

# Allianz Australia Limited Modern Slavery Statement

Reporting Period Ending  
31st December 2020



At Allianz, our purpose is 'We secure your future'. This purpose guides the products and services we provide and the manner in which they are provided. This includes all our interactions and business decisions extending beyond our commitment to our people, customers and community. It applies to everyone involved in our operations and supply chain.

Living our purpose means taking accountability for all components of our business and being an active leader in driving positive changes. I am proud of the steps Allianz has taken to protect human rights through our first Modern Slavery statement, as part of our obligations under the Modern Slavery Act 2018.

This is just the start of the journey, our Modern Slavery statement gives us a strong foundation to continue to learn, collaborate and mature our approach in the years ahead.

**Richard Feledy**

Managing Director, Allianz Australia

# Introduction



This is the first Modern Slavery Statement for Allianz, as part of our obligations for the Modern Slavery Act 2018 (Commonwealth Act).

Modern Slavery is a crime and violation of fundamental human rights and takes various forms such as slavery, servitude, forced and compulsory labour and human trafficking. Additionally it can be in the form of coercion, threats or deception used to exploit victims and undermine their freedom.<sup>1</sup>

Allianz is committed to ensuring transparency in our business and our approach to addressing modern slavery in every form throughout our operations, supply chains and investments. Allianz expects the same standards from our service providers, suppliers, sub-contractors and other business partners.

Allianz is committed to:

- Acting ethically, honestly and with integrity in all our business dealings and relationships;
- Developing and implementing effective controls, processes, procedures and system enhancements to identify and mitigate modern slavery and human rights issues in Allianz's operations, supply chains and investments; and
- Monitoring service providers and suppliers by conducting assessments and reviews as required to ensure adherence to relevant policies and procedures at Allianz, including the Procurement Policy, Anti-corruption Policy, Whistle-blower Policy and Vendor Code of Conduct.

This statement reflects Allianz progress during 2020 to firstly understand and then to address modern slavery risks across our operations, supply chains and investments. This statement has been approved by the Board of Allianz Australia Limited on the 16th March 2021, as the higher entity responsible for reporting.

Richard Feledy,  
Director of Allianz Australia Limited  
Dated: March 2021

1. Commonwealth Modern Slavery Act 2018: Guidance for Reporting Entities  
<https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-reporting-entities.pdf>

## 01. Reporting Entity

This statement is made in respect of Allianz Australia Limited and its subsidiaries. The term "Allianz" as used in this statement, refers collectively to Allianz Australia Limited and each of its subsidiaries listed below.

This statement is submitted as a joint statement of Allianz Australia Limited, Allianz Australia Insurance Limited, and Allianz Australia Services Pty Limited and made under section 14 of the Modern Slavery Act 2018 (Cth) (MS Act).

