



# Corporate responsibility

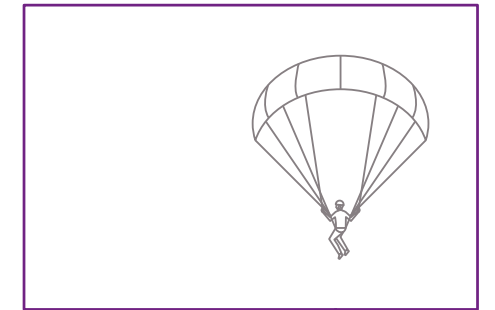
report 2018



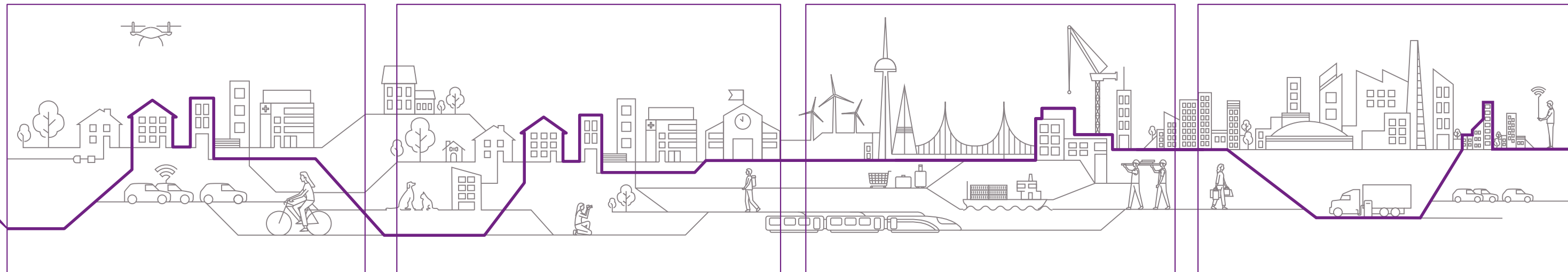
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# A message from Stephen Hester, Group Chief Executive



Since we set about implementing RSA's *Making things better, together* strategy in 2014, we've seen continuing technological advances, shifting political landscapes, and discussions of data, climate change and cyber-security rise up the public agenda.

Of course, RSA has changed too. We've become more focused on key markets. We've significantly digitised our operations to be more efficient and attuned to customer expectations. We're using innovations in data analytics to be more proactive and precise in how we assess and manage risk.

In this evolving context, I'm pleased to say that the challenges and priorities articulated in *Making things better, together* have remained important to our organisation and to our

“Responsible and transparent decision making is fundamental to the strength of our business and we are committed to demonstrating a positive impact”

employees. This is demonstrated keenly by the activity and impact we're able to share in this, our final report under the strategy.

Highlights over the last five years include actively helping our customers avoid risks, with over 64 awareness campaigns on important topics including water, fire and road safety. I've also been impressed by the unwavering passion and motivation of our people, who've supported communities and causes close to their hearts through volunteering time and skills, and fundraising efforts. Together, we've invested more than 40,000 hours in helping to tackle social challenges such as youth unemployment and, through our longstanding partnership with the School for Social Entrepreneurs, supported 180 mentees.

Our leading position in renewables insurance is a source of pride for our business and demonstrates our commitment to supporting the transition to a low-carbon economy. Within our own operations, everyday actions to reduce our environmental impacts have contributed to a 9% reduction in our carbon emissions per employee since 2015.

Reflecting on these successes, it's now the right time to review our corporate responsibility agenda afresh. During 2018, we've taken time to consider the next chapter in our journey, asking our people and our stakeholders how we can use our experience, our capabilities, and our ambitions as a best-in-class insurer to greatest effect.

In the past few years, rightly, the expectation on businesses to plan for the long term, and be held accountable for their actions, has increased. Responsible and transparent decision making is fundamental to the strength of our business and we are committed to demonstrating a positive impact on those we work with, alongside and serve.

Our new *Confident Futures* strategy sets out to put responsible business practices and social impact considerations at the heart of RSA's operations and strategic business goals. *Confident Futures* spans our day-to-day management practices, the relationships we build, and the insight and expertise we gather and share. It reflects our longstanding membership of the United Nations Global Compact, and our commitment to play an active role in managing risks and shaping solutions that address issues such as climate change, human rights, labour standards and corruption.

In view of this, I'm delighted to report that our newly formed Group Corporate Responsibility Committee will steer the ongoing implementation of *Confident Futures* across our business. This reflects the emphasis we're placing on the new agenda, and the role we believe it can play in shaping RSA's own future.

**Stephen Hester,**  
RSA Group Chief Executive

# Celebrating five years of Making things better, together

As we reflect on our journey over the last five years, we celebrate the progress we've made in helping to address the challenges facing our business and customers.

Responsible business means managing our operations in a way that our employees and customers can be proud of. We want to give reassurance to our stakeholders that we are operating in the right way.

Our corporate responsibility strategy, *Making things better, together*, launched in 2013. It set out our vision to work with our customers and stakeholders to help address society's challenges.

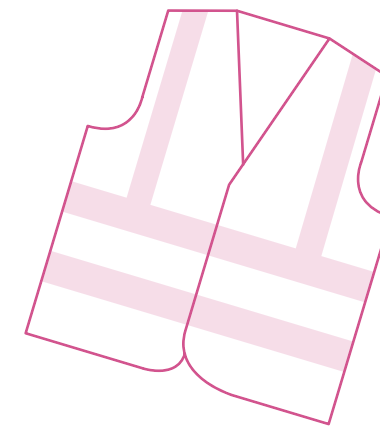
In that time we've actively promoted a safer, more sustainable future for our customers and communities around the world.

## Highlights from five years of *Making things better, together*



Achieved a **9% reduction** in carbon emissions per FTE

### Sustainable future

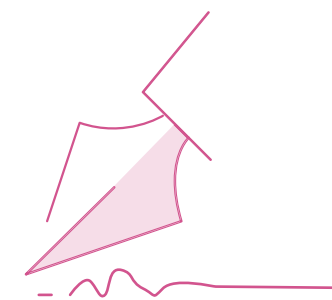


Over **600,000 reflective items** and equipment distributed to members of the public through safety campaigns

### Safe, secure world

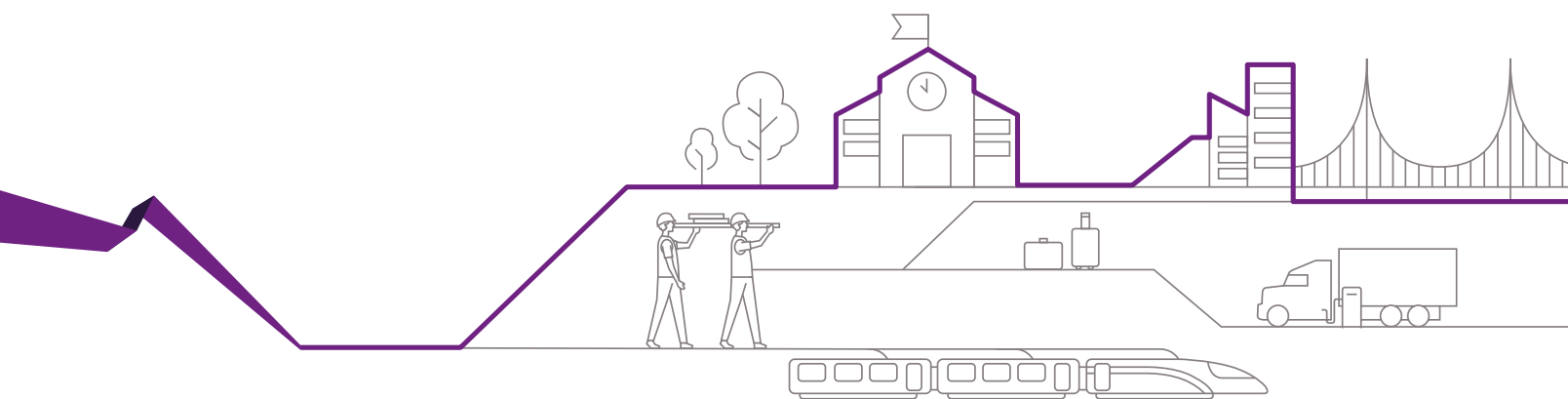
Over **£10million and 40,000 volunteer hours** invested in our local communities

