



# 2016 CORPORATE RESPONSIBILITY SUMMARY REPORT



Making things  
**better**  
together



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# A message from our CEO



For many people around the world, 2016 was a year of uncertainty. Political change, global security and pressing environmental issues, including the wildfires in Canada, the country's costliest natural disaster, all reminded us of life's inherent unpredictability. Safeguarding customers against everyday risk is at the heart of our business at RSA. As the events of 2016 proved, our work to mitigate and prevent the unexpected is more important to people's lives than ever before.

Having completed the financial turnaround of the business we are now a stronger, more focused, forward-looking international insurer that aims to be best in class in our markets, for our customers, shareholders and communities.

Our work is already paying off. Amid volatile financial trading in 2016, we outperformed the market's expectations, returning record-breaking underwriting profits of £380m, up 73% from 2015 and an operating profit of £655m, 25% up from 2015.

Our Corporate Responsibility strategy is part of that success story. Making Things Better Together is our response to the most important material challenges that our business, society and the world faces today. In 2016, we reviewed those challenges to ensure we continue to prioritise what matters most to our stakeholders and business.

While our review confirmed that our strategic priorities are still aligned to the most pressing issues, there is a greater need for organisations like ours to address risk

avoidance, not simply risk transfer. This means actively helping customers avoid risk, accelerating the transition to a low carbon economy and improving resilience to extreme weather. It also means an additional focus to ensure we keep performing in a world of rapid digital innovation and increased instability.

2016 saw us continue to help customers lead safer, more secure lives. We promoted road safety, especially for younger drivers, and kept people safe in the water, too. We helped 28,500 children in Sweden learn to swim and urged more than two million adults to be realistic about their own swimming ability.

We supported thriving communities by continuing our partnership with the School of Social Entrepreneurs in the UK and Canada, helping even more social businesses prosper. We help to develop the UK's future talent through our excellent Ready, Set, Achieve employability workshops. I was fortunate to be part of one workshop at Barking Food Bank in June, where I met ex-offenders and learned about the barriers they face in attempting to return to work.

We demonstrated our global leadership in renewable energy by insuring cutting-edge technology projects, like floating offshore wind farms which have a real potential to accelerate the transition to a low carbon economy. We reduced our own carbon emissions too, meeting our group-wide carbon reduction target two years ahead of time, cutting our emissions by 15% per person from our 2015 baseline. We achieved this through property rationalisation, encouraging sustainable working practices and opting for sustainable alternatives where possible.





We also proved that we are there for our customers in their time of need, with an exceptional response to the wildfires in Alberta, Canada. Our dedicated colleagues worked together around the clock to keep those affected safe and provide the help they needed. Looking after our customers in this way is at the core of our business. We can be proud of the remarkable support our people gave to our customers during this crisis.

All our achievements are made possible thanks to the commitment of our people across the globe, who last year volunteered an impressive 6,081 hours for causes important in our local communities. In a rapidly evolving world, our people continue to live our values and make our purpose real: Making Things Better Together.

A handwritten signature in black ink, appearing to read "Stephen Hester". The signature is stylized and fluid.

**Stephen Hester, RSA Group Chief Executive**



# Our strategy



## 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.

By actively preventing risk, we strive to 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 is one that helps meet society's challenges in practical ways. That's what we mean by Making Things Better Together.

## Our strategy themes

Our strategy focuses on four distinct themes that directly impact our company:



### Safe, Secure World

Keeping people safe in their daily lives – on the road, in the water and in their homes and businesses.



### Thriving Communities

Educating and inspiring future talent, supporting social entrepreneurs and dedicating time to causes our people care about.



### Sustainable Future

Accelerating the transition to a low carbon future



### Responsible Business

Operating in ways that make our stakeholders proud.

## Our contribution to the UN's Sustainable Development Goals

Long-term, global sustainability progress requires businesses, governments and societies to align. The UN Sustainable Development Goals have been adopted with this in mind. While our strategy is not designed specifically around them, we believe we contribute to them in many ways:

### 11. Sustainable cities and communities



We help **make cities inclusive, safe, resilient and sustainable** by keeping people safe as they live, work and travel through our Safe, Secure World focus area.

### 8. Good jobs and economic growth



We help **promote inclusive and sustainable economic growth, employment and decent work for all** by sharing our skills so that young adults and social enterprises grow through our Thriving Communities focus area.

