

Modern Slavery Statement 2021

1. INTRODUCTION

This Modern Slavery Statement is made on behalf of CHU Underwriting Agencies Pty Ltd (CHU) pursuant to the Modern Slavery Act 2018 (Cth). CHU Underwriting Agencies is a wholly owned subsidiary of Steadfast Group Ltd (ABN 98 073 659 677) ('SGL'). CHUiSAVER Underwriting Agency Pty Ltd (ABN 85 613 645 239, AFSL 491113) trading as Flex Insurance (Flex) is a wholly owned subsidiary of CHU Underwriting Agencies Pty Ltd (ABN 18 001 580 070, AFS Licence No: 243261). This Statement sets out the actions taken by CHU to address modern slavery risks across our business operations including Flex, supply chains and includes consultation with our parent company SGL.

2. OUR BUSINESS, STRUCTURE & OPERATIONS

CHU was established in 1978 and is the largest underwriting agency specialising in providing insurance for strata properties like apartments, villas and townhouses. CHU also has related body corporates CHU iSaver Underwriting Agencies (trading as Flex Insurance), and CHU Services Pty Ltd which provide an in house insurance assessing service and loss adjustor service. CHU is wholly owned by Steadfast Group Limited (Steadfast) which is the largest general insurance broker network and underwriting agency group in Australia, with growing operations in Asia and Europe. CHU employs 200 people as part of the Steadfast group. CHU has developed strong relationships with carefully selected insurers, brokers, authorised agents and strategic partners that support CHU as an underwriting agency.

CHU acts under a binding authority as agent of the insurer QBE Insurance (Australia) Limited.

3. OUR POSITION ON MODERN SLAVERY

We reject any form of modern slavery such as servitude, human trafficking, forced labour and marriage, child labour and debt bondage. We strive to implement controls to attempt to ensure it does not occur within our business operations and supply chains. We respect the human rights of our employees, clients and those of our suppliers and business partners. We aim to identify and manage risks related to human rights across our business and through our supply chain management. Our position is set out in our Modern Slavery Policy. Our commitment to human rights and our rejection of modern slavery forms part of our ESG program.

4. POLICIES & PROCEDURES

CHU is committed to strong corporate governance so that our decisions and actions are based on transparency, integrity and honesty, which promote the long-term sustainability and ongoing success of our business. We strive to maintain high ethical standards in our business practices. We have included our rejection of modern slavery in relevant policies such as our Code of Conduct, Diversity, Anti-bribery and Corruption and Whistle Blower policies as well as our Modern Slavery Policy.

Our Code of Conduct sets out the standards of behaviour we expect of our businesses and employees. In the updated Code, CHU expressly sets out our commitment to human rights by rejecting any form of modern slavery or human trafficking. Our Whistle Blower Policy provides a grievance mechanism for staff and external parties to report concerns about improper conduct by CHU or suppliers including concerns about risk of modern slavery practices.

5. ETHICS & CONDUCT

We are proud of our culture and our approach to our Strategy including diversity and inclusion. They are important aspects of our employee attraction, retention and engagement strategy. Building a culture that supports and enables us to achieve our purpose, vision and strategy in an ethical and responsible manner is a strategic priority for CHU. Our expectations on modern slavery apply to everyone who represents CHU, as outlined in our Code of Conduct and our values of People First, Unity and Leading the Way.

6. OUR WORKPLACE

CHU strives to ensure compliance with relevant laws, community expectations and high ethical standards relating to our commitment to human rights and risks of modern slavery practices. We aim to respect differences in beliefs and ideas to foster an inclusive workforce where people are treated with courtesy and dignity. CHU is committed to supporting a safe and healthy workforce for everyone, where discrimination, bullying, harassment and vilification is not tolerated.

We have designed programs to actively promote and enhance the health, safety and wellbeing of our employees. We have had no material work, health and safety incidents in the reporting period.



7. CORPORATE & SOCIAL RESPONSIBILITY

We have considered how we can help make a difference to some of the world's most pressing social challenges within our sphere of influence, through our 2025 Strategy. We have adopted three key pillars on which we centre our strategy including AI & Technologies, Diversity & Inclusion and Environment & Sustainability. Our commitment to support and uphold human rights is aligned with the UN Guiding Principles on Business and Human Rights.

Diversity and Inclusion is deeply embedded in our CHU culture. We are committed to ensuring we continue to maintain a diverse and inclusive culture for our people, and to extend this to our customers and our community. Key focusses for us beyond 2021 are accessibility for community and customer and contributions to our Aboriginal and Torres Strait Islander communities.

