



AUB GROUP LIMITED  
MODERN SLAVERY  
STATEMENT  
DECEMBER 2021



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“AUB Group rejects any form of modern slavery practices and has a zero tolerance policy for modern slavery in its supply chain. AUB Group is committed to continuous improvement in assessing and addressing modern slavery risks”.

# AUB Group Limited Modern Slavery Statement

## Introduction

This Modern Slavery Statement (“**Statement**”) is made on behalf of AUB Group Limited and **its controlled entities** (“**AUB Group**”, “**Group**”, “**We**”) pursuant to the Modern Slavery Act 2018 (Cth) (the **Act**) for the period 1 July 2020 to 30 June 2021.

Our approach to Modern Slavery forms a key pillar of our Environmental, Social and Governance (ESG) program and the objective of ensuring AUB Group remains a socially and environmentally responsible organisation. AUB Group considers ESG from the perspectives of the environment; fair treatment of customers, employees and suppliers; ethical decision making and contribution to the community.

This Statement sets out the actions taken by AUB Group to identify, assess and address modern slavery risks across our operations and supply chains.

For non-controlled entities, AUB Group cannot direct or control the actions of those entities but will, as far as possible, educate, encourage and provide resources to assist those entities to manage their modern slavery risks.

This Statement was approved by the Board of AUB Group Limited on 16 December 2021.

## 1. Who we are and what we do – our structure, operations and supply chain

AUB Group Limited (ACN 000 000 715) is a publicly listed company incorporated in Australia and has its registered office at:

Level 14, 141 Walker Street  
North Sydney NSW 2060

AUB Group Limited is an ASX200 listed group comprising insurance brokers and underwriting agencies operating in >500 locations across Australia and New Zealand.

All controlled entities within AUB Group operate either in Australia or New Zealand.

AUB Group operates through four key business segments and its core revenue is derived from arranging insurance policies and from related products and services.

- **Australian Broking** businesses provide insurance broking and advisory services primarily to SME clients. The division encompasses 50 broking businesses, complimented by established capabilities in member services, life insurance broking, premium funding, and claims management.
- **In New Zealand**, our broking and agency businesses provide insurance broking and advisory services primarily to SME clients. AUB Group holds equity stakes in 5 major insurance broker partners, two agencies as well as ownership of NZbrokers which is the largest broking management group in New Zealand.
- **Australian Agencies** distribute and manage insurance products on behalf of licensed insurance companies through General Commercial, Strata and Specialty sub-divisions with a total of 27 agencies with access to delegated global underwriting capacity. These services are available to customers of insurance brokers, in and outside the Group's broking networks.
- **Support service** businesses provide a diverse range of services to support the Broking, Agency, and New Zealand segments, and external clients. These services include broker member services, claims and loss adjusting businesses, technology support, a centralised data centre and related infrastructure support, common broking and back-office platforms, finance, tax, mergers and acquisitions, human resources, risk, compliance and other operational support services.

AUB Group owns equity stakes in its partner businesses which provide trusted support and guidance to clients relating to physical, people and financial risks. This is backed by services the Group provides that help our partners operate with less risk, manage their businesses more profitably and ultimately achieve better client outcomes.

**Insurance Operations: Reach and Scale**



During the reporting period, the global supply chain of AUB Group comprised approximately 4100 direct suppliers from a total of 17 countries, including Australia, New Zealand, United States of America, United Kingdom, Japan, Singapore, France, Ireland, Canada, Netherlands, Philippines, Belgium, Luxembourg, Hong Kong, Sweden, Switzerland and Taiwan.

Our suppliers are predominantly located within Australia and New Zealand.

**Map of Primary Suppliers\***



98% of our direct suppliers are located within Australia and New Zealand

\*Suppliers engaged directly to provide products and services to AUB Group

## 2. The risks of modern slavery in our operations and supply chains

### 2.1 In AUB Group's operations

AUB Group operates in Australia and New Zealand within the highly regulated financial services sector, which features labour and award safeguards for employees, as well as safe working environment protections.

