

Hollard.



**HOLLARD MODERN
SLAVERY STATEMENT
2021**

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 2020 to 30 June 2021 (**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 Hollard

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; 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.

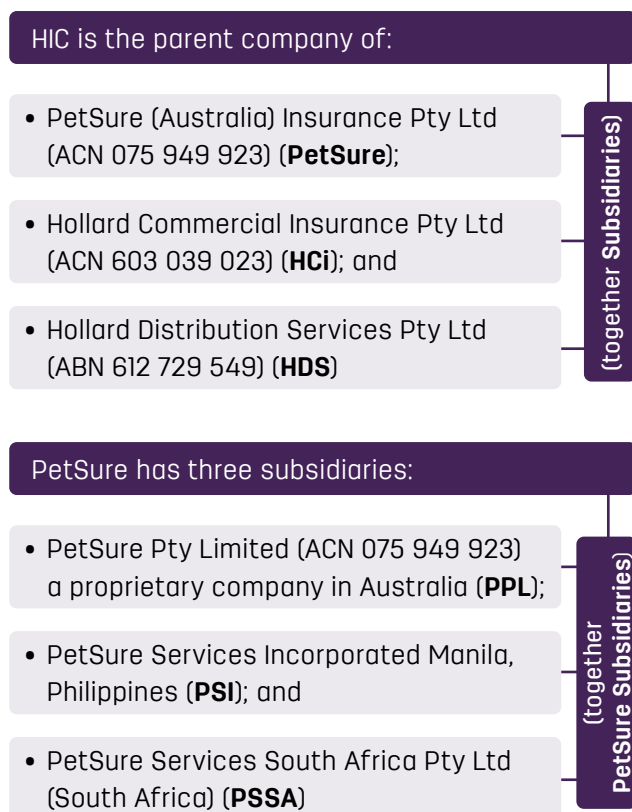
PART A

HOLLARD BUSINESS AND CONSULTATION PROCESS

STRUCTURE OF HOLLARD GROUP

Established in 1999, HIC & 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 Hollard. 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. 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 Hollard. Hollard also has equity interests in Holiday Rescue Limited, an insurance intermediary in New Zealand, which is a controlled entity of Hollard, 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 acknowledges that modern slavery can occur in every industry and that core business activities may impact human rights. Hollard will not tolerate any identified form of modern slavery within its supply chain and operations. 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, human trafficking and child labour.

¹ Australian Prudential Regulation Authority (APRA)

² Reserve Bank of New Zealand (RBNZ)

CONSULTATION WITH SUBSIDIARIES

To prepare this statement, Hollard has undertaken a comprehensive review of its operations and supply chain operations to identify any modern slavery risks. This has included consulting with its Subsidiaries about their operations and the risks of modern slavery.

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

The consultation process with controlled entities included:

- provision of updates to 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;
- collaborating to review and revise risk assessment tools;
- development of revised vendor due diligence questionnaires for supplier onboarding and annual review;
- development of modern slavery clauses for use in various contractual arrangements with suppliers and partners; and
- identifying training modules for employees and intranet resources to raise awareness of modern slavery and impact on human rights.

