



Modern Slavery Statement 2023

REPORTING PERIOD
1 JAN 2023 - 31 DEC 2023



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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 proud of the work that CCI has done to assess and address the risk of modern slavery in daily business operations.”



I am pleased to present the CCI 2023 Modern Slavery Statement.

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 FY2023, CCI has worked with experts within the Australian Catholic Anti-Slavery Network (ACAN), and has been able to drive stronger staff awareness, leadership training and engagement around the risk of modern slavery in our business.

During 2023 we have continued to reinforce our strong foundations to ensure compliance with Modern Slavery Act 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.

The 2023 Modern Slavery Statement will be the last statement submitted by CCI, due to CCI entering a run-off state on 30th May 2023. CCI will not meet the reporting threshold for submitting a Modern Slavery Statement from 2024 onwards.

Modern slavery in any form is unacceptable, and I am proud of the work that CCI has done to assess and address the risk of modern slavery in daily business operations.

Yours sincerely,

A handwritten signature in black ink, which appears to read "Joan Fitzpatrick". The signature is fluid and cursive, written over a white background.

Joan Fitzpatrick
Chairman

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 22nd of May 2024. This Modern Slavery Statement is signed by a responsible member of Catholic Church Insurance as defined by the Act.

About CCI

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

On 30 May 2023, the Board of CCI decided to voluntarily place CCI into 'run-off'. Effective from this date, CCI ceased writing new insurance business and renewing expiring policies.

CCI remains solvent and as a claims management company, continues to manage and pay claims on all valid policies in accordance with policy terms.

Based on estimates of claims as at 31 May 2023, CCI currently has sufficient assets to meet its liabilities as they fall due. However, the claims situation will continue to develop and is subject to a high degree of complexity and uncertainty. CCI has implemented a Scheme of Arrangement as a precaution to ensure an orderly run off and certainty into the future.

CCI's Scheme of Arrangement pursuant to section 411 of the Corporations Act 2001 (Cth) became effective and binding on all Scheme Creditors on 3rd November 2023 after Scheme Creditors voted unanimously to approve the Scheme and it was later endorsed by the Federal Court at the second court hearing.



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

2023 Modern Slavery Risk Management Initiatives

Since its enactment, CCI has complied with the Modern Slavery Act 2018. In the past year CCI has focused on initiatives that are reflected below:

- ◆ Inclusion of a Modern Slavery category on the CCI website
- ◆ Extending the rollout of Modern Slavery training to all of the Senior Leadership Team at CCI.
- ◆ Development and publication of a Modern Slavery Fact Sheet to develop further awareness on Modern Slavery Principles for all staff.
- ◆ Conducted a review of current CCI suppliers to assess which ones will still be required during run-off planning and beyond – post run off announcement.
- ◆ Conducted a sample audit on Modern Slavery compliance post review of suppliers required in run-off planning and beyond.

Structure, operations and supply chain

CCI has gone through significant structural changes in 2023 as it transitions to a run off claims management company.

