



# 2022 Modern Slavery Statement



## Acknowledgement of Country

The NRMA acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

**This is the 2022 Modern Slavery Statement ('Statement') for the NRMA. The Statement has been prepared in accordance with the requirements of the Modern Slavery Act 2018 (Cth), (the 'Act').**

**This statement was approved by the Board of Directors of the NRMA at the board meeting held on 1 December 2022.**

**Signed in accordance with a resolution of the Board of Directors.**



Tim Trumper  
NRMA Chair

1 December 2022

# Contents

<b>The NRMA's commitment</b>	<b>4</b>
<b>1. Identifying the reporting entity</b>	<b>5</b>
<b>2. Structure, operations and supply chains</b>	<b>5</b>
2.1 Our Structure	5
2.2 Our Operations	6
2.3 Our Supply Chains	8
<b>3. Assessing the risk of modern slavery in our operations and supply chains</b>	<b>9</b>
3.1 Our operations	9
3.1.1 Impact of external events on our operations	9
3.1.2 Identified risk of modern slavery within our operations	9
3.2 Supply Chains	9
3.2.1 Impact of external events on supply chains	9
3.3 Impact of external events on individual business supply chains	9
3.4 Identified risks in our supply chains	10
3.4.1 Identified high risk supply chains	10
<b>4. Actions we have taken in FY22</b>	<b>11</b>
4.1 High risk supply chains	11
4.2 Other activity – supply chains	12
4.3 Due diligence – supply chains	13
4.4 Due diligence – operations	14
4.5 Remediation	14
<b>5. Assessing the effectiveness our actions</b>	<b>15</b>
<b>6. Consultation with controlled entities</b>	<b>16</b>
<b>7. Other relevant information</b>	<b>16</b>



## The NRMA's commitment

The events of the last year have impacted us all. The pandemic continues, war has broken out in Ukraine, and closer to home the La Nina weather event has impacted the lives of thousands, destroying homes, businesses and fragile ecosystems. These events have further disrupted already damaged supply chains and placed many vulnerable people at an even higher risk of modern slavery.

We are aware of the role we may inadvertently play in perpetuating modern slavery in the current climate if we fail to diligently monitor our operations and supply chains for risks. This awareness has focused our attention even more keenly on the actions we take to understand the geographic, industry sector and product and services risks within a disrupted market. Throughout FY22 our Modern Slavery Working Group (MSWG) has met regularly to review our progress, identify challenges and risks and take appropriate steps to address and mitigate. The MSWG reports through to our Audit and Risk Management Committee (ARMC) who update the executive team and Board on our progress and where we have identified areas of concern.

As a member-owned mutual we are committed to respecting human rights and bear a responsibility to ensure that our policies, activities and processes mitigate and protect against human rights violations. While we remain confident that within our own operations there is a very low risk of modern slavery, the disruption to supply chains as a result of global events has necessitated closer attention on existing and alternative supply chains.

Each year we aim to communicate through our Statement our progress in identifying and mitigating the risks of modern slavery. This year, despite the challenges we have made solid progress and also identified where we need to improve or modify our processes. We understand that our work is ongoing and look forward to reporting on our progress and activities each year.

*Rohan*

Rohan Lund  
NRMA Group CEO



# 1. Identifying the Reporting Entity

This 2022 Modern Slavery Statement ('the Statement') covers the activities of the National Roads and Motorists' Association Limited ACN 000 010 506 ('the NRMA') undertaken to understand and implement actions to minimize the risk of modern slavery in our operations and supply chains for the period 1 July 2021 to 30 June 2022.

Throughout the Statement the use of 'the NRMA' refers to the operational divisions of, NRMA Corporate, NRMA Motoring and Membership and the wholly-owned controlled entities of; NRMA Marine, NRMA Parks and Resorts, NRMA Expeditions and SIXT Australia.

# 2. Structure, operations and supply chains

## 2.1 Our Structure

The NRMA is a member owned organisation structured as an Australian public company limited by guarantee, operating in the travel, education, mobility, motoring, leisure and tourism sectors.

