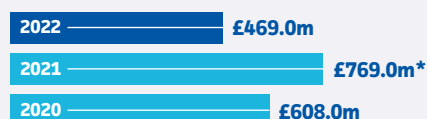


2022 Financial and Strategic Highlights

Financial Highlights

Groups profit before tax^{1,2,3}

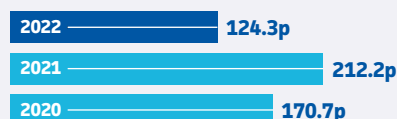
£469.0m



*£713m including restructure costs

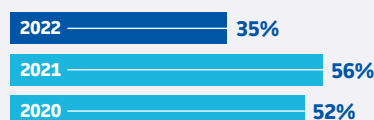
EPS^{1,2,3} (pence)

124.3p



ROE^{1,2,3}

35%



Net revenue¹

£1.49bn



Turnover^{1,3}

£3.68bn



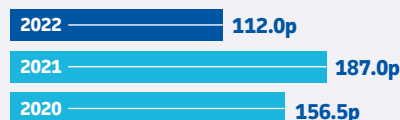
Customers³ (million)

9.28m



Dividend per share (pence)

112.0p



Solvency ratio³ (post dividend)

180%



Sustainability Highlights

Gender split across the Group

50% (Female) 50% (Male)

(2021: 51% female, 49% male)

Emissions (tonnes CO₂ per employee)

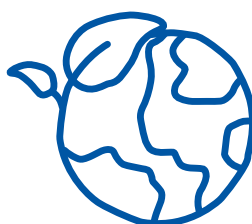
0.3 tonnes

(2021: 0.5 tonnes)

Net Promoter Score (NPS) Group average across our operations⁴

>50

(2021: >50)



1 Group profit before tax, Earnings per share, Group turnover, Group net revenue and Return on equity are presented on a continuing operations basis

2 Group profit before tax, Earnings per share and Return on equity exclude the impact of one-off restructure costs in 2021 totalling £55.5 million

3 Alternative Performance Measures, see page 306

4 Relational NPS, methodology updated in 2022

About us

Admiral Group plc is a global financial services company offering motor, household, travel and pet insurance, as well as personal lending products.

Admiral Group plc is headquartered in Cardiff, South Wales, and is proud to be Wales' only FTSE 100 company. We have a strong international presence, with offices in countries including France, Italy, Spain, US, Canada, Gibraltar and India.

⁵ Alternative Performance Measures – refer to the end of the report for definition and explanation

Our business segments

UK Motor Insurance



Admiral

GLADIATOR

Diamond

Bell

Veygo

elephant



Admiral is one of the largest car and van insurers in the UK.

Customers (million)

4.94m

(2021: 4.97 million)

Turnover⁵ (billion)

£2.49bn

(2021: £2.52 billion)

Net insurance premium revenue (million)

£471.0m

(2021: £496.5 million)

UK Household Insurance



Admiral



Admiral has a growing household insurance business.

Customers (million)

1.58m

(2021: 1.32million)

Turnover⁵ (billion)

£255.4m

(2021: £218.8 million)

Net insurance premium revenue (million)

£55.6m

(2021: £49.1 million)

I am honoured to be leading the Board of Admiral as the Group enters its 30th year – happy birthday Admiral!

As previously announced, I will step down as Chair at the AGM in April 2023 having served 11 years on the Board, with six of those as Chair. I leave with a mix of pride and deep fondness for this very special company which I believe remains one of the FTSE 100's best kept secrets.

This year has, once again, been challenging for the sector due to the macro-economic environment. The Ukrainian-Russian war impacted energy costs, high inflation led to higher claims costs and, in the UK, the market adjusted to the FCA's pricing reforms.

As a result, Admiral has reported lower Group profit of £469 million with turnover of £3.68 billion. This is driven by UK Motor insurance profitability. Admiral has led the market in taking strong pricing action to combat claims cost inflation and continues to focus on long-term value creation.

Despite the challenging backdrop, our customer numbers are up 11% to 9.28 million and our solvency remains strong at 180%. The UK Motor insurance marketplace is cyclical and we believe we are now close to the bottom of this cycle. Admiral has a proven track record of quickly adapting to navigate the cycle and remains focused on continuously evolving its existing competences while creating sustainable businesses for the future.

Looking back

Admiral is a special business with a distinctive culture. Our purpose – To help more people to look after their future. Always striving for better together – underpins everything we do and ensures that we strive to do the right thing in consideration of all our stakeholders.

I am immensely proud to have been part of Admiral's success story. It has been a hugely enjoyable and rewarding experience.

During my time on the Board I have experienced the transition of CEOs from Henry to David, and then to Milena – all have strong entrepreneurial leadership skills, passion for the Admiral culture, and a focus on building on our competitive advantages whilst evolving the strategy within the emerging landscape.

I'm often asked what has been key to Admiral's success and, essentially, I believe it's a lot of small things that have never changed and make a big difference:

- Delivering for our customers – Admiral remains focused on 'the customer, the customer, the customer' and during my time on the Board, customer numbers have grown from 3.6 million in 2012 to 9.3 million in 2022 – a testament to our customer-centric approach
- Admiral's relentless focus on the fundamentals of risk selection, pricing discipline, claims effectiveness and expense efficiency underpinned by a healthy obsession with data and analysis and a low-risk approach

- Admiral's agility, innovation and culture of continuous improvement through a test-and-learn approach has ensured that it creates products and services that truly meet customers' evolving needs. After all, it was Admiral that launched the first car insurance comparison site, the first 10-month policy, and accelerated the adoption of multicar and multicover
- Admiral's commitment to doing the right thing and strong conviction and ethical foundation means it's perhaps unsurprising that we were the only insurer in the UK to issue a £110 million Stay-At-Home refund for UK customers during the Covid pandemic and we established a £6 million Covid Fund to support impacted communities
- Admiral's culture – this drives all of the above. We believe that 'people who like what they do, do it better'. We are always looking for new ways to add value and have consistently been recognised as a great place to work for over 11,000 colleagues. A key foundation stone of Admiral that has been continuously reinforced as the company has grown is that everyone matters regardless of their role. This is demonstrated by the fact that all colleagues receive shares¹³ in the company every year

Evolution

Although elements remain constant, Admiral continues to grow and evolve, with a key pillar of the strategy being diversification. We are making great progress in most operations, and have now built, amongst others:

- A significant UK household business which is growing strongly and now serves 1.6 million customers
- Admiral Money, our UK loans business has achieved a small profit in its fifth year and is taking a suitably prudent approach to increasing its book
- Sizeable and growing businesses in Europe
- Admiral Pioneer, a business that builds on our traditional test-and-learn approach to focus on diversification through new business areas
- A business in the US, which is a challenging market, and for which we are considering options

Almost half of our customers are now from non-UK Motor insurance business.

Dividend

Our proposed final dividend of 52.0 pence per share brings dividends for the year to 112.0 pence per share, a full-year pay-out of 90% against a backdrop of after-tax profits (from continuing operations) 36% lower than last year. The final dividend of 52.0 pence per share comprises a normal dividend of 37.5 pence per share and a special dividend of 14.5 pence per share. The Group has delivered a Total Shareholder Return (TSR) of 259% over the last 10 years (as illustrated in the chart on page 206).

