

# RSA OVERVIEW



## CEO Introduction

**2014 was an important year for RSA. The implementation of our new Business Plan is changing the shape of our Group in many ways; we have tightened our strategic focus, built our capital strength, and put in place foundations to improve our operational performance.**

But through these significant changes, our commitment to high standards of corporate responsibility remains strong; demonstrated by the progress we have made in bringing together our people to prevent problems, protect the world around us and drive change to help create a safer, more sustainable future. Our customers, our people and our shareholders expect us to take the lead on the issues that matter most and I am proud that our efforts have been recognised internationally. In Canada, we won the PR Daily CSR Award for best stakeholder and employee engagement for our charity and community activities, and in the UK, our work with the School for Social Entrepreneurs won Best CSR Initiative at the Chartered Insurance Institute's Public Interest awards.



In all the countries we operate in, our people play a key role in helping us deliver our corporate responsibility strategy. Our award winning social investment programme not only empowers our employees to make a difference, but also develop new skills and better understand the communities we serve. In 2014, we gave over 6,500 hours volunteering time, with nearly 3,000 hours spent on improving the life-chances of young people through education and employability programmes.

We are proving our commitment to safeguarding our customers from the risks of everyday life by doing more to tackle the issue of road and water safety. In 2014, we launched a Global Road Safety hub with the charity Brake and ran major road safety campaigns in thirteen countries, reaching over 35 million people with education, advice and safety equipment.

We have also strengthened our ability to protect customers and communities from future risks brought about by natural disasters and weather-related catastrophes. Every year, we use SMS to warn thousands of customers about impending extreme weather events. Our extensive research has helped us understand the impact of environmental risks on our customers' lives and how we can better protect them should the worst happen. Our insurance products also support the transition to a more environmentally sustainable future; we insure the manufacture of more than 25% of the world's wind turbines and cover around 80% of the world's offshore wind farms.

We aim to ensure that our operations have limited impact on the environment and that we support the shift to a resilient, low carbon world through the products and services we provide. We have reduced our annual carbon footprint by 15% from a 2013 baseline, predominantly through our drive to minimize business travel.

Of course we know that we can only truly deliver on our ambitious vision if we operate with financial strength and transparency; and have the discipline to sustain it. The discovery of claims and financial irregularities in RSA Ireland had widespread repercussions across the business and it was clear that we had to learn some important lessons. The independent review from PwC, instigated after the irregularities were discovered, describes RSA Group Control Framework as appropriate in terms of structure and design. Additional assurance testing from newly appointed external auditor KPMG and RSA Group Internal Audit confirms that the financial and claims irregularities were isolated

to Ireland. Nevertheless, RSA has adopted PwC's recommendations to enhance the operational effectiveness of Group-wide assurance processes and Irish financial controls. As a result, we have improved and strengthened our approach, for all our stakeholders.

We continue to work with our partner organisations to deliver our strategy. We are signatories to the UN Global Compact and are committed to integrating into our business the principles of the UN Declaration of Human Rights and the International Labour Organisation core labour standards. We are members of the ClimateWise initiative and are also active in the UN Environment Programme Finance Initiative, as founding signatories to the Principles for Sustainable Insurance.

Reviewing our performance in 2014 provides us with an opportunity to celebrate the progress we have made, while recognising there is still plenty more for us to do. As our business continues to change, we will report on the progress made against the challenging five-year targets we set ourselves in 2013. Once the operational change and disposal process has completed we will review the impact of these changes on our long-term corporate responsibility commitments and targets.

Inspired by our renewed focus on providing the best possible service for customers and other stakeholders, we have developed a new, digital approach for reporting on our corporate responsibility performance, based on tailoring content to meet the needs of different audiences. Alongside factsheets, which provide more information than ever before about our strategy and performance, we have produced an interactive digital tool to help people understand our biggest issues and films that bring to life the positive impact of our initiatives and programmes around the world. Not only does this approach make key information more accessible to our stakeholders, it reduces our paper usage, helping to minimise our environmental impact.

When it comes to corporate responsibility, people often say that actions speak louder than words. Never is this truer than in challenging times. This is why I would like to invite you to explore for yourself RSA's demonstrable and ongoing commitment to making things better, together, for our customers, employees and communities around the world.



Stephen Hester, Group Chief Executive

# Global Issues

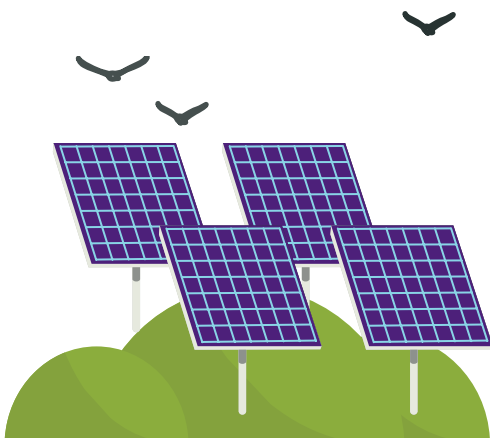
As a major company in the business of risk and protection, we have a responsibility – and a commercial imperative – to anticipate and respond to global trends. Our material issues research sheds light on the social and environmental considerations most relevant to our business and stakeholders.



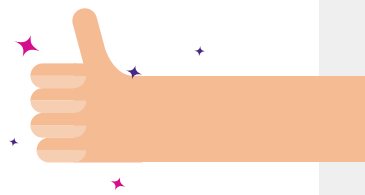
# Climate Change and Resource Scarcity

There is a 95% certainty that human influence has been the dominant cause of the observed climate warming since the mid-20th century<sup>1</sup>. Continued emissions of greenhouse gases will cause further warming and changes in all components of the climate system. Coupled with this, a growing global population means by 2030 the world will need 50% more energy and 35% more food than it does today<sup>2</sup>. But the Earth has a finite amount of natural resources that can be used to satisfy this demand.

These are the challenges that we face and the development of an adequately adapted, resilient and lower carbon world will be essential in responding to them.



# Trust in Business



The financial crisis brought to light a range of issues that questioned business trust and integrity. Financial malpractice, rigging of London Interbank Offered Rate (Libor) interest rate scandals and miss-selling of financial products have rendered the financial services industry one of the least trusted today.

Research from Edelman shows that only 50% of UK citizens trust businesses, and that year on year, levels of trust are decreasing. Though trust in the financial sector has risen slightly from 53% in 2014 to 54% in 2015, there is a long way to go for the sector, which is currently rated the third least trusted<sup>3</sup>.

Research by PwC predicts that from 2017, most insurance sector customers globally will be digitally fluent<sup>4</sup>. They will be better informed, have higher expectations of businesses, trust their own peers more than advertising, and express their voice via social media. As such, companies are under greater scrutiny. Corporate responsibility, supply chain integrity, value for money, product quality and customer service are therefore essential ingredients in building and maintaining a positive reputation.

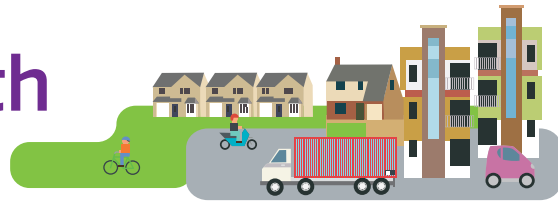
<sup>1</sup> IPCC (2014) Working Group II Fifth Assessment Report (AR5)

<sup>2</sup> National Intelligence Council (2012) Global Trends 2030: Alternative Worlds

<sup>3</sup> Edelman (2015) Trust Barometer

<sup>4</sup> PwC (2014), Insurance 2020 [http://www.pwc.nl/nl\\_NL/nl/assets/documents/pwc-insurance-2020-the-digital-prize.pdf](http://www.pwc.nl/nl_NL/nl/assets/documents/pwc-insurance-2020-the-digital-prize.pdf)

# Population Growth and Urban Living



**In 1800, 2% of the world's population lived in cities. Today the figure has risen to 50%, and every week around 1.5 million people join the urban population, through a combination of migration and population growth<sup>5</sup>. By 2050, it is estimated that there will be nine billion people on the planet, 70% of whom will be living in cities<sup>6</sup>.**

Rapid growth such as this creates new and expanding markets, but unplanned urban expansion will put strain on social and physical infrastructure. There will be greater demand for food, energy and water which could

cause political and social unrest in many countries. Due to more people living in cities, there will be greater vulnerability to natural catastrophes.

