



Modern Slavery Statement

AUSTRALIA
2023



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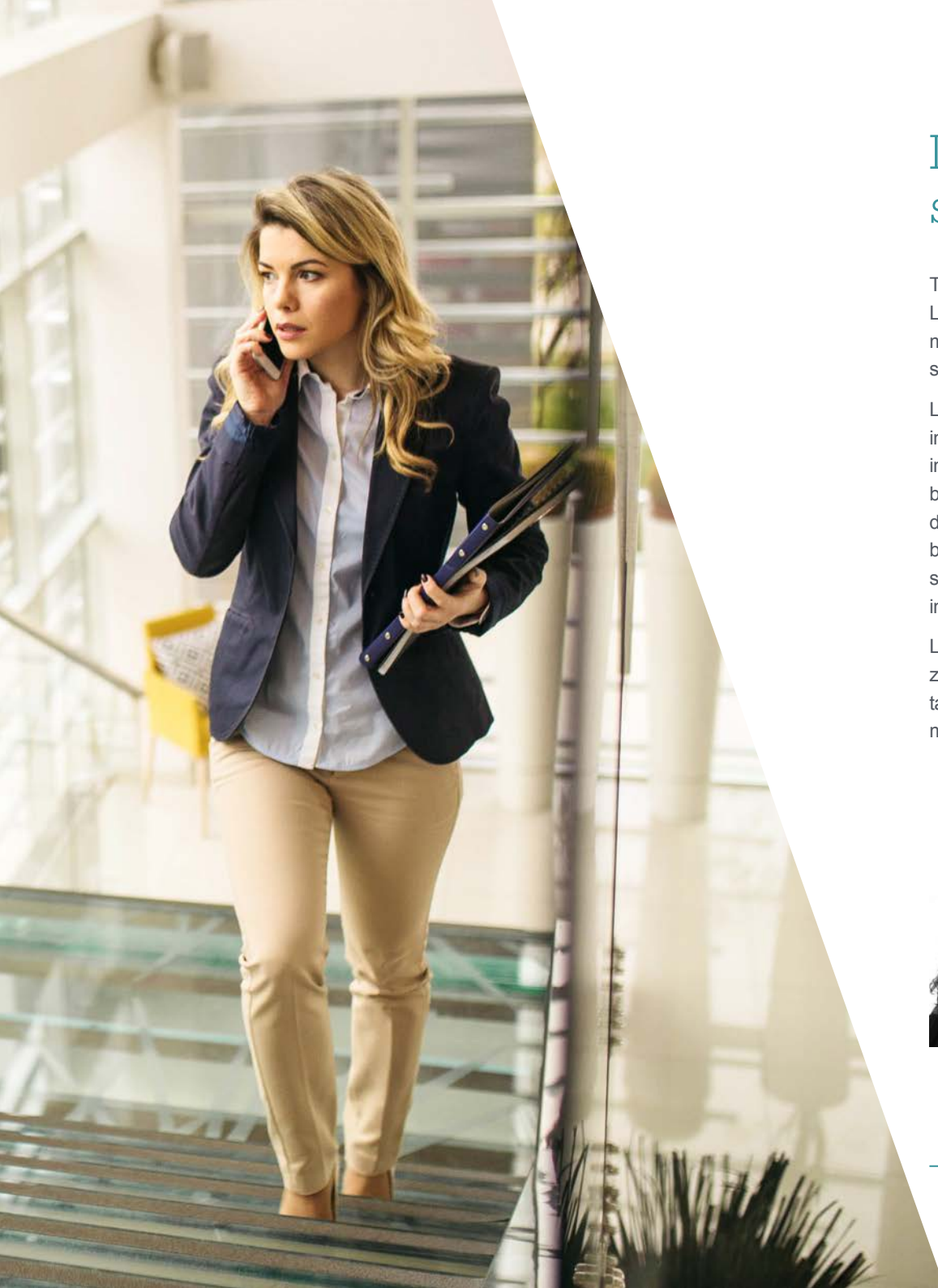
About Liberty

