



DRIVING CHANGE FOR A BETTER FUTURE

Our environmental, social and
governance (ESG) strategy report

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A MESSAGE FROM OUR CEO

Since joining the AA back in 2021, I have been impressed with our long history of innovation and our support for communities. From planting trees on roadside verges in the 1960's to our recent COVID-19 support efforts – helping NHS staff and ambulance service – we are always ready and willing to step up and support a purpose beyond the core of our business activities. This is at the heart of the AA and is one of the reasons for the strength of our brand and the trust customers put in us.

In a fast-changing world, we now have a role and a responsibility to ensure a better, more sustainable future for all, and our ESG strategy is at the core of this. Reducing our impact on the environment, driving change for the better for our communities, and creating a workplace where our colleagues can feel they belong and thrive, are critical for our success and our contribution to society.

That's why I'm pleased to welcome you to our first ESG report, which brings together our ambitions for our Planet, Communities and People, as well as our progress to date. And while this is our first standalone ESG report, we have of course already made progress across all our ESG strategy pillars:

- **We've continued to drive innovation, particularly for EVs. Our Freewheeling Hub to tow EVs and Patrol training on EVs are examples of how we're reducing our environmental impact and improving our Members' experience at the same time.**
- **We've invested across the business to help drivers in their own EV transition, from learning to buying and keeping electric cars on the road.**
- **We've maintained our high health and safety standards by winning a Gold RoSPA award for the third year running.**

- **Through our AA Charitable Trust, we've also found practical ways to help teenagers in care learn to drive. We're also helping Ukrainian refugees with free Drive Confident familiarisation courses and we continue to campaign for safer roads.**

Beyond this, we're now setting a higher ambition for the AA, through the following commitments:

- **We will become Net Zero for our own emissions by 2035**
- **We will increase representation, with a target of gender diversity to 40%, and ethnic diversity to 10% by FY26, for our Senior Leader and Executive populations**

These are ambitious goals, but we have already started on this journey and made great first steps.

I'm proud of what we have achieved so far and look forward to sharing more with you next year to show our progress. Our journey is ever evolving and there is much for us to do but, as always, we are up for the challenge.

Jakob Pfaudler
Chief Executive Officer, The AA

A MESSAGE FROM OUR CHAIR



A company's delivery of sustainable, profitable growth in today's highly competitive markets is crucially dependent on the support of all its key stakeholders. Companies that enjoy the backing of their employees, suppliers, partners and, above all, society are also likely to have satisfied investors.

Navigating complex webs of stakeholder interests is not easy in a world where everyone has a view and is increasingly willing to use their voice.

And that is where the ESG movement is proving helpful in its mission to define and codify a common set of concerns, supported by metrics that allow stakeholders to track and compare. But only helpful to the extent that it encourages strategic thinking rather than simply tactical compliance.

And so at the AA, the ESG thinking starts with a clear purpose which provides a context for all strategic objectives, operational initiatives, targets and measures of progress. As a result, ESG is almost inseparable from all other aspects of the company's philosophical and practical framework for success.

This strategy comes from a deep, shared commitment amongst the Board and executive team for the AA to be a leading example of how to operate for widely distributed benefit in a stakeholder economy.

Rick Haythornwaite
Chair of the Board, The AA

OUR APPROACH

Our ESG strategy aligns to 3 clear pillars, underpinned by good governance.

These pillars support our strategic priorities and our culture. Most importantly, they're focused on driving positive change for all our stakeholders.

PLANET

We believe that driving doesn't have to cost the earth. So we're committed to reducing our impact and supporting drivers to do the same.

COMMUNITY

We're driving change for the better for our communities – supporting cleaner, safer and more accessible ways of driving.

PEOPLE

We're creating a safe, inclusive workplace that reflects our customers and our communities – where people can feel they belong and thrive.

GOVERNANCE

All of this is underpinned by our corporate governance policy, making sure we act in ways that are transparent and ethical at all times.



PLANET

We believe that driving doesn't have to cost the earth. So we're committed to reducing our impact and supporting drivers to do the same.

**WE'VE SET
A TARGET
TO BE NET ZERO
BY 2035
FOR OUR OWN
GREENHOUSE
GAS EMISSIONS**

But what does this mean?

Put simply, we're working to eliminate and reduce our emissions as much as we can. And where we're unable to achieve this, we'll look for ways to compensate for the remaining emissions we create.

It's an ambitious target, as there isn't yet a van in production that can run on alternative fuel and meet all our needs. But we're trialing technology as it becomes available and investing in innovation that reduces our impact. We're also partnering with others to help develop the tech that'll make it easier to transition to electric and lower carbon emission vehicles.

OUR CARBON FOOTPRINT

In 2021/2022 we saw
**a 17% reduction of
 greenhouse gas emissions**

Scope 1 and 2

In 2021/2022 we saw a **17% reduction** of greenhouse gas emissions for our Scope 1 and Scope 2, or location based, emissions from our baseline year of 2019/2020 (AR20).

Scope 1 emissions are driven by our operations – like the fuel consumed by our operational fleet and company cars, fugitive emissions from refrigerants, natural gas we consume, and fuel consumed by our backup generators and equipment. Scope 2 emissions are released from the generation of the electricity we consume.

Our use remained only slightly up, at 307 TCO2e from 2020/2021. This was primarily driven by an increase in Scope 1 gas emissions generated to maintain a standard temperature, while making sure we had 100% fresh air in our premises throughout this year, to keep a safe working environment for our colleagues during COVID-19.

	AR20 2019/20	AR21 2020/21	AR22 2021/22
Scope 1	40,500	33,621	34,016
Scope 2 <small>(location based)</small>	2,395	1,777	1,675
Total <small>(location based)</small>	42,895	35,398	35,691

We use a third party to independently verify the accuracy, completeness, and consistency of GHG emissions data (operational control scope only) against ISO 14064-1 and ISO 14064-3. So the AR20 (our baseline), AR21 and AR22 data have been independently assured by a third party.

[Read more in the ESG section of our website.](#)

[Read more about our carbon footprint and Streamlined Energy and Carbon Reporting \(SECR\), which includes market based emissions data, in our 2021/2022 Annual Report and Accounts.](#)

Scope 3

Scope 3 emissions are from the energy consumed by our colleagues who have travelled either in a rental car or claimed mileage on their personal car.

	AR20 2019/20	AR21 2020/21	AR22 2021/22
Scope 3	577	167	181

We saw a **68% reduction in emissions since 2019/20**. Driven in part by COVID-19 and an overall reduction in business travel.