It is expected that global traffic fatalities will triple to 3.6 million by 2030<sup>7</sup> in the growing urban areas, making road accidents the third-biggest burden on global health systems (by 2020), overtaking tuberculosis, HIV and cholera, according to a prediction by the World Health Organisation<sup>8</sup>.

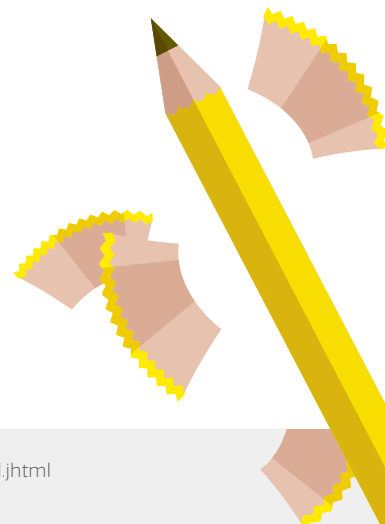
# Inequality, Unemployment and Financial Exclusion

**Young people, particularly young women, continue to feel the effects of the global financial crisis. The International Labour Organisation (ILO) predicts that youth unemployment will rise to 13.1% in 2015, three times higher than the adult unemployment rate, with the situation not set to improve until at least 2018<sup>9</sup>.**

Nearly three billion people worldwide are aged below 25. With millions excluded from work, business leaders remain concerned about a lack of skills and experience. Progress will depend on creating enough jobs to meet the demands of the new generation. Investment in enterprise, particularly smaller enterprises, employability skills and development of social policies that support them, is needed to help address this challenge.

The global employment gap, the number of jobs lost since the start of the financial crisis, is expected to reach 280 million by 2019<sup>10</sup>. Not only have jobs been lost since the financial

crises, but the ILO describes that financial inequality has worsened, especially in developed countries. In emerging economies, the closing of the income gap has slowed. A skewed distribution of income harms the pace of sustainable growth and leads to poverty and increased financial exclusion.



<sup>5</sup> PwC (2014) <http://www.pwc.com/gx/en/issues/megatrends/rapid-urbanisation-ian-powell.jhtml>

<sup>6</sup> UN (2013) World Population Prospects: the 2012 Revision

<sup>7</sup> WHO (2013) Global Road Status Report 2013

<sup>8</sup> WHO (2007), cited in [http://www.academia.edu/1643043/ROAD\\_TRAFFIC\\_ACCIDENT\\_A\\_LEADING\\_CAUSE\\_OF\\_THE\\_GLOBAL\\_BURDEN\\_OF\\_PUBLIC\\_HEALTH\\_INJURIES\\_AND\\_FATALITIES](http://www.academia.edu/1643043/ROAD_TRAFFIC_ACCIDENT_A_LEADING_CAUSE_OF_THE_GLOBAL_BURDEN_OF_PUBLIC_HEALTH_INJURIES_AND_FATALITIES)

<sup>9,10</sup> ILO (2015) World Employment Social Outlook Trends 2015

# More Extreme Weather Events

Around the globe, the number of weather related catastrophes and the associated economic losses have been increasing in recent decades. According to Swiss Re, total global losses have more than doubled as a proportion of world GDP during the last 30 years<sup>11</sup> and by 2020, demand

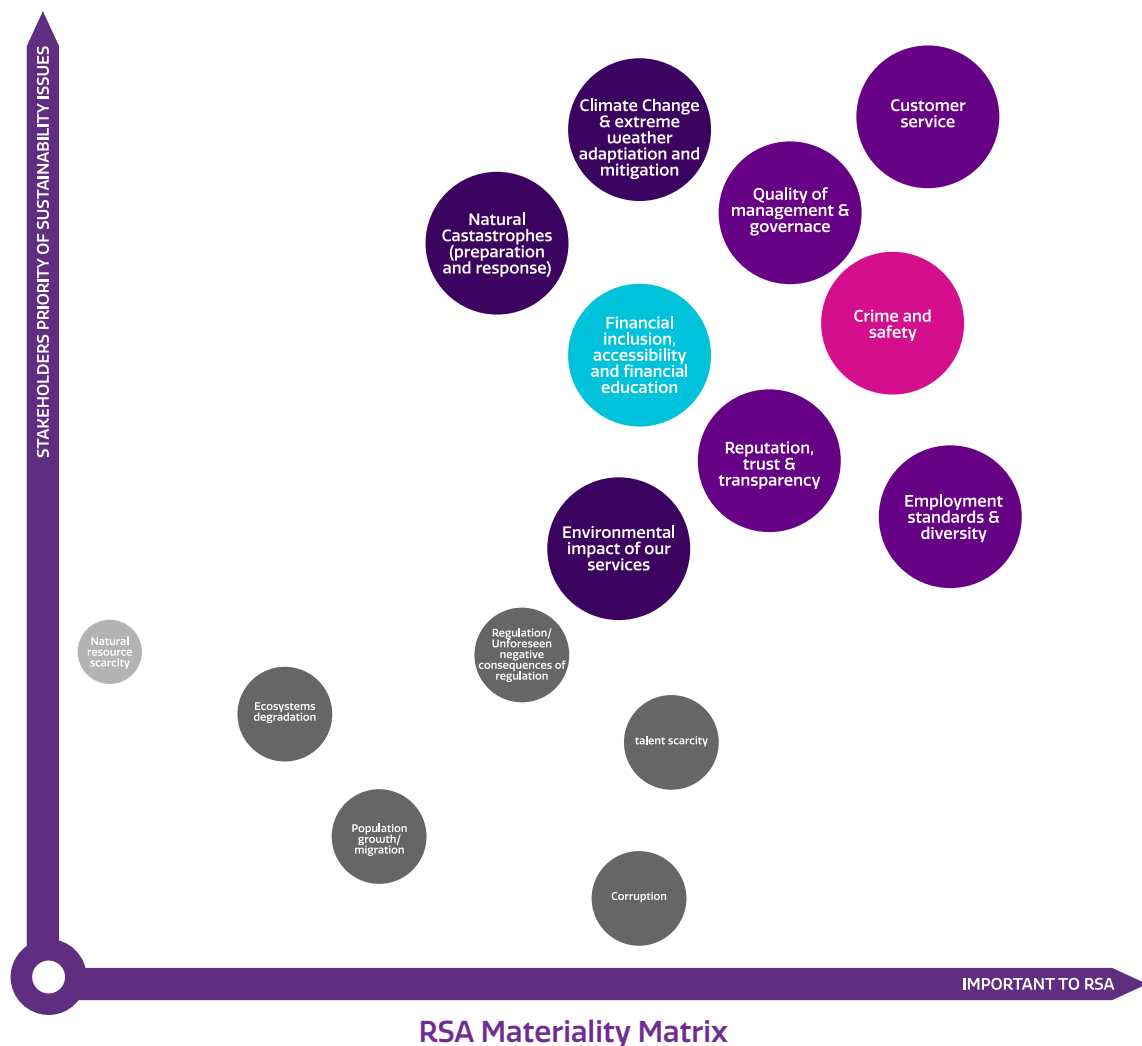
for natural catastrophe reinsurance will double in high-growth emerging markets, such as Asia and Africa, and rise around 50% in mature markets<sup>12</sup>. We need to plan for these risks, find ways to protect those most affected.

## Issues that Matter to RSA

Macro global issues, as identified by our key stakeholder groups, have helped to shape our strategy and inform the selection of our core materiality issues. We also surveyed our employees to find out their views. These collective responses feed directly into our materiality matrix (see below) which matches the direction of our Corporate Responsibility

(CR) strategy with the issues that matter most both to key stakeholders and on a wider global perspective.

Our **interactive materiality tool** provides a more detailed explanation of the issues and our response.



RSA Materiality Matrix

<sup>11</sup> Swiss Re (2014) Sigma (no 1/2014) [http://media.swissre.com/documents/sigma1\\_2014\\_en.pdf](http://media.swissre.com/documents/sigma1_2014_en.pdf)

<sup>12</sup> Swiss Re (2013), cited in Wall Street Journal <http://www.wsj.com/articles/SB10001424052702304773104579265801477830612>

# What's Our Strategy?

**In order to address the most important global issues, and take action on the topics most material to us, our strategy focuses on four distinct areas. These are Safe, Secure World; Thriving Communities; Sustainable Future and Responsible Business.**

Our products and services help make communities safer places to live, work and travel. Through our Safe, Secure World activity we aim to make people's homes and possessions as safe as possible, and protect people from risks they face in everyday life. Motor insurance is a substantial part of our business. We have a clear commercial interest in making the world's roads safer, though it is the human tragedy of traffic accidents that motivates us to make roads safer for all users.

