



Berkley Insurance Company - Modern Slavery Statement 2021

Introduction

This Modern Slavery Statement is made by Berkley Insurance Company (“BIC”) pursuant to the *Modern Slavery Act 2018 (Cth)*. This Statement sets out the actions taken by BIC to address modern slavery risks across our business and supply chains.

BIC is committed to combatting all forms of modern slavery and human rights abuse and has zero tolerance to slavery and/or human trafficking. We carry out our business in a fair, honest, ethical and open manner. BIC operates under the philosophy of “Everything Counts, Everyone Matters®” and has embedded this approach into the way we do business. This philosophy is fostered on personal responsibility, accountability and doing the right thing for all of our stakeholders.

Business, Structure and Operations

W. R. Berkley Corporation (“WRBC”) is the ultimate owner of BIC. Founded in 1967, WRBC is an insurance holding company that is among the largest commercial lines, property and casualty insurance providers in the United States which is based in Greenwich, Connecticut, USA. WRBC is listed on the New York Stock Exchange under the symbol “WRB”.

BIC is a Delaware corporation licensed to write insurance and reinsurance business in the USA and is regulated by the Delaware Department of Insurance. BIC is directly owned by Signet Star Holdings Inc., a Delaware holding company that is 100% owned by WRBC. WRBC is comprised of 56 distinct operating units and employs approximately 7,700 staff globally¹.

In Australia, BIC is authorised by the Australian Prudential Regulation Authority under the *Insurance Act 1973 (Cth)* to conduct insurance business as a branch in Australia. BIC Australia branch has underwritten property and casualty reinsurance risks in Australia since 2007 under the registered business name “Berkley Re Australia” and has, since October 2014, written direct insurance business with a casualty focus under the registered business name “Berkley Insurance Australia”.

BIC and its subsidiaries, along with other WRBC insurance subsidiaries, are divided into two segments: Insurance and Reinsurance & Monoline Excess. Each segment is comprised of individual Berkley companies, or “operating units,” which serve distinct markets requiring specialised knowledge of a particular territory, product or type of business.

In the insurance segment, BIC and/or its subsidiaries write business worldwide, including the United States, the United Kingdom, Continental Europe, South America, Scandinavia, Canada, Mexico, Australia and Asia. In each of our operating territories, products and services are tailored to the local customer base.

In the reinsurance segment, BIC and/or its subsidiaries operate globally, primarily in the United States, the United Kingdom, Continental Europe, Australia and the Asia-Pacific Region.

¹ As at 31 December 2021

Modern Slavery Risks

As a provider of insurance and reinsurance products, BIC's supply chain is considered extremely low risk from a modern slavery perspective as we do not act as a producer, manufacturer or retailer of physical goods. Operating in the corporate sector, with a relatively low risk of modern slavery in our supply chain, BIC is mindful that modern slavery risks maybe prevalent in our suppliers supply chains.

During 2021, BIC engaged suppliers who provided services, including but not limited to, consulting services (e.g. accounting and legal services), investment management services, office premises and associated services (e.g. utilities, rent, building repairs, cleaning services, etc.), professional education, information technology (e.g. computers, printers, telephones, software, etc.) and other miscellaneous services that would be expected of a corporate sector company.

Although having assessed our supply chain as being extremely low risk, BIC continues to take steps so that BIC deals with suppliers who have similar corporate values as us in their approach to eliminating modern slavery and human trafficking in their business practices. BIC engages with reputable companies which are built on strong value foundations. A third party risk management assessment of any major suppliers may be performed.

Specifically, in relation to BIC Australia branch, a review of individual suppliers where expenditure by BIC Australia branch exceeded A\$100K² per supplier was carried out to assess the risk of modern slavery. This category of suppliers accounted for approximately 84% of all payments made by BIC Australia branch to its suppliers in 2021, with 67% of these payments being related to IT services & equipment with a further 18% being attributable to office rent. Other significant payments above A\$100K related to regulatory fees, legal fees, actuarial consulting fees and workers compensation insurance.

The modern slavery statements of various suppliers have been reviewed to ensure that suppliers were cognisant of their modern slavery responsibilities and that a robust framework is in place to control and monitor any modern slavery concerns.

During 2021, BIC Australia has taken additional steps to further enhance our compliance efforts as follows:

- 1) Including a modern slavery warranty clause in certain service contracts and binder authority agreements.
- 2) Considering potential third party ESG³ providers to evaluate our investment portfolio.

It is of note that, as a Group, WRBC has a responsible approach to investments. More than 98% of the investment portfolio is composed of responsible investments⁴. Responsible investment excludes investing in companies:

- i. WRBC believe to be in sectors with higher economic costs related to ESG issues that are not effectively managed;
- ii. which are associated with, or producing, banned weapons;
- iii. that have been identified by the U.S. Treasury Department of Foreign Asset Controls; and
- iv. are in countries with severe human rights violations are prevalent.

