

Safety, Health & Wellbeing Report 2008



Contents

03	Introduction
04	Key successes in 2008
	The numbers say it all
06	Going global
	Global legal library
	Due diligence
	Policy standards
	Governance and organisational structure
	Roles and responsibilities
	Divisional management information
08	Managing risk
	Divisional implementation plans
	Travel health
	Stress management
	Critical incident support
	High risk activities
	Driving on business
10	Improving health
	Back to Health, Back to Work
	Call centres
	Employee assistance programme
	Occupational health suppliers
12	Raising awareness
	Wellbeing promotions
	New training materials
	Upskilling our people
	Union and works council engagement
	Communications strategy
	Sharing expert knowledge
14	Reporting our performance
	Core themes and deliverables for 2009



Introduction



Our vision is for our people, peers and communities to recognise that our passion, pride and performance in safety, health and wellbeing adds value both to them and to our businesses, globally.

It's been a turbulent year in the life of the RBS group, with changes on a scale that could never have been imagined when last year's report went to print. Significant though these changes are, it's reassuring to note that they've had little impact on our journey to building better systems, processes and performance in safety, health and wellbeing.

The ultimate success of our business, like any other, depends upon our people working hard through challenging situations. If we truly believe that people are the key to making our business successful, then ensuring that they work in a safe and healthy environment, where their physical and wellbeing needs are met, is crucial.

Our Safety, Health and Wellbeing strategy seeks to do this by balancing the complex interactions of improving compliance and governance, reducing risk, lowering costs and increasing support to our business functions.

This report profiles safety, health and wellbeing across the Group in 2008. It demonstrates our ongoing commitment to improvement, illustrated by a 23% reduction in the number of reportable accidents to our employees in the UK and Ireland, and the establishment of many core systems and processes that will help us to maintain this level of performance.

To reflect the international dimension of our business we've completed the development of a legal library - specifying the legal requirements for safety and health in the jurisdictions in which we operate. We continue to expand our wellbeing initiatives in support of our local communities, only recently delivering a state of the art scanner to the Edinburgh Royal Infirmary.

Despite the general turmoil in the finance sector, and in the economy at large, it's reassuring to know that the RBS group continues to make great progress on its plans to improve performance in safety, health and wellbeing. We've also updated our plans for 2009, and I hope that through their rigorous execution we can report on further sustained progress and improvement next year and in the years ahead.

Neil Roden
Head of Human Resources

Key successes in 2008



In 2008 we built on the foundations laid in 2007 for the extension of our Safety, Health & Wellbeing policies and strategies. The impact of our work in 2008 means that as a Group we:

- have a fit for purpose, draft global Safety and Health Policy supported by draft policy standards to enable us to meet our legal requirements across the globe
- have regional and divisional representation on our Group Executive Safety, Health & Wellbeing Committee with revised governance
- understand our safety and health risks and have plans in place to manage these
- have increased transparency on safety and health performance in the UK and Ireland
- understand our legal obligations across 66 jurisdictions
- have improved management and employee awareness of their responsibilities concerning safety and health in the workplace
- have proven that our early intervention Occupational Health model reduces average duration of psychological and musculoskeletal absence by over 40%
- have Employee Assistance Programme (EAP) support in 26 countries and critical incident support across the globe



The numbers say it all

23% reduction in reportable injuries to our employees

100% of employees now have access to critical incident support

20 further countries have been incorporated into our Employee Assistance Programme

53 countries covered by our due diligence audit



Going global



As the Group continued its global expansion, we recognised the importance of great health and safety management across all the jurisdictions where we operated. Our strategy formed the basis of an integrated and consistent global approach to ensure the safety, health and wellbeing of our people across all jurisdictions where we had a presence in 2008.

Global legal library

We completed a global legal library for 66 jurisdictions where we had a presence. This provided an overview of the statutory and regulatory regimes for health and safety in these jurisdictions. Further information is given in the case study.

Due diligence

A due diligence exercise was completed for all existing RBS and ABN AMRO businesses joining RBS during 2008. We sent out detailed questionnaires comprising 181 questions to all divisions.

When the responses were analysed, the information gained was used to identify our risks and any potential areas of legal non-compliance. This supported our action planning process and allowed us to prioritise and manage our risks.

Policy standards

To ensure a consistent approach in how we manage our health and safety risks in all jurisdictions, we have developed a suite of over 40 global Safety and Health Policy Standards which will, at a minimum, ensure legal compliance.



