

# Our statement on modern slavery 2021



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## Disclosure Note

This statement has been made on behalf of *Catholic Church Insurance*. This Statement covers all entities owned or controlled by *Catholic Church Insurance*.

ABN 76 000 005 210

# About us

## CCI is one of the oldest insurance companies in Australia, set up by the Catholic Church to service the Catholic community since 1911.

Our founding principles have remained constant – to develop specialist products and services that meet the needs of the Church, to control insurance costs and to retain any surplus within the Church.

CCI operates under not-for-profit principles. When an operating surplus is achieved, a significant proportion is returned to our Catholic clients by way of dividends, distributions and grants. CCI's client distributions underpin the principle that CCI actively engages with the wider Catholic community to help support the Church's mission in pastoral, education, health and welfare work.

Catholic Church Insurance exists to serve the Catholic community as their insurer and risk partner.

Operating under mutual principles Catholic Church Insurance delivers a range of high-quality products and services from general insurance, workers compensation, managing risk, and growing wealth supported by a dedicated team of industry experts.

CCI's organisational purpose is "to safeguard and restore. Offering peace of mind for the Catholic Church, our community and organisations for care and social justice".

CCI addresses modern slavery issues by adopting the following commitments in its Catholic Values Policy that states:

### Modern Slavery and Human Rights in Supply Chains

Companies and their investors are exposed to risks arising from the exploitation and mistreatment of people as workers, contractors or suppliers.

*In Gaudium et Spes, 27 – Second Vatican Council, the Catholic Church reaffirmed its historic concern about forced labor, stating that "slavery, prostitution, the selling of women and children and disgraceful working conditions where people are treated as instruments of gain rather than free and responsible persons" are "infamies" and "an affront to fundamental values...values rooted in the very nature of the human person".*

*Where CCI directly invests, CCI seeks to identify and exclude investment in companies that do not have a risk management policy that seeks to mitigate the risk of modern slavery practices that are directly linked to their operations, products or services, as per the requirements of the Australian Modern Slavery Act 2018 (Cth).*

*Where funds are externally managed, CCI will engage with its investment partners to ensure that Modern Slavery risks are incorporated within the ESG assessment of their investment activities.*

Source: CCI Catholic Values Policy

## 2021 Modern Slavery Risk Management Initiatives

Over the course of the last three years since the enactment of the Modern Slavery Act, CCI has invested considerable time in assessing the impact of the Modern Slavery Act.

In the past year CCI has focused its building on response initiatives that are reflected below:

- ◆ Joining the Sydney Archdiocesan Catholic Anti-Slavery Network (ACAN)
- ◆ Ongoing assessment of risks relating to Modern Slavery including in our Investment portfolio
- ◆ Updated Procurement Policy to include Modern Slavery Requirements
- ◆ Updated Contracts templates to include Modern Slavery Requirements
- ◆ Updated supplier Pre-Qualification Form to reflect Modern Slavery Requirements
- ◆ Investigated CCI's Enterprise Risk Management (ERM) system to evaluate integrating MSA incident reporting capability
- ◆ Engaged business units within CCI to confirm risks associated with MSA including Investments and CCI Asset Management
- ◆ Monitor staff use of MSA Contracts and templates
- ◆ Senior Leadership Team (SLT) reviewed and approved the strategy, purpose and wider resources
- ◆ CCI Board approved its initial MSA Statement, and has an annual MSA reporting and attestation approval process
- ◆ Assessment of MSA training requirements and training solutions both through ACAN and CCI's own staff training Academy

## About us (continued)

### Our Plans for 2022

CCI has a clear roadmap of initiatives and actions planned for 2022 as follows:

- ◆ Launch of the ESG Committee in 2022
- ◆ Regular meetings of the ESG Committee
- ◆ Ongoing MSA compliance support for our trading relationships through completion of Self Assessment Questionnaires (SAQs) and audit information through the Sedex platform operated by ACAN
- ◆ MS Statement placed on CCI website and intranet
- ◆ Ongoing training of all staff involved in any MS exposures/risk management
- ◆ Annual reporting to the SLT on Modern Slavery Requirement and compliance
- ◆ Board Risk Committee annual attestation on Modern Slavery Act compliance
- ◆ Monitor MS awareness of staff such as through induction program, promotion of CCI actions on our intranet, and training where needed
- ◆ Promotion of CCI MSA risks and CCI actions on our intranet
- ◆ Sample monitoring of supplier MS compliance information given baseline compliance established in 2020 statement

