

The RACV logo is a yellow square containing the word "RACV" in blue, italicized, sans-serif font. Below the text are three white horizontal lines of varying lengths, suggesting a stylized horizon or a road.

RACV

RACV Modern Slavery Statement

for Financial Year 2021



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Our Commitment

RACV recognises that modern slavery is a complex global issue. We are committed to acting ethically and transparently in all business dealings and putting effective systems and controls in place to safeguard against modern slavery within our operations and supply chains.

This Modern Slavery Statement is made pursuant to the *Modern Slavery Act 2018* (Cth) by Royal Automobile Club of Victoria (RACV) Limited in respect of RACV and its related bodies corporate (**RACV Group**) for the financial year ending on 30 June 2021. It explains the steps RACV has taken to identify, detect and respond to slavery and human trafficking within our operations and through our supply chains during the financial year ending 30 June 2021.

Our business

RACV is a mutual organisation with more than 2 million Members. Our purpose is to improve the lives of Victorians by addressing their needs in our business areas of mobility, home, leisure and travel and continuing to be their advocate.

We provide products and services such as emergency roadside and home assistance, insurance and finance, resorts, leisure and travel services, home security, drive school, vehicle inspections, towing, solar power systems, and telematics and connected vehicle services.

Our Corporate Structure

RACV is a mutual and the parent company that owns and controls other operating companies which together form the RACV Group. RACV-branded businesses, such as RACV's lending, insurance distribution, emergency assistance and leisure businesses, are centrally managed by the RACV executive team. For the FY21 period, the companies responsible for operating those business activities and their operations are set out in Table 1 below.

Table 1: Wholly owned subsidiaries operating under the management of RACV's executive management team during FY21

Company	Business operations
RACV Insurance Services Pty Ltd	Distribution of RACV Home and Motor Insurance
R.A.C.V. Finance Limited	Issuing and distributing RACV Personal Loans
RACV Investment Holdings Pty Ltd	Supporting Members with emergency home assistance repairs and the management of RACV Hobart Hotel
Arevo Pty Ltd	Real-time journey planning
Property Safe Investments Pty Ltd	Provision of property services



Other business operations, such as towing and telematics and connected vehicle services, are managed by their own executive teams governed by their own procurement and people management policies and procedures. The companies responsible for operating those businesses are described in Table 2 below.

Table 2: Wholly owned subsidiaries operating under their own executive management teams during FY21

Company	Business operations
Gippsland Solar Pty Ltd	Distribution and installation of solar power systems
Intelematics Pty Ltd	Telematics and connected vehicle services
Nationwide Group Pty Ltd*	Towing transport and emergency roadside assistance services

* Nationwide Group Pty Ltd became a wholly owned subsidiary of RACV on 11 May 2021.

Our operations and supply chains reflect the diversity of our business operations. A full list of the RACV Group companies covered by this Statement is set out at the end.

Our operations

RACV provides services to more than two million Members in Victoria. We also have many national operations and customers through our diverse business activities, ranging from consumers and small business to large enterprises.

We operate seven resorts across Victoria and Queensland, two RACV Club and leisure facilities in Victoria, and a hotel in Hobart.

Across Victoria, RACV also maintains a network of 19 retail stores and agencies throughout metropolitan and regional Victoria. RACV's 12 agencies are operated by local businesses. Staff working in RACV's retail stores are direct employees of RACV. Staff operating in agencies operated by local regional businesses are direct employees of the operator. Some of our emergency assistance services and solar power installations are provided by our contractors across Victoria.

We employ approximately 3,300 staff across our offices, resorts, retail stores and other operations under applicable modern awards or enterprise agreements or under common law employment contracts. Most of our staff are permanent employees engaged on a full or part-time basis, with just over 20% engaged on a casual basis. Of the total workforce employed, 2.8% were contingent workers during FY21 (increasing to 13% in May 21 with the acquisition of Nationwide Group). While some of our operations experience seasonal peaks around school holidays and public holidays, and subject to the impacts of COVID-19 on our operations in FY21 (see page 6 of this Statement), our business is open and our services are generally available throughout the year.

Our suppliers

With diverse operations and business interests, we source significant quantities of goods and services from suppliers. In FY21, RACV worked with approximately 3,500 suppliers, with most of our goods and services sourced directly from local Australian suppliers. Some suppliers, predominantly in the nature of marketing and IT support services, were in FY21 sourced from suppliers located offshore in the European Economic Area, Hong Kong, India, New Zealand, North America, the Philippines, Singapore, South Korea, and the United Kingdom. We generally source goods either directly from local producers or through distributors and service providers operating in Australia. We are aware that some of the goods supplied to us are manufactured in countries in Europe, North America, East Asia and South East Asia from primary resources grown or supplied from many regions of the world.

