

## Modern Slavery in Australia

This statement is prepared for the purposes of the *Modern Slavery Act 2018* (Cth) (the Act). This statement outlines what Auto & General Insurance Company Ltd, (AGIC) (ACN 111 586 353) and its related entities, in the Australian insurance operations have done during the 2020 financial year to assess and address the risks of modern slavery in our supply chains and operations.

The related entities of AGIC that are covered under this statement are, Auto & General Holdings Pty Ltd (AGH) (ACN 086 321 459), and Auto & General Services Pty Ltd (AGS) (ACN 003 617 909) (AGIC Group)

### About AGIC

The AGIC Group has sold, managed and underwritten a range of insurance products in Australia since the year 2000. We operate Australia-wide, and own seven damage assessment centres, located in Sydney, Melbourne and Brisbane. Our main office is in Toowong, Brisbane and our two call centres are based in South East Queensland.

We employ over 1,700 people, including underwriters, product managers, actuaries, call-centre consultants (covering sales service and claims), business developers, account managers and marketing and communication specialists.

Our supply chain includes the contracting of claims related services including repairers and builders. In our supply chain we utilise the services of approximately 184 repairers and builders all operating within Australia to deliver their services, such as motor and home repairs and restorations.

AGIC is regulated by the Australian Prudential Regulation Authority (APRA), and we operate under an Australian Financial Services Licence granted by the Australian Securities Investment Commission (ASIC).

We are a member of the Insurance Council of Australia and a signatory to its General Insurance Code of Practice. The Code of Practice emphasises the need of providing our services in an open, fair, understanding and integrity driven manner.

AGIC is part of the international BHL Group. The group includes one of the largest personal lines insurance intermediaries in the United Kingdom, and the largest direct personal lines insurer in South Africa. The group has been providing cover and service for over 35 years.

## Risk of Modern Slavery in Our Operations and Supply Chains

All of the entities covered by this statement operate in the Insurance industry. This industry has a minimal risk of modern slavery practices.

This assessment of risk is based on the services we provide, the location of our businesses and our suppliers' businesses and the fact that our industry is highly regulated.

However, there is potentially some risk relating to our supply chain stemming from our builders and repairers. The raw materials used in the goods and services provided by these businesses may be produced outside of Australia in industries with higher risks of modern slavery.

## Our Actions in Assessing These Risks in Our Operations & Supply Chains

We have carried out due diligence processes to ensure we can uncover and remedy the potential risks mentioned above in our operations and supply chains. In doing this we have assessed our own operations and our supply chains to ascertain the potential for our business to cause, contribute to or be directly linked to modern slavery.

### Audit and Survey of Our Contractors

We have audited the majority of our current service providers to assess these businesses against their inherent risk of modern slavery. For our industry we identified five main categories of contracts that were considered at risk of modern slavery. We found that the highest risks in our supply chain and operations relates to the repairers and builders contracted to perform repairs and restorations under insurance claims.

In order to deepen our understanding of this risk we developed a questionnaire aimed at

uncovering the potential risks of modern slavery in these businesses' individual circumstances.

In total we distributed 184 surveys to our repairers and builders. The responses we received were for 67 different businesses, all of which assisted in greater understanding our modern slavery risks.

Through engaging with these suppliers, we have requested the geographic locations of their business's offices and where their services and raw materials are sourced. This information was then compared to the Global Slavery Index's 2018 map of modern slavery in the world.<sup>1</sup>

The raw materials and services provided are generally sourced from Australian businesses but are occasionally procured internationally. By using domestically sourced materials we mitigate our supply chain's risk of modern slavery practices through the improper treatment of workers in areas with less regulation on these matters, such as overseas.

All of the responses provided, stated that the businesses' operations do not have a raised risk of modern slavery nor do they have any concerns of modern slavery practices in their supply chain and have not needed to investigate any modern slavery claims in their businesses. Further to this point, 40 businesses stated that they had a review mechanism for potential modern slavery risks and had implemented either training or policies in relation to the education of modern slavery for their employees.

