Introduction

This statement is made jointly by Arch Financial Holdings Australia Pty Ltd ABN 18 605 164 627, Arch LMI Pty Ltd, ABN 60 601 356 174 and Arch Lenders Mortgage Indemnity Limited ABN 60 074 042 934, for the financial year 1 January 2025 - 31 December 2025.

Our Corporate Structure

Arch Financial Holdings Australia Pty Ltd ("AFHA") is an APRA-authorised non-operating holding company ("NOHC"). Arch LMI Pty Ltd ("Arch LMI") and Arch Lenders Mortgage Indemnity Limited ("Arch Indemnity") are subsidiaries of AFHA, and collectively, form the Level 2 insurance group ("Level 2 Group").

Arch Indemnity is an APRA Authorised General Insurer and holder of an Australian Credit Licence. Arch LMI Pty Ltd holds an Australian Financial Services Licence and provides services to Arch Indemnity and AFHA.

AFHA is a wholly owned subsidiary of Arch Financial Holdings Europe III Limited ("Holdco III"), an Irish company. Holdco III is wholly owned by Arch Reinsurance Ltd ("Arch Re Bermuda"), a Bermuda company, which is wholly owned by Arch Capital Group Ltd. ("Arch Capital" or "ACGL"), a Bermuda company. Arch Capital is the parent holding company within the Arch group of companies ("Arch" or, the "Arch Group").

Arch Capital is a publicly listed Bermuda exempted company that writes insurance, reinsurance, and mortgage insurance on a worldwide basis. Arch Capital was formed in 2001 and now has approximately 7410 staff globally and 43 employees & 7 contractors within Australia.

Operations and Supply Chain

What we do

Our vision is to promote access to home ownership, creating long-term value and security for families and communities. We achieve this by providing credit risk solutions that assist lenders in making residential mortgage loans to more Australian households.

During the financial year 1 January 2025 to 31 December 2025, our principal business activity was the provision of Lenders Mortgage Insurance via APRA and non-APRA regulated Lenders.

The Level 2 Group leverages the Arch Group's capability where appropriate, including but not limited to:

- Information Technology and Information Security support;
- Investment Management via Arch Investment Management Limited;
- Legal Services;
- Human Resources;
- Administration Services; and
- Reinsurance via Arch Reinsurance Limited.

As an insurance provider, our external suppliers are generally limited to:

- Other professional service providers such as contractors, consultants and consulting firms;
- Information technology services including:
    - Hardware vendors (equipment such as computer hardware, desktop and notebook PCs and routers);
    - Software vendors (servers, firewalls, systems);
- Office supplies; and
- Maintenance companies.

Therefore, the Level 2 Group's suppliers include products and services sourced in Australia and overseas (mainly located in the United States of America, with other offices in Canada, Bermuda, Philippines and India, provided by other Arch Group affiliates).

We do not operate as a producer or retailer of physical goods and have no supply chains relating to such activities.

We ensure that due diligence and control assessments are undertaken for suppliers (also referred to as "Service Providers" in this document) on a risk-based approach. For individual purchases we use established businesses (those that have a reputation for a specific product, service, or process). The due diligence and control assessment include, but are not limited to, sanctions screening, 'know your supplier' assessment and where we are sharing information with the supplier, an information security assessment.

We are committed to working with suppliers that adhere to the same ethical and business standards as Arch. We are continuously improving our processes and developing our approach to evaluating supplier Governance and Sustainability ("Sustainability") performance and Anti-Modern Slavery practices.

Our Culture and Values

Honesty, integrity, and trustworthiness are core values that define our culture and drive our relationships with our customers, employees, business partners and suppliers.

As a result, the level 2 Group is committed to integrity in the conduct of our business in a way that is legal, ethical, and supports diversity and equal opportunity. We are guided by our parent company, ACGL, the principles expressed in the UN Universal Declaration of Human Rights, and we respect all internationally recognised human rights standards and modern slavery legislation by protecting our people, communities and people who entrust us with their business.

Our Policies

We have established or adopted the following policies to foster good business practice and behaviour, and mitigate the risk of Modern Slavery occurring within our business or suppliers:

- Arch Capital Group Code of Business Conduct;
- Arch Capital Group Human Rights Policy;
- Arch Capital Group Third Party Service Provider Risk Management Policy & Third-Party Risk Management Monitoring Program;
- Arch Capital Group Responsible Investing Policy;
- Level 2 Group Service Provider Management Policy;
- Level 2 Group Whistleblower Policy; and
- Level 2 Group Complaints Handling Policy and Brochure.

We uphold and reinforce our values through our policies, including our Business Code of Conduct ("the Code"). Our Code requires attestation by all our employees and Board members, including external directors, and drives our ethical decision-making.

Some key areas covered by the Code include:

- Ethical Commitment;
- Inclusive Workplace;
- Business Integrity; and
- Compliance & Governance.

