Corporate Responsibility Reporting Criteria 2015

January 2016

Contents

Introduction

This document outlines our approach to reporting on each of our key performance indicators (KPIs) as disclosed in our Corporate Responsibility (CR) Report 2015.

General Principles

We report on those performance indicators that we have assessed as most material to our business through an assessment of both internal and external stakeholders. Please refer to Our Issues section of the Corporate Responsibility webpages.

We aim to collect data that is as accurate and complete as practically possible. Where this is not achievable assumptions or estimations are made accordingly to the data estimation criteria.

Consistent boundaries and methodologies are used wherever possible to allow comparison over time and across different businesses.

Scope and boundaries

Organisational boundary

RSA Insurance Group is a registered business in the UK with operations throughout the world. We report on our CR performance within a financial control boundary for all operations we have the ability to direct the financial and operating policies of with a view to gaining economic benefits from its activities. Within this boundary, we report on the performance of operations with 50 Full Time Equivalent (FTE) employees or more. A full list of the sites included within our organizational boundary can be found in Appendix 1.

Significant changes in the operational footprint of the business over the course of 2015 has seen a number of offices closed, as detailed below.

Country	Date of closure	FTE
China	21/05/2015	86
Hong Kong	01/04/2015	145
India	20/07/2015	1,670
Singapore	01/04/2015	165

Table 1: List of offices that have closed in the reporting period

Please note that our Italian office has closed but closure occurred on 4/1/2016, therefore emissions have been included for the full reporting period.
In order to take these changes into consideration, we report our corporate responsibility data as follows:
Environmental Data: Where an operation (country or office) falls in scope and has been exited by sale or closure, environmental data will be included in the Group footprint up to the point of sale or closure.
Community data: Where an operation (country or office) falls in scope and has been exited by sale or closure, community data will be excluded in the Group total for the full year, regardless of when operational control was relinquished.

Reporting period

All the figures in our report cover a 12-month period which corresponds to our financial year that is 1st January – 31st December 2015.

The process of measuring and reporting on our CR performance is detailed in our Community and Charity Policy and Environmental Policy which are applicable to all operations.

Revising our Targets and KPIs

Due to changes in our business and our commitment to our turnaround strategy, our CR targets no longer reflect the size and strengths of our organisation. We have therefore reviewed our targets and updated them where necessary.

In our 2015 CR Report report, where possible, we have reported performance against our old targets and detailed our plans to work towards our new targets, reporting progress where we can. A description of the old and new KPIs are detailedunder each section in the following pages.

Safe, secure world

Old targets	New targets
Run at least one annual road safety campaign in each of the countries we operate **KPI: Number of road safety campaigns**	Run at least one safety campaign every year in each core region we operate in. **KPI 1:** Number of safety campaigns run each year in each core region. **KPI 2:** Number of people reached by each campaign.

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

We define a safety campaign as any external or internal event or events organised and funded by RSA Group Companies for members of the public or RSA employees to promote safety in our everyday lives.

A campaign does not need to be a sustained programme, a one off activity can constitute a campaign. A campaign does not have to be concurrent; events, interventions and communications during the reporting period can constitute a road safety campaign.

Evidence will include photos from events, press coverage and internal communications. Details on campaigns are collated annually for the reporting period, coordinated through the Group CR team. We rely on the CR Representatives in each country to inform us of activities in this area and as such there may be activities taking place that are not reported to us.

KPI 2: Number of people reached by each campaign.

Where possible, we will collect information on the number of people impacted by the campaign. For example, number of attendees at an event, number of hits on a website, readership of newspaper that campaign has been published in.

Thriving communities

Current target	New target
By 2018, we will double our annual community contribution (defined as the value of corporate donations, value of hours volunteered and funds raised for charity by our employees, based on a 2013 baseline).	Run a community programme in each core region we operate in that engages and develops our people, supports our local communities and makes a difference for our customers. **KPI 1:** Amount of community investment, including: • Charitable spend • Value of volunteering hours (and number of volunteering opportunities/hours) • Amount of employee funds raised for charity **KPI 2:** % of volunteering opportunities supporting employability skills or social enterprise

Within the report, we have only reported against our new target and KPIs as defined below.

KPI: Amount of community investment (£ sterling)

Community investment includes direct financial support to registered charities, but can also includes schools and universities and organisations with a charitable purpose, the value of our volunteering hours and employee raised funds.

1. **Our financial support includes the following:**

- **Community spend:** donations to support longer-term charitable partnerships or to support our CR focus areas of education and employability and social enterprise. For example, a donation to our partner charity School for Social Entrepreneurs or to support an employability skills workshop.
- **One-off spend:** one-off ad hoc donations made in response to a specific need or request for support. For example, donations to match the fundraising efforts of staff, to support their volunteering activities or donations to emergency appeals.
- **Commercial activity spend:** activity that is linked to our business and promotes the RSA brands or a product in partnership with a charity. For example, sponsorship of an event or payments to a charity based on the number of policies sold.