We've undertaken an initial assessment to better understand our overall Scope 3 emissions and identify opportunities to reduce them further.

One of our key metrics to track our carbon footprint is our tCO2e per operational job. This has reduced since 2019/2020.

	AR20 2019/20	AR21 2020/21	AR22 2021/22
tCO2e / number of operational jobs	0.01121	0.01054	0.01067



OUR FLEET

This is one of the biggest drivers of our carbon emission footprint, so we need to work hard to make sure we meet our Net Zero 2035 deadline.

- All the vehicles in our fleet are Euro 6 Compliant.
- We're transitioning our roadside fleet to more sustainable vehicles and using alternative fuels.
- We're rolling out electric vehicles (EVs) into our operational fleets, where we can. Our B2B events van is fully electric.
- We're trialing other low carbon vehicles and technology across our group, like hydrogen chargers.

We're investing in technology to reduce our carbon footprint and get our Members back on the road faster.

We've reduced our recovery emissions by 7% (551 tonnes of CO2e) this year, as a result of our **Repair Management Solutions (RMS) project**. We first trialled this in AR21 and have continued to expand it during AR22. The idea is to reduce the number of long-distance recoveries by arranging a local repair if a vehicle can't be fixed at the roadside. This means fewer recovery miles are needed, but still makes sure we get our Members' vehicles, and their days, back on track.

We've continued to develop our **remote fix strategy** – getting drivers back on the road faster, while also reducing the fuel consumption of our fleet. In 2021/2022 we avoided 59,978 Patrol journeys, which reduced our carbon emissions.

COMPANY CARS

88%

of our company car fleet are lower emission-producing vehicles



This is a **19% increase** compared to 2019/2020

We're supporting our colleagues to make the transition to electric by providing a salary sacrifice scheme that helps them to lease EVs, taking advantage of the current UK Benefit in Kind tax relief. This year, we've also installed a total of 9 dual 22kw EV chargers in our Oldbury, Cheadle and Newcastle sites to help our colleagues to charge their cars at work.

LEADING THE WAY IN INNOVATION



In 2021, we were awarded the **Green Fleet Innovation award** for our Freewheeling Hub.

This game-changer has already transformed our breakdown service for thousands of people. The industry-first is a new addition to our Multi-Fit Wheel kit and a clever way for our Patrols to safely tow EVs, 4x4s and SUVs.

Before we introduced the Freewheeling Hub, recovering these vehicles was a challenge, because they can't be lifted and towed on 2 wheels. So we'd need a large recovery truck or emergency charge, often powered by diesel, which both emit CO2 and fossil fuels into the atmosphere. The Freewheeling Hub reduces the impact on the environment and recovers EVs efficiently.

SUPPORTING DRIVERS

We're committed to supporting those who want to make the switch to electric, to help reduce Britain's carbon footprint.

From teaching the next generation to drive, to helping to keep charge points working, we're here to give drivers confidence at all stages of their EV journey.

- With 2,700 Patrols, we have the largest EV trained Patrol force in the country. 100% are Level 1 trained, and we continue to invest in Level 2 and in the future level 3 EV training.
- We've launched EV insurance, which provides cover for the top 5 insurance concerns raised by drivers.
- We have a wide range of tools and equipment to help EV customers at the roadside and are achieving a roadside repair rate in excess of 80%, not far behind that of petrol and diesel.
- Our Driving School now offers electric tuition cars for Driving Instructors, and since our launch in March 2022, over 5,095 hours of EV driving lessons have been delivered.
- Drivetech, our driver education business, has developed a course for people who are new to driving electric or are thinking of making the switch – to support them in using EVs safely and efficiently.
- We're a sponsor and partner of the EV Café – the leading campaign group within the fleet industry, championing net zero initiatives and the transition to EVs.
- We provide support for many Chargepost Operators (CPOs) like Gridserve, Instavolt and EO, to help keep them online and make sure EV drivers have access to chargers.
- In 2021, we joined a host of EV supporters – including OEMs, leasing companies, industry suppliers and EV media stars – in the 1,200 mile EV Rally of Scotland during COP26. We helped to raise EV awareness and bust myths along the route, and we'll be doing the Great British EV Rally from John O'Groats to Land's End in 2022.

For drivers who choose to keep their current vehicles, we'll help to keep them on the road, while still reducing our impact and helping drivers to do the same.

- We continue to provide our award-winning breakdown services, leading the way in innovation to reduce our carbon footprint while still providing great service to our Members.
- We provide services like Smart Care, to make it easier for drivers to keep their cars running as efficiently as possible.
- For our insurance policies, we'll continue to repair rather than replace vehicles where possible, to keep cars on the road.

WHAT'S NEXT?

In 2022, we'll continue to work on our Net Zero roadmap for our own emissions, testing and learning with the technology that's available. We'll also build on our current code for suppliers to further set out our expectations on decarbonisation, and start engaging, influencing and supporting suppliers on their journeys.

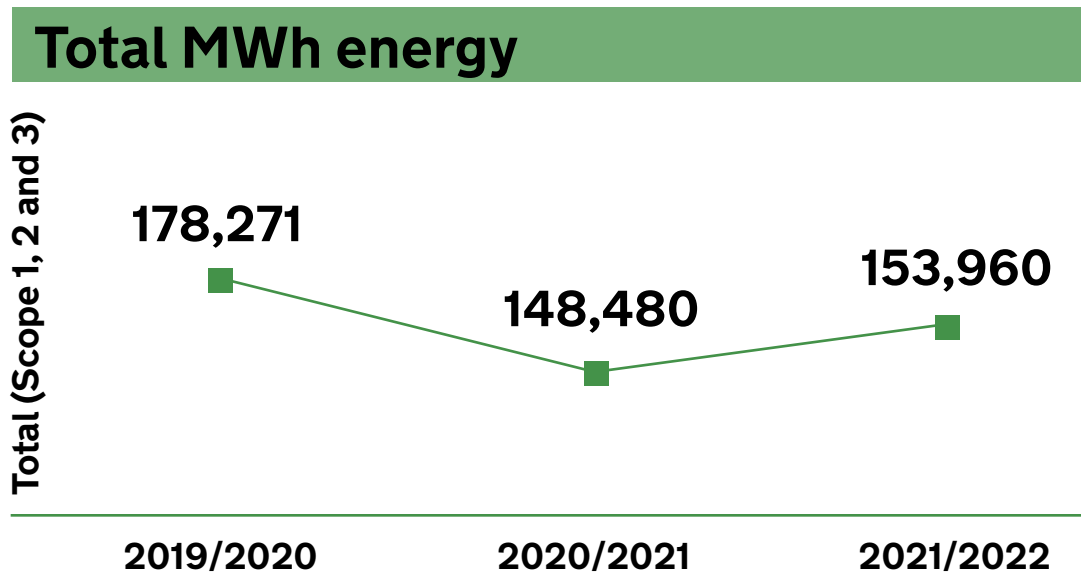
OUR WORKPLACES

Since 2019/2020, we've seen more than
a 15% decrease
in overall energy consumption across the business.

