

# 2021 Modern Slavery Statement



We are pleased to publish our 2021 Modern Slavery Statement in accordance with Australia's Modern Slavery Act 2018 (Cth). This is our second annual statement and we continue to improve our understanding of the potential modern slavery risks relating to our business and operations.

The Statement sets out the steps we have taken to identify and address modern slavery within our operations and supply chains during the financial year ended 31 December 2021.

This statement is submitted by MLC Limited and has been written using valuable input from a wide range of internal and external stakeholders.

The MLC Limited Board of Directors has approved this statement on behalf of the organisation and has authorised it to be signed by me as CEO and Managing Director.

We welcome feedback on our statement which can be provided directly via email to our Head of Sourcing and Partnerships, Michael Hill, at [michael.hill@mlcinsurance.com.au](mailto:michael.hill@mlcinsurance.com.au)

Alternatively, you can send your feedback to our sourcing and partnership inbox at [procurement@mlcinsurance.com.au](mailto:procurement@mlcinsurance.com.au)

A handwritten signature in black ink, appearing to read 'Rodney Cook'.

**Rodney Cook**

CEO & Managing Director  
MLC Limited

## MLC Life Insurance

The information in this statement has been prepared by MLC Limited ABN 90 000 000 402 AFSL 230694. MLC Limited uses the registered business name "MLC Life Insurance" and uses the MLC brand under licence. MLC Limited is part of the Nippon Life Insurance Group and not a part of the Insignia Group.

## Structure, operations and supply chains

MLC Life Insurance’s structure, operations and supply chains are largely unchanged since we published our 2020 Modern Slavery Statement.

### Our structure

MLC Limited is an unlisted public company and operates under the business name of MLC Life Insurance. MLC Life Insurance does not own or control other entities and its principal activities are the provision of life insurance products and life investment products in Australia. Our Australian Financial Services License (AFSL) number is 230694. Our ABN is 90 000 000 402, and our registered address is  
Level 7, 40 Mount St,  
North Sydney, NSW 2060.

Until 2016 MLC Life Insurance was part of the NAB Group of Companies. In October 2016 Nippon Life Insurance Company purchased 80% of MLC Limited from NAB, who retain a 20% share. Today, MLC Life Insurance is part of the Nippon Life Insurance Group and as part of that group we benefit from the financial strength and global insurance expertise.

### Our operations

MLC Life Insurance provides life insurance products to around 1 million Australians. We issue life, trauma, total and permanent disability and income protection insurance products. Product distribution occurs entirely within Australia, and is primarily via partnerships with financial advisers, superannuation funds and other financial institutions. Our AFSL also authorises us to issue products directly to consumers. MLC Life is currently the fourth largest issuer of retail life insurance in Australia with an 11% market share as measured by in-force premium as at 31st December 2021.

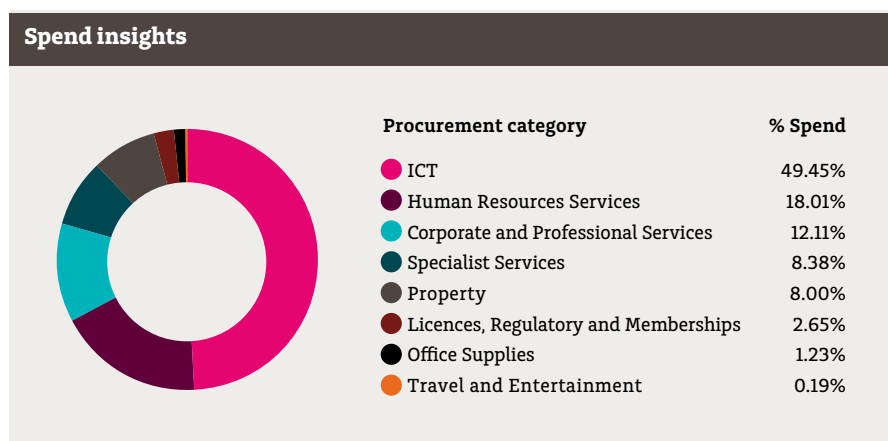
During the year ended 31 December 2021, we received \$1.8bn of life insurance contract premium revenue and paid \$1.2bn in life insurance claims. The company manages \$6.2bn of investment assets and has net assets of \$2.8bn.