We consider the risk of modern slavery occurrences within our direct employee workforce to be low, due to both the industry and jurisdictions in which we operate in presenting a low inherent risk of forced labour, child labour and other forms of modern slavery.

The key factors that support a low risk rating in the professional services industry include the office-based nature of work, low proportion of characteristically vulnerable workers typically found within the workforce and the higher level of skill required to perform the work within the financial services sector.

AUB Group Limited (our listed parent entity) conducts reference and criminal history checks before formally extending offers to its employees which helps us to understand any areas of potential vulnerability. All non-workforce contractors of AUB Group Limited undergo relevant screening through their respective service provider, and relevant certifications are obtained prior to them commencing any work.

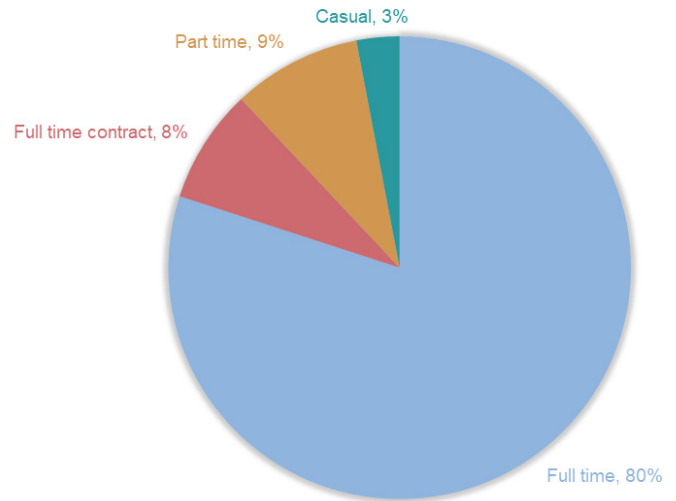
### 2.2 In AUB Group's supply chain

AUB Group has focused on mapping the supply chain of suppliers engaged directly by the Group to provide products and services to AUB Group (“**Primary Suppliers**”).

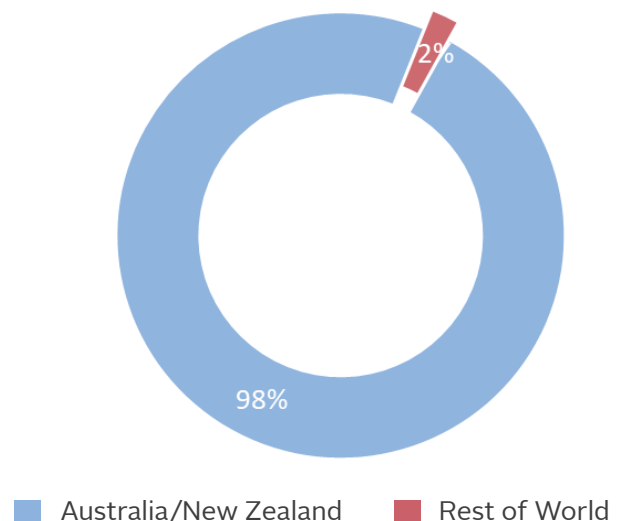
98% of Primary Suppliers are located in either Australia or New Zealand. Both jurisdictions are rated ‘low risk’ according to the internationally recognised Walk Free 2018 Global Slavery Index and the US Department of States’ 2020 Trafficking in Persons Report.

Our supply chain includes suppliers of goods and services that contribute to general operations, including insurers, IT service providers, sponsorship and advertising agencies, consultancy and professional services firms, software, payroll & accounting, contractors & consultants, office supplies, catering, facilities maintenance, professional bodies, promotional & marketing, legal, human resources, accounting, travel, telephony, internet services, cleaning, waste management, manufacturers of uniforms or apparel, security service and training.

