Non-Financial Report 2021

AECS | March 2022

Index

0. Scope and methodology used in this report

This report has been prepared in compliance with Spanish Law 11/2018, of 28 December, on non-financial information and diversity. It includes the information required to document the performance, results and situation of the company, and the impact of its activity on environmental and social matters, human rights and the fight against corruption and bribery, and staff matters.

This report includes the most significant non-financial information according to the materiality analysis carried out by the company, and corresponds to the period of 1 January 2020 to 31 December 2020, which is the same as the company's financial year.

Although this Non-Financial Information Statement (NFIS) is produced in a separate report, this Report is part of the AECS Management Report, and will be subject to the same rules on preparation approval, filing and publication as the Management Report, published according to Spanish Law 11/2018, of 28 December, on non-financial information and diversity.

Scope of the Information

This NFIS contains information on AECS's economic, environmental and social performance in 2021.

Standards used and rules of preparation

This report has been prepared in accordance with GRI Standards. The "Guidelines for the preparation of GRI Sustainability Reports", establish a series of principles that have been taken into consideration when preparing the NFIS, which are indicated below:

- **Involvement of interest groups.** The NFIS has been prepared considering the expectations and concerns of interest groups in relation to the company's operation and performance.
- **Context.** An assessment has been carried out of how the Company's activities and services interact with the social, economic and environmental context in which is does its business.
- **Materiality.** A materiality study has been carried out with the aim of defining the most relevant elements for AECS.
- **Exhaustiveness.** Based on the identification of the material aspects, the content of the NFIS has been designed to include sufficient information about them, to enable interest groups to assess and understand AECS's economic, environmental and social impact.

The principles established by GRI have been followed to prepare the NFIS, to ensure information quality:

- **Balance.** This principle indicates that the NFIS must be able to reflect positive and negative aspects of the Company's performance. By applying this principle, a broad and objective overview of AECS has been achieved.
- **Comparability.** The Company has collected information included in the content so that interest groups can analyse the Company's performance, enabling it to be compared with other organisations.
- **Accuracy.** An attempt has been made to include sufficiently accurate and detailed information that interest groups can evaluate the organisation's performance.

- **Punctuality.** AECS will update the content of the NFIS annually so that interest groups can make well-reasoned decisions.
- **Clarity.** AECS makes an effort so that interest groups can access and understand the report.
- **Reliability.** In this NFIS, AECS has detailed the process it has followed to prepare it, guaranteeing that the content can be subject to an external evaluation on the quality and materiality of the information included.

Analysis of materiality

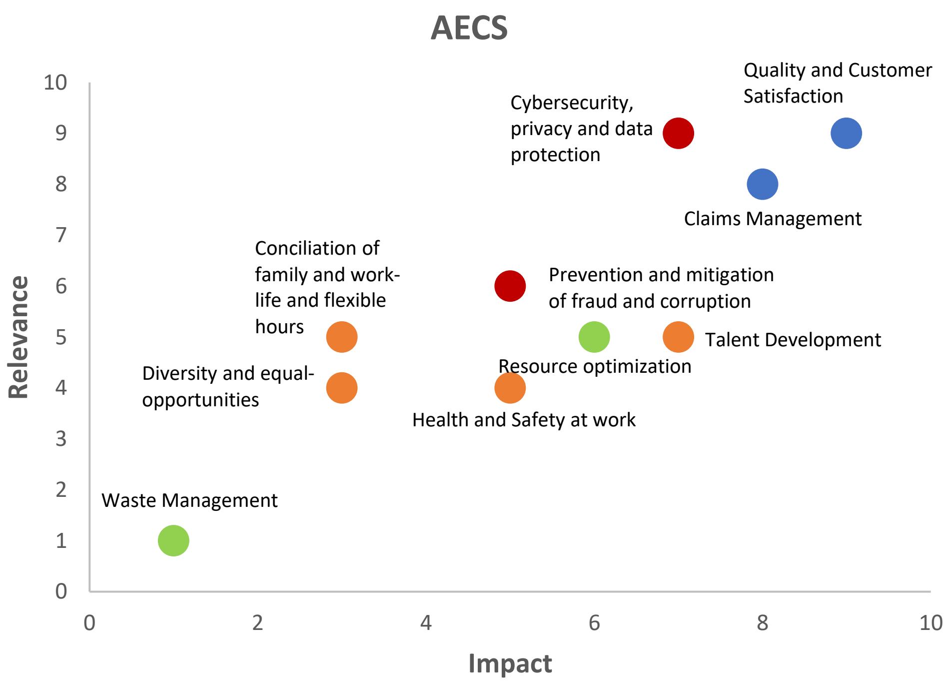
According to the recommendations of the GRI guidelines, this report includes information on the indicators linked to the defined material elements.

To achieve that purpose, a specific analysis has been carried out that evaluates key issues, either by their impact on interest groups or because they have a direct impact on the medium- and long-term success of the AECS strategy.

The main activities carried out for this materiality analysis were:

- Meeting with heads and senior managers of key areas in the Company.
- Material aspects for the sector based on analysis of the information reported by similar companies in terms of social, environmental, labour impacts and more.
- Identification of requirements from industry standards bodies (GRI, SASB[1], etc.).
- Analysis of news on the Company and its sector in the last financial year.

Further to these actions, the following materiality matrix was prepared for year 2021:



[1] Sustainability Accounting Standards Board.

Compared to 2020 materiality matrix, it can be noticed that aspects as cybersecurity, talent development, diversity and equal-opportunities and prevention and mitigation of fraud and corruption increased the relevance within the Company.

Having identified the material issues, the necessary information was collated to prepare the NFIS by interviewing the heads of the main areas of the Company and reviewing corporate documents.

Now those data have been received and all the necessary information has been compiled to analyse materiality, AECS has prepared the final draft of this NFIS. The table of contents included as Appendix 3 shows readers where they can find information on each of the indicators required by Spanish Law 11/2018.

Where it has not been possible to address all the requirements of the GRI guidelines, special mention has been made in the table of contents. Likewise, AECS will improve its current reporting systems to include the data required by the Law in future versions of the NFIS.

Contact details

To clarify any of the information in this NFIS or any aspect of the Company's performance, please contact AECS at the following address: info@admiraleurope.com

1. About the Company

1.1. Company Profile

AECS was established in Madrid on 20 December 2018, as "Admiral Europe Compañía de Seguros, Sociedad Anónima Unipersonal" with the sole purpose of developing authorised private insurance in accordance with legislation on private insurance and related legislation, preparatory or additional operations and prevention of damage related to insurance activities. Specifically, this includes coverage for insured parties, whether individuals or legal entities, of the risks covered and the services provided in insurance for accidents, road vehicles, civil liability for motor vehicles, material damage, general civil liability, financial loss, fire and natural disaster, legal defence, assistance and all other areas duly authorised by the Directorate General of Insurance and Pension Funds, according to the procedure stated by law.

AECS was founded in the context of Brexit with the aim of ensuring the continuity of the individual organisations of Admiral Group Plc, AICL and AIGL, providing motor vehicle insurance in Spain, Italy and France since 2006. Admiral Group Plc is its sole shareholder.

AECS began doing business on 1 January 2019 and is subject to the Spanish regulator the Directorate General of Insurance and Pension Funds (DGSFP in its Spanish acronym). In July 21st of 2021 AECS changed its corporate address to Rodriguez Marín, 61, 28016, Madrid. In terms of operations and distribution, AECS acts through the brands Qualitas Auto and Balumba in Spain, ConTe in Italy and L´Olivier and Homebrella in France.

AECS has two work centres: one in Madrid (head office), where part of its staff is located, mainly dedicated to governance and finance functions, and another in Seville, where the areas of claims management, people services and pricing, among others, are located. AIS, which is its related agency, with its head office in Seville, and which carries out the sale and management of auto insurance. It should be noted that, during the year 2021, teleworking has continued to play a fundamental role in the Company, as it did in 2020, as it will be seen throughout this report.

1.2. Business Model and Strategy

a) Business environment

Year 2021 has been characterized as the year following the coronavirus pandemic had a very significant impact on the future of the European economy. After the economic recession experienced during 2020, 2021 is a year in which fiscal and monetary policies have been carried out in order to reactivate the economy after covid-19. However, initiatives of European governments are being affected by two unexpected aspects: i) the emergence of new variants of covid-19, and ii) the generalized upturn in inflation during the second half of the year, reaching a 30-year high.

