



Confident Futures

Corporate Responsibility
Report 2019



Welcome to our 2019 corporate responsibility report

This corporate responsibility report outlines our progress towards our Confident Futures strategy. The report covers performance across RSA's global operations in the financial year 1 January to 31 December 2019.

Additional online information

Please visit our [Corporate Responsibility](#)

[Reporting Criteria 2019](#) for information on our reporting approach, scope and boundaries.



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Insurance has a deep-rooted social purpose. Our Confident Futures strategy helps us embed responsibility into how we do business today.”

A message from our Group Chief Executive

2019 marked an important milestone in RSA's continued commitment to responsible business with the launch of our new strategy, Confident Futures.

RSA has a long history supporting people in their times of need, helping them to recover quickly and get back on their feet.

Confident Futures takes this a step further, by enabling people and businesses to manage risks proactively, embedding responsible practices into our operations, and ensuring environmental and social issues are considered in our business decisions.

How we do business is as important as what we do, and our customers, colleagues and partners rightly ask that we are conscious of this. As signatories to the UN Global Compact since 2007, our long-term commitment to the Ten Principles continues.

I'm proud of the steps we took in 2019 to address society's challenges and how we're responding to the changing demands and expectations of our customers.

Stephen Hester,
Group Chief Executive



A message from our Group Corporate Responsibility Committee Chair

The first few months of 2020 have reminded us that nothing is certain. In a world that's constantly changing and facing new challenges, business plays an important role. We have a responsibility to help foster collaboration, develop solutions to societal problems, and to reflect on and continually improve how we work.

Embracing these opportunities is at the heart of RSA's Confident Futures strategy. As Chair of our Group CR Committee, I'm delighted to share the progress we made during 2019, our first year of implementation.

As we set ambitious goals, we are committed to working in partnership with those around us. We can offer insight and expertise on diverse challenges – whether building resilience to the effects of climate change, supporting low-carbon transition or helping people to stay safe in their day-to-day lives. We must ensure that our products and services support good customer outcomes, and that our people are supported to reach their full potential.

This year, we've built the foundations for our strategy. We developed our charitable partnerships to align with our 'Smarter tomorrow' ambition, supporting more than 200,000 people to improve their knowledge of risks and change their behaviours. We launched a new Climate Change and Low Carbon Policy to guide our underwriting and investment decisions as well

as setting an ambitious new carbon emissions reduction target for our operations.

Building stronger relationships with our customers, colleagues and communities is at the centre of our strategy. This year, we've redesigned sales journeys, improved how we listen to and respond to customer feedback, and strengthened steps to ensure our products are fair to all. There's plenty more we need to do, and our plans prioritise it.

Looking outside, a 45 per cent increase in employee volunteering hours shows the passion of RSA's people around this agenda. I'm also proud of the actions we're taking to promote diversity and inclusion, exceeding our Women in Finance Charter target for improving gender balance in our management group. At the same time, we've invested in the learning and development opportunities we offer to our colleagues and enhanced support for mental health and wellbeing.

Our strategy is at an early stage: RSA's journey is just beginning and it will evolve with the world around us. I'm proud of the commitment our people show every day to support our local communities and improve what we do, and I'm looking forward to working with all our stakeholders to inspire action, encourage innovation and demonstrate the impact of the steps we're taking.



Scott Egan,
CEO, UK & International
Chair, Group CR Committee



Who we are

We've been helping people and businesses to protect what matters most to them for more than 300 years.

RSA provides personal, commercial and specialty insurance through brokers and affinity partners and directly to customers, working across Canada, Scandinavia, the UK, Ireland, Europe and the Middle East. In all our regions, we are committed to developing trusted consumer and commercial brands that deliver great service and relevant products to our customers.

We are driven to help individuals and businesses to manage their risks well, and to support them to recover if things don't go as planned. For us, being a best-in-class insurer means applying our expertise to big and everyday challenges, from managing extreme weather patterns to tackling fraud and helping individuals to stay safe on the road and at home.

We are always seeking to build our technical skills and grasp opportunities for innovation and collaboration, to better respond to the emerging risks affecting our customers and to reach a wider audience. At the same time, we are committed to managing our business operations sustainably, having a positive impact on the communities we work in and ensuring that RSA is a great place to build a fulfilling career.



Learn more about RSA in our [2019 Annual Report and Accounts](#).



At a glance

£6.4bn

Net written premiums

£383m

Profit after tax

93.6%

Combined operating ratio¹

12,378

Number of employees²

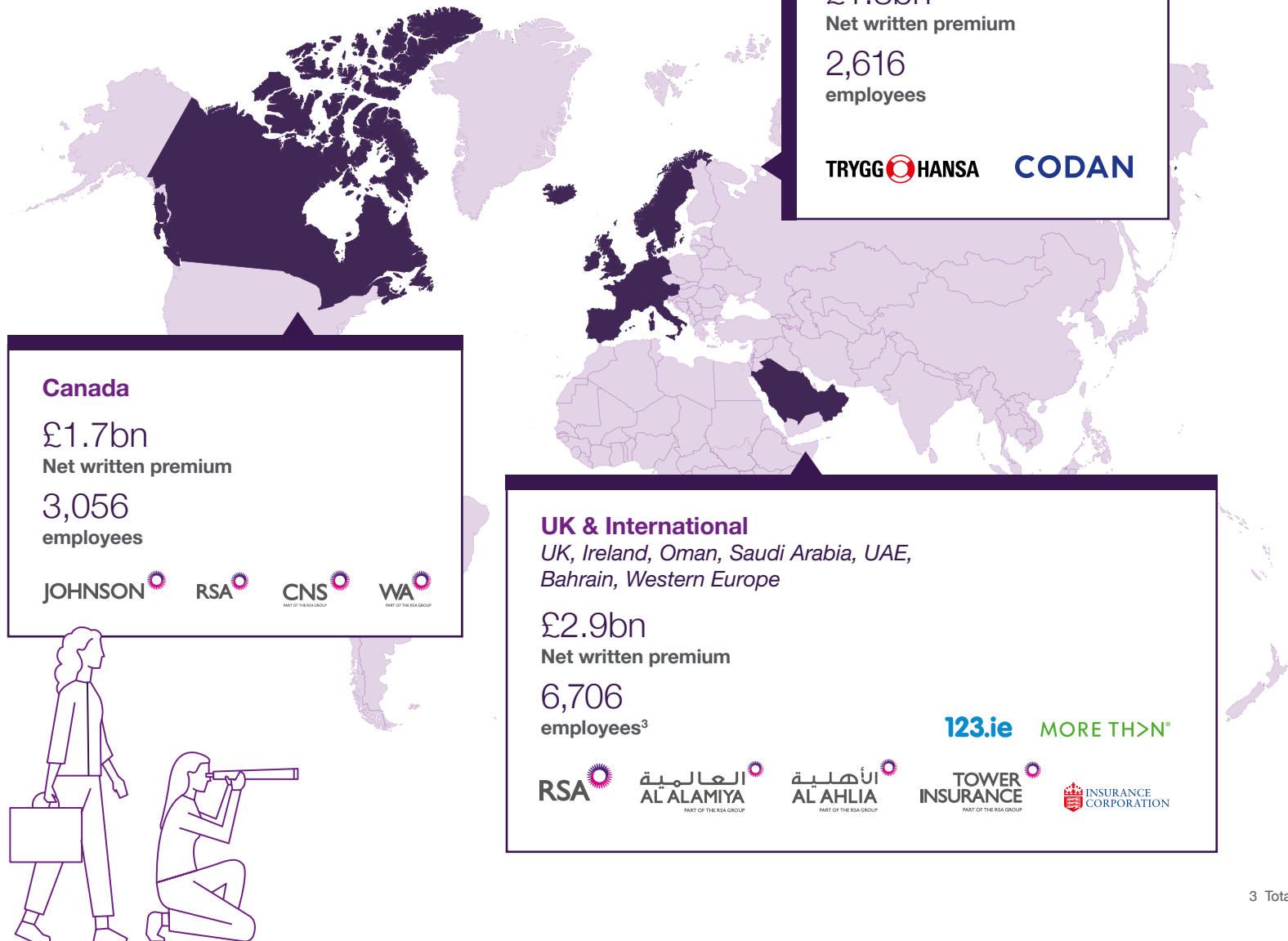
74%

Business distributed through brokers and partners

¹ Excluding UK&I exit portfolios, please see our 2019 Annual Report and Accounts for further information.

² Full-time equivalent employees.

Our operations



Canada
 £1.7bn
 Net written premium
 3,056
 employees

JOHNSON RSA CNS WA

Scandinavia
 Sweden, Norway, Denmark
 £1.8bn
 Net written premium
 2,616
 employees

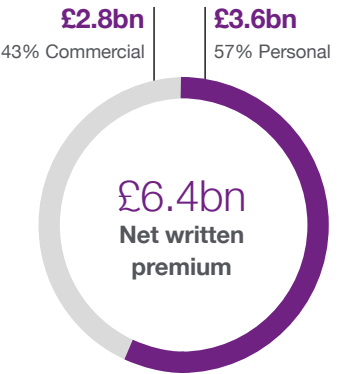
TRYGG HANSA CODAN

UK & International
 UK, Ireland, Oman, Saudi Arabia, UAE,
 Bahrain, Western Europe
 £2.9bn
 Net written premium
 6,706
 employees³

123.ie MORE TH>N

RSA AL ALAMIYA AL AHLIA TOWER INSURANCE INSURANCE CORPORATION

2019 Net written premium by line of business



2019 Net written premium by product

Household	24%
Motor	24%
Other Personal Lines	9%
Property	18%
Liability	9%
Commercial Motor	10%
Marine and other	6%

³ Total includes employees from our Group Corporate Centre.

Our Confident Futures strategy

We want to play an active role in managing the uncertainties and complexities of today's world and to enhance the positive impact of our business activities.

Our strategy for a confident future

As a best-in-class insurer, we believe RSA's contribution shouldn't start with a policy and end with a claim. Our five-year corporate responsibility strategy, Confident Futures, defines the key focus areas for our business to make the most positive impact on society and the environment.

It sets out the following:

- **How we integrate responsible business practices into our everyday operations**
- **Our ambition to create a future in which people can be smarter and more confident in managing the risks they face**

We launched our strategy in 2019, and we're proud to share the achievements made in its first year.

“

Through Confident Futures, we are committed to developing supportive, long-lasting relationships with our customers, colleagues and communities.”

Stephen Hester,
Group Chief Executive



Watch our [Confident Futures animation](#).



Our Confident Futures strategy

Shaping a smarter tomorrow

We aim to use our resources to enhance customers’ and society’s understanding of the risks they face so they can manage them more effectively.

- **By promoting road safety across our operations,** we’ve reached more than 187,000 people with evidence-based insights that help to change everyday behaviours
- **We’ve redefined our partnership with WWF-Canada** to focus on building flood-resilient communities in response to a changing climate and local needs
- **We’re expanding our partnerships and campaign work** to identify products and services that support risk management

1.4 billion
miles driven by customers using our MORE TH>N telematics product

32,000
children reached with our water safety programmes

Building stronger relationships

We’re supporting our customers, colleagues and communities by seeking to better understand and respond to their needs with clear commitments to action.

- **We’ve established forums** to ensure that the views of customers are represented in all our decisions
- **We’re building the capabilities of our people,** with 73 per cent of leaders participating in leadership development programmes in 2019
- **We’ve invested £1.85m in supporting local communities,** with a 45 per cent increase in volunteering hours

34.6%
of our Group-wide management team are women

£1.85m
invested in local communities

Managing the everyday well

We’re improving how we integrate responsible business practices into our everyday operations and sharing our progress.