The policy standards have been developed using the global health and safety legal library. They are aligned to our global Safety, Health & Wellbeing core principles, and are based on risk mitigation and legal compliance.

Governance and organisational structure

A governance model has been developed for health and safety management. This has four main areas:

- Global safety and health governance structure and resources (which are aligned with the RBS group structure)
- Global Management Information (MI) and reporting
- Global safety and health audit programme
- Allocation of safety and health roles and responsibilities

Roles and responsibilities

Comprehensive safety and health roles and responsibilities have been documented for all significant employee groups and individuals with specific responsibilities, across all levels of the organisation.

Divisional management information

Safety, Health & Wellbeing performance dashboards were produced for each division in the UK and Republic of Ireland in 2008, and work is underway to extend these globally. These provide at a glance status and trend monitoring against carefully chosen Key Performance Indicators (KPIs).

Case study Legal library

In collaboration with our legal partner, we developed a global health and safety legal library for 66 jurisdictions around the world. The library provides an overview of the statutory and regulatory regimes for health and safety, and enables us to have a much greater understanding of how health and safety is managed and enforced in each country.



There are significant differences in the way in which different jurisdictions approach health and safety. Health and safety is not generally treated as a distinct area of law; rather it is dealt with under “labour law”, which itself is distinct from the general criminal law. Most jurisdictions have at least one, and in some cases several, pieces of principal legislation imposing “general duties” on employers.

The library also includes information on sick pay entitlement, rehabilitation, employee consultation, working time and insurances.

The library has informed the development of our Group Safety and Health Policy and policy standards, a key focus of our work in 2008. It will also inform our roll out plans as we embark on implementation of the Group Policy and policy standards in 2009.



Managing risk



Divisional implementation plans

Whilst the majority of our employees work in relatively low risk office type environments, there are pockets of higher risk activity, such as Accident Repair Centres (ARCs) and Cash and Coin processing.

Our safety and health management systems extend from controls for common property-related hazards such as asbestos and Legionnaires' disease (legionella), to specialist hazards relating to the nature of the activity or location such as paint-spraying in our ARCs or forklift truck use in our Cash and Coin Centres.

Contractor safety has been reviewed, and a number of recommendations for enhanced controls have been made and implemented, including a permit to work system for high risk activities in our critical buildings.

We have also had independent audits undertaken for electrical safety and hazardous substances. Action plans are in place to implement the recommendations.

Travel health

The Group's travel policies and procedures were reviewed in collaboration with Group Security and Fraud, resulting in a new travel management service. Travellers have access to worldwide health information and now automatically receive country specific information at the point of booking, including medical and security information, as well as risk ratings. This information is designed to help ensure travellers have a safe and trouble free experience.

Our travel policy and guidance applies to all those who travel away from their home country during the course of their work with the Group. Travel to high risk countries is limited or prohibited where required.

Stress management

Stress in the workplace is damaging on both a personal and a business level and we continued to tackle stress proactively. We recognise the benefits of tackling potential stressors at source and our methodology is based on three key principles: the identification of risk, the provision of management tools and the provision of support to our employees.



Stressors in the workplace are identified by analysing a combination of indicators. Our interactive stress index tool uses the responses from our employee survey, "Your Feedback" and aligns them to the six stress Management Standards documented by the Health and Safety Executive (HSE). This information, in combination with absence data, assists in the identification of stress hot spots.

Stress management training and supporting documentation is available for line managers. In addition, Lifematters, our Employee Assistance Programme (EAP) continues to support our employees in dealing with life and work stressors by providing proactive and reactive information and support. We promoted the benefits of the stress tools, to maximise their benefit and carried out an independent review of the stress policy and tools.

Stress related absence decreased during 2008, as did the overall absence rate for the Group, and our absence rates compare favourably with other organisations.

Critical incident support

Global critical incident support coverage was extended to all RBS and ABN AMRO countries ensuring that all employees had access to this service at all times. This enabled us to extend effective and immediate support to our people during and following the Mumbai terrorist incident in November 2008.

Driving on business

Employers have a duty of care to control work related driving in the same way as any other health and safety risk. It is estimated that up to one third of all road traffic accidents in the UK involve someone who was driving on business at the time of an accident.

Driving populations within the Group include company fleet, privately owned and corporate hire vehicles.

During 2008 a review of the Group's driving policy was undertaken and it was recognised that additional processes were required to support compliance to the policy. The review looked at best practice solutions as well as benchmarking with similar organisations. Some immediate steps were implemented, and a proposal to introduce tighter controls was approved for implementation in Q2 2009.

