



**Hollard
Modern Slavery
Statement
2022**

Hollard.

INTRODUCTION

This Modern Slavery Statement (**this Statement**) is made on behalf of Hollard Holdings Australia Pty Ltd (ACN 154 586 802) (**HHA**) and The Hollard Insurance Company Pty Ltd (ACN 090 584 473) (**HIC**), as joint reporting entities, pursuant to the *Modern Slavery Act 2018 (Cth)* (**the Act**). HHA and HIC are collectively referred to in this document as **Hollard**.

All information and actions reported in this Statement are relevant to the Reporting Period 1 July 2021 to 30 June 2022 (**Reporting Period**).

STATEMENT CONTENT

This Statement has been prepared in accordance with the mandatory criteria outlined in the Act, and is set out in 3 Parts:

PART A HOLLARD BUSINESS AND CONSULTATION

- Summary of the structure, operations and supply chains of Hollard;
- Process of consultation with entities in Hollard's control to assess and address risks of modern slavery; and
- Details of approval by the relevant principal governing bodies of HHA and HIC.

PART B OPERATIONS AND SUPPLY CHAIN

- Summary of risks of modern slavery practices in the operations and supply chain of Hollard; and entities in its control.

PART C ACTIONS TAKEN AND FUTURE FOCUS

- Actions taken by Hollard and entities in its control to assess and address risks of modern slavery;
- The way in which Hollard assesses the effectiveness of such actions; and
- Our future focus.

APPROVAL OF STATEMENT BY JOINT REPORTING ENTITIES

HHA is a non-operating holding company and shares the same board as HIC. The approval of this joint statement by the board applies to both HHA and HIC.

PART A



HOLLARD BUSINESS AND CONSULTATION PROCESS

STRUCTURE OF HOLLARD GROUP

Established in 1999, HIC and HHA are incorporated as proprietary companies in Australia.

HIC is a licensed insurer and Hollard is regulated in Australia by APRA¹ and in New Zealand by RBNZ².

HIC is wholly owned by HHA, a non-operating holding company. Even though HHA is a non-operating company, to the extent required, it uses the same systems, policies and procedures as HIC. Accordingly, in this Statement a single consolidated description is provided of the joint actions taken by Hollard to address modern slavery risks.



The Subsidiaries and PetSure Subsidiaries are controlled entities of Hollard under the Act. PetSure and the PetSure Subsidiaries ceased to be subsidiaries of HIC in March 2022. HASSA became a subsidiary of HIC in November 2021.

HDS is a non-operating company which does not have any employees; to the extent required, it uses the same systems, policies and procedures as HIC. HIC also has equity interests in Holiday Rescue Limited, an insurance intermediary in New Zealand, which is a controlled entity of HIC, however this entity has not been trading during the Reporting Period.

PURPOSE AND POSITION ON MODERN SLAVERY

Hollard is a purpose-led organisation. A culture of integrity is encouraged by Hollard’s leadership and Hollard’s governance frameworks support the embedment of ethics across Hollard’s operations and reinforce its commitment to meeting customer and community expectations and engaging with corporate partners whose conduct and values align with Hollard.

Hollard aims to identify, manage and address modern slavery risks across its business through monitoring its operations, investments and supply chains. Hollard has published a Modern Slavery Statement each year to comply with the Act.

Hollard respects human rights and acknowledges that modern slavery can occur in every industry and that core business activities may impact human rights. Hollard expects its employees, partners and suppliers to operate in accordance with all applicable laws, in particular, those laws prohibiting human slavery including servitude, human trafficking, forced labour and marriage, child labour and debt bondage.

¹ Australian Prudential Regulation Authority (APRA)

² Reserve Bank of New Zealand (RBNZ)

CONSULTATION WITH SUBSIDIARIES

To prepare this statement, Hollard has undertaken a review of its operations and supply chain to identify any modern slavery risks. Each of the Subsidiaries have been involved in the identification and assessment of risks of modern slavery in operations and supply chains outlined in this Statement.