AUB Group Workforce Composition



Our Supply Chains



We reviewed our Primary Suppliers against modern slavery data and resources published by government, non-government and international organisations, such as:

- Department of Home Affairs;
- Walk Free Foundation;
- Organisation for Economic Co-operation and Development (OECD);
- International Labour Organisation; and
- US Department of State (Trafficking in Persons Report).

Based on that review, the following categories of potential key risks were identified across our supply chain:

- **Industry risk** - Sectors and industries that are recognised as high-risk globally and do not have a high degree of regulation and/or monitoring, including the consumer sectors such as food producers, retailers, apparel, and consumer electronics.
- **Product and Services risk** – Products or services such as cleaning that often involve lower wages and manual labour may have high modern slavery risks.
- **Geographic risks** – Suppliers based in countries that have not ratified international conventions or otherwise adopted modern slavery regulations, or where there is a weak rule of law or which are developing countries.

More specifically, the following products and/or services of Primary Suppliers were determined to have higher risks of modern slavery, having regard to the Walk Free 2018 Global Slavery Index.

Country	Category of Risk	E.g. of product/service sourced
Australia	<p><b>Industry and product &amp; services risk</b></p> <p>Excessive overtime, labour exploitation/ forced or manual labour (including exploitation of temporary work visas).</p> <p>The commercial cleaning industry in Australia is at risk of modern slavery due to the prevalence of labour hire arrangements, formal and in-formal subcontracting and the high number of migrant workers employed in the sector who often have precarious visa rights.</p>	Construction, commercial cleaning, hospitality, IT consumables and food services.

We recognise the potential for indirect exposure to modern slavery risks in our supply chains through suppliers with whom AUB Group does not maintain a direct relationship (i.e., indirect procurement such as supplier sub-contractors and others further down the supply chain where AUB Group entities do not have as clear visibility or control). Taking a prioritised risk based approach, AUB Group has focused on its Primary Suppliers in this Statement.

In future years, we intend to also focus on indirect suppliers as part of our continuous improvement program.

AUB Group considers that the risk of modern slavery in the operations of our major insurer partners is low, on the basis of the highly regulated environment and markets in which they operate, as well as their publicly stated commitment to environmental, social and governance (ESG) responsibility.

### 3. The actions taken by us to assess and address these risks

AUB Group Limited (our listed parent entity) takes a systematic approach to assessing modern slavery risks. AUB Group Limited ensures that it remains compliant with modern slavery requirements and educates, encourages and provides resources (including self-certification) to support compliance by controlled entities with modern slavery requirements.

As our approach to addressing modern slavery risk matures, we will continue to develop systems, controls and processes to assess and further develop the effectiveness of our risk management framework, including in respect of controlled entities. AUB Group has implemented compliance measures to assess and review potential risks.

<p>Governance</p>	<p>AUB Group has an enterprise-wide Risk &amp; Compliance Management Framework in place. To complement this framework and demonstrate compliance with modern slavery requirements and obligations, the Group has developed and adopted the following measures:</p> <ul style="list-style-type: none"><li>• <b>Modern Slavery Policy</b> – Outlines the Group's risk and alignment to overall Risk &amp; Compliance Framework</li><li>• <b>Modern Slavery Process</b> – Documented end-to-end process for management of modern slavery requirements</li><li>• <b>Whistleblower Policy</b> – AUB Group has adopted a Whistleblower Policy to foster a culture of corporate compliance and ethical decision-making and to protect eligible whistleblowers who make protected disclosures. Any material incidents reported under the Whistleblower Policy are reported to the Board, in accordance with the protections for whistleblowers in the Policy.</li><li>• <b>Anti-Bribery and Corruption Policy</b> – AUB Group has adopted an Anti-Bribery and Corruption Policy as part of its commitment to creating a robust culture of integrity. Any material breaches of the Anti-Bribery and Corruption Policy are reported to the Board by Management.</li><li>• <b>Code of Conduct</b> – AUB Group has established a Code of Conduct that sets out a framework of the ethical standards expected of all employees, directors and senior executives of the Company. Any material breaches of the Code of Conduct are reported to the Board. The Code of Conduct is published in the Corporate Governance section of our website <a href="http://aubgroup.com.au">aubgroup.com.au</a>.</li></ul> <p>AUB Group's Code of Conduct (Code) sets out the ethical standards expected of all directors, officers, and employees of AUB Group and its controlled entities. AUB Group encourages any businesses in which AUB Group has a non-controlling interest to adopt the Code.</p> <p>The Code is designed to ensure AUB Group delivers on its commitment to corporate responsibility and sustainable business practice. It establishes a foundation for our business decisions and provides guidelines for ethical behaviour.</p> <p>The Code requires our people to act with honesty and integrity in dealing with all stakeholders, including suppliers, and comply with the law.</p> <ul style="list-style-type: none"><li>• <b>Ethical sourcing contractual clauses</b> - Standardised clauses included in all contracts where new vendors are engaged to provide services to AUB Group.</li></ul> <p>As part of the overall governance process, periodic reporting and updates are provided to the Executive and Board Committees on modern slavery risks and compliance related matters.</p> <p><b>Assessing our internal operations and recruitment practices</b></p> <p>AUB Group has a process governing the appointment of directors, senior executives as well as all other staff members and contractors. Each of the directors and senior executives is screened for matters of skill, character, experience, education, criminal record and bankruptcy history.</p> <p><b>Key policies – communication</b></p> <p>We utilise various channels to keep all staff within AUB Group informed on key policies and processes to encourage their interest, buy-in and input. This includes regular communication bulletins, quarterly meetings, informal sessions with the Risk &amp; Compliance Department and via our online broker portal. Any training material related to key policies are enforced by way of mandatory training and baseline score to meet minimum standards in order to demonstrate understanding and competence. The training programs also have a set time frame for completion and completion rates are tracked and monitored.</p>
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<p><b>Supplier assessment</b></p>	<p>As part of our standard procedures and onboarding process, a supplier due diligence assessment is required for all new and current suppliers of AUB Group Limited (our listed parent entity). This supplier due diligence assessment takes the form of a supplier self-assessment and covers a range of issues. In respect of our controlled entities, we developed and distributed standardised questionnaires to collect supply chain data from our network and collate a supplier database for our assessment purposes.</p> <p>AUB Group obtains the following information in respect of each supplier:</p> <ul style="list-style-type: none"> <li>• country of incorporation;</li> <li>• country of operation;</li> <li>• operation sector;</li> <li>• ultimate parent company;</li> <li>• annual spend amount and payment type, e.g., cash transactions;</li> <li>• whether supplier has any local registrations, e.g., ABN;</li> <li>• whether supplier has an ongoing supply contract with AUB Group; and</li> <li>• whether supplier uses labour hire and/or immigrant workers.</li> </ul> <p>The information obtained from this supply chain assessment is cross-referenced against modern slavery data and resources published by government, non-government and international organisations<sup>1</sup> to highlight potential modern slavery issues that warrant further assessment.</p> <p>A risk assessment of the data is conducted to assess and identify any trigger points, along with countries and provinces that are considered high risk. The data utilised for our assessment purposes considers compliance efforts under a global reporting framework which also includes consideration of major supply chain related slavery and human trafficking regulations across US, UK, EU, France, Australia and Canada.</p> <p>Our assessment process identified a small number of suppliers within our supply chains whose parent entities were based in a high-risk country. Post further assessment, it was confirmed that the suppliers were not located in any restricted provinces. No material incidents were identified through this due diligence process.</p>
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<p><b>Internal awareness, education and training</b></p>	<p>AUB Group has partnered with a Registered Training Organisation (RTO) to raise awareness about modern slavery, train and build the capacity of our network on how to recognise and respond to modern slavery in their roles. Our training will support employees with knowledge and tools to play their part in helping to address Modern Slavery across our business operations and supply chain.</p> <p>To meet our specific business needs and educate our network, the AUB Group designed a modern slavery training program contextualised to our environment. Through this online training program, we are able to target the training to varying levels within our organisation and to that of our network, depending on need, from those in compliance and risk roles through to the executives. The program provides a foundational level understanding of the Modern Slavery Act 2018, key aspects to compliance and an overview of good practice methodology to help understand our obligations under the Act.</p> <p>All training programs are housed in our online Learning Management System (LMS) and online broker tools. The programs consist of questionnaires, which test the users knowledge and understanding regarding subject matter and tailors the video content to the users response. Training on key policies, including refresher courses is rolled out periodically as per our training plan.</p> <p>Ongoing training and development is currently underway.</p> <p><b>Reporting and remediation</b></p> <p>A centralised reporting tool is used to manage complaints and breaches, along with a secondary reporting tool for the purposes of whistleblower matters. These reporting mechanisms help us effectively maintain oversight and respond to any matters that may pose a risk.</p> <p>We have agreed principles in place for remediation should any incidents be identified.</p>
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<sup>1</sup> KPMG and Australian Human Rights Commission – Financial services and modern slavery report 2021  
Global Freedom Network – A United Faith Against Modern Slavery 2021  
Responsible Investment Association Australia (RIAA) – Responsible Investment Benchmark Report Australia 2021  
Department of State USA – Trafficking in Persons Report 2021  
Commonwealth Human Rights – Eradicating Modern Slavery 2020  
Annual Report on OECD Guidelines for Multinational Enterprises 2019  
Modern Slavery Reporting – Guide for Investors  
Walkfree Foundation – The Global Slavery Index 2018



