



AUSTRALIAN  
CATHOLIC  
SUPERANNUATION  
RETIREMENT FUND

# Modern Slavery Statement

For the year ending  
30 June 2020

Published March 2021



# Contents

Foreword: Eradicating slavery in our organisation and supply chain	3
Criteria under the Modern Slavery Act 2018 (Commonwealth)	4
Our structure, operations and supply chains	5
Organisational Structure	5
Our Operations	6
Our Supply Chain	6
Modern slavery risks in our operations and supply chain	7
Operational Risks	7
Supply Chain Risks	8
Actions taken to assess and address modern slavery risks	10
How we assess the effectiveness of our actions	12
Consultation with entities owned or controlled	13
Looking ahead/future commitments	14
Detail on approval of this Statement	15

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Prepared by SCS Super Pty Limited  
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# Foreword: Eradicating slavery in our organisation and supply chain

Australian Catholic Superannuation & Retirement Fund is a Catholic superannuation fund domiciled in Australia. Since 1981, it has serviced its members who primarily work in Catholic education, healthcare, aged care and human and community services. Additionally, the Fund provides superannuation, investment, retirement planning and financial planning services on an open offer basis.

The Fund's mission is to empower its members to live their best possible retirement and aims to maximise their superannuation and retirement benefits so that they can retire with dignity.

We are proud to publish our first Modern Slavery Statement for the reporting period 1 July 2019 to 30 June 2020. This document is prepared for the purposes of and in accordance with the requirements of the Modern Slavery Act 2018 (Cth) ('the Act'). It covers the criteria for reporting under the Act including the risks of modern slavery in our operations and supply chain as well as the actions we have taken to assess modern slavery risk.

Simply stated modern slavery is situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. It is estimated that over 40 million people are the victims of modern slavery including child labour, forced labour, debt bondage, forced marriage and human trafficking.

The Fund is affiliated with the Catholic Church, which has a long history of action against slavery. The Church is committed to the preferential option for the poor and marginalised. This means that the actions of all who work in its name should consider the impact of all their decisions and actions on those most vulnerable in society.

The principles of Catholic Social Teaching emphasise the dignity and worth of every person, while also committing to solidarity with those treated unjustly or oppressed. As part of this commitment, we are members of the Australian Catholic Anti-Slavery Taskforce Network (ACAN).

We are supportive of the Australian Government's objective to end modern slavery and we are committed to acting diligently and prudently whilst playing our role. We will endeavour to hold ourselves accountable and will take action to address modern slavery in our own operations and supply chains.

We also believe that it is in the best interest of members and in accordance with the sole purpose test that we adopt a responsible approach to Environmental, Social and Governance (ESG) factors in our policies and procedures and expect that these will have a positive influence on the financial performance of those companies in which we invest, particularly over the long term.

Our objective is to develop and undertake a program of awareness building both inside our organisation as well as with suppliers and partner organisations where we are able to encourage fair and ethical business practices.



**David J Hutton OAM**  
*Board Chair*



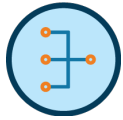
**Greg Cantor**  
*Chief Executive Officer*



# Criteria under the Modern Slavery Act 2018 (Commonwealth)

1.	<b>Section 16(1)(a)</b>	Describe the identity of the reporting entity
2.	<b>Section 16(1)(b)</b>	Describe the reporting entity's structure, operations and supply chains
3.	<b>Section 16(1)(c)</b>	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entity it owns or controls
4.	<b>Section 16(1)(d)</b>	Describe the actions taken by the reporting entity and any entities it owns or control to assess and address these risks, including due diligence and remediation processes
5.	<b>Section 16(1)(e)</b>	Describe how the reporting entity assesses the effectiveness of these actions
6.	<b>Section 16(1)(f)</b>	Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)
7.	<b>Section 16(1)(g)</b>	Include other information, as relevant
8.	<b>Section 16(2)</b>	Provide details of approval of the statement by the reporting entity's principal governing body

