

Our statement on modern slavery 2022

01 January 2022 – 31 December 2022



CCI
Catholic Church
Insurance

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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

Approval and signature

I am pleased to present the CCI 2022 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 when making all our business decisions.

In FY2019, CCI began our assessment of modern slavery risks within our organisation. It led us to establish a Supplier Code of Conduct for all of the organisation’s procurement activities.

In FY2022, 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.

During 2022 we have continued to reinforce our strong foundations to ensure compliance with MSA obligations have been met.

CCI 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.

Looking ahead, 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 24th of May 2023. This Modern Slavery Statement is signed by a responsible member of Catholic Church Insurance as defined by the Act.



About Catholic Church Insurance

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

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 Guadium 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

2022 Modern Slavery Risk Management Initiatives

Over the course of the last three years since the enactment of the Modern Slavery Act, CCI has assessed the impact of the Modern Slavery Act.

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

- ◆ Developed a Modern Slavery Policy to educate staff on core principles and expectations for preventing, identifying and reporting Modern Slavery at CCI
- ◆ Relaunch of the ESG Committee, with a monthly cadence and representatives from core areas of the business
- ◆ Completion of the Self-Assessment Questionnaire (SAQ) and linkage to our listed suppliers through the Sedex platform
- ◆ Publication of the CCI Modern Slavery Statement on the CCI webpage and intranet
- ◆ Sample monitoring of supplier MS compliance information given baseline compliance established in 2020 statement
- ◆ Sample monitoring of compliance of usage of all MS templates and contract terms in new vendor relationships
- ◆ Company wide awareness session on Modern Slavery and resource material

- ◆ Completion of eModule training for selected cohorts (key roles) within CCI templates
- ◆ Sent the strategy, purpose and wider resources
- ◆ CCI Board approved its initial MSA Statement, and has an annual MSA reporting and attestation approval process

Our Plans for 2023

CCI has a clear roadmap of initiatives and actions planned for 2023:

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

- ◆ Launch of an ESG page on the CCI website, with a dedicated Modern Slavery section
- ◆ Extend rollout of modern slavery training to a selected cohort of CCI employees
- ◆ Develop further awareness on modern slavery principles
- ◆ Strengthen risk screening processes for new vendors and review the Procurement framework
- ◆ Sample monitoring of supplier modern slavery compliance, expanding on the 2022 sample audit conducted

Our Plans Beyond 2023

Our focus areas beyond 2023 will be:

- ◆ Develop further awareness on MS principles to relevant CCI employees, and suppliers/clients
- ◆ Extend continued enhancement on supplier screening / due diligence to broader supplier cohort
- ◆ Investigate opportunities for potential enhancement of ESG screening process for investments

CCI: Structure, operations and supply chain

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 a range of Workers Compensation licenses in several state/territories, as well as operating as insurer for one Workers Compensation self-insurance licence holder¹.