### Thriving communities



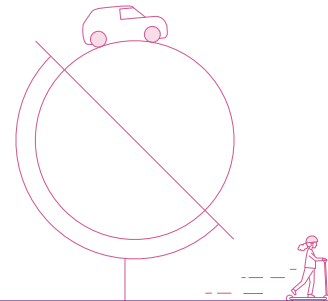
**Founding signatory of the UN Principles on Sustainable Insurance**

### Responsible business



# Highlights from five years of *Making things better, together*

2014

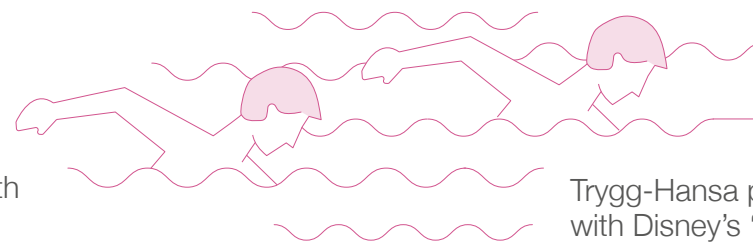


Launched a global road safety hub with Brake and sponsored Road Safety Week to help reduce accidents

**Safe, secure world**

Published a white paper with WWF and PwC to improve understanding of systemic environmental risks

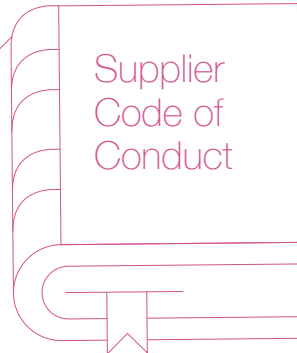
**Sustainable future**



2016

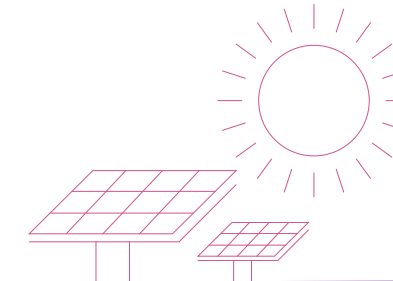
Introduced a Group-wide Supplier Code of Conduct

**Responsible business**



Trygg-Hansa partnered with Disney's 'Finding Dory' launch to promote 400 summer swim schools, helping 28,500 children learn to swim

**Safe, secure world**



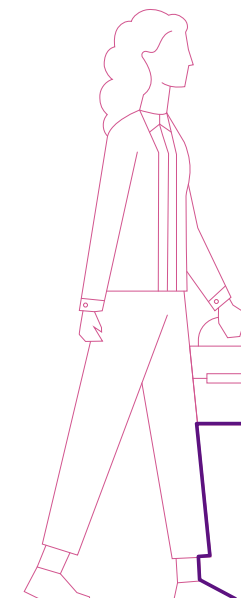
Insured Mohammed Bin Rashid Al Maktoum Solar Park, a 16 sq. km solar farm in the UAE

**Sustainable future**

2017

Established a Group-wide Diversity & Inclusion Council, and committed to the Women in Finance Charter

**Responsible business**



2018

Partnership with the School for Social Entrepreneurs in the UK and Canada supports 180th entrepreneur, reaching over 58,500 beneficiaries

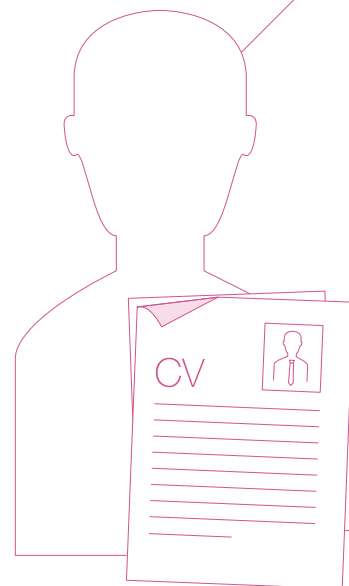
**Thriving communities**



2015

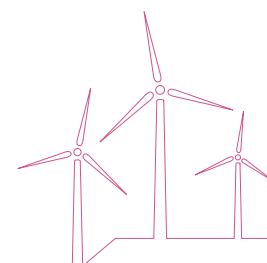
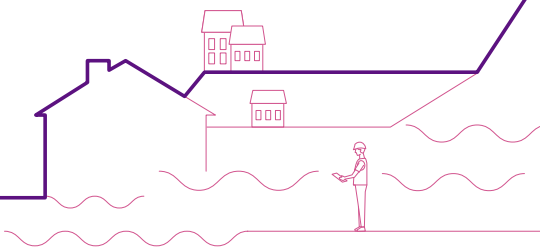
Partnered with the Dame Kelly Homes Legacy Trust and Enabling Enterprise, to support disadvantaged young people to build employability skills

**Thriving communities**



Signatory to FloodRe in the UK, to ensure affordable insurance is available to those in flood prone areas

**Sustainable future**



Launched TruceTO road safety campaign in Toronto, promoting cooperation between Canadian pedestrians, cyclists and drivers

**Safe, secure world**



# Safe, secure world

People and businesses face a wide range of risks every day. We can play a powerful role in helping our customers avoid risks by sharing our skills and expertise.



As an insurer operating internationally, we understand that the risks our customers face vary depending on their circumstances and location. We strive to help our customers be more prepared and better equipped to manage these risks through education, community action and product innovation.

## Tackling road safety

Since the launch of *Making things better, together*, road safety has been a consistent focus of our awareness campaigns. Road traffic incidents are responsible for over one million deaths every year and remain the leading cause of death for 15-29 year olds around the world. As the number of cars on the roads increases, road safety remains a significant social challenge.

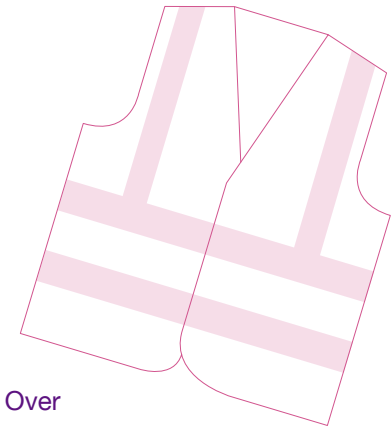
TruceTO – boosting road safety



In support of our ongoing commitments to road safety and our goal to help address the number of deaths and injuries caused by road accidents every year, our Canadian business launched TruceTO, a movement to create safer streets. Starting with a pilot in Toronto, Canada's biggest city, we're tackling road safety from a unique perspective, acting as a mediator between pedestrians, cyclists and drivers as we aim to boost harmony throughout our streets.

The ongoing campaign offers Canadians an opportunity to share their thoughts and opinions on improving safety and awareness, as well as participate in quizzes, listen to our 'Street peace' series of podcasts, or make a pledge to change their behaviour. We've surveyed 1,500 people to understand their road use and behaviours and spread the word through social media networks and national media.

## Highlights from 2018



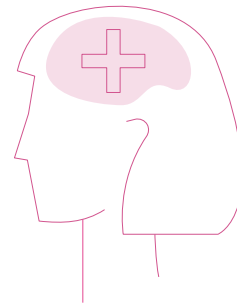
Over **600,000** reflective items distributed through safety campaigns over the last five years

Water safety programmes reached **26,000** children

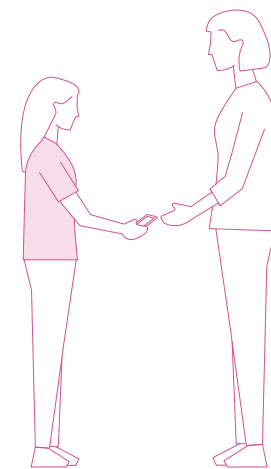
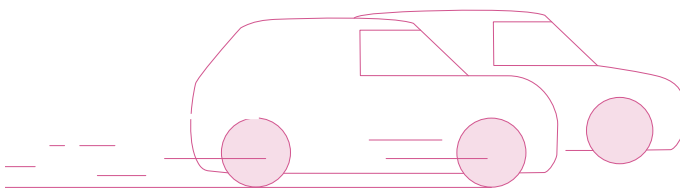


**Safety campaigns** run in all core regions of operation

Launched partnership with **BRIS** focused on mental health resilience

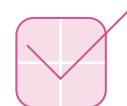


Road safety programmes reached **81,000** people



Online safety programmes reached **12,500** young people

**Target** – Run at least one safety campaign every year in each of our core regions



**64 campaigns** across five years

In response to this challenge, our road safety campaigns have been grounded in research and designed to address relevant issues in each of our markets. During 2018, we launched TruceTO in Toronto, Canada, focused on making the conversation on road safety among cyclists, pedestrians and drivers less confrontational and more cooperative.