Nationally, we employ 1553 employees and engage 332 people on a contingent basis. Employees and contractors are located across offices in Sydney, Melbourne, Brisbane, Adelaide, and Perth.

### Our supply chains

MLC Life Insurance has a centralised procurement function through which enterprise-wide spend for goods and services is managed. We have established a comprehensive framework for vendor selection and contract management which helps mitigate modern slavery risks.

In 2021, MLC Life Insurance spent \$186 million on the procurement of goods and services from over 1388 external suppliers. By quantity, 68% of these suppliers serviced the medical and claims side of our business (Specialist Services) with the remaining 32% being non-medical related. Our key categories of spend include information, communications and technology (ICT), human resources services and corporate and professional services.



Source: MLC Life insurance

During the 2021 reporting period we did not outsource the performance of our core insurance services, and most of our suppliers are located in Australia. A small number of material outsourcing arrangements, predominantly technology services, are delivered from offshore. These services are performed from India by two suppliers, with a third operating from the United Kingdom.

We maintain close monitoring of supplier services through internal governance mechanisms, set up to monitor third party and outsourcing risks through continuous oversight of the service provider portfolio.

## Risk of Modern Slavery

Our 2020 Modern Slavery Statement identified the potential risk of modern slavery across our business and operations in four key areas, namely: Our Customers; Employees; Investments and Supply Chains. In 2021 these four areas remain largely unchanged.

### Customers

As supported by the Global Slavery Index 2018, we consider our customers to be at low risk of modern slavery exposure and are not expected to fall under those groups of people who are more vulnerable to modern slavery in Australia (e.g. backpackers, temporary migrants, asylum seekers, international students).

### Employees

All our employees are based in Australia, consequently the risk of Modern Slavery exposure is low. Similarly to our customers, our employees are at low risk of modern slavery exposure based on their location and the skills required of our workforce. All prospective MLC Life Insurance employees are required to

undertake probity checks, including an 'eligibility to work' check. It is noted that contingent labour workers do not fall within the category of employees but are considered as part of the direct Supply Chains risk category.

### Investments

We work with external investment managers who manage our investment assets and invest funds from policyholders. Our investment managers are required to consider ESG risk as part of their investment process, including Modern Slavery risks. They are also required to comply with the UN's Principles for Responsible Investment (PRI). We assess manager ESG performance annually.

### Supply Chain

MLC Life Insurance continues to assess our overall risk profile in relation to our supply chains by referencing several factors, including the geographic location of the supplier, the industry in which the supplier operates and the nature of the goods or services provided. Risk of modern slavery in our supply chains varies depending on these factors. We initiated a range of procurement initiatives in 2021 to mitigate these risks, detailed in **Actions taken in Addressing our Risks**.

## Actions taken in Addressing our Risks

We recognise the ethical and legal importance of protecting human rights when engaging with third parties to provide us with goods and services. We are committed to continuous improvement in addressing risks of modern slavery in our customer base and supply chains.

### Identifying and Supporting Vulnerable Customers

In August 2021, MLC Life Insurance developed a Financial Hardship and Vulnerable Customer Policy. This new Policy not only defines vulnerability but also includes information on the measures we have in place to support vulnerable customers, some of which

may be at risk of modern slavery. We recognise that a customer's vulnerability may be permanent or temporary and may be due to a range of factors including but not limited to:

- Aboriginal or Torres Strait Islander identity
- disability, injury or illness
- financial distress, or unexpected changes in income or expenditure
- family violence
- low literacy level
- non-English-speaking backgrounds, or
- isolation.

## Actions taken in Addressing our Risks *continued*

In addition, in December 2021, our Claims team developed procedures to ensure that they are enabled to:

- proactively identify customers who are vulnerable throughout the life of their claim
- provide appropriate support to those who require it
- appropriately communicate with those who are vulnerable, and
- record any vulnerability in our case management system.

