



Modern Slavery Statement

Under the Modern Slavery Act 2018 (Cth)

1 JULY 2021 – 30 JUNE 2022

This Modern Slavery Statement was approved by the Board of Royal Automobile Club of Victoria (RACV) Limited ("RACV") ABN 44 004 060 833 in its capacity as the principal governing body of RACV on 14th December 2022.

Pursuant to the requirements of the *Modern Slavery Act 2018 (Cth)*, the contents of this Statement have been reviewed and confirmed as accurate by a duly authorised person.

This statement is signed by Geoffrey O Cosgriff in his role as President and Chairman on 14th December 2022.



Geoffrey O Cosgriff
President and Chairman
14th December 2022



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PART ONE

Our Structure, Operations and Supply Chain

This third Modern Slavery statement prepared by Royal Automobile Club of Victoria (RACV) Limited (“RACV”) in accordance with our obligations under the *Modern Slavery Act 2018 (Cth)* (“the Act”) describes our efforts over FY22 in identifying, assessing and responding to modern slavery risks in our operations and supply chains.

RACV recognises that modern slavery is a complex global issue. We remain committed to continually acting ethically and transparently in our business dealings and putting effective systems and controls in place to effectively respond to modern slavery risks within our operations and supply chains.

Our Business

RACV is a mutual organisation, providing services to more than 2 million members in Victoria and a growing national customer base. RACV exists to improve lives in the areas of motoring and mobility, home, cleaner energy and leisure.

We provide a diverse range of products and services including emergency roadside and home assistance; insurance and finance; resorts, leisure and travel services; home trades services; towing; solar power systems; technology solutions for property information; and telematics and connected vehicle services.

Our Corporate Structure

The reporting entity for the purposes of the Act is Royal Automobile Club of Victoria (RACV) Limited (ABN 44 004 060 833). RACV is the parent company that owns and controls other operating companies which together form the RACV Group. The specific entities that RACV owns and controls, and which are covered by this report, are:

- 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
- RACV Solar Pty Ltd
- Gippsland Heating and Cooling Pty Ltd
- Bedlam Enterprises Pty Ltd ATF Bedlam Enterprise Unit Trust
- 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
- Landchecker Holdings Pty Ltd

The Appendix lists entities that RACV holds a non-controlling interest / investment in.

The companies set out in Table 1 are centrally managed by the RACV executive management team.

With the exception of acquiring a controlling stake in Landchecker Holdings Pty Ltd, our corporate structure, including owned and controlled entities, has not changed since FY21. Landchecker is a software company offering services to property professionals and retail customers across Australian land title searches, permits, plans, maps and other property information categories. We had previously held a non-controlling interest in this entity, and the acquisition did not materially impact our overall risk profile.

TABLE 1: WHOLLY OWNED SUBSIDIARIES OPERATING UNDER THE MANAGEMENT OF RACV'S EXECUTIVE MANAGEMENT TEAM DURING FY22

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	Holds RACV's investment portfolio and certain joint venture investments
Club Tasmania Holdings Pty Ltd	Owens and operates RACV Hobart Hotel
Arevo Pty Ltd	Real-time journey planning

Other business operations, such as towing and telematics and connected vehicle services, are managed by their own executive management team. The companies responsible for operating those businesses are described in Table 2.

TABLE 2: CONTROLLED SUBSIDIARIES OPERATING UNDER THEIR OWN EXECUTIVE MANAGEMENT TEAMS DURING FY22

Company	Business Operations
RACV Solar Pty Ltd (formerly Gippsland Solar Pty Ltd)	Distribution and Installation of Solar Power Systems
Intelematics Australia Pty Ltd	Telematics and connected vehicle services
Nationwide Group Pty Ltd	Towing, transport and emergency roadside assistance services
Landchecker Holdings Pty Ltd	Technology Solutions for Property Information

Our Operations

Our operations remain broadly unchanged from FY21, consisting of:

- national operations and diverse business activities serving members and customers that range from consumers and small businesses to large enterprises;
- seven resorts in Victoria and Queensland, two RACV Club and leisure facilities in Victoria, and a hotel in Hobart;
- a network of 28 retail stores and agencies throughout metropolitan and regional Victoria. RACV's 11 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;

- approximately 4,000 staff across our offices, resorts, retail stores and other operations (including our wholly owned subsidiaries) under applicable modern awards, enterprise agreements or common law employment contracts.

Most of our staff are permanent employees engaged on a full or part-time basis and just under 20% are engaged on a casual basis. Over 40% of our employees work in professional and administrative roles, and around a third are hospitality workers in our Leisure clubs and resorts.

