



LIFE INSURANCE

2023

Modern Slavery Statement

*“At MLC Life Insurance,
we’ve dedicated
ourselves to upholding
international human
rights across our full
range of influence.”*

Kent Griffin

*CEO and Managing Director
MLC Limited*

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Our promise

Even with worldwide initiatives, the issue of modern slavery continues to be a pressing problem. It's estimated that around 50 million people are still caught in conditions of modern slavery¹.

That's why we, at MLC Life Insurance, have dedicated ourselves to upholding international human rights across our full range of influence.

This Modern Slavery Statement is our fourth statement, issued in line with Australia's *Modern Slavery Act 2018 (Cth)* (Act). It explains the steps we've taken to identify and address modern slavery within our operations and supply chains during the financial year ended 31 December 2023.

Importantly, this statement – like our stance against modern slavery – is rooted in our foundational values and strategic direction. It's guided by both the mandates of the Act and the United Nations Guiding Principles on Business and Human Rights.

This statement has been approved by the MLC Limited Board of Directors on behalf of our organisation. The Board has authorised it to be signed by me as CEO and Managing Director.

We welcome any questions or feedback you may have on our statement, which you can email directly to procurement@mlcinsurance.com.au.



Kent Griffin
CEO and Managing Director
MLC Limited

¹ Global Estimates of Modern Slavery: Forced Labour and Forced Marriage International Labour Organisation, Walk Free and International Organisation for Migration, Geneva, September 2022.

About us

Criteria 1: Identify the reporting entity

As a life insurer, MLC Limited is committed to safeguarding our customers and our community. This commitment extends to workers within our supply chains, too. To that end, this is MLC Limited's fourth Modern Slavery Statement, published in line with the Act and our company values. This statement outlines the steps our company has taken in 2023 to help identify, pre-empt and mitigate modern slavery risks within our operations and supply chains.

This statement reflects MLC Limited's belief that businesses committed to sustainable practices will not only meet the standards set out by the Act, but can deliver a better, more sustainable quality of life for their customers and community.

We aim to continuously improve our practices by striving to deliver life insurance to customers in the most sustainable and responsible way we can. We are committed to upholding, protecting and championing human rights while reducing and preventing the risk of breaches – including from modern slavery – across our business and supply chains.

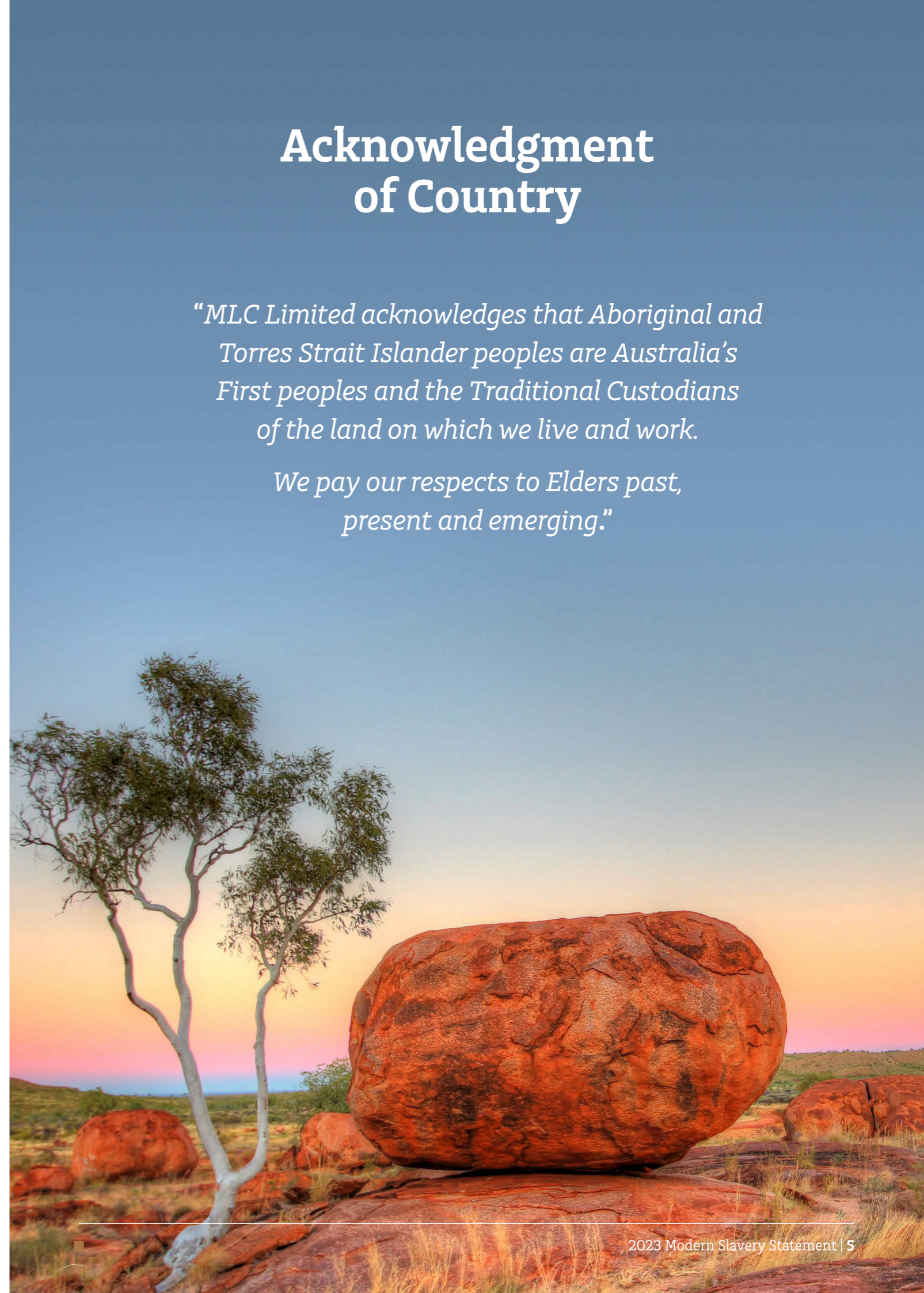
Through our sustainable practices and business processes, we also aim to:

- generate positive opportunities, including sustainable workplace practices, training and stakeholder engagement
- better manage our risks and reduce the opportunity for misconduct within our supply chains
- consider people, the planet and the economy and in our operations and ensure we don't just avoid negative outcomes, but actively do good
- improve the lives of our customers, people, partners, and society through comprehensive, evidence-based policies like our Net Zero Emission target and Reconciliation Action Plan.

Acknowledgment of Country

"MLC Limited acknowledges that Aboriginal and Torres Strait Islander peoples are Australia's First peoples and the Traditional Custodians of the land on which we live and work.

We pay our respects to Elders past, present and emerging."



Structure, operations and supply chains

Criteria 2: Describe the structure, operations, and supply chains of the reporting entity

This Modern Slavery Statement covers MLC Limited, a reporting entity under the Act. Our ongoing commitment to upholding the highest ethical standards means that our structure, operations and supply chains have not changed significantly since we published our 2022 Modern Slavery Statement.

Our structure

MLC Limited is an unlisted public company and operates under the business name of MLC Life Insurance. MLC Limited does not own or control other entities. Our principal activities are to provide life insurance products and life investment products.

Our Australian Financial Services License (AFSL) number is 230694. Our ABN is 90 000 000 402, and our registered address is Level 6, 177 Pacific Highway, North Sydney NSW 2060.

MLC Limited is part of the Nippon Life Insurance Group. As part of the Nippon Life Insurance Group, we benefit from the financial strength and global insurance expertise of the Group.

Our operations

MLC Limited provides life, trauma, total and permanent disability, and income protection insurance products to about 900,000 Australians. We distribute our products entirely within Australia, mostly through partnerships with financial advisers, superannuation funds and other financial institutions. Our AFSL also allows us to issue products directly to consumers.

We're currently the fourth largest issuer of retail life insurance in Australia and have a 15% market share as measured by in-force premium as of 31 December 2023². As of December 2023 we had 1,400 employees, engaging up to 400 people contingently.

Our supply chains

We choose suppliers by rigorously evaluating their labour practices to ensure they adhere to the highest ethical standards, fully comply with the Modern Slavery Act and align with our commitment to social responsibility. This helps prevent exploitation and promotes fair work.

MLC Limited has a centralised procurement function which manages our enterprise-wide spend for goods and services. An evaluation of our supply chains for the 2023 financial year revealed that we partnered with 1,402 suppliers to deliver our goods and services.

In 2023, MLC Limited spent over \$119 million to procure goods and services with these suppliers, who range from small to large companies.