- ◆ Monitor compliance of usage of all MS templates and contract terms in all new vendor relationships
- ◆ Monitor all MS incidents and resolve/record within the ERM system

### Our Plans Beyond 2022

Our focus areas beyond 2022 will be:

- ◆ Extend the MS assessment to include smallest cohort of sub-suppliers identified within the CCI supply chain
- ◆ Update CCI's risk assessment framework and Corporate Risk Register to further incorporate MS risk management
- ◆ Extend use of ERM technology to support the ongoing monitoring and measurement of MS supply chain risks
- ◆ Continuous improvement through reviews and improvement to risk management, due diligence, supplier engagement, training and processes to ensure modern slavery risks are mitigated and managed effectively
- ◆ Develop further awareness on MS principles to relevant CCI staff and suppliers/service providers through ongoing training/refresher sessions
- ◆ Ongoing education of staff through on-line training resources

### Approval and signature



I am pleased to present CCI's 2021 Modern Slavery Statement.

Our purpose is "Supporting and serving church and community". It reflects our recognition of how CCI operates, and the decisions we make alongside those with whom we partner because it affects the people, lives and communities we serve.

CCI recognises that our responsibility to eradicate modern slavery forms part of running a sustainable business.

We are committed to responsible procurement and to ensuring that social, environmental and ethical business practices are considered along with all our business decisions.

In FY2019, CCI began our assessment of modern slavery risks within our organisation. It led us to establish Supplier Code of Conduct and SAQs/Attestation processes for all of the organisation's procurement activities.

Ongoing focus has allowed us to develop system-based reports to the CCI Board via the SLT, in relation to risks and compliance arising from the Modern Slavery Act.

In FY2021, CCI has worked with experts within the Catholic Anti-Slavery Network, and has been able to drive stronger staff training, awareness, and engagement around the risk of modern slavery in our business.

Through 2021 we have continued to reinforce our strong foundations and ensure compliance with MSA obligations have been met.

CCI's enterprise risk reporting systems, both internally and through our Whistleblower policy and practice, have been enhanced to enable the proper reporting of modern slavery concerns.

We will develop a Modern Slavery Maturity Plan for the future, with clear actions, accountabilities and reporting protocols. CCI will continue to engage in discussion with peers, experts, suppliers and advisors. This will ensure our commitment to manage modern slavery risks remains central to our Catholic values.

Modern Slavery in any form is unacceptable, and I am proud of the work that CCI has done, and will continue to do, to assess and manage the risk of modern slavery in modern day business operations.

**Joan Fitzpatrick,**  
Chairman, CCI

This Modern Slavery Statement was approved by the principal governing body of Catholic Church Insurance as defined by the Modern Slavery Act 2018 (Cth) ("the Act") on 17th of June 2022. This Modern Slavery Statement is signed by a responsible member of Catholic Church Insurance as defined by the Act.

# About Catholic Church Insurance

## Our Organisational Structure

CCI is an APRA-regulated insurance company serving the Catholic and broader Christian community across the Church, aged care, healthcare, welfare and education sectors.

CCI operates under several general Workers Compensation licenses in several state/territories, as well as operating as insurer for one Workers Compensation self-insurance licence holders.

