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UN Global Compact – RSA Communication on Progress 2021/22

RSA is a leading international general insurer. We are committed to developing trusted consumer and commercial brands that deliver great service and relevant products. We are here to help people, businesses and society prosper in good times and be resilient in bad times. In a world where our people, customers and communities are facing new challenges, we are committed to meeting their evolving needs, managing our business operations sustainably and having a positive social impact.

RSA has been a participant in the UN Global Compact since 2007. We are proud to be part of a global business community committed to concrete actions to help society and implementing an effective framework to help business achieve high standards in responsible business conduct. The principles are manifest in policies that are embedded in the RSA business and paired with our Values, particularly those policies designed to ensure environmental performance, demonstrate our fundamental commitment to human rights, and ensure that strong business ethics is the foundation of every decision we make.

Our support for the UN Global Compact has enabled a broader conversation about the role of the UN Sustainable Development Goals (SDGs) as a tool to catalyse ambition and innovation within RSA. In recent years, where relevant, we have referred to the UN SDGs to contextualise our approach to social impact and environmental, social, governance (ESG) issues within the SDGs ambitious framework for global development.

On 1 June 2021 RSA was acquired by the leading Canadian P&C insurer Intact Financial Corporation. 2022 is a foundational year as we work to integrate the legacy RSA business with our new parent company, which includes fostering a new and more ambitious approach to social impact and ESG that benefits from the experience and resources of the combined businesses.

Given the changed corporate structure and geographical perimeter of the now RSA subsidiary business, we have elected not to produce a Corporate Responsibility report as with previous years. Through 2022 and into 2023 we will continue to advance the social impact and ESG agenda across the global Intact business and report our strategies and performance on ESG in group wide disclosures. In April 2022 we published the Intact Social Impact Report, which for the first time brings together evidence of our commitment to social impact and ESG across the whole business, including RSA.

RSA Insurance Group Ltd.

Registered in England and Wales No. 2339826.

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www.rsagroup.com



We have prepared this Communication on Progress document to draw out those activities that demonstrate RSA's continued commitment to the ten principals of the UN Global Compact and how our programme aligns with the UN SDGs. Stakeholders wishing to find out further information about our ambition to build resilient communities are invited to read the Intact Social Impact Report.

A handwritten signature in black ink, appearing to read 'Ken Norgrove', with a long horizontal flourish extending to the right.

Ken Norgrove, CEO, RSA UK & International

RSA and the UN Global Compact

Human Rights

Our Human Rights Policy operationalises the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. It sets the standard we expect for our employment practices, the actions of our supply chain, and principles we apply to our investment and underwriting portfolios.

In 2021, we continued a programme of due diligence that monitors the approach of our supply chain to human rights, tracks performance, and engages with suppliers to improve transparency where necessary. Supplier Relationship Managers have completed our e-learning module, which addresses the potential risks of modern slavery and human trafficking in the supply chain, raises awareness of this issue among our people and the circumstances under which they should seek specialist advice.

Our procurement team considers human rights when reviewing supplier tenders, as well as existing supplier contracts. Our aim is to raise awareness of issues, ensure that procedures are in place to prevent breaches, and conduct appropriate due diligence. We are subscribers to the Financial Services Qualification System (FSQS) operated by Hellios – a community of financial institutions collaborating to agree a single standard for managing supplier compliance, including with ESG policy areas such as modern slavery and environmental impact.

Our overarching approach to ensuring we are respecting and helping to fulfil human rights is found in our Human Rights Policy. Further information on our approach to addressing modern slavery can be found in our Modern Slavery and Human Trafficking Statement: www.rsagroup.com

Labour

All relevant policies are reviewed on an annual basis, including our Modern Slavery and Human Trafficking Statement, which was published in March 2021 and is linked to a number of policies that provide confidence we are helping to raise awareness of modern slavery among our people and suppliers.

This includes policy standards outlining how we recruit, manage and support our people in a working environment that promotes diversity, respect, integrity, safety and wellbeing; our Third Party Contracts & Outsourcing policy which exists to ensure that appropriate assessments of risks associated with services are undertaken to meet our human rights commitments; and our Speaking-up & Whistleblowing Policy, which encourages our people to raise concerns, without fear of retaliation, about how we do business or operate as an employer.

Our people have always been central to achieving our core purpose, and our culture of support for personal well-being, diversity and equal opportunity to excel is important to us. This is underpinned by Company-wide HR policies and our People Principles of: Building High Performance, Sustaining Diverse Capabilities and Working Together Effectively.

