



RSA  Corporate
Responsibility
Report 2015

www.rsagroup.com/responsibility



A message from our CEO

As is so often the case, 2015 saw many events reminding us of the societal challenges we all face and the power of humanity to come together to try and find lasting solutions to the pressing issues that impact our economy and society.

We witnessed at first hand the impact of natural forces with floods and storms in the UK in December which served as a reminder for the ongoing need to create resilient communities.

We played our role in doing this by delivering a swift and efficient claims service to those in need and by supporting Government-backed initiatives such as Flood Re in the UK which will provide affordable cover for those most at risk. We also supported the landmark UN agreement signed in Paris that will play an essential role in safeguarding our future against a changing climate.

We know that being a responsible business starts with our impact on customers and all our stakeholders. Last year was a year of significant achievement as we made key improvements in both our business and operational performance through our turnaround action plan that is now nearly completed giving us a more stable and effective platform from which to support those who rely on us.

As a result, we have reviewed our Corporate Responsibility Strategy and targets in 2015 to make sure they continue to address the issues most relevant to our business and our customers: supporting customers live safer, more secure lives; building thriving communities to alleviate unemployment particularly in the youth; and responding to changing environmental risks and opportunities. We address these issues through useful, everyday tools and initiatives with the idea that everyday actions today will have a lasting impact on the future.

Our customers remain at the very heart of our business and we are pleased that this has been

recognised through a series of awards in 2015, including the Customer Experience Champion Award for our company-wide improvements.

We are helping manage our customers' daily risks. In the last year we have run a series of consumer safety campaigns to help customers tackle fire, water and road safety. In Sweden, our fire safety game helped educate the 30,000 children who played it and our award-winning 'Don't Drink and Dive' campaign engaged 250 million adults about the dangers of swimming after consuming alcohol. In the UK, we launched a film about the potentially devastating impact of driving without control which received national television coverage.

We help communities thrive by supporting entrepreneurship and enterprise and sharing our business knowledge to increase employability skills. Across the UK, we grew our successful skill-sharing workshops and our partnership with the School of Social Entrepreneurs expanded to Canada.

We remain at the forefront of efforts to develop a more sustainable future by insuring new renewable technologies, such as floating windfarms. We are also reducing our own environmental impact, focussing on our energy consumption; waste generation and business travel.

These achievements would not be possible without the dedication and support of the employees at RSA who last year donated £1,661,760 in time and money to our local communities and good causes. I remain grateful for their hard work and loyalty and look ahead to 2016 with confidence and with the expectation that we will continue to live our values and Make Things Better Together.

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Our strategy

From our origins safeguarding communities after the Great Fire of London, to modern day road and water safety, we have been helping our customers look after things that matter most to them for over 300 years.

We want to be a responsible business that makes all our stakeholders proud. We cannot do this alone. Which is why our Corporate Responsibility Strategy is called Making Things Better Together.

Our Making Things Better Together vision


Today's social and environmental challenges are complex – from greater demand for fewer natural resources to limited employment prospects for young people.


As society's risk managers, we know that individual choices can create a more secure future for all. So as we protect customers on their journeys, we also work to make the roads safer. As we protect homes, families and businesses, we help communities to thrive. And as we support people in managing uncertainty, we try to tackle our greatest environmental threats.


Addressing tomorrow's risks requires action today. Our vision for a responsible business that helps meet society's challenges means we are Making Things Better Together in practical, down-to-earth ways.