- **Our new Climate Change and Low Carbon Policy position** clearly sets out our commitment to responsible investment and underwriting
- **We’ve reduced carbon emissions by 31 per cent** since 2016 and set an ambitious long-term emissions reduction target in line with a 1.5°C world
- **We’re building social and environmental criteria into our processes** for selecting and managing suppliers, and supporting our people to think more about our impact through third parties

15%
reduction in our carbon emissions in 2019

100%
of the electricity we use will be renewable by 2025



Our global context

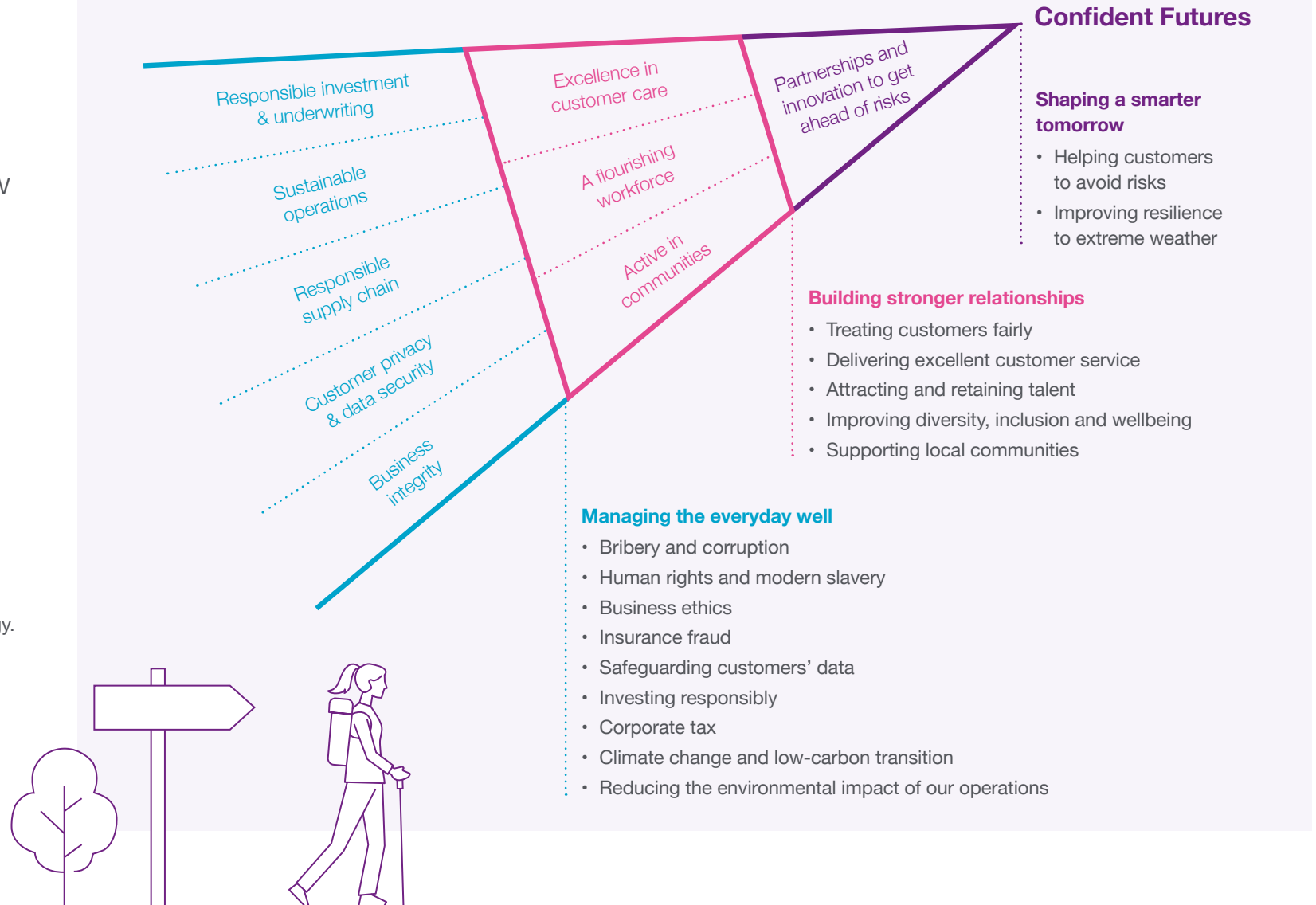
In a world where our people, customers and communities are facing new challenges, our Confident Futures strategy guides our response.

In more than 300 years in business, we've learned that change is a constant. We are committed to managing our operations in a way that is sensitive to the evolving context we operate in. As an insurer and large employer, we are well placed to help our customers, people and stakeholders to understand and navigate a wide range of complex issues – from climate change and cyber-crime to changing skills needs, new ways of working and advances in technology.

Confident Futures (see [pages 6 and 7](#)) helps to guide and govern our response to these questions and sets out our ambition to create a future in which people can be smarter and more confident in managing the risks they face.

Understanding what's important

We routinely assess the corporate responsibility issues that are most relevant to our business and our stakeholders. This enables us to prioritise our commitments and resources on areas that are most relevant to our business and to society. These are linked to our strategy below.



Our contribution to the Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a set of 17 goals developed by the United Nations. They form a global agenda that aims to end poverty, protect the planet and ensure prosperity for all by 2030. Achieving these goals requires the collaboration of individuals, governments and companies. We are committed to playing our part in solving these challenges.

As a member of the UN Global Compact, we're committed to supporting the sustainable development agenda, and we have identified seven SDGs where we have the greatest opportunity to contribute. This year, we've highlighted where we contribute to each of these SDGs through our strategy, Confident Futures.



Supporting the global agenda

We're committed to communicating our performance transparently and playing our part in the wider global agenda. To support this, we participate in several industry initiatives.



UN Global Compact

As a signatory to the UN Global Compact since 2007, we are committed to integrating the Ten Principles on human rights, labour, environment and anti-corruption into the way we do business.



ClimateWise

ClimateWise is a global leadership group for the insurance industry, supporting better communication and responses to the risks and opportunities associated with climate change. RSA is proud to be a member and plays an active role in building more resilient communities.

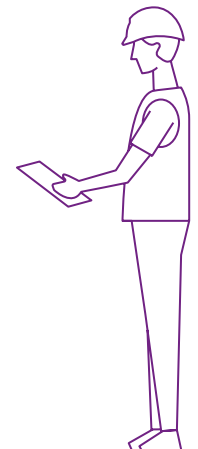


UN PSI

The Principles for Sustainable Insurance serve as a global framework for the insurance industry to address environmental, social and governance risks and opportunities. As a signatory, RSA is committed to integrating the principles into our business operations.

Reporting our impact

We've also received recognition for our sustainability performance in a number of external corporate benchmarks and rating indices.





Shaping a smarter tomorrow

As experts in risk, our products, services and partnerships help people and businesses to learn about the risks they face and how to manage them more effectively.

In this section

- Identifying, understanding and managing risks >
- Working together for safer roads >
- Building resilience to a changing climate >

Highlights

32,000 children participating in water safety programmes

220,000 people reached through Smarter Tomorrow programmes

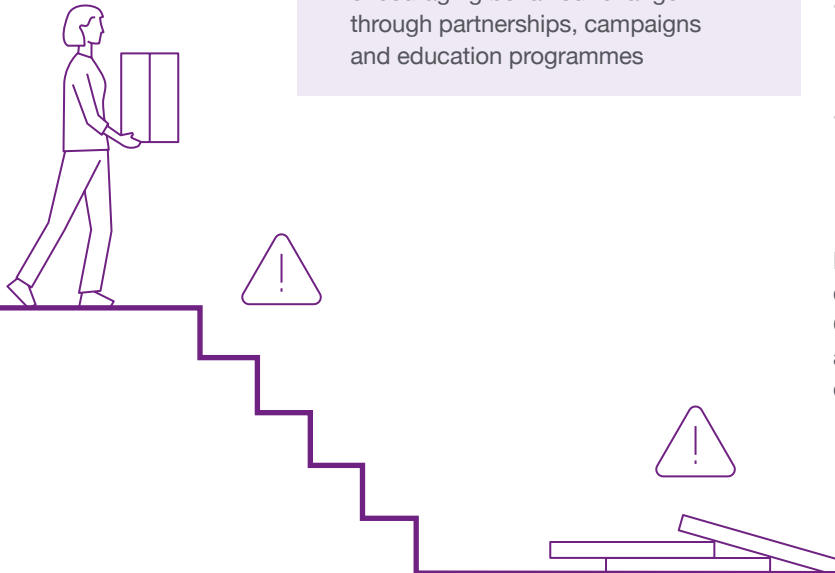
Our priority SDGs



Identifying, understanding and managing risks

We can't remove life's uncertainties, but as experts in risk, we know there are many ways for people and businesses to protect the things they care about.

We believe we can play a powerful and practical role in helping our customers to avoid risks, using our insight and product development expertise to keep them safe in their homes, on the roads and at work.



Our approach

As a leading insurer, it's our job to understand current and emerging risks. Through our products, services and partnerships, we can help people and businesses to learn about the risks they face, manage them more effectively and protect the things they care about. Our approach involves the following:

- **Developing products and services** that support our customers to manage risks
- **Raising awareness of risks** and encouraging behaviour change through partnerships, campaigns and education programmes

Innovating products and services to reduce risk

By making use of our data, technology and relationships, we can develop smart solutions that support customers to better understand and manage risks. During 2019, we mapped the products and services that align to our ambition to increase our customers' awareness of risk and to change their mindsets and behaviour.

These include the following:

- **Telematics products**, which help young drivers stay safe behind the wheel
- **Our risk engineering database**, RSAded, which helps commercial businesses to identify risk management improvements
- **Connected insurance products** such as water leak detectors, which enable customers to monitor potential risks in their homes

Mapping these products, alongside the creation of our Smarter Tomorrow Working Group, enables us to share best practice across our business and identify new opportunities for impact.



Preventing accidents at home and on the road


In the UK, we have joined forces with the Royal Society for the Prevention of Accidents (**RoSPA**). Together, we aim to reduce the number of people who are seriously injured or killed in accidents at home or on the road. In partnership we commissioned research into the most at-risk demographic groups – children under five, young people aged 17–25 and the over-65s. We are now using our findings to increase people's understanding of hazards, both at home and on the road, and how they can minimise them.

78+,000

people seriously injured or killed in accidents at home or on the road last year

Raising awareness through partnerships and campaigns

All RSA regions have at least one partnership that is aligned to our Smarter Tomorrow ambitions. By partnering with other organisations that share our objectives, pooling resources and expertise, and sharing networks, we can reach new audiences and increase the impact of our activities. We focus on issues that affect the communities we work in, such as road and water safety.

 Watch our video to find out more about our partnership with RoSPA on [risk education](#).



Promoting water safety

For 60 years, our Trygg-Hansa business in Sweden has championed water safety through campaigns aimed at adults and children, as well as maintaining lifebuoys at beaches, waterways and boat clubs across the country.

Our summer campaign ‘The sound of drowning’ drew attention to the fact that it may not be as obvious that someone in the water is drowning as people may think. Our campaign simulated a drowning victim and highlighted the difficulty a passer-by may have noticing the signs. This challenged the perception that drowning victims would flail their arms (43 per cent) or cry for help (38 per cent); most victims are unable to call out or give distress signals.

Through our partnership with the Swedish Life Saving Society, schoolchildren are taught how to swim minimum distances and how to throw lifebuoys to someone having difficulty in the water.

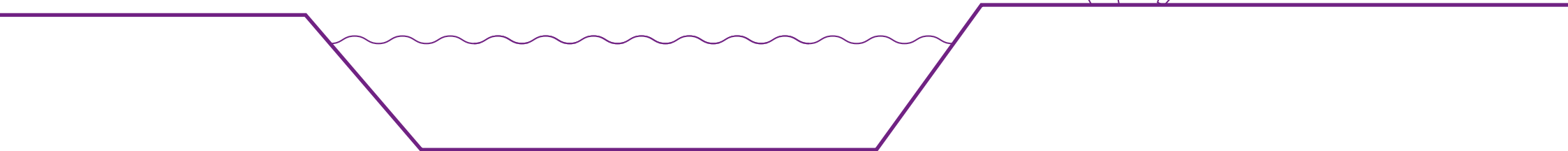
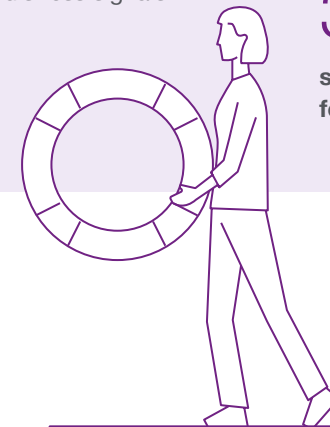
Our ongoing **Baby Buoy** campaign, which educates parents of young children about how to keep safe in the water, includes practical exercises to practise at home.

8@,000

lifebuoys provided across Sweden

32, 

swimming lessons provided for schoolchildren in 2019



 Spotlight on: Road safety

Working together for safer roads

With the number of cars on the roads increasing, road safety remains a significant social challenge. As an insurer, we have a unique perspective and understanding of risk on the roads. By sharing this knowledge and supporting safety measures, we can help motorists and other road users to stay safe.

The challenge

- Since 2000, the number of cars on the road in the countries where we operate has risen by 35 per cent to record levels of more than 74 million.
- Every year, road traffic incidents are responsible for more than 1 million deaths, and are the leading cause of death for 5–29 year-olds around the world.
- With new technologies supporting autonomous vehicles, roads will need to change – the first fully autonomous cars may be on the road by 2025.



Contributing to SDG 3: Good health and well-being

Our work to improve road safety contributes towards UN SDG target 3.6: to halve the number of global deaths and injuries from road traffic accidents by 2020.

A focus on road safety

The average adult spends about 10 per cent of their lives on the road. And while young drivers are disproportionately represented in road casualty statistics, it's also an issue for older motorists, as well as pedestrians and cyclists.

Any serious injury or fatality as a result of a road traffic accident is one too many. Making our roads safer is a key focus area for us, with all our regional businesses campaigning for improved road safety.

There's always more that can be done; achieving safer roads needs the collaboration of governments, local authorities, business and charities. Through our partnerships, commitments and campaigns, we want to play our part.

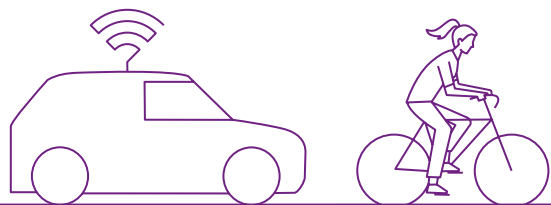


Spotlight on: Road safety

A lifelong approach: it's up to drivers of all ages

Drivers of any age can improve their ability or address bad habits. In response to an increase in road traffic accidents in Denmark in recent years, Codan ran a refresher **'theory test'** campaign online. This tested drivers on the laws of the road and their practical experience. With more than half of the participants believing they could easily pass the test, the campaign reminded drivers of the basics and drew attention to scenarios that cause road traffic accidents. During the year, 177,000 Danish drivers completed the 10-minute online theory test and 3 million watched the video.

