

RAA Group

**Royal Automobile Association
of South Australia Incorporated**

ABN 90 020 001 807

RAA Insurance Limited

ABN 14 007 872 602

RAA Insurance Holdings Limited

ABN 52 008 210 062

Joint Modern Slavery Statement

Under the *Modern Slavery Act 2018 (CTH)*

Reporting period

1 July 2020 – 30 June 2021



This Joint Modern Slavery Statement has been approved, prepared and lodged by the principal governing body of Royal Automobile Association of South Australia Incorporated ABN 90 020 001 807 including on behalf of its wholly owned subsidiaries RAA Insurance Holdings Limited ABN 52 008 210 062 and RAA Insurance Limited ABN 14 007 872 602.

Pursuant to the requirements of the Act, authorised persons have reviewed the contents of this Statement and confirmed its accuracy for lodgement.

Name: Ian Stone
Managing Director, Royal Automobile Association of South Australia Inc
Director, RAA Insurance Holdings Ltd
Director, RAA Insurance Ltd

Signature:

A handwritten signature in black ink, appearing to read 'Ian Stone', written over a horizontal line.

Date of execution: 22 November 2021

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PART ONE

Mandatory reporting requirements - preliminary information

1. This Joint Modern Slavery Statement is made pursuant to the requirements of the Modern Slavery Act 2018 (Cth) (the **Act**).
2. The mandatory reporting entities addressed in this Statement are:
 - Royal Automobile Association of South Australia Incorporated
- ABN 90 020 001 807 (“**RAA**”)
 - RAA Insurance Limited- ABN- 14 007 872 602 (“**RAAI**”)
 - RAA Insurance Holdings Limited ABN- 52 008 210 062 (“**RAAIH**”)(referred to collectively, unless separately differentiated throughout this Statement, as “**the RAA Group**”).
3. This is RAA Group’s second Modern Slavery Statement. It reports on the ongoing due diligence and remediation measures that we have taken in the current reporting period, building upon the platform laid for implementing an effective modern slavery response during the inaugural reporting period under the Act.
4. Various aspects of our first Modern Slavery Statement (“**First Statement**”) are discussed throughout this Statement. Our approach is one of continuous improvement – building upon the areas of real progress, and undertaking an ongoing evaluation to ensure the measures we take are practical and effective.

Who we are

5. The RAA Group is an organisation that has a vision to champion our members in South Australia and Broken Hill and support them through our range of products and services relating to motor, home and travel.

Our structure, operations and supply chains

RAA

6. RAA is a mutual service organisation and our activities are governed by a constitution and the Associations Incorporation Act 1985 (SA).
7. We are governed by a Board of non-executive Directors (elected by RAA members), and a Managing Director (appointed by the Board).

RAA Insurance Limited (RAAI) & RAA Insurance Holdings Limited (RAAIH)

8. RAAIH is a wholly owned subsidiary of the parent entity.
9. RAAIH is the sole shareholder of the entity RAAI.
10. RAAI and RAAIH are referred to collectively in this Statement as “**RAA Insurance**”.
11. RAA Insurance is an authorised insurer that is regulated by Australian Prudential Regulation Authority (APRA) and holds an Australian Financial Services Licence. RAA Insurance has a separate Board to RAA, but most directors serve on both boards.

12. RAA Insurance issues and administers insurance products including management of claims. There are various shared services between RAA and RAA Insurance, including:
 - Information Technology;
 - People and Environment;
 - Procurement;
 - Marketing;
 - Investments; and
 - Product Distribution.

13. The following is an updated snapshot of our business during the subject reporting period:
 - Over 770,000 members
 - A total workforce of more than 1000 South Australians
 - Over 70,000 settled insurance claims, with \$235 million paid out to our members
 - Over 337,000 road service callouts
 - More than 13,000 driver education lessons
 - Comprehensive retail travel services, including over 10,911 travel bookings over the subject reporting period, notwithstanding the continued disruption of the COVID-19 pandemic
 - Strong relationships with our trusted network of more than 450 independent RAA approved auto repairers (“**Approved Repairers**”).

14. Our headquarters are located in Mile End, South Australia. We have RAA shops and retail services at over 18 different locations throughout South Australia and Broken Hill.

15. Our core business operations and products include:
 - Home insurance
 - Landlord insurance
 - Solar and Battery storage
 - Personal loans
 - Travel insurance
 - Car and other vehicle insurance
 - Road service
 - Driver education lessons
 - Retail travel services
 - Community education programs
 - Fleet safety training
 - Vehicle inspection.

16. The RAA Group’s direct supply chain includes over 3800 active direct suppliers. We procure a range of goods and services in relation to our day-to-day business activities including:
 - Business services
 - Transport services
 - Advertising services
 - Retail trade
 - Computer and technological services
 - Market research & advertising services
 - Motor vehicle repair services
 - Finance services
 - Wholesale trade
 - Electrical equipment.

17. There has been no material change in either the nature or location of our suppliers identified in our First Statement. They are still primarily Australian-based, with a small percentage based in Northern America and Europe.

Our investments

18. Our investments primarily consist of over 200 providers that operate within Australia, with a small number of investments based in Northern America, Europe and Asia. Our portfolio remains focused on investments within banks and financial service providers.

