



Berkshire Hathaway  
Specialty Insurance

# BHSI MODERN SLAVERY STATEMENT

**REPORTING PERIOD ENDING – 31 DECEMBER 2022**

The Australian branch of Berkshire Hathaway Specialty Insurance Company (“BHSIC”) is subject to the Modern Slavery Act 2018 (Cth) (the “Act”), which requires reporting entities subject to the Act to produce an annual modern slavery statement. This statement outlines how we, and our third party supply chains, will ensure compliance with the requirements of the Act.

## **ABOUT BHSIC**

BHSIC is a provider of general insurance and has a customer-first philosophy with Claims being our Product. BHSIC takes its responsibility seriously to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

BHSIC is a wholly owned subsidiary of National Indemnity Company, an insurance company incorporated in Nebraska USA, and is part of the Berkshire Hathaway Inc. group of companies which hold financial strength ratings of A++ from AM Best and AA+ from Standard & Poor’s. In Australia BHSIC operates as a Branch, with offices in Sydney, Melbourne, Brisbane, Perth and Adelaide (“BHSIC Australia”).

Our business consists of the underwriting of insurance and associated policy and claims management for commercial property, casualty, healthcare professional liability, executive & professional lines, surety, marine, accident & health and multinational insurance.

BHSIC Australia does not own or control any other entities.

## **OUR SUPPLY CHAINS**

The nature of business is such that the BHSIC Australia supply chains are limited. BHSIC Australia does not act as a producer, manufacturer or retailer of physical goods. BHSIC Australia outsources to certain reputable professional companies in support of its underwriting, claims and IT activities and uses services for the maintenance and support of its offices including reputable cleaning service suppliers. There are few consumer product manufacturers used in the usual course of our business. Occasional manufactured goods are acquired, for example, furniture when entering a new premises lease. All of these are considered part of the supply chains intrinsic to our insurance business.

During this reporting period, we analysed supply chain and operations to identify modern slavery risks and established a risk register of the key risk areas identified and assessed the risk of modern slavery. We have identified outsourcing of certain activities to an offshore provider as one of the highest risk areas due to the country of operation. This will be further investigated/assessed with the provider in the coming year.

## **POLICIES AND PROCEDURES**

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our policies and procedures reflect our commitment to being a responsible business which operates ethically and with integrity across all aspects of our operations, including our supplier relationships. We support human rights and anti-corruption practices and we also have an established Whistleblowing Policy.

BHSIC Australia has a range of policies and procedures for risk mitigation (including the risk of human trafficking and slavery) including Whistleblowing, Anti-Bribery, Anti-Money laundering and Outsourcing.

## **DUE DILIGENCE**

All our suppliers are expected to implement a zero-tolerance approach to slavery, forced labour and human trafficking and comply with all local and national laws and regulations including modern slavery obligations and risks which is covered in our supplier contracts. Where sensible having regard to the nature of the services provided, and the size, complexity and duration of the provision of services, on-site visits to service providers are conducted prior to or at the commencement of an engagement, and periodically during the business relationship.

Modern Slavery risk assessment is included as part of the due diligence process prior to onboarding and now forms part of the annual assessment of material outsourced providers, with the intention to apply this to all providers' assessments in the coming year.

During this reporting period, our focus was to gain a better understanding of our modern slavery risks and how such risk may be present in our operations and supply chain. At this early stage, we are beginning to assess the effectiveness of measures we have undertaken. We have commenced and will continue to work on developing processes to ensure we can review the effectiveness of the actions we are taking to assess and address modern slavery risk in our operations and supply chains.

## **EMPLOYEES**

Our Human Resources team is available to our employees (teammates) with regard to any aspects of the terms and conditions of their employment. Our policies and procedures, in particular our global Code of Business Conduct and Ethics policy, are all designed to ensure that we are supportive of our teammates at all times and conduct our business according to the highest standards of ethics and professional behaviour. Teammates working in our business have their rights and responsibilities set out in their contract of employment and in the Teammate Handbook.

## **TRAINING AND AWARENESS**

All employees are responsible for adherence to BHSIC Australia'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 an induction program and online modules and is supplemented by continuous online and awareness training.

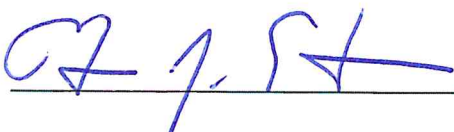
## **ACTIONS TAKEN AND ONGOING NEXT STEPS**

We are mindful of the potential of Modern Slavery in our supply chains, and we:

- Have reviewed, updated and/or developed internal policies and procedures, including third party vendor framework documents to embed modern slavery commitments and to identify and assess areas of potential risk for our suppliers. We will continue to refine these policies and procedures as appropriate.
- Continue to review and update our suppliers' contract obligations where required.
- Have promoted modern slavery awareness and delivered targeted modern slavery training for our teammates. This will continue into the future year.
- Have included modern slavery risks in outsourced due diligence process reviews and annual assessment for material outsource providers.
- Conduct ongoing monitoring of developing modern slavery practices within the insurance industry to enable review and changes to our process if appropriate.
- Have analysed supply chain and operations to identify modern slavery risks and established a risk register of the key risk areas identified. Undertake assessment of modern slavery risk for the areas noted as higher risk in the risk register.
- Include modern slavery risk assessments as part of an annual review of outsourced providers framework.
- Developing processes to ensure we can review the effectiveness of the actions we are taking to assess and address modern slavery risk in our operations and supply chains.

## **APPROVAL**

This statement was approved by the Senior Officer outside Australia Peter Eastwood in his role as principal governing body and responsible member of Berkshire Hathaway Specialty Insurance Company on 29 June 2023.



**PETER EASTWOOD**

Senior Officer outside Australia