We believe in enabling our people to bring their best selves to work. We encourage continuous feedback and development and have formal biannual reviews for employees and their managers to discuss business goals and performance, as well as an opportunity to talk about career plans. Formal reviews generate ratings which take into account ‘what’ has been delivered along with ‘how’ and contribute to reward decisions. This ensures that our values-based culture and the way we do things have equal status with end

	<p>results and support individuals in driving their personal development plans.</p> <p>As development can take many forms and evolve over time, we offer a range of options such as apprenticeship and leadership programmes, technical career pathways, online training, coaching and mentoring. These run from entry-level roles right through to degree and masters qualifications.</p> <p>We take time to share and celebrate achievements by our people within the Company and in the community through year-round peer recognition schemes. In the UK, Europe and Ireland, senior leaders also host events to showcase the stand-out behaviours of individuals who were nominated by peers for special recognition. In 2021, our people made just over 3,500 nominations for this special recognition.</p> <p>Having experienced the benefits of diverse opinions and perspectives, we continue to promote inclusivity, including ensuring there is no less favourable treatment on the grounds of sex, sexual orientation, gender re-assignment, marital or civil partnership status, race (including colour, nationality, ethnic or national origin), disability, religion or belief, age, and pregnancy and maternity, and that reasonable adjustments are provided for people with disabilities who are applying to or already working with us.</p> <p>An executive-led Diversity & Inclusion Council oversees our diversity strategy which aligns to our commitments as signatories to the Women in Finance Charter, Race at Work Charter, the 10,000 Black Interns Programme and the Valuable 500. Our network of Employee Resource Groups, mental health first-aiders and membership of the UK Business Disability Forum contribute to how we can best support colleagues. These groups are incredibly well-received in the business and participation is strong.</p> <p>For example, we enhanced UK support for parents and carers, and ‘listening groups’ with our UK Black, Asian and other ethnic minority colleagues and</p>
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	<p>contributed to training on Inclusive Language & Communications, Understanding Race Bias and focused Anti-racism & Allyship sessions with leaders. Working Together Effectively Company-wide Employment Practices and Speaking-up & Whistleblowing policies set out the standards for local people policies and practices and are reviewed annually via our risk governance which is reviewed at Board level.</p> <p>We believe in transparency; therefore all colleagues have access to confidential procedures to raise concerns impacting them personally and any broader suspicions of wrongdoing within the Company. In addition, we promote many communication channels and also welcome views from our workforce through regular and constructive dialogue with trade unions and a European Works Council. These range from formal to informal mechanisms to support an open and inclusive culture where speaking up and having a voice is at the heart of how we operate. Scores from 2021 employee surveys in each of our countries range from 74% to 81%, which indicates our people are highly engaged. Areas of particular strength were our inclusive culture and solid understanding of goals.</p> <p>Covid-19 meant a significant shift in the way we work and our colleagues rallied to this. As we look forward, we are taking onboard employee feedback for sustained flexibility in the long term. We are developing hybrid working (a mix of home and office bases) which strikes a balance in patterns that work for individual employees and serve our customers well.</p> <p>We trust our people to deliver good outcomes for our customers and our business, regardless of where they work; we have learned that we can collaborate and solve problems wherever we are. As always, protecting the health, safety and well-being of colleagues is a priority and this will continue to be at the top of our agenda by listening to our people, understanding what they need to be effective at work and providing resources for practical and emotional support.</p>
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	<p>Our transition as part of Intact provides opportunities to build on our ambitions. Equally, we recognise that change can sometimes also create uncertainty; therefore guiding our people through this is front of mind. We have already completed significant integration activities following the Acquisition and identified ways to share best practice between Intact and RSA. We look forward to further developing these as the alignment of values and ways of working bed down further in 2022.</p>
<p>Environment</p> <p>The insurance industry is critical to helping people and communities to both understand and manage the impacts of climate change, particularly more frequent and severe weather events, and the transition to a low carbon economy.</p> <p>We engage with the rapidly evolving approach to climate change by business and government through both our own direct action and our active engagement with sector groups such as ClimateWise, the United Nations Principles for Sustainable Insurance, and the Climate Financial Risk Forum. Alongside our peers, these groups provide RSA with the opportunity to develop and share best practice on reporting, new ways to integrate ESG concerns with our strategic decision-making, and to innovate new products that will better serve the community.</p> <p>The RSA Climate Change Action Plan is a central component in our approach to embedding climate change in our risk framework. As a result of the plan we have put in place measures to manage climate-related financial risks, with a number of actions now forming part of our BAU activity or being integrated with Intact’s new climate change transition plan, which was launched in April 2022.</p> <p>Globally, the five-part Intact climate change transition plan includes:</p>	<p>Anti-corruption</p> <p>We do not tolerate bribery and corruption anywhere in our business. Our Anti-Bribery and Corruption Policy and Conflicts of Interest, Gifts and Hospitality Policy apply across our business. Directors, people leaders and others with supervisory responsibility must ensure that employees, contractors, business partners and suppliers are aware of these policies and comply with them. The policies establish detailed guidance on facilitation payments, gifts and hospitality and relationships with third parties, as well as the systems and controls to ensure effective implementation. All employees, contractors, business partners and suppliers are expected to comply with applicable laws of the UK and countries in which we conduct business, as well as with our Broker Remuneration Policy and Third-Party Contracts Policy, which set out requirements for payments to brokers and procurement activity.</p> <p>In 2021, all colleagues were enrolled in a mandatory e-learning training module covering anti-bribery and corruption. The training is an annual assignment to all staff and is translated into a number of different languages for our colleagues in different parts of the world. Employees are encouraged to identify and escalate concerns to management or through our confidential third-party whistleblowing hotline in line with our Speaking-up & Whistleblowing Policy. Operating countries complete risk assessments that are reviewed and updated annually, supported by a central team to</p>

