

Gender Pay Gap Report 2018





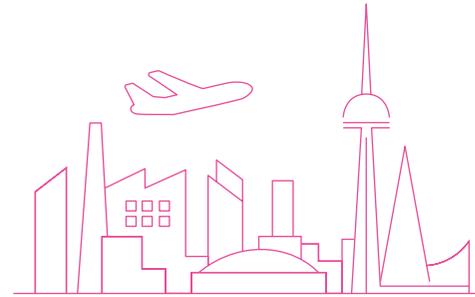
We are committed to having a diverse and inclusive culture at every level of RSA. Our Gender Pay Gap will reduce as our initiatives to improve the representation of women in senior roles at RSA progress.



Stephen Hester
Group Chief Executive

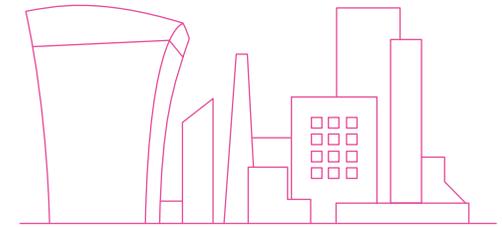


About RSA



12,820

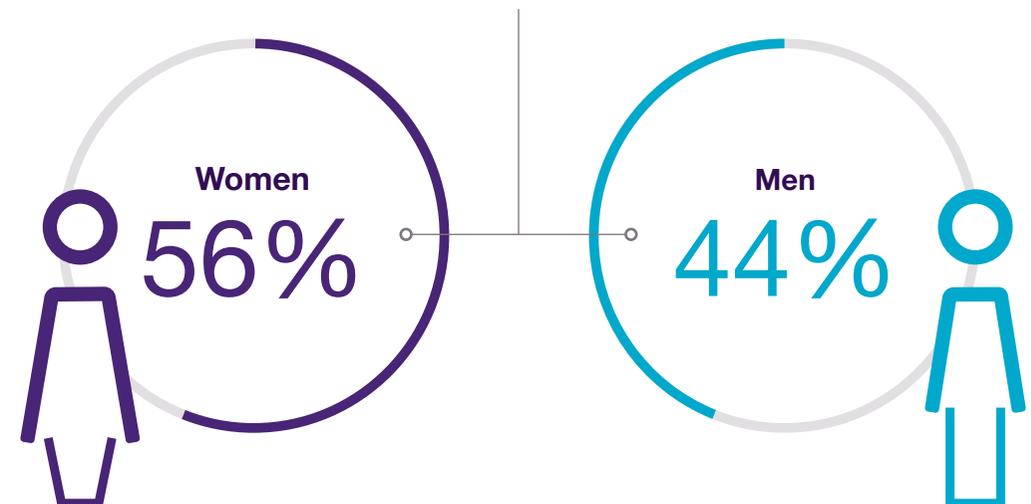
RSA headcount across our UK & International, Canada and Scandinavia businesses, as of 31st December 2018



5,271

Employees in our main UK operating company, Royal & Sun Alliance Insurance plc, as of 5th April 2018

Gender split of Royal & Sun Alliance Insurance plc employees (at 5th April 2018)



Pay and Bonus Gap

The information presented below relates to employees of Royal & Sun Alliance Insurance plc and is calculated in line with the government regulations.

	Median		Mean	
	2018	2017	2018	2017
Gender Pay Gap Based on hourly rates of pay as at 5 April	29.7%	29.7%	33.6%	33.0%
Bonus Pay Gap Based on bonuses paid in the 12 months up to 5th April 2017	15.0%	41.1%	69.1%	63.2%

