

Gender Pay Gap Report 2017



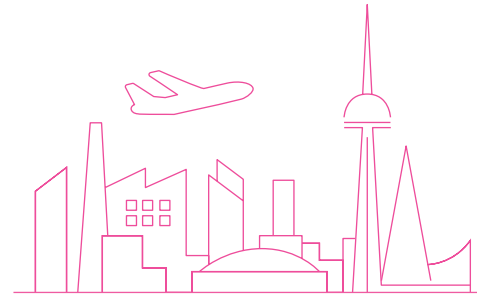


RSA is committed to promoting gender diversity in our business and we welcome the focus that Gender Pay Gap reporting has generated on this issue. We know that our business is stronger when it reflects the communities we serve. Diversity of thought, background and experience enables us to innovate and create better solutions for our customers and to build a sustainable, modern business.

Cathy Lewis
Group HR Director

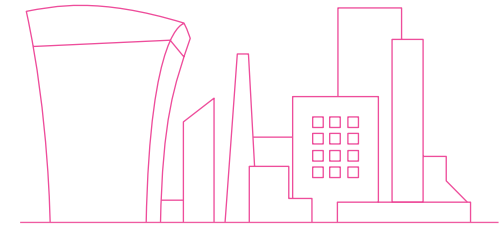


About RSA



12,740

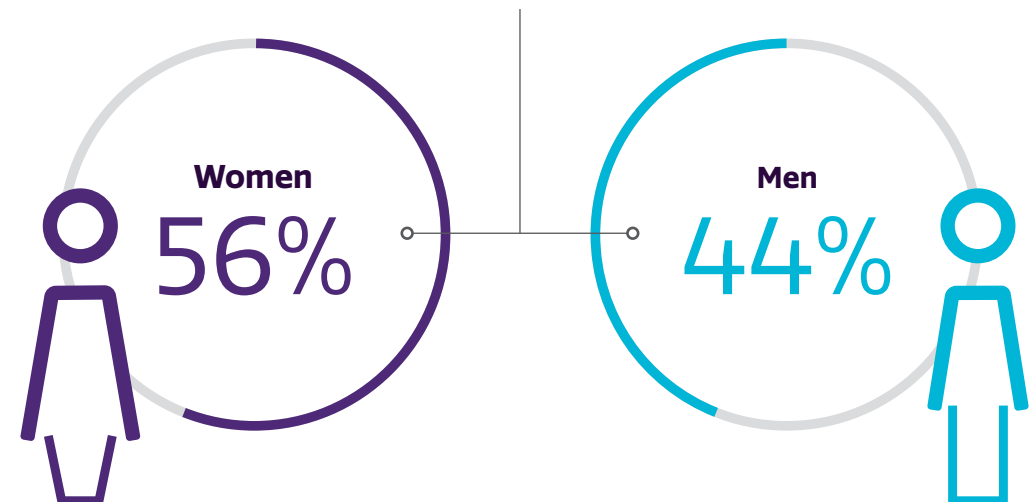
RSA headcount across our UK & International, Canada and Scandinavia businesses, as of 31 Dec 2017



5,433

Employees in our main UK operating company, Royal & Sun Alliance Insurance plc, as of 5th April 2017

Gender split of Royal & Sun Alliance Insurance plc employees (at 5 April 2017)



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

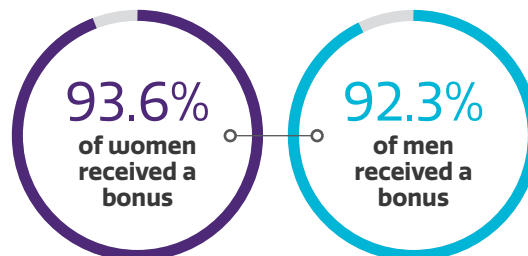
In addition to Royal and Sun Alliance Insurance plc, RSA Group has a number of other operating entities in Great Britain, employing a further 85 employees. These employees are not included under

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 35.0% and our Mean Bonus Gap is 65.4%.