In the UK, we've also increased awareness of the part that in-car distractions – such as phone calls, adjusting the radio or children shouting – can play in causing accidents. In research we commissioned for Road Safety Week, nearly all (84 per cent) drivers admitted to taking their eyes off the road as a result of a distraction in the last year, with 28 per cent saying it led to an accident or near miss. The findings build on MORE TH>N's Give Your Mobile the Boot campaign in 2017, which advised motorists to put down their mobiles when driving.



Older drivers are also at risk. Since 2010, there has been a 33 per cent increase in the number of older drivers killed or seriously injured in road traffic accidents. In response to this, we're exploring opportunities to improve road safety among over-65s.

“By encouraging Canadians to look out for one another, be more mindful of their surroundings and educate themselves on the rules of the road, we hope our pledge will help reduce fatalities and increase the level of harmony on Canadian roads.”

Donna Ince, Senior Vice President, Personal Lines, RSA Canada

TruceTO – building harmony on Canada's streets

RSA Canada's TruceTO campaign aims to make Toronto one of the first cities in North America to officially call a truce between pedestrians, cyclists and drivers. Launched in 2018, the pioneering road safety campaign seeks to address the growth in road accident fatalities and the lack of education around safe practices by bringing together different road users to have a positive conversation.

Our own research showed the following:

57%
of cyclists and 44 per cent of pedestrians want their cities to invest in driver education


50%
of pedestrians don't always know when cyclists have the right of way

33%
of cyclists have seen an unfamiliar road sign recently

To change mindsets and empower everyone to take responsibility for keeping our streets safe, we created the **TruceTO hub**: a toolkit of useful resources and top tips for all road users.

6,000 people
engaged with our DriveWise materials

Building on a successful first year, in 2019, we teamed up with **DriveWise** to provide online learning modules and reach consumers through interactive messaging on the streets. We also launched an educational **video**, road safety quiz and podcast series, *StreetPeace*, encouraging everyone to do their bit.

 Find out more about the campaign on the **TruceTO website**.



Spotlight on: Road safety

Children: be seen, be safe

Understanding how to behave safely on or near the road is a critical life skill developed from an early age. That’s why we work with schools to provide road safety resources for children.

In Denmark, Codan partners with the Traffic Safety at Eye Level campaign to teach children to recognise common blind spots for road users, reaching 4,275 children across 43 schools in 2019. From the driving seat, young people get to see first-hand how lorry drivers can’t always spot cyclists when they are behind or alongside the vehicle. More than 760 children made the ‘traffic promise’ online, and one child was named Traffic Hero of the Year for making a significant difference in raising awareness of road safety.



Wearing a reflector increases the chance of a cyclist being seen on the road by 85 per cent. That’s why our Scandinavian business also continues to work with the Children’s Accident Prevention Fund to support National Reflector Day in Denmark, Norway and Greenland. This year, colleagues **distributed 40,000 reflectors** and promoted the benefits of wearing reflectors when cycling.

“In-car distractions not only put drivers’ lives at risk, but those of passengers and pedestrians too. We hope that highlighting some of the most common distractions will help drivers to remain vigilant and reduce the likelihood of an accident occurring.”

Gareth Davies, Head of Motor Insurance, MORE TH>N

Young drivers: using technology to influence behaviour

Young drivers and passengers are over-represented in crash and casualty statistics. Training, education and technology can all help to make young drivers safer drivers.

RSA introduced the **SM>RT WHEELS** telematics policies for newly qualified drivers in 2014. These products use ‘black box’ technology to influence behavioural change, raising awareness of key factors such as speed, braking, accelerating and driving at night. Customers are incentivised to drive safely with feedback on their driving and discounts at renewal to reward the safest drivers. Warnings or cancellations are used to manage the driving behaviour of a small number of customers who drive dangerously. Behavioural psychology is also used to maximise the effectiveness of our communications with customers.

Using insights shared by our UK business, in 2019, we launched our **123GO** telematics offer for young drivers in Ireland. Incentivising good driver behaviour through a rewards scheme has had a positive impact on reducing accidents.



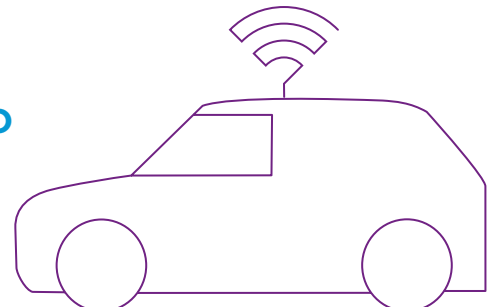
In the UK:

Young men aged **17-24**  are the highest-risk group among car drivers

In 2018 **83%** of road transport accident deaths in this age group were male

1 million active telematics policies (estimated by BIBA)

12% reduction in the number of young drivers killed or seriously injured in road traffic accidents since 2010



 Spotlight on: Climate change

Building resilience to a changing climate

As we strive to reduce our carbon emissions, we must also build resilience to the impacts of a changing climate. We're helping our customers to adapt, by sharing knowledge on how they can protect their homes and businesses from extreme weather events such as floods, storms, wildfires and drought.

The challenge

- With carbon emissions at their highest levels since records began, our planet has already warmed 1.1°C since pre-industrial times.
- Unless we take action to reduce emissions, the world will experience more frequent and more severe weather events.
- In 2018, the economic cost of weather-related losses was \$215bn. Insured losses were \$89bn, the fourth-costliest year on record.

Responding to a changing world

The impact of a changing climate is undeniable, and the science behind global warming shows us that we need to act now if we are to limit temperature rises to 1.5°C or below.

As an insurer, we are acutely attuned to the impact of climate change and other environmental issues. Extreme weather events, climate action failure, natural disasters and biodiversity loss all feature among the top 10 issues in the World Economic Forum's most recent [Global Risks Report](#).



Contributing to SDG 13: Climate action

Our work to build resilience to environmental change contributes towards UN SDG targets 13.1 and 13.3: to strengthen resilience and adaptive capacity to climate-related hazards, and to improve education, awareness-raising and capacity on climate change adaptation.

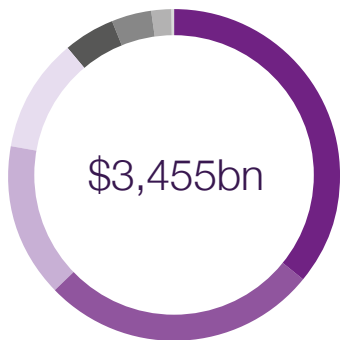


Spotlight on: Climate change

The past five years have been the warmest on record. As temperatures continue to rise, the imperative to reduce emissions rapidly increases. Nonetheless, adaptation measures are also necessary, as climate change impacts communities around the world.

We chaired the **CRO Forum's** Emerging Risk Initiative in 2018, bringing together key stakeholders from the insurance industry and academia to consider the latest climate science. The forum provided an industry perspective on the physical and transition risks associated with different climate scenarios. The resulting **report**, published in 2019, aims to improve understanding of the implications of climate change on the insurance sector and equip industry professionals and their stakeholders to respond.

Aggregate global weather-related insured losses by peril 2000–2018



● Tropical cyclone	\$1,253bn
● Flooding	\$914bn
● Severe weather	\$514bn
● Drought	\$372bn
● Winter weather	\$164bn
● Wildfire	\$149bn
● European windstorm	\$74bn
● Other	\$15bn

Source: Aon (2019) 'Weather, Climate & Catastrophe Insight - 2018 Annual Report'

Collaborating for climate-resilient communities

Our Canadian business has redirected its long-standing partnership with WWF-Canada to address flood resilience in local communities, starting with the Saint John River in New Brunswick.

Communities across Canada have experienced more frequent and intense rain and wind events due to climate change, leading to flooding and damage to homes, businesses and public infrastructure. Through our support, WWF-Canada is working with community leaders to assess vulnerabilities and build resilience through nature-based solutions and green infrastructure, including rebuilding wetlands, restoring riverbanks, replanting trees and managing overland flooding.

The need for education

In 2019, we conducted a joint study with WWF to explore Canadian attitudes to flooding. Increased rates of flooding are taking a toll, with almost a third of respondents worried they will experience flooding in the next 12 months.

Despite growing concerns, flood knowledge among the public remains low. Our study uncovered that nearly half of those surveyed don't know how to protect their home from flooding and don't fully understand its impact. Our partnership aims to improve climate and flood education in Canada and champion nature-based resilience measures. We also encourage government, industry and local communities to collaborate on practical solutions that work for all in reducing the impact of flooding.

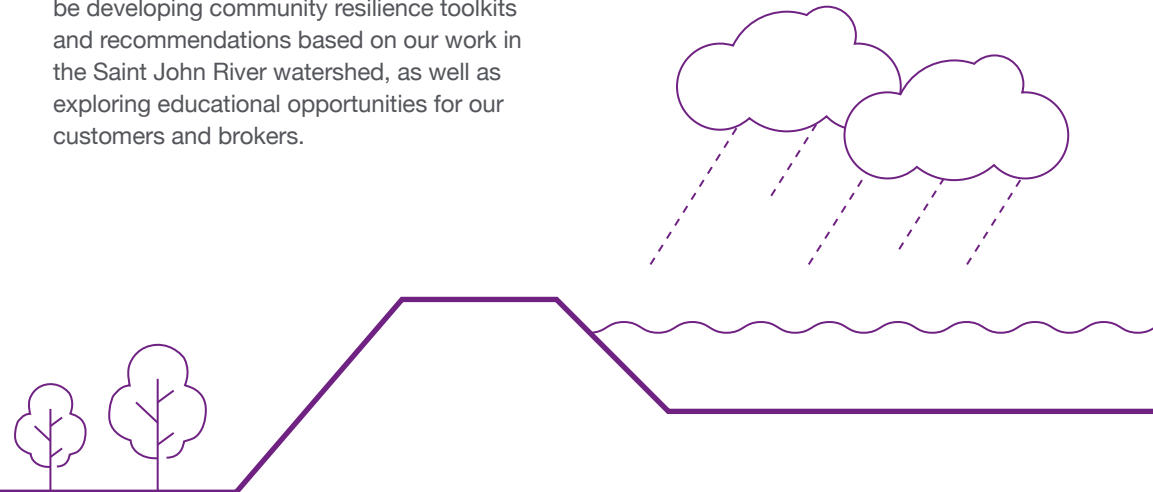
Our long-term goal is to share these learnings and replicate the approach in other at-risk communities across Canada. This year, we'll be developing community resilience toolkits and recommendations based on our work in the Saint John River watershed, as well as exploring educational opportunities for our customers and brokers.

74%
of Canadians agreed that flooding has increased in Canada

77%
attributed increased flooding to climate change

31%
are concerned they could experience flooding in the next year

47%
don't know how to protect themselves against flooding



Spotlight on: Climate change

“ In many cases, Canadians don’t know that they are at risk from flooding and aren’t sure what they can do to protect themselves. We have to band together as an industry, community and with all levels of government to do a better job in helping people recognise the risks they are exposed to and provide tools that result in immediate and sustainable solutions.”

Anthony Black, National Catastrophe Manager, RSA Canada

Helping customers to manage flood risks

To make our customers more aware of the climate-related risks they face and help build them into their planning, we provide extreme weather alerts, and offer advice and guidance for reducing or responding to the impact of such events.

We share our insight and expertise through our website and social media campaigns. These include tips and guides tailored to the needs of individuals, families, small businesses and large organisations. Through our risk engineering database RSARED, we identify and recommend risk management improvements to our commercial customers. For example, on flooding, 90 per cent of our recommendations relate to response planning, while 10 per cent relate to physical improvements such as site defences or changes in infrastructure.

Our products and policies also help protect our customers. In Canada, we offer ‘Waterproof coverage’ for enhanced protection against damage caused by storms and flooding, and in the UK, Flood Re ensures that customers living in high-risk flood zones have access to insurance.

100+

flood victims visited our emergency response van for advice on flood recovery

To tackle increasing emissions, we need to be mindful of our own direct impact. That’s why we launched a new carbon emissions reduction target this year.

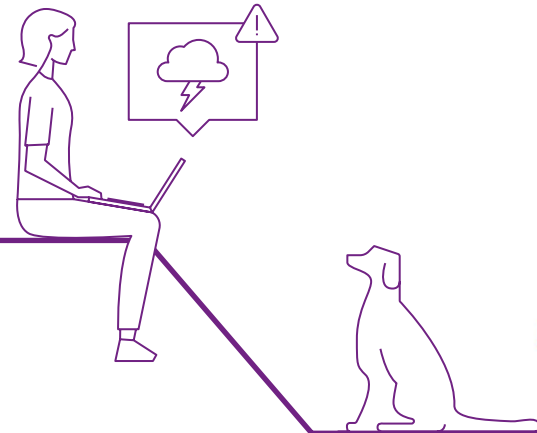
Find out more in the ‘Sustainable operations’ section on page 34.

The insurance industry can influence how other sectors address climate change through the way premiums are invested and decisions on what can be insured. In 2019, we launched our Climate Change and Low Carbon Policy position to guide our approach.

Find out more in the ‘Responsible underwriting and investment’ section on pages 32 and 33.

We’ve adopted the recommendations of the Taskforce on Climate-related Financial Disclosures in our reporting.

See pages 47–49 of our Annual Report and Accounts for information on how we integrate climate change into our governance, risk management and business strategy.





