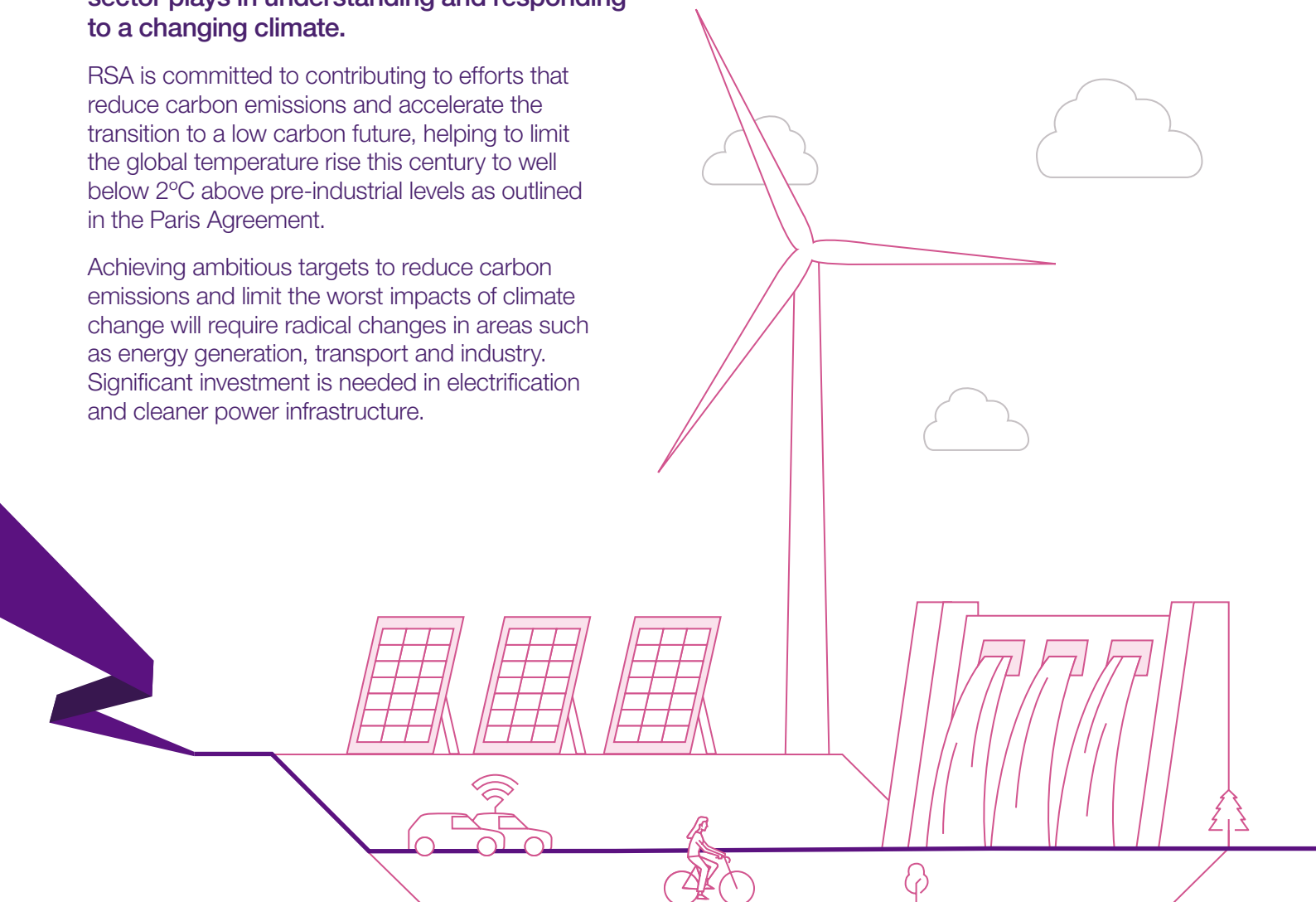


Climate Change and Low Carbon Policy

Climate change will 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.

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.



Our role: A responsible approach to investments and underwriting

Insurers like RSA play an important role both in enabling the transition to a low carbon economy through providing insurance for renewable energy generation, and in making sure that energy production of all kinds is conducted with appropriate mitigations for environmental impacts.

RSA intends to build on our existing leadership position as a provider of renewable energy insurance and support the energy sector as it repositions and invests in this transition. RSA will therefore aim progressively to rebalance the risks we underwrite in favour of renewable energy production.