While our Patrols on the road are a large part of our environmental footprint, our workplaces also contribute to our overall impact on the planet. In the last year, we continued to invest in our workplaces to make them as energy efficient as possible and reduce their impact on the planet.

Where we buy the electricity ourselves, all but 2 of our sites have transitioned to renewable energy contracts, backed by REGO (Renewable Energy of Guaranteed Origin Certified) since March 2019. We're working to move our Belfast site onto renewable energy contracts later in 2022.

At present, there's currently no renewable energy available to buy for our Gibraltar office.



Our usage went up last year as we started to return to the office, and invested in measures, like increasing airflow into the building, as part of ensuring our workplaces were COVID-19 safe.

In the last year, we've:

- isolated unused floors in our properties to minimise gas and electricity consumption
- adjusted run times and set points across all properties to reflect reduced occupation
- reviewed ancillary equipment and service areas, and switched off un-used equipment like catering equipment and unnecessary fridges

Our team answer our emergency breakdown calls at our Oldbury office. It's used 24 hours a day, 7 days a week. In 2022, we've so far improved the efficiency and environmental impact of this property by:

- installing a monitoring and optimisation system across the whole site, which ensures the humidity, temperature and CO2 emissions are as expected and that the HVAC isn't operating unnecessarily
- replacing boilers with more energy efficient units

We've also installed more efficient lighting across 3 of our properties by:

- replacing car park lighting in Cheadle to efficient LED lights
- upgrading the WC lighting controls with new PIR sensor controls in Newcastle
- upgrading all 60 exterior flood lights to LED units in Basingstoke

[Read a more detailed breakdown of our energy consumption in our 2021/2022 Annual Report and Accounts.](#)

REDUCING WASTE AND RECYCLING

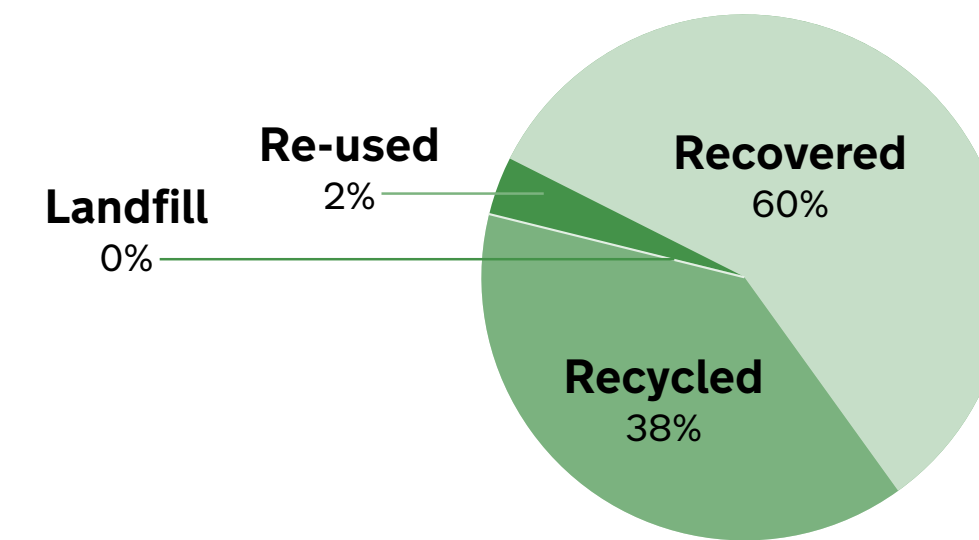
We reduced waste generated by our offices and maintained our **'zero waste sent to landfill'** for all our UK based workplaces. In 2021/2022 we **reduced our waste by 59%** from 2019/2020. This data has been impacted by the reduction of office-based staff and the introduction of hybrid working due to COVID-19 restrictions in the workplace.

Tonnes of waste

	2019/2020	2020/2021	2021/2022
Re-used	N/A*	N/A	4
Recycled	231	91	80
Recovered	292	120	128
Landfill	0	0	0
Total	523	211	212

All data estimated from waste contractor. | *Recording of reuse began in FY22.

% of waste 2021/2022



ISO 14001: 2015 CERTIFIED – ENVIRONMENTAL MANAGEMENT SYSTEM

For our Roadside and Drivetech businesses, we're certified ISO 14001 for our Environmental Management System. This helps us to make sure we're actively identifying and managing environmental issues.

We undertake internal and external surveillance audits every year against these requirements and are recertified externally every 3 years.

WHAT'S NEXT?

The way we use our buildings has changed since COVID-19, and last year we set our target to maintain our use against our 2019/2020 figures. Now we're back in our offices, we'll review our targets for reducing energy use and waste produced for this year and beyond.



COMMUNITY

We're driving change for the better for our communities – supporting cleaner, safer and more accessible ways of driving through our work and our support of the AA Charitable Trust. We believe that making a positive contribution to the places where we live and work helps build thriving communities.

CONTINUED SUPPORT THROUGH COVID-19

Building on the work we did in 2020 to provide **free breakdown service to 8,000 NHS staff** during lockdown and help the London Ambulance Service to get hundreds more ambulances on the roads, we were proud to support the vaccination roll out in 2021/2022 by providing free temporary signs to community vaccination centres.