In Denmark, we continued to work in partnership with the Children's Accident

Prevention Foundation, sponsoring the annual 'National Reflector Day' to tackle the number of accidents involving cyclists and pedestrians during the darker winter months. We also continued to contribute to the 'Traffic safety at eye level' campaign, raising awareness of risks on the road amongst young people. Through practical classroom demonstrations, 5,500 children were educated on the risks of blind spots.

### National Reflector Day



Our Danish business, Codan, has been actively supporting 'National Reflector Day' since 2012, working closely with the Children's Accident Prevention Foundation (Børneulykkesfonden).

In 2018, colleagues distributed 74,000 reflectors to children across Denmark and Norway. If pedestrians and cyclists use reflectors correctly, the risk of not being spotted in the dark by other road users is reduced by 85%.

**Tackling the risks of poor mental health**



Trygg-Hansa insures more than 750,000 children and adolescents in Sweden, protecting families from the financial hardship they can face if their child becomes seriously ill or is injured in an accident.

In 2018, we began a partnership with ‘Children’s Rights in Society’ (BRIS) to raise awareness and improve the mental health of young people, in support of our goal to promote preventive measures and early actions.

This year, 60 colleagues received practical training on how to spot warning signs of mental health issues and talk to children about any difficult issues they may be facing.

In the last five years there have been considerable steps forward in telematics products that recognise and promote safe driving, and RSA has been at the forefront of these developments. Since its launch in 2014 our customers have driven over one billion miles using our MORE TH>N SM>RT WHEELS product. The product encourages road safety through incentivised rewards for safe, consistent driving, and the SM>RT WHEELS team works tirelessly to increase engagement with young drivers.

During 2018, our Irish business 123.ie has developed its own telematics product aimed at young drivers. Drawing on expertise from our MORE TH>N business, 123.go continues to develop our approach to road safety.

**Avoiding risks in the water**

Keeping people safe in the water is a key focus for our Swedish business, Trygg-Hansa. Since 1954, they’ve partnered with the Swedish Lifesaving Society to raise awareness of water safety and prevent drowning by promoting safe behaviours in and around the water.

Trygg-Hansa promotes water safety through a number of campaigns, including sponsoring summer swim schools for Swedish children and ‘Baby Buoy’ – a programme which teaches parents different exercises to practice at home in the bathtub or in the swimming pool. This year, these programmes reached 26,000 children and saw an 18% increase in the number of swim instructors providing education on the most effective ways to remain safe.

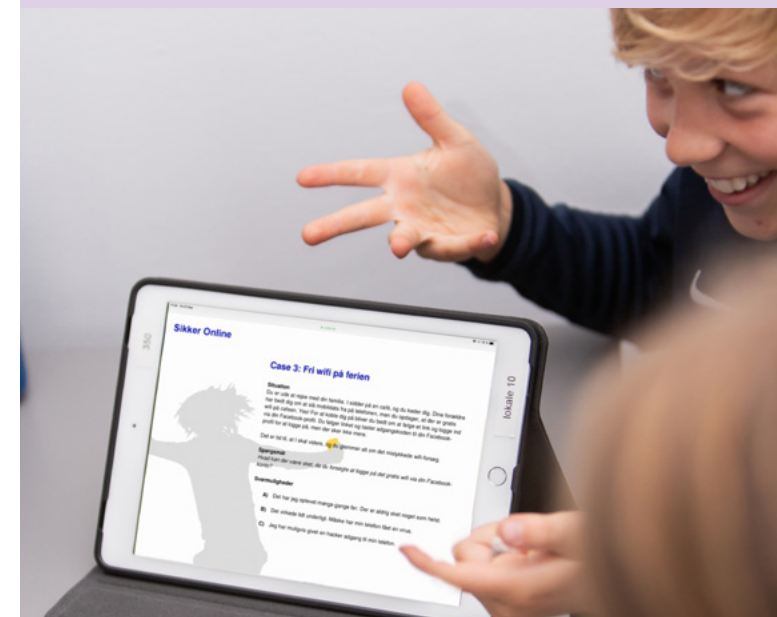
**Promoting cyber safety**

Over the last five years, the risks to people and businesses from malicious online activity including identity theft, phishing or ransomware have increased.

In response to this growing threat, in 2018 we evolved our existing cyber product cover for small medium enterprises (SMEs) to include cyber solutions for large and multinational businesses. As well as providing comprehensive cover, we have worked with Deloitte to support policyholders with a detailed risk assessment to help identify and reduce potential cyber risk, providing a valuable insight into their cyber security preparedness.

We’ve also continued our campaign in Denmark to raise awareness of the risks that can be encountered online among children and parents. In 2018, we developed a set of classroom materials for teachers to use with pupils that highlight practical tips on how to stay safe online, including how to avoid phishing and hacking of webcams and personal data.

**‘Safe online’ school package**



Protecting young people from the challenges surrounding digital risks has become increasingly important as potential online hazards increase. In Denmark, our Codan business developed ‘Safe Online’ teaching materials to help increase children’s awareness of risks. Codan used social media to spread awareness of the materials, which have been downloaded by more than 1,100 parents and teachers, reaching over 12,500 children.



# Thriving communities

Our business is successful when the communities we operate in also flourish and thrive. We seek to contribute our skills, experience and time to support the communities we are part of.



Insurance is founded on the need to support people and communities in times of need. We recognise that we can build on this and have a positive impact on the communities where we work by enabling colleagues to share their skills through volunteering and fundraising for local causes. Over the last five years, we have focused our efforts on addressing three key issues: supporting education and employability, inspiring enterprise and entrepreneurship, and encouraging our colleagues to engage with causes that matter to them.

## Supporting education and employability

When we set out our *Making things better, together* strategy in 2013, unemployment had risen globally to 194 million, with young people being the worst affected. We want to promote the insurance industry and broader financial services sector as an exciting and attainable career pathway for young people to consider when they're planning for their lives beyond school. To support this, our UK business has increased its focus on a range of entry-level roles, including claims handlers and customer managers, graduate positions, internships and apprenticeships.

### Launching our first 'Community Action Month'



Volunteering is a key element of our community investment strategy, and during 2018 we dedicated June to raising awareness and participation in volunteering activities across the UK. Throughout the month, we motivated colleagues at all of our UK sites to dig deep and support the communities they care about – and our people came out in force.

Over 330 colleagues around the business volunteered their time, raising £40,000 for causes close to their hearts. Colleagues took part in practical team building days, as well as skills-based volunteering in support of young people, social entrepreneurs, charities and community groups across the country.

Welcome – supporting immigrants in Sweden

Our Trygg-Hansa collaboration with the Welcome organisation encourages integration of immigrants in Swedish society. The partnership facilitates communication between immigrants and members of the Swedish public. Volunteers within Trygg-Hansa are assigned to answer questions on topics including local culture, employment or finances, and we hosted two reception events in our Stockholm office during 2018.



Recognising that routes into employment aren't completely dependent on academic achievements, we also continue to engage with partners, such as Enabling Enterprise, to develop students' softer skills. During 2018, our people offered career insight days and engagement opportunities to 215 students across the UK. As a strategic partner of Enabling Enterprise, we've worked collaboratively to increase the charity's reach from 46,000 to 150,000 students over the last five years.

