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| <b>Title</b>            | <b>Group Human Rights Policy Statement</b>   |
| <b>Owner</b>            | <b>Group Head of External Communications</b>   |
| <b>Key Contact</b>      | <b>Corporate Responsibility Manager</b>  |
| <b>Version Number</b>   | <b>1.00</b>  |
| <b>Document ID</b>      | <b>N/A</b>   |
| <b>Primary Audience</b> | <b>Employees, investors, sustainability indices and non-government organisations (NGO's)</b> |

**The objective of this policy is to minimise risks to RSA from a breach of international Human Rights standards by the company or by association with business partners and suppliers.**

**It aims to protect the business by providing a framework of fundamental principles of Human Rights, which RSA will be guided by in the conduct of its business.**

## **A. Context**

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| <b>1. Introduction</b>  |
| <p>Human rights can be defined as basic rights that allow individuals the freedom to lead a dignified life, free from fear or want, and free to express independent beliefs.</p> <p>RSA supports the principles of Human Rights set out in the Universal Declaration of Human Rights (UNDHR), the ILO core conventions on Labour Rights and is a signatory of the United Nations Global Compact.</p> <p>As an insurer, not all principles of the above codes are relevant but, as a major insurer of commercial, industrial and individual risks we will endeavour to ensure our direct operations and interactions with business partners or suppliers do not make us complicit in Human Rights violations in accordance with the above codes.</p> |
| <b>2. Scope</b>   |
| <p>This Policy applies to all RSA operations, including wholly or majority owned subsidiaries and associated companies where RSA has management control.</p>  |

Particular attention is required by:

- Procurement functions when considering material tenders, third party contracts, business partners, suppliers and their supply chains where practical. Application of the principles to existing suppliers should be prioritised by level of spend and potential human rights risk and during retenders. It is not feasible to assess every supplier and the entirety of their supply chain. Where local procurement functions do not exist, support and guidance should be sought from contacts in section D.
- Functions dealing with business partners (commercial lines, joint ventures, etc) to endeavour to seek partners upholding the same principles through their operations and supply chain where practical.

### 3. Out of Scope

While we do not have a direct influence over our business partners' operations, we look to engage with them and demonstrate our own internal standards.

Where local legislation conflicts with this statement, we will comply with the law while seeking to promote best practice through our own conduct in accordance with our business principles and brand beliefs.

The role of companies and Human Rights has no single universal set of principles. We continue to monitor international developments and best practice such as the UNDHR, ILO and UN Global Compact whilst being mindful of national and cultural differences.

Application of the principles to existing suppliers should be prioritised by level of spend and potential human rights risk and during retenders. It is not feasible to assess every supplier or the entirety of their supply chain. Where local procurement functions do not exist, support and guidance should be sought from contacts in section D.

### 4 Risk Appetite Alignment

The Group has no appetite for material breaches, significant fines and other enforcement actions.

## B. Mandatory Requirements

### 5. Policy Requirements

#### Statement of Principles

RSA respects and supports the following:

- The right to equal opportunity and non-discriminatory treatment
- The right to security of person
- The rights of children
- The freedom of association and right to collective bargaining
- It will not use forced or compulsory labour
- It will provide a safe and healthy workplace

- It will pay workers a fair wage
- It will not pay bribes
- It will ensure that the company's services and products are not used to abuse human rights

### **Employees**

RSA employees are required to comply with our Business Principles, Brand Beliefs and code of conduct through our human resources policies and procedures.

### **Business Partners and Suppliers**

RSA will strive to ensure that these rights are taken into account by:

- Procurement functions when considering material tenders, third party contracts, business partners, suppliers and their supply chains where practical..
- Functions dealing with business partners (commercial lines, joint ventures, etc) and that they endeavour to seek partners upholding the same principles through their operations and supply chain where practical.

### **Investments**

RSA will continue to strive to ensure that Group investments are managed giving consideration to the above principles.

### **Customers**

RSA will seek to ensure that its products and services are not used to abuse human rights. RSA will regularly appraise the social and economic climate of every country where we do business.

