



# Building a movement for good

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Corporate Responsibility  
Report  
2018

# Corporate Responsibility Report

## Introduction and governance

### Our Purpose:

**To contribute to the greater good of society. We do this by managing a portfolio of businesses that operates on the highest ethical principles and delivers a superior financial return for our shareholder.**

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“Welcome to our CR Report for 2018. I’m pleased and proud that we are reporting on our performance and achievements in a wide range of responsible business areas. Building a movement for good is about demonstrating we are a different kind of business, doing the right thing in every aspect of what we do.”

Mark Hews  
Group Chief Executive



## Structure and governance

Corporate responsibility (CR) at Ecclesiastical has an established structure and governance:

<b>Board</b>	overall responsibility for CR, review and sign-off of reporting
<b>General Management Board</b>	reviews policies and directs CR strategy and objectives
<b>Strategic Business Units</b>	local development and implementation of the Group CR strategy, monitoring and reporting on CR activities
<b>'Greater Good' Steering Group</b>	drives the development and leadership of CR within the business
<b>Pillar responsibility</b>	functional responsibility for key aspects of CR, for example environmental management and workplace responsibilities
<b>Community advocates</b>	networks of advocates enthusiastically support local community investment at all of our locations

## The external environment

The issues and trends we are facing in our markets are covered in our Strategy in action in our full Annual Report & Accounts, and Global trends in financial services sections.

Our EdenTree ethical investment business tracks responsible business trends and challenges companies on their sustainability credentials:

“Global markets hate uncertainty, and the current landscape is one of almost constant uncertainty. Geo-politically, the internationalist consensus built up over decades and through multilateral institutions is fraying. We see this specifically in the growth in protectionism and nationalism in nearly every part of the world. The escalating trade war between the US and China is the most prominent development over the past twelve months, but so too is fading confidence in the ‘European Project’ that has defined the Continent’s values through hard won principles of liberalism, freedom and the rule of law. Global risks are intensifying but the collective will of institutions and governments to tackle them is faltering. Perhaps for the first time since the 1930s, we see a new phase of state-centric power projection in which multilateralism is rejected in favour of ‘strong-man’ individualism.

The World Economic Forum’s 19th assessment of the Global Risk landscape paints a bleak picture of the world’s capacity and appetite to respond to global challenges when it says; “deepening fissures in the international system suggest that systemic risks may be building. If another global crisis were to hit, would the necessary levels of co-operation and support be forthcoming?” From our perspective as an international financial services company dedicated to building a movement for good, the macroeconomic outlook appears difficult. For the second year in succession, environmental risks account for four of the top six global risks by likelihood and five by impact in the WEF survey. This is an unprecedented comment on the impact of extreme weather events, failure of climate change adaptation and mitigation and natural disasters on the world’s resilience. In our insurance markets and in our investments, climate change commands intense thinking; it effects our underwriting of insurance risk and it impacts the businesses in which we invest. Much time is committed to dialogue and engagement with investee companies on climate change mitigation, emission reduction targets and the transition to a low carbon economy. Emphasising strong corporate citizenship, profit with a purpose and building a business as ‘the most trusted and ethical specialist financial services group, becomes



ever more compelling and needful, in a world of splintering values. Ecclesiastical remains proud to be the insurer and investment manager of choice for our many customers and clients who look to our unique ownership model and way of doing business as providing exceptional difference in difficult times.”

**Neville White**  
Head of SRI Policy & Research  
EdenTree

## Monitoring and auditing

Independent assessment and accreditation is an important aspect of maintaining and raising standards. In 2017 we continued to hold standards including Living Wage, Business In The Community's CommunityMark and the Fairer Finance Gold Ribbon. We continue to be committed to the Women In Finance Charter, completing another annual report, and we were recognised as one of Canada's top employers for young people for the seventh consecutive year. Our ethical investment business EdenTree maintains a number of memberships including the UK Sustainable Investment and Finance Association, UN Principles for Responsible Investment and the Institutional Investors Group on Climate Change. In 2018 we joined ClimateWise the industry's voluntary commitment to tackling climate change.



## Materiality

In 2018 we refreshed our approach to materiality. This involved two main activities:

1. An internal roundtable including employees from a wide range of business areas including HR, Legal, Marketing, Sales and Investment. This meeting was facilitated by Business in the Community and used their materiality matrix scoring approach.
2. An external stakeholder roundtable including invitees from charities and brokers. The meeting was chaired by Christine Wilson our board member accountable for corporate responsibility.

