



# 2022 Modern Slavery Statement



## Acknowledgement of Country

In the spirit of reconciliation, Allianz Australia acknowledges the Traditional Custodians of Country across Australia and their connection to land, sea and community. We pay our respects to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.

This statement was prepared on the lands of the Quandamooka People of the Jagera Nation and the lands of the Gadigal People of the Eora Nation.

## Statement on reporting entity

This statement is made in respect of Allianz Australia Limited and its subsidiaries. The term Allianz Australia as used in this statement, refers collectively to Allianz Australia Limited and its subsidiaries as listed in the Appendix on page 25.

This statement is submitted as a joint statement made on behalf of Allianz Australia Limited, Allianz Australia Insurance Limited, Allianz Australia Services Pty Limited and Allianz Australia General Insurance Limited, made under section 14 of the *Australian Modern Slavery Act 2018 (Cth)* (**the Act**). It references Allianz Australia's activities within our financial year 2022, the period of 1 January 2022 to 31 December 2022.

## Approval

This statement was approved on 23 June 2023 by the board of Allianz Australia Limited on behalf of all the named reporting entities and has been signed by Richard Feledy, Managing Director on page 3 (Statement).

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# Message from our Managing Director



of living pressures and the global COVID-19 pandemic. We have heard the message from governments, international development bodies and civil society advocates alike, that these environmental and social challenges increase the risk of modern slavery across the globe.

In an increasingly uncertain world, Allianz Australia remains committed to supporting Australians to secure their future, as we have for over 100 years. The last few years have presented challenges locally and globally, including devastating floods and heatwaves across Australia, rising inflation and cost

As both a financial institution and large employer, we recognise our responsibility to uphold and advance human rights through our business activities. When we consider what this means for our role in preventing, identifying, mitigating, and managing modern slavery risks, we look at our local operations and our global supply chains.

In our Statement, we firstly describe our business operations and supply chains. We then identify the modern slavery risks which may present in our business activities. Notably, we recognise our supply chains extend into inherently high-risk geographies for modern slavery, including suppliers of white goods, flooring and outsourcing arrangements with Allianz Technology SE (Allianz Technology) and Allianz Services Private Limited (Allianz Services) in south-east Asia. Additionally, border closures during the pandemic disrupted the global labour force leading to local labour shortages and increased demand for goods and services from high-risk geographies. These challenges were further exacerbated, particularly in Australia, by the increased frequency and intensity of natural disasters. As the insurance industry serves the community's needs, we must remain vigilant to the human impact of our business decisions.

In response to these risks, we describe the actions taken in the reporting period to prevent and mitigate modern slavery risks. This includes our internal modern slavery governance risk management practices, policies and procedures. Notably, we sought to strengthen our approach to modern slavery by embedding modern slavery in our new Sustainability Strategy, conducting due diligence across inherently high-risk supplier relationships and increasing the capability of our leaders. We also participated in industry-led working groups at the Insurance Council of Australia (ICA) and Australian Sustainable Finance Institute (ASFI).

Finally, we assess the effectiveness of our efforts during the reporting period and identify the priorities in our continuous improvement plan for 2023. We are proud of our efforts and committed to our ongoing role in advancing human rights and preventing and mitigating modern slavery offences in our business activities.

A handwritten signature in blue ink, appearing to read 'R Feledy', written in a cursive style.

Richard Feledy (he/him)  
Managing Director, Allianz Australia  
23 June 2023

# Our structure, operations and supply chain

At Allianz, “We secure your future”. It’s our purpose, our reason for being. It’s why we exist.

The Allianz Group is one of the world’s largest insurance providers, providing support to over 100 million customers across 70 countries. Allianz Australia is one of the largest general insurers in Australia, serving over 3 million customers. Allianz Australia also insures over 25% of the top 200 ASX companies, making us one of the leading private workers compensation insurers in Australia.

Allianz Australia Limited is the parent company in Australia that controls all the subsidiaries listed on page 25. The head office of Allianz Australia is at 10 Carrington Street, Sydney, NSW, 2000.

## Our specialist brands and services



A specialist marine underwriting agency



Australia’s leading distributor of pleasure craft insurance



Leading provider of tailored transport insurance solutions, including commercial motor, motor fleet, carriers transit and public liability insurance



Leading premium funding company in Australia and New Zealand, providing “Easy Cash Flow Solutions” for the business community



Leading provider of crop insurance in Australia

## Our products and services

Allianz Australia, offers a wide range of insurance and risk management products and services, including:



**Personal Insurance**  
Home, contents, landlord, motor, boat, travel and compulsory third-party insurance



**Business, Commercial and Industrial Insurance**  
Transport, trades and services



**Corporate Insurance**  
Marine, construction, liability, professional indemnity, property, transport and machinery



**Public and Products Liability**



**Workers Compensation**

# Our people

As at 31 December 2022, Allianz Australia employed or contracted over 6,600 people across Australia and New Zealand consisting of both employees and external contractors. By headcount, more than 4,800 people are permanent full-time employees, more than 600 are permanent part-time employees and more than 250 people are temporary employees. There are also more than 700 external contractors engaged by the organisation (excluding outsourcing arrangements).



\*Worker is defined as both employees and contractors of Allianz Australia

# Our supply chain

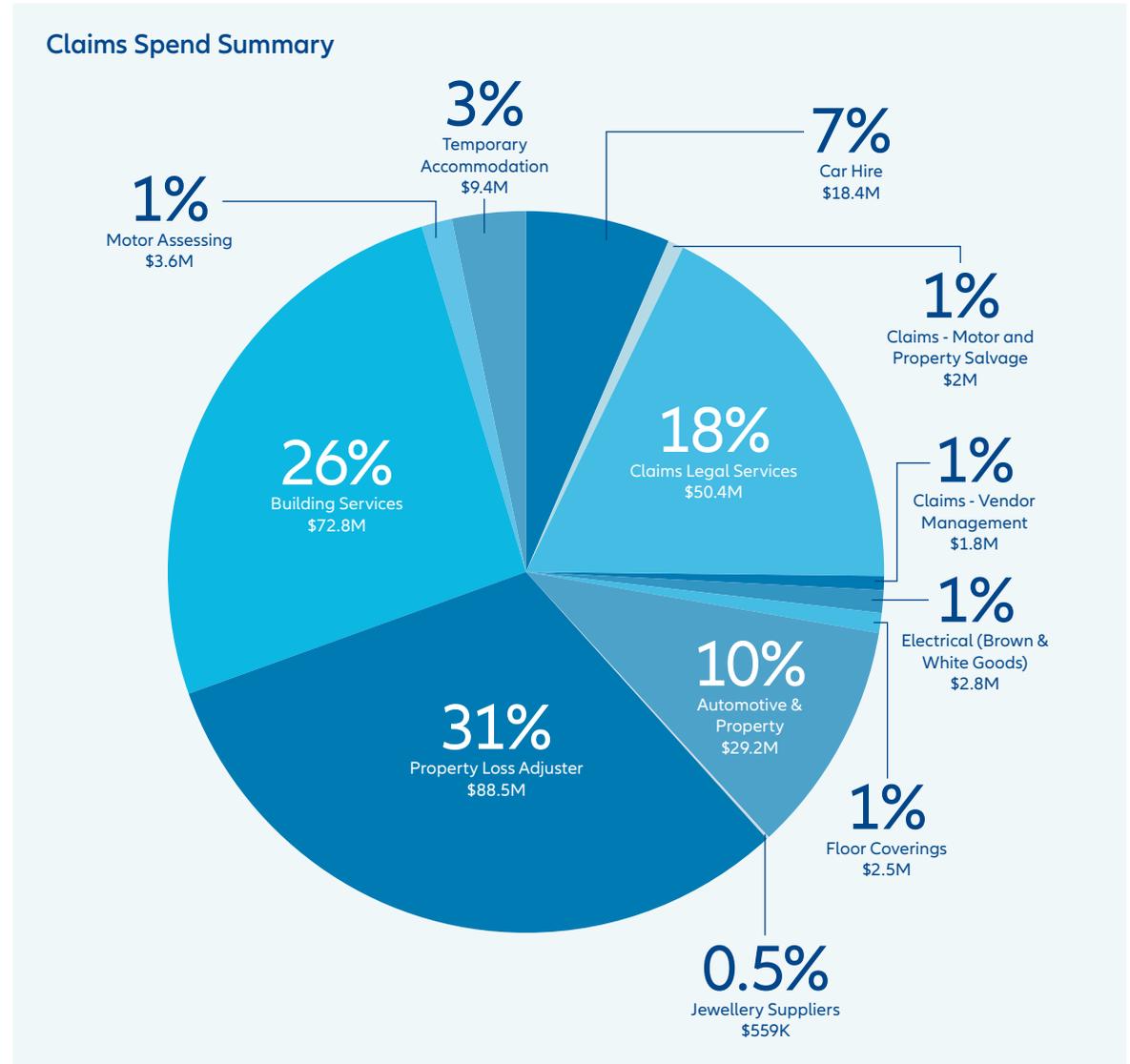
In 2022, our supply chain did not change substantially from the prior year. Allianz Australia's supply chain consists of goods and services to support both our internal business operations and deliver products and services to our customers as follows:

- **Corporate Spend:** Procurement team members manage non-claims suppliers who provide goods and services commonly consumed by Allianz Australia.