<p>a commitment to achieve net zero by 2050 in line with the Paris Agreement and an interim goal to halve emissions from its operations by 2030 using 2019 data as a baseline;</p> <p>doubling down on helping people adapt to the extreme weather impacts of climate change in Canada, the U.S. and the U.K.;</p> <p>shaping climate-friendly behaviour among customers by incentivizing green behaviour, creating and scaling green products, and providing information and education;</p> <p>enabling the transformation of businesses and industries key to the transition and supporting new industries that will be created to build a sustainable future; and</p> <p>collaborating with governments and industry to accelerate climate action.</p> <p>In 2021, we completed detailed scenario analysis to determine the material financial impact of risks to our business from changes in the climate and submitted this to our regulator, the Prudential Regulation Authority, as part of the Climate Biennial Exploratory Scenario (CBES). The process of completing our CBES submission has also helped us to both validate and update our Climate Change Action Plan to ensure we are taking full account of the risks and acting to mitigate them through an integrated response.</p> <p>We maintained our Climate Change and Low Carbon Policy position, first implemented in 2020, as a key tool to demonstrate our commitment to responsible investment and underwriting. The policy is a framework for assessing the carbon intensity of our Scope 3 emissions and a baseline for long-term ambitions towards our commitment to achieving Net-Zero by 2050. The policy is now being reviewed to assess whether there are opportunities to increase its impact and efficiency in supporting low carbon transition and ensure it continues to reflect the changing shape of our business as part of</p>	<p>enable continuous improvement to controls. The Audit Committee periodically reviews Internal Audit findings in relation to our Anti-Bribery and Corruption Policy</p>
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Intact.

Carbon emissions from our operations have reduced this year by 13%, in part as a by-product of the changing work patterns caused by the pandemic. More details are available on pages 23 and 24 in the Streamlined Energy and Carbon Reporting (SECR) section of our Annual Report and Accounts. We have also maintained our leadership position in the Carbon Disclosure Project (CDP) assessment with an A- score.

Across the RSA UK&I region, 55% of electricity for our premises is from renewable sources. In the UK this figure is 66%. Scope 1, 2 and 3 emissions data can be found on page 24 as part of our SECR report. Emissions from business travel were once again down compared to pre-pandemic levels, with a 65% reduction in carbon emissions from business travel on the previous year.

Our employees are increasingly interested to understand how we can help them to make more sustainable choices. We have installed chargers for electric vehicles at our Chelmsford offices with installations planned for our offices in Horsham and Liverpool in early 2022. In 2021, chargers were installed in our Bristol office, with Birmingham and Peterborough to follow in 2022. In addition, our Executive Team agreed in 2021 that from March 2022 our Essential Car User policy will change so that all new vehicles supplied by RSA to employees will be low emission (<50g/m) either plug-hybrid or electric vehicle.

Our contribution to the Sustainable Development Goals

As a signatory to the United Nations Global Compact (UNGC) since 2007, we're committed to supporting the sustainable development agenda.

We have identified seven of the UN Sustainable Development Goals (SDGs) to which we have the most to contribute.



Goal 3: Good health and well-being

Relevant targets
3.4 and 3.6

Why it matters

Ensuring healthy lives and promoting wellbeing is important to the development of prosperous societies.