PART TWO

Modern slavery risks in our operations and supply chains

19. The RAA Group's operations and services remain focused on providing quality products and services to members in the areas of motor, home and travel, including insurance products. As a provider of such services, our overall risk profile is, in relative terms, low. However, we recognise the reality of modern slavery occurring deep within a vast array of global supply chains, including the elevated risks areas discussed in this Statement that are related to discrete aspects of our business.
20. The modern slavery risk areas identified and analysed in our initial statement remain applicable to the subject reporting period.
21. No actual or suspected incidents of modern slavery were identified in our supply chains or operations during the reporting period.
22. In keeping with our statutory obligation to continually monitor the risks of modern slavery in our operations and supply chains, the RAA Group has continued with our engagement of external subject matter experts, including for the ongoing process of monitoring our operational supply chains, insurance categories and investment portfolios for modern slavery risks to the tenth tier in the current reporting period.
23. A more detailed summary of the proprietary initial risk assessment methodology is set out in the Appendix.
24. Our risk assessment processes have again identified similar priority areas of potential modern slavery risk areas in relation to our operational supply chains, namely:
 - Business services
 - Computer and technical services
 - Advertising services
 - Market research and business management services
 - Retail trade
25. The risks that we have identified in both the current risk assessment, and in our inaugural statement, are arising within more remote parts of our supply chains, beyond our direct supplier relationships, and relatively elevated factors are identified beginning primarily at the Second Tier and beyond for our operational supply chain.

Computer and technical services

26. The industry categories of computer & technical services have been assessed as presenting one of the highest relative risks for modern slavery within our supply chain as it was our highest spend category during the subject reporting period.
27. The industry of computer and technical services is wholly reliant upon computer and electronics inputs in order to provide direct professional services, such as technological support or IT consulting. A large share of Australian imports of technology products are either directly sourced from China and Malaysia or have supply chain inputs from these countries. It is within these more remote tiers that the heightened risk of modern slavery is occurring, with migrant and other vulnerable workers being more exposed to exploitation and forced labour.

28. Of particular concern is the exploitation, through modern slavery practices such as forced labour, of Uyghurs and other ethnic minorities within electronics and manufacturing supply chains in connection with the Xinjiang region of China.
29. Our complete direct supplier list has been cross-checked to confirm whether there are any identified as companies with alleged potential linkage to Uyghur forced labour, as published in Australian Strategic Policy Institute's Report: *Uyghurs for sale: 'Re-education', forced labour and surveillance beyond Xinjiang*.¹ Many of the 83 companies identified in the Report are widely recognised global brands, with major international product presence in commercial, business and household environments.
30. Two of our direct suppliers are named in the Report. Both entities are widely recognised global brands and are reporting entities under the Act, and equivalent foreign legislation.
31. One of these entities has publicly denied the allegations and confirmed it does not source from or have supply chains linked to the Xinjiang Province. This supplier's modern slavery statement discloses comprehensive audits of their supply chains during the 2020 reporting period, including interviewing employees and provide supplier training on addressing the risks of forced labour.
32. The other entity has not publicly confirmed whether any identified links with the labour scheme actually exist in their own supply chains. This supplier's most recent modern slavery statement has detailed a robust diligence and remediation framework, that is transparent in detailing instances of modern slavery identified through comprehensive onsite factory audits and whistle-blower hotlines. This entity has reported on their provision of remediation payments to the identified victims and delivery of forced labour training to supplier factories.
33. The RAA Group is committed to monitoring the latest information and in relation to any identified products that may have unacceptably high risks of being tainted by forced labour from the Xinjiang region and otherwise in relation to the systematic exploitation of the Uyghur minority people groups in China.
34. In addition to the concerns regarding Chinese manufacturing, there are also reported modern slavery issues occurring in the Malaysian electronic industry. There is a prevalence of modern slavery practices such as oppressive recruitment fees and debt bondage occurring within major manufacturing companies, which typically target vulnerable migrant workers.²
35. In addition to the labour inputs, digging deeper into the supply chain, the sourcing of component and raw materials for production of computer and electronic products is also a source of modern slavery risk. Many electronic devices (including laptops and smart phones used by the RAA Group's staff) have inputs of lithium-ion batteries. Lithium-ion batteries require cobalt, that is potentially sourced and mined in high-risk regions, including the Democratic Republic of Congo, where child labour and forced labour is widespread in cobalt mines.

Business services, market research and advertising services

36. The industry categories of business services, including market research and advertising services again accounted for the remaining highest relative risks for modern slavery within our supply chain.

37. The relatively high spend in these industry categories, coupled with an underlying reliance on electronic products and technology are the primary reasons that we attribute to the elevated rating for this category in the risk assessment, rather than any proximity to a specific risk factor attributable to one or more of our direct suppliers.
38. In Australia, these general industry categories are, as a whole, low risk for modern slavery. However, in terms of supply chain inputs, the categories all have a relatively high reliance on electronic and technological inputs, which is clear source of elevated risk, albeit much deeper in the supply chain tiers.
39. Since the predominant risks flagged in relation to these industries correlate with the specific risks identified above in relation to the computer & technical services category, we will adopt the same due diligence approach in relation to these industry areas within future reporting periods.

Insurance claims

40. In relation to our insurance claims, the risk areas identified in our initial statement remain unchanged. Indeed, the same areas of potential modern slavery risk have been identified, as follows:
 - Comprehensive Car insurance;
 - Home & Contents insurance; and
 - Caravan insurance.
41. As noted in our first statement, the overall risk identified in these insurance categories was assessed as very low. Furthermore, these potential modern slavery risk areas in our insurance supply chain are again occurring primarily at Tier Three and beyond, which is indicative that any risks are hidden deeper within our supply chain.
42. Our response to these risks is therefore a continuation of our roadmap set out in our First Statement, which we began to implement during the current reporting period, as outlined below at Part Three.

Investments

43. During the current reporting period, the RAA Group has undertaken an additional risk assessment of our investment portfolio, as part of our due diligence approach.
44. Our investments are primarily held within Australian and European based entities. The first tier of our investment supply chain indicates that the most prominent industries in which we are invested, based on spend amount are as follows:
 - Asset management & custody banks.
 - Australian based diversified banks;
 - Australian government entities; and
 - Australian regional banks.
45. The risk in relation to our investment portfolio is, relative to other investment strategies, very low. Indeed, in terms of the supply chains of our portfolio, less than 1.6% of our total relative slavery risks is in the highest priority areas in relation to our investments.

46. The risk areas present in our investment supply chains arise from similar factors identified above in relation to our operational supply chain, including the inputs of computer & technical service and market research & business services. The reliance upon these industries is occurring at tiers 2 and 3 of the supply chains. Therefore, our due diligence efforts in relation to our investment portfolio is the same as set out for the computer & technical services supply chain.