Most of our procurement activity occurs in our resorts and clubs, and the home and roadside assistance services we provide to our Members. The goods and services procured by RACV Group include: marketing and media services; food and beverages; building and maintenance services including construction, cleaning, grounds maintenance, security and waste services; fleet services including maintenance of our fleet; hospitality services; hospitality and office equipment supplies, IT hardware and services; mail and print services; professional services (including legal, audit and financial advisors), recruitment and HR services; uniforms for staff and apparel for resale; and home hardware and motor vehicle parts.

We are pleased that most of our suppliers have been working with us for periods of greater than two years and are proud of the relationships that our sourcing managers have established and maintain with local suppliers, often small businesses, in the communities in which we operate.

Risk of modern slavery practices

Operational risks

RACV's considers there is only a very low risk of modern slavery practices in the RACV Group's operations.

Supply chain risks

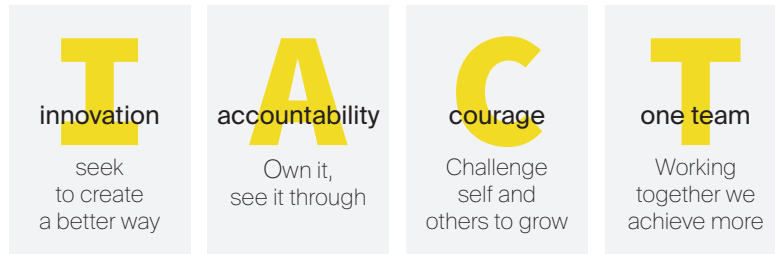
Although RACV is not aware of any actual instances of modern slavery in the Group's supply chains, given our diverse business there is an inherently higher risk of modern slavery in the following areas:

Good and services using out-sourced, off-shored, or seasonal labour	Goods produced in countries with higher risk of modern slavery
Building, facilities, and maintenance services (including construction, cleaning, grounds maintenance and security)	Fresh produce – including fish, rice, and products containing cocoa
Home maintenance and emergency assistance services	Electronic hardware including laptops, computers and mobile phones
IT support and managed services	Garments (uniforms and golf apparel)
Locally grown produce	Solar panels and inverters



Our ways of working

Our Ways of Working are built on our four values pillars, supported by organisational policies and procedures. This framework assists in maintaining a fair and equitable workplace that goes beyond complying with all relevant workplace-related laws.



Underpinning this is RACV's robust corporate governance framework, overseen by the RACV Board supported by its subcommittees the Governance & Risk Management Committee, Audit & Compliance Committee, Appointments and Remuneration Committee, and Club and Membership Committee.

Behavioural standards

RACV does not tolerate unwelcome or unfair treatment, including any form of bullying, harassment (including sexual harassment), discrimination, victimisation and vilification by any person. There are a number of policies and procedures that embed these human rights principles into the way we work. RACV's workforce policies are readily available to our people, including on RACV's intranet, and a range of awareness activities are scheduled throughout the year.

RACV also maintains an annual training program for new and existing employees on workplace-related risks including bullying and harassment, equal opportunity, health, safety & wellbeing and RACV's Code of Conduct Policy.

Our core policies that outline the standards of behaviour our people should expect at RACV:

RACV's Code of Conduct	Requiring RACV staff to treat everyone at work with dignity and respect, to comply with the letter and spirit of laws, policies, procedures and other requirements that apply at work, and to behave in a way that preserves the health, safety and wellbeing of self and others. It encourages people to call out unacceptable behaviour and stand up for what's right. We support our people to immediately report any illegal, dishonest or unethical behaviour, including any breach of the Code of Conduct, that they may observe. We encourage people to speak up and don't victimise anyone who does.
Our Fair Treatment Policy	Under our Fair Treatment Policy we are committed to providing a workplace that is free from discrimination, harassment and bullying. We firmly believe everyone has the right to a safe, fair and inclusive environment.

These core policies are supported by our:

- Health, Safety and Wellbeing Policy
- Workplace Diversity Policy
- Hours of work policy
- Fatigue management policy
- Flexible work arrangements policy, and
- Employee assistance policy.

Raising concerns

There are several means available to our people to raise concerns regarding their working conditions or if they feel their legal rights have been compromised. Concerns may be raised:

- directly with managers, line managers and RACV's People & Culture partners under the **Complaints, Disputes and Grievances Policy**,
- directly with People & Culture partners under the **Fair Treatment Policy**,
- anonymously with FairCall, RACV's externally managed whistleblowing reporting service, where our people have concerns about wrongdoing at RACV and do not feel safe or comfortable to raise their concerns to their manager or their line manager (under our **Whistleblower Policy**).