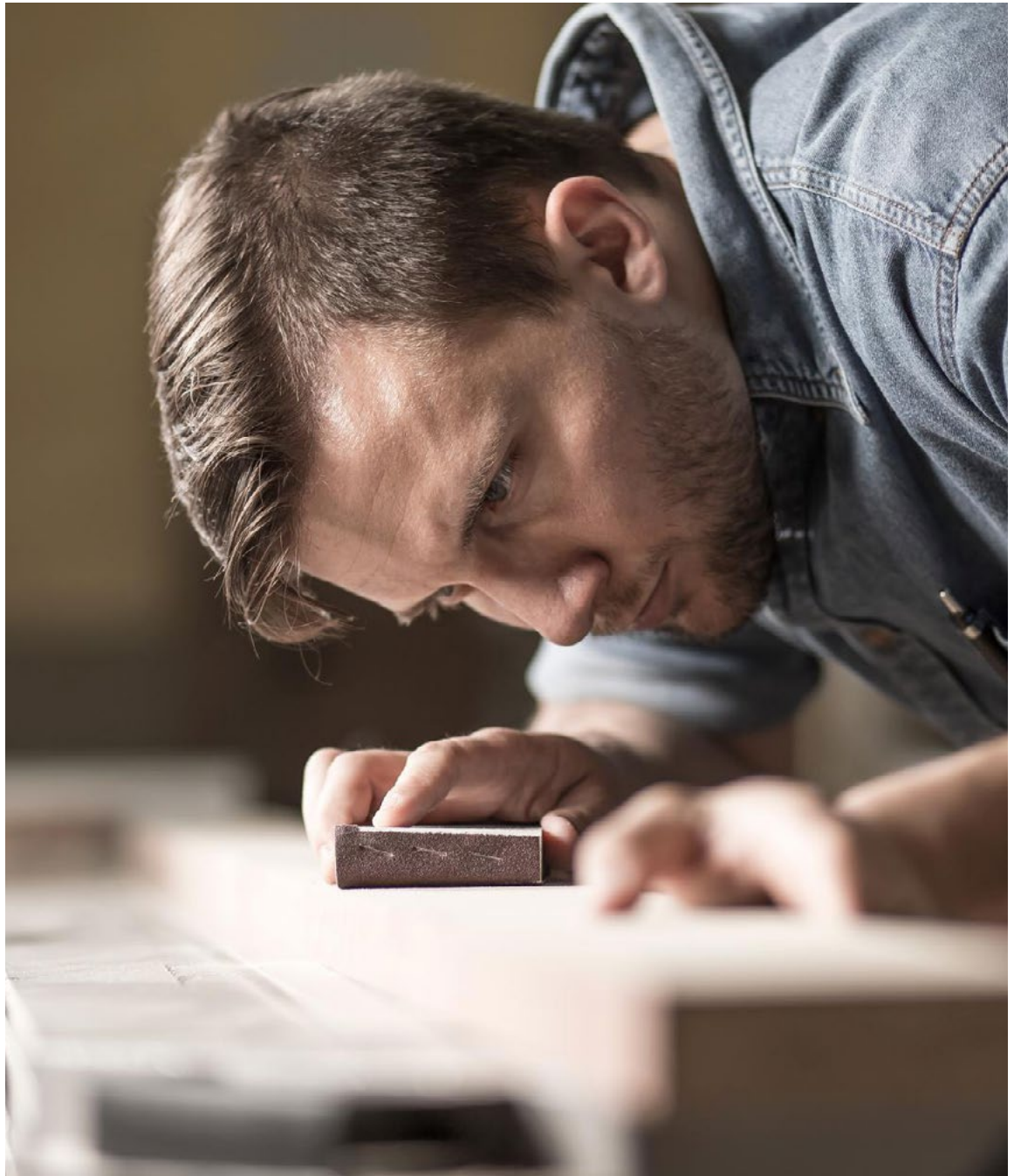
| COMPANY NAME   | ACN / COMPANY NUMBER  |
|--|-----------------------|
| <b>Allianz Australia Limited (reporting entity)</b>              | ACN 000 006 226       |
| <b>Allianz Australia Insurance Limited (reporting entity)</b>    | ACN 000 122 850       |
| <b>CIC Allianz Insurance Limited</b>                             | ACN 094 802 801       |
| <b>Allianz Australia Services Pty Limited (reporting entity)</b> | ACN 002 947 257       |
| <b>Allianz Australia Employee Share Plan Pty Ltd</b>             | ACN 004 891 972       |
| <b>Allianz Australia Partnership Services Pty Limited</b>        | ACN 008 412 422       |
| Allianz New Zealand Limited                                      | Company Number 445514 |
| Club Marine Limited  | ACN 007 588 347       |
| Global Transport & Automotive Insurance Solutions Pty Limited    | ACN 069 048 255       |
| Allianz Australia Claim Services Pty Limited                     | ACN 004 133 046       |
| Hunter Premium Funding Limited                                   | ACN 085 628 913       |
| Allianz Australia Workers Compensation (NSW) Limited             | ACN 003 087 545       |
| Allianz Australia Workers Compensation (VIC) Limited             | ACN 059 835 791       |
| Primacy Underwriting Management Pty Limited                      | ACN 070 058 212       |
| Primacy Underwriting Management Limited (NZ)                     | Company Number 689339 |
| Ken Tame & Associates Pty Limited                                | ACN 057 816 172       |
| Allianz Marine & Transit Underwriting Agency Pty Limited         | ACN 155 554 279       |
| Allianz Finance Pty Ltd  | ACN 128 876 335       |



## 02. Structure, Operations and Supply Chains

Founded in 1914, Allianz is one of the large general insurers in Australia, serves over 3.1 million customers and employs around 5000 staff throughout Australia and New Zealand. Allianz's primary function is to offer insurance and risk management

products and services. Allianz Australia Limited is the parent company in Australia that controls all of the subsidiaries listed on page 3. For the relevant reporting period, the head office of Allianz is at 2 Market Street, Sydney NSW 2000.