PART THREE

Ongoing action to address modern slavery risks

47. As set out in our First Statement, the RAA Group is committed to implementing and continually improving our modern slavery response. The following is a summary of the key due diligence and remediation measures we have implemented during the current reporting period.

Investment risk assessment and analysis

48. Building on the risk assessment undertaken in the first reporting period, we have expanded our assessment in the current period to include a comprehensive review of our investment portfolio.

49. We recognise that moving from a 'macro level' risk analysis to more detailed examination of specific suppliers and investments is an important step in tailoring our ongoing response to modern slavery whilst accounting for unique industry and category factors.

50. The RAA Group performed additional detailed analysis of modern slavery risks that may exist within its investments. For example, our Senior Manager of Investments prepared and delivered (to our Investment Committee) a position paper on our modern slavery responses in relation to all of our fund managers.

51. Our analysis reveals that our investments are spread across low risk geographics and low risk sectors. Over 91% of our investments is in Australian entities. Our investments are also mostly invested in markets with 'high labour standards'. Overall, our external fund managers have robust modern slavery processes and process.

52. The investment assessment process identified one external fund manager that did not have appropriate modern slavery frameworks, noting that it had limited processes in place to assess the modern slavery risk of investee companies specifically in relation to exposure factors, such as investments in high risk geographies or in high risk sectors.

53. In response to this, we have made a decision to terminate that external fund manager.

54. In all cases we retain the right to terminate any of our fund managers if their modern slavery processes are or become insufficient.

Internal governance and policy development

55. The review and update of our existing internal governance framework to specifically address modern slavery requirements for the RAA Group was identified as a focus area in our First Statement.

56. The following policy developments have now been finalised:

- Updating our procurement policy with modern slavery specific provisions.
- Rolling out our Supplier Code of Conduct which requires suppliers to commit to

addressing modern slavery in their operations and supply chains.

- Rolling out our RAA Preferred Supplier Framework, which sets out the criteria a supplier must meet in order to be classified as a ‘preferred supplier’.
The Preferred Supplier Framework now includes the following updated requirements for preferred suppliers to:
 - i. Undergo a modern slavery risk assessment which includes completing a supplier self assessment where appropriate. This assessment occurs both initially and upon period review.
 - ii. Comply with our Supplier Code of Conduct..
 - iii. Be approved by our Procurement team. Such approval only occurs upon the team receiving suitable evidence of the supplier having appropriate modern slavery processes.
 - iv. Have a current contract in place, which includes our model provisions for addressing modern slavery.
- Our legal team has created a checklist for supplier contracts which allows the business to undertake a review of supplier contracts to assess modern slavery coverage.
- We are in the process of forming a Modern Slavery Working Group, which will report to the Risk and Compliance Committee of the RAA Board, with representation from across the RAA Group.
- We have updated our purchase order terms and conditions to now include a provision requiring our suppliers to warrant the following terms:
 - i. That the supplier operates its business in a manner that is consistent with the Act .
 - ii. That the supplier, its personnel and any supply chains including direct subcontractors have not been investigated for, or convicted of, any modern slavery offences.
 - iii. That the supplier will notify the RAA Group should they become aware of any actual or suspected incidences of modern slavery within their supply chain.

57. During the reporting period, our internal auditors undertook an audit of RAA’s contract management and procurement governance process. The scope of the audit included reviewing the key controls and management practices in relation to procurement and critical supplier management. The audit findings did not raise any significant modern slavery related concerns. One recommendation of note was to formalise our supplier checklist requirement, which has subsequently occurred.

58. During this reporting period, the RAA Group undertook a review into the RAA Group’s purpose as an organisation. We have identified that the RAA Group does and should play an important role not only in making life better for our members, but in our communities more broadly. The RAA Group has determined that its practices, including procurement, should reflect our new community minded purpose, “better for members, better for community”. As a result, a priority project has been identified in the RAA Group’s business planning that will help to bring our new purpose to life. This work will develop the RAA Group’s social value proposition, outlining our definition of social value, long-term objectives, social value theme, priorities and targets. We expect to embed the reduction of modern slavery into this project in the next reporting period.

Insurance service providers

59. During this reporting period, RAA Insurance has developed Conduct Requirements for its service providers, which include modern slavery requirements. Specifically, RAA Insurance

requires its service providers to be proactive in assessing and addressing modern slavery risks to ensure that businesses within their supply chain are not engaged in, or complicit with, modern slavery. RAA Insurance's Conduct Requirements are attached to every authority to act that RAA Insurance provides to its suppliers.

60. In addition, during this reporting period, seventeen (17) of RAA Insurance's main suppliers (Builders, Restorers, Plumbers, Assessors and Engineers) were trained on RAA Insurance's Conduct Requirements, which included our expectations around modern slavery.
61. RAA Insurance has established a Claim Supply Chain department, responsible for the appointment, monitoring and management of suppliers that RAA Insurance uses to fulfil our insurance claims obligations to insurance customers. We plan to roll out an Insurance Supply Chain Governance Policy and associated Claims Supply Chain Governance Guide during the next reporting period.
62. The purpose of this Supply Chain Policy and Guide is to set out governance principles in relation to RAA's Insurance claims providers and the steps which must be taken in order to manage the risks associated with, and to optimise the performance of Claims Providers. These risks include modern slavery in supply chains.
63. We have also earmarked further insurance policy development for the next reporting period. Specifically, our contracts with our insurance claims providers will be uplifted to include modern slavery provisions.
64. Similarly, RAA will shortly be entering into new contracts with our Builders and Restorers, which will contain provisions that expressly address modern slavery.

Higher risk supplier due diligence and engagement

65. In our First Statement, we outlined our intention, as a focus area for the current reporting period, to work further with two identified higher-risk industries: auto-related industries and solar power / batteries industries.
66. Our targeted modern slavery engagement with these industries over the period is summarised below.

