



**CATHOLIC
EDUCATION
MELBOURNE**

Modern Slavery Statement 2020

ABN – 85 176 448 204

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About Us

Catholic Education Melbourne (CEM) serves and leads Catholic schools in the Archdiocese of Melbourne. We provide a range of services to support about 20,000 teaching and non-teaching staff in 335 Catholic schools serving more than 153,000 students.

Our system has a rich history of dialogue and collaboration with state and federal government departments and authorities. We play an important role in shaping and supporting national Catholic education priorities and policies.

Our vision is for an outstanding Catholic education that equips our young people with the knowledge, skills, hope and optimism to live meaningful lives and shape and enrich the world around them.

We aim to assist schools to build teaching and leadership capabilities in communities of professionals who increasingly share system responsibility for school improvement and for achieving the best outcomes for our students.



2020 Modern Slavery Risk Management Initiatives

Catholic Education Melbourne has taken a series of steps towards achieving practical outcomes from our ethical procurement initiatives, such as:

- replacing all the tea, coffee and drinking chocolate with a fair-trade brand
- providing regular updates to schools on using fair-trade sports goods, uniforms etc.
- including a modern slavery clause in all tenders to make the procurement as ethical as possible.

This implementation aims to gain greater visibility of procurement and integrate ethical sourcing practices more broadly into these areas in the future.

Modern slavery is a multifaceted issue that requires a multifaceted approach. Catholic Education Melbourne has put into place the following work streams in our targeted approach to ethical procurement supply chain mapping and spend analysis:

- supplier engagement
- modern slavery risk assessment
- employee engagement and training
- embedding of ethical procurement in our processes
- compliance with and reporting against the *Modern Slavery Act 2018* (Cth)
- thought leadership and advocacy: driving collaboration and best practice.



Statement from Most Rev Peter A. Comensoli, Archbishop of Melbourne

This message would be published in the Catholic Archdiocese of Melbourne's Modern Slavery Statement.



Statement from Jim Miles, Executive Director



We are pleased to share the first Catholic Education Melbourne Modern Slavery Statement.

We have taken initial steps in assessing, addressing and setting up initiatives in our first Modern Slavery Statement. As operating a business during the COVID-19 pandemic continues to evolve, we are committed to continuous improvement and to eradicating any modern slavery risks as they arise from our supply chain. Our efforts have centred on improving the visibility and understanding of our supply chain and ethical procurement practices as we focus on creating a more sustainable supply chain.

Our focus for the year 2020 has been to develop a risk framework and tools to identify and manage risks of modern slavery in our operations and supply chain. To help us do this, we have actively engaged with the Australian Catholic Anti-Slavery Network (ACAN) and worked collaboratively with the Archdiocese of Melbourne to develop a pilot program to assist with prioritising and assessing supplier risks.

While we are encouraged by the progress that has been made in our first reporting year, we know more needs to be done and we will continue to refine our tools to address modern slavery risks as we work to deliver great outcomes. We are also cognisant that dealing with modern slavery will require ongoing focus in collaboration with industry, the community and other stakeholders.

A handwritten signature in black ink that reads "Jim Miles". The signature is written in a cursive, flowing style.

Jim Miles
Executive Director
Catholic Education Melbourne
James Goold House
228 Victoria Parade East Melbourne Victoria 3002
22 June 2021



Our Annual Report

The Catholic Education Melbourne 2019 financial report is included in the [Annual Report](#) and can be found on the Catholic Education Melbourne website <https://www.cem.edu.au>. The 2020 financial report will be published during July 2020 on the Australian Charities and Not-for-profits Commission (ACNC) website.

Our Operations

Catholic Education Melbourne (CEM) (Melbourne Archdiocese Catholic Schools [MACS] from 1 January 2021) has been supporting to provide a quality Catholic education to more than 153,000 students – almost one in four school students – at over 330 schools across Melbourne.

This makes Catholic education by far the second largest provider of schooling in Victoria and the largest Catholic education provider within a diocese in Australia.

