



# Mercy Education

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## Modern Slavery Statement 2020

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MERCY EDUCATION LIMITED

#### **DISCLOSURE NOTE**

This Modern Slavery Statement as been provided in respect of Mercy Education Ltd.

The use of the title 'Mercy Education' within this document refers to 'Mercy Education Ltd'.

Mercy Education Ltd is a stand-alone legal entity that operates or controls no other legal entities.

The National Office of Mercy Education Ltd is located at 720 Heidelberg Rd, Alphington, Victoria.

This Modern Slavery Statement has been endorsed by, and is published under the authority of, the Mercy Education Ltd Board, per special resolution of the Board dated 28 MAY 2021.

This Statement covers the twelve colleges that Mercy Education directly governed in 2020:

#### **WESTERN AUSTRALIA**

Mercedes College, Perth

Santa Maria College, Attadale

St Brigid's College, Lesmurdie

#### **SOUTH AUSTRALIA**

St Aloysius College, Adelaide

#### **VICTORIA**

Academy of Mary Immaculate, Fitzroy

Catherine McAuley College, Bendigo

Mount Lilydale Mercy College, Lilydale

Our Lady of Mercy College, Heidelberg

Sacred Heart College, Geelong

Sacred Heart College, Kyneton

St Aloysius College, North Melbourne

St Joseph's College, Mildura

ABN 69 154 531 870

ACN 154 531 870

This statement does not cover other schools that choose to *affiliate* with Mercy Education Ltd to receive support and professional development in operating schools within a Mercy framework. Such schools have their own governance structures that either do not meet the threshold for reporting under the Act or who may report as part of another, larger entity.



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# About Us

## Statement from our Chief Executive



Preparing our first *Modern Slavery Statement* has been a challenging and thought-provoking exercise. Historically, most of our consideration of these issues has occurred at the local school level – with interested teachers and students undertaking a range of awareness-raising activities.

The implementation of the reporting obligations of the *Modern Slavery Act* has required us to move into a more robust and active framework for understanding, documenting and managing these risks at the corporate level.

Mercy Education accepts this challenge gratefully, acknowledging that it is equally a demand of our own Christian, Catholic and Mercy values.

For how can we talk with our 12,500 students about Compassion, Justice and Respect without ensuring that their education is not displacing the education of their sister or brother elsewhere across the globe?

How can we preach “life to the full”, whilst other members of our enterprise spend their days moving between arduous labour and meagre confinement?

We have only discovered ACAN late in our journey – but their support and guidance has been greatly appreciated as we developed our Year One Statement and documented our pathway forward.

We will continue to educate ourselves and our staff on these issues, and we commit to developing a much deeper understanding of our supplier risks, and to using our size and capacity to implement meaningful changes in our supply networks.

A handwritten signature in black ink, appearing to read 'Chris Houlihan'. The signature is fluid and cursive, written in a professional style.

**Christopher Houlihan** ■ CHIEF EXECUTIVE

# Who is Mercy Education

Mercy Education Limited is a single legal entity (company limited by guarantee) that operates 12 Catholic secondary schools across three states. Our canonical (Church Law) governor is the Institute of Sisters of Mercy of Australia & Papua New Guinea (ISMAPNG).

The vision of Mercy Education is the development and support of a dynamic network of Catholic Colleges united by

- a commitment to the Gospel of Jesus
- fidelity to the tradition and spirit of Mercy and the mission of Catherine McAuley
- the provision of innovative, stimulating and inclusive educational programs
- a passion for social justice

## MERCY EDUCATION VALUES

An education in the Mercy tradition invites us to take up a challenge – one that encourages us to develop fully our own God-given talents. At the same time, it enkindles within us a desire to assist others, so they too *“may have life, and have it to the full”*. (John 10:10)

The six core values of Mercy Education are Compassion, Justice, Respect, Hospitality, Service and Courage.



Students from St Brigid's College, Lesmurdie (WA), learn about the Religious Leaders' Joint Declaration Against Modern Slavery.



## 2020 Modern Slavery Initiatives

In respect of the 2020 reporting year Mercy Education:

- Appointed a Modern Slavery Liaison Officer.
- Joined the Australian Catholic Anti-Slavery Network (ACAN).
- Briefed our school Principals and Business Managers on the obligations of the Modern Slavery Act 2018.
- Undertook a review of supplier risk based upon our preliminary understanding of key supply chain risks to schools (computer hardware, school uniforms and sporting equipment).
- Prepared our first *Modern Slavery Statement*.
- Updated our procurement delegations of authority to include modern slavery clauses requiring prospective suppliers in high-risk sectors to provide additional information as to how they manage such risks in their supply chain.