Our strategy themes

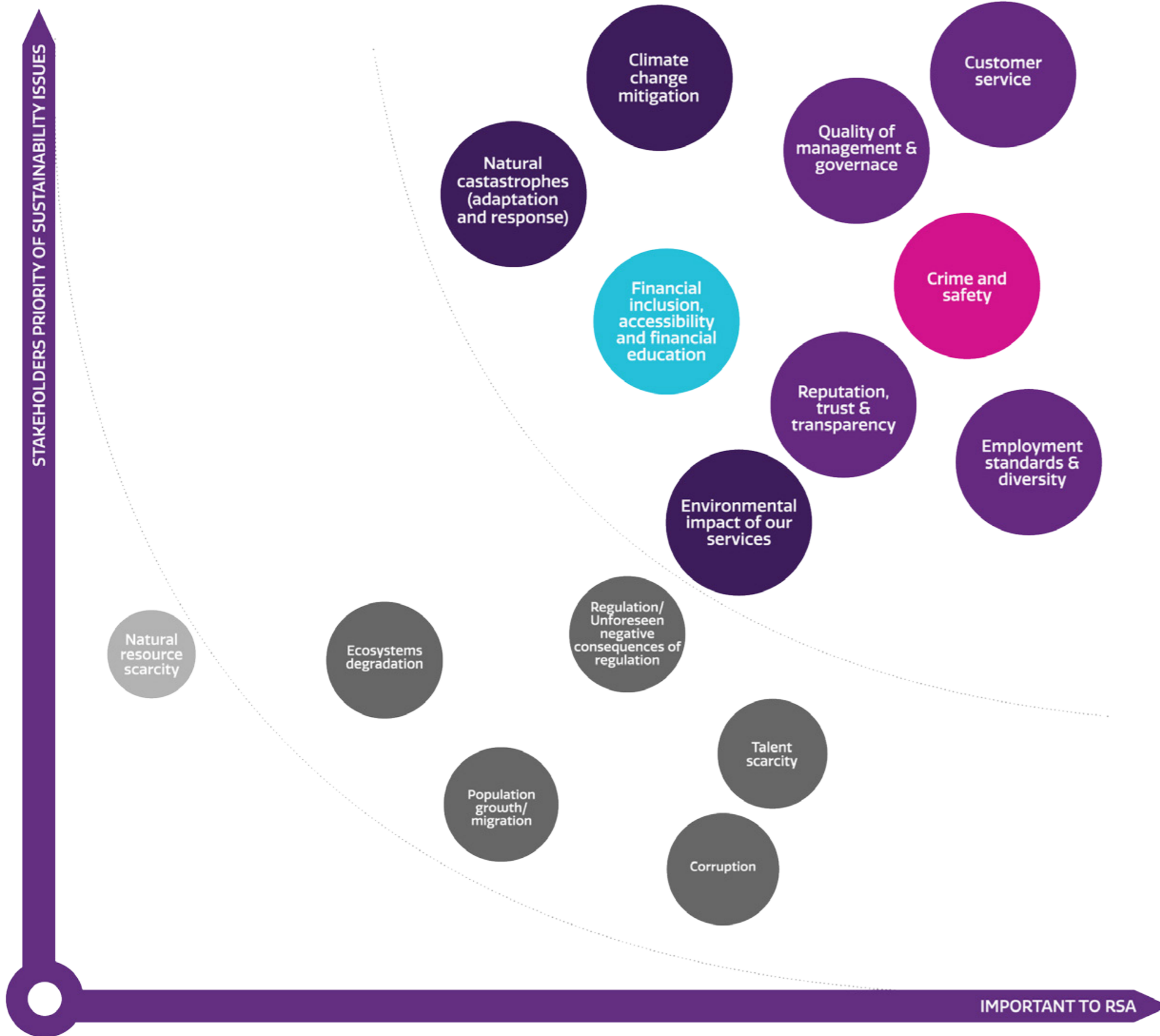
Our strategy focuses on four distinct themes, all of which have a direct impact on our company. For more information on why we chose these themes, see our issues below.

 **Safe, Secure World** means keeping people safe in their daily lives – on the road, in the water and in their homes and businesses.

 **Thriving Communities**, shows how we are educating and inspiring future talent, supporting social entrepreneurs and dedicating time to causes our people are passionate about.

 **Sustainable Future** details our commitment to aiding the transition to a low carbon future.

 And in **Responsible Business**, we demonstrate that our company can operate in a way that makes our stakeholders proud.



RSA Materiality Matrix

Key

- Safe, Secure World
- Thriving communities
- Sustainable Future
- Responsible Business
- Other

Our Issues

Making Things Better Together is our ambitious five-year Corporate Responsibility Strategy, launched in 2014.

It is the result of extensive consultation with our customers, colleagues, investors, regulators and industry associations to identify the most relevant corporate responsibility issues for a leading insurance company.

Guiding us to the end of 2018, Making Things Better Together sets targets across four areas of focus, addressing the issues identified as most connected to our business and where we can have the greatest impact: Safe, Secure World, Thriving Communities, Sustainable Future and Responsible Business.

Each year, we review what's most important. For example this year, we raised the importance of climate change due to the increased number of global severe weather events and the December 2015 United Nations Climate Change Conference in Paris. Trust, reputation and transparency of communication will also receive greater attention.

We are experiencing rapid change in our world. Consequently, we are planning a formal review with our stakeholders in 2016 to ensure we continue to focus on the most pressing issues.



Our Targets

As our business continues to adapt, we have reviewed all of our CR targets to make sure they both remain a challenge and appropriately reflect our organisational size and focus.

Therefore this year, we are reporting our progress against our original targets set in 2013, as well as setting out how we will achieve our new targets in the future.

CR Theme	Current targets	New targets
Safe, Secure World	Run at least one annual road safety campaign in each of the countries we operate	Run at least one safety campaign every year in each core region we operate in by 2018
Thriving Communities	Double our community contribution from a 2013 baseline*	Run a community programme in each core region that engages and develops our people, supports our local communities and makes a difference for our customers.
Sustainable Future	Reduce our group carbon footprint by 20% per full time employee to 2 tonnes of CO2e from a 2013 baseline by 2018.	Reduce our group carbon footprint by 12% per employee to 1.9t CO2e from a 2015 baseline by 2018.
Responsible Business	Support our customers respond to changing environmental risks and opportunities through our products and services	Deliver at least one awareness driving or support campaign every year in each core region we operate to support our customers adapt to climate change and reduce their greenhouse gas emissions by 2018.