**Inspiring enterprise and entrepreneurship**

Our five-year partnership with the School for Social Entrepreneurs (SSE) in the UK and Canada has enabled us to support enterprise and entrepreneurship by encouraging and mentoring new socially driven businesses. Through our partnership, we've championed the next generation of social entrepreneurs

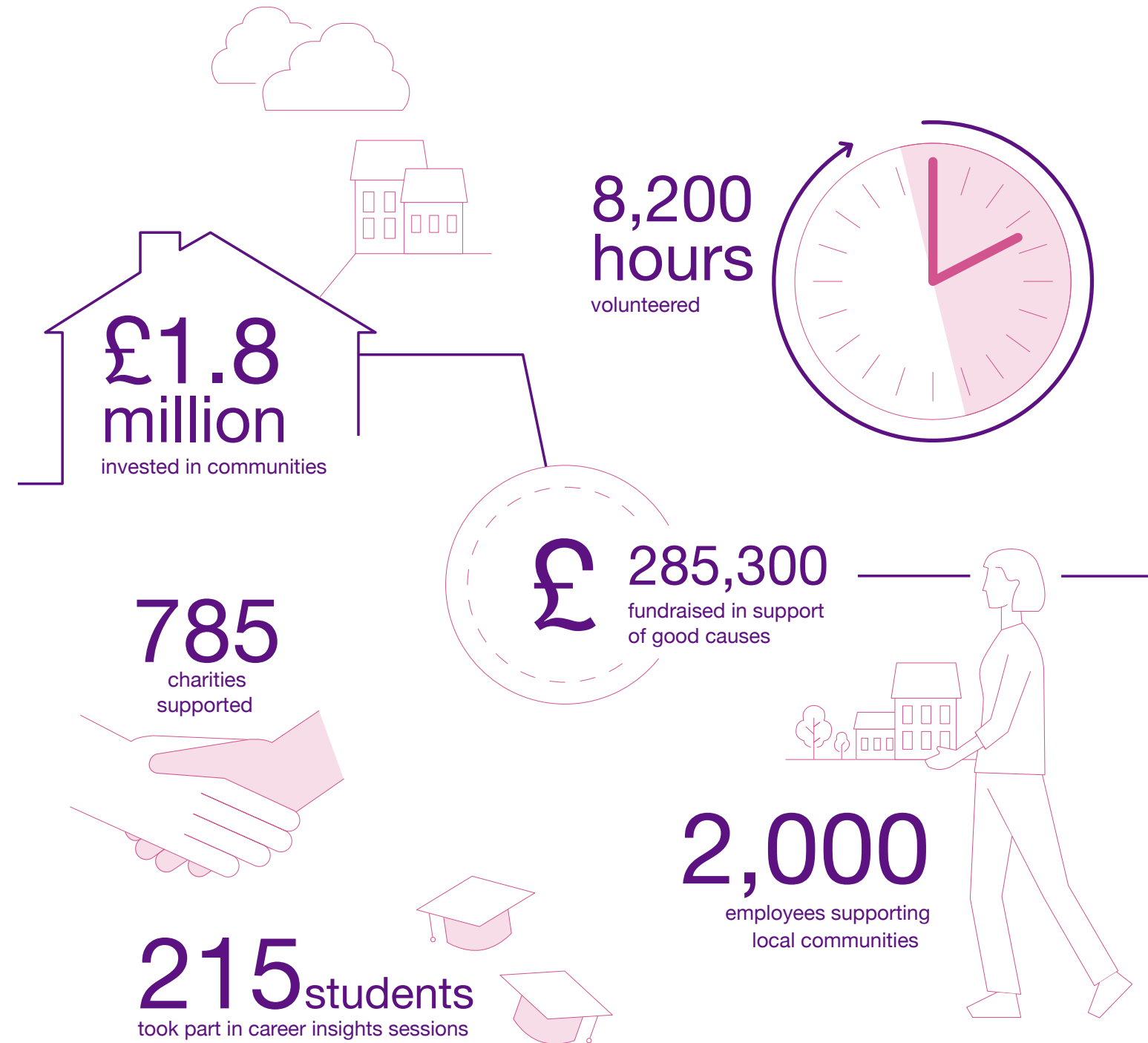
and supported the development of 180 passionate and driven individuals who tackle pressing social and environmental challenges head on, enabling their enterprises to reach 58,500 beneficiaries. Colleagues across RSA have continued to guide and mentor students of the school, supporting our ambitions to champion the next generation of entrepreneurs and turn talent into social change.

You can read more about our partnership in our report 'Celebrating five years of creating social impact' on our [website](#).

**Encouraging colleagues to support local communities**

The investment we make in our communities draws on the skills and commitment of our colleagues, and enabling them to support the causes that matter to them is a key part of our approach.

**Highlights from 2018**



**Target** – Run a community programme in each core region we operate in that engages and develops our people, supports our local communities and makes a difference for our customers

**Over £10million invested in communities**

We empower our colleagues to support their local communities by offering up to two days' volunteering leave per year, encouraging fundraising and providing match funding schemes. During the year, colleagues across the group volunteered 8,200 hours and fundraised £285,300 in support of a variety of charities and community groups. This was boosted by our match funding scheme, with donations supporting 785 charities across our regions.

Colleagues across our business have taken part in volunteering activities, from packing food boxes for Iftar celebrations in disadvantaged communities in the UAE, to demonstrating DIY skills at hospices in the UK and supporting the

integration of immigrants into society in Sweden. Our team in Liverpool took on a 'Survive the Wild' challenge, raising £15,000 for Whizz Kidz, a charity working to transform the lives of disabled children, and local charity committees in all our markets have galvanised colleagues to support a range of local causes.

Acknowledging the changes in our business over the last five years, this year we've refreshed our community and charitable policy to better reflect the business' needs and ambitions for community investment. As part of this approach, from next year we'll adopt the London Benchmarking Group framework to measure and report our corporate community investment.

**Investing through the Codan Foundation**

Established in 1974, the Codan Foundation distributes annual grant funding in support of community and non-profit organisations. These grants accelerate progress towards tackling societal challenges and help people reduce their exposure to risks.

During 2018, the Codan Foundation awarded £50,000 in grants to organisations involved in a range of activities, such as improving young people's mental health, providing training for minimising losses during roof fires and researching more sustainable shipping methods. The Foundation is managed independently from Codan, but works to address the same social issues that face our customers – for example protecting children, supporting education and safeguarding the environment.



**Shoreline clean up in Canada**



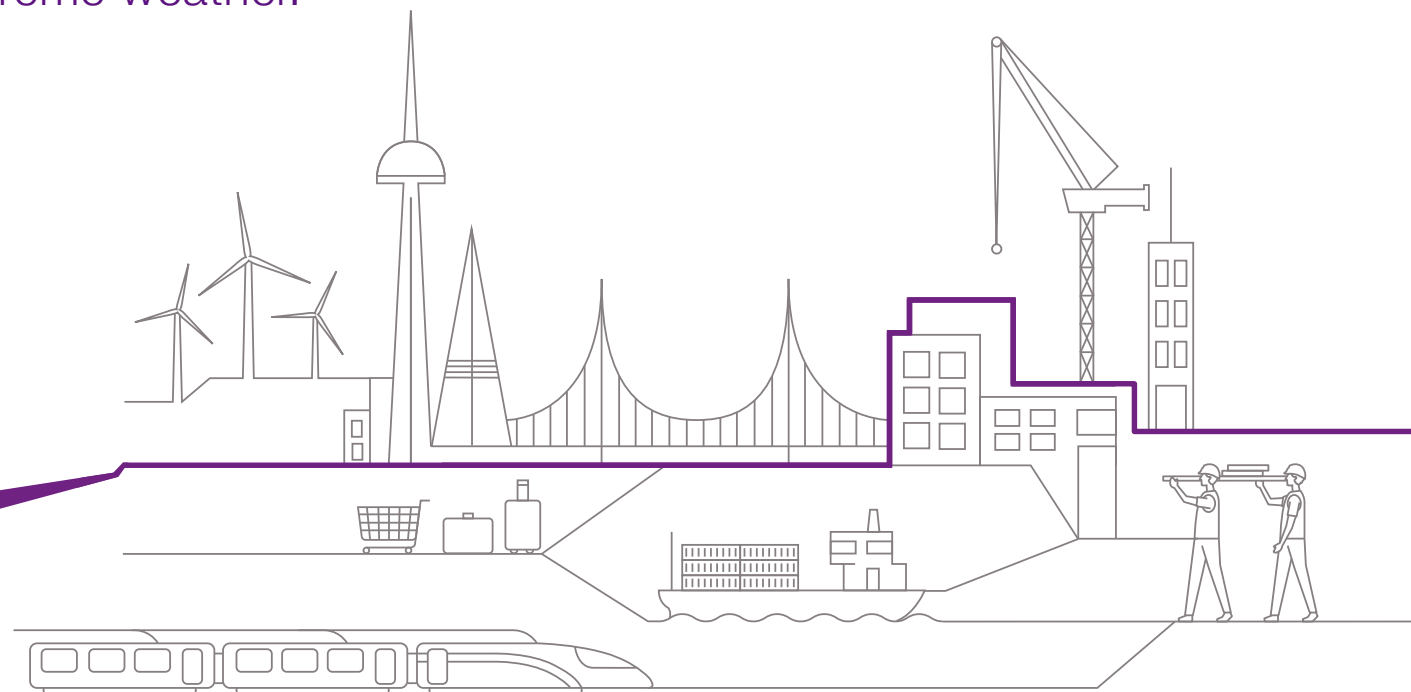
Over three days, more than 300 of our Canadian colleagues participated in WWF's *Great Canadian Shoreline Cleanup*, collecting litter from nine locations along rivers and coastlines. Our Canadian business has been working with WWF-Canada for three years and joined the fight this year to help WWF 'beat plastic pollution'.