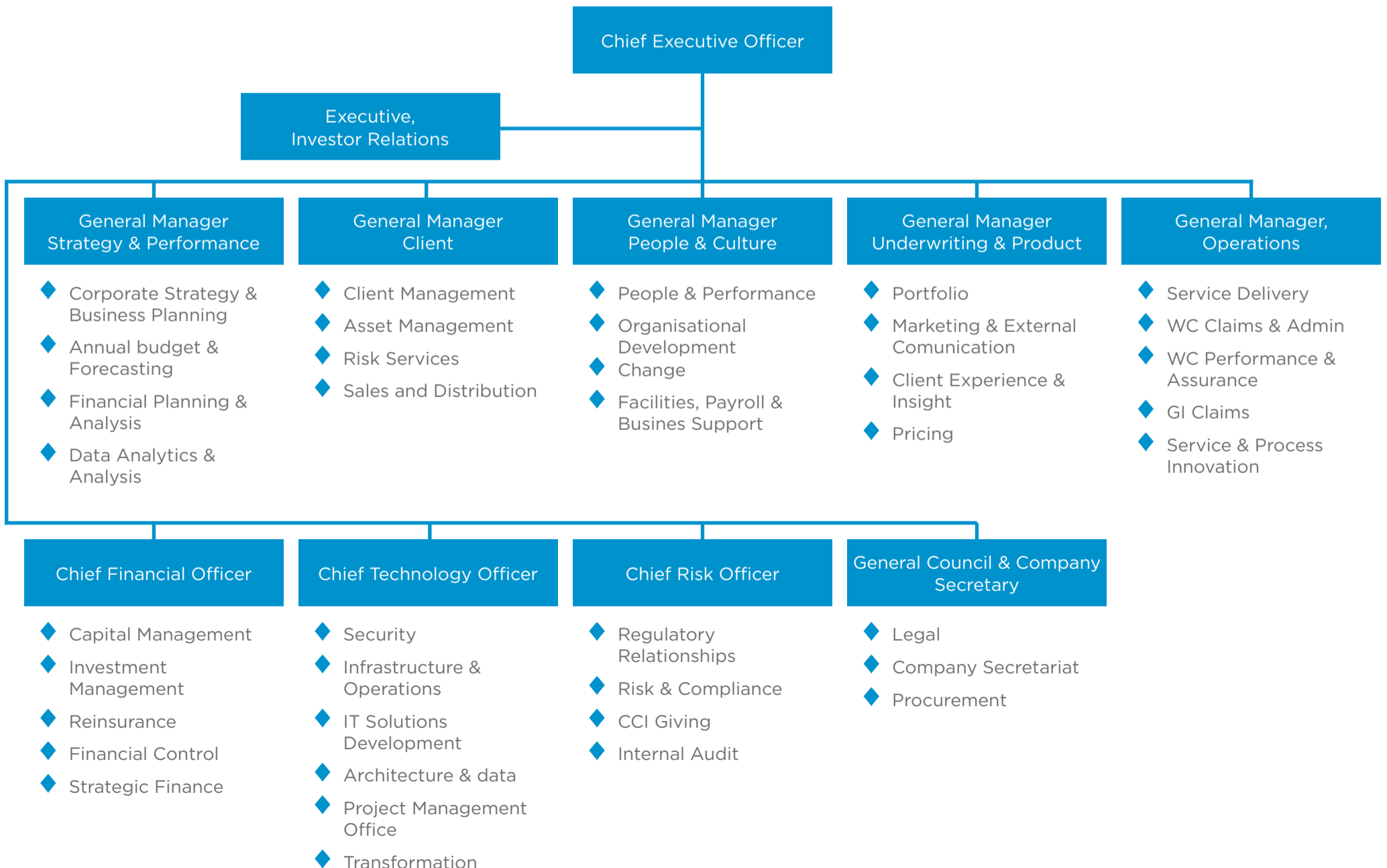
CCI operates, Catholic Church Insurance Asset Management (CCIAM) as a separate entity, along with associated charitable trust structures, exclusively for investment purposes available to entities associated with the Catholic Church.

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 organisational structure is reflected in Figure 1.

Figure [1] Organisational Structure



¹CCI will cease offering Workers Compensation insurance from June 2023.

CCI: Structure, Operations and Supply Chain *(continued)*

Our Governance Framework

Modern Slavery Act compliance fits within the overall Board Risk Management 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 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 Enterprise priorities are:

- ◆ Assisting CCI 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 understanding of sustainability

CCI's Environmental Social Governance (ESG) Roadmap

CCI has a significant number of internal policies addressing human rights and employment / labour rights and has extended this in 2022 through the development of a Modern Slavery Policy. The policy formally documents and commits 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 2022, CCI continued to decline to support business entities that are not in line with the ESG screening criteria in the Catholic Values Policy.

Modern slavery, as a risk, was adopted into the CCI Risk Register as part of a wider ESG compliance risk in 2022.

CCI has also relaunched an internal ESG Committee which is chaired by Corporate Risk.

The Committee is responsible for liaising with internal stakeholders to develop the CCI Modern Slavery Statement and ensure accountabilities are well-understood by the Senior Leadership Team (SLT). Responsibility for identification and prioritisation of supply chain risks, rests with CCI procurement activities that are led by, and are 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 a presence 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 ~300 FTE 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 CCI 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 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 operations include internally managed asset classes of cash, fixed income, listed property and Australian equities that have a strong bias towards passive investing.

Other asset classes that include Global Equities and Unlisted Property, are managed externally, and are considered as part of CCI supply chain.

CCI: Structure, Operations and Supply Chain (continued)

Our Supply Chain

As a provider of insurance and asset management services, CCI modern slavery supply chain risk is assessed as **low**. CCI third party expenditure predominantly consists of professional and IT services sourced 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, sourced, contracted 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.