## Our Plans for 2021

In 2021, Mercy Education's goals include:

- To establish a Modern Slavery Working Group which includes school representatives and which considers both the procurement systems and general education aspects of our work on modern slavery.
- To provide detailed training (via both online courses and face-to-face discussions) to all staff involved in school procurement.
- To develop and implement specific strategies for managing modern slavery risks in our three highest risk sectors: construction, computer hardware and textiles (uniforms).
- To review cleaning arrangements at all school sites to ensure that contractor employment arrangements are transparent and compliant with Australian employment legislation.
- To undertake a detailed review of all procurement activity to develop a more sophisticated understanding of our supplier profile and associated risks. It is noted that Mercy Education schools operate a range of different accounting and administration software systems which are not centrally accessible – making this task significantly more complex than for organisations with centralised accounting and procurement.

## Our Plans Beyond 2021

In 2022, Mercy Education aims to:

- Implement supplier codes of conduct and detailed procurement contract clauses.
- Continue to work with suppliers to understand their supply chain risks in greater detail. This will include the use of research and audit tools such as SEDEX. This may also involve a program of supplier rationalisation.
- Implement specific construction project protocols.
- Implement and publicise a remedy framework for those impacted by modern slavery via the *Domus 8.7* service.
- Move Mercy Education's focus from procurement education of leadership staff to all staff and students.

# Reporting Criteria 1 & 2: About Mercy Education Ltd

## Our Organisational Structure

Mercy Education Ltd is a company limited by guarantee. It is not a subsidiary of any other organisation, nor does it operate any subsidiaries of its own.

In 2020, Mercy Education operated 12 Catholic secondary schools in Victoria, South Australia and Western Australia. Most of these schools are over 100 years old and all were founded by local Australian congregations of the Sisters of Mercy.

The nine directors that comprise our Board have full responsibility for all civil governance matters. To assist with this oversight the Board maintains standing committees in respect of Finance, Risk, Education, Governance and Mission.

The National Office based in Alphington Victoria provides executive level support to both the Board and to our senior school leaders – Principals, Deputy Principals and Business Managers. This support is focused on strategic and structural issues relating to mission, quality, finance, governance and risk.

Operational decision-making at each of the twelve schools is the responsibility and purview of the College Principal, who reports directly to the Chief Executive.



## Our Governance Framework

The supervision of Mercy Education's responsibilities under the *Modern Slavery Act 2018* has been allocated to the Risk Committee of the Mercy Education Board. This is consistent with the treatment of other compliance requirements obligated by legislation.

Whilst the Risk Committee has primary carriage of this responsibility, it is acknowledged that other Board Committees have a significant interest in the topic as well, including the Board's Finance Committee (in respect of procurement) and Mission Committee (in respect of our moral and ethical obligations as people of Mercy).

For these reasons, the Board of Mercy Education will continue to maintain active supervision of our efforts and progress in respect of modern slavery.



## Our Operations

The following datapoints provide a snapshot of Mercy Education Ltd operations in 2020:

- Operated Catholic schools in South Australia (1), Victoria (8) and Western Australia (3).
- Seven of these schools provide a single gender education for girls and the remaining five operate on a co-educational basis.
- All of our schools offer a full secondary curriculum, with three of our schools also incorporating primary year levels into their operations.
- Eight of our schools are based in capital cities and four in major regional centres.
- Two of our regional schools operate across dual campuses – all other schools are based at a single campus.
- Approximately 12,580 students were educated in Mercy Education schools in 2020.
- Our youngest school is 83 years old and our oldest school is 174 years old – the average age of our schools is 131 years.

## Our Workforce

The following staffing guide relates to Mercy Education's 2020 operations:

- Approximately 1,650 staff worked in full-time or part-time employment across Mercy Education schools.
- A further 500 staff were directly employed on a casual basis as emergency teachers, sporting coaches, music tutors and other roles.
- In many of the schools, maintenance, groundskeeping and cleaning services are outsourced – these are the only staff who work at our schools who are not directly employed by Mercy Education. This category includes an estimated 60 workers.

## Our Supply Chain

In 2020 Mercy Education had a total operational turnover of \$260m. As an educational institution, the key element of our expenditure is the teaching and support staff whose salaries and employment related costs represented 64% of our turnover.

In terms of non-staffing expenditure, in 2020, Mercy Education spent \$50m on recurrent procurement costs and an additional \$21m on capital procurement (largely on buildings \$14m and computer hardware \$6m).

Due to the limitations of disparate accounting systems, Mercy Education currently has limited data in respect of expenditure levels with individual suppliers. However, Mercy Education works with over 2,000 individual suppliers annually.

A detailed discussion of the group's supply chain investigations is contained within the Statement. At this stage Mercy Education has limited data regarding specific suppliers but preliminary investigations suggest potential supplier risk issues in respect of China and South East Asia.

This risk will be reflected in the following areas:

- Construction (Materials and Imported Labour)
- Computer Hardware
- Clothing & Textiles
- Educational Resources

In 2021, Mercy Education will undertake two supply chain focussed projects:

- 1) Detailed review of all 2021 expenditure by supplier
- 2) Individual discussions with high risk, high spend suppliers

Both of these projects will provide significantly deeper insights into what portion of the schools' expenditures is actually high-risk, and where and why this is.



