

RAC MODERN SLAVERY STATEMENT

This Joint Statement has been prepared by The Royal Automobile Club of W.A. (Inc.) and its related entities (together “**RAC**”).

RAC is committed to be the driving force for a better WA.

We have prepared this Modern Slavery Statement in accordance with the *Modern Slavery Act 2018* (Cth).

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
- what steps RAC has taken to identify and minimise these risks.

Like many other entities, we are at an early stage in our modern slavery journey. Each year, we aim to show our progress and maturity in our understanding and response to modern slavery risks.

Structure, operation and supply chains

This Joint Statement has been prepared in consultation with RAC’s reporting entities, RACWA Holdings Pty Ltd and RAC Insurance Pty Limited.

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

The services provided by RAC include:

- road safety advocacy and policy development;
- roadside assistance;
- general insurance;
- 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; and
- an innovation venture capital fund.

RAC employs approximately 1,400 people, which comprises a blend of direct employees and contractors.

RAC’s operations and supply chain are comprised of various goods and services including uniforms, stationery, motor vehicle parts, batteries, home building materials, software and technology.

In the 2020 financial year, the majority of our suppliers were based in Australia.

Modern Slavery Acknowledgement

We recognise and acknowledge that modern slavery exists, and can occur in any country, industry or sector.

Modern slavery is a broad concept that refers to serious forms of exploitation in workforces. This includes trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or service and the worst forms of child labour.

We acknowledge that coronavirus (Covid-19) has and will continue to increase modern slavery risks and may further marginalise vulnerable workers.

Modern Slavery risk

To assess the risk of modern slavery in our supply chains, RAC engaged an independent consultant to review our supply chains and operations. The following steps were undertaken for RAC's supply chains:

1. Our overall spend was assigned by country and industry;
2. Our suppliers were assessed for their relative risk of modern slavery;
3. An assessment was determined of RAC's highest risk of modern slavery in its supply chain.

From the review, our greatest risk of modern slavery is in Tier 3 of our supply chain.

This risk assessment has indicated that RAC has a relatively low combined Modern Slavery risk profile as:

- (a) the majority of our 'first tier' 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 (such as manufacturing and commercial fishing); and
- (c) the risk of disadvantaged supplier workforce is low due to the factors above.

However, RAC acknowledges that all entities are subject to Modern Slavery risk and that Modern Slavery practices may exist in our broader supply chain.

Steps taken and engaging with our supply chain

RAC has taken the following steps to assess and address Modern Slavery risks:

- established a cross functional Modern Slavery working group, including employees from the reporting entities, RACWA Holdings and RAC Insurance;
- began its supplier mapping and assessment journey;
- engaged an independent consultant to assist in supply chain mapping and risk identification;
- developed a Modern Slavery supplier checklist for onboarding new suppliers;
- began to introduce Modern Slavery specific clauses into key contracts; and
- developed and rolled out a training module for leaders, procurement specialists, and contract managers across RAC.

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

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

We will assess the effectiveness of our actions taken by:

- Establishing a regular review process to evaluate the actions taken to date.
- Regularly checking our risk assessment processes to ensure they remain up to date.
- Having regular engagement and feedback between key areas of the organisation (including Commercial, Human Resources, and Legal), to highlight potential areas of improvement.
- Conducting internal audits or monitoring specific steps taken to assess and address modern slavery risks.
- Tracking the actions taken and measuring their impact.
- Working with suppliers to check how they are progressing any actions they have put in place to address modern slavery risks.
- Considering any trends in cases reported through grievance mechanisms and how these cases were handled.
- Monitoring global trends and best practice to ensure our actions align with these standards.
- Partnering with an industry group, such as Walk Free Foundation, to undertake an independent review of our actions.

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

This statement is approved by RAC Council for and on behalf of The Royal Automobile Club of W.A. (Inc.) and its related entities.

SIGNED

J. Rowley

DATED

2/2/2021

POSITION

President, RAC