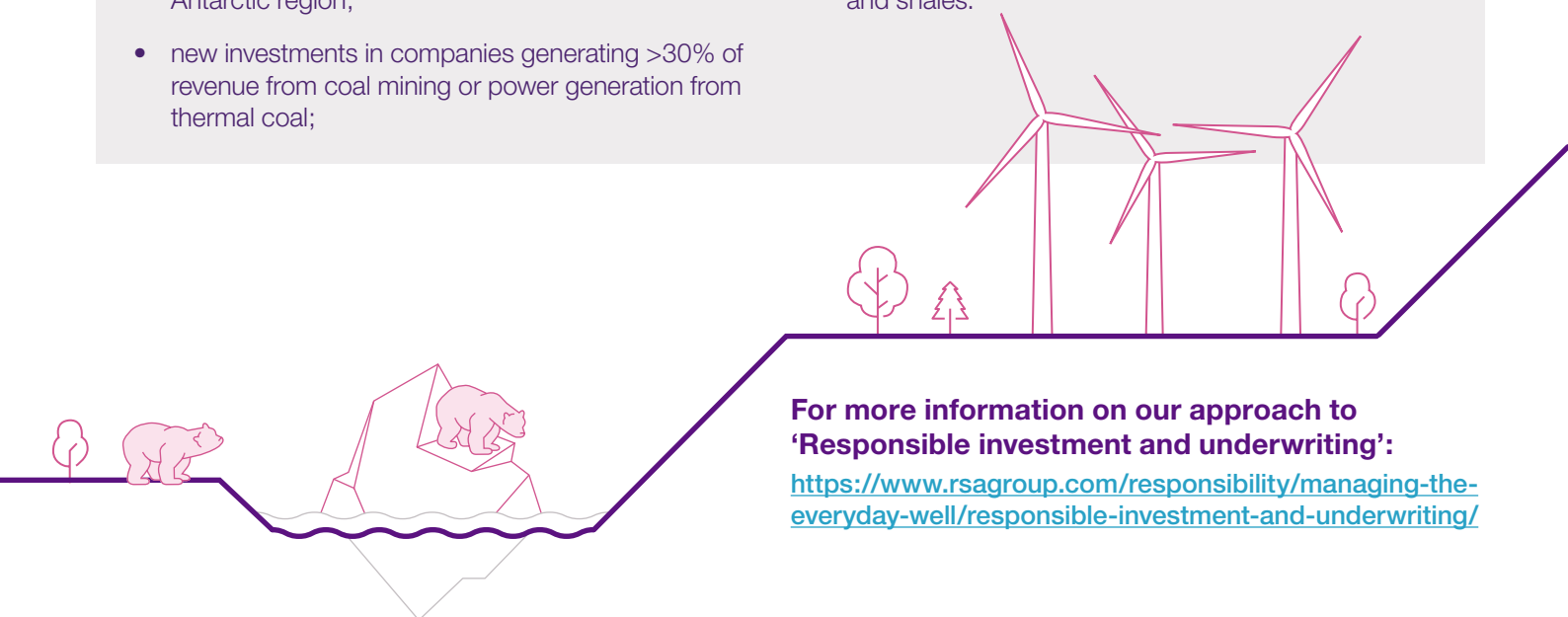
We target an underwriting portfolio for energy production that is **over 50% low carbon**, well ahead of the IEA's Sustainable Development Scenario targeted energy mix for 2040.

In relation to our underwriting activities, we will achieve this through:

- Continuing to develop RSA's Renewable Energy expertise and offer, and support innovation in the sector;
- Ruling out offering insurance contracts to projects relating to energy exploration, extraction or production in the Arctic or Antarctic region;
- Ruling out offering insurance contracts to projects relating to exploration, construction or operation of coal mines commissioned in 2015 or later;
- Ruling 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;
- Ruling out offering insurance contracts for new thermal coal, oil sands and shales projects which would increase the overall emissions impact of our insured business, with an expectation that this will reduce over time;
- Engaging with existing customers in the energy sector with operations covering thermal coal, oil sands and shales to understand their transition plans, support positive innovation and review environmental management measures ahead of renewal or offering any additional contracts; and
- Ruling 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 coal mining or power generation from thermal coal;
- new investments in companies generating >30% of revenue from production or transportation of oil sands and shales.



