

Hollard.



**HOLLARD MODERN
SLAVERY STATEMENT
2020**

INTRODUCTION

This Modern Slavery Statement (**this Statement**) is made on behalf of Hollard Holdings Australia Pty Ltd (ACN 154 586 802) (**HHA**) and The Hollard Insurance Company Pty Ltd (ACN 090 584 473) (**Hollard**) pursuant to the Modern Slavery Act 2018 (**the Act**).

This Statement is set out in 3 Parts.

PART A HOLLARD BUSINESS AND CONSULTATION

- a summary of the structure, operations and supply chains of Hollard;
- process of consultation with entities in its control to assess and address risks of modern slavery; and
- details of approval by the relevant principal governing bodies of HHA and Hollard

PART B OPERATIONS AND SUPPLY CHAIN

- summary of risks of modern slavery practices in the operations and supply chain of Hollard; and entities in its control

PART C ACTIONS TAKEN AND FUTURE FOCUS

- actions taken by Hollard and entities in its control to assess and address risks of modern slavery; and
- our future focus

All information and actions reported in this Statement are relevant to the reporting period 1 July 2019 to 30 June 2020 (**Reporting Period**).

APPROVAL OF STATEMENT BY JOINT REPORTING ENTITIES

HHA is a non-operating holding company and shares the same board as Hollard, therefore the approval of this statement by the Board applies to both HHA and Hollard.

PART A

HOLLARD BUSINESS AND CONSULTATION PROCESS

STRUCTURE AND OPERATIONS

Established in 1999, Hollard is incorporated as a proprietary company in Australia. It is a licensed insurer regulated by the Australian Prudential Regulation Authority (**APRA**), and in New Zealand by the Reserve Bank of New Zealand (RBNZ). Hollard is wholly owned by HHA, a non-operating holding company, also incorporated as a proprietary company. Even though HHA is a non-operating company, to the extent required it uses the same systems, policies and procedures as Hollard. Because Hollard and HHA share the same systems, policies and procedures, in this Statement we have provided a single consolidated description of the joint actions taken to address modern slavery risks.

Hollard is the parent company of PetSure (Australia) Insurance Pty Ltd (ACN 075 949 923) (**PetSure**) and Hollard Commercial Insurance Pty Ltd (ACN 603 039 023) (**HCI**) (its **Subsidiaries**), which are controlled entities under the Act. Hollard, HHA and its Subsidiaries have their registered offices located at level 12, 465 Victoria Street, Chatswood NSW Australia. PetSure also has two subsidiaries PetSure Pty Limited (ACN 075 949 923) a proprietary company in Australia (**PPL**) and PetSure Services Inc. a corporation duly organised and existing under the laws of the Philippines (**PSI**) (together **PetSure Subsidiaries**). The PetSure Subsidiaries are also controlled entities of Hollard under the Act.

Hollard also has equity interests in underwriting, insurance related and technology businesses which are strategically aligned with its principal activities and which are not controlled entities for the purposes of the Act.

Hollard and its Subsidiaries offer general insurance products across Australia and New Zealand through both direct and intermediated channels. PetSure Subsidiaries provide claims and sales services to PetSure for general insurance products underwritten by Hollard.



Hollard rejects any form of modern slavery. We expect our employees, partners and suppliers to operate in accordance with all applicable laws, in particular those laws prohibiting human slavery, including servitude, human trafficking, forced labour and marriage, debt bondage and child labour.

Hollard underwrites a range of general insurance products, including motor, home, contents, business, pet and travel; both directly and through several key business partnerships in Australia and New Zealand.

PURPOSE AND POSITION ON MODERN SLAVERY

Hollard is a purpose led organisation. A culture of integrity is encouraged by Hollard leadership. Hollard's governance frameworks embed effective ethics across Hollard's operations and reinforce its commitment to engaging with corporate partners whose conduct and values align with Hollard.

Hollard acknowledges that modern slavery can occur in every industry, sector and country and that no sector is immune.