The NRMA includes the operational divisions of NRMA Corporate and NRMA Motoring and Membership, and the wholly-owned, controlled entities of NRMA Marine, NRMA Parks and Resorts, NRMA Expeditions and SIXT Australia.

The NRMA employs 2,364 full, part-time, fixed term and casual staff.

The NRMA holds a number of investments which it does not control or manage operationally in the form of equity and holdings in other Australian companies and holdings in managed funds and joint ventures.

It is a shareholder of Australian Motoring Services Pty Ltd and Club Assets Pty Ltd which are owned by the various auto clubs of Australia, and deliver services and initiatives on behalf of the clubs on a national basis. We are a shareholder of Coral Expeditions which operates small scale cruise services to remote and unique environments across Australia.

The NRMA Registered Office  
Level 13, 151 Clarence Street  
Sydney NSW 2000




## 2.2 Our Operations

The NRMA provides roadside assistance services, marine services, vehicle rental, driver training, advocacy, education, electric vehicle fast-charging, tourism and leisure. Our operations are based in Australia however SIXT utilizes one offshore call centre based in the Philippines for its Australian operations.

On 1 December 2021 we transitioned our vehicle rental business (previously Thrifty Car Rental) to global mobility leader SIXT, becoming the master licence holder for SIXT Australia.

### Operational divisions - NRMA

### Function and employees

	<p><b>NRMA Corporate</b></p>	<p>NRMA Corporate and NRMA Motoring and Membership provides key functions for the group which include; membership programs, marketing, advocacy, strategy and investments, legal, technology, property services, community programs and involvement with jointly owned motoring organisations including Australian Motoring Services and Club Assets.</p>
	<p><b>NRMA Motoring and Membership</b></p>	<p>Comprises roadside assistance, driver training, education, batteries and electric vehicle charging infrastructure.</p> <p>NRMA Corporate and NRMA Motoring and Membership combined employ 1114 full, part-time, fixed term and casual employees.</p>

### Controlled Entities

	<p><b>Kingmill Pty Ltd</b></p>	<p>Provides vehicle rental services in Australia. SIXT has 75 wholly owned locations within Australia and employs 426 full, part-time, fixed term and casual employees.</p> <p>The remaining network is owned and operated by franchisees.</p>
	<p><b>NRMA Parks and Resorts</b></p>	<p>NRMA owns and/or manages 47 parks and resorts across Australia and employees 487 full, part-time, fixed term and casual employees.</p>
	<p><b>NRMA Marine</b></p>	<p>My Fast Ferry provides commuter services in Sydney and employs 64 full, part-time, fixed term and casual employees.</p> <p>Fantasea Cruising provides tourism and leisure services in NSW and employs 37 full, part-time, fixed term and casual employees.</p>
	<p><b>NRMA Expeditions</b></p>	<p>NRMA Expeditions provides tourism, accommodation and cruising services in Tasmania and employs 236 full, part-time, fixed term and contract staff.</p>

## Non-Controlled Entities

### Participation in Motoring Organisations

The NRMA exercises a significant influence in the following non-controlled entities both of which are owned by various auto clubs in Australia and deliver initiatives and services on behalf of these clubs.

#### Australian Motoring Services Pty Ltd

Provides motoring and travel assistance services.

#### Club Assets Pty Ltd

Club Assets Pty Ltd through its 75% ownership of Club Assist Corporation Pty Ltd provide motoring assistance services including the supply of batteries.

### Other non-controlled entities

#### Coral Expeditions

The NRMA hold a 46% stake in Coral Expeditions which operates small scale cruise services in Australia and can thus exercise a significant influence through two allocated Board seats.

The following outlines the operations carried out by the NRMA and its controlled entities.

