Modern Slavery
Modern Slavery Statement

Introduction

This statement is made pursuant to section 54 of the Modern Slavery Act 2015. It constitutes Arthur J. Gallagher Executive Committee (the “Company”), its subsidiaries and associate companies (including Nordic Försäkring & Riskhantering AB that has a branch located in the United Kingdom) (together the “Organisation”, “our”, “we” or “us”) slavery and human trafficking statement (“statement”) in respect of the financial year ending 31 December 2021.

This statement sets out the steps that we have taken, and continue to take, to ensure that modern slavery and human trafficking is not taking place within any part of our business, or in any of our supply chains.

Our ethics

We have zero tolerance to any form of slavery and human trafficking, and are committed to enforcing effective systems and controls to ensure neither is taking place in any part of our business or in any of our supply chains. Social impact is an important part of our ongoing commitment to ethics and has been since Arthur J. Gallagher was founded in 1927. Our leadership sets the tone for our distinct culture and senior level accountability demonstrates commitment to ensuring we do what is right for our customers and the communities that we operate in. Our level of commitment is recognized by the Ethisphere® Institute, which has recognised our Group as one of the World’s Most Ethical Companies® for the past 12 years.

Group structure

The Organisation is part of the Arthur J. Gallagher & Co’s group of companies (the “Group”) that provides insurance brokerage and consulting services, and third party claims settlement and administration services to clients globally. The Group has approximately 43,000 employees worldwide and approximately 5,000 employees in the United Kingdom.

Our business

The main operating companies are; Arthur J. Gallagher (UK) Limited, Arthur J. Gallagher Insurance Brokers Limited, Alesco Risk Management Services Limited, Pen Underwriting Limited and Risk Management Partners Limited (each a UK-regulated insurance firm) as well as Nordic Försäkring & Riskhantering AB (a Swedish-regulated insurance firm), through its UK branch. Between these companies, the main services we provide are (re)insurance risk placement, risk consulting, underwriting services and (re)insurance claims management, across a wide spectrum of insurance classes, delivered to commercial and personal lines customers and insurers.

Our supply chain

Being a financial services organisation, that does not produce, manufacture or retail goods, we do not operate in an industry where modern slavery is prevalent. We do employ external
service providers for maintenance and support of our offices, including cleaning and technical support services for office infrastructure and IT, and for outsourcing certain functions ordinarily performed by the Company. New suppliers complete a Request for information (RFI), used to assess capacity against a range of criteria including regulatory and financial; that includes compliance with modern slavery reporting requirements.

In respect of suppliers identified as higher risk (e.g. IT, Consultancy, Facilities and HR), a rotational ‘deep dive’ of supplier operations is conducted on each category every 6 months.

Common with other financial services organisations, the Organisation utilises business process outsourcing services from India. An important difference, is that the service provider in India (known as the “Gallagher Service Centre” or “GSC”) is part of the Gallagher Group rather than a third-party business process outsourcer and all staff are Gallagher employees. They perform various functions that are essential to the delivery of services to our clients. GSC continues to subscribe to how we manage modern slavery risk and integration of our policies and training is ongoing covering, amongst other things employee well-being and risk management.

Our policies and governance

The Organisation is also committed to adhering to the highest standards of moral, professional, and ethical behaviour, and acting with integrity and transparency in all our business relationships. We therefore expect our supplier network, or those involved in procurement for the Organisation, to comply with the Gallagher Global Standards of Business, which is available to view by accessing https://www.aig.com/us/about-us/global-standards/.

In addition to the Gallagher Global Standards of Business, the Organisation has various policies and processes in place that aim to minimise the risk of modern slavery and human trafficking, and encourage reporting of any related concerns, including:

- A Modern Slavery Policy, that outlines the behaviours expected of all employees and the reporting procedure and obligations.
- Procurement Policy that implements a proportionate supplier assessment process and establishes due diligence requirements. The Organisation includes a specific requirement for compliance with modern slavery legislation in its standard terms and conditions and contractual arrangements. In addition, the Organisation utilises its Outsourcing & Critical Supplier Committee (that performs an oversight function) to set the standards for material supplier performance and assessment of suppliers’ approach to social responsibility.
- A Whistleblowing Policy that ensures all employees know how to raise concerns about how colleagues are being treated or regarding practices within our business or supply chain, without fear of reprisal.
- Recruitment Policies that, amongst other things, mitigate against utilising external agencies that do not adequately safeguard individuals offered for roles or are employed by the agency. Important elements include robust Right to Work checks and background and criminal records checks.
The ‘Gallagher Way’ a statement of Gallagher shared values which acts as the foundation that underpins the Group culture.

**Training**

Our staff complete mandatory Modern Slavery training on a bi-annual basis. All new employees receive the training as part of their induction programme. It includes information on who staff should contact should they have any concerns about modern slavery. Staff are also encouraged to report any concerns or suspicions regarding the presence of modern slavery within the supply chain.

In addition, Modern Slavery is included within our global “Leading with Integrity” training module, which is assigned to all new and existing employees on an annual basis.

**Looking ahead, continuous improvement and ambition**

To improve the oversight of our modern slavery risk, our Environmental, Social and Governance (ESG) Committee is leading on shaping how we assess and report on the risk of modern slavery. One of the Committee’s stated, 2022 priorities is better modern slavery training and monitoring of how the risk is evolving through current socio-economic circumstances.

Gallagher embraces a culture of continuous improvement, endeavouring to incorporate best practice. This includes increasing transparency in our operations by embedding modern slavery within our global ESG strategy.

The training module was due to be refreshed in the last reporting period and this refresh has been postponed to this period in order to benefit from a review and guidance from an external modern slavery risk consultancy (we are currently engaging with Slave Free Alliance to assist).

In addition, our ambition is to achieve the following:

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<th>When by</th>
<th>What</th>
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<tr>
<td>1-3 years</td>
<td>Perform gap analysis, consultancy, training and site assessment, utilising external risk consultants (i.e. Slave Free Alliance) when required.</td>
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<tr>
<td>Next 6-12 months</td>
<td>Fully refresh training strategy (with an eye on global legislation and relevance to ESG training)</td>
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<td>Next 6-9 months</td>
<td>Undertake role-specific training for Procurement and HR/Recruitment teams</td>
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<td>12 months</td>
<td>Dial up modern slavery question set for supplier RFIs and management processes</td>
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<tr>
<td>12 months</td>
<td>Embed modern slavery into ESG agenda with clear strategy for implementation and risk monitoring</td>
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<tr>
<td>Ongoing</td>
<td>Wider roll-out of any best practice to support global consistency</td>
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This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and has been approved by the Board of the Company on 23 June 2022.