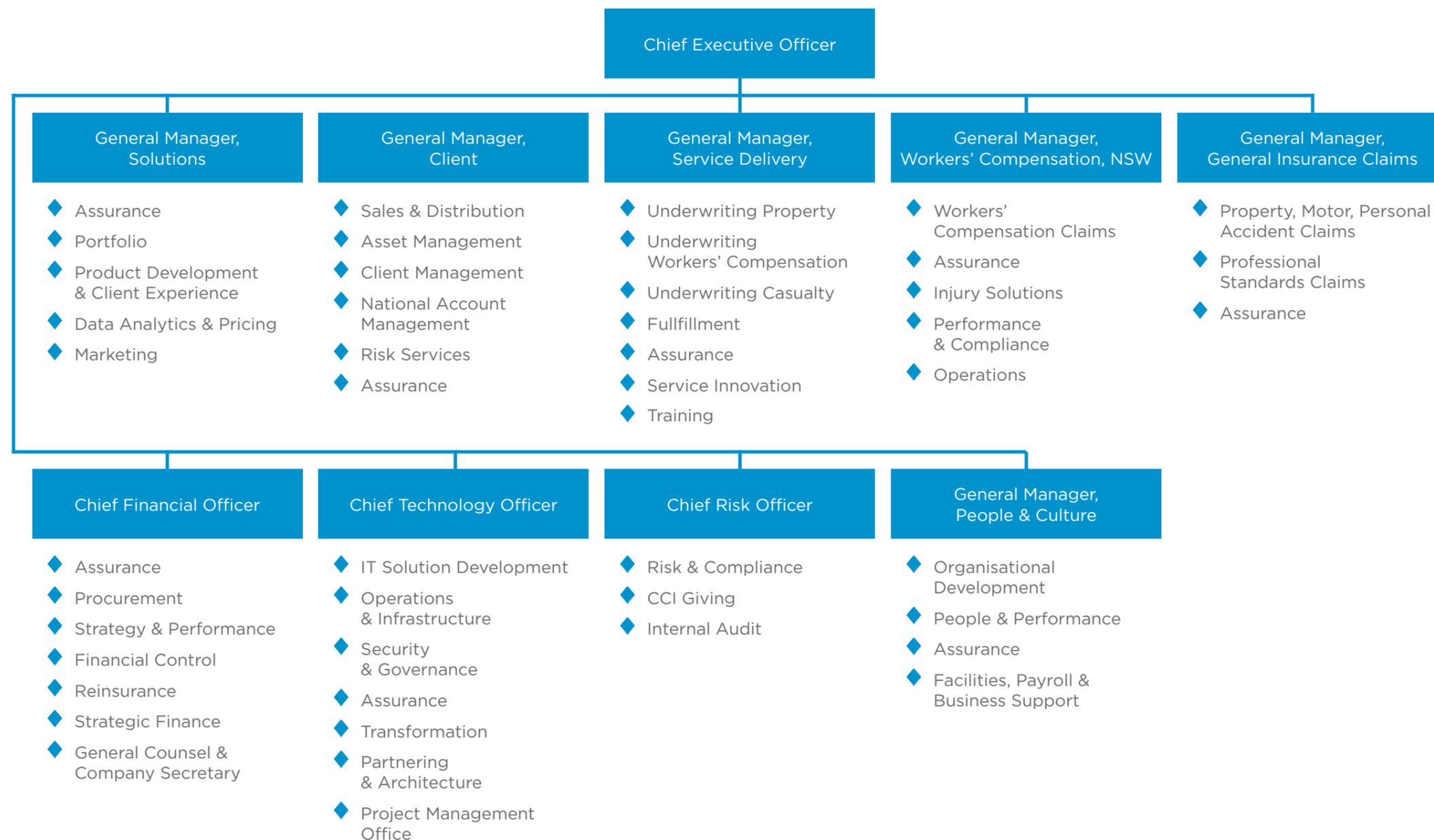
CCI operates as a separate entity, Catholic Church Insurance Asset Management (CCIAM), along with associated charitable trust structures, exclusively for investment purposes available to entities associated with the Catholic Church.

CCI operates a “white-labelled” personal insurance business in partnership with Allianz Insurance Australia.

CCI also operates a charitable foundation (CCI Giving) with its own independent trustees.

CCI’s organisational structure is reflected in Figure 1.

Figure [1] Organisational Structure



## About Catholic Church Insurance *(continued)*

### Our Governance Framework

Modern Slavery Act compliance fits within the overall Board Risk Framework, with delegation of authority/accountability to the Board Risk Committee to govern and oversee organisational response. This delegation is documented in the Board Risk Committee Terms of Reference.

Reporting of the Senior Leadership Team activity regarding Modern Slavery comes to the Board Risk Committee through the Corporate Risk function.

The Chief Risk Officer is responsible for MSA governance and oversight.