Throughout this fiscal year, AECS (as well as the Admiral Group) has maintained its resilient attitude by keeping its clients out of all economic shocks, managing to maintain its high-quality service with teleworking levels close to pandemic status. Telework arrived unexpectedly and AECS has achieved an enviable balance between on-site and remote work.

At the sector level, the insurance industry and specifically the auto segment has behaved differently compared to the pandemic situation. If the 2020 financial year was characterized by total restrictions during the confinement and subsequent partial limitations, during the 2021 financial year it has returned to levels prior to the anomalous situation experienced. The market has pushed a strongly competition, driving down average premiums in practically all the markets in which AECS operates. Even so, good practices have led to higher sales volumes than those achieved in the two previous years, in line with the company's strategy of achieving greater efficiency and economies of scale. AECS has continued with flexible measures aimed at offering good customer service, and this has been reflected once again in the good performance of renewals, which have reached their highest levels for the second consecutive year.

The return to pre-pandemic levels has also increased frequency in fiscal 2021 compared to 2020, when low vehicle utilization led to a sharp drop in frequency. The immediate consequence observed has been the increase in claims across the auto insurance sector, which together with the evolution of inflation in the second half of the year has once again led entities to put their focus on controlling the expense ratio.

Digitalization, which was necessarily accelerated by the coronavirus crisis, has been maintained at high levels in order to adapt to the new market conditions and needs. This is why AECS remains steadfast in its digital acceleration process with the aim of improving the overall satisfaction of its customers and employees.

b) Business Model and Strategy

The AECS strategy focuses on building sustainable business, with customer satisfaction being its core concern. The AECS Board and senior management perform and annual review of the strategy, as well as possible challenges and risks faced by the company.

AECS wants to position itself among the best insurers in the countries in which it operates. To that end, it has three main strategic goals:

① To keep our competitive advantage:

To keep our focus on accident management processes and specialising on pricing as the foundation of profitability, together with a culture of always looking for efficiency and service excellence.

② Sustainable and profitable growth

To develop profitable, growing and sustainable insurance businesses that reflect our direct to customer model.

③ Continuous development of products and new channels

To maximise the value of our core business and lay the foundations for future growth with new products and distribution channels.

In addition to all the above, AECS remains a “Great Place to Work”. An environment has been created in all the Group’s companies where employees are happy to go to work and offer customers an excellent service. As responsible employers, the goal of AECS is to create an inclusive working environment and support employees wherever possible.

1.3. Corporate governance

The AECS governance system aims to ensure successful and prudent management. The system has an organisational structure with transparent management lines. AECS also has a system of effective processes to identify, manage, monitor and report on the risks to which the company is exposed, appropriate internal controls and remuneration policies that promote the right management of the company.

The AECS Board of Directors is the main decision-making forum, providing business leadership directly and, through its committees, delegating authority to the executive team. The Board has oversight functions and plays a key role in ensuring the effective governance of business activities.

Members of the Board of Directors as of 31/12/2021	
Non-executive Chair	Mr. Alastair David Lyons
Executive Director	Mr. Mark Shelton
Executive Director	Mr. Costantino Moretti
Independent Director	Mrs. María Dolores Pescador
Independent Director	Mr. Julian López

*Alastair David Lyons was Chairman and member of the AECS Board until December 31, 2021. As of January 1 2022, Julian Lopez Zaballos took the place of Chairman of the Board.

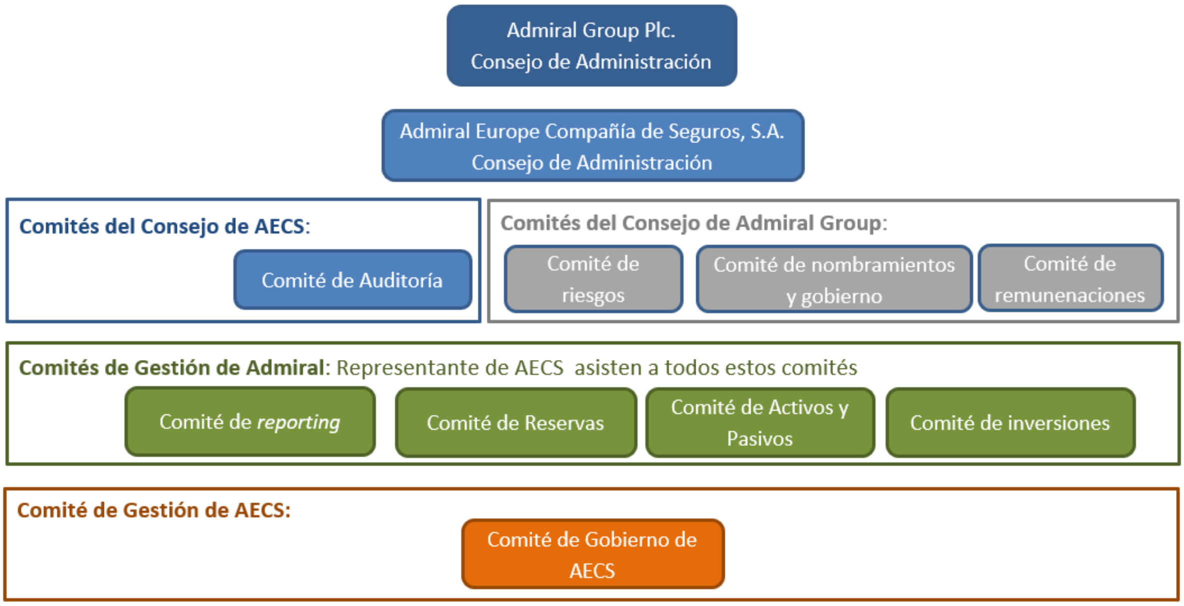
The Board of Directors recognises the importance of making sure that those who are leading AECS have the right professional qualifications, knowledge and experience to ensure solid governance in service of its strong reputation. To that end, directors must follow the suitability and Fit and Honourability requirements.

The AECS Board of Directors has the support of a series of permanent Committees:

- Board Committee: the AECS Audit Committee
- Management Committee: AECS Governance Management Committee

The Admiral Group Board and its Committees also oversee AECS. In this way, AECS makes the most of the existing governance systems in the Admiral Group, which has a series of permanent Committees:

- Board Committees (with authority delegated from the Group's Board): Risk Committee, Audit Committee, Appointments Committee and Remuneration Committee.
- Management Committee: Investments Committee (reports directly to the Group's Board), Disclosure Committee (reports directly to the Group's Board), Reserves Committee (reports to the Audit Committee) and the Groups Assets and Liabilities Committee (reports to the Risk Committee). AECS is involved in all Group Management Committees when required.



[Admiral Group Board]

Group Audit Committee **Group Risk Committee** **Group Appointments and Governance Committee** **Group Remuneration Committee**

Disclosure Committee **Reserves Committee** **Assets and Liabilities Committee** **Investments Committee**

AECS Board

In 2018, the structure of the AECS Governance System, following submission to the Spanish Directorate General of Insurance and Pension Funds (DGSFP), was approved by the AECS Board of Directors, which also approved the main policies governing the internal processes of AECS as of 1 January 2019. The policies are reviewed or approved annually.

1.4. Risk Management

AECS follows a three-line of defence approach to managing risk and internal control

First line of defence

The AECS Board recognises that company management has the responsibility to implement policies to identify, evaluate and manage risks, and to take risks and the effective way of controlling them into account in its operational decisions.

Second line of defence

Led by the Head of Risk, it includes the functions and the Corporate Governance Committees established to oversee the effective operation of the internal control framework. The risk department establishes the framework for Group policies and minimum standards, carries out second-line reviews and reviews all risks regularly together with senior management.

Third line of defence

Addition and independent guarantee provided by the AECS Audit Committee and the internal audit department. Internal Audit carries out an audit programme based on risk, which covers all aspects of the first and second line of defence. The findings of these audits are passed on to the audit committee, senior management and the various governance committees.

The AECS Board of Directors is responsible for establishing the risk strategy and tolerance to risk at AECS. The AECS Board of Directors must oversee the correct execution of the risk management and internal control system within the Admiral Group Risk Management Framework.

