

2017

Corporate Social  
Responsibility  
Report

# Introduction from David Stevens, CSR Board Representative



In 2018 we celebrate 25 years of the Admiral Group and I am thankful to have watched it grow from a small team of 57 staff and zero customers to a business with operations spanning 8 countries. Across all of our brands and in all of the countries we operate, the Admiral Group serves a real social purpose – protecting people, as much as we can, from the adverse consequences of car accidents or damage to their home. In addition to providing protection for our customers, we also actively monitor the impact we have on the communities we operate in and the wider world.

Our business is centred on four significant stakeholders; our customers, our people, our community, and our environment. It is these four stakeholders who drive the core focus of our Corporate Social Responsibility strategy.

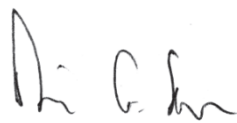
After another year of growth we now have nearly 6 million customers globally. Our commitment to providing an ever improving level of customer service means that we continue to explore new solutions and technology to improve the level of service to these customers. This year Cristina Nestares the CEO of UK Insurance has led a new initiative to celebrate great customer service called Cristina's Customer Commentary. Where Cristina will be highlighting fantastic customer stories, changes to processes that have helped improve the customer experience and great customer comments every month, to help improve our processes across all our operations.

This year we have continued our track record of featuring in the UK Great Places To Work For listings, placing in fourteenth place in the UK. We also featured in the Sunday Times Best Companies To Work For list placing 2<sup>nd</sup>, we are the only company to have been included every year in the list from the start – that's a record 18 years! We were also proud to see this replicated in our other operations, with ConTe in Italy being named second in Great Places To Work Best Workplaces Italy for the second year running. This year we also made our debut

in the Great Place to Work 25 World's Best Workplaces 2017 in a very respectable 23<sup>rd</sup>. This is testament to the great staff we have working around the world and also strongly demonstrates the success we've had in exporting the Admiral culture internationally.

As our business continues to grow and as we plant the seeds for new businesses, we renew our commitment to manage and minimise our environmental impact across all the geographies we operate in.

This report summarises the Admiral Group's ongoing Corporate Social Responsibility strategy and how we have engaged with our four major stakeholders throughout 2017: our customers, our people, our community and our environment.



**David Stevens**  
Chief Operating Officer  
23 March 2018

## Our Customers

Customers are the most important part of our business and, as we progress towards 6 million customers across the group, and surpass 1 million customers outside of the UK, they are as important as ever.

We encourage our customers to provide feedback on our products and services. The main feedback method is through SMS feedback, which is a key measure of the Conduct Risk Management Information (CRMI) we report. SMS feedback enables our customers to rate the service provided by our contact centre staff.

The feedback gained from our SMS feedback, email and Customer Comment Form analysis allows us to pinpoint areas in need of improvement and to identify employees who could benefit from further training. This enables us to continue to provide excellent customer service as our business continues to grow.

This year saw a restructure of our complaint handling departments across the UK Insurance businesses; we took several independent departments and combined them to form a new Customer Assurance department. This is then split into two halves: the core area, which ensures that when our customers feel the need to escalate beyond our contact centres, the outcomes they get are the very best, and the Prevention function - the primary goal here is to improve the customer journey to reduce the number of complaints with a focus on continuous improvement.

### Data Handling

We process and store a significant amount of data and this must be protected appropriately. A breach of confidentiality, integrity or availability of our data could result in reputational, regulatory and financial repercussions for us and importantly could adversely affect our customers. We have implemented a Data Policy that covers data creation, storage and destruction and have formal training plan in place to ensure all staff are fully trained on the policy and all our data handling processes.

### Conduct Risk

In 2017 we continued the evolution of our conduct risk approach, ensuring that our customers' experiences of our processes and services match their expectations when they purchase our products.