Our customers and our businesses do well when they are part of prosperous communities. Worldwide, youth unemployment is three times higher than adult unemployment. Through Thriving Communities, we will support young people to develop the skills and confidence they need for the workplace. Small and medium size businesses are the backbone of most economies, accounting for more than 50% of GDP and nearly two-thirds of employment. They can play a significant role in helping meet the challenge of unemployment; therefore we want to see them grow. We look to create positive social impact wherever we do business, encouraging our

employees to focus on this and empowering them to support the causes they feel passionate about.

Globally we have seen a greater frequency of weather-related catastrophes in the last five years than in the previous thirty. Helping people, businesses and communities cope with future extreme weather will be increasingly important to our company. Through our Sustainable Future initiatives, we will continue to support solutions that help customers to adapt to new challenges, with risks managed and mitigated wherever possible and claims resolved swiftly. As a business, we will limit our environmental impacts, encourage suppliers to do the same and do all we can to support the transition to a low-carbon economy.

We strive to be a responsible business, from product development and claims processes to the way we engage with customers, employees and suppliers. By being transparent in how we manage our operations, we help build trust. We report on our customer-service performance, our risk-management strategy and ensure we have robust governance underpinning all our corporate responsibility activity. Diversity and inclusion are at the heart of our business, helping us to build strong teams which challenge existing thinking and help us find better ways of working.



# Our Governance

In 2014 we changed our Corporate Responsibility (CR) governance structure to reflect a shift from building our strategy to implementation and improvement. The updated structure also takes into account a number of senior personnel changes within the CR Steering Committee.

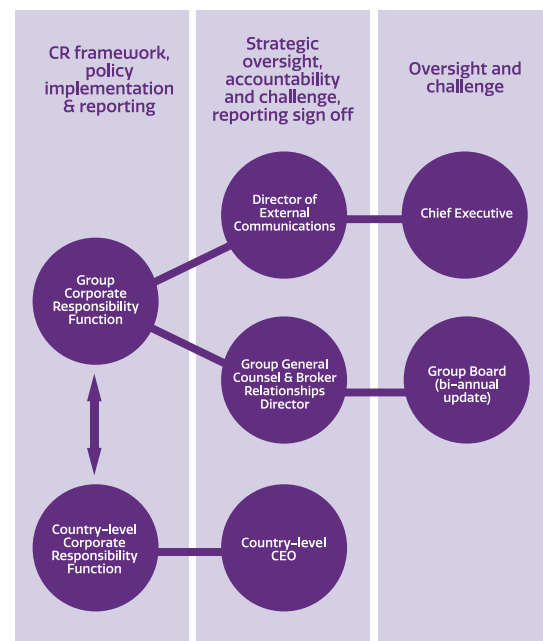
Country level senior management now has oversight of policy and strategy implementation within each region, supported by local CR Representatives. Regional activities are co-ordinated by the Group CR Function, which reports into the Group Executive. The Group Executive has oversight of the overarching policy and monitors progress against targets.

Our CR policies are designed to manage the operational, regulatory, legal and reputation risks that we are exposed to, and help embed and implement the CR strategy framework. There are three key CR policies that apply across all countries of operation. These are the Environmental Policy, the Community & Charity Policy and the Human Rights Policy. Our external policy positions can be read [here](#).

Each of these policies is fully integrated into our wider corporate risk policy framework and, as such, form part of our corporate governance and risk management system framework. CR policies are managed as operational risk policies and as such have a Group Executive Owner and Group Managing Owner. Implementation and embedding at a local country level is managed by Local Country Managing Owners with

oversight from Local and Regional risk teams and Group Managing Owners.

Implementation is assessed twice a year through a formal policy implementation scoring process. Each country assesses policy implementation and provides a rationale and score via the RSA Governance Risk and Compliance Portal. Policy breaches, as well as other exceptions and challenges, can also be logged using the portal. Data is captured and status reports are created and presented to the Executive Owners who ultimately sign off compliance and implementation levels before reporting to the Board Risk Committees.



Our CR governance structure

# Revising Our Targets

2014 was an important year for RSA. Our new business plan was established at the beginning of the year designed to tighten strategic focus, build capital strength, and put in place foundations to improve business performance. Embedded within this is our Corporate Responsibility (CR) strategy and vision. Good progress has been made in executing both in the face of challenging market conditions and through widespread operational changes.

Managing major transformation is not easy and there have been significant changes to our executive management team and in the regions where we operate. Our refocused business has

leadership positions in Scandinavia, Canada, UK, Ireland and parts of Latin America. These changes have impacted on the delivery of our CR Strategy and targets. We are, however, on track to achieve three of our four CR targets by 2018 from our 2013 baseline.

The refocus of the Company will require us to review our baseline and targets in 2015. During this review, we will continue to implement the strategy and are determined to make things better, together in 2015 and beyond.

# Performance Summary

## Performance Summary

### Safe, Secure World – 2018 target

### 2014 progress

All countries in which RSA operates will be running at least one annual road-safety campaign

**On target**

We are on track to meet our 2018 road safety target. Thirteen countries ran significant road safety campaigns in 2014, up from eleven in 2013. We also established a global road safety week hub together with the road safety charity, Brake. Find out more about this [here](#).

We distributed over 163,000 high visibility items in the UK, Denmark and Sweden, and relaunched the Green Cross Code Man in the UK, with the campaign video being viewed by over 370,000 people within two weeks of launch. Find out more in our [Safe, Secure World](#) factsheet, or in our story [here](#).

### Thriving Communities – 2018 target

### 2014 progress

Over the next five years we will double our annual community contribution

**Behind target**

Our employees dedicated 6,691 volunteer hours in 2014, and 42% of this was spent on education and employability programmes. Our corporate donations totalled £1,141,511. To find out more, see our [Thriving Communities](#) factsheet.

Given the reduced scale of our business and the budget challenges we experienced in 2014, we are behind target. Our strong commitment to supporting causes important to us and our communities remains, and we will continue to invest in education and employability volunteering in particular. In 2015 we will revise our target baseline, and build on the work we have been involved with to date of which we are so proud.



### Sustainable Future – 2018 target

### 2014 progress

Reduce our carbon emissions by 20% per employee

**On target**

Support customers through the development of products and services that help them respond to changing environmental risks and opportunities

**On target**

We are on track to meet our 2018 target of reducing carbon emissions by 20% per employee, to 2 tonnes of CO<sub>2</sub>e. Our environmental performance has improved across almost all of our reporting criteria. We have reduced our total carbon emissions by 15%, our paper use by 10% and energy consumption by 7%. We also increased recycling by 7%. We still, however, have some improvements to strive towards when it comes to our water use and waste. Visit our [Sustainable Future](#) factsheet to find out more.

We have continued to provide products and tools for customers to help them to increase their resilience to extreme weather events. For example, the VisAdapt website tool, developed in collaboration with other Scandinavian insurers and academics, allows users to find out about the risks their homes face from extreme weather now and in the near future. Read more about this in our [Sustainable Future](#) factsheet, or in the story [here](#).

## Contact Us

We welcome feedback on our corporate responsibility strategy and activities; please contact:

[corporate.responsibility@gcc.rsagroup.com](mailto:corporate.responsibility@gcc.rsagroup.com)

To find out about our reporting criteria, [click here](#), and for PwC's assurance opinion, please [click here](#).



# RSA SAFE, SECURE WORLD



## Why it Matters

Everyone wants to live in a safe, secure world, but the reality is that our lives are full of risks. Whether we're at home, at work, or on the road, there are dangers, many of which are avoidable.

At RSA we can play an important role in building a safer and more secure world. We do this by developing products and services that protect people, property, vehicles and businesses and also through sharing our expertise and advice about risks and solutions.



# What's Our Strategy

**As a global company with a 300 year history, we have provided property, motor and personal injury insurance to millions of people. This wealth of experience means we can develop the right policies and programmes that give our customers confidence to lead their lives.**

In addition to responding when our customers need us, we're also proactive, providing advice and sharing our risk insights through multiple communication channels and with various external partners around the world.

A key focus for us is road safety. Every year, 1.24 million people die on the roads – that's one person every 25 seconds – and 50 million are injured worldwide<sup>1</sup>. The impact of death and injury on victims and their families is tragic. As well as the human tragedy there is an economic impact; according to the World Health Organisation (WHO), most countries lose between 1–3% of their Gross National Product as a result of road accidents<sup>2</sup>. As a major global motor insurer, we feel we have a role and a responsibility to help make roads safer for all users.



