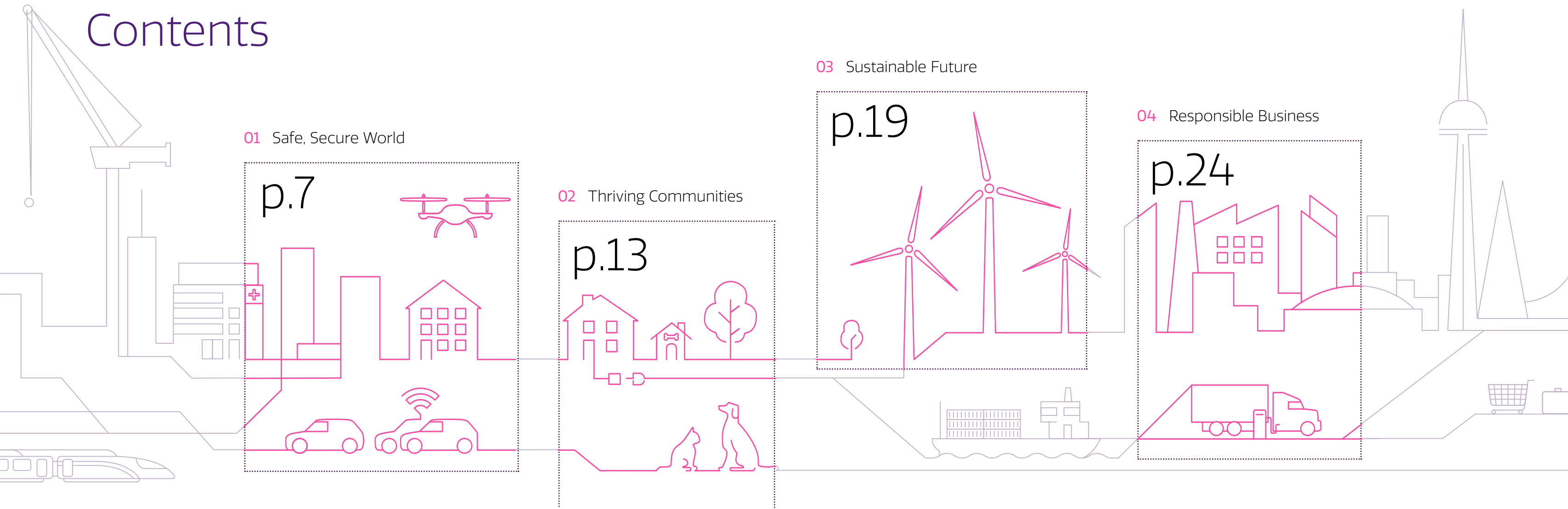




# Corporate Responsibility 2017 Report

MAKING THINGS BETTER, TOGETHER

# Contents



A message from our CEO ..... p.03  
 Our Strategy ..... p.04  
 Our Strategic Pillars ..... p.05  
 Governance ..... p.06

**01. Safe, Secure World** ..... p.07  
 Introduction ..... p.08  
 Results ..... p.09  
 Case studies ..... p.10

**02. Thriving Communities** ..... p.13  
 Introduction ..... p.14  
 Results ..... p.15  
 Case studies ..... p.16

**03. Sustainable Future** ..... p.19  
 Introduction ..... p.20  
 Results ..... p.21  
 Case studies ..... p.22

**04. Responsible Business** ..... p.24  
 Introduction ..... p.25  
 Case studies ..... p.27

Appendix ..... p.29



# A message from our CEO



Writing in this report at the end of 2016, I reflected on the level of uncertainty and change we had seen in the course of the previous twelve months. If 2016 reminded us of life's inherent unpredictability, 2017 underlined the critical role of insurers in managing it, and in helping communities to recover from its negative effects.

2017 demanded that the founding purpose and unique value of insurance come to the fore: to be there when things go wrong. For RSA, that means keeping our promise to customers to make the worst of times that little bit easier and more bearable. I'm proud to say that our teams have done this with consistency, commitment and character during a year which saw some of the worst weather events for decades, wildfires and earthquakes, and the tragedy of several terror events and devastating fires.

Our Corporate Responsibility strategy, *Making Things Better, Together*, is inspired by the supportive spirit of RSA's people and the part that we play in helping those in times of trouble. Our focus is to take a more proactive approach to addressing some of the uncertainties and challenges that affect our customers, contributing our knowledge, skills and time to improve the preparedness and resilience of the communities in which we work.

As we enter the fifth year of the strategy, it is pleasing to see the strides we have made and the creative ways we have gone about tackling the challenges that it set out in 2014.

We have used the media, our online presence and our product and services to help educate our customers and keep them safer, whether on the road, in water or on the web. In Sweden, where we cover half of all individually insured children, we reached over 225,000 children with messages about how to act in the case of a house fire. In Denmark our online safety package was made available to all schools in the country to increase knowledge among children about staying safe online.

We've shared knowledge and resources to support the insurance industry to get its arms around the implications of climate change risk, at the same time as improving our own environmental credentials and developing a leadership position in insuring renewable energy generation.

Our employees have demonstrated the motivation and customer focused mindset that makes RSA special, racking up 8,959 hours of volunteering, mentoring and supporting young people to acquire skills and build businesses, and raising £265,900 in support of local causes to help their communities to adapt and thrive. And we have sought not only to encourage and facilitate their actions but to be the sort of responsible business that they can be proud of, working proactively with

our suppliers and partners to address the sustainability and ethical concerns that matter most.

As part of striving to be a best-in-class business, it is vital that we keep a sharp eye on what our customers and stakeholders expect of us in all areas. Our Corporate Responsibility agenda is an opportunity to create better value for our customers, employees, shareholders and society at large.

In 2018, we'll be taking the opportunity to reflect on the *Making Things Better, Together* strategy, and review our future priorities, to ensure we maintain a firm focus on using our strengths to deliver sustainable positive results, as we do across our business.

As an insurer with 300 years of history behind us, we are privileged in our opportunity to lead and to influence – but we can't rest.

A personal highlight of the year was the chance to spend some time with a group of business leaders at the School for Social Entrepreneurs, our UK Charity Partner in 2017. These individuals are seeking to define and make a success of their own brand of better business. I'm proud that in RSA they see an organisation that they can learn from, and in that spirit look forward to continuing to challenge us to do even more, and even better, in years to come.



As we enter the fifth year of the *Making Things Better, Together* strategy, it is pleasing to see the strides we have made and the creative ways we have gone about tackling the challenges that it set out in 2014."

**Stephen Hester,**  
Group Chief Executive

# Our Strategy

We are committed to responsible business. This means running RSA in a way that our employees can be proud of, ensuring financial strength and transparency for our shareholders, putting our customers first, and delivering long-term value to our environment and society.

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

We believe that making a positive impact requires us to work in partnership with our communities to address a wide range of interests and concerns. That is why our Corporate Responsibility strategy is called *Making Things Better, Together*.

## Our vision

Today's social and environmental challenges are complex and vast – from increasing demand for stretched natural resources, to a changing, less predictable climate and shifting employment prospects for young people.

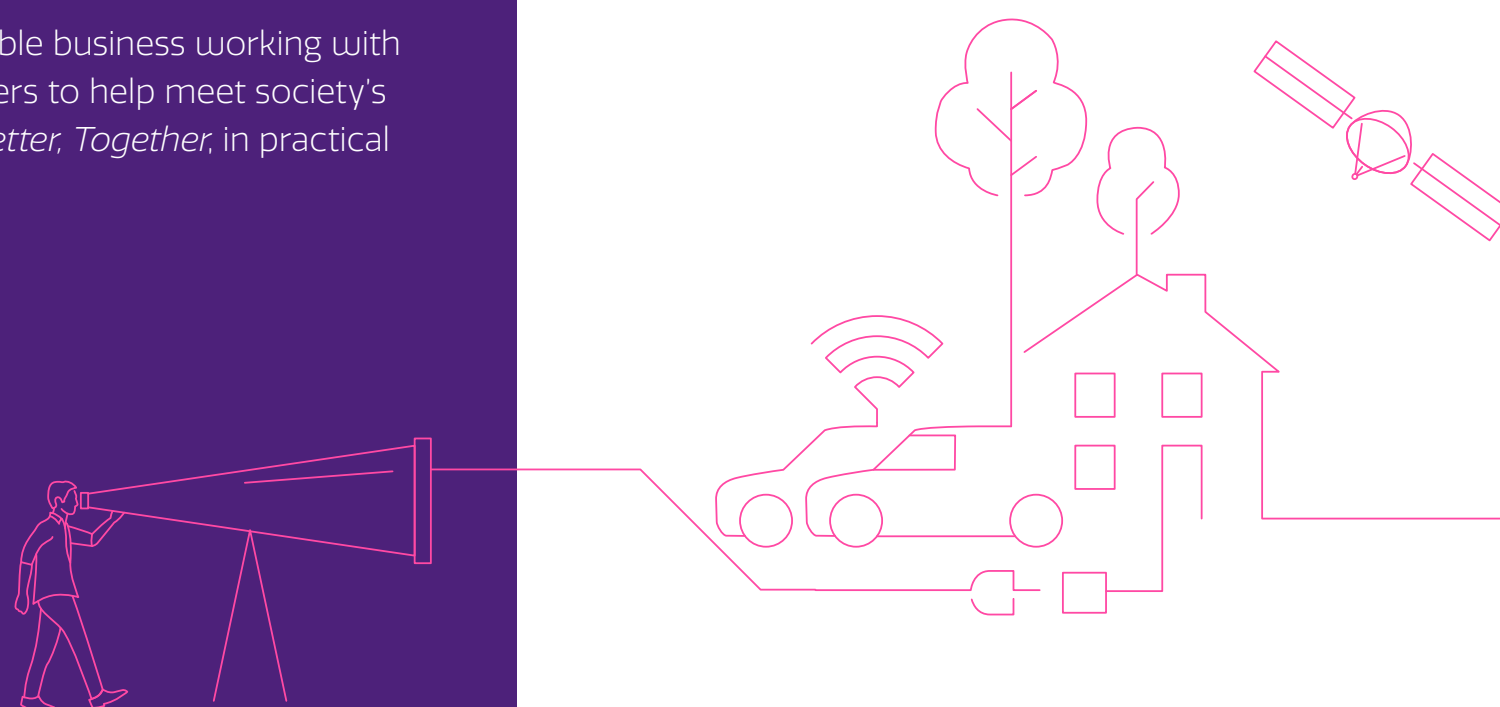
Yet as society's risk managers, we know that individual choices can create a more secure present and future for all. So as we protect customers on their journeys, we also encourage and support them to make the roads safer. As we protect homes, families and businesses, we work with them to help their communities to thrive. And as we support people in managing and mitigating uncertainty, we join them in addressing our shared environmental concerns.

Our vision is to be a responsible business working with its customers and stakeholders to help meet society's challenges: *Making Things Better, Together*, in practical but powerful ways.

## Looking forward

As we enter the fifth year of *Making Things Better, Together*, we will be taking the opportunity to review our strategic approach. The world, and our business, has changed enormously since we began in 2014, so in 2018 we will be evaluating our business assets and strengths. This will enable us to continue to maximise our potential to generate positive impact and value for society and the environment.