Hollard rejects any form of modern slavery. We expect our employees, partners and suppliers to operate in accordance with all applicable laws, in particular those laws prohibiting human slavery including servitude, human trafficking, forced labour and marriage, child labour and debt bondage. Hollard also acknowledges that the impact of modern slavery is often linked to other crimes and activities that adversely impact human rights, such as corruption and environmental damage. We aim to identify and manage any risks related to modern slavery across our business operations and through monitoring our supply chain relationships.

CONSULTATION WITH SUBSIDIARIES

Hollard and its Subsidiaries engaged through regular meetings in a transparent and collaborative manner to raise awareness of modern slavery reporting requirements and discuss actions to map supply chains and assess risks of modern slavery practices.

The consultation process with controlled entities included:

- discussions with senior managers from Hollard/HHA and its Subsidiaries and provision of updates to board members as to modern slavery reporting requirements, obligations and compliance program;
- discussions with senior managers at Hollard with respect to operations, mapping of supply chain and risk assessments undertaken on Hollard and its Subsidiaries;
- discussions with PetSure with respect to operations, mapping of supply chain and risk assessments undertaken on PetSure Subsidiaries;
- collaborating to develop supplier and operations mapping processes including review of supply chains to identify risks of modern slavery;
- updating of public websites for grievance process via the Whistleblower service;
- development of risk assessment process tools and due diligence questionnaires for suppliers;
- development of modern slavery clauses for use in contractual arrangements with suppliers and partners;
- correspondence with suppliers receiving advance due diligence questionnaires to raise awareness of the modern slavery regime;
- identifying training modules for employees and conducting information sessions; and
- Subsidiaries also completed a supplier due diligence questionnaire as part of Hollard's risk assessment of its supply chain.

For PSI see "Impact of Covid-19 on PSI – Reporting Period FY20".

PART B

OPERATIONS AND SUPPLY CHAIN

OPERATIONS MAPPING

Hollard operations can be separated into Group level operations and four key strategic business pillars.

The four key strategic pillars are Hollard New Zealand (branch); Hollard Personal Lines (Home, Motor and Travel); PetSure and HCl (**Strategic**

Pillars). Each Strategic Pillar has operations relevant to the production and distribution of general insurance products through three main distribution channels: direct to market, via selected insurance agencies and via insurance brokers in Australia or New Zealand.

HOLLARD/HHA OPERATIONS				
SUBSIDIARIES		BRANCH	COMPANY	
			PERSONAL LINES	
PETSURE	COMMERCIAL	NEW ZEALAND	HOME & MOTOR	TRAVEL
Australian's leading pet insurance provider	Specialist provider of business insurance via brokerage networks and direct online channel	Specialist provider of business insurance, home and motor personal lines within the New Zealand market	Home and motor insurance, distributed through strategic partners, well established brands and specialist agencies	Provider of travel insurance through Hollard's strategic partners and other fast-growing brands
Strategic Pillar Operational Activities include sales, distribution, underwriting, customer administration and support, claims management, procurement, risk and compliance, finance, marketing and supporting functions relevant to the insurance products they distribute for Hollard.				
HOLLARD GROUP OPERATIONS	RISK & COMPLIANCE			
	GROUP FINANCE & FACILITIES			
	ACTUARIAL, CAPITAL & REINSURANCE			
	HR, GOVERNANCE, LEGAL, CULTURE, CORPORATE AFFAIRS AND INTERNAL AUDIT			

Group operations support and govern Hollard's four strategic business pillars. With respect to the Subsidiaries, HCl specialises in distribution of business insurance products via insurance intermediaries on various insurance technology platforms. PetSure distributes pet insurance products directly and via distribution partners. Both Subsidiaries perform underwriting and administration services including

claims services as agent for Hollard and have operational activities.

As regard to PetSure Subsidiaries, PSI operational activities include sales and claims service activities provided to PetSure, performed in the Philippines. PPL's operational activities include distribution, sales and service activities for PetSure performed in Australia.