Impact of COVID-19 on our operations

RACV's operations were again affected by the COVID-19 pandemic, resulting in leisure and resort activities being closed for extended periods during FY21 (151 days in total), while other parts of our business continued to operate adjusting for health restrictions. RACV implemented a large suite of measures to support our employees through the ongoing challenges which included financial support options and special leave for employees requiring to isolate.

Our related companies

RACV's wholly owned subsidiaries operating under the direction and governance of their own executive teams maintain policies and management procedures to ensure compliance with workplace health and safety laws, in addition to ensuring that they provide equal employment opportunities and a safe working environment. These policies and procedures are consistent with RACV's Code of Conduct Policy. Each of the related companies also have protocols and practices for their employees to voice their concerns about working conditions, environment or employment or legal rights. The related companies also took steps to make their workforce aware of their ability to make disclosures about serious misconduct in relation to RACV and its related companies under RACV's Whistleblower Policy.

Our investment activities

The overarching aims of RACV's strategy include delivering more products and services to more Members, and to make Membership more meaningful and relevant for all Members. This means expanding our interests in the services we make available to Members.

In pursuing these aims through investment in other businesses, we take a risk-based approach in assessing and selecting suitable investment opportunities. Our assessment process includes robust due diligence enquiries in a number of risk areas, including enquiries aimed at assessing whether and what modern slavery risks may be present in the operations and supply chains of businesses in which we are considering making an investment. These enquiries include the completion of questionnaires regarding operations and supply chains, and, where relevant and feasible, site visits. Our decision to invest in a business will take into account the outcomes of those due diligence activities.

Our supply chains

We expect our suppliers to comply with the RACV Code of Conduct Policy. It applies to companies and individuals who provide services or products to RACV under the terms on which we engage those suppliers. This includes our contractors, sub-contractors, labour hire workers, consultants and delivery partners.

With a diverse range of goods and services we apply a risk-based approach to our procurement processes, practices and dealings with suppliers and our procurement activities are managed in accordance within RACV's Risk Management Framework and our **Procurement Policy**.



How we assess and manage modern slavery risks

Our Commitment

RACV recognises that modern slavery is a complex global issue. We are committed to acting ethically and transparently in all business dealings and putting effective systems and controls in place to safeguard against modern slavery within our operations and supply chains.

Identifying modern slavery risks areas

At RACV we systematically monitor our risk profile and aim to have effective controls in place. We consider several factors increase the potential risk of modern slavery, for example geographic location, the types of goods or services being provided, types of transactions, and type of work performed by our staff. We predominantly use the Global Slavery Index to assess potential modern slavery risks.

We are continuously reviewing our key areas of modern slavery risk and risk management measures.

Our assessment process

Our aim is to assess our own operations and supply chain against the following criteria to understand where there may be vulnerabilities in how we manage and support our workforce and our suppliers:

- Restraints on leaving employment with reasonable notice
- Standards on matters concerning modern slavery in workforce practices
- Existence of frameworks or practices to assure that modern slavery does not exist
- The approach for managing a supplier discovered to be affected by modern slavery
- The availability and accessibility of means for the workforce to voice concerns, including about serious misconduct
- Performance of due diligence to assess whether modern slavery exists in operations or supply chains
- The availability of training to ensure employee aware of rights and ways to access support
- The availability of training for contract and procurement managers.

In the last two years our modern slavery assessment approach included an annual assessment across the RACV Group. During the FY21 year our procurement team updated the due diligence methodology for all new suppliers, including the assessment of modern slavery risks. Supplier categories have been assigned a high, medium or low risk rating based on a range of factors including modern slavery risk. The level of due diligence conducted relating to modern slavery varies depending on this risk rating.

Our supplier review process also looks at historical health, safety and wellbeing and social impact issues. This became standard practice from 1 July 2021.

We have continued to assess the risk of our supply chain in our related entities by understanding:

- The place from which the services are acquired to identify if the source country has a higher prevalence of modern slavery
- The types of services provided, and whether they are typically provided through a reliance on sub-contractors and labour hire firms, or performed by vulnerable or disadvantaged workers
- In the case of locally-based suppliers, the length of the engagement on the basis that the more familiar we are with the supplier and the longer we have been working with them, the less likely it is that modern slavery risks will be introduced into our supply chain
- The type of goods supplied under the arrangement with the supplier, and
- The country of origin of supplied goods and whether they originate from countries with a higher prevalence of modern slavery practices.