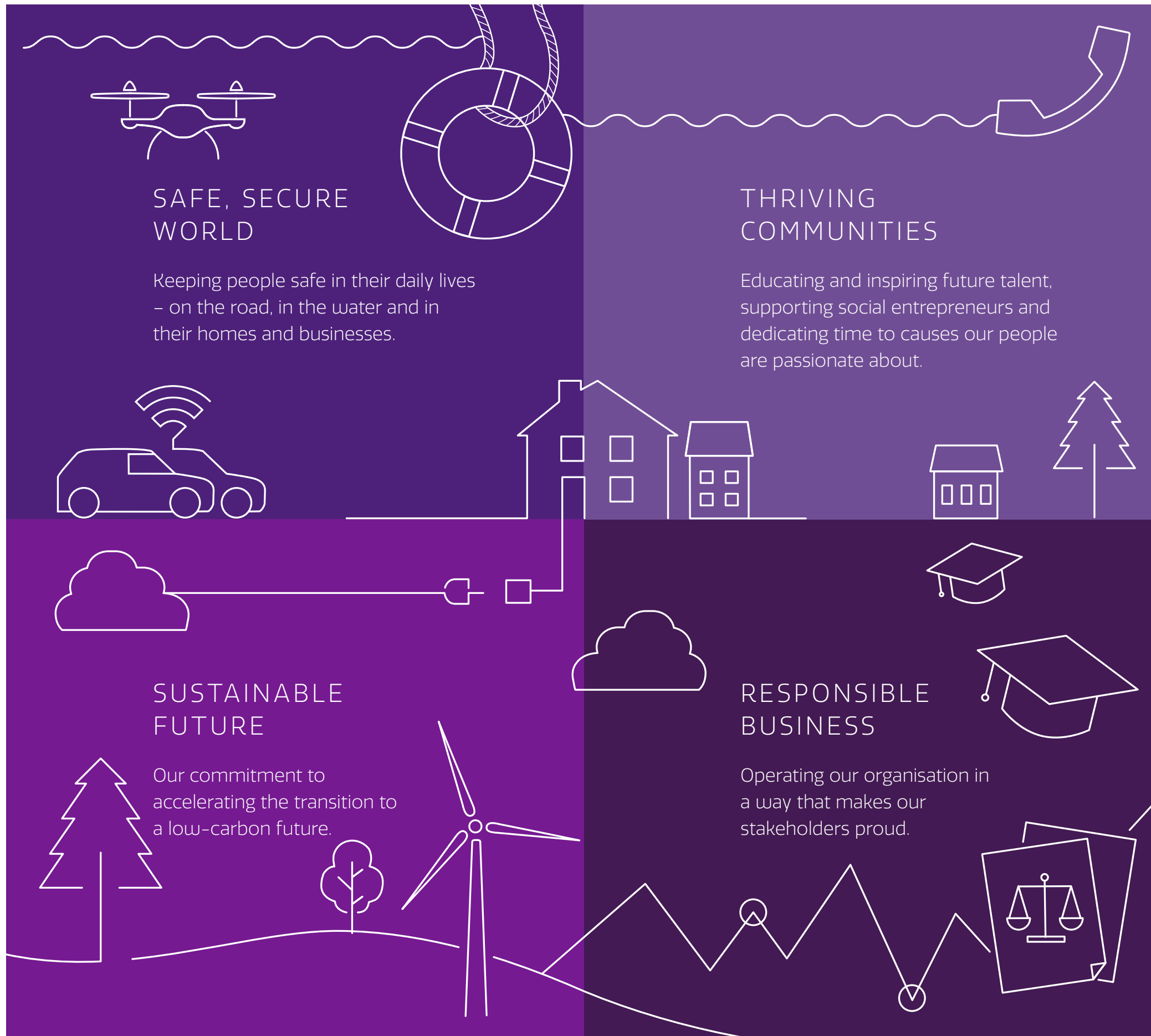
We are committed to continuing to harness our business' resources and expertise to make the difficult times a little easier for our customers, and to help to keep them and their communities safe.



# Our Strategic Pillars

We launched *Making Things Better, Together* in 2014. Designed in consultation with customers, employees, investors and industry associations, it identified the most relevant environmental, social and ethical issues for a leading insurer such as RSA to tackle.

Our strategy addresses four focus areas, all deeply connected to our business where we can make a positive impact: Safe, Secure World, Thriving Communities, Sustainable Future and Responsible Business.



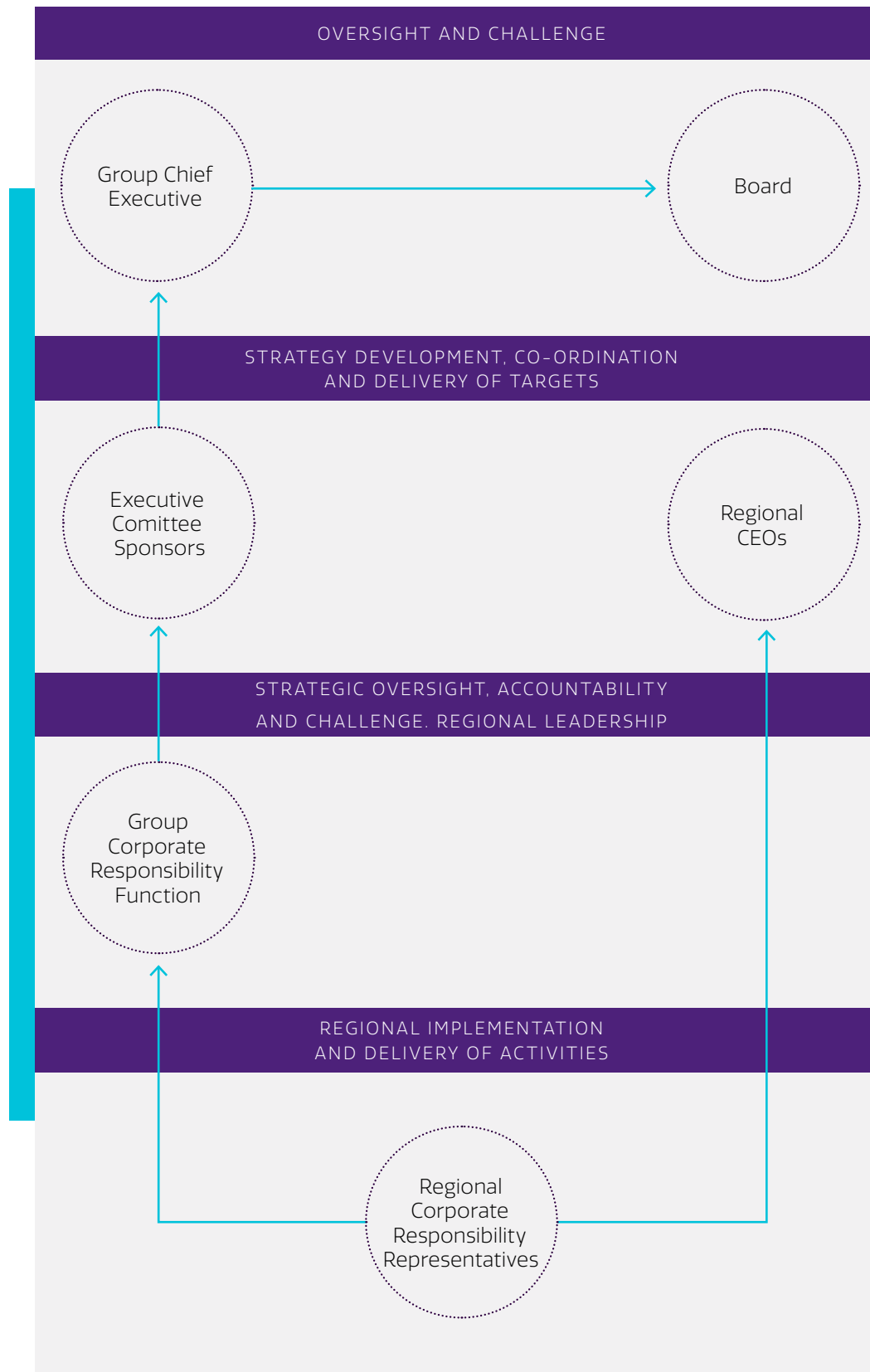
# Governance

Our Group-wide Corporate Responsibility (CR) strategy is delivered across each of our operating regions with oversight and support from our corporate centre in London. It is a collaborative effort, and our CR teams work in close partnership with employees from across the business including Human Resources, Risk Management, Corporate Real Estate, Underwriting, Investment, and Procurement to integrate sustainability into our core business processes.

Regional delivery is also supported 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.

At a Group level, CR is governed by Executive Committee sponsors Charlotte Heiss, Group Chief Legal Officer and Company Secretary, and William McDonnell, Group Chief Risk Officer. CEOs in Canada, Scandinavia and the UK & International businesses are accountable for the delivery of CR in their respective regions.

Our CR governance framework

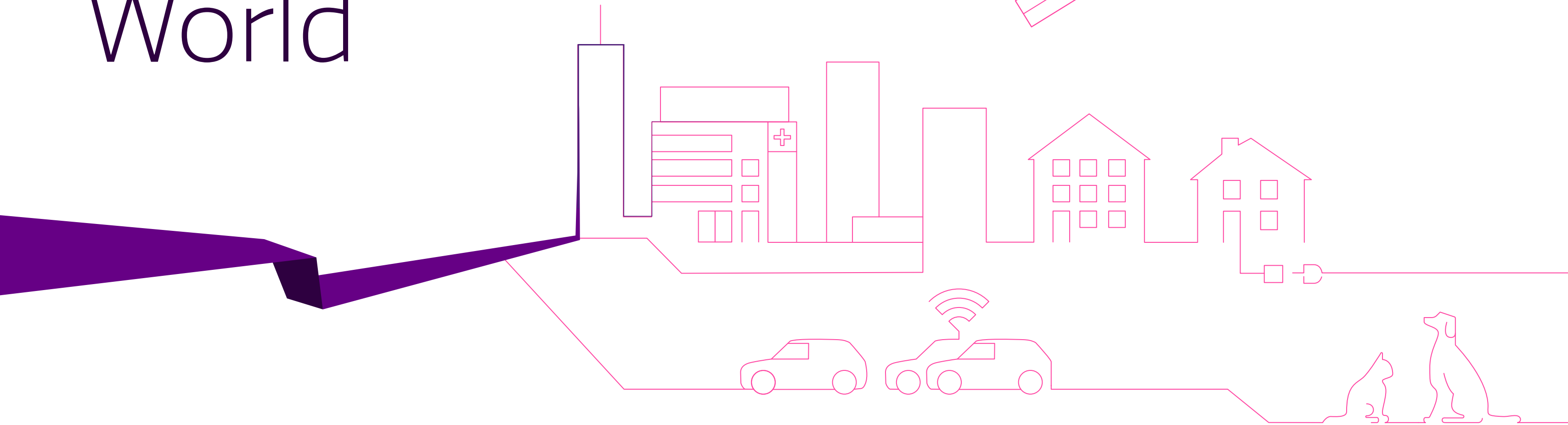
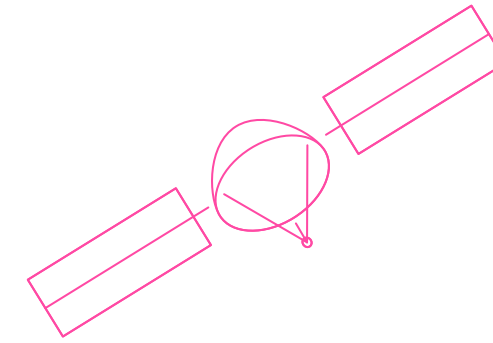
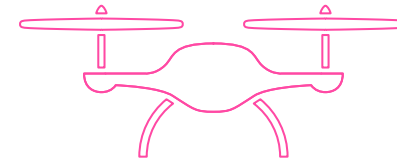


Our business has the ability to contribute a wide body of knowledge and expertise for good, and we're privileged to have employees who feel passionately about that endeavour. Our Corporate Responsibility strategy cuts right across our business, encouraging us to share our skills and insights to help address big, global challenges, and helping us to make a positive contribution to society at large."

**Charlotte Heiss,**  
Group Chief Legal Officer and Company Secretary



# 01 Safe, Secure World



As a general insurer offering household, pet and motor cover, as well as commercial insurance for businesses large and small, we have both a commercial and human interest in keeping people safe. We believe we can play a powerful and practical role in helping our customers to avoid risks, using insight, data and our product development expertise to help keep them safer in their homes, on the roads and in their businesses.