# COVID19 Impacts

COVID19 has definitely affected Mercy Education’s capacity to engage with suppliers – apart from increased internal demands to maintain school operations, there has been a sense that all suppliers are similarly stretched.

COVID19 has not significantly increased or decreased Mercy Education’s modern slavery risk. In terms of procurement, Mercy Education has reduced purchasing of some items (such as sporting equipment) but has purchased increased quantities of cleaning products. Purchases of personal protective equipment (mainly disposable face masks) were new items but consumption of these items was still very low.

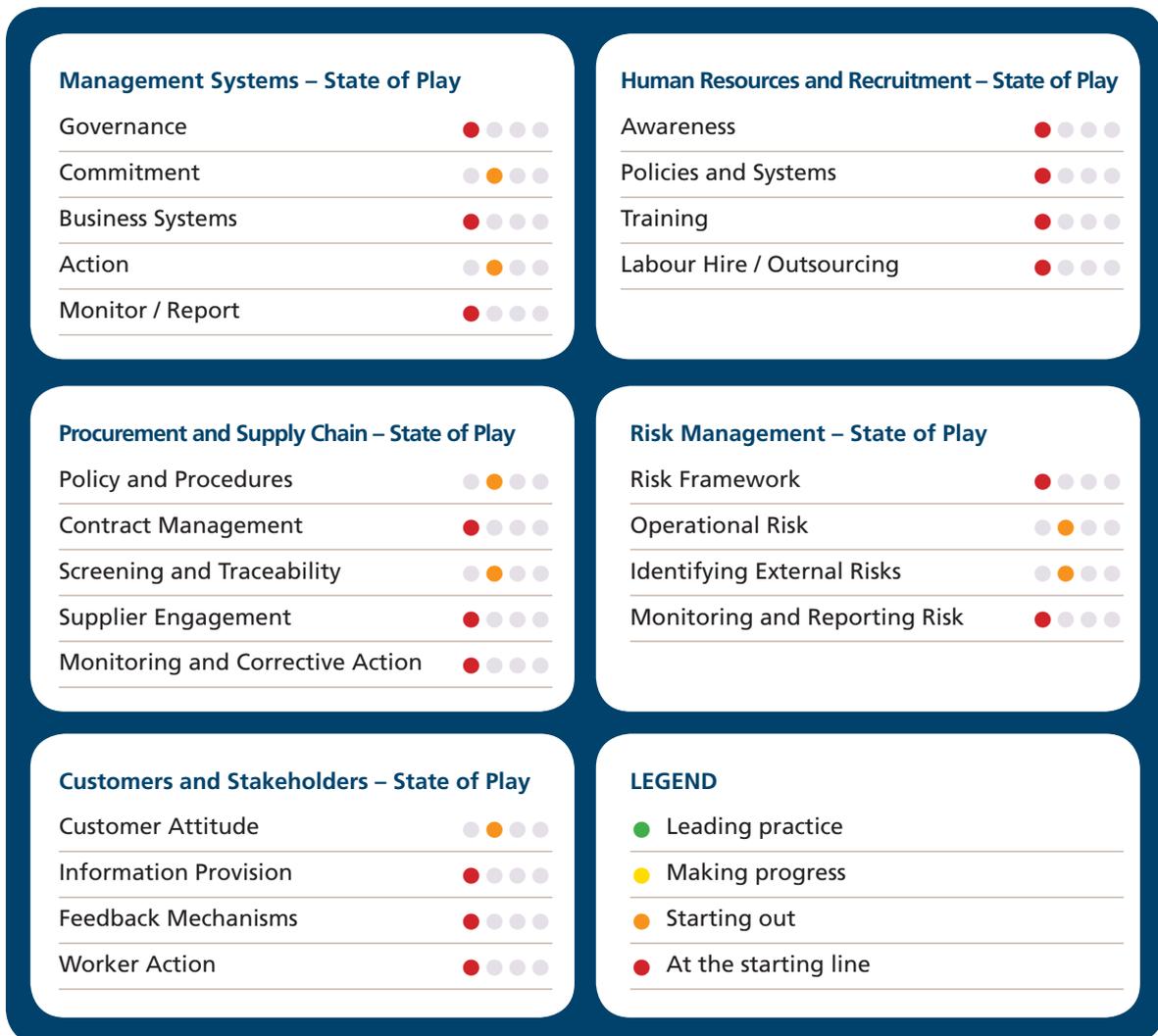
Mercy Education acknowledges that COVID19 has had the largest impact on the most vulnerable populations around the world. On this basis, it would be anticipated that COVID19 has led to deteriorating conditions for those caught in modern slavery.

# Modern Slavery Gap Analysis

At the start of 2020, Mercy Education had limited knowledge about the issues and risks pertaining to modern slavery and considered that it was an issue that had only peripheral connection to the work of schools. There were no systemic structures in place to adequately assess modern slavery risk or to ensure appropriate training and responses were in place.