OUTCOME OF OPERATIONS RISK ASSESSMENT

A risk assessment was undertaken with respect to business operations which involved consideration of each operational activity against four key modern slavery risk factors.



PROFESSIONAL SERVICES OPERATIONS

These risks associated with distribution of financial services to customers were considered with reference to third party resources¹ and included consideration of the direct supply chain utilised by the various business operations in performing each function. Certain operational activities were determined to be low risk as they are subject to extensive regulatory and reporting frameworks.

These low risk operational activities included professional services and insurance distribution activities performed by Hollard Group Operations, Strategic Pillars and third party insurance intermediaries in Australia and New Zealand.

HUMAN RESOURCE OPERATIONS

Both Hollard and PetSure have dedicated human resource teams performing operational activities including recruitment, salary payments, performance management, development of human resource policy and procedures and training. Hollard Group human resource operations includes providing human resource services for HCl. Recruitment consultants in Australia

are contracted to perform external recruitment services for Hollard. Employees of Hollard are directly employed by Hollard. During the Reporting Period there were 494 people employed by Hollard (including Hollard Group Operations, Personal Lines and New Zealand Strategic Pillars), 103 by HCl and 172 by PetSure.

Human resource operations within Hollard and its Subsidiaries are considered low risk with respect to modern slavery practices. This is due to the nature of services for professional skilled workers and geographic locations in Australia and New Zealand when assessed against Global Slavery Index² vulnerability indicators.

Remuneration for all employees is reviewed on an annual basis in accordance with Hollard's remuneration policy and starting salaries are determined by position-based market benchmarking utilising external recruitment consultants. Such remuneration reviews ensure fair pay and adherence to Australian workplace laws which reduces the risk of modern slavery practices. Hollard is deeply committed to achieving pay equity between men and women and has largely achieved gender equity amongst men and women working in like roles (ie under an 'apples for apples' role comparison).

1. Global Slavery Index 2018 Dataset, List of Goods Produced by Child or Forced Labour, US Department of Labour, 2020 and Business and Human Rights Resource Centre

2. Global Slavery Index 2018 Dataset, Walk Free Foundation, available from: www.globalslaveryindex.org

SUPPLY CHAIN MAPPING

SUPPLY CHAIN OVERVIEW

Hollard's supply chain includes services and products which contribute to the direct supply of financial services to customers and also services and products which relate to office facility services and supply eg cleaning and IT equipment.

Products and services provided by suppliers to Hollard Group Operations and its Subsidiaries include supply of facilities services (cleaning, security, maintenance suppliers), professional consultancy and advisory services (actuarial, accounting, tax, legal, IT and other), IT providers (software, IT hardware and consultancy), recruitment services, accommodation and transport services and catering suppliers, as well as insurance and reinsurance providers to Hollard and its Subsidiaries.

Products and services provided by suppliers to Strategic Pillars operations include professional services of insurance intermediaries, brokers and corporate distribution partners; call centre services; claims service providers (loss adjustors, investigators, building and restorative services, retail product suppliers, mechanics, smash repairers, vehicle hire and transport services, accommodation and other claims service providers), marketing consultants, promotional product providers and IT providers (software, IT hardware and consultancy).

Hollard requires suppliers and strategic partners contractually to perform their services to Hollard in accordance with relevant laws. New contractual provisions were developed by Hollard and its Subsidiaries to monitor modern slavery risks of suppliers and their supply chain and require training on modern slavery.

SUPPLY CHAIN REPORTING PERIOD FOCUS

Hollard and its Subsidiaries have focused on mapping the supply chain of suppliers directly engaged by Hollard and its Subsidiaries to provide products and services which contribute to its insurance products **(Tier 1 Suppliers)**.

Hollard and its Subsidiaries identified 3,134 Tier 1 Suppliers. For steps taken in relation to the controlled entity, PSI, see section below "Impact of Covid-19 on PSI – Reporting Period FY20".

The risk assessment undertaken focused on Tier 1 Suppliers whose costs of services/goods were greater than \$500K, providing services/goods or in industries considered higher risk against modern slavery risk indicators and suppliers in high risk geographic locations **(Targeted Tier 1 Suppliers)**.