Auto-related industries

67. We acknowledged the elevated prevalence of modern slavery in the global auto parts industry, primarily arising from the manufacturing and other base-level operations. As detailed in our First Statement, RAA has a strong relationship with over 450 Approved Repairers.

APPROVED REPAIRERS

68. During the current reporting period, we drafted targeted communications to all of our Approved Repairers confirming that RAA will not tolerate any incidences of modern slavery in its supply chains. The communication has also requested that Approved Repairers report any known or suspected incidences of modern slavery to RAA, along with an outline of our protocols for doing so. This communication is due to be sent in the next reporting period.

69. As at the date of this Statement the RAA Group has not received any reports of actual or suspected incidences of modern slavery from any of our Approved Repairers, or otherwise.
70. RAA has earmarked a contractual update in relation our network of Approved Repairers for June 2022. These planned amendments will focus on the inclusion of detailed modern slavery clauses into Approved Repairers' contracts.

MOTOR BATTERIES

71. As part of its automotive operations, RAA supplies and fits batteries into cars and other vehicles. RAA is aware that the manufacture and associated supply chains relating to motor batteries can present elevated risks for modern slavery.
- In this reporting period, RAA negotiated a new contract with its auto battery supplier. As part of the negotiations RAA required the supplier to agree to updated contractual provisions, including the following warranties:
- That the supplier (including its officers, employees or subcontractors) has not breached modern slavery legislation.
 - That the supplier has not been notified that it is subject to an investigation relating to potential modern slavery practices.
 - That the supplier is not aware of circumstances within its supply chain that could give rise to an investigation relating to modern slavery practices.
 - That the supplier is obligated to notify RAA of any change in circumstances relating to modern slavery disclosure.

FUEL AND FUEL CARDS

72. During this reporting period, RAA conducted a comprehensive tender process to identify a new provider of fuel and fuel cards used by RAA's patrols and fleet vehicles.
73. A modern slavery assessment was part of the tender process, and we reviewed the responses prior to the award of contract. Specifically, respondents to the tender were asked to provide us with the following information:
- whether the respondent had reviewed its supply chain for modern slavery
 - whether the respondent had or was intending to address or incorporate modern slavery guidelines into their policies and supply chain to indicate if the respondent considered and assessed modern slavery when contracting with suppliers and if they undertook supplier risk assessments.
74. The selected supplier subsequently entered into a contract that includes the following modern slavery focused warranties:
- that the supplier, its personnel, suppliers and sub-contractors have not been convicted of any offence or investigated for modern slavery;
 - that the supply conducts its business consistent with the principles of the Modern Slavery Act;
 - that the supplier conducts modern slavery-related due diligence procedures for its own suppliers; and
 - that the supplier is required to notify RAA of any actual or suspected Modern Slavery in its supply chains.

Solar and battery industry

75. We acknowledge that the solar and battery industry represent a high-risk industry for modern slavery. This includes the strong linkages that have been identified to forced labour schemes in the Xinjiang region of China, and the associated exploitation of Uyghur people.
76. On a global scale, China holds a relatively large market share (75%) for global production of polysilicon. A very high portion (45% of this overall global market share) of this polysilicon is produced in the Xinjiang region. Polysilicon has been identified as a high-risk material for modern slavery, particularly when sourced from China. In June 2021, polysilicon sourced from China was added by the U.S Department of Labour's List of Goods Produced by Forced and/or Child Labour. The inclusion of this material into the Department's list was outside its standard reporting period cycle, highlighting its exceptional nature and the present level of international attention surrounding this issue.
77. Solar panels sourced in China present elevated risks both upstream and downstream the supply chain. The mining of quartz (a key input into polysilicon) also presents elevated risks for modern slavery when sourced in China, and specifically, the Xinjiang region.
78. RAA has appointed a single subcontractor who arranges for the supply of solar and batteries to RAA customers. The solar batteries procured have been approved by the SA Home Battery Scheme.
79. The contract with our subcontractor has detailed modern slavery provisions. RAA has also undertaken due diligence with respect to this subcontractor focused on issuing an information request to the subcontractor and requesting that they examine and review their supply chain for modern slavery risks.
80. Our subcontractor was cooperative and provided RAA with evidence that they had contacted all their direct suppliers. The subcontractor sought written confirmation that each of their suppliers is compliant with modern slavery laws and required all suppliers to execute a contract amendment letter that contained the following modern slavery provisions:
 - All suppliers are obliged to include contractual provisions with their own suppliers and direct subcontractors to comply with anti-slavery legislation and not engage with any activity amounting to modern slavery.
 - All suppliers are required to provide notice of any actual or suspected modern slavery occurring in a relevant supply chain.
 - A requirement for each executing supplier to obtain details of their own supply chain and provide this information to RAA's solar battery subcontractor.
81. We have requested our subcontractor review the responses and notify us of modern slavery risks identified. As of the date of this statement no concerns have been identified by our subcontractor and all except one of the contract amendment letters have been returned by the suppliers.
82. RAA is committed to ongoing and close monitoring of the situation, given the increasing scrutiny on solar products and electronics tainted by forced labour of the Uyghur people.

Clothing industry

83. During the current reporting period, entered into a contract with a new uniform supplier for corporate attire. As part of the request for tender process, we incorporated a variety of modern slavery specific questions that formed a key element of the request.
84. RAA assessed all responses as part of the award of the contract.
85. The contract entered into with our new uniform supplier contains comprehensive modern slavery provisions, including:
- warranties that the supplier, its personnel, suppliers and sub-contractors:
 - i. have not been convicted of any offence involving Modern Slavery; and
 - ii. are not and have not been subject to any investigation, inquiry or enforcement proceedings in connection with Modern Slavery.
 - a warranty that the supplier conducts its business in a manner that is consistent with the principles of the Modern Slavery Act 2018 (Cth).
 - A requirement that the supplier implement due diligence procedures for its own suppliers, subcontractors and other participants to ensure that there is no Modern Slavery in their supply chains.
 - An obligation to notify RAA of any actual or suspected Modern Slavery in a supply chain connected with the contract.
86. We also used this supplier to source PPE related to the current COVID pandemic (e.g. re-usable masks) during this reporting period.

