

Introduction

This document outlines the RSA approach taken for reporting on each of our key performance indicators (KPIs) within the RSA corporate responsibility report 2014.

It is the responsibility of RSA management to ensure that appropriate procedures are in place to prepare its CR report.

General Principles

We report on those performance indicators that we have assessed as most material to our business. We have carried out an assessment using both internal and external stakeholder feedback to determine those issues that are most important to us and our stakeholders.

We aim to collect data that is as accurate and complete as practically possible. Where this is not achievable assumptions or estimations are made and we ensure these are stated and justified.

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

Scope and boundaries

Unless otherwise stated the CR reporting covers Canada (RSA and Johnson), United Kingdom, Ireland, Italy, Denmark, Norway, Sweden, Argentina, Bahrain, Brazil, Chile, China, Colombia, Estonia, Hong Kong, Ireland, India, Kingdom of Saudi Arabia, Miami, Latvia, Lithuania, Mexico, Oman, Poland, Russia, Singapore, United Arab Emirates and Uruguay.

Where offices contain 50 employees or fewer, data will be requested on a best endeavour basis and included where available.

Significant changes in the operational footprint of the business over the course of 2014 has seen a number of businesses closed, as detailed below:

Completed disposals

- **Baltics** (Lithuania, Latvia, Estonia): announced 17 April 2014, completed 30 June 2014 Latvia, 1 November 2014 Lithuania and Estonia.
- **Poland**: announced 17 April 2014, completed 15 September 2014.
- **Noraxis**: announced 19 May 2014, completed 2 July 2014.
- **Thailand**: announced and completed 19 December 2014.

Announced disposals pending completion

- **China**: announced 3 July 2014.
- **Hong Kong & Singapore**: announced 21 August 2014.
- **Italy**: announced 17 October 2014.
- **India**: Announced on 18 February 2015.

In order to take these changes into consideration, we have introduced new criteria to the reporting of our corporate responsibility data. The implications on the data set is 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. Where data is not available for the current year (due to loss of operational control at the point of data request), estimates will be made using prior year data and full time equivalent numbers at the point of exit. Actual data will be used where available.

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 the period from 1 January to the 31 December 2014.

In order to allow for adequate quality review and assurance of selected KPIs, our Q4 footprint will be estimated, based on Q1-3 data where available, or as per the estimation approach described in the *Data estimation criteria* section below.

Responsible Business

A new system for the collection of Headcount data came into force for 2014 Full Time Equivalent (FTE) data. In previous years, headcount and diversity data was collected via the annual internal engagement survey. For 2014 data, all regional HR functions were required to report full time equivalent employee numbers, diversity information and turnover rates on a quarterly basis to the central Group HR function using a specific template. Data submitted is required to be signed off by country HR Directors. The data is validated by the Group function against the operating plan and discrepancies and variances against plan are mapped and queried.

Customer, Health and Safety and other HR data points are collected by the CR function via a questionnaire that is completed by relevant representatives in country.

Safe, secure world

KPI: Number of road safety campaigns

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 road safety for all road users. A campaign does not need to be a sustained programme, a one off activity can constitute a campaign if more than one communication channel is used. A campaign does not have to be concurrent; events, interventions and communications during the reporting period can constitute a road safety campaign. A campaign will consist of more than one communication channel used to distribute information and advice. This can include events and physical media as well as digital media. We do not include customer SMS driving tips as a campaign unless supported by other activity.

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 questionnaire. We rely on the CR reps 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.

Data on countries running road safety campaigns is requested from all countries listed in the *Scope and boundaries* section, during the stated reporting period. Belgium, France, Germany, The Netherlands, Spain do not have CR representation and were excluded from the assessment.

Thriving communities

KPI: Amount of charitable donations (£ sterling)

RSA reports on our charitable donations made each year. Our charitable donations are voluntary, charitable donations which are usually made to registered charities, but can also include schools and universities and organisations with a charitable purpose.

Our charitable donations are made to support our CR strategy and to support the volunteering and fundraising efforts of our people. Charitable donations also include:

- Matched funding (£ for £ up to £250 per person or £ for £ up to £1,000 for a team of employees). A team must include 3 or more RSA employees per team to be eligible for team claim.
- Donations to support payroll giving and volunteering activities.

Data on charitable donations is collected for countries within our scope during the reporting period.

Data on charitable donations is requested from all countries listed in the *Scope and boundaries* section, during the stated reporting period.

Charitable donations are made from the Group and UK CR budget, international CR budgets and occasionally from other areas of the business. The CR teams and CR representatives from our global offices keep their own records of charitable donations made. At year end, financial reports are run in each country to cross check the corporate donations made. A final list of donations is reviewed in each country and submitted to the Group CR team.

The Group CR team review all data centrally, supported by the CR questionnaires to provide a better understanding of the charitable donations made.

The Group CR team collate a final report which is reviewed by the Group Audit Committee.

We rely on the CR reps in each country to inform us of donations and as such there may be donations 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.