# Our structure, operations and supply chains

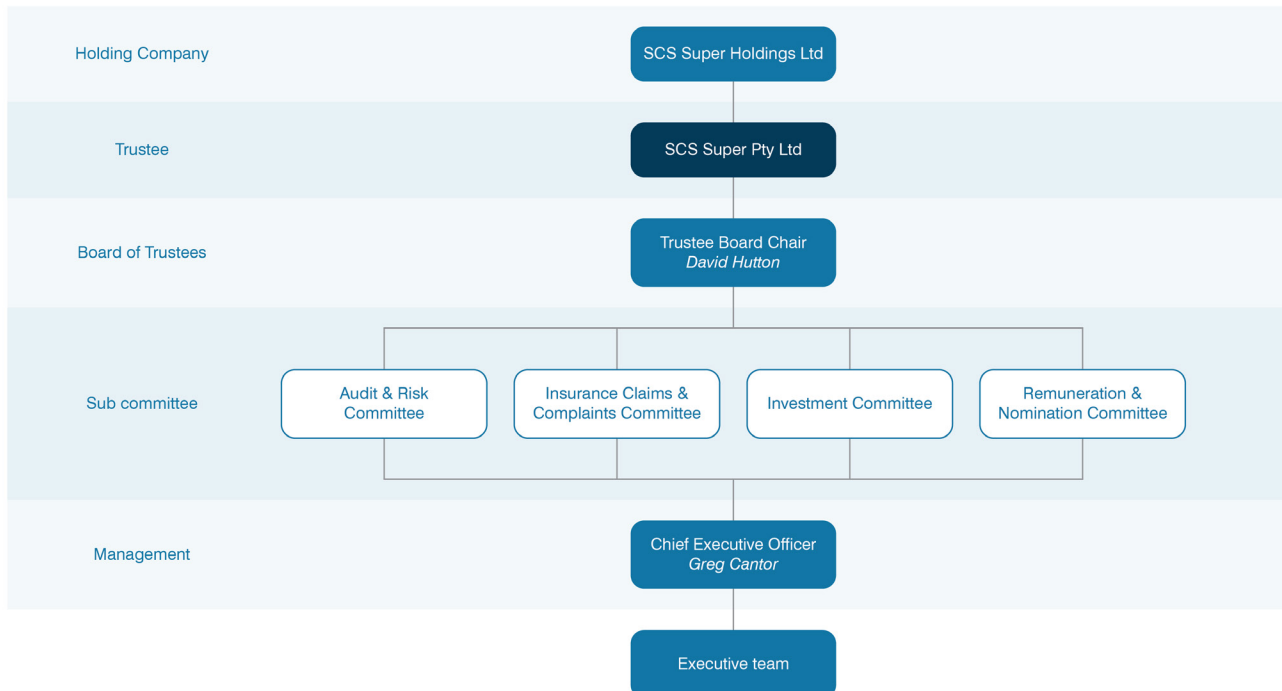


## Organisational Structure

This Statement is prepared and issued on behalf of SCS Super Pty Limited (ABN 74 064 712 607) as the Trustee for Australian Catholic Superannuation & Retirement Fund (ABN 24 680 629 023). This Statement is for the purpose of reporting under the Act.

SCS Super Pty Limited will be referred throughout the document either by its name or as 'Trustee', 'we', 'us' or 'our'.

The Trustee is the principal governing body of Australian Catholic Superannuation and has consulted a broad range of internal and external stakeholders and suppliers in preparing this Statement.





## Our Operations

Australian Catholic Superannuation is proud to have over **86,000** members, **15,000** employers and a portfolio worth **\$9.6 billion** (as of June 30th, 2020). We employ **119** staff which are located across Australia:



The CEO office, Human Resources, Investments, IT and Finance teams are located at the Head Office 33 Burwood Road, Burwood, NSW 2134. We own our Head Office buildings.

Australian Catholic Superannuation is a public offer profit-to-member fund, which exists solely for the benefit of its members. We provide superannuation and pension products and services. Our primary business is the investment of member funds and the administration of member accounts. In delivering these services, we have relationships with various externally sourced suppliers. These relationships are managed by short and long term contractual arrangements.



