

Modern Slavery Statement



Modern Slavery Statement

Under the *Modern Slavery Act 2018 (CTH)*
Reporting period: 1 July 2021 – 30 June 2022

The Royal Automobile Club of Tasmania Limited ABN 62 009 475 861.

This Modern Slavery Statement has been approved by the Board of The Royal Automobile Club of Tasmania Limited (ABN 62 009 475 861) on **30 November 2022** in its capacity as the principle governing body of The Royal Automobile Club of Tasmania Limited (ABN 62 009 475 861) and RACT Insurance Pty Ltd (ABN 96 068 167 804)

This Statement has been signed by

Alison Jane Flakemore

Name



Signature

8 December 2022

Date

This Modern Slavery Statement made pursuant to the requirements of the *Modern Slavery Act 2018 (Cth)* ("the Act").

This is the first Modern Slavery Statement made by the Royal Automobile Club of Tasmania Limited ABN 62 009 475 861 ("RACT"). Previous Statements have been lodged by RACT Insurance Pty Ltd (ABN 96 068 167 804) ("RACT Insurance"). During FY22 RACT acquired 100% interest in RACT Insurance which has resulted in RACT also being a reporting entity under the Act.

RACT is lodging this Statement on behalf of all reporting entities in the RACT Group, which is RACT and RACT Insurance.

The Statement describes actions being taken by RACT to address modern slavery risks within its operations and supply chain for the year ended June 2022. The key factors relating to our assessed modern slavery risks remains very low.

Our business

RACT is a member-based organisation that serves to support our members' best interests and the communities in which they live, work, play and raise their families. Our purpose is to be Tasmania's shoulder to lean on and voice when it matters. Our vision is to have a valued relationship with every Tasmanian by 2030.

We employ more than 350 staff across Tasmania. Our suppliers are primarily based in Australia. We have direct procurement relationships with many suppliers, that support our daily operations, including from the following types of industries that have been identified as high risk via our 2021/2022 risk assessment:

- Business services
- Computer technological services
- Market research and advertising services
- Motor vehicle repair services
- Towing and road freight services
- Home-building repair services
- Finance Services
- Entertainment industry services
- Sheet metal furniture services

We had two main business lines in FY22: Insurance and Roadside Assistance. These are supported by the following centralised group functions:

- Member Experience
- Advocacy
- Group Finance
- Group Compliance and Risk
- People and Culture
- Technology

Our two main business lines

1. Insurance

RACT Insurance is the only locally based general insurer in Tasmania. The insurance business provides personal insurance to members with a range of products including:

- Vehicle Insurance – covering:
 - o Comprehensive Motor Vehicle
 - o Collectors Car
 - o Third Party Property Damage
 - o Caravan and Trailer
- Home Insurance – covering:
 - o Building
 - o Contents
 - o Personal Effects
- Boat Insurance
- Investor Insurance
- Strata Insurance

2. Roadside Assistance

Roadside Assistance gives Tasmanian motorists peace of mind by helping them get back on the road safely and quickly by mobilising cars, organising tows and selling batteries. Roadside assistance covers members on a 24/7 basis.

Other business operations

In addition, our other business operations are:

- AutoServe – provides vehicle inspection, service and repairs by mechanics who are highly valued in the community.
- Driver training – provides safety focused driver training and provisional (P1) licence assessments.
- Finance – we offer referral service through our partner RACV for personal loans primarily for new and used cars, personal finance and debt consolidation.
- The Member Rewards program – offers discounts and benefits to our members from a range of different partners, including discounts on fuel, accommodation, movie tickets and various lifestyle memberships.
- Child restraints – sale of child seats to members, that are correctly fitted by specially trained staff.

Potential risks

A review of our operations and supply chain was undertaken to establish a baseline for identifying potential modern slavery risk. The review considered the risk factors that increase the risk of modern slavery practices. Based on this assessment, we have identified the following areas of potential risk in our operations and supply chain:

Business operations

In supply chains relating to business operations, the following direct and indirect procurement of high risk goods and services were identified as potential modern slavery risk areas:

- Banking
- Computer and technical services
- Market research and business management services
- Advertising services
- Uniform suppliers
- Stationary suppliers

Insurance

Our risk assessment identified that the following:

- Builders
- Carpets/floor coverings
- Motor vehicle repairs and auto glass

comprised of the highest risk of potential modern slavery risk in our insurance claims operations.

RACT Roadside

Our risk assessment identified that:

- Motor vehicle repairs, batteries and tyres
- Towing
- Road freight

comprised of the highest risk of potential modern slavery risk in our roadside operations.

