Introduction

Liberty Specialty Markets is a trading name of Liberty Mutual Insurance Company, Australia Branch (ABN 61 086 083 605) incorporated in Massachusetts, USA (the liability of members is limited) (“Liberty”).

Liberty is a reporting entity for the purposes of the Commonwealth Modern Slavery Act 2018 (“the Act”). The Act requires Liberty to prepare an annual statement covering its reporting period for the year ended 31 December 2020, addressing, at a minimum, seven prescribed criteria set out in the Act. The purpose of this statement is to outline Liberty’s actions to assess and address modern slavery risks in its operations and supply chains.

This is the first Modern Slavery Statement (“Statement”) for Liberty, as required by the Act.

Our position on modern slavery

Liberty is committed to ensuring that modern slavery does not exist in its supply chains or in any part of Liberty’s business. Liberty has, and will continue to maintain, a zero tolerance for modern slavery and will take all necessary steps to ensure that this is maintained.

Our structure and operations

Liberty is part of the Global Risk Solutions division of the Liberty Mutual Insurance Group. Liberty Mutual Insurance Group operates globally through a variety of local companies and trading names.

Liberty provides general insurance services and products to its policyholders in various jurisdictions through intermediaries (brokers and agents). Its policyholders are both local and global businesses and government organisations. Liberty pays claims either directly to the policyholder or directly to third parties under the terms of the respective policies.

Liberty’s head office is based in Sydney, Australia. It has offices in Melbourne, Adelaide, Perth and Brisbane. Liberty Specialty Markets Singapore Pte Limited’s Malaysian operations provide services on behalf of Liberty and the Malaysian operations are included in this statement.

Liberty’s operations are service-based and are comprised of predominantly business-related insurance and reinsurance products and services. Liberty’s operations comprise:

► The core business activities of providing general insurance products and services, placement and recovery of reinsurance and the processing and payment of claims.

► Services supporting these core business operations. The supporting services are provided by employees, contractors and suppliers and third party service providers, such as information and communication technology suppliers, a range of professional services across many disciplines, recruitment, office supplies and facilities.

Our supply chains

Liberty’s supply chains support both the core business functions of general insurance delivery and payment and the business support roles. Our supply chains are predominantly service-based and include insurance intermediaries (brokers and agents), reinsurers, consultancy and professional services firms, and other service providers (most of whom are located, and predominantly operate, in Australia).

A smaller component of Liberty’s supply chains is comprised of suppliers of goods and services supporting its office functions including IT, marketing, and travel.
Modern slavery risk

Based on an analysis of our operations and supply chains, and considering the nature of our products and services, we have concluded that the risk of modern slavery practices existing within Liberty’s operations and supply chains is limited.

The inherent risks that the service-based intermediaries and professional service suppliers are linked to modern slavery are likely to be similar to Liberty’s risks.

The products and industries that have been identified with a potential for a higher risk of modern slavery in Liberty’s supply chains include:

► IT, where the risk emanates from the extraction of raw materials for, and manufacture of, hardware and electronics, and the disposal of the electronics at the end of their life
► Marketing, where the risk is in the supply chain for corporate clothing and in branded and non-branded goods purchased for non-resale
► Travel with risks of exploitation in both transport and accommodation, particularly in Asian countries
► Hospitality events, with particular risks in the workforce employed for hospitality events and in the food supply for catering
► Labour hire used for contract cleaning and security

Liberty acknowledges the potential for indirect modern slavery risk exposure within its’ supply chains, such as in office supplies, marketing collateral, office cleaning arrangements and will strengthen processes to identify, monitor and mitigate these risks.

Policies and procedures

Liberty has in place formal policies to directly address working conditions and standards of conduct to ensure a work culture and work environment of respect and fairness. These include:

► Code of Business Ethics & Conduct Policy
► Employee Handbook Australia
► Liberty Mutual Insurance Anti-Corruption Policy
► Whistleblowing Policy
► Anti-discrimination and Harassment Policy

In addition, Liberty has in place policies and agreements to promote transparency, integrity and honesty when doing business with suppliers in their supply chains. These include:

► Outsourcing Policy
► Third Party Vendor Framework
► Intermediary Broker Agreements
► Service specific agreements and contracts

These policies and related procedures are reviewed regularly to ensure Liberty has robust processes in place.

Training and awareness

All employees are responsible for adherence to Liberty’s policies that apply to their employment and for reporting any suspected breaches of law or our Code of Conduct. Training is provided on commencement of employment via a formal induction program and is supplemented by continuous awareness training.
Further actions taken to date

In order to support compliance with the Act and as part of our commitment to an ethical and responsible culture, Liberty has:

► Established a multi-disciplinary modern slavery project team that leverages off its existing risk committees to develop a strategy for managing modern slavery compliance obligations and risks in its operations and supply chains.
► Engaged independent risk and compliance consultants to assist in this process.
► Published its whistleblowing and grievance procedures on its intranet page and is regularly reviewing and, as required, updating these. These practices are ingrained in the company’s corporate culture.
► Implemented policies to protect workers’ rights in Liberty’s operations and reinforce a culture of respect and fair work conditions in its Australian and Malaysian operations.
► Mapped its supply chains and conducted a high-level scoping exercise to identify inherent risks in the supply chains.
► Conducted annual reviews of internal company policies.

Effectiveness of our actions

Liberty has established governance, risk and compliance frameworks and processes in its operations which enable us to identify and monitor our risks as well as the effectiveness of the approaches taken to manage the risks. These processes will be continuously monitored to ensure that the modern slavery processes Liberty is implementing are effective.

Continuous improvement

We are committed to improving our policies and procedures over time to help prevent modern slavery within our operations and supply chains. Our planned activities include:

► Develop a formal Modern Slavery Statement to articulate Liberty’s commitment and approach to modern slavery
► Update internal policies, including third party vendor framework documents to embed modern slavery commitments
► Promote employee awareness through a modern slavery training campaign
► Include modern slavery risks in compliance and risk frameworks for annual risk assessment and due diligence process reviews
► Develop a third party vendor framework that includes modern slavery requirements
► Monitor modern slavery better practices within the insurance industry to promptly make changes to our process if necessary

This statement was approved by:

Mike Abdallah

Michael Abdallah

President & Managing Director, Asia Pacific