In FY22-23 RACV's wholly owned subsidiaries operating under the direction and governance of their own executive teams are expected to adopt supplier due diligence measures used by RACV.

Contractual terms

Under our standard contract terms, we require our suppliers to comply with applicable labour laws including those relating to conduct that constitutes modern slavery. Where these commitments are required by RACV and given by the supplier, we have reserved the right to terminate the engagement at any time should we become aware of any instances of modern slavery.

Managing the identified risk areas

RACV's FY20 Statement noted our intention to perform enhanced due diligence to understand:

- The nature of the workforce used by suppliers to:
 - provide home maintenance and emergency assistance services;
 - perform solar power system installations;
 - provide building and facilities services comprising cleaning, grounds maintenance and security;
 - provide IT support and management services; and
 - harvest fresh produce within Australia; and
- The country of origin of the following goods procured and consumed, or sold as the case may be, in the course of the Group's operations:
 - solar panels and inverters used in the installation of solar power systems;
 - garments and apparel;
 - food items: rice, fish, and products derived from cocoa; and
 - other fresh produce.

Having re-confirmed a need for such due diligence and further developed our supplier due diligence methodology, RACV now expects to carry out the due diligence in the FY22-23 reporting periods. Any actual risks identified through due diligence are expected to be managed as described in the section headed 'Redress'.

Redress

On becoming aware of a real risk of modern slavery with a supplier, RACV's preference is to work with the supplier to address those risks where practical to do so. After notifying the supplier of our concerns, we expect a response from the supplier setting out steps that will be taken to address those risks. If after being given an opportunity to address the risk no or inadequate steps are taken to address the risk such that the issue persists, RACV would consider exercising its contractual right to terminate the engagement, or ensure steps are taken to ensure that no further goods or services are procured from the supplier until the risks have been addressed or the supplier has demonstrated a commitment to addressing those risks. In the case where the risks are addressed, RACV may itself, or require the supplier to, engage an independent third party to audit the supplier and certify to the remediation of the identified risks.

Related companies

RACV's wholly owned subsidiaries operating under the direction and governance of their own executive teams have practices to assess that modern slavery does not exist in their supply chains. While these practices vary between companies, they include a combination of the following measures:

- Enquiries that are made as part of the supplier selection and onboarding process; and
- Relevant commitments under their standard engagement terms as appropriate to the nature of the goods or services procured, including accepting obligations to follow workplace health and safety standards and compliance with all relevant workplace health and safety laws.

Where those commitments are breached, responses may include:

- An audit of a supplier's operational compliance may be performed, with or without reason; and
- In the event of a continuation of the breach, or inability to stop, termination of the engagement.

The approach that these companies would take on becoming aware of a modern slavery risk include:

- Auditing the supplier's operational compliance, with or without cause;
- Suspending procurement activity pending full investigation with alternative supply chains initiated if allegations are upheld;
- Providing the supplier with an opportunity to address the issue and terminating the relationship if the modern slavery practices continued; and
- Depending on the nature of the issue, termination of the arrangement.





Key performance indicators

RACV will assess the effectiveness of these actions by assessing whether and to what extent the following have been achieved:

- Training and capacity building of our people about modern slavery issues
- Level of engagement of senior risk and control owners responsible for managing modern slavery risk
- The level of awareness of grievance and whistleblowing procedures for workers
- Percentage of high-risk suppliers that have been assessed against our modern slavery risk assessment criteria
- Effectiveness of controls relating to modern slavery risk through a scheduled program of oversight by the RACV risk function and a review by RACV's internal auditors

