

# Modern Slavery and Human Trafficking Statement

## Modern Slavery and Human Trafficking Statement

This statement covers the activities of RSA Insurance Group plc and its subsidiaries (the “**RSA Group**”) and is our Modern Slavery and Human Trafficking statement for the financial year ended 31 December 2019 required under the provisions of the Modern Slavery Act 2015 (the “**Act**”).

Modern slavery in all its forms of slavery and servitude, forced or compulsory labour and human trafficking will not be tolerated within our own operations or our supply chain. We are committed to doing our part to help stamp out modern slavery, and are taking the appropriate steps to ensure that everyone who works for the RSA Group benefits from a working environment in which their fundamental human rights are respected and anyone that we do business with also upholds these principles.

### Background

The RSA Group is one of the world’s leading multinational quoted insurance groups. Domiciled in the UK with headquarters in London, we focus on general insurance and have core markets in the UK, Ireland and the Middle East, Scandinavia and Canada with the capability to write business across the globe. We have around 12,378 employees across our core businesses and, in 2019 our net written premiums were £6.4 billion. Further detail on the structure and performance of the Group can be found in the Strategic Report section of the Annual Report and Accounts 2019 which is available on the Group website.

The RSA Group has a long-term commitment to corporate responsibility and has been a participant of the United National Global Compact since August 2007, annually reporting on compliance against its Ten Principles which cover human rights, labour, environment and anti-corruption. We are also signatories to the UN Principles for Sustainable Insurance committing to embedding environmental, social and governance issues into decision making and raising awareness of issues amongst our clients and business partners.

In 2019 RSA Group launched a new corporate responsibility strategy, Confident Futures, which sets out how we manage our operations in a way that considers social and environmental issues. Respect for human rights is embedded within our commitment to supporting ‘A flourishing workforce’, ‘Responsible supply chain’ and ‘Business integrity’; more information on our corporate responsibility strategy and the progress we have made during 2019 can be found in our corporate responsibility report available at [www.rsagroup.com/responsibility](http://www.rsagroup.com/responsibility). In recognition of our ongoing actions, we are a constituent member of the FTSE4Good Index which measures the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.

The information in this statement details policies, processes and actions we have taken to ensure that slavery and human trafficking are not taking place in our supply chains or any part of our own business.

### Assessing our risks

When the Act came into effect, we established a cross-functional working group to identify the functions and geographical locations in our business with a risk of modern slavery. This exercise identified that the highest areas of risk and potential touchpoints for modern slavery within our group are recruitment and whilst working with third parties in our supply chain. In 2016 we reviewed our practices within the Human Resources and Procurement functions and consequently we updated relevant procedures and policies to ensure they include consideration of modern slavery.

We review our policies on an annual basis to ensure they remain fit for purpose and reflect areas of risk. This year we’ve completed a more detailed review of our Group-wide Employment Practices

Policy (previously People Risk Policy) and Human Rights Policy, with the transition to a new policy template that more clearly articulates the controls we have in place and validation we conduct over our policies to ensure they are being implemented across our business.

### **Supporting policies**

The following company policies support us in ensuring that modern slavery is not taking place in our supply chains or business:

- **Human Rights Policy:** sets out the human rights standards and principles we respect and support in line with the Universal Declaration of Human Rights (UDHR), the International Labour Organisation (ILO) core conventions on Labour Rights and the UN Global Compact, and ensures appropriate procedures are in place to prevent any breaches.
- **Third Party Contracts Policy:** ensures robust processes are in place to manage the risks relating to the RSA Group's business contracts with third party suppliers, and to manage the risks relating to business relationships and contracts with other companies within the RSA Group.
- **Employment Practices Policy:** sets out the Group minimum standards for local RSA policies across the employee life cycle; how we recruit, manage and support our people in a working environment that promotes diversity, respect, integrity, safety and wellbeing. The policy also stipulates that, where there is inappropriate conduct, we will take disciplinary action, which may include termination.
- **Speaking-up & Whistleblowing Policy:** encourages our people to raise concerns, without fear of retaliation, about how we do business or operate as an employer. We provide numerous ways for concerns to be raised: in person to a line manager or Human Resources, or online or by phone to an independent reporting channel. In all cases, we treat concerns seriously, confidentially and provide the option for them to be raised anonymously. In addition, should an employee be concerned about how they are personally treated at work, sometimes referred to as a 'grievance', they are encouraged to raise this with their line manager and processes are in place for these to be fairly investigated.