Education and training

87. The RAA Group recognises that continually increasing employee awareness in relation to the realities of modern slavery comprises an important part of our overall due diligence actions.
88. During the current reporting period, we have implemented additional training, building upon our training efforts in the first reporting period.
89. This has occurred by way of a detailed e-learning module, which was mandatory for all staff at the level of manager or above or otherwise in a procurement role. The e-learning module was also made available for our internal departments that have been identified as having a stronger nexus with modern slavery, such as purchasing roles.
90. The e-learning training was developed internally, so that the material could be tailored to our specific context. The module focused on the following key topics:
- general overview of modern slavery;
 - the relevance of modern slavery to our operations;
 - an overview of the RAA Group's response to addressing modern slavery;
 - how specific teams and departments can assist with managing the RAA Group's modern slavery risk; and
 - proper procedures and mechanisms to reporting modern slavery
91. The module also included a quiz upon completion, which was mandatory in order for staff to

pass the module. This was instituted to test the effectiveness of the training in information retention amongst our staff.

92. Completion of the modern slavery e-learning module was monitored tracked internally. As of 7th October 2021, of the 156 managers who were enrolled to complete the Modern Slavery e-learning training, 152 (97.44%) have completed and successfully passed the module. The remaining managers are being followed up. All new managers who join the RAA Group will complete the training as part of induction.
93. The RAA Group also used other internal platforms to raise our overall awareness of modern slavery. This included the following internal communications:
 - Various messages regarding modern slavery using the RAA Group’s “Digiboard” (digital noticeboard) onsite at our Mile End headquarters, including a reminder to complete mandatory modern slavery training.
 - A modern slavery specific article in “The Buzz”, which is our internal newsletter provided to staff across the group.
 - Email communications to the RAA Group senior leadership (consisting of all senior managers and all general managers) providing an update on modern slavery and introducing the more detailed compulsory modern slavery e-learning module and providing an overview of the training.

PART FOUR

Measuring the effectiveness of our modern slavery response

94. The RAA Group recognises that it is crucial to closely assess the actual impact of our implemented measures over consecutive reporting periods to ensure that they represent the best deployment of effort and resources.
95. Our continuous improvement approach includes regularly updating our Measuring Effectiveness Framework, as set out in the following Table.

The RAA Group’s Measuring Effectiveness Framework

Key Performance Indicator	Progress indication
Making available to RAA’s network of auto repairers modern slavery awareness-raising communication and education materials	Completed (and ongoing throughout future reporting periods)
Increasing the number of employees that undertake modern slavery training	Completed (and ongoing throughout future reporting periods)
Formation of a Modern Slavery working group that reports directly to the Risk and Compliance Committee and provides a biannual report	In progress, earmarked as a focus area for the next reporting period
Implementing modern slavery risks into the internal auditing process	Completed (and ongoing throughout future reporting periods)
Implementing modern slavery into the roll out of RAA’s new procurement process	Completed
Monitoring of solar / battery industry	In progress, earmarked as a focus area for the next reporting period
Assessing and monitoring the RAA Group investments for modern slavery risks	Completed (and ongoing throughout future reporting periods)
Updating the RAA Group’s Whistleblower Policy to include modern slavery specific provisions	Next reporting period
Appointment of preferred suppliers of merchandise, including due diligence for modern slavery risks and appropriate contractual provisions	Next reporting period
Embedding of modern slavery into the RAA Group’s social value proposition	Next reporting period

96. In accordance with our long-term commitment to effectively address modern slavery, we acknowledge that a significant number of our KPIs require ongoing implementation through future reporting periods.