PART B

OPERATIONS AND SUPPLY CHAIN

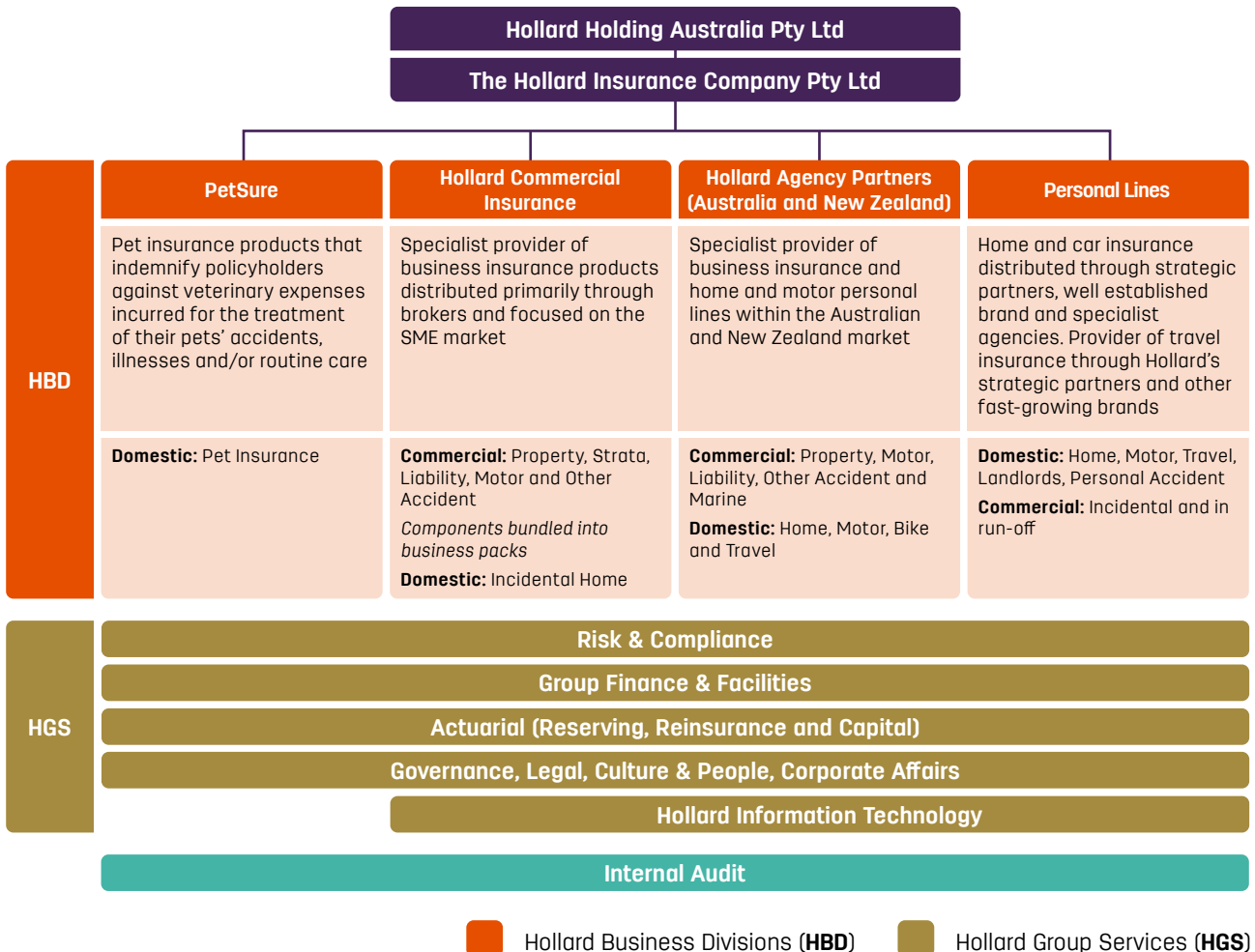
OPERATIONS MAPPING

PROVISION OF GENERAL INSURANCE PRODUCTS

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

Hollard operations can be separated into shared Group Functions (such as finance, legal and HR) and four key business divisions: Commercial, Personal Lines, PetSure and New Zealand.

Each of the four business divisions has 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. The Group Functions largely support Hollard’s four key business divisions although PetSure also has its own in-house functional areas for these disciplines.



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.

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 include claims processing, customer service and IT support to PetSure. PSSA provides IT support and development services to PetSure.

INVESTMENTS

Hollard's operations include making financial investment in and engagement with entities in underwriting, insurance related 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 was revised in this Reporting Period to include Modern Slavery due diligence activities with respect to strategic investments.

OPERATIONS RISK ASSESSMENT OUTCOMES

A risk assessment was undertaken with respect to business operations which involved consideration of each operational activity regard to a number of third-party resources³ against four key modern slavery risk factors.