### 13. Climate action



We **take action to combat climate change and its impacts**, accelerating the transition to a low carbon future by insuring renewable technology as part of our Sustainable Future focus area.

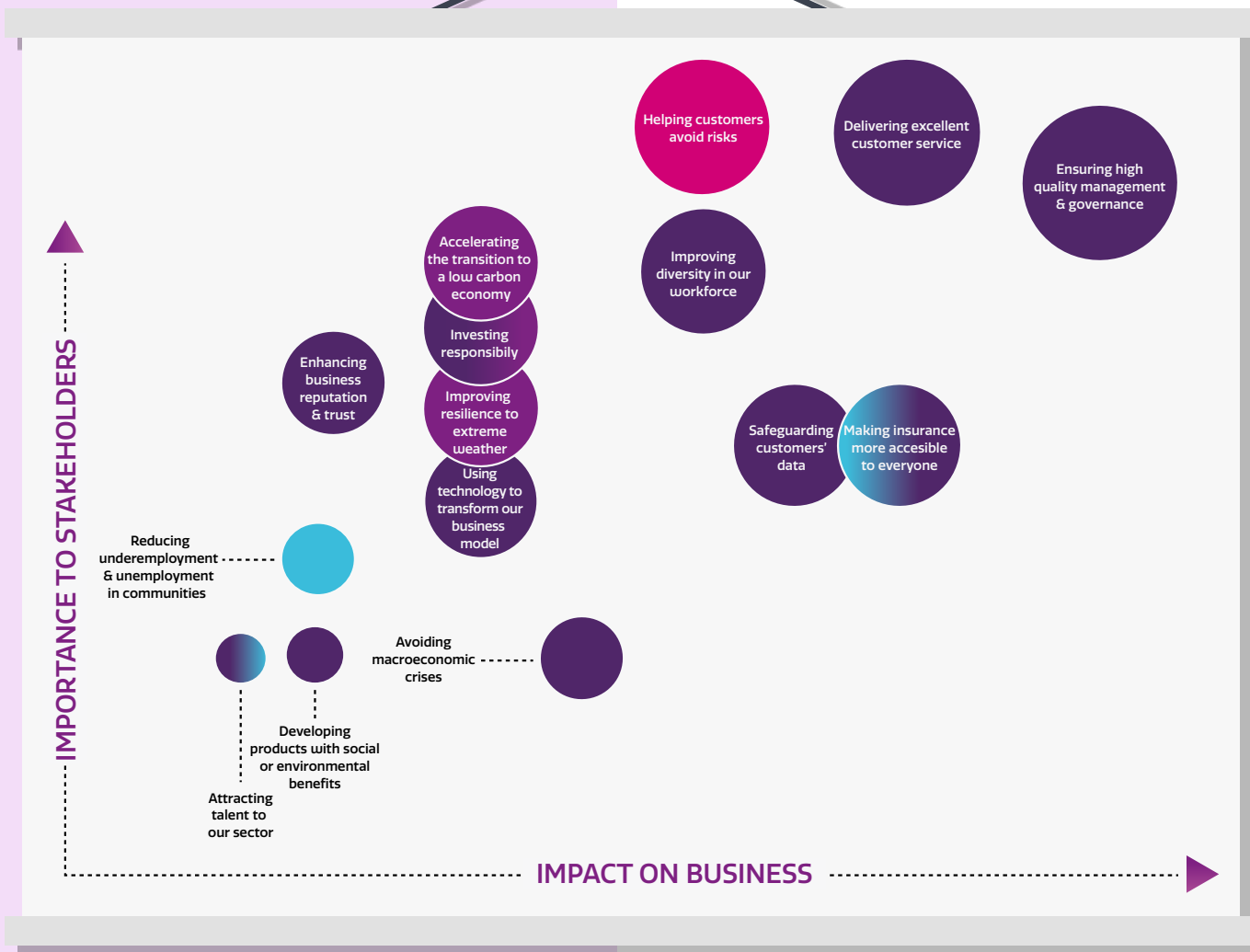
### 12. Responsible consumption



And we **ensure sustainable consumption and production patterns** by investing in our own business operations so that our business, people and suppliers enable us to be a Responsible Business.