<p><b>NRMA Corporate</b></p> <p><b>Main operations (corporate controlled functions)</b></p> <ul style="list-style-type: none"> <li>• Finance and asset management</li> <li>• Technology and data</li> <li>• People, organizational culture and OHS</li> <li>• Governance</li> <li>• Reconciliation Action Plan</li> <li>• Environment, Social and Governance (ESG)</li> <li>• Strategy &amp; Investments</li> <li>• Joint ventures</li> </ul>	<p><b>NRMA Motoring and Membership</b></p> <p><b>Main operations</b></p> <ul style="list-style-type: none"> <li>• Roadside assistance</li> <li>• Driver training and education</li> <li>• Member services and Member benefits</li> <li>• Advocacy</li> <li>• EV fast charging infrastructure</li> <li>• Marketing services</li> <li>• Australian call centres</li> <li>• Car batteries – supply and install</li> <li>• Member communications including Open Road</li> </ul>
<p><b>SIXT</b></p> <p><b>Main operations</b></p> <ul style="list-style-type: none"> <li>• Car and truck rental services in Australia</li> <li>• Ancillary item rentals eg. Baby/booster seats and GPS</li> </ul>	<p><b>NRMA Parks and Resorts</b></p> <p><b>Main operations</b></p> <ul style="list-style-type: none"> <li>• Accommodation and associated services at 47 parks across Australia</li> <li>• Parks management services</li> </ul>
<p><b>NRMA Marine</b></p> <p><b>Main operations</b></p> <ul style="list-style-type: none"> <li>• Tourism and leisure services</li> <li>• Commuter ferry services</li> </ul>	<p><b>NRMA Expeditions</b></p> <p><b>Main operations</b></p> <ul style="list-style-type: none"> <li>• Accommodation and associated services at 3 unique locations in Tasmania</li> <li>• Cruising services in Tasmania</li> </ul>
<p><b>Investments</b></p> <p>A diversified investment portfolio across a wide variety of asset classes including equities, property, infrastructure, private equity, fixed income and cash assets</p>	

## 2.3 Our supply Chains

The following table identifies our supply chains, mapping them to the appropriate businessor controlled entity, and identifies the modern slavery risk level based on research.

	Corporate	Motoring and Membership	SIXT	Parks and Resorts	Marine	Expeditions
PPE and COVID related safety equipment	High	High	High	High	High	High
Office consumables and promotional merchandise	High	High	High	High	High	High
Uniforms and work attire	High	High	High	High	High	High
Batteries	High	High	High	High	High	High
Cleaning services	High	High	High	High	High	High
Technology, hardware, software, cloud services	Medium	Medium	Medium	Low	Low	Low
Printing, publishing and paper supply	Medium	Medium	Medium	Low	Low	Medium
Wholesalers/ancillary items	Medium	Medium	Medium	Medium	Medium	Medium
Food, beverages, wholesalers, catering	Medium	Medium	Medium	Medium	Medium	Medium
Accommodation cabins and amenity buildings	Medium	Medium	Medium	Medium	Medium	Medium
Call centre in Phillipines	Medium	Medium	Medium	Medium	Medium	Medium
Security services	Low	Low	Low	Low	Low	Low
Power - EV charging network	Low	Low	Low	Low	Low	Low
Vehicles and vessels	Low	Low	Low	Low	Low	Low
Catering services	Low	Low	Low	Low	Low	Low
Contractors and subcontractors	Low	Low	Low	Low	Low	Low
Food and beverage wholesalers	Low	Low	Low	Low	Low	Low
Community partners	Low	Low	Low	Low	Low	Low
Managed investments, joint ventures and associates	Low	Low	Low	Low	Low	Low
Fuel, maintenance/spare parts	Low	Low	Low	Low	Low	Low
Utilities	Low	Low	Low	Low	Low	Low
Landscaping services	Low	Low	Low	Low	Low	Low
Furniture and fittings	Low	Low	Low	Low	Low	Low
Professional services	Low	Low	Low	Low	Low	Low

**Legend:**

High perceived risk of modern slavery within supply chain

Medium perceived risk of modern slavery within supply chain

Low perceived risk of modern slavery within supply chain



## 3. Assessing the risk of modern slavery in our operations and supply chains

### 3.1 Operations

As a business we are confident that risks in our own operations (including our wholly controlled entities), of modern slavery are low. Compliance with legislation pertaining to employees forms part of our Group Risk Appetite Statement and we have no tolerance for non-compliance. We rigorously oversee and monitor full, part-time and casual employment conditions across the NRMA and undertake periodic payroll audits to verify compliance. In addition we have in place processes and policies including a Speak Up Hotline, Code of Conduct and other relevant policies that support compliance. A list of our policies can be found on page 14.