# 01 Safe, Secure World

## The challenge

People face a wide range of risks in their daily lives; from preventable injuries and avoidable deaths in the home, on the roads and in public spaces, to the increasing challenge that cybersecurity presents to families and businesses.

Road traffic accidents, for example, are the leading cause of death among young people aged 15–29 years, killing 1.25 million people worldwide each year<sup>1</sup>. Without sustained action it is predicted that they will become the seventh leading cause of death overall by 2030<sup>2</sup>.

Drowning, the third leading cause of unintentional death worldwide<sup>3</sup> is a particular safety concern in our Swedish market. Global estimates are thought to significantly underestimate the public health issue presented by drowning, and there are very few prevention initiatives directly targetting water safety<sup>4</sup>.

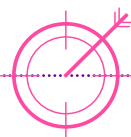
Another pressing concern facing families, businesses and governments is the challenge presented by an increasing dependence on technology and internet access. Data protection and privacy, phishing and cyberattacks can have a devastating effect on businesses, while cyberbullying, child protection and network security are increasing concerns for parents and families.

### TARGET

Run at least one safety campaign every year in each of our core regions by 2018

**KPI 1** Number of safety campaigns run each year in each core region

**KPI 2** Number of people reached by each campaign



## Our approach

Whether it is tackling road and water safety, supporting businesses to protect themselves and their customers, or addressing the developing and complex challenges of keeping our families safe online, we are using our expertise in many ways to help our customers avoid risks and stay safe.

We work closely with management teams across a range of customers to support them to understand and mitigate emerging and ongoing risks to their businesses, through interventions as well as insurance.

Our businesses use their online and media platforms to share knowledge and expertise on issues ranging from online safety to using mobile phones while driving. Our people also share their expertise and directly support others to mitigate risk through educational programmes and product distribution. Our safety campaigns range from improving knowledge of first aid for babies, to educating school children about the risks of right-turning lorries, and distributing reflectors to keep cyclists safe on the roads.



At the core of insurance is a founding social purpose to help people and businesses recover from the most difficult of events. The *Making Things Better, Together* strategy recognises that we also have a significant role to play in helping make the world more resilient in the first place, through education, community action and leading by example in the way we run our operations. This emphasis on forward-looking risk prevention is increasingly reflected in the approach we take to our customer relationships and business as a whole."

**William McDonnell,**  
Group Chief Risk Officer



## 01 Safe, Secure World

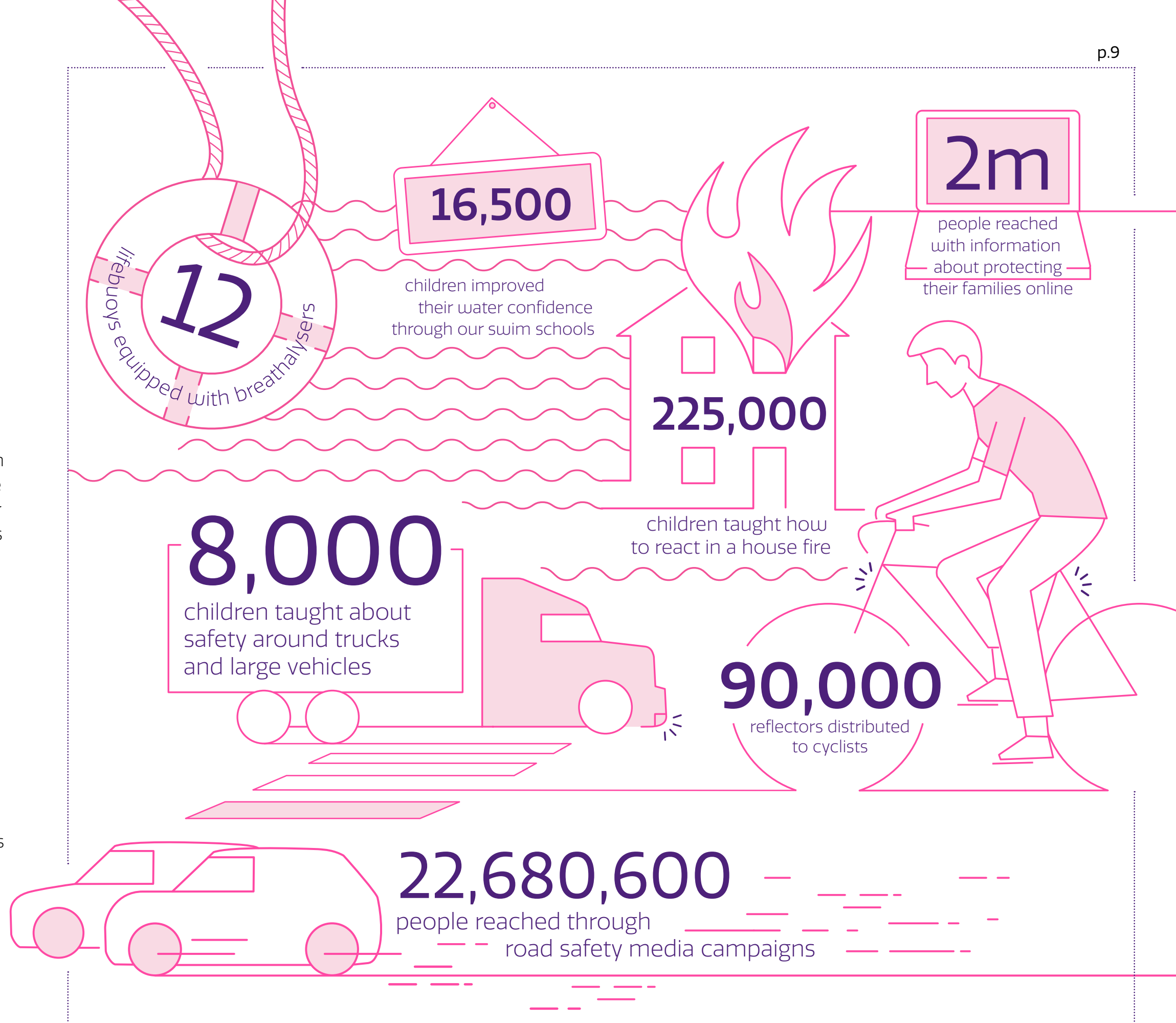
# Results

In 2017 we ran twelve safety campaigns across our regions to raise awareness of safety risks in the home, on the road and in the water, reaching millions of people through media and educational campaigns, training and product distribution.

Our road safety campaigns reached over 22 million people in Canada, the UK and Denmark. In the UK, MORE TH>N led the drive to make roads safer for everyone through its Give Your Mobile The Boot campaign, encouraging 14 million motorists to reduce risk by keeping their smartphones in their boot. In Denmark we continued our work as part of the Safety at Eye Level coalition and taught 8,000 children about safety around large vehicles. We also distributed 90,000 reflectors to cyclists to improve their safety on the roads in our Scandinavian markets.

Our online safety campaigns reached over two million people in 2017, with a focus on promoting awareness and educating families on the risks associated with cybersecurity. Codan produced an educational toolkit for teachers that was made available to all schools across Denmark, and ran a series of online tutorials offering parents expert advice, reaching 75% of Facebook users in Denmark.

Trygg-Hansa continued its work to keep families safe in 2017. Its summer swim schools helped 16,500 children to improve their confidence and ability in the water, while a virtual reality film was used to educate a further 225,000 children about how to react to fire in their homes.



## 01 Safe, Secure World

# Helping Customers in Sweden Avoid Risk in the Water

With outdoor swimming such a strong part of the national culture, our Swedish business, Trygg-Hansa, continues to tackle the everyday risks our customers face in and around water. This year, we launched an eye-catching campaign intended to give pause for thought – before people are exposed to potentially serious risk.

Trygg-Hansa has been working with the Swedish Life Saving Association to help people stay safe in the water for years. From teaching children how to swim, to improving parents' knowledge about swimming with small children, the brand has a strong association with water safety.

Around 50% of drowning victims in Sweden are found to have alcohol in their blood. To tackle this issue, we launched our Don't Drink and Dive campaign in 2015, encouraging adults to stay out of the water if they've been drinking.

Now Trygg-Hansa has taken its awareness and educational campaigns one step further by putting preventative measures in place at popular party and swimming locations.

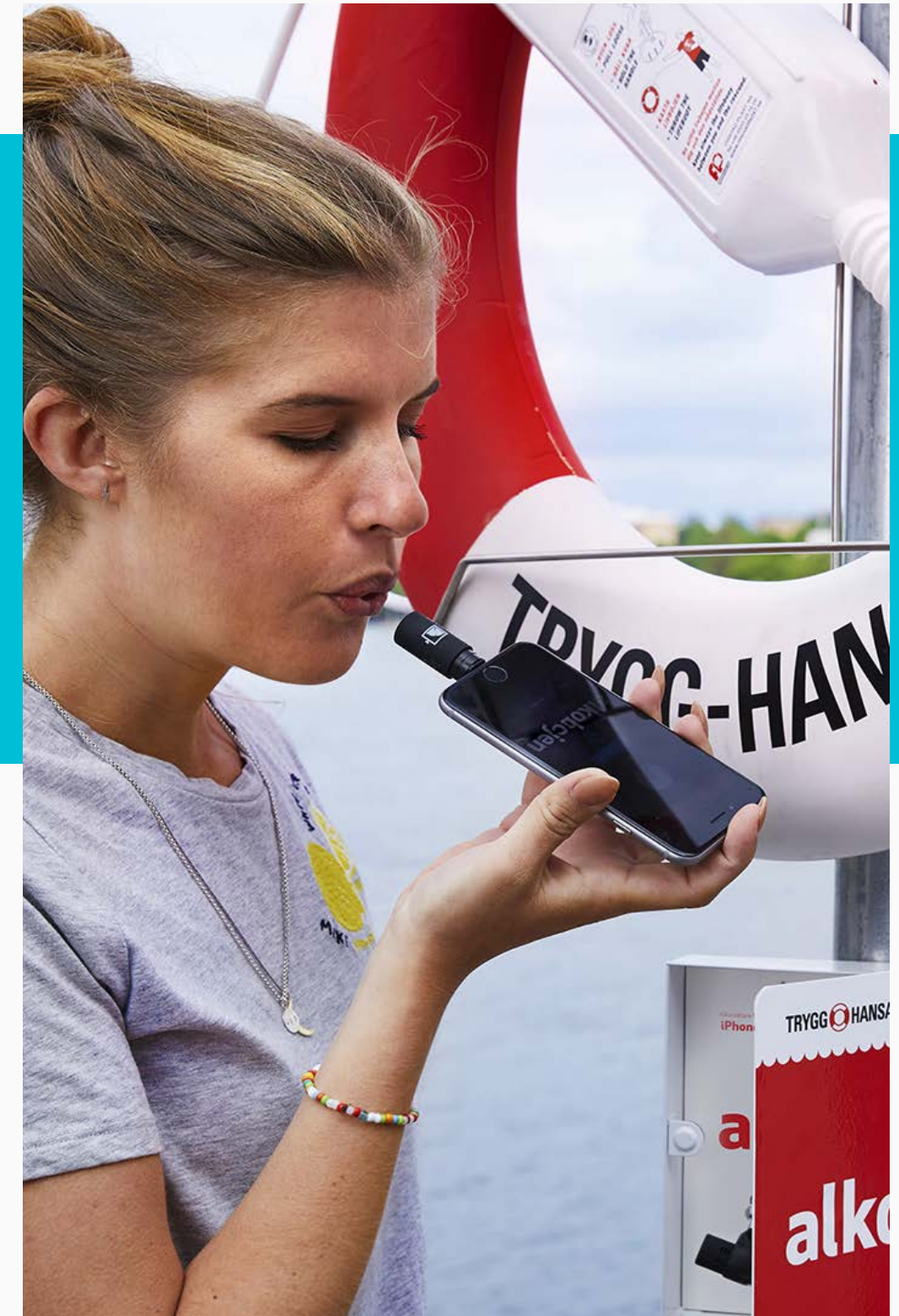


"We realised that it wasn't enough just to tell people about the dangers of drinking and swimming, we needed to enable them to make informed decisions. So we equipped 12 life buoys with breathalysers, allowing partygoers and swimmers to assess their own risks."