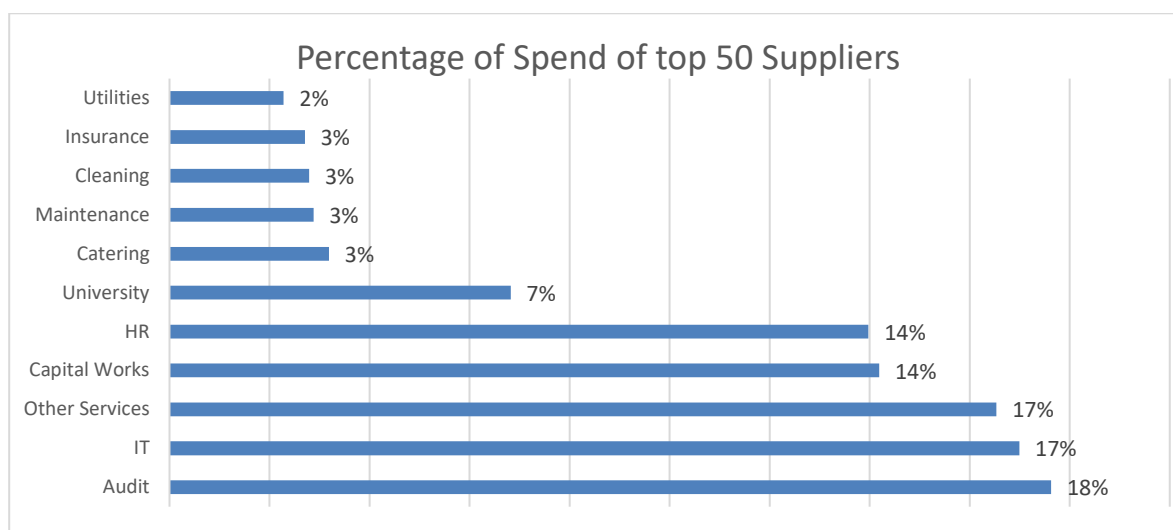
Catholic Education Melbourne's head office is located in East Melbourne. It is supported by four regional offices in north, south, east and west of Melbourne, along with a Catholic Leadership Centre. Catholic Education Melbourne employs close to 500 staff in Melbourne.

Melbourne Archdiocese Catholic Schools Ltd (MACS) assumed the governance and operation of Catholic schools in the Archdiocese of Melbourne from 1 January 2021. The change in governance arrangements resulted in 290 schools owned by the Archdiocese, its parishes or associations of parishes in the Archdiocese of Melbourne transferred to MACS. The schools do not currently form part of this Modern Slavery Statement but will feature in the MACS Modern Slavery Statement for the year ended 31 December 2021.

Our Supply Chain

The majority of Catholic Education Melbourne's major suppliers are based in Australia. The top 50 suppliers were considered for this analysis and the percentage breakup of those is shown in the pie chart below.

The total expenses for the financial year ending 31 December 2020 was \$114,158,843. The details are available in the financial report and can be found at [The Australian Charities and Not-for-profits Commission \(ACNC\)](#) website



Modern Slavery Risks in Operations and Supply Chain

We have taken a whole-of-group approach to our due diligence by establishing a relationship with the Australian Catholic Anti-Slavery Network (ACAN). ACAN will help us gain insight into the entities we partner with for our operational activities and those involved in our supply chains. In addition, we have established an ongoing monitoring system of our suppliers by commodity. Should there be any changes to our risk profile, or a credible report of one of our suppliers engaging in human trafficking or other prohibited activities, we will be notified promptly.

The highest risk areas identified are as follows:

1. Cleaning services – a new tender is in progress, which includes reference to modern slavery.
2. Catering/food and beverage – there are no current contracts with Catholic Education Melbourne although purchase orders have a modern slavery clause as part of the terms and conditions.
3. Facility management – this includes maintenance services such as plumbing, handyman services, minor repairing etc. There are no current contracts with Catholic Education Melbourne although purchase orders have a modern slavery clause as part of the terms and condition
4. ICT hardware – these goods may be manufactured using conflict minerals (e.g. cobalt used in lithium-ion batteries, which is common to most mobile phones) and/or forced labour by entities in earlier stages of their supply chains. Our understanding of supply chains will improve working with ACAN over time.

Operational risks.

Our COVID-19 response

We recognise that the economic impacts of the global COVID-19 pandemic may increase the prospect of exploitation in certain jurisdictions. While the full ramifications of the pandemic on social and economic standards around the world are not currently known, we will utilise the monitoring system outlined above and continue to work with our supply chain resilience solutions partner.

