



adica
INSURANCE

Modern Slavery Statement

2023

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1 About Us

Aioi Nissay Dowa Insurance Company Australia Pty Ltd (**Adica**) is an Australian-operated and regulated general insurance company.

We are focused on serving the Australian market in three key insurance sectors: retail motor; fleet motor; and commercial lines.

In 2024, we launched our new purpose: “*Through our expertise & strength of partnerships we transform the value of insurance for customers.*”

Adica is wholly owned by Aioi Nissay Dowa Insurance Co., Ltd part of the global MS&AD Insurance Group Holdings Inc. We are proud to uphold the values of our global parent, which is a signatory to the UN Global Compact and has a strong commitment to human rights, including preventing human rights abuses within value and supply chains.

Our Commitment

We are committed to preventing acts of modern slavery from occurring within our operations and supply chains. We maintain a stringent risk management framework and a Modern Slavery Policy to ensure that we facilitate a collaborative and safe workplace for our employees and workers in our supply chains.

Our statement covers the activities implemented by Adica to minimise the risk of modern slavery and human trafficking pursuant to the *Modern Slavery Act 2018* (Cth) (**Act**) in the year commencing 1 January 2023 and ending 31 December 2023.

2 Our Operations

We insure over 150,000 Australians through various brands including:

- Toyota Insurance;
- Lexus Insurance;
- PowerTorque Insurance; and
- Qikio Car Insurance.

We also provide commercial fleet and industrial special risk insurance products to hundreds of small and large businesses.

Our main business functions include Claims & Service and Product Design, supported by Human Resources, Finance, Risk, Governance & Legal, Strategy & Partnerships, Project Management and Technology.

We employ approximately 240 full-time, part-time, fixed-term and casual employees throughout Australia and secondeed team members to our business from our business partners. We also contract a number of team members in the Philippines and India via Australian-based companies.

We are committed to ensuring that employment conditions for our employees and team members meet minimum wage, appropriate hours of work and leave provisions. We conduct remuneration reviews annually to ensure our employees are paid in accordance with their contract of employment and the applicable wage standard and award. All employees and team members complete our code of ethics training and modern slavery training annually.

In 2023, we were recognised as an Employer of Choice in the Australian Business Awards. This award recognises organisations that develop workplaces that maximise the full potential of their workforce through established policies and practices which demonstrate effective employee recruitment, engagement and retention.

We have carried out a modern slavery risk review of our workforce, and determined there is a low level of modern slavery risk in relation to our employees and team members.

3 Our Supply Chain

We engage suppliers to assist with the delivery of our products and for services. These suppliers are typically located in Australia and include the following:

- professional service providers;
- information technology providers;
- property facilities management and office solutions;
- banking & finance;
- human resources such as recruiters;
- employee travel & accommodation; and
- claims suppliers.

We have carried out a review of our suppliers and corresponding supply chains with respect to modern slavery. In carrying out our review, we have considered three factors for each type of Supplier with a view to understanding the supplier's overall modern slavery risk profile (**Risk Analysis**):

- **Industry Risk** – the modern slavery risks associated with the industry that the supplier operates in;
- **Region Risk** – the modern slavery risks associated with the geographical region that the Supplier operates in; and
- **Dollar Value Risk** – the modern slavery risks based on the importance and value of the relationship between us and the supplier.

Our Risk Analysis concludes that:

1. the majority of our suppliers in 2023 and their respective supply chains present a low level of modern slavery risk; and
2. there are a small number of suppliers that present a medium level of modern slavery risk. These suppliers include information technology providers, claims suppliers and office solutions who utilise services or manufacture and purchase their products from regions where the risks of modern slavery occurring are reported to be comparatively higher. Suppliers who carry a higher inherent risk have provided their own modern slavery assessments to address how they are reducing their modern slavery risk.

4 Our Responsibility

We are committed to preventing acts of modern slavery from occurring within our operations and supply chains. If one of our suppliers is involved in a modern slavery complaint, we will work with all affected parties to address the issue in a fair and timely manner and investigate the complaint thoroughly.