Liberty Specialty Markets (Liberty) is a trading name of Liberty Mutual Insurance Company, Australia Branch (ABN 61 086 083 605) incorporated in Massachusetts, USA (the liability of members is limited) (“Liberty”). Liberty commenced operations in Australia in 1999 with a view to partnering with, and bringing insurance solutions to our policyholders and broker partners. Today we bring value and insurance solutions to more than 26,000 of Asia Pacific’s most significant business and government organisations – helping them protect what they earn, build and own. We offer welcome continuity in an unpredictable world. Liberty is a reporting entity for the purposes of the Commonwealth Modern Slavery Act 2018 (“the Act”). The Act requires Liberty to prepare an annual statement covering its reporting period for the year ending 31 December 2023, addressing, at a minimum, the seven prescribed criteria set out in the Act. The purpose of this statement is to outline Liberty’s actions to assess and address modern slavery risks in its operations and supply chains.

Our purpose is to help people embrace today and confidently pursue tomorrow. One way we achieve this is by acting responsibly: We choose to do the right thing every day and always act with honesty and integrity.

Liberty is committed to conducting business in an honest and ethical manner, with integrity and accountability, with responsible business decisions at the heart of our decision making processes.





Liberty's position on modern slavery

The purpose of this statement is to outline Liberty's actions to assess and address modern slavery risks in its operations and supply chains.

Liberty is committed to conducting business in an honest and ethical manner, with integrity and accountability, with responsible business decisions at the heart of our decision making processes. As a responsible business, Liberty aims to ensure that modern slavery does not exist in our supply chains or in any part of Liberty's business.

Liberty has, and will continue to maintain, a zero tolerance for modern slavery and will take all necessary steps to ensure that this is maintained.

The Liberty Modern Slavery Program to date has focused on establishing our commitment to eradicating the risks of modern slavery in our operations and supply chains, improving our understanding of our operations and supply chain risk profile, and the implementation of controls. It is our aim for the next reporting period to continue to improve our controls while demonstrating progress in our identification and management of potential risks in the supply chain.

This Modern Slavery statement was approved by the Board of Liberty Mutual Insurance Company on 11 June 2024. The Modern Slavery Statement is signed by the Senior Officer outside Australia and the Liberty President and Managing Director Asia Pacific.



Crystal Ottaviano

Crystal Ottaviano
Senior Officer outside Australia
Liberty Mutual Insurance Company,
Australia Branch



Michael Abdallah

Michael Abdallah
President and Managing Director
Asia Pacific
Liberty Specialty Markets

Our structure and operations

Liberty is part of the Liberty Mutual Insurance Group which operates globally through local companies and trading names.

We belong to the Liberty Mutual Insurance Group

The 8th largest property & casualty insurer in the world, writing more gross written premium annually than the entire Australian insurance industry.



Operating since 1912



87th on "Fortune 100" list



US\$49.4B in annual consolidated revenue



45,000 employees



29 countries

Liberty's head office is based in Sydney, with further offices in Adelaide, Brisbane, Melbourne and Perth.





Liberty provides general insurance services and products to our policyholders through intermediaries (brokers and agents). Our policyholders may be individuals, local and global businesses or government organisations. Liberty and our appointed intermediaries pay claims to our policyholders or to third parties under the terms of the issued policies.

Liberty's operations comprise:

► **Core business activities**

Liberty's core business activities revolve around the provision of general insurance products and services and the processing and payment of claims.

► **Services supporting these core business operations.**

Supporting services are provided by staff, contractors and suppliers, third-party

service providers, such as information and communication technology suppliers, the placement and recovery of reinsurance, as well as a range of professional services across many disciplines, recruitment, office supplies, facilities.

Liberty is committed to maintaining the highest ethical hiring standards with the aim of ensuring that no forced labour, involuntary labour or child labour forms any part of our operations.

We ensure that we have the appropriate people working for Liberty by following an employment process that requires all individuals to undergo pre-employment checks to verify their identity, eligibility to work and qualifications.

