

---

## COMPANY FOCUS: To Serve Others® and Improve the Human Condition

MORRISVILLE, NC – The business and social mission of The Redwoods Group – whose motto is to **Serve Others®** – is to protect and improve the quality of life in the communities it serves. The privately held, socially conscious company is the largest provider of risk management services, property and casualty insurance and claims management to YMCAs and also offers these services to Jewish Community Centers (JCCs) and nonprofit resident camps throughout the nation.

“We strongly believe that business can and should be a powerful force for positive social change,” said Kevin A. Trapani, president and chief executive officer of the company he founded in 1997.

Trapani said he respectively disagrees with Milton Friedman, the Nobel Laureate and noted economist, who said that the only appropriate role for a corporation is to make money and enhance shareholder value.

“In our view, too much emphasis on profit compromises our ability to fulfill our obligations to our many stakeholders,” Trapani said. “We’re investing in sustainability by positioning ourselves for long-term success, rather than short-term profitability.

“We believe that we can be supportive and nurturing for our employees, a trusted advisor for our customers and generous with our community – all while providing a reasonable return for our shareholders,” he said. **“We have important work to do: partnering with others, we have to change the world.”**

“I know that might sound outrageous, but the world certainly needs changing,” Trapani said. “Governments and nonprofits have tried to foster change, so why not harness the resources of a corporation to support the transformative power of a committed group of engaged and productive citizens who happen to work for Redwoods?”

Other companies sharing the Redwoods vision include natural personal care products companies The Body Shop and Burt’s Bees, Ben & Jerry’s gourmet ice cream company, Patagonia apparel company and Timberland, best known for its rugged boots. Trapani’s goal is to encourage businesses throughout the nation and around the world to embrace serving others and improving the human condition.

One of the most commanding aspects of the Redwoods mission is that any company can do it, Trapani said. “We strongly believe that it is insufficient to simply focus on profits when needs of our employees, our customers and our global community are so vast,” he added. “It’s all about leadership, tackling the social and environmental issues of the day, not because we have to or because everyone else is doing it, but because we really want to and because we feel morally compelled to do so. The abiding principal of healthy societies is simple: **service to others. We are our brother’s keeper.**”

Many businesses focus their corporate social responsibilities on philanthropy, simply writing checks to worthy civic and nonprofit organizations. “That’s not nearly enough,” Trapani said. “Businesses should change their daily practices to focus on improving the human condition and they should empower their employees to become change agents through community service.”

*(more)*

---

*Page 2/Redwoods Focus*

Most companies today donate about one percent of their net income to charity, according to the Conference Board which provides key information about management and the marketplace to businesses. Redwoods commits to contributing a minimum of 10 percent of pre-tax income to charity every year, without exception. In 2006-2007, the firm contributed over 50 percent of its pre-tax profits (about \$500,000 each year) to nonprofit organizations throughout the world. For the first time in company history, Redwoods was not profitable in 2008, but the firm still contributed \$97,559 to charity. The Redwoods Group Foundation, a separate entity, awarded grants to nonprofits that totaled \$997,909 in 2008.

Trapani said Redwoods **Serves Others**® in three important ways:

- Through insurance products and services, the firm helps customers transfer risk and reduce the likelihood of injury to members and program participants at YMCAs, JCCs and camps. For example, Redwoods trained about 30,000 camp counselors in 2008. Statistics show that the training and influence of The Redwoods Group staff have substantially improved operating behaviors. In 2007, the company achieved its goal of **zero** deaths by drowning in its guarded YMCA pools. In the Y Movement, deaths by drowning are down over 75 percent since 2002. Incidents of abuse at Redwoods YMCAs dropped by 41 percent since 2005 and less than four percent of Redwoods' YMCAs and JCCs are using 12- and 15-passenger vans, known to be unstable and inadequately crash resistant.
- By educating and engaging employees on the human condition, the company strives to develop committed citizens of the world.
- By sharing financial resources with effective social service agencies in the U.S. and abroad, Redwoods responds to compelling human and environmental needs.

“We are here to make a difference – by driving social change, returning benefits to communities, supporting social and economic progress and environmental sustainability, inspiring changes in the way we impact our world,” Trapani said.

To help carry out the company mission, Redwoods employees spend 40 hours of their work time each year in service to the community -- building houses for the working poor, tutoring children in homeless shelters, serving meals at soup kitchens or shaving their heads to raise money for childhood cancer research. In 2008, almost 100 percent of the staff participated in community service.

To encourage employee contributions to charity, Redwoods offers a charitable match program. It matches dollar for dollar up to \$1,000 per employee per year with an unlimited match for United Way contributions. The Dollars for Doers program rewards employee volunteerism conducted outside of standard business hours. Redwoods donates \$10 for each hour an employee volunteers at a charity up to \$300 per employee per year.

Each year, Redwoods contracts with a top university business school to make sure the company is achieving its mission. The result, a social audit, is part of the company's annual report and is posted on the firm's website. The 2008 audit said one of Redwoods' strengths is the fact that it continued its social impact even in times of financial adversity. “Overall, the Redwoods Group proved itself to be a remarkable social mission-driven company in 2008,” the audit said. “It should continually seek to advance its social impact and sustainable practices.”

###