Additionally, in 2025, ACGL developed a global Supplier Code of Conduct. This document clarifies the expectations in our external network and for our supply chain. The Arch Supplier Code of Conduct is accessible on AGCL's website.

We review our internal policies annually and conduct assessments regularly to ensure incidents and issues related to Modern Slavery or Human Rights are identified and addressed as soon as possible. We confirm the Level 2 Group has had no such incidents or issues since our Modern Slavery reporting commenced.

Reporting Concerns and Suspected Violations

We encourage our employees and suppliers to report questions or concerns. We have a 24-hour compliance hotline and online portal, hosted by an independent third-party service to maintain confidentiality. The hotline can be reached through local telephone numbers for all Arch's global locations and multilingual services are available. Our Whistleblower Policy is made available on our public website.

Training

We provide annual training and materials to all employees to raise awareness of modern slavery risks and ensure they understand their role in identifying and addressing such risks.

Our Risks and Actions

As part of our overall Risk Management Framework, we support our employees by providing training, clear policies and procedures, and performance monitoring and feedback.

Modern Slavery risks are identified and managed in line with the Level 2 Group's overarching Risk Management Framework. This includes identification of risks through targeted risk identification workshops, incident monitoring and utilising external sources of information to help us better understand the Level 2 Group's risk profile, including Modern Slavery risks.

Risks	Actions
As a financial Service Provider	
As the provider of wholesale lenders mortgage insurance to banks and non-bank lenders, the risk that our customers' activities may involve modern slavery is considered relatively remote.	We assess our customers' corporate values and governance processes before entering into new arrangements. We rely on lenders conducting appropriate due diligence and risk assessments on their customers and will seek ongoing assurance from our customers that these processes are in place and operating effectively. Prior to engaging new clients, we conduct a due diligence and risk assessment process as outlined in our Customer and Contract Governance Handbook that aims to understand the implications of working with new clients. Part of this process includes assessing their Modern Slavery Statements where available. The results of the due diligence undertaken by the Level 2 Group are presented to the Senior Management Team for their consideration and acceptance or rejection in line with the business strategy prior to engagement. Where Modern Slavery risks are identified they will be highlighted for consideration, including the appropriate level of controls if the provider is accepted. This may include an annual monitoring program.
As a purchaser of goods and services through our supply chain	
There may be a risk that the goods and services that we purchase have been created or provided with the use of modern slavery (Arch LMI and Arch Indemnity).	The Level 2 Group has a comprehensive Service Provider Management Policy to conduct risk-based due diligence while working with the Service Provider and monitor ongoing performance. We also have the ACGL Third Party Service Provider Risk Management Policy which is designed to identify and mitigate the risks associated with Arch's use of and reliance on the Third Parties. The ACGL Third Party Risk Management Monitoring Program is designed to ensure that the risks imposed by Service Provider engagements are periodically monitored, based on risk assessments and ratings. This monitoring is conducted upon request, following the Level 2 Group risk approach. We reserve the right to assess, audit, and investigate each Service Provider's processes to validate that the processes are consistent

	with their agreement. Service Providers must be able to provide timely and accurate evidence of compliance with the Service Level Agreement when requested. Our Service Provider Management Policy establishes the approach to the pre-implementation, and post-Implementation, processes for the selection, ongoing management, and monitoring of Service Provider arrangements. The Level 2 Group establishes a risk-based approach to manage risks during the onboarding process and when ongoing monitoring is required. Sufficient resources are devoted to managing and monitoring our Service Provider relationships, depending on the importance of the activity and applying a risk-based approach. Arch Capital Group's ongoing Third-Party Risk Management Monitoring Program applies to the Level 2 Group's Service Providers, checking that Service Providers are maintaining appropriate ongoing risk mitigation efforts after the initial Due Diligence is completed. This monitoring is conducted upon request by the Level 2 Group, in alignment with the risk-based approach adopted. The Company discusses ongoing monitoring and management of Service Providers across various governance levels, particularly addressing any non-performance issues. These matters are also reported to relevant Committees as needed.
As an employer	
There is a risk that members within our workforce are involved in, or have been subject to, forced marriage, debt bondage or other modern slavery practices. (Arch LMI).	The Level 2 Group undertakes due diligence checks on new employees and contractors, including police and probity checks prior to them commencing their position. In addition, each employee and contractor must undertake the mandatory Code of Conduct training and continue to meet standards through an annual attestation. For employees in need, Arch Capital Group provides a number of support mechanisms including a confidential Employee Assistance Program. This service is available 24/7 and provides confidential counselling to all employees. Arch has reviewed and updated its Remuneration Framework in March 2025 to ensure that all staff rights are provided in line with the law, and human rights practices in Australia. The framework also ensures alignment between remuneration and risk management of financial and non-financial risks.