Where contractors support our operations, they are also subject to probity checks with

the aim of ensuring compliance with all laws and regulations applicable to the provision of their services.

Liberty has appropriate governance, monitoring and supervision controls in place to ensure that our workplaces are safe for our staff so that they can discharge their duties safely.

Liberty engages with Liberty Specialty Markets Singapore Pte Limited's Malaysian operations to provide Liberty with specified services. Liberty has oversight over the services provided by the Malaysian operations to Liberty, albeit we do not own these operations. The Singapore and Malaysian operations as part of the Liberty Mutual group maintain a zero tolerance for modern slavery within their operations.



Our supply chains

Liberty's supply chains support both the core business functions of general insurance delivery and the business support roles.

Our supply chains are predominantly service based and include insurance intermediaries (brokers and agents), reinsurers, consultancy and professional services firms, and other service providers.

A smaller component of Liberty's supply chains is comprised of suppliers of goods and services supporting its office functions including IT, marketing, and travel.

Liberty uses a rigorous due diligence process to help identify potential suppliers, third party vendors and supply chains who hold similar values.

Liberty's supply chains support both the core business functions of general insurance delivery and the business support roles.



Modern slavery risk

Based on an analysis of our operations and supply chains, and considering the nature of our products and services, we have concluded that the risk of modern slavery practices existing within Liberty's operations and supply chains is low.

The inherent risks that the service-based intermediaries and professional service suppliers are linked to modern slavery are likely to also be low.

The products and industries that have been identified as possessing the potential of a higher risk of modern slavery in Liberty's supply chains include:



IT Hardware and Software

Where the risk emanates from the extraction of raw materials for, and manufacture of, hardware and electronics, and the disposal of the electronics at the end of their life. This risk will also include software and networks that are integral to the provision of our core business activities and services.



Marketing Products

Where the risk is in the supply chain for corporate clothing both in branded and nonbranded goods purchased for non-resale.



Travel

Where the risk is of exploitation in both transport and accommodation.



Labour Hire

Where external labour is used for contract cleaning and security.

Liberty acknowledges modern slavery risks are constantly evolving and we strive to keep up to date and deepen our understanding of these risks. There continues to be the potential for indirect modern slavery risk exposure within our supply chains, such as in office supplies, marketing collateral, office cleaning arrangements and Liberty will continue to strengthen our processes to identify, monitor and mitigate these risks.





Policies and procedures

Liberty has in place formal policies to directly address working conditions and standards of conduct to ensure a work culture and work environment of respect and fairness which includes:

- ▶ Code of Business Ethics & Conduct Policy
- ▶ Insurance Anti-Corruption Policy
- ▶ Anti-discrimination & Harassment Policy
- ▶ Employee Handbook Australia
- ▶ Whistleblowing Policy
- ▶ Incident Management Policy
- ▶ Gifts and Hospitality Policy
- ▶ Complaints & Disputes Management Policy
- ▶ Remuneration Policy

In addition, Liberty has in place policies and agreements to promote transparency, integrity and honesty when doing business with suppliers in their supply chains which includes:

- ▶ Outsourcing Policy;
- ▶ Third Party Vendor Framework;
- ▶ Intermediary Broker Agreements;
- ▶ Service specific agreements and contracts.

All of our policies and related procedures are reviewed regularly to ensure Liberty has robust governance processes in place.