Additionally, 18 of these businesses have taken steps to reduce the potential hazards of modern slavery in their business. Such methods of this risk mitigation include:

- Training programs for all employees;
- Ethical business policies; and
- Specific modern slavery business policies.

Lastly, the responses from this questionnaire revealed that only 1 business uses contracted or seasonal workers.

## Whistleblower Policy

We have a Whistleblower Policy promoting a work environment that encourages and allows employees to operate with ownership and integrity and feel safe raising matters of concern in our business. This promotion of ethical behaviour applies to our direct employees, contractors and third-party representatives of AGIC and our subsidiaries.

We have developed a stringent yet welcoming reporting process, protecting any person disclosing information, encouraging transparency in our business. Any risk of modern slavery in our operations can easily be reported, assessed and rectified using this procedure.

## Modern Slavery Contract Terms

To ensure that we will be complying with the requirements of the Act we have developed contractual terms relating to modern slavery to be used as standards in the procurement of new services.

The terms once incorporated and accepted, will have the effect of ensuring our contractors commit to compliance with the Act but also place an onus on them to ensure their contractors and suppliers comply with at minimum these same terms.

The terms have commenced being implemented in this statement's reporting period, and will continue to be used and enhanced in further reporting periods.

## Effect of COVID-19

Due to the effects of COVID-19 and the economic uncertainty as a result of the pandemic we acknowledge there may be an increased risk of modern slavery in our operations and supply chains.

To address this issue we asked those receiving our modern slavery questionnaire, to explain whether COVID-19 had affected their potential risk of modern slavery in their business. None of the businesses raised any specific impacts of COVID-19 relating to modern slavery in their operations.

<sup>1</sup> <https://www.globallslaveryindex.org/2018/data/maps/#prevalence>.

Whilst we were unable to meet face to face as often, with businesses in our supply chain as had originally been anticipated, meetings took place remotely via teleconference and videoconference to ensure we could meet our requirements in making this Modern Slavery Statement.

## Assessing the Effectiveness of Our Actions

The responsiveness of our Modern Slavery Survey sent out for this initial reporting period will be used as baseline to assess the effectiveness of subsequent surveys and is a key learning on how to further improve our ability to influence the risks of modern slavery.

In completing this statement, we have detailed key actions taken by our business in and assessing and minimising the risk in our operations and supply chains. Using these learnings will be vital in ensuring continuous improvement is adopted in future preparation of statements, and to further assess the effectiveness of our actions to date. In preparation of future statements, our previous statements will be reviewed to understand how the actions of our previous reporting years have actually affected the risk of modern slavery in our operations and supply chains.

As stated above, we have developed new terms to be used as standard for the procurement of services. These terms require our service providers to identify potential risks of modern slavery allowing us to react and learn from these risks in the future. Importantly though, these terms will guide whether the risk raised by our contractor was due to our acts or omissions. This information will then be utilised in strengthening our practices for our subsequent modern slavery statements.

For the next reporting period, we will look to including the integration of questions that identify modern slavery risks in our procurement process when considering all new supplier engagements.

## Engaging All Our Entities

In preparation of this statement we have sought and valued the input of all entities covered in this joint statement.

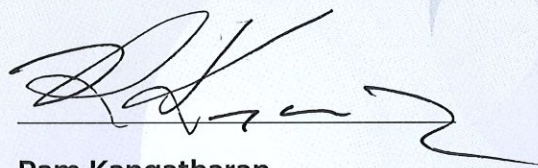
This statement has been reviewed by all of the related entities mentioned and has taken on board the actions of those entities to ensure that they have been engaged in its completion.

All related entities of AGIC operate in the same industry and have similar exposure to the risks of modern slavery. The actions and consultation taken by each entity has been reflective of the relationships in our group and the risk profiles of those entities.

## Approval of statement

This statement was made in compliance with the *Modern Slavery Act 2018* (Cth) for the reporting period of 1 July 2019 to 30 June 2020.

This statement was approved by the Board of Directors of AGIC, being the principal governing body for the AGIC Group, on 22 January 2021.



**Ram Kangatharan**

Group Managing Director & CEO Asia Pacific  
Auto & General Insurance Company Ltd