## Our Supply Chain

Our supply chain can be broadly broken down into the following categories:

Corporate and organisational procurement, including:	Investment portfolio for the benefit of our members, including:
<ul style="list-style-type: none"> <li>• Marketing (branded and unbranded goods for events not for resale)</li> <li>• Office supplies</li> <li>• Catering</li> <li>• Information technology</li> <li>• Banking and Insurance</li> <li>• Cleaning services of premises</li> <li>• Travel services for staff and directors (prior to COVID-19)</li> </ul>	<ul style="list-style-type: none"> <li>• Australian and international equity markets</li> <li>• Direct property, infrastructure and private equity</li> <li>• Investments in more than 30 countries</li> <li>• Exposure to sectors including energy, IT, materials, financial services, property, healthcare and telecommunications</li> <li>• Our investments includes mandates (via Investment Management Agreements), Service Level Agreements or in commingled Unit Trusts</li> <li>• We employ external investment managers to manage 100% of our investment activity</li> </ul>

# Modern slavery risks in our operations and supply chain

The Fund is committed to taking action to address modern slavery risk. However, we are mindful that forced labour and other related practices do likely exist in some capacity in the operations and supply chains of most entities and throughout the world.

We are generally satisfied that our operations do not cause or contribute to modern slavery practices. As with all businesses, we recognise that there will be risk of modern slavery in our operations and supply chain, for example:

- Product and services risks in our supply chain for cleaning, travel, catering and information technology;
- Sector and industry risks with investments in construction, hospitality and health services;
- Product and services risks with our investments in the apparel industry; and
- Geographic risks, in particular with our investments in emerging markets.

The Fund operates within the financial services sector and we acknowledge that financial services has been identified<sup>1</sup> as having high exposures to modern slavery. As a superannuation fund, we are exposed through our participation in the financial services sector. Whilst at the beginning of managing its exposure to modern slavery, the Superannuation Industry has already committed to develop strong focus and awareness and we will work together with our peers as well as other organisations to consider how we can learn, address, engage and manage potential modern slavery risks in our supply chains.

We are committed to taking action to address the risk of modern slavery in our operations and supply chain.



## Operational Risks

### Our response to COVID-19

We acknowledge that the prevalence and impact of COVID-19 may increase the vulnerability of workers in the global supply chain. The Fund is mindful of the importance of incorporating consideration of modern slavery risks as part of our broader response to this global pandemic.

Where possible, we will continue to engage with our suppliers and request information on modern slavery risks in their operations and supply chain. However, we are mindful that entities impacted by COVID-19 may be temporarily unable to or delayed in implementing actions to address modern slavery or risks of same.

Some initiatives that we had planned for this reporting period were delayed due to COVID-19 and we will report back in our next modern slavery statement on their progress.

<sup>1</sup> "Modern Slavery Risks, Rights & Responsibilities – A guide for companies and investors" ACSI February 2019



## Our People

We adopt best practice 'People and Culture' strategies, policies, systems and practices to ensure all our employees are treated fairly and are enabled to deliver the best service and outcomes to our members.

We embrace diversity and inclusion and we are an equal opportunity employer, welcoming employees from a range of diverse backgrounds, including from 21 nationalities. As at 30 June 2020 we have 119 employees with diverse knowledge, skills and experience; representing 52% males and 48% females.

The Fund adopts a robust and professional approach to recruitment and selection process, supporting equal opportunity principles. We undertake recruitment and other 'People and Culture' policies and practices in compliance with government legislation, including National Employment Standards, Fair Work Commission, and State and Commonwealth Anti-Discrimination and Human Rights legislation. Furthermore, we ensure employee remuneration is competitive and benchmarked to the markets in which we operate.

As a regulated superannuation fund, we also conduct mandatory training on key policies such as the Whistleblower Policy to ensure all employees are aware of expectations and their obligations under our policies. We also have an online compliance tool, where depending on the employee or executive position, attestations need to be responded to on a monthly/quarterly basis, to help us mitigate any risks.

Australian Catholic Superannuation is committed to providing and maintaining a safe and healthy working environment for all workers. We believe that a safe and secure workplace is essential, as is compliance with workplace health and safety laws.

Given our People and Culture practices and governance around such, we do not consider that we have modern slavery risks within our operations as it relates to our employees.



## Supply Chain Risks

At the outset, the Trustee, as part of the ACAN network, undertook a preliminary exercise to help identify how we were tracking in our approach to managing modern slavery risks. This exercise focused on areas such as our governance, systems, operational risk, human resource practices, customers and stakeholders as well as procurement and supply chain management.

This exercise provided us with a platform from where to focus our actions to address modern slavery risks in our supply chains.