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Training and awareness

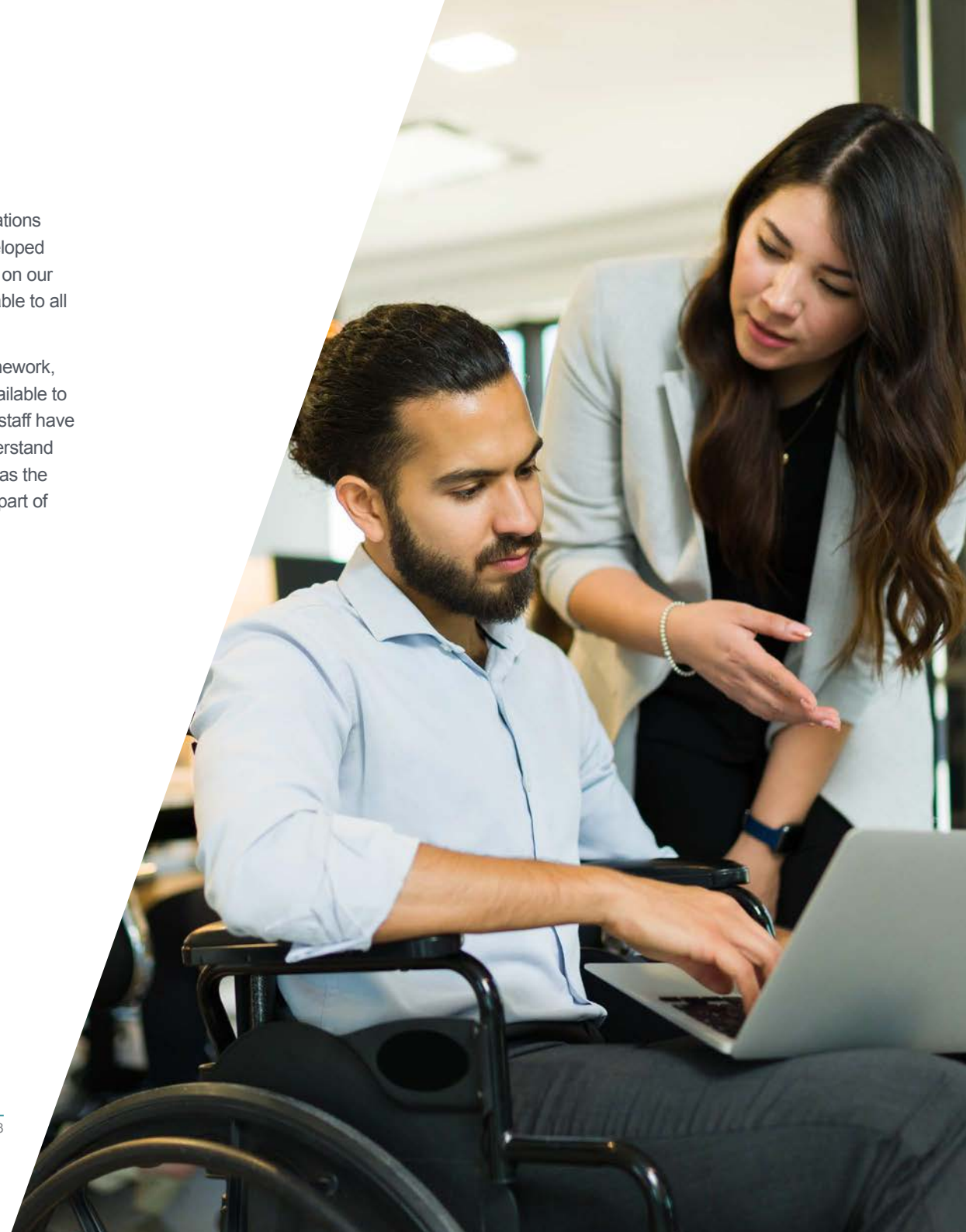
All staff are responsible for adherence to Liberty's policies that apply to their employment and for reporting any suspected breaches of law or our Code of Conduct. Training is provided on commencement of employment via a formal induction program and is supplemented by continuous awareness training on an annual basis.

Liberty staff identified as having direct responsibility with our supply chains undertake training sessions specifically designed to assist with the identification of

modern slavery risk within our operations and supply chains. Liberty has developed a training module which is available on our intranet learning library and is available to all staff.

As Liberty continues to uplift its framework, awareness training sessions are available to all staff. It is our expectation that all staff have the skills to remain vigilant and understand the risks of modern slavery, which has the potential to occur in or infiltrate any part of our operations and supply chain.

Awareness of modern slavery risks is important and Liberty staff undertake Code of Conduct training on an annual basis.