Of the total workforce, 13.5% were contingent workers during FY22, which remains broadly unchanged from FY21, and includes contractors providing some of our emergency assistance services and solar power installations across Victoria. The percentage of contingent workers in the core RACV business stands at 2.8%, with most of the remainder accounted for by tow truck and roadside assistance drivers contracted to our wholly owned subsidiary Nationwide Group. Around 6% of staff are employed on migrant working visas, just under half of whom are hospitality staff.

Our Supply Chain

In FY22 RACV sourced from over 4,000 suppliers a broad range of goods and services of which approx. 90% came directly from local Australian suppliers. Our supply chains have not materially changed from FY21.

Most of our procurement activity occurs in our leisure business and our home and roadside assistance services.

We generally source goods either directly from local producers or through distributors and service providers operating in Australia. Goods supplied to us are manufactured (wholly or in part) in countries in Europe, North America, East Asia and South East Asia from primary resources grown or supplied from many regions of the world.

Some suppliers, predominantly in the nature of marketing and IT support services, are located offshore in the European Economic Area, Hong Kong, India, New Zealand, North America, the Philippines, Singapore, South Korea, and the United Kingdom. In FY22, we entered into supply relationships with a small number of suppliers either based in China or with deeper supply chain links to manufacturing in China.

Major categories of spend in FY22 included software providers; professional services (including legal, audit and financial advisors); advertising and media; and IT services. The largest numbers of suppliers in FY22 were found in the categories of fleet services; accommodation services; ticketing services; food and beverages; and dry goods.

Maintaining mutually beneficial, long-term relationships with key suppliers is a priority and creates potential for more collaborative modern slavery responses. We have many such relationships with suppliers, often small and family businesses in the communities in which we operate.



PART TWO

Risk of Modern Slavery Practices

No actual or suspected instances of modern slavery were identified in our operations in FY22. Whilst RACV is not aware of any actual modern slavery in our supply chains, the diversity of our businesses means that there is an inherently higher risk of modern slavery in certain categories of supply, as reflected below.

Supply Chain Risks

In FY22, we applied our risk assessment model to identify highest risk suppliers for enhanced due diligence. Our methodology draws on recognised inputs such as the Global Slavery Index 2018 (“**gsi**”)¹ to establish key risk factors such as the country of manufacture or service delivery, the industry of the suppliers, and higher risk business models, such as involvement in an industry reliant on subcontracted labourers or labour hire agents.

We use these factors to assign an initial risk rating of low, medium or high to each of our suppliers. The rating informs the prioritisation of enhanced due diligence, the findings of which are used to assign a residual risk rating to the supplier.

During the reporting period, our risk assessment identified over 1,000 suppliers (a significant proportion of which are low value or non-recurring spend) with inherently elevated modern slavery risk due to their operations across the following high-risk categories and/or supply of goods originating from high-risk locations:

Industry Categories

- Harvesting fresh produce in Australia;
- Recruitment agencies;
- Building and facilities services comprising cleaning, grounds maintenance and security;
- Home maintenance and emergency assistance services; and
- IT support and managed services.

Goods Categories

- Food items, including rice, fish, and products derived from cocoa;
- Fresh produce;
- Personal protective equipment;
- Garments and Apparel; and
- Solar panels, inverters and batteries.

Solar & Batteries

We acknowledge, and are committed to effectively responding to, widespread concern associated with solar and renewable energy products including the source

¹ RACV anticipates the publication of the updated Global Slavery Index during the next reporting period. Any consequential updates to our risk assessment model will be covered in future reporting.

materials used in batteries. We also recognise the challenge of balancing our contribution to sustainability improvements with concerns about serious human rights abuses. RACV is monitoring local and international developments in this area, including potential implications of the recently enacted Uyghur Forced Labor Prevention Act in the United States. We are encouraged that the introduction of such protective legislation shows global momentum to address this issue while also recognising that it requires additional vigilance to ensure our supply chains do not become tainted by 'dumped' imports that are now prohibited from entry into the United States. This has been a focus area for RACV in FY22, most applicable to our wholly owned subsidiary, RACV Solar Pty Ltd.

The RACV Board and Executive Leadership team have been informed and engaged on the outcomes of this due diligence process, including the ongoing steps being taken to mitigate risk.

Enhanced due diligence in the form of supplier assessments (research and analysis of the publicly available information, tailored supplier self-assessment questionnaires, and subsequent supplier engagement) has not identified significant concern in relation to our battery suppliers potentially causing, contributing or otherwise being directly linked to modern slavery. We continue to monitor this area, given its inherently elevated risk profile.