## 02. Structure, Operations and Supply Chains (cont.)

### Guide to understanding supply chain tiers

|                     |   |
|---------------------|---|
| <b>Tier 1:</b>      | We have a direct relationship with the goods and service provider |
| <b>Tier 2:</b>      | Goods and service provider is a supplier for tier 1               |
| <b>Tier 3:</b>      | Goods and service provider is a supplier for tier 2               |
| <b>Lower Tiers:</b> | Supply chains of tiers 2 and 3                                    |



'we secure your future'

### Corporate Functions

| Key Operations<br><i>These key operations support the corporate functions of Allianz.</i> | Supply Chains<br><i>Tier 1 goods and service providers detailed below are located in Australia, unless specified.</i>  |
|---|--|
| <b>Customer service and retail distribution direct</b>                                    | <ul style="list-style-type: none"> <li>Selected functions outsourced to Allianz Services in India (owned by Allianz SE)</li> </ul>   |
| <b>Information technology</b>   | <ul style="list-style-type: none"> <li>Operations</li> <li>Infrastructure and testing outsourced to Allianz Technology (owned by Allianz SE)</li> <li>Hardware</li> <li>Software</li> </ul>  |
| <b>Procurement</b>  | <ul style="list-style-type: none"> <li>Office supplies</li> <li>Travel</li> <li>Post and mailroom</li> <li>Secure destruction and archiving</li> <li>Employee assistance program</li> <li>Catering</li> <li>Fleet management</li> <li>Consulting professionals</li> <li>Claims goods and fulfillment services</li> </ul> |
| <b>Property and facilities</b>  | <ul style="list-style-type: none"> <li>Leased properties in Australia and New Zealand</li> <li>Building facilities management (tier 2)</li> <li>Cleaning, security and maintenance service providers (tier 3)</li> </ul> <p><i>Note: Some cleaning and security services are procured directly</i></p>                   |
| <b>Human resources</b>  | <ul style="list-style-type: none"> <li>Recruitment agencies</li> <li>Professional service providers</li> </ul>   |
| <b>Risk and compliance, internal audit</b>  | <ul style="list-style-type: none"> <li>Consulting professionals</li> </ul>   |
| <b>Technical</b>  | <ul style="list-style-type: none"> <li>Printing</li> <li>Warehouse services</li> </ul>   |
| <b>Corporate governance and conduct (includes ESG)</b>                                    | <ul style="list-style-type: none"> <li>Social impact – charity partnerships</li> <li>Consulting professionals</li> </ul>   |

## 02. Structure, Operations and Supply Chains (cont.)

### Insurance Products and Services

Allianz sells a range of insurance products and services, including: Personal insurance such as home contents, motor, boat, travel, CTP and consumer credit insurance. Industrial, commercial and business insurance e.g. farms, businesses, transport, trades and services. Corporate insurance e.g. marine, construction, liability, professional indemnity for property, transport and machinery, public and products liability, worker's compensation, loss control and risk management strategies.