The new driving policy standard which introduces tighter controls for driving on business and will be launched during 2009 includes:

- A 'Driving Self Declaration' form outlining minimum controls and signed by all employees who drive on Group business
- Checks of driving licence status against licence issuing authority database for 'high risk' driving populations
- An online individual driver risk assessment profiling tool which assesses situational and behavioural risk using psychometric techniques and delivers an individual driver risk rating
- Targeted training interventions based on risk profile identified

Case study

Accident repair centres

Reportable injuries in our accident repair centres had been rising year on year and in the period January to December 2007 had reached an injury rate of over 2.5 times the industry average.



To address this, a workshop was held involving representatives from management, repair centre operatives (including those who had been involved in reportable accidents) and those with specific health and safety roles.

The participants explored the underlying causes of accidents and together developed an action plan to address them.

The action plan included:

- A review of storage arrangements to avoid heavy items being stored upstairs
- Simplifying the process for replacement of faulty tools and equipment, including an audit process
- Improving housekeeping by the application of lean manufacturing tools and principles, such as 5S (sort, straighten, sweep, systemise and sustain)
- Improve safety culture and communication, including renewal of management responsibilities, introduction of a 'post accident' review procedure, and use of noticeboards to track local accident rates
- Targeting modular training programmes to address common accident themes
- Sharing local best practice across all the sites, e.g. re-aligning vehicle ramps to improve visibility, lowering wall mounted power points where they are too high, consistent availability of spill kits, enhanced controls during poor weather conditions, etc.

The action plan was implemented in full resulting in a 41% reduction in our injury rate during January to December 2008.



Improving health



Back to Health, Back to Work

An early intervention occupational health model called, “Back to Health, Back to Work” was piloted in the Business Banking Direct area between June and December 2008. The results from the pilot demonstrated that effective early intervention and treatment has a significant impact. For psychological and musculoskeletal conditions, with appropriate treatment, it significantly reduces the average term away from work associated with these two absence categories.

Key outcomes of the pilot included:

- A reduction of over 40% in average duration of psychological and musculoskeletal absence, when treated before 20 days
- A favourable end of term return on investment for the project

Lessons from the pilot have been identified for integration into core absence management processes and practice during 2009.

Call centres

We built upon the work we did in 2007, where we ran a series of stress focus groups facilitated by an external provider at one of our RBS Insurance call centre sites. The focus groups involved all levels of employees, and from them we developed a local action plan. The site also took part in the Health and Safety Laboratory “Stress in Call Centres” benchmarking survey. To maximise the outputs of both activities, the findings requiring change at organisational level were factored into the 2008 review of call centre practices across the whole RBS Insurance division.



Employee assistance programme

During 2008 the roll out of our global Employee Assistance Programme (EAP), Lifematters, was completed, with the launch of the service in an additional 20 countries. Lifematters was shortlisted for the HR Excellence Awards 2008, and the roll out using a single dedicated service supplier not only provided a coherent and simplified approach to the additional countries; it also generated significant cost savings.

The global provision of Lifematters ensures that all RBS employees have access to a consistent support proposition, whilst retaining the flexibility to meet the various cultural needs of our international populations.

Lifematters is made available to all employees and their immediate family at no cost and is accessible 24/7. Online use gives immediate access to ideas, support and resources to help make life a little easier. It can be accessed from home as well as work and features include:

- Articles on a range of work-life issues
- Promotional calendar to highlight specific topics
- Recommended reading on work-life and dependant care (e.g. children or older relatives) topics
- A library of multimedia resources (CDs and downloadable MP3 files)

In addition to the provision of a range of work-life resources, Lifematters also offers counselling and consulting services for employees to talk through any personal or work-related issues.

Occupational health suppliers

As part of the due diligence exercise undertaken in 2008, we reviewed the occupational health service provision in all the jurisdictions in which we operate. We now understand the scope of our global occupational health service provision and are working to ensure that all countries have legally compliant and fit for purpose services for the new global RBS structure.



Case study Scanner



In 2008 we worked in partnership with NHS Lothian and the University of Edinburgh to bring to Edinburgh the UK's first 320 Multi Detector CT scanner, which will be operational from the second half of 2009. The investment, close to £4m by the Group in this state of the art scanner, will give NHS patients access to one of the most advanced diagnostic facilities in the world. It will also be a catalyst for bringing investment into the medical sciences and biomedical industry to Scotland.