#### 3.1.1 Impact of external events on our operations

During FY22 some of our businesses were forced to temporarily close as a result of enforced lockdowns due to the pandemic. Some operations including our roadside assistance, marine commuter services and vehicle rental businesses were nominated as essential services and remained open, subject to rigorous COVID-safe processes being implemented. As a group we had already undertaken extensive work in respect of our digital capacity which enabled most operations to continue, albeit working remotely. The floods in eastern Australia also impacted our businesses with some locations being forced to close and our tourism assets suffering due to lack of patronage. Our roadside assistance business was also put under strain seeking to assist flood affected members and additional resources from other areas were deployed.

#### 3.1.2 Identified risk of modern slavery within our operations

We have not identified any risks of modern slavery within our own operations.

### 3.2 Supply Chains

The NRMA understands that we could be directly linked to modern slavery practices through the activities of our supplier network including those we do not have any direct links with. For a business such as our own that is in the infancy of its modern slavery journey we are aware that gaining a richer understanding across the depth of our supply chains will take time and that at this stage we remain reliant on our direct suppliers to effect processes and policies that impact their own supply chains.

#### 3.2.1 Impact of external events on our supply chains

We are aware that events over the last years have heightened the risks of modern slavery across the world. The impact on vulnerable people due to the ongoing pandemic has now been further exacerbated by the outbreak of war in Ukraine and closer to home devastating rains and floods, and labour shortages. These events

place vulnerable people at an increased risk of modern slavery and although Australia is insulated to some degree, complex global supply chains are not. The disruption to these supply chains have required many businesses to seek alternative supply options. In the past year we have updated our procurement policies and guidelines. Our procurement teams remain vigilant in identifying geographic, industry or product and services risk associated with procurement and seek (via our Modern Slavery questionnaire) details pertaining to supplier management of modern slavery risks. The following outlines the main impact for each of our businesses.

### 3.3 Impact of external events on individual business supply chains

#### SIXT Australia

Our SIXT rental vehicle business was affected by COVID-19 disrupted supply chains for both vehicles and vehicle parts. This has led to demand often outstripping supply. Although historically we have obtained rental vehicles direct from manufacturers we have as an interim measure commenced purchasing some vehicles directly from Australian dealerships and broadened the type of vehicle we generally offer in order to meet demand.

#### NRMA Expeditions

Our Expeditions business is undertaking a refurbishment program across a number of its tourism assets. Refurbishment works have been impacted by the supply of materials furniture, fittings and equipment (FF&E). Our Expeditions procurement lead is undertaking due diligence with respect to modern slavery in the engagement of contractors and sourcing of FF&E.

#### NRMA Parks and Resorts

The most noticeable impact of external events on supply chains in NRMA Parks and Resorts has been the lack of availability with respect to consumable items used in the provision of accommodation services. As a result, procurement both centralised and local has been forced to purchase based on availability or temporarily cease supply of some items. Procurement teams are working towards centralizing purchasing of consumables which will enable better visibility over supply chains.

#### NRMA Corporate and NRMA Motoring and Membership

NRMA is a major provider of batteries via their supplier Club Assist. Supply has been severely affected over the last year which has been aggravated by increased demand. In addition vehicle supply has caused issues with respect to both vehicle replacement and supply, for our roadside patrol and towing businesses. IT hardware and related products and the services of specialist highly skilled IT consultants are difficult to acquire and there remains a struggle to recruit staff for some of our operations, most noticeably in our Member services area. The main impact of these supply chain interruptions was project delay or delayed services.

## Marine

Our tourism and leisure marine business has been heavily impacted by the downturn in visitors and commuter requirements since the advent of COVID-19. Temporary stoppage of some services and reduced demand has lessened supply chain demand and as such no supply chain issues were experienced.

### 3.4 Identified risks in our supply chains

To date all supply chains across the NRMA have been classified into Tiers 1 to 3 (by value and term) and by level of risk (high, medium and low). To identify risk level we classify under geographic, industry sector and/or product and services risk. Regular research is undertaken by the MSWG with respect to external events that are impacting or affecting risk levels in supply chains.

