a plan into action, and fast-tracked customers affected by the fire so that their claims were dealt with in a very short time-frame time and guaranteed that no 'No Claims Bonuses' (NCB's) would be lost as a result. We hope that by taking a more human approach to such an event, we were able to provide security and peace of mind for our customers, reaffirming why they chose us as their insurer.

Vulnerable Customer Working Group

In 2018 we launched our Vulnerable Customer Working Group in order to help us better understand the potential scope for dealing with customers in need of special care.

Of course, vulnerability comes in many different forms - financial, health, accessibility or even significant and unforeseeable life events. We currently have processes in place to support these requirements, and often receive excellent feedback. Our aim is to provide extra support to the customer by capturing this information. This will allow us to identify the types of vulnerabilities we are dealing with, and ensure we identify whether we need to help support our vulnerable customers on a short term or long-term basis.

As our customer base continues to grow, it is important that we make provisions for those most in need.



Conduct Risk

In 2018 we continued the evolution of our conduct risk approach, ensuring that our customers' experiences of our processes and services match their expectations when they purchase our products.

Each business area owns the initial management of conduct risk as they are closest to the processes and procedures we have established. CRMI is reported to the UK Risk Management Committee and the Group Risk Committee. The Chair of the Group Risk Committee provides a quarterly update to the Group Board.

If a risk threshold is breached, the relevant business area manager will investigate the issue and provide information on the reason, along with a plan to improve the result.

The information captured as part of the CRMI, combined with detailed knowledge of the risks faced by customers and their relevant controls, helps to formulate both the Compliance Monitoring Programme and activities undertaken by the Risk and Audit areas.

Measures of customer service from the CRMI report	2016	2017	2018	2019
% Customers who would renew following a claim	95%	95%	98% ⁶	>85%
Claims First Notification of Loss (FNOL) call answer rates	96.1%	95.1%	95.5%	>90%
Customer Services SMS feedback ⁷	9.22	9.09	9.05	>8.0

⁶ In 2016 and 2017 this figure referred to customers who renew following a claim whereas this refers more generally to renewal intention based on Reevoo scores

⁷ Customer Services SMS feedback - our customers rate separately, on a scale of 1 to 10, how good the service provided to them has been and the Agent they have dealt with. In the above table we present the average of both metrics for CS following a change to policy.



Our community

We take great pride in our charity work, ensuring that a lot of it is kept to the local community.



We're always happy to give back and lend a hand

Be it sporting or community projects, we're happy to help and get these fantastic community projects up and running.

An important part of this is ensuring the money is spent where our staff feel most appropriate and, like most things, we involve our staff in the decision making process.

Fundraising – Prince's Trust - Million Makers

We like to involve our new graduates in our philanthropic efforts. Not only does this get them fully invested in the Admiral ethos from the beginning, but we feel it helps develop key skills that they will rely on in the business world.

2018 marked the tenth year of our involvement with the Prince's Trust's Million Makers challenge, which sees teams from businesses around the UK compete against each other in different stages to raise as much money as they can for the Prince's Trust. The Trust aims to help disadvantaged young people get on in life through a variety of different schemes and grants. This year our graduates raised £156,643.29, and, after a decade of involvement with the Trust, we've raised over £1 million, proving our dedication to charitable causes.

Festival of Rugby

The WRU approached all the children's rugby teams who have received money through Community Chest over the last year or so, to invite them to a fun-filled afternoon at the training base of the Welsh rugby team at the Vale Hotel.

The event contained all sorts of rugby-related activities including Cage Rugby, Street Games and Atomic Touch. The teams also got to meet our brand ambassador Leigh Halfpenny plus fellow internationals Rob Evans, Ellis Jenkins and Gareth Davies. It was a great experience for the children involved and was exclusively thanks to our partnership with Welsh Rugby.

This is the sixth year we've run the Festival of Rugby event and each year it gets bigger and better.





Admiral has committed £400,000 to fund four charity projects in South Wales over the next two years.

Ministry of Giving

Through its newly formed Ministry of Giving, the company will donate £100,000 over two years to four charities allowing them to fund tangible and sustainable projects in the cities where Admiral's UK offices are based. The charities receiving the donations are Llamau, Maggie's, The Royal Voluntary Service and Wooden Spoon.

Admiral's donations will be funding a new Llamau Learning 4 Life centre in Newport, a psychologist to work across Maggie's centres in Cardiff and Swansea, a full-time Royal Voluntary Service Community Engagement and Development Worker who will help establish volunteer-led social groups for local older people in Swansea, Cardiff and Newport and, at least two Wooden Spoon projects for children with life limiting illnesses.

