

Berkley Insurance Company - Modern Slavery Statement 2022

Introduction

This Modern Slavery Statement is made by Berkley Insurance Company (limited company incorporated in Delaware, USA) ABN 53 126 559 706 (“BIC”) pursuant to the *Modern Slavery Act 2018 (Cth)* (“Act”). This Statement outlines BIC’s actions to assess and address modern slavery risks in its operations and supply chains for the year ended 31st December 2022.

On a global basis, BIC is committed to combatting all forms of slavery and human rights abuse and has a zero tolerance to slavery and human trafficking. BIC is committed to conducting business in an honest and ethical manner, with integrity and accountability, with responsible business decisions at the heart of our business making processes. BIC operates under a philosophy of “Everything Counts, Everyone Matters[®]” and has embedded this approach into the way we do business. This philosophy is fostered on personal responsibility, accountability and doing the right thing for all of our stakeholders.

Business, Structure and Operations

W. R. Berkley Corporation (“WRBC”) is the ultimate parent of BIC. Founded in 1967, WRBC is an insurance holding company that is among the largest commercial lines, property and casualty insurance providers in the United States which is based in Greenwich, Connecticut, USA. WRBC is recognised as a Fortune 500 company (currently ranked # 367) and is listed on the New York Stock Exchange under the symbol “WRB”.

BIC is a Delaware corporation licensed to write insurance and reinsurance business in the USA and is regulated by the Delaware Department of Insurance. BIC is directly owned by Signet Star Holdings Inc., a Delaware holding company that is 100% owned by WRBC. WRBC is comprised of 59 businesses and employs approximately 8,200 staff globally¹.

In Australia, BIC is authorised by the Australian Prudential Regulation Authority under the *Insurance Act 1973 (Cth)* to conduct insurance business as a branch in Australia. BIC Australia has underwritten property and casualty reinsurance risks in Australia since 2007 under the registered business name “Berkley Re Australia” and has, since October 2014, written insurance business with a casualty focus under the registered business name “Berkley Insurance Australia”.

As a branch of BIC, BIC Australia does not own or control entities nor is it a reporting entity covered by a statement under section 14 of the Act.

BIC and its subsidiaries, along with other WRBC insurance subsidiaries, are divided into two segments: Insurance and Reinsurance & Monoline Excess. Each segment is comprised of Berkley “Businesses,” which serve distinct markets requiring specialised knowledge of a particular territory, product or type of business.

In the insurance segment, BIC and/or its subsidiaries write business worldwide, including the United States, the United Kingdom, Continental Europe, South America, Scandinavia, Canada, Mexico,

¹ As at 15th January 2023

Australia and Asia. In each of our operating territories, products and services are tailored to the local customer base.

In the reinsurance segment, BIC and/or its subsidiaries operate globally, primarily in the United States, the United Kingdom, Continental Europe, Australia and the Asia-Pacific Region.

Modern Slavery Risks

As a provider of insurance and reinsurance products and services, the assessment of BIC's supply chain shows that we have a lower risk profile than companies in many other industries. Operating in a highly regulated financial services and labour market, with a relatively low risk of modern slavery in our supply chain, BIC is however mindful that modern slavery risks may be prevalent in our suppliers' supply chains.

During 2022, BIC engaged suppliers who provided services, including but not limited to, consulting services (e.g. accounting, actuarial and legal services), investment management services, office premises and associated services (e.g. utilities, rent, building repairs, cleaning services, etc.), professional education, information technology (e.g. computers, printers, telephones, software, etc.) and other miscellaneous services that would be expected of a corporate sector company.

Although having assessed our supply chain as being low risk, we continue to take steps to identify suppliers that we deal with who have similar corporate values as us in their approach to eliminating modern slavery and human rights abuse in their business practices. BIC engages with reputable companies which are built on strong value foundations. A third party risk management assessment process of major suppliers may be performed.

