

Modern Slavery Statement 2020



Introduction

TAL protects people, not things, and as a life insurance specialist, we understand the value of human life. This is our first Modern Slavery Statement under the Modern Slavery Act 2018 (Cth) (the Act).

TAL recognises that the term modern slavery is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. We understand that slavery can take many forms, such as human trafficking, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and child labour.

We also recognise that modern slavery is only used to describe serious exploitation and it does not include practices like substandard working conditions or underpayment of workers. However, these practices are also illegal and harmful and may be present in some situations of modern slavery.

TAL is committed to ensuring we have effective policies and procedures in place to minimise the risk of modern slavery occurring within our business operations and supply chain. We respect the human rights of our people, our partners, our customers, our suppliers and of the community in which we operate. Our intention is to identify and manage risks related to human rights across our business and through our supply chain management.

In addition, TAL is a signatory to the United Nations' Principles for Sustainable Insurance, a framework which encourages insurance companies worldwide to put environment, social and governance concerns at the heart of their decision making.

TAL takes pride in our ethical and compliant approach to doing business and this is clearly articulated in our Code of Conduct. In this way, we work to build a more sustainable future - not only for our business, but also for the community in which we operate.

Our business

TAL is one of Australia's leading life and income protection insurance specialists with origins dating back over 150 years. As a wholly owned subsidiary of the Dai-ichi Life Group, we draw financial strength from one of the world's global top-10 insurers.

Today, we're proud to protect more than 4.5 million Australians, and as a specialist insurer we help Australians access life and income protection insurance in the way they most prefer through the following channels: direct to consumer; through a financial adviser; and via group and workplace superannuation schemes.

Our Purpose

Our core Purpose is: helping Australians live a life filled with choices, options and freedoms, no matter what happens.

Our Ambition

Our Ambition is to ensure our customers understand and value the protection they have and are confident we will be there when they need us most.

Our Spirit

Our Spirit describes how we work with our customers, partners, communities and each other. We describe our Spirit through four qualities:

- **Aiming Higher**
- **Doing The Right Thing**
- **Being Straightforward**
- **Getting It Done**

Our Priorities

Our Priorities help ensure our long-term performance and sustainability to meet the needs of all our stakeholders. These priorities include:

- **Customer and industry leadership:** leading the industry by getting it right for our customers and partners
- **People:** Building a culture that is high performing, confident, and creates exciting opportunities for our people
- **Growth:** Building on our existing business and finding new ways to help our customers and partners for the future
- **Strengthening the business:** Strengthening and simplifying what we do to be a more resilient business
- **Integration:** Bringing Asteron and TAL together to build a stronger and better business for the future
- **Financial performance:** Delivering long-term sustainable financial performance so that we will be here to deliver on our Purpose and Ambition

Our structure, operations and supply chains

TAL Dai-ichi Life Australia Pty Limited, ACN 150 070 483, is a wholly owned subsidiary of the Dai-ichi Life Group. TAL Services Limited generally enters into contracts with suppliers on behalf of the TAL Group. This statement covers the activities of the TAL Group which include:

	TAL Life Limited	Provides life and income protection insurance through the TAL brand
	Asteron Life & Superannuation Limited	Provides life and income protection insurance through the Asteron brand
	Affinia Financial Advisers Limited	Licensee dealer group servicing a network of financial advisers
	TAL Superannuation Limited	Trustee of the TAL Superannuation and Insurance Fund
	TAL Direct Pty Ltd	Provides life and income protection insurance under the Insuranceline brand
	Lifebroker Pty Limited	Provides a life insurance comparison service
	International Life Solutions Proprietary Limited	Provides underwriting services and claims management services (offshore - Cape Town, South Africa)
	TAL Services Limited	Provides various corporate services across the TAL Group

Our business is focused on life and income protection insurance. This encompasses distribution, claims, underwriting and financial reporting.

As a services-based organisation, we are labour-intensive and therefore wages, employee benefits, taxes and government charges constitute the largest component of our operating expenses.

TAL has identified 12 supply chains that support our operational requirements:

Banking	Investment Management	Staff support
Business support services	Marketing	Support services
Facilities	Operations	Telecommunications
IT	Professional services	Travel

Risk of modern slavery practices in TAL's operations and supply chains

As TAL operates in the regulated Australian Financial Services environment, and within a highly regulated labour market with award safeguards for employees in most industries, the risk of modern slavery in our operations on shore is assessed as low.

The key risks for TAL are in the operations that are performed offshore and the products and services that are sourced, either wholly or in part, outside of Australia.

Assessing the risk of modern slavery within TALs supply chains

TAL has developed a framework, ratified by TAL's Board Risk Committee, to enable the modern slavery risk for each supply chain to be assessed.

The framework methodology is based around geographic risk, product risk, sector risk and entity risk and uses data from leading public data sources¹.

Through the risk assessment process, a small number of supply chains were assessed as high risk.

Each of the vendors within these supply chains were assessed, and a number were identified as high risk.

We have performed due diligence on these vendors in line with the due diligence approach defined by the Australian Financial Services Council (FSC).

No deficiencies were identified through the due diligence process.

A framework for issue resolution has been developed that encompasses three steps:

1. Try and resolve with supplier management. If not successful;
2. Determine treatment strategy;
3. Implement treatment strategy (either agree plan to remediate deficiencies or move to new supplier).

Ongoing assessment and monitoring

High risk suppliers will be required to provide TAL with an annual Modern Slavery Statement in line with the seven mandatory criteria required under the Act.

TAL will take steps to assess the accuracy and efficacy of these statements on an annual basis.

Audit Program

TAL will carry out an annual audit program using a third-party supplier to audit a sample of the high risk suppliers.

The audit would look to verify that actions claimed in annual Modern Slavery Statements have been completed.

Process of consultation with owned and controlled entities

International Life Solutions Proprietary Limited (ILS) supports our underwriting processes and is based in Cape Town, South Africa. The supply chains for ILS will be assessed using our framework methodology based around geographic risk, product risk, sector risk and entity risk using data from leading public data sources¹. This assessment will take place in the next reporting period.

High risk vendors will then be reviewed in line with TAL's due diligence approach defined by the Australian Financial Services Council (FSC).

¹ Sources:

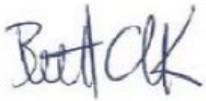
- i. Global Slavery index: <https://www.globalslaveryindex.org/2018/methodology/prevalence>
- ii. Modern Slavery Risks, Rights and Responsibilities, commissioned by the Australian Council of Superannuation Investors and conducted by KPMG, Feb 2019
- iii. Modern Slavery Index, is your business ready to respond, produced by KPMG, 2019

Future commitments

Over the next year, our focus areas will be:

- Continuing to develop the maturity of our supplier due diligence framework
- Continuing to be actively engaged in the FSC ESG Working Group, which includes assessments and benchmarking of supply chains in response to the Modern Slavery Act
- Enhancing reporting and analysis capability of our supply risk framework, and improving timeliness of assessing suppliers
- Ongoing benchmarking of our practices across the financial services industry

This statement was approved by the TAL Board



Brett Clark
Group CEO & Managing Director
16 December 2020



Duncan Boyle
TAL Group Chair
16 December 2020