

Joint Modern Slavery Statement FY2023

Under the Modern Slavery Act 2018 (Cth)

The Royal Automobile Club of W.A. (Inc.)

ABN 33 212 133 120

RACWA Holdings Pty Ltd

ABN 60 008 985 877

RAC Insurance Pty Ltd

ABN 59 094 685 882



For the better

RAC Modern Slavery Statement

For the Reporting Period
1 July 2022 to 30 June 2023



Reporting entities

This Joint Statement is made pursuant to the Modern Slavery Act 2018 (“the **Act**”) and is submitted by The Royal Automobile Club of W.A. (Inc.). This statement has been prepared in consultation with RAC’s reporting entities, RACWA Holdings Pty Ltd and RAC Insurance Pty Ltd (“**RAC**”).

A Modern Slavery Working Group was established in RAC in 2019, which has senior representatives from RACWA Holdings Pty Ltd and RAC Insurance Pty Ltd. The Working Group inform and contribute to the development of this statement, having regard to the matters noted below.

The respective boards of each entity have considered and approved this Joint Modern Slavery Statement.

The purpose of this statement is to set out:

- » RAC’s structure, operations, and supply chains;
- » modern slavery risks in RAC’s supply chains; and
- » the steps RAC has taken to identify and minimise these risks.

Each year, we aim to show our progress and maturity in our understanding and response to modern slavery risks.

About RAC

For more than 118 years, RAC has been a purpose-led member organisation which has evolved into one of the most trusted and recognised organisations in WA, now with more than 1.2 million members.

Purpose

The driving force for a better WA.

Vision

2030: A safer, sustainable and connected future for Western Australians.

Mission

Delivering great member services and experiences, while inspiring positive community change, that makes life better in WA.



RAC's reporting structure

The Royal Automobile Club of W.A. (Inc.) (an incorporated association governed by the Associations Incorporation Act 2015 (WA)) is a reporting entity under the Act.

As shown in the below diagram, RACWA Holdings Pty Ltd is wholly owned by The Royal Automobile Club of W.A. (Inc.). RAC Insurance Pty Ltd is a wholly owned subsidiary of RACWA Holdings Pty Ltd.



RAC's operations

Located in Western Australia, RAC has a range of operations which centre upon delivering diverse member services and experiences, while inspiring positive community change, that makes life better in WA.

The services provided by the RAC group of companies include:

- » social and community impact initiatives, centred around the pillars of safe, sustainable and connected, which benefit members and the Western Australian community;
- » roadside assistance;
- » retail general insurance products;
- » automotive repair and maintenance services;
- » travel and tourism services;
- » holiday parks;
- » home repair and maintenance services;
- » small consumer loan services;
- » sales, distribution and membership operations;
- » retirement living services;
- » new business prototype, including market testing; and
- » an innovation venture capital fund.

RAC employs approximately 2,000 people, which comprises a blend of direct employees and contractors, the majority of which are within Western Australia.



RAC's suppliers

The RAC's operations continue to mainly utilise the provision of goods and services from direct suppliers located within Western Australia.

Similar to FY22 the goods and services that are most commonly sourced from suppliers outside Australia include commercial construction materials, stationery, motor vehicle parts, batteries, home building materials, software services and technology.

RAC's investment portfolios

RAC acknowledges that modern slavery risks may arise in the RAC's two investment portfolios. Each of RACWA Holdings Pty Ltd and RAC Insurance Pty Ltd has an externally managed investment portfolio.

RACWA Holdings' portfolio is predominantly invested in wholesale unit trusts with the balance in cash. The trusts include investments in Australian and international equities, global property, alternatives and interest bearing securities, and utilise external investment managers.

RACWA Holdings' investment advisers have integrated approaches and processes in place to assess the modern slavery risks of all the investment managers that their clients are invested with. This is both in relation to the managers' own supply chains and day to day operations, and as to how each manager integrates modern slavery risk into its investment process.

RAC Insurance's portfolios are invested in interest bearing securities and cash. Its investment manager considers modern slavery risks as part of the investment process and as such the risks are considered for all issuers in the portfolio and on the investment manager's coverage list.

In addition to the above, RAC requires its investment advisers and managers to consider environment, social and governance (ESG) matters as part of their investment processes when selecting, retaining or realising investments. Further, the ESG policy and processes of the manager is one of the items that is closely assessed as part of the due diligence process when appointing an investment manager. The manager is then monitored in relation to their ESG practices and compliance on an ongoing basis.

Modern slavery acknowledgement

With the change in the Western Australia landscape following the impacts of COVID-19 RAC acknowledges with increased migration to Western Australia, there are modern slavery risks which impact certain industries (like horticulture, hospitality and tourism). With an increase in casual and overseas workers in its holiday park operations expected to continue over the next 12 months, RAC is committed to its compliance with Industrial Relations and Employment Laws and ensures that all its employees and contractors are appropriately engaged, and in accordance with applicable awards and conditions.



Modern slavery risks

In 2022 financial year the RAC appointed an external consultant, Fair Supply to provide continued assistance to address modern slavery risks.

Consistent with previous years, the RAC's modern slavery risks profile remains low as:

- a) the majority of our suppliers are located in Australia or otherwise in regions to be considered as relatively low geographical risk;
- b) whilst RAC's products and services span a number of industries, for the most part these are not high modern slavery risk industries; and
- c) the risk of disadvantaged supplier workforce is low due to the factors above.