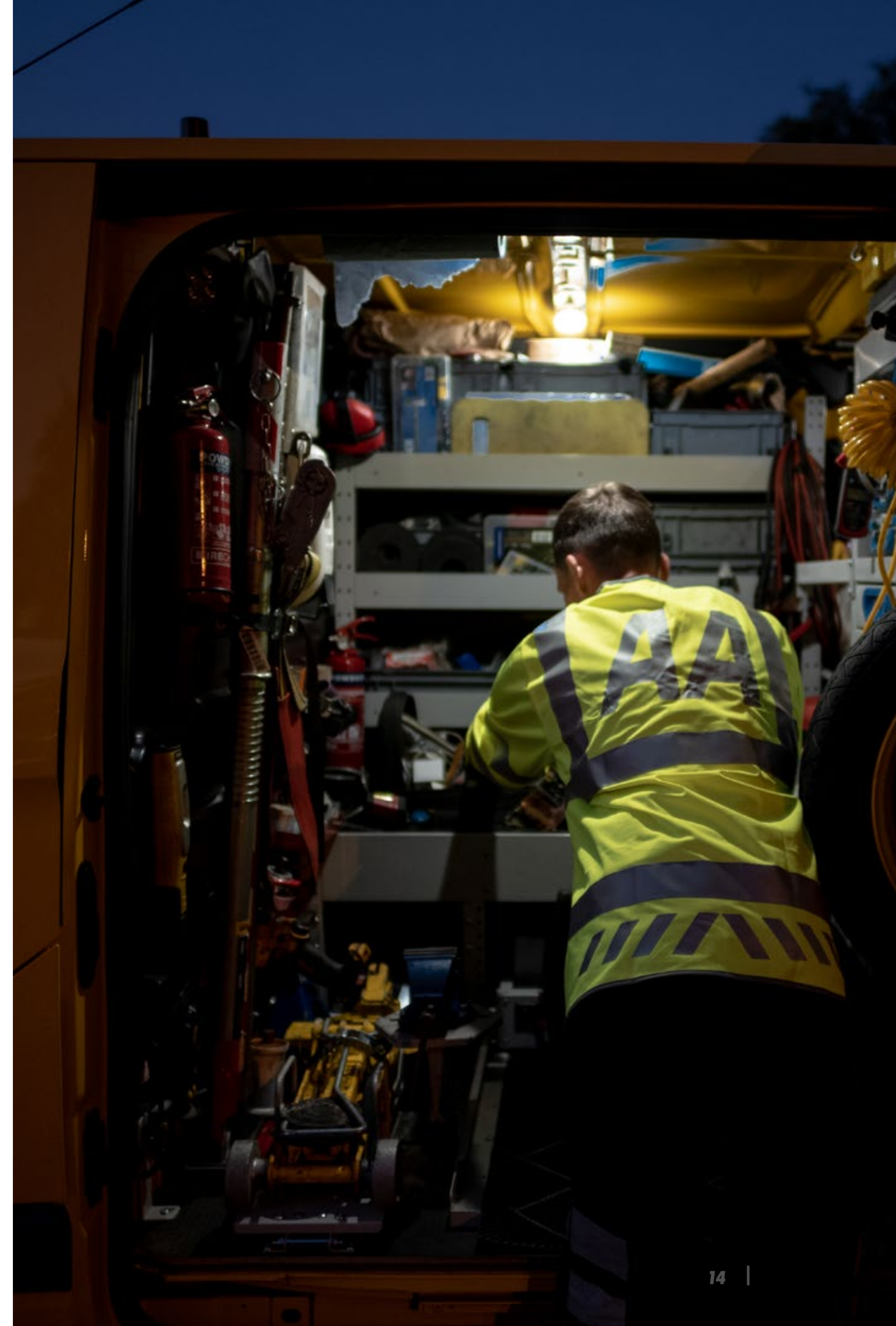
Made of 100% recycled plastic, we provided over 2,000 signs at 204 locations. This includes production, distribution, fitting and maintenance of the signs, as well as removal and recycling at the end of the vaccination programme.

VOICE OF THE MOTORIST

We regularly campaign for the Government and regulators to promote the interests of all UK motorists and push for more rigorous industry standards.

Making motorways safer

In 2022, our campaign on the safety of 'smart' motorways continued, with the Transport Secretary agreeing to reduce the spacing between emergency refuge areas to $\frac{3}{4}$ mile and retrofit an extra 150. He also agreed to consider our proposal for an emergency corridor to help emergency services access crash scenes quicker. And he agreed to halt the roll-out of new 'smart' motorways until at least 5 years of safety data is available.



SUPPORT FOR CHARITIES

We support a number of national charities, and encourage our colleagues to raise funds for their nominated local charities throughout the year.

Rare Disease Day

We lit up our Fanum House headquarters in Basingstoke in February 2022 to raise awareness for local baby Lola Seagar, who's been diagnosed with Pontine Tegmental Cap Dysplasia, a rare neurological disorder.

This was part of an international effort to raise awareness for people suffering from rare genetic diseases. It culminates every February in Rare Disease Day when buildings around the world are lit up.

Support for Ukraine

In response to the war on Ukraine, we've launched several initiatives to support Ukrainians in need.

- Helping convoys taking emergency supplies to Ukraine by giving them free European Breakdown Cover.
- Amending our home insurance for those opening their homes to people displaced by the conflict, as part of the Homes for Ukraine scheme, to make sure their cover stays the same.
- Providing temporary signs at a collection point in Folkestone for goods to be sent to Ukraine, on behalf of the Kent Association of Head Teachers.
- Donating £25,000 to the Red Cross Ukraine appeal and committing to match donations from staff up to £50,000.

Our colleagues have raised thousands of pounds for various charities over the course of the year, from mountain climbing to song writing and everything in between.

Andy's Man Club

In May 2022, a group of Patrols reached new heights of dedication by climbing Mt. Snowdon, the highest mountain in Wales. The group from Manchester and Liverpool put aside their footballing rivalries to channel their energies into a fundraising effort to support Andy's Man Club – a mental health charity offering free-to-attend talking groups that give men the chance to open up and talk about issues affecting them. The club also challenges the stigmas around male mental health.

The 20-strong group, who are more familiar with motorways than trail ways, provided support for one another along the steep and sometimes treacherous route to the summit of the famous mountain.

Our Colleagues' Christmas Song

A group of Patrols and call centre colleagues teamed up to professionally record their own version of a Christmas classic to raise funds for Andy's Man Club and NHS Charities Together. They renamed their version of Band Aid's Do They Know It's Christmas? 'Patrols for People'.

All the recording work and filming was undertaken voluntarily, in their own time, at an independent recording studio in Manchester.



"We all wanted to show our continued appreciation for the NHS, as well as supporting a vital mental health charity, and we've had fun along the way."

Steve, Roadside Patrol

THE AA CHARITABLE TRUST FOR ROAD SAFETY AND THE ENVIRONMENT

UK charity no.1125119

We're proud to support the work of the AA Charitable Trust, working to save lives on the roads and reduce the environmental impact of vehicles. It's led by our President, Edmund King, and is made up of Trustees from across the business. 2021/2022 was a busy year for the trust.

Young Drivers on Rural Roads

The trust funded research, with help from the Road Safety Trust, which found 71% of fatal crashes involving young drivers occur on rural roads.