Of the 1,402 suppliers, the majority are service based, including:

Figure 1
MLC Limited supplier distribution by category (2023)



MLC Limited uses 1,402 suppliers, with only a small number of material³ outsourcing arrangements – predominantly technology services – delivered from offshore. These services are performed by five Indian suppliers and one from Vietnam.

During the 2023 reporting period, we continued to conduct our core life insurance business and related services in-house rather than outsourcing these crucial activities. We manage third party and outsourcing risks, including modern slavery, by conducting pre-onboarding supplier due diligence and risk assessment, as well as regular risk reassessment.

As an Australian Prudential Regulation Authority (APRA) regulated entity, we must also comply with Prudential Standard CPS 231 by maintaining a well-defined framework to assess and manage our supplier risks, governance and reporting requirements. We ensure that our material suppliers are managed appropriately through our comprehensive supplier management framework, which is overseen by our Supplier Provider Governance Committee (SPGC) and regular board reporting.

Our SPGC is an internal governance mechanism, set up to monitor third-party and outsourcing risks (including modern slavery) for our board and senior management. It provides them with regular oversight of our service provider portfolio.

² According to statistics provided by independent advisory group NMG Consulting, Risk Distribution Monitor Q4: October – December 2023.

³ As defined in APRA CPS 231, material suppliers are suppliers who have the potential, if disrupted, to have a significant impact on our operations or ability to manage risk.



Understanding our modern slavery risks

Criteria 3: Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity.

While people of all ages, genders, and nationalities can be affected, some groups are more vulnerable than others. Modern slavery is often difficult to identify and quantify, adding to the risk it may occur throughout a business and its operations.

Consistent with our previous reporting period, we determined our risk exposures lie in these four areas:

1. Our customers

The first risk area is our customer base, who purchase our life insurance products within Australia. According to Global Slavery Index standards, our customers represent a **low risk** of exposure to modern slavery.

That risk rating is due to several factors, mainly because of:

- the demographics of our typical customer
- strict identification and information collection requirements, and
- the voluntary nature of life insurance.

Even so, we strive to mitigate these risks. We also recognise that while our customers may not be at substantial risk of exposure to slavery, they and their loved ones may face other vulnerabilities and need additional support, especially when making a claim.

We are committed to supporting our customer's whole self where we can and encourage customers to contact us to see how we can assist. For more information, please visit www.mlcinsurance.com.au/support/customer/additional-support

2. Our employees

Much like our customers, our employees are also considered **low risk** for exposure to modern slavery, based on their:

- location
- professional skills and
- experience required of our workforce.

MLC Limited firmly believes that our ability to deliver high quality service and products to our customers is driven by our staff's well-being.

In addition to our tireless commitment to identifying and mitigating modern slavery risks within our operations and supply chains, MLC Limited aims to create a supportive and ethical work environment for all our employees.

We aim to achieve this through comprehensive support systems that focus on fair wages, safe working conditions and access to personal and professional development resources. This holistic approach nurtures our dedicated and motivated workforce while reinforcing our commitment to upholding human rights and combating exploitation.

All our employees are Australia-based and covered by MLC Limited's Enterprise Agreement 2021, and are also entitled to join the Finance Sector Union (FSU) if they wish.

Please note that while contingent labour workers don't fall within the 'employee' category, they are considered as part of the direct supply chains risk category.

3. Our investments

Understanding the risks of modern slavery in investments is crucial for MLC Limited, as it not only safeguards our ethical and legal standing, but also enhances our reputation and long-term profitability. Recognising modern slavery risks helps MLC Limited to avoid complicity in human rights abuses, thereby protecting our brand.

Using the same Global Slavery Index criteria, our investment risk is considered to be **low to moderate**.

Our investment funds and the funds invested on behalf of policyholders are managed by external investment managers, chosen based on their performance and alignment with our values.

Before choosing new investment managers, we rigorously assess their ESG and human rights credentials. Once selected, our investment managers are then assessed annually on their ESG risk compliance, including modern slavery.

In their work, our investment managers must consider ESG risks and considerations or controversies as part of their investment process. And although it is up to the investment managers to determine the specific ESG checks and considerations, they must include modern slavery and human rights risks.

If the investment managers are based in Australia, they typically also prepare and report their own Modern Slavery Statements. Our investment managers also seek to incorporate and comply with the intentions of the United Nations Principles for Responsible Investment (UN PRI).

There has been no change in Environmental, Social and Governance (ESG) investment risk since our previous report.