KPI: Number of volunteering opportunities/hours

RSA reports on the number of volunteering opportunities (some individuals may have taken part in more than one activity) and the number of hours volunteered to support charitable and community activity during work hours.

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 questionnaires 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 donations and as such there may be donations that are not reported to us.

Data on number of volunteering opportunities is requested from all countries listed in the CR Reporting General Principles, during the reporting period. RSA encourages our people to volunteer and provides up to 2 days volunteering leave per year.

KPI: Amount of 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 funding¹
- 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 questionnaires 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.

The amount of employee funds raised for charity is collected for all individuals working for RSA during the reporting period.

Data on the amount of employee funds raised for charity requested from all countries with a Corporate Responsibility representative listed in the *Scope and boundaries* section, during the reporting period, as such there may be funds that are not reported to us. Clear guidance for data collection and reporting is given to CR representatives in a process document provided at 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 (in-house social media site) and the Every One Fund.

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 solely made up of RSA employees (team claim), we will only include the amount raised which we have matched (£ for £ up to £250 for an individual and £1000 for a team).

Sustainable future

Our environmental metrics cover all our operations described within the scope. Our data is recorded as both absolute and normalised using FTE data verified by external assurance providers.

RSA data is collected through an on-line database, Our Impacts, which is managed by Ecometrica. The UK, Canada, Denmark, Sweden, Norway, Ireland and Italy are requested to input data on a quarterly basis with all other operations inputting data annually. From 2015, all countries are required to enter data quarterly.

The data is collected and aggregated with a combination of actual, extrapolated and estimated data. Source information can take the form of invoices, supplier reports, expenses systems and travel agency data. FTE and floor space numbers are collected to be used, where required, for estimations.

Where office/business/countries are less than 50 employees data will be on a best endeavour basis.

Ecometrica perform quarterly or annual (dependent on frequency of data input by a country/business) quality assurance on the collected data to ensure anomalies are identified, investigated and rectified.

Emission and data sources include;

- Electricity
- Natural and district gas
- Oil
- Fugitive emissions from air conditioning
- Heating and cooling
- Air travel
- Hotels
- Taxis
- Rail
- Grey fleet
- Company cars
- Hire cars
- Water consumption
- Landfill waste
- Recycled waste

Key environmental data

We report our environmental data as greenhouse gas emissions, energy consumption, water consumption, paper consumption, waste production and waste recycling rate.

KPI: Greenhouse gas emissions (tCO₂e)

Scope 1 includes emissions from RSA owned sources that are controlled by us, including natural gas consumption, oil, company owned vehicles mileage and fugitive emissions from air conditioning.

Scope 2 includes emissions from the generation of purchased electricity, heating and steam 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, company cars and mileage from private cars used for business and overnight accommodation. Travel is recorded as passenger kilometre (km) and converted into CO₂e.

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. 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.

Ecometrica carries out assessments on our data in accordance with 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.

KPI: Energy consumption (mWh)

Energy consumption is collected or converted into Megawatt hours (mWh.) It covers the energy used by our operations to heat, cool, light and power our buildings as well as LPG and diesel use for our company-owned vehicles. The energy we use originates from a variety of sources from energy suppliers across the globe. Data is collected through invoices, direct measurements or estimates from suppliers or direct meter readings.

KPI: Water consumption (m³)

Water data is collected from direct measurements from suppliers or direct meter readings from supplies directly to our buildings. Water is measured or converted to m³.

KPI: Paper consumption (tonne)

Paper recorded is generated from marketing and general office activities. This will include paper brought for internal printer usage, direct marketing and outsourced marketing activities. Data is collected through invoices and can be recorded in reams, kilogrammes, with all data being converted to tonnes.

KPI: Waste production (tonne)

All waste generated from our operations is recorded from documentation such as waste transfer notes or invoices. If part of a multi-tenanted building using a single waste supplier information on waste generated will be calculated from landlord estimations or from the cost of disposal. Waste production is recorded in tonnes.

KPI: Waste recycling (%)

All recycled waste from our operations is recorded from documentation such as waste transfer notes or invoices. If part of a multi-tenanted building using a single recycling supplier information on recycling quantities will be calculated from landlord estimations or from the cost of disposal. Waste recycled is recorded in tonnes.

Data estimation criteria

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

1. 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 have been provided but do not cover the entire FTE for a specific country the values will be extrapolated to cover the entire FTE for that country.
2. 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), 2014 values will be estimated based upon:
 - the historical intensity data (i.e. consumption per FTE) and the 2014 FTE – for **water, paper, waste** and **business travel** data.
 - the historical intensity data (i.e. consumption per unit floor area) and the 2014 floor area where available or the 2014 FTE when floor area is unavailable – for **energy** data.
3. Where data values have not been provided and are not actual or robust for a previous reporting period (no earlier than 2013), 2014 values will be estimated based upon FTE and the existing actual or robust data for other sites within the same geographical region.

END