The charities were chosen following an employee vote for the types of causes most important to them.

The causes chosen by Admiral staff were brightening the lives of children with life-limiting illnesses; supporting cancer care facilities and charities; improving the lives of vulnerable elderly people; and helping homeless people.

Several charities sitting within these causes were invited to submit proposals, with one charity in each cause selected to receive the funding.

Admiral's Chief Financial Officer, Geraint Jones, said, "We're really pleased to be able to make these donations to four fantastic causes which we hope will have a positive and long lasting impact on our local communities. Giving is a big part of Admiral and our staff undertake a great deal of fundraising in the offices and many spend a lot of time volunteering in the community. It was really important to us to choose causes which were close to their hearts. It's more than just about money and we'll be giving our staff opportunities to get involved in each of the projects in a number of ways through various volunteering opportunities."



Admiral's Community Chest scheme once again linked up with the Welsh Rugby Union for a festival of rugby for children's rugby teams.

Community Chest

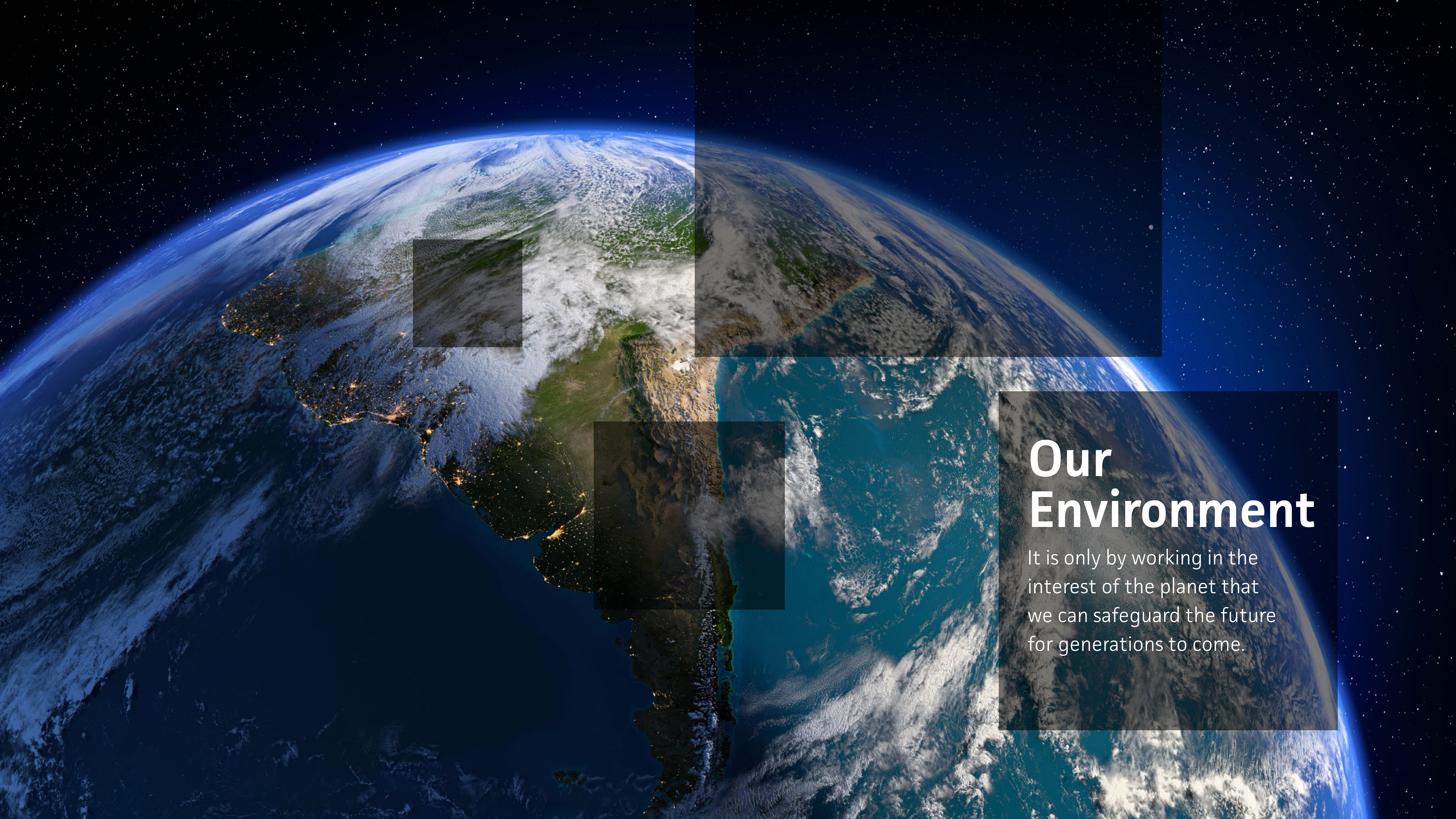
As we've grown over the years, we've never forgotten our humble beginnings, and we try to help the local community in any way we can. The Admiral Community Chest is set up to provide financial support to staff directly involved with local charities and organisations. The chest has been running for over 7 years and in that time, we have been able to contribute to over 500 charities and organisations.