**Community investment 2014 – 2018**

	2018	2017	2016	2015	2014
<b>Payments to charities</b>	£1,305,100	£1,423,400	£1,315,900	£1,282,300	£1,141,500
<b>Employee fundraising</b>	£285,300	£265,900	£158,300	£222,800	£225,800
<b>Volunteering time</b>	£192,500	£197,500	£141,700	£156,700	£193,300
<b>Gifts in kind</b>	£12,800	£6,800	£105,900	-	-
<b>Total community investment</b>	<b>£1,795,700</b>	<b>£1,893,600</b>	<b>£1,717,300</b>	<b>£1,661,800</b>	<b>£1,560,600</b>
<i>Volunteering hours</i>	8,193	8,959	6,081	7,158	6,691

# Sustainable future

As an insurer we're well aware of the risks presented by climate change and the challenges they present for our customers. We're working actively to support the transition to a low-carbon economy and improve society's resilience to extreme weather.



Climate change is having an unprecedented impact on the world we live in, resulting in more extreme and unpredictable weather events. In 2018 the Intergovernmental Panel on Climate Change (IPCC) published a powerful report setting out the need to reach net zero emissions by 2050 in order to limit future warming to 1.5°C. Achieving this target requires significant changes in policy and human behaviour, including increasing the use of renewable energy.

We take our role in supporting the transition to a low-carbon economy seriously: insuring innovative projects that contribute to reduced emissions, as well as managing and reducing our own environmental impacts in line with our environmental policy.

## Supporting the transition to a low-carbon economy

RSA is a market-leading insurer of renewable energy projects across the world, providing cover for the construction and operation of wind, solar, hydro and bioenergy projects. As well as supporting claims, our global renewables team work to advise manufacturers and suppliers on the best approach for upcoming projects and how to minimise risks.

In 1991, RSA insured the first offshore wind farm in Denmark, through Codan. Since then, businesses across the Group have played a pioneering role in many of the largest projects around the world, including the first floating offshore wind farm in Japan. We're continuously evaluating new technologies and sharing our knowledge with developers to reduce the risks and costs associated with renewable energy.

**Target** – Reduce our Group carbon footprint by 12% per employee to 1.9 tCO<sub>2</sub>e from a 2015 baseline by 2018



**9% reduction** achieved

**Target** – Reduce our Group carbon footprint by 4% per employee by 2017 from a 2016 baseline



**3.4% reduction** achieved

## Highlights from 2018



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



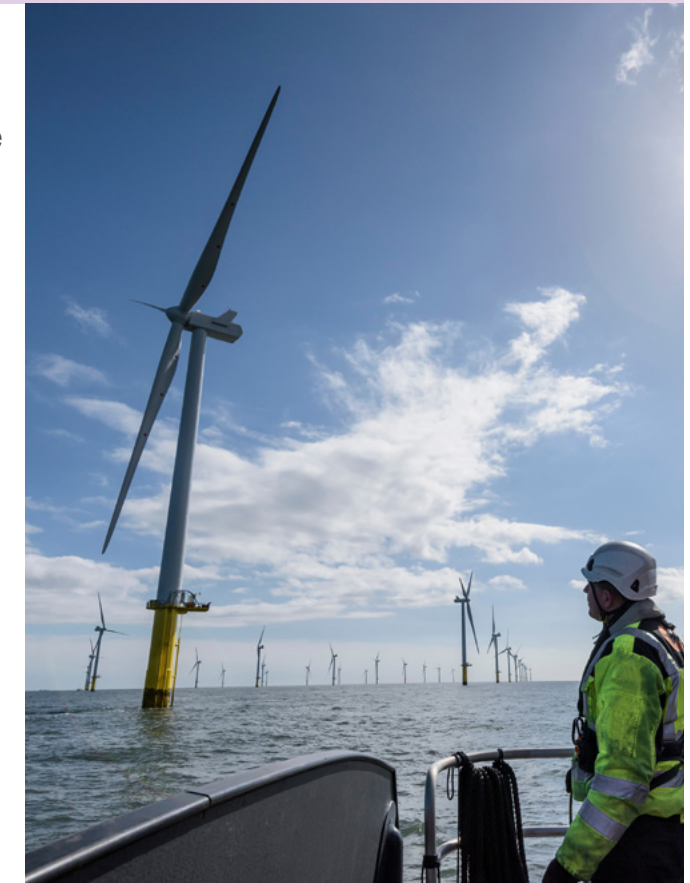
**Environmental awareness campaigns** in every region

### Focusing on renewables

During October, we highlighted the contribution we make to supporting the transition to a low-carbon economy as part of the UK government’s Green GB Week campaign. Our renewables ‘Centre of Excellence’ offers end-to-end insurance solutions across construction, marine and operations on an increasingly global scale. Our subject matter experts provide advice to manufacturers and clients developing new projects.

We’ve been involved in several landmark renewable energy projects, including the 315MW Hornsdale wind farm in Australia, and a 16 sq km solar park in Abu Dhabi. During our October campaign, we profiled experts in our global renewable energy team, highlighting the opportunities presented by clean growth and how the public can contribute to tackling climate change.

Find out more [here](#).



### Our role in the industry

To achieve the scale of change required to minimise climate change, we need to work collaboratively across industry sectors. That’s why we’ve been members of ClimateWise since 2007. We seek to address the risks and opportunities of climate change by sharing the insurance industry’s expertise in risk analysis and modelling, and helping the world transition to a zero-carbon, climate-resilient future. This year, we’ve participated in the ‘Physical’ and ‘Transition’ risk projects, sharing industry insights on exposure to weather-related events

and the potential impact of repricing carbon-intensive assets. We also submitted our annual report, disclosing progress against the six ClimateWise principles.

During 2018, we chaired the CRO Forum’s ‘Emerging Risk Initiative’, bringing together key stakeholders from the industry and academia to consider the latest climate science and provide an industry perspective on the physical and transition risks associated with different emissions scenarios. You can read the report [here](#).

## Managing our own operations responsibly

We're equally committed to ensuring that we're tackling issues in our own operations. We continue to run campaigns focused on reducing paper usage, encourage virtual working over business travel wherever possible, and work closely with third parties to monitor and evaluate utility usage and waste across our global operations.

In 2018, in the UK, we installed meters that provide real-time energy use reporting in our largest locations. We'll continue the rollout

of these meters in 2019. By regularly monitoring our utility usage in our offices, we can carry out detailed analysis and tackle those locations exceeding predicted consumption.

Together, these actions have contributed to us achieving a 3.4% reduction per full time equivalent (FTE) employee. This was short of our 4% reduction target, and as part of our new strategy we will be setting a new carbon emissions target and assessing our biggest opportunities to continue to make progress on reducing our emissions.