The following products and services of Targeted Tier 1 Suppliers were determined to have higher risks of modern slavery having regard to modern slavery risk indicators and third-party resources³:

- IT consumables, software, equipment, infrastructure
- Print and Stationery
- Transport
- Catering services and business meals
- Furniture
- Claims service provider – retail goods suppliers for claims services
- Manufacturing – promotional product providers
- Accommodation
- Cleaning

These higher risk suppliers accounted for approximately 33% of Targeted Tier 1 Suppliers for Hollard in the Reporting Period and accordingly these suppliers were included in due diligence actions set out below.

Hollard and its Subsidiaries identified that 92% of Tier 1 suppliers provided goods and services from Australia and 8% from suppliers in overseas⁴ locations in the reporting period.

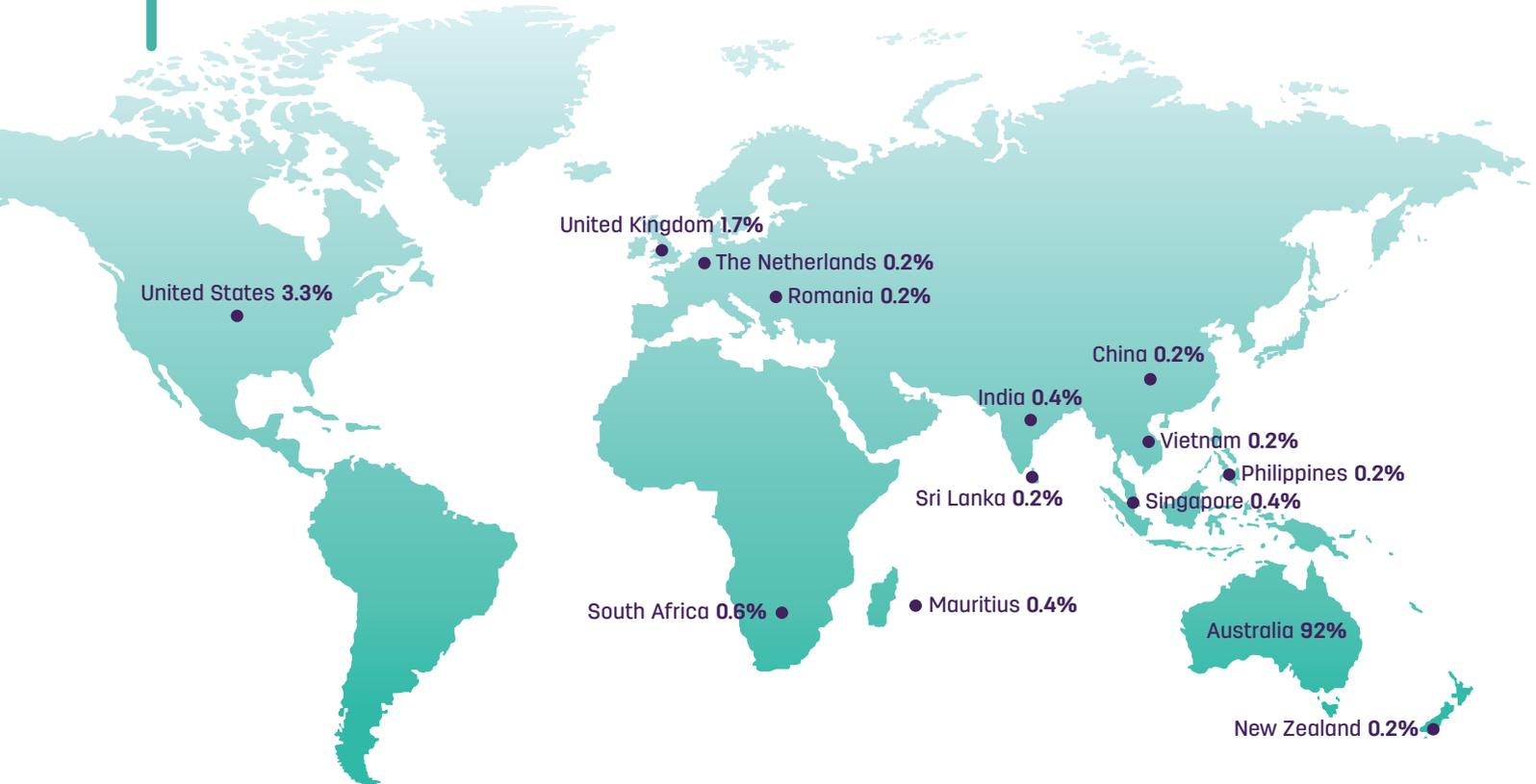
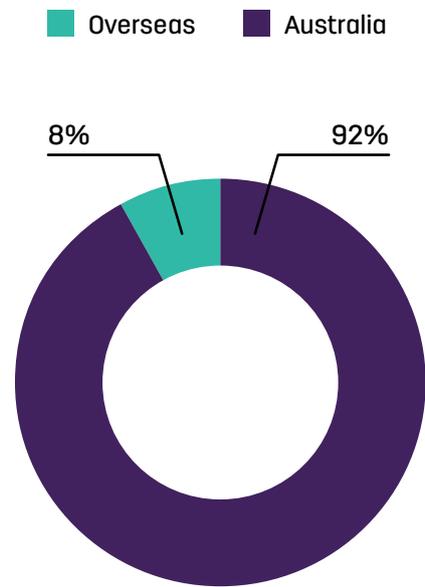
3. Walk Free Foundation, Global Slavery Index 2018 Dataset, List of Goods Produced by Child or Forced Labour, US Department of Labour, 2020