Our commitment to diversity has seen some key milestones achieved over the last few years:

- We have equal representation of Women and Men on our Leadership Team.
- Working towards Family Friendly Workplace Accreditation through Parents at Work.
- Appointed our first female CEO, Kimberley Jonsson.
- 100% of our workforce have some kind of flexible working arrangement.
- Addressed Gender Pay Gap to have 100% equity across Female and Male salaries in 2021.
- Awarded inaugural ANZIIF Excellence in Workplace Diversity and Inclusion Award 2019.
- CHU proudly became a member of the Diversity Council of Australia in 2019 as part of our ongoing commitment to diversity and inclusion.
- In February 2022, CHU was granted certification as a Family Inclusive Workplace™ by Parents at Work organisation and UNICEF Australia. The certification follows CHU introducing in July last year a fully flexible hybrid work model open to all staff at every level. The model gives people the choice of where and when they do their best work, whether this be in the office, at home or another location or a combination.

We recognise that our AI and Technology pillar is about the need to constantly improve and adapt to meet our customers' needs is a core focus as is the understanding that embracing technology and innovation is the means to meet those changing needs and continue to lead the industry. Our technology focus is highlighted through many of the initiatives that we have achieved:

- Majority of core business applications have been developed in-house.

- Healthy degree of autonomy to drive out solutions to meet customer needs.
- Make use of market leading technologies with the freedom to experiment.
- Genuine recognition of the value of technology across all levels of the organisation

CHU are 100% carbon neutral. We are committed to making a difference in reducing the effects of climate change and ensuring the environmental sustainability of our planet. We are proud of the initiatives we have delivered:

- We are actively working with our Claims panel suppliers to become carbon neutral in 2022.
- We are committed to using environmentally friendly and sustainable products in our Claims, such as eco-friendly paint, diverting trade waste for claims to a recycling plant to reduce landfill, and we are also trialing environmentally friendly cleaning products in restoration.
- Through a partnership with the Forktree project, we offset our carbon by planting trees on an ongoing basis. We have donated tree stakes made from recycled materials to ensure minimal impact to the environment.

8. TRAINING & AWARENESS

CHU is committed to upholding our strong legal, ethical and responsible culture. Our commitment to human rights is part of this culture and is expressly set out in our Modern Slavery Policy. Compliance with this is critical to enable us to deliver our strategy and create long-term value. Our employees must comply with all relevant laws and regulations as well as the technical and ethical requirements of relevant regulatory and professional bodies. Employees are encouraged to report any genuine concerns about modern slavery within our business operations or supply chains.

All CHU employees and businesses are responsible for adherence to ethical, legal, and policy requirements that apply to their employment and for reporting any suspected breaches of law or our Code of Conduct. We have provided our Modern Slavery Policy to all staff and provided some training to assist our staff to understand what modern slavery is, what circumstances may be a risk and how to report any potential issues.

9. OUR SUPPLY CHAIN

Our supply chain includes brokers, strata managers, insurers, IT service providers, software providers, builders, assessors, claims management services, marketing and promotional material suppliers, consultancies and



professional services firms, located primarily in Australia. Based on sector and supply chain profile, the risk of modern slavery practices is relatively limited. However, CHU acknowledges the potential for indirect exposure to the risk of modern slavery in our business operations and supply chains, such as in office cleaning arrangements, procurement of branded merchandise and IT services and has attempted to identify these and engage with the relevant party to communicate CHU's position and address any risk of modern slavery.

CHU aims to build supportive, transparent and collaborative relationships with suppliers and strategic partners. We expect our suppliers and strategic partners to take appropriate steps to attempt to ensure that their organisation does not engage in, or inadvertently condone, modern slavery, including that their employees and contractors work in decent and safe conditions, and that no human trafficking, forced labour, child labour or other forms of modern slavery is employed in the delivery of products or services to CHU. We encourage our suppliers and strategic partners to manage their business and supply chain in a manner that upholds human rights and rejects modern slavery.

The following steps have been taken to address modern slavery risks within our supply chains:

in new contractual arrangements, we endeavour to specifically refer to modern slavery and require both parties to use reasonable endeavours to avoid modern slavery practices, including a reporting and audit right

implemented processes to respond to risks of modern slavery practices through our whistle blower policy

identified the broad operations and overall supply chain structure where modern slavery risks are likely to be most significant and perform more detailed work to identify and address risks of modern slavery

We regard the risk of modern slavery in the operations of our insurance partner QBE and our parent company Steadfast as low in light of the extensive commitment to human rights broadly expressed by them, the regulatory regime to which they are subject and their commitment to corporate and social responsibility.