Building stronger relationships

We value strong relationships, and strive to understand and respond to the needs of our key stakeholders. We're committed to supporting our customers, developing our colleagues and making a positive contribution to the communities we're part of.

In this section

- Excellence in customer care >
- A flourishing workforce >
- Active in communities >

Highlights

£1.85m
invested to support local communities

73%
of leaders took part in leadership development programmes

Our priority SDGs



Excellence in customer care

We're there for our customers every step of the way, from designing products that protect them from risks to helping them recover if things go wrong. We constantly challenge ourselves to respond to evolving needs and find new ways to make our service better, so that customers can be confident of a good outcome.

Our progress in 2019

- **Established dedicated forums** to ensure customers are represented in all our decision making
- **New investment in digital tools** to improve our customer management information, monitor outcomes and address emerging issues faster
- **Simplified our organisation design** and improved multi-channel communications to make it easier to interact with RSA

Securing good customer outcomes

We are committed to securing good outcomes for every customer, ensuring that no group's needs are overlooked. While our customers range from individuals to multinational businesses, our ambition to provide them with excellent support and service doesn't change.

Our starting point is to provide everyone in our business with the guidance and support they need to act in our customers' best interests. We also monitor a range of indicators that help us assess whether we are doing the right thing, including customer satisfaction and complaints.

There's always more we can do to improve how we serve our customers and we don't always get it right. We believe that by acting on the feedback we receive and looking to examples from other sectors we can keep learning and continually improve our practice.

Policy and training

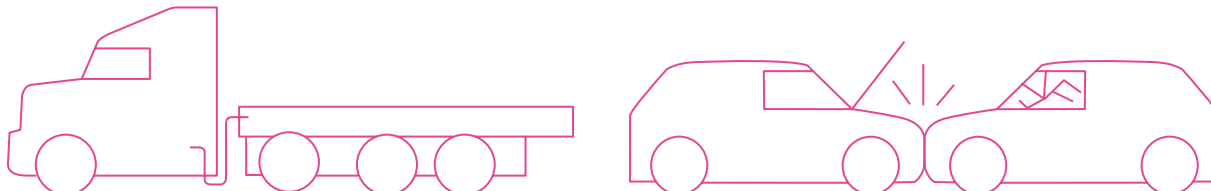
Our Customer Policy sits at the heart of our approach to delivering excellent customer care. It outlines how our strategy, decision making, product design, processes and communications can all contribute to good customer outcomes and sets out the steps that each of our businesses should take to uphold the high standards we expect.

In the UK, the policy is supported by our Conduct Framework, which guides our decisions and ensures we serve our customers well. It also documents the governance, processes and tools we use to identify, assess and manage potential and actual risks at every stage of the customer journey. We recognise that everyone in our business needs to be familiar with the framework, and are supporting its roll-out with e-learning and face-to-face training.

Customer committees and governance

Our regional customer committees meet regularly to understand how the policy is working in practice, review key management information and determine whether we need to make changes to improve customer outcomes.

These committees help to ensure that our internal processes, digital journeys and communications support good customer outcomes, that complaints are investigated and resolved, and that we have the management information we need to guide our practice.



Product oversight groups

Maintaining effective product oversight and governance is critical to the consistent delivery of good customer outcomes. We've introduced product oversight groups to identify whether any elements of our products and customer journeys have the potential to lead to customer harm or poor outcomes, and take action to address this wherever it occurs. They monitor a range of inputs from our sales and claims teams, and review changes to both existing and new products.

**Meeting our customers' specialist needs**

In the UK, our Motability business supports customers with muscular and mobility-based conditions as well as brain injuries and mental health conditions. In 2018, we launched the Customer Connections Programme, training employees to provide additional support to customers with cognitive disorders such as autism and dementia. We now have 75 trained autism champions. During 2019, the Motability team was recognised as an autism-friendly business by Autism Together.

Meeting customer needs

Securing good outcomes for our customers starts with understanding them. We know that our customers' needs vary and continue to evolve, so we're always searching for new ways to improve what we do. We constantly seek feedback and aim to bring the voice of our customers into our decision making, drawing on market research, feedback panels and satisfaction data.

Product performance monitoring

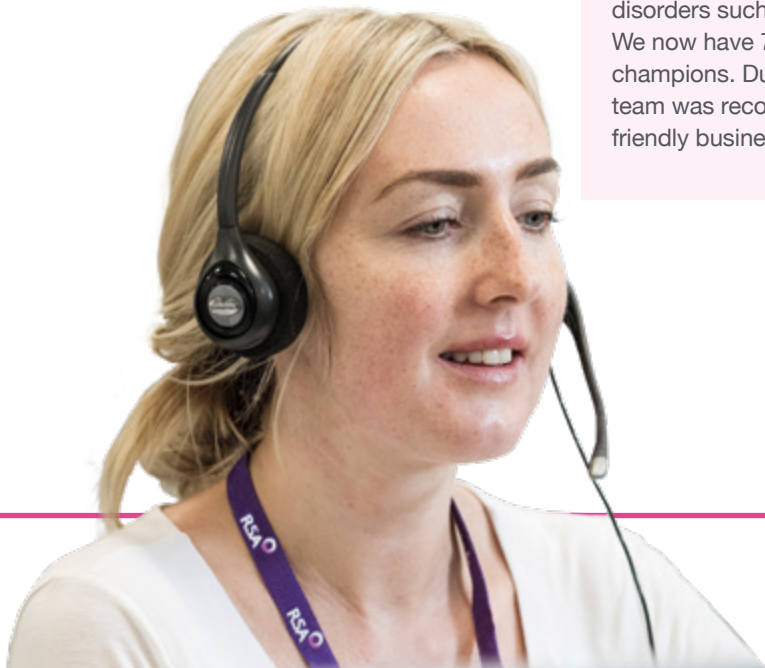
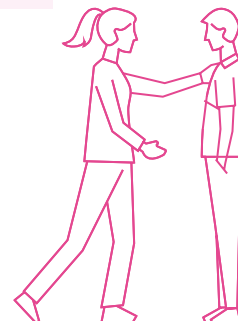
We closely monitor how our products perform to ensure we are meeting customer needs and expectations. Product assessments are completed whenever changes are introduced, helping us to understand how our customers interact with our products. In the UK, our Product Assessment toolkit reviews the compatibility of products with customer needs. This year, we have developed enhanced customer outcome metrics to monitor conduct through the product life cycle.

Supporting customers in difficult circumstances

Ensuring good customer outcomes is particularly important if a customer faces difficult circumstances or has complex needs. We aim to listen carefully and provide services that meet their specific requirements, making sure that customers who might be vulnerable, excluded or less financially resilient receive the additional support they need.

Family Aid – for our customers with child insurance

Based on our insights into the lives of Swedish families, Trygg-Hansa offers a unique Family Aid service to all our child insurance policyholders. The service provides guidance to families on accessing support and advice appropriate to their individual needs. Customers are entitled to guidance regardless of diagnosis or whether they go on to make a claim. Since Family Aid was introduced in 2013, the number of customers using the service has grown continuously, with a 59 per cent increase in 2019 compared to 2018.



Consistently delivering excellent service

It's important that we do what we say we'll do. Our assessment tools and frameworks help us to monitor our progress, identify areas where we fall short and make improvements. For example, in Canada, the Claims leadership team is using customer experience metrics to improve processes, design more customer-centric communications and introduce an online claims portal.

Being transparent and clear

We know it's important that the products and services we design, the systems we use and the communications we share are clear, fair and accessible to all. This helps customers to understand what they are buying and whether it will deliver what they want. We also invest in employee training so that our call handlers offer the best service possible, helping our customers to make informed choices.

Responding to feedback and complaints

Sometimes things don't turn out as we would have liked, and how we respond in these instances is important. We aim to make it easy for customers to raise concerns and have their complaints resolved promptly. By addressing issues, understanding the root cause of complaints and managing incidents effectively, we're constantly seeking to improve our processes and products to enable fair and timely outcomes for our customers.



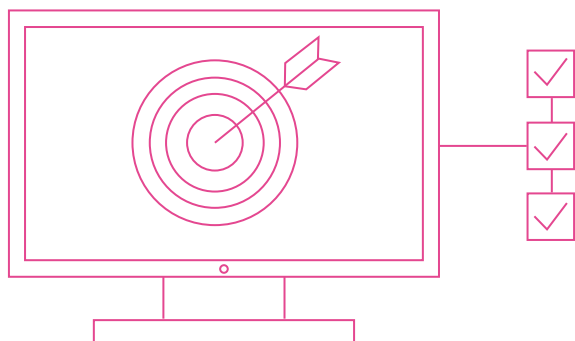
Hear from RSA colleague Helen on how our Claims team go above and beyond for our customers.



Meeting our customers' needs

During 2019, we redesigned our customer journeys in the UK to enhance how we offer products that best meet our customers' needs, in line with regulations. We've updated the questions we ask during the purchasing process so customers are only presented with products that are relevant to them – for example, not offering buildings insurance to people who are renting.

We've also gone further, responding to customer feedback and trends in complaints to make improvements over and above the regulatory requirements. For example, customers now actively accept or decline our add-ons cover, to reduce the risk that they think they have cover for something they don't. Through this work, we have made changes to 100 sales journeys, with updates to 19 website journeys, 14 call handler guides, policy documentation and training for more than 750 colleagues. These changes mean our customers can make more informed choices about what is covered by their policy, reducing complaints and improving customer outcomes, and they have provided additional insights to inform product design.



100

sales journeys updated

750

colleagues trained in new customer journeys



Our digital-first mindset in Sweden

In Sweden, we've introduced easy-to-use digital solutions that simplify the customer journey, in response to a growing preference for online interaction. Our goal is to be a leading digital insurance company, and this new approach has given us access to richer data and deeper customer insights. For example, our photo inspections for motor claims allow customers to send a picture of a damaged part instead of having to drive to a workshop. This saves customers time and hassle, as well as reducing CO₂ emissions from unnecessary journeys.



Find out more about our sustainable claims solutions in the 'Responsible supply chain' section on [page 37](#).

Evolving our approach in a changing world

Digitisation

As we adapt to a changing world, we are embracing digitisation and making customer interactions as easy as possible across all channels. We track customer feedback and respond to trends such as the rise in online interactions. We continually invest in technology such as our webchat service and adoption of AI speech analytics tools to deliver a positive experience while protecting customer data and security.

Innovation

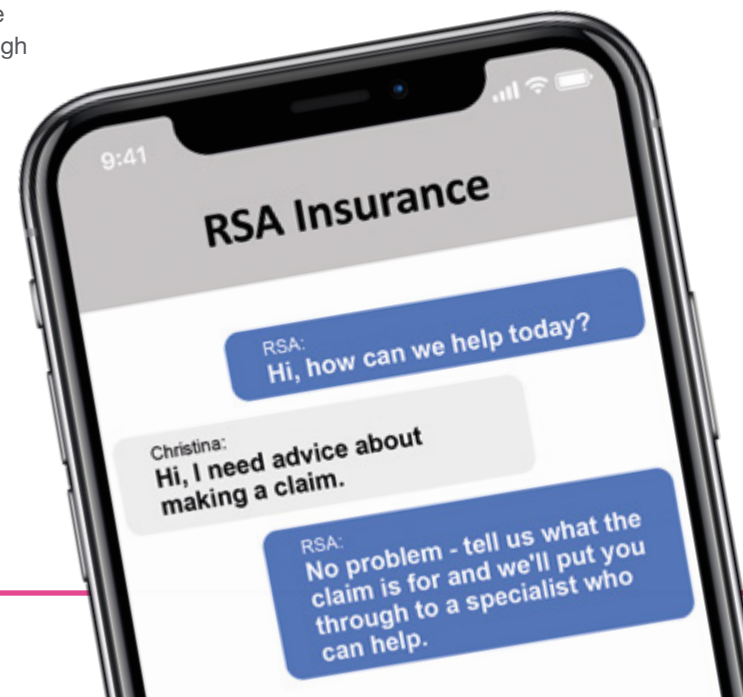
We recognise that customers have to weigh up a number of different factors when they engage with insurers – the price of cover, the impact a claim might have on future premiums and the benefits of different providers. We're always seeking new ways to update and improve our propositions, whether that's by launching new services such as our claims advice line, recognising customer loyalty through M> Rewards or developing cover for emerging cyber risks.

Launching our claims advice line

In Canada, we piloted a new advice line in 2019 to provide customers with objective advice about their claims. This tool helps customers to decide whether making a claim is right for their situation after speaking with one of our service specialists. Following positive feedback from a pilot conducted in Ontario, we've expanded the claims advice line to Alberta, with plans to continue rolling out to a larger customer base.

Next steps >

- Through our **Customer Improvement Programme**, focus on behaviours that support a customer-centric approach and improve our tools so that we consistently deliver good customer outcomes
- Work across our regions to **develop consistent minimum standards** that underpin our Customer Policy
- **Invest in technology** to deliver positive changes to the customer journey, including expanding the use of speech analytics



A flourishing workforce

We want RSA to be a place where fulfilling careers are built. That's why we're creating a diverse and inclusive workplace and helping our people to develop the capabilities they, and our business, need to thrive.

Our progress in 2019

- **Delivered leadership development** programmes across our business
- **Achieved target for 33 per cent** of our management group to be women (34.6 per cent)
- **78 per cent of people leaders in the UK completed training** on building inclusive cultures
- **Celebrated World Mental Health Day**, empowering colleagues to talk openly about their own mental health

Building fulfilling careers

To secure a successful and sustainable business well into the future, we need to offer fulfilling careers and build a talent pipeline of people with the right skills. Our people strategy, YourBestU, sets out our ambitions for our workforce and encourages them to bring their best selves to work every day. During 2019, we invested in the skills and capabilities of our people at all levels of our organisation.