PART FIVE

Consultation with controlled entities and other relevant information

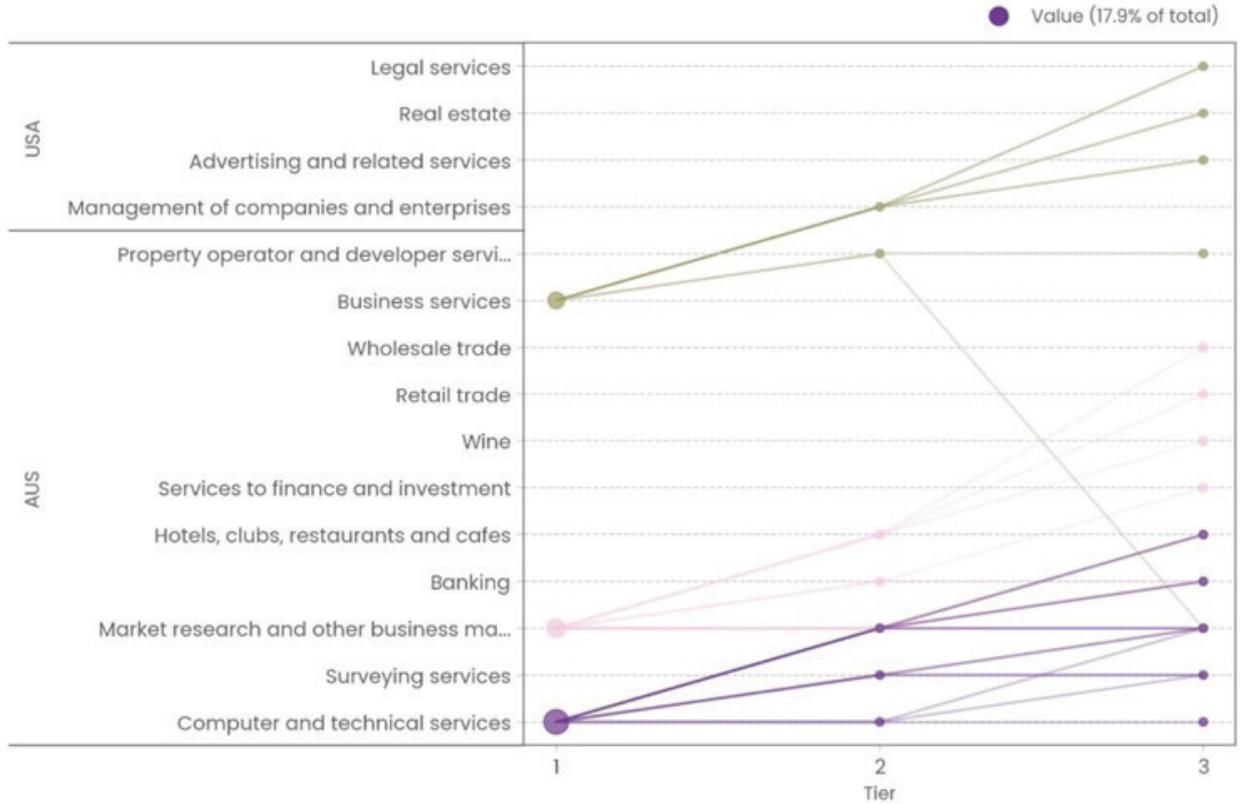
97. RAA wholly owns and controls RAA Insurance Holdings Limited (which wholly owns RAA Insurance Ltd) which operates the insurance business. The Risk and Compliance Committee for RAA and RAA Insurance considered the approach of the RAA Group and its entities to Modern Slavery.
98. Comprehensive consultation on modern slavery issues has occurred within all key areas of operations within the RAA Group, including Investments.
99. In relation to its Investments, the RAA Group adheres to the Principles of Responsible Investment. Accordingly, there has been consultation between the RAA Group's operational teams with the RAA Group's investment team to ensure that the risks of modern slavery are being assessed and addressed in the RAA Group's investment portfolios. The RAA Group's operational team is working closely with the RAA Group's investment team to ensure that modern slavery risks are identified and considered in the investment process.
100. All necessary consultation and engagement across all entities within the RAA Group have occurred in relation to the modern slavery response over the reporting period, as set out in this Statement. Additionally, all entities within the RAA Group have been involved in the preparation of this Statement.
101. The comprehensive supply chain assessment for modern slavery risks, along with other due diligence and remediation measures that are discussed throughout this Statement, have been undertaken for the supply chains and operations for each of these separate entities.
102. We are pleased to report that the continued COVID-19 pandemic has not materially affected our operations during the subject reporting period, primarily due to our locational base in South Australia. We note that we did procure additional PPE, in the form of cloth facemasks, from our corporate uniform supplier that was subject to our modern slavery tender process and modern slavery contractual provisions, detailed above at paras 83-85. Aside from this, there has been no operational or resourcing changes or constraints that would otherwise affect our modern slavery risk profile and subsequent response.

APPENDIX

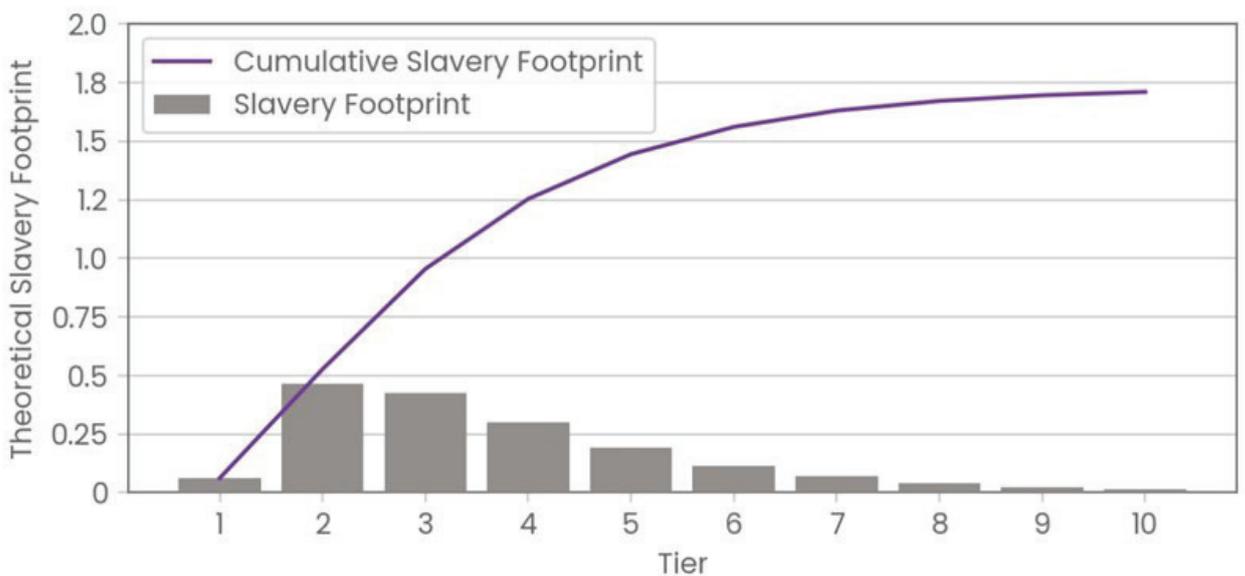
Initial Risk Assessment Results Methodology Summary

