

2022 Modern Slavery Statement



This Modern Slavery Statement is issued in accordance with *Australia's Modern Slavery Act 2018* (Cth)(Act). This is our third statement and 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 2022.

This statement is submitted by MLC Limited and reports on actions taken to address and mitigate risks of modern slavery within our operations and supply chain and has been written using valuable input from a wide range of internal 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

Alternatively, you can send your feedback to our procurement function procurement@mlcinsurance.com.au

A handwritten signature in black ink, appearing to read 'Kent Griffin'.

Kent Griffin
CEO and Managing Director
MLC Limited

About MLC Limited

MLC Limited is proud to publish our third Modern Slavery Statement in accordance with the Act, as we continue to monitor and build upon our approach to identify and assess modern slavery risks. This statement outlines our activities performed in 2022 which helped us to identify and mitigate modern slavery risks within our operations and supply chain.

By integrating sustainable practices into our processes, we can generate positive opportunities and better manage our risks to operate in a way that is sustainable for people, the planet and the economy and enhance the lives of our customers, people, partners and society. Operating sustainably includes upholding and protecting human rights and managing the risks to human rights, including from modern slavery, across our business and supply chain. We seek to continuously improve our practices to deliver sustainable and responsible life insurance to our customers and partners.

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. MLC Limited uses the MLC brand under licence from Insignia Financial Group. MLC Limited is part of the Nippon Life Insurance Group and is not a part of the Insignia Financial Group.

Acknowledgment of Country

MLC Life Insurance acknowledges that Aboriginal and Torres Strait Islander peoples are Australia's First peoples and the Traditional Custodians of the land on which we live and work. We pay our respects to Elders past, present and emerging.

Structure, operations and supply chains

This Modern Slavery Statement covers MLC Limited which is a reporting entity under the Act. MLC Limited's structure, operations and supply chains have not changed significantly since we published our 2021 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.

MLC Life Insurance is part of the Nippon Life Insurance Group. As part of the Nippon Life Insurance Group, we benefit from the financial strength and global insurance expertise of the group.

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 a 10.5% market share as measured by in-force premium as at 31st December 2022.

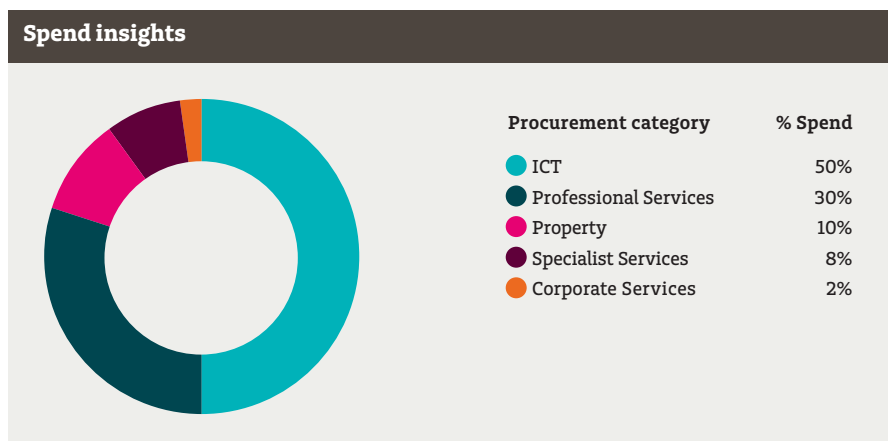
During the year ended 31 December 2022, we recorded \$1.8bn of life insurance contract premium revenue and paid \$1.3bn in life insurance claims. The company manages \$5.6bn of investment assets and has net assets of \$2.9bn.

Nationally, we employ 1,728 employees and engage 287 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 2022, MLC Life Insurance spent \$125 million on the procurement of goods and services from over 1500 external suppliers. By quantity, 71% of these suppliers serviced the medical and claims side of our business (Specialist Services) with the remaining 29% being non-medical related. Our key categories of spend include information, communications and technology (ICT), professional services and property.



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 India.

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

Risk of Modern Slavery

Modern slavery can occur in various parts of business and operations in an organisation. It can affect people of all ages, genders, and nationalities, although some groups are more vulnerable than others.

We acknowledge that the prevalence of modern slavery is often difficult to identify and measure with our main focus being to address this issue through various strategies, including raising awareness to our employees and third-party suppliers.

Consistent with our approach in 2020 and 2021, we continue to focus on four key areas, namely: our customers; employees; investments and supply chains.

Customers

Customers are a central part of our business operations. As per our previous reporting year statement (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 (eg. backpackers, temporary migrants, asylum seekers, international students).

Employees

Like customers, all our employees are based in Australia. Consequently, the risk of modern slavery exposure is low based on their location and the skills required of our workforce. All prospective MLC Life Insurance employees are required to undertake probity checks, which includes 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. There has been no change in investment risk since last year, with such risk assessed to be low to moderate.

In line with our Investment Risk Policy, our investment managers are required to consider environment, social and corporate governance (ESG) risks as part of their investment process. The investment managers determine the specific ESG checks and considerations, however, these include modern slavery and human rights risks. Where the investment managers are based in Australia, they typically also prepare and report their own Modern Slavery Statements. Our investment managers also seek to incorporate and comply with the intentions of the United Nations Principles for Responsible Investment (PRI).