The Group CR team and CR Representatives keep their own records of financial support to charities. At year end, financial reports are run in each country to cross check the financial support to charities. A final list of spend is reviewed in each country and submitted to the Group CR team.

The Group CR team review all data centrally, supported by the CR updates from the CR Reprresentatives. The Group CR team collate a final report which is reviewed by the Group Audit Committee.

We rely on the CR Representatives in each country to inform us of financial support and as such there may be payments that are not reported to us.

RSA use the Charities Aid Foundation (CAF) for all payroll giving. RSA provides CAF with an annual donation which is then donated directly to charities by CAF. The total annual donation to CAF may not all be spent in the year in which it was donated.

2.   **Value of volunteering hours (£ sterling) (and number of volunteering opportunities/hours)**

RSA encourages our people to volunteer and provides up to 2 days volunteering leave per year. We therefore report on the number of volunteering opportunities (some individuals may have taken part in more than one activity), the number of hours volunteered to support charitable and community activity during work hours and the value of that volunteering time to our business (based on the average hourly pay within each country that the volunteering took place).

The CR teams and CR representatives keep lists of volunteers and hours volunteered for each activity and report to the Group CR team on an annual basis. The Group CR team review all data centrally, supported by the CR updates to provide a better understanding of the volunteering opportunities. Volunteering data is collected for all individuals working for RSA during the reporting period.

We rely on the CR reps in each country to inform us of volunteering undertaken and as such there may be volunteering opportunities/hours that are not reported to us.

3.   **Employee funds raised for charity (£ sterling)**

RSA reports on the amount of money our people raise for charities and good causes each year.

The data collected includes all money raised by our people that meet one or more of the following criteria:
   •   The individual/team raising the money has been supported by RSA with matched funding[1]
   •   The individual/team raising the money has been supported by RSA to take part in the fundraising activity (e.g. their place in a sponsored run has been funded by RSA)
   •   The individual/team is raising the money for a partner charity of RSA
   •   The fundraising activity is organised/supported by a group of RSA colleagues
   •   The fundraising activity has taken place during work time.

The CR teams and CR representatives record the amount of employee funds raised for charity and report to the Group CR team on an annual basis. The Group CR team review all data centrally, supported by the CR updates to provide a better understanding of the fundraising activities.

The majority of employee funds raised for charity has in the past taken place in the UK and further controls are in place; data is collected from each office and checked against the matched funding records to ensure that there is no double counting.

Clear guidance for data collection and reporting is given to CR representatives in a process document provided and year end and in regular contact throughout the year.

At RSA we are keen to support the fundraising efforts of our people and encourage them to support the causes close to their hearts. We provide matched funding, and in the UK we provide opportunities for them to share details of their fundraising activities through Yammer (an in-house social media site).

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[1] Where our people have raised money as part of a team not made up of other RSA employees (individual claim) or where they have raised money as part of a team not made up of RSA employees (team claim), we will only include the amount raised which we have matched (£ for £ up to £200 for an individual and £500 for a team).

RSA reports on the number of volunteering opportunities (some individuals may have taken part in more than one activity) each year and in addition we report on the percentage of these opportunities that are supporting our CR focus areas of education and employability and social enterprise. We are keen to increase our skill sharing volunteering opportunities, so will be reporting on this development.

The CR teams and CR representatives keep lists of volunteering opportunities and organisations supported and report to the Group CR team on an annual basis. The Group CR team review all data centrally, supported by the CR updates to record those that are supporting employability skills and social enterprise. Volunteering data is collected for all individuals working for RSA during the reporting period.

We rely on the CR reps in each country to inform us of volunteering undertaken and as such there may be volunteering opportunities/hours that are not reported to us.

Sustainable future

Old targets	New targets
By 2018, we will reduce our carbon emissions by 20% per employee from a 2013 baseline.	By 2018, we will reduce our carbon emissions by 12% per employee from a 2015 baseline. KPI: Tonnes of carbon dioxide equivalent presented as both actual (tCO2e) and per employee (tCO2e/FTE).
We will support our customers through the development of products and services that help them respond to changing environmental risks and opportunities.	Deliver at least one awareness/support campaign each year in each core region we operate to support our customers adapt to climate change and reduce their greenhouse gas emissions. KPI: Number of awareness/support campaigns.

Within the report, we have only reported against our new target and KPIs as defined below.

KPI: Tonnes of carbon dioxide equivalent presented as both actual (tCO2e) and per employee (tCO2e/FTE)
We measure our environmental performance using a carbon footprint, including Scope 1, 2 and 3 emissions.