10. STEPS TAKEN

We act legally, ethically and responsibly in all our dealings. CHU generally deals with other businesses that have an established reputation in the marketplace for high ethical standards, compliance with legal requirements, and good corporate culture. CHU has a formal process of due diligence whereby research is conducted to identify, assess, mitigate and monitor inherent risks before proceeding

with new strategic partners, brokers and businesses. The potential parties must be approved by the executive prior to onboarding.

In compliance with the Modern Slavery Act 2018 (Cth) and as part of our strong legal, ethical and responsible culture, CHU has:

- considered in detail the 2021 Financial Services Human Rights Benchmark Report in reviewing human rights risks at CHU
- engaged in discussions on modern slavery risks at the senior executive level and is an ongoing agenda item;
- consulted with QBE and Steadfast to identify, assess and address any risks of modern slavery practices;
- continued to review our business operations and supply chains to identify risks of modern slavery practices, focusing on areas of higher risks, such as procurement of branded merchandise and IT
- provided our staff with the CHU policy and communication on modern slavery to increase awareness;
- ongoing process to ensure all new contractual arrangements and amendments of any contractual arrangements to include a modern slavery clause;
- published our Modern Slavery Policy on our website.

11. GRIEVANCE PROCESS

CHU has established grievance channels through our Whistle Blower Policy, for employees and supplier use in managing modern slavery risks. Should any concerns be identified, CHU would conduct any required investigations in accordance with regulatory requirements, policies and procedures. Further details are provided in our Whistle Blower Policy with regards to our investigation process. There have been no reports of modern slavery or human trafficking through our whistle blower arrangements as of the date of this Statement.

12. REMEDIATION PROCESS

Our approach to remediation is to address each issue as it arises, on a case-by-case basis and apply principles of fairness, and respect for human rights. No remediation has been required as of the date of this Statement, although the processes and procedures have been put in place, which are designed to reduce the risk of modern slavery practices within our business operations and supply chains. →

13. CONSULTATION WITH ENTITIES AND PARTNERS

CHU aims to take a supportive, transparent and collaborative approach to combating modern slavery. We strive to ensure that entities we control and partners that we have are aware of the actions needed to identify, assess and address risks of modern slavery practices. The consultation process has involved:

Discussions with directors and senior managers at the board level and management level

Reviewing supply chains and contracts to identify risks of modern slavery and to include modern slavery clauses in contractual agreements

Correspondence with partners on CHU's requirements relating to modern slavery compliance requirements

- Continuing to improve staff awareness of modern slavery risks
- enhancing due diligence and risk management processes for selection and screening of potential partners and suppliers to include consideration of modern slavery risks
- further developing our audit of our supply chain to identify risks of modern slavery
- developing a process to assess the effectiveness of our actions in attempting to ensure no modern slavery in our business operations or supply chains
- assessing our practices and procedures against the requirements of the Modern Slavery Act 2018 (Cth).

14. CONTINUOUS IMPROVEMENT

We aim to create an enhanced understanding of modern slavery risks within our business operations and supply chains by:

- Continuing to improve relevant policies and commercial arrangements to reference modern slavery
- Continuing to include a modern slavery audit question to the annual authorised representative audit review

This Modern Slavery Statement was approved by the Boards of CHU Underwriting Agencies Pty Ltd.

Signed for and on behalf of the Board of

CHU Underwriting Agencies Pty Ltd.



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Kimberley Jonsson
Managing Director & CEO, CHU Underwriting Agencies Pty Ltd.

1 April 2022

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Date

APPENDIX 1 - MANDATORY REPORTING CRITERIA

We confirm that the statement complies with the requirements of section 16 of the Modern Slavery Act 2018 (the Act). Section 16 of the Act requires each modern slavery statement to:

- identify the reporting entity (16(1)(a)); and
- describe the structure, operations and supply chains of the reporting entity (16(1)(b)); and
- 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 (16(1)(c)); and
- 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 (16(1)(d)); and
- describe how the reporting entity assesses the effectiveness of such actions (16(1)(e)); and
- describe the process of consultation with (16(1)(f));
- any entities that the reporting entity owns or controls; and
- in the case of a reporting entity covered by a statement under section 14—the entity giving the statement; and
- include any other information that the reporting entity, or the entity giving the statement, considers relevant (16(1)(g)); and
- provide the details of approval by the principal governing body of the reporting entity (16(2)).