Specifically, Hollard and its Subsidiaries engaged throughout the Reporting Period in a transparent and collaborative manner to raise awareness of modern slavery and discuss actions to assess risks of modern slavery practices.

The consultation process with controlled entities during the Reporting Period included:

- Provision of updates to senior managers and board members as to modern slavery obligations and compliance program;
- Discussions with senior managers at Hollard and its Subsidiaries with respect to operations, mapping of supply chain and risk assessments undertaken;
- Discussions with PetSure with respect to operations and supplier risk mapping and assessments undertaken on PetSure Subsidiaries on behalf of Hollard;
- Discussions with the management of new subsidiary HASSA with regards to operations and supply chain;
- Completion of advanced due diligence (see Due Diligence Overview below) by HASSA;
- Review and further revision of vendor due diligence questionnaires for supplier onboarding and annual review;
- Continued inclusion of modern slavery clauses in various contractual arrangements with suppliers and partners; and
- Implementing training module for HASSA employees to raise awareness of Modern Slavery.



PART B

OPERATIONS AND SUPPLY CHAIN

SUBSIDIARY OPERATIONS

PROVISION OF GENERAL INSURANCE PRODUCTS

Hollard and relevant Subsidiaries offer general insurance products to individual and business customers across Australia and New Zealand through both direct and intermediated channels. These general insurance products include motor, home, pet and business insurance.

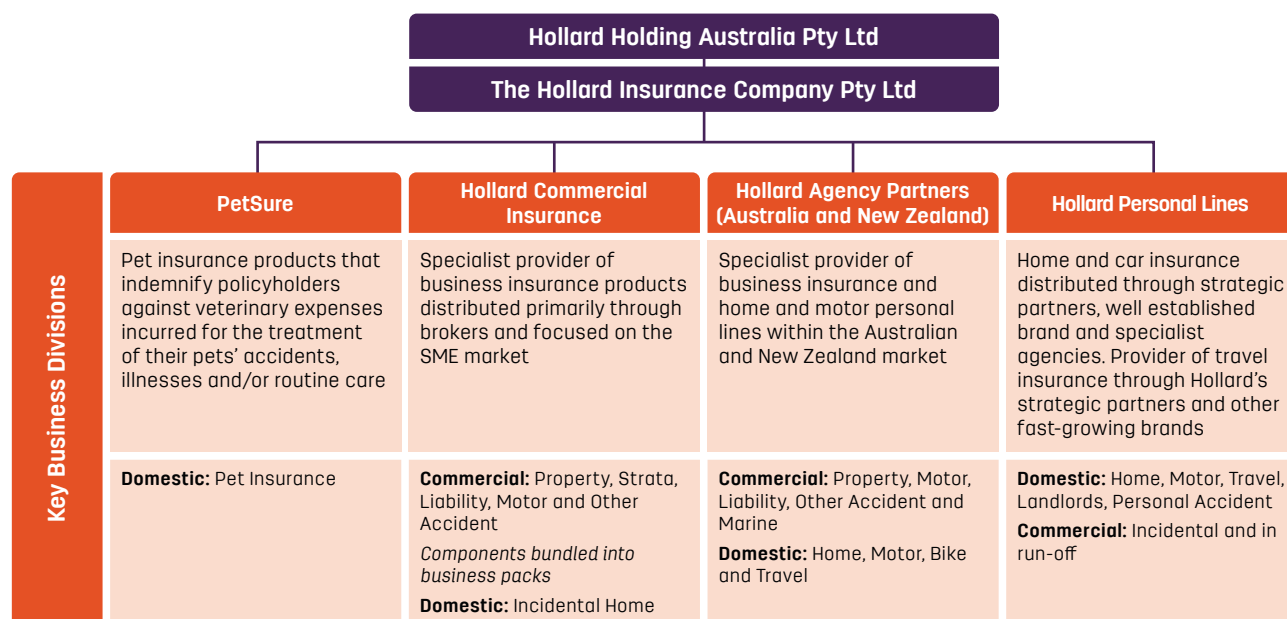
Hollard’s key business divisions have operations relevant to the production and distribution of general insurance products through three main distribution channels: direct to market, via selected insurance agencies and via insurance brokers in Australia or New Zealand. General insurance products are also underwritten and white-labelled via corporate partners in Australia and New Zealand. PetSure continues to provide services as an insurance intermediary of HIC.