#### Risk to NRMA



##### Geographic risk

Goods and/or raw materials procured from countries identified as having a high risk of modern slavery.



##### Industry sector risk

Industry has been reported as having a high risk of modern slavery.



##### Product & services risks risk

Products and services that may have high risks of modern slavery because of the way they are produced.

#### 3.4.1 Identified High Risk Supply Chains

In FY22 we identified six high risk supply chains.

##### Information Technology

**Classification Tier 2. High Risk**    

The NRMA purchases technology from major technology suppliers to service our business needs and contracts out many IT related services. These global supply chains are complex encompassing a multitude of entities including raw materials, manufacturing, third party vendors, suppliers, service providers and contractors. Many IT hardware components including such as batteries have been identified as carrying a high risk of modern slavery. Many components are manufactured in countries identified as having a high geographic, industry and product risk, with identified instances of forced and debt bonded labour.<sup>1</sup>

1. informed365.com/modern-slavery-exposed-in-big-tech-supply-chains/  
2. greentechmedia.com/articles/read/green-battery-revolution-powering-social-and-environmental-risks  
3. thefashionglobe.com/modern-day-slavery  
unseen.org/modern-slavery-in-fashion/  
walkfree.org/reports/beyond-compliance-in-the-garment-industry/

## Batteries

**Classification Tier 1. High Risk**    

The NRMA is a major battery provider in NSW and the ACT. Batteries are obtained from Club Assist who is a mandatory reporter under the Act. Currently we supply internal combustion engine batteries but are aware that the transition to lithium-ion batteries in the transport and IT sectors will continue to grow as a result of the increased focus on decreasing carbon emissions. Both cobalt and lithium are essential raw materials in EV vehicle batteries. Evidence suggests that key producing countries are exposed to modern slavery issues including child labour.<sup>2</sup> Over the next 12 months we will work with our supplier to better understand the depth of this supply chain from supply through to manufacture and essential raw materials.

##### Uniform and work attire

**Classification Tier 1. High Risk**    

Clothing production is widely acknowledged as a carrying a high industry, geographic and product risk. The NRMA purchases uniforms and work attire for a large proportion of employees engaged in frontline work.<sup>3</sup> We are negotiating with our key supplier to gain a better understanding of this supply chain.

##### Personal protective equipment (PPE)

**Classification Tier 2. High Risk**   

Since the commencement of the pandemic there has been increased demand for PPE equipment globally. As a business who has, in some areas continued to operate throughout the pandemic ensuring supply has been critical. Although demand has now lessened we continue to purchase for use by customers and frontline staff. The surge in demand for these items during the pandemic has led to increasing reports about modern slavery issues in supply chains.<sup>4</sup>

##### Cleaning Services

**Classification Tier 2 & 3. High Risk**  

Cleaning services are considered a high risk sector in Australia. Practices reported in the industry include, deceptive recruitment, debt bondage and immigration-related coercion. The NRMA employs multiple cleaning services across Australia. These vary in size and scale.

##### Tyres

**Classification Tier 2. High Risk**   

The NRMA purchases significant quantities of tyres for their SIXT vehicle rental business. We have identified a high risk of modern slavery in this supply chain. The International Labour Rights Fund (ILRF) have stated that there are extreme human rights violations on rubber plantations. Forced and child labour is the norm.<sup>6</sup>

4. researchbriefings.files.parliament.uk/documents/CDP-2022-0141/CDP-2022-0141.pdf  
5. cleaningaccountability.org.au/news/leading-by-example-the-abfs-commitment-to-addressing-modern-slavery-risk-for-cleaners/  
6. laborrights.org/search/node/Tyres

## 4. Actions we have taken in FY22

### 4.1 High Risk Supply Chains

In FY22 we undertook further research identifying areas that required focus in particular our high risk supply chains; tyres, cleaning, PPE, batteries, uniforms and work attire, and IT hardware.

#### Case Study

##### Tyres

Our SIXT business purchases a significant number of tyres per annum through a wide range of suppliers across Australia. There have been concerning reports of modern slavery across this supply chain including child and forced labour some of which has been exacerbated by the pandemic. As a purchaser of tyres we are aware that we could be directly linked to modern slavery practices through this supply chain.