In 2022, we maintained contractual relationships with 130 suppliers spending approximately (AUD) \$368 million. The internal subject matter expert dedicated to modern slavery risk management (Modern Slavery Specialist) provides purchasers in Allianz Australia (Business Owners) guidance on supplier relationship management practices to prevent, mitigate and manage modern slavery risks with a supplier.

- **Claims Spend:** Claims Business Owners manage the relationship and performance of suppliers under contract who fulfil our customer claims. Customers may have the opportunity to nominate their own claims fulfilment providers in certain circumstances with a direct contractual relationship between customers and these providers.

In 2022, we maintained contractual relationships with 63 claims suppliers spending approximately (AUD) \$281.8 million. Allianz Australia's motor products allow customers a choice of repairer and therefore, Allianz Australia does not maintain contracted relationships with some motor repairers. As at 31 December 2022, we worked with 255 motor repairer suppliers nationally that are considered a part of our supply chain for the purpose of modern slavery risk management.



The tables below describes Allianz Australia’s supply chain. With consideration to modern slavery risk, suppliers are mapped to a supply chain ‘tier’ based on whether Allianz Australia maintains a direct relationship with these suppliers and/or the service is subcontracted. It also identifies, where Allianz Australia outsources certain services to some suppliers (Outsourced Services).

Our direct suppliers remain predominantly based in Australia, unless stated otherwise. The tiers can be described as:

- **Tier 1:** Allianz Australia maintains a direct relationship with the supplier providing goods and services, either through purchase order or contract.
- **Tier 2:** Goods and services provider is a supplier to the Tier 1 supplier.
- **Tier 3:** Goods and services provider is a supplier to the Tier 2 supplier.

Corporate Functions	
 Business Operation	 Description of supply chain
Corporate Governance and Legal	<b>Tier 1</b> includes charity partnerships, consulting and professional service providers.
Consumer	<b>Market Management</b> <b>Tier 1</b> includes assessor uniforms, internal events, promotional merchandise and sponsored events.
Customer and Operations	<b>Customer Service and Retail Distribution Direct</b> Outsourced Services: including selected operations (e.g. Allianz Services) with additional information on page 8.  <b>Information Technology</b> <b>Tier 1</b> includes hardware, software and operations Outsourced Services: Infrastructure and testing (e.g. Allianz Technology).  <b>Workplace Services (Procurement)</b> <b>Tier 1</b> includes claims goods and services, fleet management, office supplies, and travel.  <b>Workplace Services (Property and Facilities)</b> <b>Tier 1</b> includes catering, landlords, leased properties, post and mailroom, secure destruction, and archiving. <b>Tier 2</b> includes building facilities management. <b>Tier 3</b> includes cleaning, maintenance providers and security.
Finance	<b>Tier 1</b> includes professional service providers.
Human Resources	<b>Tier 1</b> includes employee assistance programs, professional service providers, and recruitment agencies.
Internal Audit	<b>Tier 1</b> includes consulting professionals.
Personal Injury	<b>Tier 1</b> includes consulting professionals, legal services, and temporary accommodation.
Risk and Compliance	<b>Tier 1</b> includes consulting professionals.
Technical	<b>Tier 1</b> includes professional service providers, printing and warehouse services.

Insurance Products and Services	
 Business Operation	 Description of supply chain
Business partners / unowned agencies	<b>Tier 1</b> includes brokers, financial institution partners, and unowned agencies.
Claims (Provider Management)	<b>Tier 1</b> includes property loss adjustors, building services, legal services, glass, automotive, property services, car hire, temporary accommodation, electrical (brown and white goods), floor coverings, motor assessment services, property salvage, and jewellery suppliers.  <b>Tier 2</b> includes sub-contracted suppliers (e.g. speciality services such as structural engineer, forensic accountant, hydrologist) and parts sourced by suppliers (i.e. loss adjustor may sub contract to an engineer).  Outsourced Services: Selected operations (Allianz SE) admin functions (pay invoices, increase estimates on claims etc.).

Investments	
 Business Operation	 Description of supply chain
Custodian	Outsourced Services: NAB Asset Servicing via National Nominees Limited.
Owned financial management company	Outsourced Services: PIMCO (owned by Allianz SE) and Allianz Investment Management (owned by Allianz SE).
Third party fund managers	<b>Tier 1</b> includes investment in bonds, securities, corporates, cash, alt debt, infrastructure and real estate.

# Our outsourcing arrangements

Allianz Australia has several material outsourced providers across a range of business services. Allianz Australia has identified two outsourcing arrangements with service providers who operate in inherently high-risk geographies, Allianz Technology and Allianz Services.

Allianz Technology specialise in IT services including optimising applications and services. Allianz Services specialise in core insurance operations, including supporting Allianz Australia's customer service, claims fulfilment, finance, risk and compliance and underwriting services.

## Allianz Technology

Allianz Australia outsources some IT and related services to Allianz Technology. In 2022, this included e-learning services, development, and testing services to support our Australian business operations.

## Allianz Services

Allianz Australia started business process offshoring with Allianz Services (a subsidiary of Allianz Technology) in Trivandrum, India in 2015. Allianz Australia entered this arrangement to address local recruitment challenges, gain efficiency, leverage group scale and skill, and allow Allianz Australia to continue to service customers outside of regular Australian business hours. As at 31 December 2022, there were 502 Allianz Services employees supporting Allianz Australia operations.

Offshoring to Allianz Services follows a standard framework built to comply with legal and regulatory requirements, including

to address modern slavery risks. To ensure high standards are maintained in relation to modern slavery, there are weekly meetings with senior management and monthly performance discussions. Any modern slavery risk would be escalated through to the Modern Slavery Specialist, and as appropriate, to the Allianz Australia Outsourcing Committee for further consideration.

Strong contractual obligations are in place between Allianz Australia and Allianz Services in Trivandrum, including requirements to:

- not participate in modern slavery;
- ensure there is no modern slavery in any part of its business and supply chain;
- undertake due diligence for modern slavery risks in its suppliers' and subcontractors' activities;
- establish systems and processes to ensure risks or occurrences of modern slavery are identified, assessed, and addressed; and
- implement a system of training for its employees in relation to the identification, assessment and addressing of modern slavery.

Relevant contract agreements are also reviewed annually, including details on rate cards and allowances to ensure compliance with labour law practices.

In 2022, further due diligence was undertaken. This exercise involved investigations into current operations and confirmed that Allianz Services meets local legislation, and Allianz Group Standards on human rights, modern slavery and employment standards.

# Identifying our modern slavery risks

## Our approach to identifying risk

At Allianz Australia, we understand modern slavery is an umbrella term for human rights violations where individuals are exploited for personal or commercial gain. Under Australian laws, these crimes include human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruitment and the worst forms of child labour. We understand exploitation occurs along a spectrum of abuse from labour rights violations, which may exacerbate existing vulnerabilities, through to the explicit violation of an individual's human rights.

In 2022, our approach to risk mapping remained consistent with past reporting periods. Firstly, we consider how the risk might present thematically across our core business activities. Secondly, we consider the United Nations Guiding Principles on Business and Human Right's continuum of 'involvement' framework. This framework classifies where organisations may cause, contribute or be directly linked to adverse human rights impacts through their operations and supply chain.

Applying this methodology, we recognise that there are risks of involvement in modern slavery across our operations and supply chain, including through our various roles:

 **As an insurer**, of individuals and businesses predominantly located in Australia. We acknowledge there may be a risk that we contribute to or be directly linked to modern slavery through our underwriting activities. We understand this risk may be present where we provide insurance services to customers who offer products or services, operate in sectors or geographies which are considered inherently high-risk for modern slavery. Our underwriting practices are subject to strict underwriting guidelines

which include processes to identify and assess ESG risks for manually underwritten policies, outlined on page 12.