CCI's Enterprise priorities are:

- ◆ Assisting the CEO in setting general strategy relating to corporate sustainability (ESG) matters
- ◆ Developing, implementing and monitoring initiatives and policies based on the strategy
- ◆ Overseeing communications to employees, shareholders, clients and staff, and
- ◆ Monitoring and assessing developments relating to Modern Slavery and improving CCI's understanding of sustainability

### CCI's Corporate Responsibility Roadmap

CCI has a significant number of internal policies addressing human rights and employment/labour rights, and will extend this to develop a specified Human Rights Policy in 2022 through ESG activity. The policy will formally document and commit CCI to upholding legislation relating to human rights and labour rights. CCI has already set clear requirements for clients and other business partners in relation to respect for human rights. Throughout 2021 CCI has continued to decline to support business entities that systematically violate human rights.

The Human Rights policy will link CCI's objectives in this space to the Church's statement around the 'dignity of the human person' and affirm that 'Human activity, especially economic activity, must be focused on honouring and preserving human dignity'. With a view that dignity also refers to all aspects of the wellbeing of people including physical health, mental health and equality between men and women.

Modern Slavery, as a risk, will be adopted into the CCI Risk Register as part of a wider ESG compliance risk in 2022.

CCI has also established an internal Modern Slavery Working Group which reports to the Corporate Risk Team. The responsibility of the Working Group is to liaise with internal stakeholders to develop the CCI Modern Slavery Statement. Responsibility for identification and prioritisation of supply chain risks, rests with CCI's procurement activities that are lead by, and the responsibility of, individual SLT members.

### Our Operations

CCI is a General Insurance and Workers Compensation insurer, as well as an Asset Management trustee and individual entity fund manager for Catholic entities and the wider Catholic community in Australia.

CCI is located and operates exclusively in Australia with Head Office in Melbourne and state offices in Sydney, Canberra, Brisbane, Adelaide, and Perth. CCI also has mobile staff representation in Tasmania, and services the Northern Territory from its Adelaide office.

CCI employs 252 FTE Staff across its various offices.

CCI typically engages suppliers on short-term commercial arrangements including, but not limited to:

- ◆ Professional Advisory Services
- ◆ Learning and Development services
- ◆ Reinsurance
- ◆ Technology Services
- ◆ Claims Adjusters and Repairer services
- ◆ Risk Advisory Services
- ◆ Legal Services

Catholic Church Insurance's (CCI) funds under management is approximately ~A\$2 billion managed by CCI's investment department under the following:

1. Catholic Church Insurance Limited
2. CCI Asset Management:
  - (a) Catholic Values Trust and Income Trust
  - (b) Nine Individually Managed Accounts (IMAs)

The Catholic Church Insurance investment portfolio is overseen by CCI Board and CCI Asset & Liability Committee that ultimately delegates authority to CCI Management to act in accordance with daily operation of investments.

The two investment trust vehicles along with the nine individually managed accounts are designated services offered by CCI Asset Management (CCIAM) and fall under the care of CCI Asset Management Board, who have appointed Catholic Church Insurance to undertake its investment activities.

CCIAM engages asset consultant Frontier, to develop investment strategies that include traditional assets classes and derivatives for hedging purposes.

CCI's operations include the internally managed asset classes of cash, fixed income, and Australian equities that have a strong bias towards passive investing.

The remainder of the funds under management are externally managed and are considered as the supply chain. This includes externally managed asset classes in Global equities, syndicated loans and property trusts.

## About Catholic Church Insurance (continued)

### Our Supply Chain

As a provider of insurance and asset management services, we have assessed our modern slavery risk as **low**. CCI's third party spend predominantly consists of professional and IT services procured from Australian firms.

The CCI procurement team has primarily focussed on suppliers that directly provide goods or services. These suppliers are actively managed by the business and include suppliers that represent CCI's highest commercial risk and/or most significant expenditure. We understand that the risk of modern slavery is also present within our sub-suppliers. In some instances, the risks with these suppliers may be higher.

During a risk mapping exercise that was completed in consultation with the Australian Catholic Anti-Slavery Network (ACAN), some facilities categories (such as cleaning) were identified as potential risks. These services are provisioned through the landlord of our corporate tenancies and as such are not directly sourced or managed by CCI. In 2021, we have explored how we can improve the visibility of any sub suppliers providing services to CCI to ensure compliance to modern slavery legislation.