1. As discussed in Part 2 of this Statement, we continued our engagement with external subject matter experts to carry out the same comprehensive risk assessment in relation to new supplier categories that were not previously subject to assessment. This baseline exercise provides the basis for our subsequent focus for ongoing due diligence and remediation activities across not only the present reporting period but for upcoming years.
2. Incorporating company spend data throughout global markets, we have utilised external consultants with proprietary technology to trace the economic inputs required to produce products and services sourced from Tier 1 suppliers to Tier 2 suppliers, Tier 2 suppliers to Tier 3 suppliers, and so on, all the way to Tier 10 suppliers of the supply chain of the RAA Group's top suppliers and investments by spend.
3. This supply chain mapping was performed using a balanced, global Multi-Regional Input-Output (MRIO) table which links supply chain data from 190 countries, and in relation to 15,909 industry sectors. This MRIO table is assembled using the following sources:
 - i. The United Nations' (UN) System of National Accounts;
 - ii. UN COMTRADE databases;
 - iii. Eurostat databases;
 - iv. The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and
 - v. Numerous National Agencies including the Australian Bureau of Statistics.
4. The MRIO is then examined against the following international standards:
 - i. The UN Guiding Principles on Business and Human Rights;
 - ii. The Global Slavery Index;
 - iii. International Labour Organisation (ILO) Global Estimates of Modern Slavery; and
 - iv. The United States' Reports on International Child Labour and Forced Labour.
5. A proprietary algorithm has then been applied to synthesise publicly available risk data against the exclusively licensed MRIO table. The result of this process is the creation of a modern slavery risk profile to Tier 10 for each supplier and investment of the RAA Group.
6. This analysis was performed for the purposes of risk identification under Section 16(1)(c) of the Act. No information confirms the actual existence of non-existence of slavery in the RAA Group's supply chains, operations or investments. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level.
7. The multi-faceted approach to modern slavery risk assessment that we have undertaken has included examination and analysis of the following:
 - i. The individual suppliers, investments and industries with the most elevated risk of modern slavery;
 - ii. Supply chain and investment plots to provide a visual representation of the supply chain and investment supply chains for the RAA Group's top 3 first tier industries;
 - iii. Plotting the relative slavery risk in the supply chain and investment by tier, up to tier 10;
 - iv. Geographical depiction of the cumulative risk of modern slavery across the supply chain and investments around the world; and

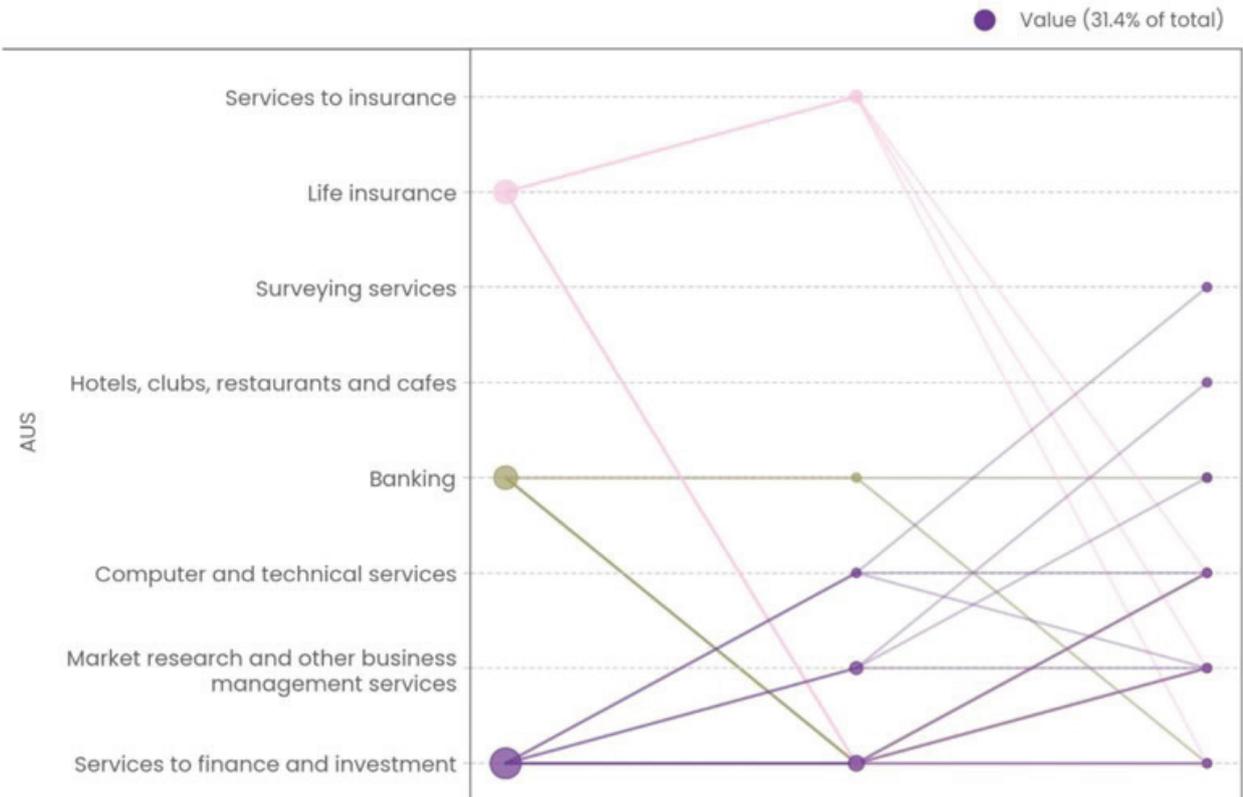
- v. An overview of the classification of the first tier of our supply chain and investments by country and industry, including relative modern slavery risk.
- vi. Suppliers and investments in our supply chains and operations that posed any calculated risks in relation to modern slavery were identified.
- vii. The following plot depicts the supply chains of the industries in the first tier of our suppliers for the current reporting period:



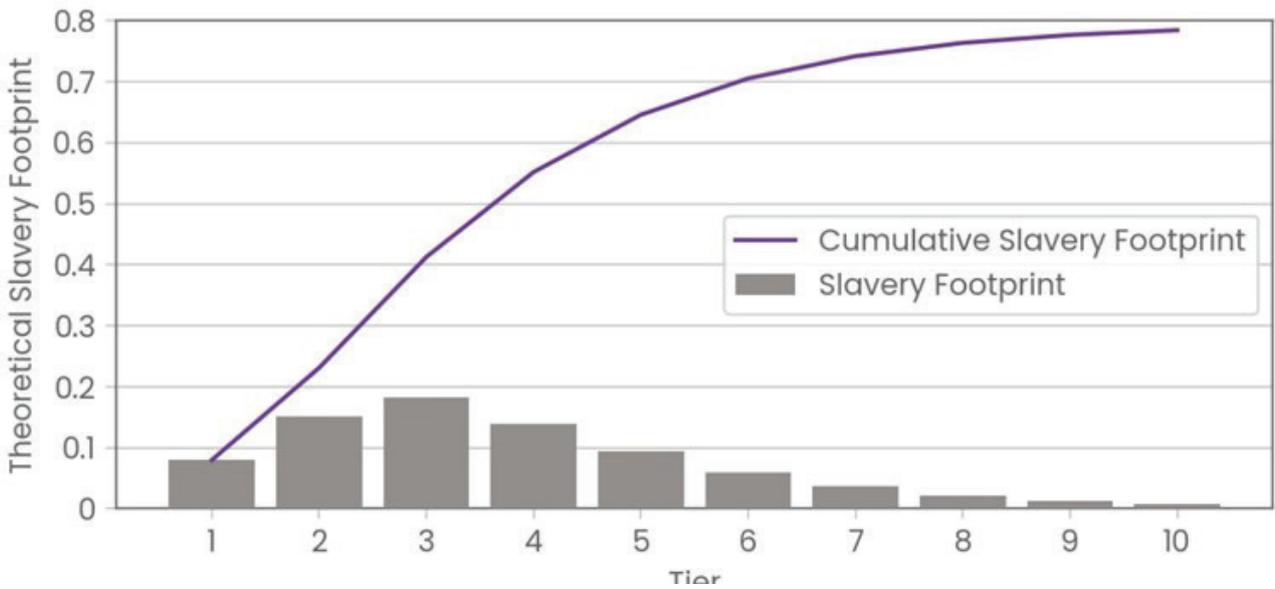
- 8. The following plot indicates the tier of the supply chain in relation to our suppliers where the greatest risk of modern slavery has been estimated to occur:



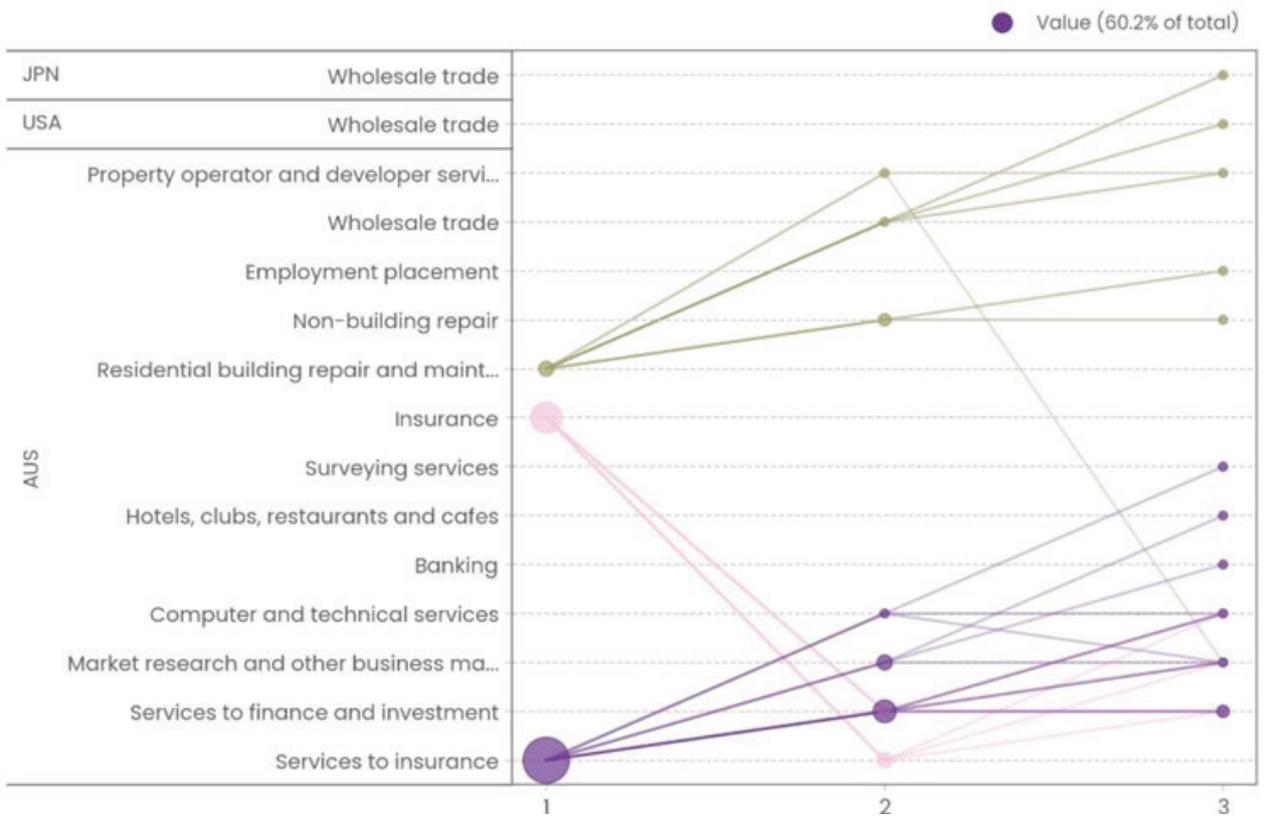
9. The following plot indicates the supply chains of the industries in the first tier of our investments for the current reporting period:



10. The following plot indicates the tier of the supply chain in relation to our investments where the greatest risk of modern slavery has been estimated to occur:



11. The following plot indicates the supply chains of the industries in the first tier of our insurance categories for the current reporting period:



12. The following plot indicates the tier of the supply chain in relation to our insurance categories where the greatest risk of modern slavery has been estimated to occur:

