



Diversity
and
Inclusion
COUNCIL

2014





A Message From Our President & COO

We define *diversity* as the unique characteristics and experiences that define each of us as individuals--it is about who we are. This includes, but is not limited to, race, religion, color, sex, age, disability, national origin, sexual orientation, gender identity, marital status, citizenship status, veteran status or other legally protected characteristics.

We define *inclusion* as creating an environment where different perspectives are encouraged and valued--it is about how we work. Our dual commitment to a diverse workforce and an inclusive workplace can foster greater employee productivity and creativity while offering our businesses a competitive edge.

Leaders are accountable for encouraging diversity and inclusion in every part of their businesses and demonstrating the leadership behaviors that support engagement and personal commitment. We also strive to harness the unique abilities, experiences and potential of our employees in moving our businesses forward.

Culture is equally as important. Healthy company cultures are often self-evident in the strong traditions that exist. Here at Selective, we have many. Employee Appreciation Day, ACIP Celebration Day, and our 25-Year Club Luncheon are just a few. Each of these traditions highlight a strong sense of pride and commitment from our employees that is shared by our senior leaders across the organization.

Having a diverse and inclusive workforce is critical to the achievement of our business goals. In 2014, I will become directly involved with the Diversity and Inclusion Council in support of their efforts. I invite you to join me.

John Marchioni
President and Chief Operating Officer

"Diversity: the art of thinking

independently together."

Malcolm Forbes



A Message From Our Executive Sponsor

In June of 2011, we issued a Culture Survey for Selective employees as a way to help us understand the current culture. We know that winning organizations have a strong and productive company culture that is visible to its employees and customers. Since the survey was issued, we have defined a desired culture for Selective that will enable us to achieve our strategic goals. The efforts of the 2014 Diversity and Inclusion Council are aligned with this desired culture.

The 2014 Council is comprised of 17 employees representing a diverse cross section of functions and geographies throughout the organization who are committed to working together to enhance our current culture and enable the achievement of our desired culture.

The Council is pleased to have several new members who have embraced our diversity and inclusion initiatives and are willing to share their expertise and experiences to help us advance our work. We welcome them to the Council and encourage all of our employees to embrace diversity and inclusion throughout the organization.

Our diversity efforts remain committed to three business objectives:

- Increase business opportunities and support profitable growth through diverse markets;
- Support a culture that values and fosters a diverse and inclusive workforce; and
- Encourage companywide employee engagement.

These objectives will help differentiate us as an organization and establish our competitive advantage in the marketplace.

I'm excited about what we have accomplished thus far and encourage you to get involved. Our collective efforts to make Selective's culture one where employees feel valued for their contributions, ideas and experiences is what enables us to win in the marketplace.



Kimberly Burnett
Executive Vice President and Chief Human Resources Officer

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Welcome to... Selective's Diversity and Inclusion Council

Selective operates on the fundamental belief that its people are the driving force behind its success. To enable the success of each individual, the Diversity and Inclusion Council fosters an environment where all employees are encouraged to share experiences and ideas that contribute to Selective's organizational goals.

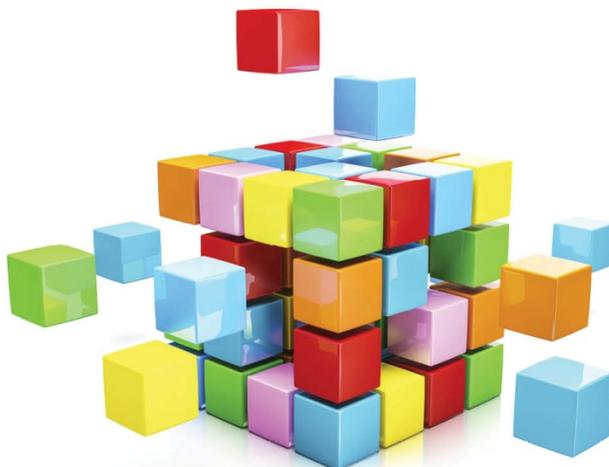
We began our diversity initiative in 2007 with the focus on building awareness and sharing employee experiences. Since then, we have issued a Culture Survey to help us understand our current culture and define a desired culture that will enable Selective to achieve its strategic goals; implemented a variety of companywide events such as an e-Learning Program to foster understanding and respect; women's leadership events to foster building relationships and leadership; eSelect® features on diversity in the workplace and stories about employees of various cultures and backgrounds; companywide culture celebrations; and opportunities to bring together a cross section of employees from various business areas to brainstorm new ideas or solve problems.

We have three committees to help us implement our objectives: Workforce, Workplace and Marketplace. Each committee actively works with employees throughout Selective to provide educational opportunities, networking venues and forums for fostering an inclusive and diverse workforce that is enabled to be its best and contribute every day. We partner with the VIBES team to leverage resources and create a collaborative approach to advancing our culture initiatives.

Our 2014 diversity initiatives remain grounded in building employee awareness and sharing employee experiences, while shifting our focus toward leveraging inclusion to achieve superior business results. The Diversity and Inclusion Council will continue to be the focal point of Selective's diversity initiatives.

"So valuable is the human element that I will not let this company lose the human touch which has been largely responsible for its success."

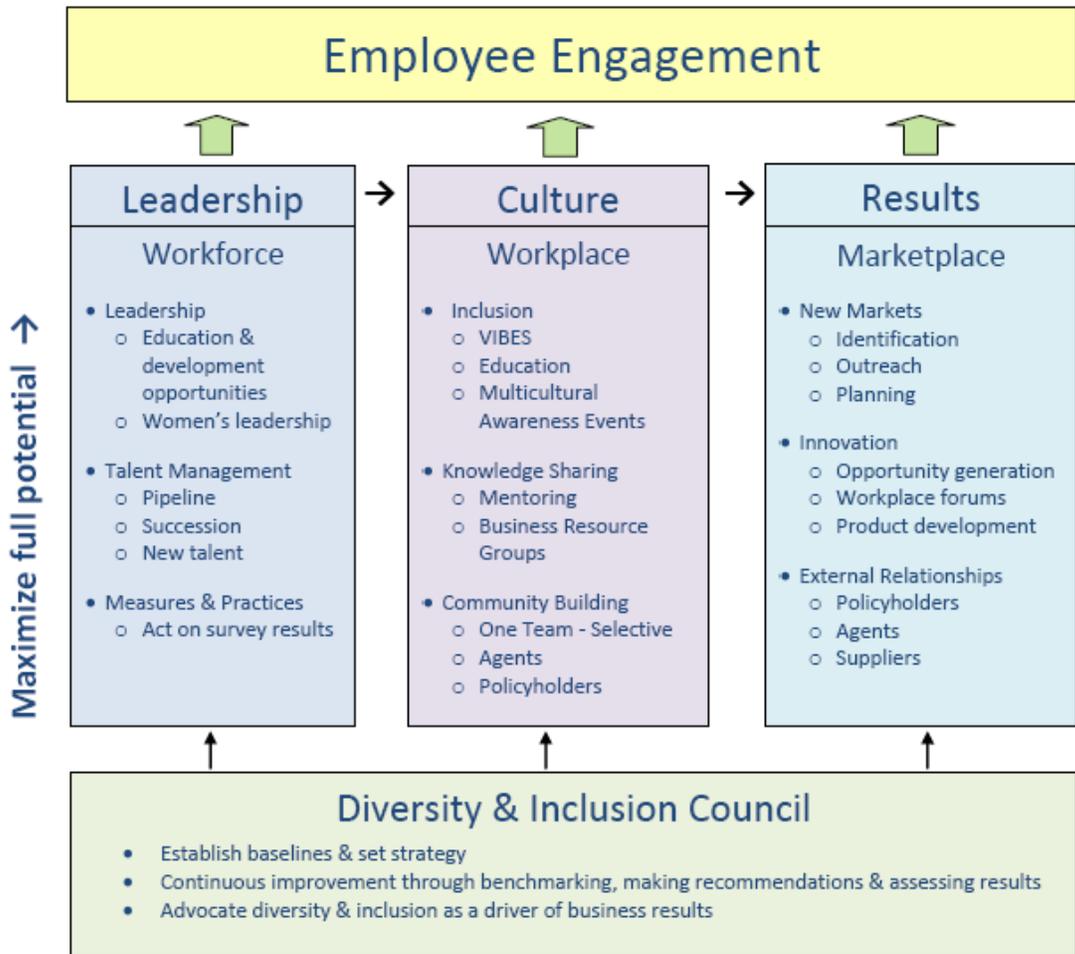
D.L.B. Smith, Founder





2014 Diversity & Inclusion Council Framework, Vision and Mission

Our Framework

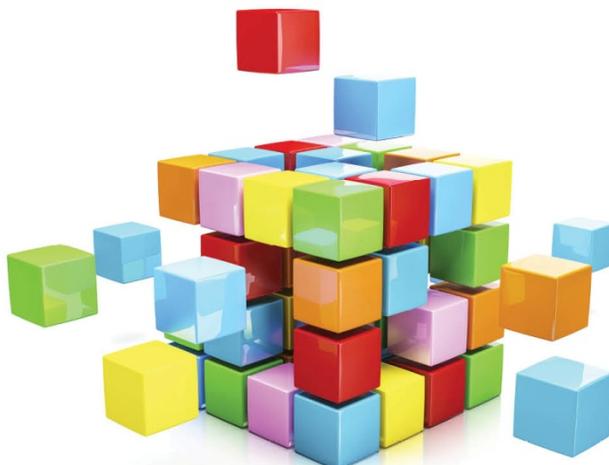


Our Vision

To leverage the synergies of diversity and inclusion to enhance key business strategies, achieve superior business results and a sustainable competitive advantage.

Our Mission

We will achieve our vision by developing leaders and building a culture that empowers our people to achieve their fullest potential by sharing their diverse backgrounds, skills and ideas within Selective's workplace and marketplace.





2014 Diversity & Inclusion Council Objectives

Ensure diverse talent at all levels of the organization have the knowledge, skills and commitment to achieve Selective's goals. (Workforce)

Selective's competitive advantage exists, in large part, in its workforce. Diversity in age, gender and ethnicity, accompanied by an individual's background and experience, all contribute to superior business results. Valuing and understanding a variety of perspectives benefits our employees and our customers. Our Workforce Committee supports this initiative by expanding educational and leadership development opportunities focused on leveraging diversity and inclusion, including introducing new e-Learning courses through L&PD Online, sourcing an external speaker for employee or management presentations and attending the Society for Human Resource Management Diversity & Inclusion Conference to learn about industry best practices.