# Our issues



- Safe, Secure World
- Thriving Communities
- Sustainable Future
- Responsible Business

Our Making Things Better Together strategy is based on the issues that matter most to our business and stakeholders. In 2016 we conducted a formal review of our approach. We utilised the latest reports and trends, engaging CR experts and internal leaders to ensure we continue prioritising the most relevant environmental, social and ethical issues for a leading insurance company and its stakeholders.

Our review showed that our plan remains on track and our strategy themes remain unchanged. However, we were able to identify the following new points of emphasis within each of our four key strategy areas:

### Safe, Secure World

Going beyond risk transfer to emphasise active risk avoidance. For example, as in our road safety campaigns encouraging customers to drive safely and be aware of other road users.

### Thriving Communities

Reflecting our desire to help reduce unemployment within our local communities, such as our work to increase employability skills for young people.

### Sustainable Future

Clearly stating our intention to accelerate the transition to a low carbon economy and improve resilience to extreme weather. Also adding a new material issue, 'investing responsibly', echoing growing investor concern for environmental, social and governance factors when choosing investments.

### Responsible Business

Acknowledging the breakneck pace of digital innovation and the perception of an increasingly unstable world by ensuring we have the right people, products and processes in place to compete in times of change.

# Governance

Our Corporate Responsibility (CR) strategy is managed by our Group CR function with oversight and challenge from our Director of Corporate Communications of Corporate Communications.

From September 2016, Charlotte Heiss, Group Chief Legal Officer and Company Secretary, and William McDonnell, Group Chief Risk Officer, became our Executive co-sponsors for CR, reporting to the Group Executive Committee and Group Board annually on activities and progress against targets. Within each region, country-level senior management have oversight of the strategy. The implementation and delivery of activities to meet targets is managed by local CR representatives.

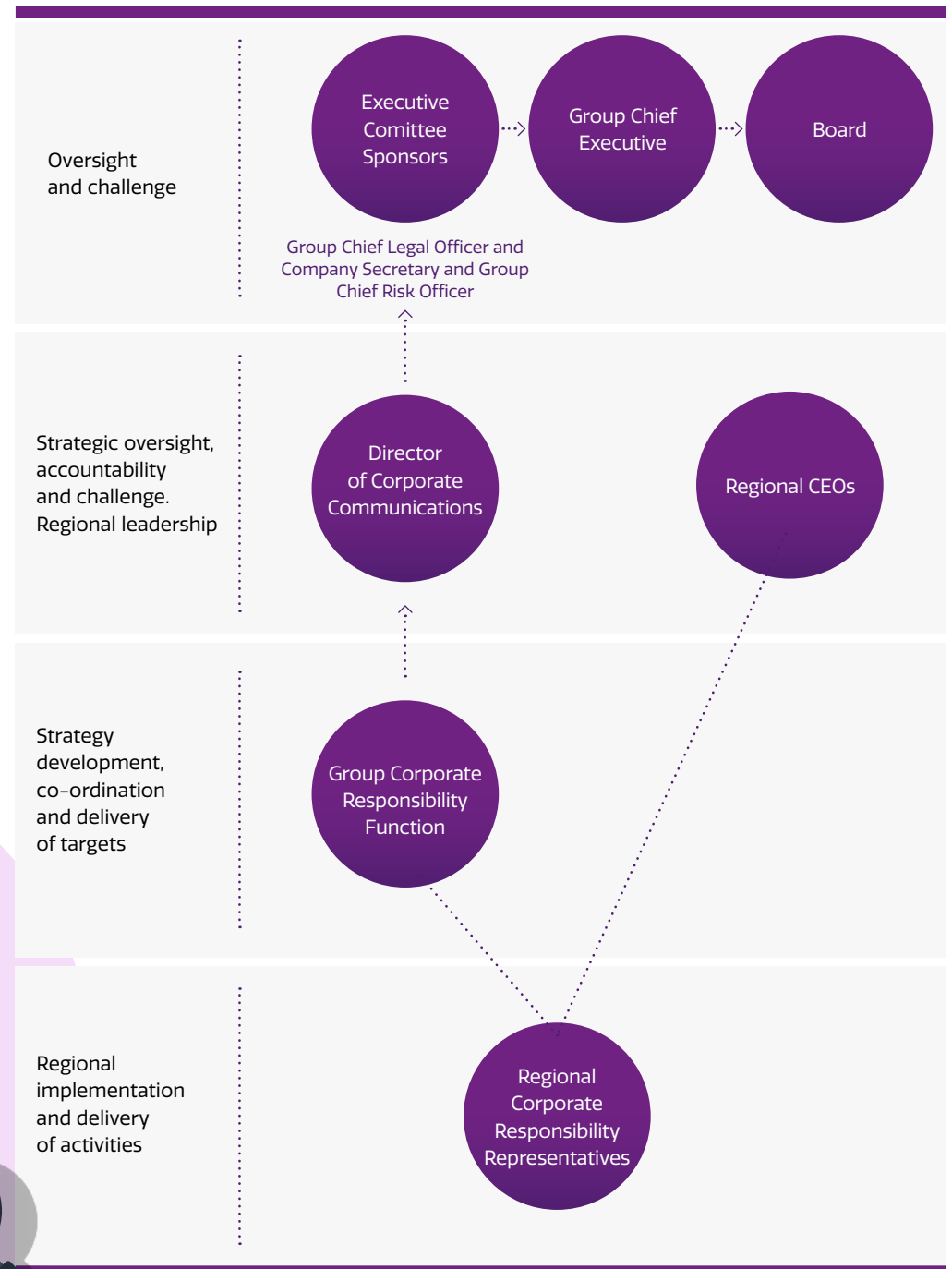
We are strengthening sustainability across the Group by working with functional departments such as Human Resources, Risk Management, Corporate Real Estate and Procurement to continue to integrate sustainability into our core business processes. Through collaboration, we initiate projects and drive employee 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 CR at the heart of our business.