A review of individual suppliers where expenditure by BIC Australia exceeded A\$50,000² per supplier was carried out to assess the risk of modern slavery. This category of suppliers accounted for approximately 85% of all costs incurred by BIC Australia in 2022, of which 48% related to IT services (including software licencing and infrastructure costs), with a further 26% being attributable to office rental costs (including rent, insurances, supplies, storage fees, maintenance, etc). Other significant payments above A\$50,000 per supplier related to taxation, audit & consulting fees, travel costs³, legal fees, actuarial consulting fees and telephone services.

The modern slavery statements of various suppliers have been reviewed to confirm that our major suppliers were cognisant of their modern slavery responsibilities and that those suppliers appeared to have a robust framework in place to control and monitor modern slavery concerns.

Based on our analysis of BIC Australia's supply chain, and considering the nature of our products and services, we have concluded that the risk of modern slavery prevalent within the supply chain is limited.

BIC however, does acknowledge the potential for indirect modern slavery risk exposure within its supply chain, such as in office supplies and marketing collateral, but continues to utilise a third party risk assessment process to identify, monitor and mitigate such risks.

² Excludes all Australian employee salary and related payments, stamp duty, fire service levies, taxation, profit commission and reinsurance / retrocession costs.

³ Travel costs were significantly up on the 2021 travel costs as 2021 was severely impacted by COVID-19 global and local travel restrictions.

This 2022 modern slavery risk review concludes that BIC Australia branch is not exposed to, nor did we identify, any significant modern slavery concerns in its supply chain.

In an effort to continue enhancing BIC Australia's compliance with modern slavery practices, in 2022, we continued with requiring the inclusion of a modern slavery warranty clause in various service contracts and binder authority agreements. Through this process of engaging with relevant counterparties, there was an increase in staff awareness of the need to consider modern slavery risks.

It is noteworthy that, as a Group, WRBC has a responsible approach to investments with more than 99% of the investment portfolio composed of investments that satisfy our ESG criteria⁴. Responsible investment for WRBC excludes investing in companies:

- i. WRBC believe to be in sectors with higher economic costs related to ESG issues that are not effectively managed;
- ii. which are associated with, or producing, banned weapons;
- iii. that have been identified by the U.S. Treasury Department's Office of Foreign Asset Controls; and
- iv. are in countries with severe human rights violations are prevalent.

Adopting this responsible investing strategy and performance criteria into the WRBC investment analysis and decision-making process makes economic sense by potentially reducing downside risks and improving risk-return profiles.

BIC is built on a foundation of values that encompasses the mindset "do the right thing." The WRBC 2022 Sustainability Report highlights the approach to ESG issues most relevant to our company and reinforces the premise that "as we manage our day-to-day business and plan for the future, we will continue to work hard every day to make our business better while serving our shareholders, employees, customers, distribution partners and communities"⁵.

Policies

BIC is committed to strong corporate governance so that our decisions and actions are based on transparency, integrity and honesty, which promote the long-term sustainability and ongoing success of our business. We strive to maintain high ethical standards in our business practices.

A Code of Ethics and Business Conduct (the "Code") underpins our vision for the right way to do business; a way of managing ourselves so that our day-to-day business decisions and actions reflect our core values. As we do business in different countries and jurisdictions, we are committed to complying with all applicable laws, regulations and corporate policies.

If there is ever a conflict between the Code and an applicable law or regulation in a country or jurisdiction that we operate, the higher standard will always apply.

Other policies that directly address working conditions and standards of conduct to provide a work culture and work environment of respect and fairness include:

- Whistleblowing Policy

⁴ As at 31st December 2021.

⁵ Rob Berkley, President & CEO – 2022 WRBC Sustainability Report

- Anti-Bribery/Anti-Corruption Compliance Policy
- Employee Handbook
- Equal Employment Opportunity (including anti-discrimination and harassment guidelines).