## Greenhouse gas emissions 2015 – 2018

<sup>A</sup> = Carbon emissions assured by PwC

	2018	2017	2016	2015
<b>Scope 1 carbon emissions</b>	2,293 <sup>A</sup>	2,495	2,235	4,173
<b>Scope 2 carbon emissions</b>	9,134 <sup>A</sup>	10,136	11,591	13,890
<b>Scope 3 carbon emissions</b>	12,315	13,852	13,198	13,919
<b>Business travel emissions</b>	10,520 <sup>A</sup>	11,965	10,887	12,379
<b>Total CO<sub>2</sub>e emissions (tonnes)</b>	<b>23,742</b>	<b>26,483</b>	<b>27,024</b>	<b>31,981</b>
<i>Tonnes CO<sub>2</sub>e per FTE</i>	<i>1.94</i>	<i>2.01</i>	<i>1.97</i>	<i>2.13</i>

## Partnering with Godsinlösen Nordic AB

Our Codan business in Norway has been working with Godsinlösen Nordic AB (GIAB) on a pilot project to develop the concept of 'circular damage control' as part of its approach to claims. Individual claims are assessed to verify damaged products including bikes, computers, sofas and mobile phones, and wherever possible, repairs are carried out to ensure reuse and avoid disposal. After reconditioning and repair, Godsinlösen resells the products through its own distribution channels. Products that cannot be repaired are recycled at facilities across Norway and Denmark.

Since the start of the year, 426 claims have been managed through the circular damage control programme, worth an estimated £33,000 and avoiding over five tonnes of waste. Codan is the first insurance company in Norway to work with GIAB, using circular economy principles to help streamline the claims process and achieve a more environmentally friendly approach.



In addition to driving our own efforts and contributing to those of the wider insurance industry, we also engage our supply chain in supporting our efforts to reduce our collective impact on the environment.

We're working to encourage our supply chain to operate in a more sustainable way. For example, through partnerships such as Godsinlösen Nordic in our Codan business, we ensure damaged products recovered through our claims processes are reused, avoiding excess waste. Helping to enhance the environmental responsibility of our supply chain will be a key focus for our strategy in 2019 and beyond.

## Supporting our customers

Severe weather events such as flooding and temperature extremes impact our customers.

We have an opportunity to support our customers to be more aware of the risks they face and consider these risks in their planning. We do this by alerting them to weather events and providing advice and guidance for reducing or responding to the impact of an event.

We share our insight and expertise through our website and social media campaigns, including tips and guides that are tailored to our customers' needs – whether individuals, small or large businesses. In some areas, we provide customers with alerts on extreme events and advice on how to prepare through SMS text services. This helps equip customers with knowledge about how to act should the worst happen, providing extra support when they need it most.

# Responsible business

We're open and transparent about how we manage our operations. We collaborate with customers, employees and suppliers to achieve positive outcomes for everyone we work with.



Operating in a responsible way is vital to the sustainability of our business. Demonstrating to our stakeholders that we're managing our business effectively and ethically is essential for our long-term success.

We've worked hard over the lifetime of our *Making things better, together* strategy to reflect responsible business practices in our actions and meet the changing expectations of our stakeholders. We're committed to treating our colleagues, customers and communities well, and operating with integrity and honesty.

## Our customers

Great customer experience is at the heart of what we do – that's why we've developed clear customer principles that can be used across all of our regions. These principles define our commitments to our customers, how we stand by them and deliver consistently, and can be tailored to the needs of each market. We make sure we stay on track by monitoring key metrics, such as customer satisfaction, so we continue to improve.

This year, we established a new Customer Committee in the UK to further strengthen the voice of the customer in our decision making. We also launched an internal campaign on 'Great customer experience' to bring renewed vigour to our focus on customer outcomes. This is supported by specific learning modules for colleagues in customer-facing roles on topics including responding to feedback from customers.

## Insurance United Against Dementia



Positive customer experience is about more than just providing high-quality service to the majority. It's also about proactively recognising that vulnerable customers, who could be dealing with a wide range of circumstances, may need additional support or guidance. That's why our Vulnerable Customer Champions are there to support a wide range of needs.

We've also trained 350 Dementia Friends across the business, recognising that supporting those with dementia requires a more specific set of skills and understanding. Alongside training our people, we've raised funds for Alzheimer's Society as part of an industry-wide commitment – Insurance United Against Dementia.

**Developing diversity and inclusion**

As a Group, we've continued to make strong progress on our journey to be best-in-class for diversity and inclusion (D&I). We began by agreeing a Group-wide D&I policy and establishing business-led governance through our Group and regional D&I Councils. We've put a lot of effort into raising awareness of D&I within the organisation, establishing Group-wide priorities and celebrating events such as International Women's Day, Pride, the Dive-In Festival and International Men's Day. Alongside our regional initiatives, these activities have significantly contributed to helping us build an inclusive culture.



The introduction of GDPR has given us the opportunity to remind our colleagues about the importance of treating customer information and communications with the utmost care. The ways our customers choose to communicate with us are constantly changing, so we've continued to develop our digital channels and refreshed the guidance we provide to colleagues using social media. Find out more [here](#).

**Our employees**

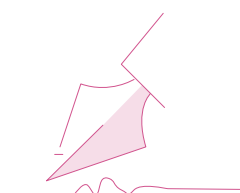
We recognise that RSA's success depends on having a highly engaged, motivated workforce. In 2018, we launched 'YourBestU', our new people brand and strategy. This brings to life our aspiration to be an organisation where people are able to bring their very best selves to work every day, and the steps we'll take to achieve it.

We also unveiled a new set of people principles, codifying our approach to performance, our ways of working and how we build capability across RSA. These principles help guide our decisions and investments so we can develop a high-performing, collaborative culture which helps our people to develop the capabilities they and our business need to succeed in the future.

Everyone at RSA should feel valued, which is why diversity and inclusion (D&I) has always been an important part of *Making things better, together*. In 2018, we've worked hard to deepen our impact in this area, focusing in particular on gender equality and promoting an inclusive, open culture.

**Highlights from 2018**

Established a new  
**UK Customer Committee**



Signatory to the Women in Finance Charter, our target is to ensure women make up

**33%**  
of our Group-wide management team by 2020



Took part in a UN Principles for Sustainable Insurance project defining  
**ESG guidance for underwriters**

**200**  
employees studying for an apprenticeship in the UK

We are a  
**Living Wage employer**  
in the UK

Supply chain due diligence processes covered  
**58%**  
of UK supplier spend



We're proud of our public commitment to the Women in Finance Charter, aiming to increase the representation of women in senior roles. Within the business, every region now has its own dedicated D&I committee to drive local action, led by our Group D&I Council. All our regional and Group councils meet regularly to plan activities that foster an inclusive and supportive workplace.

We've continued to invest in our people this year, including through improved performance management and leadership training programmes. Our new Technical Capability Programme has been helping our underwriting colleagues play their part in achieving our best-in-class ambition. This significant, Group-wide investment has successfully increased

knowledge and experience sharing throughout our business and will be further extended in 2019. Find out more [here](#).

### Our suppliers

We're committed to working with suppliers who share our values. Our Third Party Contracts Policy establishes controls on responsible procurement, ensuring sustainability considerations are embedded in tenders, contracts and relationship management with key suppliers and that appropriate due diligence is in place.

We expect every supplier to adhere to our Supplier Code of Conduct, which covers environmental, social and governance (ESG) issues and our supplier management practices monitor compliance with the code.

In the UK, we assessed 137 suppliers deemed as most high risk to our business to ensure they meet our expectations. In 2018, we introduced a new tool to improve our supplier due diligence processes, so far this covers 58% of UK supplier spend and rollout will continue in 2019.

In 2018, we started to review our procurement policies in all key regions and we've been working with teams to ensure a consistent and robust approach to assessing supply chain risks. During 2019, we'll further enhance our supplier due diligence processes and engage suppliers on opportunities to improve the environmental performance of the products and services we buy. Find out more [here](#).

### Our business

As a signatory to the UN Global Compact, RSA is committed to integrating the 'Ten Principles' on human rights, labour, environment and anti-corruption into the way we do business. Demonstrating high standards of ethical conduct is a fundamental part of business, and we embed these principles into our strategy, culture and daily operations through our policies, practices and training.

Our Anti-Bribery and Corruption, Conflict of Interest, Human Rights, Broker Remuneration, Third Party Contracts and Whistleblowing policies cover all parts of our business and set out the systems and controls in place. Our policies are supported by mandatory e-learning modules and additional training for employees in high-risk roles, which complement our culture

of high-performing leadership and ethical conduct. Our employees, contractors, suppliers and other external partners have access to an anonymous, secure and confidential whistleblowing helpline to raise concerns regarding wrongdoing.