As members of organisations such as ACSI and RIAA who represent a collective voice on ESG issues on behalf of asset owners and institutional investors, we also utilised both organisations' guidance and research documents to assist us in preparing our framework, as it related to investor reporting<sup>2</sup>.

During FY2020 we engaged with service providers spanning 7 different countries (Netherlands, Canada, US, UK, Ireland, China and Singapore) across multiple business sectors.

<sup>2</sup> Modern Slavery Reporting – Guide for Investors – RIAA & ACSI November 2019  
Investor Toolkit, Human Rights with focus on supply chains – RIAA August 2018



In combination with our own risk methodology and in collaboration with ACAN and utilising other sources, during FY2020 we have made a preliminary assessment of risks of modern slavery in our supply chain at a high level, taking the following factors into account:

- **Industry** – Specific industry sectors deemed as high risk in international and national guidance documentation.
- **Commodity/product** – Specific products and commodities deemed as high risk by the US 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 estimated prevalence of modern slavery. While we predominantly use Australian suppliers, we recognise that our goods and services may come from countries other than those of our suppliers’ headquarters.
- **Workforce profile** – In undertaking our supplier analysis we considered the type of labour involved in the production of our goods and services, particularly where low skilled, vulnerable or migrant labour is used.
- **Quantum of expenditure** – It is worth noting that in assessing these entities, high spend is not always the focus. In some instances, we have identified suppliers with whom we spend a less significant amount but who we believe may be more at risk of having modern slavery in their own operations or supply chains.
- **Core business activities** – We have also approached our Key Service Providers (“KSP”) for further assessment and discussions. These service providers are core to the functioning of our Fund, and form part of our key outsourced infrastructure and the way in which we service and support our members.

Based on these indicators, we have identified and prioritised what we see as the highest risk categories that require attention at this early stage of our program:

Industry	Type of Service provided to the Fund
Building and facilities management	Hospitality and catering Security services
Cleaning	Contractors used to conduct cleaning services in the Fund’s office locations
Other building contractors	From time to time, the Fund will use the services of tradesmen and specialised contractors for repairs or works to their offices and property
Information Technology	Software providers and other IT vendors (offshore/geographically risky regions)
Marketing	Sales and marketing merchandise and supplies
Human Resources	Recruitment Agents
Investments	Investment managers with exposure in geographic regions and/or sectors with high risk of modern slavery i.e. Asia/Emerging Markets, property services
Key Service Providers	Organisations the Fund relies on for core business operations – banking, administration platforms



# Actions taken to assess and address modern slavery risks

Since the law came into effect on 1 January 2019, our focus has been to understand in more detail what is required. Our objective has been and is to strengthen our understanding of potential modern slavery risks and to establish a starting point for identifying risk, with the aim to identify potential areas of highest modern slavery risk in our operations and supply chains.