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

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

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

The table below contains some of the measures of customer service from the CRMI report:

Conduct Risk Measure	2016	2017	Target
% customers who would renew following a claim	95%	95%	>85%
Customer Services and Renewals call answer rates	94%	93%	>90%
Claims call answer rates	96%	97%	>90%
Customer Services SMS feedback <sup>*1</sup>	9.2	9.1	>8.0

<sup>\*1</sup> Customer Services SMS feedback - our customers rate separately, on a scale of 1 to 10, how good the service provided to them has been and the Agent they have dealt with. In the above table we present the average of both metrics for CS in 2017.

### Personal Finance Awards 2017

We were delighted to be named the Best Motor Insurance Provider in the Personal Finance Awards for the 5th year in a row! The results of the awards, which are based entirely on consumer votes, are made available to the public to demonstrate who consumers consider the best in various personal finance categories.



## Our People

*“People who like what they do, do it better.”*

Our simple yet strong philosophy is the lifeblood of our culture at Admiral Group and we believe our unique culture has helped us to become one of the best employers in the UK and Europe. This year we came 2<sup>nd</sup> in the category of the 25 Best Big Companies to Work For, we are the only UK Company who has made the Sunday Times List every year since it began in 2001. That's 18 years in a row which is a fantastic achievement!

A business is as good as its people and we at Admiral are hugely fortunate to have great people whose commitment, energy and initiative allow us to create great value for our shareholders.

In order to understand why we are rated as such a good employer, it is useful to understand the four pillars upholding the working culture at Admiral – **communication, equality, reward & recognition** and **fun**.

### Communication

We take communication very seriously and we pride ourselves on the many ways in which information is shared with employees. We believe strongly in two-way communication, from senior management and vice versa. We have an open door policy at Admiral. All managers, including all senior managers, do not have offices and prefer to sit open plan in their departments. We make sure that everyone knows what's going on with the business because our people want to be involved. Our staff portal, Atlas, is updated daily with all the news from around the business, whether we've won an award or changed a procedure – our staff will know about it!

Furthermore, our Chief Executive Officer (CEO) also operates an 'open door' policy so if any member of our staff wants to ask him a question, they can email him directly through our 'Ask David' intranet initiative, and in fact, David doesn't have an office, you'll find his desk on one of our open-plan floors. Our senior managers and Directors also participate in regular online chats with staff. This year we have held several online group chats with David Stevens our CEO, Geraint Jones our CFO and many of the senior management team. Having these company-wide online chats every quarter, allows staff to question senior management on a variety of topics including the way we do things, Group results, future strategy or even which team will win in the World Cup.

In addition, we use a wide range of communication tools to help our employees and which assist in the understanding of business goals and objectives including: internal newsletters, videos, team briefings, suggestion schemes, staff forums and the annual Staff General Meeting (SGM). In the 2017 annual staff survey, 83%

of staff were happy with the amount of information they receive about the company (2016: 84%).

All members of staff receive a formal annual performance review from their immediate manager. These reviews are designed to look at the previous year and set SMART objectives for the coming year. The appraisal is a two-way process in which staff members can question their manager. 360-degree evaluations are also used across the company for managers. This reinforces our idea that managers are here to support their employees

In July 2017, we launched a new suggestion scheme called Big Ideas, as a central scheme for all staff to suggest ideas. All suggestions we receive are reviewed by a relevant expert and rated on a star system. All 5 star suggestions receive a cash prize. A small group of senior managers look at all these ideas and pick one idea they feel will have the most impact on our business, whether financially, for our customers or our employees. This idea wins a further bonus. The first winning idea to be taken forward was for a mentor phone help-line for staff in our call centres, who have questions or issues during a call with a customer. This saves valuable time whilst serving our customers and ensures our front line staff feel supported and empowered to deliver the best service to our customers

### **Training and development**

Admiral Academy is Admiral's central training team and offers support, learning opportunities and career advice for all employees. We have a team of over 100 learning and development professionals across the group, with the skills necessary to support the needs of our business and our employees.