In 2014, thirteen countries in our Group ran major road safety campaigns, equipping local communities with advice and tools to help reduce the number of road traffic accidents. Last year, we also launched an online global road safety hub in partnership with the road safety charity, Brake. Find out more [here](#).

Innovations in vehicle safety, along with regulation, such as mandatory wearing of seat belts or motorcycle helmets, have been significant in creating safer roads in many of the markets in which we operate. Technology will also continue to play an important role.

In particular, over the past few years we have been testing telematics. This is the technology of sending, receiving and storing information via telecommunication devices. It has been around for several years and, from an insurance perspective, is one of the best examples of how technology is being used to help customers. Telematics allow us to work with the customer to monitor driving habits, to help keep them safe and reduce premiums. Watch this short film to [find out more](#).

## Highlights from Around the Business

### UK and Ireland

- We re-launched the Green Cross Code Man with our More Th>n brand to educate adults about road safety issues. It was viewed by over 370,000 people within two weeks of launch and received substantial print and broadcast media coverage in the UK.
- We were joint headline sponsor of Road Safety Week in the UK. This is the country's foremost community-based road safety campaign, coordinated by the charity Brake.
- We launched a telematics app with More Th>n that rewards safe drivers up to 20% off their insurance. More Th>n's telematics customers have so far driven over one million miles!

### Scandinavia

- Our Codan business in Denmark ran another successful National Reflectors Day campaign, handing out over 100,000 high visibility vests across the country.
- In Sweden, our Baby Buoy campaign, designed to keep babies safe in the water, won bronze in the CLIO advertising awards.

### Canada

- In May 2014, our 'Distracted Driving' campaign brought to light drivers' bad habits, engaging millions around the country.

### Latin America

- In Argentina, our campaign on safe beach driving reached thousands, and our RSA truck rescued many vehicles during the summer.

### Elsewhere

- Two safe driving campaigns by In-Touch, our Russian brand, reached over 18 million people through various channels, including radio, mobile apps and online.
- We launched the Global Road Safety hub with road safety charity Brake.

# Targets and Performance

## Safe, Secure World - 2018 target

All countries in which RSA operates will be running at least one annual road-safety campaign

## 2014 progress

**On target**

We are on track to meet our target of running at least one annual road-safety campaign in every country in the Group by 2018. In 2014, we launched the Global Road Safety Week hub with Brake, and thirteen countries ran major road safety campaigns, up from eleven in 2013. These ranged from viral videos to raising awareness about the importance of high visibility clothing. To find out more about our other road safety campaigns, read the story [here](#).

# How the Issue is Managed

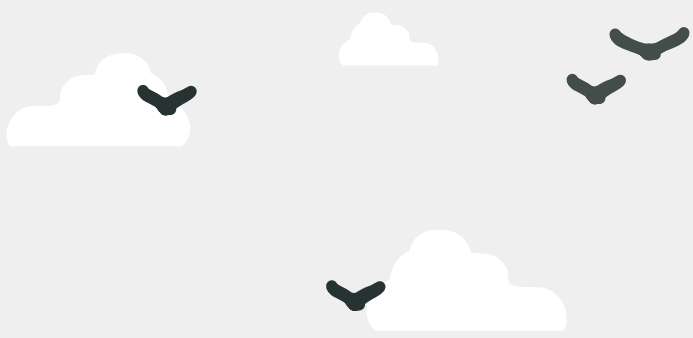


**Based on a shared strategic starting point, each country has the freedom to address issues that are most important in their territory, and to create campaigns that are relevant to their communities.**

Individual countries set their own targets, in line with the long term Group targets, and each operating country is encouraged to independently plan how best to address issues in their area. However, the Group Corporate Responsibility (CR) function plays a coordinating role and is there to share examples of good practice and case studies from around the Group.

Fulfillment of the Safe, Secure World strategy not only requires local knowledge and delivery but also requires multiple parts of the business to take action. Some of our most effective campaigns have been delivered by a combination of functions, such as our recent road safety campaign in the UK, reprising The Green Cross Man. This campaign was created by the UK CR and External Communications functions, and was supported and distributed through the More Th>n brand marketing function. To read more about this, take a look at our road safety story [here](#).

National progress is monitored during the year through quarterly calls with the CR representatives in each country. We also conduct an annual review of implementation, enabling us to track the results achieved.



# Data and Charts



**We handed out over 160,000 pieces of high visibility equipment in UK, Denmark and Sweden.**

In Denmark and Sweden, our Codan office ran campaigns for National Reflectors Day to encourage road safety by highlighting the importance of wearing high visibility vests. In Denmark, 130 of our employees distributed 100,000 vests and in Sweden we distributed around 60,000 vests via our website. To find out more, read the story [here](#).



**Our Russian business, IN-TOUCH, reached over 18 million people with their two road safety campaigns, 'Accidents are never accidental' and 'Responsible Kilometers'.**

The 'Accidents are never accidental' campaign was an online video that showed how easily accidents can happen. The film was viewed over 90,000 times in the first 2 weeks. An accompanying radio campaign which aired 125 times encouraged listeners to call in with their responsible driving stories; over 65 stories were gathered.

The 'Responsible Kilometers' campaign launched an app that rewarded responsible driving, donating money to a road accident charity. A total of 1 million Roubles was raised, the project website received 54,000 visitors and the app was downloaded more than 3,000 times. Find out more [here](#).



**Within the first two weeks of its launch, More Th>n's Green Cross Code Man video was viewed by over 370,000 people.**

Over 40 years after its original release, the Green Cross Code Man campaign was re-launched in the UK with More Th>n. Originally intended for children, the Green Cross Code was updated to provide advice to adults on how to cross the road and avoid being distracted by mobile phones and music.

Post-campaign awareness analysis shows one in every three adults in Britain saw the films, with 66% of those saying they have now changed their roadside behaviours directly as a result of seeing the campaign. Read more about the Green Cross Code Man [here](#).

# Future Plans

**Our 2014 campaigns achieved some brilliant results and we plan to build on these successes further.**

We are pleased with the progress we have made in addressing a serious issue such as road safety with engaging, customer focused campaigns in 2014.

Road safety will remain our key Group-wide focus. Our teams around the world are planning campaigns that reduce the number of road accident victims in their countries. To find out more about our national projects, read the story [here](#).

Our telematics services will continue to expand over the next few years, rewarding even more customers for safer driving. We are also supporting the development of driverless car technology and were involved with the first driverless test car in London in February 2015. We are the main insurer of the UK government's driverless car initiative, and are committed to supporting the advancement of this technology into the future.



Driverless cars will impact all elements of the motoring industry. They will fundamentally change our service model. It's important we understand the implications and adapt so we can provide products and services suitable for our customers when this technology enters the market.

**Kenny Leitch,**  
Global Telematics Director RSA



# What Else We're Involved in

- Co-sponsor of UK Road Safety Week, in partnership with road safety charity Brake
- Partnership with The Children's Accident Foundation in Denmark
- Developing our Group telematics business with new products and tools. In 2014 13,400 telematics policies were taken out, bringing the total since 2012 to around 25,000



# Contact Us

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# RSA THRIVING COMMUNITIES



## Why it Matters

The effects of the financial crisis are still being felt in communities around the world. Thousands of jobs have been lost and unemployment, particularly among the young, remains high. As a global business this is a situation we are witnessing in many of the communities in which we work. We can help address this by sharing the skills and experience of our staff and by providing opportunities for employment.

Through our people, we can deliver innovative solutions and support for communities, building confidence and skills that increase employability and champion the next generation of entrepreneurs. We also empower our own people to volunteer and fundraise for charities that are close to their hearts.



# What's Our Strategy?

**Our work to support thriving communities has three distinct areas of focus: Education and Employability, Enterprise and Entrepreneurship, and Being Big Hearted. Each of these areas provides an opportunity for RSA to have a positive influence on issues that are important to us.**

Supporting Education and Employability focuses on the provision of skills required by young people to increase their employment prospects. Recent research has shown that in the UK, soft skills are worth £88 billion to the economy, yet graduates frequently lack these vital workplace skills<sup>1</sup>. We support local schools and colleges in the areas that we operate to share our skills in presenting, project management, communication and negotiation. In the UK, our employees are able to participate in a voluntary scheme to design and deliver bespoke workshops for local school students that meet their specific needs. In addition to soft skills, we use these workshops as an opportunity to provide young people with an insight into the purpose, functions and opportunities offered by the insurance industry. Not only does this help to build confidence, it helps to promote the sector as an interesting career option.