A high-profile awareness campaign featured Caitlin Huddleston, an 18-year-old passenger killed in a new driver crash on a rural road. A special programme, Caitlin's Hour, was broadcast on Hits Radio and Kerrang Radio.

'Caitlin's Message' to improve safety is now being targeted and communicated to thousands of parents and new drivers.

The trust continues to campaign alongside Sharron Huddleston, Caitlin's mother, for awareness and improvements to new driver safety.

Driving Ahead

The trust developed a scheme with Bristol University to help teenagers in care, and those who've left care, to learn to drive. Barnet charity 'Live Unlimited' are one of various charities taking the scheme forward with great success, supported by the trust.

[Find out more at Driving Ahead, Live Unlimited.](#)

Support for Ukraine

The AA Charitable Trust is also supporting Ukrainian refugees in the UK with free Driver Confident refresher courses, provided by AA Driving School and BSM.

In Ukraine, people drive on the other side of the road. And it's unlikely that many Ukrainians will be familiar with UK signs or restrictions, like the Congestion Charge and Low Emission Zones. So working with Drivetech, we've also developed our driver training division – a free online familiarisation course in Ukrainian, which is proving very popular. This course can help build any refugee's confidence and help get them on the road, driving safely in the UK.





PEOPLE

Our people are at the heart of the AA and we're committed to creating a safe, inclusive workplace that reflects our customers and our communities – where people can feel they belong and thrive.

WE DO THIS TO:

Represent the customers and communities we serve and provide products with great customer outcomes.

Encourage different thoughts and ideas, enabling debate and innovation that drives increased business success.

Attract and retain the best talent and to support all our people in reaching their full potential.

In 2021, we continued to invest in initiatives and programmes to create change and provide opportunities for our people, and we look forward to building on these strong foundations for 2022 and beyond.

DIVERSITY



Here's a breakdown of gender diversity within our management population, and the number of people of each sex who were employed with us on 31 January 2022. This excludes a population of 145 non-pay-rolled people from Used Cars Sites Limited and Prestige Fleet Servicing Limited.

Group	Total	Gender split %	
		Female	Male
Group Executive Committee	9	33%	67%
Senior Leadership Team	64	39%	61%
Manager Grades	596	35%	65%
All other Colleagues	6,890	33%	67%

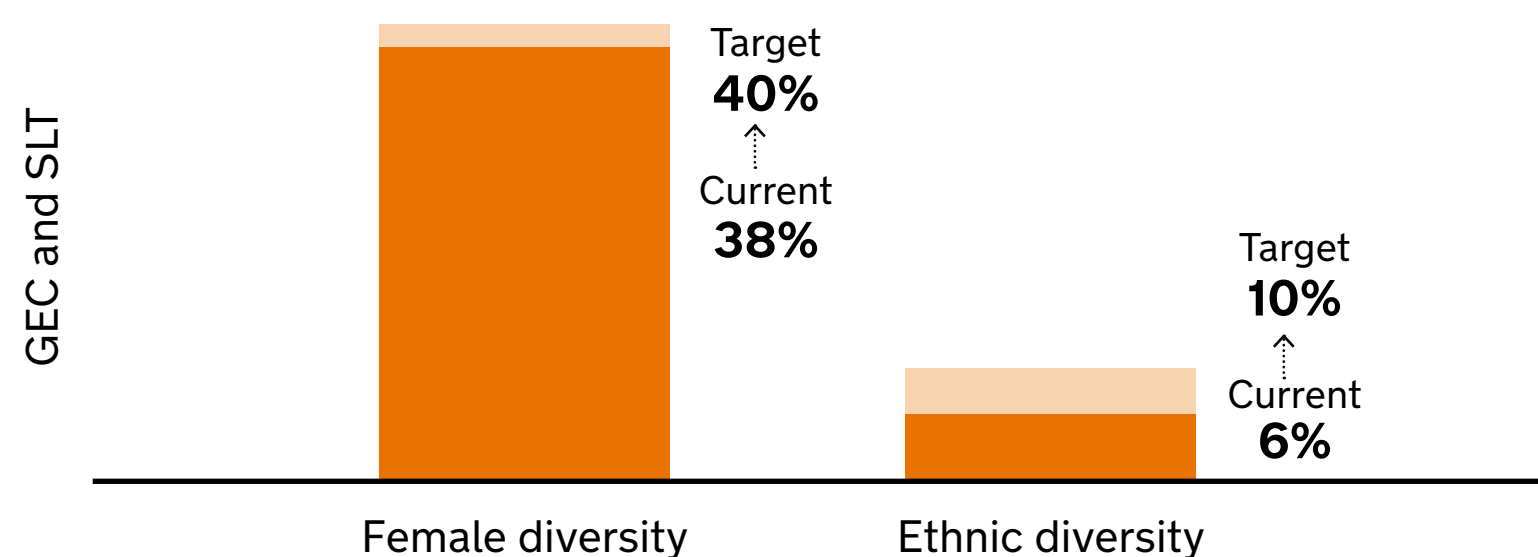
(excluding Agencies and Contractors)

The ability to report on the number of our colleagues who identify as non-binary or gender neutral is currently limited to male/female only and we are continuing to explore the options available within our own systems and in line with the reporting requirements of external and government bodies.

We are committed to enabling our colleagues to access gender neutral titles to be able to express their gender identity. We include the gender neutral title Mx in our systems, and encourage all colleagues to put their preferred pronouns in email communications.

Diversity targets

To help drive our commitment for diversity within the AA, we've set 2 targets to reach by the end of our financial year 2026 at a senior level within the organisation. These targets will be underpinned by activities which help support an increase in diversity at all levels in the business.



D&I Committee

In 2022 we launched a D&I committee to champion the adoption and implementation of our D&I strategy, which is made up of senior leaders and key decision makers who are committed to increasing diversity and inclusion within the organisation.

GENDER PAY GAP

Every year we publish our Gender Pay Gap Report, which can be found on our corporate website.

As reported in 2021, we have a mean gender pay gap of 16.7% and a median gender pay gap of 29.5%, which is higher than the median pay gap for the UK. Both our mean and median gender pay gaps have improved on the same period the year before – mainly because we recruited more female than male employees in our management and SLT groups.

We know the main drivers of our gender pay gap lie in the under representation of females in the company, particularly within our roadside business, where 99% of our Patrols, who make up 38% of our total employees, are men.

We're committed to working to close the gap and levelling the playing field by creating a culture where

those with diverse views thrive. Role modelled from the top of the company, the message is re-enforced that creating an inclusive culture is everyone's responsibility and is supported through our performance management processes via our AA Code and Leadership Drivers.