“Pursuit of our ambitions to be ‘best in class’ performance means operating sustainably and responsibly, delivering a good quality of life for our workforce, nurturing our local communities and supporting the transition to a low carbon economy.”

**Charlotte Heiss**  
Group Chief Legal Officer

## Our CR governance framework



# HOW WE'RE MAKING THINGS BETTER TOGETHER

## OUR BIG CHALLENGES

1) **Changing everyday risks including digitisation, climate change and political uncertainty** – we need to help customers avoid risk



Through our Safe, Secure World pillar, we keep our customers safe on the road, in the water, in their home and business.

2) **Unemployment in the youth** – we need to boost employability skills in our communities



Through our Thriving Communities pillar, we help young people develop the skills and confidence required for the workplace.



3) **Climate change** – we need to accelerate the transition to a low carbon economy



Through our Sustainable Future pillar, we help our customers respond to a changing climate, reduce our own impacts, and help make renewable energy more viable.

4) **Trust in business** – we need to ensure high quality management and governance



Through our Responsible Business pillar, we engage with customers, employees and suppliers to ensure we have robust controls in place to run our business efficiently.



## SAFE, SECURE WORLD

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

In Denmark and Norway, we celebrated National Reflector Day in October.



**184** of our employees **volunteered** their time to hand out over **95,000 reflectors**.

We ran **30 workshops** and engaged over **500 young people**.



In the UK we partnered with Good Egg Drivers to help 500 young people learn to drive safely.

We've run safety campaigns in 18 countries engaging with nearly 3 million people to help create a safe, secure world.



## SUSTAINABLE FUTURE

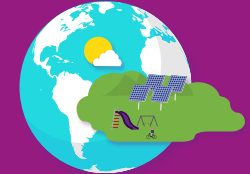
is our commitment to accelerating the transition to a low carbon future.

Our employees help us get our own house in order.



We have reduced our carbon emissions by 15% per person from our 2015 baseline, meeting our target 2 years ahead of time.

As one of the leading insurers in the Renewable Energy industry, we're helping accelerate the transition to a low carbon economy to create a sustainable future.



That's just some of the ways we are

Making things **better together**

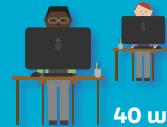
for people, communities and the wider world.



## THRIVING COMMUNITIES

means educating and inspiring future talent, supporting social entrepreneurs and dedicating time to causes our people are passionate about.

In the UK, our employees have helped young people at schools and colleges develop the skills they'll need for the future, through our Ready Set Achieve employability workshops.



**40 workshops**

**23 social entrepreneurs** supported to develop their business ideas into commercial propositions.



We partner with the School for Social Entrepreneurs in the UK and Canada, providing financial support and mentoring to students.

Our employees have volunteered a total of 6,081 hours to help create thriving communities around the world.