Foster an inclusive culture that embraces our differences and cultivates a community for employees to achieve their fullest potential. (Workplace)

Collectively, we achieve the best results. The Diversity and Inclusion Council encourages all our employees to get involved, share their rich experiences, skills and talents, attend one of the many activities offered by the Council, and become part of the diversity team. Our Workplace Committee supports this initiative by establishing a common understanding of mentoring in the workplace, including how to use the eConnect (formerly eMentoring) platform to increase connectivity and inclusion of all employees across the organization, regardless of work location. The committee also seeks to sponsor opportunities for individuals to establish new relationships and benefit from the vast array of in-house knowledge through sharing business topics and ideas in both informal and formal settings, such as the development of Business Resource Groups.

Identify and establish diverse market opportunities, in partnership with business leaders, to drive profitable growth. (Marketplace)

The marketplace around us is rapidly changing and expanding. Increased competition and ever-changing market conditions require innovative approaches to profitable growth. Changing demographic trends provide us with opportunities to leverage the growth in women and minority-owned businesses. Organizations that understand this and tackle the issues head on will have the best chance to gain competitive advantage. Our Marketplace Committee supports this initiative by implementing women-owned business initiatives and, in partnership with business areas, define an integrated methodology and approach for contributing to the identification of new market segment/product opportunities. The committee also makes innovation tools available to support our corporate Culture Survey action items for Innovation & Creativity.

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