##### Mapping our Tyre supply chain

###### Raw materials, rubber harvesting



###### Reported modern slavery

**HIGH**

Forced labour and child labour



###### Manufacturing/Manufacturers



###### Reported modern slavery

**MEDIUM**

Geographic - use of migrant or vulnerable workers



###### Shipping and distribution



###### Reported modern slavery

**HIGH**

Forced labour and child labour



###### Wholesalers and distributors Australia

###### Reported modern slavery

**LOW**



###### NRMA

Recognising these risks our procurement team is working to centralize tyre procurement. Our plan is to purchase only from tyre importers who are members of Tyre Stewardship Australia.<sup>7</sup> Established in 2014 the organisation is supported by leading tyre importers. It is introducing processes on behalf of its members which will enable better visibility and compliance with respect to modern slavery. We expect to on-board a new supplier in 2023 and will work with them to mitigate risks.

#### Case Study

##### Uniforms and work attire

Many of our frontline staff are required to wear uniforms and/or specialist work attire. These supply chains have been identified as carrying a high risk of modern slavery. This year we took a deeper dive into this supply chain after a careful assessment of our main supplier's responses to our modern slavery questionnaire. Their questionnaire revealed that their main production facility was located in a part of China where modern slavery practices have been reported. After meeting with the supplier we requested additional information that will enable us to gain a clearer view of the immediate risks and also assist in informing us about subsequent layers and risks within this supply chain. Requested information includes:

- Details of all locations and secondary suppliers and locations within their supply chains
- Details of their internal supplier pre-qualification processes with respect to modern slavery
- Details of audits undertaken by them in respect of modern slavery within their supply chains
- Details of their supplier engagement principles and policies

The outcomes pertaining to responses will dictate the NRMA's response and how we will work with them to mitigate these identified risks. The information supplied by them will also enable us to map the risks at the next levels down, including raw material production and weaving.

<sup>7</sup> [tyrestewardship.org.au/wp-content/uploads/2021/02/TSA0059-Modern-Slavery-vFINAL.pdf](https://tyrestewardship.org.au/wp-content/uploads/2021/02/TSA0059-Modern-Slavery-vFINAL.pdf)

## Other high risk supply chains

With respect to Batteries we have engaged regularly with our supplier who is a mandatory reporter under the Act. They supply us with regular updates on their audits and are working to understand and mitigate any identified risks deeper within their supply chains. We are aware that the transition to electric vehicles will raise new challenges as raw materials within this chain are classified as carrying a high risk of modern slavery and our procurement team is monitoring the risk.

We purchase technology hardware from distributors and offshore manufacturers. While there is a high product risk of modern slavery in this category the complexity of these global supply chains (often invisible) makes mapping and assessment difficult. We will be looking to focus further on this supply chain in FY23.

Cleaning services remain a key challenge for the NRMA due to the breadth of our operations across Australia. Many suppliers of these services are small local businesses with limited knowledge and understanding of modern slavery and our obligations under the Act. These services are also difficult to gain visibility over as they occur after hours. We are working on a strategy in FY23 which will enable us to obtain better information from service providers that will better assist us in identifying risks. We plan to work with small suppliers to educate them on modern slavery and our obligations under the Act.

With the pandemic ending we are already seeing a lessening in the requirement for PPE equipment across our operations and as such are not focusing resources on this supply chain in FY23.

## 4.2 Other Activity

In FY22 we updated our procurement policy to preclude a focus on price over human rights (encompassed within our ESG principles) when tendering for goods or services. While the nature of our business does not generally demand unworkable timelines with respect to the goods and services we procure, we are mindful of the impact of external events on vulnerable peoples and seek to avoid such situations. In addition to our Group Procurement Tendering and Contract Management policy we also have our Group Supplier Engagement principles which further expand on our expectations. In addition, all our contracts include a modern slavery clause providing an additional layer of protection.

All procurement leads are members of the Modern Slavery Working Group (MSWG), and it is a requirement that they regularly attend modern slavery training and seminars. In addition, MSWG team members regularly provide updates that educate and inform the team on emerging risks. Procurement leads report directly to the Group CFO who oversees and directs modern slavery initiatives.