The risks identified in the company's risk profile are defined based on the main risk categories of the Solvency Capital Requirements (SCR) of Solvency II and are listed below:
- Non-life underwriting risk
- Life underwriting risk
- Market risk
- Credit risk
- Operational risk

As a general insurance company, the non-life underwriting risk means greater concentration of risk for AECS, identifying premium risk and reserve risk as key risks. The existence of losses due to bodily harm in the automotive business represents great uncertainly associated with the ultimate cost of the losses, making the quantification of this risk a major part of underwriting risk. To manage and limit exposure to this risk, AECS has co-insurance and re-insurance agreements (proportional re-insurance and non-proportional re-insurance of excess loss) to keep subscription risk at an acceptable level, although these generate a credit risk according to the Standard Formula.

Within operational risk, the main risks identified are associated with cyber-security, business continuity and data protection and privacy. However, the company's risk panorama includes other important risks such as those related to legal and regulatory issues, processes and internal control, and risks related to human resources the risk and sustainability strategy.

Market and credit risks are fairly stable due to mainly being based on fixed-income assets and recoverable from reinsurance.

The AECS risk panorama is reviewed quarterly to consider emerging risks and new risks, and to remove risks that are no longer relevant.

2. Combating corruption and bribery

AECS's Compliance Department helps to support and encourage the successful management of the company's business according to the Admiral Code of Ethics.

The Compliance Department has the following duties:

- Oversee the company's Compliance Plan to ensure it is compliant with all applicable laws and regulations.
- Establish and maintain a compliance risk management and control system.
- Advise on the changes to the regulatory compliance environment in the company, to ensure company-wide compliance with regulatory requirements.
- Advise the other areas of the company according to specific regulatory requirements.
- Oversee reporting on conduct risk management.
- Oversee reporting on financial crimes.

AECS has Code of Ethics that defines the values that employees must follow and embody to prevent damage to AECS's reputation or their own reputation. The Code is mandatory for all employees and officers of AECS in all circumstances wherever they are acting on the company's behalf.

AECS, as well as the other companies of Admiral Group Plc, must adhere to the Group Anticorruption and Bribery Policy, which establishes employees' responsibilities in terms of corruption. The purpose of the policy is to establish the requirements to which all persons associated with AECS must adhere in order to prevent bribery and corruption. The aim of the Policy is to mitigate the risk of bribery taking place, ensuring the following:

● The development of a culture in which business is fair, honest and transparent.

● Employees and agents of AECS, both current and potential, are fully aware of the zero-tolerance approach that AECS takes to bribery.

● All employees and agents are aware of what bribery is under the Bribery Act 2010.

● All AECS employees are valued and the appropriate procedures are available to them to ask questions.

● All alleged cases of bribery are investigated and full cooperation takes place with the authorities to resolve them.

● We act strongly against any individual or agent who is found to be involved in bribery.

This Policy will apply to all employees, directors, agents, consultants, contractors and any other person or organisation associated with AECS. The Policy prohibits any incentive that represents a commercial or personal advantage or benefit to AECS, the recipient or any other associated person or entity, who intends to exert influence over them, or the person or entity entering into a contract or that they represent, to act in an improper way in an AECS function or activity.

AECS has adhered to the Group Policy on Financial Crime, which includes offences such as money laundering. This policy aims to ensure that robust systems and controls are in place to detect, prevent and deter financial crime throughout the Group and that the Group complies with applicable laws and regulations in the jurisdictions in which it operates, in order to protect customers and the business from reputational damage and financial loss.

The policy aims to detect, prevent and deter financial crime by ensuring that:

- A culture is developed in which business is conducted fairly, honestly and transparently.

- A proportionate risk-based control framework is in place, with local policies and operating procedures in accordance with the type of business and local laws and regulations.

- All employees and agents receive tailored training to enable them to identify and report suspected incidents of financial crime.

- All suspected financial crime situations are investigated and full cooperation is given to the competent authority.

- Firm action is taken against any individual or agent found to be involved in financial crime.

3. Human Rights

AECS is fully committed to respecting human rights and adheres to the fundamental conventions set out by the International Labour Organization to respect free association and the right to collective bargaining.

AECS has a clear focus on people. In line with these values, diversity, equal opportunities and equal treatment are three important pillars for the Company. AECS promotes equal opportunities among all its employees and fights against any kind of discrimination in the workplace with cultural values that are committed to the value of diversity from all perspectives (generational, gender, sexual orientation, functional, etc.). This culture of inclusion and integration is based on protection policies for employees and work programs that promote an inclusive culture driven by the company's general management. An example of this is that, in addition to the Equality Committee, AECS has a Diversity and Social Inclusion Committee. This Committee, made up of a network of employees from different areas and levels of responsibility, is responsible for carrying out programs that raise awareness and protect diversity in our

Company. As a novelty, during the last 12 months, networks of employees have been promoted in different groups, which have focused on promoting diversity within the organization. The objective is to maintain action plans that ensure the maintenance and development of our inclusive culture in a transversal manner in each area of the organization. This initiative has encouraged the promotion of our culture among our employees, fostering a sense of belonging and promoting our corporate values through the reinforcement of our employer brand.

AECS provides employees with a range of communication channels that help to measure the working environment and act in the case of any situation that compromises our values in terms of human rights and equal opportunities. AECS has never received any complaints in this respect.

AECS has adhered to the Group Whistleblowing Policy. The policy is designed to ensure that an employee can raise their concerns about serious wrongdoing or malpractice within the Group without fear of victimisation, subsequent discrimination, disadvantage or dismissal. The wrongdoing the employee discloses must be in the public interest.

AECS also considers it essential that it knows how happy its employees are and how to keep them happy. AECS provides anonymous questionnaires and specific applications to discover employees' daily emotional state, using a happiness index, and allowing employees to leave anonymous comments, with suggestions, acknowledgements, ideas and thank-yous. The use of this kind of tools creates confidence and transparency between employees and the company.

4. Human Resources

Employees are one of the most valuable and important assets at AECS. The ability to attract and retain talent is a priority in the organisation because it ensures the company's success.

In this area, the most important values to AECS are commitment, responsibility, camaraderie, respect, equality, loyalty and honesty. These values are key at the point of recruitment, when cultural fit is as or more important that the technical skills required for the job, and while the employee is settling into the company.

These values can be seen in every AECS communication programme, at every corporate even and in every employee interaction project. AECS is aware of the importance of continuing to reinforce its corporate values.

4.1. Description of the workforce

As of December 31st, of 2021, AECS had a headcount of 256 employees in Spain compared to year 2020 where had 230 employees.

Of those 249[2] employees, approximately 56% are women, 95% are permanent,13% are under the age of 30 and 80% have full-time contracts. In year 2020 the Company had 230 employees in which 53% of women, 94% permanent employees and 12% under the age of 30.

[2] This count does not include members of the Board of Directors or Internships.

In terms of professional classification, there are five main professional groups, which are detailed below:

Category	
Category 1	Director, Head of…
Category 2	Manager, Team leader, Heal of Bus. Dev, Analyst, Consultant, IT Project Manager
Category 3	Service Rep, Team Leader, Scrum Master, Team Rep, Programmer, Auditor…
Category 4	Engineer, Trainer, Coordinator, Specialist, Auditor, Processor [IT: Architect, systems administrator, business analyst, support tech, developer, security engineer, programmer…]
Category 5	Telephone agent, Administrative Assistant, Assistant, Receptionist…

There were six dismissals during 2021(four women and two men), compared to seven dismissals in 2020 (four women and three men). Detailed information on the workforce can be found in Appendix 2.

4.2. Remuneration and employee benefits.

The salary rules at AECS are primarily set by compliance with legal regulations and the agreements reached through collective bargaining.

The same as the other insurers in the European Union, AECS has a Remuneration Policy according to the principles of article 275 of Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) and strictly follows the recommendations of EIOPA.

The AECS remuneration policy fosters healthy and prudent management of risk and does not encourage excessive assumption of risk for the entity's tolerance limits.

The remuneration system is balanced in terms of its fixed and variable elements. A substantial part of the bonus is deferred to at least three years.

Individual appraisals also take place, which for more critical roles take into account financial criteria (quantitative) and non-financial (qualitative), which are measurable and cover a number of years. The non-financial criteria include degree of compliance, customer satisfaction and attainment of strategic goals. Those quantitative and qualitative criteria are presented in a balanced way.