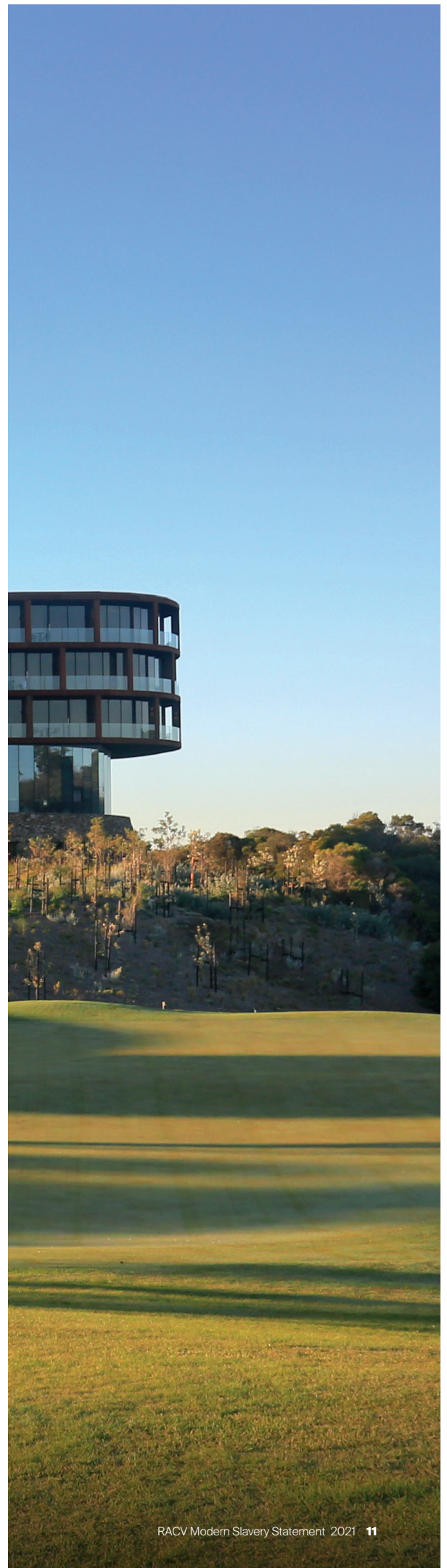
Consultation within the RACV Group

RACV consulted separately with its wholly owned subsidiaries that operate under the direction and governance of their own executive teams. RACV consulted with these companies to assess the risks of modern slavery that may be present in their operations and supply chains. RACV used the same assessment process, articulated in this Statement, to form views of those risks. Responses to RACV's enquiries were approved by a representative of each company's senior management team. RACV also engaged with the senior management teams of these companies in preparing and finalising this Statement.

Looking ahead

At RACV we recognise that tackling modern slavery requires a continuing year-on-year commitment. The Executive Leadership Team of RACV have committed to the following actions in the FY22-23 reporting periods:

- Broaden and deepen responsibility for managing modern slavery risk across the RACV Group and embed these responsibilities into RACV's risk management framework.
- Continue to develop the capability of risk and control owners to identify and manage modern slavery risk.
- Improve our tools to identify modern slavery risk.
- Continue due diligence in high modern slavery risk areas to which RACV is exposed.
- Mature the range of responses to modern slavery risk.



RACV Group companies

Royal Automobile Club of Victoria (RACV) Limited ABN 44 004 060 833 is the sole reporting entity in the RACV Group for the purposes of the Modern Slavery Act. This Statement has been prepared having regard to the operations and supply chains of the following RACV Group companies:

- RACV Holdings Pty Ltd
- RACV Insurance Services Pty. Ltd
- R.A.C.V. Finance Limited
- Intelematics Australia Pty Limited
- RACV Investment Holdings Pty Ltd
 - Club Tasmania Holdings Pty Ltd
- Arevo Pty Ltd
- Property Safe Investments Pty Ltd
- Gippsland Solar Pty Ltd
 - Gippsland Heating & Cooling Pty Ltd
- Nationwide Group Pty Ltd
 - Eastern Van Services Pty Ltd
 - 134 Tow Pty Ltd
 - Fleet Company 2017 Pty Ltd
 - Truck Tow Pty Ltd
 - Nationwide Road Services Pty Ltd
 - Nationwide Towing & Transport Pty Ltd
 - Leasetek Pty Ltd
 - Nationwide WA Pty Ltd

At the end of FY21, RACV held non-controlling interests in the following companies, however the operations and supply chains of these companies are not covered by this statement.

- Insurance Manufacturers of Australia Pty Limited
- Australian Motoring Services Pty Ltd
- Club Assets Pty Ltd
 - Club Assist Corporation Pty Ltd
- RACV Travel and Experiences Pty Ltd
- Home Trades Hub Australia Pty Ltd
 - HSC Home Security Pty Ltd
 - RACV Security Pty Ltd
 - Club Home Response Pty Ltd
 - Property Safe Holdings Pty Ltd
 - Property Safe (Aus) Pty Ltd
 - Maintenance Manager Pty Ltd
 - PropertySafe Pty Ltd
 - Property Safe Administration Pty Ltd
 - Property Safe Ltd
- Vehicle Repairhub Pty Limited
- iBuildNew Australia Pty Ltd
- Deep Blue Company Pty Ltd
- Landchecker Pty Ltd

Approval

This statement was reviewed and endorsed by the Governance and Risk Management Committee before being approved by the RACV Board on 15 December 2021.

Signed



Geoffrey O Cosgriff
President and Chairman
Royal Automobile Club of Victoria (RACV) Limited

Date

15 December 2021



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