Issues of concern were identified in relation to solar supply chains, including suppliers not responding to requests for further engagement, a presently insufficient level of information to satisfactorily exclude potential supply chain linkages to Uyghur forced labour, and lack of transparency on modern slavery reporting obligations.

In all cases, we are prioritising collaborating with the involved supplier using our redress principles. This approach is favoured over summarily terminating contracts at the point of specific risks being identified, which is widely recognised as having potentially counter-productive consequences, including materially increasing the risk of harm to already vulnerable workforces.

Solar energy supply chain risks continue to be a key focus area in FY23.

Personal Protective Equipment

Cleaners and housekeepers in our leisure business use personal protective equipment daily. Cognisant of recent allegations of forced labour in the supply chain for personal protective equipment, including the manufacture of rubber gloves in high risk countries such as Malaysia, we assigned this industry category the highest initial risk rating in our model. We have reviewed suppliers for any potential connections to identified high risk manufacturers and will continue to monitor suppliers in this category.

Harvested Produce and Seafood Products

RACV recognises the risks posed by our procurement of a wide range of food products, including fresh produce harvested from Australia for the hospitality facilities at our leisure centres, and applies a degree of modern slavery due diligence commensurate with this risk profile.

As seafood is one of the top 5 products at risk of modern slavery imported into G20 countries (due to reliance on workers from low socioeconomic backgrounds, exploitative working conditions and practices such as confiscation of worker documents²) we have investigated the geographical origin of the seafood we source for our leisure business. At least 79% of our seafood supply chain originates in Australia and New Zealand. We continue to have a small exposure to seafood sourced from the higher-risk regions of Southeast Asia. We have applied enhanced due diligence to our primary suppliers in this sector and they have accepted the modern slavery clauses in our updated supply agreement.

Operational Risk

We have assessed our operational risk as low to moderate which reflects the nature of the RACV's operations, the regulatory environment, our workforce composition and our internal controls and employee safeguards.

Hospitality Services in our Leisure Business

A significant proportion of our overall workforce is employed in our leisure business in hospitality roles. As many hospitality sector jobs have a lower barrier to entry and are filled by low skilled workers and sometimes by migrant workers, we recognise the need for vigilance in recruitment to ensure the elevated inherent risk (relative to other aspects of RACV's operations) is appropriately monitored and mitigated.

RACV applies the following to address these potential risks:

- Pre-employment checks;
- Induction training;
- Operation of whistleblower policies;
- Regular internal review through our risk and controls mechanisms; and
- Compliance with externally operated Worksafe audits

Recruitment Partners

As monitoring workforce treatment is more challenging when an intermediary is involved, and there are elevated risks associated with contracted workers in lower skilled roles including cleaning, security and gardening, recruitment agencies that we use to source staff are subject to at least the same controls as our other suppliers and engagement is centrally controlled by a talent acquisition team. We completed enhanced due diligence on this group of suppliers in FY22.

² See further at: <https://www.globallslaveryindex.org/2018/findings/highlights/>



PART THREE

How We Assess and Manage Modern Slavery Risks

Enhanced Due Diligence

Since setting our previously reported target to review 250 suppliers in the high-risk categories, we made a risk-based decision to focus on 91 suppliers prioritised by reference to the UN Guiding Principles on Business & Human Rights, in the categories of:

- Harvested produce;
- Building and facilities services (including cleaning);
- Food items;
- Solar products;
- Garments and apparel; and
- Recruitment agencies.

Our process involved desktop auditing of publicly available information and review of self-assessment questionnaires (covering non-compliance with workplace laws, migrant/transient worker exploitation and sub-contracting practices) completed by suppliers. The questionnaires yielded 73 responses, 10 of which have prompted further and ongoing supplier engagement, guided by our redress principles. The issues identified include potential risk factors not resolved by available information (both self-disclosed and identified via desktop research) and lack of transparency on modern slavery reporting obligations.

The enhanced due diligence process is subject to continuous improvement and refinement, drawing on our experience of applying it in practice. This process, in concert with our onboarding practices, has resulted in 6% of our higher risk suppliers being subject to modern slavery due diligence in the reporting period.

Our Governance & Ways of Working

Behavioural Standards and Raising Concerns

No changes were made in FY22 to our previously reported policy framework and mechanisms for raising concerns. No modern slavery concerns were raised in FY22 via those mechanisms.