 **As an investor.** We acknowledge there is a risk we may contribute to or be directly linked to modern slavery if our investments facilitate these offences. We understand our risk is compounded through exposures in inherently high-risk geographies and sectors. Our investment portfolio is subject to robust governance protections, outlined on page 13.

 **As a corporate citizen.** We acknowledge there is a risk that we could be directly linked to modern slavery if the organisations we support through our charity and donations facilitate these offences. Our corporate giving practices are governed by the internal Allianz Charitable Contributions Procedure, outlined on page 16.

 **As an employer.** We acknowledge there may be a risk that we are directly linked to modern slavery in our engagement of both employees and external contractors. We understand our risk is compounded by low skilled external contractor arrangements. We have assessed the risk as low for our employees located in Australia and New Zealand, and whose labour rights are protected under the Allianz Australia Group Business Partnership Enterprise Agreement. However, we recognise that modern slavery is still a risk due to existing vulnerabilities of some employees and external contractors. Additional risk is also present where Allianz Australia has limited visibility over labour provided through labour hire arrangements, outlined on page 13.

 **As a buyer.** We acknowledge there is a risk we are directly linked to modern slavery if our external partners engage in these offences. We understand that our risk

may exacerbate in situations of 'off contract' spend, spend with non-preferred suppliers selected by customers for claims fulfilment and with suppliers that engage in subcontracting or where visibility over the extended supply chain is not practicable. Our procurement practices are governed by multiple policies, including the Procurement Policy, Outsourcing Policy and the Procedure for Procurement, outlined on page 18.

All purchasing activities are categorised according to the Procurement Policy or the Outsourcing Policy, including consideration of modern slavery risk and governance. We recognise modern slavery risks in our supply chain may be higher when sourcing goods and services, from sectors and/or from geographies that are inherently high-risk for modern slavery. Additional detail on how we assess risk in our supply chain is described in the following section.

### Allianz Australia Core Business Activities

#### As a financial institution



**As an insurer**



**As an investor**



**As an employer**



**As a buyer**



**As a corporate citizen**

### Risks of involvement in modern slavery

#### The United Nations Guiding Principles on Business and Human Right's continuum of 'involvement' framework provides guidance that:



An organisation may **cause** modern slavery if its own activities result in a modern slavery impact.



An organisation may **contribute** to modern slavery if its activities significantly contribute to modern slavery caused by another party, including acts or omissions that may facilitate or incentivise modern slavery.



An organisation may be **directly linked** to modern slavery if the impact is directly linked to its operations, products or services by its business relationships.

## Our approach to identifying risk in our supply chain

Firstly, we generate an internal list of inherently high-risk categories by leveraging insights from the Global Modern Slavery Index (the Index). This was finalised in March 2022 then reviewed and confirmed following the release of the revised 2022 Global Modern Slavery Estimates (the Estimates) in September 2022. We also leveraged insights from audit results, industry commentary, regulatory trends, supplier due diligence assessments, and media and civil society reports.

We then overlay the list of inherently high-risk categories over our supplier governance framework outlined in the Procurement Policy as follows:

- **High and medium risk** purchasing activities may present a higher risk to Allianz Australia due to the nature of services and the engagement. This includes goods and services from inherently high-risk categories for modern slavery and/or other risks. For the sourcing of any supplier with an inherently medium to high risk, the Business Owner must engage the Modern Slavery Specialist and complete the Modern Slavery Questionnaire (the Questionnaire), before onboarding of the supplier commences. For additional details on the governance of our suppliers in relation to modern slavery risk, please refer to page 20.
- **Low risk** purchasing activities present a lower risk to Allianz Australia due to the value of the services, the nature of the services or the absence of any triggers that increase modern slavery risk. Where low risk, Business Owners may source from the supplier directly in line with the Procurement Policy and the Procurement Procedure.

In 2022, the inherently high-risk categories remained consistent with past reporting periods. To further our understanding of our modern slavery risk, we maintained oversight of suppliers providing goods and services in these high-risk categories and conducted additional due diligence activities for catering services and cleaning services. These categories were prioritised due to a significant increase in purchasing activities on the previous year and in consideration of their use of seasonal and temporary labour which may be at higher risk for exploitation. Our inherently high-risk categories and descriptions of their risks are outlined in the table on the right.

Corporate Procurement	
Procurement Category	Risk Description
Catering Services	<p><b>Sector   Directly Linked</b></p> <p>We recognise modern slavery risks may be present in suppliers who engage vulnerable workers or fail to meet employment standards or labour legislation. Additionally, we recognise that extended supply chain risk is present in products sourced from inherently high-risk geographies, including products like tea, coffee and chocolate.</p> <p>In 2022, several catering sourcing exercises occurred to service the needs of events in offices across Australia. Where this occurred, the Modern Slavery Specialist was engaged to conduct additional due diligence to identify and assess modern slavery risks that may present in these circumstances.</p>
Cleaning Services	<p><b>Sector   Directly Linked</b></p> <p>We recognise that modern slavery risks may be present in suppliers who engage vulnerable workers or fail to meet employment standards or labour legislation.</p> <p>In 2022, we maintained direct relationships with cleaning service providers for our Australian national office sites. Our due diligence activities identified that suppliers have indicated that modern slavery risks may manifest in their supply chain for the provision of cleaning chemicals, equipment, uniforms, cleaning, hygiene and waste removal.</p>
Hotel Services	<p><b>Sector   Directly Linked</b></p> <p>We recognise that modern slavery risks may be present in suppliers as hotel accommodation can be used to facilitate human rights abuses including human trafficking, sex trafficking and other forms of exploitation.</p> <p>In 2022, our risk mapping exercise did not identify new modern slavery risks and no additional due diligence was conducted against our existing direct relationships with hotel service providers. This supplier category was not considered a priority as neither domestic or international travel by employees returned to pre COVID-19 levels. As Allianz Australia has maintained direct relationships, we rely on our modern slavery clauses as a contractual lever to manage modern slavery risk in relation to this supplier category.</p>
Stationery	<p><b>Sector   Directly Linked</b></p> <p>Allianz Australia maintains a relationship with a corporate stationery supplier. Although our Credit Card Policy does not permit employees to directly purchase stationery, we recognise there is increased risk given working from home arrangements that employees may purchase stationery on their corporate purchasing card, meaning that Allianz Australia has limited visibility over the practices of the stationery supplier.</p>
Security Services	<p><b>Sector   Directly Linked</b></p> <p>We recognise modern slavery risks may be present in these suppliers who engage vulnerable workers or fail to meet employment standards or labour legislation.</p>

## Claims Procurement

Procurement Category	Risk Description	
Building Services	<p><b>Geographic, Goods and Services, Sector   Directly Linked</b></p> <p>These suppliers service our home, building and contents insurance products.</p> <p>Allianz Australia recognises that construction services is one of five key sectors accountable for 87% of adult forced labour according to the International Labour Organisation (ILO). Further to this, we understand that modern slavery risks may present in suppliers where labour rights are not protected,</p>	<p>subcontracting practices occur or the materials and equipment are manufactured offshore in inherently high-risk geographies.</p> <p>In 2022, Allianz Australia received a high volume of claims and experienced supply chain challenges arising from catastrophic events. Therefore in 2023, we will complete modern slavery due diligence as part of a tender exercise for building service suppliers.</p>
Electrical	<p><b>Geographic, Goods and Services, Sector  Directly Linked</b></p> <p>These suppliers service our home, building and contents insurance products.</p> <p>Allianz Australia recognises that manufacturing services is one of five key sectors accountable for 87% of adult forced labour according to the ILO. Additionally, the Asia Pacific region accounts for 15.1 million (&gt;50%) of modern slavery victims.</p>	<p>In 2022, our due diligence activities identified several panel suppliers who source manufactured goods from the Asia Pacific region, including Vietnam and China.</p>
Floor Coverings	<p><b>Geographic and Sector  Directly Linked</b></p> <p>These suppliers service our home, building and contents insurance products.</p> <p>Allianz Australia recognises that manufacturing services is one of five key sectors accountable for 87% of adult forced labour according to the ILO. Additionally, the Asia Pacific region accounts for 15.1 million (&gt;50%) of modern slavery victims.</p> <p>In 2022, our due diligence activities identified that most panel suppliers source products predominately manufactured and</p>	<p>wholesaled locally in Australia, however the raw materials used in manufacturing are mostly imported, including from inherently high-risk geographies such as China, India and Malaysia. A supplier has indicated modern slavery risks may manifest where they do not have visibility over the goods and services their direct suppliers source from overseas locations.</p>
Jewellery	<p><b>Geographic and Sector  Directly Linked</b></p> <p>These suppliers service our home, building and contents insurance products.</p> <p>We recognise modern slavery risks may be present with suppliers who source raw minerals including 'conflict minerals' without meeting legislative requirements and international standards.</p> <p>In 2022, our due diligence activities identified several panel suppliers who have indicated they source products, including</p>	<p>loose diamonds, from inherently high-risk geographies such as China, India and Israel. Suppliers have indicated modern slavery risks may manifest where the traceability of diamonds is unclear and in offshore manufacturing locations with low visibility of labour practices. As a result of all the due diligence conducted, jewellery has been classified as low risk.</p>
Motor Repair Services	<p><b>Sector  Directly Linked</b></p> <p>These suppliers service our motor vehicle and compulsory third party insurance products.</p> <p>We recognise modern slavery risks may present in suppliers who source products in high-risk geographies including products like glass, aluminium and timber.</p>	<p>catastrophic events. Therefore in 2023, a 'Sustainability Survey' will be sent to selected motor repairers which includes an indicative question on a repairer's internal modern slavery risk management practices. Further to this, additional due diligence will be conducted as part of a broader exercise on the 255 suppliers and original equipment manufacturers considered to be part of our supply chain.</p>