Developing our business leaders

We offer leadership development opportunities throughout the business, focusing on leadership behaviours, vision and values, listening skills and inclusion. For example, senior leaders in Canada attended development academies offered through the Ivey Business School at the University of Western Ontario. More than 50 leaders participated in the sessions, with many more people leaders expected to complete the training in 2020. Meanwhile our UK programmes 'Connected Leaders' and 'Accelerate' have reached 240 people.

In Scandinavia, we have focused on equipping leaders with the skills to effectively coach and develop their people, as well as training 170 leaders on effective change management techniques.

Building capability

We support our people to keep pace with the changing needs of our business and progress their careers through formal learning and development, as well as on-the-job experience, coaching and mentoring.

Our Technical Academy focuses on developing core insurance technical skills across the Group. This year we launched a new technical induction programme in the UK covering topics such as reinsurance, claims and portfolio management.

Assessing employee engagement

Every two years, we undertake a Group-wide engagement survey to understand how empowered and enabled our employees feel.

We are committed to improving our 2018 engagement score by investing in leadership, developing a high-performing culture, and promoting wellness and inclusion.

90%

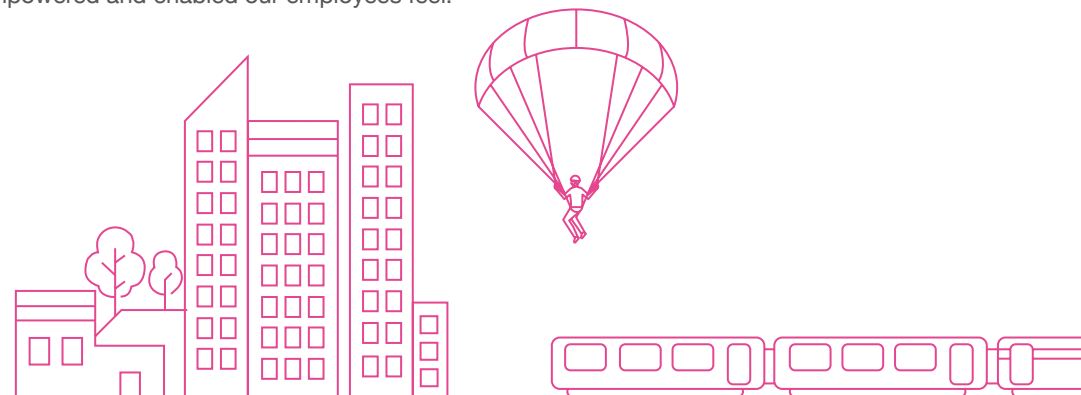
of employees believe there is good collaboration and teamwork

127,000 hours

invested in training by UK&I employees

100%

of employees receive regular performance and career development reviews



A diverse and inclusive workplace

Celebrating difference

We believe the best way to nurture a high-performing, engaged workforce is to celebrate difference and enable our people to bring their true selves to work. We do this by building diversity across all levels of our organisation and creating an inclusive culture that attracts, encourages and is strengthened by diverse perspectives.

Our Diversity and Inclusion (D&I) Council provides governance for our D&I activity. The Group Council reviews gender representation statistics every quarter and oversees progress in each region against our D&I strategy. Our regional D&I Councils are supported by champions and ambassadors, focused on building an inclusive culture.

For the first time, RSA sponsored the **Dive In Festival**, a global movement dedicated to making the insurance industry more inclusive through inspirational talks, debates and engaging content. RSA was proud to support its social mobility session in London, a panel discussion on mental health in Manchester and a session on the positive impact of inclusion in Dublin.

Committed to gender balance

Gender balance is a key priority for RSA and the insurance sector as a whole. In 2019, we continued our commitment to gender diversity and increasing the number of women in senior roles.

The Board is committed to improving diversity among its members and at senior management level, and aspires to meet the recommendations of the Hampton-Alexander Review: that by 2020, 33 per cent of Board roles and at least 33 per cent of senior leadership positions should be held by women. We are also signatories to the Women in Finance Charter.

In 2019, we have achieved these targets, with women making up 33.3 per cent of our Group Board and 34.6 per cent of our management group.

This is supported by our membership of the **30% Club** in the UK, which aims to create a step change in the number of women attaining senior and Board-level roles. We also run an employee resource group, RSA Balance, empowering female employees to achieve their personal and professional ambitions.

Our **Gender Pay Gap Report** sets out the clear actions we are taking and the progress we are making to close our gender pay and bonus gaps in the UK.

Target
33 per cent of our management group to be women by 2020.

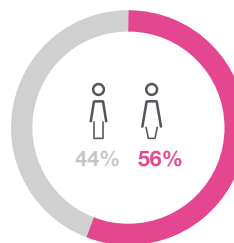
Achieved



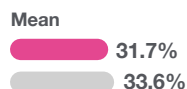
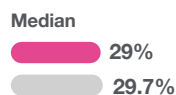
34.6%

of management group are women

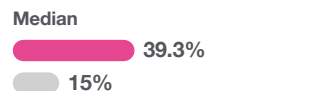
Employee gender diversity



UK gender pay gap



UK bonus pay gap



● 2019 ● 2018



Leadership for success in Ireland

In Ireland, we are a founding partner of LIFT (Leading Ireland's Future Together), an initiative that aims to build better leaders across the country. We are also working with the Irish Centre for Diversity to deliver training on inclusive leadership to people leaders.



“ Being inclusive and supportive really allows employees to come to work and be their best selves. That’s a real focus for us and it’s vital to a successful organisation.”

Donna Ince, Senior Vice President, Personal Lines, RSA Canada

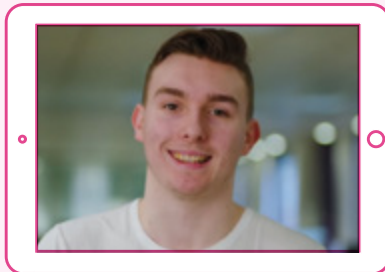
Supporting development through apprenticeships in the UK

In 2019, RSA joined **The 5% Club**. As part of the commitment, at least 5 per cent of RSA’s workforce will be made up of apprentices, sponsored students and new graduates over the next five years.

Currently, 278 RSA employees are on apprenticeship programmes and we aim to double this by 2022, helping new and existing employees to learn on the job.



Hear from RSA colleague Adam on how he joined RSA as an underwriting apprentice this year.



Empowering our colleagues

We understand that diversity goes far beyond gender balance, and we want all of our colleagues to feel that RSA is an inclusive and supportive place to work. That’s why our UK business has rolled out unconscious bias training to people leaders. This training will continue in 2020, with leaders cascading the information down to their teams and encouraging open, honest conversations.

The Board also supports the recommendations of the Parker Review on improving the representation of diverse social and ethnic backgrounds. The Board aims to have at least one BAME (Black, Asian and minority ethnic) member, and we are currently meeting this aim.

Our RSA Pride employee resource group led our participation in Pride celebrations and marches around the world. We were sponsors of Sunderland Pride, while in Dublin and Galway, our offices were branded with rainbow colours, signalling our commitment to D&I to customers and members of the public.

Being truly inclusive also means recognising the value that local talent can add to our business. For example, in our Middle Eastern business, we have been attracting and developing local talent from Saudi Arabia, Oman and the UAE. More than 40 local colleagues from Oman have been promoted to team leader positions in our call centres.



Learn more about why an inclusive culture is so important at RSA in this [short video](#).



RSA is a member of Working Families, a charity that helps working parents, carers and their employers to find a better balance between responsibilities at home and in the workplace.



RSA is an accredited Living Wage provider.




Championing mental health

With a positive attitude to mental health an ever-increasing priority for us, we encourage our people to speak openly about their mental health and to ask for help when they need it.

On World Mental Health Day 2019, our UK&I CEO, Scott Egan, joined a small group of colleagues to record a podcast discussing mental health, resilience and their personal stories. The session was **shared on our website** and streamed more than 300 times.

Our UK and Canadian businesses support employees experiencing mental illness through their network of **Mental Health First Aiders**. Our Canadian colleagues also participated in the ‘Not myself today’ campaign, fostering mentally healthy workplaces in partnership with the Canadian Mental Health Association. In addition, our Employee Assistance Programmes, which offer services such as counselling and expert advice on dealing with life events and concerns, are open to employees across a range of sites who are looking for extra support.

 **Read more about how we’re supporting mental health through community partnerships on pages 28 and 29.**

RSA Canada recognised as a top employer

The RSA Canada team was named as one of **Canada’s Top 100 Employers** for 2020, acknowledging its diverse and inclusive culture, commitment to high performance, learning and development opportunities, and support for community activities.

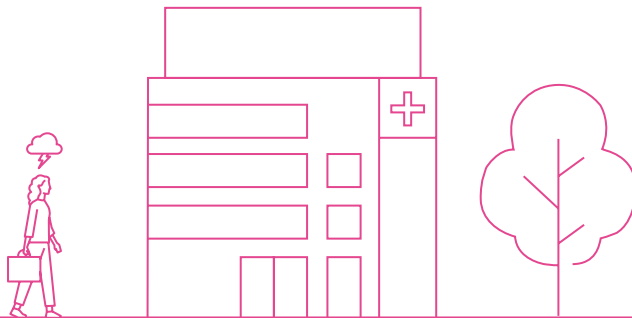


I’m really pleased that we recognise the equal importance of mental health alongside physical health as part of our workplace wellbeing. We are working hard to nurture a supportive and open environment where all colleagues know where they can access additional support whenever needed.”

Tony Bough, UK Head of Health, Safety and Wellbeing

Next steps >

- Focus on **gender balance, wider inclusion** and **unconscious bias training** across the organisation
- Continue to **build high-performing teams** across our regions, taking into account varying workforce cultures
- **Develop and reinforce our culture** through performance management tools and training



Active in communities

We value our relationships with the communities we're part of. Through encouraging employee volunteering and supporting local causes, we can make a positive difference to the people and places around us.

Our progress

- **Invested £1.85m in local communities** through cash, time and in-kind contributions, an increase of 18 per cent
- **Established long-term partnerships** that address safety, mental health and education
- **11,911 hours of employee volunteering** in 2019, a 45 per cent increase
- **Adopted the London Benchmarking Group framework** to measure and report our corporate community investment

Long-term community investment partnerships

It's important that we work to strengthen our local communities – whether that's through helping people in times of need or by empowering our employees to support the charitable organisations that matter to them.

Throughout 2019, we focused on creating more strategic community partnerships in line with our ambitions for risk education and behaviour change. These partnerships are aligned with our **Smarter Tomorrow objectives**, and offer our people the chance to share their time and expertise with their communities.

This year, we've focused on the following:

- **Water safety** – raising awareness of the risks around drowning and hosting summer swim schools for children through our partnership with the Swedish Life Saving Society
- **Road safety** – promoting responsible actions through our TruceTO campaign to create safer streets for cyclists, drivers and pedestrians, and support for the annual National Reflector Day in Scandinavia



Read more about these partnerships in the 'Shaping a smarter tomorrow' section on pages 10 to 18.

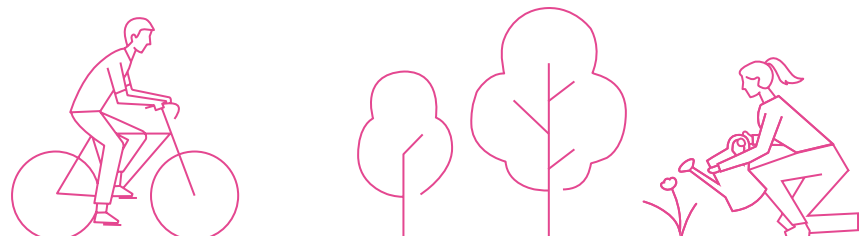
Making a difference in our communities

As well as focusing on risk education, we support local causes linked to mental health, social inclusion, education and employability, and environmental improvement.


Mental health

By working with national and local organisations, we're aiming to reduce the stigma around mental health and seeking to prevent and treat mental illness. Our Swedish business, Trygg-Hansa, insures approximately 750,000 children and young people and recognises the need for greater advice for children and families experiencing mental health issues.

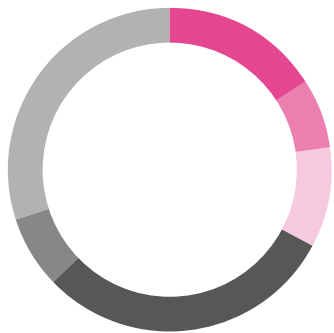
We have partnered with Children's Rights in Society (BRIS) since 2018, to increase awareness and knowledge about children's mental health and the importance of giving early support. Our financial support in 2019 funded a BRIS support coordinator to help provide advice around the clock.



In Canada, we became the first official corporate partner of **A Dollar A Day**, raising funds in aid of front-line mental health and addiction programmes. During 2019, we hosted employee awareness and fundraising events, and contributed more than CAN\$100,000 to the partnership. In October, we teamed up with A Dollar A Day in support of World Mental Health Day, raising more than CAN\$10,000 for front-line mental health organisations through a month-long employee contest.

 Read more about how we're championing mental health among our employees on [page 27](#).