*community contribution includes the value of our payments to charities, hours volunteered and funds raised for charity by our employees

Our governance approach

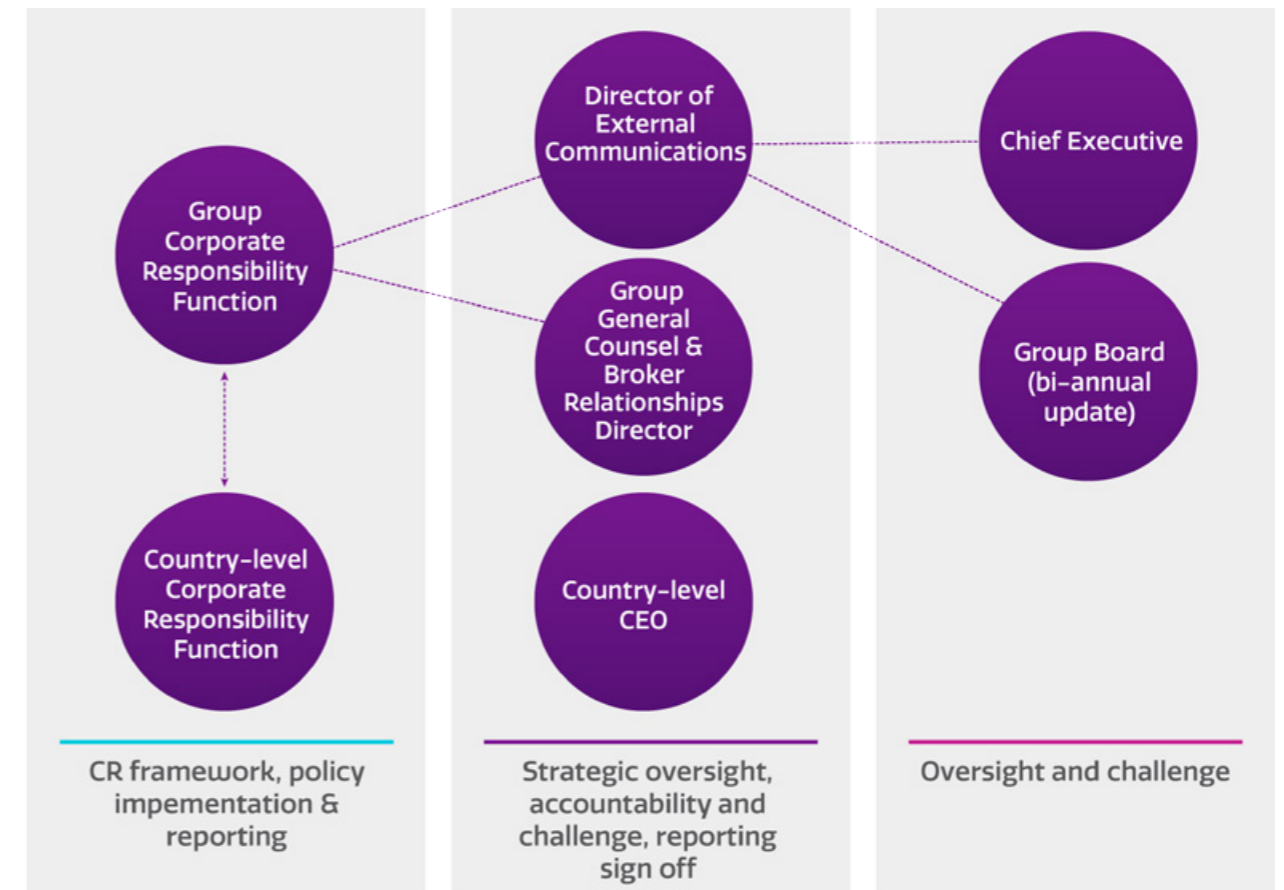
Our CR Strategy is managed by our Group Corporate Responsibility Function with oversight and challenge from our Director of External Communications. The Chief Executive and Group Board has ultimate accountability and is updated bi-annually on activities and progress against targets. Within each region, country-level senior management has oversight of the strategy and the implementation and delivery of activities to meet targets is managed by local CR Representatives. Regional activities are coordinated by the Group CR Function.

We are strengthening sustainability across the Group by working with functional departments such as Human Resources, Risk Management, Corporate Real Estate and Procurement to continue to integrate sustainability into our core business processes. Through collaboration, we initiate projects and drive employee engagement to encourage each and every one of us to Make Things Better Together

Our strategy is underpinned by corporate CR policies outlining our approach to human rights, the environment and community and charities. Applicable to all operating countries and subsidiaries, these policies help manage our operational, regulatory and reputational risks while putting corporate responsibility at the heart of our business

Our regional CR representatives implement our strategy and comply with minimum controls through the CR policies. Each policy has a Group Executive Owner and Group Managing Owner who, with the assistance of Local Managing Owners, ensure compliance. They do this by working alongside business experts to identify and implement key controls. A robust monitoring framework makes sure these controls are continually evaluated. The Risk function administers the policy framework and monitors adherence to each policy. If any controls are not working effectively, a remediation plan is agreed to quickly restore adherence.