**Hanna Axelsson,**  
Head of Communications, Trygg-Hansa

Keeping people safe in the water has always been a serious concern for our Swedish business. In 2017 the Alcobuoy initiative was recognised by IQ, a subsidiary of Sweden's state-run off-license, Systembolaget, as an important intervention to reduce alcohol-related drowning. The Alcobuoy was awarded official IQ project status for its contribution to limiting the harmful effects of alcohol.

Trygg-Hansa's pilot is showing positive initial results and will be expanded to further locations in 2018 as we remain dedicated to promoting a safe, secure world by mitigating the risks of everyday activities.



FIND OUT MORE >





## 01 Safe, Secure World

### CASE STUDY

# Getting Smarter and Safer Online in Denmark

Our colleagues in Denmark have been drawing attention to new and emerging risks in the digital world – for families and businesses alike. Research conducted by Codan to investigate cyber risks discovered that, while parents may counsel their children on how to avoid cyberbullying, many neglect to discuss measures to help them to keep information safe online.

Codan has used this insight to create an educational campaign that increases parents' awareness of the risks their children face, and develop a range of online security insurance products that help tackle malware, phishing and exposure to indecent material.

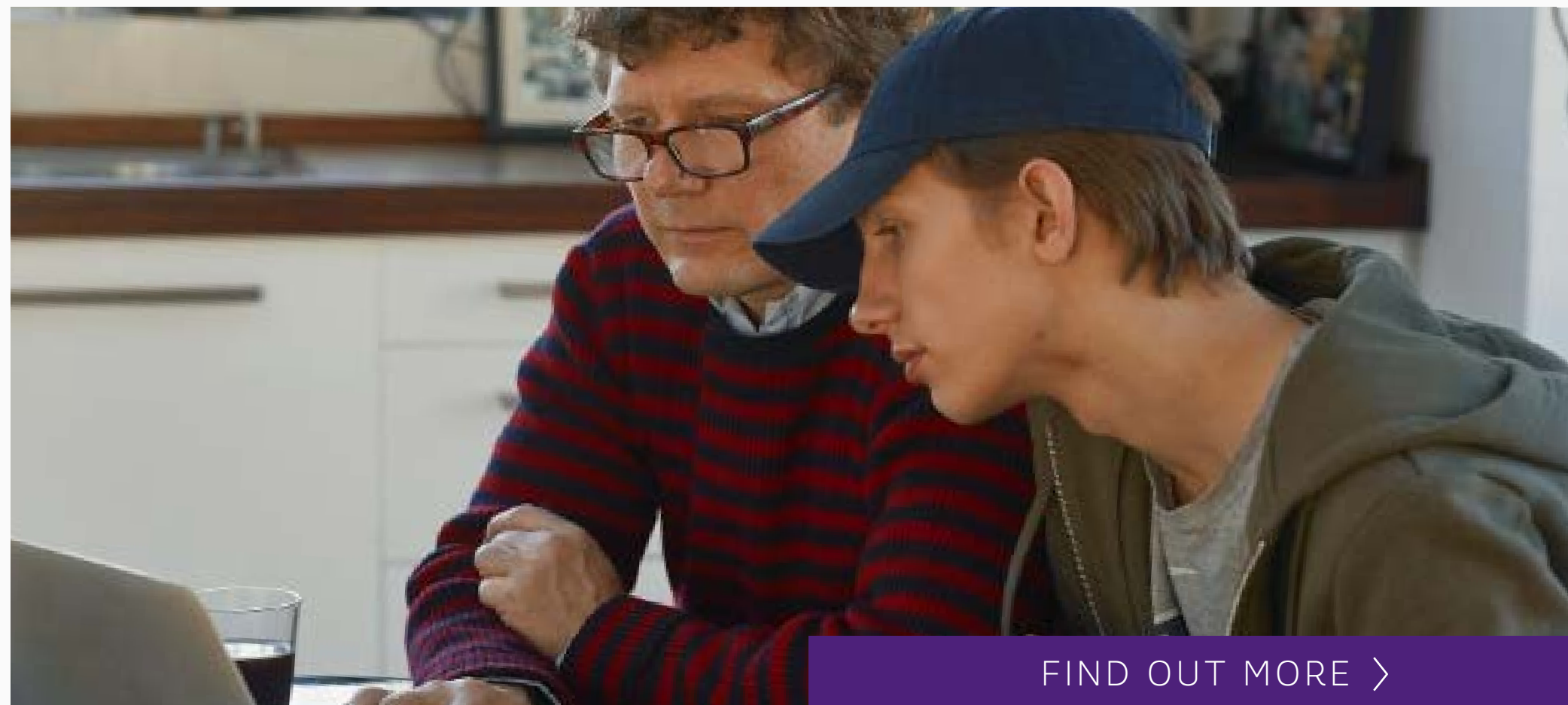
In a controlled experiment, Codan invited IT security expert, Errit Müller, to remotely hack into children's electronic devices while their parents watched on. The resultant film, demonstrating the ease and extent of the break-in, was viewed by over two million people – around 75% of all Facebook users in Denmark.

Driven by this success, Codan partnered with specialist teaching consultants, Ungdomsbyen ("Youth City"), to ensure older schoolchildren understand how to guard against digital threats and keep their identities, credit cards and private pictures protected online. Codan and Ungdomsbyen's learning lab together developed Smart Online, a free package of resources to be used as educational aids by both teachers and parents.

Realising that a lack of awareness about online security isn't only limited to young people, Codan has also been tackling the subject with businesses, providing free advice on how to protect online information from hacker attacks. The detailed guidance includes practical recommendations and a test, enabling business owners to assess their online safety and identify potential vulnerabilities.

To help businesses increase their online confidence, Codan now offers three products designed to protect them online. These products collectively cover a wide variety of modern-day risks such as hacking, viruses, data loss, digital fraud and resultant financial liabilities to customers.

Through its extensive work to highlight the unseen dangers of ever-growing online activity, Codan is using innovative technology to help families and businesses gauge and alleviate risks. Whether it's in the physical or digital world, we're committed to helping all our customers lead safer lives.



[FIND OUT MORE >](#)



## 01 Safe, Secure World

### CASE STUDY

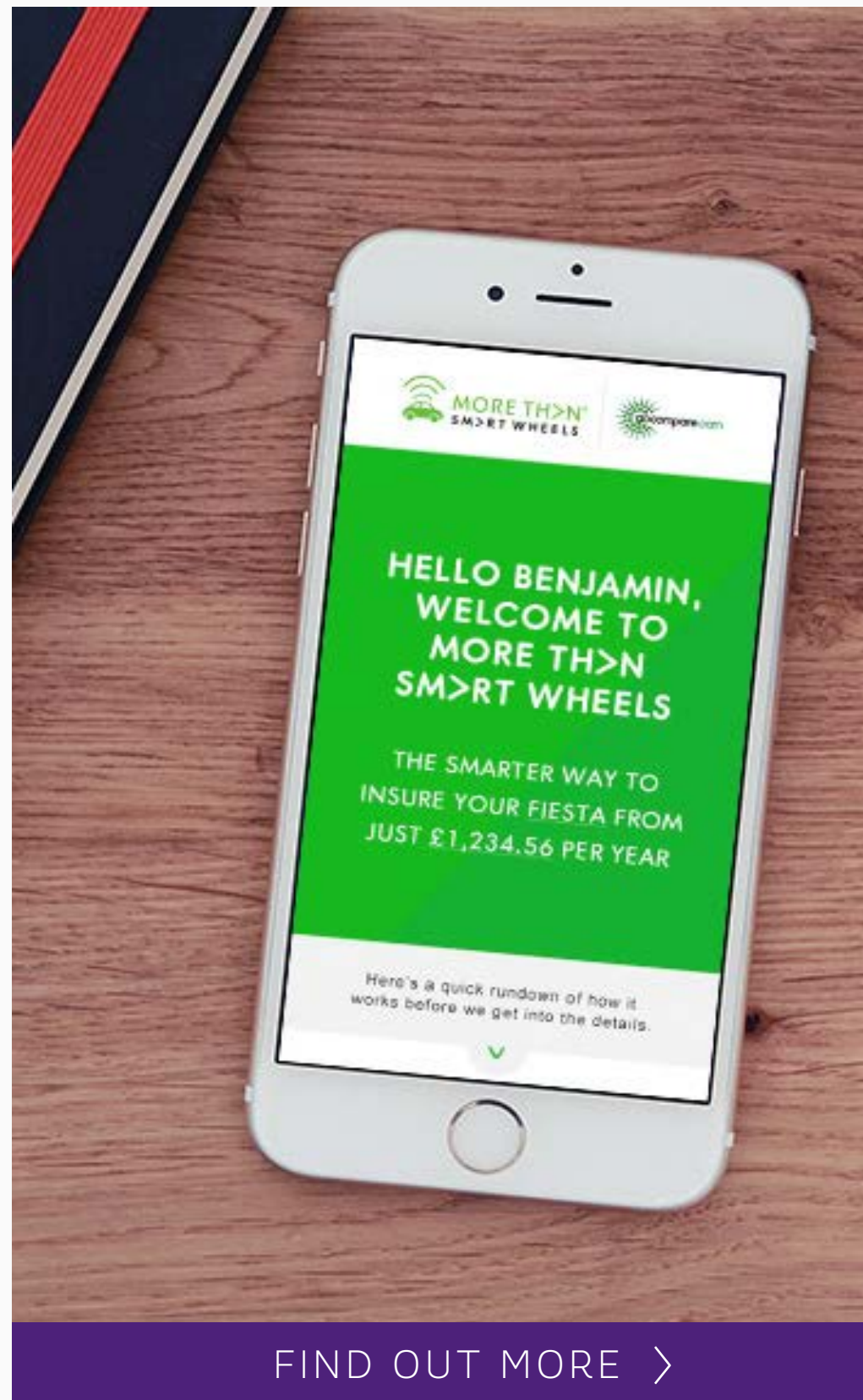
# The Smart Technology Making Our World a Safer Place

Whether it's a smartphone app that measures how well a car is being driven, or a GPS that detects a potential accident, our UK motor business is using telematics devices to help keep our customers and other road users safe.

After passing their test, young drivers face a problem: it's tough to find affordable car insurance. Sustained, high accident rates for this demographic have been driving up traditional premium prices for decades, pricing out many fledgling car owners.

The good news is that the insurance and tech industries are now combining their insight to offer a solution that reduces prices and makes roads safer – and our MORE TH>N business in the UK is helping to lead the way.

The MORE TH>N SM>RT WHEELS product puts a telematics 'black box' into drivers' cars to monitor their driving styles. By viewing near real-time information, such as speed and the frequency and severity of braking, we can reward safe, consistent driving with lower premiums and offer help and advice to reduce higher risk behaviour.



[FIND OUT MORE >](#)

Our customer managers have been trained to make every conversation count towards promoting positive driving. Through texts, app notifications and telephone calls, we're able to use our expertise to work with our customers, set targets to improve their driving and help them keep their premiums in check.

According to research conducted by the British Insurance Brokers' Association and Lexis Nexis, there has been a 30% fall in claim rates for 17-19 year olds since the introduction of telematics products in 2011<sup>5</sup>. These results are reflected in our own claims experience, including our behavioural nudging trials which have seen up to a 10% improvement in SM>RT WHEELS driving scores for the worst drivers.

These statistics all indicate that this clever use of technology is contributing to improving safety on our roads. Road traffic injuries are the leading cause of death among young people aged 15-29 globally, and we're proud of the contribution we're making to address this issue.

