

2015

Corporate Social
Responsibility
Report



Introduction from David Stevens, CSR Board Representative

In another record year for Admiral Group, our commitment to social responsibility continues to evolve.

Our business serves a real social purpose—whether in the UK, Europe or North America, we at Admiral aim to protect our customers from the adverse consequences of crashing their car or suffering damage to their homes. In addition to providing protection for our customers, we also endeavour to contribute positively to the local communities in which we operate.

Our business is centred around four significant stakeholders who drive the focus of our corporate social responsibility strategy: our customers, our people, our community and our environment all of which I will expand upon below.

Admiral exists to help limit the risks faced by our 4.4 million customers globally, often at key times in their lives - learning to drive, passing their test, that first family holiday, buying a house...and so on. Ever increasing technological developments allow us to develop and find innovative ways to improve the service we offer to our customers.

During 2015 we introduced a new way by which to assess what our customers truly think of the service we provide them. 'Kudos', our new customer experience measurement programme, was created to give a broader, more in-depth, view on the experience of our customers. The programme focuses on three key areas; average speed of answer, SMS feedback scores and external call monitoring by senior staff: areas which directly impact, or are influenced by, our customers. Having an in-depth knowledge of what our customers think is vital to help us to tailor the services we provide both now and in the future.

Of course this wouldn't be possible without our extremely dedicated and competent members of staff, who continually go above and beyond to provide an excellent service to our customers, frequently exceeding their expectations every day of the week. At Admiral, we believe that "People who like what they do, do it better," so we strive to ensure our staff not only enjoy coming to work, but also have a challenging, fun, environment wherein talent is recognised and achievement is celebrated – allowing both the individual and the company to prosper.

We were honoured to be recognised again for our businesses around the globe, being named 4th Best Multinational Workplace in Europe by the Great Place to Work Institute 2015.

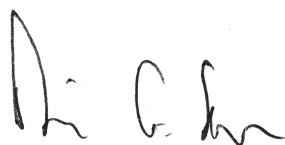
This year we were proud to receive a Special Recognition Award for being the only company to have appeared in the Sunday Times Best Companies to Work for listings for the last 15 years – that’s every year since the list’s inception in 2001 - as well as coming 5th overall in the list for 2015. We were honoured to be recognised again for our businesses around the globe, being named 4th Best Multinational Workplace in Europe by the Great Place to Work Institute 2015.

We are committed to supporting our local community both through charitable giving and community partnerships. In 2015 we donated £195,942 to local and national charities and provided £947,959 to sponsor events and organisations. I am proud that our people are so passionate about helping good causes and we always encourage suggestions from staff on the local organisations and charities they would like to support.

Finally, as we at Admiral continue to develop and grow as a business, we renew our commitment to manage and minimise our environmental impact. In 2015 we officially moved in to our new building in Cardiff, Tŷ Admiral, which has been built to a BREEAM (BRE Environmental Assessment Method) standard of ‘Excellent’ (the leading environment assessment method for buildings) reflecting best practice in sustainable design.

This report summarises the Admiral Group’s ongoing corporate social responsibility strategy and how we have engaged with our four major stakeholders throughout 2015: our customers, our people, our community and our environment.

Enjoy the read!




David Stevens

Chief Operating Officer

2 March 2016

Admiral Group's Corporate Social Responsibility (CSR) strategy is vital to the sustainable growth of our business, with employee engagement and customer satisfaction both assuming core roles in our business model and strategy (pages 10-11, Admiral Group Annual Report and Accounts 2015).

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1 Our Customers



In 2015 we won Best Motor Insurance Provider at the Personal Finance Awards for the third year in a row. This is an award based on consumer opinion.

At Admiral Group we value our customers above all else: put simply, if we didn't have any customers, we wouldn't have a business! That is why we believe that exemplar service and high customer satisfaction is crucial for us to succeed. Everything we do serves to attract, retain and satisfy our customers and importantly, ensures that they get good value for money. Our employee incentive schemes are therefore designed with this criterion at the forefront of our thinking to ensure that the quality of the service which we provide our customers is always industry-leading.