The Academy offers a prospectus which contains over 100 pages of courses, workshops and training programmes. Every 6 months the Academy sends out a feedback survey to ensure the best possible learning and development opportunities are available to all employees. Some of the highlights of the latest survey include:

- Dan from Claims: "The past year has seen some considerable changes in Claims Training, keeping us very busy! We have aligned ourselves more effectively to the new structure of the Department and worked on making improvements and efficiencies. We re-evaluated our workload, and following consultation and feedback we created three streams of work; Induction and Systems, Curriculum, and Claims Improvement Cycle. The changes have given success to the team across a variety of areas, including Induction and the implementation of training on core claims topics, Indemnity and Liability."
- Jess in Renewals: "Great to hear so many comments about how good you think that renewals and Admiral training is. Thank you! We now have a dedicated e-learning resource to design courses relevant to your role and development. We are investing heavily in the Renewals Hub to ensure

resources such as procedure guides, videos and great calls are available. Even during busy times, the team coaching days have been protected to ensure that you get the ongoing support and development you want.”

Admiral Academy is an approved Institute of Leadership and Management (ILM) Centre, which provides nationally recognised management qualifications to employees. The programme Admiral Academy has developed with the ILM will mean that from the outset of their career with Admiral, staff can pursue a professional qualification that complements their professional development. It also provides a strong incentive to progress within Admiral. Since becoming ILM accredited, over 850 employees have gained ILM qualifications through Admiral Academy to date.

We have continued to make considerable investment in improving the accessibility and quality of online learning for staff. Admiral’s eLearning platform, iLearn, boasts a catalogue of over 200 courses to suit the needs of staff, which includes both work-specific courses such as Health and Safety training but also includes personal development courses such as Building Confidence and Time Management. In 2017, over 120,000 courses were completed online; more than double last year; on average staff in the UK, Canada and India did 14 courses each!

Admiral Academy also encourages self-learning through David’s Buy a Book scheme, whereby Admiral Academy will fund the purchase of any book, eBook or DVD if it will help an individual with their career development. These books are then theirs for the staff member to keep but often many departments keep libraries of books for everyone in the company to share. In 2017 over £55,000 worth of books were ordered via the scheme.

We also encourage staff to consider using our sponsorship scheme to gain professional qualifications and attend courses externally. We support employees as they complete qualifications with the Chartered Institute of Insurance and other professional bodies. This year we have seen trainers from different areas within the business achieve their Post Graduate Certificate in Leadership and Management (Education) from The University of South Wales.





## Equality

Admiral's approach to equality is simple. Our people are our greatest asset and we respect and value the individuality and diversity of all our staff. Our Equality, Diversity and Dignity at Work policy makes certain every employee is treated equally and fairly and that all employees are aware of their rights and obligations and it includes guidance on how to promote diversity, alongside advice for our people on how to identify and report any instances of unfair discrimination. Our People Services department monitor and report on diversity annually to the senior management of the Group.

The Group is fully committed to the health and safety and the human rights of its employees, regardless of their background. In addition, we maintain an employee code of conduct regarding appropriate ethical standards in the workplace.

The Group's principles of respect for human rights, diversity, health and safety and workplace ethical standards apply not only to staff directly employed by Admiral, but also to staff employed by the Group's outsourced partner in Bangalore, India. To meet this commitment, Admiral Group maintains regular contact with its outsourcer's management team and the Group's senior managers pay visits to the outsourcer, whilst the Group also provides training and development to ensure that the team uphold these principles. In addition, Admiral Group has appointed a manager based permanently at the outsourced operation, who is responsible for ensuring that the Group's principles are adhered to by the outsourced partner and that the wellbeing of outsourced staff is monitored.

One example of our commitment to diversity is our continued support and sponsorship of Pride Cymru to support the LGBT community. This year Pride Cymru brought back a well known Cardiff event called the Big Weekend. Over 30 staff, plus families and friends, took part in the parade before the event and our choir performed a number of songs on the stage.

## Procurement Policy

In the UK operations we have a formal procurement policy in place that covers supplier selection and ongoing management. This process captures information from companies on quality, environmental and diversity and equality policies, and also promotes the eradication of unethical business practices including fraud, corruption and bribery.