Other operations

Our risk assessment identified that:

- Movie vouchers
- Child restraints

comprised of the highest risk of potential modern slavery risk in our other operations.

The risk of modern slavery occurring in our direct operations and first-tier supply chains is, overall, very low. Our operations and tier-one suppliers remain primarily based in Australia. Those direct suppliers who are overseas were re-insurers or service providers who provided technology support.

For us, the risks of modern slavery practices are in the deeper tiers of several of our products and service-based supply chains.

None of the industry categories are assessed as presenting a significant risk in relation to the operations of our direct suppliers. Rather, the identified risk primarily lies at the stages of manufacturing and production of basic component parts, or the sourcing of raw materials.

Several of these industries (including those involving the provision of professional services) are reliant upon electronic products, such as computers and tablets, in their everyday operations. A proportion of electronic and computer products in global supply chains feature component parts and / or raw materials that originate from known high-risk geographies for modern slavery, including Malaysia or China.

Our policies, processes and procedures

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

- A Code of Conduct (for staff and for suppliers)
- Workplace Behaviour Policy
- Grievance, Conflict and Complaint Resolution Procedure
- Material Outsourcing Policy
- Conflict of Interest Policy
- Whistleblower Policy

Actions taken over the last 12 months to assess and address risks

Over the last 12 months the following actions have been undertaken:

- A group wide risk assessment was completed through an external provider who maps supply chains up to ten tiers of suppliers (i.e., our suppliers, our supplier's suppliers, that supplier's suppliers and so forth) to identify the areas of greatest risk in our operations and supply chains.
- Our commitment to upholding and promoting human rights was published on our website.
- We implemented a Supplier Code of Conduct which has been rolled out to key suppliers in our Insurance claims supply chain.
- Update to our Whistleblower Policy and Procedure to expressly include grievances relating to human rights issues to be raised (either directly or anonymously).
- Included modern slavery contract terms in several new claims supplier agreements.
- Collated and reviewed a modern slavery questionnaire completed by those suppliers in higher risk categories (identified in a previous risk assessment for Insurance only).

The questionnaire identified that our larger national suppliers are familiar with, and are taking steps to reduce, the risk of modern slavery. However, many of our local smaller suppliers didn't understand the existence of the framework. We have reiterated, with the smaller suppliers, the importance of considering modern slavery and passed on our Supplier Code of Conduct so that they are aware of our expectations.

Our human rights and modern slavery commitment

We're committed to upholding human rights and expect our suppliers and partners to do the same. We support the introduction of the Modern Slavery Act and commit to taking targeted steps to identify and address modern slavery in our supply chain.

Click on the following link for more details on [RACT's Human Rights and Modern Slavery Commitment](#).

Reporting channels

We provide access to an external Whistleblower Service 24 hours a day, 365 days per year

Phone: 1800 774 387

Email: RACTintegrityhotline@deloitte.com.au

Online: [RACTintegrityhotline.deloitte.com.au](https://www.deloitte.com.au/RACTintegrityhotline)

During the reporting period, there were no actual or suspected incidents of modern slavery identified in our operations and supply chains; or reported via our Whistleblower hotline.

Monitoring

Our Group Chief Risk Officer has overall responsibility for monitoring modern slavery compliance including the day-to-day operations.

Next steps

We'll continue to implement the following actions that form part of our modern slavery due diligence program:

- i. Undertake an annual assessment of our supply chain for modern slavery risks.
- ii. Distribute our modern slavery risk questionnaire to those suppliers who have been identified as higher risk in our service supplier network. Where there is evidence of low understanding of modern slavery risks, we will communicate our expectations with those suppliers and will provide them with a copy of our Supplier Code of Conduct.
- iii. Add a step in the material contract procedure that requires a modern slavery risk assessment to be undertaken for all new material contracts.
- iv. Undertake appropriate action when modern slavery issues have been reported.
- v. On a triennial basis, we'll review the results of the questionnaires provided by high-risk suppliers; and where appropriate undertake a more targeted review.

Measuring effectiveness

Key indicators designed to review and evaluate the effectiveness of our Modern Slavery Statement include:

- A review of supplier self-assessment surveys provided to high-risk suppliers.
- Increasing industry collaboration – through engagement with other state-based auto clubs and via engagement with the Insurance Council of Australia.
- Investigating any reports of possible modern slavery and human rights grievances.

Consultation and further information

- All appropriate internal consultation between our key departments and personnel has been undertaken in relation to the preparation of this Modern Slavery Statement and is ongoing as part of our continuing modern slavery response.