#### Key Operations

*These key operations support the selling of Allianz products and services and processing of any associated claims.*

#### Supply Chains

*Tier 1 goods and service providers detailed below are located in Australia, unless specified.*

#### Product teams - underwriters, technical, retail

#### Business partners / unowned agencies

- Unowned agencies / brokers
- Financial institution partners

#### Claims fulfillment (home, commercial, property and motor vehicle)

- Selected functions outsourced to Allianz Services in India (owned by Allianz SE)

#### Property claims fulfillment

- Loss adjustors
- Investigators
- Building panels
- Builders (tier 2)
- Engineers (tier 2)
- Restoration and other specialists (tier 2)
- Building materials sourced by builders (tier 3)
- Electrical suppliers (digital and white goods)
- Flooring suppliers
- Jewellery suppliers (selected and customer appointed)

#### Motor vehicle claims fulfillment

- Contracted suppliers
- Panel repairers (Allianz referred and customer appointed)
- Sub-contracted suppliers (parts or speciality services) (tier 2)
- Parts sourced by suppliers (tier 2)

## 02. Structure, Operations and Supply Chains (cont.)

### Investments

We invest some of the reserves of Allianz into our investment portfolio. Our portfolio includes: bonds, securitized, corporates, cash, alt debt, infrastructure and real estate.

#### Key Operations

*These key operations support the management of Allianz investment portfolio.*

#### Supply Chains

*Tier 1 service providers are located in Australia.*

**Owned financial management company**

- Pimco (owned by Allianz SE)

#### Custodian

#### Third party fund managers





## 03. Describe the risks of modern slavery in the operations and supply chains of the entity

### a. Allianz's Approach to Identifying Risk

#### Definitions

The following definitions from the Commonwealth Modern Slavery Act 2018: Guidance for Reporting Entities have been used to examine Allianz's Modern Slavery Risk. Understanding this terminology will assist when reading and interpreting the 2020 key findings for the Allianz risk hotspots.

|                                   |  |
|-----------------------------------|--|
| <b>Modern Slavery Risk</b>        | The risk of modern slavery practices means the potential for your entity to cause, contribute to, or be directly linked to modern slavery through its operation and supply chain.  |
| <b>Sector and Industry Risks</b>  | Certain sectors and industries may have high modern slavery risks because of their characteristics, products and processes. For example, extractives, textiles and fashion, fishing, electronics, cleaning, and agriculture are recognised as high risk industries globally.   |
| <b>Product and Services Risks</b> | Certain products and services may have high modern slavery risks because of the way they are produced, provided or used. For example, bricks, cobalt, cotton and rubber are recognised as high risk products globally. Similarly, services such as cleaning that often involve lower wages and manual labour may have high modern slavery risks. |
| <b>Geographic Risks</b>           | Some countries may have higher risks of modern slavery, due to poor governance, weak rule of law, conflict, migration flows and socio economic factors like poverty.   |
| <b>Entity Risks</b>               | Some entities may have particular modern slavery risks because they have poor governance structures, a record of treating workers poorly or a track record of human rights violations.   |

#### Scope and Methodology

In 2020 we conducted risk mapping to identify modern slavery risks across Allianz. This assessment mapped and investigated key products, services, sectors, industries, geographies and entities across the organisation. This resulted in us being able to identify and prioritise high risk categories, based on the guidance set out by the Commonwealth Modern Slavery Act 2018: Guidance for Reporting Entities.

Allianz understands that modern slavery risks increase in the lower tiers of operations and supply chains. As a result, we mapped relationships and supply chains beyond tier 1 so that we could uncover and analyse these risks with the aim of improving practices. This could include improving policies and due diligence processes, supplier engagement and / or strengthening grievance mechanisms.

### 03. Describe the risks of modern slavery in the operations and supply chains of the entities (cont.)

#### Scope and Methodology (cont.)

The following steps were undertaken:

- Commissioned a preliminary due diligence and risk overview from consulting firm specialising in human rights
- Employed a dedicated resource to:
  - Conduct primary research through stakeholder consultation (including key business units, key suppliers etc.);
  - Conduct secondary research by using high quality industry and academic resources; and
  - Analyse research findings to identify and categorise key modern slavery risks

#### Note

*High-level risk mapping of business units with portfolios across Allianz Australia and its subsidiaries has taken place. Going forward, more detailed risk mapping will continue to evolve and expand within our individual subsidiaries.*



### 03. Describe the risks of modern slavery in the operations and supply chains of the entities (cont.)

#### b. Modern Slavery Risk Hotspots: 2020 Key Findings



##### Cleaning and Security Services

Type of modern slavery risk:  
**Industry risk**

The cleaning and security service industry in Australia is at risk of modern slavery due to the prevalence of labour hire arrangements, formal and in-formal subcontracting and the high number of migrant workers employed in the sector who often have precarious visa rights.<sup>2</sup>