Community investment by theme



● Risk education	16%
● Mental health	7%
● Social inclusion	10%
● Education and employability	30%
● Environment	7%
● Other	30%

Mental health support for colleagues

We encourage all our colleagues to have open conversations about their mental health and talk about any difficulties they may be facing. Our UK network of mental health first aiders are on hand to offer support and hold non-judgmental conversations with colleagues.

“Mental health is very important to our company, our employees and our customers. We wanted to do our part to help change the conversation and empower individuals to address an issue that impacts each and every one of us.”

Ken Bennett,
President, Johnson Insurance

Social inclusion

Our people are passionate about tackling issues such as homelessness and isolation among the elderly. In 2019, 10 per cent of our community investment went to addressing social inclusion. In Denmark, we established a new focus for our community work with Ældre Sagen to support volunteers who visit older people, while our UK employees raised £45,000 for social inclusion projects.

Education and employability

Across the Group, our employees supported education and employability by volunteering in schools and community groups to share their skills and experience. In the UK, for example, 240 young people benefitted from our work with East London Business Alliance (ELBA), the **Skills Builder Partnership** and London Links, with employees dedicating 900 hours to career insight days, mentoring and activities to improve social mobility.

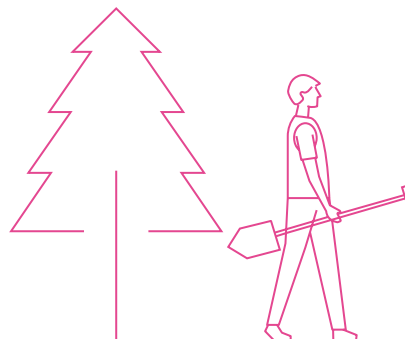
Environment

In 2019, seven per cent of our community activity supported environmental action, with employees participating in a range of conservation and environmental activities, from improving local parks and woodland to initiatives designed to reduce waste.



Conservation awards

In the Channel Islands, the Insurance Corporation hosts annual conservation awards, with a top prize of £2,000 going to a community-based organisation to put towards environmental initiatives. Winners in 2019 included The Soil Farm, a project that manages waste streams in Guernsey to regenerate soil health, and The DolFin Project, which researches dolphins in the Bailiwick waters. We also recognise the best school project and a young conservationist of the year.





Cleaning up in Canada

In the summer of 2019, 375 volunteers from RSA Canada joined WWF-Canada’s Great Canadian Shoreline Clean-up for the third consecutive year, collecting 586kg of litter. Volunteers took to beaches and rivers to remove plastics and other waste, as part of our long-standing partnership with WWF-Canada, which educates colleagues about the impact of plastics on our oceans, wildlife and communities.

Empowering employee volunteering

We want our people to feel connected to their local communities, so we offer every RSA colleague an annual two-day volunteering allowance. This year, we relaunched our **Community Investment Policy**, and we’ve seen a marked increase in support for community activities across our regions.

In the UK, we have also strived to make community volunteering more accessible for our call-centre employees. This helped us to increase volunteering within our UK business by 55 per cent in 2019, with colleagues contributing 7,330 hours to community activities.

In Canada, our Dollars for Doers scheme enables colleagues who reach 100 volunteer hours to apply for a CAN\$500 donation to their chosen charity.



Find out what inspires RSA colleague Jabraan Shazad, chair of our Manchester charity committee, to become a volunteer.



Total community investment

	2019	2018	2017	2016
Charitable donations (£)	1,365,064	1,305,148	1,423,358	1,315,931
Volunteering value (£)	330,616	239,587	248,971	168,115
Gifts in kind value (£)	149,730	12,818	68,269	105,917
Total value of cash contributions (£)	1,845,410	1,557,553	1,679,158	1,589,963
Leveraged funds: Employee fundraising (including payroll giving) (£)	312,702	285,276	265,928	153,830
Volunteering hours	11,911	8,193	13,636	14,428
Average volunteering hours per FTE	0.97	0.67	0.42	0.46

Our community investment values are reported in line with the London Benchmark Group guidelines.

Matching donations

Raising money for charities is important to our people, which is why we offer a popular match-funding scheme in the UK and Canada, and payroll-giving schemes in the UK and Ireland. By matching our people’s own fundraising, we’ve seen employees leverage £312,700 this year.

Combined with our employee contributions of time and strategic community partnerships, these activities contributed to a total investment of £2.16m in 2019.

Next steps >

- **Engage and enable more colleagues to participate** in community activities, particularly through volunteering
- **Align our Smarter Tomorrow partnerships** more closely to our community programmes through employee-led activities
- **Scale up our new partnership with Ældre Sagen in Denmark** to tackle loneliness and isolation among the elderly





Managing the everyday well

We want people to be confident that we’re running our business in the way they’d expect. This means being responsible in our investment and underwriting practices, thoughtful in our choice of suppliers and partners, and mindful of our environmental impact.

In this section

- Responsible investment and underwriting >
- Sustainable operations >
- Responsible supply chain >
- Customer privacy and data security >
- Business integrity >

Highlights

80%
of UK suppliers assessed on ESG management through new supplier due diligence portal

31%
reduction in carbon emissions since 2016

Our priority SDGs



Responsible investment and underwriting

The choices we make about our investments and the risks that we underwrite are an important opportunity for positive impact. We are working to embed environmental, social and governance (ESG) considerations into these decisions.

Our actions in 2019

- **Launched our new Climate Change and Low Carbon Policy position** covering investments and underwriting of carbon-intensive industries
- **Collaborated with industry peers** to develop guidance on ESG issues in underwriting
- **Developed a Group-level approach** to assess material ESG concerns and prioritise actions

Decision making for the long term

We are responding to the expectations of our stakeholders by considering ESG criteria in our decision making and our operations. As a signatory to the United Nations Principles for Sustainable Insurance (UN PSI) and a member of ClimateWise, it's important that we make informed decisions about the types of risk we choose to underwrite and where we invest our premiums.

To oversee our approach, we have established an ESG Committee, chaired by our Group Chief Risk Officer and comprising senior representatives from investment, underwriting and risk teams. The committee is responsible for assessing key issues, recommending our company position and monitoring how these are integrated into business practices.

In 2019, the committee reviewed ESG issues associated with higher-risk sectors and developed a new Group-wide policy position on supporting the transition to a low-carbon economy.

Promoting the transition to a low-carbon economy

Introducing our Climate Change and Low Carbon Policy

With changing weather patterns and more frequent and extreme events increasing the risk of property damage and disruption to business operations, the insurance industry has an important role to play in understanding and responding to a changing climate.

We are committed to contributing to efforts that reduce carbon emissions and accelerate the transition to a lower-carbon future. We recently launched our **Climate Change and Low Carbon Policy**, which outlines our role in insuring renewable energy generation projects and restricts capacity available to, and investments in, carbon-intensive industries.

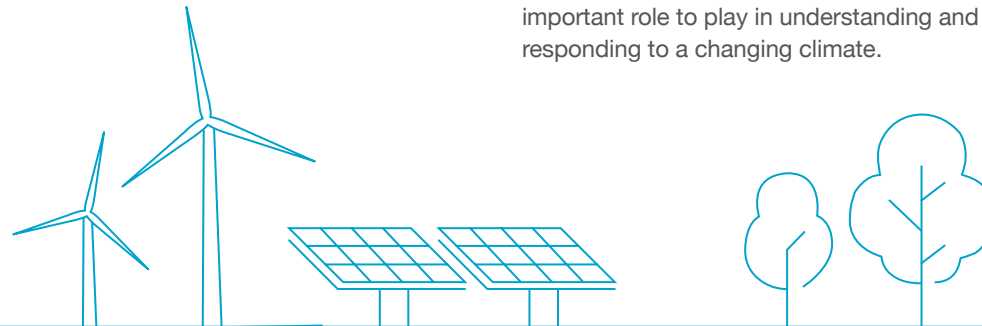
Insuring renewable energy

RSA has a market-leading position as an insurer of renewable energy with long-standing expertise. Renewables currently make up 65 per cent of our energy underwriting portfolio – well above the global energy mix.

Our Renewables teams in the UK and Denmark underwrite renewable energy projects across the world, providing cover for the construction and operation of wind, solar, hydro and bioenergy projects. They work closely with manufacturers and developers to advise on how best to reduce risks and support claims for upcoming projects. Our global team of experts form a renewable energy 'centre of excellence', offering insurance at every stage of a project life cycle.



See 'Building resilience on climate change' on pages 16 to 18 to find out more about our work on climate resilience.





Collaborating to develop industry guidance

Working with industry peers, RSA supported the UN PSI's initiative to develop the first global guide to manage ESG risks in underwriting. The guidance aims to help commercial insurance businesses to integrate environmental and ethical considerations into core business processes and decision making. The result of a multi-year PSI initiative, the guidance was released for public consultation in 2019.



Find out more and access the [guidance online](#).

Responsible underwriting

We're committed to carefully evaluating the risks we underwrite and working with our customers to promote sustainable business practices.

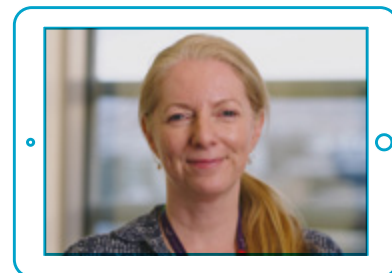
Our Underwriting Policy is aligned to our risk appetite, covering issues such as financial crime, money laundering and sanctions compliance. We manage social risks by conducting sanctions screening, credit and Know Your Customer checks. Our risk controls teams will assess vulnerability to weather risks and health and safety, where they undertake onsite assessments.

During 2019, our underwriting teams integrated our Climate Change and Low Carbon Policy into our risk appetite and processes to enable us to manage our new position effectively from 1 January 2020.

An important part of our approach to responsible underwriting is our high-risk country framework. Where a matter is linked to a country that RSA deems to be of high



Hear from RSA colleague Sarah on our work to launch our new Climate Change and Low Carbon Policy position.



risk, the framework provides guidance and requirements that refer the writing of certain business or the payment of certain claims to a more senior level.

We screen all transactions to ensure compliance with sanctions. Where human rights and modern slavery risks are considered to be high for specific countries, our systems provide an advisory to underwriters.

Responsible investment

We believe a positive approach to ESG issues is a good indicator of the quality of a business's management practices and the likelihood of its long-term success. Our Investment team considers the ESG policies that external fund managers have in place as part of the appraisal process for onboarding any new managers. Our core fund managers are signatories to the UN Principles for Responsible Investment (PRI), demonstrating their ongoing commitment to responsible investing.

90%

funds managed by signatories to the UN PRI

We also use specialist data sets to review the overall ESG performance of our investment portfolio and provide more detailed information on specific investments when required. The development of our Climate Change and Low Carbon Policy position in 2019 formalised the requirements we give to fund managers who manage investments on our behalf.

We insure more than 100 offshore wind farms around the world

As a leading insurance partner for offshore wind, our Danish business, Codan, continues to support the industry's development. For example, we are actively involved in several offshore windfarms under construction in Taiwan, which will secure clean energy for more than 200,000 homes.



Find out how we're improving the sustainability of our own operations on [pages 34 and 35](#).

Next steps >

- **Continue to improve how we manage our underwriting and investment exposure** to sensitive sectors
- **Review how we evaluate potential ESG risks** in our investment and underwriting activities, in accordance with UN PSI guidance
- **Work with external fund managers** to further understand their processes to consider ESG issues in investment decisions

Sustainable operations

Climate change, pollution and pressure on natural resources affect our people, our customers and the communities we work in. We're working hard to reduce the impact of our operations by reducing carbon emissions, switching to renewable energy and using resources more efficiently.

Our actions in 2019

- **Achieved a 31 per cent reduction** in carbon emissions since 2016 and 10 per cent reduction in energy use
- **Set a new carbon emissions target** to achieve a 50 per cent reduction by 2030
- **Started a programme to switch to renewable energy** at key sites across our operations

Reducing our carbon footprint

Our focus on sustainable operations saw significant progress in 2019. We achieved a 31 per cent decrease in carbon emissions compared to 2016, with reductions across all our key regions, and set a new 2030 carbon reduction target.

Carbon emissions from our energy use have decreased by 29 per cent since 2016. This has been driven by a focus on reducing the footprint of our estate and moving to newer, more efficient buildings as well as retrofitting key properties with LED lighting and more efficient

equipment. Energy use fell by 10 per cent compared to our 2016 baseline, representing a reduction of 4.8 million kWh of energy consumption. Our reduction in emissions also reflects the lower carbon intensity of the energy we used over this period.

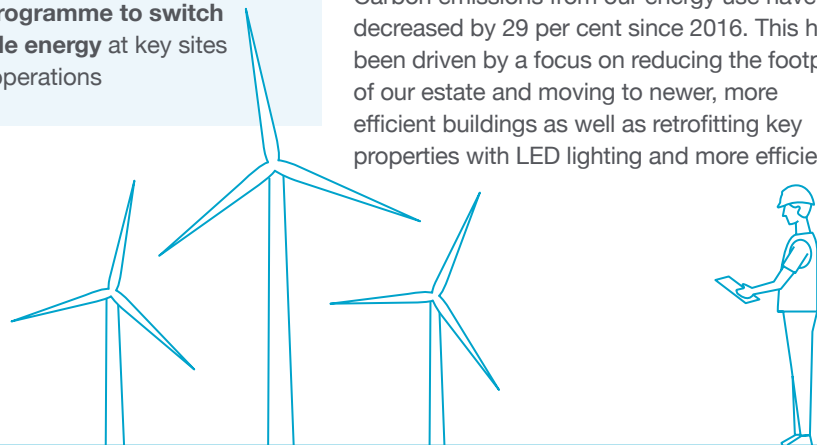
We have also achieved a 36 per cent reduction in emissions associated with business travel by discouraging air travel and promoting the use of more fuel-efficient vehicles. In 2019, we launched a new business travel policy in Scandinavia to promote sustainable travel. This contributed to a 35 per cent reduction in business travel emissions compared to 2018 and the avoidance of 6 million kilometres of air passenger travel. We will continue to review our business travel policies to identify opportunities to incentivise low-carbon travel and encourage alternatives such as video conferencing.

Setting a new carbon reduction target towards 1.5°C

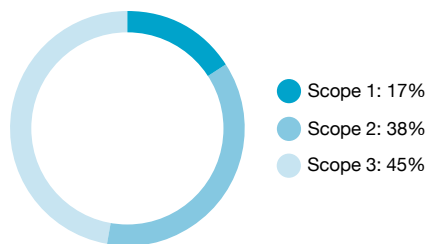
During 2019, we worked with an external consultancy to set a new carbon reduction target: to reduce emissions by 50 per cent by 2030. This goal – overseen by our ESG Committee and approved by our Board, alongside our Climate Change and Low Carbon Policy position – aligns with the science-based target methodology as far as currently possible, and will be reviewed when the sector-based approach for financial services is released. The target takes into account the level of decarbonisation required to keep global temperature increase below 1.5°C.

For the first time, we modelled and analysed all categories of scope 3 emissions defined in the Greenhouse Gas Protocol guidance. This helped us to identify where emissions are highest and prioritise where we have the greatest opportunity to influence third parties, particularly within our supply chain. The emissions from our most material scope 3 emissions categories – purchased goods and services, and our investment portfolio – totalled more than 1 million tonnes CO₂e.

Although our target currently applies to our direct emissions and emissions from business travel, we will investigate how we can reduce the emissions associated with our wider activities.




Carbon emissions by scope in 2019



Switching to renewable energy

To reduce our carbon footprint, we have set a Group-wide target to source 100 per cent renewable electricity for our estate by 2025. We are already switching to Renewable Energy Guarantees of Origin (REGO)-backed renewable energy sources where we directly control procurement, which will avoid 1,700 tonnes of carbon per year. We are also actively engaging with landlords to enable the transition to renewable energy across the remainder of our estate. Around 24 per cent of the energy we used came from certified renewable sources by the end of 2019.

 Find out how we're supporting the transition to a low-carbon economy by underwriting renewable energy projects on [pages 32 and 33](#).



Reducing waste and using resources more efficiently

We have been taking significant steps to reduce waste, by removing single-use plastics from our global operations and reducing paper use by 35 per cent since 2016.

Our ongoing 'print responsibly' campaign in Canada drives action by encouraging employees to pledge to reduce their paper use through a data-driven competition. As we continue to move to more paperless processes, our IT team have reduced the printing devices at major offices, reducing future paper use and toner waste. PaperCut software has been installed on the remaining devices to track paper consumption and CO₂ production.


In Scandinavia, our Swedish branch has an ambitious plan to reduce the number of printed policies and documents sent to customers by encouraging them to move to digital communications. In 2019, the number of customers opting to receive their insurance policies online increased by 17 per cent and paper use reduced by 25 per cent.

Managing environmental impacts

Our actions to reduce our environmental impact are governed by our Group Environmental Policy. In 2019, we conducted a gap analysis to ensure its requirements are understood and implemented correctly across the business.

As part of this assessment, we've taken opportunities to improve our reporting methods to demonstrate our commitment to reporting transparently on climate-related issues:

- We have started to **adopt the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD)** in our [Annual Report and Accounts](#) (see pages 47–49)
- We **report to external organisations, including ClimateWise and scored a B in CDP**, demonstrating our commitment to reporting transparently on climate-related issues

 **Hear from RSA colleague Francesca on the actions we're taking to improve the sustainability of our offices.**



31%

reduction in carbon emissions since 2016

 24%

of energy from certified renewable sources

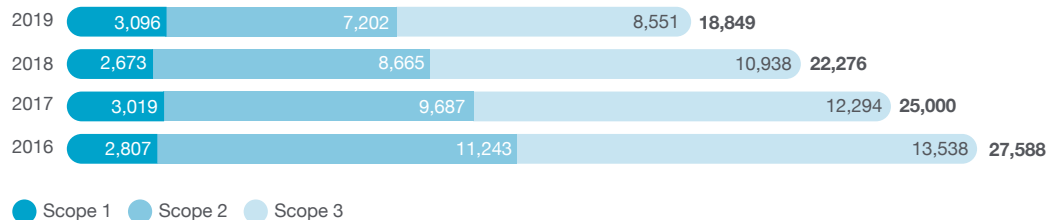
35%

reduction in waste since 2016

Next steps >

- **Engage landlords** for leased properties to transition to renewable energy supplies
- **Continue to improve the energy efficiency** of our property portfolio with planned moves to new facilities
- **Work with colleagues to further reduce emissions** from business travel through online meetings and fewer flights

Greenhouse gas emissions 2016–2019 (tCO₂e)



Carbon emissions independently assured by PwC; you can read the Assurance Opinion [here](#).

Responsible supply chain

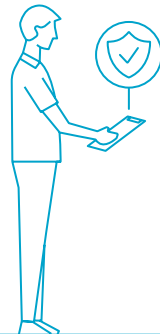
As a responsible business, we consider the impact of our activities beyond our own operations. We monitor and manage the environmental and social impacts of our supply chain and work collaboratively with our suppliers and partners to share best practice.

Our actions in 2019

- **Increased supplier engagement** on corporate responsibility topics across our property, motor and legal supply chains
- **Reviewed and updated our third-party supplier management process** in the UK to adopt a risk-based approach
- **Screened 80 per cent of our UK suppliers** through our new supplier due diligence system

Managing our supply chain

Social and environmental issues are considered during purchasing decisions, and we aim to use our buying power to effect positive change. We choose to work with partners that hold the same high standards as RSA, deliver high-quality products and services, and respect the communities and environment in which they operate.



Our Third Party Contracts Policy sets out the controls we have in place for our procurement processes and the conduct we expect from our partners. This includes supplier selection, risk assessments, contracting and ongoing management. This is supplemented by our publicly available **Supplier Code of Conduct**, which outlines our expectations on key issues such as environment, ethics and community investment. The code is incorporated into new contracts and agreements as well as our due diligence system.

During selection, we conduct checks on the policies and management practices of suppliers on issues including information security and data protection, anti-bribery and corruption, customer treatment, labour practices, human rights and environmental management.

We also engage with our suppliers throughout the year. During 2019, our supply chain managers in the UK and Sweden liaised directly with larger suppliers to better understand how they integrate sustainability into their operations. In the UK, the Corporate Responsibility team presented the Confident Futures strategy to more than 70 key suppliers at our annual supply chain conference.

Improving supplier management

During 2019, we implemented a programme to improve third-party management across our UK and Irish businesses. This more effective risk-based approach will help us to assess the risks associated with a service or product, rate suppliers' management practices and enable high-risk suppliers to be referred for further scrutiny by subject matter experts. We also adopted a new supplier management platform, through which we have assessed 80 per cent of our suppliers against ESG issues, including their environmental policies, data protection and human rights.

In 2020, we will work with our regional markets to establish how the lessons from this work can be adopted across the business.

80%

of UK suppliers assessed on environmental and social issues

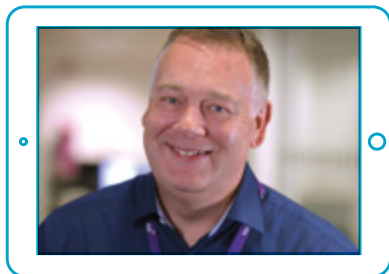
Delivering sustainable claims solutions for our customers

We encourage a ‘repair over replace’ philosophy and work hard to deliver sustainable claims solutions for our customers. This has been particularly successful with motor claims in our UK and Scandinavian operations, where we incentivise repairers to fix parts rather than replace them wherever possible. In the UK, we carried out a repair for every 3.8 parts replaced, compared to an industry average of 6.4.

In 2019, analysis of our scope 3 emissions (see ‘Sustainable operations’ on [page 34](#)) identified motor manufacturing and repair as one of the most emissions-intensive parts of our supply chain. Repairing rather than replacing parts brings environmental benefits such as reduced demand for raw materials, fewer products being shipped from overseas and less waste.



Find out how RSA colleague **Andy** works with suppliers to find solutions that benefit our customers and the environment.



Sustainable windscreen claims

Around 70 per cent of windscreen chips turn into more problematic cracks within a month. By encouraging customers to repair chipped windscreens promptly, we’re promoting sustainable claims. Our Scandinavian and UK businesses work with suppliers to inform customers about the environmental and cost savings associated with windscreen chip repairs. Repairing a chip takes 30 minutes, compared with the time taken to order and replace a windscreen, and it’s also more cost-effective and resource efficient.

In 2019, 40,000 chip repairs produced the following benefits:

1,500

tonnes of carbon emissions avoided

540

tonnes of glass waste kept out of landfill

£13.7m

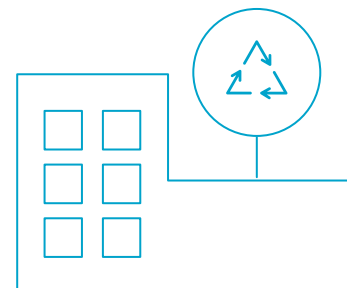
cost saving from avoiding windscreen replacements

Raising awareness of modern slavery and human trafficking

As an insurance company, our exposure to modern slavery and human trafficking is limited, but risks are present in parts of our motor and building supply chains. Our direct and indirect procurement teams in the UK completed a one-day, face-to-face training course focused on the potential exposure to modern slavery across our supply chain and how to identify key signs.

Working with social enterprises

During 2019, our UK business began working with several social enterprises that maximise positive social and environmental impact. For example, to support our efforts to phase out single-use plastics, we commissioned the **Commercial Foundation** to provide branded ceramic mugs for our offices. The social enterprise helps young people from challenging backgrounds to find long-term employment and build their confidence. By working in this way, we’ve generated £117,000 of additional social value, with 86 per cent of the young people the foundation employs going on to secure work or further training.



It’s really important that we continue working with our supply chain to deliver sustainable claims solutions for our customers that not only deliver great service but also minimise the impact on the environment.”

Mark Baker, Head of UK Claims Supply Chain, RSA

Next steps >

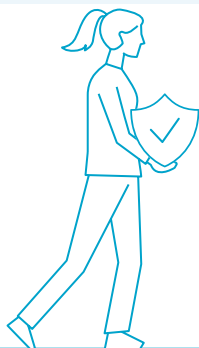
- Review and update our **Third Party Contracts Policy** in line with evolving expectations
- Work to embed **ESG issues** into our supply chain performance management process
- Understand our suppliers’ **carbon emissions targets** and commitments to adopt more sustainable practices

Customer privacy and data security

In the modern world, our reliance on data is growing exponentially. That's why it's essential that our customers trust our people and our systems to protect their privacy and keep their information safe from misuse.

Our actions in 2019

- **Invested in a multi-year cyber resilience programme** to improve security capability
- **Tested our information security defences** to assess and improve our ability to detect and respond to real-world threats
- **Undertook a simulated training exercise** to test our response to a cyber-related incident



Mitigating data security threats

Our systems and processes

Guided by policies and procedures covering information security, cyber security and data protection, we make sure information is collected, stored and used responsibly. Our data-related policies sit within our Group-wide risk and compliance structure. They are reviewed annually and regularly audited.

We use controls such as firewalls, intrusion detection systems and other security technologies to help defend our systems from attack, regularly reviewing and refreshing them to address new and emerging threats. Through our cyber resilience programme, we adopt a risk-based approach and have a multi-year commitment to investing in technical and process controls to build resilience.

In 2019, we conducted an advanced cyber security penetration testing exercise in conjunction with the UK regulator, to evaluate our defences and enable us to continuously improve our ability to detect and respond to emerging threats.

Employee training

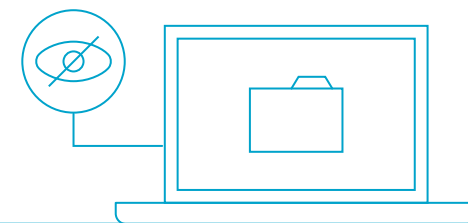
Empowering our colleagues to take the steps required to protect our organisation is key. We provide comprehensive resources and guidance on customer privacy and data security via our intranet. We regularly engage with colleagues so they're aware of threats and know how to report anything that makes them suspicious. This includes carrying out regular phishing campaigns to check our management procedures are robust.

Everyone at RSA completes annual mandatory training on cyber security, data protection and information security, which provides practical advice on how to protect data while highlighting that the misuse of data by an employee could result in disciplinary action.

Continuous improvement

Our expert information security, data protection and compliance teams protect and support our business, managing policies and controls, assessing risks and restricting inappropriate access to information. The responsibilities of the Chief Information Security Officer in each region are overseen by our Group Chief Information Officer, who ultimately reports to our Group Executive Committee.

This year, we have further strengthened our internal capability in core regions by continuing to engage cyber security specialists and introduce new or enhanced capabilities in line with their recommendations. The onboarding of new tools and processes within our security operations function has also improved the visibility that we have over our IT infrastructure and ability to protect information.