MORE TH>N SM>RT WHEELS is part of a growing range of telematics products across vehicle, home and even pet insurance products that put our customers in control and help them lead happier, safer lives. Access to detailed data about driving, resource use and pet health means that people now have the chance to spot the risks around them and act differently. For MORE TH>N, the same technology allows us to focus more on preventing risk rather than only responding when things go wrong.

# 02 Thriving Communities



Our business will not be successful unless the communities we operate in also flourish and thrive. We're supporting our employees to contribute to the economic and social development of their local areas, by sharing skills, offering time, and fundraising for local causes.





## 02 Thriving Communities

### The challenge

More than a decade on from the global financial crisis, many communities are still feeling the effects of the economic downturn. Unemployment levels are high in many of our operating regions, with more than one in four working age adults in Europe classified as economically inactive<sup>6</sup>.

The challenge is particularly acute among young people. In Canada and the UK youth unemployment is 11% and 13% respectively, while in Sweden almost 18% of the youth labour force is without work<sup>7</sup>.

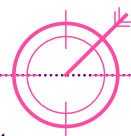
Within our workforce we have a range of skills and experience that can be put to use in addressing some of these challenges, while also offering our employees the opportunity to contribute to their local communities.

#### TARGET

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

**KPI 1** Amount of community investment, including: a) charitable spend, b) value of volunteering hours (and number of volunteering hours), c) amount of employee funds raised for charity

**KPI 2** % of volunteering opportunities supporting employability skills or social enterprise



### Our approach

We aim to help our communities thrive by using three main levers: supporting education and employability, working with enterprise and social entrepreneurs, and facilitating our employees to support local causes that they are passionate about.

Through our education and employability programmes, we encourage employees to share their experience with young people to help them develop the skills and confidence required for the workplace. In the UK, we run a bespoke employability programme called Ready, Set, Achieve which is delivered in partnership with local schools, colleges and youth centres.

We support enterprise and entrepreneurship by working with social entrepreneurs who are tackling specific social or environmental issues in their communities across Canada and the UK.

Finally, we encourage our employees to support causes they feel passionately about. We're proud that our employees are motivated to give time and energy to charitable causes. Our Group-wide Community and Charitable Policy offers employees up to two days annual volunteering leave and, in some regions, we operate a matched funding scheme to further support causes close to our employees' hearts.





## 02 Thriving Communities

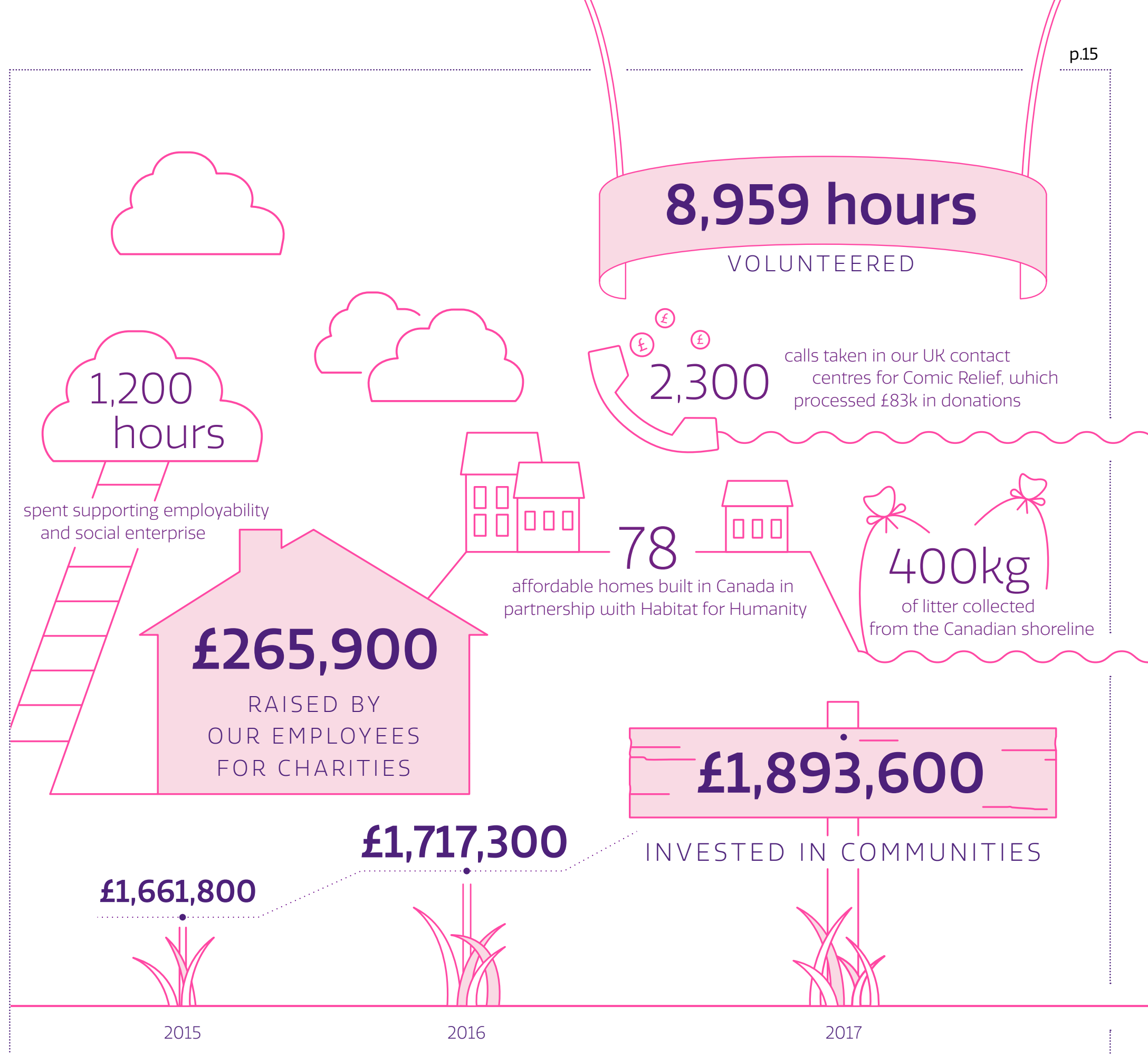
### Results

In 2017, our people volunteered almost 9,000 hours in support of local causes. This included over 1,000 hours supporting the development of employability skills in their communities, accounting for 13% of all volunteering activity. Putting their skills and experience to use, they supported over 400 individuals to increase their chances of securing sustainable employment by running mock interviews, CV clinics and workshops with schools, colleges and community centres close to our sites.

There are a number of ways we supported local enterprise and social entrepreneurship through our business in 2017. In addition to providing over 50 hours of skilled guidance and mentorship to social entrepreneurs, we supported social enterprises through our operations.

In 2017 we procured the services of social enterprise and innovation consultancy Ninety Consulting to support projects across our Group Corporate Centre and UK & International business. As a result of profits generated from the contract, Ninety anticipates being able to provide 10,000 textbooks for children in countries in West Africa and support the scale up of a mini-MBA programme for small-scale entrepreneurs in Ghana.

In 2017 our employees raised a huge £265,900 for charities close to their hearts. Whether raising money for emergency appeals such as the We Love Manchester Emergency Fund, working over the holidays to offer a Christmas meal to those less fortunate in Copenhagen, or picking over 400 kilograms of litter from the Canadian shoreline, our employees have gone over and above for the people in their communities.



## 02 Thriving Communities

### CASE STUDY

# Embracing Entrepreneurs Who Help Communities Thrive

Since they became our UK charity partner in 2013, our relationship with the [School for Social Entrepreneurs](#) (SSE) has flourished on both sides of the Atlantic. Through this award-winning programme, our employees are sharing their skills to help social entrepreneurs address local issues.

Each year, as part of SSE's unique learning programmes, RSA employees in the UK and Canada help students gain the skills and knowledge to become successful social enterprise leaders. Each RSA mentor offers a fresh, supportive perspective, and shares their skills, experience and network with their mentee.

As part of the 2016-17 cohort, RSA's Director of Pet Claims, Lee Dainty, supported Danielle Singer Moore in developing her Community Interest Company, [Project Embrace](#). The company helps people self-manage and recover from challenges ranging from stress and anxiety to more complex mental health conditions.

Danielle's own experiences inspired the development of The Pocket Advocate: a personalised, pocket-sized booklet designed to empower people to identify the triggers, signs and actions needed to help prevent incidents of mental distress, crisis and relapse. This core product has since been adapted for people in a range of environments, including education and the workplace.

"My background is in the creative arts, so in terms of business experience everything was a first," recalls Danielle of the time she entered the programme. "There had been some pretty hairy learning curves but the support from those around me, including Lee, gave me the strength to keep Project Embrace on track."

As Danielle's mentor, the valuable experience Lee offered was only ever a phone call away. "Lee provided a consistent presence and confidence that enabled me to make bold decisions that have ultimately brought a wider audience to Project Embrace," says Danielle.

Today, over 5,000 people have engaged with Project Embrace through a wide range of solutions and initiatives that include online downloads, workshops, training, talks and campaigns to raise awareness. Project Embrace's growing network of ambassadors and dedicated team of experts and volunteers are now preparing for the launch of The Pocket Advocate's digital service in 2018.

"Meeting Danielle and helping support her work with Project Embrace has been a very rewarding experience personally," says Lee. "I know many people will benefit from her amazing focus and work in this space."

We're proud that our people can play an active role helping social entrepreneurs develop their own businesses, supporting them to make even more impact for their communities. Although Danielle has progressed to become an SSE Fellow now that her programme has ended, Lee continues to provide support as her mentor.

Our partnership with SSE in Canada has expanded over the past three years where, in addition to mentoring, we've worked with the charity to develop bespoke support for social entrepreneurs that increase their business expertise. These include introduction to risk, customer relations, marketing, financial management and social media.



Danielle with two members of her team at Project Embrace

FIND OUT MORE >





## 02 Thriving Communities

CASE STUDY

# Building Affordable Futures in Canada

For over thirty years, Habitat for Humanity Canada has been helping a nation meet one of its most pressing needs: affordable housing. One in seven Canadian families today are unable to secure safe, decent housing, living month-by-month and often choosing between food and rent.

Habitat for Humanity's approach to the housing problem is innovative – people help build their own homes and get affordable mortgages in return. It has also proven to have wider benefits – improving the living conditions of working families so that they experience better health, stronger childhood development and are less reliant on food banks.

In celebration of Canada's 150th anniversary of Confederation, the charity set out to put up 150 new homes in its biggest build project yet, with RSA employees helping to construct more than half that total.

The 78 Edmonton homes our colleagues worked on were particularly significant to us. The Fort McMurray wildfires in 2016 led to 80,000 evacuations and the damage and destruction of 2,400 buildings. Our Claims team worked around the clock in proactive support of those affected, including in Edmonton, where many evacuees took shelter.



Through a mixture of peer nominations and an internal competition, we selected colleagues from our Claims department to work alongside Habitat for Humanity's other volunteers. The ten successful applicants then helped provide much-needed housing in an area with which they'd formed a strong emotional connection.

The opportunity to partner with Habitat for Humanity allowed us to bring many strands of our corporate responsibility strategy to life. Like us, they're committed to helping communities thrive. They also share our ambition to protect people every day and help them live safer, more secure lives.

In addition, this specific project enabled our Claims team to continue supporting a community that they had worked so hard to assist the previous year. Their tireless response to the Fort McMurray wildfires proved what we already knew – that when any catastrophe hits, our employees work hard to swiftly deliver essential, practical help to affected customers, with the minimum of fuss.





## 02 Thriving Communities

CASE STUDY

# A Week-Long Celebration of Our Community Volunteers

RSA gives employees two days additional leave each year to volunteer for causes close to their hearts. We know our people are motivated by helping others – we see it every day in the way they handle customers claims – so Volunteer Week offers an extra opportunity to help out beyond their day jobs.