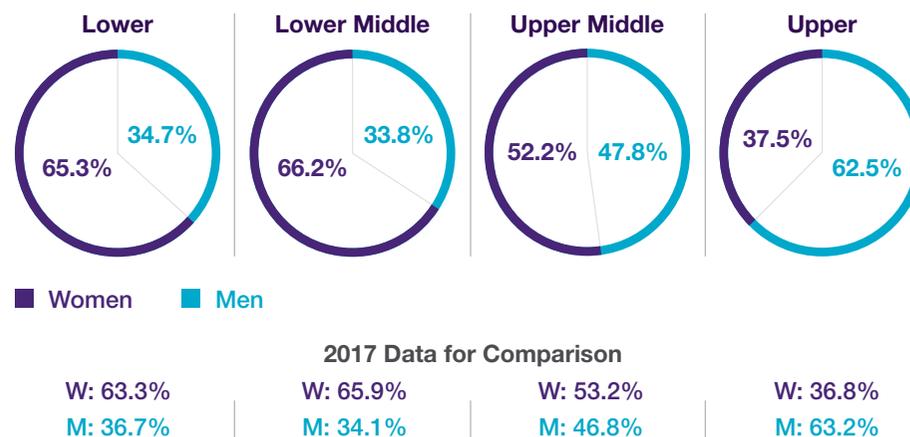
Please see overleaf for an explanation of the comparison between 2017 and 2018.

In addition to Royal & Sun Alliance Insurance plc, RSA Group has a number of other operating entities in Great Britain, employing a further 36 employees. These employees are not included under Government regulations

on Gender Pay Gap disclosure. If we include all RSA companies with employees based in England, Scotland and Wales, our Mean Pay Gap is 36.2% and Mean Bonus Gap is 75.6%.

Pay Quartiles

The following charts illustrate the percentage of men and women at Royal & Sun Alliance Insurance plc within four equally sized pay quartiles as at 5th April 2018.



The gender pay gap is a measure of the difference between the average earnings for men and women. This is not the same as equal pay, and we are confident that men and women at Royal & Sun Alliance

Insurance plc are paid equally for the same or similar work across the business.

We undertake equal pay audits, in line with ACAS and Equality and Human Rights Commission (EHRC) guidance.

Proportion of employees receiving bonus pay

A slightly higher proportion of women than men received bonus pay in the 12 month period up to 5th April 2018 at Royal & Sun Alliance Insurance plc. Employees at all levels of seniority are eligible for bonus pay,

subject to being employed by RSA during the relevant performance period and achievement of stretching performance targets. These percentages are slightly lower than the 2017 figures (93.6% of women; 92.3% of men).



Why do we have a pay gap at Royal & Sun Alliance Insurance plc?

Our analysis shows that our gender pay gaps are predominantly driven by the shape of our workforce, in particular:

- We have **fewer women than men in senior management roles**. Our workforce is predominantly female (56%, same as in 2017) however a smaller proportion of women undertake our management group roles (see chart 27%, 2017 25%).
- This is reflected in our pay quartile data, where 37.5% of employees within the highest paid quartile are female (2017 36.8%).
- There are **more women than men in our junior roles**, such as customer operations, technical and business support.

Gender split of Royal & Sun Alliance Insurance plc employees

(as at 5th April 2018)



Understanding the pay and bonus gap comparison between 2017 and 2018

- **Mean and median pay gaps** were broadly unchanged from 2017.
- **Median bonus gap** decreased from 41.1% (2017) to 15.0% (2018). This is largely because no awards were paid in March 2018 under our regular Annual Bonus to employees in the UK business, as 2017 performance in the UK business fell short of our targets. However, a special discretionary payment was made in March 2018 to employees outside of our management group to recognise the huge amount of energy and dedication from our people during 2017. Reported bonus pay also includes employee recognition awards.
- **Mean bonus gap is significantly higher (69.1%) than the median bonus gap (15%) in 2018.**

Key factors are:

- The bonus gap figures reported for 2018 include pay-outs under our Performance Share Plan which were granted three years previously. These applied to senior managers to reward performance over the longer term. The majority of recipients of these pay-outs were male, which reflects the gender representation of our senior management group at the time the awards were made.
- Royal & Sun Alliance Insurance plc employs a number of colleagues with responsibility across RSA Group. As 2017 performance of RSA Group was strong, these employees received an Annual Bonus payment in March 2018. This population contains a high number of male senior managers and technical specialists.

What actions are we taking to reduce the Gender Pay Gap?

At RSA, our vision is to create an inclusive workplace where everyone can bring their best selves to work. We do this by building diversity across all levels of our organisation and creating an inclusive culture which attracts, encourages and is strengthened by diverse perspectives, establishing the best foundation to serve our customers.

Improving gender equality is a core part of our vision. As a signatory to HM Treasury's Women in Finance Charter, RSA is committed to working collaboratively across financial services to build a more gender balanced industry. RSA will publicly report progress towards our gender target of 33% women in our group-wide management team by 2020.