## **6. Responsibilities**

Management of each of our operating units around the world is responsible for conducting the business in a manner consistent with this Group Statement.

The **Chief Executive/Managing Director** of each Region and Country **must** ensure that:

- a.) consideration is given to any material issues relating to Human Rights in their region in accordance with the statements above.
- b.) an annual update should be provided to group on any potential Human Rights risk or material issues (guidance on the type of points to consider can be found in Appendix B).
- c.) any violation of Human Rights or RSA being made complicit by action of an insured party or business partner is reported immediately to the General Counsel and Group Company Secretary and Group Head of External Communications.

**Corporate Responsibility Managers** within each Region/Country are responsible to their Chief Executive/Managing Director for coordinating Human Rights activity and annual summary to the Group Corporate Responsibility Manager and must ensure that:

- a) Chief Executive/Managing Director is informed of best practice and where any potential issues may arise.
- b) work with procurement to seek to ensure principles on responsible procurement and Human Rights are cascaded into material third party contracts, suppliers (by spend and potential risk) and their supply chains (also see 3. Out of Scope) where practical.
- c) work with functions dealing with business partners (commercial lines, joint ventures, etc) to endeavour to seek partners upholding the same principles through their operations and supply chain where practical.

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- d) underwriting functions are made aware of reputational risks of Human Rights violations and any potential conflict with this policy is reported immediately to the General Counsel and Group Company Secretary and Group Head of External Communications.
- e) investment managers are made aware of best practice Human Rights to give consideration to the principles.
- f) all employees must be communicated to and made aware of the RSA principles on Human Rights and responsibility as individuals to behave in accordance with the Business Principles and Brand Beliefs.
- g) publish the external facing policy in Appendix A on local internet sites or link to corporate Website CR homepage.
- h) link local intranet site to Group policy site, Group Corporate Responsibility site and include any supporting information.

**Procurement specialists *must* ensure that:**

- a) seek to ensure principles on responsible procurement and Human Rights are cascaded into material third party contracts, suppliers (by spend and potential risk) and their supply chains (also see 3. Out of Scope) where practical to minimise reputational risk to RSA, working in conjunction with local CR representative where required.

**Underwriters *must* ensure that:**

- a.) any potential conflict to the Human Rights stance of RSA Group is reported immediately to the General Counsel and Group Company Secretary and Group Head of External Communications;

**C. Supporting Materials**

| Material                                 | Source  |
|--|---|
| 3 <sup>rd</sup> Party Contracts          |   |
| Supplier Code of Conduct                 |   |
| Equality & Diversity                     |   |
| Health & Safety                          |   |
| Group Corporate Responsibility Policy    | Web link tbc  |
| Whistleblowing                           |   |
| Dignity at Work                          |   |
| Business Principles                      | <a href="http://www.rsagroup.com">www.rsagroup.com</a>  |
| Bribery & Corruption                     |   |
| Conflicts of Interest                    |   |
| RSA Corporate Responsibility Report 2007 | <a href="http://rsaworldwide/Intranet/singlecont.nsf?OpenDatabase&amp;home=CR">http://rsaworldwide/Intranet/singlecont.nsf?OpenDatabase&amp;home=CR</a> |

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| RSA Corporate Website<br>Corporate Responsibility<br>Homepage | <a href="http://www.rsagroup.com/rsa/pages/responsibility">http://www.rsagroup.com/rsa/pages/responsibility</a> |
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Please refer to Appendix B for further sources information and guidance.

**D. Contact Points for Queries or Guidance:**

Group Corporate Responsibility Manager      James Wallace      0207 111 7289

Email: [CorporateResponsibility@RoyalSunInt](mailto:CorporateResponsibility@RoyalSunInt)

Local Corporate Responsibility contacts are available on the Group Corporate Responsibility Intranet (see link above) and in Annual Corporate Responsibility Report (see link above).