Average remuneration in AECS in 2021 was €27.799,61 while in year 2020 it was €26,953.50. Remuneration is calculated as follows:

a) Fixed gross annual compensation.

b) Variable gross compensation based on compliance with established objectives (Key Operating Indicators).

c) 3-year stock option. Admiral Group plc. shares, FTSE 100 on the London Stock Exchange.

AECS, as part of its compensation policy, includes a series of options for employees: AFSS stock option (Admiral Group Plc shares listed on the London Stock Exchange); DFSS stock option (Admiral Group Plc discretionary shares); Dividends on shares granted; Personal life and accident insurance; Health insurance for certain groups.

The 2021 pay gap report by category was as follows:

Category	Minimum gap	Medium Gap	Maximum Gap
Category 1	0,92	0,88	0,88
Category 2	0,94	0,89	0,80
Category 3	0,87	0,91	1,12
Category 4	1,07	0,93	0,95
Category 5	0,88	1,01	1,06

In year 2020 pay gap report by category was:

Category	Minimum gap	Medium gap	Maximum gap
Category 1	0,69	0,703	0,879
Category 2	1,02	0,92	0,8
Category 3	0,87	0,85	1,08
Category 4	1,05	0,89	0,95
Category 5	1	1,04	1,22

As an explanation, for example, the minimum gap of 1.07 in category 4 means that comparing the existing gross theoretical minimum wage for each gender, women earn 7% more than men. In terms of theoretical gross maximum wage, in general women receive 7% less than men. For this calculation, the gross theoretical wage of the woman has been subtracted from the gross theoretical wage of the man and then divided by the gross theoretical wage of the man, thus giving a ratio where a ratio of 1 would mean equal pay.

Remuneration of the Board of Directors

As has been mentioned, in 2021, three of the five members of the AECS Board of Directors are independent directors and, therefore, are remunerated. The remuneration was approved by the AECS Shareholders Meeting according to the Admiral Group Remuneration Policy and it is as follows:

Total remuneration of Directors (by gender)	
Women	46,667 €
Men	110,331 €
Total	**156,997 €**

While in 2020 was:

Total remuneration of Directors (by gender)	
Women	45,000 €
Men	107,000 €
Total	**152,000 €**

The average remuneration of the directors in 2021 was as follows, with an average salary gap of 0.84 as at that date:

Average remuneration of Directos (by gender)	
Women	46,667 €
Men	55,165 €

And in 2020 was:

Average remuneration of Directos (by gender)	
Women	45,000 €
Men	53,500 €

Remuneration of Senior Management

Remuneration data for senior management staff are detailed in the following tables:

Average remuneration of senior management (by gender)	
Mujeres	90,667 €
Hombres	102,801 €

And in 2020 was:

Average remuneration of senior management (by gender)	
Mujeres	86,155 €
Hombres	102,584 €

4.3. Organisation of work.

For AECS, work-life balance is very important. AECS has an “EFR Guide” with more than 140 work-life balance measures to support employees in different situations in life: remote working and flexible working conditions to improve work-life balance (flexitime, digital disconnect, special remote working to care for children/elderly people); training and development (training plans, talent matrix, international exchange programmes); paternity and maternity (with enhanced conditions and special support measures); grief leave and support in complicated personal and family situations (psychological support, professional advice for employees and their family members); recognition and team building for employees, etc.

AECS focuses its efforts on the happiness and well-being of employees, because it understands that it is key to retaining talent and getting results. In pursuit of that, it carries out external and internal audits on an annual basis to measure the impact of measures and to make great strides to meeting and exceeding the expectations of employees.

The aim of these measures is that, as well as motivating the entire workforce, they will become more engaged and this will have an impact on the company's performance.

The total amount of absenteeism at AECS in 2021 was 10,772.89 hours[3] compared to 13,039 of 2020. The number of employees with disabilities is 4 (in 2020 it was 5).

4.4. Employee health and wellbeing

The AECS Collective Bargaining Agreement covers aspects relating to health and safety. Employee health and safety management is based on policies, management systems, rules and procedures that ensure regulatory compliance.

In order to meet all the employees' needs, we adapt physical spaces and work posts to the person, providing ergonomic equipment such as mouse pads, keyboards, different furniture configurations, etc. We also take special measures for persons with special needs, such as pregnant and disabled people.

At AECS, the preventive activity is agreed with an external prevention service, in order to guarantee compliance with occupational risk prevention regulations. Detailed information regarding occupational accidents can be found in Appendix 1.

During years 2020 and 2021, as the main measure to protect against the spread of COVID, teleworking was introduced for 100% of employees, accompanied by training for self-assessment and adaptation of the workplace at home, providing the necessary means for such adaptation. Various actions were also carried out in the workplace, such as replacing manual doors with automatic ones, installing hydroalcoholic gel dispensers, putting up signs, relocating work desks, etc. to ensure safety when returning to work in person, as well as providing training and information to all employees.

At the end of fiscal year 2021 and during fiscal year 2020, no occupational diseases were recorded.

4.5. Labour relations

Labour and professional relations are key to the successful development of projects. At AECS we manage talent by identifying the skills and talents of each employee to maximise them.

[3] Absenteeism is considered to be leave due to the death of a family member, leave to sit an examination, leave for a medical appointment, marital leave, leave to attend a blood donation, leave to care for an unwell child, leave due to incapacity to work and leave due to illness. Maternity leave is not included.

AECS has tools to analyse the experience on the internal client (eNPS) and the external client (NPS). The aim is to be able to design both employee and customer journeys.

Communication tools:

We use a wide range of communication tools with our employees, because it is so important to actively listen:

- All About AS: Monthly communication events for all our employees. In this session, senior management presents business results and invites the main project leads to show the colleagues their project continuity. This helps to spread the news of business results and updates to major projects.

  - PDE: Quarterly meeting of all company managers to discuss business performance.

  - SGM: annual macro event focused on business and people.

  - Newsletters and bulletin through Admiral Seguros Today with news about Group policies, training, performance evaluations, etc.

  - Feedback through the corporate intranet with all information for employees, including latest news on the business.

  - Happy2Lucky: Mobile application that sends latest news segmented by area of interest. This can monitor anonymous reactions, to measure interest in the information received from employees.

All our communication, development, talent management and people management programmes are evaluated regularly in internal and external audits. At AECS we think knowing the opinion of our workers is essential. For that reason, we prepare a number of internal and external work environment surveys. Externally, AECS is assisted by the international consultancy firm Great Place to Work, which sends a comprehensive online survey to be completed anonymously each year by the whole workforce, about the impact of policies, procedures and programmes that we launch. It also asks about the cultural values, sense of team, relationship with managers and more. It is a comprehensive survey to reveal the current degree of commitment to the company and the global confidence index segmented by fields such as camaraderie, pride and development. Currently, Great Place to Work has ranked us the first best company to work for in Spain.

In addition to this annual external survey, we perform internal monitoring of the impact of our action plans in the most important area, based on the responses given by our employees. This forms an active listening channel that serves as a regular, tangible barometer of our culture.

AECS provides mandatory training specifically to remind each employee that they have an official channel to report irregularities.

External communication:

The external communication has been strengthened with the press and employer branding strategy.

Among these practices, the following have stood out:

- Joining the EWI Network, a network of professionals in the insurance sector who are joining together to reach 40% of female managers in the sector by 2023;
- The realization in the Seville office of a video interview with Tractable (which was filmed in December 2021 and will be published in the first quarter of 2022);
- Collaboration with Shift for the use of artificial intelligence in accident management;
- Collaboration with Apromes for the distribution of its Qualitas Auto Classic brand within the Auto insurance branch;
- Agreement with Espanor
- Joining the FECOR support group;
- Entry in ebroker
- Participation in BBVA's Innovation blog talking about insurtech.

It is worth mentioning the impact on the press and employer branding generated by the company's organizational culture model. During 2021 AECS has been named the best company to work for in Spain, AECS participates in forums around training to promote the development of women in the insurance sector and showing its commitment against LGTBIphobia, among other initiatives.