**30% of time** spent dedicated to supporting employability skills and social entrepreneurs.



## RESPONSIBLE BUSINESS

underpins our strategy, and demonstrates that our company can operate in a way that makes our stakeholders proud.

We supported our customers during the wildfires in Alberta, Canada, working around the clock, bringing on extra staff and proactively reaching out to customers in impacted areas to check they are safe, informed and receiving the help they need.



Our 13,394 employees have stayed resilient and focused throughout our turnaround.

In light of the UK's Modern Slavery Act, we have reviewed the way we buy our goods and services and have introduced a Group wide Supplier Code of Conduct.

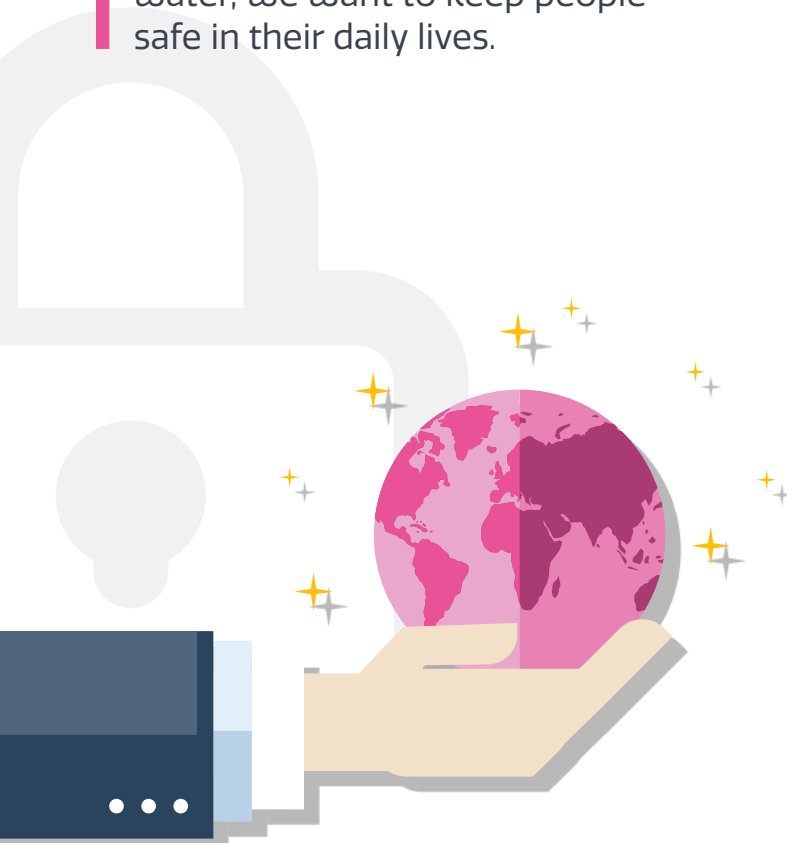






# Safe, Secure World

Whether in homes and businesses, on the roads or in water, we want to keep people safe in their daily lives.



# 28,500

children taught to swim through Trygg-Hansa swim schools.

In 2016, our Swedish Trygg-Hansa business, long committed to water safety activities, partnered with Disney's Finding Dory launch to promote the 400 summer swim schools we support. The schools, run in conjunction with the Swedish Life Saving Society, were featured in the film's trailer which was viewed over 1 million times on YouTube. In just one summer, our schools helped 28,500 children learn to swim.



## Safety through education

On UK roads, our More Th>n Sm>rt Wheels product is helping young drivers get affordable insurance by developing safe habits. Summer 2016 saw us take this even further, sponsoring 30 workshops organised by the road safety initiative, Good Egg Drivers. 500 teenage drivers learned vital tips on keeping our roads safe for all.

**MORE TH>N™**



# 500

teenage drivers engaged



# Safe, Secure World



# 95,000

reflectors were handed out to road users by 184 colleagues from our Scandinavian Codan offices

## Prevention first

As insurers, risk protection is our business – but we want to help prevent risk too. All the regions we operate in (Scandinavia, Canada, UK, Ireland and Middle East) run safety campaigns, with 18 in total throughout 2016.