We always strive to find new and innovative ways to monitor what our customers are saying about us in our contact centres, whether it be through customer comment forms, SMS feedback or scrutinising social media to ensure that we are meeting their needs. We would love to satisfy every single one of our 4.4 million customers, but we acknowledge that this is not always possible; complaints happen. However, we utilise the above methods of customer monitoring so that we can better understand our customer complaints. We measure complaint volumes and analyse complaint comment forms, SMS feedback as well as ensuring we monitor calls, complaints and breaches. These metrics are continually examined to ensure we are offering an excellent level of service and to challenge departments to make continual improvements.

Conduct Risk

In 2015 we have 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. Details of the risks posed to customers, together with relevant mitigating controls are maintained by each department and are reviewed monthly.

The continued evolution of the conduct risk framework goes further to ensure Admiral customers are treated fairly throughout their insurance journey.

Each business area owns the initial management of conduct risk as they are closest to the processes and procedures we have established. Conduct Risk Management Information (CRMI) is discussed in a committee made up of senior management from each business area. The committee reports its findings 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	2014	2015	Target
% customers who would renew following a claim	95%	95%	>85%
Customer Services, New Business and Renewals call answer rates	95%	94%	>90%
Claims call answer rates	98%	97%	>90%
Complaints per 1,000 vehicles	1.0	1.0	<1.4
Customer Services SMS feedback	9.2	9.1	>8.0

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 CRMI Report. SMS feedback enables our customers to rate the service provided by our contact centre staff. An example of this is Customer Services (CS) 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 2015.

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.



Kudos was created to give a broader, more in-depth, view on customer experience.

Monitoring customer experience

During 2015 we introduced a new way to truly understand what our customers think of our service. Kudos is a new customer experience measurement programme, used across all our customer facing contact centres.

The programme focuses on three key areas which directly impact, or are influenced by, our customers. These areas are:

- Average speed of answer
- SMS feedback
- External call monitoring by senior management

We don't shy away from a bit of friendly competition at Admiral and as such, with Kudos, each department and site compete against each other for top place on the leader board as to who can deliver the best customer service experience; this is updated in real time and can change on a daily basis.

Daily SMS feedback also feeds into Kudos and our staff are personally informed when they receive feedback from customers. Customer feedback is recognised and visible on the Kudos homepage across the company.

Kudos allows to both gain an in-depth knowledge of what our customers think and engages staff into really thinking about the customers for whom they are providing a service. We hope continued innovations such as this will continue to improve the services we provide our customers both now and in the future.

2 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 according to the Great Place to Work Institute, this has helped us to become one of the best employers in the UK and Europe. 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 at Admiral is simple: we communicate with people, people communicate back to us. 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!

The transparency of our communication philosophy extends to senior managers and Directors, who sit amongst their teams rather than in their own offices which encourages a dialogue between staff of all levels of seniority across all areas of our business. Furthermore, our Chief Executive Officer (CEO) 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 Henry' intranet initiative. Our senior managers and Directors also participate in regular online chats with staff. This year we have held three online group chats with CEO, Henry Engelhardt, in addition to several online chats with other senior managers.

In addition, there are a wide range of communication tools from which our employees benefit which assists 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 2015 annual staff survey, 85% of staff were happy with the amount of information they receive about the company (2014: 80%).



Engaging with our staff

During 2015 we celebrated the first anniversary of a channel of communication designed for staff to ask questions about the way we do things.

Don't be Shy...Ask Why! is a scheme that gives everyone the opportunity to question why we do something a certain way.

We recognise that sometimes if something doesn't seem quite right; instead of asking why, or questioning why we do things the way we do, this can often just be accepted as 'the norm'. As part of our culture at Admiral, we believe in always asking why and questioning the status quo – and now our employees can do this too by logging a question on absolutely anything they like about any business area of the Group.