Every year during Volunteer Week, colleagues up and down the UK roll up their sleeves and help those around them. This year, more than 200 RSA employees spent over 1,500 hours supporting local causes.

Colleagues from London, Sunderland and Manchester spent 180 hours delivering workshops in their communities in 2017, supporting over 100 individuals to develop vital employability skills. RSA's bespoke workshop, Ready, Set, Achieve, was developed to enable participants to gain some of the critical skills needed to secure sustainable employment, and is delivered throughout the year by our employees in schools, colleges and community centres across the UK.



Our offices in London are located near the city's East End and, while the square mile is home to many large FTSE 100 companies, the surrounding boroughs have some of the highest unemployment rates in the city.

During Volunteer Week, a team of colleagues from our London office ran an employability workshop for ex-offenders at Hope Family Trust, an organisation that aims to build confidence and develop the skills needed to help them return to work. 'The workshop surpassed my expectations,' said the charity's manager, 'My "boys" gave their high praise, which believe me when I say so, is not common.'

In Chelmsford, colleagues put their backs into revitalising the gardens at nearby Farleigh Hospice, a charity that they supported throughout the year with fundraising. The results of their efforts mean patients now have a fabulous green space to enjoy all year round.

In London, volunteers served lunch and played games with users of the Hackney Caribbean Elderly Organisation, constructed flowerbeds and mucked out at Stepney City Farm.

As part of the busy week, our Peterborough teams helped out at Nene Valley Railway, Thorpe Hall Hospice and the Railworld Wildlife Haven. At the Green Backyard, a community garden created from a derelict allotment site, RSA and Nationwide staff joined forces to plant, build, chop and weave, bringing the garden to life in spite of the prevailing weather.

Throughout the UK, our people are making a significant contribution to their local communities – both during Volunteer Week and the rest of the year, contributing over 7,500 hours of volunteering in 2017. The impact they have on charities and their beneficiaries ensures all of us at RSA remain proud of our continuing, collective ambition to help our communities thrive.



# 03 Sustainable Future



The risks and demands of a changing climate are of critical importance to our business, customers and stakeholders. We work to actively accelerate the transition to a low-carbon economy and to improve society's resilience to extreme weather.

## 03 Sustainable Future

### The challenge

Every business has a responsibility to safeguard the environment for future generations and play its part in addressing climate change. The insurance sector is particularly close to the effects of a changing climate through the services and support that we provide to our customers in response to natural catastrophes.

Climate change poses risks to both people and the natural environment. Since 1970, the number of natural disasters worldwide has more than quadrupled to around 400 a year, affecting over 500 million people in 2016<sup>8</sup>. At the same time, we're increasing pressure on finite natural resources with increased energy consumption and demand for raw materials; it is estimated that by 2030 the world will need 50% more energy and 35% more food than it does today<sup>9</sup>.

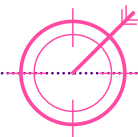
#### TARGETS

**Target 1**  
Reduce our group carbon footprint by 4% per person by 2017 from a 2016 baseline<sup>10</sup>

**KPI 1** Tonnes of carbon dioxide equivalent presented as both actual (tCO2e) and per employee (tCO2e/FTE)

**Target 2**  
Deliver at least one awareness/ support campaign per year in each of our core regions to support our customers in adapting to climate change and reducing their greenhouse gas emissions

**KPI 2** Number of awareness/ support campaigns



### Our approach

Our commitment to helping build a sustainable future spans several important themes, including managing the impact of our own business on the environment, supporting our customers to adapt and respond to climate change, and insuring renewable energy projects to accelerate the transition to a low-carbon economy.

#### Reducing our own emissions

We are committed to reducing our business' contribution to climate change and promoting sustainable working practices amongst employees and suppliers. In 2016, we surpassed our Group carbon reduction target of 12% reduction per Full Time Equivalent (FTE) from a 2015 baseline, and set a new target to reduce our year-on-year emissions by 4% per FTE in 2017. This year, we are continuing our commitment to reducing our emissions with a target to achieve a further 4% reduction per FTE by 2018<sup>10</sup>.

Our CR representatives in each country collaborate with colleagues in real estate, procurement, finance and product development to identify and deliver projects that generate environmental improvements.

#### Supporting our customers

We are also addressing climate issues through our products and services, and helping customers respond to changing environmental risks and opportunities. We know our support can add value before, during and after claims, by helping our customers to anticipate, recover from and build resilience to risks. By sharing our risk management expertise we are able to promote better understanding of the exposure to risk from severe weather events, and enable people to recover quickly.

For example, our Claims Surge Plans in our Irish business enable us to provide a cross-functional response to our customers before and during a severe weather event. We issue claims information via SMS and provide advice and guidance on the internet at first warning to equip customers with knowledge of how to act should the worst happen, allowing us to support them at speed when they need it most.

#### Insuring renewable energy

We are proud to insure renewable energy projects across the world, using our knowledge of these products to reduce the risks and costs associated with renewable energy and support the transition to a lower carbon future. We are a leading insurer of offshore wind through our centre of excellence for wind energy in Denmark, and we continue to grow our onshore wind and solar energy portfolios.

We are continuously evaluating the risks of new technologies and prototypes to expand our expertise in this sector and bring innovative projects to fruition. Through our knowledge of these products, we are reducing the risks and costs associated with renewable energy and helping support the transition to a lower carbon future.





### 03 Sustainable Future

## Results

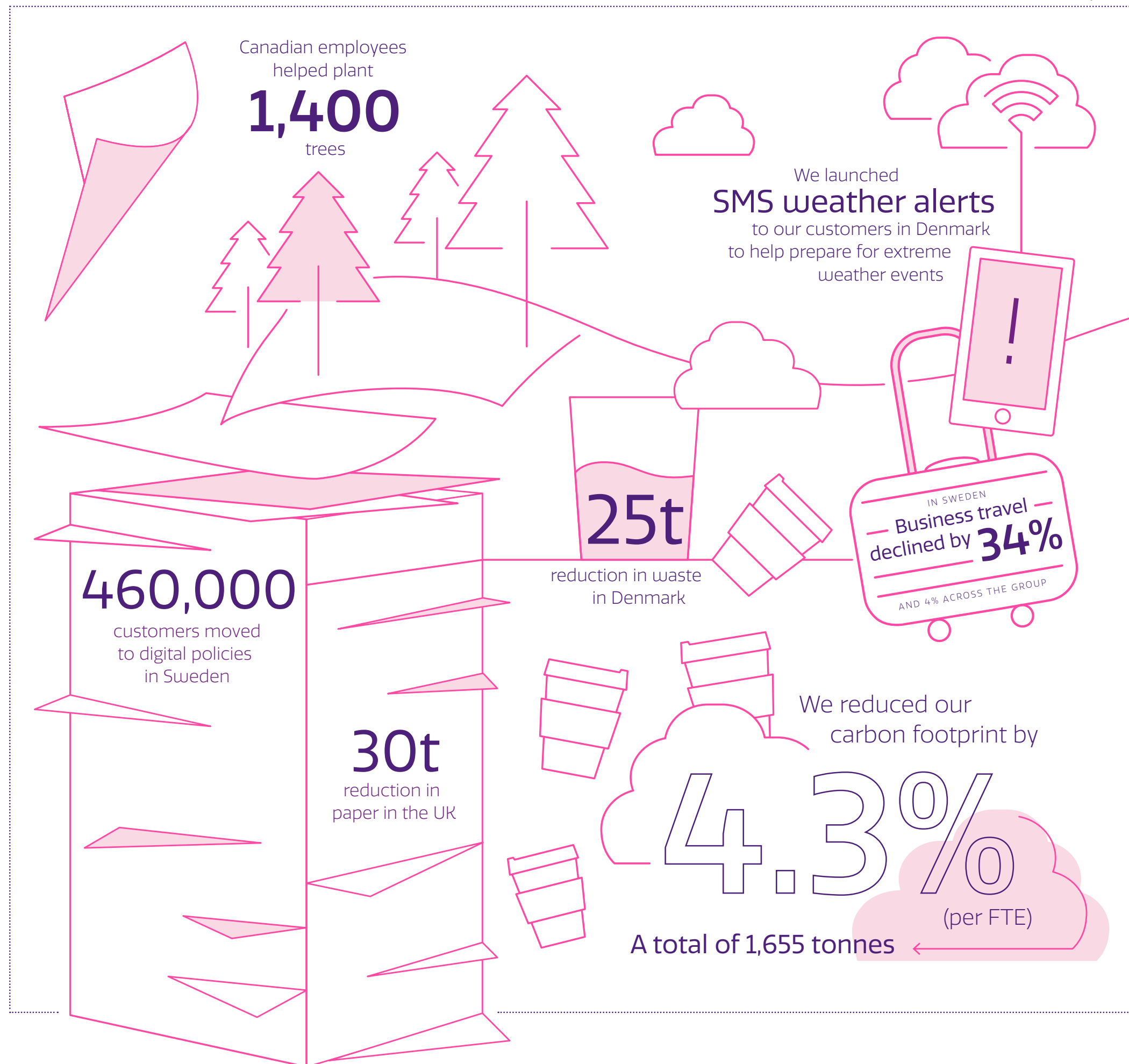
Our carbon emissions target helps us to minimise the negative impacts of our business activities. In 2017 we achieved our target to reduce emissions per FTE by 4% by adopting better ways of working and implementing local energy efficiency programmes.

By improving our Building Management Systems and integrating sustainable design standards into our refurbishments, overall we have achieved an 18% reduction in our emissions per FTE since 2015.

We are also taking action to reduce our environmental impact by reducing the amount of paper we use. In 2017 we reduced our paper use in the UK by 30 tonnes through encouraging better ways of working and implementing paperless processes. In Sweden we have set an ambitious target to move 750,000 customers to online policies and communications by the end of 2018, with over 460,000 customers already signed up.

As a Group, we are working with industry peers to share best practice and collaborate to develop sector guidance. As a signatory member of the UN Principles for Sustainable Insurance, in 2017 we joined a working group to develop a global Environmental, Social and Governance (ESG) standard for insurance. The working group will develop guiding principles and best practice for underwriters to assess risks around human rights, environmental and social issues following extensive consultation with the insurance industry.

In Canada, we are working with WWF Canada to host knowledge-exchange events with the business community, focusing on practical ways to help organisations accelerate the transition to a low-carbon economy.



## 03 Sustainable Future

# Insuring Transformational Renewable Energy Projects

With over 30 years of experience behind us, we're proud to be global leaders in renewable energy insurance. As our respected team of specialist underwriters works with governments and businesses around the world, we help further the viability and uptake of renewable technologies and support the move towards a low-carbon future.

We're already a leading insurer of offshore wind farms globally, and we're building a strong profile in the solar energy market as well. This expertise and exclusive view of the risks associated with renewable energy is allowing us to support and help protect complex, innovative new proposals to flourish – none more so than the world's biggest single-site solar plant in the UAE.

In 2017, our Renewables and Engineering team in London partnered with renewable energy pioneers, Masdar, and broker Willis Towers Watson, to insure the Mohammed bin Rashid Al Maktoum Solar Park.

The \$870 million solar park will cover an immense 214 square kilometres. By 2030, it's expected to have the capacity to generate 5,000 MW of power, enough to power a city the size of London.

This single park has the potential to reduce 6.5 million tonnes of carbon emissions every year and will contribute to delivering Dubai's Clean Energy Strategy 2050; which aims to achieve 7% total power generation from renewable energy sources by 2020, 25% by 2030 and 75% by 2050.

It's projects like this that our renewable energy underwriting team are helping to make viable and strengthen, as they work with customers to actively manage risk. Thanks to our extensive experience, our underwriters and technical teams are able to identify and solve gaps in coverage at the earliest of stages, before they become a problem.

By limiting the problems that drive up the costs associated with developing such projects, RSA hopes to encourage further investment for the renewable energy movement to accelerate the essential transition to a low-carbon economy.