Actions taken to date

In order to support compliance with the Act and as part of our commitment to an ethical and responsible culture, Liberty:

- ▶ **Continued to build maturity across our procurement process** in the management of third party vendor services by a dedicated procurement team. Such enhanced operational capability will also expedite improved identification and mitigation of modern slavery risks through greater focus upon our third party vendor management activities and exploring technical solutions to support these activities.
- ▶ **Reviewed and updated whistleblowing and grievance procedures** to ensure Liberty staff have access to several robust, well understood and confidential avenues to raise any concerns with respect to governance practices and their treatment in the workplace. These practices are ingrained in the company's corporate culture.
- ▶ **Continued to improve our risk culture** which promotes the proactive raising of incidents for remediation with an updated incidents management framework and resources dedicated to support these practices.
- ▶ **Operates in an environment of continuous improvement and focus** on our employees well-being with ongoing refinements to policies to protect workers' rights in Liberty's operations and reinforce a culture of respect and fair work conditions.
- ▶ **Regularly reviews compensation structures** (which are subject to the Remuneration Policy) to ensure that they meet or exceed the required legislative and market rates.
- ▶ Has, as the foundation for how we conduct our business, **implemented a Code of Conduct** which puts our ethical Values into practice forevery business interaction. We setclear expectations that all staff must comply with the Liberty Code of Conduct during onboarding and on an annual basis with training and an annual declaration.
- ▶ **Incorporated management of modern slavery risk** across various governance policies.



Effectiveness of our actions

Liberty has established governance, risk and compliance frameworks and processes in its operations which enable us to identify and monitor our risks as well as the effectiveness of the approaches taken to manage such risks. Our Risk and Compliance management is supported by:

- ▶ A strong and positively evolving risk culture across the business to support the effective management of our risks.
- ▶ A Risk Management Framework which sets the direction of our risk management activities.
- ▶ A Compliance Framework which sets the commitment to adhering to both legal and regulatory requirements.

- ▶ A Risk Appetite Statement which is fit for purpose; that is, it is aligned to and appropriate for the nature, scale and complexity of the business and in turn assists the business to achieve its strategic goals.
- ▶ A maturing three Lines of Defence model which clearly defines the roles and responsibilities across the business.
- ▶ An independent Risk and Compliance function that partners with the business. These activities will be monitored to ensure that the modern slavery processes Liberty are refining, building and implementing are effective.

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Liberty has established governance, risk and compliance frameworks and processes in its operations.





Continuous improvement

Liberty is committed to continuously improving our policies and procedures over time to help prevent modern slavery within our operations and supply chains. We have now implemented the following processes and procedures:

- ▶ Refine the formal Modern Slavery Statement to articulate Liberty's commitment and approach to modern slavery.
- ▶ Updated relevant internal policies, including third party vendor framework documents to embed modern slavery commitments.
- ▶ Promoted staff awareness through targeted modern slavery training and communication throughout Liberty.
- ▶ Monitoring modern slavery better practices within the insurance industry to promptly make changes to our process if necessary.

Liberty is committed to continuously improving our policies and procedures.



Global reach. Financial strength. Local authority.

Distinct, complex and constantly evolving – every business is as unique as its insurance needs. To confidently progress in the face of risk and uncertainty requires a level of security you can only achieve through working with specialists.

Liberty Specialty Markets offers a breadth of world-class insurance and reinsurance services to brokers and insured clients. We bring value and solutions to more than 26,000 of Asia Pacific's most significant business and government organisations – helping protect what they earn, build and own.

We're part of the global Liberty Mutual Group, a Fortune 100 company that's been in business since 1912 with a Standard and Poor's 'A' rating.

[+](#) View our office locations

Liberty Specialty Markets is a trading name of Liberty Mutual Insurance Company, Australia Branch (ABN 61 086 083 605; AFSL No. 530842 (for claims handling and settling services only)) incorporated in Massachusetts, USA (the liability of members is limited).



Connect and join the Liberty conversation