4. China, India, Mauritius, New Zealand, Romania, Singapore, Philippines, South Africa, The Netherlands, United Kingdom, United States of America, Sri Lanka and Vietnam



Hollard and its Subsidiaries identified that 92% of Tier 1 Suppliers provided goods and services from Australia and 8% from suppliers in overseas⁴ locations in the reporting period.

4. China, India, Mauritius, New Zealand, Romania, Singapore, Philippines, South Africa, The Netherlands, United Kingdom, United States of America, Sri Lanka and Vietnam



RISK ASSESSMENT AND DUE DILIGENCE

Hollard and its Subsidiaries undertook various actions to assess and address modern slavery risks in its supply chains during the Reporting Period including risk assessment, due diligence and reviewing remediation processes.

As part of its risk assessment process Hollard and its Subsidiaries had regard to a number of third party resources including the 2018 Global Slavery Index, the US Department of Labour List of Goods Produced by Child or Forced Labour and Business and the Human Rights Resource Centre to identify suppliers with higher risks of modern slavery practices in Hollard’s supply chain.

An initial assessment was undertaken for Tier 1 Suppliers to identify:

1. Sector and industry
2. Nature of product and services and cost of services supplied to Hollard
3. Geographic location
4. Entity risks (entities with poor governance structures, a record of treating workers poorly or a track record of human rights violations).