As an investor	
There may be a risk that the businesses we invest in use, are involved in or benefit from modern slavery. (The Level 2 Group).	Our Market and Investment Risk Policy requires us to provide oversight and monitoring of our investment portfolio. The Level 2 Group's Investment Management Agreement with Arch Investment Management Pty Ltd requires suitable due diligence and oversight in accordance with the Service Provider Management Policy and Market and Investment Risk Policy. Additionally, we receive quarterly compliance attestations from them to monitor ongoing adherence to our Investment Management Agreement and Guidelines. The ACGL Responsible Investing Policy establishes the responsible investing governance framework which takes into consideration the United Nations-supported Principles for Responsible Investment. We will continue to work with our investment manager through 2026 to better understand and mitigate modern slavery risks that may arise within our investment portfolio.

Assessment of the effectiveness of actions

Arch aims to foster a culture where issues and incidents can be raised by staff without fear of retribution or reprisal. We maintain an Incident Management Policy and a Whistleblower Policy in support of this aim. Ongoing monitoring and supervision of Service Providers also helps in the identification and management of Modern Slavery risks in our supply chain.

Reporting is provided to Management, and Boards at least quarterly to provide effective understanding and management of risks, actions and any remediation required.

Where a potential incident has been reported, an investigation is undertaken and if there is an incident, a remediation plan is developed and monitored until resolved. Where remediation needs to occur, we will endeavor to follow the UN Guiding principles.

We report at a Management level through our Management Risk Committee, as well as providing risk reporting to our Board and Board Risk Committee and to our parent company, the Arch Capital Group.

We are continuing to enhance our existing processes and reporting frameworks as we work to understand what additional assessment criteria might need to be developed to monitor our initiatives to combat Modern Slavery.

We will also continue to monitor our internal procedures and training attendance and will review the outcomes of our business systems and processes to mitigate the risk of Modern Slavery occurring within our business, suppliers and business partners.

Currently, our Incident Reporting, Key Risk Indicators relating to training, incidents, material outsource providers, Service Provider assessments (including AGCL assessments), and Whistleblower reporting have not revealed any instances of adverse Modern Slavery practices within the Level 2 Group or with our suppliers and service providers.

Consultation

AFHA has consulted with both its subsidiaries in establishing this Modern Slavery Statement. Each entity has discussed and endorsed this statement via a management committee meeting, board subcommittee and finally the Board. AFHA has a centralised Risk and Compliance Function to ensure that proper identification, assessment, and management of modern slavery risks are consistently practiced in all entities.

Continuous Improvement

A core Arch value is to continually pursue innovation and improvement. We believe that every product or process can be improved and always strive for improvement. We seek new ideas sparked by a diverse workforce and challenge ourselves and each other in a thoughtful, respectful manner. We commit to continually and proactively:

a. Identify, assess and address Modern Slavery risk.
b. Conduct regular training of our existing employees and new hires to foster high standards of business practice.
c. Conduct due diligence and risk assessment of our supply chain, introducing new tools to assess the provision of services.
d. Review and assess ongoing effectiveness and areas in which we can improve our risk management practice in modern slavery risk.
e. Engage and collaborate with our stakeholders both internally and externally in preserving an appropriate and effective risk and compliance management practice in Modern Slavery.

We will continuously work on revising and improving our actions to ensure integrity in the conduct of our business and strengthening the protection against modern slavery risks.

The Level 2 Group has continued its review and enhancement of the Service Provider Management Policy. Furthermore, we have tailored questionnaires designed to assess their approach to modern slavery and sustainability via our due diligence process for Service Providers.

These initiatives underscore our firm stance against modern slavery and our proactive approach to promoting sustainability and responsible business conduct.

As noted above, in 2025, ACGL developed a global Supplier Code of Conduct. The Level 2 Group was consulted on this Code and provided feedback to include expectations on all suppliers to account for human rights, including modern slavery risks.

We remain dedicated to continuous improvement and transparency in our efforts to combat modern slavery and advance sustainability. As part of our ongoing commitment, we will regularly review and update our practices to ensure alignment with emerging standards and best practices in ethical sourcing and supply chain management.

Other information

Arch Modern Slavery Progress to date

- Across January 2021 to December 2024, Modern Slavery progress related to the implementation of new processes, Vendor Management questionnaires, training and monitoring to review and mitigate the risks of Modern Slavery across the Level 2 Group and our suppliers. These practices have all been embedded into the Level 2 Group with a focus in 2025 on uplifting the Service Provider Management processes and updates to the Arch Supplier Code of Conduct to embed the culture of vigilance and awareness on Modern Slavery Risks.

Approval of This Statement

This statement was approved by the Board of Arch Financial Holdings Australia Pty Ltd ("AFHA") and the Boards of its subsidiaries for each of the reporting entities covered by this statement.

Stephen Curley Chairman Date: 24 June 2026	Damian Smith Chief Executive Officer and Managing Director Date: 24 June 2026