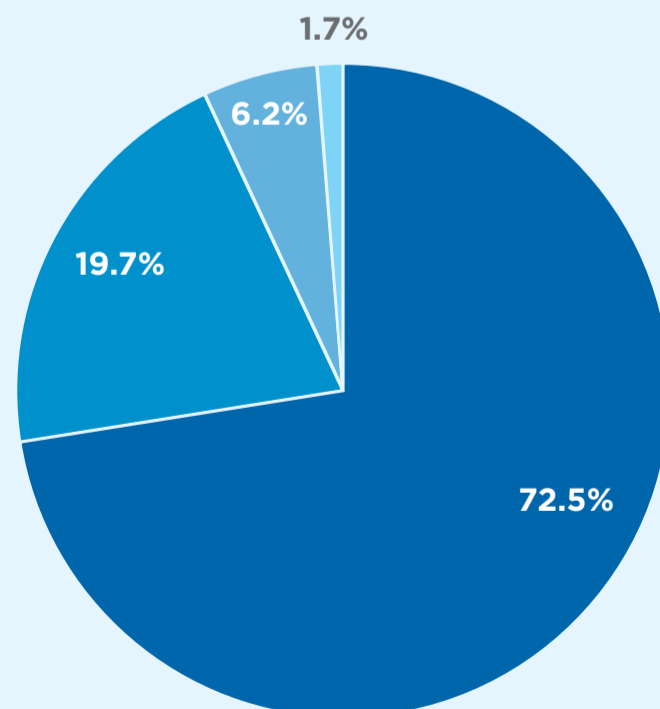
CCI’s operations include the internally managed asset classes of cash, fixed income, and Australian equities that are conservatively managed with a strong bias towards passive investing.

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



- Professional Services (72.5%)
- ICT (20.7%)
- Facilities & Office Services (5.7%)
- Advertising & Marketing (1.2%)

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. CCI suppliers are 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 with 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. Personal protective equipment (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 process.

CCI employs ~300 staff. 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 whistleblower policy and process in 2019, in compliance with The Treasury Laws Amendment (Enhancing Whistleblower Protections) Act 2019 (Cth).

A key element of the whistleblower 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:

- ◆ Monitoring and reporting of MS risks to CCI Senior Leadership team and CCI Board
- ◆ Ongoing screening across our procurement process, beyond our TierOne 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 2022
Management Systems	Governance	Orange
	Commitment	Orange
	Business Systems	Green
	Action	Green
	Monitor / Report	Orange
Risk Management	Risk Framework	Yellow
	Operational Risk	Yellow
	Identifying External Risks	Orange
	Monitoring and Reporting Risks	Orange
Procurement & Supply Chain	Policy and Procedures	Orange
	Contract Management	Yellow
	Screening and Traceability	Orange
	Supplier Engagement	Orange
	Monitoring and Correction Action	Orange
HR & Recruitment	Awareness	Yellow
	Policies and Systems	Green
	Training	Yellow
	Labour Hire / Outsourcing	Green
Customers & Stakeholders	Customer Attitude	Yellow
	Information Provision	Orange
	Feedback Mechanisms	Green
	Worker Voice	Green

Actions taken to assess and address risk

The focus for CCI in 2022 was strengthening our governance and monitoring of potential modern slavery risks in operations and supply chain.

In 2022, CCI completed the following actions in relation to managing risks of Modern Slavery:

- ◆ Relaunch of the ESG Committee – including staff members from legal, risk management, portfolio and investments, to provide a multi-disciplinary perspective on modern slavery
- ◆ Members of the ESG Committee and CCI Board members completed ACAN Modern Slavery E-Learning
- ◆ Ongoing Supplier Gap Analysis, enhancement and linkage with suppliers through Self-Assessment Questionnaire via Sedex platform
- ◆ General awareness training for staff through the All-Staff Snapshot and also material on intranet
- ◆ Sample monitoring of standard contacts for inclusion of requirements for suppliers to comply to Modern Slavery Act

Modern slavery action plan and road map

CCI continues to invest in resourcing and managing a Modern Slavery Action Plan through the ESG Committee.

The plan reflects the continuation of an awareness building program within the organisation, as well as evolving the governance environment to support CCI response to its modern slavery obligations.

The program of work will focus on both internal employees and external suppliers, with a view to expand education across core areas within CCI, and enhancing screening processes for onboarding suppliers.

The plan will further strengthen current practices to reduce supply chain risk, which include modern slavery contract clauses, due diligence self risk identification and negative screening for investments in line with the Catholic Values Policy.

Remediation

CCI is committed to ensuring it provides appropriate and timely remedies 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 - a program to provide remedy to people impacted by modern slavery.

CCI 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.

The right to remedy is a basic principle in international human rights law. The provision of remedy involves a business implementing actions and processes to investigate and redress negative impacts on people involved in business operations and supply chains, and ensure future incidents are prevented.

When suspicions of modern slavery practises come to our attention through whistle-blower 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.

Additional information about Domus 8.7 and the process applied can be found on www.domus87.org.au

Effectiveness assessment, consultation & other relevant information

In 2022, CCI implemented a monthly review of the progress of all Modern Slavery actions, encompassing compliance, training and education within the business around Modern Slavery legislation through its ESG Committee.

This review process is supported by embedding Modern Slavery education through an annual presentation as part of the regular all staff Snapshot program and promotion of online resources.

The ESG Committee will consider any further Action Plan Implementation tracking requirements if appropriate, and quarterly updates 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.

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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