ATTRACTING TALENT

In an increasingly tough talent market, we've continued to work to attract great talent to the AA.

We've introduced remote hybrid working policies – providing flexibility for colleagues to work from home and the office, to drive collaboration and provide support, while attracting diverse and geographically dispersed talent.

We continued as a signatory of the Armed Forces Covenant, and holder of their Employer Recognition Scheme Gold Award. We continue to promote job opportunities through the Career Transition Partnership (the MoD's official provider of Armed Forces Resettlement).

We advertise our positions through a number of channels, including those specifically aimed at reaching underrepresented groups like Working Mums, and BYP.

We've trained our hiring managers in recruitment skills, and have updated and enhanced our selection tools to ensure our leaders are reflecting our values and behaviours. We also make sure we have diverse shortlists when recruiting for senior roles.

EMPLOYEE NETWORK GROUPS



“Being an SLT sponsor for the Pride network is a great opportunity to support our LGBTQ+ colleagues and allies to steer the conversation on how we can foster a culture of a truly inclusive workplace. Supporting our colleagues to feel seen, heard and comfortable to be themselves is absolutely key in driving forward our D&I agenda. It is great to have a seat at the table representing communities that offer so much but can often feel underrepresented.”

Ed Marks, Head of Group Customer Outcomes and SLT Co-Sponsor for the Pride Network

Since July 2021, we’ve established 5 groups, with around 150 members.

Each network has a dedicated SLT sponsor, offering more robust support and guidance.

1. Origins

All multi-faith and ethnic minority colleagues

We want to ensure our working practices are fair and transparent, and that opportunities are available to all. We want to celebrate the cultural, national and religious events which mean the most to everyone in our business.

4. Pride

LGBTQ+ community and allies

We want to ensure our LGBTQ+ colleagues feel included and can be themselves at work. We want to build positive relationships with our external LGBTQ+ allies and celebrate the internal and external events that matter to us.

2. Carers

People working with a caring responsibility

We want to continue with a support network for people with caring responsibilities. We want to make sure we support our carers with any challenges they face and provide ongoing wellbeing support or training.

5. Balance

Gender balance in our business

We want to achieve gender balance across our business, especially at leadership levels and in our Patrol force. We want to create inclusive working practices and give women the support and tools they need to progress and continue their careers at the AA. We want to celebrate key events which support gender balance.

3. Ability

People with visible and invisible disabilities

We want to remove any barriers for people with disabilities and support them to do their role effectively. We want to celebrate disability related events to raise awareness and understanding.

Groups in action

In March 2022, the Balance Network launched a pilot maternity leave returner buddy scheme, with the aim of supporting returners coming back to work through shared-experience in a confidential setting. It’s been offered to anyone currently on maternity leave or about to go on leave.

DEVELOPING OUR PEOPLE

Our success as a business depends on building our people's capability.

We expect all our people to learn and grow, and are committed to making sure they have access to learning solutions to keep pace with the changing needs of our customers and our business.

We recognise that the foundation of effective development is on-the-job experience, coaching and mentoring. So we introduced a new Leadership Essentials curriculum in 2021/22 to support our leaders in the foundations of effective leadership. We also introduced a new leadership capability framework and 360 feedback process.

Our people accessed over 100,000 hours of learning in 2021/22, equating to over 2 days of learning per person. We invested in online resources and virtual delivery to make sure we could continue to support our people.

2022 sees the launch of **'I Will Accelerate'** – our first career development programme for our ethnically diverse people across the organisation, to support breaking down barriers and focusing on core topic areas to support career development.

We'll be also running our second cohort of our **'Driven Women'** career development programme to accelerate the career progression of women in mid-level management roles.

“Being part of the Driven Women program was an invaluable experience, the network of talented women from across the AA that I have built over the duration of the program has already started to have a positive impact on my performance within my role and expanded my future career opportunities.”

The workshops attended as part of the program with specialists in driving women's careers gave me an excellent insight into how to take the next steps forward and thrive at the AA.”

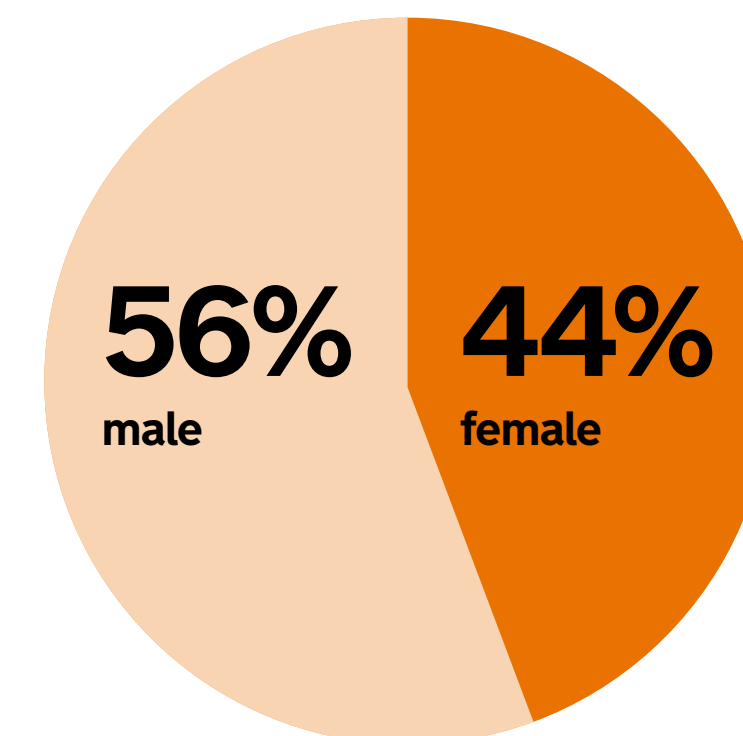
Katie Lee, Operations Manager, Emergency Breakdown and Teleworking

APPRENTICESHIPS AND INTERNSHIPS

We've continued to offer **award-winning** apprenticeships throughout COVID-19. We now employ over 65 entry-level apprentices and have 130 existing employees on apprenticeships that range from Customer Service level 2 to MBA level 7.

Top 100 employer
on RateMyApprenticeship.co.uk

195 apprentices
on our programme



In 2022, we launched our very first Recovery Operative Apprenticeship programme to help build a pipeline of HGV drivers for the future.

“I feel really lucky to have the opportunity to develop my knowledge and skills through on-the-job training via our Apprentice programme. A risk and compliance role is vast, so being able to study and specialise in areas through the course and bring them to life in my job is both exciting and interesting. I'm looking forward to using the new techniques and applying the new knowledge in my role and enhancing the support I can give to our business.”