The review process highlighted a wide range of issues which we have been able to prioritise. Our materiality matrix will continue to guide our activity and challenge our progress. The key issues we have identified (in no particular order of priority) are below and the following pages report on our progress.

- The impact of climate change on our current and future business
- The importance of cyber security for our business and our support for customers to protect themselves
- The increasing social impact of poverty
- The relative lack of diversity in financial services and increasing scrutiny of it
- The increase in mental health, wellbeing issues in and outside the workplace
- The transparency and impact of our charitable giving
- The ability to offer truly specialist products and services at a competitive price
- The attraction, retention and development of talented people
- The impact of demographic changes – notably ageing population and millennial expectations
- The responsible business standards in our supply chain
- The expectations and standards of governance to run our business

# **Our community** **We champion** **being a good** **corporate citizen.**

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As a unique commercial business owned by a charity, our community investment commitment continues to be core to who we are.

	2018 performance	2017 performance	2016 performance
<b>Charitable giving</b>	<b>£18.8m</b>	<b>£27.5m</b>	<b>£24.7m</b>
Total giving			
<hr/>			
<b>Overseas grants programmes</b>	<b>AUS\$250,000</b>	<b>AUS\$250,000</b>	<b>AUS\$250,000</b>
Australia			
<b>CAN\$250,000</b>	<b>CAN\$250,000</b>	<b>–</b>	
Canada			
<hr/>			
<b>MySay questions</b>	<b>84%+ve</b>	<b>90%+ve</b>	<b>85%</b>
My company is a socially responsible employer			

	2018 performance	2017 performance	2016 performance
Employee engagement in giving	<b>61%</b>	<b>61%</b>	<b>60%</b>
	Volunteering rate		
	<b>90%</b>	<b>87%</b>	<b>92%</b>
	Percentage of employees taking up personal grants		
	<b>12%</b>	<b>12%</b>	<b>10%</b>
	Payroll Giving		
	<b>£82,000</b>	<b>£44,000</b>	<b>£33,000</b>
	Fundraising matching		
<hr/>			
'Closer to You' broker grants programme	<b>£95,370</b>	<b>£100,000</b>	<b>–</b>
	Amount distributed		
	<b>44</b>	<b>42</b>	<b>–</b>
	Number of charities benefiting		

## Our community

As a unique commercial business owned by a charity, our community investment commitment continues to be core to who we are.

In 2018 we continued our ambitions to give even more to good causes, on our path to give £100m by 2020. Our total charitable giving in 2018 was £18.8m. We rank 4th in the Directory of Social Change's UK Guide to Company Giving and we are the number one insurer.

Our first Impact Report was published in 2018 and tells the story of how we are a different kind of business, how we focus our giving to tackle issues our customers care about most and how we enable our people, partners and supporters to give to causes close to them.

Our charitable owner, Allchurches Trust, gave a record £16.9 million in grants in 2018 to 1,175 good causes across the UK and Ireland, from churches running projects to support people experiencing homelessness to charities tackling loneliness in their local area. One of its largest grants supported the Young Leaders Award – a programme run by the Archbishop of York Youth Trust. It supports young people to volunteer, grow their confidence and leadership skills and be a force for good within their communities.

Under the auspices of Allchurches Trust our Australian and Canadian businesses also gave to their communities. Our Australian business's Community Education Programme distributed another AUS\$250,000 supporting a range of sustainable programmes for young Australians promoting education and skills. Our Canadian business's first year of its Impact Grants Programme supported a number of charities including a donation for the Phoenix Centre for Youth which provides a range of services to young people and families including crisis management, supportive counselling and short-term housing referrals to young people.

Our UK charity partnership with children's charity Coram continued to strengthen. Through funding from Ansva UK and Ecclesiastical their Life Education programme reached 453,414 children at over 2,000 schools and we funded the development of 'Lifebox' a more mobile classroom experience to expand the charity's reach in 2019 and beyond. We also established a new three-year partnership with The Prince's Foundation, funding their eight-month craft skills programme. It teaches students a number of heritage skills including parquetry, a traditional form of ornamental plasterwork.

Our Irish business supported partners in a number of ways including volunteering and fundraising. They slept rough in support of Focus Ireland's 'Shine a Light on Homelessness' campaign. The team raised over 15,000 EURO for this charity and Hugh's House. Brokers SEIB awarded a £50,000 donation to the British Horse Society to fund a new vehicle to improve horse welfare. They are planning to double this donation to a good cause in 2019.