Similar to other companies in our sector, action is required at RSA in order to achieve our goal. In 2017, we announced our action plan to improve gender diversity. These are long-term commitments that will ensure we achieve a sustainable balance of employees. Progress in each area of our long-term action plan is described overleaf, alongside some highlights of our 2018 journey towards an inclusive workplace in line with our new People Strategy "Your Best U".

During 2018 we engaged with our UK employee resource group, RSA Balance, we listened to employee feedback via our engagement survey ("YouRSAy"), and we reviewed significant external research.

Based on our findings, we are taking some additional steps in 2019 which we believe will make a tangible difference to women's progression at RSA (see opposite).

We closely track our progress on gender diversity and equity as a key tenet of our Group People Strategy, "Your Best U", and the commitments we make as a responsible business, detailed in our Group Corporate Responsibility strategy, "Confident Futures".

In March, RSA celebrated International Women's Day in all our regions globally to recognise the achievements of women and to remind ourselves of how much still needs to be done to reach true, global equality.

During September we hosted RSA's first Inclusion Week in the UK, during which we held sessions in every site focused on sharing "Hidden Stories" aimed at broadening the conversation on diversity and encouraging everyone to be proud of our differences. We also gathered feedback on flexible working and this will become a key area of focus in 2019.

Steps to make a tangible difference at RSA



Supporting parents returning to work

RSA is piloting the use of line manager and buddy guides to increase our manager capability in leading parental leave conversations. This enables individuals to keep in touch whilst on parental leave and establishes more work support arrangements for returners. The pilot is part of a broader approach to providing support for working parents.



Back-up care

We are introducing a facility that assists UK Management employees to find suitable childcare, adult and elderly care when their usual care arrangements break down or last-minute provisions are needed. We believe this will have the benefit of encouraging all talented individuals to step forward for promotion when they might hesitate due to care commitments.

RSA participates in the Chartered Insurance Institutes's "Insuring Women's Futures" Flexibility Working Group to drive change throughout the industry.



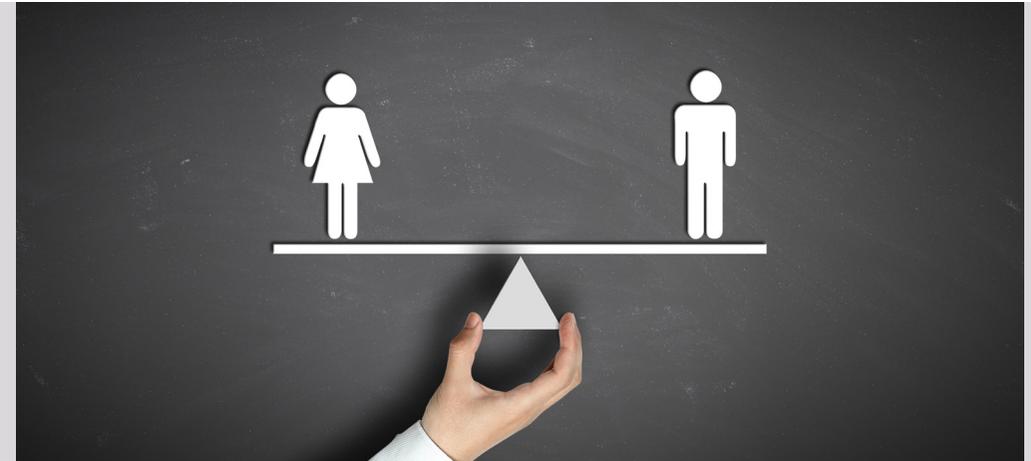
Chartered
Insurance
Institute

Insuring
**women's
Futures**

Progress against our action plan for long-term change

YOUR BEST U

In 2017, we announced our action plan to improve gender diversity over the long-term. We have continued these actions during 2018 as part of our new People Strategy, under our People Brand “Your Best U”. Together with the steps described below, these actions ensure we have a sustainable balance of employees over the longer-term, and ensure that RSA is a place where fulfilling careers can be built. Our Diversity and Inclusion Council provides governance for RSA’s diversity and inclusion activity and oversees progress against RSA’s diversity and inclusion strategy.