Hollard’s operational activities can be separated into insurance services (claims, operations, distribution, marketing services) and shared

group services including IT, finance, legal and HR. The group services largely support Hollard’s key business divisions. PetSure also has its own insurance and group services for these operational activities.

Hollard’s insurance business operations are predominantly carried out in Australia and New Zealand. Certain IT development and support services were commenced in South Africa by HASSA in November 2021.

Insurance products are developed in Australia for retail and commercial customers in Australia and New Zealand. The residual risk of modern slavery in Hollard financial services business operations is assessed as low because of geographic location of services, regulatory oversight in Australia and New Zealand, policy frameworks and business policies and the application and enforcement of those frameworks and policies.



 Hollard Business Divisions (HBD)³

³ Description of PetSure as HBD current up to 31 March 2021

Operations Mapping at 30 June 2022



OPERATIONS MAPPING

PetSure and HCl

With respect to the Subsidiaries, HCl distributes business insurance products via insurance intermediaries on various insurance technology platforms. PetSure distributes pet insurance products directly and via distribution partners. Both of these Subsidiaries perform underwriting and administration services including claims services as agent for Hollard and have operational activities to support such services.

PetSure Subsidiaries provide claims and sales services for general insurance products underwritten by Hollard to PetSure. PPL's operational activities include distribution, sales and service activities for PetSure in Australia. PSI's operational activities in the Philippines include claims processing, customer service and IT support to PetSure. PSSA in South Africa provides IT support, claims, administrative and development services to PetSure.

HASSA

HASSA is a subsidiary of Hollard located in South Africa. Operations performed in HASSA include IT development and support services. HASSA employees must adhere to relevant Hollard policies and frameworks which include compliance with applicable law.

Hollard South Africa, a registered insurance company in South Africa headquartered in Johannesburg, provides HR and facilities services to HASSA.

Using the 2018 Global Slavery Index (GSI) data, South Africa has a modern slavery vulnerability score of 53.76/100 which denotes the country as a higher risk geography. HASSA operations are nonetheless deemed low risk given the oversight of HASSA's operations and the nature of the professional services being performed.

INVESTMENTS

Hollard's operations include making financial investment in and engagement with entities in underwriting, insurance and technology businesses which are strategically aligned with its principal activities.

Strategic investments are overseen by the Hollard Management Investment Committee in accordance with the Group Strategic Investment Framework and, ultimately, by the Hollard Board. The Group Strategic Investment Framework includes Modern Slavery due diligence activities with respect to strategic investments.

HUMAN RESOURCE OPERATIONS

Hollard, its Subsidiaries and the PetSure Subsidiaries have dedicated human resource teams performing operational activities including recruitment, salary payments, performance management, development of human resource policy and procedures, and training. Hollard performs human resource functions for HCl. Hollard South Africa performs recruitment services on behalf of Hollard for HASSA. External recruitment services may be engaged by Hollard and its Subsidiaries, however onboarding of employees is performed internally by these entities.

Employees of Hollard are directly employed by Hollard, HCl or HASSA.

As at 30 June 2022 there were 630 Hollard employees, 75 HCl employees and 33 HASSA employees.

As at 30 June 2022 PetSure employed 261 employees in Australia and its subsidiaries PSI employed 294 and PSSA employed 35.

EMPLOYEE WELLBEING

Hollard, its Subsidiaries and PetSure Subsidiary employees and their immediate family members have access to various Employment Assistance Programs (EAP). These programs include access to services such as independent counselling/psychologist, legal advice and financial counsellors available on an anonymous and confidential basis. EAP services allow employees to seek assistance for their health, social and financial wellbeing.