##### Assessor Uniforms and Promotional Merchandise

Type of modern slavery risk:  
**Industry and geographic risk**

Allianz assessor uniforms and promotional merchandise is predominately sourced from and manufactured in China. This country is considered a geographic risk due to allegations of forced labour and widely reported labour issues including limited freedom of association, excessive overtime and corruption. Additionally, the manufacturing industry (for example – the garment industry) carries industry risk due to exploitative industry practices.<sup>3,4</sup>



##### Motor Vehicle Repair Claims Fulfilment

Type of modern slavery risk:  
**Industry risk**

The insurance motor vehicle repair industry in Australia is at risk of modern slavery due to the high density of small businesses and the prevalence of sub-contracting which creates a lack of industry transparency.



##### Property Claims Fulfilment

Type of modern slavery risk:  
**Industry risk**

Downward price pressure and the use of migrant labour in the construction industry increases the risk of modern slavery.<sup>5</sup>



##### Jewellery Claims Fulfilment

Type of modern slavery risk:  
**Industry and geographic risk**

Raw materials (including gold, diamonds, gemstones, precious minerals etc.) for jewellery are sourced from global supply chains which include high risk geographies.<sup>6</sup>

2. **Labour Hire and Contracting Across the ASX100**, Dr Katie Hepworth, 2020 [https://www.accr.org.au/downloads/20200512\\_accr\\_labour\\_hire\\_contracting\\_across\\_the\\_asx100.pdf](https://www.accr.org.au/downloads/20200512_accr_labour_hire_contracting_across_the_asx100.pdf)

3. **Union Busting**, The Clean Clothes Campaign, 2020 <https://cleanclothes.org/union-busting>

4. **Fashion's Problems**, The Clean Clothes Campaign, 2020 <https://cleanclothes.org/fashions-problems>

5. **Modern Slavery Risks, Rights & Responsibilities: A guide for companies and investors**, ASCI & KPMG, 2019 <https://assets.kpmg/content/dam/kpmg/au/pdf/2019/modern-slavery-guide-for-companies-investors-feb-2019.pdf>

6. **The Hidden Cost of Jewellery: Human Rights in Supply Chains and the Responsibility of Jewellery Companies**, Human Rights Watch, 2018 [https://www.hrw.org/sites/default/files/report\\_pdf/jewellery0218\\_web\\_0.pdf](https://www.hrw.org/sites/default/files/report_pdf/jewellery0218_web_0.pdf)

### 03. Describe the risks of modern slavery in the operations and supply chains of the entities (cont.)



#### Electrical and White Goods Claims Fulfilment

Type of modern slavery risk:  
**Product and geographic risk**

Raw materials (for example minerals including cobalt) for electrical and white goods are sourced from global supply chains which include high risk geographies.<sup>7</sup>



#### Flooring Claims Fulfilment

Type of modern slavery risk:  
**Product risk**

Raw materials that are sourced for flooring include timber<sup>8</sup> and rubber<sup>9</sup>, these products have known modern slavery risks.



#### Office Supplies

Type of modern slavery risk:  
**Product and geographic risk**

Raw materials (for example cocoa<sup>10</sup>, sugarcane<sup>11</sup>, minerals including cobalt<sup>7</sup>) for office supplies are sourced from global supply chains which include high risk geographies.



#### Travel – Hotels

Type of modern slavery risk:  
**Industry risk**

The hotel industry is at risk of trafficking for forced labour and sexual exploitation.<sup>12</sup>

7. **Werdmuller Von Elgg, J. Ethical Sourcing and Everyday Electronics**, LexisNexis, 2017  
[https://sdgresources.relx.com/sites/default/files/lxnx\\_electronicsreport\\_0817\\_.pdf](https://sdgresources.relx.com/sites/default/files/lxnx_electronicsreport_0817_.pdf)

