

# Aon Australia Modern Slavery Statement 2020/21



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Aon acknowledges that companies have an impact on human rights and we do not tolerate modern slavery or human trafficking in our organisation or supply chain. We are united in these values, standards and principles which transcend our geographic locations and job functions.



## Reporting Entities

The statement covers the entities listed in Appendix 1, which are wholly controlled subsidiaries of Aon plc and are the main operating entities in Australia (“Aon”, “we,” “us” or “our”).

## Aon’s structure, operations and supply chains

We form part of a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries within the global Aon group empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

Our financial services businesses operate in Australia through 40 branches located in all states and territories and our key business entities and activities include:

- **Aon Risk Services (Insurance broking):** providing insurance broking services, consulting and advice on how corporate, commercial, government, small business and consumers can mitigate their exposure to risks.
- **Aon Solutions (Retirement & Investment):** providing retirement solutions to corporates, small to medium enterprises and consumers.
- **Aon Reinsurance (Reinsurance):** providing reinsurance advice to insurance companies on how best to protect their balance sheet by transferring risk for catastrophic events.
- **One Underwriting (wholesale broker/managing general agent):** acting as a Managing General Agent of a number of global insurance carriers to transact insurance business under a delegated authority, providing industry specific and product specific solutions.

Our key supply chain relationships include suppliers both locally and globally from the following service sectors:

- Information, Communications and Technology
- Financial and Professional Services
- Property Services/Facilities
- Corporate Travel and Entertainment
- Human Resources
- Marketing, Advertising and Printing Services
- Office Support and Administration

We are committed to maintaining a culture of integrity, transparency and accountability and to ensure compliance with all applicable laws in relation to our business and supply chain. We expect the same commitment from our suppliers, agents and joint venture partners in relation to their respective businesses and supply chains.

## Risk of Modern Slavery at Aon

We have assessed our operational environment and business structures in Australia and do not consider that we operate in sectors that are considered high risk in relation to modern slavery and human trafficking.

As a professional services firm, we do not procure goods and services from sectors typically considered to contain high modern slavery risks. In particular, we do not have intricate supply chains or multiple levels of contracting.

In this regard, a risk assessment was also conducted on our direct supply chain, which identified that Aon’s supply chain, when looked at in its entirety, does not contain high risk of modern slavery.

Furthermore, we are committed to ensuring that we conduct appropriate due diligence and risk assessments on all third parties and suppliers prior to engagement to help ensure that they comply with all laws, rules, and regulations applicable to the provision of their products or services.

## Steps undertaken by Aon to mitigate modern slavery risk

### Implemented Codes of Conduct and Policies

The following section describes the ongoing steps we have undertaken to mitigate modern slavery and human trafficking risks within our organisation and supply chains through our codes, policies, processes and procedures.

### Code of Business Conduct

We take a zero-tolerance approach to slavery and human trafficking in our supply chains and business. This position is reflected in our [Code of Business Conduct](#) which sets the minimum standard of conduct required from all Aon employees, including contractors. The Code of Business Conduct promotes a culture of transparency, honesty and fairness and is aligned to our supplier code of conduct which is incorporated in all Aon supplier contracts. All Aon colleagues are required to read the Code of Business Conduct and attest annually that they have read and understood the requirements under the Code of Business Conduct.

### Supplier Code of Conduct

We have updated our supplier terms and conditions so that all suppliers contracting with Aon are required to comply with all anti-slavery laws. At the beginning or renewal of a relationship, all suppliers are required to acknowledge our Supplier Code of Conduct, which requires that they do not engage in any form of modern slavery, breach any anti-slavery laws or engage in any conduct that would constitute any offence under any applicable Australian law.

Our Supplier Code of Conduct requires that our suppliers must have in place at all times:

- appropriate policies and procedures designed to ensure compliance with modern slavery laws;
- enforceable agreements with each of its suppliers (and subcontractors) which include compliance with applicable laws, including modern slavery; and
- promptly notify Aon in writing if it becomes aware of any breach or suspected breach committed by either itself or its subcontractors within ten business days wherever practicable.