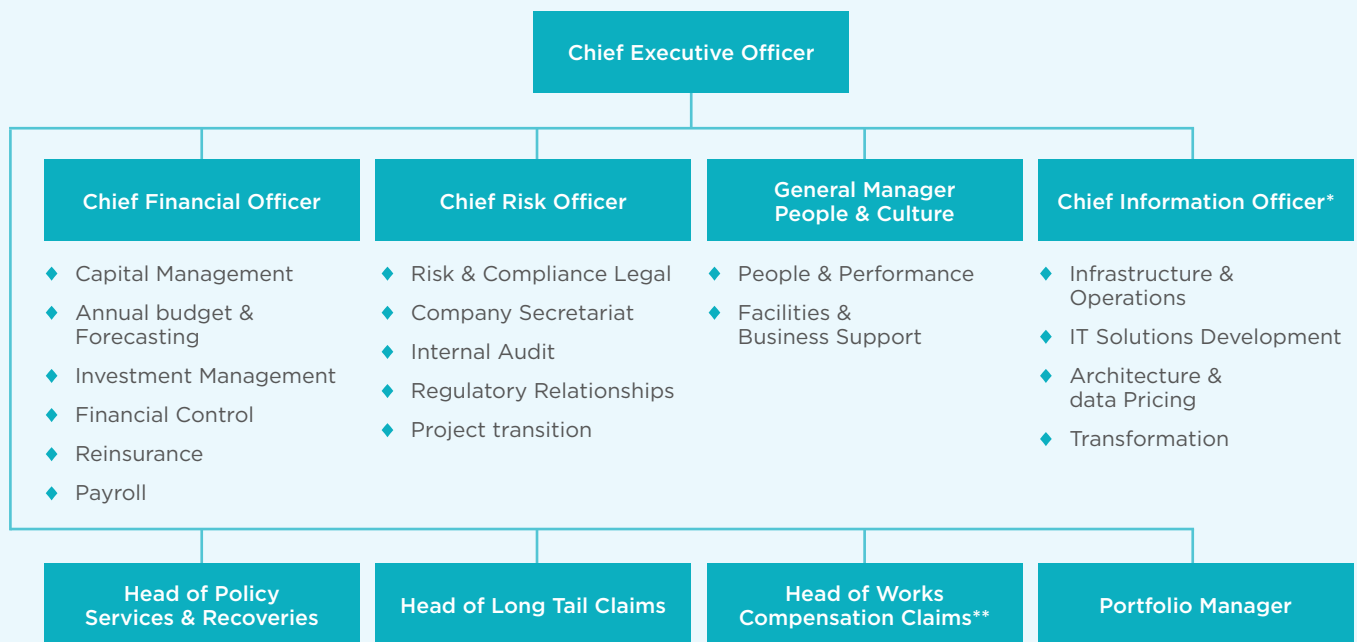
Our Organisational Structure

CCI is an APRA-regulated claims management company in run off, managing claims from the Catholic and broader Christian community across the Church, aged care, healthcare, welfare and education sectors.

CCI operates under an APRA conditional run off license. CCI no longer issues or renews policies and is managing claims on policies issued prior to 16 June 2023.

CCI organizational structure post run off (confirmed 2023 - effective March 2024) is reflected in Figure 1.

Figure 1. Organisational Structure



*Information Security has been outsourced to third party provider Lynden from October 2023.

**Workers compensation claim management will be outsourced to third party provider Employers Mutual Limited (EML) from April 2024.

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.

Structure, operations and supply chain continued

Our Operations

Prior to entering run off (May 2023) CCI was a General Insurance and Workers Compensation insurer, and has transitioned to a claims management company.

CCI is located and operates exclusively in Australia with Head Office in Melbourne, and staff in other states across Australia. .

CCI employs ~200 FTE (in 2023) across its various offices.

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

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

In October 2023 CCI entered a 12-month contract with Lynden Cyber for outsourcing security services. This contract is deemed a material outsourcing arrangement and included a comprehensive due diligence review and confirmation of no offshoring of services. Notification was also provided to APRA on the arrangement.

Catholic Church Insurance’s (CCI) funds under management is approximately -A\$680 million managed by CCI’s investment department under Catholic Church Insurance Limited.

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.

CCI operations include internally managed asset classes of cash, fixed income 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.

Figure refers to employed staff in 2023, noting that as CCI progresses with run off this number will continue to reduce.

Our Supply Chain

As a claims management company, 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.

Procurement at CCI 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.

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.

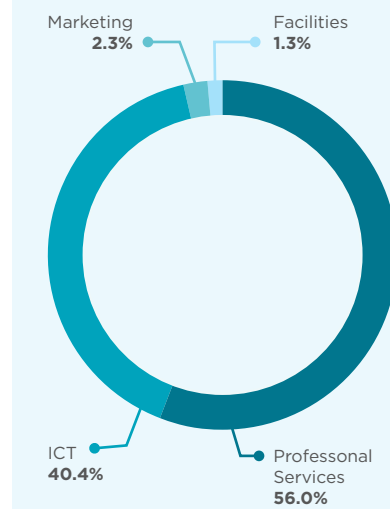
CCI also partners with external fund managers to invest in asset classes such as global equities and property via unit trusts.

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. 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.

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 ~200 staff (in 2023). 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.

Actions taken to assess and address risk

The focus for CCI in 2023 was strengthening our governance and monitoring of potential modern slavery risks in operations and supply chain in light of entering run off.

In 2023, CCI completed the following actions in relation to managing risks of Modern Slavery:

- ◆ Inclusion of a Modern Slavery category on CCI's webpage with the publication of CCI's Modern Slavery Statement
- ◆ Members of the Senior Leadership Team completed ACAN Modern Slavery E-Learning
- ◆ General awareness training for staff through the creation, publication and communication of a Modern Slavery Fact Sheet
- ◆ Sample monitoring of standard contacts for inclusion of requirements for suppliers to comply to Modern Slavery Act.



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 2023, 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 was supported by embedding Modern Slavery education through an annual presentation as part of the regular all staff Snapshot program and promotion of online resources.

Quarterly updates are provided through the Senior Leadership Team Risk Deep Dive process as necessary, as well as through Board Risk Committee reporting process.

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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