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# Modern Slavery Statement 2021

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**Liberty**  
Specialty Markets

## Introduction

Liberty Specialty Markets is a trading name of Liberty Mutual Insurance Company, Australia Branch (ABN 61 086 083 605) incorporated in Massachusetts, USA (the liability of members is limited) ("**Liberty**").

Liberty is a reporting entity for the purposes of the Commonwealth Modern Slavery Act 2018 ("**the Act**"). The Act requires Liberty to prepare an annual statement covering its reporting period for the year ended 31 December 2021, addressing, at a minimum, seven prescribed criteria set out in the Act.

The purpose of this statement is to outline Liberty's actions to assess and address modern slavery risks in its operations and supply chains.

On a global basis Liberty is committed to conducting business in an honest and ethical manner, with integrity and accountability, with responsible business decisions at the heart of our decision making processes.

## Our position on modern slavery

Liberty is committed to acting as a responsible business and ensuring that modern slavery does not exist in its supply chains or in any part of its business. Liberty has, and will continue to maintain, a zero tolerance for modern slavery and will take all necessary steps to ensure that this is maintained.

## Our structure and operations

Liberty is part of the Global Risk Solutions division of the Liberty Mutual Insurance Group. Liberty Mutual Insurance Group operates globally through a variety of local companies and trading names.

Liberty's head office is in Sydney, Australia with offices in Melbourne, Adelaide, Perth and Brisbane.

Liberty provides general insurance services and products to our policyholders in various jurisdictions through intermediaries (brokers and agents). Our policyholders include individuals, local and global businesses and government organisations. Liberty pays claims directly either to our policyholder or directly to third parties under the terms of the respective policies.

Liberty's operations comprise:

- ▶ The core business activities of providing general insurance products and services, placement and recovery of reinsurance and the processing and payment of claims.
- ▶ Services supporting these core business operations. The supporting services are provided by employees, contractors and suppliers and third-party service providers, such as information and communication technology suppliers, a range of professional services across many disciplines, recruitment, office supplies and facilities.

Liberty engages with Liberty Specialty Markets Singapore Pte Limited's Malaysian operations as a third party vendor to provide us with specified services and the Malaysian operations are included in this statement.

Liberty seeks to comply with all relevant labour laws in the countries in which we operate.

Liberty is committed to maintaining the highest ethical hiring standards with the aim of ensuring that no forced labour, involuntary labour or child labour forms any part of our operations. Liberty follows an employment process that requires all individuals to undergo pre-employment checks to verify their identity, eligibility to work and qualifications. Where Liberty uses contractors as part of our operations, they are also

subject to probity checks with the aim of ensuring compliance with all laws and regulations applicable to the provision of their services.

## Our supply chains

Liberty's supply chains support both the core business functions of general insurance services and business support roles.

Our supply chains are predominantly service-based and include insurance intermediaries (brokers and agents), reinsurers, consultancy and professional services firms, and other service providers (most of whom are located, and predominantly operate, in Australia).

A smaller component of Liberty's supply chains is comprised of suppliers of goods and services supporting its office functions including IT, marketing and travel.

Liberty uses rigorous due diligence processes to help identify potential suppliers, third party vendors and supply chains who hold values similar to those of Liberty.

## Modern slavery risk

Based on an analysis of our operations and supply chains, and considering the nature of our products and services, we have concluded that the risk of modern slavery practices existing within Liberty's operations and supply chains is limited.

The inherent risks that the service-based intermediaries and professional service suppliers are linked to modern slavery are likely to be similar to Liberty's risks.

The products and industries that have been identified with a potential for a higher risk of modern slavery in Liberty's supply chains include:

- ▶ IT, where the risk emanates from the extraction of raw materials for, and manufacture of, hardware and electronics, and the disposal of the electronics at the end of their life. This risk will also include software and networks that are integral to the provision of our core business activities and services.
- ▶ Marketing, where the risk is in the supply chain for corporate clothing both in branded and non-branded goods purchased for non-resale.
- ▶ Travel with risks of exploitation in both transport and accommodation.
- ▶ Labour hire used for contract cleaning and security.

Liberty acknowledges the potential for indirect modern slavery risk exposure within its supply chains, such as in office supplies, marketing collateral, office cleaning arrangements and continues to strengthen processes to identify, monitor and mitigate these risks.

## Policies and procedures

Liberty has in place formal policies to directly address working conditions and standards of conduct to ensure a work culture and work environment of respect and fairness. These include:

- ▶ Code of Business Ethics & Conduct Policy
- ▶ Liberty Mutual Insurance Anti-Corruption Policy
- ▶ Anti-discrimination and Harassment Policy
- ▶ Employee Handbook Australia
- ▶ Whistleblowing Policy

In addition, Liberty has in place policies and agreements to promote transparency, integrity and honesty when doing business with suppliers in their supply chains. These include:

- ▶ Outsourcing Policy
- ▶ Intermediary Broker Agreements
- ▶ Third Party Vendor Framework
- ▶ Service specific agreements and contracts

These policies and related procedures are reviewed regularly to ensure Liberty has robust processes in place.

## Training and awareness

All employees are responsible for adherence to Liberty's policies that apply to their employment and for reporting any suspected breaches of law or our Code of Conduct. Training is provided on commencement of employment via a formal induction program and is supplemented by continuous awareness training.

Liberty employees identified as having direct responsibility with our supply chains have undertaken training sessions specifically designed to assist our employees to identify modern slavery risk within our operations and supply chains. As Liberty continues to uplift our framework we plan to roll out awareness training sessions to a greater number of employees. It is our aim that our employees have the skills to remain vigilant and understand the risks of modern slavery, which has the potential to occur in or infiltrate any part of our operations and supply chain.

## Further actions taken to date

In order to support compliance with the Act and as part of our commitment to an ethical and responsible culture, Liberty has:

- ▶ Published its whistleblowing and grievance procedures on its intranet page and is regularly reviewing and, as required, updating effectiveness of our actions. These practices are ingrained in the company's corporate culture.
- ▶ Continued to refine policies to protect workers' rights in Liberty's operations and reinforce a culture of respect and fair work conditions.
- ▶ Mapped our supply chains and conducted a scoping exercise to identify inherent risks in the supply chains.
- ▶ Conducted annual reviews of related internal company policies.

## Effectiveness of our actions

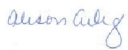
Liberty has established governance, risk and compliance frameworks and processes in its operations which enable us to identify and monitor our risks as well as the effectiveness of the approaches taken to manage the risks. These processes will be continuously monitored to ensure that the modern slavery processes Liberty is implementing are effective.

## Continuous improvement

We are committed to improving our policies and procedures over time to help prevent modern slavery within our operations and supply chains. We have now implemented the following processes and procedures:

- ▶ Developed a formal Modern Slavery Statement to articulate Liberty's commitment and approach to modern slavery.
- ▶ Updated relevant internal policies, including third party vendor framework documents to embed modern slavery commitments.
- ▶ Promoted employee awareness through targeted modern slavery training.
- ▶ Included modern slavery risks in compliance and risk frameworks for annual risk assessment and due diligence process reviews.
- ▶ Monitoring modern slavery better practices within the insurance industry to promptly make changes to our process if necessary.

This statement was approved by the Board of Liberty Mutual Insurance Company on 17 June 2022 and signed by the Senior Officer outside of Australia.



### **Alison Erbig**

Senior Officer outside Australia - Liberty Mutual Insurance Company