These policies apply to the RSA Group and, under the governance of our Risk Management Framework and Board Risk Committee, reinforce how we identify, measure, manage and control related risks, including those related to modern slavery. In 2019, we performed additional in-depth validation of how our Employment Practices and Speaking-up & Whistleblowing policies are implemented locally.

The policies are available to all employees via our intranet site and are managed by local policy owners who ensure that they are communicated and embedded within the business.

### **Our people**

To ensure that we recruit and treat employees fairly, avoiding modern slavery at all costs, our Employment Practices Policy requires appropriate human resources procedures to be in place throughout the RSA Group. These procedures make sure we seek to:

- Recruit, select and screen employees in a fair, lawful and professional manner;
- Treat all employees fairly during their employment; and
- If there is an occasion when an employee does not feel that they have been treated fairly, there are procedures in place to raise concerns.

We make our people aware of our policies and of their employment rights in several ways including: intranet sites, local handbooks, company inductions and written employment offers. We also work with organised bodies to give employees further options to stay informed and for their voice to be heard, for example: unions, work councils and internal diversity and inclusion councils.

In recognition of the heightened human rights and modern slavery risk at recruitment stage, our Employment Practices Policy stipulates the standards for fair and lawful processes, including checks of candidates' right to work, integrity and suitability for the role. Our approach applies to all permanent employees, temporary and contractual employees, including the use of agency workers.

We work in partnership with external recruitment providers who manage the end to end recruitment process from attraction and screening, through to offer and onboarding. Where we partner with providers in this way, they must comply with the agreements we have in place and be accredited to our satisfaction including, completing human rights and modern slavery due diligence assessments. Our internal recruitment experts oversee the end-to-end process to monitor that our standards are followed.

Our policies and belief in a fair and inclusive culture and ways of working come alive through our RSA Values and performance management processes where employee ratings are based not only on what is delivered, but also on how. We regularly assess our 'Culture Health' at regional and group-wide levels through a combination of key indicators, employee surveys and contributions from our Human Resources, Risk and Audit leaders. Our aim is to identify and manage risks that may lead to a failure of ethics, controls or governance before they occur; slavery and human trafficking would be picked up as a potential issue through this assessment.

Our employees are made aware of the principles of human rights through our Human Rights Policy and the RSA Group intranet site. This explicitly states that we will not use forced or compulsory labour, alongside our commitments to the right to equal opportunity and non-discriminatory treatment, supporting freedom of association and collective bargaining, paying workers a fair wage, providing a healthy and safe working environment and not paying bribes.

All employees are required to take the e-learning module on whistleblowing which provides guidance on how employees can raise concerns in a secure and confidential way. If an employee has any concerns that they want to bring to the attention of the business, including concerns about slavery and human trafficking, they should raise these with a line manager, HR Director or can use Ethicspoint, an independent third party provided service. Through our formal channels of reporting there were no cases of human rights issues raised in 2019.

We comply with the relevant law and regulation regarding paying a minimum wage in the countries we operate in. Within the UK, everyone working directly for RSA, either through employment or an agency arrangement, receives the Living Wage, which is reviewed annually. We are proud to be accredited by the Living wage Foundation as a Living Wage Employer.

## **Our suppliers**

We choose to work with partners that hold the same high standards as RSA, deliver high-quality products and services, and respect the communities and environment in which they operate. This includes partnering with suppliers who take ethical conduct seriously - providing safe working conditions, treating workers with dignity and respect, acting fairly and ethically and using environmentally responsible practices where practicable.

Our Third Party Contracts policy sets out the requirements for due diligence on suppliers, supplier selection, contracting and ongoing management. During 2019, we have reviewed and updated our third-party supplier management process to adopt a risk-based approach through our Third Party Management programme, this complements our existing approach to identifying 'high risk' suppliers based on a spend threshold set out in the Third Party Contracts policy.