ESG risk management is required to be considered ahead of selecting new investment managers. Our investment managers are assessed annually on their ESG risk compliance, including modern slavery.

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 continued to expand on our range of procurement initiatives in 2022 to mitigate these risks, as detailed in the **'Actions taken in Addressing our Risks'** section below.

Actions taken in Addressing our Risks

We remain committed to continuous improvement in addressing risks of modern slavery with our key focus continuing to be on our customer base and supply chains.

Identifying and Supporting Vulnerable Customers

MLC Life Insurance recognises that some customers have unique needs or may have vulnerabilities that require additional support when applying for insurance, making an enquiry, claiming on their cover, making a complaint, or communicating with us.

Since our previous reporting period in 2021, we have introduced additional support for identified customers that are in financial hardship or vulnerable, some of which may be at risk of modern slavery.

We encourage all customers who have unique needs or require additional support to contact us to see how we can assist. Customers can access information about what additional support is available to them from our MLC Life Insurance website.

Our claims team has continued to monitor our 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.

All of these activities are seen as an active contribution to identifying and mitigating modern slavery risks within areas of our customer base we see could be most vulnerable.

Training and Awareness

We believe education and awareness of the risks and impacts of modern slavery will bring better decision making when purchasing goods and services. To support this, our procurement function undertakes a mandatory annual awareness training program. This training consists of modules that raise awareness of modern slavery, areas in which it can occur, and how suppliers contribute to modern slavery either directly or indirectly.

In addition, in 2022 we introduced an employee awareness training module to educate and bring awareness to all MLC Life Insurance staff. 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. In the FY22 reporting period, 1,586 of our employees completed the awareness training session, representing a 99.4% completion rate.

ESG Investment Policy

During 2022, we finalised an ESG Investment Policy, enhancing our ESG Risk Management Requirements already captured in our Investment Risk Policy. Under this Policy from 2023, in all asset management processes we will consider ESG issues and incorporate these into our decision-making processes and consider where investment also contributes to solving environmental and social issues, including human rights and modern slavery considerations.

This Policy seeks to ensure our external asset managers comply with the intentions of the UN PRI, adopt appropriate ESG investment evaluation methods and consider ESG perspectives in the investment processes.

In 2022, we also committed to a range of Sustainability Goals, including implementing a Sustainable and Responsible Investment Policy, including addressing modern slavery concerns.

Supplier Due Diligence

During 2022, we developed improvements to our supplier due diligence process when engaging new suppliers. From 2023, new suppliers will be asked to provide more detailed information about their human rights policies, processes and risk assessments, including governance, geographical risks, environmental and modern slavery.

Supplier Awareness Program — Offshore suppliers

In 2021 we identified that our suppliers with offshore operations based out of India had a higher modern slavery risk based on geographic location. To mitigate this risk, our procurement team arranged for awareness sessions and questionnaires on modern slavery to take place. All four of our offshore suppliers responded with confirmation that they understand and comply with our Supplier Code of Conduct, which includes their compliance with our modern slavery requirements.

Actions taken in Addressing our Risks *continued*

Supplier Code of Conduct Attestation

We Maintain a Supplier Code of Conduct that reflects our ethical principles and our commitment to 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. This is also extended across our existing suppliers as we renew contractual agreements.

In 2021 we sought and received attestation to adherence to our 'Supplier Code of Conduct' from our material¹ suppliers. During our reporting period FY22, we extended this attestation process to an additional 30 key² suppliers. Our aim is to extend this attestation process further to more suppliers in 2023.

We encourage a culture of transparency and as such continue to 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.

- ¹ Material suppliers are suppliers who have the potential, if disrupted, to have a significant impact on our operations or ability to manage risk.
- ² Key suppliers are suppliers which represent a significant spend or strategic value to our operations.

Assessing Effectiveness of our actions

MLC Life Insurance is committed to monitor and measure performance to improve our modern slavery program.

In 2021 we introduced new processes and mechanisms to track the effectiveness of our actions. In 2022 we continued to monitor and improve this process by extending our attestation process to more suppliers, introducing a modern slavery questionnaire when onboarding new suppliers and educating our offshore suppliers on modern slavery impacts and risks. We continue to compare our

progress against our industry peers by seeking advice from internal and external experts from similar industries and other stakeholders.

We onboarded 85 new suppliers in 2022 with no indicators of modern slavery risk or exposure identified as a result of performing supplier due diligence.

During 2022 there have been no issues raised from our suppliers or from our employees on our Alert line relating to any concerns of modern slavery.

As we continue to improve and progress our work on our modern slavery awareness Program into 2023, we will monitor our metrics in areas of supplier due diligence, governance, education and training internally and externally.

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) (Act)	Modern Slavery Statement 2022	Page
Criteria 1: identify the reporting entity	CEO Letter About MLC Limited	Page 1
Criteria 2: describe the structure, operations and supply chains of the reporting entity	Structure, Operations and Supply Chain	Page 2
Criteria 3: 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
Criteria 4: 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	4 and 5
Criteria 5: describe how the reporting entity assesses the effectiveness of such actions	Assessing effectiveness of our actions	Page 6
Criteria 6: describe the process of consultation with the entity giving the statement	Not applicable	Not applicable
Criteria 7: any other information that the reporting entity considers relevant	None	None