In Sweden, our Everyman's Water promotion encouraged the public to question their swimming strength and reached 98.8% of 25 to 59-year-old men via TV and social media. 184 colleagues from our Scandinavian Codan offices handed out 95,000 reflectors to road users during the annual Reflector Day. Our online customer hub, The Lighthouse, launched in Canada, hosts information designed to keep people safe. And in the UK, four-time Olympic Gymnastics medallist, Louis Smith, helped us keep pets and owners in shape, fronting the first ever celebrity petsercise DVD. Our Risk Control teams assist businesses worldwide to reduce risks before they arise. A £1bn UK food manufacturing business has worked closely with our risk engineers to embed corporate loss prevention standards, reduce losses and improve their overall risk profile.

All the regions we operate in (Scandinavia, Canada, UK, Ireland and Middle East) run safety campaigns, with 18 in total throughout 2016.





# Thriving Communities

We are dedicated to inspiring future talent, developing social enterprises and helping our people support the causes they care about.



**300** young people learned about vital workplace skills as part of our Ready, Set, Achieve employability programme

## Nurturing employment and entrepreneurship

Ready, Set, Achieve is the name we gave our employability programme in 2016. Our people volunteered to design and deliver 14 workshops where we taught more than 300 young people and ex-offenders about vital workplace skills, the insurance industry and what it is like to work at RSA. We even recruited four of the participants!



Our established partnership with the School of Social Entrepreneurs continued in the UK and Canada, providing mentoring, skills workshops and financial investment. We mentored 16 social entrepreneurs, developing their ideas into viable businesses. Supporting entrepreneurs to deliver positive social impact also gives us valuable insight into the growing social enterprise market, including understanding the products and services which may offer the sector most benefit in future.



**16** social entrepreneurs supported to develop their business ideas into commercial propositions





# Thriving Communities



# + 6,000

hours dedicated to causes close to our people's hearts

## Our people making a difference

So many of our people share their time and talent to strengthen the communities we work in. Our UK volunteer week saw over 200 colleagues clock up 1,000 hours in support of good causes such as local hospices and schools and colleges. Across the group, our people dedicated more than 6,000 hours to causes close to their hearts.



Colleagues also gave generously in support of those affected by an event that had a huge impact on our Canadian business, the Alberta wildfires, raising \$26,000 for the Canadian Red Cross. We matched their funding and added a further \$100,000 to support the vital work the Red Cross performs.



# + C\$157,000

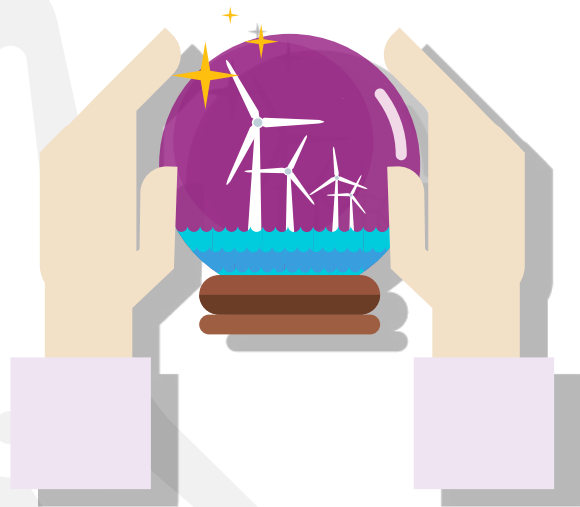
donated to support the vital work the Canadian Red Cross performed in the Alberta wildfires





# Sustainable Future

RSA are committed to accelerating the transition to a low carbon future. We do this by supporting customers to better respond to our changing climate, insuring renewable energy projects and cutting our carbon contributions.



## Helping our customers

We have been dealing with severe weather events for over 300 years and we know what the risks are and how to mitigate them. We support our customers to protect the things that matter most to them by giving them practical advice before, during and after a claim. After the UK floods in December 2015, we got people back on their feet quickly and offered advice on future flood resilience measures. All 300 commercial customers who were affected were visited within three days of the flood and 95% of property claims calls during the worst weather were answered in twenty seconds. We are original members of the UK's Flood Re scheme, providing affordable insurance to those at highest risk of flooding.

“ I met a man whose home had been flooded overnight, and if that wasn't stressful enough, his wife had given birth that morning – they were ready to leave the hospital but where were they going to go? We arranged alternative accommodation for them the same day and got restoration and recovery suppliers in place and emergency payments made. Their house was still flooded, but the family had a few less things to worry about.