PSSA's EAP program also includes access to onsite primary and occupational health care services. HASSA employees enjoy access to medical aid and other employee entitlements in accordance with local labour laws. HASSA

employees also have access to several well-being services facilitated by Hollard South Africa. Hollard addresses protection of labour standards and human rights via its Work Health and Safety policies and governance frameworks in adherence to applicable Australian workplace laws which reduces the risk of modern slavery practices. Remuneration for all employees is reviewed on an annual basis. Hollard’s human resource operations were assessed as low residual risk with respect to modern slavery practices.

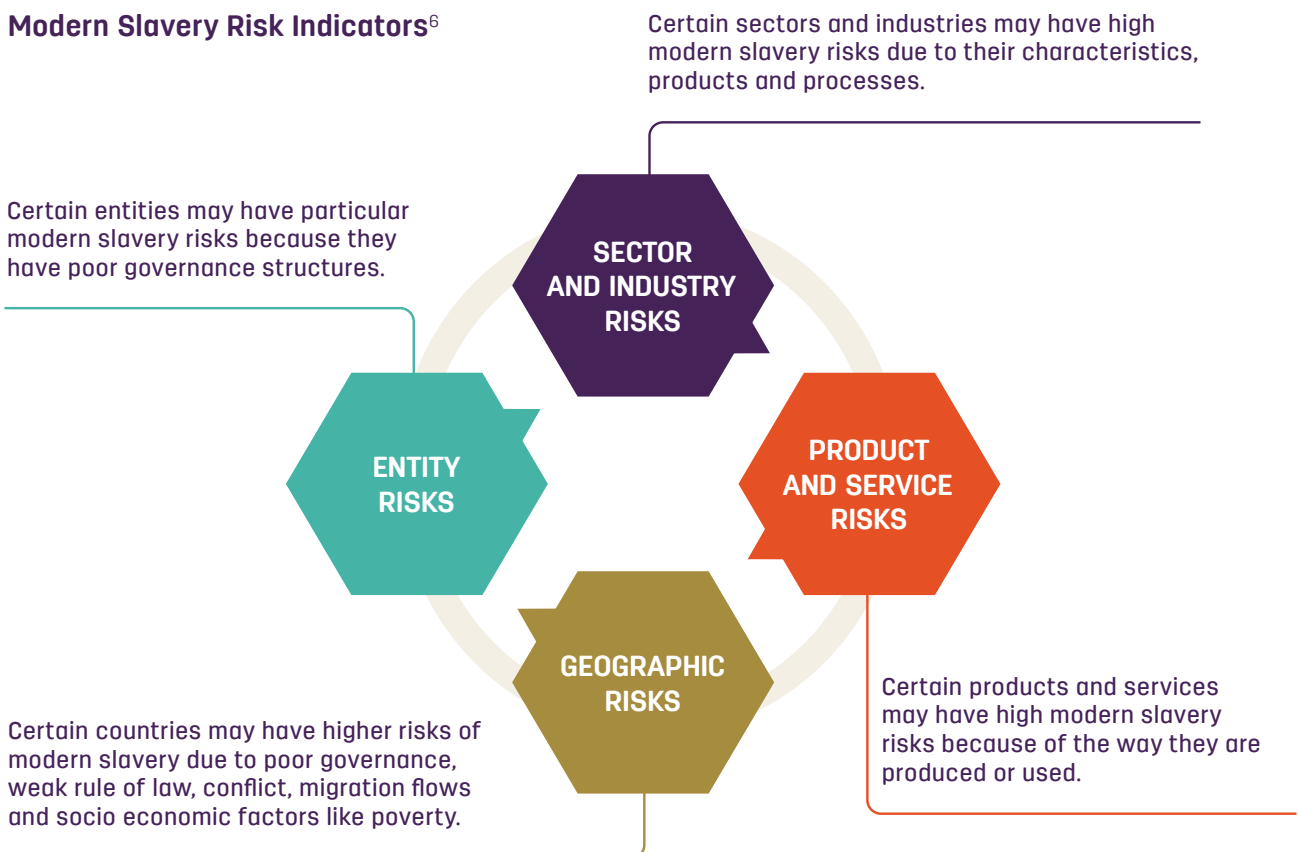
OPERATIONS RISK ASSESSMENT OUTCOMES

To support the insurance business operations Hollard and its Subsidiaries have responsibility for all aspects of claims management, underwriting operations and insurance services including claims and non-claims procurement.