## Gender diversity

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

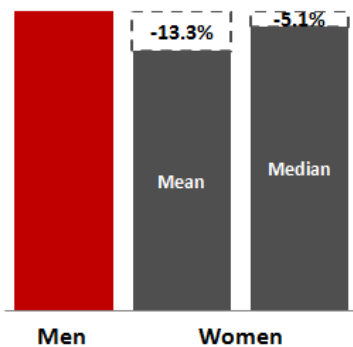
	Male	Female
Company Directors <sup>*1</sup>	5	3
Other senior managers <sup>*2</sup>	38	17
All employees	4,715	4,981

[\*1] 'Company Directors' consist of the Board of Directors, as detailed on pages 43-44 of the Admiral Group Annual Report 2016.

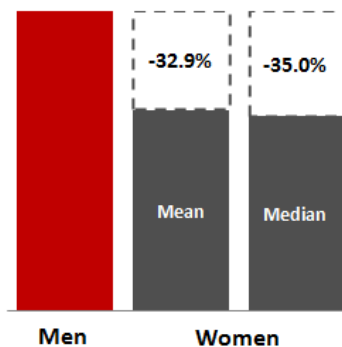
[\*2] 'Other senior managers' is as defined in the Companies Act 2006 (Strategic Report and Directors' Report) and includes: persons responsible for planning, directing or controlling the activities of the Company, or a strategically significant part of the Company, other than Company Directors. Any other Directors of undertakings included in the consolidated accounts that are not considered strategically significant have not been included.

## Gender pay gap

### Hourly Rate Gender Pay Gap



### Bonus Gender Pay Gap



### The Data

This data represents nearly 6,000 staff members across all our UK sites as at 5<sup>th</sup> April 2017.

The **mean pay gap** is the difference in average hourly and bonus pay between men and women.

The **median pay gap** is the difference between the midpoint in the ranges of hourly and bonus pay.

Men receiving bonuses: 91.5%    Women receiving bonuses: 87.9%

Our full gender pay gap disclosures can be found on our website: <https://admiralgroup.co.uk/our-business/corporate-governance/gender-pay-gap>

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

The main reason for the gender pay gap is the imbalance of men and women at differing levels of the business. In the upper quartile there is a higher proportion of men, which reflects the split of senior managers in the group (19 men and 7 women).

We have set up a diversity working group to look at a variety of diversity issues around gender, age, LGBT, disability, and ethnicity, to ensure we continue to be a workplace which encourages diversity, and also to see what else we could be doing. We are also talking to the Equalities Commission and Welsh Government to use their expertise, and to see what other companies are doing.

### **Disabled employees**

Admiral Group gives full and fair consideration to applications for employment made by those with disabilities, having regard to their particular aptitudes and abilities. 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.

The 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 provides staff with access to the EAP Care First confidential helpline which offers advice and support on a range of health issues.

This year we have formed a disability forum, which meets quarterly and has representatives from Ministry of Health, and different departments from the business. They discuss problems and solutions to different areas of the business that affect customers, employees or prospective employees who have disabilities. The aim of the forum is to create a network of employee champions across the business who are willing to offer peer support to other staff members with disabilities and to raise awareness of the differing forms of disabilities, their impact and how we offer support.

We have achieved a Level 2 Disability Confident Award and are currently completing the assessment for Leader status. We are also a member of the Business Disability Forum and work with them to ensure we are a disability-smart business.

### **Reward and recognition**

Fundamental to equality, and also important for **Reward and Recognition**, is our performance-related pay structure and share ownership scheme. We like to reward and recognise our people for both their own personal achievement and the overall performance of the Group. All employees are rewarded for the overall success of the Group through our approved Free Share Incentive Plan (SIP), a key feature of employee remuneration.