In addition to its website and blog, AECS has social media profiles on LinkedIn, Twitter, Facebook and Instagram. AECS use these external communication channels to create an impact on:

- Employees' sense of belonging and strengthening employer branding.
- Increased traffic on professional profiles through the website. Currently, more than 70% of vacancies are being filled with profiles found on LinkedIn.
- The impact of our business model on the corporate fabric in terms of diversity in inclusion in the workplace.
- Visibility of the corporate brand.

4.6. Training and development

In terms of developing internal talent, knowing the potential of people, and developing and retaining it, is essential. Business moves extremely quickly as does the external market, requiring special attention to ensure we are ready for all changes and new stages. That is why we have developed a series of programmes and actions to help us to identify internal talent.

- **Annual training plan:** In the last quarter last year we performed a survey of training needs and meetings with company managers. The goal is to design the training plan for the following year. This training plan must include key training with the business's KPIs clearly represented. The company's training plan includes strategic blocks. The training plan includes training on the deployment of new methodologies and internal and external training for learning new skills. AECS has earmarked strategic blocks to provide more training in Data, Agile and Customer Experience.
- **uValue.** The 360º performance appraisal not only tells us the areas we need to improve, the improvements to make to our current talent and the skills we need for our business,

but focused on our employees' professional and personal development, it allows us to detect and define the short and medium term development opportunities. Our appraisal system is hosted on a programme that allows us to export performance reports filtered by department, area, position or even demographic. uValue also allows us to export the top 3 global performers, allowing us to focus on the development of those identified as top performers or top potential. As a novelty, during this last year, specific blocks of open-ended questions have been added to this performance evaluation to help to understand the individual expectations of each employee.

- **Talent Maps. KARISMA.** Talent map automatically created each year through our potential and performance evaluation tool, uValue. It identifies the people who offer something extra to the company, in whom the company can invest for fast, enriching professional development. We can use this information to develop professional pathways for development and promotion. Karisma is a programme that set us apart as a company and helps us to retain and develop talent in a more targeted way. During 2021, as an initiative focused on development and recognition, "The Hill" has been created as an interest group that brings together the Company's directors and people identified as high potential workers.
- **Succession Planning**. The Succession Plan is a strategic tool that AECS reviews every six months and is shared with the rest of the Group's operations in order to facilitate the development of talent both vertically and transversally. This diagnostics exercise helps us to transfer knowledge and the challenges faced by our team. At AECS, we know that knowledge must not get stuck with a single person. We make sure that key roles in any area do not lie with just a single person. We also make sure that when the unexpected happen, we can respond thanks to the people in our company. Business must go on.
- **Internal recruitment processes.** The Assessment Center that contains specific knowledge tests, business cases, group dynamics and interviews for critical incidents offers a great deal of information about our employees, which we pass on to stakeholders and managers to configure action plans that add to, strengthen or improve their skills.
- **Da Vinci development and retention plan.** Each year we select company employees to take part in Da Vinci. The persons chosen have analytical potential and a wish to learn about our business. We carry out a number of test, and the persons chosen take part in a business circuit in which they learn about the other areas from directors and managers.
- **Claims College.** Claims training programme. It is developed through agreements with different universities and gives us the opportunity for specific graduate training in the insurance sector.
- **Getting a Job in Claims Area.** Internal talent detection to develop people from the front office to claims.
- **Eureka.** International programme in which each Group Operation chooses three people. Those three people are introduced into the international strategy to sharpen their develop curve in record time.

Total training in 2021 was 6,151 hours while in 2020 were 3,859 hours. The breakdown by professional category is included in Appendix 2.

4.7. Diversity and equal opportunities

AECS is a strong advocate for diversity and equal opportunity. AECS advocates in every corner of its organization the equal treatment of all employees and the elimination of all forms of discrimination, regardless of race, color, ethnicity, culture, nationality, religion, sexual orientation/identity, family or marital status, gender, ability or age. We have an equality plan in place that monitors the work plan to maintain and continue to pursue equal opportunities in the company. The Equality Plan is renewed every four years and works to ensure gender equality and foster the development of women in the company.

AECS also has a harassment protocol and a direct whistleblowing channel to protect employees who may be suffering from gender violence.

Access to employment is one of the most effective pathways to equal opportunities and equality. This programme aims to facilitate women's access to work, particularly for those at risk of social exclusion. We are aware that the Coronavirus pandemic will exacerbate inequality in access to employment, which is why we have designed this programme, to try to mitigate the impact by providing training to help integration into work.

This training and support programme are open to external candidates who are looking for a step up to making a change and joining the employment market, as well as internal candidates who may be looking for support to specialise and develop by acquiring new skills.
In addition, the offices are adapted to facilitate access for people with disabilities and their work in the offices.

5. Environment

5.1. Circular economy and prevention and management of waste

AECS fosters the responsible use of resources and responsible environmental practices. As such, it has put into place a series of measures, including recycling through dedicated facilities (plastic, cans, paper, etc.), the use of printers by personal, non-transferable cards so that employees only print what is necessary. Paper, toner cartridges and computers are also recycled. Most correspondence is sent by email to avoid printing on paper, and digital signature is increasingly used to avoid paper signing.

Likewise, further to the 2019 implementation of a programme to digitalise all processes in the financial area, we have notably reduced the consumption of paper and office materials, to make a positive contribution to the environment.

5.2. Sustainable use of resources

Given the nature of AECS's activities, our environmental impact is not major.

Despite this, AECS cooperates as far as possible with the care of the environment and dedicates financial resources to manage all activities in a sustainable manner. AECS aims to minimise the possible environmental impacts arising from its processes or the services it contracts. Thus, AECS carefully monitors energy consumption in the office.

AECS has two work centres, one located in Seville, which occupies 23% of the total leased area, and the other in Madrid.

During the first half of the year, the Madrid office included in its lease contract a fixed expense for maintenance and supplies, so an estimate of consumption during this period is made in proportion to the average consumption of the Seville office, based on its size, which is 4.88 times lower than the Seville office.

In the second half of the year, the Madrid office changes location, so consumption during this period is not estimated. In addition, in this new office, a renewable energy supplier is contracted, so that CO2 emissions are equivalent to zero**.**

	Sevilla	AECS Svq (23% del total)			AECS Mad		
	Consumo eléctrico (KWh)	Consumo	Coste		Consumo	Coste	
	2021	2021	Sin IVA	Con IVA	2021	Sin IVA	Con IVA
Enero	32,353.00	7,441.19	921.96 €	1,115.57 €	*1,027.00*	*Coste fijo incluido en alquiler*	
Febrero	21,270.00	4,892.10	606.13 €	733.42 €	*1,027.00*	*Coste fijo incluido en alquiler*	
Marzo	19,137.00	4,401.51	545.34 €	659.86 €	*1,027.00*	*Coste fijo incluido en alquiler*	
Abril	16,225.00	3,731.75	462.36 €	559.46 €	*1,027.00*	*Coste fijo incluido en alquiler*	
Mayo	18,872.00	4,340.56	537.79 €	650.73 €	*1,027.00*	*Coste fijo incluido en alquiler*	
Junio	22,887.00	5,264.01	652.21 €	789.17 €	*1,027.00*	*Coste fijo incluido en alquiler*	
Julio	24,810.00	5,706.30	707.01 €	855.48 €	355.00	145.73 €	176.33 €
Agosto	29,394.00	6,760.62	837.64 €	1,013.54 €	816.00	172.30 €	208.48 €
Septiembre	15,437.00	3,550.51	439.90 €	532.28 €	826.00	140.01 €	169.41 €
Octubre	21,812.00	5,016.76	621.57 €	752.10 €	964.00	187.41 €	226.77 €
Noviembre	20,333.00	4,676.59	579.42 €	701.10 €	1,922.00	353.40 €	427.61 €
Diciembre	22,163.00	5,097.49	631.60 €	764.24 €	1,492.00	316.00 €	382.36 €
Total	**264,693.00**	**60,879.39**	**7,542.93 €**	**9,126.95 €**	**12537.00**	**1,314.85 €**	**1,590.96 €**

Total kwh energía verde:	6375.00
Total Kwh energía NO verde:	6162.00
Kg CO2 Eq.:	1540.5

Compared to year 2020:

	CONSUMOS		IMPORTES					
	kwh	Oficina Svq.	€/kwh	Total (sin IVA)	Total (+IVA)	Total 2019	AECS Svq (23%)	AECS Svq 2019
Enero	45.578,00	10.482,94	0,12	5.647,11	6.833,01	5.592,66	1.298,84	1.286,31
Febrero	38.986,00	8.966,78	0,12	4.830,37	5.844,74	6.738,33	1.110,98	1.549,83
Marzo	29.933,00	6.884,59	0,12	3.708,70	4.487,53	5.890,32	853,00	1.354,78
Abril	19.098,00	4.392,54	0,12	2.366,24	2.863,15	5.700,98	544,24	1.311,23
Mayo	18.563,00	4.269,49	0,12	2.299,96	2.782,95	5.695,86	528,99	1.310,05
Junio	19.137,00	4.401,51	0,12	2.371,07	2.869,00	8.064,28	545,35	1.854,78
Julio	33.431,00	7.689,13	0,12	4.142,10	5.011,94	7.975,53	952,68	1.834,37
Agosto	34.675,00	7.975,25	0,12	4.296,23	5.198,44	9.482,07	988,13	2.180,88
Septiembre	26.695,00	6.139,85	0,12	3.307,51	4.002,09	8.756,46	760,73	2.013,98
Octubre	18.894,00	4.345,62	0,12	2.340,97	2.832,57	8.319,31	538,42	1.913,45
Noviembre	20.218,00	4.650,14	0,12	2.505,01	3.031,06	6.956,55	576,15	1.600,01
Diciembre	27.753,00	6.383,19	0,12	3.438,60	4.160,71	5.289,28	790,88	1.216,53
Total kwh:	332.961,00	76.581,03					9.488,39	19.426,20
Kg CO2 Eq.:	11.653,40	**26.803,40**						

Oficina Madrid*	
Kwh est.	15.667,15
Kg CO2 Eq. Est.:	**5.483,51**

CONSUMOS TOTALES AECS			
Madrid	Sevilla	**Total**	
15.667,15	76.581,03	**92.248,18**	**Kwh est.**
5.483,51	26.803,40	**32.286,91**	**Kg CO2 Eq. Est.**

With regard to water consumption, the Seville office is not equipped with individual water meters, so water consumption is shared between the lessor and the lessees (AIS+AECS). Normally, 75% of the total (77% AIS, 23% AECS) corresponds to the lessees, but this distribution was only carried out during the first quarter, with the lessor assuming 100% of the consumption in the following quarters due to the absence of employees from our company in the building. However, in the year 2021, this distribution has not been made due to the scarce presence of employees of our company in the building, and the lessor will assume 100% of the consumption during the four quarters.

5.3. Change Climate

The focus in 2021 has been on embedding climate change considerations at a Group level, on setting climate-related ambitions at a Group level and progressing initiatives, as well as developing capabilities and expertise.

Embedding climate change considerations

The Admiral Group Board 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 agreeing how this is considered in the context of the Group's strategy, risk management and business outcomes. Climate change risks and disclosures are reviewed and discussed at Group Board and at several Group Board Committees, including the Group Risk Committee, which has delegated authority from the Group Board for overseeing risk management activities, and the Investment Committee.

Senior management from across the Group have various responsibilities relating to climate change-related issues, and most sit on appropriate fora, such as the sustainability working group and the climate steering group.

- The Group CEO is the appointed sustainability representative for the Group, which includes climate change risk within its remit. The sustainability working group 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.
- The Group CFO is responsible for investments, which includes responsible investment and climate change considerations. The CFO is a member of the climate steering group.

In 2022 Admiral aims to continue to embed climate change considerations at a Group level, as well as rolling out appropriate governance at an entity level.

Setting climate-related ambitions and progressing initiatives

Admiral Group has formally committed to ambitious net zero targets, committing to achieving net zero greenhouse gas emissions by 2040 at the latest, across all three scopes of emissions, and to cut these emissions in half by 2030. A commitment was also made to achieving net zero in directly controlled operational emissions by 2030.

In addition, the effects of climate change on products and services have been investigated. Many initiatives are ongoing to address the challenges arising from climate change, seeking to minimise the downside risk while maximising the upside potential. For example, time and resource has been invested into Admiral's electric vehicle proposition, ensuring that the product meets customer needs, that pricing is competitive, and that claims can be handled effectively and efficiently.

In 2022 Admiral aims to complete verification of its scope 3 emissions, and then begin working to set Science-Based Targets, which will complement the Group's overall net zero ambitions. It also aims to continue progressing climate-related initiatives, sharing best practice across Group entities.

Developing capabilities and expertise

Emerging Risks are identified, assessed and managed via an internally developed framework, integrated into the ERMF, which evaluates the potential impact to Admiral via existing PR&Us or via new risks. This methodology has been extended, utilising external support, to individually assess the potential impact of climate-related risk drivers – transition, physical and liability risks – across three distinct timeframes (1-3 years, 3-5 years, and 5+ years).

While qualitative assessments of the impact from climate change are useful, it is also important to quantify the impact where possible. Stress and scenario testing is conducted as part of the annual ORSA process to understand the robustness of the Group's business model and strategy to the impact of various risks. Admiral is in the initial stages of implementing climate scenario analysis and so, in addition to the standard ORSA scenarios, three exploratory climate change scenarios were performed this year, based on guidance from EIOPA and the PRA.

In 2022 Admiral aims to continue to develop capabilities and expertise at a Group level, as well as developing appropriate capabilities at an entity level, including the sharing of emerging best practice.

5.4. Taxonomy indicators

AECS adheres to the Group's Investment Policy, which aims to mitigate environmental, social and governance (ESG) risks and achieve more sustainable returns over the long term. The investment strategy also targets Net Zero (defined by the average carbon intensity of eligible investments*) by 2040. *Eligible assets include all assets described in the Net Zero Investment Framework, which is endorsed by the UN Race to Zero. Overall, it has an MSCI weighted average rating of "A" with positive trend.

AECS has focused its analysis on those assets directly linked to investment and financing activities. The information used to analyze the eligibility of AECS's assets has been based on information available from the European Commission regarding eligible activities and NACE codes, as well as the assets in which the entity has decided to invest.

Due to the recent regulation that specifies the content, methodology and presentation of the information to be disclosed by financial companies in relation to the taxonomy, AECS has made its best efforts to analyze the available information in order to report in accordance with the Regulation.

The following process has been followed to determine the eligibility calculation:

The information available from the European Commission has been compared with the NACE codes of AECS investments.

Based on these codes, those investments that would form part of the list of eligible investments were identified.

As a result of this analysis, it has been identified that the largest exposure of EU Taxonomy eligible assets in AECS is concentrated in certain corporate bonds.

The results obtained from the analysis are detailed below:

2021			
	Elegible	**No elegible**	**Total exposure**
Total Assets	4,6%	52,3%	56,9%
Exposure to derivatives	0,0%	0,0%	0,0%
Exposure to non-NFDR companies	0,0%	42,6%	42,6%
Exposure to central governments, central bank and supranational issuers	0,0%	0,5%	0,5%

6. Society

6.1. Commitment to sustainable development

Environmental initiatives:

Remote working

Prior to the arrival of Covid-19 and its consequent adaptation by companies, AECS already had numerous teleworking measures focused on promoting work-life balance for the accompaniment of older adults and minors. Within the framework of AECS' collaboration with Fundación Más Familia, we have tools that improve the balance between professional and personal life. These measures have been multiplied during the last two years. This is because as an organization we have given way to the creation of a new work model focused on the hybrid model.

Since the contingency caused by the pandemic and during the last few months, AECS has maintained the priority in the care of its employees in terms of prevention, as well as in the well-being in terms of conciliation. Teleworking has a positive impact on work/life balance and reduces stress. Among the benefits of teleworking, the environmental impact should not be overlooked either. AECS's decision to relax the on-site model has led to a reduction in office consumption, as well as a significant reduction in transportation for our employees.

The hybrid work model has emerged as a highly valued measure among employees.

As a novelty, in 2021, AECS has delved deeper into the work model preferred by employees by sending out questionnaires to find out more about it. Individual needs have been collected, allowing those workers who prefer to go to the office to do so safely. In the meantime, AECS has adapted the model in a general way, thus betting on a flexibility supported by the trust model. With regard to remote work, greater specialization has been achieved in the generation of online meetings and training.