We also take steps to address ESG risks in our business operations. In 2018, we engaged the services of a third party data-provider to ensure we have an integrated approach to consideration of ESG issues across our investment portfolio. Our High Risk Country Framework guides business that we write in countries with enhanced exposure to human rights and modern slavery. In 2018, we also conducted a modern slavery control check on our business in high-risk countries. Find out more [here](#).

#### Delivering our promises to customers in Canada

Our new Take Flight project in Canada is empowering accident benefits claims adjusters to pilot innovative ways of getting the best results for their customers. Employees work on ideas to help us be leaner and smarter in how we investigate, adjudicate, process or settle claims. By hanging a paper airplane above their desk to symbolise they've 'taken flight', they encourage colleagues to ask questions about their idea and inspire others to find efficiencies for customers in their own business areas.

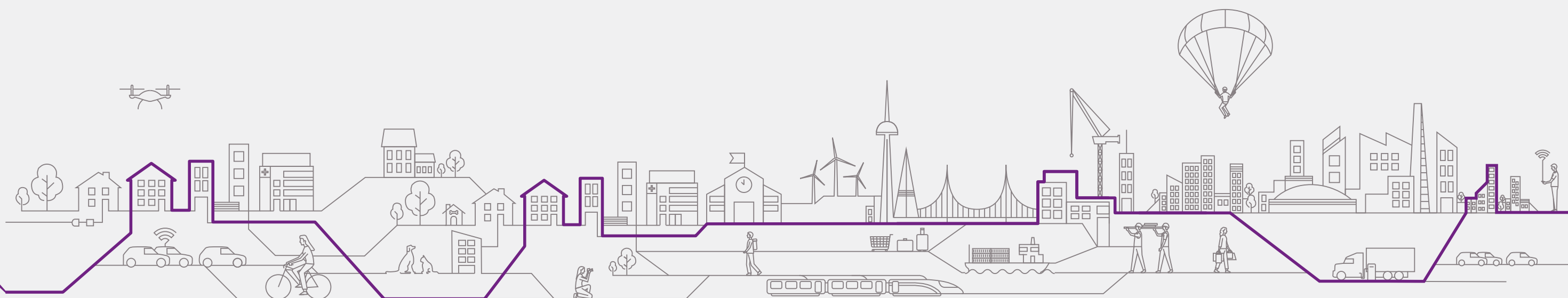




# Creating a Confident Future

Our new corporate responsibility strategy, *Confident Futures*, launches in 2019.

It sets out how we integrate responsible business practices into our everyday operations and our ambition to create a future in which people can be smarter and more confident in managing the risks they face.



# A message from Scott Egan



Insurance is an industry with a deep-rooted social purpose. For hundreds of years, it has provided security and reassurance by helping people to pool their risk together and seek support if things go wrong.

This simple but powerful idea enables people and businesses to protect what they care about and take on new challenges.

Over the past year, we've reflected on the successes and challenges of our existing approach to corporate responsibility, drawing on the insight of a wide range of stakeholders – and I've been inspired by the passion and commitment of our people and their desire to achieve more.

Through *Confident Futures*, we want to use our strengths and scale to play a more active role in managing the uncertainties

and complexities of today's world, and to enhance the positive impact of our core business activities. Our commitment to 'Shaping a smarter tomorrow' sets a clear priority to use our resources to enhance customers' and society's understanding of the risks they face, so they can manage them more effectively. This is not a new focus for us, but it's one that speaks to the sort of company we want to be.

In sponsoring the corporate responsibility strategy, I want to ensure we take the opportunity to link the responsible business agenda

strongly to business strategy and demonstrate the value it can bring. *Confident Futures* should help reinforce and support a positive, proactive and proud organisational culture – being integrated into how we work and the decisions we make.

Built with the help of our employees and stakeholders, *Confident Futures* is a template that will help us ensure we get the basics right, inspire action and innovation, and make a difference through the products we offer and partnerships we pursue.

It's now up to us to take it forward, together, and I'm pleased to be leading the Group CR Committee to help bring this to life in the years to come.

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



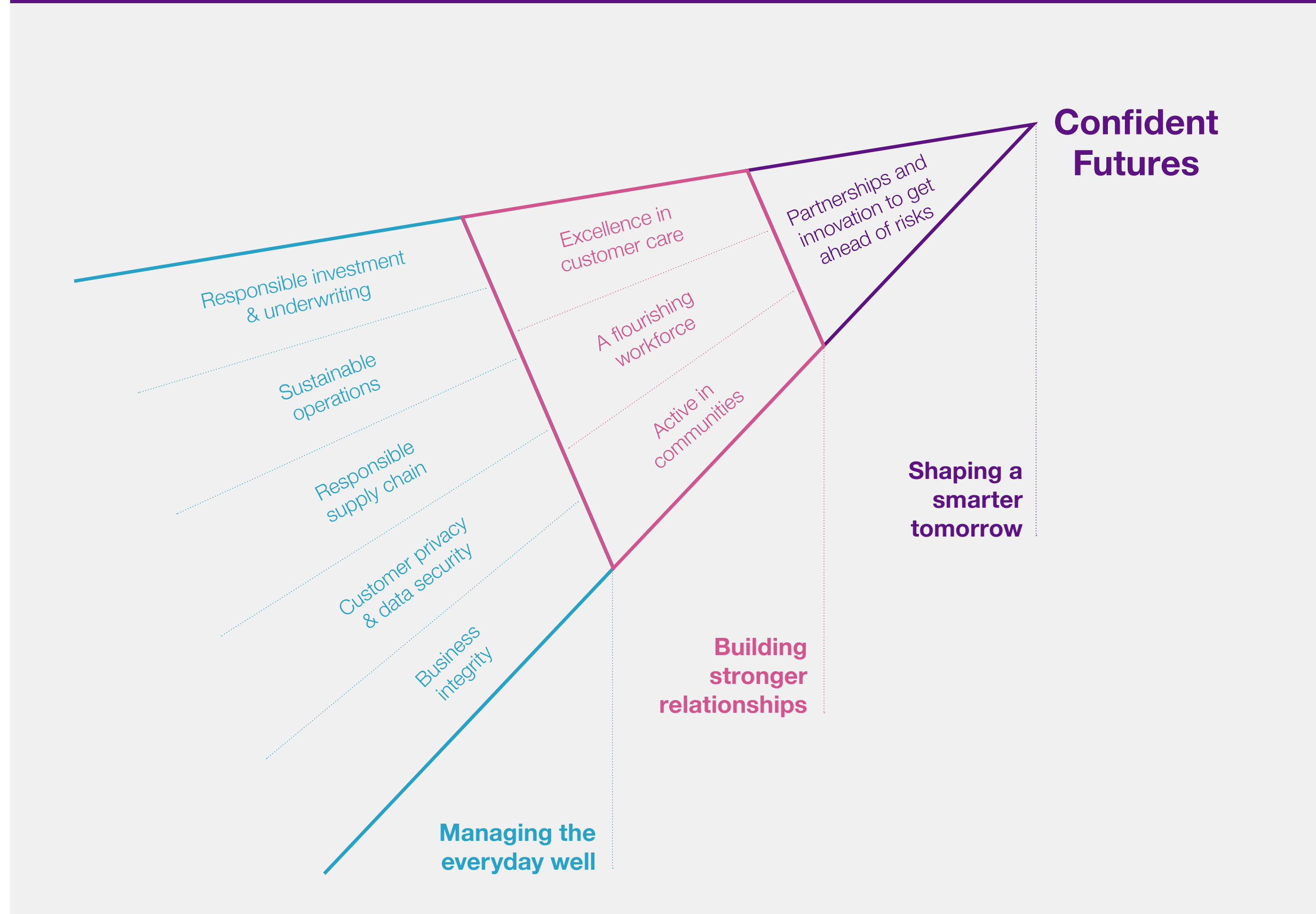
# Our new corporate responsibility strategy

*Confident Futures* sets out how we ensure that we manage our operations responsibly and sustainably.

As a best-in-class insurer, we believe RSA's contribution shouldn't start with a policy and end with a claim. Through our new strategy, we are setting out the steps we will take over the next five years to enhance our positive impact on people and society.

Through *Confident Futures* we are committed to developing supportive and enduring relationships with our customers, colleagues and communities. And we will use our skills and expertise to create a future in which people and businesses can be smarter and more confident in managing the risks they face.