The ‘Bridge the Gap’ analysis that follows has been assessed at the end of the 2020 year with some small advances now being documented. Most importantly, the awareness of modern slavery risk is now significantly more sophisticated among the key leaders of Mercy Education and the organisation now has a detailed action plan of the steps that are required to be implemented over the next two years.

There is clearly much more work to be done but understanding the topic and the work ahead has been the significant, foundational outcome of work in 2020.



# Supply Chain Risks

One of the key challenges identified by Mercy Education in undertaking a supply chain analysis is a decentralised accounting system. Each of the twelve Mercy Education schools and the National Office each use a variety of different software systems with no central interchange of data.

Mercy Education does have a common chart of accounts for quarterly reporting purposes and so this first supply chain analysis has been based on a review of aggregate group expenditure. Whilst this approach has still provided some significant insights, it includes the following limitations:

- a) It does not contain individual supplier details – including spend amounts. This has restricted the ability to identify the full complexity of the supply chain, particularly the number of suppliers and those ‘major’ suppliers with whom Mercy Education might target its efforts.
- b) Some of Mercy Education’s codes are not sufficiently granular to reporting specific categories; for example, waste management is a significant but not major operational expense that is contained in financial records within a broader cleaning expense category.

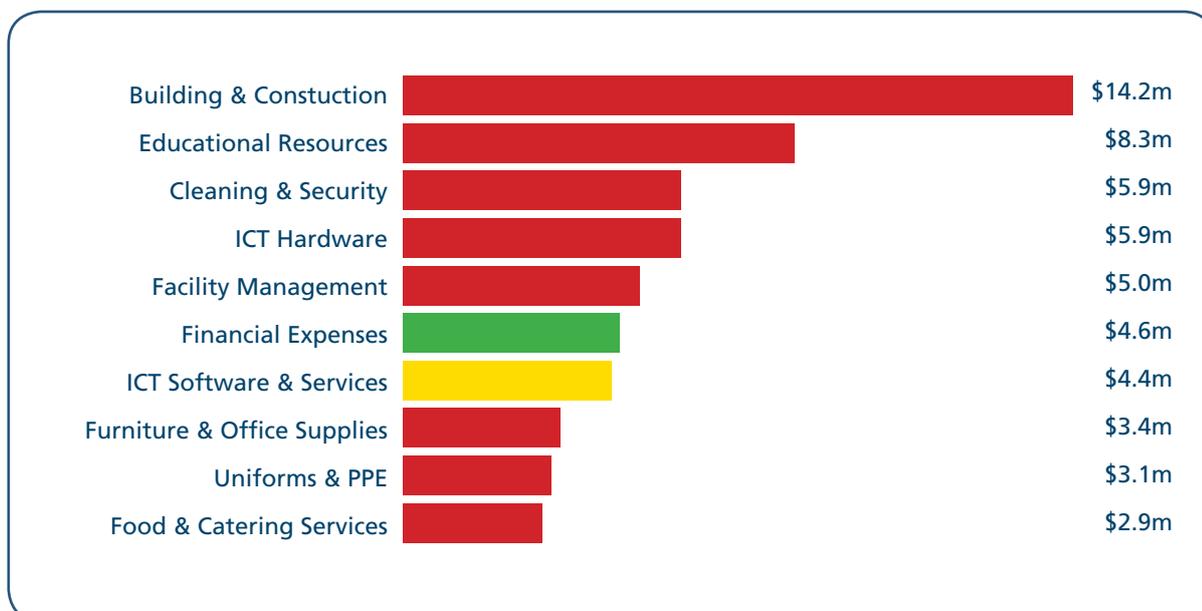
For this 2020 analysis, some of these deficiencies have been resolved by a separate survey of school business managers to identify key suppliers in what Mercy Education had previously (prior to joining ACAN) considered to be the three highest risk sectors: computer hardware, school uniforms and sporting equipment. A discussion on these items is included below.

In preparing this 2020 analysis, Mercy Education has relied on the ACAN procurement category risk assessments which evaluated specific **industry sectors** deemed as high risk in international and national guidance documentation. This analysis also considered **commodity & product** risk 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.

By gaining a better understanding of Mercy Education’s supplier profiles, the organisation and its schools will be able to improve identification of modern slavery risks in the procurement processes including a deeper understanding of **geographic location** production risks. It is expected that this deeper analysis would result in a significant re-classification of expenditure currently considered as high risk.

For the 2021 analysis Mercy Education will undertake a full supplier analysis for inclusion in its *Modern Slavery Statement* next year. Preparing accounting systems for this will be a significant focus of the 2021 work.