As of 31 December, 2017, an employee who joined us on 1 January, 2005 would have received a total of 3,515 shares, of which 2,937 would now have matured

and 2,495 which could be sold free of income tax and national insurance. If none of the matured shares had been sold, these shares would be worth £70,370 (based on the share price of £20.02 on 31 December 2017). In addition to our SIP, we also operate an unapproved Discretionary Free Share Scheme (DFSS) to reward managers and ‘star performers’ – employees who have excelled in their role, regardless of business location or level of seniority. Further details of our salary structure and our share schemes are available in the Directors’ Remuneration Report on pages 62 - 81 of our 2017 Annual Report.

Our Board firmly believes that share ownership motivates employees, decreases attrition and makes it easier to recruit successfully. According to our annual Staff Survey, 80% of our people are more likely to stay with us because of our staff share schemes (2016: 83%).

### **Celebrating excellent performance**

We host a series of annual award ceremonies to reward and recognise our people, both for their own individual achievements and for the collective performance of their team, department or site.

### **Fun**

**Fun** plays a vital role in helping us to ensure that our people enjoy their work. All teams in Admiral have regular away days to build team spirit and inspire and encourage people to enjoy coming to work. All departments have a budget per head for fun money, which can be put towards afternoons out. Examples of afternoons out taken by teams in the last 12 months include: circus skills at NoFit State Circus, pizza making, completing a muddy assault course, duck herding and many more.

**So how do we know that this approach works?** Our staff tell us. One of the most important tools that we use to measure employee satisfaction is our anonymous annual Staff Survey, which collects views on what it is like to work for us. The survey results are analysed by department and each department manager shares the findings with their team, exploring any issues and concerns before making improvements.

The most significant results are provided in the table below. There are no specific targets with respect to the survey results, as our executive team use the data to identify trends in employee perception, rather than absolute values.

## Staff Survey results

Survey question	2013	2014 <sup>*1</sup>	2015	2016	2017
Morale is good within Admiral	89%	75%	84%	84%	82%
Morale is good within my department	75%	67%	77%	75%	76%
I am happy at Admiral	88%	78%	84%	83%	84%
Every effort is made to understand the thoughts and opinions of employees	85%	78%	84%	83%	82%
I am more likely to stay at Admiral because of the share schemes	81%	80%	82%	83%	80%
Admiral is truly customer-focused	90%	85%	88%	87%	87%

<sup>\*1</sup> In 2014 we changed the way we collected our staff survey results. We now use the Great Place to Work (GPTW) Best Workplaces survey as our Annual Staff Survey and every single person in Admiral Group (including our overseas operations) will be filling it out. As a result not every question is a direct match to previous years. From 2014 we have presented this new question set.

As a Group we participate in a number of independently managed surveys, including The Sunday Times 100 Best Companies to Work For and the Great Place to Work Institute's Best Workplaces in the UK and Best Workplaces in Europe.

In 2017, we have continued to win awards for employee satisfaction, adding to those achieved in previous years. This year, Admiral Group again placed in the Top 10 for the Sunday Times 100 Best Companies to Work For list. We have also won a range of other awards across the Group including:

- Insurance Times Awards 2017 - Direct Insurer of the Year
- Great Place to Work Best Workplaces (Canada) 2017 - Financial Services and Insurance - Admiral Halifax
- Great Place to Work (India) 2017 - Top 50 Best Workplaces in IT-BPM - Admiral Solutions
- Great Place to Work (India) 2017 - Top 50 Best Workplaces in IT-BPM - Admiral Technologies
- Great Place to Work 25 World's Best Workplaces 2017 - 23
- Sunday Times Best Companies To Work For Special Award 2017 - Discovering Potential
- Sunday Times Best Companies To Work For Special Award 2017 - Best Leader - David Stevens

The table overleaf shows how we have performed over the long-term:

## External survey results

Name of award	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Sunday Times 100 Best Companies to Work For</b>	37th	16th	9th	6th	11th	2nd	5th	6th	2nd
<b>Best Workplaces in the UK</b>	6th	10th	9th	1st	2nd	3rd	4th	16th	14th
<b>Best Workplaces in Europe</b>	16th	26th	21st	4th	2nd	3rd	4th	9th	6th

## Our community

We play a positive role in the community through charitable giving and sponsorship of local community partnerships. As an employer, we promote payroll giving and provide matched funding for eligible staff initiatives. In 2017, Admiral Group donated £140,000 to local and national charities. The amount we donate fluctuates annually due to changes in sponsorship initiatives and employee demand for matched funding.