Proportion of employees receiving bonus pay

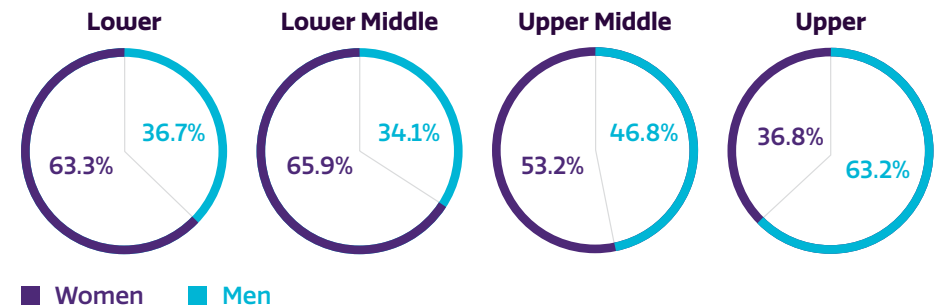
A slightly higher proportion of women than men received bonus pay in the 12 month period up to 5th April 2017 at Royal & Sun Alliance Insurance plc.

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.



Pay Quartiles

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



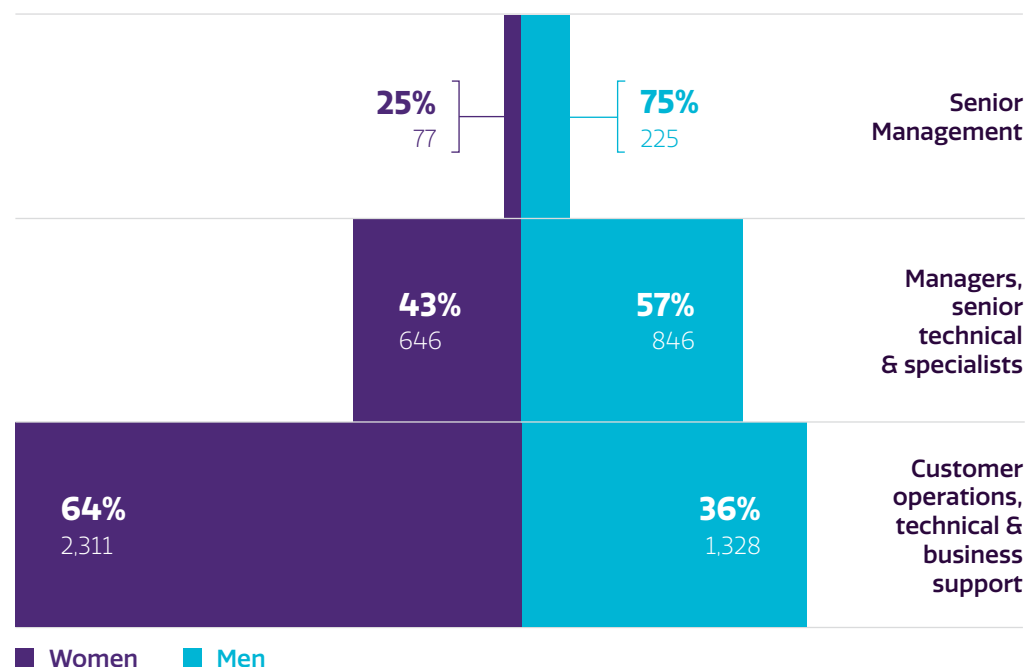
Why do we have a pay gap at Royal & Sun Alliance Insurance plc?

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%), however there is a much smaller proportion of women who are undertaking our senior management roles (see right, 25%). This is reflected in our pay quartile data, where only 36.8% of employees with the highest paid roles are female.
- 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

(at 5 April 2017)



A range of measures are needed to improve the gender balance in our organisation and reduce the gender pay gap, including recruitment, development and progression of female talent. We are committed, through our signature of the Women in Finance Charter, to increasing the representation of women

in senior roles in RSA. We are also working collaboratively with the Gender Inclusion Network and with the ABI and our insurance peers in the Insurance Diversity Forum to make progress on this industry-wide issue. Our actions to promote gender diversity all levels of the organisation are shown overleaf.

Gender bonus gap

We have higher mean and median bonus gaps than our mean and median gender pay gaps.

This is influenced by:

- Our most senior roles (which are undertaken by more men than women) have **larger incentive opportunities**.
- We have a higher proportion of women **who work part-time** when compared to men. Where we have paid bonuses to part-time employees they are pro-rated to reflect the reduced hours – however the bonus pay gap calculation, as required by government regulations, does not recognise that individuals may be working part-time.

