

# Modern Slavery Statement for year end 30 June 2020

This statement is made by Employers Mutual Limited ABN 67 000 006 486 (EML), on behalf of itself and Employers Mutual NSW Limited ABN 52 003 201 885 pursuant to *The Modern Slavery Act 2018* (Cth) (Act)

## Introduction

The term 'Modern Slavery' is used to describe situations where coercion, threats or deception are used to exploit victims and to undermine or deprive them of their freedom. EML adopts a responsible and ethical approach to its business and rejects any involvement in, or connection to unethical or illegal behaviour.

We want to ensure that all aspects of our business activity, including our supply chains, are free from any form of Modern Slavery.

Our commitment to managing the risks of Modern Slavery is illustrated by the following framework:



## MODERN SLAVERY STATEMENT

### 1. About EML

This Statement applies to EML and its wholly owned subsidiary Employers Mutual NSW Limited. Other than these companies no other EML controlled entity meets the reporting criteria under the Act. Both entities in the group use the same policies and processes, operate in the same sector and utilise shared suppliers.

We are committed to using our established risk management principles and other controls to prevent modern slavery in any of its manifestations across EML. We strive to address modern slavery risks, potentially:

- **CAUSED** by our organisation, where we can act to cease or prevent the risk and eliminate the impact.
- **CONTRIBUTED TO** by our organisation, where we can act to cease or prevent our contribution to the risk and work proactively with supply chain stakeholders to eliminate the impact.
- **DIRECTLY LINKED TO** our organisation, where we can use leverage to influence entities that are causing the risk to take action. If we cannot use leverage with an entity to influence behavioural change and remedy the impact, we will consider terminating our relationship with that entity and seek alternative supply chain partners.

### 2. Our Business and its Structure

EML is a personal injury management partner of choice for employers and government agencies. For over 110 years Australians have turned to us for our claims expertise and personalised support in helping injured workers return to work.

- EML is the provider of claims management for icare worker's insurance in NSW supporting workers and employers in NSW and services a range of government agencies including Police and Emergency Services.
- EML and/or other related bodies corporate provide claims management services in Victoria, South Australia, the Australian Capital Territory for self-insured and government.
- EML also provides personal injury management services across CTP and Sickness and Accident lines and in the disability services sector.
- People, building and technology resources are provided to EML through a central management company known as Employers Mutual Management Pty Limited.

### 3. Our Operations and Supply Chain

Entity	Main Operations	Supply Chain
Employers Mutual Limited	<ul style="list-style-type: none"> <li>• Claims management</li> <li>• Australian mutual organisation</li> </ul>	<ul style="list-style-type: none"> <li>• Professional services companies</li> <li>• Investment Management</li> <li>• Resources, people, technology, rental/leases, general office supplies</li> <li>• Group banking facilities</li> <li>• Claims intermediaries and providers</li> </ul>

### 4. Risks of Modern Slavery Practices in our Operations and Supply Chains

EML is a level 2 insurance group regulated by the Australian Prudential Regulation Authority (APRA) EML is required to maintain APRA compliant systems to identify, measure, evaluate, monitor, report, control and mitigate material risks.

Furthermore, when EML outsources material business activities to external suppliers, APRA requires that these are subject to appropriate due diligence, approval and ongoing monitoring. EML is diligent in identifying and addressing risks to our operations and supply-chain to fulfil the risk management requirements needed to satisfy its own corporate obligations and APRA regulations. Whilst we are confident that the risk of us causing, contributing to, or being directly linked to modern slavery risk is low, this new and emerging area of risk will be incorporated into our risk management process. It has been reviewed during 2020 resulting in the development of a risk based approach to modern slavery risk and documented in this Statement including:

- supplier due diligence
- supplier profiling – to identify inherently higher risk industries
- a risk based online modern slavery questionnaire which includes an additional question for any change to the modern slavery risk for the supplier in their supply chain due to the impact of COVID19.

These elements will go live on the adoption of this Modern Slavery and incorporated into the EML risk review program during the second calendar quarter 2021.

### 5. Risk Assessment and Mitigation

EML operates executive management and Risk Management Policies and Frameworks aligned with ISO31000 Risk Management guidelines and certified to ISO27001 Information Security Standard for technology. This is supported by a Risk Appetite Statement where the Boards specify and agree to the level of risk it is prepared to tolerate in a number of risk categories. EML has:

- A low tolerance to unknowingly being involved in modern slavery – we will undertake due diligence to discover whether modern slavery is caused or contributed to by us and whether we are directly linked to modern slavery through our suppliers, our suppliers' direct providers.