We successfully sustained high levels of employee engagement with giving – 60% volunteering, 90% giving personal grants and nearly doubling matching for fundraising to £82,000. Our Closer to You broker giving programme distributed nearly £100,000 for the second year – with all of our eligible Select Broker partners taking part.

In 2018 we also worked hard to grow the community of people and partners we work with to do good. Our annual Church competition 'Little Deeds Big Difference' recognised tireless volunteers. It received nearly 350 nominations and awarded several winners with £20,000 in donations. We improved our #12days of Christmas campaign to widen its reach and attracted over 94,000 nominations for nearly 6,000 charities. We gave 120 £1,000 donations to charities all over the UK supporting a wide range of causes including hospices, heritage, animals, health and disability.

# Our people

## We foster an open and responsible culture.

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In 2018 we made progress in a number of areas to support our employees, develop talent at all levels, encourage diversity and provide a positive and engaging working environment.

	2018 performance	2017 performance	2016 performance
<b>Employee engagement</b>	<b>Annual results from our externally benchmarked employee survey, MySay</b>		
	<b>81%<sub>+ve</sub></b>	<b>85%<sub>+ve</sub></b>	<b>82%<sub>+ve</sub></b>
	Overall engagement score		
	<b>86%<sub>+ve</sub></b>	<b>88%<sub>+ve</sub></b>	<b>87%<sub>+ve</sub></b>
	I am proud to work for my company		
	<b>89%<sub>+ve</sub></b>	<b>91%<sub>+ve</sub></b>	<b>90%<sub>+ve</sub></b>
	In my opinion my company is committed to customer satisfaction		
<b>Diversity</b>	<b>29.9%</b>	<b>23.3%</b>	<b>—</b>
	% of senior management roles globally filled by women		
	<b>MySay questions</b>		
	<b>81%<sub>+ve</sub></b>	<b>84%<sub>+ve</sub></b>	<b>83%<sub>+ve</sub></b>
	I am treated with fairness and respect at my company		
	<b>75%<sub>+ve</sub></b>	<b>80%<sub>+ve</sub></b>	<b>75%<sub>+ve</sub></b>
	I think Ecclesiastical respects individual differences		
	<b>Gender Pay Gap</b>		
	<b>30.6%-23.5%</b>	<b>30.7%-25.0%</b>	
	Fixed pay gap mean/median		
	<b>55.8%-36.5%</b>	<b>53.5%-33.1%</b>	
	Bonus pay gap mean/median		
	<b>5%</b>	<b>4.9%</b>	<b>4.9%</b>
	BME representation in our business		

	2018 performance	2017 performance	2016 performance
Wellbeing	<b>300</b>	<b>250</b>	<b>250</b>
	Free flu jabs		
	<b>238</b>	<b>200</b>	<b>150</b>
	Free health checks		
	<b>80%</b>	—	—
	Managers attending Mental Health & Wellbeing training		
Learning and development	<b>17,262</b>	<b>17,000</b>	<b>16,000</b>
	Days of learning logged on our Learning Management System		
	<b>883</b>	<b>909</b>	<b>610</b>
	Bitesize training session attendees		
Living Wage Standard		 *	—

\* Extended across the Group

# Our people

We believe in minimising the direct environmental impact our business as best we can. In 2018 we built on our carbon footprint reporting to include more parts of our Group. All companies submitted some environmental data and we will continue to work with them to find ways to minimise their impact.

In 2018 we made progress in a number of areas to support our employees, develop talent at all levels, encourage diversity and provide a positive and engaging working environment.

We asked ourselves whether we are doing enough to support the mental health and wellbeing of our people. Following an independent external review we made a number of changes to our approach. In the UK we introduced self-referral counselling to our private healthcare scheme and we launched mental health and wellbeing training for managers. 80% of our managers completed the training in just one week and we will reach everyone else in mop up sessions.

Our approach to leadership and culture was strengthened throughout 2018 with the roll-out of cultural elements and a second cohort of leaders from all parts of our Group embarking on the leadership development programme. The first group completed their programme with a three-day 'ideathon' with our charity partner Coram. The group spent time with senior leaders from the charity to tackle a strategic challenge.

Other aspects of training and development included the launch of a 'General Insurance Academy' to provide a structured development framework for roles in our general insurance business, over 800 Bitesize training sessions on topics such as resilience and change for our people and our closest broker partners and retaining our Chartered Insurer status and achieving Chartered Insurance Broker status for all of the divisions in our broker Lycetts.