What may be a small sum to many can have huge impacts on small community projects, one need only look at a handful of the projects we've helped fund in the last year to see how far this money goes. The budget in 2018 was £130,000 and has gone towards helping the following groups amongst many others:

- £510 to West Park Primary School, to enable them to purchase outdoor education equipment.
- We provided funding of £723.30 to Kids Cancer Charity for them to purchase indoor and outdoor play boxes.

For other charities, we offer to match funding that they have already raised elsewhere thus doing our bit for the charity in question and encouraging the more entrepreneurial members of our community to take the first steps. A good example of this was the £456 in match funding for Liveability. Staff member Emma Leach raised this amount by running the London Marathon and other staff members kindly donated to the cause. The company matched almost £15,000 of staff's donations to 30 different organisations in 2018

- £500 to Port Talbot and District Amateur Operatic Society to help fund scenery and props for their productions of CATS.



Our Environment

It is only by working in the interest of the planet that we can safeguard the future for generations to come.

Helping the planet

We understand that there's a limit to what an individual can accomplish, so we make great efforts as a Group to reduce our environmental footprint on a number of fronts.

The impact of climate change is being felt increasingly around the globe, from melting ice caps, increased ocean temperatures, and heightened levels of air pollution, it's clear that something needs to be done to address these problems.

Our Environmental Policy is aligned with our vision for sustainable growth and our focus on profitability, as outlined by our Group business model and strategy in our 2018 Annual Report.

By monitoring and reporting on our annual carbon emissions, we can identify areas of the business where energy usage could be reduced, leading to the potential for cost-savings.

We are committed to:

- Raising and maintaining employee awareness of, and ensuring that all of our people are actively engaged in, activities to reduce our environmental impact;
- Complying with the requirement to report annual levels of greenhouse gas (GHG) emissions in line with guidance provided by the Department for Environment, Food and Rural Affairs (DEFRA) in partnership with the Department for Energy and Climate Change (DECC);

- Measuring and monitoring key aspects of our environmental performance and regularly reviewing progress to reduce the amount of resources consumed per employee.

We've never been subject to prosecution or fines as a result of non-compliance with environmental reporting regulations. We have a cross-functional team in place to monitor and report on our annual greenhouse gas emissions, including employees from our Finance and Facilities departments. One of the major responsibilities of our Facilities team is to continuously reduce our environmental impact.

By improving our buildings to drive energy efficiency, we are able to create a better working environment for our people.

Type of Emission	Total CO ₂ e (ton)		Movement Total
	2018	2017	
Scope 1			
Company Van	0.0	9.1	-9.1
Gas	502.6	325.3	177.3
Total	502.6	334.4	168.2
Scope 2			
Purchased electricity	1716.7	2117.9	-401.2
Total	1716.7	2117.9	-401.2
Significant Scope 3			
T & D Electricity	34.6	234.9	-
Employee Business Travel	-	-	-
Domestic flight, standard class	11.9	0.0	11.9
Short-haul int. Flight, average passenger	170.8	111.8	59.0
Flights: Long Haul Average Passenger	939.3	513.5	425.8
Average diesel car	200.1	22.3	177.8
Regular Taxi	0.0	0.0	0.0
National rail	155.4	48.9	106.5
International rail	0.1	0.1	0.0
Light rail and tram	-	-	-
London Underground	-	-	-
Waste			
Mix Recycling	1.6	2.2	-0.6
Paper and board: board	14.5	3.2	11.2
Paper and board: paper	16.9	4.4	12.5
Plastics: average plastics	0.2	0.1	0.1
Landfill	27.7	55.9	-28.2
Water			
Water supply	43.6	38.3	5.3
Water Treatment	89.7	78.9	10.8
Total	1706.2	1114.6	591.6
Combined Total	3925.6	3566.9	358.7

CO₂e per employee⁸ 0.39 tonnes (2017: 0.42)

⁸ Average employee number excludes employees from offices for which data could not be collected.