Across the world, we offer a number of internship and apprenticeship opportunities to young people, equipping them with the training needed to succeed in a career in insurance. To read more about this, and other similar initiatives in our operating countries, read the story [here](#).

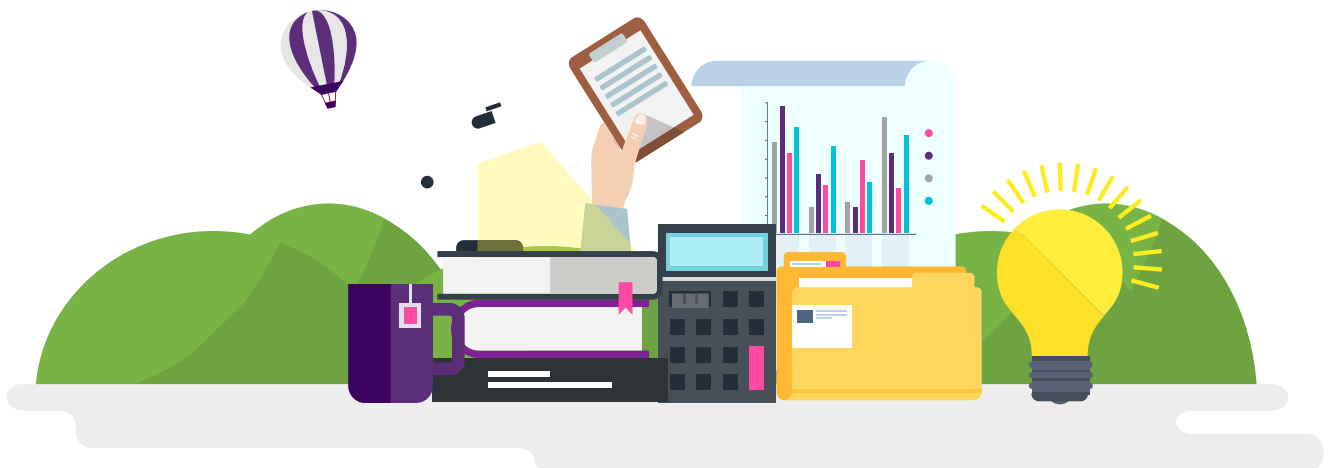
As well as skills support, we help local schools to thrive through donations, provision of supplies and volunteering. The impact of our educational and employability work is significant and has helped us to develop strong relationships with many of the communities in which we operate.

Fostering and fuelling Enterprise and Entrepreneurship is focused on having a positive impact on economic growth. We support this growth through the provision of our products and services, as well as through the expertise and experience of our people. Our strategy is to develop the skills of entrepreneurs in our local communities through mentoring, training and financial investment.



In the UK and Canada, we work with the School for Social Entrepreneurs (SSE). SSE supports individuals to set-up businesses with a social purpose. By taking part in SSE's programmes, social entrepreneurs are able to transform their talent into sustainable solutions to poverty and disadvantage. This provides a valuable opportunity for RSA to benefit, learn from and connect with the local community in a way that might otherwise not be possible. Find out more about this award-winning partnership in the story [here](#).

The last of the three focus areas, Being Big Hearted, is our way of directly investing in our communities and our workforce. We want to empower our people to champion the issues that are close to their hearts, helping communities to thrive around the world. To read more about some of the incredible work our colleagues are doing, read the story [here](#).



<sup>1</sup> McDonald's UK (2015) The Value of Soft Skills to the UK Economy

# Highlights from Around the Business

## UK and Ireland

- In the UK, we rolled out new skills sharing workshops to help young people develop the soft skills needed in the workplace
- We continued our partnership with the School for Social Entrepreneurs (SSE) in the UK, providing mentoring, training and financial support

## Latin America

- In Argentina, a team of volunteers from the Salta office have worked to support their local community in a number of ways, including school tuition
- In Chile, we are helping to build affordable housing through our work with TECHO

## Canada

- We extended our partnership with SSE to Canada, supporting a range of activities since September 2014

## Elsewhere

- In Oman we paired up with the charity Dar Al Atta'a in a Back to School programme for the first time, providing stationery and voluntary support to over 48 local schools

# Targets and Performance

## Thriving Communities – 2018 target

## 2014 progress

Over the next five years we will double our annual community contribution

**Behind target**

In 2014, the scale of our business and the number of operational units changed significantly. As a result, our annual community contribution, including the number of volunteering hours, corporate donations and employee raised funds were impacted. We are therefore currently falling short of our target to double our annual community contribution by 2018 from a 2013 baseline.

Despite these challenges, there has been progress, not least in the greater level of support directed to the Education, Employability and Enterprise parts of our strategy – see our story on this [here](#). We are as committed as ever to investing in our local communities and helping them to thrive. In 2014, the total value of our community contribution was £1,560,612. For more detailed information, refer to the Data and Charts [here](#).

Given the changing footprint of our business, our target and baseline are subject to change and will be reassessed later in 2015, once the disposal process is complete.

# How the Issue is Managed

**Within the broad strategic and policy framework, each country has the freedom to address issues that are most important in their territory and to create campaigns that are relevant to their communities. Progress is monitored by the global team through quarterly updates and an annual review.**

Big Hearted programmes of match funding and time off for volunteering reflect our desire to support our staff who wish to give back to causes they are passionate about. To read about some of the inspiring work our colleagues have done, read the story [here](#).

Our other two areas; Education and Employability, and Enterprise and Entrepreneurship, are managed in a more structured way. Teams are encouraged to partner with relevant initiatives and organisations that will allow them to share their skills in these

areas. For example, our partnership with the School for Social Entrepreneurs (SSE) began in the UK in 2013, and extended to SSE Ontario in Canada in 2014. We are excited about developing this relationship further and building on the work to date. Read more about this in our story [here](#).

“ This SSE partnership fits perfectly with RSA. It reflects our heritage as a business with a social purpose – to provide protection to people and companies. We’re targeting growth in the SME sector and this gives us an opportunity to gain real insight. ”

**Jon Hancock,**  
Managing Director of RSA UK Commercial



# Data and Charts



**Our people raised £225,807 through their fundraising activities for causes close to their hearts**

We offer matched funding for money that our employees raise for causes close to their hearts.



**Our people spent 6,691 hours volunteering in our local communities (during the working week)**

We encourage our employees to volunteer and they can take up to two days volunteer leave every year, which does not count as annual leave. We put particular focus on skills-sharing volunteering that supports the Thriving Communities part of our strategy. As a result, 43% of our volunteering support focused on education and employability programmes and volunteering in local schools in 2014.



**We made £1,141,511 in charitable donations <sup>Ⓐ</sup>**

We are proud of the value of our charitable donations in 2014, despite the financial and operational challenges the business faced. Our commitment to sharing our skills and supporting the causes that are important to us remains unchanged.

<sup>Ⓐ</sup> Selected key social and environmental data for 2014 has been independently assured by PwC under the ISAE 3000. For further information, please refer to our reporting criteria and PwC's assurance opinion which can be found on our Corporate Responsibility pages in the 2014 Downloads/Data section at [www.rsagroup.com/rsagroup/en/corporate-responsibility](http://www.rsagroup.com/rsagroup/en/corporate-responsibility).

## Future Plans

**Successful partnerships, initiatives and volunteering opportunities were developed throughout 2014, and we plan to expand these further in 2015.**

Globally, we will invite more countries to support education and employability programmes. We will do this by encouraging more volunteering in schools and colleges, internship opportunities for young students, and other creative opportunities for expanding our skills sharing agenda.

In the UK, we will be expanding the most successful volunteering workshops at schools. We are creating a guide for these workshops to allow others to take part, and look forward to developing this.

We will also be building and expanding our relationship with SSE in the UK and Canada, encouraging more of our leadership team in particular to get involved in future mentoring and training opportunities.

