

# Modern Slavery Statement 2021

**RACQ** 

# RACQ Modern Slavery Statement 2021

This is the second Modern Slavery Statement for The Royal Automobile Club of Queensland Limited (RACQ). It describes the actions taken by RACQ to address modern slavery<sup>1</sup> risk within its operations and supply chain for the financial year ended 30 June 2021. This statement has been prepared to comply with the requirements of the Modern Slavery Act 2018 (Cth) (the Act). All content is accurate as at 30 June 2021.

This is a joint statement made on behalf of all applicable entities in the RACQ Group, including *The Royal Automobile Club of Queensland Limited (ABN 72 009 660 575)*, *RACQ Operations Pty Ltd (ABN 80 009 663 414)*, *Members Banking Group Limited (ABN 83 087 651 054)*, and *RACQ Insurance Limited (ABN 50 009 704 152)*.

<sup>1</sup> As defined in the Act



## Our business

RACQ is a business of people for people. We exist to make a positive difference in the lives of others. This approach underpins a shared purpose, vision and values which shape everything we do. RACQ recognises our decisions and actions can affect people in our business, as well as our members and the communities in which we operate.

RACQ is committed to upholding and promoting human rights and expects its suppliers and partners to do the same. RACQ is committed to taking the necessary steps to identify and address modern slavery in our operations and supply chain, and to continuously improve our understanding of, and response to, modern slavery risks.

Formed in 1905, RACQ is Queensland's largest club with almost 1.8 million members. RACQ provides a range of products and services to our members, customers, and the Queensland community. These products and services include roadside assistance, insurance, banking, and advocacy.

RACQ employs approximately 2,400 people across 29 locations in Queensland, including 33 RACQ stores and a local 24/7 call centre. RACQ utilises a network of contractors, suppliers, agents, and partners who support us in running our business, both operationally and in the supply of products and services, across various categories, including staff and contractors, technology, property, corporate and professional services, insurance claims, and marketing. Most of RACQ's suppliers and outsourced service providers are based in Australia. There are a small number of suppliers located overseas, some of which have a presence in geographies which may represent a higher modern slavery risk (as identified by Global Slavery Index) such as Thailand, the Philippines, India, and China.

RACQ also plays a vital role in helping Queensland communities through several initiatives, including the RACQ Foundation and the sponsorship of helicopter rescue services.

RACQ Group has three main business lines: Banking, Insurance, and Assistance. These are supported by centralised Group functions, including Member & Community, Group Finance, Group Risk & Compliance, Human Resources, and Technology.

# Our three main business lines

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## RACQ Bank

RACQ Bank offers retail banking products to approximately 86,000 members. The product and service offerings include transaction and savings accounts, term deposits, personal borrowing including home loans, personal loans and overdrafts, investment loans and overdrafts and secured business loans and overdrafts.



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## Insurance

RACQ Insurance is one of the largest providers of insurance in Queensland, with over 2 million current insurance policies. The insurance business line provides personal insurance lines to members with a range of products including motor, CTP, home and contents, pet, caravan, and boat insurance.



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## Assistance

The Assistance business provides a range of services to members built around the needs of their car and home. Roadside assistance covers 1.3 million Queenslanders on a 24/7 basis. Services are delivered Australia wide through an extensive network of staff and contractors. The home assistance business is supported by a range of building tradespersons located in South-East Queensland. There are also a range of automotive products provided including batteries, vehicle inspections, automotive repair, fuel repatriation, glass and auto electrics.



# Investments

RACQ has a portfolio of internally and externally managed investments, including Australian and International equities, infrastructure, direct property, alternatives, money market securities and cash. All of RACQ's external investment managers are signatories to the United Nations-backed Principles for Responsible Investment (PRI) as well as other responsible investment-related initiatives such as the Responsible Investment Association of Australasia.

During FY21 monies invested in international equities were moved to funds that exclude investment in companies who are involved in controversies relating to the UN Global Compact. This includes Compact principles relating to the elimination of all forms of forced and compulsory labour and the effective abolition of child labour. The majority of funds managed internally are invested in the debt instruments of Australian banks, with a small investment in direct property.

In addition, RACQ has equity interests in a range of other strategic investments, including through subsidiaries and joint ventures.

These interests are primarily focused on the following areas:

- Roadside assistance and mobility solutions, including windscreen repairs and replacements, and automotive batteries and mobile roadside support tools
- Insurance products and services
- Business-to-business booking and ticketing platforms, and
- Travel and tourism services.



## Our commitment

RACQ recognises that modern slavery can take many forms, including trafficking in persons, slavery servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

Whilst RACQ acknowledges that no sector or industry is immune from the risks of modern slavery, we are committed to operating responsibly and taking all reasonable steps to identify and prevent any acts of modern slavery occurring in our operations and supply chain. This includes a commitment to maintaining and improving our internal systems and controls to ensure these remain effective.