The WRBC Chief Compliance Officer oversees the Group's ethics and compliance programs, including business ethics, compliance with all applicable laws and regulations and efforts with respect to anti-corruption and avoiding anti-competitive behaviour. The senior management teams in each of WRBC's 59 businesses are also responsible for their individual operational compliance. Across our organisation, managers are expected to set a strong example of ethical conduct, help their teams understand the Code and encourage employees to speak up about any ethical concerns.

In addition, WRBC's General Counsel and Audit Committee of the Board of Directors is responsible for reviewing concerns received through our ethics hotline. The Code is supplemented by specific policies relating to economic sanctions and anti-corruption as well as other compliance related topics.

As the Code is updated regularly to remain current with changing laws, regulations and industry best practices, annually, all employees are required to certify that they have reviewed the Code. This annual certification process is completed online through a third-party vendor and includes questions regarding conflicts of interest and reports of any new potential conflicts of interest not previously reported.

BIC mandates ethics training for all new employees covering the Code and related BIC policies. The training sets the expectations for new employees with respect to ethical conduct and reviews the procedures to raise concerns of possible violations of law or company policy.

Every BIC employee is responsible for reporting possible incidents of fraud or other legal or ethical violations of which they become aware. BIC is committed to investigating all such reports and as a matter of BIC policy, any confirmed retaliation against an employee who reports illegal or unethical behaviour is treated with disciplinary action, which can include termination.

Actions

Based on BIC Australia branch's current assessment, no immediate action to rectify any modern slavery or human rights abuse concerns is required. However, to ensure that no modern slavery related issues or the abuse of human rights risks arise in the future, BIC Australia branch will continue to enhance our understanding of modern slavery risk within our business operations and supply chains by:

- Continuing to enhance relevant policies and commercial arrangements with the inclusion of a modern slavery warranty clause;
- Include the current Modern Slavery Statement in the new employee on-boarding process so that new employees are aware that modern slavery will not be tolerated in our business.
- Improving overall staff awareness of modern slavery risk;
- Enhancing due diligence and risk management processes for selection and screening of potential partners and suppliers to include consideration of modern slavery risks;
- Initiating appropriate action where potential breaches of the Act are suspected or identified;
- Regularly reviewing and assessing (on an annual basis) our practices and procedures against the requirements of the Act: and

- Commence an extensive modern slavery survey of certain overseas based BIC businesses to confirm that modern slavery risks are not prevalent in their supply chains, consistent with the overall BIC approach to modern slavery.

Other Information

This Modern Slavery Statement is published on the following BIC websites:

- Berkley Insurance Australia <https://berkleyinaus.com.au/>
- Berkley Re Australia <https://www.berkleyre.com/anz/>

The WRBC 2022 Sustainability Report can be viewed at:

<https://s29.q4cdn.com/304856890/files/Sustainability/WRBerkley-2022-ESG-Report-FINAL-ADA-Compliant.pdf>

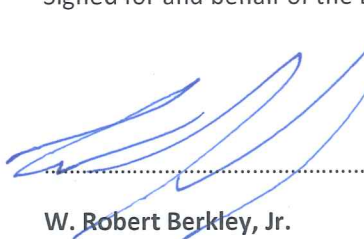
Process Consultation

This Modern Slavery Statement was developed by the Australian branch of BIC and has been reviewed and approved locally by the Asia Pacific Risk, Operations & Compliance Committee. Although BIC Australia does not own or control any entities, as this statement covers all of BIC, the WRBC Legal Department and the WRBC Chief Compliance Officer have been engaged in the review and approval of this statement to ensure that the responses contained herein are consistent with the modern slavery approach, practices and risk assessment across the WRBC Group of companies.

Approval

This Modern Slavery Statement has been approved by the BIC Board of Directors.

Signed for and behalf of the BIC Board of Directors.



W. Robert Berkley, Jr.

President & Chief Executive Officer
Berkley Insurance Company