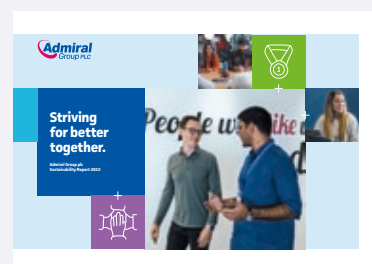
¹³ Employees participate in the Approved Share Incentive Plan (SIP) after completing a minimum of 12 months' service



Read more about our sustainability approach on **page 68**



Our performance this year is described on **page 40**



Download the PDF of the Sustainability Report at admiralgroup.co.uk

Customer



Highlights in 2022

>50

Group average NPS across all countries¹⁷

Voted

Best Big Insurance Company in the UK Insurance Choice Awards

>85%

UK Motor customers likely to renew after a claim¹⁸

Always striving for better, together.

Business



Highlights in 2022

+259%

Total Shareholder Return²⁰

AA

MSCI ESG rating

50%

average Return on Equity last 5 years²¹

¹⁷ Relational NPS, methodology updated in 2022

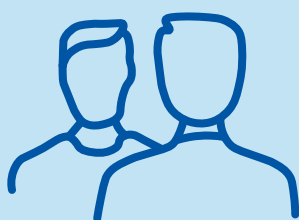
¹⁸ UK Motor customers, monthly score averaged over the year

¹⁹ Great Place To Work (GPTW) survey result

²⁰ Total Shareholder Return (TSR) for Admiral Group plc shares over the ten-year period to 31 December 2022

²¹ Weighted average

Our People



Why our people matter to us strategically and how they influence the operation of the business

We believe that people who like what they do, do it better. We strive to do better every day because we like what we do, and we want to help more people to look after their future. This attitude enables our test-and-learn culture, supports operational excellence, fosters happier and more productive employees, and ultimately shapes better outcomes for our customers and other stakeholders.

What matters to our people, and encourages them to maintain a relationship with Admiral

Our people want a friendly, fun, and productive workplace where they are engaged, and where their views are valued and considered. Hybrid working and health and wellbeing continue to be key priorities for all businesses around the Group.

We consider the priorities of our people to be:

- Talent acquisition and development, with fair and equal opportunities available to all
- Reward and recognition, including long-term shareholder value (inc. the employee share scheme)
- Health and wellbeing, both physically and mentally
- The opportunity to build and maintain a work life balance whilst remaining engaged and included by the business
- Flexible and remote working, and freedom to provide inputs into working hours and places of work

How we engage to confirm what matters to our people

Our people are encouraged to engage across multiple channels, virtually and face-to-face. We also engage via:

- 1:1s with managers
- Polls
- Blogs
- Chat Logs
- Colleague surveys
- Employee Consultation Group (ECG) meetings
- Feedback schemes such as 'Ask Milena' and 'Have your say'
- Participation in the Great Place to Work survey
- Exit interviews
- Grievances
- Whistleblowing channels
- Friendly Forums

[+ See more on page 81](#)

Board oversight, training, and escalation

The Board receives updates on Diversity and Inclusion, people, and culture which all reflect the permanent move to a hybrid working model. The Board also receives updates relating to ECG meetings in the UK and international businesses, Group health and safety and whistleblowing.

The Group CEO and CFO host our Staff General Meeting (SGM) (which allows for questions to be raised to them as representatives of the Board), and host numerous forums with our people. Our employee AGM took place in hybrid form during 2022, and feedback suggested that it was a useful format for management to share information with employees, in a fun and engaging way.

Additionally, our Non-Executive Directors attend ECG meetings on a rotational basis and report back to Board. In 2022, the Board Chair and other Non-Executive Directors made virtual and in-person visits to different business departments and overseas locations.

What value do we create for our people?

- We improved our reward package for employees and responded to the cost-of living crisis
[+ Read more on page 148](#)
- We launched new Admiral training programmes to ensure and encourage our people to engage with our purpose
[+ Read more on page 79](#)
- We upgraded our learning and development scheme, launched a new programme, Get Discovered, and made LinkedIn Learning available to all colleagues
[+ Read more on page 81, 165](#)

Creating Sustainable Value for our Stakeholders

continued

- We extended our health initiatives (men and women's health) and we upgraded our paternity and maternity policies
[+ Read more on page 81](#)
- We continued to encourage our teams to host team building events, supported by our Ministry of Fun
[+ Read more on page 10](#)
- We supported Purple Light Up – a global movement that celebrates and draws attention to the economic contribution of the 386 million disabled employees around the world
[+ Read more below](#)

Diversity and Inclusion

Admiral provides a working environment in which Diversity and Inclusion is embraced, and promotes a comprehensive Diversity and Inclusion approach across the Group.

Our Diversity and Inclusion strategy supports our ability to attract, engage, develop, and retain diverse talent. Employee led working groups include:

- **Gender Equality** – This group is tasked with raising awareness on issues surrounding gender; and to continue to support staff and promote an inclusive culture
- **Ethnicity and Culture** – This group supports us becoming a more ethnically diverse and inclusive company through awareness, discussion, and improving the work environment
- **Ty Rainbow LGBTQ+** – This team promote a safe and inclusive environment to support LGBTQ+ staff and customers, as well as providing a social support network
- **Age** – This group focus on understanding the needs of our employees including issues and needs of people at work in various age ranges from 16–30, 30–50 and 50+
- **Disability** – This team promote a safe and healthy environment for all our team members, raise awareness, and support inclusion within the community
- **Social Mobility** – This working group aims to ensure that regardless of background, everyone can fulfil their potential and is able to progress their careers

Working groups consist of volunteers across the business from a variety of roles and experience. There are around 60 members in total. Each working group meets every 4–8 weeks.

We check that our culture continues to reflect support for Diversity and Inclusion through several feedback mechanisms, including:

- Feedback from the Employee Consultation Group
- Great Place to Work survey results
- Pulse survey results
- Exit interviews
- An engaging and diverse events calendar

Examples of initiatives that reinforce our culture are:

- Participation and awareness of our '#IBelong' series
- Sponsoring Pride (Headline Sponsors for 22 years)
- Celebrating Black History Month
- Promoting 'Purple Light Up' and celebrating the economic contribution of disabled employees

In 2022, Admiral was placed 26 out of 850 workplaces in Europe as a Diversity Leader, by the Financial Times, as well as being named 3rd Best Workplace for Women in the UK by the Great Place to Work.

 Further information on our Diversity and Inclusion activities can be found on [pages 80, 158](#)

 Further information on our awards can be found on [page 41](#)

Purple Light Up

On December the 3rd, Admiral and businesses around the world celebrated the economic power of disabled people.

For the event, we wanted to open a conversation around disability inclusion in the office and share some of the things we do. Throughout December, we held multiple office and virtual events. Colleagues at Admiral both showcased their lived experiences and shared their perspective, guide dogs for the blind visited our offices, and guests such as Stuart Nixon MBE hosted webinars discussing overcoming adversity.

The events were organised by our Disability Forum which was created to improve awareness, discuss ideas, and implement adjustments to improve the workplace for those living with disabilities.



92%

answered positively to "I believe Admiral Group is a diverse and inclusive employer"

What are the risks and opportunities that could affect the relationship and, therefore, Admiral's success?

Hybrid working provides both risks and opportunities in respect of our people. Whilst we may now be able to reach different pools of talent for critical roles, we pay careful consideration that there could be a risk losing of talent, as geography becomes less of a constraint in a hybrid working world.