In 2019 we conducted a detailed review of our supplier due diligence process for all UK suppliers. We have worked with a third party supplier information and risk management provider to include a broad set of questions which assess a supplier's position on issues including anti-bribery and corruption,

labour practices, human rights and environmental management. Suppliers are asked for their policies on human rights and modern slavery, and their actions to ensure they meet the principles set out and do not use forced labour or facilitate human trafficking. Where appropriate, suppliers will be asked to provide additional information to address any gaps.

At 31<sup>st</sup> December 2019, 750 of our UK suppliers (80% of our supply chain) were covered by our new supplier due diligence assessments on environmental, social and ethical issues, including in depth due diligence on Modern Slavery. We ask our suppliers to reconfirm their answers to these questions annually and the remainder of our supplier base will be on boarded during 2020.

In addition to our annual due diligence assessments, our regular supplier relationship management process covers a range of topics. During 2019 we increased supplier engagement on corporate responsibility topics across our property, motor and legal supply chains. The UK CR team also presented the Confident Futures strategy to over 70 key suppliers at our annual supply chain conference with roundtable discussions focused on raising awareness of actions to detect and prevent modern slavery.

Our Third Party Contracts policy is supplemented by our publically available [Supplier Code of Conduct](#) (the 'Code') which is included as standard in service agreements and contracts. The Code sets out the basic ethical requirements that we expect of our suppliers, and we expect our suppliers to confirm that their operations comply with the Code. Where we suspect a breach of the Code or become aware of a case of modern slavery, we will work with the supplier to implement remedial action. The RSA Group reserves the right to terminate a relationship with a supplier or third party that are unable to demonstrate compliance to the Code or progress towards the eradication of modern slavery within their organisations and supply chain.

## Our customers

RSA operates in a global environment and provides insurance to many international customers and their global operations. As part of maintaining an appropriate level of scrutiny for the work we do, RSA operates a High Risk Country Framework. This incorporates guidance and requirements to refer the writing of certain business or the payment of certain claims to a more senior level where a matter is linked to a country that RSA deems higher risk in certain regards.

During 2018 we conducted a control to check to consider the extent to which Modern Slavery risk may be related to RSA's underwriting activities, sponsored by the High-Risk Country Committee. This consisted of a desk-based assessment of our business in 21 countries identified as having a high prevalence of Modern Slavery by The Global Slavery Index 2016<sup>1</sup>. We will be repeating this exercise in 2020 following a review and update to countries classed as 'high-risk' for modern slavery following the publication of the Global Slavery Index 2019.

## Training

We ensure employees attain and maintain the skills and knowledge required for their role as well as completing all required mandatory training on topics that are fundamental to upholding our company values. Employees receive training on a variety of topics that support our stance on human rights and modern slavery, including: diversity & inclusion, conduct, supplier management, whistleblowing and bribery and corruption.

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<sup>1</sup> The Global Slavery Index 2016 presents a ranking of 167 countries based on the proportion of the population that is estimated to be in some form of modern slavery. It identifies the following countries with the highest prevalence: Afghanistan, Bangladesh, Cambodia, Central African Republic, Democratic Republic of Congo, Dominican Republic, Haiti, India, Iraq, Libya, Mauritania, Myanmar, Pakistan, Qatar, North Korea, Somalia, South Sudan, Sudan, Syria, Uzbekistan, Yemen.

Employees within Human Resources and Procurement functions receive support and appropriate training to ensure they are equipped to follow processes that support us to identify and address modern slavery concerns. This year we have worked with Hope for Justice, an anti-modern slavery charity to provide training to our UK-based supply chain teams. Our direct and indirect procurement teams have completed a one-day, face-to-face training course focused on the potential exposure to modern slavery across our supply chain, how to identify key signs and advice on how to engage with suppliers on this topic.

### ***Board approvals***

This statement is made pursuant to section 54(1) of the Act, has been approved by the Board of Directors of RSA Insurance Group plc and will be updated annually in line with the Act's reporting requirements.

Charlotte Heiss  
Group Chief Legal Officer & Company Secretary

Date: 25 February 2020