Hollard used the GSI⁴ as part of its risk assessment with respect to business operations. This risk assessment included a consideration of the services utilised by each business division to help identify the countries, industry sectors and services/goods with the highest risks of modern slavery. After geographic and industry category risks are assessed, Hollard spend volumes are also considered for operations as part of the overall risk rating.

As part of its high-level risk assessment regard was had to a number of third-party resources⁵ including the GSI and suppliers’ response to modern slavery questionnaires (see Supply chain Mapping Section). This included review of modern slavery questionnaires completed by Subsidiaries.

Modern Slavery Risk Indicators⁶



4 Global Slavery Index 2018 Dataset, Walk Free Foundation, available from: www.globalslaveryindex.org

5 Global Slavery Index 2018 Dataset, List of Goods Produced by Child or Forced Labour, US Department of Labour, 2022 and Business and Human Rights Resource Centre

6 Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities

SUPPLY CHAIN MAPPING

SUPPLY CHAIN OVERVIEW

Hollard’s supply chain includes products and services which contribute to the development and supply of its insurance products to customers and corporate functions.

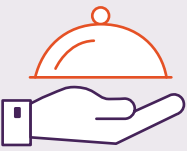
The following categories of products and services were identified as potentially having higher risk of modern slavery in the Hollard supply chain. The risks were assessed by having regard to modern slavery risk indicators and publicly available modern slavery risk indexes such as the GSI and US Department of Labor⁷.



Higher risk categories of products and services



Claims service provider – retail goods, motor and property repair materials and labour used in claims consumables (building materials)




Catering services



Office services – Cleaning and security (domestic and overseas)



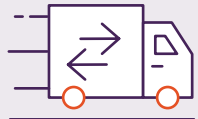
Office consumables – kitchen consumables (coffee, tea), paper, stationery



IT consumables, software, equipment, infrastructure



Manufacturing – promotional product providers



Transport

⁷ Walk Free Foundation, Global Slavery Index 2018 Dataset, List of Goods Produced by Child or Forced Labour, US Department of Labour, 2022

SUPPLY CHAIN REPORTING PERIOD FOCUS



Hollard has continued to map suppliers directly engaged by Hollard and its Subsidiaries which contribute products and services to business operations in the Reporting Period. Hollard, its Subsidiaries and PetSure Subsidiaries identified over 5,000 Tier 1 Suppliers in the Reporting Period.

In this Reporting Period, due diligence of the supply chain focused on Tier 1 Suppliers of Hollard, Subsidiaries and PetSure Subsidiaries based on a volume/spend threshold and geographic risk. Specifically, suppliers were subject to targeted due diligence if Hollard spend was over \$150,000 or where spend was greater than \$10,000 and the supplier was assessed as a higher modern slavery risk based on country, industry, or services indicators.

“Targeted Tier 1 Suppliers” in FY22

	<p>Cost of goods/ services supplier</p>	<ul style="list-style-type: none"> i. Hollard and HCl Suppliers >\$150,000 cost of goods/ services; and ii. PetSure and PetSure Subsidiaries >\$100,000 cost of goods/services (due to smaller number of suppliers);
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PLUS

	<p>Suppliers which with Higher Risk Modern Slavery Indicators (Country, industry, service) >\$10,000 cost of goods/services</p>	
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DUE DILIGENCE OF TARGETED SUPPLIERS IN REPORTING PERIOD

DUE DILIGENCE OVERVIEW

Hollard and its Subsidiaries undertook due diligence with respect to Targeted Tier 1 Suppliers depending on the outcome of the initial high-level risk assessment described above:

- **Desktop Due Diligence** which included a desktop assessment of spend, modern slavery indicators, an entity search on Business and Human Rights Resource Centre and review of published modern slavery regulatory statements in UK and Australia; and
- **Advanced Due Diligence** which, in addition to the Desktop Due Diligence above, included issuance of due diligence questionnaires to suppliers. This questionnaire sought information from suppliers on their modern slavery policy, governance, employment

practices, nature and geographic source of goods and services, and modern slavery risks (if any) identified in their organisation and remediation processes.