**Version Control/History**

| Version No. | Author | Approval Date | Effective Date | Status/Comments |
|-------------|--------|---------------|----------------|-----------------|
| 1           | JW     |               |                |                 |
|             |        |               |                |                 |
|             |        |               |                |                 |

## **Appendix A – External Policy Statement**

### **RSA Human Rights Policy Statement**

The objective of this policy is to minimise risks to RSA from a breach of international Human Rights standards by the company or by association with business partners and suppliers.

It aims to protect the business by providing a framework of fundamental principles of Human Rights by which RSA will be guided in the conduct of its business.

#### **Background**

Human rights can be defined as basic rights that allow individuals the freedom to lead a dignified life, free from fear or want, and free to express independent beliefs.

RSA supports the principles of Human Rights set out in the Universal Declaration of Human Rights (UNDHR), the ILO core conventions on Labour Rights and is a signatory of the United Nations Global Compact.

As an insurer, not all principles of the above codes are relevant but, as a major insurer of commercial, industrial and individual risks we endeavour to ensure our direct operations and any interactions with business partners do not make us complicit in Human Rights violations in accordance with the above codes.

#### **Scope**

This Policy applies to all RSA operations, including wholly or majority owned subsidiaries and associated companies where RSA has management control.

Particular attention is required by procurement functions when considering material tenders, third party contracts, business partners, suppliers and their supply chains where practical. It is not feasible to assess every supplier and the entirety of their supply chain.

While we do not have a direct influence over our business partners' operations, we look to engage with them and demonstrate our own internal standards. Where local legislation conflicts with this statement, we will comply with the law while seeking to promote best practice through our own conduct.

The role of companies and Human Rights has no single universal set of principles. We continue to monitor international developments and adhere with best practice such as the UNDHR, ILO and UN Global Compact whilst being mindful of national and cultural differences.

#### **Statement of Principles**

RSA respects and supports the following:

- The right to equal opportunity and non-discriminatory treatment
- The right to security of person
- The rights of children
- The freedom of association and right to collective bargaining
- It will not use forced or compulsory labour
- It will provide a safe and healthy workplace
- It will pay workers a fair wage
- It will not pay bribes
- It will ensure that the company's services and products are not used to abuse human rights

***Employees***

RSA employees are required to comply with our Business Principles, Brand Beliefs and code of conduct through our human resources policies and procedures.

***Business Partners and Suppliers***

RSA will strive to ensure that procurement functions (dealing with material tenders, third party contracts and suppliers and functions dealing with business partners (commercial lines, joint ventures, etc) endeavour to seek partners upholding the same principles through their operations and supply chains where practical.

***Investments***

RSA will continue to strive to ensure that Group investments are managed giving consideration to the above principles.

***Customers***

RSA will seek to ensure that its products and services are not used to abuse human rights. RSA will regularly appraise the social and economic climate of every country where we do business.

Andy Haste – Group CEO

(Next review date: 5/8/2009)

## **Appendix B – Additional Sources of Information**

This is an optional guide for employees without knowledge of the potential issues surrounding human rights. If there is any doubt or need to clarify please use the contacts in section D.

### **1.) United Nations Human Rights Screening Checklist for Due Diligence**

#### ***Country / Region***

- Nature of government (democratic, undemocratic, stable, unstable)
- Presence of conflict or oppression
- Presence of abuses of internationally recognised human rights
- Level of government control over state security forces – police, military, intelligence and militia – or the activities of private security companies
- Indebtedness/capacity of local infrastructure
- Levels of poverty and development
- Levels of bribery and corruption
- International sanctions

#### ***Business / Sector***

- Region of operation
- Potential for products and services to be used for human rights abuses (e.g. defence sector)
- Working conditions
- Profile of workforce (e.g. is it diverse?)
- Management practices
- Relevant policies and codes

#### ***Project***

- Reputation of project sponsors or government agencies involved
- Potential for impact on indigenous peoples and local communities
- Potential for damage to historic / cultural sites
- Level of consultation with affected groups
- Quality of human rights impact assessment
- Compliance with relevant national and international standards

### **2.) United Nations Toolkit**

<http://www.unepfi.org/humanrightstoolkit/index.php>