Our focus

- Promoting mental health and wellbeing
- Reducing accidents at home, on the road and in the workplace

How we contribute

- Partnering with the Royal Society for the Prevention of Accidents (RoSPA) to research the impact of accidents and increase awareness of preventative actions
- Building understanding between different road users to reduce accidents through our TruceTO campaign in Canada
- Launching the 'Teenage Temperature' check in Sweden to raise awareness of mental health among young people and their families
- Promoting mental health among colleagues through our network of people managers, online events and wellbeing hubs



Goal 5: Gender equality

Relevant targets
5.5 and 5.C

Why it matters

Gender equality is a fundamental human right and empowering women and girls improves productivity.

Our focus

- Supporting women to progress into leadership positions
- Providing development opportunities for women at all stages of their career

How we contribute

- Achieving our commitment for women to make up 33 per cent of our Management Group by 2020, as a signatory to the Women in Finance Charter
- Establishing specific targets for each geographical region, ranging from 34 to 48 per cent female representation in our Management Group by 2022
- Setting action plans to identify future talent and support development through succession planning, development programmes and mentoring schemes



Goal 7: Affordable and clean energy

Relevant targets
7.2 and 7.A

Why it matters

Enabling access to affordable and reliable sources of clean energy is essential to low-carbon transition and development.

Our focus

- Increasing the share of renewable energy in our global energy underwriting portfolio
- Promoting the role of renewables in low-carbon transition

How we contribute

- Building on our leadership position as a provider of renewable energy insurance for every stage of the project life cycle
- Implementing our [Climate Change and Low Carbon Policy](#) position
- Supporting the energy sector as it repositions and invests in the low-carbon transition



Goal 8: Decent work and economic growth

Relevant targets
8.5 and 8.8

Why it matters

Everyone has the right to rewarding work and the opportunity to earn a fair income, this is key to tackling inequality.

Our focus

- Encouraging inclusion and diversity across our business
- Championing education and employability among young people

How we contribute

- Establishing a Group-wide Diversity & Inclusion (D&I) Council to promote an inclusive workplace
- Committing to doubling the number of apprentices in the business by 2022 as part of the **5% Club**
- Joining the **#10000BlackInterns** programme to provide career opportunities for young Black people
- Providing support for colleagues who are parents and carers to balance responsibilities at home and at work
- Taking action to address barriers people from ethnic minorities may face in recruitment and progression, as signatories to the **Race at Work Charter**



Goal 11: Sustainable cities and communities

Relevant targets
11.5

Why it matters

Ensuring homes and businesses are safe and resilient for the future underpins safety and livelihoods.

Our focus

- Promoting climate change adaptation and resilience building

How we contribute

- Partnering with World Wildlife Fund (WWF) Canada to develop a best-practice toolkit to safeguard vulnerable flood-prone communities
- Contributing to **Flood Re**, a joint initiative between the UK Government and insurers to provide customers in high-risk flood zones with access to affordable insurance
- Equipping customers and brokers with information, insights and tools to help educate them on climate-related risks and help them prepare for the future



Goal 12: Responsible consumption and production

Relevant targets
12.2, 12.5 and 12.6

Why it matters

Addressing the social and environmental impacts of products, services and supply chains is an opportunity for positive change.

Our focus

- Helping suppliers to streamline their practices to improve resource efficiency
- Offering customers sustainable solutions

How we contribute

- Working alongside our Claims suppliers to encourage a 'repair over replace' philosophy to reduce waste
- Measuring carbon emissions associated with our full supply chain to identify ways to engage suppliers on reducing their environmental impact
- Implementing a new third-party management process to improve supplier engagement on issues including labour standards, health and safety, and environmental management
- Progressing digital transformation projects to reduce use of paper



Goal 13: Climate action

Relevant targets
13.1 and 13.2

Why it matters

Climate change threatens lives and livelihoods. Urgent action is needed to reduce carbon emissions and build resilience.

Our focus

- Supporting the transition to a low-carbon economy
- Minimising the environmental impact of our operations
- Promoting climate change adaptation

How we contribute

- Implementing our Climate Change and Low Carbon Policy, ruling out investments and underwriting in carbon-intensive industries
- Setting a science-based target to reduce carbon emissions by 50 per cent by 2030 and source 100 per cent renewable electricity by 2025
- Working with our suppliers to identify opportunities to improve climate resilience
- Promoting transparency by adopting the **Task Force on Climate-related Financial Disclosures** (TCFD) recommendations and reporting to external organisations including ClimateWise and CDP