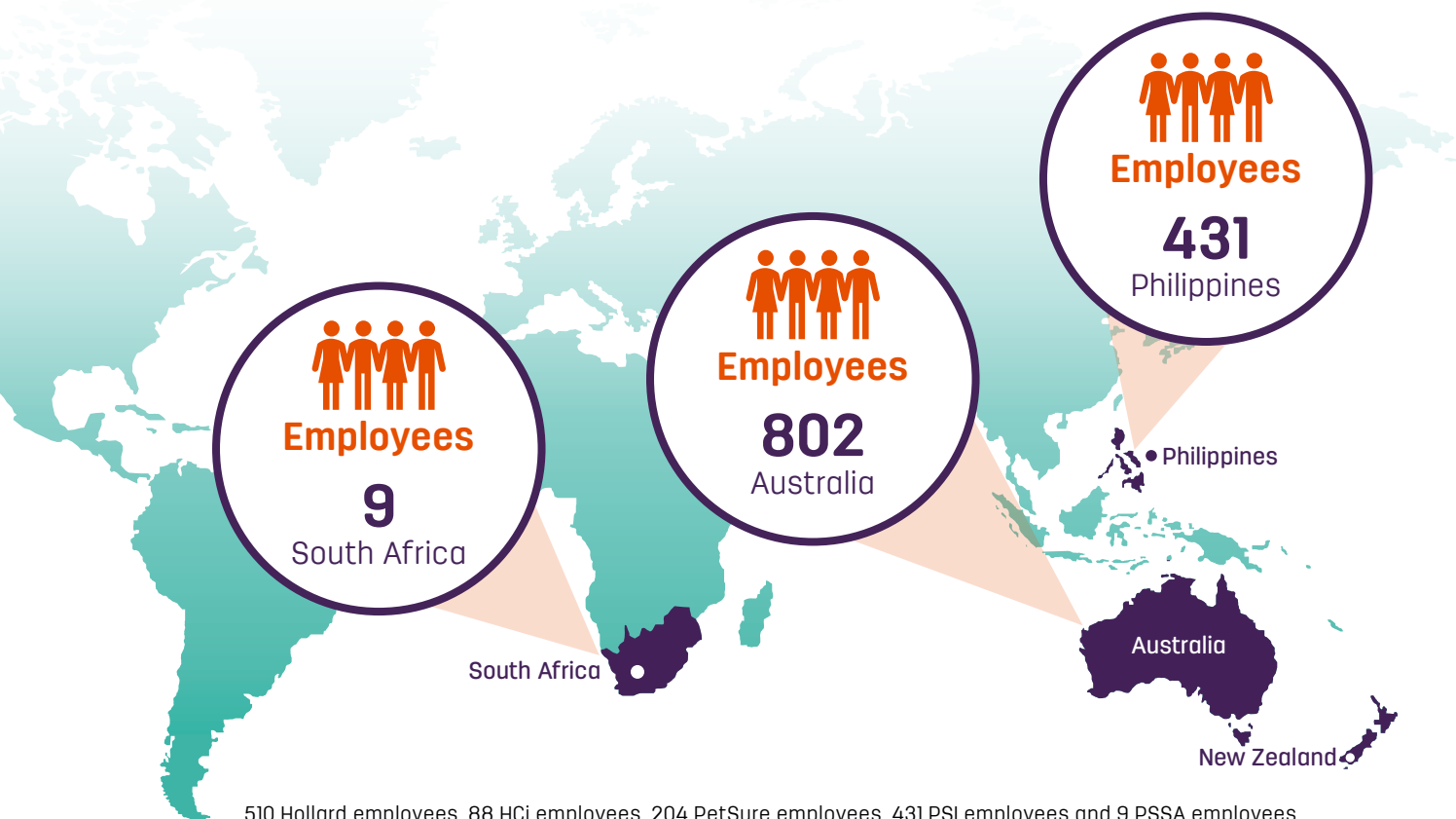
As part of its high-level risk assessment regard was had to a number of third-party resources⁴ including the 2018 Global Slavery Index (GSI)⁵ and suppliers' response to modern slavery questionnaires (see Supply chain Mapping Section). This included review of modern slavery questionnaires completed by Subsidiaries.



³ Global Slavery Index 2018 Dataset, List of Goods Produced by Child or Forced Labour, US Department of Labour, 2020 and Business and Human Rights Resource Centre

⁴ Global Slavery Index 2018 Dataset, List of Goods Produced by Child or Forced Labour, US Department of Labour, 2020 and Business and Human Rights Resource Centre

⁵ Global Slavery Index 2018 Dataset, Walk Free Foundation, available from: www.globalslaveryindex.org



510 Hollard employees, 88 HCl employees, 204 PetSure employees, 431 PSI employees and 9 PSSA employees.

INSURANCE BUSINESS OPERATIONS

Hollard's insurance business operations are predominantly carried out in Australia. Certain support services including claims processing, IT and development services are carried out by PetSure Subsidiaries in South Africa and the Philippines. 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.

HUMAN RESOURCE OPERATIONS

Hollard, Subsidiaries and 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. 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. During the Reporting Period there were 510 Hollard employees, 88 HCl employees, 204 PetSure employees, 431 PSI employees and 9 PSSA employees.

Hollard, Subsidiary and PetSure Subsidiary employees and their immediate family members have access to various Employment Assistance Programs (EAP)⁶. These programs include access to services such as independent counselling/psychologist, legal advice and financial counsellors available on an anonymous and confidential basis. PSSA's EAP program also includes access to onsite primary and occupational health care services. EAP services allow employees to seek assistance for their health, social and financial wellbeing.