It is important to recognise at Allianz Australia, as part of our value proposition, customers have the flexibility to choose their own repairer as outlined in the relevant product disclosure statement, particularly for home and contents and motor products. Consequently, we may have limited visibility and influence over the suppliers of goods and services which are obtained for claims fulfilment. This reduced visibility over parts of our supply chain is an inherent limitation of the insurance business model. Where possible, Allianz Australia has established preferred supplier relationships, which enables us to have visibility over employment practices, set expectations and monitor compliance with our standards including around modern slavery.

# Actions to address our modern slavery risks

In 2022 we identified an opportunity to embed modern slavery initiatives into the new 2023-2025 sustainability strategy which was in development (Sustainability Strategy). The opportunity will allow Allianz Australia to have an enterprise-wide approach to identifying, assessing and addressing modern slavery risk, that will elevate certain initiatives for implementation under an overall governance framework across the organisation. The benefits of this action include increased frequency of board and senior management team (SMT) oversight, integration into divisional work plans and risk management systems and increased monitoring practices. Additional information can be found on pages 17-21.

As such, we have reprioritised tactical initiatives identified in 'Our Future Focus' section of our 2021 Modern Slavery Statement (2021 Statement), including investigating risks in the inherently high-risk categories across Tier 2 and Tier 3 suppliers and to develop a product and service risk methodology. Embedding modern slavery initiatives in the Sustainability Strategy is a more strategic opportunity to integrate modern slavery into our business strategy and enhance the maturity of our approach.

The following pages describe our actions to address our modern slavery risks across our core business activities.



## As an insurer

### Considering our customers

In our 2021 Statement, we highlighted that one of our key activities for 2022 was to investigate the opportunity to uplift the 'Care Framework', specifically the typologies/risk indicators of customers vulnerable to exploitation in training and process materials. While caring for our customers experiencing vulnerability is a key focus, the risk of modern slavery is greater with our suppliers than our customers. To this end, we identified a more strategic opportunity to better inform our senior leadership on how to identify modern slavery risk within their area of remit. We created a scenario test using the upcoming financial accountability regime as a framework to help the executive team understand their accountabilities of how modern slavery risk is relevant to Allianz Australia's business activities. Additional details can be found on page 14.

### Considering ESG risk in our underwriting activities

In 2022, we maintained our Allianz Australia register of 12 'sensitive business areas' where both our Underwriting and Investments teams are required to conduct additional due diligence targeting ESG risk, including modern slavery. As a result, both teams have access to an overall ESG risk assessment methodology to inform decision making when insuring commercial businesses and investing in non-listed asset classes. Additionally, we maintained a mandatory referral list for sensitive countries where systematic human rights violations occur.

In our 2021 Statement, we highlighted that one of our key activities for 2022 was to develop a product and service risk methodology to identify key initiatives for our continuous improvement approach and prioritise those initiatives. This activity was reprioritised and will be considered for action in the 2023 reporting period.

## As an investor

### Considering ESG risk in our investment activities

Our existing onshore investments are primarily in bonds and established funds with Australian fund managers who report on modern slavery risks whereas our overseas investments are in funds set up and managed by related entities in the broader Allianz Group e.g. PIMCO.

In 2022, we commenced a review of our ESG Investment Policy, seeking to align with Allianz Group ESG Functional Rules for Investment and local requirements including modern slavery, following the revision of our Modern Slavery Policy. Currently, in advance of carrying out a new investment, we undertake due diligence to identify any potential human rights risks, including modern slavery risk, associated with the proposed transaction(s), including in countries appearing on our internal sanctions list. Due diligence is conducted in accordance with our Investment Guidelines which embed identification and consideration of risks of potential human rights violations.

Further action will be taken in 2023, please refer to page 24.

## As an employer

### Our Sustainability Strategy

Our ambition is to integrate sustainability into everything that happens at Allianz and to meet this, Allianz Australia launched its Sustainability Strategy in 2022.

To enhance the recognition of modern slavery risks, we have integrated modern slavery into our Sustainability Strategy. Notably, by integrating measures to identify, assess and address modern slavery risk across divisional workplans, and by strengthening the governance structure and stakeholder accountability. Consequently, our employee's ability to identify modern slavery risk and take proactive measures to mitigate and manage these risks is supported by these new frameworks.

Our Sustainability Strategy was developed through a materiality assessment and prioritisation exercise. The local materiality assessment sought to identify the issues that are most important to our stakeholders and was informed by a customer survey, an employee survey, internal senior leader interviews, employee workshops, external interviews with NGOs, and a comparison of peers that was conducted. At completion of the assessment, modern slavery was determined to be a significantly important and impactful issue for the organisation.

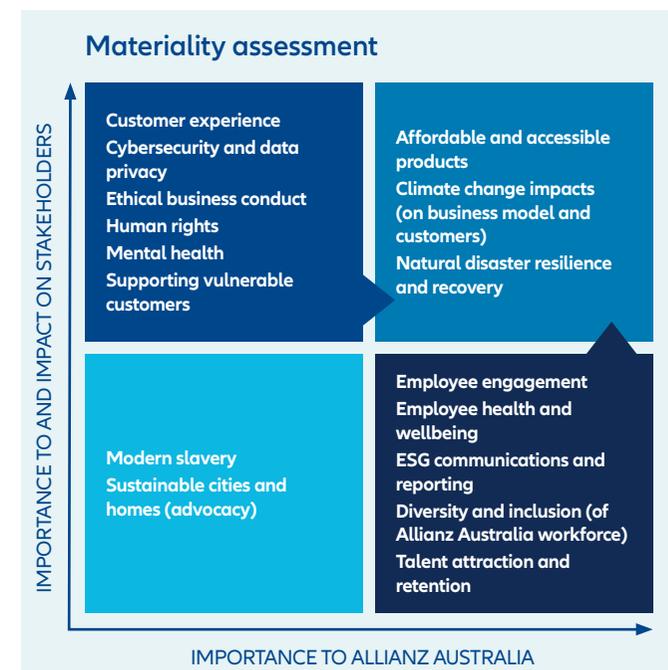
Following the materiality assessment, a prioritisation exercise was held with senior leaders across the business against a matrix with five criteria which considered, amongst other items, the impact on our employee and customer value proposition, the space to differentiate in the market and the alignment to Allianz Group.

Further action will be taken in 2023, please refer to page 24.

### Our Modern Slavery Model

In 2022, we introduced our modern slavery model (our Model) to support employees to address the modern slavery risks across our operations and supply chain. The key components of our Model are:

- **Prevent:** We take preventative measures to ensure we do not cause, contribute or be directly linked to modern slavery offences by forming and maintaining relationships with external partners who share our values through robust due diligence practices.
- **Identify:** We investigate and identify areas of modern slavery risk by building the capability of our people to identify risk indicators that may be present in our business operations or supply chains.
- **Mitigate:** We take mitigating action to ensure we do not cause, contribute or be directly linked to modern slavery offences by upholding labour rights in our employment practices, maintaining robust procurement policies and procedures, and by maintaining legal levers in our contracts.
- **Manage:** We ensure oversight and management of modern slavery risks by ensuring internal reporting channels are maintained and ongoing alignment to the United Nations Guiding Principles on Human Rights.



In our 2021 Statement, we identified that a key activity for 2022 was to review the Employee Assistance Program (EAP) governance. It was identified that a supplier of our EAP program's parent company was a reporting entity under the Act. However, a review of the supplier's most recent Modern Slavery Statement determined that no further action was required.