## TOP TEN PROCUREMENT CATEGORIES BASED UPON 2020 SPEND



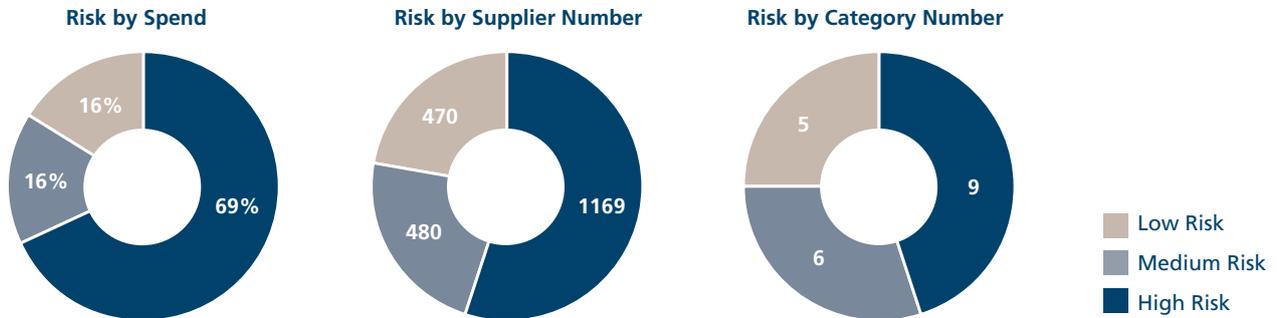
# Analysis of All Recurrent and Capital Procurement in 2020

Procurement Category	ACAN MS Risk Assessment <sup>1</sup>	Total Spend in 2020 (\$)	As % of total procurement	No. of suppliers <sup>2</sup>
Building & Construction	High	14,213,868	20%	20
Educational Resources <sup>3</sup>	High	8,298,128	12%	840
Cleaning & Security Services	High	5,870,927	8%	15
ICT Hardware	High	5,866,987	8%	10
Facility Management	High	5,004,815	7%	100
Furniture & Office Supplies	High	3,350,463	5%	100
Uniforms & PPE <sup>4</sup>	High	3,140,000	4%	22
Food & Catering Services	High	2,881,135	4%	60
Finance & Investment	High	222,578	0%	2
ICT Software & Network Services	Medium	4,415,691	6%	180
Utilities	Medium	2,581,833	4%	50
Travel & Accommodation	Medium	1,452,371	2%	120
Advertising & Marketing	Medium	1,263,543	2%	40
Fleet Management	Medium	673,527	1%	60
Plant & Machinery <sup>5</sup>	Medium	625,625	1%	30
Financial Expenses	Low	4,579,920	6%	10
Licence & Membership Fees	Low	2,557,189	4%	100
Educational Excursions <sup>6</sup>	Low	1,878,638	3%	180
Government & Agency Fees	Low	1,565,400	2%	120
Professional Services	Low	509,018	1%	60
<b>TOTAL 2020 RECURRENT &amp; CAPITAL PROCUREMENT</b>		<b>70,951,655</b>	<b>100%</b>	<b>2,119</b>

## Notes:

1. Mercy Education has drawn upon the detailed resources and references of the ACAN network to categorise the modern slavery risk associated with each procurement category.
2. Due to technical limitations of Mercy Education's current accounting system estimates of individual supplier quantities have been used. These estimates have been focused on the top 80% of spend in each category i.e. the actual supplier numbers may be higher.
3. This category was added by Mercy Education. Ranked as "High" due to the number of imported physical resources (stationery, books, sporting equipment, art equipment) but Mercy Education believes these items are a small percentage of this category spend overall.
4. Actual direct expenditure in this category was \$1.3m. This higher figure includes an estimate of the downstream uniform procurement spend by the seven "contracted out" uniform shop operations.
5. This category was added by Mercy Education. Ranked as "Medium" due to the high technical capacity required for production of such items.
6. This category was added by Mercy Education. Ranked as "Low" due to this expenditure occurring in Australia with professional education organisations (camps, outdoor education) and institutions (museums, galleries).

In 2020, Mercy Education procured \$71m of goods and services, of which 69% (\$49m) were purchases in potentially high-risk procurement categories. Mercy Education believes that by developing a better understanding of exactly what it is purchasing and from whom it is purchasing, this high-risk percentage is likely to drop significantly.



The middle pie chart above shows that Mercy Education has a significant number of suppliers (1,169) in the high-risk category. Mercy Education has provided a further analysis of this below in the consideration of high-risk procurement. Fortunately, although there are hundreds of suppliers in some categories (educational resources), there are also some categories where high-spend co-exists with a low number of suppliers (construction, cleaning, uniforms). This will provide the opportunity to focus first efforts on these areas where Mercy Education can make the biggest difference.

## Assessment of High-Risk Procurement

In considering the nine high risk categories, Mercy Education has developed an average spend per supplier indicator to assist in prioritising where to focus initial efforts.

\$ '000s	Average Supplier Spend	Category	Total Spend (\$m)	(\$m)	%
711		Building & Constuction		14.2	29%
587		Computer Hardware		5.9	12%
391		Cleaning and Security		5.9	12%
143		Uniforms		3.1	6%
111		Finance & Investment		0.2	0%
50		Facility Management		5.0	10%
48		Food & Catering		2.9	6%
34		Furniture & Office Supplies		3.4	7%
10		Educational Resources		8.3	17%
			<b>Total High Risk Procurement</b>	<b>48.9</b>	<b>100%</b>

As the left-hand panel of the chart above shows, Mercy Education will have a significantly greater impact by focusing initial efforts on those procurement categories where it has high average supplier spend. For this reason, in 2021 Mercy Education will focus on the top four categories listed above:

- Building and Construction
- Computer Hardware
- Cleaning Services
- Uniforms

A detailed analysis and response for each high-risk procurement category follows.