## Our Confident Futures framework



# Managing the everyday well

We want to give people confidence that we're running our business in the way they'd expect.

As a large international insurer, we're committed to managing our operations in a responsible and transparent way. This means being responsible in our investment and underwriting practices, thoughtful in our choice of suppliers and partners, and mindful of our environmental impact. We must also ensure we have robust practices in place to protect our own data and that of our customers, and govern our business with integrity.



In our rich 300-year history, we've remained diligent in our approach to responsible business practices. Building on these strong foundations, we want to strengthen our policy positions and further embed them into our everyday practices.



## Our focus areas:

**Responsible investment & underwriting**  
We consider environmental and ethical issues in our investment decisions and underwriting, to manage risk and generate sustainable, long-term returns.

**Sustainable operations**  
We work with our people and across our operations to understand the risks associated with a changing climate, reduce our carbon emissions and use resources efficiently.

**Responsible supply chain**  
We monitor and manage the environmental and social impacts of our supply chain, collaborating and sharing best practice with our suppliers and partners.

**Customer privacy & data security**  
We demonstrate the right behaviours in managing customer confidentiality, guarding against the misuse of data and ensuring robust protection measures are in place.

**Business integrity**  
We ensure we have the right systems and processes in place to meet the ethical standards we set and the expectations of our stakeholders.

# Building stronger relationships

Insurance is about people. We value strong relationships with everyone we work with and strive to understand and respond to the needs of our customers, colleagues and communities.



We're committed to ensuring that we offer our customers excellent support and care, develop our people, and make a positive contribution to the communities we're part of.

That's why we have placed these three stakeholder groups at the centre of our strategy for the next five years. During 2019 we will be working with business stakeholders to set specific commitments in each of these areas.

## Our focus areas:

### Excellence in customer care

We pride ourselves on our caring approach and are committed to providing excellent customer service. Doing this responsibly is important, so no customer group's needs are overlooked. We're always searching for new ways to do better, as we evolve our business and industry to respond to changing needs.

### A flourishing workforce

We want RSA to be a place where fulfilling careers are built. We're dedicated to achieving this by developing a high-performing, collaborative culture which helps our people to develop the capabilities they and our business need to succeed in the future.

### Active in communities

Across our business we work to build deeper relationships with the communities we're part of. Whether it's prioritising local recruitment, promoting social mobility, encouraging employee volunteering or supporting local causes, we always try to make a positive difference to the people around us.



# Shaping a smarter tomorrow

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

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. Through our commitment to 'Shaping a smarter tomorrow' we're looking for ways to use our products, services and partnerships to help them learn about the risks they face, and how to manage them more effectively.



Through campaigns and partnerships with organisations like BRIS and the Swedish Life Saving Society, and ground-breaking products and services like SM>RT WHEELS and RSared, we're already making a difference.

As we combine a growing body of research and data with rapidly developing technology, the ways that we can help are increasing all the time. Over the next five years, we're committing to creating smart solutions and partnerships that help people and businesses get ahead of risks, so everyone can look to the future with greater confidence.

## Over the next five years, our goals are to:

**Further develop products and services** that support people and businesses to learn about and manage risks more effectively.

**Work independently** and with our partners to reach a wide audience with awareness raising information and education programmes focused on areas of customer concern.

**Demonstrate that our products, services and partnerships** contribute to positive behavioural change and improve confidence about managing risks.



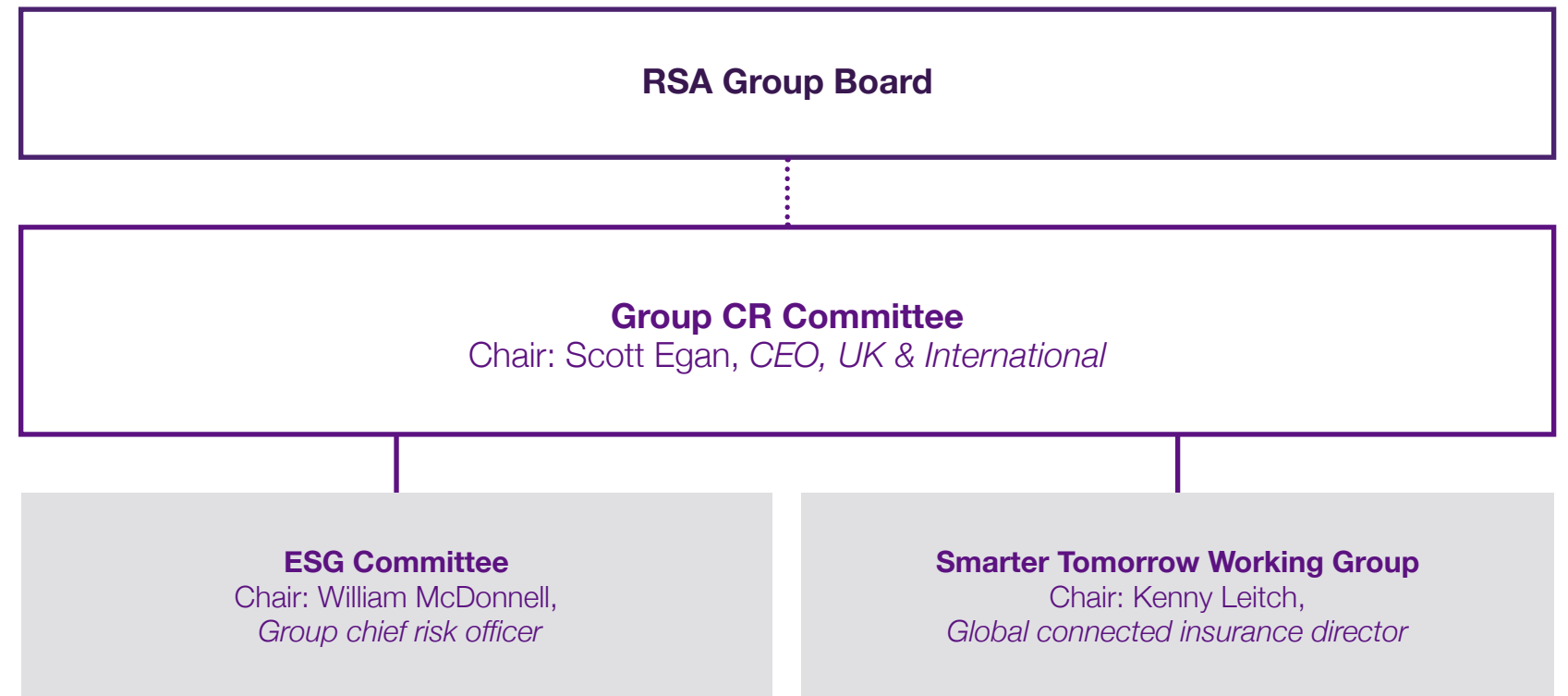
# Governance and management

To ensure our new corporate responsibility strategy is embedded in our operations and decision making we've established a new governance model.

Our Group CR Committee will guide the implementation and development of *Confident Futures*, including setting future targets and defining measures to track our impact. The Committee includes senior representatives from each of our core markets who are responsible for ensuring appropriate governance and oversight of CR is in place within their regions, as well as subject matter experts to provide support on priority areas.



## Our new corporate responsibility governance model



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

In addition to the Group CR Committee, we've established an ESG Committee, chaired by William McDonnell, Group chief risk officer, which will focus on ESG issues within investment and underwriting, as well as monitoring the implementation of our environmental policy and setting targets. We've also set up a Group-wide Smarter Tomorrow Working Group chaired by Kenny Leitch, Global connected insurance director, to ensure our ambition to shape a smarter

tomorrow receives the strategic focus it requires. The ESG Committee and Smarter Tomorrow Working Group will regularly report to the Group CR Committee.





Our governance structure is underpinned by our Environment, Human Rights and Community Investment policies which are reviewed annually and set the framework for operations. Applicable to all operating countries and subsidiaries, these policies help us to manage our operational, regulatory and reputational risks.

You can find our policies [here](#).



As we embark on our new strategy we'd like to hear your feedback, suggestions and views. Our employees, suppliers, customers and members of the wider community are central to the outcomes we're aiming to achieve and we are looking forward to working with you to take action.

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