We have issued our Modern Slavery questionnaire to Tier 1 and Tier 2 suppliers and have spent considerable time following up with suppliers who have either not responded or whose lack of awareness has made it very difficult to obtain the information required. This is despite producing guidelines and information outlining our obligations and providing general information on modern slavery. Over the next year we are exploring a more accessible questionnaire platform and redesigning our questionnaire to provide better information and to give us more insight across supply chains. We also met with most of our Tier 1 High Risk suppliers and are drawing up plans to monitor progress effectively.

## Case Study

### Inform and Educate

As noted, we identified a lack of awareness and understanding about the prevalence of slavery within operations and supply chains especially by non-mandatory reporters. This was manifested by the failure to respond to our questionnaires or responding in a manner that indicated a general lack of knowledge and understanding.

To counteract this we implemented a more hands approach which includes some or all of the following actions:

- Each request to complete our Modern Slavery Questionnaire has background information included on why we are requesting the information and how it impacts the supplier.
- Developed an information document to share with suppliers to support them in completing the questionnaire by providing information on what they need to consider before they respond. We endeavour to follow up with them to gain an understanding of the reason for their lack of response and provide further information about what modern slavery is, the importance of preventing it, and our obligations under the Act.

In 2023 we will work to refine our questionnaire and questionnaire platform incorporating material that we deem necessary to assist our suppliers.

### 4.3 Due Diligence – supply chains

We have further refined our approach to undertaking human rights due diligence with respect to modern slavery in our supply chains. The following provides a broad overview of the process undertaken.



#### Identify and classify

- New supplier/new supply contract
- Undertake research to identify supply chain risks
- Classify tier and risk level - high, medium or low risk based on criteria (geographic, industry, product or service)



#### Inform

- Forward NRMA Group modern slavery questionnaire (Tiers 1 and 2, high and medium risk) to gather information



#### Analyse

- Review and analyse questionnaire responses
- Identify areas where additional information is required and request— Tiers 1 and 2, high risk category
- Meet with Tier 1 high risk suppliers to better understand depth of supply chain and associated risks including, employment conditions, passport or wage retention, worker indebtedness, restrictions on movement etc.



#### Mitigate

- Where appropriate work with supplier to mitigate perceived risks and agree monitoring process
- Source alternative supply chain where supplier unwilling to take remedial actions



#### Monitor

- Meet regularly with supplier and track actions and progress
- Continuous research on supply chain



#### Map

- Map key supply chains to better understand risks of modern slavery at all levels



## 4.4 Due diligence - operations

As previously noted the NRMA assesses its risk of modern slavery practices in its own operations as low. Compliance with legislation pertaining to employment is paramount and regularly audited. Contracted services are generally of a highly professional nature and are paid in accordance with legislated requirements and market norms. These practices are supported by policies that assist with compliance and tools that enable all employees, the public and contracted employees to safely voice issues and concerns. These include:

Policies	Purpose: Operations and Execution of Corporate Strategy (includes investments and acquisition)	Status	Scope
Community & Sustainability Policy	Outlines our commitment to the United Nations Sustainable Development Goals and how these are considered in our strategy and operations.	Completed	All group businesses
Code of Conduct	Our Code of Conduct defines the expectations we have with regard to how our employees behave internally and externally and impels them to take action when behaviours are identified that do not align with these values.	Completed	All group businesses
Speak Up Policy	Provides an externally hosted hotline whereby current, former workers, contractors, suppliers and their employees and associates of NRMA can raise actual or suspected concerns of conduct that is in contravention with our policies without fear of intimidation, disadvantage or detriment. The policy maps out our process of investigation for employee disclosures.	Completed	All group businesses
Risk Management and Organisational Resilience Policy	Embeds and maintains a risk management and organisational resilience approach across all levels of the business to support the delivery of organisational objectives in line with our legislated requirements and pertaining to our organisation's reputation.	Completed	All group businesses

## 4.5 Remediation

Based on our work to date we are aware that our key modern slavery risk is that we can be directly linked to the practice through our supply chains. Where our volume of procurement or part ownership (as in the case of batteries) facilitates leverage we will work with suppliers to determine past, current or projected future exposure and insist on immediate action to prevent ongoing violations. Failure by suppliers to act on our concerns will result in us ending the business relationship in accordance with terms on modern slavery set out in our procurement contracts. In the event that we identify any gross negligence on our part with respect to violations the MSWG will review possible remedies.