Employee awareness and acknowledgment of RACV's behavioural policies is completed periodically and a training program for new and existing employees on workplace related risks is completed annually. The policies are:

- RACV Code of Conduct
- Fair Treatment Policy
- Health, Safety and Wellbeing Policy
- Workplace Diversity Policy
- Hours of Work Policy
- Fatigue Management Policy
- Flexible Work Arrangements Policy
- Employee Assistance Policy
- Whistleblower Policy
- Disputes and Grievances Policy

Concerns may be raised directly with managers, line managers and RACV's People & Culture function under the Complaints, Disputes and Grievances Policy; directly with People & Culture under the Fair Treatment Policy; or anonymously with FairCall, RACV's externally managed whistleblowing reporting service under the Whistleblower Policy.

These policies and reporting mechanisms are subject to regular review for accessibility and suitability, and in FY23 we will explore opportunities to integrate them more explicitly with the modern slavery risk management framework.

Risk Management Framework

Our objective in FY22 was to integrate modern slavery risk into our existing risk management and corporate governance frameworks and to apply risk management processes to identify assess and report modern slavery risk in accordance with those frameworks.

In FY22, specific modern slavery risks and controls were added to RACV's Governance Risk and Compliance platform. The regular cadence of risk review and reporting to RACV executive and Board applies to these risks and controls.

Modern Slavery Risk Management Guidance

Internal guidance was developed in FY22 to support RACV's modern slavery risk management by assigning roles and responsibilities and setting out our principled and practical approach to risk identification, assessment and treatment by reference to:

- a focus on risk to people;
- using the UN Guiding Principles on Business and Human Rights approach of analysing exposure in terms of whether we are 'causing', 'contributing' or 'directly linked' to risks of modern slavery;

- the potential for better outcomes where we have greater commercial leverage;
- rewarding third parties that engage with our due diligence process and display candour in their assessment of risk;
- an agile, adaptive and balanced approach to respond to the evolving landscape of modern slavery risk.

Modern Slavery Risk Management Audit

In FY22, an effectiveness audit of our modern slavery risk management process and controls was conducted by an external party. The findings, which noted a strong risk management foundation, were reported to the Audit and Compliance Committee of the Board.

Contract Provisions

RACV has in place a Goods and Services Agreement template ('Agreement') which now places the following obligations on our suppliers:

- Suppliers must warrant that they are compliant with Modern Slavery laws and regulations and that none of their employees or subcontractors have been convicted or investigated for modern slavery offences;
- Suppliers must agree to maintain appropriate records about their risks of modern slavery, compliance with modern slavery related legislation and information to assist RACV in mapping our supply chain;
- Suppliers agree to submit to modern slavery related audits conducted by RACV or our appointed representative
- Suppliers that use subcontracted labour or services are required to ensure that subcontractors and related employees comply with modern slavery legislation, to ensure consistent standards are cascaded down our supply chain.

The Agreement allows that RACV may terminate the Agreement if the supplier has engaged in modern slavery or has not complied with modern slavery related legislation.

In FY22, 94% of RACV supplier spend was contracted under standard RACV terms or supplier-negotiated terms, up from 82% of supplier spend in FY21, with most new suppliers onboarded under the Agreement.

RACV understands that contractual provisions are only part of an overall response to modern slavery, nevertheless it remains our intention to increase supplier adoption of the Agreement.

Enhanced Supplier Onboarding

New suppliers other than low-value and 'one-off' suppliers must complete the questionnaire described at *Enhanced Due Diligence*. Responses inform our understanding of supplier risk profiles prior to engagement and determine where targeted engagement and supplier support is required.

Education & Training

Our previously reported commitment to implement modern slavery training and capacity building for our employees was met by delivering modern slavery training to 176 employees with roles that are critical to our response to modern slavery. Awareness sessions were also facilitated with key management at each of RACV's wholly owned subsidiaries.

The training addressed:

- guidance on what types of behaviour are considered to be modern slavery and distinguishing modern slavery from other forms of labour exploitation, to assist staff in identifying modern slavery in their day-to-day roles;
- contextualising the prevalence of modern slavery, including that modern slavery happens in Australia;
- RACV's risk profile and exposure to modern slavery risk;
- indicators of modern slavery, with a focus on identifying suspicious employment practices and vulnerable workers; and
- practical actions that team members can take to raise and/or deal with concerns.

In FY23 we expect to offer training to build specific capabilities of key personnel and to expand training availability as necessary to integrate our modern slavery framework into 'business as usual'.