Our CR governance framework



We ran road safety campaigns in

10
countries

SAFE, SECURE WORLD

Our products and services help make communities safer places to live, work and travel. Our road safety campaigns raise awareness of potential hazards to customers and colleagues alike. We issue high-visibility clothing and encourage safer driving, particularly among young drivers. Recently, we extended our efforts into other risks that connect our customers to our business, such as theft, fire and water safety.

Why is it important?

Household and personal motor insurance are among our bestselling products, so we have both a commercial and human interest in keeping people safe.

Our actions are guided by major safety concerns, including:

- Roads – Each year, 1.24 million people die on our roads. That's one person every 25 seconds. Another 50 million per year are injured;
- Fire – In Sweden, 100 people a year die in domestic fires. Canada deals with around 8,000 wildfires every year and over 300 people died in a fire in the UK in 2014/15;
- Water – 2014 saw 137 people drown in Sweden, the highest number for 12 years. 116 were men and 60% of those over 50 had alcohol in their blood.

How do we tackle the issue?

We work to protect millions of people around the world every day, helping them live safer, more secure lives.

From a shared strategic starting point, each operating country has the freedom to address the issues that are important to their community. The CR team plays a coordinating role, sharing examples of best practice and Group-wide case studies. We track progress through quarterly updates provided by each territory's CR representatives and, every year, conduct a review to confirm our results.

Targets

This year, we are reporting our progress against our original targets set in 2013, as well as how we will achieve our new targets in the future.

Current target	Progress
By 2018, all countries where RSA operates will be running at least one annual road safety campaign.	On target

In 2015, due to our strategic refocus and the success of our disposal programme, we consolidated many of our offices. Despite this, we delivered road safety campaigns in 10 of our operating countries, raising awareness amongst our customers and employees of how to stay safe on the road.

Revising our targets

This year, we introduced new targets to make sure our CR targets reflect the size and strengths of our organisation.

New target	Key Performance Indicators (KPIs)
Run at least one safety campaign every year in each core region we operate in by 2018	<ul style="list-style-type: none"> The number of safety campaigns run each year in each core region. The number of people reached by each campaign.

Plans to achieve our new target

From fire to water, we already deliver a range of safety campaigns to support our customers and people. We will focus on issues that are particularly relevant within our operational regions. In Sweden, for example, water safety is really important, so we will focus our campaigns on preventing accidents in and around water.



Future plans

We believe ensuring a Safe, Secure World requires coordinated action across our business coupled with localised knowledge and delivery. Each country we operate in faces particular community issues. Having reviewed what's most relevant to our regional communities, we are planning a range of safety campaigns in 2016.

In the UK and Ireland, we will continue to focus on road safety and telematics. In Scandinavia, our efforts will centre on road and water safety. In Canada, we will deepen our awareness work with brokers, providing information and education about wildfires, tropical storms and hurricanes.



THRIVING COMMUNITIES

As a global business, we can see the effects of the financial crisis still being felt around the world. In many of the communities in which we operate, job losses and unemployment remain high, particularly for young people. We are helping to address these effects by providing opportunities for employment and by sharing the skills and experience of our people.

Thriving Communities means three key things to us: supporting education and employability, working with enterprise and social entrepreneurs and being big hearted – aiding causes our colleagues are passionate about.

We remain committed to volunteering our time to support local causes, donating 7,158 volunteering hours in 2015

Why is it important?

Our actions are guided by major social and economic issues, including:

- Youth unemployment – In 2014, 73.3 million young people worldwide were unemployed;
- Work readiness – A 2014 survey of 3,000 firms found 9 out of 10 believed school leavers were not ready for employment. Over half said the same about graduates;
- SMEs – Globally, small and medium enterprises account for around 90% of businesses and over 50% of total employment; and
- Social entrepreneurship – 31% of social enterprises operate in the top 20 most deprived UK communities.

How do we tackle the issue?

We approach Thriving Communities in three main ways. By being Big Hearted, we look to create positive social impact wherever we do business and, through initiatives such as matched funding and time off for volunteering, encourage our colleagues to support causes they feel passionately about.

Our two other areas of focus are managed in a more structured way. Teams are encouraged to partner with schemes and organisations that allow them to share relevant knowledge and experience.

So through our Education and Employability programme we assist young people to develop the skills and confidence required for the workplace.

Supporting Enterprise and Entrepreneurship includes working with social entrepreneurs to influence local community issues in ways we otherwise could not. This also provides our people with the chance to build their own skills and generates invaluable insight into the thinking of our SME customers.

Within this framework, each operating country has the freedom to address the issues that are important to their community. The CR team plays a coordinating role, sharing examples of best practice and group-wide case studies. We track progress through quarterly updates provided by each territory's CR representatives and, every year, conduct a review to confirm our results.

Targets

This year, we are reporting our progress against our original targets set in 2013, as well as how we will achieve our new targets in the future.

Current target	Progress
By 2018, we will double our annual community contribution based on a 2013 baseline*.	Not achieved

*community contribution includes the value of our payments to charities, hours volunteered and funds raised for charity by our employees.