Our strategy on charitable giving and community sponsorship aims to:

- Contribute to the local communities surrounding our offices;
- Support events that are likely to appeal to our people;
- Reflect our culture of vibrancy and fun; and
- Raise our profile as a good employer within the local community.

Our strategy provides further opportunities for employee engagement by providing opportunities for our people to participate in charity fundraising or community projects and by enabling us to secure additional employee benefits, such as free event tickets and local discounts. It also helps us to attract new staff and to minimise recruitment costs, reinforcing our strategy of focusing on profit and controlling costs in order to maintain our market-leading expense ratio.

### Admiral Community Chest

Admiral Community Chest is a fund set up to provide funding for charities and local organisations which our people and their families are involved with. The Chest has been running for over ten years and in that time we have been able to contribute to over 900 charities and organisations.

During 2016, there were 280 successful applications for funding. This included 141 football and rugby teams, 22 schools and nurseries and a variety of other clubs, societies and charities.

Notable donations through the community chest scheme this year include:

- Buying a generator for Labradors in Need to use at future fundraising events;
- A £600 donation to Growing Space, a charity based in Tredegar park and gardens in Newport to build a compost bin;
- A £950 to help fund ballet classes run by Flamingo Chicks at Ty Gwyn School in Ely for children with disabilities or additional needs;

- Buddy benches for a local school. (Buddy benches are put in the playground and children sit on these if they are feeling lonely, and as a result other pupils will see this and offer to play with them); and
- A set of underwater speakers for a synchronised swimming club.

### **Ministry of Giving**

This year we started a new initiative: the Ministry of Giving, to complement the many ways the company and individuals, teams and departments here currently give back to charities, good causes and our local communities.

Through the Ministry of Giving we will be giving sizeable donations to a small number of charities in South Wales over two years, totalling £400k, and we want to know the types of causes that are most important to you.

We wanted to make sure the funding will benefit the areas where the bulk of our staff are based in (Cardiff, Swansea or Newport) and enable the chosen charities to do something tangible that would not be able to happen without our donation. So we offered the staff in our UK offices the chance to vote on what caused we should tackle with the following 4 being selected for 2018:

- Brightening the lives of children with life limiting illnesses;
- Supporting cancer care facilities and charities;
- Improving the lives of vulnerable elderly people; and
- Helping local homeless people.

So look out in next year's report for an update on all the Ministry of Giving's work in 2018.



## Our environment

Our Environmental Policy is aligned with our vision for sustainable growth and our focus on profitability, as outlined by our Group business model and strategy on pages 12 - 13 of our Annual Report 2017. By monitoring and reporting on our annual carbon emissions, we can identify areas of the business where energy usage could be reduced, leading to the potential for cost-savings. Furthermore, by improving our buildings to drive energy efficiency, we are able to create a better working environment for our people.

We are committed to:

- **Raising and maintaining** employee awareness of, and ensuring that all of our people are actively engaged in, activities to reduce our environmental impact;
- **Measuring and monitoring** key aspects of our environmental performance and regularly reviewing progress to reduce the amount of resources consumed per employee; and
- **Complying** with the requirement to report annual levels of greenhouse gas (GHG) emissions in line with guidance provided by the Department for Environment, Food and Rural Affairs (DEFRA) in partnership with the Department for Energy and Climate Change (DECC).

We have never been subject to prosecution or fines as a result of non-compliance with environmental reporting regulations. We have a cross-functional team in place to monitor and report on our annual greenhouse gas emissions, including employees from our Finance and Facilities departments. One of the major responsibilities of our Facilities team is to continuously reduce our environmental impact. The reporting process is centralised at our UK head office and our international businesses send their data to the team each month. This way, our people can be engaged in recording and monitoring their environmental impact and we hope that this will encourage each of our sites to make continual improvements. The data is reviewed annually and reported to David Stevens, our corporate social responsibility Board representative.