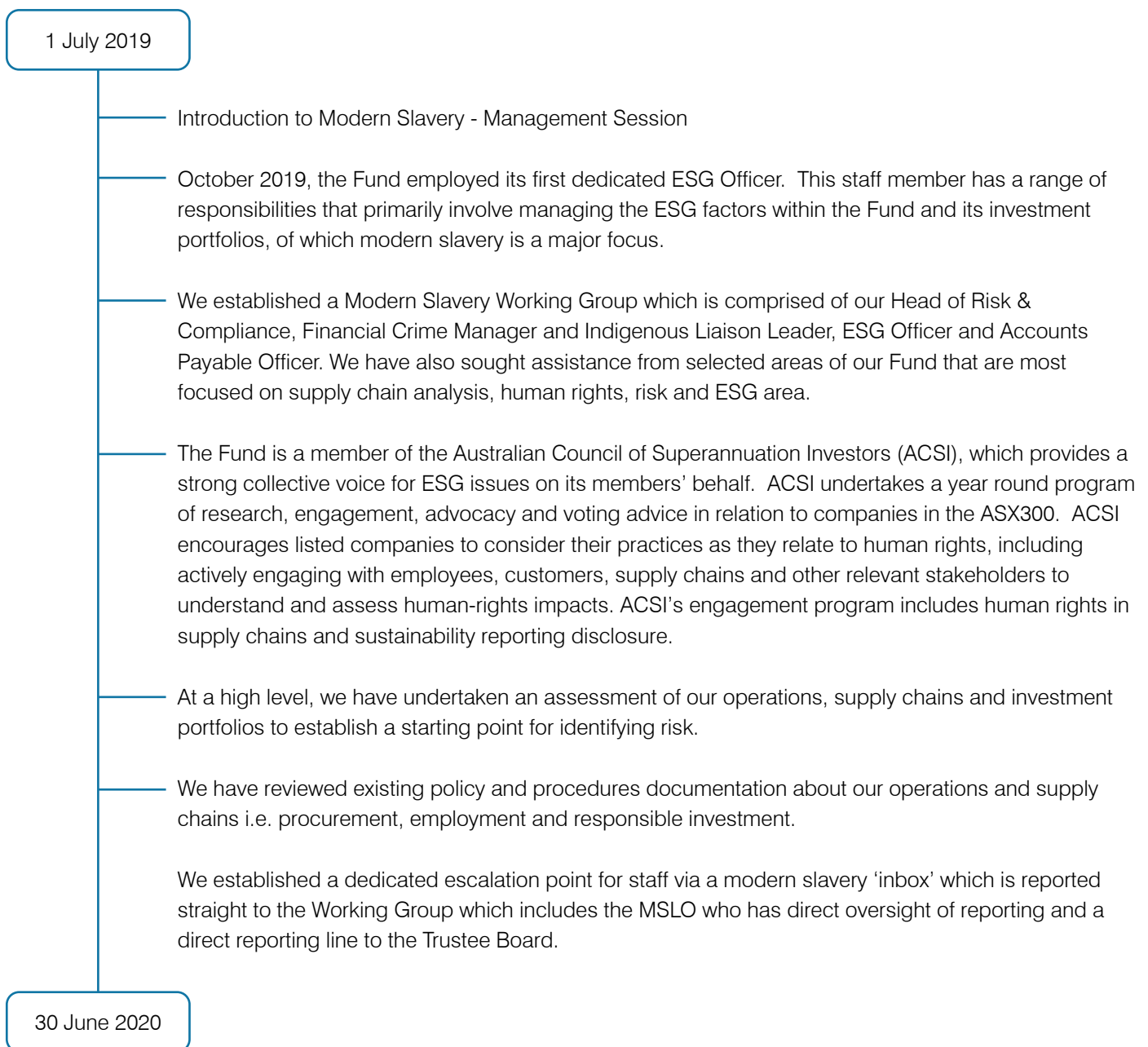
Our industry has welcomed the introduction of the Act and its provisions. As such many of our suppliers and strategic partners will also be reporting under the Act which provides for constructive collaboration and dialogue.

As a Catholic organisation, one of the foundational initiatives was to join ACAN in mid-2019. It was at this point we assigned responsibility for assessing and addressing modern slavery risks to the Modern Slavery Liaison Officer (MSLO). ACAN has assisted to guide us across many issues and assisted us to conduct preliminary analysis to set out a framework for which to direct future efforts and help educate our employees. With the direction and assistance of ACAN, we participated in an introductory workshop during year.

During this period, personnel from our Risk & Compliance and Investment teams conducted a briefing session with management to introduce and build awareness of modern slavery requirements.

A timeline of activities is demonstrated on the following page.

During FY2020, we undertook further initiatives to enhance our approach to modern slavery:



As part of our role in managing an investment portfolio we apply a comprehensive due diligence process when reviewing, appointing and monitoring our external investment managers. Part of this process includes modern slavery attestations as well as reviewing the managers' ability to integrate ESG factors into their investment processes. With the help of support materials provided by our member organisations, (ACSI and RIAA) we will poll our managers on their approaches to address any modern slavery risks and undertake assessment of these responses for further follow up if necessary.

We have pre-existing processes in place to screen suppliers that may be on the DFAT sanctions database. This screening exercise is a due diligence activity necessary to ensure that persons or entities connected with our services are not subject to targeted financial sanctions under Australian sanctions law.

Directors of the Board of Trustees, CEO and key executives receive regular updates on ESG related issues at the Investments sub-committee including a dedicated update on our progress on modern slavery.

It is our intention going forward to extend our risk assessment process more broadly in the years to come.



# How we assess the effectiveness of our actions

We recognise that it will take some time, and effort to address modern slavery risks in our operations and supply chains.

We expect that change will be built over time.

We are fully committed to working towards assessing the effectiveness of our actions.