**Craig Monks**  
RSA national events coordinator





# Sustainable Future



We reduced our carbon emissions by

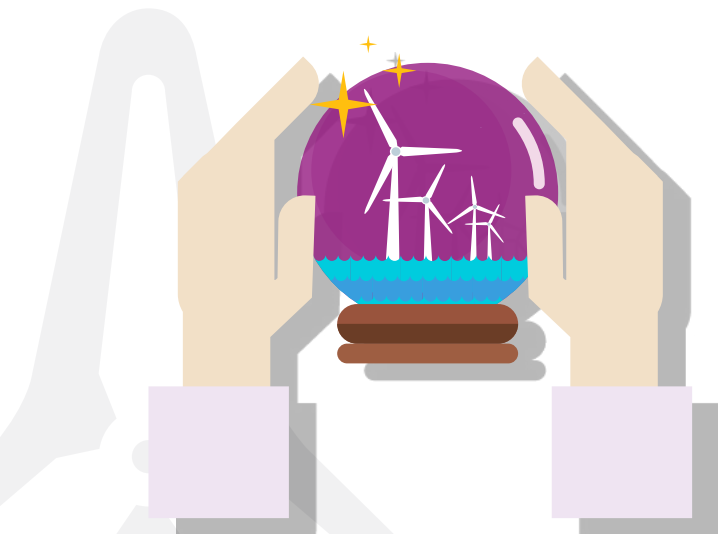
# 15%

per person

## Reducing our impact

By 2018, we aimed to cut per person carbon emissions by 12 % against a 2015 baseline. We are proud to have reached this target two years ahead of time, having achieved a 15% reduction in 2016 thanks to a leaner, global business model, the outsourcing of UK engineers and measures such as energy efficient installations. This year, we will set a new carbon reduction target.

We are also now proud sponsors of WWF Canada's environmental employee engagement programme, Living Planet @ Work.



## Investing in a renewable future

With extensive years of experience, our international team of Renewable Energy underwriters are reducing the risks of renewable energy projects, making them more viable. In 2016, we focused on new technologies, such as grid-to-grid connections and floating offshore wind turbines. These exciting new developments offer more efficient energy production with genuine potential to accelerate the transition to a low carbon future.

We insured one of the first

# floating offshore wind farms

in Fukushima in Japan. A truly innovative project that is being built as a response to the nuclear power plant accident in 2011.





# Responsible Business

We strive to ensure best in class results for customers, shareholders and communities alike. We manage our operations and deliver products and services openly and transparently, engaging with customers, employees and suppliers in ways that help build trust.



# 50

claims adjusters were on hand at evacuation centres in Fort McMurray, Canada

## Delivering outstanding service when it's needed most

In May 2016, a severe wildfire threatened the town of Fort McMurray in Alberta, Canada. 80,000 people were evacuated and 2,000 homes and buildings were destroyed. Colleagues from our Johnson business immediately called and emailed all our customers to offer support. We listened to our customers' needs, and responded accordingly. 50 claims adjusters were on hand at evacuation centres and a mobile claims support team served Fort McMurray itself, while office-based colleagues maintained a 24/7 presence on our website and social media.



... to think that my insurance company has taken the time to call me to make sure my family and I are safe has lifted my spirits on such a sad day"

**Johnson Insurance**  
Customer





# Responsible Business

# 13,394

people are employed by RSA across our core regions of UK & International, Canada and Scandinavia

## Supporting our people to remain focused and resilient

RSA is now a more focused, stronger organisation employing 13,394 people across our core regions of UK & International, Canada and Scandinavia. Throughout a period of change, our outstanding colleagues continued to demonstrate their resilience and commitment to the success of our company.

We use our global, employee opinion survey, YouRSAY, to listen to our people. Feedback and analysis from the survey is reviewed by senior leaders, with subsequent action plans developed to make RSA an even better place to work. Our employee engagement programme also includes town halls, roadshows, buzz sessions and lunch and learns.

Our Learning and Performance platform, Horizon, and our bespoke Learning video portal, Origin, launched in October. Both systems enable employees to access formal and informal learning at a time and place that suits them.

## Access to insurance

At RSA, we strive to provide better value to all our customers. As an original member of the UK's Flood Re scheme we give households at high risk of flooding access to affordable insurance. We utilise the latest technologies and work with partners to develop new types of insurance that add value to our customers. Devices that monitor real-life behaviour in real time are making it possible for us to encourage safer living and for customers to negotiate lower premiums and other benefits. We are signatories of the ABI and BIBA Code of Good Practice and our trained staff can identify, and respond sensitively to, potentially vulnerable customers. Our UK Motability scheme provides insurance to 620,000 disabled customers and has earned a Net Promoter Score of +76.