The protection of Admiral's unique culture is critical to ensuring that we continue to attract and retain talent.

How we monitor the impact of our actions and the strength of our relationship

As well as monitoring the impact of our actions and the strength of our relationships qualitatively through our engagement mechanisms, we also monitor the following key performance indicators:

- Accolades
- Employee feedback
- Pay gaps
- Health and safety incidents
- Culture Dashboard metrics, including:
 - Satisfaction scores from Great Place to Work survey
 - Diversity targets
 - Training & development (courses completed)
 - Attrition
 - Sickness
 - Recruitment (e.g., applications per vacancy)



More information about how we monitor and assess culture, and talent management can be found on **pages 140 to 143** (for culture) and **page 166** (for talent management)



Our sustainability ambition: To be one of the best places to work in the world

Our ambition is to be one of the best places to work in the world

To achieve our ambition to be one of the best places to work in the world, we have set the commitment to be in the top 25 Great Places To Work (GPTW) rankings across all of the Group's respective businesses. In 2022, we achieved this target in almost all operations where we are ranked.

2022 Great Place To Work	Ranking
UK	4th
Admiral Canada	4th
ConTe	4th
Admiral Seguros	2nd
L'olivier	7th
Admiral Solutions ³⁸	35th
Europe	19th

80%

of employees agreed that they understand how their role brings to life Admiral Group's purpose in 2022³⁷

³⁷ Staff pulse survey result.

³⁸ Performance versus other entities is impacted by the much larger pool of companies included in India.

Embedding Admiral's purpose

Two years ago, we took the opportunity to reflect on our 'why' – why do we exist as a business and what is our purpose as an organisation. Following hundreds of hours of listening to employees and conducting multiple employee workshops, we outlined a new Group purpose statement. In 2022, we have increased colleague's exposure to our purpose through training, and decision-making among stakeholder groups. Key successes include:

- Exposure to purpose for every employee via online and offline communications campaigns
- Annual Top 10 competition centred around showcasing our purpose in the everyday
- Development of a purpose-led communities and sustainability approach
- The launch of a UK course about our purpose
- Shareholder communications about purpose in our annual and half-year results

Creating Sustainable Value for our Stakeholders continued

A diverse and inclusive business

We firmly believe that to create a successful working environment, companies must embrace Diversity and Inclusion (D&I) across all levels of the business. In Admiral, a Diversity and Inclusion Forum, made up of over 200 employees, is in place to drive all our D&I initiatives. The forum consists of six working groups which consider and implement ways we can better support a diverse working environment. To drive the conversation at the highest level, Cristina Nestares, CEO of UK Insurance is the appointed D&I executive sponsor.

In 2022, colleagues have had access to monthly newsletters and all line managers underwent mandatory D&I training. Our international entities completed a maturity assessment which considered multiple elements of D&I. This helped identify our strengths but also areas for improvement. People Services (PS) managers and D&I sponsors met regularly to share progress, ideas, and express

concerns. New local working groups were introduced in Spain, Italy, and the US, with a focus on making positive changes in their respective entities too. Through these initiatives we are seeing a transition in the business from a position of awareness, into wider engagement and consolidation.

Disabled employees

Admiral Group's UK businesses are Disability Confident Employers. This means they are recognised as going the extra mile to make sure disabled people get a fair chance, full and fair consideration to applications for employment made by those with disabilities, having regard to their particular aptitudes and abilities. Admiral has a Disability Forum to help promote inclusivity in the Group for those with a disability. There is also a Workplace Support Team to provide support for those with physical Diversity partnerships and signatory commitments disabilities, neurodiversity and short-term mental health problems. Training sessions to help better employees understand those with neurodiversity are also available. The Admiral Group will support any employee who is disabled or has a life-threatening illness and help them to contribute to the Group as long as their health allows. Managers in the Group are sensitive to health concerns and special needs and will not knowingly allow any employee with a disabling or life-threatening illness to suffer from discrimination at work. The Group also provides employees with access to the Employee Assistance Programme Care First confidential helpline which offers advice and support on a range of health issues.

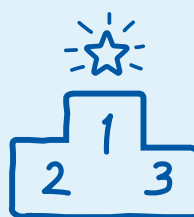


£3,600

in Admiral shares
received by around 10,000
employees each year

92%

answered positively
to "I believe Admiral
Group is a diverse and
inclusive employer"



Task Force on Climate-related Financial Disclosures (TCFD)

In 2019, Admiral began to report in line with the Task Force on Climate-related Financial Disclosures (TCFD), in order to provide better transparency around the ways in which climate change will impact the Group now and in the future.

Since then, the Group has increased its disclosure to further align reporting with the TCFD's published recommendations, considering all-sector and sector-specific guidance, as well as emerging best practice.

Recognising Admiral's part in tackling climate change, in 2021 the Group made a commitment to reach net zero across all emissions by 2040, and net zero in operational emissions by 2030. Since then, as discussed in the "metrics and targets" pillar, the Group has made progress in reducing its emissions. In 2023 Admiral intends to submit Science-Based Targets for validation, with the intention of securing verified targets by the end of 2023, supporting its overarching commitments.





Admiral Group has also continued to address the challenges of climate change in a number of other ways, including completing Carbon Disclosure Project (CDP) disclosure, producing a Sustainable Accounting Standards Board report, and continuing

its membership of the Institutional Investors Group on Climate Change.

On the following pages Admiral has made disclosures consistent with 9 out of 11 of the TCFD's recommendations and recommended disclosures. At present, Admiral has not made disclosures consistent with all the TCFD's recommendations and recommended disclosures within Strategy (b) as, given the large uncertainty around the likelihood and severity of climate-related issues, they do not serve as an explicit input into the financial planning process, and therefore the impact on financial performance and financial position has not been explicitly assessed. Work will be undertaken during 2023 to consider how Admiral Group can better recognise the potential impacts in its financial planning and accounting activities, to ensure consistency with all recommended disclosures in future climate reporting. Admiral has also not set or disclosed clear targets consistent with the cross-industry, climate-related metrics as required by the recommended disclosures within Metrics and Targets (c). During 2023, Admiral intends to submit Science-Based Targets for validation, which will include further consideration of cross-industry, climate-related targets as per Metrics and Targets (c), to ensure consistency with all recommended disclosures in future climate reporting. Further discussion and information are included in the relevant sections of the report, and are signposted as such.

Compliance with LR 9.8.6R

Admiral Group plc has complied with the requirements of LR 9.8.6R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures. Disclosures can be found on the following pages:

Pillar	Disclosure	Page
Governance	a. Describe the board's oversight of climate-related risks and opportunities b. Describe management's role in assessing and managing climate-related risks and opportunities	 Read more on page 98-99
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	 Read more on pages 100-106
Risk management	a. Describe the organization's processes for identifying and assessing climate-related risks b. Describe the organization's processes for managing climate-related risks c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	 Read more on pages 106-107
Metrics and targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	 Read more on pages 108-111

Further relevant disclosures are signposted within the TCFD disclosure.