Hollard categorised Targeted Tier 1 Suppliers into low, medium or high categories based on the due diligence and risk assessment undertaken to determine what, if any, actions were needed by Hollard.

In the Reporting Period, specific focus was placed on continuing due diligence on suppliers that had not previously responded to due diligence questionnaires. In addition to engagement with these supplies, Hollard further developed risk assessment tools for modern slavery risk indicators for supplier onboarding and reviewed the maturity of supplier responses to due diligence questionnaires.

FAST FACTS

Due Diligence

551

Targeted Tier 1 Suppliers of both Hollard & Subsidiaries were issued an advanced due diligence questionnaire. 60% of **Hollard's Targeted Tier 1 Suppliers** completed advanced due diligence questionnaires by end of Reporting Period.



Desktop Due Diligence was undertaken for

104 Targeted Tier 1 suppliers.

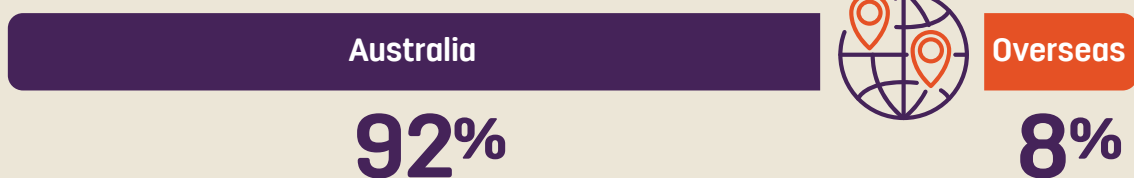
No incidents of modern slavery were identified via questionnaire responses received from suppliers. Hollard will continue to engage with suppliers who have not responded to questionnaires issued to date during the next reporting period to seek their response and raise awareness with regards to Modern Slavery risks.



The responses to due diligence questionnaires were graded along a risk matrix using a residual **Low, Medium** and **High ranking**. The rankings determine the audit, due diligence and compliance activities that are to be conducted by Hollard with each supplier.

Insurance and reinsurance suppliers providing corporate insurance to Hollard and its Subsidiaries and government organisations were considered **low risk**. This decision was based on the public commitment to human rights expressed in these suppliers' codes of conduct, their own published modern slavery statements and the fact that they are subject to strict regulatory requirements.

Origin of goods and Services



From a country risk perspective **95% of Targeted Tier 1 Suppliers** of Hollard were from geographic regions which are considered lower vulnerability risk of modern slavery.

PART C

ACTIONS TAKEN AND FUTURE FOCUS

GOVERNANCE OF GROUP POLICIES AND MODERN SLAVERY RISK

Governance risks, including employee relations, Whistleblower, data security and Environmental, Social and Governance (ESG) risks (including modern slavery risks) are considered and controlled by various policies and related frameworks.

As part of its group governance, oversight across Hollard is undertaken by the Board Risk Committee and the cross-functional Modern Slavery working group which is comprised of representatives from procurement, IT, finance, compliance, HR, legal. The working group works closely with its business divisions to ensure policies, processes and systems are implemented and effectiveness of risk assessment and management is considered. Representatives also engage with teams to share knowledge on modern slavery risk. This includes oversight of external partners and suppliers. Hollard also promotes risk awareness and risk management frameworks which are adopted by its Subsidiaries and align with regulatory requirements for the insurance industry. Contracts with Subsidiaries include requirements with regards to risk assessment and notification of modern slavery risks.

Hollard group policies and frameworks are periodically reviewed. This review includes the consideration of modern slavery risks. In the Reporting Period, Hollard undertook a review of policies and frameworks including:

- Group Partner Framework was revised to include Modern Slavery risk assessments as part of due diligence activities with respect to onboarding new insurance partners.
- Hollard Procurement Process was revised to embed assessment of potential modern slavery risk ranking during the vendor onboarding processes based on geographic, sector and service risks.
- Whistleblower Policy that provides all employees with a mechanism to confidentially report any concerns they have about risks of modern slavery.
- Review of its modern slavery compliance program roadmap and development of a Modern Slavery Risk Framework for future actions.