CCI intends to issue a public supplier list as part of our plans beyond 2021, and in anticipation of that has sought and confirmed documented assurance/evidence from all Tier One suppliers regarding their approach and compliance to Modern Slavery Act compliance.

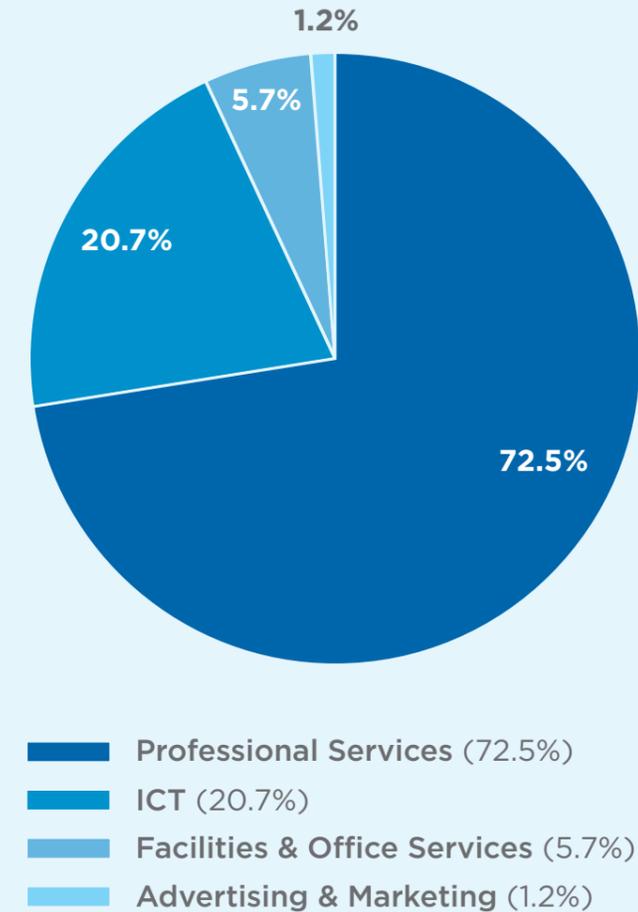
CCI's operations include the internally managed asset classes of cash, fixed income, and Australian equities that are conservatively managed with a strong bias towards passive investing.

CCI also partners with external fund managers to invest in asset classes such as global equities and property via unit trusts. Through these investment managers, CCI has exposures to various developed countries and across key sectors of the global economy where CCI have direct and indirect exposures to the underlying company's supply chains.

CCI endeavours to invest in a socially responsible manner in accordance with the Investment Policy Statement that is guided by the Catholic Values Policy (CVP). The CVP includes references to, and considerations of, the Modern Slavery Act 2018 (Cth):

- ◆ CCI Investment Policy Statement (updated annually) that includes due diligence on direct investments and externally managed funds
- ◆ CCI Catholic Values Policy (last updated Jan 2021) that stipulates negative screening of companies that do not have risk management policy that seeks to mitigate the risk of modern slavery practices that are directly linked to their operations, products or services

Figure [2] CCI Spend by Category



# Modern slavery risks in operations & supply chain

CCI recognises its obligations in respect to human rights extends beyond its own operations to suppliers and the supply chain.

We expect that all suppliers abide by the Modern Slavery Act 2018 which prohibits any form of modern slavery or forced labour. Each CCI supplier is screened as part of our supplier onboarding process. We work with suppliers by asking them to describe the risks of modern slavery practices in their operations, and what actions they take to assess and address those risks. In addition, we ask all CCI suppliers to comply to our standard contract clauses in relation to modern slavery. These include:

- (a) conduct your business in a manner that is consistent with the principles of the Modern Slavery Act 2018, and have never been convicted of any offence related to Modern Slavery;
- (b) have made all reasonable enquiries to ensure, and will continue to take all reasonable steps (including appropriate due diligence procedures) to ensure, that there is no Modern Slavery in your

own or in your sub-contractors' supply chains, or in any other part of your business (and will provide us with evidence of this upon request); and

- (c) will notify us immediately upon becoming aware of any actual or suspected Modern Slavery in any supply chain in connection with this Agreement, and will provide us with all details requested by us relating to the Modern Slavery and take all reasonable steps to mitigate any damage caused by it, at your own cost.