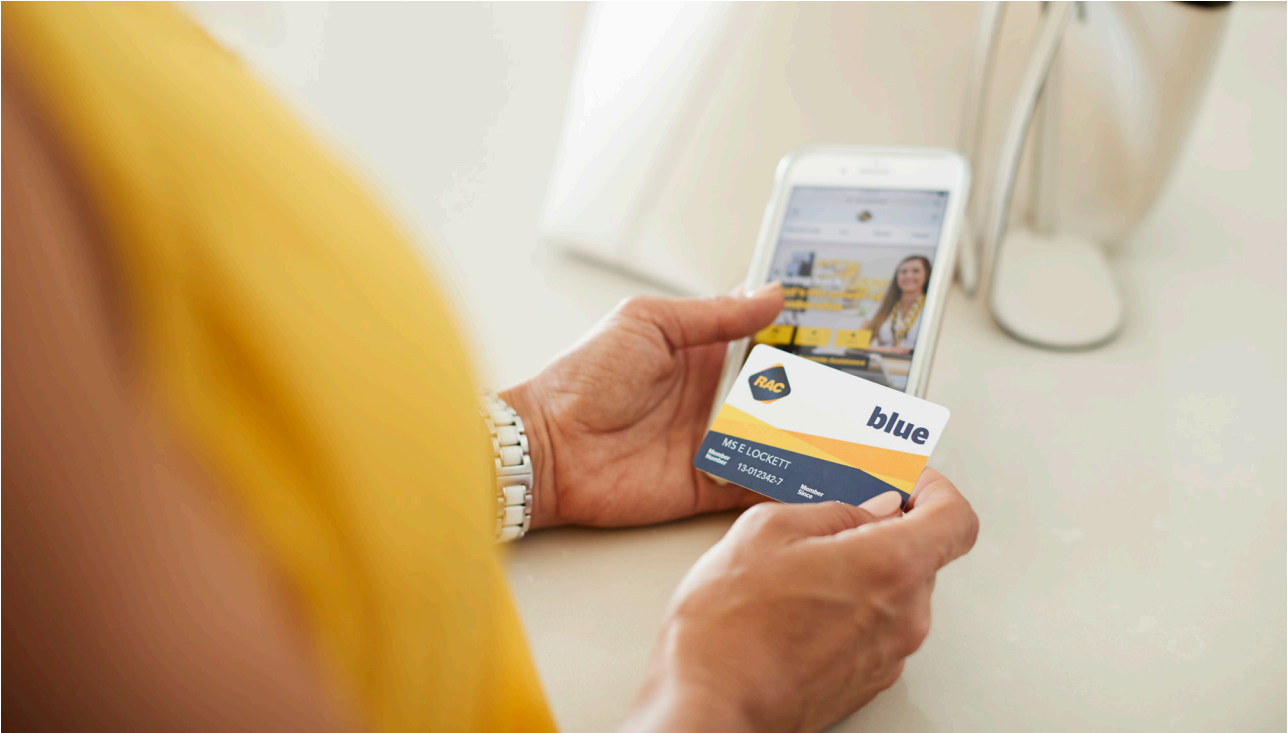
Steps taken by RAC to assess and address risks in our supply chain

RAC has taken the following steps to assess and address modern slavery risks:

- » assessed the results received from Fair Supply's assessment. The Modern Slavery Working Group have actively engaged with Fair Supply to ensure that the RAC is consistently assessing its modern slavery risks;
- » the cross functional Modern Slavery Working Group meets on a regular basis to consider how the RAC can improve its modern slavery practices, and how it can maintain its low modern slavery risk profile;

- » based on Fair Supply's assessment of the RAC's modern slavery risks, the Modern Slavery Working Group continue to determine additional due diligence requirements of the existing suppliers;
- » as a part of onboarding new suppliers, provides the supplier with a modern slavery checklist;
- » all new key contracts contain modern slavery clauses;
- » continues to provide modern slavery training and awareness; and
- » formalised RAC's governance framework so that the Modern Slavery Working Group reports into the respective risk committees of RACWA Holdings Pty Ltd and RAC Insurance Pty Ltd, so as to introduce greater oversight by executives and leaders on modern slavery issues.

The above steps aim to ensure that all entities in RAC are aligned in our modern slavery approach.



Assessing the effectiveness of our actions

We continue to track and monitor our performance and seek to identify further ways we can address and minimise Modern Slavery risk going forward.

We assess the effectiveness of our actions taken by:

- » regularly checking our risk assessment processes to ensure they remain relevant and up to date;
- » having regular engagement and feedback between key areas of the organisation (including Commercial, Human Resources, Risk & Compliance and Legal), to highlight potential areas of improvement;
- » tracking the actions taken and measuring their impact;
- » considering trends in cases reported through grievance mechanisms and how these cases were handled; and
- » monitoring global trends and best practice to ensure RAC's actions align with these standards.

We continue to ensure RAC's modern slavery initiatives are embedded, respected and upheld throughout the organisation.

RAC's Modern Slavery Statement is publicly available on its website: www.rac.com.au.

This joint statement is approved by RAC Council for and on behalf of The Royal Automobile Club of W.A. (Inc.) and its wholly owned subsidiaries RACWA Holdings Pty Ltd and RAC Insurance Pty Ltd.

Signed

27/11/2023

Dated

Allan Blagaich

Name

President

Position



rac.com.au