For more information on our approach to 'Responsible investment and underwriting':

<https://www.rsagroup.com/responsibility/managing-the-everyday-well/responsible-investment-and-underwriting/>

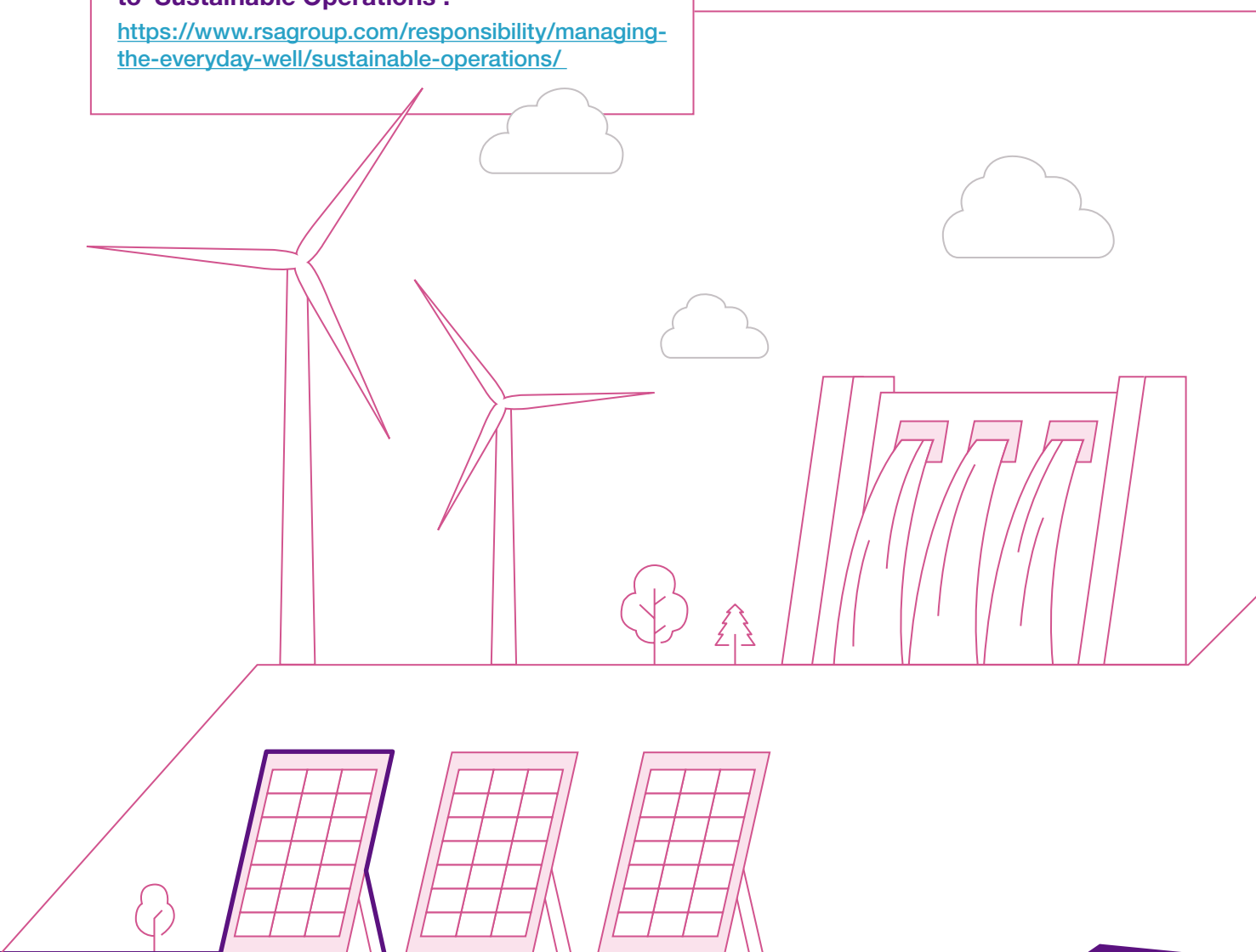
Our impact: Reducing the impact of our operations

RSA governs its approach to climate change through its ESG Committee and is committed to managing its operations in a sustainable way.

Through our Confident Futures strategy we have set out a commitment to reducing the carbon emissions associated with our operations by 50% by 2030 compared to a 2016 baseline.

For more information on our approach to 'Sustainable Operations':

<https://www.rsagroup.com/responsibility/managing-the-everyday-well/sustainable-operations/>



For more information on RSA's Confident Futures strategy:

<https://www.rsagroup.com/responsibility/our-strategy/>

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