## ANALYSIS OF HIGH-RISK PROCUREMENT BY CATEGORY

High Risk Procurement Category	Average Supplier Spend	% of High Risk Spend	Mercy Education Reflections
<b>Building &amp; Construction</b>	710,693	29%	<p>Mercy Education has not historically understood construction (within Australia) to be high risk and believes that the large proportion of the \$14.2m expended in 2020 was spent with Australian construction business and their sub-contractors following Australian employment laws.</p> <p>Notwithstanding, we accept that there is a modern slavery risk in Australian construction and that the large contract sizes and the detailed oversight procedures relating to such contracts make it highly amenable to customer-driven controls to reduce this risk.</p> <p>Improving understanding of this risk, and Mercy Education's response, has been flagged as a priority project for 2021.</p>
<b>Computer Hardware</b>	586,699	12%	<p>Mercy Education spends over \$5m each year just on laptop devices. Currently these laptops are supplied by five main suppliers: Apple, Dell, Hewlett-Packard, Lenovo and Microsoft.</p> <p>Due to the size of these providers, they all provide annual Modern Slavery Statements. The sheer size of these suppliers and their high levels of visibility contribute to a strong public focus on their supply chain issues, reducing but not removing modern slavery risks.</p> <p>Mercy Education involvement with these suppliers will be restricted to evaluating their credentials via third-party certification agencies and participating in sector-wide projects with these suppliers. This may include increasing pressure on those suppliers whose responses lack significant insight or detail.</p>
<b>Cleaning &amp; Security Services</b>	389,272	12%	<p>During 2020, 11 of 12 Mercy Education schools used only contract cleaning services for their school operations.</p> <p>Whilst some of the suppliers in this area only use their own employed staff (on award wages), Mercy Education does not currently have any formal guidance for schools in place about expectations in this space.</p> <p>Developing such protocols will be one of the 2021 priority projects.</p>
<b>Uniforms &amp; Textiles</b>	142,727	6%	<p>During 2020, 5 of 12 Mercy Education schools operated their own uniform shop operations. However, Mercy Education accepts responsibility for supply chain risks where uniform sales are managed by an external provider and so the procurement figure shown includes an estimate of the total procurement spend including those companies as well.</p> <p>More than half of those schools that contract out their uniform operations use a single supplier. Initial discussions with this supplier suggest that they have robust policy and procedures in place to reduce modern slavery risks.</p> <p>Mercy Education's focus in 2021 will be to extend these discussions with this supplier and confirm this via external agencies. Mercy Education will also commence discussions with other uniform suppliers as well.</p>
<b>Finance &amp; Investment</b>	111,289	0%	<p>The total spend here is quite low and our investments are managed by Catholic Church Insurance Asset Management which has an ethical screen for all of our investments. No further action is currently proposed.</p>
<b>Facility Management &amp; Property Maintenance</b>	50,048	10%	<p>At this stage, Mercy Education does not believe its supplier profile in this area is high-risk. Services under this expenditure category tend to be supplied by either companies with a national presence and significant quality systems in place (maintenance of lifts, essential services, painting, grounds) or by small local businesses (electrical, plumbing).</p> <p>This risk level will be assessed in further detail once Mercy Education's full supplier analysis is undertaken in 2021.</p>

High Risk Procurement Category	Average Supplier Spend	% of High Risk Spend	Mercy Education Reflections
Food & Catering Services	72,028	6%	Supplier engagement in this area will be considered for 2022 once the results of Mercy Education's 2021 supplier analysis are complete.
Furniture & Office Supplies	18,614	7%	Supplier engagement in this area will be considered for 2022 once the results of Mercy Education's 2021 supplier analysis are complete.
Educational Resources	9,879	17%	<p>Whilst this category represents a significant portion of Mercy Education's high-risk spend, there are a number of issues that preclude significant attention at this point:</p> <ol style="list-style-type: none"> <li>1) Mercy Education does not have sufficient detail about expenditure in this category due to the limitations of its accounting systems.</li> <li>2) Due to the nature of these expenses, it is probable that most expenditure in this category is actually low-risk and involves sole proprietors, small businesses, professional associations and publishers operating in Australia.</li> <li>3) The sheer volume of suppliers in this category and the low average spend makes supplier engagement ineffectual.</li> </ol> <p>Mercy Education acknowledges that this expenditure area may contain actual high risk purchasing such as sporting goods, stationery and overseas printing. Expenditure in this area will be reviewed in greater detail following the detailed supplier review being completed in 2021.</p>



# Reporting Criteria 4: Actions Taken to Assess and Address Risk

## Mercy Education's Focus and Approach in 2020

Prior to 2020, modern slavery was a topic that was generally addressed by Mercy Education at the local school level. As a school system that is committed to Mercy values, Mercy Education has strong social justice frameworks in place in each of its schools supported by an enthusiastic and engaged student and staff cohort.