## What Else We're Involved in

- In the UK, we established a partnership with the School for Social Entrepreneurs in 2013, and extended it to Canada in 2014
- In the UK, we work with Enabling Enterprise to help introduce young students to the world of work
- In the UK, we work with the Dame Kelly Holmes trust to support young people with employability skills development
- Our international offices support a range of charities, initiatives and organisations that are important to them

## Contact Us

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[corporate.responsibility@gcc.rsagroup.com](mailto:corporate.responsibility@gcc.rsagroup.com)

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# RSA

## SUSTAINABLE FUTURE



## Why it Matters

**Warming of the climate system is unequivocal and there is now scientific consensus that human influence has been the dominant cause since the mid-20<sup>th</sup> century. Climate change poses risks for human and natural systems<sup>1</sup>. As a business, we understand that our activities contribute to this change and that our customers face new risks and opportunities.**

We have a duty to ensure that our operations have a minimal impact on the environment and that we support the shift to a resilient, low carbon world through the products and services we provide. We have reduced our annual carbon footprint by 15% from a 2013 baseline, predominantly through our drive to minimise business travel. We insure renewable energy projects across the world, working with developers to reduce risks at every stage of development, driving down the resulting energy costs. As risk managers, we understand the impacts of climate change and work with our customers to build resilience; making them aware of and prepared for inevitable changes.



<sup>1</sup> IPCC (2014): Assessment Report 5. <http://www.ipcc.ch/report/ar5/>.

# What's Our Strategy?

**We have a clear approach to addressing the challenges posed by climate change, for our customers and our business. We support the transition to a low carbon economy through insuring renewable energy projects, supporting climate initiatives and progressively reducing our own carbon emissions. To ensure we are prepared, we help our customers be resilient, aware, and able to adapt to changing environmental risks and opportunities.**

We believe that our first priority is to help our customers quickly and efficiently when they need us most. Using our own loss-adjuster GIS mapping technology to prepare and plan our response, we can make a significant difference. For example, 96% of all claims from the devastating UK floods in December 2013 are now resolved. We also deploy teams to areas that have been most affected by extreme weather, offering insurance advice and support. With the number of people affected by river flooding worldwide estimated to nearly triple in the next 15 years<sup>2</sup>, products and services like these become even more important.

Our strategy also focuses on mitigating climate change and carbon emissions reduction. We understand that our own activities have an impact on the environment and strive to ensure that we minimise the negative impacts from our energy use, business travel and waste generation, and maximise the positive impacts. In the UK, we are certified by the Carbon Trust for demonstrable carbon reductions and we offset our emissions from our UK and Ireland operations. We advise our customers on how to reduce their own emissions through our engineering inspectors who are trained by the Carbon Trust to advise customers on energy reduction initiatives. To meet the energy demands of a growing global population, we believe that renewable energy needs to play a significant part, and have been involved in the sector for over 30 years. We now insure the manufacturers of more than 25% of the world's wind turbines and provide insurance to around 80% of the world's offshore wind farms. Read more about our mitigation strategy [here](#).

We are proud of our customer focus, and a clear understanding of environmental risks and how

these may impact on our customers is vital to our strategy. For example, in the UK we conducted extensive research with the public following the 2013 December floods to better understand attitudes to climate change, extreme weather and property-level resilience solutions, in order to improve our response and customer advice in the future.

We also provide tools and advice to help customers equip themselves for future risks. In Denmark, through our Codan business, we run a SMS service that alerts the 10,000 subscribers about upcoming extreme weather events and how to prepare for them. We have seen a decrease in small weather related claims as a result. Similarly, the website, VisAdapt, developed with Linköpings University, allows its 13,000 users to assess the risks their properties may face under different extreme weather and storm conditions. Read more about these tools [here](#).



In the face of a challenge as huge as climate change, we recognise the need for collaboration. We are an active participant in a number of initiatives and roundtables (see the 'What Else We're Involved in' section for a complete list of these) to help improve our knowledge and insight across the industry. We support the development of climate risk analysis through our membership of ClimateWise, and in June 2014 we published a white paper with WWF and PwC on environmental systemic risk (ESR). This groundbreaking report explains the connection between ESR and financial loss, especially for businesses, and how we can all better protect ourselves, and the environment, from system-wide impacts. Read the report [here](#).

Policy development and lobbying are also central to our approach. We have encouraged governmental and industry-wide action on lowering the costs associated with renewable energy projects through our involvement with the Dods Renewable Energy Dialogue in the UK. We also sit on the Confederation of British Industry (CBI) Energy and Climate Change Committee.

<sup>2</sup> <http://www.bbc.co.uk/news/science-environment-31738394>

# Highlights from Around the Business

## UK and Ireland

- Published groundbreaking whitepaper with WWF and PwC on Environmental Systemic Risk in June 2014.

## Canada

- Canada's Johnson Green Committee ran 'Waste Reduction Week' and engaged employees in fun, challenging and informative ways of reducing their waste.

## Scandinavia

- Our Codan business in Denmark and Sweden launched the online tool 'VisAdapt' to help its 13,000 users prepare for future extreme weather events.
- Codan's SMS service that warns against upcoming extreme weather events and how to prepare now has 10,000 subscribers.
- In Norway, we installed two rainwater harvesting systems to be used to water the green areas around the office.

## Elsewhere

- We launched a global employee engagement programme, Sustainable Future, with tips for employees to reduce their individual impact and improve their wellbeing.

# Targets and Performance

## Sustainable Future - 2018 target

## 2014 progress

Reduce our carbon emissions by 20% per employee

On target

Support customers through the development of products and services that help them respond to changing environmental risks and opportunities

On target

In 2014, we reduced our carbon emissions per employee by 8% through a range of initiatives across our operations that have encouraged our employees to focus on their own impacts. A Group-wide focus on costs and efficiency has also meant we have halved the carbon emissions from our business travel and increased our teleconferencing and remote working. See Data and Charts for more information.

We continue to respond to customer needs, and have proactively helped our commercial and personal line customers increase their resilience to extreme weather events, through tools such as VisAdapt and the Codan SMS service. We also work with industry and environmental groups to promote renewable energy as a critical part of the energy mix of a low-carbon future.

“ There is a community of influencers that are beginning to come together to address climate change mitigation, and RSA are taking a leading part in that. ”

Steve Kingshott,  
RSA Global Director for  
Renewable Energy



# How the Issue is Managed



The breadth and complexity of issues associated with the Sustainable Future pillar of our CR strategy means that several different departments are involved in managing it effectively. For example, responding to customer claims that result from extreme weather events is the responsibility of the claims department, and understanding the increased risk brought about by changes in our climate is the responsibility of the underwriting teams. However, from a holistic perspective, we have a clear management approach to the internal impacts of our operations, and how we support our customers through our products and services.

We set targets to reduce carbon emissions and reduce resource use at a global level, and each operating country is tasked with meeting these targets. The CEO of each country ensures that a corporate responsibility representative is in place to embed the environmental policy into the business. It is their role to make sure that local facilities management, travel managers, finance and procurement work together when measuring and reporting impacts.

Effective employee engagement is a vital part of delivering our Sustainable Future pillar. In 2014, we ran a group wide campaign that inspired employees with simple, everyday tips on how to reduce their environmental impact

and improve their personal wellbeing. We also injected some healthy employee competition, by creating a carbon footprint dashboard so countries could compare their performance against other parts of the business.

Operating companies are encouraged to develop their own sustainability schemes. In Canada, our Johnson Green Committee has helped challenge employees to reduce their impacts through a range of events, such as 'paperless day', 'waste free day' and 'alternate transportation day'. In our Codan business, the Facilities Management team was so effective with their employee engagement, and their success in reducing paper waste and increasing recycling, that they were formally recognised for their efforts. Read more about Codan's work [here](#).

Within our buildings we minimise emissions by aiming to meet BREEAM, LEED (or equivalent) standards for all new construction and refurbishment projects. Our buildings are managed by energy and facilities managers, as well as third party operators such as Bilfinger Europa in the UK. This helps us to ensure we are compliant with legal requirements in every country where we operate. For example, in the UK we ensure we comply with the Energy Savings Opportunity Scheme (ESOS) and the Carbon Reduction Commitment.



# Data and Charts

## Environmental Data

Key Data		2014	2013
Greenhouse gas emissions (tCO <sub>2</sub> e)*	Scope 1 <sup>(A)</sup>	12,279	12,968
	Scope 2 <sup>(A)</sup>	24,717	25,787
	Scope 3 <sup>(A)</sup>	16,376	23,901
	Total gross tonnes CO <sub>2</sub> e <sup>(A)</sup>	53,372	62,656
	Gross Tonnes of CO <sub>2</sub> e per FTE	2.4	2.6
	Carbon offsets UK & Ireland	21,827	27,278
	Total net emissions	31,545	35,378
	Net Tonnes of CO <sub>2</sub> e per FTE	1.4	1.5
Energy consumption (mWh) <sup>(A)</sup>	106,693	114,325	
Water consumption (m <sup>3</sup> ) <sup>(A)</sup>	282,334	270,572	
Paper consumption (tonnes) <sup>(A)</sup>	1,734	1,920	
Waste production (tonnes) <sup>(A)</sup>	5,262	5,014	
Waste recycling (%) <sup>(A)</sup>	67%	60%	

\*Group carbon dioxide equivalent emissions (tonnes) where Scope 1 includes all direct GHG emissions. Scope 2 includes indirect GHG emissions from consumption of purchased electricity, heat or steam and Scope 3 includes other indirect emissions.