Task Force on Climate-related Financial Disclosures (TCFD)

continued

Governance

Board and Board committees

The Admiral Group Board, which is responsible for promoting the long-term, sustainable success of the Group, has ultimate oversight of climate change-related risks and opportunities. It is responsible for understanding the Group's relationship to climate change – its impact on the environment, as well as the impact of a changing climate on the Group – and considering this in the context of the Group's strategy and risk management (including policies), in setting the businesses' performance objectives, and monitoring performance. Climate change risks and disclosures are reviewed and discussed at Group Board and at several Group Board committees, as recurring agenda items, including the Group Risk Committee (GRC) and Investment Committee. The Admiral Group Board approves the Group ORSA Report, which includes the consideration of climate-related risks and opportunities alongside examination of the Group's strategy and business plans, as well as the forward-looking risk and capital assessment of the plan and associated stresses. The Group Board will consider climate-related issues in relation to major capital expenditures, acquisitions, divestitures, and major plans of action (where these occur) by reference to the Group's strategic ambition, which is aligned with the risks and opportunities arising from a changing climate.

Whilst the Group Board maintains ultimate accountability, the GRC has primary oversight responsibility for climate change risk, as it has delegated authority from the Group Board for overseeing risk management activities. It advises the Group Board on Admiral's principal risks and uncertainties (PR&Us), as well as on emerging risks, and reviews the Group's management of these risks. Climate change risks are embedded within the BAU risk management approach, which is discussed within the Group Risk Committee section of the Corporate Governance disclosure (see page 178), and any developments of note are reported within the Consolidated Risk Report (CRR). In addition, dedicated agenda items at GRC allow a full update of climate-related activities to be considered, including progress towards goals and targets (e.g., by comparing reductions in operational GHG emissions versus stated targets). Climate change considerations are also reported within the annual ORSA Report, which is reviewed by the GRC prior to Board approval.

During 2022 the Board and GRC each received one formal update on climate-related work ongoing around the Group, including progress towards goals and targets, initiatives aligned to three focus areas (operations and supply chain, investments, and products and services), an update on regulatory developments, as well as information regarding Climate Positive, discussed in the focus box on page 99. The Investment Committee had four updates. The EUI and AECS Boards also received updates during the year. In addition, Boards and committees received multiple additional updates as part of other presentations (e.g., the Group ORSA Report, which presented the output of the risk assessment and scenario analysis) or discussions on ESG and sustainability topics. In future, entity Boards and executive management teams will take more direct responsibility for managing climate-related risks and exploiting any opportunities.

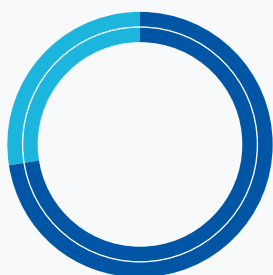
Management and management committees

Various senior management from across the Group have different responsibilities relating to climate change-related issues, and sit on appropriate fora, such as the Sustainability Working Group (SWG) and the Climate Steering Group. The reporting which occurs at each forum allows management to be informed about and to monitor climate-related issues.

The Group CEO is the appointed sustainability representative for the Group Board, which includes climate change risk within its remit. The SWG reports directly to the Group CEO.

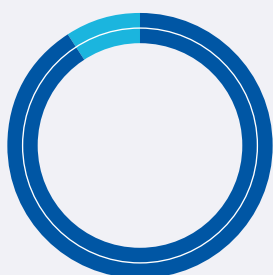
The Group CRO has designated SMCR responsibilities in relation to climate change and is a member of the Climate Steering Group.

Board Nationality



8 British
3 Non-British

Board Ethnicity



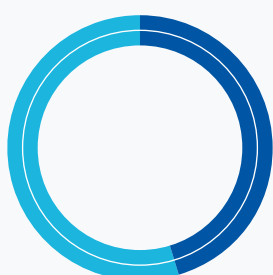
10 White British or other White (including minority white groups)
1 Asian /Asian British

"The Board remains satisfied that it has the appropriate balance of skills, experience, independence and knowledge."

Annette Court

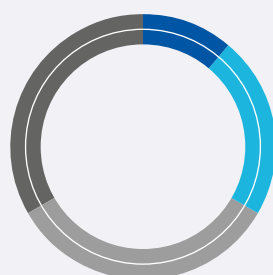
Group Chair of the Nomination and Governance Committee

Board gender diversity



5 Men
6 Women

Non-Executive Director tenure



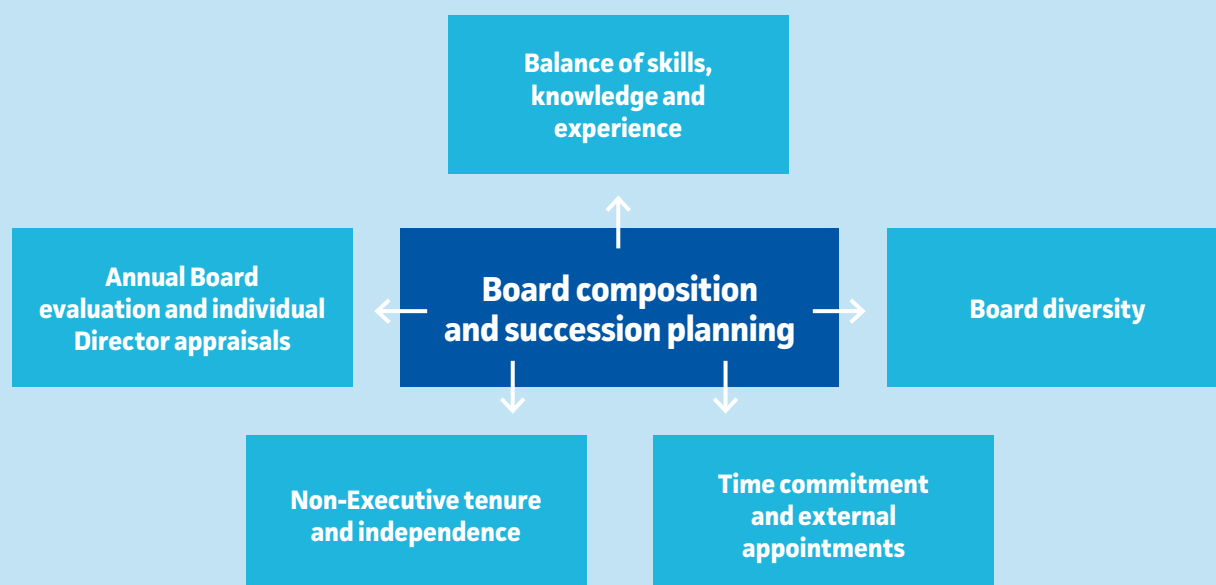
>9 years
6-9 years

3-6 years
<3 years

Annette Court **10y 9m**
Jean Park* **8y 11m**
Justine Roberts **6y 6m**
Andy Crossley **4y 10m**
Mike Brierley **4y 3m**
Karen Green **4y 0m**

JP Rangaswarmi **2y 8m**
Evelyn Bourke **1y 8m**
Bill Roberts **1y 6m**

* Jean Park stepped down from the Board in January 2023



Introduction to Governance



"With the background of an uncertain world, Admiral remains focused on building our strengths."

Annette Court
Group Chair of the Nomination and Governance Committee

Introduction from the Chair

Dear Shareholder,

On behalf of the Board, I am pleased to present the Group's Governance Report for the financial year ended 31 December 2022. This report sets out our approach to effective corporate governance and outlines key areas of focus of the board and its activities undertaken during the year as we continue to drive long-term value for all our stakeholders.

Backdrop

With the background of a world coming out of a pandemic, moving to a world of hybrid working with uncertainty and very high claims inflation alongside a cost-of-living crisis, Admiral remains focused on building on our strengths: a strong workplace culture, diversity and inclusion, succession planning and climate change reporting. The Board continues to keep abreast of the changing corporate governance landscape (such as the BEIS audit and corporate governance reforms) and is committed to ensuring that it provides effective leadership by ensuring that good governance principles and practices are adhered to across the Group.