In the event a complaint is raised, we would take steps to review our relationship with the supplier and determine the appropriate remediation steps to be taken, with consideration given to whether we should end our relationship with the supplier.

5 Our Actions to Detect and Combat Modern Slavery Risks

As an Australian Prudential Regulation Authority (APRA) regulated entity, we maintain strong risk management and governance frameworks which support us in managing modern slavery risk.

Our processes include the following safeguards:

1. undertaking due diligence of suppliers to review the modern slavery risk
2. annual reviews of governance frameworks; and
3. employee training and protections.

These examples are discussed in detail below.

5.1 Supplier due diligence

As part of our risk management framework, and before we engage a supplier, the supplier must satisfy our due diligence process. Our procurement framework requires a modern slavery assessment to be completed on suppliers we engage where the procurement cost is over \$500.00. We apply a risk-based approach to our due diligence and require greater due diligence on suppliers that carry a higher inherent modern slavery risk.

5.2 Annual reviews of corporate policies

We have a strong suite of governance frameworks and corporate policies that assist us to maintain a strong risk culture. Our risk and governance department, along with other accountable business units, annually review our corporate policies and processes to ensure they effectively protect us from a variety of risks.

We also promote a “speak up” culture, which enables our employees to feel comfortable to raise issues and concerns across all areas (including modern slavery risks).

In 2023, we launched our Human Rights Policy, designed to promote a work environment that upholds and respects the fundamental principles of human rights. It outlines the responsibilities of Adica as an organisation with respect to both community and social responsibility, as well as the responsibility of our employees to ensure compliance with human rights laws. When creating our policy, we considered the legislation in the *Modern Slavery Act 2018* (Cth) (the **Act**) and our commitments made in our modern slavery statement.

5.3 Our employees

To protect our employees against modern slavery risks we:

- require all employees to undertake annual modern slavery training;
- conduct regular work health and safety checks including on-premises and home office; and
- conduct annual reviews to assess remuneration against changes in the market and applicable legislation.

6 Assessing the effectiveness of our actions

After conducting our annual review of modern slavery risk processes, we found that our identification and mitigation strategies effectively tackle potential risks within our supply chain. These efforts are supported by our corporate governance protocols and ongoing employee training, which supports our values to minimise modern slavery risks. Encouragingly, in 2023 we observed no escalation in the level of modern slavery risk within our supply chain.

7 Additional Actions to Combat Modern Slavery Risks Undertaken in FY 2023

In our FY2022 modern slavery statement, we committed to continually review our modern slavery supplier assessment process to ensure it remains effective and practical at identifying modern slavery risks. In 2022, we identified suppliers who presented a low inherent modern slavery risk. These suppliers commonly included Australian based grocery stores or hospitality providers. In

2023, we again assessed the risk of this group of suppliers as inherently low and did not require the procurer to conduct a modern slavery assessment.

We continued to ensure our employees completed modern slavery training annually and developed a Human Rights Policy. Our Human Rights Policy was created to further enhance our employees' understanding of human rights with consideration given to modern slavery risks and the Act.

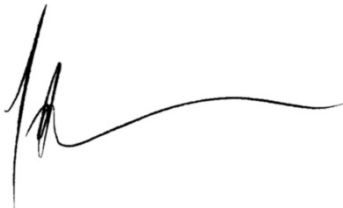
8 Future Actions to Be Undertaken in the Next Reporting Period

We remain committed to continuing to develop our modern slavery program. We acknowledge the statutory review of the Act and the recommendations being considered by the Government and eagerly await the outcome of the review.

In 2024, we will undertake the following actions:

- review our modern slavery and governance frameworks to ensure they remain effective in managing and addressing modern slavery risks;
- continue to take a risk-based approach when considering suppliers who carry a higher inherent modern slavery risk rating, to ensure that due diligence undertaken is relevant to the risk; and
- review our current modern slavery risk management practices in line with the recommendations arising from the upcoming statutory review.

Our statement was approved on 28 May 2024 by the Board of Directors of Adica.



Sally Freeman – Chairman of the Board