In parallel, AECS has adapted both physical and remote spaces to generate a productive environment in which employees can develop according to their needs and those of the business.

Training and employability initiatives

Access to employment is one of the most effective pathways to equal opportunities and equality. AECS offers a number of initiatives to enable training and access to the employment market.

Get Discovered Program:

New international program that seeks to foster the development of female talent in positions of responsibility in the organization. The program includes selection, testing, training and mentoring phases throughout the year 2022.

Women's Lab:

This programme aims to **facilitate women's access to work, particularly for those at risk of social exclusion**. We are aware that the COVID-19 pandemic will exacerbate inequality in access to employment, which is why we have designed this programme, to try to mitigate the impact by providing training to help integration into work.

This training and support programme is open to external candidates who are looking for a step up to making a change and joining the employment market, as well as internal candidates who may be looking for support to specialise and develop by acquiring new skills. Candidates can sign up to this programme through our website, intranet or through associations that we engage with to reach people in need of this kind of initiative. These organisations include the Red Cross, FELGTB and EMIDIS for female victims of abuse. In 2021, during the last few months we have collaborated with an expert in support sessions to provide tools to facilitate the employability of women victims of gender violence.

6.2. Sub-contracting and suppliers

AECS has an Outsourcing Policy that applied when we need to engage suppliers.

The Outsourcing Policy establishes the roles and responsibilities to engage suppliers, and has been drawn up according to the guidelines set by the Admiral Group Plc, in accordance with Spanish law.

In line with the Outsourcing Policy, a supplier engagement procedure has been established, which ensures a transparent, efficient and standardised process for procuring goods and services.

AECS has questionnaires to garner information about the structure, activity, financial capacity and background of suppliers. These questionnaires follow the guidelines set by the groups and consider aspects such as the contract value, data processing, type of service provided, as well as other issues to help the company to categorise suppliers using a scoring system for whether the supplier is low, medium or high risk.

The information requested of suppliers includes confirmation by the supplier, completion of the suitability and trustworthiness standards by each manager and the implementation of a code. There is also a section in which supplies inform of the measures they have in place to prevent and detect financial crime, such as corruption, bribery and money laundering.

According to the kind of service procured, the team involved in the supplier procurement process performs an evaluation in which they monitor the minimum service levels agreed in the contract, to ensure the correct provision of the service.

Broadly speaking, all supplier contracts include a “right to perform audits” clause should AECS consider it appropriate.

6.3. Clients

Improving customer experience is a pillar of the sustainable and profitable development of the business. In order to pursue customer satisfaction and boost the Net Promoter Score, we have launched a number of initiatives throughout the customer journey, from the first contact all the way to renewal, including loss management and claims.

Our corporate promise is to provide our customers with a quick, simple and multi-channel experience that is satisfactory in terms of customer relations and always as efficient and objective as possible.

For this purpose, we have increased the channels we can use to listen to our customers, to respond to their needs and identify the points of contact that can improve the customer journey. Work has been done in the operational areas to review past decisions that could cause pain points and to offer customers simplicity and speed in their experience with the brands by optimizing some processes through the digitalization of services and promoting self-service, always taking care of security aspects.

AECS is looking forward to put solutions to involve the customer more directly at the strategic level in decision-making and at the operational level in the development or revision of products and services.

In order to continue to treat customers fairly, all processes for recording and managing complaints and claims have been formalized with the different company departments, seeking an objective point of view for each resolution. But beyond fair treatment, and thanks to listening to the customer, policyholders have been offered a warm treatment in this exceptional year of pandemic with a continuous informative communication plan, as well as special measures in terms of value-added services, but also payment facilities that have definitely made life easier for policyholders.

Likewise, the following content is detailed, in compliance with article 17.2 of the ORDER ECO734/2004, of 11 March, on customer service departments and services and the ombudsman of financial institutions (hereinafter "ORDER ECO 734/2004") and by virtue of which a summary of the report on the development of the management of the Customer Defence Service must be included in the notes to the annual accounts of the Company.

AECS has its own Customer Defence Service that deals with the complaints and claims of its customers or users as established in the regulations.

In a nutshell, it should be noted that the number of files received by this Service during 2021 was 841, of which a total of 135 were not admitted for processing in accordance with the criteria of the aforementioned ORDER ECO734/2004. Likewise, of the 706 complaints and claims admitted for processing, plus the 12 complaints from 2020 pending at the start of the 2021 financial year, 207 have been upheld in favour of the customer or user and 274 have been rejected. At the close of the 2021 financial year, there are a total of 17 complaints and claims pending resolution.

With respect to the financial year 2020, the number of files received by this Service was 607, of which a total of 58 were not admitted for processing in accordance with the criteria of the aforementioned ORDER ECO734/2004. Likewise, of the 549 complaints and claims admitted for processing, 113 were upheld in favour of the customer or user and 338 were rejected. At the close of the 2020 financial year there were a total of 12 complaints and claims pending resolution.

6.4. Tax Information

In the tax area, the profit figures for the 2021 financial year were as follows:

Losses	
Before taxes	9,232,990 €
After taxes	9,655,692 €

The negative results for financial year 2021 are determined by the return of frequency to levels similar to the pre-COVID situation, together with competitive price pressure in the different markets and an increase in the level of the Entity's expenses.

With regard to taxes paid, AECS does not pay corporate income tax, since this payment is made through its related agency Admiral Intermediary Services, S.A.U. ("AIS"), as it is a subsidiary of AECS. ("AIS") as it is the head of the tax group. However, AIS has paid the payment on account of the Corporate Income Tax of AECS for an amount of 168,787.06 euros corresponding to the year 2021 (2,806,791.57 euros in the year 2020).

The Company has not received any subsidy during financial years 2021 and 2020.

Appendix 1

Employment Information

Total number and distribution of employees by gender and professional category (31/12/2021)[4][5]

By gender	
Women	140
Men	109
Total	**249**

By age	
<30	33
30-50	206
>50	10
Total	**249**

By professional category	
Category 1	10
Category 2	33
Category 3	30
Category 4	107
Category 5	69
Total	**249**

Total
number and distribution of employment contract modalities (31/12/2021)

	Permanent Contracts	Temporary Contracts
Half-time contracts	32	6
Full-time contracts	205	6

[4] All AECS employees carry out their activities in Spain. Activities in Italy and France are carried out through the branches of the related intermediary "Admiral Intermediary Services, S.A.U.

[5]. The data relating to the total number of employees by gender does not coincide with that included in the Annual Accounts of this Company since in the Annual Accounts the data has been calculated on the basis of the average number of persons employed during 2020. However, in this report, the total number of persons employed during 2020 has been taken into account.

Annual average of permanent, temporary and half-time contracts by gender, age and professional classification

By gender			
	Permanent Contracts	Temporary Contracts	Part-Time Contracts
Women	130	10	31
Men	107	2	7
Total	237	12	38

By age			
	Permanent Contracts	Temporary Contracts	Part-Time Contracts
<30	30	3	2
30-50	197	0	35
>50	10	9	1
Total	237	12	38

By professional category			
	Permanent Contracts	Temporary Contracts	Part-Time Contracts
Category 1	10	0	0
Category 2	33	0	0
Category 3	29	1	1
Category 4	106	1	4
Category 5	59	10	33
Total	237	12	38

Number of dismissals by gender, age and professional category (31/12/2021)

By gender		
Women	Men	Total
2	4	6

By age			
<30	30-50	>50	Total
0	6	0	6

By category					
Category 1	Category 2	Category 3	Category 4	Category 5	Total
0	1	0	4	1	6

Average remuneration by gender, age and professional category (€)[6]

By gender	
Women	23.052,00
Men	32256,52

By age	
<30	22408,70
30-50	27049,79
>50	47219,27

By professional category	
Category 1	99.160,69
Category 2	42.575,53
Category 3	31.467,59
Category 4	21.950,19
Category 5	15.864,34

Salary gap by professional category (based on the average remuneration)

Category	Minimum gap	Medium gap	Maximum gap
Category 1	0,92	0,88	0,88
Category 2	0,94	0,89	0,80
Category 3	0,87	0,91	1,12
Category 4	1,07	0,93	0,95
Category 5	0,88	1,01	1,06

Employees covered by a collective agreement by country (31/12/2021)

% employees covered by a collective agreement	
Spain	100,00%
Total	100,00%

[6] The theoretical gross annual salary includes base salary plus pro rata bonus payments plus other salary supplements (for twelve months). It should be noted in this respect that the amounts corresponding to share-based payments referred to in Note 15 of the Company's Annual Accounts are not included.