Board changes and succession planning

In January 2022 the Board approved that Bill Roberts was appointed as a member of Nomination and Governance Committee. Due to Jean Park's temporary leave of absence which was effective from February 2022, upon the recommendation of the Committee, the Board approved that Justine Roberts be appointed as the Interim Senior Independent Director ("SID") and Andy Crossley be appointed as the Interim Group Risk Committee Chair with effect from February 2022 and Karen Green was appointed as a member of the Risk Committee on 1 June 2022. Justine played an important role in 2022 in leading the Chair succession process as my extended tenure as Board Chair comes to an end at the AGM in April 2023. Jean Park retired from the Board in January 2023 and, in her place, the Board approved the appointment of Justine Roberts as permanent SID and as a permanent member of the Remuneration Committee. Refer to the report of the Nomination and Governance Committee for further information.



Further details of the respective selection processes are set out on **pages 159 to 170**



Further details on our succession planning is set out on **page 128**



Further details on our explanations in respect of non-compliance with Provisions 19 of the Code are on **page 136**

Purpose, Culture and the impact of COVID-19

As reported in our 2020 annual report, the Board approved a revised Group purpose statement in January 2021. The Board is cognisant that it has the ultimate responsibility for ensuring that Admiral has an appropriate company culture that aligns with the Group purpose and considers its impact on all of its stakeholders. Culture continues to be a topic closely monitored by management and the Board, following the workforce spending an extended time working from home following the pandemic. The Board received updates during the year on the proposals to introduce a more permanent hybrid working model across the Group and how this might impact Admiral's culture. Further information on the Group's purpose and how its culture is monitored and assessed by the Board is outlined on pages 72 to 78 of the Strategic Report and pages 148 to 152 of this report, respectively.



For further detail see Our Customers section pages 74 to 76

Stakeholder engagement

During the year, the Board revisited its Stakeholder Map and reaffirmed the key stakeholder groups, as well as the various mechanisms used to engage and communicate with each. Consideration was also given to how Admiral stakeholders' views were taken into account in decision making in accordance with the Board's duties under s.172 of the Companies Act 2006. Information on how the Directors discharge this duty, as well as an update on the work of the Employee Consultation Groups (ECGs), is contained within the stakeholder sections on page 145 of the Governance report.

ESG

The Board increased its oversight of environmental, social and governance factors in 2022, with climate change, and diversity and inclusion being areas of increasing focus. Not only did the Board receive multiple updates on progress to increase disclosures on ESG matters, but the Audit and Risk Committees also increased their respective oversight of the Taskforce for Climate-related Financial Disclosures (TCFD) and SASB disclosures. The Remuneration Committee also considered proposals during the year to link ESG metrics to reward. Further information on TCFD and climate change can be found on page 97.

The Nomination and Governance Committee and the Board considered updates on diversity and inclusion during the year, including revised targets to demonstrate Admiral's commitment to continue to be a diverse and inclusive employer. Further information about the Board's oversight of diversity and inclusion at Admiral is included in the Nomination and Committee Report on page 158 and pages 78 and 80 of the Strategic Report.



Read more in our Nomination committee report on page 158

Board effectiveness

At the end of the year, the Board and all of its Committees were evaluated externally by Bvalco Ltd on their own performance to ensure that they continued to operate effectively and to provide an opportunity to make any improvements in 2023. The outcome of the review also fed into the Board's objectives which were set for 2023. A summary of the outcome of the externally facilitated Board evaluation including information on the Board's objectives are on pages 169–170.

Annette Court

Group Chair

7 March 2023

Board of Directors

Our diverse Board has a breadth of skills and experience of adding value and delivering difference.

Board skills matrix

	Finance
	Insurance
	Marketing/Retail
	City
	Technology/Digital/Data
	Entrepreneurial
	Remuneration/People

	Risk
	Executive/Strategic Leadership
	M&A
	International
	Operations
	Loans
	ESG/Sustainability

Committee Membership

	Audit Committee member
	Remuneration Committee member
	Group Risk Committee member
	Nomination and Governance Committee member
	Committee Chair
	Senior Independent Director



Annette Court Chair

C

Current appointments

- Non-Executive Director, Chair of the Remuneration Committee and member of the Audit and Risk Committee at Sage Group Plc
- Chair of WH Smith Plc
- Member of Streetgames.org Business Advisory Board
- Business Mentor

Background and experience

CEO of Europe General Insurance for Zurich Financial Services and a member of the Group Executive Committee from 2007–2010. Former CEO of Direct Line Group (formerly RBS Insurance) and member of the RBS Group Executive Management Committee. Previously a member on the Board of the Association of British Insurers (ABI).

Appointed

Appointed to the Board on 23 March 2012, appointed to Chair on 26 April 2017 with service ending 27 April 2023.

Contributions and reasons for appointment

As Chair, Annette effectively leads the Board, and is responsible for setting its agenda and monitoring its effectiveness. Annette demonstrates significant commitment to the role and with a background in financial services and technology, and expertise in mentoring leaders, she contributes both strategically and practically to all areas of Board related decision making. Annette is also Chair of the Nomination and Governance Committee a role she devotes herself to fully and contributes effectively offering challenge and guidance.

Annette was appointed as Board Chair in April 2017, having spent 5 years as a Non-Executive Director of the Board. Annette reached her nine-year tenure as Non-Executive Director on the Board in March 2021. Annette will not be seeking re-election at the April AGM and she will be stepping down from her role as Chair.

Skills





Milena Mondini de Focatiis

Chief Executive Officer

Current appointments

- Mentor for A-Road, Growth Capital
- Admiral Insurance Company Limited member (an Admiral Group subsidiary)

Background and experience

Milena joined Admiral in 2007 and was appointed CEO in January 2021. She has been a member of the leadership team throughout her time at Admiral, has extensive experience of the Group's operations and has attended and actively contributed at Board meetings as an observer since 2011. Her previous roles included being Head of UK and European Insurance and CEO of ConTe.it, Admiral's Italian insurance business which she founded in 2008.

Before joining Admiral, Milena worked as a consultant for Bain & Co and Accenture. She holds an MBA from INSEAD and a degree in Telecommunication Engineering from Università degli Studi di Napoli Federico II.

Appointed

Appointed to the Board in August 2020 and became CEO on 1 January 2021.

Contributions and reasons for appointment

Milena leads a very strong and experienced management team and is an effective CEO who continues to build an even stronger Admiral for the future.

Skills



Geraint Jones

Chief Financial Officer

Current appointments

- Admiral Financial Services Limited Board member (an Admiral Group subsidiary)
- Admiral Insurance (Gibraltar) Limited Board member (an Admiral Group subsidiary)
- Admiral Insurance Company Limited Board member (an Admiral Group subsidiary)
- Co-opted member of the Finance and Audit Committee of the Wales Millennium Centre

Background and experience

Geraint joined Admiral in 2002 and held several senior finance positions including Head of Finance, before being promoted to Deputy CFO in January 2012 and CFO in August 2014. Geraint is responsible for finance, investments and investor relations. A Fellow of the Institute of Chartered Accountants in England and Wales, Geraint spent the early part of his career as an external auditor at Ernst & Young and KPMG.