# Our policies, processes, and procedures

RACQ has a suite of internal policies and procedures which inform the way we work and aim to ensure that we operate in an ethical and responsible manner. These include:

- RACQ Code of Conduct
- Discrimination, Harassment and Workplace Bullying Policy
- Diversity and Inclusion Policy
- Group Procurement and Contract Management Policy
- Group Outsourcing Policy
- Group Whistleblower Policy
- Group Remuneration Policy, and
- RACQ Vulnerable Consumer Policy

RACQ also conducts risk assessments and performs supplier due diligence as part of our procurement and partnering activities, which includes the identification and assessment of modern slavery risk.

RACQ Group Internal Audit (GIA) assurance activities, conducted on a cyclical basis in accordance with GIA's risk-based annual audit plans, include reviews of the effectiveness of our internal policies and their implementation. These audit plans are approved by the Group Audit Committees and the results of audit activities are reported to the Group Audit Committees.



## Potential risks

RACQ takes the risk of modern slavery seriously and does not want to be complicit in perpetuating modern slavery.

A review of the Group's operations and supply chain was undertaken to establish a baseline for identifying potential modern slavery risk. This review was based on the following risk factors that increase the risk of modern slavery practices, including vulnerable populations, high-risk geographies, high-risk sectors, and high-risk business models. Based on this assessment, we have identified the following areas of potential risk in our operations and supply chain:

- Direct and indirect procurement of high-risk goods and services, including:
  - technology products and services
  - property and building services, including facilities management and cleaning services
  - construction services and building materials
  - corporate uniforms
  - print and promotional materials
  - office supplies and consumables, including stationery
  - batteries, tyres and auto glass
- Business partners, including investment managers and joint venture partners
- Vulnerable populations, including vulnerable consumers.

# Actions taken during the reporting year

In this second reporting year, RACQ has focussed on implementing reviews and assessment of modern slavery risk in the context of its operating environment and establishing the foundations upon which to effectively identify and manage modern slavery risk. Key actions taken during the second reporting period included:

- Classification of supplier categories into low, medium and high risk segments for prioritised assessment of suppliers for potential modern slavery risk.
- Procurement and implementation of a third-party platform and managed service to survey RACQ suppliers and assist in the assessment of modern slavery risk.
- Internal review and assessment of RACQ's industrial compliance risk.
- Increased awareness of modern slavery across the organisation through leader bulletins, group wide communications and development of an online learning package for all staff.
- Updated our base contract precedents to contain modern slavery clause provisions and when negotiating new contracts or renewing existing arrangements, have included our preferred modern slavery clauses or a negotiated clause in those contracts.
- Implementation of Vulnerable Consumer Program frameworks to govern and guide identification, assessment and management of consumer vulnerabilities.



## Reporting channels

RACQ provides access to an external reporting service (Stopline) - an independent and confidential service that operates 24 hours a day, 365 days a year - to receive whistleblower reports from our employees and third parties regarding illegal or unethical conduct.

Stopline's contact details are:

**Phone**  
1300 304 550

**Website & Online Reporting Form**  
[racq.stoplينereport.com](http://racq.stoplينereport.com)

**Address**  
RACQ c/o Stopline  
PO Box 403, Diamond Creek VIC 3089

**Email**  
[racq@stipline.com.au](mailto:racq@stipline.com.au)

Employees can also report through published internal channels. Reporting of information can be made anonymously.



## Monitoring

RACQ Group's Chief Risk Officer has overall responsibility for monitoring RACQ Group's modern slavery compliance. Ownership of identifying and managing modern slavery risks sits with first line business units and functions.

## Next steps

RACQ is committed to continuously improving its ability to identify and manage modern slavery in its operations and supply chain. In line with this, RACQ will undertake the following activities during the next reporting period:

- Continue to assess and manage modern slavery risks with RACQ's third party engagements.
- Extend assessment of modern slavery risks for RACQ's identified high risk areas to supply chain for our suppliers.
- Develop regular assurance and audit processes for continued monitoring of modern slavery compliance within RACQ's supply chain.
- Capture and remediate / respond to any issues or risks outside of tolerance identified through these, and our regular processes.

The RACQ Group Finance function, under the CFO developed this joint statement in collaboration with representatives from each reporting entity and members of RACQ's Modern Slavery Working Group. The statement was reviewed by the Group Executive team and endorsed by the Group Executives for each reporting entity as well as the Group Chief Executive Officer. The Statement has been reviewed and approved by the respective boards.

Handwritten signature of Elizabeth Jameson AM in black ink.

Elizabeth Jameson AM  
President and Chair

Handwritten signature of David Carter in black ink.

David Carter  
Group Chief Executive Officer

**RACQ**