Hollard contractually requires suppliers and strategic partners to perform their services to Hollard in accordance with relevant laws. As part of our future focus, standard contracts continue to be enhanced and revised to reduce the risk of modern slavery in Hollard's supply chain.

Prevention of modern slavery is limited where Hollard has less influence and oversight. There is always a risk of Hollard and its Subsidiaries being indirectly linked to, or contributing to forms of modern slavery with respect to goods and services further down the supply chain where Hollard and its Subsidiaries have less visibility (for instance, Tier 2 Suppliers). While further work is needed to increase our influence down the tiers of our supply chain, contractual obligations can assist in the meantime. The introduction of contractual terms with Tier 1 Suppliers is intended to assist in addressing these risks through the supply chain, raising awareness, and monitoring of modern slavery practices.

TRAINING & AWARENESS

AWARENESS-RAISING ACTIONS

Hollard continues to raise awareness of modern slavery risks in business operations and supply chains through:

- Regulatory updates to the business;
- Raising modern slavery awareness through meetings with employees from various operational areas of Hollard and its Subsidiaries;

- Issuing existing suppliers and new vendors with modern slavery due diligence questionnaires which included information regarding modern slavery and reporting requirements;
- Updates provided to Hollard and Subsidiary Boards and management committees supplying information on the modern slavery risks and the compliance program undertaken to assess risks; and
- Issuing new employee online training module for **Global Human Trafficking Awareness** (see Employee Training below).

By raising awareness of modern slavery risks amongst employees, Hollard aims to reduce the risk of modern slavery being undetected and facilitate identification of any modern slavery incidents or risks and take remedial action.

EMPLOYEE TRAINING

Hollard provides various forms of training in respect of its corporate policies including its Whistleblower, Work Health & Safety and Privacy policies to ensure there is an institutional level of understanding of the risks of modern slavery in its business operations.

During this Reporting Period an online awareness training module was rolled out called Global Human trafficking Awareness. It was provided to Hollard, HCl and HASSA employees across all operations, including for employees in procurement, risk and compliance, leadership roles responsible for operations and suppliers. This training was being delivered to assist in identifying modern slavery risks and how to prevent these risks from materialising, legal reporting obligations and the way an employee can raise concerns/report incidents.

The module was completed by 91% of assigned employees from Hollard, HASSA and HCl by end of Reporting Period.

GRIEVANCE AND REMEDIATION PROCESSES

WHISTLEBLOWER SERVICE

Hollard, and its Subsidiaries, as part of its regulatory framework has established grievance channels through its Whistleblower Policy and other avenues for internal and external parties and consumers to raise concerns regarding modern slavery practices.

Hollard's public website contains a notice regarding its external Whistleblower service provider for employees, customers and suppliers to use to report concerns of unethical or illegal behaviour including those relating to modern slavery. This external provider offers translation services to ensure accessibility.

Hollard employees are also encouraged via the intranet and internal communications to speak up on risk issues or any situation of concern directly to Senior Managers, Human Resources, the Group CEO or anonymously via STOPline (an external service provider) where feedback is provided to the Group CEO for appropriate action.

HASSA employees also have access to Hollard South Africa's Ethics Tip Off line where suspicions of criminal, fraudulent, non-compliant or unethical behaviour can be reported; this is operated by an external service provider. Training is provided to all HASSA employees with regards to this service.

REMEDATION PROCESSES

Hollard's remediation processes exist to address a range of adverse impacts on human rights, concerns of misconduct, and allegations of illegal conduct that may be raised. Grievance mechanisms are an integral part of internal policies and processes and should any incidents/ concerns be reported to Hollard they would be dealt with in accordance with its regulatory requirements, policies and procedures on a case- by-case basis.