## Our revised Modern Slavery Policy

In 2022, our Modern Slavery Policy was updated to reflect our Model. Notably, the revisions strengthened expectations on employees to address modern slavery risk by:

- Affirming our commitment to protect and advance human rights;
- Outlining our principles to comply with the Act;
- Explaining the components of our Model as outlined on page 13; and
- Clarifying employee responsibilities to identify and address modern slavery.

The revised Modern Slavery Policy was launched on 10 December 2022, International Human Rights Day, supported by a campaign and resources, outlined on page 15.

Further action will be taken in 2023, please refer to page 24.

## Our improved risk management approach

In 2022, we improved our risk management approach by commencing a migration of our compliance obligations from an inhouse solution to a more comprehensive risk and compliance program of obligations sourced from LexisNexis Regulatory Compliance (LexisNexis). The obligations inform our Operational Compliance Plans (OCPs) and therefore help prevent modern slavery risks by supporting the identification and assessment of these risks in our operations and supply chain.

The transition to LexisNexis expanded our modern slavery compliance obligations to be more holistic, from two to ten obligations in the modern slavery space, covering topics including recruitment and employment practices, risk assessments in workplace operations, procurement and supply chains and reporting. These obligations enable a more comprehensive approach to the risk management of modern slavery and local labour practices.

The obligations were rolled out across the business to form a revised compliance program, including a self-assessment conducted by Line 1 Risk and Compliance teams. Informed by the outcome of this assessment, Line 1 Risk and Compliance staff were required to liaise with the individual business risk owners to ensure effective controls were implemented to address the obligations.

Further action will be taken in 2023, please refer to page 24.

## Our partnership with recruitment agencies

Allianz Australia partners with recruitment agencies from time to time, where they deliver permanent and contract recruitment services. We commenced a comprehensive review of the recruitment agency strategy in late 2019. The process took approximately 18 months from review, tender and implementation with a panel set up in April 2021. There are 26 recruitment agencies on our general panel and 4 on our diversity and inclusion panel.

Under our current recruitment agency strategy, those permanent employees recruited from agencies fall under our enterprise bargaining arrangement and several cohorts of external contractors, who Allianz Australia engages via agencies, may likely be classified under the Banking, Finance and Insurance modern award by their respective employing recruitment agencies. The panellists are subject to a standardised agreement which places the obligation on the supplier to ensure all compliance requirements, as it relates to employment and labour rights, are upheld, including an appropriate set of modern slavery clauses.

In 2022, all panel suppliers were renewed through an extension by notification process. On or around July of each year, Allianz Australia considers the Fair Work Commission's Annual Wage Review and National Minimum Wage Order (Wage Order) to trigger engagement with our recruitment agencies, to ensure they are paying their workers in line with the Wage Order. In such instances where Allianz Australia reviews the minimum wages, and where such a review results in an increase, our Human Resources team would reach out to the recruitment agencies on our panel and instruct them to validate and confirm that increases have been applied to all impacted contractors accordingly in line with the Wage Order. This exercise was conducted in 2021 and again in

2022, in which all panellists provided adequate validation that any required increases had been adopted accordingly.

## Capability building in senior management

In 2022, we held two capability building sessions with our SMT, including our Managing Director and our Executives, for the SMT to affirm their roles and responsibilities to advance human rights.

In August 2022, we conducted a scenario test to facilitate discussion with the SMT on our organisational obligations and reasonable steps to identify, mitigate and manage modern slavery risks. The scenario was designed in consideration of the upcoming Financial Accountability Regime (FAR) legislation. It was based on recent case studies external to Allianz Australia, where a company was found to "knowingly profit" from employee exploitation and fabricated events around the recent natural disasters in Australia.

The session included an introductory component on modern slavery from the Modern Slavery Specialist and outlined the key governance, operational and risk frameworks within our organisation. Following a walkthrough of the scenario and supporting documentation, a robust discussion was had with our Managing Director and Executives. The discussion considered how to address the complexity of managing the claims fulfilment process and potential supply chain risks.

In December 2022, following the launch of the revised Modern Slavery Policy, the policy owner, our General Counsel and Chief General Manager Corporate Governance, cascaded a briefing note to our Executives. Our Executives were required to share the briefing information with staff, direct employees to the internal Modern Slavery Resource Centre and share the Modern Slavery Policy with their leaders and teams.

Further action will be taken in 2023, please refer to pages 22 and 24.

## Capability building in our employees

Allianz Australia continues to prioritise the capability of our employees in sustainability issues including modern slavery. This has been supported by several general awareness campaigns, training materials and resources.

In 2022, we updated our Modern Slavery Training Module (our Module) to reflect the Estimates, which is available for all employees and forms part of mandatory compliance training for targeted compliance and risk, supplier-facing and customer-facing roles. The content of our Module includes:

- Introduction to modern slavery;
- Identified risks across our operations and supply chains;
- Risk indicators and red flags in the financial services industry; and
- How to raise a suspicion of modern slavery offences occurring.

In August 2022, the role applicability for our Module was reviewed by the Modern Slavery Specialist and the Learning & Development team to ensure all identified employees were assigned our Module as part of their compliance requirements. In 2022, a total of 1649 employees completed our Module, representing a 98.85% compliance rate.

Throughout 2022, the Modern Slavery Specialist presented at nine events across the business, with a total number of approximately 360 attendees, to introduce our Model and how modern slavery interfaces with the insurance sector. In October 2022, following the Estimates, the Modern Slavery Specialist updated the internal Modern Slavery Resource Centre. This update included over 10 intranet pages which introduce modern slavery, our Model, how to report suspicions of modern slavery, a copy of the Modern Slavery Policy and our most recent Modern Slavery Statement.

On 10 December 2022, International Human Rights Day, we launched our revised Modern Slavery Policy which introduced our Model, as outlined on page 13. To support our employees, a video briefing was recorded and distributed by the policy owner, our General Counsel and Chief General Manager Corporate Governance, that emphasised the role of all employees to address modern slavery risks in their business activities.

Further action will be taken in 2023, please refer to page 24.

## As a buyer

From catastrophic floods to damaging bushfires, 2022 was characterised by extreme weather events and natural disasters. At Allianz Australia, we are committed to our purpose, to secure the future of our customers, and throughout the challenging events of 2022, we continued to prioritise the health, safety and wellbeing of our customers and people.

### Mitigating risk at the Allianz Stadium

In March 2022, Allianz Australia announced that Sydney's new stadium at Moore Park will be known as Allianz Stadium, having claimed inaugural naming rights at the new multi-use venue. Aligned with our ambition to integrate sustainability into everything that happens at Allianz, we sought to maintain our standards for stadium sustainability.

To help mitigate modern slavery risk, our Modern Slavery Specialist reviewed inspection reports from the factories that manufactured branded merchandise for Allianz Stadium. These reports were reviewed in advance of supplier onboarding and allowed the Modern Slavery Specialist to form a deeper understanding of ESG risks that may present with these suppliers and to select suppliers who share our values.

### Building trusted partnerships with our suppliers

In 2022, we revised our Procurement Policy and Procedure which set out the expectations on suppliers identified as having an inherently high modern slavery risk. These suppliers are subject to additional due diligence through the Questionnaire. The completed Questionnaire must be referred to the Modern Slavery Specialist for review and the Business Owner must act on the guidance provided.

In 2022, a total of 29 suppliers were assessed by the Modern Slavery Specialist. The discussions addressed topics including how Tier 2 and 3 suppliers were engaged, labour practices and risk management practices. Where suppliers demonstrated a low maturity for modern slavery risk management, a supplier relationship meeting was coordinated with the Business Owner, a Procurement representative, and the Modern Slavery Specialist. The Modern Slavery Specialist met with five suppliers who provide building, catering and consulting

services. Each meeting sought to collect additional clarifying information and, in many cases, included direction to improve the suppliers' understanding of its specific modern slavery risks. Recommendations included but were not limited to:

1. Directing our supplier to publicly available resources and training modules to familiarise themselves with the modern slavery risks present in their industries;
2. Sharing the details of our third-party managed whistleblowing services for our suppliers' employees to use as required; and
3. Reinforcing our expectations of suppliers, so that should the supplier become aware of a modern slavery incident, they must contact their Allianz Australia Relationship Manager and disclose this information.

These discussions identified that some materials were sourced from inherently high-risk geographies. These findings were documented, informed the risk classification of our direct suppliers, and resulted in specific guidance to satisfy our expectations on modern slavery risk management.