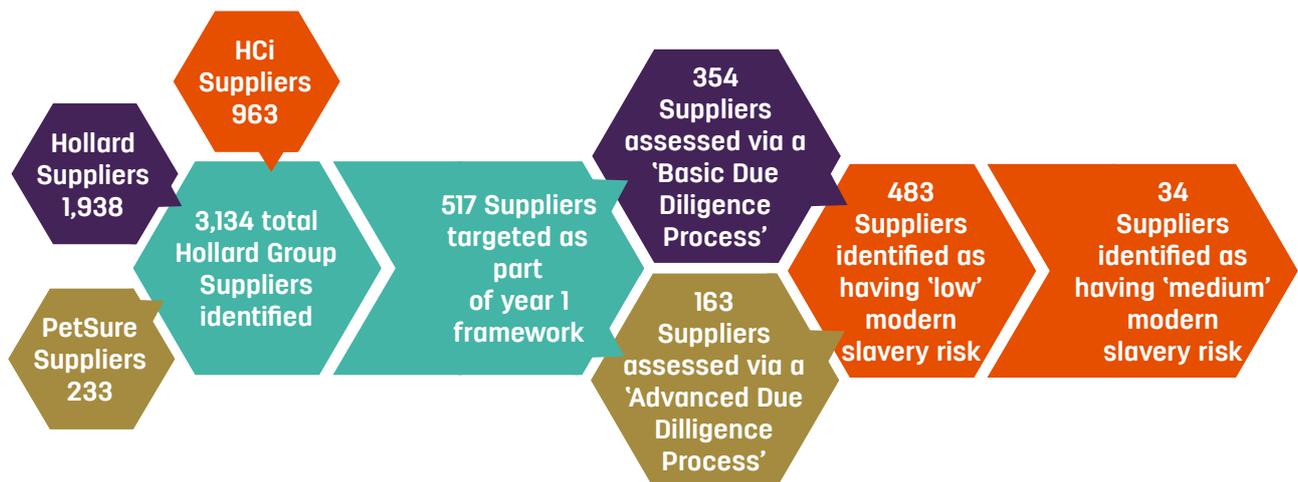
DUE DILIGENCE OF TARGETED SUPPLIERS IN REPORTING PERIOD

DUE DILIGENCE FOCUS

Hollard and HCl’s due diligence actions were focused on Targeted Tier 1 Suppliers.

PetSure and PPL’s due diligence actions were focused on suppliers whose costs of services and goods were great than \$10K. PetSure and PPL did not undertake due diligence on suppliers who published a statement under The Modern Slavery Act 2015 in the United Kingdom during the Reporting Period; risks of modern slavery practices for these entities will be assessed in future reporting.

Insurance and reinsurance suppliers providing corporate insurance to Hollard and its Subsidiaries and government organisations were considered low risk and due diligence was not undertaken on these suppliers during the Reporting Period. These companies have an extensive commitment to human rights expressed in their codes of conduct and are also subject to a strict regulatory requirement.



DUE DILIGENCE OVERVIEW

Hollard and its Subsidiaries undertook two types of due diligence depending on the outcome of the initial assessment described above:

Basic Due Diligence which included desktop assessment of modern slavery indicators, review of contractual arrangements, identification of modern slavery statements published in other jurisdictions by suppliers and an entity search on Business and Human Rights Resource Centre; or

Advanced Due Diligence which, in addition to the Basic Due Diligence steps above, included issuance of due diligence questionnaires to suppliers regarding subcontracting practices, nature and geographic source of goods and services provided to Hollard, employment practices and modern slavery risks (if any) identified in their organisation. 54% of suppliers issued with an advanced due diligence questionnaire responded; responses to outstanding questionnaires from suppliers will be followed up in the next reporting period. No incidents of modern slavery were identified via questionnaire responses received from suppliers during advanced due diligence.

IMPACT OF COVID-19 ON PSI – REPORTING PERIOD

During this reporting period, there was disruption to operations with respect to services performed by PSI, a controlled entity of Hollard and PetSure Subsidiary. Strict quarantine conditions were declared in the Philippines in March 2020 due to a public health emergency related to COVID-19. The mobility restrictions implied by this quarantine resulted in the PSI workforce being unable to

attend their workplace. There were 216 employees of PSI at the end of the reporting period. As a result of the COVID-19 lockdown the business continuity plan for PetSure was enacted to address PSI services to PetSure that were materially impacted. The quarantine was still in place at the end of the reporting period 30 June 2020.

Actions that were taken to mitigate impacts on PSI employees and protect any vulnerable workers during this office closure included:

- PSI leadership creating work from home environments to support employees including provision of temporary accommodation for a small portion of staff able to work in the office in compliance with government restrictions; and
- Supporting the Philippine government request to cover payroll for quarantine/restricted employees, early bonuses were also paid to further mitigate risk of financial hardship.