Over the past two years, the scale of our business and the number of operational units has reduced significantly. As a result, we will not achieve the target we set in 2013. In 2015, the total value of our community contributions was £1,661,760. Our people spent 7,158 hours volunteering in our local communities and dedicated 24% of that time to supporting employability skills development and social entrepreneurs. We made £1,282,336 in direct

charitable contributions and our employees showed just how big hearted they are by raising £222,762 for the causes they care about. Despite not achieving our initial target, we are proud of the progress we have made in our core regions in supporting employability programmes, social enterprise and the charities and causes our people are passionate about.

Revising our targets

This year, we introduced new targets to make sure our CR targets reflect the size and strengths of our organisation.

New target	Key Performance Indicators (KPIs)
We will run a community programme in each core region we operate in that engages and develops our people, supports our local communities and makes a difference for our customers.	<ul style="list-style-type: none"> ▪ The value of corporate donations ▪ The number of volunteering opportunities/hours ▪ The value of employee funds raised for charity ▪ The percentage volunteering opportunities supporting employability skills or social enterprise

Plans to achieve our new target

We are proud of the community programmes that we run. Next year, we will review them to ensure

we continue to share the skills and expertise of our people in a way that generates the greatest impact.



Future plans

In the UK, we are trying to enhance the employability prospects of young people in our local communities. We want more of them to join our own team so, building on the success of 2015, we will work closely with our HR function to coordinate our employability workshops and recruitment programmes.

Our partnership with the School for Social Entrepreneurs in Canada is set to expand. We will increase the number of risk workshop webinars and extend the mentoring scheme while

investigating further opportunities to provide support and advice.

In Scandinavia, we will continue to help the good causes our colleagues feel passionate about by supporting their Christmas and emergency appeals. We also want to maintain our proud volunteering record, providing volunteers for road safety campaigns and many other opportunities through our bespoke volunteering portal.



SUSTAINABLE FUTURE

The risks and opportunities of a changing climate are of critical importance to our business and stakeholders. We aim to help society mitigate those risks and respond to changing environmental conditions.



As a major global business, we must limit our own impact and encourage our colleagues, customers and suppliers to do likewise. This year, we improved the quality of our environmental performance data and restated our baseline year for our carbon reduction target.

We continue to be a lead insurer of renewable energy projects and work hard to raise awareness of climate change issues through our products and services, such as severe weather alerts in Europe.

Why is it important?

Our actions are guided by major sustainability issues, including

- Severe weather events – In 2015, insurers paid out around \$27 billion for natural disaster and weather-related claims;
- Global warming – Average temperatures are widely predicted to rise above 2°C during the 21st century; and
- Resource scarcity – By 2030, the world will need 50% more energy and 35% more food than it does today

How do we tackle the issue?

We support a transition to an environmentally-sustainable world by helping our customers deal with changing risks and by promoting new ways of working that save energy, resources and create less waste.

We set targets globally for all operating countries to reduce carbon emissions. A CR representative in each country embeds our environmental policy, guarantees legal compliance, limits pollution and improves environmental performance. They also facilitate collaboration between finance, travel managers, facilities teams and procurement to measure and report our impacts.

It is vital that we continue to engage colleagues effectively, empowering people to contribute towards our sustainability goals.

Our environmental performance

Current target		2015	2014	2013
Greenhouse gas emissions (tCO2e)	Scope 1 ^A	6,115	12,279	12,968
	Scope 2 ^A	17,275	24,717	25,787
	Scope 3	15,907	16,376	23,901
	Business travel ^A	13,050		
	TOTAL (gross)	39,297	53,372	62,656
	Gross tonnes of tCO2e per FTE	2.20	2.37	2.60
	Carbon offsets	20,000	21,827	27,278
Total (net)	19,297	31,545	35,378	
Net tCO2e/FTE	1.08	1.40	1.47	
Energy consumption (MWh)		74,320	106,693	114,325
Water consumption (m3)		210,553	282,334	270,572
Paper consumption (tonnes)		1,515	1,734	1,920
Waste production (tonnes)		6,930	5,262	5,014
Waste recycling (%)		79	67	60

^A Selected data has been independently assured by PwC. For further information, please download the Key Environmental Data (PDF) from our Corporate Responsibility webpages (www.rsagroup.com/responsibility).

Data notes:

The emissions for 2015 have been calculated using a different organisational scope to previous years, reporting all sources of emissions from operations with 50 or more full time equivalent (FTE) employees. In previous years, emissions from offices with less than 50 employees were estimated, but these have been removed from the scope of the 2015 reported emissions. Previously, some Scope 3 emissions were misreported as Scope 1 emissions. Therefore, we have restated our baseline year as 2015 for our carbon reduction target and amended our target accordingly.

- Scope 1: Emissions from the Group's sources that are controlled by us, including the combustion of fuel, company owned vehicles and the operation of our facilities.