To assess the effectiveness of remediation processes going forward, Hollard and its Subsidiaries will continually review and monitor these processes to ensure they are up to date and regular training and awareness with respect to grievance processes will continue to be provided to employees.

SUMMARY OF ACTION TAKEN AND ASSESSING EFFECTIVENESS

Hollard is working to identify and address modern slavery practices in its operations and supply chain and is committed to continuous improvement over time to assess the effectiveness of its actions in managing modern slavery risk.

ACTION TAKEN IN FY22

In summary, the actions taken by Hollard and its Subsidiaries in this Reporting Period include, but are not limited to:

- Hollard has been an active member of the Insurance Council of Australia (ICA) industry working group on Modern Slavery, discussing opportunities for industry collaboration and strategies to achieve positive outcomes;
- Communicating with targeted suppliers who received questionnaires to increase awareness of modern slavery reporting requirements and assessment of modern slavery risks;
- Continued risk assessment of modern slavery practices in Hollard operations;
- Continuing implementation of modern slavery contractual requirements in new contracts or varied/renewed contracts;
- Development of a new modern slavery compliance framework;
- Development of new mechanisms in new supplier onboarding processes to inform Hollard of potential modern slavery risk indicators; and
- Implementation of further employee online modern slavery awareness training.

ASSESSING EFFECTIVENESS

Hollard has developed a framework to assess the effectiveness of our actions to combat the risks of modern slavery. This includes the following methods:

- Ensuring third-party resources including GSI, US Department of Labor List of Goods Produced by Child or Forced Labor were kept up to date with regular monitoring of new data releases to ensure risk assessment datasets were current;
- Engaging external subject matter experts to undertake independent reviews of our actions, certain policies, and revised Modern Slavery Risk Framework;
- Establishing a cross-functional modern slavery working group (including procurement, IT, finance, compliance, HR, legal) to effectively implement actions and share knowledge on preventing modern slavery;
- Monitoring the number of Modern Slavery online learning modules completed in the Reporting Period;
- Monitoring the number of completed supplier due diligence questionnaires and modern slavery risk dashboard for new vendors;
- Including modern slavery obligations in new or varied/renewed supplier contracts; and
- Checking grievance reports for any complaints raised in respect of modern slavery including through:
 - Hollard’s Whistleblower provider (STOPline) or other internal avenues (notifications to HR, CEO);
 - Review of supplier responses to due diligence questionnaires.

To assess the effectiveness of these actions going forward, Hollard will continually review and monitor these actions to prevent modern slavery occurring throughout any part of our business or supply chains. As part of effective oversight, Hollard will report annually to senior management on progress.

Hollard will also continue to build on the training and education provided to employees to enable them to better identify, understand and report on modern slavery, if detected within our supply chain.

FUTURE ACTIONS TO ASSESS EFFECTIVENESS

Hollard acknowledges that monitoring effectiveness can be challenging, and it intends to continue to demonstrate progress in managing the risks of modern slavery within its business operations and supply chains and expand its compliance program over time.

Future actions include:

- Annual senior management review of the modern slavery compliance program;
- Engaging with suppliers who did not respond to due diligence questionnaire in the Reporting Period;
- Development of annual attestations for existing suppliers with respect to modern slavery risk indicators;
- Development of a supplier code of conduct;
- Refinement of an ESG framework incorporating modern slavery;
- Continuing to monitor third-party resources including Global Slavery Index, US Department of Labor List of Goods Produced by Child or Forced Labor to maintain currency;
- Explore opportunities for further industry collaboration with respect to Modern Slavery responses via the ICA including interactions with other industry groups;
- Embedding controls aligned to assigning and reporting on modern slavery training across Hollard; and
- Continuing to implement new contractual obligations in supplier agreements to monitor modern slavery risks of suppliers and their supply chain.

This statement is made pursuant to Section 11 of the MSA and constitutes Hollard's Modern Slavery Statement for the financial year ending June 2022. This Modern Slavery Statement was approved by the Joint Board of HHA and Hollard.

Signed for and on behalf of the Joint Board of HHA and Hollard.

Gary Dransfield

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Chair of HHA and Hollard Boards
November 2022