Supply chain risks

- **Industry sector** – specific industry sectors deemed as high risk in international and national guidance documentation.
- **Commodity/product** – specific products and commodities deemed high risk by the United States Department of Labor’s 2018 List of Goods Produced by Child and Forced Labor, the Global Slavery Index (GSI) and other international guidance materials.
- **Geographic location** – based on the estimated prevalence of modern slavery and the government responses outlined in the 2018 GSI. While Catholic Education Melbourne predominantly uses Australian suppliers, it is recognised that goods and services may come from countries other than those of the suppliers’ headquarters.
- **Workforce profile** – In undertaking our supplier analysis, we considered the type of labour involved in producing goods and services, particularly where low-skilled, vulnerable or migrant labour is used, or where the work is deemed as ‘3D’ work (dirty, dirty, dull or dangerous). Based on Catholic Education Melbourne’s profile, 77% of the spending was



considered as no risk, 9% as medium risk and 14% as high risk, as shown in the graph below. Only the following categories were considered to be high risk: cleaning services, catering/food and beverage, facility management and ICT hardware.



Actions Taken to Assess and Address Risk

For the 2020 reporting period, Catholic Education Melbourne undertook initial actions to address the modern slavery risks in its operations. Commencing with its membership to the ACAN and attendance at the ACAN conference, Catholic Education Melbourne, along with the Catholic Archdiocese of Melbourne (CAM) and the Catholic Education Commission of Victoria (CECV), has assessed its operations and subsequently commenced actions to manage the existing and ongoing risk exposure.

The following actions have been taken throughout the reporting period:

- a) **designated a modern slavery liaison officer (MSLO)** – the MSLO holds the responsibility for overarching operational activities to identify and mitigate modern slavery risks within the organisation. The MSLO assists in promoting closer collaboration across the Catholic sector and meets monthly with the ACAN anti-slavery taskforce executive to discuss the implementation of the risk management program. Catholic Education Melbourne has identified the importance of the role of a dedicated MSLO to lead the anti-slavery program to remove the risk from its extensive supply chain network.
- b) **created a Modern Slavery Policy** – Catholic Education Melbourne has developed a Modern Slavery Policy with the overarching purpose of preventing modern slavery by managing and mitigating the modern slavery risk within our business operations and supply chains. This policy enables Catholic Education Melbourne to ensure that modern slavery does not flourish within our operations, business relationships and extended supply chains. This policy also provides a robust framework to ensure compliance with the reporting requirements of the *Modern Slavery Act 2018*. This policy has been adopted by MACS of 2021.
- c) **provided slavery-free tea, coffee and drinking chocolate** – Catholic Education Melbourne’s preferred vendor for office supplies is Complete Office Solutions (COS), the preferred vendor for the Catholic Archdiocese of Sydney. Therefore, we have changed all our tea, coffee and drinking chocolate to Sprout, the preferred brand for slavery-free products.



- d) **communicated regularly with schools** – all Catholic schools in the Archdiocese of Melbourne were given regular updates on modern slavery, especially on the high-risk categories such as sporting goods, uniforms, cleaning services etc.
- e) **undertook modern slavery awareness training** – at least one staff member in all business groups have undertaken modern slavery awareness training and supplier engagement training. Supplier awareness training will be rolled out by HR to all staff across the organisation.
- f) **undertook supplier risk assessments** – Catholic Education Melbourne has undertaken a risk assessment of its suppliers and service providers and categorised them into risk-rated cohorts and spend volume. This risk assessment has identified the areas where the risk of modern slavery exposure is elevated. Therefore MACS will focus its preventative and mitigation compliance activities throughout the next reporting periods.
- g) **commenced supplier engagement** – Catholic Education Melbourne has commenced its supplier engagement strategy by introducing modern slavery clauses in the terms and conditions of purchase orders. This communique is the first of many steps related to building supplier awareness. Subsequently, subsequent action and compliance will be taken to reduce modern slavery risk from Catholic Education Melbourne’s immediate supply chain.
- h) **added contractual clauses** – working closely with our legal team, all new supplier contracts include modern slavery clauses to ensure suppliers take all reasonable steps to remove modern slavery from their supply chains. Moreover, minimum entitlement clauses for supplier employees have been included in Catholic Education Melbourne supplier contracts.

Effectiveness Assessment

Modern slavery gap analysis

The ‘Bridge the Gap’ analysis tool reviewed the following five categories related to Catholic Education Melbourne operations:

- a) Management Systems
- b) Human Resources and Recruitment
- c) Procurement and Supply Chain
- d) Risk Management
- e) Customers and Stakeholders.