Appointed

Appointed in 2014.

Contributions and reasons for appointment

Geraint has worked for Admiral for approaching 20 years and has been Group CFO for nearly 8 years. He has a deep understanding of the Group's businesses and strategy, which, together with his significant financial and accounting experience and broad range of skills and commercial expertise, makes him a valuable contributor both to the Board and the wider Group. Geraint is also able to use his financial and accounting experience to provide insight into the Group's financial reporting and risk management reporting processes.

Skills



Board of Directors

continued



Mike Brierley

Non-Executive Director

Current appointments

- Chair of Admiral Financial Services Limited (Admiral Money) (an Admiral Group subsidiary)
- Non-Executive Director of Alpha Bank London Limited
- Director and Trustee of the Rose Theatre Trust

Background and experience

Mike was CFO of Metro Bank Plc between 2009 and 2018, helping lead the business from start-up to listing on the FTSE. He spent seven years at Capital One Europe in various roles including CFO Europe, CFO UK and Chief Risk Officer Europe. He has also served as CFO for Royal Trust Bank, Financial Controller at Industrial Bank of Japan (London Branch), Director Business Risk at Barclaycard and was co-founder and Deputy Managing Director and CFO of Gentra Limited. Mike is a Fellow of the Institute of Chartered Accountants in England and Wales.

Appointed

Appointed in 2018.

Contributions and reasons for appointment

Mike brings a depth of knowledge from working at senior levels across multiple financial services sectors, jurisdictions and markets. As a result of his extensive financial and commercial experience, Mike is able to contribute effectively as a non-executive director, and in his role as a member of the Audit and Remuneration Committees. Through his recent and relevant financial experience, he is able to effectively challenge management on the financial reporting and internal control matters that come before the Audit Committee. Mike demonstrates full commitment to the responsibilities that go with his Board and Committee roles and offers appropriate challenge and guidance in respect of the matters considered in these forums.

Skills



Karen Green

Non-Executive Director

Current appointments

- Non-Executive Director, Senior Independent Director and Chair of the Sustainability Committee of Phoenix Group Holdings Plc
- Non-Executive Director and Chair of the Risk Committee of Asta Managing Agency Ltd
- Council Member and Chair of the Investment Committee Lloyd's of London
- Non-Executive Director and Interim Risk and Audit Committee Chair (effective 1 January 2023) of Miller Insurance Services LLP
- Advisor role at Cytora Limited

Background and experience

Karen Green is the former CEO of Aspen UK, comprising the principal UK insurance and reinsurance companies of Aspen Insurance Holdings (2010 to 2017). Other senior Aspen positions included Group Head of Strategy, Corporate Development, Office of the Group CEO and she was a member of the Group Executive Committee for 12 years. Prior to that, she held various corporate finance, M&A and private equity roles at GE Capital Europe and Stonepoint Capital having started her career in investment banking at Baring Brothers and Schroders.

Appointed

Appointed in 2018.

Contributions and reasons for appointment

Karen has substantial financial services experience and has a deep understanding of insurance and reinsurance, having served in senior executive roles in these sectors, including as CEO of an insurance business. Karen also has a strong background in strategic planning and corporate development and the relevant financial and industry expertise to be Chair of the Audit Committee. She demonstrates the commitment required to discharge effectively the responsibilities attached to this role and to challenge management on the Group's financial reporting and risk management processes in particular.

Skills





Justine Roberts, CBE

Non-Executive Director
Interim Senior Independent Director

Current appointments

- CEO & Founder, Mumsnet.com & Gransnet.com
- Non-Executive Director of The Open Data Institute
- Non-Executive Director of Boring Money

Background and experience

Justine founded Mumsnet in 2000 and is responsible for creation, strategic direction and overall leadership. In May 2011, Justine founded Gransnet, a sister site to Mumsnet, for the over-50s. Before that Justine was a freelance football and cricket journalist for the Times and Daily Telegraph, after working for Warbugs and Deutsche Bank as an economist, strategist and head of South African Equities in New York.

Appointed

Appointed in 2016.

Contributions and reasons for appointment

As CEO of the successful Mumsnet and Gransnet brands, Justine has strong digital and customer experience insights that she is able to bring to the Board decision making process. Justine also has a strong background in driving change through digital capabilities and brings a fresh and insightful perspective to the matters for consideration by the Board. Justine is also an effective member of the Nomination and Governance Committee and demonstrates full commitment to the role as well as performing the role of Interim Senior Independent Director.

Skills



Jean Park

Non-Executive Director
Senior Independent Director

Current appointments

- (The Company announced on 22 February 2022 that Jean Park, Non-Executive Director, took a temporary medical leave of absence and returned to her role in the second half of 2022)

Background and experience

Jean was Group Chief Risk Officer at the Phoenix Group from 2009 until June 2013, during which time she held responsibility for the Group's relationship with the regulator and founded the Board Risk Committee. Previously, she was Risk Management Director of the Insurance and Investments division of Lloyds TSB and, before that, Head of Compliance and Audit at Scottish Widows. Jean is a Member of the Institute of Chartered Accountants of Scotland.

Appointed

Appointed in 2014.

Contributions and reasons for appointment

Jean is an experienced non-executive board member with extensive understanding of risk management and corporate governance. This knowledge and experience has been acquired through a variety of senior executive and subsequent NED roles with Admiral and other financial services companies and qualifies her for Group Board membership and for her roles as Chair of the Group Risk Committee and Senior Independent Director. Jean continues to demonstrate full commitment to both these roles and, in addition, her membership of the Group Remuneration Committee and Nomination and Governance Committee.

Skills



Board of Directors

continued



Andy Crossley

Non-Executive Director

Current appointments

- Chair of EUI Limited (an Admiral Group subsidiary)
- Non-Executive Director, member of Remuneration
- Risk Committee and Chair of Audit Committee at Vitality Health Ltd and Senior Independent Director of Vitality Life Ltd
- Director of Vitality Corporate Services Ltd

Background and experience

Andy was CFO at Domestic & General Group from 2014 to 2017. He spent 14 years at Prudential Plc from 2000 as Director, Group Finance; Group Chief Risk Officer; and CFO and Deputy Chief Executive of Prudential UK. He previously held senior manager roles at Legal & General Group Plc, where he was Group Financial Controller, and Lloyds Bank Plc. Andy is a Fellow of the Institute of Chartered Accountants in England and Wales.

Appointed

Appointed in 2018.

Contributions and reasons for appointment

Andy has held a variety of senior roles relating to financial planning, strategy and risk across UK financial services. He has a wealth of accounting and financial experience and provides progressive insights to the matters that come before the Board. Andy is a valuable contributor to the Board and as a member of the Audit Committee and the Group Risk Committee (of which he is Interim Chair). Through his recent and relevant financial experience, he is able to effectively challenge management on the financial reporting matters that come before the Audit Committee.

Skills



Jayaprakasa Rangaswami

Non-Executive Director

Current appointments

- Non-Executive Director of Allfunds Bank SA
- Non-Executive Director of Allfunds Group Plc
- Non-Executive Director of Daily Mail and General Trust Plc (DMGT) (now delisted)
- Non-Executive Director of National Bank of Greece S.A.
- Non-Executive Director of EMIS Group Plc
- Member, Board of Trustees, Cumberland Lodge
- Member, Board of Trustees, Web Science Trust

Background and experience

Jayaprakasa Rangaswami (JP) has a wealth of large-scale IT operational experience gained through his roles as Chief Information Officer (CIO) with Dresdner Kleinwort (2001 to 2006) and Managing Director/Chief Scientist at BT Group (2006 to 2010). JP has also been Chief Scientist with Salesforce (a US cloud-based software company) (2010 to 2014) and was Chief Data Officer (CDO) and Group Head of Innovation with Deutsche Bank (2015 to 2018). He has operated in financial services for over 10 years and understands the challenges of working in a regulated environment. JP is also a former global CIO of the Year as well as European Innovator of the Year.