Emily Crawford,
Risk and Compliance Business Partner.

In 2022, we also partnered with the 10,000 Black Interns organisation, whose mission is “Transforming the horizons and prospects of young black people in the UK by offering paid work experience across a wide range of industries”. We're providing a number of internship placements to young black undergraduates and postgraduates, starting in the summer.

DEVELOPING INCLUSIVE POLICIES

SUPPORTING OUR COLLEAGUES

ENGAGING OUR COLLEAGUES

In 2022, we launched a series of life event policies designed to help our people when they need it most.

For those undertaking fertility treatment and their partners, we've introduced paid leave. For those who sadly suffer miscarriage, we've introduced paid bereavement leave.

And we've introduced a new sabbatical policy allowing our people to apply for up to a year off work. We've also introduced extended paid training and injury leave for those who serve our country in the armed forces.

We offer our people an extensive programme to care for their wellbeing.

Colleagues can self-refer to our Mental Health Support Service, which offers multiple treatment pathways up to and including consultant psychiatrist support when clinically indicated.

Colleagues can also self-refer to our Physical Health Support Service for physiotherapy, and onward referral to a functional restoration programme for those who need more help and support.

We have over 100 Mental Health First Aiders, trained by Mental Health First Aid England, who are here to support and signpost colleagues who are experiencing mental health issues. We have a 24-hour Employee Assistance Programme, and our occupational health service offers advice and support on a whole range of health and wellbeing issues.

In 2022, we launched our innovative and leading-edge menopause support service. Colleagues suffering with symptoms of the menopause can self-refer to an expert menopause doctor who will create an individual treatment plan for them, followed up with another session to see how they're getting on. Further support can be given by our mental health and physical health support services when needed.

We work closely with our recognised union, Community, as well as our Management Forum – an elected group for management-level colleagues – to make sure our people's views are heard.

Meetings are held with Community regularly to discuss business strategy, financial performance and colleague-related matters.

It's important that we understand how our colleagues are feeling about life at the AA, to help us on our journey to becoming a great place to work.

We open regular engagement surveys and have seen an increase in scores in all our repeated questions over the past 12 months. In April 2022, our employee engagement score increased to 63%, and our employee net promoter score increased to 60%. We also saw a big increase in confidence in leadership, and 83% committed to helping the AA create its future.

HEALTH AND SAFETY

We're committed to providing an environment that positively supports our people, our customers and those in our communities.

Health and safety is core to our decision making and fundamental to all services we provide. We actively strive to enhance both the physical and mental wellbeing of our people and make sure our colleagues and Members get home safely every day.

We have a dedicated team of health and safety professionals who are all members of the Institution of Occupational Safety and Health. We deploy best practice internally and externally, monitoring and oversight of the management of our HSE risks is strong, with performance reviewed at our Executive Risk Committee and Board meetings.

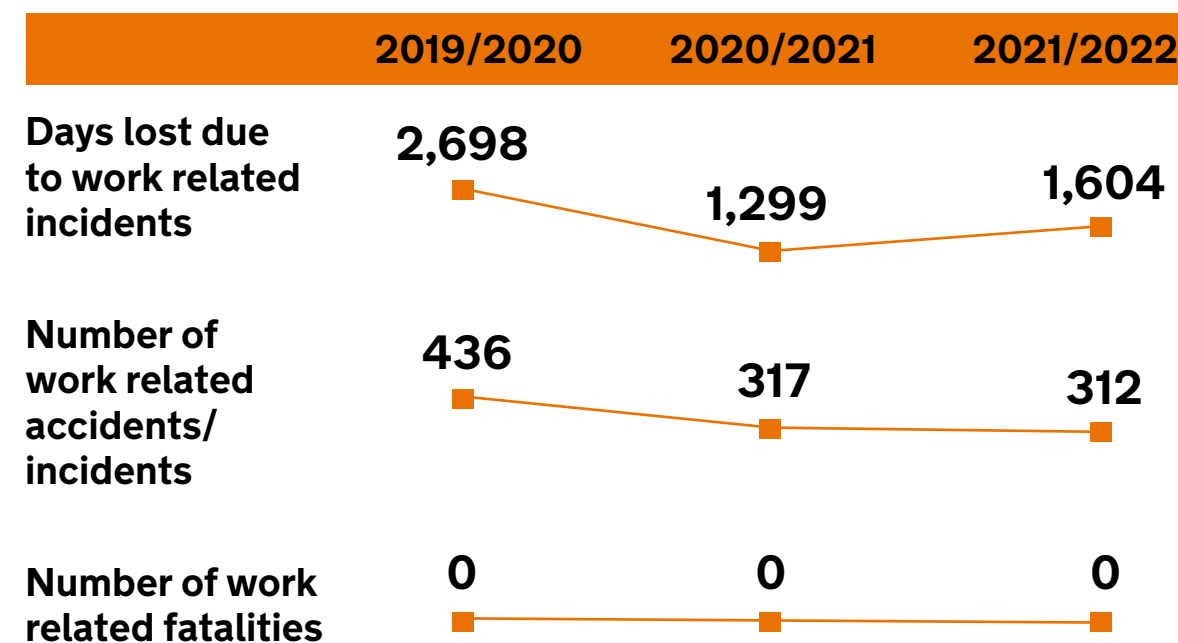
We have an extensive programme of health and safety training for all staff, with enhanced training and competency assessments for roles like our Roadside Patrols. We also undertake risk-based safety awareness campaigns to reduce harm to our community, Members, staff, suppliers and contracted parties.

Each year our Patrols get a minimum of 4 hours of Health and Safety training.

We're an active member of SURVIVE, the industry group working towards improving safety for those working at the roadside.

Performance

- We had fewer accidents and incidents in 2021 than 2020, despite the number of cases worked on increasing. The number of accidents and incidents has decreased by 28% since 2019.
- Near miss reporting increased, more than 111% in 2021 and more than 33% in 2020, which allows us to proactively manage identified issues.
- The number of days lost due to incidents increased in 2021 to more than 23%. This will be a focus area for improvement in 2022.
- We maintained our record of zero fatalities.
- In 2021/2022 we started installing safety cameras across our operational fleet. This investment will ensure we can continue to support our people and our customers to remain safe at the roadside.



PAS43:2018 ISO 9001:2015 certified

PAS 43 is a standard published by the British Standards Institution that focuses on roadside recovery safety, establishing standards to protect both colleagues and our Members.