Developing and promoting diverse talent

A key opportunity for RSA is to support the progression of our female talent in our internal pipeline to improve the gender balance in our senior, specialist and technical roles. As part of our new People Strategy, we have in place several initiatives to achieve this:

- We include a gender lens when reviewing succession plans for senior management roles, to ensure that we have real visibility of the talent available across our business and ensure targeted career development opportunities.
- We provide leadership skills development at all levels of leadership, to enable both genders to progress their careers. Examples include:
 - Our “Accelerate” talent programme provides development opportunities for our talent with potential to move into senior roles and we ensure a minimum 50% female participation.
 - Our “Stepping Stones” programme fast tracks our most junior talent to equip them with skills and knowledge to progress into junior leader roles. This enables career progression for both genders.
- We have developed the RSA Leadership Pathway, with re-defined functional career routes, alongside an online toolkit “Your Best Career” which helps colleagues, both male and female, to strategically develop their career at RSA.

Recruitment of diverse talent

- When recruiting for senior roles in our UK business we require diverse shortlists, including a minimum of 40% female candidates, and monitor success rates of shortlisted candidates from under-represented groups in receiving job offers.
- We have over 200 employees undertaking apprenticeships via the Apprenticeship levy in areas such as Insurance, Project Management, Digital, HR and Finance. Half of our apprentices are female.
- We have School Leaver Apprenticeships in four of our UK locations – Chelmsford, Halifax, Peterborough and Manchester. These apprenticeships provide a real alternative to a university education for school leavers of both genders. They are entry talent programmes for a career in insurance.
- In 2018, senior management recruitment processes and tools were reviewed and updated to ensure a best-in-class robust and objective approach to selection. We design broad attraction strategies to ensure we appeal to a diverse mix of potential candidates.

Mentoring and networking

- We participate in the 30% Club mentoring scheme, and for 2018 we increased our participation to 20 mentees. In 2018, we supplemented this scheme with internal mentoring opportunities, including introducing our online Coaching and Mentoring Hub which is available to all UK employees whatever their level of experience.
- In 2019, RSA became a member of the Insurance Supper Club, which provides industry networking opportunities for our most senior female leaders. We continue to be corporate members of the Gender Inclusion Network, an industry-wide group focusing on driving gender balance.



Unconscious bias training

- Unconscious bias training, internally branded as “Building Inclusive Cultures training” took place across our UK and GCC Executive teams in 2018, and is being rolled out to all people managers across the UK business in 2019.

Employee resource groups

- As part of our engagement with diverse employees in shaping our ongoing diversity and inclusion strategy, we work in partnership with employee resource groups to achieve increased diversity at RSA. During 2018 we launched our UK-based gender employee resource group, “RSA Balance” with the mission to “Drive and sustain gender balance at all levels of the organisation, to better represent and serve our customers and make RSA a fulfilling place to work.”

Monitoring turnover

- We gather feedback from leavers at all levels of the organisation. This data is reviewed by our HR team to ensure we understand the factors causing individuals to leave RSA.

Inclusive people policies

- We keep our people policies under review to ensure they continue to support our diversity and inclusion strategy.



Creating an inclusive workplace

Gender is one aspect of our Diversity and Inclusion vision. During 2018, employees across RSA raised awareness of the value of wider diversity and inclusion within our organisation.

- RSA became a proud signatory of the Inclusive Behaviours Pledge, demonstrating our commitment to driving forward diverse and inclusive practices across the insurance industry.
- During the summer RSA participated in Pride celebrations. In the UK, we re-launched our employee resource group “RSA Building Pride” with the vision “To ensure that every person, no matter their sexual orientation or gender identity, is able to reach their full potential and feels accepted without exception.”
- In November, RSA celebrated International Men’s Day globally, with a group-wide focus on the importance of positive male role models.
- 2019 key focus areas include ethnicity and disability.

Employee feedback has been highly positive, and we believe these activities, alongside many other regional-led initiatives, have significantly contributed to the creation of an inclusive culture at RSA.

We recognise that the gender pay gap is a long-term issue and actions will take time to have an impact on the figures we report.

We are confident in the steps we are taking and in the monitoring we have in place to track their effectiveness and identify opportunities for further action.

Declaration

I confirm that the information and data provided is accurate and in line with mandatory requirements.



Stephen Hester
Group Chief Executive