

Modern Slavery Act Statement 2018

CNA Hardy - Modern Slavery Act: Slavery and Human Trafficking Statement

We at CNA Hardy have and will continue to maintain a zero tolerance for modern slavery and human trafficking. We are committed to taking all appropriate steps to ensure that no practices of slavery or human trafficking occur in any part of our business or our supply chain.

About CNA Hardy

CNA Hardy is the international division of CNA Financial Corp, the eighth largest commercial insurer in the United States. We offer specialist commercial insurance and reinsurance products to businesses of all sizes for domestic, international and global exposures through CNA Insurance Company Limited ("CICL"), operating in various locations in the UK and with branches in Belgium, France, Germany, Italy, Denmark, the Netherlands, Switzerland and Sweden (in run-off) and via our operations at Lloyd's through Hardy Syndicate 382 (the "Syndicate"), which underwrites specialist insurance on a global basis via Lloyd's licences. The Syndicate is managed by Hardy (Underwriting Agencies) Limited ("HUAL"). Hardy Underwriting Limited ("HUL") is our corporate member at Lloyd's. Hardy Underwriting Group plc is the parent company of both HUAL and HUL. CNA Services (UK) Limited employs approximately 383 staff in the UK, and provides the services of such staff and other services to the companies within CNA Hardy. In addition, CICL employs approximately 124 staff in its European branches.

CICL and HUAL are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. All of the above mentioned companies of CNA Hardy are incorporated in England and Wales.

Our business and supply chains

CNA Hardy are major purchasers of products and services for the purpose of their internal operations. Our supply chains include third party IT service providers, insurance claims-related services, facilities management, and consultancy and professional firms specialising in such services as auditing, marketing, and legal and human resources.

We source our core (re)insurance business predominantly through insurance intermediaries, the vast majority of whom are regulated entities in their own right. We also underwrite (re)insurance business through coverholders pursuant to delegated underwriting authority agreements, with those engaged on behalf of the Syndicate having been pre-approved by Lloyd's.

CNA Hardy does not have a supply chain that is reliant on factories or other entities that would normally be associated with slavery or forced labour. As a general rule, contractors and suppliers used by CNA Hardy are therefore not likely to be susceptible to the risk of modern slavery. However, we are mindful that others may not always uphold standards to the same level.

Our policies on slavery and human trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. We have a CNA Hardy Code of Business Conduct for Brokers, Agents, Suppliers and Vendors (the "Code") in place to reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective

systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

We require all employees, officers and directors to comply with our CNA Hardy Code of Professional Conduct which outlines our commitment to ethics, integrity and proper business conduct. This is reinforced by complimentary policies and procedures including in relation to Anti-Bribery, Conflicts of Interest and Whistleblowing, which encourage employees to report concerns about any conduct they consider to be inappropriate, illegal, unethical or fraudulent.

Our due diligence processes

Our suppliers are procured in accordance with our Outsourcing & Procurement Policy, which is designed to ensure we enter into supplier arrangements with appropriate levels of review, approval and continued oversight. Producers wishing to do business with CNA Hardy are required to enter into written terms of business agreements which stipulate the obligations of each party, including compliance with the Code. We conduct regular audits of key suppliers, including our coverholders and third party claims administrators.

We have updated many of our standard UK supply agreements with third party suppliers to incorporate provisions relating to compliance with the Modern Slavery Act 2015 (the "Act"), and have sought to include such provisions and/or request adherence to our Code when negotiating such arrangements, across the jurisdictions within which we do business.

We intend to continue focusing on our supply chains going forward which includes a risk assessment of our vendors. Any risks identified will be recorded and escalated, as required. We will maintain records of, and monitor, any risks identified.

Our risk assessment

In June 2018, CNA Hardy carried out a risk assessment on modern slavery. The findings showed that our business model represents a low risk of exposure to slavery and human trafficking.

We have completed a review of our vendors, the results of which have not identified evidence of slavery or human trafficking in our supply chains. As part of our assessment, we mapped our vendors to the corruption perception index (CPI) 2017 published by Transparency International. There were no high risk vendors identified as part of the review. In terms of the level of risk, because of the nature of our business and our suppliers, our assessment shows a lower risk profile than in many other industries.

We endeavour to conduct an internal assessment on an annual basis to ensure that slavery and human trafficking are not taking place in any part of our business or supply chains.

Our engagement

All directors have been briefed on the requirements of the Act. To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we will provide appropriate training to our staff. All employees at induction and at periodic points during their employment undertake relevant training, including in relation to Business Ethics and Whistleblowing. In addition, this statement will be communicated to all staff.

Our ongoing commitment

We will continue to evaluate the effectiveness of our policies and procedures in light of the Act in order to monitor and manage the risk of slavery and human trafficking in our business and supply chain. We will gather information from our suppliers during the procurement and audit processes regarding their awareness and adherence to the Act, and continue to ensure appropriate contractual provisions are in place in our supplier contracts.

Approval of this statement

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the slavery and human trafficking statement for the financial year ending 31 December 2018 of the following CNA Hardy entities:

- CNA Insurance Company Limited
- Hardy Underwriting Group Limited
- Hardy Underwriting Limited
- Hardy (Underwriting Agencies) Limited
- CNA Services (UK) Limited
- *CNA Europe Holdings Limited*
- *CNA Hardy International Services Limited*
- *Maritime Insurance Company Limited*
- *Hardy Names Limited*
- *Hardy IC Limited*
- *Hardy Insurance Services Limited*

Dave Brosnan

Chief Executive Officer, CNA Hardy