In 2022, we will explore using technology to introduce more advanced screening and management of our suppliers and supply chain.

## Our COVID-19 Response

CCI only operates within Australia. PPE has been purchased through our regular stationery providers and national shopping chains such as Coles and Officeworks who have their own process and statements confirming their approach and compliance with the Modern Slavery Legislation.

## Our People

Recruitment and labour hire practices are managed in line with the Banking and Finance Industry Award, recruitment & background check policies and procurement standards. All staff are employed within Australia either as a direct employee or through Australian based employment agencies. The employment agencies are engaged under contract via the procurement team.

CCI employs ~260 staff, equivalent FTE of ~245. Leadership gender diversity is reported to the SLT and Board along with other diversity metrics such as place of birth, ethnicity, religion, language spoken, disability, age and length of service. Gender diversity for leaders is currently within the acceptable range.

CCI established clear policy and process in 2019, in compliance with The Treasury Laws Amendment (Enhancing Whistleblower Protections) Act 2019 (Act).

A key element of policy was the establishment and education of all CCI staff in the availability, access and reporting through our third-party managed Whistle Blower hotline. All reporting through the hotline is provided to the Chief Risk Officer and reported appropriately and where required to the CCI Board.



## Modern slavery risks in operations and supply chain *(continued)*

### Modern Slavery Gap Analysis

Considerable work has taken place within CCI since our initial 2019 Slavery Gap Analysis Assessment, to progress a large number of elements in our Modern Slavery awareness, systems, education, oversight, governance and procurement practices.

The focus of operational improvement will continue in the following areas identified in the 2020 result:

- ◆ Business Systems reporting on MS compliance
- ◆ Monitoring and reporting of MS risks to CCI Senior Leadership team and CCI Board
- ◆ Ongoing screening across our procurement process, beyond our Tier One suppliers to all entities providing products or services to CCI
- ◆ Training of key risk MS impacted leaders and wider staff training, information and education
- ◆ Stronger interaction with clients and stakeholders to promote CCI work and approach to Modern Slavery whilst also seeking to ensure this reflects in our client experience
- ◆ Staff collaboration and information provisions regarding our Modern Slavery activity through the work of the ESG Committee

Category	Topic	Rating 2021	Rating 2022	Change
<b>Management Systems</b>	Governance	Green	Green	↑
	Commitment	Yellow	Green	↑
	Business Systems	Yellow	Yellow	→
	Action	Green	Green	↑
	Monitor / Report	Yellow	Yellow	→
<b>Risk Management</b>	Risk Framework	Green	Green	→
	Operational Risk	Green	Green	→
	Identifying External Risks	Green	Green	→
	Monitoring and Reporting Risks	Yellow	Yellow	→
<b>Procurement &amp; Supply Chain</b>	Policy and Procedures	Green	Green	→
	Contract Management	Green	Green	→
	Screening and Traceability	Yellow	Yellow	→
	Supplier Engagement	Green	Green	→
	Monitoring and Correction Action	Green	Green	→
<b>HR &amp; Recruitment</b>	Awareness	Green	Green	↑
	Policies and Systems	Green	Green	↑
	Training	Yellow	Green	↑
	Labour Hire / Outsourcing	Green	Green	→
<b>Customers &amp; Stakeholders</b>	Customer Attitude	Green	Green	↑
	Information Provision	Yellow	Green	↑
	Feedback Mechanisms	Yellow	Green	↑
	Worker Voice	Yellow	Green	↑

# Actions taken to assess and address risk

The focus for CCI in 2020 was strengthening our understanding of potential modern slavery risks in operations and supply chain, joining ACAN, forming a Working Group, identifying gaps and assessing high level supplier risks (Tier 1 or Direct Suppliers).