Scope 1 includes emissions from RSA owned sources that are controlled by us, including natural gas consumption, diesel, liquid petroleum gas, company owned vehicles mileage and fugitive emissions from air conditioning.
Scope 2 includes emissions from the generation of purchased electricity, heating and steam and chilled water purchased from non-owned sources.
Scope 3 includes all other emissions from non-owned sources that are related to RSA activities, including business travel, waste, water and paper consumption. Business travel includes air, rail, hire cars, taxis, hotel nights and mileage from private cars used for business where data is available. Travel is recorded as passenger kilometre (km) and converted into CO2e.

Previously, some Scope 3 emissions were misreported as Scope 1 emissions. This was due to additional information being provided on our Car Ownership Scheme (COS) which allows our employees to personally lease vehicles for business use.

Air and rail travel data is collated from the central booking system managed by a third party supplier. Where countries do not have access to this system, flight and rail details are supplied directly from those travel agents or teams managing travel within the local organisation. Kilometres measured from car usage is collated via expenses systems within each business/country which reimburses employees on a cost per km travelled basis. Employees are encouraged to claim expenses in the month that the spend was incurred, however in some cases expenses are claimed a few months after the incurred spend therefore in some instances, expenses from 2014 may be included in the 2015 carbon footprint. Kilometres travelled combined with details of the vehicle type (diesel, petrol, alternative fuel and engine capacity) are used to convert data into CO2e. Where km data is not available estimates will be made using total spend on or litres of fuel.We use an online reporting system to collect and measure our consumption data. The system developed by Ecometrica is called *Our Impacts* and allows multiple users to enter data which is then converted into a carbon footprint using recognised conversion factors.

Data is entered into the system quarterly and annually as per the table below.

	Country level	Site Level
MANDATORY	**Company owned vehicles (litres of fuel)**	**Electricity (kwh)**
	Business travel (Annually) (miles)	**Natural Gas / District Heating (kwh)**
		Diesel / LPG (litres)
		Refrigerant gas loss
BEST EFFORTS	Paper (Annually) (tonnes)	Waste (Annually) (tonnes)
		Water (Annually) (tonnes)

Table 2: Frequency of environmental data reporting

Within each country, there is a Corporate Responsibility (CR) Representatives responsible for collecting and entering this data. The full list of sites is shown in Appendix 1.

For each data value entered, evidence of the source of information is also uploaded on the system. Evidence includes invoices, supplier reports, expenses systems and travel agency data. Where evidence is unavailable or the office is in a multi-tenanted building, an explanation for the reason why there is no evidence is provided.

Employee data or headcount data is measured in Full Time Equivalent (FTE). This data along with floor space numbers are collated on *Our Impacts*. This data is used to normalise our carbon footprint and enable us to report against our target. The data is also used where required, for estimations. FTE data is inputted into *Our Impacts* by the CR Representatives in each country and average FTE is used for estimations and to report progress against our target.
Ecometrica's *Our Impacts* converts data into a carbon footprint with consideration to the World Business Council for Sustainable Development and World Resources Institute's (WBCSD/WRI) Greenhouse Gas Protocol; a Corporate Accounting Standard, together with the latest emissions factors from recognised public source including, but not limited to, the Department for Environment, Food and Rural Affairs (Defra), the International Energy Agency, the US Energy Information Association, the US Environmental Protection Agency and the Intergovernmental panel on Climate Change.

Quality assurance of data

Once data has been entered into *Our Impacts*, it is reviewed by the Group Corporate Responsibility Team at RSA and then a Quality Assurance (QA) process is carried out as described below.

STEP 1: Data Entry process

- CR Representatives receive invoices or emails from landlords with consumption data of each office
    - o Many of our offices are in multi-tenanted buildings where the landlord proportions the energy, water, waste consumption for each tenant. In these cases, it is almost impossible to get invoices. Some landlords provide a summary of environmental performance and others tie these costs into the monthly rental charges.
- CR Representatives enter consumption data value into relevant fields on *Our Impacts*
- With each data value, evidence of the sources of the value is uploaded. Evidence includes:
    - o PDFs or scans of supplier invoices or reports detailing data values and periods on supplier letterhead
    - o Emails clearly from a third party supplier / landlord /building managers detailing data values and periods
    - o Excel versions of supplier reports accompanied by a PDF or EML copy of the supplier's email showing the file as an attachment
    - o Scanned copies of the supplier invoice / report, or the third party email detailing the total building consumption values
    - o Third party confirmation of the total building floor area, RSA's floor area and consequently the % apportionment
    - o An excel spreadsheet showing the apportionment calculations or an explanation of the calculations within the comments section
    - o Scanned copies of the supplier invoice / report, or the third party email detailing the consumption values and the area or time period that they relate to
    - o An excel spreadsheet showing the extrapolation of the data to cover the entire site or assessment period, or an explanation of the calculations within the comments section
- Comments on the evidence provided and how the data has been collected are added.
- Once the CR Representative has completed entering all their data, they save the data and mark as complete. This means that the data is ready for QA.