Our environmental performance

The reporting process is centralised at our UK head office and our international businesses send their data to the team each month. This way, our people can be engaged in recording and monitoring their environmental impact and we hope that this will encourage each of our sites to make continual improvements. The data is reviewed annually and reported to David Stevens, our Corporate Social Responsibility Board representative.

We uphold a structured consultation process to gauge stakeholder views on our environmental performance. In 2018, the staff survey showed,

once again, that 86% (2017: 86%) of our people think we are working to reduce our environmental impact. Each department manager feeds back the results to their employees, encouraging a forum for positive discussion to gain employee ideas on what more we can be doing to limit our environmental impact.

Between 2017 and 2018 there was an overall increase in CO₂ emissions and waste for the Group. This can be accounted for by our continued growth as well as improved reporting which gives a more accurate view of emissions per employee. Overall, emissions per employee have dropped.

	Geographical breakdown - CO ₂ e (Ton)			
	Scope 1	Scope 2	Scope 3	Total
Total global	503	1717	1706	3926
UK	503	406	1574	2483
Italy	0	290	99	389
Spain	0	132	1	134
France	0	1	1	2
India	0	379	4	384
US	0	168	1	169
Canada	0	339	0	339



Methodology

Reporting period: 1 January 2018 to 31 December 2018

Measuring and reporting approach

We have followed UK government guidance on how to measure and report greenhouse gas emissions. In particular, the data has been prepared with reference to the WRI/WBCSD Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and in accordance with the guidance for corporate reporting issued by DEFRA.

Admiral's three largest UK offices meet the GHG Protocol Corporate Standard and, therefore, Admiral is exempt from reporting greenhouse gas emissions from electricity supply, which is in accordance with GHG Protocol Scope 2 guidance released 20th Jan 2015. As a result, the comparative figures have been restated to reflect the exemption.

Greenhouse gases

All GHG emissions figures are in tonnes of carbon dioxide equivalents (CO₂e) and include all six GHGs covered by the Kyoto Protocol.

Organisational boundary

We have chosen to use the operational control approach because we maintain the ability to direct the operating policies of each of our organisations, with a view to achieving economic benefits.

Specifically excluded from the organisational boundary is our outsourced contact centre in Bangalore, India, which we do not have control over.

Operational scopes

All Scope 1 (direct GHG emissions), Scope 2 (indirect GHG emissions) and significant Scope 3 emissions have been reported for operations within the organisational boundary, with the exception of exclusions listed below.

Where appropriate, emissions from multi-occupancy offices are determined on the basis of the recharge statement provided to the Group by the relevant managing agents.



Exclusions to operational scopes

Excluded from our Scope 1 emissions are air conditioning emissions produced by all of our operations. We are continuing to work with the managing agents to obtain this data, however, it is likely we will continue to exclude this from reporting for the foreseeable future. Elephant, in the USA have been unable to provide data for 2018 as this has been disclosed by their landlord in a separate disclosure for their portfolio.

Operational scopes – calculation approach, conversion tools and emission factors

The carbon emissions linked to the activities listed above have been determined on the basis of measured or estimated energy and fuel use, multiplied by relevant carbon conversion factors.

The large majority of our fuel and energy consumption is based on actual mileage data, purchase invoices and information supplied by the managing agents of our leased buildings. However it has

been necessary to make estimations in some circumstances, where this form of evidence has not been available. In particular, we have made estimations when monthly invoices have not been available for the full reporting period. Where this was the case, an average of available invoices was applied to the months for which invoices were unavailable. This process of estimation represents less than 10% of data.

We have calculated emissions using the 2018 carbon conversion factors downloaded from the DEFRA website, which are valid until 30 June, 2017. Overseas electricity conversion factors have been taken from IEA online data service and are valid for the 2018 reporting year.

Green tariffs

All of the electricity tariffs we control in the UK use energy from green sources. Our current green electricity tariffs expire in October, 2019; at which point we will look to procure green tariffs again for all UK sites we control.

Our international offices either select their own tariffs or use those selected by the managing agents of the buildings they reside within. However, international procurement is not yet centralised at our UK head office hence there is no record of the number of international sites using green tariffs.

Assurance Statement

We have not received external assurance of our carbon emissions data for the 2018 reporting year. However, as a Group we have completed an internal peer review to assess the reasonableness, accuracy and completeness of the data presented. This included: recalculation of formulae, checking conversion factors applied, agreement of data to detailed breakdowns and sample checks to source data. The process did not highlight any uncorrected deficiencies in the reported data.