Appointed

Appointed 29 April 2020.

Contributions and reasons for appointment

JP brings a wide range of IT skills and digital experience which helps to complement and enhance the existing skills around the Board table. He has operated in financial services for over 10 years and understands the challenges of working in a regulated environment. He is also able to effectively contribute to the Board debate and demonstrates full commitment to the role. JP is also a member of the Group Risk Committee, a role for which he has the relevant experience and capability.

Skills





Evelyn Bourke

Non-Executive Director

C

Current appointments

- Non-Executive Director, Chair of the Audit Committee and member of the Nomination Committee at Marks and Spencer Group Plc
- Non-Executive Director, Chair of the Audit Committee, member of the Risk Committee and Sustainability Committee Bank of Ireland Group Plc
- Non-Executive Director, Senior Independent Director, member of Audit Committee and Risk and Compliance Committee at AJ Bell Plc
- Charity Board Trustee of Ireland Fund for Great Britain

Background and experience

Evelyn was Bupa Group's CFO between 2012 and 2016, before becoming Bupa's Group Chief Executive Officer from 2016 to 2020. Evelyn has held several senior leadership roles during her career including Chief Commercial Officer at Friends Life UK (2011 – 2012), CFO at Friends Provident (2009 – 2010), CFO at Standard Life Assurance (2006 – 2008), and CEO at Chase de Vere (2004).

Appointed

Appointed on 30 April 2021.

Contributions and reasons for appointment

Evelyn brings valuable general management, finance and strategy experience from life and health insurance, internationally. She complements and enhances the range of skills currently on the Board. Evelyn has held several leadership positions in financial services organisations and has the appropriate skills, knowledge and experience to perform her roles as Non-Executive Director and Chair of the Remuneration Committee.

Skills



Bill Roberts

Non-Executive Director

C

Current appointments

- Advisor at Hi Marley
- Non-Executive Director Elephant Insurance Company, incorporated in Virginia, USA

Background and experience

Bill Roberts has a wealth of insurance, underwriting and marketing experience gained during his time at US insurer, GEICO, which he joined in 1984. Whilst at GEICO, Bill held several Executive appointments, including COO and President and CEO for all GEICO Insurance Companies, a position he held from 2018 until he was promoted to Vice Chair, GEICO Insurance Companies in 2020. Bill held this role until he retired from GEICO in December 2020.

Appointed

Appointed on 11 June 2021.

Contributions and reasons for appointment

Bill brings valuable insurance experience and insight on the US insurance market having held several senior Executive positions with US insurer, GEICO. Bill contributes and challenges effectively on the matters that come before the Board. His extensive US insurance experience and insight is of specific value to the Group's US businesses as they seek to continue to develop and grow. Bill does not currently have any other Executive or Non-Executive Director commitments that would impact the time commitment requirements for his Admiral Non-Executive Director role and member of the Nomination and Governance Committee and has capacity to fulfil the duties and responsibilities for these roles.

Skills



Nomination and Governance Committee

continued

Gender diversity

Diversity and the variety of perspectives that it brings has been proven in studies to increase innovation and creativity, and, as a result, improves performance. It also has other positive impacts, such as providing greater awareness, widens the talent pool and challenges the views or practices that have become embedded over time. Admiral's strategy depends on all of these things, which are enhanced by diversity, and supports our goals.

Total Board Director skills

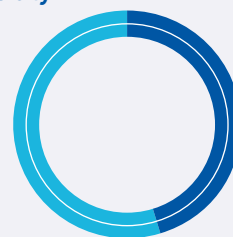
During the year, the Committee reviewed the Group Board Diversity and Inclusion Policy and discussed the appropriateness of the measurable targets to increase diversity and inclusion at Group Board, Subsidiary Board and senior management level. The Committee seeks to ensure that a clear recruitment strategy for Board appointments is in place and is aligned to this policy.

Measures that are covered under the Policy, including progress updates against each, include:

- (i) Having one member of the senior executive team who is responsible and accountable for gender diversity and inclusion at Group level. Cristina Nestares (EUI CEO) is the accountable executive for gender diversity.
- (ii) Setting internal targets for gender diversity in senior management. Progress against the Group's target of 40% of women in senior management by 2023 is detailed below.
- (iii) Publishing progress annually against these targets in reports on the Group's website. Progress updates on the Group's progress against the HM Treasury's Women in Finance Charter commitments are provided on an annual basis on the Group's corporate website.
- (iv) Linking the pay of the CEO to the progress made against these internal targets on gender diversity. In 2021, the Remuneration Committee considered and approved a proposal to link the progress against the Women in Finance target within the non-financial performance measures of the EUI CEO, Cristina Nestares. Further information on this is contained within the Remuneration Committee Report on page 183.

The Group has continued to exceed the target set by both Lord Davies in his report: Women on Boards, and the Hampton Alexander Review (that builds on the Davies Review) which encouraged FTSE 350 companies to achieve at least 33% women on Boards. Women on the Admiral Group Plc Board represented 55% of its 11 director membership as at 31 December 2022, compared with 50% on 31 December 2021. Further, Admiral is only one of 5 FTSE100 companies where each of the board positions of Chair, SID and CEO are held by women. Official data published by the FTSE Women Leaders (succeeding the Women on Boards Report and Hampton Alexander Review) issued in February 2023 reported that the percentage of women on FTSE 100 Boards was 40.2% improving from 39.1% in 2022, which demonstrates the good progress Admiral has made compared with the average of the FTSE 100. The data also highlights that the combination of women in the Chair, CEO and SID roles is still not common, demonstrating Admiral's continued strong support of the progression of women in leadership roles.

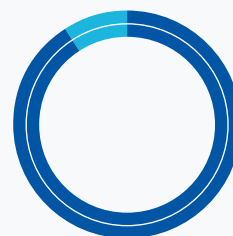
Board gender diversity



5 Men

6 Women

Board Ethnicity

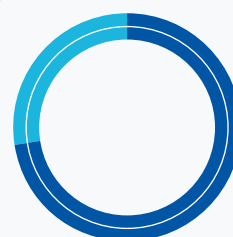
10 White British
or other White
(including minority
white groups)

1 Asian/Asian British

Age diversity (by bracket)

40s 18.2%
50s 27.2%60s 45.5%
70s 9.1%

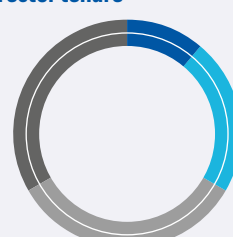
Board Nationality



8 British

3 Non-British

Non-Executive Director tenure

>9 years
6-9 years3-6 years
<3 years

As a result of the continued progress to balance gender diversity at Group Board level and to align with the Women in Finance Charter's aim of increasing female representation at the UK senior executive level to 40% by the end of 2023, the Committee approved a proposal to increase the annual target from a minimum of 33% women to 40%. The aim is to achieve this level of gender diversity at an aggregate level across the Subsidiary Boards too. As at 31 December 2022, women represented 38% of all of the Subsidiary Boards compared to 29% as at 31 December 2021, while improvements have been made in 2022 there is further work to improve gender diversity at this level.