This initial analysis was conducted in July 2019 which showed the following results:



Overview

Here's broadly what you told us:

Category	Summary
Management Systems	You have taken some steps to understanding the modern slavery risks in your operations and supply chain. While your Board and senior management team acknowledge that modern slavery occurs in your business sector, your approach to identifying and managing modern slavery risks remains ad hoc. Modern slavery risk management processes have not been integrated into existing business systems. There are opportunities to take more action.
Human Resources and Recruitment	You have not incorporated modern slavery issues into your employee or contractor training or awareness programs. Your hiring and onboarding processes do not reference modern slavery risk management. Current labour - hire and outsourcing practices do not identify modern slavery risk areas.
Procurement and Supply Chain	Modern slavery risks are not considered in your procurement policies or supplier management processes. Supply contracts do not refer to modern slavery risks and you have not mapped your supply chain to understand priority suppliers or risk categories. You do not monitor suppliers for modern slavery risks or engage them on risks or opportunities.
Risk Management	Modern slavery is not considered in your business risk framework. You have no systems or processes in place to assess or manage potential modern slavery risks in your operations, supply chain, business partnerships or industry sector.
Customers and Stakeholders	You have limited understanding of your customer or stakeholder expectations around modern slavery risk management and do not elicit feedback from them on this issue. You do not have feedback or communications mechanisms in place for workers in your supply chain and do not make information on modern slavery risks publicly available.

Bridge the Gap: Helping you better manage modern slavery risks in your business.
Developed by SD Strategies Pty Ltd 2019[©]

Another Bridge the Gap analysis was completed in December 2020, which showed the following results:

Overview

Here's broadly what you told us:

Category	Summary
Management Systems	With a highly engaged Board and senior management team and a well - established modern slavery program, you are making great progress in identifying, managing and mitigating your modern slavery risks. Continue to review your goals, targets and KPIs and explore opportunities for innovation and leadership in your industry sector.
Human Resources and Recruitment	You have not incorporated modern slavery issues into your employee or contractor training or awareness programs. Your hiring and onboarding processes do not reference modern slavery risk management. Current labour - hire and outsourcing practices do not identify modern slavery risk areas.
Procurement and Supply Chain	You are leading the way in assessing and addressing modern slavery risks and impacts in your supply chain. Detailed procurement policies, guidelines and processes are in place and actively implemented and evaluated. You work closely with your suppliers to address non - conformances and identify improvement opportunities.
Risk Management	Modern slavery is not considered in your business risk framework. You have no systems or processes in place to assess or manage potential modern slavery risks in your operations, supply chain, business partnerships or industry sector.
Customers and Stakeholders	You have a basic understanding of your customer and stakeholder expectations around modern slavery and have established specific communications mechanisms for internal and external stakeholders to report modern slavery issues. You include limited information about your modern slavery risks on your website.

Thank you for taking the initiative to assess and address your modern slavery risks.

Bridge the Gap: Helping you better manage modern slavery risks in your business.
2/12/2020. Developed by SD Strategies Pty Ltd 2019[©]



3. **Regular check of the risk review process** – this stage will be utilised to undertake a further assessment of existing risk identification methodology against suppliers. Over time it will endeavour to ensure that supplier data is captured and gain further insight into the supply chain map.
4. **Supplier and engagement feedback process** – ongoing engagement with suppliers to identify areas of improvement and education has been identified as a key step towards eliminating risk. A dedicated member of staff will provide a communication channel for information, and feedback will assist in the ongoing improvement of the modern slavery framework.
5. **Annual supplier reports/attestation** – supplier reports will assist in understanding our suppliers’ risk framework and risk exposure. Utilising this tool will assist in directing resources where needed most – for example, further communication or education advice in relation to modern slavery.
6. **Corrective actions process** – in line with stages one through four, the corrective action process will be the activities to further enhance the modern slavery framework.

Looking Ahead to 2021

From 1 January 2021, Catholic Education Melbourne will become Melbourne Archdiocese Catholic Schools (MACS), and changes to governance responsibilities will mean that addressing, measuring, and eradicating modern slavery will be the responsibility of MACS.

We are committed to ensuring it provides an 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 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, we have through ACAN become a founding partner of Domus 8.7 - an independent program to provide remedy to people impacted by modern slavery. CEM’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 CEM can help people impacted by modern slavery achieve meaningful outcomes that can be reported on and continuously improve risk management and our response.

Where CEM is directly linked to modern slavery by a business relationship it 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 CEM to ensure victim centred remediation processes are implemented to the satisfaction of CEM.

CEM (MACS as from 2021, 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 deploying an independent site-level operational grievance mechanism directly accessible to vulnerable construction workers.



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.

MACS has funded a “Remedy Pathways” module in its Modern Slavery E-Learning course that will be available to staff and other stakeholders in 2021.