- Scope 2: Emissions from the consumption of purchased electricity, heat or steam.
- Scope 3: Emissions from non-owned sources that are related to the Group's activities, including business travel and the use of water, paper and waste generated.
- Business travel: Emissions from flights, trains, taxis, hotels and vehicles not owned by organisation. This has been separately assured and reported in 2015.



Targets

Current target	Progress
By 2018, we will reduce our carbon emissions by 20% per employee from a 2013 baseline.	The emissions for 2015 have been calculated using a different organisational scope to previous years. Therefore, we have restated our baseline year as 2015 and are unable to compare 2014 data with 2015 data.
We will support our customers through the development of products and services that help them respond to changing environmental risks and opportunities.	On target

This year, we are reporting our progress against our original targets set in 2013, as well as how we will achieve our new targets in the future.

This year, we focused on improving the quality of our environmental performance data within a more tightly defined organisational boundary. Throughout the Group, we implemented numerous carbon saving initiatives. Read more about these achievements in our Highlights [here](#).

We continue to be a leading insurer of renewable energy. We are evaluating the risks of new renewable technologies and prototypes to expand our expertise in these areas. Through these products,

we are reducing the risks and costs associated with renewable energy, helping support the transition to a lower carbon future.

We promote climate awareness amongst our customers by providing support and tools which enable them to better prepare for severe weather events. Some of our insurance products and services also encourage our customers to adapt to climate change and reduce their greenhouse gas emissions.



Revising our targets

This year, we introduced new targets to make sure our CR targets reflect the size and strengths of our organisation.

New target	Key Performance Indicators (KPIs)
<p>BReduce our Group carbon footprint by 12% per employee to 1.9t CO₂e from a 2015 baseline by 2018</p>	<p>The tonnes of carbon dioxide equivalent per employee.</p>
<p>We will deliver at least one awareness driving or support campaign each year in each core region we operate to support our customers adapt to climate change and reduce their greenhouse gas emissions.</p>	<p>The number of awareness-driving or support campaigns.</p>

Plans to achieve our new target

We will continue to actively reduce our highest sources of emissions through improved operational efficiency, purchasing more environmentally friendly products and empowering employees to work more sustainably.

Several of our regions delivered awareness-driving campaigns in 2015 to help our customers adapt to climate change, including a Group-wide WinterSmart initiative providing tips on how to prepare for winter.

Future plans

We will continue to collaborate with customers and brokers to raise awareness of our changing climate. Through our products and services, we will support customers to reduce their own carbon contribution.

We continue to review our property footprint across the Group. In the UK, we are managing our spaces more efficiently to reduce our environmental impact. We are also planning an Energy Management System, designed to ISO 50001, to limit our carbon emissions.

In the Atlantic region of Canada, we expect to move into a LEED-certified building in August. We are undertaking a review of our Irish offices too, having already consolidated two of our Galway offices into one.

Our actions inside our workplaces can also help reduce carbon emissions. We continuously raise awareness of more sustainable working practices like double-sided printing, recycling and switching off electrical equipment. Next year, as in 2015, we will use World Environment Day to demonstrate how our colleagues can help meet our carbon reduction target and protect our environment.



RESPONSIBLE BUSINESS

We are pleased to have a reputation as a business that delivers on its promises. It is inherent in our engagement with customers, colleagues and suppliers and in our approach to risk management, investment and public affairs.

When creating Making Things Better Together, we ensured that being a Responsible Business underpinned all our CR activities. However, with our strategy evolving, in 2016 we intend to measure progress here too, setting targets for our relationships with our customers, people and suppliers.

Why is it important?

Our actions are guided by major responsibility issues, including:

- Transparency - trust in the financial services sector rose 8% in the last five years, but overall trust in the industry is still low at just 51%. Greater transparency and collaboration with customers is needed, with a recent report suggesting product transparency and rewarding loyalty is the best way to promote greater trust;
- Support for vulnerable customers - the industry is committed to supporting vulnerable customers. In September 2015, the UK Financial Services Vulnerability Taskforce was launched to improve the experience of customers who may be in vulnerable positions; and
- Gender balance - Women only make up 26% of FTSE 100 boards and the percentage of female executive directors in the FTSE 100 sits at just 8.6% (2016).

How do we tackle the issue?

We take steps to integrate corporate responsibility into our daily business, building trust with our stakeholders by increasing the transparency of how and what we communicate. As a responsible business, we have a long-term commitment to ensuring our organisation operates in a way that makes all our stakeholders proud. We achieve this through our policies and communication, by our approach to risk management and by actively listening to customer, colleague and investor feedback.

OUR CUSTOMERS



Responsible customer service

Customers are the reason we exist. So we treat them as we would wish to be treated ourselves, providing value for money products, communicating in a clear and transparent way and measuring, monitoring and dealing with claims quickly and efficiently.

We were delighted to receive the Customer Experience Champion Award this year, with the judges highlighting how we use our measurement frameworks to improve products and services for customers.

In 2015, we invited 10 UK customers, both advocates and detractors, to join a meeting of our Personal Lines Board. This provided our leadership team with valuable insight into the customer experience.