² Excludes all Australian employee salary and related payments, stamp duty, fire service levies, taxation, profit commission and reinsurance / retrocession costs.

³ Environmental, Social and Governance.

⁴ As at 31st December 2020.

Our 2021 modern slavery risk review concludes that BIC Australia branch is not exposed to any significant modern slavery concerns in its supply chain.

BIC is built on a foundation of values that encompasses the mindset “Do the right thing.” The Group’s 2021 Sustainability Report highlights our approach to ESG issues most relevant to our company and we reference how our work practices align with the United Nations 17 Sustainable Development Goals. BIC strives to conduct its business in a manner that has a positive impact in terms of ESG and is committed to preventing modern slavery and abuse of human rights as part of our supply chain.

Policies

BIC is committed to strong corporate governance so that our decisions and actions are based on transparency, integrity and honesty, which promote the long-term sustainability and ongoing success of our business. We strive to maintain high ethical standards in our business practices.

A Code of Ethics and Business Conduct policy (the “Code”) underpins our vision for the right way to do business; a way of managing ourselves so that our day-to-day business decisions and actions reflect our core values. As we do business in different countries and jurisdictions, we are committed to complying with all applicable laws, regulations and corporate policies.

If there is ever a conflict between the Code and an applicable law or regulation in a country or jurisdiction that we operate, the higher standard will always apply.

The WRBC Chief Compliance Officer oversees the Group’s ethics and compliance programs, including business ethics, compliance with applicable laws and regulations and efforts with respect to anti-corruption and avoiding anti-competitive behaviour. The senior management teams in each of the Group’s 56 operating units are also responsible for their individual operational compliance. Across our organisation, managers are expected to set a strong example of ethical conduct, help their teams understand the Code and encourage employees to speak up about any ethical concerns.

In addition, WRBC’s General Counsel and Audit Committee of the Board of Directors are responsible for reviewing concerns received through our ethics hotline. The Code is supplemented by specific policies relating to economic sanctions and anti-corruption as well as other compliance related topics.

As the Code is updated regularly to remain current with changing laws, regulations and industry best practices, each year, all employees are required to certify that they have reviewed the Code. This annual certification process is completed online through a third-party vendor and includes questions regarding conflicts of interest and reports of any new potential conflicts not previously reported.

BIC mandates ethics training for all new employees, covering the Code and related BIC policies. The training sets the expectations for new employees with respect to ethical conduct and reviews the procedures to raise concerns of possible violations of law or Company policy.

Every BIC employee is responsible for reporting possible incidents of fraud or other legal or ethical violations of which they become aware. BIC is committed to investigating all such reports and as a matter of BIC policy, any confirmed retaliation against an employee who reports illegal or unethical behaviour is treated with disciplinary action, which can include termination.

Berkley Insurance Company

ABN 53 126 559 706 AFSL 463129

Level 7, 321 Kent Street, Sydney NSW 2000
Tel: +612 8117 2100

Actions

Based on BIC Australia branch's current assessment, no immediate action to rectify any modern slavery or human rights abuse concerns is required. However, to ensure that no modern slavery related issues or the abuse of human rights risks arise in the future, BIC Australia branch will continue to enhance our understanding of modern slavery risk within our business operations and supply chains by:

- Continuing to enhance relevant policies and commercial arrangements with the inclusion of a modern slavery warranty clause;
- Improving staff awareness of modern slavery risk;
- Enhancing due diligence and risk management processes for selection and screening of potential partners and suppliers to include consideration of modern slavery risks; and
- Regularly reviewing and assessing (on an annual basis) our practices and procedures against the requirements of the *Modern Slavery Act 2018 (Cth)*.

Other Information

This Modern Slavery Statement is to be published on the following BIC websites:

- Berkley Insurance Australia <https://berkleyinaus.com.au/>
- Berkley Re Australia <https://www.berkleyre.com/anz/>

The WRBC 2021 Sustainability Report can be viewed at:

<https://s29.g4cdn.com/304856890/files/Sustainability/WR-Berkley-Sustainability-Report-2021-Data-of-2020-FINAL.pdf>

Berkley Insurance Company

ABN 53 126 559 706 AFSL 463129

Level 7, 321 Kent Street, Sydney NSW 2000
Tel: +612 8117 2100

Consultation and Approval

This Modern Slavery Statement was developed by the Australian branch of BIC and has been reviewed and approved locally by the Asia Pacific Risk & Compliance Committee. The WRBC Legal Department and the WRBC Chief Compliance Officer reviewed this Statement prior to presentation to the Board of BIC.

This Modern Slavery Statement was subsequently approved by the Board of BIC.

Signed for and behalf of the Board of BIC.

DocuSigned by:

W. Robert Berkley, Jr.

.....66A1FD168DAB495.....

W. Robert Berkley, Jr.

President & Chief Executive Officer

Berkley Insurance Company

ABN 53 126 559 706 AFSL 463129

Level 7, 321 Kent Street, Sydney NSW 2000
Tel: +612 8117 2100