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

Looking ahead, we plan to progress through MACS the following actions in 2021 and beyond:

Building our understanding and capabilities

- Develop and deliver a broader training program for our employees, to increase understanding and awareness of modern slavery risks within our operations and supply chains.
- Continue to educate and support providers in understanding their obligations under the *Modern Slavery Act 2018* and our supplier statement.
- Continue to develop response plans that are monitored and managed for continuous improvement to occur with identified suppliers.
- Second line review processes to be defined and implemented to ensure independent oversight occurs of the modern slavery framework.

Improve our processes

- Further embed due diligence processes within the first line of defence and adapt learnings for this first reporting period.
- Expand incident management processes to include the ability to capture human rights and modern slavery breaches.
- Uplift our compliance obligations framework.
- Develop guidance on remediation actions to support relationship owners in addressing modern slavery risks.
- Define qualitative and quantitative indicators for assessing the effectiveness of our actions to assess and address modern slavery risks.
- Embed ethical procurement in our processes, including through the development and roll-out of ethical procurement guidelines for employees.

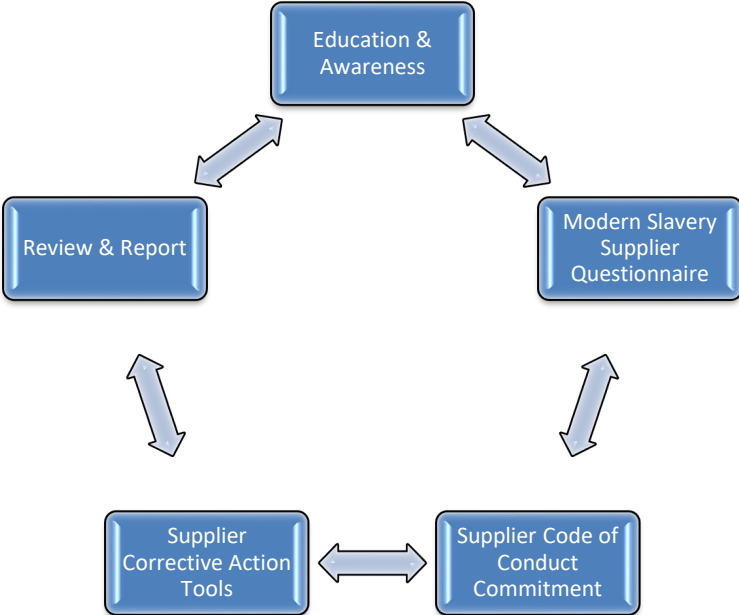
Enhance engagement with suppliers

- Engage with more high-risk suppliers to assess their modern slavery practices.
- Continue to assess risks within our operations and supply chains, expanding the scope to include our schools.
- Continue to participate in the ACAN Forum for alignment in approach.
- Obtain greater visibility of the risks of modern slavery in our supply chains beyond tier one.
- Introduce vendor terms and conditions project to embed ethical sourcing for all new vendors.
- Disseminate our Supplier Code of Conduct and enhance direct supplier engagement with certain high priority suppliers



We are encouraged by the initial work we have done, and continue to do, to prevent modern slavery and any inadvertent involvement we may have across our operations and supply chains. There is more to do, but we are always looking for new and better ways to eliminate modern slavery, always in partnership with others, knowing that no one can do so on their own.

SUPPLIER ENGAGEMENT ACTION PLAN 2021



Internal Consultation

We understand it is important for our entity owned to appropriately identify modern slavery risks and understand what actions they need to take to address modern slavery risks.

All procurement and sourcing for CEM is conducted by an internal staff and the vendors are all based in Australia. We have consulted with different departments of CEM such as our Procurement, Legal, Marketing and Finance teams, when preparing this statement.

We anticipate that our consultation process will continue to develop in future reporting periods.



Any other relevant information

In order to support the Modern Slavery Act within the organisation, MACS plans to undertake the following steps

- A modern slavery plan to support the implementation of the governance structures, policies, processes and risk registers needed to underpin a successful modern slavery framework
- Advice on implementing a modern slavery policy whose draft has been prepared
- A modern slavery risk register to capture and address the key modern slavery risks that a health service might cause, contribute or be directly linked to
- A modern slavery fact sheet to facilitate staff training; and
- Supplier contract considerations, including the addition of modern slavery clauses in contracts.

The rollout and implementation of the above points will support the organisation to conduct their own risk assessment, due diligence and remediation activities.

CEM is confident that the steps taken this year have built a strong foundation for a robust modern slavery framework. However, we recognise there is more to do and now through MACS as from 2021 is committed to continually improving our approach, partnering with our stakeholders and working to eradicate modern slavery.