The scanner will be based at the Clinical Research Imaging Centre being established at the University of Edinburgh in partnership with NHS Lothian, and located at the Queen's Medical Research Institute within the Edinburgh Royal Infirmary campus.

The unit will provide an additional 4,000 patient scans a year to the current NHS provision. One of the key advantages of the scanner is the speed of the image capture which means that radiation exposure is reduced by approximately 80% compared with conventional CT scans. This will have a significant impact upon the way CT scanning is used to assist in the diagnosis of serious health conditions.



Raising awareness



Wellbeing promotions

At RBS we recognise the importance of employee health and wellbeing in both personal and professional life. Throughout 2008, we ran a series of promotions to maximise usage of Lifematters, and themes included finance, changing one thing and getting a good night's sleep. We also re-issued all UK and Ireland based employees with hard copy promotional Lifematters literature.

New training materials

We continuously improve and refine our training to make sure that it remains relevant and up-to-date. We are developing five new interactive online training modules: Manual Handling, Slips/Trips/Falls, Fire Safety, Asbestos and Managing Safely (for line managers) to replace other existing mandatory reading. These new modules have updated content, they save time, are specific to RBS activities, are easy to use, and the training is traceable.

We have also developed a suite of quick reference health and safety guidance cards covering key risks such as dealing with difficult customers, preparing for health and safety enforcement visits, reducing the risks related to using display screen equipment, avoiding injury and minimising risk at work.

Both the online modules and guidance cards have been incorporated into training schedules for all areas in 2009.

Upskilling our people

Policy and Advice Services is our in-house team of trained advisors who provide specific relevant advice and support to line managers and employees. During 2008 we ran absence master-classes and implemented improved communications materials to support the absence management process.



We also ran additional training for the advisors on general health and safety and accident investigation.

Union and works council engagement

The Employee Relations team has the responsibility for setting the strategy for the effective management of employee representation and consultation across the Group, including European Works Councils, Unions and other social partners. The team also actively manages the Group's obligations in respect of information and consultation requirements across the Group and provides a centre of excellence for HR professionals across the Group.

The work of the Employee Relations team involves the development of effective relationships with all social partners to ensure that these bodies are sufficiently well informed to allow effective collective consultation as required.

The benefits of this strategy are:

- A consistent approach to social partners
- Effective management of legal obligations relating to collective consultation and communication
- Support to the business in the engagement of social partners

Communications strategy

A communications and training strategy has been developed. This identifies the stakeholders across all business areas, our management systems and operational hazards, and defines requirements for knowledge and competence in these areas.

Sharing expert knowledge

Members of the Safety, Health & Wellbeing team are recognised as experts in their field, and regularly volunteer their time for activities such as safety presentations to peers, business networks and schools careers events, as well as mentoring and writing articles for publication. Our team members sit on the working committees of organisations such as:

- The Institution of Occupational Safety and Health
- The British Occupational Hygiene Society
- CBI Health and Safety Panel
- InterBank Group Health and Safety Panel
- Irish Business Employers Confederation
- Northern Ireland Safety Group
- Institution of Mechanical Engineers



Case study

Safety management system accreditation in cash and coin centres



In January 2008 the Cash and Coin Operations leadership board identified a need to improve the health and safety awareness of all employees and ensure that safety in their working environment was improved. It was decided that each centre would gain accreditation to the BS OHSAS 18001:2007 standard by the end of 2009. BS OHSAS 18001:2007 is the internationally recognised assessment specification for occupational health and safety management systems.

A working group was set up and started the process of introducing new policies and procedures to supplement the existing standards to ensure compliance with the management standard. Best practice ideas and learnings were shared throughout all centres, with significant effort devoted to improving the physical working environment.

Camberly coin centre successfully completed its Stage 1 assessment in October 2008 in readiness for the full Stage 2 assessment in January 2009 (Stage 2 assessment confirms that the system fully conforms to the requirements of the standard in practice). A rolling audit programme is in place for all cash and coin centres with the aim of obtaining accreditation for their facilities by the end of 2009.



Reporting our performance



Total Incidents January to December 2008

	2004	2005	2006	2007	2008
Accidents	2148	2350	2285	2292	2092
Dangerous Occurrences	7	7	14	14	10
Diseases	N/A	N/A	18	16	13
Fires	16	10	18	11	10
Environmental incident	3	1	1	1	0
Near miss	N/A	N/A	16	63	98
Natural cause incidents	N/A	N/A	168	180	178
Total	2174	2368	2520	2577	2401

We report all health and safety incidents in RBS UK and Ireland via Reportline, the Group's accident and incident reporting mechanism. During 2008, we had a total of 2,401 incidents, of which 201 were reportable to the enforcing authorities. Slips, trips and falls and manual handling continue to be the main causes of reportable and minor injuries under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR).