Hollard addresses protection of labour standards and human rights via its Work Health and Safety policies and frameworks in adherence to 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.

⁶ Acacia EAP for Hollard, PetSure and HCl; EAP for PSI; ICAS (Independent Councillors and Advisory Services) for PSSA

SUPPLY CHAIN MAPPING

SUPPLY CHAIN OVERVIEW

Hollard’s supply chain includes services and products which contribute to the supply of its insurance products to customers which include:

Categories of products and services provided to Hollard

Corporate Procurement	Key Business Divisions Procurement
<ul style="list-style-type: none"> • accommodation • catering suppliers • facilities services (cleaning, security, maintenance, kitchen supplies) • furniture • insurance and reinsurance providers of Hollard and its Subsidiaries • IT hardware • mail services • marketing and promotional goods • office supplies (stationery) • transport services 	<ul style="list-style-type: none"> • call centre services • claims service providers (building and restorative services, retail product suppliers, motor vehicle repairers, transport and accommodation, claims professional consultants and other claims service providers) • IT providers (software, IT hardware and consultancy) • marketing consultants • professional consultancy and advisory services (actuarial, accounting, tax, legal, IT and others) • professional services of insurance intermediaries, brokers and corporate distribution partners • promotional product providers • recruitment services

SUPPLY CHAIN REPORTING PERIOD FOCUS

Hollard and its Subsidiaries have continued to map suppliers directly engaged by Hollard and its Subsidiaries which contribute products and services to business operations in the Reporting Period (Tier 1 Suppliers).

Hollard, Subsidiaries and PetSure Subsidiaries identified over 4,000 Tier 1 Suppliers in the Reporting Period.

In the Reporting Period actions undertaken included risk assessment, due diligence and reviewing remediation processes. Risk assessment due diligence of its supply chain was focused on over 500

Targeted Tier 1 Suppliers Hollard, Subsidiaries and PetSure Subsidiaries.

“Targeted Tier 1 Suppliers” in FY21 included suppliers of products and services whose:



* PetSure and PetSure Subsidiaries targeted suppliers with cost of services/goods greater than \$100K

** Suppliers with costs of goods and services < \$10K excluded by Hollard and HCl and < \$5K excluded by PetSure

Hollard, Subsidiaries and PetSure Subsidiaries identified over 4,000 Tier 1 Suppliers in the Reporting Period, predominantly operating in Australia. 83.9% of Tier 1 Targeted Suppliers provided goods and services from Australia, 9.9% from the Philippines and 6.2% from suppliers in other countries⁷ in the Reporting Period.