The Mohammed bin Rashid Al Maktoum Solar Park has the potential to reduce 6.5 million tonnes of carbon emissions every year and will contribute to delivering Dubai's Clean Energy Strategy 2050.





### 03 Sustainable Future

# Collaborating Across our Industry to Address the Risks and Opportunities of Climate Change

As members of ClimateWise, the global insurance industry leadership group, we're working with academia and our peers to address some of our industry's and society's most critical sustainability challenges.

We are proud of the part we play within ClimateWise. Facilitated by the University of Cambridge Institute for Sustainability Leadership, the group is founded on six core principles that support members to disclose their specific response to the risks and opportunities of climate change to the financial markets.

In 2016, we increased our commitment to ClimateWise by becoming a founding member of its Insurance Advisory Council, a network of senior leaders from across the industry.

The Council is commissioning research that draws on the insurance industry's unique data, analysis, modelling and expertise, to examine how it can support society to transition to a zero carbon, climate-resilient future.



"The insurance industry is well-positioned to play an important role in helping society adapt to changing environmental risks and opportunities. I am proud to represent RSA on the ClimateWise Insurance Advisory Council to drive that agenda."

**Scott Egan**  
Group Chief Financial Officer

One such research project is exploring how insurers' climate models can play an active role in helping other parts of the financial sector better understand their exposure to the physical impacts of climate risks and, crucially, how to manage those risks.

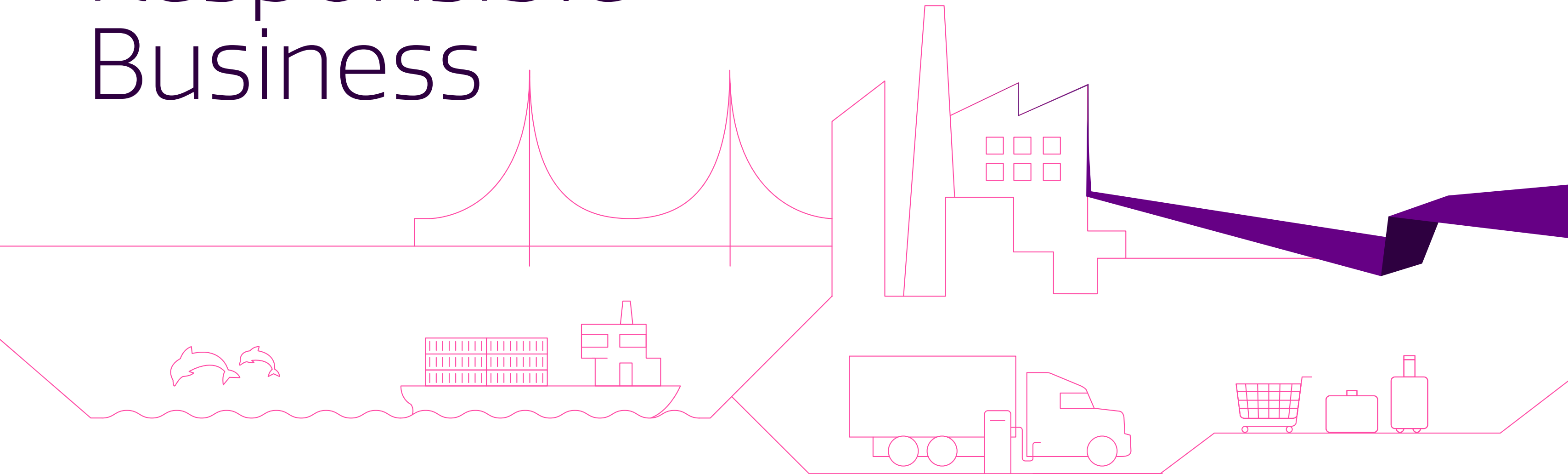
In addition to pooling data to run through the risk models, RSA is providing expertise and guidance to the research project through our Group Investment function, overseen by Scott Egan, RSA's Chief Financial Officer and representative on the Insurance Advisory Council.



[FIND OUT MORE >](#)

The project will use the models to highlight concentrations of climate risk to real estate lending portfolios in order to create a dialogue on the availability of insurance. The aim is to shine a light on the climate-risk protection gap – the growing divide between total economic and insured losses attributed to climate change – and, ultimately, help align stakeholders around common responses.

# 04 Responsible Business



Being a Responsible Business means being open and transparent with our customers, employees and suppliers about how we manage our operations and deliver our products. This helps us to build dialogue and trust, and to understand where and how we can improve.

## 04 Responsible Business

---

### The challenge

Public trust in businesses remains low since the financial crisis and surges in globalisation and technological change. The 2017 Edelman Trust Barometer revealed the largest-ever drop in trust across the institutions of government, business, media and NGOs alike<sup>11</sup>.

The way that a company treats its employees, customers, partners and suppliers is a key driver of trust and loyalty. As a £6.7 billion business, we know that the choices we make can have a lasting impact on the communities we work in, through the markets we influence and the example we set.

### Our approach

We need to be adaptive to different needs and supportive of our customers and employees in times of change. That means being resilient, with the right people, products and processes in place to compete in our markets. At the same time, we want to ensure that we operate responsibly and sustainably, in a way that all our stakeholders can be proud of.

As a signatory to the UN Global Compact, RSA is committed to integrating the 'Ten Principles' on human rights, labour, environment and anti-corruption into how we do business. This report shares the actions we are taking to embed the principles into our strategy, culture and daily operations.

### Our Customers

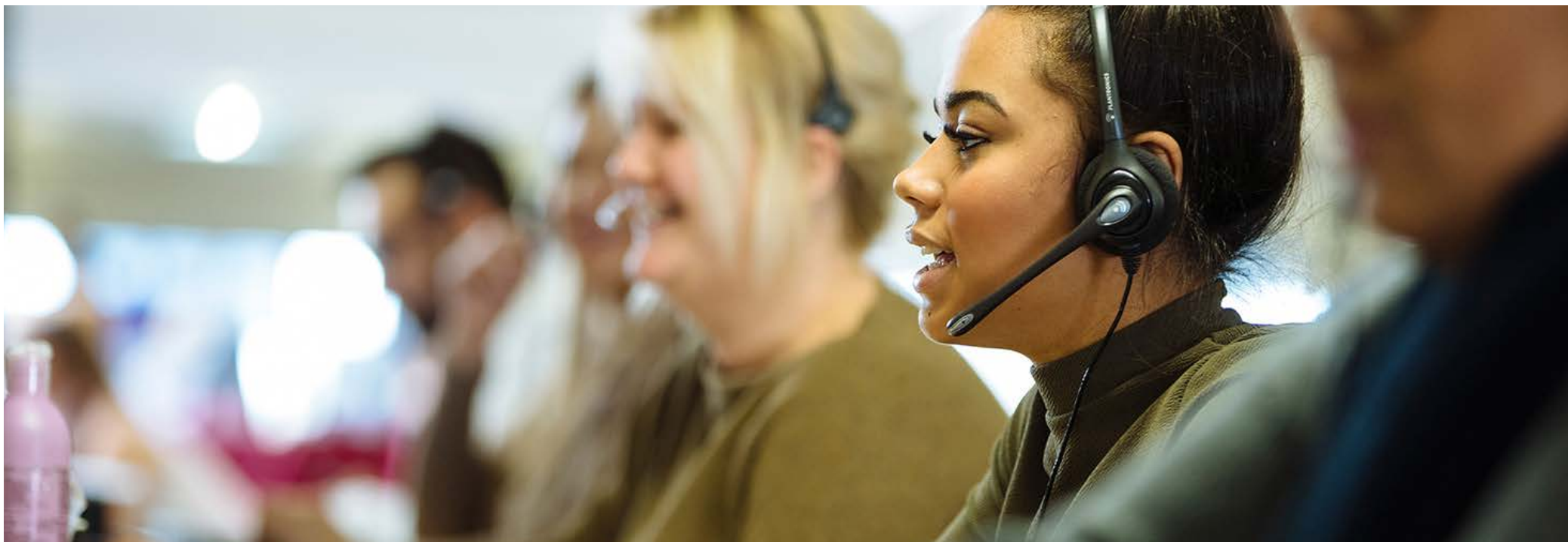
Good business starts with our customers, so we strive to keep them at the heart of what we do through consistent support and excellent service.

Each of our customers has individual needs, and we take a holistic approach in the way we support them. Some may require extra support due to a change in their circumstances or a mental or physical condition. Through continued learning and development, we ensure that our product offering, pricing, service design and choice of communication channels enable our customers to make informed choices.

In 2017, Codan celebrated 30 years of partnership with Ældre Sagen, an affinity partner for customers over the age of 60. To ensure insurance is readily accessible for older people in the country, Codan offers these customers a dedicated website, cover which provides free psychological support in the case of an assault or attack, and tailor-made home and liability insurance which takes into consideration a range of living circumstances including sheltered accommodation.

In the UK, our Motability business provides insurance cover for the Motability Scheme to enable disabled people to lease a vehicle using their mobility allowance. Our customer profile in this business is changing and we are now seeing a higher percentage of customers with cognitive disabilities joining the scheme. RSA Motability is working to design and deliver training to all employees to move with this shift and change in demands. The entire Service Unit have been formally trained and recognised as Dementia Friends by the Alzheimer's Society, supported by Unite in RSA as part of its Lifelong Learning Initiative.

For more details about our commitment to customers, [click here](#).





## 04 Responsible Business

### Our People

Building a sustainable, innovative business that creates better customer solutions relies on a diverse workforce.

In 2017, we continued to make progress on our best-in-class ambition. For our people, this means creating an environment with high standards of leadership, efficient and effective ways of working, great technical know-how and an inclusive, sustainable culture in which people can be their best.

We appointed a Group Head of Diversity and Inclusion (D&I) to develop and implement the Group's D&I strategy and take responsibility for the Group D&I Council action plan. We also signed the [Women in Finance Charter](#), publishing our Group-wide target to achieve 33% representation of women in our Management Group by 2020.

Across our business we continue to support the transition of talented people across various levels, actively participating in mentorship schemes such as the 30% Club in the UK, and investing in our Group Technical Academy which delivered over 7,000 training hours in 2017.

For more details about how we support our people, [click here](#).

### Our Suppliers

We are committed to extending responsible business practices to our supply chain.

Our Group Third Party Contracts policy sets out the requirements for our supplier relationships. In 2017 we updated this policy to include strengthened due diligence of high risk suppliers, introducing questions which assess a supplier's position on human rights, environmental and social issues in all new requirements for material contracts across the Group. We expect every supplier to adhere to our enhanced Code of Conduct and will instigate remedial action or terminate relationships with any third party unable to demonstrate compliance with our Code.

For more details about our supply chain corporate responsibility, [click here](#).

### Our Business

We are committed to improving the way our business operates, to ensure the positive impact is maximised and the negative minimised.

This includes being clear that bribery and corruption are not tolerated anywhere in our business through robust Anti-Corruption, Conflicts of Interest and Gifts and Hospitality policies which apply Group-wide.

We also take steps to address ESG risks to our business operations through mechanisms such as our High Risk Country Framework, which guides business that we write. In 2017 we updated our High Risk Country Listing to raise awareness of trades and countries that have been identified as presenting an increased exposure to the risk of modern slavery practices. Our Human Rights policy underpins this work, ensuring our operations uphold the principles of human rights.

For more details about our business operations, [click here](#).



Becoming a signatory to the Women in Finance Charter is part of our wider efforts to build an inclusive and diverse culture at RSA, where talented individuals feel welcome and included."

**Cathy Lewis,**  
Group HR Director





## 04 Responsible Business

### CASE STUDY

# Taking Good Care Of Vulnerable Customers

Customers are the heart and conscience of our business. This year, we implemented a brand-new policy to ensure that all customers have equal access to RSA products and services, regardless of the presence of any perceived or actual vulnerability.