In 2022, Allianz Australia sought to undertake a spot audit of our contracted external partners to ensure suppliers were meeting our expectations on advancing human rights. Following consultation with Procurement and Risk & Compliance divisions, it was determined that an audit of 5% of our contracted suppliers was appropriate for a spot check. With 384 contracts as at July 2022, a total of 20 suppliers were audited, representing a cross-section of goods and services and contract tenure. Suppliers were required to confirm compliance with the Vendor Code of Conduct (Vendor Code), which includes expectations to uphold human rights and modern slavery obligations, by providing a comprehensive description and supporting evidence against each of the expectations outlined in our Vendor Code.

In our 2021 Statement, we identified the need to deepen our knowledge of our extended supply chain. We highlighted our ambition to work with our direct suppliers to discern the source country of our purchases, that is our Tier 2 and 3 suppliers. In 2022, we commenced discussions with jewellery and catering suppliers. This activity was reprioritised for the reasons outlined above. In 2023, we will continue to explore modern slavery risk in our Tier 2 and 3 suppliers as part of an ongoing continuous improvement approach. For additional information refer to pages 21.

## As a corporate citizen

### Building trusted relationships with our charity partners

Allianz Australia maintains a Community Program to enable employees to contribute to the communities we serve. This includes a Workplace Giving Program that allows employees to set a regular donation to our charity partners through their pre-tax salary. When Allianz Australia donates to or partners with charitable organisations, recipients must meet our human rights standards. The internal Allianz Australia Charitable Contributions Procedure provides that corporate giving can only be made to organisations that meet the principles set out in the Allianz Group Code of Conduct. In 2022, 5.6% of Allianz Australia's total permanent employees donated through the Workplace Giving Program, which is consistent with the national corporate workplace giving average of 6%.

In our 2021 Statement, we committed to conducting additional due diligence on our workplace giving partners. An adverse media review was conducted in July 2022 on the 10 grandfathered workplace giving partners, and our three current charity partners, to identify any current or historical allegations of labour rights violations or human rights abuses. This involved a key word search and board member check. As a result, three of our charity partners were flagged for further investigation, of those, one workplace giving partner required a relationship management meeting. In the meeting, our charity partner shared details of an incident with a third-party fundraising platform provider. As a result, multiple uplift activities were undertaken including recruiting an inhouse legal staff member and the drafting of an Anti-Slavery Policy by the charity partner. The Modern Slavery Specialist was satisfied with the disclosures and the actions taken to strengthen their internal practices, so it was decided Allianz Australia would continue to work with the charity at the time.

# Our modern slavery governance

At Allianz Australia, our ambition is to integrate sustainability into everything that happens at Allianz. Following the introduction of our Sustainability Strategy, modern slavery is governed through a range of mechanisms to ensure meaningful action and compliance with the Act. The key functions of the policies, procedures and governance forums are outlined below:

# Our policies and procedures

Allianz Australia has several policies and procedures that set expectations or provide guidance on our modern slavery approach which are subject to regular and ongoing review. This year, we have strengthened several of our practices to address modern slavery risks more effectively. The key documentation includes:

Policy	Audience	Purpose	How it supports our Model	How it was implemented or updated for our Model in 2022	Next review
Employee Code of Conduct (the Code)	All employees	Outlines the expectations of employees to uphold Allianz Australia's commitment to respect human rights through their business activities.	The Code outlines the expectation for all employees to abide by the listed international standards on human rights (including modern slavery aspects). It also includes a copy of our most recent 2021 Modern Slavery Statement.	All employees are required to complete the mandatory training on the Code as part of employee onboarding and every 12 months since.	2023
Modern Slavery Policy	All employees	<ul style="list-style-type: none"> <li>Affirm our commitment to advancing human rights across our operations and supply chains.</li> <li>Confirm our obligations under the Act.</li> <li>Outline the objectives and structure of our Model.</li> <li>Set the principles to support all employees, officers and contractors to fulfil their responsibilities and make decisions that align with our Model.</li> </ul>	This Policy outlines our Model to support employees prevent, identify, mitigate, and manage modern slavery risk in our business activities.	<p>This Policy was updated in 2022 to introduce our Model.</p> <p>An enterprise-wide awareness raising campaign was hosted on International Human Rights Day, including a video message and an intranet article.</p> <p>Additional details can be found on page 15.</p>	2024
ESG Risk Policy	The Policy requirements are applicable to the Underwriting, Investments and Procurement areas for all staff in Allianz Australia	<ul style="list-style-type: none"> <li>Act as an umbrella policy that sets out the overarching principles and standards for ESG, and includes a monitoring plan to identify and manage ESG risks.</li> <li>Provide a guide to SMT on their responsibilities in regards to implementing ESG in their business divisions and to managing ESG risks.</li> <li>Ensure staff managing ESG risks understand key requirements for identification, referral, decision making and reporting.</li> </ul>	<p>This Policy outlines the requirements for ESG risk management in Procurement, including:</p> <ul style="list-style-type: none"> <li>Identifying modern slavery risk in the supply chain through the Questionnaire, Vendor Integrity Screening and Supplier Profile Questionnaire.</li> <li>Assessing and addressing modern slavery risks by maintaining a formal Modern Slavery Risk Register which will support reporting to the Allianz Australia Risk Committee.</li> </ul>	<p>This Policy did not go through material changes in 2022.</p> <p>In 2023, revision of the Policy is planned which will strengthen our management of modern slavery risks.</p> <p>Additional details can be found on page 24.</p>	2023

Policy	Audience	Purpose	How it supports our Model	How it was implemented or updated for our Model in 2022	Next review
Procurement Policy	All employees	Provides requirements for assessing vendors, specifically, the due diligence practices referring Business Owners to the Modern Slavery Specialist who will assess modern slavery risk during the onboarding process for new suppliers.	This Policy refers to the Modern Slavery Policy and ESG Risk Policy to ensure an enterprise-wide approach to identifying, addressing, and mitigating modern slavery risks.	<ul style="list-style-type: none"> <li>This Policy was made available to all officers, employees and contractors of Allianz Australia and circulated to key stakeholders by our Chief Customer and Operating Officer.</li> <li>In 2022, the Head of Procurement conducted Procurement Policy training classes with key stakeholders to raise awareness of the revised policy and additional procedures required for vendor onboarding.</li> </ul>	2024
Outsourcing Policy	All staff and businesses within Allianz Australia	<ul style="list-style-type: none"> <li>Outline the objectives and structure of Allianz Australia's approach to outsourcing business activities to both intra-group entities and external providers.</li> <li>Support managers to make outsourcing decisions that align with Allianz Australia's strategic priorities and corporate values.</li> </ul>	This Policy was updated in 2022 to ensure Allianz Australia's outsourcing activities including modern slavery risk are conducted in alignment with Allianz Australia's new Sustainability Strategy.	This Policy was made available to all officers, employees and contractors of Allianz Australia and circulated to key stakeholders by our Chief Customer and Operating Officer.	2024
Procurement Procedure	All staff of Allianz Australia and its subsidiaries, and all directors and employees	Sets out the procurement procedures to ensure supplier and contractual arrangements for goods and services are managed in a professional manner and in alignment with the requirements defined in the Allianz Australia Procurement Policy.	The Procurement Procedure outlines the Business Owners' obligations during the onboarding process, including identifying modern slavery risk through the Supplier Profile Questionnaire and the Questionnaire.	<ul style="list-style-type: none"> <li>This Procedure was introduced to guide the business through the processes of selecting, engaging, managing and terminating a supplier.</li> <li>To support the implementation of this procedure, the Head of Procurement conducted two capability sessions. Firstly, an Information Session in September 2022 highlighted the key changes to this procedure and included information on addressing modern slavery risk. Secondly, a supplier risk training class for Business Owners and other stakeholders across the business in November 2022 discussed modern slavery as both a regulatory and sustainability risk and included a case study on the impacts of failing to meet our modern slavery obligations.</li> </ul>	2025
Whistleblower Protection Policy	All employees and other key stakeholders	Ensures employees and key stakeholders know who to contact, how to make a report, how the investigation will be managed and the protections available for reports relating to alleged instances of modern slavery.	This Policy outlines the process for reporting any suspected or known instances of modern slavery in our operations or supply chain.	N/A	2024
Charitable Contributions Procedure	All employees	Sets out a framework for charitable contributions that ensures all payments are to bona fide charities, align with our Vendor Code and are only made following required approvals.	This Procedure dictates that, before a donation is made, requestors must conduct due diligence on the charity (including an adverse media check for human rights abuse and modern slavery). They must also confirm how the charity aligns with our Sustainability Strategy.	This Procedure was applied when conducting the adverse media check on our charity and workplace giving partners as one of our actions identified in 2022. Additional details can be found on page 16.	2024

## Our key governance forums

The Allianz Australia boards are responsible for the oversight and approval of our modern slavery statement. Our Statement is reviewed by several key committees, notably the SMT and Sustainability Sub-Committee to ensure leaders and key stakeholders across the business are across the modern slavery risks and our approach to mitigate and manage these risks.