We spent time planning and implementing changes in the Senior Managers and Certification Regime and providing appropriate training for employees. We published our second Gender Pay Gap report and reported a falling pay gap reflecting a higher proportion of our more senior roles being filled by women. We also published our progress against the Women in Finance Charter – two years since signing up women now make up 29.9% of our senior management roles globally, increased from 23.3%.

We also continued to uphold Living Wage status. Our Canadian business was included in Canada's Top 100 Employers for Young People for the seventh consecutive year, recognising their programmes to attract and retain younger workers. Our broker Lycetts worked with educational charity Learning for Life which supports young people with a range of learning difficulties by providing work experience for one of their students.

## Gender by level\*

	Male	Female	Total
Group Management Board	5	4	9
Senior Leader	76	33	109
Manager	241	163	404
Team Member	379	620	999
Total	701	820	1521

## Ethnicity\*

White	Prefer not to say	BME	Total
1257	185	79	1521

\* Data for Ecclesiastical Insurance Group

# Our environment

We believe in minimising the direct environmental impact our business as best we can.

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We run our business in a responsible and sustainable way and in 2018 we included more parts of our Group in our carbon footprint reporting. All companies submitted environmental data and we will continue to work with them to find ways to minimise their impact.

	2018 performance	2017 performance	2016 performance
<b>Carbon footprint</b>			
	<b>440</b>	<b>421</b>	<b>457</b>
	Scope 1 total emissions (tonnes CO2e)		
	<b>143</b>	<b>177</b>	<b>590</b>
	Scope 2 total emissions (tonnes CO2e)		
	<b>535</b>	<b>477</b>	<b>1,406</b>
	Scope 3 total emissions (tonnes CO2e)		
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<b>Business Travel (kilometres)</b>			
	<b>1.2m</b>	<b>1.1m</b>	<b>740k</b>
	Total air travel		
	<b>300,000</b>	<b>200k</b>	<b>260k</b>
	Car travel		
	<b>1.2m</b>	<b>1.1m</b>	<b>880k</b>
	Rail		
	<b>140,000</b>	<b>126k</b>	<b>135k</b>
	Car rental		
	<b>101</b>	<b>104</b>	<b>108</b>
	Average fleet CO2 emissions (g/km – our target 120g/km)		

	2018 performance	2017 performance	2016 performance
Waste (Scope – head office only, c40% of employees)	<b>6</b> Landfill (tonnes)	<b>28</b>	<b>28</b>
	<b>96</b> Recycling	<b>74</b>	<b>106</b>
	<b>28</b> Waste to energy	–	–
	<b>5,594</b> Water usage (cubic metres)	<b>3,892</b>	<b>4,019</b>
	<b>78%</b> Renewable energy sourcing	<b>76%</b>	<b>13%</b>
EdenTree – our ethical investment business	 Signatory to Montreal Pledge		
	 Principles of Responsible Investment signatory		
Fund carbon footprints – tonnes of CO2 per £1m invested (% vs benchmark)	<b>89 (-50%)</b> Amity UK	<b>81 (-57%)</b>	<b>96</b>
	<b>308 (-3%)</b> Amity European	<b>311 (-2%)</b>	<b>288</b>
	<b>160 (-23%)</b> Amity International	<b>166 (-22%)</b>	<b>256</b>
	<b>141 (-40%)</b> Amity Global Equity**	<b>158 (-26%)</b>	<b>178</b>
	<b>44 (-75%)</b> UK equity Growth	<b>49 (-74%)</b>	<b>88</b>

# Our environment

We believe in minimising the direct environmental impact our business as best we can.

In 2018 we built on our carbon footprint reporting to include more parts of our Group. All companies submitted some environmental data and we will continue to work with them to find ways to minimise their impact.

Our carbon footprint was 1,118 tonnes which reflects a widened scope. We have gathered environmental reporting information from all parts of our Group and will include them within the scope of our reporting in the future as this data becomes complete. We continued to reduce the impact of our fleet – the average fleet emission rate was 101g/km. Our recycling programme at our head office was fully established and increased the volume of waste we sent for recycling by nearly 30%. We provided all employees across our Group with a free reusable hot drinks cup. In our Gloucester head office alone this saved nearly 2,500 cups in the first month – which is around 100 cups a day. We even printed our first Impact Report on recycled coffee cups – each report was made from 16 plastic-lined disposable cups which were destined for landfill.