## Looking ahead - our future roadmap

AUB Group is committed to the following initiatives as part of our continuous improvement process.

- **Director training** – Develop training courses targeted at directors of both controlled and non-controlled entities in connection with modern slavery.
- **Monthly attestations** – Obtain monthly attestations in connection with modern slavery from directors of both controlled and non-controlled entities as part of our annual assurance process.
- **External review of modern slavery processes** – Engage an external party to conduct a targeted compliance audit as part of the Group's FY22 assurance plan and agree appropriate remediation actions in connection with identified gaps.
- **Vendor management framework** – Streamline the Group's vendor management processes and introduce a centralised vendor management compliance framework. This includes enhanced due diligence and screening of potential suppliers, with a focus on cleaning services and IT consumables.
- **Enhance our mergers and acquisitions scope of due diligence** – To include greater emphasis on human rights and modern slavery within our non-financial risk assessments.

## 4. Assessing the effectiveness of our actions

AUB Group intends to continue monitoring the effectiveness of its approach to mitigating modern slavery and human trafficking risks based on the following key indicators:

- Percentage of Group employees in supplier-facing roles who have received and completed training
- Supplier assessment completion rates
- Number of supplier or staff grievances raised via the whistleblower program
- Number of claims of bullying, harassment other material breaches of code of conduct
- Number of supplier contracts updated to include standardised modern slavery clauses
- Number of breaches received via our centralised monitoring tools

AUB Group intends to periodically review the key indicators listed above to determine whether they continue to represent appropriate criteria for measuring the effectiveness of the Group's efforts to mitigate modern slavery and human trafficking risks.

## 5. Our consultation process

AUB Group consults and engages with its controlled entities to continually develop and enhance consistent processes and practices.

The consultations feature, amongst other things:

- completion of AUB Group member questionnaires for analysis by AUB Group Risk & Compliance;
- discussions between respective risk officers and senior managers;
- training programs; and
- supplier data sharing.

As part of our ongoing process improvement, these consultations will continue to run and be refined over time to achieve process efficiencies.

## 6. Board approval

This Modern Slavery Statement was approved by the Board of AUB Group Limited on 16 December 2021.

Signed for and on behalf of the Board of AUB Group Limited.

A handwritten signature in black ink, appearing to read 'D Clarke', is positioned above the printed name and title.

**David Clarke**

Chair of AUB Group Limited Board

16 December 2021