- A low tolerance for threats to the safety and wellbeing of people – we will take steps to examine and prevent any modern slavery risks identified in our operations or supply-chain.
- A low tolerance to reputational risk – we are proud of our brand and reputation. We reject any involvement in, or connection to unethical or illegal behaviour that could tarnish our brand and reputation.
- A low tolerance for regulatory compliance risk. EML has regulatory obligations to report material breaches of its risk management frameworks and outsourcing arrangements, it is in our best interest to avoid modern slavery risks.

## **6. Due Diligence and Supply Chain Assurance**

During 2021 we will:

- Brief the executive management and the Employers Mutual Boards on emerging modern slavery risk management requirements.
- Update Risk Appetite Statements and Risk Management Policies and Frameworks to address modern slavery risks.
- Include modern slavery risk management as a standing agenda item in our monthly risk management forum meetings.
- Generally, update supplier engagement checklists to include modern slavery risks for new suppliers and contract renewals including terms of trade.
- Specifically, identify existing material contracts based on three criteria:
  1. Major suppliers by spend to a defined dollar threshold.
  2. Suppliers listed in the regulated entities' registers of material of outsourced suppliers.
  3. Suppliers that may present a geographical supply chain risk, where we know, or are reasonably confident, that a current or prospective supplier has operations in countries and regions that have a major exposure to modern slavery practices.

Our source for this information will be the latest Global Slavery Index published by the Walk Free Foundation. Current and prospective suppliers will be asked if they have operations in particular 'at risk' countries listed in Africa, The Americas, Arab States, Asia and the Pacific, Europe and Central Asia.

## **7. Building Capability and Measuring Effectiveness**

We aim to fully combine modern slavery risk management principles into our risk management and procurement processes starting 1<sup>st</sup> April 2021. In the run-up to this timeframe, EML has built capability throughout the organisation and amongst prospective and current suppliers by:

- Addressing the due diligence and supply chain assurance measures noted in section 6.
- Generally, building awareness across the organisation about modern slavery risks and our commitment to addressing them.
- Specifically providing education about modern slavery risk management to nominated individuals with risk management, procurement or supply chain relationship management functions.

- Prepare modern slavery risk management information material for current and prospective suppliers.
- Perform 'trial' supply chain surveys with key suppliers to develop metrics for meeting the required codes of conduct.
- Develop remediation strategies where modern slavery risks are suspected or discovered.

## **8. Engagement with Supply Chain Stakeholders**

Our key approach to supply chain management is partnership. We are committed to collaborating with our supply chain partners to develop strategies to assess and manage modern slavery risks. We will do this by:

- Ensuring we are confident that we have correctly assessed new suppliers who enter our supply chain.
- Encouraging our suppliers to monitor their own, and their suppliers' compliance with our modern slavery risk management principles and to correct any identified deficiencies.
- Requesting suppliers to notify us if they become aware of an actual breach or reasonable likelihood of breaching of modern slavery risk management principles and by providing tools (e.g. portals and helplines) to enable timely reporting.
- Sharing appropriate knowledge and information with our suppliers.

## **9. Reporting**

Reporting of modern slavery risks will be an integral part of our risk management process, which includes:

- Regular risk reports to executive management and the EML Board.
- Quality Assurance and performance management of suppliers through periodic checks and audits.
- Addressing breaches of risk tolerances.
- Acting upon anonymous reporting of issues or whistleblowing relating to modern slavery risks.

## **10. Continuous Improvement**

Over the next 12 months, we are committed to establishing the modern slavery risk management framework described in this statement, including:

- Updating Risk Appetite Statements and Risk Management Policies and Frameworks.
- Beginning an internal education and awareness program.
- Engaging stakeholders on this issue.
- Preparing our first report in line with reporting requirements.

Modern slavery risk management requires continuous commitment and ongoing collaboration with suppliers. Over the next 2 years we will:

- Enhance analysis and reporting of our supply chain.
- Amend supplier contracts, where possible, to incorporate modern slavery clauses.
- Formalise reporting mechanisms and procedures for suppliers.

## **11. Consultation and Approval**

The EML Group Risk Management Department developed this Modern Slavery Statement after undertaking a review of EML Group operations, supply chain, procurement, consideration of modern slavery risks and the development of a risk based approach to managing modern slavery risk through the EML Group triannual risk review program. Consultation was undertaken with Employers Mutual NSW Limited via the respective EML Board and engagement of business unit risk managers. This Statement was approved by Employers Mutual Limited on 25 March 2021.



William O'Reilly

**Director & Chair**

**Employers Mutual Limited**