We employ a number of tools and resources to listen to customers, gauge satisfaction and improve our services as a result. For example, we work with the General Insurance Market Research Association (GIMRA) and monitor both Customer Service Measure (CSM) and Customer Voice (CV). Customer sentiment in 2015 remained supportive and retention across the group is around 80%.

We are committed to marketing our products responsibly. In the UK we have a robust framework to ensure that promotional material, including financial promotions, are designed to achieve good outcomes for our customers and comply with relevant regulatory standards. Our seven-stage launch process means every new product is reviewed by senior management in Legal and Compliance, Product and Customer, Technical Underwriting and Marketing & Communications. This makes certain that it meets our customer needs, is compliant and fit-for-purpose.

Every year, we handle hundreds of thousands of claims. Whatever the size of the claim, we take care of our customers when they need us most. We believe in proactive prevention and tailoring the claims process to benefit customers. Our dedicated claims handlers work with customers to reduce risk and, therefore, the likelihood of a claim. Our 'Express 5' proposition has streamlined commercial property claims under £2,500, settling the majority within 24 hours after receipt of five key pieces of information.

Access to insurance

We work closely with charities and partners to break down barriers to financial exclusion, tailoring products to customers with specific needs.

This year, our Codan business in Denmark celebrates a 20-year partnership with mental health charity LEV. Together, they have created bespoke Contents and Liability insurance for customers with specific disabilities.

In the UK, our work with the Motability Scheme means we provide insurance to over 630,000 disabled customers with access to a lease vehicle, scooter or powered wheelchair. Our teams are

trained to understand the loss of independence and mobility that being without a car can bring our disabled customers. Our customer satisfaction scores reflect our approach with a Net Promoter Score of +79.



OUR PEOPLE

High performing, motivated colleagues are our most important asset, which is why we invest so much in them. We strive to be a company which people want to join, love to stay with and are proud to be a part of.

We communicate regularly about our strategy and listen to feedback. One of our most effective mechanisms is our employee engagement survey, YourSay. Last year, we received over 70,000 individual comments that help shape our future approach.

By introducing the social networking site Yammer, we encourage cross-border collaboration. More than 250,000 messages have been sent through Yammer and in the UK internal email traffic dropped by 30% since the system was introduced. In 2016 we will further improve company-wide communication with the rollout of a new SharePoint site.

We are also committed to constructive relationships with recognised, independent trade unions around the world, ensuring on open dialogue and early consultation on any changes affecting our people. In the UK, we partner with Unite, who cover collective bargaining on behalf of non-managerial colleagues whilst The Management Association (TMA) represents managerial staff.

Training and development

We believe in a culture of high performance and provide continuous development to help our people expand their skills.

As such, we run three global, high potential talent programmes: Fast Track, Senior Talent Acceleration and the Executive Development Programme. Participants have the opportunity to strengthen their capabilities and develop their leadership styles as well as get a unique opportunity to network with talented peers across a wide range of functions and locations. Our Technical Academy supports specialist expertise around the world, providing technical training for underwriting, claims and actuarial colleagues.

In 2011 we became one of the first insurance companies to establish an apprenticeship programme, giving young people the opportunity to develop business skills without the need for higher education qualifications. To date, we have trained 35 apprentices in our UK underwriting business.

Our online training hub, Learning Zone, hosts thousands of resources in multiple languages for our global workforce. We continue to evolve and invest in the platform and plan to introduce user-generated content, video learning clips and a new approach to mandatory training in 2016.

Diversity and inclusion

We are committed to embracing and encouraging diversity. From a business perspective, a diverse workforce generates significantly higher earnings and multicultural networks promote creativity and drive growth. We are raising awareness of the benefits diverse perspectives bring and encourage all colleagues to complete our Diversity and Inclusion online learning module.

Our customer base is extremely diverse and it is important our organisation reflects this. Through our recruitment strategy, we not only look for technical capabilities but behavioural qualities too. Along with searching outside the insurance sector, we believe this approach has brought fantastic people into RSA who challenge us to think and act differently.

It is encouraging to see a significant number of gender networking groups now set up across the business, providing supportive new relationships and helping achieve career goals.

Health, safety and wellbeing

Encouraging a healthy workplace is important to us. We want our people to enjoy a balanced lifestyle featuring physical activity, peer-to-peer collaboration and flexible working in a safe environment.

Health and safety forms part of our Operational Risk Management framework and our Human Resources team owns and develops the relevant policies, as well as looking after workplace safety. Day-to-day health and safety management varies by site, although every site has at least one Health and Safety Coordinator. All our colleagues receive mandatory training on the topic.

Many of our employees have time-demanding responsibilities outside of work. Our range of flexible working patterns help them find a balance between life and work commitments.

All our policies and procedures comply with regulations and we endeavour to support colleague wellbeing through various, local initiatives.

For example, our Latin American offices organised an inspirational Work Life Balance programme in 2015. Each country planned events and over the year, all 1,500 colleagues took part in at least one activity – from sushi classes in Chile to basketball tournaments in Colombia, fruit days in Uruguay and the inaugural Insurance Soccer Championship in Brazil.