Of course, it wouldn't be Admiral without a different spin on how the questions are answered.

Our very own 'Captain Explaino' assigns it to an expert in the relevant area of the business who then answers the question either on the staff intranet or sometimes, if a question is particularly pertinent, via video clip circulated for the business to see. It's a truly unique way of engaging staff in areas of the business, and we may just pick up a few new ideas and innovations along the way!

We support employees as they complete qualifications with the Chartered Institute of Insurance and other professional bodies.

Training and development

Admiral Academy is Admiral's central training team and offers support, learning opportunities and career advice for all employees. The team is made up of 20 dedicated Learning & Development professionals 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. Such is the success of the courses on offer, over 5800 training slots were taken up by our people in 2015. This includes training provided for specific UK departments and any training that has been provided by our UK trainers in any of our overseas offices.

In order to measure how our people feel about training and development, we ask them to complete evaluation forms after training courses. In 2015 our overall feedback score was 9.4/10 (2014: 9.4/10).

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 means that from the outset of their career with Admiral, staff can pursue a professional qualification that complements their professional development. It also provides a strong incentive to progress within Admiral. Since becoming ILM accredited, over 800 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 100 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 Plain English and Time Management. In 2015 over 50,000 courses were completed online.

Admiral Academy also encourages self-learning through Henry'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 to keep, but many departments keep libraries of books for everyone in the company to share. In 2015, over 2,500 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.

Equality

Our people are our greatest asset and we respect and value the individuality and diversity of all our staff.

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.

To further promote diversity, this year Admiral Academy has trained over 180 staff in workplace diversity. 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.

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*¹	7	5
Other senior managers*²	23	12
All employees	3,981	4,185

Notes

*¹ Company Directors consists of the Board of Directors, as detailed on pages 42-43 of the Admiral Group Annual Report 2015.

*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.

In 2015 the Davies Review into Gender Balance on British Boards published its findings. In the five years since the report began to gather evidence, Admiral Group has increased the amount of female representation on its Board by 21.7% - enough to place in the Top 10 Most Improved FTSE 100 Boards since 2011. Indeed our overall percentage of 41.7% means that we are currently in 6th place on the FTSE 100 index and 1st place in our sector in terms of the percentage of female members of our Board.

Happy and healthy



After the success of our previous Ministries, the Ministry of Health and the Ministry of Fun, we launched our third dedicated Ministry – the Ministry of Money!

The Ministry of Money has been set up to help staff, who would like to be just that little bit better with their personal finances, help make their pay last for a whole month and help those who wish they were more saver than spender! Our new financial education scheme provides our people with the tools, knowledge and confidence they need to help them be better with their money.

The scheme is run by dedicated members of our Payroll team who said, “We were so excited about providing financial education for our staff. We really care about our staff inside and outside of work and want to give a benefit that makes a real difference to each individual person. This is because we care about our people no matter where they are – whether they are in work or out having fun!”

According to our annual Staff Survey, 82% of our people are more likely to stay with us because of our staff share schemes (2014: 80%).

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 2015 an employee who joined us on 1 January 2005 would have received a total of 3,156 shares, of which 2,495 would now have matured and 2,041 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 £41,392 (based on the share price of £16.59 on 31 December 2015). 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 58-68 of our Annual Report 2015.

Our Board firmly believes that share ownership motivates employees, decreases attrition and makes it easier to recruit successfully. According to our annual Staff Survey, 82% of our people are more likely to stay with us because of our staff share schemes (2014: 80%).

Recruitment

In further support of our reputation as a good employer within the local community we received over 14,700 applications for contact centre positions during 2015 (2014: 10,800). The increase in applications is testament to the fact that Admiral is a great place to work and shows the desire from the local community to work with us.

In 2015 our Recruitment department and Admiral Academy began running a brand new initiative called 'Get into Admiral'.