We uphold a structured consultation process to gauge stakeholder views on our environmental performance. In 2017, the staff survey revealed that 86% (2016: 89%) of our people think we are working to reduce our environmental impact. Each department manager feeds back the results to their employees, encouraging a forum for positive discussion to gain employee ideas on what more we can be doing to limit our environmental impact.

## Performance Measures

	GHG Emissions (CO2e Tonnes <sup>*1</sup> )	% Of Group Total	GHG Emissions (CO2e Tonnes <sup>*1</sup> )	% Of Group Total
	2017	2017	2016	2016
<b>Scope 1</b>				
Owned transport	9	0.20%	9	0.20%
Gas	325	8.9%	502	13.3%
<b>Total Scope 1</b>	334	9.2%	511	13.6%
<b>Scope 2</b>				
Purchased electricity (including green energy)	2120	58.2%	2,039	54%
<b>Total Scope 2</b>	2120	58.2%	2,039	54%
<b>Significant Scope 3</b>				
T & D <sup>*2</sup> Electricity	235	6.5%	219	5.8%
Business travel	699	19.2%	833	22.1%
Water	117	3.2%	31	0.8%
Waste Disposal	137	3.8%	137	3.6%
<b>Total Significant Scope 3</b>	1188	32.6%	1,220	32.4%
<b>Total CO2e Emissions</b>	<b>3,642</b>		<b>3,766</b>	

<sup>\*1</sup> 'Tonnes' refers to metric tonnes

<sup>\*2</sup> 'T&D' refers to the transport and distribution of electricity.

## Geographical breakdown

2017	Tonnes of CO2e			
	Scope 1	Scope 2	Scope 3	Total
<b>Total global</b>	334	2119	1189	3642
<b>UK</b>	334	675	841	1850
<b>Italy</b>	0	324	110	434
<b>Spain</b>	0	159	18	177
<b>France</b>	0	3	80	83
<b>India</b>	0	390	91	481
<b>US</b>	0	197	15	212
<b>Canada</b>	0	371	34	405

Note that 2016 has been restated to exclude one of the US offices for comparability as the data is not available for 2017 reporting.

## Intensity Ratio

We have used average employees as the measure for our intensity ratio as this is the most relevant indication of our growth and provides for the best comparative measure over time.

<b>CO2e per employee</b> <sup>*1</sup>	<b>0.42 tonnes (2016: 0.45)</b> <sup>*2</sup>
--	---

<sup>\*1</sup> Average employee number excludes employees from offices for which data could not be collected.

<sup>\*2</sup> 2016 data has been restated to reflect the fact that Admiral's three largest UK offices meet the GHG Protocol Corporate Standard and, therefore, Admiral is exempt from reporting greenhouse gas emissions from electricity supply for these locations. In addition, 2016 has been restated to exclude one of the US offices for comparability as the data is not available for 2017 reporting.

## Methodology

### Reporting period

1 January 2017 – 31 December 2017

### Measuring and reporting approach

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

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

### Greenhouse gases

All GHG emissions figures are in tonnes of carbon dioxide equivalents (CO<sub>2</sub>e) and include all six GHGs covered by the Kyoto Protocol.

### Organisational boundary

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

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

### Operational scopes

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

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

## Exclusions to operational scopes

Excluded from our Scope 1 emissions are air conditioning emissions produced by all of our operations. We are continuing to work with the managing agents to obtain this data, however, it is likely we will continue to exclude this from reporting for the foreseeable future. Elephant, in the USA have been unable to provide data for 2017 due to a delay in their landlord sending it through. 2016 has been restated to exclude Elephant for comparability.