OUR SUPPLIERS



Responsible supply chain

Corporate responsibility for our supply chain is mandated within our Group Third Party Contracts Policy as our reputation and regulatory compliance rely on it.

Each operating country determines its supplier code of conduct which ensures they always meet local requirements.

In the UK, our Supplier Relationship Management (SRM) function, working alongside business managers and a centralised Strategic Sourcing, is responsible for engaging suppliers. Our SRM programme has been managing supplier relationships of high value or risk for over seven years.

We prioritise suppliers with robust environmental policies and encourage them to both minimise their environmental impact and be able to demonstrate it.

We aim to reduce the social and environmental costs of the products and services we buy. For example, by working with a new UK supplier, Magicman, instead of replacing damaged building features we have been able to carry out 'invisible' repairs, prolonging the life of baths, sinks, kitchen worktops, floor tiles and windows.



OUR BUSINESS

We understand that what we say and do matters. We expect all our colleagues to comply with our Guide to Business Conduct. This details the way we must put customers first, support each other to act ethically, respect our local environments and communities, keep regulators updated and deliver a sustainable, profitable performance to our shareholders.

We take our commitments to preventing bribery and corruption very seriously. These are not tolerated anywhere in our business. Our anti-corruption and conflicts of interest policies apply Group wide, both supported by extensive resources and guidance. We provide mandatory training on recognising and combatting corrupt behaviour, as well as on what constitutes appropriate corporate hospitality. All operating countries are required to complete regular anti-corruption risk assessments.

We strongly encourage our people to have the courage and integrity to speak out when they have concerns. Our annually-reviewed Group-wide whistleblowing policy, available on our intranet, sets out the procedure for colleagues to

confidentially raise genuine concerns about suspected wrongdoing and malpractice. Where a breach is material or not in compliance with regulations, we will report externally.

Across the Group, a Cultural Risk Index and Assessment helps our leaders and HR teams manage cultural issues that could lead to a possible failure of ethics, controls or governance. Our Human Rights policy exists in support of a number of internationally recognised declarations including the UN Global Compact, of which we are a signatory. We report our progress against the Compact's ten principles annually.

Investment Management

We hold approximately £13 billion of investments, the majority of which is in bonds. Our investment fund managers include Deutsche Asset and Wealth Management, Skandinaviska Enskilda Banken, AXA Investment Managers, TD Asset Management and PH&N Investment Services.

Our Group Investment Committee manages investment policy and strategy and oversees the Group's investment portfolios within strictly defined frameworks. Within our publicly

available Annual Reports and Accounts 2015, we communicated our strategy to maintain a core high quality, low risk portfolio.

To date, we have not formally incorporated climate change into our investment policies. We will continue to assess the risks and opportunities of responsible investment, as well as how to deliver maximum shareholder value whilst reducing carbon emissions and improving human capital.



Public Affairs

We engage with political opinion formers and policy makers on issues relevant to our business. We do so openly and transparently, ensuring the information we provide is unbiased and accurate. We utilise our memberships of industry sector bodies to help voice our concerns.

Several global agreements on sustainability were reviewed and amended in 2015, including 17 UN Sustainable Development Goals (SDGs) adopted in September and the historic Paris Agreement of the UN Framework Conventions on Climate Change signed by 190 world leaders in December. Through our memberships of the United Nations Environment Programme Finance Initiative Principles for Sustainable Insurance (UNEP FI PSI), Association of British Insurers (ABI), Confederation of British Industry's (CBI) Energy and Climate Change Committee and ClimateWise, we have supported statements, attended meetings with policy makers, published opinion statements and contributed to the outcomes of these processes.

In the UK, we are part of the Government-backed Flood Re initiative, helping those in high risk flood areas maintain access to affordable insurance.

We also held two roundtable sessions with MPs, transport officials and industry experts to discuss the future of motoring. In this way, we endeavour to work with the government to ensure new technologies, like telematics and driverless cars, bring real benefits to people, such as reduced premiums.

In Sweden, we have linked up with other insurers as part of the Swedish Insurance Society, to lobby decision makers on climate-related issues and actions.



ESG risks

We considered environmental, social and governance (ESG) risks when engaging stakeholders to create Making Things Better Together.

Our aim is to both provide products that protect our customers from the impact of risk and to make sure the risks we accept are managed collaboratively. This has the twin effect of maximising returns for investors and benefitting the environment and societies we operate in.

The Board's Risk Committee (BRC) ensures we operate a robust risk management system and the Group Chief Risk Officer shares any material ESG risks within a quarterly update to the BRC. We consider it imperative to continually evaluate any emerging risks.

We monitor global developments that could present social or political risks, such as human rights issues. As signatories of the UN Global Compact, we are committed to protecting human rights and eliminating discrimination. We report our progress against the Global Compact's ten principles annually.

We comply with all relevant law and regulation concerning financial and economic sanctions. A dedicated committee oversees our procedures and our approach to dealing with countries we perceive as higher risk. This approach is reviewed at least twice a year.