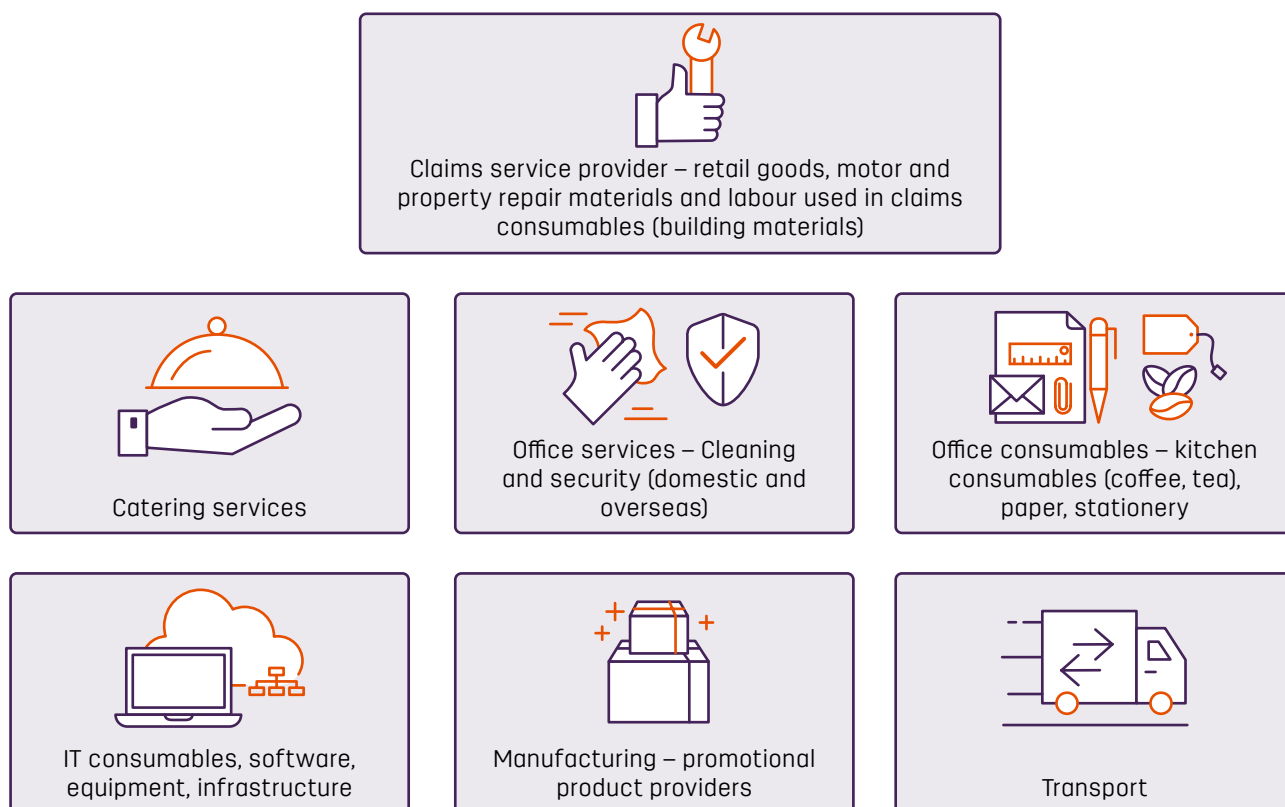
RISK ASSESSMENT

As part of its risk assessment process Hollard and its Subsidiaries had regard to a number of third-party resources including the GSI to identify suppliers with higher risks of modern slavery practices in Hollard’s supply chain.

An initial desktop risk assessment was undertaken for Tier 1 Suppliers identified with respect to modern slavery indicators including:

1. Sector and industry
2. Nature of product and services and cost of services supplied to Hollard
3. Geographic location
4. Entity risks (entities with poor governance structures or a record of human rights violations).

Higher risk categories of products and services



The above categories of products and services of Hollard’s Targeted Tier 1 Suppliers were determined to have higher risks of modern slavery having regard to modern slavery risk indicators and third-party resources⁸. These higher risk suppliers accounted for approximately 39% of Targeted Tier 1 Suppliers for Hollard in the Reporting Period and accordingly these suppliers were included in due diligence.

⁷ Hong Kong, India, Israel, Mauritius, New Zealand, South Africa, United Kingdom, United States of America

⁸ US Department of Labour List of Goods Produced by Child or Forced Labour and Business and the Human Rights Resource Centre

DUE DILIGENCE OF TARGETED SUPPLIERS IN REPORTING PERIOD

DUE DILIGENCE OVERVIEW

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

1. **Desktop Due Diligence** which included a desktop assessment of spend, modern slavery indicators, review of contractual arrangements, an entity search on Business and Human Rights Resource Centre and review of published modern slavery regulatory statements in UK and Australia; and
2. **Advanced Due Diligence** which, in addition to the Desktop Due Diligence above, included issuance of due diligence questionnaires to suppliers. This questionnaire assesses suppliers on modern slavery policy, governance, employment practices, nature and geographic source of goods and services, modern slavery risks (if any) identified in their organisation and remediation processes.

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

170 of Hollard Targeted Tier 1 suppliers were issued with an advanced due diligence questionnaire. PetSure & PetSure Subsidiaries issued 158 and HCl issued 51 advanced due diligence questionnaires. 63% of Hollard Target Tier 1 Suppliers responded to advanced due diligence questionnaires. Desktop Due Diligence was undertaken on suppliers who did not respond to the Advanced Due Diligence questionnaire issued. Hollard will contact those suppliers and seek their response to questionnaires in the next reporting period. No incidents of modern slavery were identified via questionnaire responses received from suppliers.

Insurance and reinsurance suppliers providing corporate insurance to Hollard and its Subsidiaries and government organisations were considered low risk and due diligence was not undertaken on these suppliers during the Reporting Period. These companies have an extensive commitment to human rights expressed in their codes of conduct, published modern slavery statement and they are also subject to strict regulatory requirement.



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 Board-approved and management policies and related frameworks.