Our offices and everyday green efforts

We recognise that improving our environmental footprint is an ongoing concern, and that only through adapting our lifestyles and habits can we hope to combat man-made climate change.

One of the main ways we approach this is by ensuring that our working environments are as green as they can be. Our Cardiff and Newport offices are rated BREEAM Excellent for exceeding sustainability benchmarks above regulatory requirements with energy controls throughout our buildings to limit the use of utilities. Since 2015 all electricity that we have purchased in the UK is from 100% green sources.

Our offices are in environmentally considerate locations to promote the use of public transport and we try to include facilities that encourage cycling to work, such as showers on site and secure bike storage. The latter complements our involvement with the UK's Bike2Work scheme.

We also take care with regards to paper waste and general waste, with Secure Print facilities reducing printing levels and use of paper. Dry Mixed Recycling is active at all sites and with input from our staff we have trialled and changed to recyclable or biodegradable food/drink containers and cutlery in our canteens and drinking water machines. We use signage to encourage recycling and energy saving in a clear and simple way, with an ongoing focus on raising awareness and encouraging staff engagement.

Of course, we understand that there are areas for improvement.

As such, the Admiral Green Team, a committee of staff from around the business, meet via video conference to discuss the company's green strategy. During awareness events we have asked employees to sign up to our green pledge and these are displayed on trees in our office reception areas as a visible commitment to the environment.

We participate in Earth Hour annually by switching off all non-essential lighting in all our buildings and made pledges during Green GB and NI Week. These specific pledges include getting 100% of our future energy from green sources, using only paper water cups and for all our hot food cartons to be recyclable and biodegradable.



Annual achievements

We are focused on reducing Admiral's impact on the environment and raising awareness throughout the company.

Global

- We provide a guide to recycling in work, what we're doing to reduce Admiral's impact on the environment and how staff can get involved;
- Wherever possible, we use SMS to contact our customers in order to provide a convenient service and to further reduce paper usage;
- We promote recycling to limit the amount of waste we send to landfill.

UK

- All UK controlled energy contracts continue to come from green energy sources. These contracts run up until October, 2019; at this point we will look to procure further green energy contracts;

- Implemented recyclable and biodegradable food containers in all of our canteens chosen by our staff following successful tests last year;
- We implement and monitor energy usage through Smart metering technology at our Swansea, Cardiff and Newport sites and regularly update the building control software to help us manage our energy use better;
- Printers default to 2-sided printing to reduce paper consumption and we encourage the re-use of paper as scrap paper.

Canada

- We have bins to separate waste (garbage, paper, organics and plastic);

- Printers default to 2-sided printing to reduce paper consumption and we encourage the re-use of paper as scrap paper. This is also happening at all UK, Canada and India sites;
- We have subsidised transit passes to encourage employees to use city transit instead of cars.

India

- We are recycling cardboard and shredded paper and use reusable cups/glasses;
- Meeting rooms are fitted with the sensors to keep lights off if no movement is observed;
- Only biodegradable cleaning products are used for cleaning.

A hand holding a pen, with a glowing line graph overlaid on the image. The hand is positioned as if about to write on a surface. The line graph consists of several white circular nodes connected by a white line, extending from the bottom left towards the hand. The background is a solid light blue color.

Targets for 2019

In 2019 we will be formulating a comprehensive, Group-wide environmental policy to identify and combat our impacts on the environment, as well as setting out which independently-recognised reporting criteria and standards we will use.

This will provide immediate, short term, and long-term initiatives and processes for all business areas across the Group.



Conclusion

This report summarises our ongoing corporate social responsibility strategy and how this relates to the Group business model and strategic objectives, in addition to outlining the progress we have made during 2018 in relation to our four key stakeholders: our customers, our people, our community and our environment. So, in summary:

- Customer engagement and support has remained consistently high, with positive feedback equally consistent. Commitments to data security and diversified communication channels certainly playing a role in this.
- Consistently high employee satisfaction gained us several prestigious awards throughout the year, continuing trends we've been proud to set throughout our history, and due in no small part to our unique culture.

- We have seen continued engagement with our local communities through new fundraising and sponsorship schemes, while continuing our support for personal staff involvement with community and charity projects.
- Finally, despite continued growth and expansion of the Group emissions per employee have decreased, and 2018 saw our UK sites cease sending waste to landfill altogether.

Altogether, each of these four stakeholders are integral to who we are and, looking to the future, we will continue to work with each to improve our impact and their experiences. 2018 has been another year of successes for us, and one which we hope to repeat and build on in 2019 and beyond.