In consideration of the Modern Slavery Statement and the work of the Australian Catholic Anti Slavery Network, it became clear that Mercy Education's current response needed to be formalised and elevated to the corporate governance level. This would ensure a greater consistency of response across the organisation and a resulting greater impact in reducing the impacts of modern slavery.

2020, then, has been a year for Mercy Education to understand the full scope of the issue and to consider, document and prioritise its responses. In 2021, Mercy Education will work to deploy this greater understanding into training, policies and procedures, governance oversights and supplier relationships.

## Steps Taken in 2020

### 1) APPOINTMENT OF MODERN SLAVERY LIAISON OFFICER (MSLO)

In mid-2020, Mercy Education's outgoing Chief Financial Officer was appointed as our initial Modern Slavery Liaison Officer (MSLO). Mr Joseph Konynenburg has significant insights into school operations and supply chains from his time in that role and he is also well-known to the local school leadership teams. As a registered teacher himself, Joe has a strong capacity to connect this work to the local staff and student level as well. Joe will continue in this MSLO role managing Mercy Education's Modern Slavery response through 2021.

### 2) JOINED THE AUSTRALIAN CATHOLIC ANTI-SLAVERY NETWORK (ACAN)

Whilst Mercy Education discovered ACAN late into our Year One journey, it remains very excited to be part of this collaborative approach working with colleagues across the Catholic Church in Australia. Apart from the excellent resources and support this membership provides, it is also a significant opportunity to magnify the scope of our impact in our conversations with individual suppliers and to develop creative and pastoral solutions for remediation such as the *Domus 8.7* project.

### 3) PREPARED MERCY EDUCATION'S FIRST MODERN SLAVERY STATEMENT

The preparation of this first Modern Slavery Statement has required considerable resources but has also provided an excellent framework for Mercy Education to develop a significantly more coherent response (and action plan) to this issue.

### 4) UNDERTOOK FIRST PROCUREMENT RISK ANALYSIS

The first project was an analysis of expenditure with the top three suppliers in each school for these areas that initially identified as areas of highest risk (computer hardware, school uniforms and sporting equipment). This helped to confirm that computer hardware and school uniform purchasing were high risk expenditures, each with a limited number of suppliers. This makes both suitable targets for immediate action and they are included in Mercy Education's four procurement categories for further action in 2021.

The second project was a full classification of all corporate procurement expenditure by sector category (with associated risk assessment). This was a high-level analysis which evaluated all procurement (both recurrent and capital) for the organisation in 2020, along with an estimate of the number of suppliers involved across the group in each category.

This assessment demonstrated that construction risk was an area that Mercy Education had not previously considered in our discussions of modern slavery. It also highlighted the level of expenditure on contract cleaning services and the associated risks of sub-contracted supplier operations. On this basis, both construction and cleaning services have been added to Mercy Education's four procurement areas for further action in 2021.

### 5) UPDATED MERCY EDUCATION'S PROCUREMENT DELEGATIONS OF AUTHORITY

Whilst a comparatively small step, the major corporate delegations of authority document has been updated to require procurement officers to require suppliers in high-risk procurement areas to provide written confirmation as to how the supplier manages modern slavery risks in their supply chain prior to being selected for contract.

Mercy Education anticipates significant further work in 2021 in refining and extending policy settings and supplier contracts around modern slavery and providing effective training to all procurement staff.

# Modern Slavery Action Plan and Road Map

Mercy Education will continue to work within the ACAN framework to maximise its impact on modern slavery. This includes ongoing professional development as well as participation in the educational sector-wide action plans.

The following road map documents Mercy Education's key achievements for 2020 as well as its specific objectives for 2021 and 2022.