Total number of hours of training to employees by professional categories (31/12/2021)

Number of hours of training	
Category 1	97.5
Category 2	1243.5
Category 3	1570.5
Category 4	2853.5
Category 5	419.5
Total	6184.5

Number of accidents by gender

Number of accidents	
Women	0
Men	0
Total	0

Hours of absenteeism[7]

Hours of absenteeism	
Women	8576,63
Men	2196,26
Total	10772,89

[7] Absenteeism includes leave for the death of a relative, leave for examination, leave for medical consultation, marriage license, leave to go to make a blood donation, leave to care for a sick minor child, leave for work incapacity, leave for sickness. Maternity leave is not included.

Appendix 2

Table of contents required by Spanish Law 11/2018 on non-financial information and diversity

	Scope	Reporting framework	Reference	Comments / Reason for omission
Business model	Description of the business model: – Business environment. – Organisation and structure. – Markets of activity. – Goals and strategies.	GRI 102-2, GRI 102-4 and GRI 102-6	Section 1	
Risks	The main risks for these issues relating to the Group's activities, including, where pertinent and proportionate, its commercial relations, products or services that may have negative effects in these areas, and: 1) how the group manages those risks, 2) explaining the procedures used to detect and assess them according to national, European or international frameworks for each area. 3) Information on the impacts detected, detailing them, particularly the main short, medium and long-term risks.	GRI 102-15	Section 1	

Environmental Matters

	Scope	Reporting framework	Reference	Comments / Reason for omission
Environmental management	Current and anticipated effects of the company's activities	GRI 102-11	No material aspect for AECS	

	Environmental assessment or certification procedures		No material aspect for AECS	Environmental management is not considered a material aspect due to the Company's business model, where it does not carry out activities that could have a significant impact on the environment.
	Resources dedicated to preventing environmental risk		No material aspect for AECS	
	Application of the principle of precaution		No material aspect for AECS	
	Amount of provisions and safeguards for environmental risks		No material aspect for AECS	
Pollution	Measures to prevent, reduce or repair carbon emissions (including noise and light pollution)	GRI 305-7	No material aspect for AECS	Not considered a material aspect due to the Company's business model.
Circular economy and prevention and management of waste	Preventing, recycling, reusing and other forms of recovering and removing waste	GRI 301-1, GRI 301-3 and GRI 306-2.	Section 5	
	Actions to combat food waste		No material aspect for AECS	Actions to combat food waste are not considered a material aspect of the Company's business operations.

Sustainable use of resources	Consumption of water and water supply in line with local restrictions.	GRI 303-1 and GRI 303-2	Section 5	The Company breaks down the consumption of water and energy. Which the Company considers to be its main raw material. Due to the Company's business model, the remaining aspects are not considered material in the Company's analysis.
	Consumption of raw materials.	GRI 303-1	No material aspect for AECS	
	Measures taken to improve efficiency of use.		No material aspect for AECS	
	Direct and indirect consumption of energy.	GRI 302-1	Section 5	

	Measures taken to improve energy efficiency.	GRI 302-3, GRI 302-4 and 302-5	No material aspect for AECS	
	Use of renewable energy.	GRI 302-1	No material aspect for AECS	
Climate change	Important elements of greenhouse gases generated.	GRI 305-1, 305-2, and 305-3	No material aspect for AECS	The Company's business does not present a material risk as there is no relationship in the performance of its activity with greenhouse gas emissions as a result of the Company's activities, and therefore no specific material measures or reduction targets have been adopted.
	Measures taken to adapt to the consequences of climate change	GRI 201-2	Section 5	
	Voluntary reduction **goals** assumed	GRI 305-5	Section 5	
Protecting biodiversity	**Measures** to preserve or restore biodiversity	GRI 304-1 and GRI 304-3	No material aspect for AECS	The Company's business does not present a material risk in relation to preserving or restoring biodiversity or having a significant impact on protected areas.
	Impact of activities or operations in protected areas	GRI 304-2	No material aspect for AECS	

Welfare and Staff Matters

	Scope	Reporting framework	Reference	Comments / Reason for omission
Employment	Total **headcount** and distribution of staff by sex, age, country and professional category	GRI 102-8	Section 4 and appendix 2	
	Total **number** and types of employment contract	GRI 405-1		
	Annual **average** of permanent, temporary and part-time contracts by sex, age and professional category.	GRI 102-7 and GRI 102-8		
	Number of dismissals by sex, age and professional category	GRI 401-1		
	Pay gap	GRI 405-2		

	Average **remuneration** by sex, age and professional category	GRI 102-35		
	Average directors' **remuneration** by sex			
	Average senior officers' **remuneration** by sex			
	Deployment of digital disconnection **policies**	GRI 102-35		
	Employees with disabilities	GRI 405-1		
Organisation of work	**Organisation** of working time	GRI 403-2		
	Number of hours of absenteeism	GRI 403-2		
	Measures to enable work-life balance and encourage an equal load between both parents	GRI 401-3		
Health and safety	Occupational health and safety **conditions**	GRI 103-2		
	Number of workplace accidents and illnesses by sex, frequency and severity	GRI 403-2		
Labour relations	**Organisation** of social dialogue	GRI 102-41		
	Percentage of employees covered by collective bargaining agreement by country	GRI 102-41		
	Balance of collective bargaining agreements, particularly in the field of occupational health and safety	GRI 403-1, GRI 403-4		
Training	Training **policies** implemented	GRI 404-2		
	Total **amount** of training hours by professional category.	GRI 404-1		
	Universal accessibility for people with disabilities	GRI 406-1		
Equality	Measures to promote equal treatment and opportunities between men and women	GRI 406-1		
	Equality plans adopted to promote employment and protocols to combat sexual harassment and gender discrimination	GRI 406-1		

	Universal integration and accessibility for people with disabilities	GRI 406-1		
	Policy to combat all kinds of discrimination, and management diversity	GRI 406-1		

Reporting on Human Rights

	Scope	Reporting framework	Reference	Comments / Reason for omission
Human Rights	**Application** of due diligence procedures in human rights matters	GRI 412-1, GRI 410-1, GRI 411-1 and GRI 419-1	Section 3	
	Prevention of the risks of violating human rights and, where appropriate, **measures** to mitigate, manage and repair abuses			
	Reporting cases of violation of human rights			
	Promotion and fulfilment of ILO's fundamental convention on respecting freedom of association and the right to collective bargaining, eradicating discrimination in employment and occupation, eradication of forced labour and the effective abolition of child labour			

Reporting on Combating Corruption and Bribery

	Scope	Reporting framework	Reference	Comments / Reason for omission
Combating corruption and bribery	**Measures** to prevent corruption and bribery	GRI 205-1	Section 2	
	Measures to combat money laundering	GRI 205-2		
	Contributions to foundations and non-profit organisations	GRI 415-1		

Reporting on the Company

	Scope	Reporting framework	Reference	Comments / Reason for omission
Company's commitment to sustainable development	**Impact** of the business on employment and local development	GRI 413-1, GRI 413-2, GRI 103-13, GRI 202-1 and GRI 201-1	Section 6.1	
	Impact of the business on the local and national setting			
	Relationships and dialogue with stakeholders in local communities			
	Actions of association or sponsorship			
Sub-contracting and suppliers	**Inclusion** of social issues, gender equality and environment in procurement policies	GRI 308-1, GRI 308-2 and GRI 414-1	Section 6.2.	
	Consideration of social and environmental responsibility in relations with suppliers and subcontractors			
	Oversight **systems** and audits and their outcomes			
Clients	**Measures** for consumer health and safety	GRI 416-1 and GRI 417-1	Section 6.3.	
	Claims **procedures**			

	Complaints received and their handling			
Tax information	**Profits** obtained country by country	GRI 201-4	Section 6.4.	
	Income **tax** paid			
	Public **subsidies** received			
Other matters	**Corporate governance**	GRI 102-18, GRI 102-19, GRI 102-20, GRI 102-22, and GRI 102-23	Section 1	