Our UK Motability scheme provides insurance to

# 620,000 disabled customers







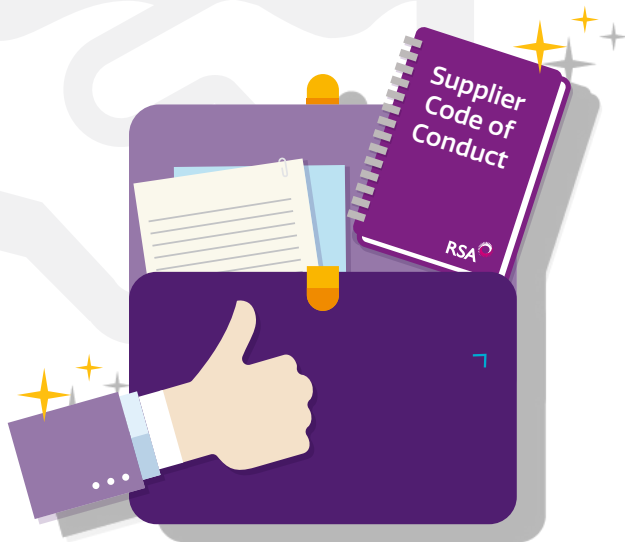
# Responsible Business



1,300 employees engaged in our first ever Health and Wellbeing Week in the UK

## UK Health and Wellbeing Week

We ran our first Health and Wellbeing Week across eight of our UK sites, helping our people achieve a well-balanced life and raising awareness of our existing health and wellbeing opportunities.



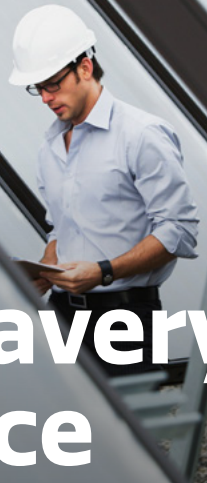
## Working with suppliers to address modern slavery

With the passing of the UK's Modern Slavery Act, this year we reviewed our approach to procurement. We are rolling out a new Group-wide Supplier Code of Conduct, setting out minimum requirements for supplier behaviour that ensure modern slavery has no place in our business or supply chains.

Our new Supplier Code of Conduct ensures

# modern slavery has no place

in our business or supply chains



# Focusing on the future

We are delighted our Group Executive Committee sponsors, Charlotte Heiss and William McDonnell are supporting our CR activity. CR continues to be led by each operating region, ensuring we address what matters most to our businesses, colleagues, customers and communities. Regional CR representatives maintain focus on material issues like road and water safety, alongside climate change readiness. We aim to improve our environmental performance and support local communities through skills-based volunteering and charitable donations. We remain committed to embedding sustainability in everything we do: from products and services to governance and risk management procedures.

We are proud to have stayed true to the vision of Making Things Better Together through our dedication to responsible business. Despite a period of significant change, we have delivered award-winning programmes<sup>1</sup> – our School for Social Entrepreneurs partnership, 'Don't Drink and

<sup>1</sup> British Insurance Awards: CSR Initiative of the Year 2015; Chartered Insurance Institute: CSR Initiative of the Year 2015; Insurance Marketing and PR Awards: Insurance PR Campaign of the Year 2015; Double bronze for 'Don't Drink and Dive' in 2016 London International Awards 2016

Dive' water safety campaign and WWF-Canada Living Planet @ Work sponsorship are just three outstanding examples.

We intend to go on enhancing our reputation as a business that does the right thing for customers, shareholders, people, communities and environment.



Our business and people operate within a wider social, environmental and economic context. Sustainability must be a fundamental part of our corporate DNA so that every business decision considers these issues, weighing the risks and opportunities and making the best long-term choices for our customers and shareholders"

**William McDonnell**  
Group Chief Risk Officer





## 2016 Corporate Responsibility Summary Report

This is the summary of our Corporate Responsibility strategy and 2016 activities. You can read more about it on our website:

If you have any suggestions, feedback or queries about Corporate Responsibility at RSA, please contact us at

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[www.rsagroup.com/responsibility](http://www.rsagroup.com/responsibility)