We are in the process of developing a framework for our engagement activities and, in accordance with our internal policies have a system of reporting and escalating any potential modern slavery risks.

Our internal audit team regularly assesses compliance with all our policies and procedures and reports directly to the Audit & Risk Committee.

Our Working Group is scheduled to meet formally (monthly or more frequently as required). This forum allows us to assess the progress, set future deliverables and engage with key stakeholders.

Through the ACAN network, we are able to collaborate and share initiatives with other network partners. By doing this, we are able to assess our progress, our frameworks and utilise this as a feedback mechanism to help us measure the effectiveness of our actions.

Our current activity is focused on assessing modern slavery risk and our frameworks to address risk. From there our objective is to identify further relevant actions. This may include setting relevant indicators, e.g. KPIs, expanding our partnerships with collective bodies and ensuring our supply contracts include appropriate modern slavery clauses.

# Consultation with entities owned or controlled

The Fund does not own or control any other entities.



# Looking ahead/future commitments

In the future, Australian Catholic Superannuation will continue to build on the work it has done in addressing modern slavery risks in its operations and supply chain. We are committed to continuous improvement and aim to promote and deliver transparent and collaborative practices both internally and with our supplier relationships.

Over the next reporting period (FY2021), our focus will be on:

Priorities	Activities
<b>Policy review &amp; development</b>	<ul style="list-style-type: none"> <li>• Our Procurement Framework will be expanded to establish a Sustainable Procurement Policy.</li> <li>• Establish a Supplier Code of Conduct.</li> <li>• Release our Modern Slavery Policy, further formalising many of our actions and intentions.</li> </ul>
<b>Internal processes</b>	<ul style="list-style-type: none"> <li>• We will broaden our working group to ensure the most representative sample of staff</li> <li>• As part of our formal monthly working group meetings, key representatives from each business unit will be invited to participate and provide broader perspectives of modern slavery within their business units.</li> <li>• We will continue to review and improve existing policies and procedures, including procurement frameworks and grievance mechanisms.</li> <li>• Continue to integrate modern slavery clauses into contracts/tender process.</li> <li>• Review and enhance how we categorise our suppliers based on risk.</li> </ul>
<b>External supplier dialogue</b>	<ul style="list-style-type: none"> <li>• Whilst not all suppliers are reporting entities under the Act, they appear receptive to ongoing dialogue from us as to how they may develop their understanding of modern slavery further, how we may assist their efforts, and to enhance our knowledge of their operations and supply chains.</li> <li>• Questionnaires to organisations from identified risk categories are to be developed and distributed to our suppliers across merchandising, investment management, banking, information technology and software platforms, hospitality, recruitment and property management services.</li> </ul>
<b>Member communication</b>	<ul style="list-style-type: none"> <li>• We will create a dedicated section on our website on modern slavery to help raise awareness within our member base. This will also help our members stay informed of the status of our progress with respect to our framework.</li> </ul>
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• Continue to collaborate with collective groups including joining human rights working groups via our memberships.</li> </ul>
<b>Training</b>	<ul style="list-style-type: none"> <li>• Roll out of Modern Slavery compliance modules for all staff and Directors. Working Group to present to Executive team.</li> </ul>
<b>Assurance</b>	<ul style="list-style-type: none"> <li>• To work towards a process of effective monitoring of our actions to address and remediate identified issues.</li> </ul>

# Detail on approval of this Statement

This Statement was approved by the Board of SCS Super Pty Limited as Trustee for Australian Catholic Superannuation & Retirement Fund.

In submitting its inaugural Modern Slavery Statement for the FY2020, we have made our best endeavours to provide an honest observation of the Fund's current approach and future plans to understanding, identifying, assessing and addressing the risk of modern slavery in its operations and supply chains.

Our Fund, its Board and staff fully recognise that we are on a journey to improve modern slavery risk identification and mitigation. We are committed to working with our peers, suppliers and other organisations to help prevent modern slavery. Our 2020 Statement reports on our preliminary work during this year and sets the foundation for our continued efforts to deepen and enhance our responses in the future years.

Approved and signed on: 19 February, 2021



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David Hutton, Chair  
*SCS Super Pty Limited as Trustee for  
Australian Catholic Superannuation & Retirement Fund*



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Greg Cantor, Chief Executive Officer  
*Australian Catholic Superannuation & Retirement Fund*

