



USAA Limited

MODERN SLAVERY

STATEMENT



2019 Slavery and Human Trafficking statement as required under s54, Part 6, of the Modern Slavery Act 2015.

Introduction

USAA Limited is committed to ensuring that its business dealings are carried out in compliance with the relevant laws and, in doing so, endorses the implementation and promotion of ethical business practices to protect workers from being abused and exploited.

USAA Limited is committed to respecting human rights and preventing modern slavery in its corporate activities. It also aims to ensure that its supply chains are free from slavery and human trafficking.

We are committed to making a positive impact on people and communities where we work. As a company, we respect individual human rights in all of our business operations and at every level of our supply chain.



MODERN SLAVERY STATEMENT

I. Organisation Structure and Supply Chains

This statement covers the activities of the USAA Limited and its Appointed Representative, USAA International Services SARL London Branch. The General Manager of the organisation is Simon Keith. USAA Limited provides property & casualty insurance products to membership based, US Military personnel and their families located in the United Kingdom and some European countries: Belgium, France, Germany, Greece, Italy, Netherlands, Portugal and Spain. We consider that the risk of modern slavery within the business is low, with the majority of employees working in office-based roles that require minimum entry levels and successful training completion.

USAA Limited uses only specified, reputable employment agencies to source labour. Appropriate controls are in place to ensure workers have the right to work and are therefore protected by applicable legislation. This includes checking right-to-work documents, visas and passports.

Young and inexperienced workers, to the exclusion of 'child workers', may be given work experience, and if so, be subject to the rights and protections that we afford all workers.

Basic rights which we expect all workers to enjoy, include:

- The right to a reasonable wage, USAA Limited is a voluntary Living Wage employer
- The right to a safe working environment
- The right to an appropriate level of holiday and cover for period of sickness

USAA Limited suppliers in the above locations primarily consist of Fiscal Representatives, Claims Agents and Repair Shops. The business adapts a third-party risk management lifecycle that encompasses planning, risk assessment and due diligence, contract negotiation, ongoing monitoring and termination.

ii. Policies on Modern Slavery

USAA Limited's Code of Business Ethics and Conduct guides our behaviour and reflects our dedication to the financial well-being of our members and their families. We do this by upholding the highest standards and ensuring that our corporate business activities and individual employee conduct reflect good judgment and strong principles and is consistent with our core values of Service, Loyalty, Honesty, and Integrity. In doing this, we continue to foster a culture of trust with our members, co-workers, and community. The Code specifically states:

We are committed to making a positive impact on people and communities where we work. As a company, we respect individual human rights in all of our business operations and at every level of our supply chain, and we require you to do the same. Make sure you comply with all laws concerning human rights, including those prohibiting forced labour, child labour, physical punishment, unlawful discrimination, and human trafficking. Also, if your job involves selecting vendors or other third parties, only choose those who commit to observing the same high standards and monitor their activities to ensure they do.

Additionally, the USAA Standard sets out the following expectations on behaviours:

- Keep our membership and mission first
- Live our core values
- Be compliant and manage risk
- Build trust and help each other succeed
- Embrace diversity and be purposefully inclusive
- Innovate and build for the future

USAA Limited expects its suppliers, contractors, and anyone who does business on its behalf, to conduct USAA-related activities in compliance with the standards set forth in the Code, as well as any other applicable laws and regulations. It encourages all its workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of, the organisation. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking.

USAA Limited's Whistleblowing Policy is designed to make it easy for workers to make disclosures, without fear of retaliation. USAA Limited's Outsourcing Policy assists the business in providing a consistent and comprehensive procurement risk management approach. Finally, its Remuneration Policy aims to establish transparent and compliant compensation programs. These policies are reviewed and approved by the Board of Directors on an annual basis. All USAA Limited employees have access to Diversity & Inclusion Business Groups (DBGs), extensions of the business to assist in enhancing employee knowledge and encouraging diversity.

iii. Risk Assessment

Whilst USAA Limited exercises a vital role in the provision of insurance contracts to its customers, it does not have a supply chain that is reliant on factories or other entities that would normally be associated with slavery or forced labour.

Contractors and suppliers used by USAA Limited are therefore not likely to be susceptible to this risk. However, the business is mindful that others may not always uphold standards to the same level as USAA Limited. Consequently, workers responsible for managing suppliers and others involved with USAA Limited are, themselves, responsible for ensuring that our values and ideals are upheld, as outlined in the Outsourcing Policy.

USAA Limited's due diligence processes include conducting a review of each supplier to ensure selection of an appropriate third party and to understand and control any risks posed by the relationship.

A risk assessment tool establishes the inherent risk level of the service to be provided by the supplier.

Measuring supplier effectiveness is conducted through ongoing monitoring and reporting of performance once the agreement is in place. This is dependent on the level of risk posed by the third party. USAA Limited further maximizes supply chain resiliency through the application of controls.

iv. Steps Taken in 2019

All USAA Limited workers were required to complete Ethics Awareness training and confirm their understanding of the company's Code of Business and Ethics Conduct, which includes the requirement to comply with all laws concerning human rights. Whistleblowing procedures were also reviewed.

To date, USAA Limited has not identified any instances or indicators of modern slavery within its supply chain and remains committed to maintaining awareness and ensuring prevention.

Signed on Behalf of the USAA Limited Board of Directors,



Simon Keith
CEO and General Manager, USAA Limited

Date of Approval: 02
November 2020