EdenTree our ethical investment management business continued to benchmark the carbon footprint of its fund range. Comparing the results of their respective benchmarks highlights the carbon-aware approach we take to our portfolios. Except for the Amity European Fund all other funds have carbon intensities which are well below their benchmarks. The team continues to use the annual carbon footprinting approach to drive engagement with those higher emitting companies that we invest in.

Also in 2018 the Group re-joined ClimateWise, the insurance industry's voluntary initiative to tackle climate change. We completed an interim report and will report fully in 2019. Some of the activities we included in our report were trialling smart water detectors to reduce flood damage, continuing to promote resilient reinstatement to our customers, our 'carbon aware' investment management approach and independently verifying our carbon footprint.

\* Our 2018 Carbon Footprint has increased its scope to include our Ansva UK business in its calculation. The footprint comparable to 2017's reporting is broadly unchanged.

\*\* Please note the Amity Global Equity Fund's benchmark was the FTSE All World for 2016 and 2017 and a custom global benchmark in 2018.

# Our marketplace

## We put customers at the centre of everything we do.

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We aim to lead the way by providing our customers with fair and ethical products that are transparent and meet all regulatory requirements.

We also focus on companies in our supply chain to ensure they uphold high standards.

Satisfaction rates

2018 performance

2017 performance

98% —

UK Direct customer claims satisfaction

90% 85%

Broker satisfaction

97% 98%

SEIB broker satisfaction

99% 98%

Risk management survey – Direct

	2018 performance	2017 performance	2016 performance
Industry Awards			
	Fairer Finance Gold Ribbon Award		
Supply chain			
	Modern Slavery Act Compliance		
			
	Claims suppliers compliance with standards		
	<b>69%</b>	—	—
	% of suppliers paid within 30 days		
	<b>30 days</b>	—	—
	% of suppliers paid within 30 days		

## Our marketplace

We aim to lead the way by providing our customers with fair and ethical products that are transparent and meet all regulatory requirements. We also focus on companies in our supply chain to ensure they uphold high standards.

In 2018 the highest level of commitment to our customers and partners was recognised by a number of awards. Our UKGI business won 'Customer Care Solution of the Year' at the Insurance Times Claims Excellence Awards and three awards at the Insurance Post Claims Awards recognising training, customer care and contribution to the industry. We also achieved the 1st place Gold Ribbon from Fairer Finance for our home insurance product, achieving the highest score (of 47 providers) for customer trust and customer happiness. Our brokers received a number of accolades – SEIB won Personal Lines Broker of the Year at the British Claims Awards and Young Marketer/PR Person of the Year at the Insurance Post Insurance Marketing & PR Awards. Cliverton were winners in the UK Broker Awards, Lansdown were highly commended in the Property Management Awards.

EdenTree won Best Ethical Investment Provider at the Moneyfacts Investment Life & Pensions awards for the tenth year in a row; Boutique Investment Management winner at the Charity Times Awards; Best ESG Fund Management Group (Specialist) in the Investment Week Sustainable and ESG Investment Awards; and the Higher Income fund selected as a top three investment choice by Hargreaves Lansdown.

Our approach to governance and employee training and development underpins our belief in good practices relating to human rights, anti-corruption and anti-bribery risks. Notably in 2018 we issued training on the General Data Protection Regulation and asked our employees to re-sign their commitment to our Code of Conduct. We completed our annual Modern Slavery Act declaration and submitted our response to the Payment Practices and Performance Reporting for the first time. This supported our approach to supplier management and due diligence and gives us the opportunity to improve our payment policy and terms.

Our ambition to do more for our customers was supported by some key proactive initiatives. We launched the first 'heritage index' to track the cost of materials and labour associated specifically with buildings of a traditional construction to reduce the risk of underinsurance. Our Australian business is leading the way in loss prevention innovation, continuing to use drone technology and innovative approaches to risk management. Our 'History of England in 100 Places' project in partnership with Historic

England highlighted places and properties we value in a number of categories from science to sport and faith. Our customers gave over 1,400 donations to parish churches totaling over £180,000 through our Trust130 campaign.

Listening to and connecting with our customers continues to be very important to us in all parts of our Group. We attended numerous conferences and events to support and speak on industry issues in Ireland, Canada, Australia and the UK. In the UK we held our first Charity Advisory Panel – welcoming leading thinkers in the sector to share their perspectives on current issues.

## **Corporate Responsibility Report 2018**

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