Dangerous occurrences

There were 10 dangerous occurrences in 2008, of which four were reportable under RIDDOR, a decrease of three reportable dangerous occurrences (43%) compared to 2007. These included a failure of a reel handling lift, discovery of disturbed asbestos containing material (ACM), a smouldering battery on a forklift truck and leaking telephony system batteries.

Diseases

There were 13 cases of diseases reported during 2008. Five of these were considered to be work-related and reportable under RIDDOR, an increase of two compared to 2007. Three of these cases were repetitive strain type injuries, and two were hand arm vibration syndrome (HAVS).

Fires

There were 10 fires within RBS group premises during 2008, a reduction of one on 2007. None of these incidents were reportable as a dangerous occurrence to the enforcing authorities.

Reportable Incidents

201 incidents were reported to the enforcing authorities for the period of January to December 2008. Of these, 184 were reportable accidents involving employees, a 23% decrease compared to 240 in 2007.

Classification of accidents	Status of injured person		Jan – Dec 2008
	Employee	Other	Total
Minor injury	1526	316	1842
Major injury	64*	11	75
Over three day injury	136*	4	140
Member of public (MOP) to hospital	0	35**	35
Total	1726	366	2092
Reportable under RIDDOR	184	8	192

* Not all major injuries and over 3 day injuries are reportable and a breakdown of reportable incidents can be found in the reportable incidents section

** Not directly caused by RBS activities

Reportable incidents	No.
Major injuries	56
Over three day injuries	128
Members of the public taken to hospital	8
Diseases	5
Dangerous occurrences	4
Total	201

Comparison against the industry benchmarks

The table below compares the RBS group rate of reportable injuries against the industry average (Business and Finance sector statistics published by the Health and Safety Executive). The decrease in RIDDOR reportable injuries from 240 to 184, which is a 25% reduction in the rate from 236 to 176.4, has led to a significant improvement in our performance compared to industry benchmarks.

$$\text{Injury rate} = \frac{\text{Number of injuries} \times 100,000}{\text{Number of employees}}$$

$$\text{Injury rate} = \frac{184 \times 100,000}{104,288} = 176.4$$

	Injury rate per 100,000			
	2005	2006	2007	2008
Business & Finance	212.7	195.5	189	173.6*
RBS	180.4	181.2	236	176.4

* Subject to final figure being published by HSE

Prosecutions and enforcement notices

In 2008, which was a period of heightened enforcement activity by the enforcing authorities compared to previous years, five enforcement notices were notified to the Group's Safety, Health & Wellbeing function. This compares to three enforcement notices in 2007. The notices related to fire safety issues in 2 retail branches, the preparation of a Safety Statement for a branch in Ireland and a leaflet cabinet which had the potential to fall over. One of the notices was a prohibition notice which related to the operation of a gas boiler pending further testing and investigation.

Core themes and deliverables for 2009

Our Safety, Health & Wellbeing strategy for 2009 is based on five core themes – these are compliance, governance, risk, support and reducing costs. Specific deliverables include:

- Improved level of compliance with local legal requirements
- Reduced numbers of accidents and incidents, and reduced costs of injuries and absence
- Reduced risk of civil and criminal litigation, and reduction in insurance premiums
- Implementation of global Safety and Health Policy and policy standards
- Defined and allocated roles and responsibilities
- Global management information (MI) defined and available
- Audit plan and protocols in place
- Risk reduction plans for our higher risk areas / activities
- Controls for our high risk contractors implemented
- Controls for Management of Occupational Road Risk (MORR) implemented
- New global health and safety online training content developed and implemented
- Divisional plans to identify and mitigate the effects of our restructuring activity, including support packs and stress management
- Promotion of our Employee Assistance Programme (EAP) to maximise usage and impact
- Global EAP review and implementation of recommendations
- Implementation of Occupational Health (OH) services globally in line with legal requirements
- Reduced costs of workplace adjustments through process review

Progress against these deliverables will be reported in our 2009 report.





The Royal Bank of Scotland Group plc
Group Headquarters
PO Box 1000
Gogarburn
Edinburgh
EH12 1HQ