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 to check this, in line with ACAS and Equality and Human Rights Commission (EHRC) guidance.

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

RSA is committed to all aspects of diversity and inclusion, including actions which over time will reduce our gender pay gap. In 2017, RSA set a Group-wide target to ensure that women make up 33% of our management group by 2020.

Our group-wide Diversity & Inclusion Council is committed to driving change, led by Cathy Lewis, Group HR Director. To further accelerate progress, in 2017 we created a full-time Head of Diversity & Inclusion role to develop and implement the Group's diversity & inclusion strategy and take forward the Council's action plan.

We are taking action to promote gender diversity in the UK across the employee lifecycle, including:

- **Recruitment of diverse talent.**

When recruiting for senior roles in our UK business, we require diverse shortlists of candidates, and monitor success rates of short-listed candidates from under-represented groups in receiving job offers. We have broad attraction strategies designed to ensure we appeal to a diverse mix of potential candidates.

- **Employee resource groups.**

As part of our engagement of employees in shaping and giving feedback on our ongoing diversity and inclusion strategy, we have begun to work in partnership with employee resource groups to achieve improved diversity at RSA.

- **Inclusive people policies.**

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

- **Developing and promoting female talent.**

Our talent programmes have been successful in developing new leaders at RSA for a number of years, and in 2017 female and male employees were promoted in broadly equal proportions into our UK senior leadership population. To drive further progress, in 2018 we will further increase the number of female delegates attending talent development programmes.

Case Study

“I have recently been promoted to a new role as Underwriting Effectiveness Director for Commercial and given the exciting opportunity to build a team and lead a project to raise Technical Capability across our Commercial Underwriting community. But if I rewind 3 years, I would never have imagined that I would have achieved so much in my career in such a short space of time.

Initially I was identified by RSA as a high potential employee through our talent identification process, and I was targeted for development for future succession to a more senior role. This meant that the senior team would actively seek opportunities for my development and would mentor my career growth.

As part of RSA's approach to developing talent, I received coaching from a senior sponsor, Finlay Smith, who mentored and sponsored me, helping me to build my confidence and unlock my potential.

Coaching provided me with the tools I needed to take on new challenges, which in turn gave me key exposure to other senior managers within the business. Finlay worked with me to identify a pivotal promotion opportunity, despite the role being outside his business function, and took time out to help me with interview coaching. One of the best aspects of the mentoring process is that senior managers recognise that the development and progression of talent is for the greater good of the organisation.

As a result of my experience I am a keen advocate of development. I am now excited to pay my experiences forward, by becoming the co-chair for the newly formed Gender Employee Resource Group, where I can support other women in progressing in their careers at RSA.”

Emily Fraser

Underwriting Effectiveness Director, Commercial

Case Study



“The 30% Club cross company mentoring programme has been invaluable. As a mentee it has provided me with a personalised development opportunity with access to an independent and objective perspective. My mentor encouraged me to explore outside the obvious career enhancements and more importantly, to focus on developing as a person and not just a leader.”

Gurjinder Rai
Finance Transformation Lead

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

○ Mentoring and networking.

We participate in the 30% Club mentoring scheme, which offers cross-company, cross-sector mentoring to women. This programme is designed specifically to support female progression, and during 2017 we were able to offer mentoring to women in RSA at the emerging leader level. RSA is a member of the Gender Inclusion Network, an industry-wide group focussing on driving gender balance.

○ 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.

○ Unconscious Bias training.

RSA employees across our UK business are undertaking unconscious bias training in a phased roll-out. This training will help employees to recognise where there may be unconscious bias to make sure that balanced people decisions are made throughout our business.



○ Women in Finance Charter.

As a signatory to HM Treasury's Women in Finance Charter, we have committed to working collaboratively across financial services to build a more gender balanced industry. We will publicly report progress against our gender target of ensuring that women make up 33% of our Group wide management team by 2020.

[Further information can be found here.](#)

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 additional actions.

Further detail our diversity and inclusion actions can be found in our [Annual Report 2017](#).

Declaration

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



Cathy Lewis
Group HR Director