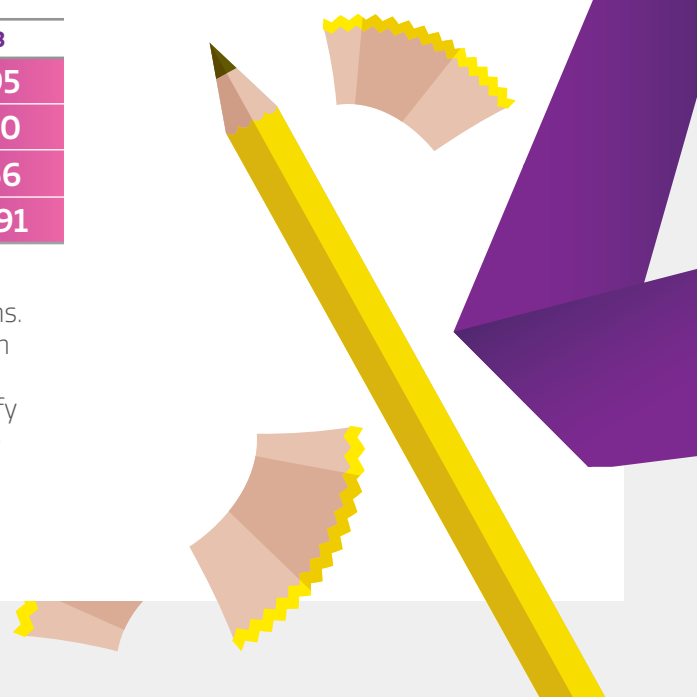
Selected key social and environmental data for 2014 as indicated by the symbol <sup>(A)</sup> has been independently assured by PwC under the ISAE 3000 and ISAE 3410 for greenhouse gas assurance engagements. For further information, please refer to our reporting criteria and PwC's assurance opinion which can be found on our Corporate Responsibility pages in the 2014 Downloads/Data section at <http://corporateresponsibility.rsagroup.com/downloads>.

Our environmental performance has improved across almost all of our key performance indicators. We have reduced our total carbon emissions by 15%, our paper use by 10% and energy consumption by 7%. We also increased recycling by 7%. We still have some improvements to focus on when it comes to our water use and waste.

## Business Travel

tCO <sub>2</sub> e	2014	2013
Local flights	2,418	2,595
Short-haul flights	1,053	3,740
Long-haul flights	3,711	8,556
<b>TOTAL</b>	<b>7,182</b>	<b>14,891</b>

The significant reduction in our Group emissions has been largely driven by a 52% decrease in business travel emissions. These improvements were aided by a group-wide focus on cost reductions and internal communications around our environmental impacts. This approach allowed us to identify opportunities to opt for teleconferencing and other remote working solutions.



## Future Plans

**This year, we plan to continue the provision of practical tools and advice to help customers adapt to climate change and extreme weather events. We will continue to drive down our own carbon footprint by addressing our highest sources of emissions and supporting the shift to a low carbon world.**

Flood Re, the UK government backed initiative that is owned and managed by the insurance industry, is due to be operational by the summer of 2015. The scheme ensures that households in the UK at the highest risk of flooding can receive affordable cover for the flood element of their household property insurance. This will enable us to provide even better customer access to affordable insurance, wherever they live.

Our support for renewable energy projects will continue through supporting innovative new technologies and sharing our risk management expertise to enable renewable energy projects to go ahead most efficiently, reducing the cost of the resulting energy.

2015 marks an important year for international climate change negotiations, and RSA intends to play an active role in supporting a robust, consistent global agreement at the Conference of Parties of the United Nations Framework Convention on Climate Change (UNFCCC COP21) in Paris. We will continue to produce regulation statements, as well as to work with WWF, Forum for the Future, and Green Alliance to build our knowledge and further consolidate our position on the latest climate change challenges. Our work with the Confederation of British Industry, Association of British Insurers, ClimateWise and UNEP Finance Initiative Principles for Sustainable Insurance will also continue, and we look forward to the planned discussions in 2015.



## What Else We're Involved in

- **Signatory to Flood Re in UK, the government backed initiative to ensure affordable insurance for all, even those in flood prone areas**
- **Member of managing committee of ClimateWise, working with the insurance industry to identify new ways to reduce long-term climate change risks**
- **Member of the Energy and Climate Change Committee of the UK's main business lobbying organisation, The Confederation of British Industry (CBI)**
- **Founding signatories to the United Nations Environment Programme Finance Initiative's Principles for Sustainable Insurance (UNEP FI PSI)- a global framework for the insurance industry to help us address environmental, social and governance risks and opportunities**
- **Partner of Dods Renewable Energy Dialogue, a UK cross-party project on growth in renewable energy**
- **Contributory to Offshore Wind Programme Board in UK to drive cost reduction in offshore wind**
- **Work in partnership with Forum for the Future, Green Alliance and WWF**
- **Member of Association of British Insurers**

## Contact Us

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## Why it Matters

Being a responsible business is essential for our long-term success. We will meet the needs and expectations of our customers, shareholders, staff and society at large by ensuring we are responsible in the way we conduct our business. This impacts the way we create and sell our products, manage our claims processes and the way we engage with customers, employees and suppliers. By being transparent in how we manage our operations we help build trust.





At the end of 2013, an unprecedented situation in RSA Ireland led to a global re-evaluation of our company risk culture. This included a significant focus on the integrity of our leaders and the development and implementation of a new framework to improve the company's approach to risk management.

The discovery of financial irregularities in Ireland had widespread repercussions across the business, and it was clear we had to learn some tough lessons. The solution has provided an important opportunity to improve and strengthen our approach to being a responsible business, from a cultural and operational perspective.

Our employees are at the heart of our business. We benefit from a diverse, motivated and



professional workforce and we are committed to personal and professional development. Together, our core focus is the customer. We work hard to ensure that customers benefit from our products and services, to meet their needs and to provide excellent customer service.

In many of the communities where we operate, there is a low level of trust in businesses, particularly financial services, with confidence often dropping to just 50%<sup>1</sup>. We want to turn this situation around by engaging customers, communities and employees in honest, transparent and mutually beneficial dialogue.

## Business Ethics

**We recognise how important a transparent and healthy culture is to our company. The situation in Ireland presented an opportunity to review our approach to cultural risk.**

In 2014, an independent review by PwC recognised that, although the RSA Group's System of governance, including the Control Framework, was effective, local weaknesses in the RSA Ireland business rendered it less effective there. We developed and implemented a range of recommendations at the beginning of 2014, including the integration of a new Cultural Risk Index (CRI) that was shortlisted for an award with the Chartered Institute of Personnel and Development (CIPD).

Our CRI tool monitors the organisational culture across the globe, and audits it to ensure any risk from behavioural culture is recognised before it develops into a serious issue. It is a guide for naming the patterns of behaviour people may recognise but find hard to challenge. The tool presents a process that encourages honest conversations, with clear accountability and escalation steps indicated. Since launch, it is proving a valuable tool in facilitating a culture

that makes us all feel comfortable about speaking up and challenging inappropriate behavior. To read more about this, click [here](#).

We run mandatory training on business ethics including anti-bribery, corruption and whistleblowing. We also updated our whistleblowing policy in 2014 to enable employees to raise concerns about malpractice in a confidential but accessible way.

**“The impact of this work has been more global and positive than we could have hoped. We have developed an in-house solution to understand the culture, leadership and engagement environment in each region and thus better understand the cultural risk that we may be exposed to.”**

**Vanessa Evans,  
Group HR Director RSA**

# Our Customers



**Customers are our life blood; they are our very reason for being here and we have to focus on serving them well.**

We take customer service very seriously, and take pride in supporting our customers as effectively as possible when they make a claim. Each country has a process in place for measuring, monitoring and responding to claims, and we strive to continuously improve our customer service. For example, in the UK our More Than business embarked on a 'Good to Great' programme that has helped increase its Net Promoter Score (NPS) from 40 to 62 and reduced complaints by 19% in the retail sales and service teams. The programme equipped staff with leadership skills, coaching, and support tools to help solve customer concerns in an effective and positive way, putting the customer at the centre of their approach. Read more about 'Good to Great' [here](#).