## Operational scopes – calculation approach, conversion tools and emission factors

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

The large majority of our fuel and energy consumption is based on actual mileage data, purchase invoices and information supplied by the managing agents of our leased buildings. However it has been necessary to make estimations in some circumstances, where this form of evidence has not been available. In particular, we have made estimations when monthly invoices have not been available for the full reporting period. Where this was the case, an average of available invoices was applied to the months for which invoices were unavailable. This process of estimation represents less than 10% of data.

We have calculated emissions using the 2016 carbon conversion factors downloaded from the DEFRA website, which are valid until 30 June, 2017. Overseas electricity conversion factors have been taken from IEA online data service and are valid for 2017 reporting year.

## Green tariffs

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

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

## Annual achievements

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

- **Global**
  - We provide a guide to recycling in work, what we're doing to reduce Admiral's impact on the environment and how staff can get involved;

- Wherever possible, we use SMS to contact our customers in order to provide a convenient service and to further reduce paper usage;
  - We promote recycling to limit the amount of waste we send to landfill.
- **UK**
    - All UK controlled energy contracts continue to come from green energy sources. These contracts run up until October, 2019; at this point we will look to procure further green energy contracts;
    - Implemented recyclable and biodegradable food containers in all of our canteens chosen by our staff following successful tests last year;
    - We implement and monitor energy usage through Smart metering technology at our Swansea, Cardiff and Newport sites and regularly update the building control software to help us manage our energy use better;
    - Printers default to 2-sided printing to reduce paper consumption and we encourage the re-use of paper as scrap paper.
  - **Canada**
    - We have bins to separate waste (garbage, paper, organics and plastic);
    - Printers default to 2-sided printing to reduce paper consumption and we encourage the re-use of paper as scrap paper. This is also happening at all UK, Canada and India sites;
    - We have subsidised transit passes to encourage employees to use city transit instead of cars.
  - **India**
    - We are recycling cardboard and shredded paper and use reusable cups/glasses;
    - Meeting rooms are fitted with the sensors to keep lights off if no movement is observed;
    - Only biodegradable cleaning products are used for cleaning.

## Targets for 2018

- **Energy**
  - Continue to source 100% Green Electricity for all our UK sites where we control the utilities purchasing.
- **Waste and Recycling**
  - We aim to reduce the % of waste sent to landfill to less than 5% (currently 10% in 2017 and 23% for 2016);
  - Replace disposable plastic drinking cups with a reusable drinking bottle option or recyclable paper option.

- Work with our onsite canteens to continue to reduce consumable use. We have implemented environmentally friendly food cartons at all sites in the UK. One project underway is the introduction of reusable coffee cups and recyclable coffee cup options.
  - Following tests in 2017, continue to work with our Vending contractor to source a 100% recyclable coffee cup option.
  - 2018 remove single plastics from all on site catering facilities
  - Replace all plastic cups with recyclable paper cups in water machines and vending machines
  - Publish a month article on the staff intranet site to raise awareness of utility and waste usage including quarterly dashboard publication
  - Admiral Green Week – an annual week dedicated to raising awareness of our environmental impact across the business
  - Admiral Green Committee – focussed on reduction of non recyclable waste and raising the awareness of our green commitments
  - Reduction of utilities – LED lights and PIR's in the common areas of Admiral Group House in Swansea
- **Reporting**
    - Remain up to date with all compulsory reports and begin planning process for next ESOS assessment in 2018.
    - Work with external partners BRE on the EU funded Quantum Project (which aims to close the gap between predicted and actual energy performance in European buildings).

### **Assurance Statement**

We have not received external assurance of our carbon emissions data for the 2017 reporting year. However, as a Group we have completed an internal peer review to assess the reasonableness, accuracy and completeness of the data presented. This included: recalculation of formulae, checking conversion factors applied, agreement of data to detailed breakdowns and sample checks to source data. The process did not highlight any uncorrected deficiencies in the reported data.

### **Conclusion**

This report summarises our ongoing corporate social responsibility strategy and how this relates to the Group business model and strategic objectives, in addition to outlining the progress we have made during 2017 in relation to our four key stakeholders: our customers, our people, our community and our environment