As part of its group governance oversight, Hollard works closely with the four key business divisions to ensure policies, processes and systems are implemented to support compliance. This includes oversight of external partners and suppliers. Hollard also promotes risk awareness and risk management frameworks which are adopted by its Subsidiaries and PetSure Subsidiaries and align with regulatory requirements for the insurance industry.

Hollard group policies and frameworks are periodically reviewed as may be required and this includes the consideration of modern slavery risks. Hollard undertook a review of policies and frameworks including:

- Group Strategic Investment Framework - revised to include Modern Slavery risk assessments as part of due diligence activities with respect to strategic investments.
- Hollard Procurement & Supplier Governance Policy - revised following embedment of modern slavery due diligence in the vendor onboarding processes.
- Whistleblower Policy that provides all employees with a mechanism to confidentially report any concerns they have about risks of modern slavery.

- Work Health and Safety Policy.
- Review of its modern slavery compliance program roadmap.

Hollard contractually requires suppliers and strategic partners to perform their services to Hollard in accordance with relevant laws. Standard contracts are being implemented to monitor modern slavery risks of suppliers. There is risk of Hollard being directly linked or contributing to forms of modern slavery by suppliers with respect to goods and services further down the supply chain where Hollard and its Subsidiaries have less visibility (Tier 2 Suppliers). The introduction of contractual terms with Tier 1 Suppliers is intended to assist in addressing these risks, 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 and internal intranet posts;
- Raising modern slavery awareness through meetings with employees from various operational areas of Hollard, PetSure and HCl including risk and compliance, information technology, procurement and company secretariat;
- 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 providing information on the modern slavery risks and the compliance program undertaken to assess risks; and
- Employee online “Modern Slavery Awareness” training module (see Employee Training below).

By raising awareness of modern slavery 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 our business operations. During this Reporting Period an online “Modern Slavery Awareness” training module was implemented for Hollard employees in procurement, risk and compliance, leadership roles responsible for operations and suppliers. This training is being delivered to support increased awareness of modern slavery indicators; assist in identifying modern slavery risks and controls, legal reporting obligations and how to raise concerns/report incidents. The module was completed by 90% of assigned employees 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 provides

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.

REMIEDIATION 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 FY21

Steps taken by Hollard and its Subsidiaries in this Reporting Period include, but are not limited to:

- 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;
- Developed and embedded modern slavery due diligence in supplier onboarding procedures and procurement processes and policy;
- Engaged with suppliers who did not respond to due diligence questionnaire in previous Reporting Period, encouraging participation in FY21 questionnaire;
- Implementation of employee online “Modern Slavery Awareness” training;
- Participated in industry meeting hosted by the Insurance Council of Australia (ICA) on Modern Slavery Act reporting, peer discussion to understand opportunities for industry collaboration;
- Review of its modern slavery compliance program roadmap;
- Revised Group Strategic Investment Framework to include Modern Slavery risk assessments as part of due diligence activities with respect to strategic investments; and
- Revision of due diligence questionnaires following analysis of FY20 supplier responses and risk management processes.

IMPACT OF COVID-19 IN THE REPORTING PERIOD

During this Reporting Period, there were disruptions to operations with respect to certain operations of Hollard and Subsidiaries due to Covid-19. Hollard transitioned its workforce to remote working arrangements when required. Many of Hollard’s business partners and suppliers also enacted similar arrangements. Hollard took effective action to mitigate risks to employee welfare, business continuity and customer responses. Hollard’s key employee considerations included ongoing employment, health and safety, providing flexibility and supporting employees in a remote working environment. Hollard pledged and achieved zero Covid-related employee job losses.

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;
- Stakeholders including external legal undertook independent reviews of our actions, certain policies, and risk assessment questionnaire;
- Cross-functional modern slavery working group (including procurement, IT, finance, compliance, HR, legal) engaged to effectively implement actions and share knowledge on 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;
- Modern slavery obligations being included in new or varied/renewed supplier contracts; and
- Noting that no issues with respect to modern slavery were identified through:
 - o Hollard’s Whistleblower provider (STOpline) or other internal avenues (notifications to HR, CEO);
 - o Review of supplier responses to due diligence questionnaires

To assess the effectiveness of these actions going forward, Hollard will seek to continually review and monitor these actions to prevent modern slavery occurring throughout any part of our business or supply chains and will report annually to senior management on progress. We 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 and future roadmap;
- 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;
- continuing to enhance due diligence and risk management processes for Targeted Tier 1 Suppliers;
- 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;
- 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 2021. 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.



Katrina Barry
Chair of HHA and Hollard Boards
December 2021