A supplier that fails to confirm or acknowledge these terms and conditions or fails to agree to implement any of the requirements may, be disqualified from further participation in our procurement process.

If Aon suspects or becomes aware that an existing supplier is in breach of slavery or human trafficking legislation, Aon will investigate and if appropriate, report the matter to the relevant authorities. Further, Aon will review its relationship with the supplier in question which may result in termination of that supplier contract.

### Whistleblowing Policy

Our Whistleblowing policy and procedures encourages staff and suppliers to report any concerns including modern slavery and any other human rights violations.

All Aon colleagues are expected to raise any concerns they may have about modern slavery and/or human trafficking within our business and/or supply chains and senior managers are accountable for acting on any such concerns in accordance with our policy. Colleagues and external parties may raise concerns on a confidential basis at any time through the [Aon Ethics Helpline](#).

The ethics helpline is operated by an independent third-party provider, which helps ensure the confidentiality and anonymity of calls.

Training has been provided on the Whistleblowing Policy.

### Procurement Policy

Our Procurement Policy sets out the minimum requirements in respect of any procurement, selection and on-boarding of new suppliers. The policy commits Aon to ensure that all purchasing and contracting activities are:

- Legal
- Auditable
- Compliant with health and safety regulations and ISO 45001 standards
- Ethically, environmentally and socially responsible
- Economically effective
- Subject to an appropriate level of risk management
- Open to continuous improvement and development
- In adherence with Aon’s Code of Business Conduct

Furthermore, our internal procurement team receive regular training, including Modern Slavery training, to ensure that the procurement of all goods and services by Aon is consistent with the principles above and is conducted in an honest, competitive, fair and transparent manner.

#### Implemented Processes and Procedures

##### *Supplier due diligence*

Aon has partnered with a leading sustainability ratings agency specialising in supply chain Corporate Social Responsibility (CSR) to design a local sustainable procurement program (CSR Program). The CSR Program adopts a risk-based methodology to assess the level of risk for suppliers across four key areas: modern slavery, labour standards, health and safety, and environment and business ethics (CSR Criteria).

As part of our due diligence process, suppliers where the value of the contract is \$50,000 and above are expected to complete the CSR Program, which assesses the supplier's CSR risk based on the supplier's overall profile, country of operations and the activities performed against the CSR Criteria.

Once a supplier completes the CSR Program, a risk rating scorecard is produced describing that supplier's risk across the CSR Criteria. This scorecard is then validated by the ratings agency's in-house team and our internal procurement team then assess whether the supplier falls within Aon's CSR risk appetite (which includes Modern Slavery risk). In FY21, 26 suppliers were assessed through the CSR Program. The CSR Program is currently assessing 41 suppliers.

Where a supplier produces a high-risk scorecard, Aon will provide reasonable opportunity for that supplier to comply with our expectations by undertaking a corrective action plan to improve its CSR risk rating.

For suppliers where the value of the contract is less than \$50,000 or the supplier refuses to undertake the CSR program, a manual modern slavery questionnaire is issued for completion. Upon receiving the completed questionnaire, we undertake a scoring exercise to assess the level of modern slavery risk. Depending on the score, remediation actions will be discussed with the supplier. In FY21, 46 suppliers were assessed through the manual questionnaire.

We will continue to assess our suppliers through the CSR Program or the manual questionnaire (as appropriate) in FY22.

##### *Remediation processes*

We recognise that the intent of the MSA is for entities to work together with suppliers (where possible) to reduce their modern slavery risks. Therefore, where it is identified that a supplier has failed to comply with our Policies, Codes of Conduct or other requirements, or the CSR Program or manual questionnaire produces a high-risk scorecard we will typically work with the supplier to remediate any issues through a corrective action plan.

In consultation with the sustainability agency, we will engage our suppliers in an open discussion on the findings, exploring root causes, and we will support them in developing actions on areas requiring improvement. In addition, we may meet with our suppliers to review their progress in implementing remediation activities and to provide further guidance, as appropriate.

##### *Ongoing certifications*

We may also require specific information from suppliers from time to time to confirm compliance and provide certifications, where appropriate, that materials used in goods, whether acquired directly or indirectly, are from a source that does not use forced or involuntary labour and is not involved in human trafficking.

##### *Ongoing Training and Capacity Building*

Aon is committed to training all supplier facing employees on an ongoing basis to ensure they are aware and understand labour rights and modern slavery requirements.

Our modern slavery training programme is mandatory for all teams who are involved in, and responsible for the formal engagement of suppliers. This training is designed to assist staff to understand what modern slavery is, how to identify instances of modern slavery and understand their obligation to raise any concerns about slavery and/or human trafficking within the business and/or supply chain.

## Assessing effectiveness of modern slavery risk controls

We view assessments and audits as integral parts of our overall supplier management process.

Aon has developed an audit and assurance program that is dedicated to the ongoing testing of processes that enable the development of systemic solutions and improvements. Part of this process includes the testing and monitoring of our modern slavery risk controls.

In FY22 we intend to monitor the effectiveness of our modern slavery risk controls in several ways, including but not limited to:

- Desk top spot audits on appointed suppliers to ensure our due diligence processes have been met and followed
- Monitoring and supervision of suppliers requiring corrective action plans
- Ongoing commitment to the testing and continual enhancement of internal processes and frameworks
- A periodic review of our modern slavery risk appetite
- Regular monitoring of staff training completion rates

Where there are any issues or control improvement areas identified, Aon will undertake mitigating actions to ensure our controls and processes are adequate and robust as possible.

## Consultation process with any entities that Aon owns or controls

We have prepared this Statement on a consolidated basis specifically for Aon in Australia. Our consultation process involved our central Procurement, Legal and Compliance functions that operate across the group.

As stated above, we have aligned this Statement with the [Aon UK Modern Slavery Act 2015 Statement](#) and have worked with various stakeholders in our local and global operations to ensure that policies and practices are aligned to comply with any applicable modern slavery laws and requirements.

This statement has been endorsed and approved by the Aon Corporation Australia Pty Limited Board, which is the holding company of all operating Aon entities in Australia.



**Jennifer Richards**

Chief Executive Officer

Director, Aon Corporation Australia Pty Limited

16 December 2021

## Appendix 1

### Entities covered by this statement

- Aon Corporation Australia Pty. Ltd. ABN 58 004 756 772
- Aon Risk Services Australia Limited ABN 17 000 434 720 (general insurance broker);
- Aon Solutions Australia Limited ABN 48 002 288 646 (consulting);
- Aon Hewitt Financial Advice Limited ABN 13 091 225 642 (financial advice);
- Aon Reinsurance Australia Limited ABN 79 003 026 668 (reinsurance broker);
- Aon Superannuation Pty Limited ABN 83 057 982 822 (superannuation);
- Aon Services Pty Ltd ABN 96 116 871 473
- Aon Product Design & Development Australia Pty Ltd ABN 55 136 905 845 (product design and development);
- Aon Master Trust ABN 68 964 712 340 (superannuation fund);
- Aon Eligible Rollover Fund ABN 54 338 733 881 (superannuation fund);
- Aon Advisory Australia Pty Ltd ABN 50 068 620 771 (human resources, consulting services, benefits administrations and business process outsourcing);
- HIA Insurance Services Pty Ltd ABN 84 076 460 967 (general insurance broker representative);
- One Underwriting Pty Ltd ABN 50 006 767 540 (underwriting agency);
- Aon Charitable Foundation Pty Ltd ABN 68 065 177 595 (charity);
- Affinity Risk Partners (Brokers) Pty Ltd ABN 15 091 944 580 (general insurance broker);
- Aon Risk & Asset Management Pty Ltd ABN 55 136 905 845 (trustee);
- Cut-E Australia Pty Ltd ABN 81 118 245 597 (consulting);

("Aon", "we," "us" or "our"). The above entities are wholly controlled subsidiaries of Aon plc and are the main Aon operating companies in Australia.

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