In the Reporting Period a risk assessment of PSI as a supplier of claims and sales services to PetSure was undertaken by PetSure on behalf of Hollard. The Tier 1 supply chain of PSI was mapped prior to quarantine disruptions, identifying 19 suppliers. Basic Due Diligence of PSI suppliers was undertaken, and supplier due diligence questionnaires were issued, however responses received from suppliers to questionnaires were incomplete. We intend to revisit this with relevant suppliers in the next reporting period.

Hollard will conduct a risk assessment of modern slavery practices in the operations and supply chain of PSI in the next reporting period as operations resume to normal levels.

PART C

ACTIONS TAKEN AND FUTURE FOCUS

POLICIES & PROCEDURES

Hollard requires its employees, corporate partners and suppliers to act in compliance with all applicable laws, regulations and industry code(s) in connection with the operational activities of Hollard and supply of financial services to customers.

GOVERNANCE OF GROUP POLICIES AND MODERN SLAVERY RISK

Hollard group-wide frameworks and policies are developed and apply to applicable operations of Hollard including, where relevant, the operations of its Subsidiaries and PetSure Subsidiaries. Subsidiaries and PetSure Subsidiaries in some instances have adopted their own policies and code of conduct which are aligned in substance to Hollard group policies but are expressly tailored to their individual structure and operations. Hollard Group works closely with Strategic Pillars to ensure policies, processes and systems are implemented to ensure compliance, which includes oversight of external partners and suppliers.

Hollard also promotes risk awareness and risk management frameworks which are adopted by its Subsidiaries and PetSure Subsidiaries and align with regulatory requirements for the insurance industry.

Hollard has undertaken a review of certain Hollard group-wide policies and frameworks with respect to assessing modern slavery risks within operations of Hollard and remediation processes including:

- Whistleblower Policy
- Work Health and Safety Policy

The Hollard Whistleblower Policy process was reviewed, and the reporting process was updated to include reference to raising grievances and concerns regarding modern slavery.

Hollard group policies and frameworks are periodically reviewed as may be required and this includes the consideration of modern slavery risks.

EMPLOYEE WELL-BEING AND MODERN SLAVERY RISK

Hollard strives to provide a fair, safe and healthy working environment and work practices for all employees, and expects that suppliers providing goods and services to Hollard, and its Subsidiaries ensure the same.

Hollard group policies are committed to upholding Australian workplace and work health and safety laws and anti-discrimination legislation, which can mitigate and raise awareness of risks of modern slavery.

TRAINING & AWARENESS

EMPLOYEE TRAINING

Hollard provides various forms of training to key stakeholders including employees, insurance intermediaries and partners from time to time. Online training modules are made available to all employees through the Hollard intranet.

AWARENESS-RAISING ACTIONS

The following actions were taken by Hollard to raise awareness of modern slavery risks in business operations and supply chains and of the new modern slavery regulatory regime:

- Hollard education session regarding regulatory updates including modern slavery with employees from various operational areas of Hollard, PetSure and HCl including distribution, risk and compliance, information technology, claims and customer service operations, procurement and company secretariat;

- Intranet posts on the Hollard employee intranet to raise awareness regarding modern slavery;
- Suppliers who received due diligence questionnaires as part of advanced due diligence received information regarding modern slavery and reporting requirements;
- Updates provided to Hollard and Subsidiary Boards providing information on the modern slavery risks, the regulatory regime and the compliance program undertaken to assess risks;
- A mandatory online training module was implemented for procurement, risk and compliance, business leaders and executives responsible for onboarding and overseeing suppliers. This training is being delivered to support increased awareness of modern slavery; assist in identifying modern slavery risks and controls, legal reporting obligations and advise how to raise concerns or report incidents.

By raising awareness of modern slavery amongst employees, we aim to minimise the risk of modern slavery being undetected, as staff will have skills to identify and report it. In addition, Hollard's whistleblowing hotline allows employees to raise concerns relating to modern slavery risks anonymously. With these actions in place Hollard can quickly identify if any modern slavery incidents or risks are identified and take remedial action.