Get into Admiral



The scheme aims to help applicants who were previously unsuccessful when applying for roles – but who we saw as having definite Admiral potential – get the chance to apply again as Call Centre Representatives in our New Business department. Get into Admiral offers four days unpaid training in salesmanship and interview skills with the opportunity to interview for the role at the end of the week.

Those running the scheme said: "At Admiral we pride ourselves on getting the very best applicants suitable for the roles, and as a company we are always evolving and looking to introduce new schemes and processes. The 'Get into Admiral Scheme' is a chance to trial something completely new. After completing an extensive four day course, unpaid, and in their own time, it goes without saying that from an interviewer's point of view, such commitment and dedication is a strong indicator of the type of people we would welcome in to the company."

Of those that undertook the scheme in 2015, 75% were offered a position at the end of their four day training.

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.

The Managers' Awards



Back in 1992, before the first Admiral policy had even been sold, our CEO Henry Engelhardt gave each senior manager an award to present in their name to a member of staff they believe had contributed to Admiral's success in a unique or outstanding way. Nineteen awards are now available, such as the David Stevens' 'Large Volume of High Quality Work' Award and Geraint Jones' 'Bend over Backwards' Award. The names of the award winners are permanently inscribed in Admiral's history on plaques displayed in the reception area of our headquarters in Cardiff, South Wales. This year, in addition to the usual roster of awards, a special award was presented to Henry Engelhardt, in his last full year as Admiral CEO: 'The Henry Engelhardt Award for being the most Henry Engelhardt-ish,' appropriately enough!

Fun plays a vital role in helping us to ensure that our people enjoy their work, encouraging and motivating each and every individual to produce excellent results.

Work-hard, play-hard



At Admiral we have a dedicated Ministry of Fun (MOF) that organises exciting events for all our people to take part in. A different department takes responsibility for organising games and competitions each month to ensure that the programme remains fresh and to give everyone the opportunity to take ownership. Some of the MOF organised events during 2015 have included Prize Pong, Pudsey Face – having three minutes to paint your Team Manager's face so that it *bears* a likeness to Pudsey – in aid of Children in Need, and of course, evergreen favourite 'Wish Wednesday' where MOF's wish is your command (within reason)!

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	2009	2010	2011	2012	2013	2014* ¹	2015
Morale is good within Admiral	93%	89%	90%	93%	89%	75%	84%
Morale is good within my department	86%	84%	85%	87%	75%	67%	77%
I am happy at Admiral	91%	88%	89%	91%	88%	78%	84%
Every effort is made to understand the thoughts and opinions of employees	87%	88%	88%	91%	85%	78%	84%
I am proud to be associated with Admiral	96%	95%	95%	96%	94%	82%	86%
I would recommend Admiral as a good place to work	95%	94%	95%	96%	93%	83%	87%
I am more likely to stay at Admiral because of the share schemes	79%	78%	79%	79%	81%	80%	82%
Admiral is truly customer-focused	90%	86%	87%	90%	90%	85%	88%

*¹ 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 2015 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 and, notably, received a Special Recognition Award for being the only company to feature in the list every year since its inception. The table below shows how we have performed in these surveys:

External survey results

			
2001	32nd	32nd	
2002	42nd	42nd	
2003	46th	7th	
2004	60th	16th	
2005	20th	17th	
2006	20th	8th	
2007	21st	Top 10	
2008	57th	10th	
2009	37th	6th	16th
2010	16th	10th	26th
2011	9th	9th	21st
2012	6th	1st	4th
2013	11th	2nd	2nd
2014	2nd	3rd	3rd
2015	5th	4th	4th

3 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 2015 Admiral Group donated £195,942 to local and national charities and provided £947,959 to sponsor events and organisations. 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.