During the year, the Committee reviewed the gender balance of those in senior management and their direct reports and considered the initiatives that have been proposed to focus on improving gender balance. The FTSE Women Leaders (formerly Hampton-Alexander Review) target of 33% female representation within senior management has been achieved across the Group, with females representing 44% of our Senior Executives and 35% of their direct reports.

Ethnic diversity

The Board continues to monitor the requirements of the Parker Review's report on ethnic diversity in the context of the composition of its Group and Subsidiary Boards, the initiatives that are being implemented to increase diversity and discuss how measures to develop a diverse pipeline of talent as regards to Board appointments could be developed and monitored. The Group Board includes one Board member from an ethnic minority, which meets one of the Parker Review's key recommendations for FTSE 100 companies as well as Listing Rules and Disclosure Guidance and Transparency Rule 9.8.6(9)(a). Further information on how the Group is developing candidates for the pipeline is outlined in the sections below and in the Strategic Report on pages 77 to 79.

The Group remains strongly supportive of the principle of boardroom diversity, of which gender and ethnicity are important, but not the only, aspects. What is important is diversity of thought, experience and approach and each new appointment must complement what already exists at the Board table.

Ethnic diversity amongst senior management and the wider workforce is something that Admiral has increased its focus on in 2022. However, the Committee recognises that the workforce is not always comfortable with voluntarily sharing such personal information. There have been initiatives to encourage more people to make such voluntary disclosures, in respect of other diversity questions, and this has been discussed by the Employee Consultation Group during the year.

Activity to improve diversity in the talent pipeline

UK

- Admiral appointed Senior Management Sponsors for all diversity and inclusion working groups.
- Admiral achieved 45% female representation at executive level, in line with its commitment to the Women in Finance pledge.
- Admiral was placed 3rd in the UK's Best Workplaces for Women award in 2022.

- Admiral's recruitment strategy aims at increasing candidates from an ethnic background and women onto shortlists for leadership roles
- Strengthening our partnerships aimed at increasing female representation, we have joined with Women in Data, a movement and force for change in the realm of data science and analytics
- Admiral has continued our partnership with PricewaterhouseCoopers' #TechSheCan, aimed at developing internship and work experience programmes
- Admiral has paired with Code First Girls ("CFG"), in respect of which our funding will enable 495 places on an 8-week programme to learn the fundamentals of coding and web development. In addition, we will also pay the fees for 40 participants to complete a nanodegree, which is the equivalent of a Data Science degree. The degree takes 14 weeks to complete, and on completion of the programme, CFG will work with their network of employers across UK (e.g KFC, BlackRock, Natwest etc.) to seek to secure employment for graduates
- Admiral has achieved Disability Confident Leader status
- Admiral has signed several pledges such as the Menopause Pledge, Endometriosis Friendly Employer, Neurodiversity Friendly Employer and continued our commitment to the Race at Work Charter by signing up to their extended initiatives
- Admiral was the headline sponsors of Pride Cymru for the 22nd consecutive year
- Admiral achieved Top 75 employers with the Social Mobility Foundation

Group

- Admiral launched its Get Discovered programme aimed at developing talented women within Admiral to become the leaders of tomorrow
- Admiral has planned to launch a "reverse mentoring" scheme. We will ask people to apply for this, then we will train them as mentors. The successful applicants and all participating senior top executives will benefit from this new scheme
- Admiral will launch two "Employee Resource Groups", one focused on gender and one on ethnicity, to create a strong group network of people, selected from our staff, with the aim of designing and delivering internal initiatives to offer equal opportunities to our underrepresented groups of people
- Admiral will launch a program designed to develop employees from an ethnic background, in partnership with McKinsey. We are designing a talent and development program to nurture talent across Admiral, focusing on finding talented employees from an ethnic background at different levels into leadership roles
- Admiral has designed Group D&I employer branding in order to increase our external reputation as diversity

Annual Report on Remuneration

continued

DFSS bonus in Respect of 2022

In line with the Remuneration Policy, the Group paid a bonus to all holders of DFSS shares in 2022, which was equivalent to the dividend payable on all outstanding DFSS shares awarded but not yet vested. The 2022 Bonus for Executive Directors also includes a potential +/- 20% adjustment to the DFSS bonus based on performance of a set of non-financial performance metrics, which for 2022 was grouped into three categories: Strategy, customer and ESG.

For the customer and ESG strategic pillars, relevant quantitative data was used to assess performance and an outcome was determined. For the strategy, the board members derived a collective view on the progress against the strategic priorities.

Details of the measures used in the scorecard and outcomes are summarised in the table below:

Category	Metrics	Target	Max	Outcomes (% out weighting for each category)	
				H1	H2
Strategy	Overall scoring from the board on scorecard of measures around:				
	• Progress towards Admiral 2.0				
	• Diversification – existing non-motor product development (both top line and KPIs), in particular Household and Loans	16.50%	33.00%		24.75%
	• Diversification – development of new products				
Customer	• Progress towards defining motor mobility strategy				
	Customer Feedback (NPS)	8.50%	17.00%	12.48%	11.42%
ESG	Customer Outcomes (CRMI)	8.50%	17.00%	12.78%	5.33%
	People (Trust Index)	9.00%	18.00%		9.00%
	Diversity & Inclusion (Female representation at Senior level)	3.75%	7.50%		6.00%
	Inclusion (Inclusion survey results)	3.75%	7.50%		5.44%
Total		50.00%	100.00%	70.45%	61.94%
Overall scorecard multiplier		100.00%	120.00%	108.18%	104.78%

Strategic outcomes have been assessed by the Board as 75% of maximum on the basis of strong progress towards Admiral 2.0 and Diversification, with positive performance in UK Household and Admiral Money in particular. Progress towards defining motor mobility strategy continues apace.

Customer outcomes are taken as a weighted average across the Group on the basis of customer headcount. CRMI data measuring customer outcomes trailed off in H2, with complaints data reflecting pressure in the claims area for the UK Insurance business, which had a significant downwards impact on the overall outcome for the half as it is weighted at c.75%. Customer Feedback outcomes were generally strong over the year, with outcomes for each entity ranging from 50–100% of maximum, with outcomes concentrated between 60 and 70% of maximum.

The Trust Index outcome of 84% was 2% lower than the benchmark of 86%, resulting in achievement of 50% of maximum. Inclusion survey results were generally at the benchmark, with one question exceeding, resulting in an outcome of 72.50% of maximum. The year-end figures for females in senior leadership roles was 37.20% across the Group, which resulted in an outcome of 80.00% of maximum.

The overall outcome of the scorecard was assessed to be a 108.18% multiplier to the DFSS bonus paid for H1 2022 and a 104.78% multiplier to the DFSS bonus for H2 2022 (to be paid in 2023) for Milena Mondini de Focatiis and Geraint Jones.

In addition, the Executive Directors' DFSS bonus is subject to a further risk adjustment (downwards only) to take into account of risk events which are considered to have a material customer, regulatory or financial impact.

During the year, and in addition to the above, the Committee took into account relevant trigger events as part of the established risk adjustment process, and determined it was not appropriate to apply a downwards adjustment on that basis.

DFSS bonus payments are subject to malus and clawback provisions.