SUMMARY OF ACTION TAKEN AND EFFECTIVENESS OF ACTIONS

Steps taken by Hollard and its Subsidiaries to address modern slavery risks within our supply chains in this reporting period include:

- Review of supplier onboarding due diligence processes;
- Development of supplier questionnaires for assessing modern slavery risks in the supply chain;
- Revised Group Partner Framework to include identification of modern slavery risks and compliance with relevant laws. Partner onboarding process revised to include consideration of modern slavery risks;
- Implementation of new contractual requirements to be included in new contracts or contracts being varied/renewed to require

adherence to modern slavery laws, training on modern slavery, use reasonable endeavours to identify and report modern slavery practices within their organisation and their respective supply chain;

- Communicating with targeted suppliers who received questionnaires to increase awareness of modern slavery reporting requirements and assessment of modern slavery risks.

To assess the effectiveness of these actions going forward, we will seek to continually review and monitor these actions and report annually to senior management on progress. We also intend to ensure that our datasets on slavery risk (such as GSI) are kept up to date with regular monitoring of new data releases.

GRIEVANCE AND REMEDIATION PROCESSES

Hollard and its Subsidiaries, as part of its regulatory framework, has established grievance channels through its Whistleblower Policy and other avenues for internal and external parties and consumers to raise concerns regarding modern slavery practices.

WHISTLEBLOWER SERVICE

During this reporting period Hollard has provided training on its Whistleblower Policy to staff, and has revised its public website notice regarding the availability of the external Whistleblower service provider as a way to raise concerns including those of modern slavery. This external provider provides translation services to ensure accessibility, and concerns can be raised anonymously. Concerns can also be raised to senior managers by employees.

In addition to the above, Hollard employees are encouraged via the intranet and newsletter communications to speak up on risk issues or any situation of concern directly to the Group CEO or anonymously via STOpline (an external service provider). All feedback is provided to the Group CEO only, who takes the appropriate action. Human Resources partners for each business operational area also work with employees to ensure grievances are managed and addressed.

REMEDIATION PROCESSES

Hollard's remediation processes exist to address a range of adverse impacts on human rights, concerns of misconduct, and allegations of illegal conduct that may be raised. Grievance mechanisms are an integral part of internal policies and processes, and should any incidents/concerns be reported to Hollard they would be dealt with in accordance with its regulatory requirements, policies and procedures on a case-by-case basis.

To assess the effectiveness of remediation processes going forward, Hollard and its Subsidiaries will continually review and monitor these processes to ensure they are up to date and regular training and awareness with respect to grievance processes will continue to be provided to employees.

FUTURE ACTIONS TO ASSESS EFFECTIVENESS

Hollard, its Subsidiaries and PetSure Subsidiaries aim to further develop their understanding of modern slavery risks within their business operations and supply chains in future by:

- continuing to conduct a risk assessment of modern slavery practices in the operations and supply chain of PSI in the next reporting period as operations return to normal levels;

- continuing to target further Tier 1 suppliers for due diligence;
- engaging with suppliers who did not respond to due diligence questionnaire in the Reporting Period;
- annual senior management review of the modern slavery compliance programme;
- further development of checklist/guidance notes for procurement and enhancement of supplier onboarding procedures;
- continuing to enhance due diligence and risk management processes;
- developing a process to assess the effectiveness of actions taken to ensure risks of modern slavery practices in business supply chains and operations are identified. This includes ensuring reference to current third-party resources including Global Slavery Index, US Department of Labour List of Goods Produced by Child or Forced Labour and Business and Human Rights Resource Centre;
- continuing awareness- raising activities and training to increase staff awareness of modern slavery risks;
- continuing to implement new contractual obligations in supplier agreements to monitor modern slavery risks of suppliers and their supply chain.

This Modern Slavery Statement has been approved by the Joint Boards of Hollard Holdings Australia Pty Ltd (HHA) and The Hollard Insurance Company Pty Ltd (Hollard).
Signed for and on behalf of the Joint Boards of HHA and Hollard.



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Duncan West
Chair of HHA and Hollard Boards
December 2020