STEP 2: Data Quality and supporting evidence check

- Each quarter, there is a deadline for data entry. Once this date has passed, an initial check is done by the Group Corporate Responsibility Team to determine:
  - o Which sites have missing data
  - o Which sites have missing evidence
- Missing data is requested from the CR Representatives.
- Where sites have data and evidence. Each data value is checked against the evidence provided to make sure that they match.
  - o If data values are significantly higher/lower than previous years, queries are sent to the Data Entry User.
  - o If data values do not match the evidence, queries are sent to the Data Entry User.
- Once data values match evidence and most queries have been dealt with for a site. The Group CR Team informs Ecometrica that that site is ready for a high-level check.

STEP 3: QA Process

- Ecometrica conduct a high level comparison of data values against previously reported values.
- Where data values differ by more than 5% from previous values a more in depth check is performed to reconcile data with the uploaded evidence.
- Queries are initially sent to the Group CR Team for explanations and then directed to Data Entry Users if need be.
- Data is either amended as per query or a comment is provided to explain the anomaly.

Data estimation criteria

Missing consumption values are calculated for sites using one of the following methods depending on existing and historical data availability:

- • Where data have been provided but do not cover the entire assessment period for a specific site (be that quarterly or half yearly) the value will be extrapolated to cover the entire period based upon the number of days within the reporting period.

- • Where data values have not been provided but exist for a previous reporting period (no earlier than 2013) and are robust (i.e. actual / extrapolated from incomplete data / estimated by RSA based upon knowledge of that specific site), 2015 values will be estimated based upon:

  - o the historical intensity data (consumption per unit floor area) where floor areas is available and the 2015 floor area. Where floor area is not available, the historical intensity data (consumption per FTE) and the 2015 FTE.

  - o Where data values have not been provided and are not actual or robust for a previous reporting period (no earlier than 2013), 2015 values will be estimated based upon FTE and the existing actual or robust data for other sites within the same geographical region.

END

APPENDIX 1: ORGANISATIONAL SCOPE

Region	Country	Office Location	FTE
Asia & Middle East	China		86
	Hong Kong		145
	India		982
	Oman	Ruwi	125
	Saudi Arabia	Riyadh	73
	Singapore		165
	United Arab Emirates	Dubai	181
Canada	Johnson	Corporate Head Office (Fort William Building)	422
		Edmonton	128
		Halifax (CA)	83
		Richmond Hill	274
	RSA Canada	RSA Canada - Calgary (Western Office)	145
		RSA Canada - CNS Vancouver	133
		RSA Canada - Dartmouth (Atlantic Office)	160
		RSA Canada - Head Office (York)	600
		RSA Canada - Sheridan	538
		RSA Canada - GCAN, Toronto (HO University)	117
		RSA Canada - RTI Sherbrooke (RSA Travel)	96
		RSA Canada - Montreal (McGill College Ave)	158
		RSA Canada - UC Quebec City Office	167
Central & Eastern Europe	Russia	Moscow	226
Latin America	Argentina	Capital Federal, Buenos Aires	632
	Brazil	São Paulo	306
	Chile	Santiago Main Office	450
	Colombia	Bogotá (Main Office & Branch)	180
	Mexico	Mexico City	371
	Uruguay	Montevideo	107
Scandinavia	Denmark	Denmark Aarhus	107
		Denmark Codanhus	985
	Sweden	Sweden Stockholm	605
		Sweden Sundsvall	117
		Sweden Umeaa (D.19)	75
		Sweden Umeaa (K.16)	75
		Sweden Vaxjo	166
		Sweden Malmo (M10)	206
		Sweden Malmo (M12)	178
		Sweden Göteborg	61

	Norway	Codan Oslo	241
UK & Western Europe	QRC RSA	QRC RSA Glasgow	52
		QRC RSA Leeds	63
		QRC RSA Walsall	86
		Fenchurch Street	787
		Birmingham	335
		Chelmsford	221
		Chipping Norton	56
		Glasgow	388
		Halifax	690
		Horsham	917
		Liverpool	1434
		Manchester	761
		Peterborough	575
		Sunderland	461
	Ireland	123.ie	271
		Belfast	87
		RSA House Dublin	349
	Italy		293
Eurospeciality Lines	Netherlands		54
	Spain		58
	France		76
TOTAL			17,878

Data notes: FTE figures reported in this table are average FTE figures from across 2015. The India FTE is an average of people in the Actuarial Academy and people in the RSA Indian business which closed on 20/7/2015. The Actuarial Academy remains open.