Supporting the national sport of Wales

We continue to be sponsors of the Welsh Rugby Union (WRU) and the Admiral logo was proudly emblazoned once again the Welsh national jersey during the Six Nations Championship 2015. The agreement enables us to secure staff benefits such as free rugby tickets, kit discounts and opportunities to attend team training sessions and meet players. In 2015 members of the Wales squad officially opened our new headquarters, Tŷ Admiral, and Welsh rugby international Jake Ball participated in a Live Chat with staff where he revealed the best piece of advice he'd ever received: 'Never be satisfied.' That's certainly the Admiral spirit!



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 700 charities and organisations. In 2015 we donated £100,000 to over 180 charities and organisations through the Chest. This year we helped Home-Start Cardiff by purchasing vital baby safety equipment and helped fund a summer production of West Side Story by Superstars in the Making (Barry) by donating money towards printing flyers, posters, banners and hospitality. Finally, feeling especially puckish, we also donated to local youth ice hockey venture the Cardiff Devils Junior Development Team, which allowed the purchase of shirts for the whole squad, 50 pucks and a puck bag!



4 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 10 - 11 of our Annual Report 2015. 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 2015, the staff survey revealed that 87% of our people think we are working to reduce our environmental impact (2014: 84%). 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 Data

	GHG Emissions (CO ₂ e Tonnes ^{*1})	% Of Group Total	GHG Emissions (CO ₂ e Tonnes ^{*1})	% Of Group Total
	2015	2015	2014	2014
Scope 1				
Owned transport	10	0.12%	14	0.20%
Gas	541	6.47%		
Total Scope 1	551	6.59%	14	0.20%
Scope 2				
Purchased electricity (including green energy)	6,327	75.70%	5,908	86.42%
Total Scope 2	6,327	75.70%	5,908	86.42%
Significant Scope 3				
T & D ^{*2} Electricity	541	6.48%	522	7.64%
Business travel	852	10.19%	310	4.53%
Water	35	0.42%		
Waste Disposal	52	0.62%	82	1.20%
Total Significant Scope 3	1,480	17.71%	914	13.37%
Total CO₂e Emissions	8,358		6,836	

*1 'Tonnes' refers to metric tonnes.

*2 'T&D' refers to the transport and distribution of electricity.

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.

CO₂e per employee^{*1}

1.24 tonnes (2014: 1.19)

^{*1} Average employee number excludes employees from offices for which data could not be collected.

Methodology

Reporting period

1 January 2015 – 31 December 2015

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.

Greenhouse gases

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

Organisational boundary

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

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

Operational scopes

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

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

Exclusions to operational scopes

We have excluded our call centre in Gurgaon, New Delhi, from our Scope 1, 2 and 3 emissions because this operation was not able to provide us with the data requested. Our operations in France (L'olivier – assurance auto and LeLynx) and Elephant Auto in the US are also excluded from all of our emissions scopes. These offices together total less than 9% of our Group headcount and are, therefore, considered immaterial. We continue to endeavour to collect data from the managing agents for these locations.

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.

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 2015 carbon conversion factors downloaded from the DEFRA website, which are valid until 31 May 2016.

Geographical breakdown

Tonnes of CO2e				
2015	Scope 1	Scope 2	Scope 3	Total
Total global	551	6327	1480	8358
UK	551	5289	1355	7195
Italy	0	294	33	327
Spain	0	85	12	97
India	0	130	31	161
US	0	79	6	85
Canada	0	450	43	493

Carbon offsetting

We are not a carbon-intensive business and as such, we don't see any significant need to offset our Scope 1 and Scope 2 carbon emissions at present. However, this will continue to be monitored in line with future business growth. We recently reviewed the Carbon Reduction Scheme (CRC) guidelines and confirmed we did not qualify during phases 1 or 2. The scheme requires you to buy allowances for every tonne of carbon you emit from your energy use. Participants must buy allowances from the government annually to cover their reported emissions.

