Climate change has and will continue to impact the insurance industry, with changing weather patterns and increasing frequency and severity of extreme events causing damage to property and disruption to global supply chains. We recognise the important role the insurance sector plays in understanding and responding to a changing climate.

RSA is committed to contributing to efforts that reduce carbon emissions and accelerate the transition to a low carbon future, helping to limit the global temperature rise this century to well below 2°C above pre-industrial levels as outlined in the Paris Agreement. We have set a target to achieve Net-Zero by 2050 in line with the Paris Agreement and an interim goal to halve emissions from our operations by 2030 using 2019 data as a baseline.

Achieving ambitious targets to reduce carbon emissions and limit the worst impacts of climate change will require radical changes in areas such as energy generation, transport and industry. Significant investment is needed in electrification and cleaner power infrastructure. The Climate Change and Low Carbon Policy underpins our commitment to enable the transformation of businesses and industries key to the transition and support new industries that will be created to build a sustainable future.
Underwriting Statement

• RSA seeks to play an important role in enabling and fostering the transition to Net-Zero through: the provision of products and services supporting Net-Zero energy generation, supporting clients on their Net-Zero transition pathways, and in ensuring that we do not underwrite new business that does not align with our own organisational Net-Zero goals and timelines. Additionally, RSA intends to place increased focus on adaptation in the geographies and communities in which we operate.

• RSA intends to support the energy sector as it repositions and invests in the Net-Zero transition. RSA will therefore aim progressively to rebalance the risks we underwrite in favour of Net-Zero energy production via Renewable Energy service offerings for clients. RSA will seek to utilise robust, independent and verifiable climate data and metrics to both measure portfolio performance and to inform our enhanced underwriting and portfolio management processes.

• As one of the first insurers to enact a low-carbon underwriting policy when we did so in late 2019, we remain committed to continuous enablement of the transition to Net-Zero. As such, many of the underwriting activities below are a continuance of our previous policy.

Underwriting Activities

• Support the development of RSAs Renewable Energy service offerings, and support innovation in the broader energy sector;

• Rule out offering insurance contracts to projects relating to energy exploration, extraction or production in the Arctic or Antarctic region;

• Rule out offering insurance contracts to projects relating to exploration, construction or operation of coal mines;

• Rule out offering cover to power utilities that generate more than 30% of revenue from thermal coal power generation, except where our involvement is to support a project which will enable its transition to renewable energy;

• Rule out offering insurance contracts for new thermal coal, oil sands, shales and crude pipeline projects which would increase the overall emissions impact of our insured business, with an expectation that this will reduce over time;

• Continue to engage with existing customers in the energy sector with operations covering thermal coal, oil sands and shales to understand and inform their transition plans, actively drive positive innovation and review environmental management measures ahead of renewal or offering any additional contracts; and

• Rule out providing Directors and Officers cover for the fossil fuels industry.

In relation to our investment activities, we will rule out:

• Investments in standalone projects relating to energy exploration, extraction or production in the Arctic or Antarctic region;

• New investments in companies generating >30% of revenue from production or transportation of oil sands and shales.

RSA targets an underwriting portfolio for energy production that is over 75% low carbon by 2030. We have a dynamic underwriting strategy to support this 75% ambition, that will reflect the needs of the communities in which we operate.