Because many of our businesses procure small quantities locally for goods and services, we as the parent company are able to exercise significant leverage to ensure that where appropriate (Tier 2 medium risk and above) checks are carried out to determine compliance and there is ongoing monitoring of the supplier. Alternative suppliers will be used if this is unable to be satisfied.

## 5. Assessing the effectiveness of our actions

Modern slavery processes and procedures are managed on a day-to-day basis by our Group CFO who leads the centralised group finance, risk and procurement functions and the MSWG. Modern slavery is classified as a material risk to our organisation under our Risk Management Framework. The MSWG is charged with responsibility for developing, implementing, overseeing and maintaining group progress on our obligations under the Modern Slavery Act. They report regularly to the Audit and Risk Management Committee who comprise both group executives and Board members, on our progress. The ARMC monitors risks against our Board approved Risk Management Statement and updates the Board of Directors on a half yearly basis.

### Modern Slavery Working Group

Comprised of senior business leaders including, legal, risk, procurement and our controlled entities and led by the NRMA Group CFO. The MSWG has responsibility for planning and overseeing activities designed to mitigate the risk of modern slavery across the NRMA and its controlled entities. This includes, establishing objectives, monitoring activity, coordination across group businesses and divisions and managing progress and reporting.



### Audit and Risk Management Committee

Comprised of Directors of the NRMA, ARMC recognises that modern slavery is a material inherent risk. The ARMC monitors and evaluates risk in accordance with the NRMA risk management framework and board-approved Risk Appetite Statement.



### The Board

The NRMA Board has oversight and is responsible for approval of the NRMA and its controlled entities', annual Modern Slavery Statement. The Board receives updates from the Audit and Risk Management Committee where appropriate.

## 6. Consultation with Controlled Entities

NRMA Corporate is responsible for centralised group controls including; legal, risk (including modern slavery), governance, environment, finance, investments, people and culture and ICT. It is led by senior personnel who are members of our executive leadership team comprising the Group CEO and CFO and CEOs from each controlled entity. Each controlled entity has an internal procurement team who report through to the Group CFO who also leads the Group's Modern Slavery Working Group (MSWG), directing their activities and reporting through to the ARMC and Board on progress to date. All procurement leads are members of the MSWG.

As all businesses are represented within the MSWG, a collaborative process is enabled which allows knowledge, concerns and learnings to be shared. Meetings of the MSWG are held monthly and more often if deemed necessary. The Group CFO reports quarterly to the ARMC and on a biannual basis to the Board. While some supply chains are shared amongst entities others remain independent requiring different approaches. All controlled entities are equally involved and consulted with respect to undertaking activities, planning future activities and the production and approval of the Statement. The Statement is approved by representatives of each controlled entity prior to being approved by the ARMC and Board.

## 7. Other relevant information

Work undertaken by our organisation over the last two years has highlighted a number of significant issues pertaining to managing our obligations under the Act. These include:

### 1. High number of small regional suppliers, supplying goods and/or services locally

The NRMA has a policy of procuring locally to support local businesses and economies. Many of these suppliers are sole traders or small businesses without the knowledge, funds, personnel or technology to adequately identify their own supply chains and depth of supply chains. Where we have reached out via our modern slavery questionnaire it has become apparent that time and resources would need to be spent in undertaking an education process and that even with these efforts it is unlikely that small suppliers could adequately respond or take actions. As such we have deprioritised Tier 3 and regional suppliers unless we identify them as being in a high risk category.

### 2. Lack of general awareness of modern slavery and the Act itself amongst non-mandatory reporters

It has become apparent that we need to redevelop both the content and format of our questionnaire including expanding on the scope of questions and the content contained and provide additional education and resources to assist non-mandatory reporters understand the Act and our obligations.

We will work through this process, testing and refining in FY23.