Green tariffs

All of the electricity tariffs we control in the UK use energy from green sources. Our current green electricity tariffs expire Oct 2018 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

- In 2015 we completed our move to our head office from a multi-occupancy, 23-floor building erected in 1967, to a brand new, high density building in Cardiff city centre: Tŷ Admiral. The building has been built to a BREEAM*¹ standard of "excellent". Tŷ Admiral encompasses thoughtful design features, such as high efficiency glazing and recessed windows to reduce heat solar gain, as well as an automated building management system to reduce electricity consumption. Features such as electricity generating photo-voltaic panels and high-efficiency, energy saving lighting with sensor controls, significantly reduce the impact on the environment.
- We make a constant effort to raise employee awareness of our environmental impact, our staff intranet features a page called 'Help Us Go Green', which includes a guide to recycling in work, what we're doing to reduce Admiral's impact on the environment, how staff can help and get involved. Links to our Environmental Policy, latest Greenhouse Gas Report and what staff can do at home to help the environment can also be found on the staff intranet.

*¹ BREEAM (BRE Environmental Assessment Method) is the leading and most widely used environmental assessment method for buildings. It sets the standard for best practice in sustainable design and has become the de facto measure used to describe a building's environmental performance

- By the end of 2015 all UK sites had our new waste and recycling system installed and working with Biffa we are capturing and recording all our waste streams as accurately as possible. In Q3 2015 we installed new signage on all our waste and recycling bins across the UK to help staff in selecting the correct bin for their waste. Below are Admiral Group's waste and recycling figures for the UK in 2015:
 - 37% General Waste Landfill
 - 16% General Waste to Energy from Waste
 - 25% Mixed Recycling
 - 22% Confidential Waste (Recycled Paper)
- All UK controlled energy contracts continue to come from green energy sources. These contracts run up until October 2018, at this point we will look to procure further green energy contracts.
- Energy Savings Opportunity Scheme (ESOS) assessment completed in October 2015 for our UK operation. ESOS is a mandatory energy assessment scheme for organisations in the UK that meet the qualification criteria. Organisations that qualify for ESOS must carry out ESOS assessments every four years. These assessments are audits of the energy used by buildings, industrial processes and transport to identify cost-effective energy saving measures. This report highlighted savings of 2,176,246kWh, which in monetary terms equates to nearly £150,000. We will endeavour to realise these savings in 2016.
- In November 2015 the Facilities department held an annual Awareness Week, which this year focused on recycling in the workplace. Facilities hosted a week of events, communications, and competitions across all UK sites promoting proper recycling in the workplace. Over 2,600 employees completed a recycling quiz.
- Wherever possible, we use SMS to contact our customers in order to provide a convenient service and to further reduce paper usage.

Targets for 2016

- Waste and Recycling – We aim to reduce the general waste produced by the Group in the UK to 40% (currently 53%) by the end of 2016 and increase recycling to 60% (currently 47%). We aim to do this through eliminating certain waste streams that we have control over and by better capturing existing recycling waste streams such as Waste Electrical and Electronic Equipment recycling (WEEE) generated by our IT department and food waste recycled by our canteens.
- Complete outstanding ESOS action points to hopefully ensure the full 2,176,246kWh saving will be realised.
- Re-commission our smart metering system and have monthly energy assessments completed by our external partner, Enica. This will highlight further energy savings as well as monitor each site's efficiency.
- An Environmental and Utilities dashboard has been created which will be updated monthly to monitor our energy usage and waste and recycling figures.

Working Towards a Greener Future

Towards the end of 2015 we formed the Admiral Green team, headed up by our senior facilities managers which consists of staff volunteers from across Admiral who have an interest in the environment. The group meet bi-monthly to discuss environmental issues, new initiatives and how we can encourage more staff to get involved in recycling.



Assurance Statement

We have not received external assurance of our carbon emissions data for the 2015 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.



FTSE4Good

A FTSE4Good Index member

"FTSE Group confirms that Admiral has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series for 2015. Created by the global index company FTSE Group, FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent environmental, social and governance criteria, and are positioned to capitalise on the benefits of responsible business practice."

5 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 2015 in relation to our four key stakeholders: our customers, our people, our community and our environment.