8. **Investor Snapshot: Forced Labour in Forestry (incl. Paper & Forest Products)**, Know The Chain, 2020  
[https://knowthechain.org/wp-content/uploads/KTC\\_forestry\\_brief.pdf](https://knowthechain.org/wp-content/uploads/KTC_forestry_brief.pdf)

9. **Rubber Barons: How Vietnamese companies and international financiers are driving a land grabbing crises in Cambodia and Laos**, Global Witness, 2013  
<https://www.globalwitness.org/en/campaigns/land-deals/rubberbarons/#about>

10. **Nestle Cocoa Plan: Tackling Child Labour**, 2019 Report  
<https://www.nestle.com/sites/default/files/2019-12/nestle-tackling-child-labor-report-2019-en.pdf>

11. **Child Labour in the Primary Production of Sugarcane**, International Labour Organisation, 2017  
[https://www.ilo.org/ipec/Informationresources/WCMS\\_IPEC\\_PUB\\_29635/lang--en/index.htm](https://www.ilo.org/ipec/Informationresources/WCMS_IPEC_PUB_29635/lang--en/index.htm)

12. **Charting a Course for Collective Action: Addressing Slavery in the Hotel Industry**, Shiva Foundation, 2020  
[https://www.shivafoundation.org.uk/wp-content/uploads/2020/02/01\\_Charting-a-Course-for-Collective-Action.pdf](https://www.shivafoundation.org.uk/wp-content/uploads/2020/02/01_Charting-a-Course-for-Collective-Action.pdf)



## 04. Describe the action taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes

Following the United Nation's "*Protect, Respect and Remedy Framework for Business and Human Rights*"<sup>13</sup>, the below process describes Allianz approach to assessing and addressing human rights issues.

### a. Policy Commitments

#### Allianz Modern Slavery Policy

The Allianz Modern Slavery Policy was introduced in 2020 and aims to support all employees, representatives, officers and contractors to make decisions that align with Allianz's approach to Modern Slavery and how to identify, address and report on Modern Slavery risks and incidents.

#### Allianz Procurement Policy

The Allianz procurement process is covered by the Allianz Procurement Policy, this policy was revised in 2020 to include requirements to mitigate Modern Slavery risk.

### b. Human Rights Due Diligence Process

#### Allianz Vendor Integrity Screening

Allianz expects its suppliers to have similar values in relation to Modern Slavery and as such key suppliers are required to go through Vendor Integrity Screening.

#### Contractual Terms

Allianz is committed to introducing an appropriate set of Modern Slavery clauses in all supplier contracts. All relevant and existing contracts are being updated upon renewal to include these Modern Slavery clauses as well as supplier obligations as outlined in the Vendor Code of Conduct.

#### Allianz Vendor Code of Conduct

Allianz expects all engagement of suppliers to comply with our Vendor Code of Conduct. The Vendor Code of Conduct requires that all suppliers operate in compliance with the applicable laws and regulations in the jurisdiction where the goods are sourced, procured or where the services are performed.

#### Allianz's Environmental, Social and Governance (ESG) Guidelines

**Investments:** Transactions managed by PIMCO that involve a country listed on the sensitive countries list for human rights are screened in accordance with Allianz's ESG guidelines. Independent fund managers are required to have ESG policies and procedures in place.

#### Underwriting, Owned and Unowned Agencies:

Twelve sensitive business areas are screened in accordance with Allianz's ESG guidelines, this includes: Mining, oil and gas, nuclear energy, hydro-electric power, agriculture, fisheries and forestry, infrastructure, clinical trials, animal testing, the sex industry, betting and gambling and defence.

13. Guiding Principles on Business and Human Rights: Implementing the United Nation's "Protect, Respect and Remedy" Framework, United Nations, 2011 [https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf)

## 04. Describe the action taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes (cont.)

### Modern Slavery Questionnaire

Allianz has begun to pilot a Modern Slavery questionnaire for suppliers that are potentially higher risk, using the risk definitions as provided by the Commonwealth Modern Slavery Act 2018: Guidance for Reporting Entities. This questionnaire provides insights into the maturity of suppliers due diligence programs and supply chain transparency.

