



## 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 2018 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 [12,700] employees across our core businesses and, in 2018 our net written premiums were [£6.7 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 2018 which is available on the Group website.

The RSA Group has been a participant of the United National Global Compact since August 2007 and annually reports 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 recognition of our 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

In 2015, 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, all policies referred to in this statement have been reviewed and updated as appropriate in 2018.

### 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.

- **People Risk Policy:** encompasses all policies RSA have as an organisation relating to people, and people-related procedures to minimise risks resulting from the deliberate or unintentional action/inaction of employees and/or management of the company. It covers behavioural and cultural risk including human rights, equal opportunities and dignity at work.

These policies apply to the RSA Group and provide a framework for identifying, measuring, managing and controlling the risks we take. The policies are available to all employees via our intranet site, or local policy handbooks, and are managed by local policy owners who ensure that they are communicated and embedded within the business. Adherence to the policies is overseen by the Board Risk Committee.

## Our people

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

- Recruit and select employees in a fair, lawful and professional manner, both for internal and external candidates; and
- 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 a grievance or involve local trade union/works council representation, where they exist or, where this is a legal requirement to do so.

Our People Risk Policy applies to all permanent employees, temporary and contractual employees, and directors, and sets out the requirements for relevant local supporting policies such as those covering recruitment, use of agency workers and non-permanent resource and equal opportunities. We require pre-employment checks to be completed for all new employees prior to them starting with the company in line with local regulatory requirements, these checks are overseen by the HR function and can be used to highlight any areas of potential concern regarding modern slavery.

We work in partnership with our external recruitment providers to recruit permanent and temporary employees into our business. The recruitment team manage the end to end recruitment process from attraction and screening, through to offer and onboarding. Where external suppliers are used, e.g. recruitment agencies, head-hunters or advertising agencies, they must comply with the agreements we have in place and must be accredited to our satisfaction, this includes completing due diligence assessments covering human rights and modern slavery issues as part of our standard procurement process.

Our employees are made aware of the principles of human rights through our Human Rights Policy and the RSA Group intranet site, which they are encouraged to access in their offer letter. 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 2018.

In addition to the People Risk Policy, we have a group-wide Culture Health Review process. This process helps human resources, risk and audit teams to identify and manage cultural health and identify potential issues around culture that could lead to a failure of ethics, controls or governance before they occur. This is reviewed quarterly at a regional level and assessments shared with the Group HR Director, Group Chief Risk Officer and Group Chief Auditor; slavery and human trafficking would be picked up as a potential issue through this assessment.

We ensure that we comply with all relevant law and regulation regarding paying a minimum wage in countries where there is a legal requirement to do so. Within the UK, everyone working at RSA, regardless of whether they are permanent, non-permanent employees or third-party contractors who supply labour to RSA sites receives the Living Wage, which is reviewed annually and we are proud to be accredited by the Living Wage Foundation as a Living Wage employer.

During 2019 we will review and refresh our group-wide 'Guide to Business Conduct' to ensure this continues to remain a current and useful document on the expectations we set for our people. A member of the Group HR team will also be visiting each of our core regions to validate the implementation of Group HR policies at a local level.

## **Our suppliers**

We seek to partner with suppliers who uphold our high standards of social, environmental and ethical conduct 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 and inclusion of our Supplier Code of Conduct in standard service agreements. We identify 'high risk' suppliers based on a spend threshold set out in the Third Party Contracts policy.

Our supplier due diligence process for high risk suppliers includes a set of Corporate Responsibility questions which assess a supplier's position on human rights, environmental and social issues for all new 'material' contracts across the Group. 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.

During 2018, we have worked with a third party supplier information and risk management provider to develop a system to improve our supplier due diligence processes and data collection, this will be implemented fully across our UK supply chain in 2019 to provide improved assessment of human rights issues across the supply chain. At 31<sup>st</sup> December 2018, 330 of our UK suppliers (58% of our total spend) were covered by our new supplier due diligence assessments on environmental, social and ethical issues, of which 207 (63%) have completed in depth due diligence on Modern Slavery. The remainder of our supplier base will be on boarded during early 2019.

In 2016 we introduced a Supplier Code of Conduct (the "**Code**") which sets out basic ethical requirements that we expect of our suppliers. The Code has been included in the contractual terms and conditions of all new RSA UK contracts and as they renew, 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 regular supplier relationship management process covers a range of topics, including compliance with the supplier code of conduct. In 2018, these in-depth supplier management and assessment processes covered 137 suppliers selected on a risk-based approach; 56 of these suppliers receive annual reviews, 21 are reviewed biannually and 60 are reviewed quarterly. During 2019 we will be undertaking a project to review supplier compliance with our Code of Conduct in our UK and Scandinavian supply chain. We intend to use this information to improve monitoring of suppliers and to identify any gaps requiring remediation as part of our supplier management process.

## **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 introduced 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. We conducted 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 used a sampling method to identify a 'material sample' of companies based on the number of locations and value we insure, before reviewing their public disclosures on modern slavery and human rights issues and whether the company had been linked to any news-worthy events or controversies. This provides us with an internal benchmark for assessing changing risks and highlights 'hotspot' countries where our exposure to human rights and modern slavery issues may be increased.

## **Training**

We ensure employees attain and maintain the skills and knowledge required for their role as well as completing all required mandatory learning. Employees receive training on a variety of human rights related issues, including but not limited to diversity, money laundering, supplier management and bribery and corruption. 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.

## **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.

Signed:

Charlotte Heiss  
Group Chief Legal Officer & Company Secretary  
Date: 26<sup>th</sup> March 2019

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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.