Anybody could find themselves in a vulnerable position due to changing events. At RSA we're committed to ensuring that our products, services, systems and communications are developed to promote accessibility and fairness for all our customers, no matter their circumstances.

In 2017, our UK Personal Lines business carefully selected a new group of Vulnerable Customer (VC) Champions to act as advocates and help embed the policy within the business. The champions received emotional intelligence, empathy and empowerment training, and will support and guide our people by sharing their knowledge.

We're expanding our wider staff training too, rolling out face-to-face and e-learning modules focused on vulnerable customers and introducing the TEXAS drill methodology,



a five-step approach to gathering appropriate information regarding a customer's current situation in order to better support them.

In 2018, the training programme will develop further to ensure both customer facing and non-customer facing staff can confidently recognise, understand and support vulnerable customers at all stages of their journey with us.

Because we want our culture to value the specific requirements of all customers equally, we'll sharpen our focus on better serving our older customers too. For example, we're looking to introduce a legal mandate form that will help us assist a family member contacting us on behalf of a parent taken into care within just 24 hours – much faster than the eight to ten weeks often required for power of attorney.

We're committed to strengthening and improving the way we operate right across our business, and building this culture and awareness is a team effort. We'll continue working with our customers, charities, partners and people to develop our practice and approach in 2018 and beyond.



A lady called because her husband lost his hearing aid in hospital. It was clear he'd been admitted long-term and she was very upset. I used the TEXAS drill to carefully collect all the necessary claim information and have since followed up to ensure our supplier handles the situation with sensitivity. I also arranged to send some chocolates for the lady to share with her husband."

**Henna Tulhat**  
Vulnerable Customer Champion



## 04 Responsible Business

### CASE STUDY

# Building a Healthier Workplace

In Canada 500,000 people will miss work in any given week due to mental health issues or illness, so it's no wonder that improving workplace health is a focus for our business. This year our Canadian offices put the Not Myself Today campaign at the centre of their strategy.

With almost half of all workers saying they've experienced mental health difficulties, there's never been a more pressing need for greater support and awareness. The Not Myself Today initiative is organised by Partners for Mental Health, part of the Canadian Mental Health Association. The campaign aims to inspire businesses to shine a light on mental health problems in the workplace and actively assist anyone who may be living with their effects. Coinciding with national Mental Health Awareness Week, May 1st - 5th, our business in Canada used the opportunity to start conversations amongst colleagues on the subject.

As part of facilitating mental health discussion, we encouraged people to wear buttons revealing whether they felt good or overwhelmed and stressed. Seventeen Campaign Champions, online articles, social media and daily, anonymous, mental health questions all helped stimulate the conversation.

One employee commented online, "This subject has been left in silence too long and it's not a subject to be ashamed to discuss or support. This is another reason I am proud to work for such a great organisation."

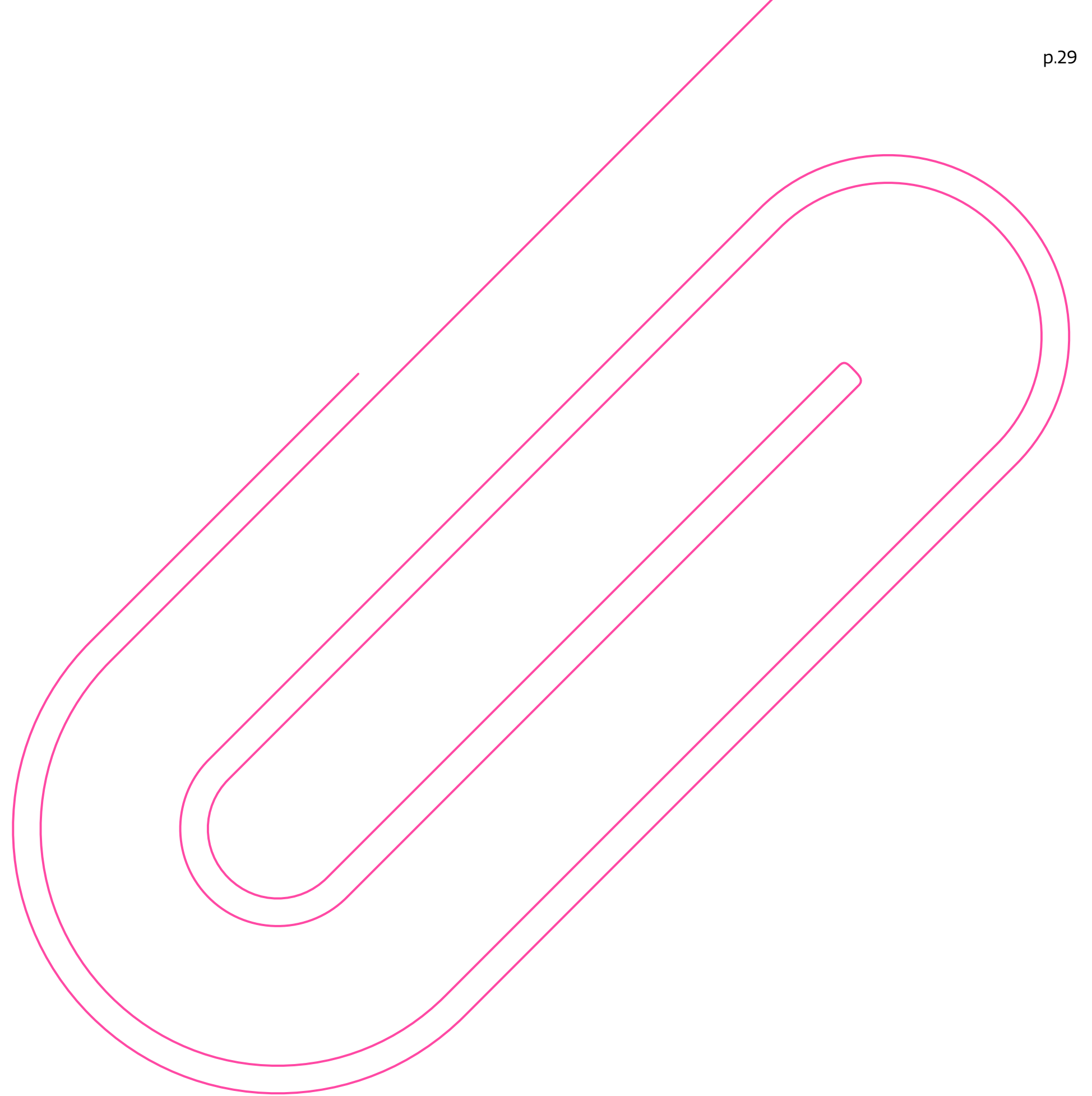
We all have a responsibility to not only look after our own mental wellbeing, make changes and seek treatment when necessary, but also to support those around us in the workplace.

At RSA, we take this responsibility seriously and provide employees with access to a portal full of tools and resources that support individuals' mental health and the health of those around them who may be experiencing difficulty. Since the Not Myself Today campaign, we've continued to both publish monthly wellness intranet guides and remind colleagues to access the portal.

Through RSA Canada's participation in the Not Myself Today awareness campaign we're trying to create understanding, openness and discussion of mental health issues in a way that cuts out the stigma. We want to foster a safe, supportive work environment for all, where no one suffers in silence.



# Appendix





## Appendix

### Greenhouse gas emissions

	2017	2016 <sup>1,2</sup>	2015 <sup>1</sup>
<b>Scope 1</b>	2,195 <sup>Ⓐ</sup>	2,153	4,173
<b>Scope 2</b>	10,039 <sup>Ⓐ</sup>	11,319	13,890
<b>Scope 3</b>	12,052	12,469	13,919
Business Travel	10,824 <sup>Ⓐ</sup>	11,272	12,379
<b>Total gross tonnes CO<sub>2</sub></b>	<b>24,286</b>	<b>25,941</b>	<b>31,981</b>
<b>Gross Tonnes of CO<sub>2</sub>e per FTE</b>	<b>1.80</b>	<b>1.88</b>	<b>2.13</b>

#### Approach

Our disclosures cover all sources of greenhouse gas emissions as required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, covering everything within the boundary of our operational control. Figures above include emissions from all operations with 50 or more full time equivalent employees, covering the period 1st January 2017 – 31st December 2017.

Where data is not provided by the operating entity, estimates have been provided based on intensities determined from similar sites within the Company. Our reporting has been conducted in accordance with guidance set forth by the GHG protocol's corporate standard.

All conversion factors have been sourced from recognised public sources, including the UK's department for environmental and rural affairs, the international energy agency and the GHG protocol's stationary combustion tool.

Please note, emissions reported above have been restated versus numbers previously disclosed, in accordance with GHG protocol guidelines.

<sup>1</sup> Removed the impact of all divested businesses, including sale of our Quality Repair Centres (QRCs), Russia and Latin American businesses, to allow for fair comparison year on year

<sup>2</sup> Conversion factors have been updated to reflect most recent publications.

<sup>Ⓐ</sup> Values independently assured by PwC in accordance with ISAE 3000 (Revised) and ISAE 3410. For further information, please refer to our reporting criteria and PwC's assurance opinion which can be found on our Corporate Responsibility pages at [www.rsagroup.com/responsibility](http://www.rsagroup.com/responsibility).

**Scope 1:** Direct emissions from the group's activities, including use of company-owned vehicles and onsite thermal energy

**Scope 2:** Indirect emissions from imported energy; electricity, district cooling and district heating.

**Scope 3:** Emissions relating to RSA activities not within our direct control, including business travel, water supply, wastewater treatment, paper and waste generated.

Business travel: Emissions from flights, trains, taxis, hotels and vehicles not owned by the organisation.

### Annual Community Investment

	2017	2016	2015
<b>Payments to Charities</b>	£1,423,400	£1,315,900	£1,282,300
<b>Employee Raised</b>	£265,900	£153,800	£222,800
<b>Volunteering Value</b>	£197,500	£141,700	£156,700
<b>Gifts in Kind</b>	£ 6,800	£105,900	-
<b>Group Total</b>	<b>£1,893,600</b>	<b>£1,717,300</b>	<b>£1,661,800</b>

### REFERENCES

- WHO (2017). Road Traffic Injuries Fact Sheet. Available at <http://www.who.int/mediacentre/factsheets/fs358/en/>
- Ibid.
- WHO (2017). Drowning Fact Sheet. Available at <http://www.who.int/mediacentre/factsheets/fs358/en/>
- WHO (2014). Global Report on Drowning. Available at [http://www.who.int/violence\\_injury\\_prevention/publications/drowning\\_global\\_report/Final\\_report\\_full\\_web.pdf](http://www.who.int/violence_injury_prevention/publications/drowning_global_report/Final_report_full_web.pdf)
- Insurance Journal (2018). Available at <https://www.insurancejournal.com/news/international/2018/01/25/478501.htm>
- Eurofund (2017). Reactivate Employment opportunities for economically active people. Available at: [www.digitalscommons.ilr.cornell.edu/intl/630/](http://www.digitalscommons.ilr.cornell.edu/intl/630/)
- OECD (2017). Youth Unemployment Rate. Available at: <https://data.oecd.org/unemp/youth-unemployment-rate.htm>
- CRED (2016). Annual Disaster Statistical Review 2016: The numbers and trends. Available at: [http://emdat.be/sites/default/files/adsr\\_2016.pdf](http://emdat.be/sites/default/files/adsr_2016.pdf)
- PwC (2016). Five Megatrends and their implications for Global Defense and Security. Available at: <https://www.pwc.com/gx/en/government-public-services/assets/five-megatrends-implications.pdf>
- This target was set following the successful achievement in 2016 of our 2018 target to reduce our group carbon footprint by 12% per employee.
- Edelman (2017). Trust Barometer 2017: Annual Global Survey Available at: <https://www.edelman.co.uk/magazine/posts/edelman-trust-barometer-2017-uk-findings/>