This has included: regular updates to the Allianz board, formation of Allianz Modern Slavery Working Group, development of a Modern Slavery hub on the Allianz intranet which is accessible to Allianz staff, intranet articles shared in several newsletters via our corporate communication team, introduction to Modern Slavery webinar hosted for employees, presentations to targeted business units and to external industry groups.

### Reporting Suspicions of Modern Slavery (Grievance Mechanism)

Allianz has introduced a process for any cases of suspected Modern Slavery practices within Allianz and its subsidiaries to be reported. In the first instance any identified suspicion is to be reported using either Allianz's incident reporting procedure or via our anonymous whistle-blower hotline which is managed by an independent third party.

### Training and Capability Building

Allianz is committed to building capability with the aim of educating and training employees in regards to Modern Slavery risks. Training has been designed and is being delivered enterprise wide and customised training is being delivered for target business units.

### Awareness and Education

To improve awareness, Allianz is providing on-going communication to educate employees and to enhance their understanding of Modern Slavery, our approach to identifying risks of Modern Slavery and reporting obligations.

### Risk Mapping

Allianz risk mapping aims to identify key Modern Slavery risks across Allianz operations, supply chains and investments. Each category assessed is given a risk rating using the Allianz risk matrix, which the associated business unit is accountable for managing. Action plans will be developed for each category to strengthen due diligence and mitigate any associated risks.

## c. Processes to Enable Remediation

### Remediation Process

Allianz has introduced a process to investigate and remediate (as required) any cases of suspected Modern Slavery practices reported using either Allianz's incident reporting procedure or via our anonymous whistle-blower hotline. The remediation process is aligned with the Allianz Compliance Incident and Breach Management Procedure.

### Note



*Due diligence policies and processes have been communicated to Allianz Australia business units, employees and its subsidiaries. Allianz will continue to work with our individual subsidiaries to further embed due diligence requirements.*




## 05. Describe how the reporting entity assess the effectiveness of these actions

### a. Design and Implementation of Modern Slavery Framework







Allianz's focus in 2020 was to design and implement a Modern Slavery framework which was inclusive of policy commitments, human rights due diligence, ongoing education and remediation processes.

Activities which took place to achieve this includes:

-  Stakeholder engagement with senior executives and board members;
-  Establishment of the Allianz Modern Slavery Working group to cohesively implement the Modern Slavery framework;

-  Assigned accountabilities through the development of a Modern Slavery action plan, with detailed KPIs and a corresponding timeline;
-  Recruitment of a dedicated resource to focus on Modern Slavery; and
-  On-going communication, awareness raising activities and training to ensure employees understand our approach and access to grievance mechanisms

### b. Future Actions

-  Design and implement a monitoring mechanism to track key risk indicators and action plans for the Modern Slavery risk mapping;
-  Continue to identify any due diligence gaps and develop action items to improve controls / reduce risk and strengthen our due diligence (policies, procedures, controls, reporting and remediation);
-  Expand our risk mapping to include individual subsidiaries (in addition to the mapping performed on key business units that include subsidiaries in their portfolios);
-  Strengthen our teams ability to identify and mitigate Modern Slavery related issues by continuing to provide ongoing awareness, education and targeted training which includes responsible procurement practices;
-  Using a risk-based approach, we will continue to undertake and expand our supplier engagement on Modern Slavery related risks; and
-  Take part in industry forums and collaborate with industry stakeholders to support initiatives that aim to educate and address Modern Slavery related issues

## 06. Describe the process of consultation with any entities the reporting entity owns or controls

Allianz is committed to creating and sustaining an enterprise-wide approach to assessing and addressing Modern Slavery risks. This statement was developed in consultation with Allianz Australia Limited and its subsidiaries. As a first step, we ran a workshop with subsidiaries which explained the legislative requirements, provided capability building on Modern Slavery and how it is relevant to their entities and discussed an enterprise-wide approach to assessing and addressing risks and our expectations.

To develop this statement, Allianz engaged in stakeholder consultations with key business units including procurement, legal, risk and compliance, corporate affairs, corporate communication, claims, investments, underwriting and key operation areas including human resources, outsourcing, property and facilities management, market management, finance and technical teams.