We're proud to maintain certification with PAS 43, alongside our ISO 9001 Quality Management system, for our Roadside Business. We audit this management system internally and externally annually to make sure our control environment remains strong and effective, and are recertified every 3 years.

Awards

In 2022, we were awarded The Royal Society for the Prevention of Accidents (RoSPA) Gold award for demonstrating high health and safety standards. This is the third year running we've received this award.





GOVERNANCE

Good governance covers everything from how we listen to our customers and people, to the way we run our company.

**WE UNDERSTAND
THAT ALL OF OUR
ACTIVITIES NEED TO
BE UNDERPINNED BY
STRONG CORPORATE
GOVERNANCE,
MAKING SURE WE ACT
IN WAYS THAT ARE
TRANSPARENT
AND ETHICAL.**

To support this, we have a robust framework in place to make sure we operate and maintain a high standard of corporate governance and ethical conduct. And we have an open and transparent relationship with our regulators, including the Financial Conduct Authority and the Gibraltar Financial Services Commission.

In 2021/2022 we have continued to evolve our ESG Governance by:

- Board sponsorship for our Net Zero 2035 ambition, and our Gender and Ethnicity Diversity Targets.
- Driving clearer Executive sponsorship with our Chief Risk Officer, Briony Horvath, appointed our Executive lead for ESG.
- Creating a formal ESG Steering Group, who report through to the Group Executive Committee and in turn to the Board. This Group is made up of representatives across our business to drive our activities forward.
- Forming a D&I Committee to champion the adoption and implementation of our D&I strategy.

WHAT DRIVES US – THE AA CODE

How we behave is just as important as what we do, and our culture is shaped by our behaviours. The AA Code provides guidance on how we expect our colleagues to behave.

Each year at our **AA Awards**, we celebrate colleagues who go the extra mile in living the AA Code:



Put customers first



Own it and deliver



Speak up



Work as a team



Safeguard what matters

WATES CORPORATE GOVERNANCE PRINCIPLES

Following our delisting in March 2021, we've chosen to adopt the Wates Corporate Governance Principles for Large Private Companies (the Wates Principles). This covers 6 key areas and requires Large Private Companies to publicly report against compliance with these principles.

1. Purpose and leadership
2. Board composition
3. Director responsibilities
4. Opportunity and risk
5. Remuneration
6. Stakeholder relationships and engagement

For the year 2021/2022, we were fully compliant with these principles.

[Read more about what we've done to comply with the Wates Principles in our 2021/2022 Annual Report and Accounts.](#)

POLICIES AND TRAINING

We're committed to ensuring the highest standards of corporate governance and ethical conduct, and have a robust framework in place to support this. We have policies and training programmes for colleagues to make sure there's an awareness and understanding of the legal, regulatory, and ethical requirements, and how we expect our colleagues to behave.

Our policies and training include:

- Conflicts of interest
- Financial crime
- Anti-bribery and corruption
- Whistleblowing
- Conduct risk
- Vulnerable customers
- Complaints

Each year our colleagues do a minimum of 2.5 hours training on core policies and procedures

[Read more details on our key policies, which govern our approach to controls, in our 2021/2022 Annual Report and Accounts.](#)



HUMAN RIGHTS

We respect human rights and are committed to safe operations throughout our supply chain. We have a zero-tolerance policy towards modern slavery or violation of human rights. We have a number of policies in place for respecting human rights and our commitment to eradicating modern slavery from all aspects of the supply chain.

We publish a Modern Slavery Statement annually, which outlines our performance against our commitments.

[Read our Modern Slavery Statement 2021.](#)

DATA PRIVACY

We recognise the importance of keeping data safe and continue to invest in our data security as it relates to data privacy and the increasing cyber threat landscape. As we move into an increasingly digital and connected world, making sure our customers' data is handled with care and kept safe is a key focus.

To do this we:

- have a clearly defined cyber security strategy – investing significant resources in controls that enable it to prevent, identify, detect and correct potential cyber-related issues
- make sure our approach to the collection, use, sharing and retention of data is made clear to all Data Subjects
- train all employees annually on Data Privacy and Information Security
- continue to evolve our protections in-line with best practices
- maintain ISO27001 for parts of our business and have an extensive internal and external audit programme to review effectiveness of controls
- conduct audits on our key suppliers to make sure they maintain a high standard of control
- report our performance regularly to the board
- continually monitor for emerging threats

RISK MANAGEMENT

We operate a 3 lines of defence model to make sure risks and opportunities are identified, assessed, monitored and managed in line with our stated risk appetite.

Our risk management framework aims to ensure that:

- risks are made visible
- risks are discussed and understood
- risks are owned and managed
- appropriate action is taken
- risks are used for opportunities
- we learn from our risk-taking

We monitor our risks and performance against risk appetite through our Risk Governance arrangements.

CLIMATE RISKS/ OPPORTUNITIES

This is key for us, and primary and secondary impacts are considered as part of our business – whether it be to predict extreme weather events and impact on our operations and Members, or the move towards electric and alternative fuel vehicles and changing UK Car Parc.

In 2021/2022, we further strengthened our risk framework by evolving how we identify, assess and manage climate related risks and opportunities in preparation for upcoming Taskforce for Climate Related Financial Disclosures (TCFD) reporting requirements.

[Read more about our approach to Risk Management and our Principle and Emerging Risks in our 2021/2022 Annual Report and Accounts.](#)

CONTRIBUTING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



In 2015, the United Nations launched 17 sustainable development goals as a blueprint to achieve a better and more sustainable future for all – by helping to end poverty, fighting inequality, and tackling climate change by 2030.

We've mapped our activities under our Planet, People, and Community pillars, against the United Nations' sustainable development goals and have identified the 5 where we've made a contribution in the last 12 months.

SUSTAINABLE DEVELOPMENT GOALS

CLIMATE ACTION



Take urgent action to combat climate change and its impacts

- Reduction in emissions from 2019/2020 baseline
- Renewable energy sourcing

RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable consumption and production patterns

- Zero waste to landfill for all UK sites

GOOD HEALTH AND WELL-BEING



Ensure healthy lives and promote well-being for all at all ages

- Continued campaigning for safer roads

QUALITY EDUCATION



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

- Apprenticeships
- Continuous learning
- Development programs for under-represented groups

GENDER EQUALITY



Achieve gender equality and empower all women and girls

- Diversity and inclusion strategy
- Commitment for increase in gender diversity at senior levels
- Development programs for women
- Inclusive policies to support women

PLANET

COMMUNITY

PEOPLE

AA