Additionally, the boards maintain oversight of our Sustainability Strategy and our Model. The Sustainability Sub-Committee plays a critical role in the governance of our modern slavery response, including the implementation of our Model and oversight of adherence to our Modern Slavery Policy.

The table below reflects the structures in place during the reporting period.

Forum	Key Responsibilities	Membership
Board of Allianz Australia Limited (Board)	<ul style="list-style-type: none"> <li>• Approve the Modern Slavery Statement.</li> <li>• Regular updates on progress on the Sustainability Strategy.</li> <li>• Receive, consider, and make decisions on any escalated issues.</li> </ul>	Managing Director Board Members
Senior Management Team	<ul style="list-style-type: none"> <li>• Implement the Modern Slavery Policy through management decisions as appropriate.</li> <li>• Oversight of adherence to the Modern Slavery Policy by the business and report / raise issues to the Modern Slavery Specialist and / or Allianz Australia Risk Committee as required.</li> <li>• Maintain oversight and inform our approach to both protect and advance human rights and meet our obligations under the Act.</li> <li>• Regular updates on progress on the Sustainability Strategy.</li> </ul>	Managing Director Executives
Sustainability Sub-Committee	<ul style="list-style-type: none"> <li>• Establish, maintain and track the Sustainability Strategy.</li> <li>• Integrate sustainability practices into the employee value proposition and customer value proposition.</li> <li>• Oversee disclosures on sustainability practices, including compliance with the Modern Slavery Statement.</li> </ul>	Managing Director Executives  General Counsel and Chief General Manager/ Corporate Governance and Legal  Selected General Managers

# Our modern slavery due diligence and risk management

Allianz Australia maintains a Risk Management Strategy including a Risk Management Framework and a Risk Appetite Statement (RAS). Our RAS considers ESG risk including modern slavery risk and states that Allianz Australia has zero tolerance for non-compliance with the Act. This RAS is supported by metrics, including a modern slavery metric, which are reported to the Board on a quarterly basis.

In addition, the Governance & Sustainability team maintain the Questionnaire. This Questionnaire is issued to suppliers which supply goods and services or operate in a geography that is inherently high-risk for modern slavery, as per the Index. The Questionnaire interrogates modern slavery risk factors specific to the purchase and requires suppliers to provide comprehensive information on how they mitigate and manage inherent modern slavery risk.

# Raising concerns of modern slavery

We recognise that effective remediation and grievance processes are critical to a robust human rights due diligence program.

Allianz Australia's Whistleblowing Policy and Allianz Australia Modern Slavery Policy outline, in the first instance, that any suspicious or known modern slavery offence can be reported using either Allianz Australia's incident reporting procedure or via our anonymous whistle-blower hotline which is managed by an independent third party.

 **Faircall Website:**  
allianz.kpmgfaircall.kpmg.com.au

 **Faircall Phone:** 1800 059 798 (AUS)  
or 0800 000 594 (NZ)

Reports can be raised by current or former employees, current or former directors or officers, auditors, suppliers, contractors or business partners (or their current or former employees) or associates, or relatives or dependants of all of the above categories and are protected under the Allianz Australia Whistleblowing Policy.

Where a report concerning modern slavery requires remediation, the process is aligned with the Allianz Compliance Incident and Breach Management Procedure under our Modern Slavery Policy. In addition to this process, the incident lead must work with the Modern Slavery Specialist throughout the remediation process and the plan needs to include appropriate remedy for the victim on a case-by-case basis.

# Collaborating for impact

Under our Sustainability Strategy, we prioritise 'strategic partnerships' across the industry so we can collaborate for impact and shape the industry in its response to sustainability risks and opportunities. We recognise that collaboration allows us to scale our response and we therefore play an active role in several forums.

In 2022, as a member of the ICA's Modern Slavery Working Group (ICA Working Group), Allianz Australia participated in the industry group's submission on the statutory review of the Act. Allianz Australia acknowledges the critical role of the insurance industry in addressing modern slavery, particularly as businesses respond to a greater frequency of extreme weather events. This has resulted in difficulties including increased pressure to assess and fulfil large volumes of claims in a reasonable timeframe, and increased engagement with small businesses in regional and remote areas where visibility over labour practices is limited.

Forum	Purpose
ASFI Leadership Working Group	Allianz Australia is a founding member of the ASFI. ASFI has been established to realign the Australian financial services system so that more money flows to activities that will create a sustainable, resilient and inclusive Australia. This ASFI does by coordinating, facilitating and driving implementation of the Australian Sustainable Finance Roadmap.
ICA Working Group	Allianz Australia is a founding member of the ICA Working Group. The ICA Working Group is comprised of sustainability practitioners from across the financial services industry which seek to deliver on actions under a dedicated modern slavery strategy. The current priority areas include: <ol style="list-style-type: none"> <li>1. Taking an industry-wide approach to engaging suppliers;</li> <li>2. Engaging in advocacy relevant to gaps in the Act; and</li> <li>3. Prioritising best practice and a beyond-compliance approach.</li> </ol>

# Assessing the effectiveness of our actions

## How we measured our impact in 2022

In our 2021 Statement, we identified five key objectives for the 2022 reporting period against which we would measure the effectiveness of our actions to assess and address modern slavery risks in our operations and supply chain. We have detailed below how we have assessed our performance against these objectives and where available, the results of our assessment.

### Embed modern slavery risk management across our operations business-as-usual practices

In 2022, discussions between the Risk & Compliance team and the Modern Slavery Specialist identified improvement opportunities in Allianz Australia's existing approach to modern slavery. As a result of this engagement, key policies and procedures were uplifted to strengthen the internal practices to prevent, mitigate and manage modern slavery risk in our business operations and supply chains. Further details are outlined on pages 17 and 18.

While we initially intended to leverage the existing OCPs to assess the effectiveness of our key controls to identify and assess our modern slavery risks, we recognised an opportunity to develop a more comprehensive compliance program. As a result, in 2022, Allianz Australia commenced the migration to LexisNexis which

facilitates a more holistic approach to modern slavery risk management.

In 2023, our Risk & Compliance division will coordinate with each business division's Risk & Compliance teams to assess the effectiveness of a range of our supply chain related controls identified in OCPs, which will help mitigate and manage modern slavery risk, for example, by further embedding risk mapping requirements and ensuring contractual levers are included in key contracts.

### Strengthen our understanding of modern slavery risk along the supply chain

In 2022, 29 Questionnaires were reviewed with all corrective actions and guidance from the Modern Slavery Specialist actioned. Throughout the year, Allianz Australia sought feedback from our internal Procurement teams, Business Owners and suppliers on the effectiveness of the Questionnaire in identifying modern slavery risks and describing actions to address those risks managed along the supply chains. As a result of this assessment, the Questionnaire was revised to interrogate modern slavery risks more deeply and allow these insights to better inform our tendering practices and contractual arrangements.

Additionally, the feedback received has highlighted the opportunity to strengthen our RAS to better target modern slavery risk in supply chain management. As a result, we

amended our RAS metric from the number of Questionnaires completed, to an outcome-based measure on the number of corrective actions identified through the Questionnaire completed by the supplier within the agreed time frame.

In our 2021 Statement, we included a new measure of effectiveness - the "percentage of medium risk suppliers which complete Modern Slavery Questionnaires" and aspired to achieve a total of 25%. However, in light of the ongoing high volume of claims and supply chain challenges resulting from natural disasters, we focussed on inherently high-risk categories as per the current framework. As such in 2022, we did not conduct this measure of effectiveness so as not to disrupt services which support our customers.

In 2023, we will update our RAS metric, consider building capability of key purchasers and administrators across divisions to ensure that Questionnaires are being used effectively and consider building supply chain modern slavery risk management into our ESG Scorecards to gain greater visibility over the total number of suppliers engaged.

### Strengthen our modern slavery risk management of suppliers in inherently high-risk categories

In 2022, the Modern Slavery Specialist, Procurement officers and Business Owners worked with suppliers, based on the outcome

of the Questionnaire, as a committed action from the last reporting period. Of the meetings held, discussions were robust, productive and of the corrective actions requested, 100% were completed in the agreed timeframe (exceeding our FY22 target of 80%). The collaboration between Allianz Australia and its key suppliers to strengthen their awareness of modern slavery risk highlights the effectiveness of our engagement to date.

In 2023, we will continue to collaborate with our suppliers to improve their understanding of modern slavery risks and encourage them to introduce modern slavery risk management practices within their businesses.

### Build role specific awareness and capability to identify, mitigate, manage, and report on modern slavery risks

In 2022, the Modern Slavery Specialist presented at nine events across the business with a total number of approximately 360 attendees to introduce our Model and educate attendees on how modern slavery interfaces with the insurance sector. We have received anecdotal feedback from participants that because of attending these events, they have a greater awareness of modern slavery and how it relates to our business activities at Allianz Australia.

Additionally, our target for 2022 was to have 100% completion of our Module for

identified customer facing, supplier facing and operational roles. In 2022, we had 98.85% compliance and the gap between our goal can be attributed primarily to employees on extended leave and offboarding. Although we can measure the effectiveness of this training by the number of participants who passed the training evaluation, we recognise we had not included a feedback loop. A feedback loop would provide the Modern Slavery Specialist specific guidance on how training could be strengthened to support employee's ability to identify, prevent, mitigate, and manage modern slavery risks.

In 2023, we will consider implementing a 'training evaluation' at the close of our Module to capture feedback on our Module's effectiveness to support learning outcomes.

### Strengthen capability of senior management on their respective roles to advance human rights

In 2022, as part of our modern slavery continuous improvement plan, we conducted two targeted capability sessions to educate our SMT on the salient human rights issues for Allianz Australia. Utilising the FAR regime framework, the scenario test facilitated robust discussions where senior leaders were able to identify their accountabilities should risks of modern slavery be identified in our business activities or supply chains. We received anecdotal feedback about the value of the exercises to help build the SMT's understanding of their accountabilities and how modern slavery risk is relevant to Allianz Australia's business activities.

In 2023, we will strengthen our approach to capability training for SMT by including a formal feedback loop to monitor the understanding, engagement and capability of SMT during the sessions to assess effectiveness.

## How we will measure our impact in 2023

In 2023, following the introduction of our Model, we have evolved our measures to assess the effectiveness of the actions we have taken (described throughout this Statement) to prevent, identify, mitigate and manage modern slavery risks across our business operations. We have considered feedback from suppliers, investors and other stakeholders,

including benchmarks, to identify opportunities for improvement. We continue to apply a combination of qualitative and quantitative outcomes-based indicators to ensure that we can assess the tangible impact of our actions. The table below are our measures of effectiveness for the 2023 reporting period.

Our Model	Objective	Measures of effectiveness for 2023
Prevent	<ul style="list-style-type: none"> <li>We seek to form trusted relationships to minimise modern slavery risk.</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring 100% of inherently high-risk suppliers, through Procurement, have completed the Questionnaire.</li> <li>Tracking the % of contracted suppliers with modern slavery clauses embedded in their contracts.</li> <li>Tracking and monitoring the % of the Questionnaires completed by suppliers.</li> <li>Ongoing participation in industry groups and forums.</li> </ul>
Identify	<ul style="list-style-type: none"> <li>We build the capability of our people to identify modern slavery risk.</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring 100% of assigned audience complete our Module.</li> <li>Ongoing general awareness campaigns and events.</li> </ul>
Mitigate	<ul style="list-style-type: none"> <li>We help mitigate modern slavery risk through our employment and procurement practices.</li> </ul>	<ul style="list-style-type: none"> <li>Number of audits and corrective actions implemented.</li> </ul>
Manage	<ul style="list-style-type: none"> <li>We have internal reporting and escalations in place.</li> <li>We are all responsible for reporting modern slavery risk.</li> <li>Alignment of remediation with the United Nations Guiding Principles on Business and Human Rights.</li> </ul>	<ul style="list-style-type: none"> <li>Increased awareness of internal reporting channels.</li> <li>Reporting to SMT and Allianz Australia boards.</li> </ul>

# Our consultation process

Throughout the year, the Modern Slavery Specialist consulted and collaborated with risk owners, Business Owners, senior leadership and other key stakeholders to prevent, identify, mitigate and manage modern slavery risks. This included a scenario test with the SMT and multiple sessions with the Sustainability Sub-Committee to discuss modern slavery risks impacting our business operations and supply chain.

To develop this Statement, Allianz Australia engaged in stakeholder consultations with the management teams of all subsidiaries and owned agencies in addition to consultation with centralised core functions in key business units including customer services and operations, procurement, legal, corporate governance, risk and compliance, corporate affairs, corporate communication, claims, investments, underwriting and other key operation areas including communications, human resources, diversity and inclusion, outsourcing, property and facilities management, products and market management, partnerships and performance, finance and technical teams.

# Our future focus

We expect our people to be aware of the intent and spirit of the Act and to protect and advance human rights. In 2023, we will continue to strengthen our approach to modern slavery risk management, supported by the Sustainability Strategy and our Model. To date, we have set ourselves the following strategic priorities:

Our Model	Key Activities for 2023
Prevent	<ul style="list-style-type: none"><li>• Complete an issues paper for the SMT on modern slavery risk for our organisation.</li><li>• Continue our risk mapping, including of our informal motor repairers network and identify recommendations to mitigate and manage identified risks.</li></ul>
Identify	<ul style="list-style-type: none"><li>• Host an event for International Human Rights Day to raise employee awareness of modern slavery and the risks specific to our industry.</li><li>• Investigate building sustainability into our enterprise-wide Strategic Capability Planning and Leadership Capability Training to ensure all employees have a foundational understanding of sustainability including our approach to advancing human rights and addressing modern slavery.</li></ul>
Mitigate	<ul style="list-style-type: none"><li>• Review and implement the ESG Risk Policy to revise our ESG Model, including governance, monitoring, and reporting requirements.</li><li>• Review our Investment Guidelines and current due diligence process to further identify opportunities to strengthen them in line with ESG risk management, including modern slavery aspects.</li><li>• Conduct spot audits to ensure the Modern Slavery Policy effectiveness across various business divisions.</li></ul>
Manage	<ul style="list-style-type: none"><li>• Continue to implement obligations into each business division's OCPs supported by the Modern Slavery Specialist.</li></ul>

# Appendix

## Overview of reporting entities

The table below provides an overview of each reporting entity covered by this Statement and other subsidiaries of Allianz Australia Limited.

Company Name	ACN / Company Number
<b>Allianz Australia Limited (reporting entity)</b>	<b>ACN 000 006 226</b>
<b>Allianz Australia Insurance Limited (reporting entity)</b>	<b>ACN 000 122 850</b>
Allianz Australia General Insurance Services Pty Ltd*	ACN 005 274 368
<b>Allianz Australia General Insurance Ltd (reporting entity)</b>	<b>ACN 003 719 319</b>
CIC Allianz Insurance Limited	ACN 094 802 801
<b>Allianz Australia Services Pty Limited (reporting entity)</b>	<b>ACN 002 947 257</b>
Allianz Australia Employee Share Plan Pty Ltd	ACN 004 891 972
Allianz Australia Partnership Services Pty Limited*	ACN 008 412 422
Allianz New Zealand Limited	Company Number 445514
Club Marine Limited	ACN 007 588 347
Global Transport & Automotive Insurance Solutions Pty Limited	ACN 069 048 255
Allianz Australia Claim Services Pty Limited	ACN 004 133 046
Hunter Premium Funding Limited	ACN 085 628 913
Allianz Australia Workers Compensation (NSW) Limited	ACN 003 087 545
Allianz Australia Workers Compensation (VIC) Limited	ACN 059 835 791
Primacy Underwriting Management Pty Limited	ACN 070 058 212
Primacy Underwriting Management Limited (NZ)	Company number 689339
Allianz Marine & Transit Underwriting Agency Pty Limited	ACN 155 554 279
Allianz Finance Pty Ltd*	ACN 128 876 335

\* These entities were deregistered on 26 November 2022.

## Mandatory criteria of the Act

This statement was prepared to meet the mandatory reporting criteria set out under the Act. The table below identifies where each criterion of the Act is disclosed within sections of this Statement.

The Act mandatory criteria	Section heading	Page number
Identify the reporting entity	Statement on reporting entity	02
	Appendix	25
Describe the structure, operations and supply chain of the reporting entity	Our structure, operations and supply chain	04
Describe the risks of modern slavery practices in the operations and supply chain of the reporting entity, and any entities that the reporting entity owns or controls	Identifying our modern slavery risks	09
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	Actions to address our modern slavery risks	12
Describe how the reporting entity assesses the effectiveness of such actions	Assessing the effectiveness of our actions	21
Describe the process of consultation with any entities that the reporting entity owns or controls	Our consultation process	23
Any other information that the reporting entity considers relevant	Message from our Managing Director	03
	Our future focus	24