Redress Principles

Our redress principles, unchanged from FY21, preference working with suppliers to address risk where practical to do so. RACV is prepared to exercise rights of termination in appropriate cases. RACV may suspend procurement of goods or services from a supplier pending demonstration that the supplier has addressed the identified risks, or a genuine commitment to doing so.

RACV may engage, or require the supplier to engage, an independent third party to audit the supplier and certify to remediation of identified risks.

Our redress principles have been in active use during the FY22 reporting period with several suppliers where potential risk factors have been identified through our due diligence processes. Where appropriate, the outcome of these supplier engagements may be noted in future reporting.

Industry Collaboration

To develop a deeper understanding of better practice in relation to addressing modern slavery and policy development, RACV engaged with several external stakeholders during the reporting period, including NGOs, academic bodies and market consultants. Knowledge from these collaborations helped improve aspects of the supplier onboarding due diligence model used to perform modern slavery risk assessment.

We expect to carry on collaborative engagements to continually improve our modern slavery response.

Media Scanning, Resource Access & Distribution

We have initiated a quarterly bulletin to key management summarising news articles, press releases and policy changes, with a focus on risks in the Australian labour force and risks relating to products in our supply chain and countries from which we import goods³.

A central repository for modern slavery related material has been established on the RACV intranet including training packs and videos, our Modern Slavery Risk Management Guidelines and other useful information. This repository will be updated regularly to further our objective of embedding modern slavery response into RACV's day-to-day operations.

³ The first edition of the bulletin was published after the end of the reporting period

PART FOUR

Measuring the Effectiveness of our Response

In previous reporting we declared our commitments for the FY22 reporting period and outlined a number of key performance indicators. The table below notes where in this statement our progress is recorded.

FY21 Commitment	Key Performance Indicator	Progress
Continue to develop the capability of risk and control owners to identify and manage modern slavery risk.	Training and capacity building of our people about modern slavery issues	See <i>Education & Training</i>
Broaden and deepen responsibility for managing modern slavery risk across the RACV Group and embed these responsibilities into RACV's risk management framework.	Level of engagement of senior risk and control owners responsible for managing modern slavery risk	See <i>Risk Management Framework and Media Scanning, Resource Access and Distribution</i>
Improve our tools to identify and receive complaints about modern slavery risk.	The level of awareness of grievance and whistleblowing procedures for workers	See <i>Modern Slavery Risk Management Guidance and Education & Training</i>
Continue due diligence in high modern slavery risk areas to which RACV is exposed.	Percentage of high-risk suppliers that have been assessed against our modern slavery risk assessment criteria (via contract renewal, onboarding or enhanced due diligence)	See <i>Enhanced Due Diligence</i>
Mature the range of responses to modern slavery risk.	Effectiveness of controls relating to modern slavery risk through a scheduled program of oversight by the RACV risk function	See <i>Modern Slavery Risk Management Audit</i>

PART FIVE

Looking Ahead

To maintain our modern slavery awareness and response capability commensurate with the global risk, which continues to evolve, we expect in FY23 and FY24 to focus effort in the following areas:

- Staying connected to credible external sources of high-quality modern slavery risk information and research.
- Enhancing our ability to recognise, record, manage and report modern slavery risk through more sophisticated tools for risk screening and supplier

lifecycle management, as well as expanding modern slavery training as necessary to build specific capabilities of key personnel.

- Exploring how procurement and purchasing practice can avoid or lessen supply chain risk factors.
- Continuing to leverage long-term supplier relationships with suppliers with the objective of appropriately addressing identified concerns and monitoring progress with agreed risk mitigation activities.



Consultation with Controlled Entities & Other Relevant Information

RACV consulted with owned and controlled entities in the preparation of this Statement, to assess the risks of modern slavery that may be present in their operations and supply chains, and in applying its modern slavery response throughout FY22.

Responses to RACV's enquiries were overseen by a representative of each company's senior management team. RACV also engaged with the senior management teams of these companies in preparing this Statement.

We are developing action plans with each owned and controlled entity to continue to operationalise responsibilities, including incorporation of modern slavery clauses into supplier contracts and provision of comprehensive training to employees.

RACV also specifically consulted with the board of RACV Solar Pty Ltd in relation to the enhanced due diligence relating to solar and battery suppliers.

Appendix

RACV List of Entities with Non-Controlling Interest

In addition to our owned and controlled entities detailed above at Part One, RACV also holds non-controlling interest in the following entities:

- 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 P
- 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



Level 7, 485 Bourke Street
Melbourne Victoria 3000

Royal Automobile Club of Victoria
(RACV) Limited
ABN 44 004 060 833

racv.com.au

RACV