4. Our supply chain

Our greatest risk of modern slavery exposure comes from our supply chain, which we deem to pose a **moderate to high risk**. However, MLC Limited monitors and assesses our overall supply chain risk profile through careful consideration of supplier selection (including supplier due diligence and risk assessment).

We continue to monitor risks throughout the life of contract by assessing:

- the geographic location of the supplier
- the industry that the supplier operates in, and
- the nature of the goods and/or services provided.

In line with APRA CPS231, we maintain:

- a well-defined supplier management framework
- ongoing management framework
- monitoring governance, and
- reporting for our material suppliers.

In 2023, MLC Limited onboarded 56 new suppliers, 53 of whom have undergone risk assessment and supplier due diligence process with no adverse results found. The remaining three suppliers – who provide photography, and event and venue hire – were determined low risk due to their nature of service offered.

These suppliers agreed to our purchase order terms, which include a modern slavery clause, with a requirement to not engage in forced labour, slavery, servitude or trafficking in persons, of any form.

In 2023, we dedicated significant efforts to strengthening our procurement practices. Our initiatives included:

- improvements to supplier due diligence
- reaching out to more suppliers to attest our Supplier Code of Conduct attestation
- an Offshore Supplier Awareness program, and
- a company-wide training and awareness program.

The next section, **Actions taken to address our risks**, provides more details about these actions.

Actions taken to address our risks

Criteria 4: Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.

Over the past year, we have improved how we identify and address potential modern slavery risks within our operations and supply chains and will continuously review and update our practices.

ESG investment risk

Our investment managers consider ESG investment risk as part of their investment process.

We also take care to assess our managers annually on their ESG risk compliance, and in 2023 considered these issues in greater detail than in previous years – with the results of this review then presented to the Asset and Liability committee in October 2023.

The investment managers responsible for directly managing MLC Limited's investments are both signatories of the UN PRI. Both have policy positions on key ESG issues, including modern slavery.

Supplier Code of Conduct attestation

We maintain a Supplier Code of Conduct that reflects our ethics, principles and commitment to human rights. As part of our standard procurement process, all new suppliers must either comply with our Supplier Code of Conduct or make an equivalent commitment. Our existing suppliers must also meet this requirement when we renew their contractual agreements.

Through the 2023 reporting period, we sought and received attestation from 60 suppliers, an increase from 30 in 2022. We aim to extend the coverage of this attestation process further in 2024.

As part of our commitment to fostering a transparent culture, we maintain a dedicated MLC Limited alert line and email address. These channels allow both employees and suppliers to speak up about any concerns or violations about modern slavery.

Training and awareness

Education and awareness of the risks and impacts of modern slavery lead to better decision-making when purchasing goods and services. Our procurement function undertakes a mandatory annual awareness training program, which contains modules that raise awareness of modern slavery, where it can occur, and how suppliers contribute to modern slavery either directly or indirectly.

In 2023, we reviewed and refreshed our modern slavery training material. We also published a modern slavery education module which serves as a mandatory part of company-wide compliance training. This training module increases employees' awareness of modern slavery and helps them understand MLC Limited's role in meeting its compliance obligations. In the 2023 reporting period, 99.1% of our employees completed the awareness training session.

Supplier Awareness Program — offshore suppliers

In 2023, we revised and improved our offshore suppliers' awareness program pack to align with the latest statistics⁴, regulations and legal standards. Our procurement team organised awareness sessions and distributed questionnaires on the topic of modern slavery. As a result, five of our ICT offshore suppliers provided confirmation that they understand and adhere to our Supplier Code of Conduct, which explicitly covers modern slavery requirements.

Supplier due diligence

Our supplier selection process has not materially changed from the previous reporting period. New suppliers must still provide detailed information about their human rights policies, processes, and risk assessments, including:

- governance
- geographical risks
- environmental risks, and
- modern slavery risks.

We have reviewed our supplier due diligence and onboarding process to improve the evaluation process for suppliers. Our risk management function has developed a comprehensive supplier due diligence questionnaire – which will be launched in 2024 – to help our procurement team in choosing and onboarding new suppliers. These enhanced questionnaires cover topics about supplier adherence to human rights and modern slavery policies.

⁴ As per the statistics provided in <https://www.walkfree.org/global-slavery-index/>



Actions taken to address our risks *continued*

Whistleblower program and policy uplift

At MLC Limited, we prioritise creating a safe environment where our people can confidently raise concerns about wrongdoing. Our Whistleblower program encourages employees, contractors and eligible stakeholders to report any suspected misconduct without fear of retaliation. By doing so, we address issues that might otherwise go unnoticed and significantly impact our business.