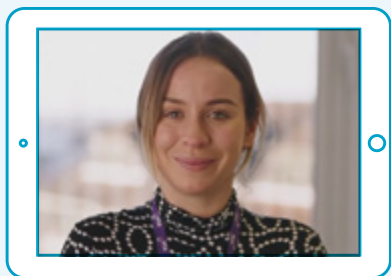
Cyber security awareness

In 2019, we raised awareness of cyber security across our business. The Information Security team in Canada used Cyber Security Awareness Month in October as an opportunity to share cyber security tips on Yammer, our internal social media site.

Our UK team ran a Cybersmart campaign, using a roadshow to advise colleagues in our offices on how to stay safe online at home and at work. We also conducted a training exercise with key stakeholders that focused on our ability to respond to and recover from a cyber-related incident. In Norway, 220 colleagues participated in awareness sessions about General Data Protection Regulation (GDPR) and incident management.



Hear from RSA colleague Phoebe on our UK cyber security awareness and culture campaign.



Respecting customer privacy

Respecting our customers’ privacy is essential to maintaining their trust in our business. Our approach covers how we collect, use and manage our customers’ personal data to make sure we respect the confidentiality of sensitive information and any choices customers have made regarding the use of their data. The Group Executive Committee oversees the implementation of our privacy policies, while day-to-day responsibility for customer privacy sits with regional management teams.

Minimising risk from third parties

Beyond our own organisation, we rely on our suppliers’ and partners’ systems for protecting data and customer privacy. We assess their approach through our information security and data protection due diligence questionnaires and use privacy impact assessments to identify whether additional actions are required. This includes identifying high-risk third parties so they can be effectively managed. Privacy, data retention and removal clauses are included in all relevant third-party contracts involving the transfer of personal information.



Cyber security protection

Today’s organisations have a critical reliance on information technology to conduct their business. Every aspect of our lives is increasingly affected by the generation, transfer, storage and analysis of data, and the infrastructure that supports it.

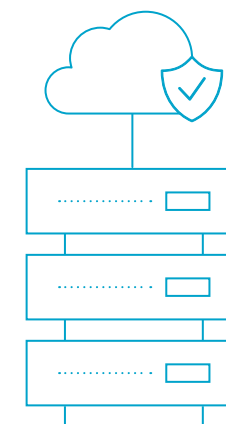
Our Cyber Protection insurance covers the typical costs associated with a cyber event and, in partnership with Crawford, provides 24/7 incident response capability to support an organisation’s own crisis management. Our policies provide cover options including network security, regulatory costs and penalties, cyber business interruption, cyber extortion, payment diversion fraud, breach response, communication advice and crisis management support.

Cyber risk insurance

Cyber risks are a serious and growing threat to all types and sizes of business, but traditional policies will only cover some of the potential impacts. That’s why we have developed cyber-specific insurance products, which provide cover for a range of possible losses, including significant cyber response costs related to notification, IT forensics, credit monitoring and identity theft.

Next steps >

- **Continue to improve our systems** and training on continually evolving privacy and security threats
- **Embed the use of a Third Party Contracts Policy** to assess and manage the risks associated with organisations we work with
- **Continue the delivery of our cyber resilience programmes**



Business integrity

Running an ethical business is fundamental to how we operate. We're committed to preventing bribery and corruption, tackling fraud, responding to human rights risks and being transparent about the tax we pay.

Our actions in 2019

- **Conducted gap analyses** to ensure effective local implementation of Group policies
- **Trained all UK-based employees** on Conduct Rules
- **Reviewed and updated** our Group-wide Human Rights Policy

Business conduct

Our policies and processes are critical to upholding high standards across our business. They set out our expectations of employees on topics including handling customer information (see 'Customer privacy and data security' on [pages 38 and 39](#)), conflicts of interest and anti-money laundering.

Everyone at RSA completes relevant training modules through Horizon, our online learning management system. In 2019, we launched a new Conduct Rules e-learning module to ensure all employees understand the new rules introduced by the Financial Conduct Authority and the Prudential Regulation Authority.

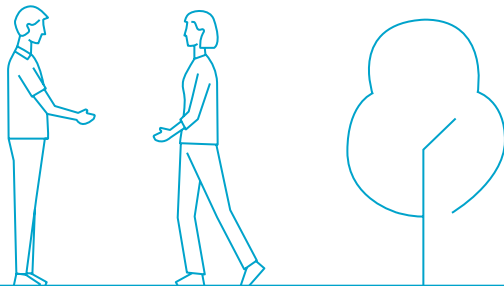
In 2019, our Group Risk team led an overhaul of Group business control policies. We updated most of our policies using new templates and provided clearer controls to ensure their requirements are monitored and reviewed. Ultimate responsibility for complying with local legal and regulatory requirements rests with the Executive teams in each region.

Anti-bribery and corruption

Bribery and corruption are not tolerated anywhere in our business. Our position is clear: we never offer or receive bribes or corrupt payments. Our robust Anti-Bribery and Corruption Policy outlines the controls in place to mitigate the risks and to comply with applicable regulation. Our approach is supported by additional policies that help us to prevent wrongdoing, including the following:

- **Conflicts of Interest, Gifts and Hospitality Policy:** Covers actual or potential conflicts of interest, the standards we expect and procedures for recording and escalation
- **Broker Remuneration Policy:** Outlines expectations that commission and other payments are commensurate with the services provided and subject to appropriate approvals
- **Third Party Contracts Policy:** Provides guidance on engaging with key suppliers and third parties to ensure that bribery or corruption are not used to gain an unfair advantage
- **Whistleblowing Policy:** Covers safe and anonymous ways to report malpractice without fear of repercussions

Employees in higher-risk roles receive additional training and are subject to vetting for financial probity and criminality. In addition, all regional businesses and functions complete an anti-bribery and corruption risk assessment annually.





Raising concerns through Ethicspoint

Our whistleblowing site, Ethicspoint, provides colleagues, contractors, suppliers and other external partners with a secure and confidential way to report potential wrongdoing. When a whistleblower raises a concern, the business takes measures to protect their identity, maintain confidentiality and safeguard against consequences or recriminations. All permanent, temporary and contractual employees, directors and non-executive directors are required to complete our mandatory whistleblowing e-learning module.

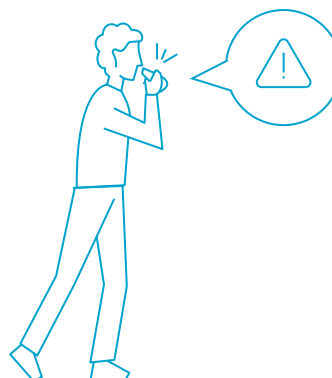
Whistleblowing

We have high ethical standards and clear expectations around the behaviour of our people. However, when things go wrong, it's important that our employees are aware of our Whistleblowing Policy and know how to raise a concern so that corrective action can be taken quickly.

Preventing fraud

Every day, we work with prevention agencies, the police and other insurers to detect and prevent fraud, protecting our customers and our business.

We have specialist teams dedicated to preventing, detecting and investigating application and claims fraud across our business. This includes our Counter Fraud Unit in the UK, which combines fraud detection technology with the skills of experienced intelligence analysts, claims handlers and investigators.

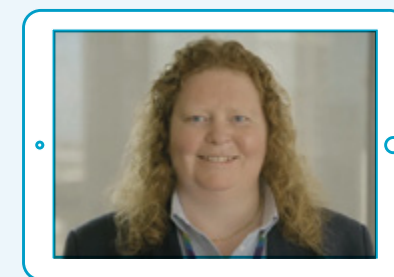


Supporting industry fraud initiatives

We actively participate in cross-industry initiatives, including the Insurance Fraud Bureau (IFB), Insurance Fraud Register and the Police Insurance Fraud Enforcement Department, to share data and intelligence, and to support enforcement agencies to bring fraudsters to justice. In 2019, our UK and International Chief Claims Officer became Chair of the IFB, which leads the insurance industry's collective efforts against insurance fraud.



Find out more from RSA colleague Adele on her work to combat insurance fraud.



Human rights and modern slavery

We are committed to respecting and protecting internationally accepted human rights, and to fair and equal treatment for all, as outlined in our Group-wide Human Rights Policy.

During 2019, we refreshed the policy to ensure appropriate actions and due diligence processes are in place to prevent any breaches of our standards. These focus on underwriting, procurement and human resources, as well as making employees aware of the principles and monitoring the effectiveness of our responses. Our procurement teams undertook modern slavery training, and we are exploring opportunities to extend this training to our regional operations.

In accordance with the UK Modern Slavery Act 2015, we publish an **annual modern slavery statement** detailing the steps taken to check that slavery and human trafficking are not taking place in our business or our supply chains.

Business continuity planning

Our Business Continuity Management programme proactively improves our resilience and ability to respond to disruption. Business continuity plans are in place across our offices, and a hotline for reporting incidents is always available. We regularly undertake training to ensure preparedness, including crisis communications and incident response exercises.



Tax transparency

As an employer and taxpayer, we support the economies of the countries where we operate and manage our tax affairs responsibly. Our **Annual Tax Transparency Report** sets out how we manage tax, including governance, planning, risk management and total tax contribution.

Next steps >

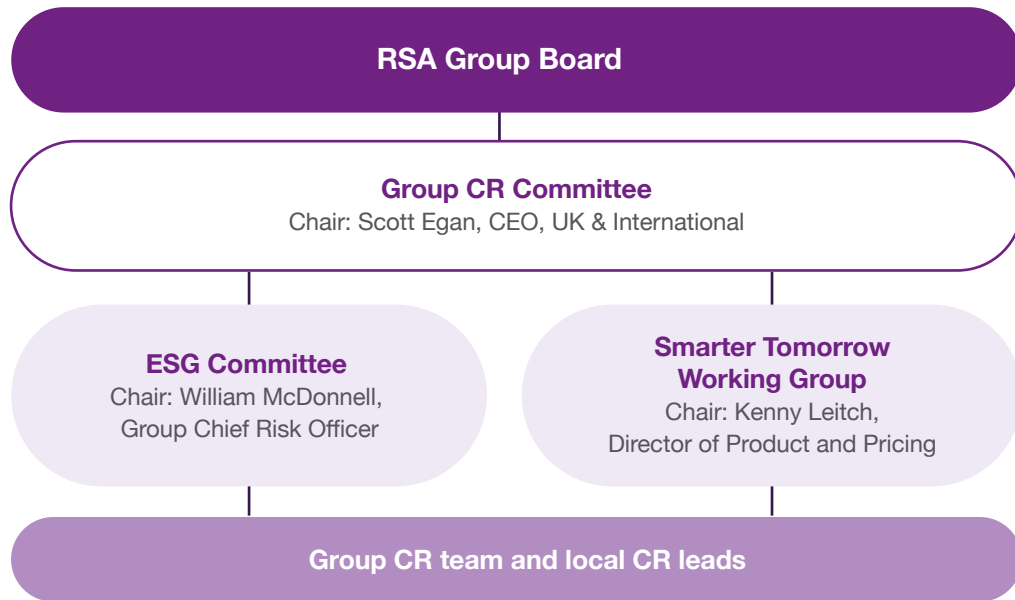
- Update our 'Guide to business conduct' and relaunch it to colleagues across the business
- Continue the ongoing implementation, review and validation of our policies and controls so that we maintain the highest ethical standards



Governance

We have clear structures and controls in place to ensure our corporate responsibility (CR) strategy, Confident Futures, is embedded in our operations and decision making. Our governance model is underpinned by robust policies, standards and management systems.

Our corporate responsibility governance model



Our CR governance structure

Our **Group CR Committee** oversees the implementation of Confident Futures, including the responsibility for setting targets, action plans and tracking our impact, and ensures appropriate governance and oversight of CR across our regions. The committee is made up of senior representatives from each of our core markets, as well as subject matter experts to provide support on priority areas.

The following report regularly to the Group CR Committee:


- The **ESG Committee**, which focuses on ESG issues within investment and underwriting, as well as monitoring the implementation of our Environmental Policy and setting targets
- The Group-wide **Smarter Tomorrow Working Group**, which provides strategic focus to how we build risk education and behaviour change into our products, partnerships and campaigns

The Group CR Committee is supported by the Group CR team and local CR leads, who work with colleagues to monitor action plans and measure progress.

Our supporting policies

Our governance structure is underpinned by policies covering environment, human rights, community investment, anti-bribery and corruption, conflicts of interest, whistleblowing, customer, third-party contracts and employment practices. These are reviewed annually and set the framework for our operations.

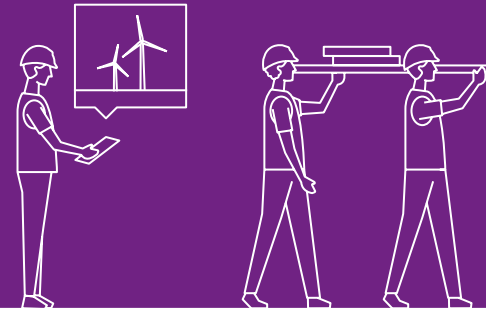
Our policies, which apply to all operating countries and subsidiaries, help us to manage our operational, regulatory and reputational risks. Each policy has regional owners who ensure local implementation across our business, and employees are required to complete annual training modules to ensure they are aware of their responsibilities.

 **Our environment, human rights and community investment policies can be found online.**



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