Focus	2020	2021	2022
Our Governance	<ul style="list-style-type: none"> <li>Update procurement policies to require modern slavery assessment in high-risk procurement.</li> </ul>	<ul style="list-style-type: none"> <li>Establish cyclical reporting framework and procedures</li> <li>Lodge first modern slavery statement (for 2020)</li> </ul>	<ul style="list-style-type: none"> <li>Review progress to date and establish forward action plan</li> </ul>
Our Risks	<ul style="list-style-type: none"> <li>Appointment of Modern Slavery Liaison Officer</li> </ul>	<ul style="list-style-type: none"> <li>Join ACAN to increase our leverage and access to quality resources</li> <li>Establish Modern Slavery Working Group across our schools</li> <li>Add modern slavery as specific risk to corporate risk register</li> </ul>	<ul style="list-style-type: none"> <li>Implement and publicise remedy framework for victims of modern slavery via the collaborative Australian Catholic project <i>Domus 8.7</i></li> </ul>
Our Suppliers	<ul style="list-style-type: none"> <li>Identify key suppliers in computer hardware and school uniform supplies and review their Modern Slavery documentation</li> </ul>	<ul style="list-style-type: none"> <li>Develop full supplier analysis based on all procurement during calendar year across all schools</li> <li>Undertake employment conditions review of all staff on school sites not directly employed by the school (i.e. cleaning, maintenance)</li> <li>Commence supplier discussions with construction, uniform and ICT providers</li> </ul>	<ul style="list-style-type: none"> <li>Develop Supplier Code of Conduct</li> <li>Implement supplier legal clauses in procurement documentation</li> <li>Undertake SEDEX supplier credentials evaluation for suppliers receiving top 50% of procurement spend</li> </ul>
Our Staff	<ul style="list-style-type: none"> <li>Notify school leaders about Modern Slavery risks and reporting requirements</li> </ul>	<ul style="list-style-type: none"> <li>Ensure all school leaders and procurement staff have completed training modules on modern slavery risks.</li> </ul>	<ul style="list-style-type: none"> <li>Local procurement staff and school leaders to provide professional development to all staff members on modern slavery risks</li> </ul>
Our Students & Families		<ul style="list-style-type: none"> <li>Audit and document existing student programs on modern slavery</li> </ul>	<ul style="list-style-type: none"> <li>Establish documented curriculum coverage of modern slavery issues in each school.</li> <li>Produce and distribute modern slavery information document to all families across all schools</li> </ul>

## Remediation Pathways

Mercy Education is committed to ensuring it provides appropriate and timely remedy to people impacted by modern slavery in accordance with the United Nations Guiding Principles on Business and Human Rights, Commonwealth Modern Slavery Act 2018 – Guidance for Reporting Entities and relevant Australian laws. This includes providing for, or co-operating in, actions to address harms to people and root causes to mitigate future risks if Mercy Education 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, Mercy Education is a founding partner of *Domus 8.7* – an independent program to provide remedy to people impacted by modern slavery.

Mercy Education'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*, Mercy Education can help people impacted by modern slavery achieve meaningful outcomes that can be reported on and continuously improve risk management and our response.

Where Mercy Education is directly linked to modern slavery by a business relationship, Mercy Education is committed to working with the entity that caused the harm to ensure remediation and mitigation of its recurrence.

# Reporting Criteria 5: Effectiveness Assessment

Mercy Education notes that slavery of any form is a scourge on humanity, repugnant and entirely antithetical to our value system. As Christian people, Catholics are called and obligated to take vigorous and immediate action to defeat these societal evils.

As such, the work against Modern Slavery has been accepted as an organisational-wide priority requiring both corporate and local responses.

Mercy Education has identified and is implementing for 2021 a governance oversight model for modern slavery as follows:

Tier	Group	Accountabilities
1	Mercy Education Board	<ol style="list-style-type: none"> <li>1) The Mercy Education Ltd Board reviews and endorses the Modern Slavery Statement before it is approved for publication.</li> <li>2) Modern Slavery will be added as a recurring agenda item to the standard Board agenda.</li> <li>3) The Mercy Education Board will receive the regular minutes of the Modern Slavery Working Party.</li> <li>4) The separate Risk, Finance and Mission Committees of the Board will each receive feedback from and have input into the Modern Slavery Working Party.</li> </ol>
2	Mercy Education Executive Staff	<ol style="list-style-type: none"> <li>5) At least one member of National Executive Staff will be on the Modern Slavery Working Party.</li> <li>6) The National Executive Staff will receive the regular minutes of the Modern Slavery Working Party.</li> <li>7) Each member of the National Executive Staff will have exposure to and input into our Modern Slavery response via their Board Committee accountabilities.</li> </ol>
3	Modern Slavery Working Party	<ol style="list-style-type: none"> <li>8) The Modern Slavery Working Party will be convened in 2021 and will take primary carriage of the Modern Slavery issue, and the Mercy Education response.</li> <li>9) Membership will include representatives of Principals, Teachers, Business Managers, Procurement Officers and Students.</li> <li>10) Each school will also have a delegated modern slavery liaison officer (MSLO) who will represent their school on the Working Party and lead the discussion of these issues locally.</li> <li>11) The Modern Slavery Working Party will supervise the implementation, and ongoing updating, of the Mercy Education Modern Slavery Road Map.</li> </ol>

# Reporting Criteria 6: Process of Consultation with Entities Owned or Controlled

Mercy Education Ltd does not own or control any other entities.

# Reporting Criteria 7: Other

Mercy Education believes the scope of our modern slavery response in 2020 has been comprehensively documented across the first five criteria.



*Senior drama students at the Academy of Mary Immaculate, Fitzroy (VIC), perform an ensemble performance based on the theme of Slavery in Australia.*



**MERCY EDUCATION LIMITED**

720 Heidelberg Road, Alphington Victoria 3078 ■ PO Box 5067, Alphington Victoria 3078

Tel: (03) 9490 6600 ■ Email: [contact@mercy.edu.au](mailto:contact@mercy.edu.au) ■ [www.mercy.edu.au](http://www.mercy.edu.au)

ABN: 69 154 531 870