In 2021, CCI completed the following actions in relation to managing risks of Modern Slavery:

- ◆ Consolidation of CCI Modern Slavery Working Group – including staff members from procurement, risk management, and investments, to provide a multi-disciplinary perspective on modern slavery
- ◆ Members of the Working Group attended the Supplier Engagement Workshop held by ACAN, and 8 Members also completed ACAN Modern Slavery E-Learning across 2021
- ◆ Ongoing Supplier Gap Analysis
- ◆ Progressed Modern Slavery compliance attestations confirmation/review for key professional service providers including loss adjusters, brokers, lawyers, builders working on approved panels, reinsurers. Further work is to be undertaken to

complete and mature the processes/ reporting in the next year

- ◆ General awareness training for staff (All Managers, Team Leaders, and the Senior Leadership Team through Risk deep Dive session, All Staff Snapshot and also posts on internal staff intranet)
- ◆ Update supplier onboarding process to request suppliers comply to supplier code of conduct and describe any modern slavery risks within their organisation
- ◆ Updated all standard contracts to include requirements for suppliers to comply to Modern Slavery Act
- ◆ Identifying gaps and assessing high level supplier risks (Tier 1 or Direct Suppliers)

## Modern slavery action plan and road map

CCI has made a significant investment in the past two years resourcing and managing an internal project plan the details of which reflect Status at end of 2021.

The project plan reflects initial review to understand obligations, and commence an awareness building program within the organisation, as well as developing the governance environment to support CCI's response to its Modern Slavery obligations.

## Remediation

CCI is committed to ensuring it provides appropriate and timely remedy to people impacted by modern slavery in accordance with the United Nations Guiding Principles on Business and Human Rights, Commonwealth Modern Slavery Act 2018 – Guidance for Reporting Entities and relevant Australian laws. This includes providing for, or cooperating in, actions to address harms to people and root causes to mitigate future risks if CCI is found to have caused or contributed to modern slavery.

Due to the complexity of remediation, the need for specialist resources and to ensure the most comprehensive and rights-compatible outcomes for people impacted by modern slavery, CCI is a founding partner of Domus 8.7 - an independent program to provide remedy to people impacted by modern slavery.

CCI's remediation efforts will be enhanced in future through further policy development, detailed response procedures and engagement with Domus 8.7 and other civil society stakeholders. By partnering with Domus 8.7 CCI will continue to help people impacted by modern slavery achieve meaningful outcomes that can be reported on and continuously improve risk management and our response. Where

CCI is directly linked to modern slavery by a business relationship, CCI is committed to working with the entity that caused the harm to ensure remediation and mitigation of its recurrence. Remediation obligations and expectations are included in contracts with high-risk suppliers who must notify and consult with CCI to ensure victim centred remediation processes are implemented to the satisfaction of CCI.

CCI is a consortium partner to the Building Links program, a modern slavery grant funded by the Australian Government. Building Links targets modern slavery in the construction sector and includes deployment of an independent site-level operational grievance mechanism directly accessible to vulnerable construction workers.

When suspicions of modern slavery practises come to our attention through whistleblower or other channels, staff will contact relevant law enforcement agencies and/or Domus 8.7 for an assessment, investigation, action planning and implementation of a remediation process. CCI has funded a "Remedy Pathways" module in its Modern Slavery E-Learning course that will be available to staff and other stakeholders in 2022.

Additional information about Domus 8.7 and the process applied can be found on [www.domus87.org.au](http://www.domus87.org.au)

# Effectiveness assessment, consultation & other relevant information

In 2021, CCI has implemented an annual review of the progress, compliance, training and education within the business around Modern Slavery legislation through its ESG Committee.

This annual review process is supported by embedding Modern Slavery education into CCI induction programs, and through an annual presentation as part of the normal staff Snapshot program.

The ESG Committee will consider any Action Plan Implementation tracking requirements if appropriate, and quarterly reports through the Senior Leadership Team Risk Deep Dive process as necessary, as well as through Board Risk Committee reporting process.

The wider assessment of progress will also be reflected in the half-yearly CCI Risk Register Review process, undertaken by senior management and approved by the Board Risk Committee.

Corporate Risk will build a second line reporting capability through our ERM system during 2022. It will also embed obligations, attestations and reporting capability in the Enterprise Risk management system.

This capability will enable reporting and resolution monitoring of any incidents or complaints relating to Modern Slavery Act compliance, by the end of 2022.

## Criteria 6

Consultation - CCI does not own or control any other entities, therefore this criteria is not applicable.

## Criteria 7

Other Relevant Information - not applicable.



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