Our approach to customer service is informed by our understanding of our customers' needs, and we use a number of tools to allow for ongoing customer feedback. These tools help us to stay in tune with our customers and improve our services in the right way. These include working with the General Insurance Market Research Association (GIMRA), Customer Satisfaction Measure (CSM) and Customer Voice (CV). CSM and CV enable us to gain direct feedback from our customers in relation to their claims experience, which helps us measure our Net Promoter Score (NPS) for claims. Customer sentiment has remained supportive in 2014 across our core regions as reflected in our customer satisfaction scores. Accordingly, retention trends have remained broadly stable with overall retention across the Group of around 80%.

In the UK our Regulatory Approvals Team review and approve our Financial Promotions to ensure that these comply with the Financial Conduct Authority regulations and the Committee of Advertising Practice Code. Before any product is launched, it goes

through a nine-stage process, and is reviewed by senior management in our Marketing & Communications Functions, Technical Underwriting and Product Functions.

We have also strengthened our customer communications to ensure that customers are completely clear about the products they are investing in before taking out a policy. We are committed to marketing all of our products responsibly, regardless of the communications channel used. Although we don't have a single Group-wide marketing policy that addresses responsible marketing and communications, we do have several policies that collectively address all aspects of responsible marketing.

## Access to Insurance



**Making sure everyone has the opportunity to access our products is vital in breaking down some of the barriers to financial exclusion. We provide a broad range of insurance products to meet the needs of many different types of customers.**

We work closely with charities and partners to better tailor our products to customers with specific needs. In the UK, we provide insurance to the charity Motability, which provides bespoke vehicles for those with mobility disabilities. Our staff who work in this area are also specially trained to deal with the requirements of our Motability customers.

Also in the UK, we provide affordable 'microinsurance' for low income households through our 'Tenant's Contents Insurance' product. This provides a flexible home contents policy for social housing tenants.

In Denmark, we have worked with the national association LEV for a number of years. Together, we have created bespoke contents and home insurance for customers with mental disability and those who care for them. We also train the LEV teams in customer service, and together we are able to provide the best bespoke insurance for these customers. Click [here](#) to read more about these case studies.

# Our Employees

**We faced some difficult changes in the wake of the situation in Ireland, but our employees have continued to work hard and deliver for our customers throughout the process. We are committed to remaining honest and transparent with all our people, ensuring they are consulted and informed.**

We engage with our employees in open and honest dialogue. In 2014, we started a new annual people survey, called YourSay, which encourages colleagues to 'shout out' about things they want to improve or change. So far we have received 80,000 'shout outs', which help to inform our work in the year ahead. We are also rolling out the social media site Yammer across the Group. This has been in place in the UK for some time and now receive an average of 10,000 comments every month.

We recognise the importance and value in having a diverse workforce. In 2013, we started initiatives to improve the gender diversity in our business and in response to a clear internal need, established global female networking events and mentoring opportunities. We also recruited more women through our Global talent programmes, and are committed to building this, and other diversity initiatives, in the near future.

Developing our employees at all levels is vital to a productive, motivated workforce. We continue to invest in the training and development of our people right across the business. These development opportunities include our Executive Development Programme, Senior Talent Acceleration Programme, as well as the training and skills developed through our award-winning Technical Academy. We are also developing new and exciting areas of expertise through our Digital and Telematics Centres of Excellence.



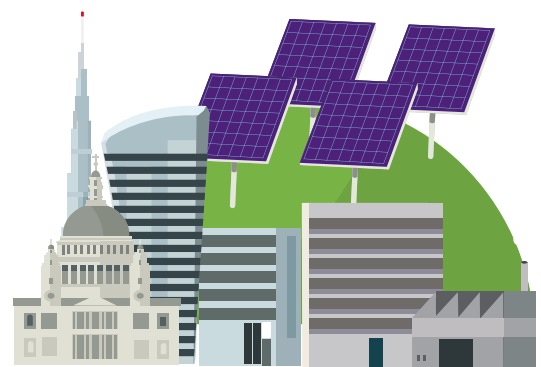
# Our Suppliers

**We take corporate responsibility issues in our supply chain seriously; it underpins our brands and our regulatory compliance. It is a mandated part of our Group Third Party Contracts Policy, and is integral to our other Group Policies.**

Supplier codes of conduct are created on a country-by-country basis, and supplier and risk reduction processes mirror this approach. The policies are therefore tailored to meet a country's particular situation and needs.

In the UK, we engage with suppliers through our central Strategic Sourcing and Supplier Relationship Management (SRM) function. The SRM team and Business Managers work collaboratively with Strategic Sourcing, which is responsible for selecting, negotiating and contracting with key suppliers. This collaboration ensures we are appropriately managing our suppliers throughout the life span of their engagement. Our SRM Programme has been in place for over seven years, and is specifically there to manage our higher value or risk supplier relationships. Our collaborative working approach ensures that our supplier risks and corporate responsibility (CR) compliance are checked effectively.

Working closely with our suppliers, we aim to improve the social and environmental impact of our own purchases across the lifecycle of products and services, and we prioritise suppliers with robust environmental policies and processes. We encourage all our suppliers to work towards minimising environmental impact and to be able to demonstrate this progress.



# Human Rights

**We have Human Rights policies in place to ensure our company operates in a way that respects the rights of all the people we work with, including our suppliers and our employees.**

Our Human Rights policy covers the entire Group and is managed like all operational policies through our robust compliance procedure. This includes bi-annual policy implementation reviews and risk assessments. Our Human Rights policy is implemented by two different functions. Human Resources ensure compliance with the policy where it relates to our staff. Our procurement functions assess and manage the policy where it relates to the supply chain, considering material tenders and contracts.

RSA's Group Underwriting policy encourages underwriters to consider human rights implications where business is written and in what lines. This policy includes a high risk country referral guide which grades countries

against their risk using a number of criteria including operational risk, socio-political environment (including human rights) and sanctions applied by UK HM Treasury. There is a referral and signoff process for writing business in the countries listed as high risk and this varies depending upon the risk rating. The socio-political situation in each country is dynamic and is reviewed formally twice a year or when an issue comes to light. Countries may have their rating changed, be removed from or added to the list depending upon circumstances. The whole process and referral guide is managed by the Review Committee, which comprise key stakeholders (Group Underwriting, Global Network and Group Corporate Responsibility).

Results from the Review Committee analysis are shared with relevant national or regional CEOs (and the Group Executive Committee and Board Risk Committee) to check agreement and allow any potential issues to be raised. Countries rated as high risk ("Red") will be considered outside the Group Risk Appetite.



# Public Affairs



**Our public affairs strategy is a combination of reactive and proactive engagement. In the UK, we work across departments, such as the Treasury and DEFRA. We engage with officials, government departments, partners and MPs throughout the election cycle on issues that are most relevant to RSA. We do so in an open and transparent way, ensuring our advice and information is unbiased and accurate. In 2014, we focused on three topics in particular – flooding, driver safety, and how to reduce the cost of insurance claims.**

We have a structured approach to engaging with MPs and parliamentary officials, bringing our expertise and points of view to them around issues of most importance to us and our customers. For example, in 2014, we hosted a drop in session for MPs on flooding and were involved in a range of roundtables, such as the Association of British Insurers' (ABI) roundtable on flooding and flood defences at the Labour Party Conference in 2014. This gives us the opportunity to engage MPs and lobby parliament to better prepare against flooding in the future, which in turn will reduce the number of claims.

We have also been involved in Flood Re, the government-backed initiative that ensures those in high risk flood areas can still have access to affordable insurance, and we will continue to support customer access to insurance, regardless of where customers live.

On the issue of driver safety, over the past three years we have run our 'Fit to drive' campaign, encouraging MPs to ensure drivers have professional eye tests when taking their driving test. We invited MPs to a drop in session on this. Whiplash has also proved a key issue for us, with the impact of fraudulent claims directly contributing to increases in driver premiums. Though we are yet to see government action on this issue, we will continue to highlight its importance in the future.

Technology is proving a fertile ground for new, exciting road safety initiatives, such as telematics and driverless car tests. We are working with the relevant government departments to ensure the voice of insurance is heard in relation to these developments. To find out more about our work in this area, watch **this short video**.

We have also established a telematics roundtable, enabling us to further discuss the benefits of rewarding customers for good driving behaviour. We will continue to engage with ministers on innovative driver technology, and the opportunities it presents to make drivers safer in the future.



## Contact Us

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