The risk, governance and legal function is currently reviewing the policy and will be engaging a third-party supplier to manage our SpeakUp Hotline. This hotline will operate 24/7 and will be staffed by trained specialists who handle whistleblowing reports.

The SpeakUp Hotline will direct any reports received to the Whistleblower Investigation Officer (WIO) at MLC Limited. For those who wish to remain anonymous, the report will not reveal their identity.

We accept reports to the Whistleblowing Program from current or former:

- employees, contractors, subcontractors or volunteers with MLC Limited
- officers or associates (for example, a director or company secretary) of MLC Limited
- service providers or suppliers to MLC Limited.

A relative, dependent or spouse of any one of the above can also make a report.



Early detection and prevention

Whistleblowers are often the first to notice irregularities, fraud or violations of law and regulations. By reporting these red flags promptly, we can address issues before they escalate.



Effective risk management

By uncovering irregularities and potential wrongdoing that may otherwise go unnoticed, we can proactively address gaps to strengthen our internal controls before they cause any damage or loss to our customers, our people and our business.



Trust and transparency

Whistleblowing builds trust by promoting transparency and accountability. When individuals courageously expose wrongdoing, it demonstrates our commitment to ethical conduct, fostering trust amongst our employees and stakeholders who value integrity.



Protecting our stakeholders

Whistleblowing safeguards the interests of our customers, employees, and partners. Encouraging others to speak up makes a difference in ensuring we are doing the right thing.



Assessing the effectiveness of our actions

Criteria 5: Describe how the reporting entity assesses the effectiveness of such actions.

We constantly monitor and measure our performance to improve our modern slavery program by extending our attestation process to more suppliers. This includes introducing a modern slavery questionnaire when onboarding new suppliers and educating our offshore suppliers on modern slavery impacts and risks.

We continue to compare our progress against our industry peers by seeking advice from internal and external experts from similar industries, and other stakeholders.

In 2023, we successfully onboarded 56 new suppliers:

- one ICT supplier, which is material⁵
- eight ICT suppliers
- 47 suppliers, which fall under professional services, corporate, property and specialist services.

Using our rigorous supplier due diligence process, we did not identify any indicators of modern slavery risk or exposure among these suppliers. In 2023, 99.1% of our employees completed our Modern Slavery Awareness training module.

As part of our targeted training program, our procurement team has completed annual modern slavery training, designed to educate all procurement team members on how to identify, mitigate and report on modern slavery issues.

In 2023, there were no issues raised by our suppliers or employees through our Alert Line related to modern slavery.

In 2024–2025, we will continue to advance our Modern Slavery Awareness program through these next steps:

- 1 Review of our Sustainable Procurement policy, Supplier Code of Conduct, and Supplier Due Diligence questionnaire:** We will conduct a comprehensive review of these existing documents and tools to ensure they align with best practices and legal requirements.
- 2 Collaboration with Risk Management function:** We are working closely with our Risk Management function to introduce an enhanced Supplier Due Diligence module in FY24 into our current Supplier Risk Assessment tool and process to further strengthen our risk management practices.

Appendix 1: Modern Slavery Statement mandatory criteria

This statement meets the mandatory reporting criteria set out by the Australian Commonwealth *Modern Slavery Act 2018*. The table below aligns the criteria required by the Act to the corresponding section of this statement:

Australia's <i>Modern Slavery Act 2018 (Cth)</i>	Modern Slavery Statement 2023	Pages
Criteria 1: Identify the reporting entity	About us	Page 4
Criteria 2: Describe the structure, operations, and supply chains of the reporting entity	Structure, operations and supply chain	Pages 6–7
Criteria 3: Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Understanding our modern slavery risks	Pages 8–9
Criteria 4: Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	Actions taken to address our risks	Pages 10–12
Criteria 5: Describe how the reporting entity assesses the effectiveness of such actions	Assessing effectiveness of our actions	Page 14
Criteria 6: Describe the process of consultation with the entity giving the statement	Not applicable	
Criteria 7: Any other information that the reporting entity considers relevant	None	

⁵ As defined in APRA CPS 231, material suppliers are suppliers who have the potential, if disrupted, to have a significant impact on our operations or ability to manage risk.



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Have a question?

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