### Training & Awareness

Our supply chains pose the greatest risk of modern slavery to our business. As a result we require all procurement staff to undergo annual awareness training to manage risks associated with modern slavery within those supply chains. The Modern Slavery - Employee Awareness Training was deployed via an e-learning module for all employees in 2021. This training module has been designed to increase employees' awareness of modern slavery and help them gain a better understanding of the role MLC life Insurance plays when meeting its compliance obligations.

### Investments

There has been no change in investment risk since last year, with such risk deemed to be low to moderate. We conduct annual assessments of ESG risks and continue to include modern slavery as a topic for discussion.

### Due Diligence & Contractual requirements

MLC Life Insurance has policies and procedures in place to assess human rights, ethical and environmental risks when sourcing suppliers.

**New contractual provisions** have been incorporated into our standard agreement terms stipulating that service providers are required to comply with modern slavery laws. These contract provisions require suppliers to notify us of any actual or suspected instances of modern slavery in their supply chains or operations. A **contract management system** was launched in 2021 which tracks attestations provided by our suppliers confirming their adherence to our supplier code of conduct which includes modern slavery obligations.

During 2021 we also implemented improvements to our **supplier due diligence** process when engaging new suppliers. New suppliers must now provide more detailed information about their human rights policies, processes and risk assessments, including governance, geographical risks, environmental and modern slavery. We onboarded 103 new suppliers in 2021 which resulted in no additional modern slavery risk or exposure identified via the supplier due diligence process.

### Supplier Code of Conduct

The relationship between MLC Life Insurance and our suppliers is a critical component of our support for human rights. In the reporting period, consistent with our standard procurement process, we required all new suppliers to comply with our Supplier Code of Conduct, or to make an equivalent commitment. We intend for this requirement to be extended across our existing suppliers as we renew contractual agreements.

The Supplier Code of Conduct reflects our ethical principles and our commitment to human rights. In 2021 we sought and received attestation to adherence to our "Supplier Code of Conduct" from our material<sup>1</sup> suppliers. Our aim is to extend this attestation to key<sup>2</sup> suppliers and we will continue to work through this initiative during 2022 and beyond.

We encourage a culture of transparency and as such we have a dedicated MLC Life Insurance alert line and email address to enable individuals to speak up about modern slavery. Our employees and suppliers may report concerns or violations through the alert line.

- <sup>1</sup> Material suppliers are suppliers who have the potential, if disrupted, to have a significant impact on our operations or ability to manage risk. (Which includes our suppliers who perform technology services from offshore locations.)
- <sup>2</sup> Key suppliers are suppliers which represent a significant spend or strategic value to our operations.

## Assessing Effectiveness of our actions

MLC Life Insurance recognises that the process of assessing and addressing modern slavery risks is a complex and ongoing task. We recognise that there is real value in an open and transparent dialogue with our suppliers, and that no single business can tackle the problem alone.

We onboarded 103 new suppliers in 2021 with no modern slavery risk or exposure identified as a result of performing supplier due diligence.

## Appendix 1: Modern Slavery Statement Mandatory Criteria

This statement has been prepared to meet the mandatory reporting criteria set out by the Australian Commonwealth Modern Slavery Act 2018. The following table provides alignment of criteria required by the Act to the corresponding section of this statement:

Australia's Modern Slavery Act 2018 (Cth)	Modern Slavery Statement 2021	Page
<b>Criteria 1:</b> identify the reporting entity	CEO Letter	Page 1
<b>Criteria 2:</b> describe the structure, operations and supply chains of the reporting entity	Structure, Operations and Supply Chain	Page 2
<b>Criteria 3:</b> describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Risk Of Modern Slavery	Page 3
<b>Criteria 4:</b> describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	Actions taken in Addressing our Risks	Page 3 & 4
<b>Criteria 5:</b> describe how the reporting entity assesses the effectiveness of such actions	Assessing effectiveness of our actions	Page 5
<b>Criteria 6:</b> describe the process of consultation with the entity giving the statement	CEO Letter	Page 1
<b>Criteria 7:</b> any other information that the reporting entity considers relevant	None	None