

MODERN SLAVERY STATEMENT 2023





Modern Slavery Statement

Under the Modern Slavery Act 2018 (CTH)

Reporting period: 1 July 2022 – 30 June 2023

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 29 November 2023 in its capacity as the principle governing body of The Royal Automobile Club of Tasmania Limited (ABN 62 009 475 861).

This Statement has been signed by:

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

This is the second Modern Slavery Statement made by the Royal Automobile Club of Tasmania Limited ABN 62 009 475 861 ("RACT"). Prior statements were lodged by RACT Insurance Pty Ltd (ABN 96 068 167 804) ("RACT Insurance"). During FY22 RACT acquired 100% interest in RACT Insurance which 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 includes RACT Insurance and two interposed entities between the parent entity, RACT and RACT Insurance (RACT Pty Ltd ABN 77 009 551 615 and RACT Investment Holdings Pty Ltd ABN 17 651 441 548). These entities meet the definition of reporting entity due to RACT Insurance revenue being included as consolidated revenue for each entity up to RACT).

The Statement describes actions being taken by RACT to address modern slavery risks within its operations and supply chain for the year ended June 2023. The key factors relating to our assessed modern slavery risks remains very low.

Ian Gillespie (Director)

NAME

SIGNATURE

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

4 December 2023

DATE

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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 400 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 2022/2023 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 FY23: insurance and roadside assistance. These are supported by the following centralised group functions:

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



Our two main business lines

Insurance

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

- Vehicle insurance – covering:
 - Comprehensive motor vehicle
 - Collectors car
 - Third party property damage
 - Caravan and trailer
- Home insurance – covering:
 - Building
 - Contents
 - Personal effects
- Boat insurance
- Investor insurance
- Strata insurance

Roadside assistance

Roadside assistance gives 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 focussed driver training and provisional licence assessments.

Finance – referral service through third-party provider for personal loans (primarily for new and used cars, personal finance and debt consolidation).

A Member Rewards program - offering discounts and benefits to our members from a range of different partners, including discounts on fuel, accommodation, movie tickets and various lifestyle memberships.

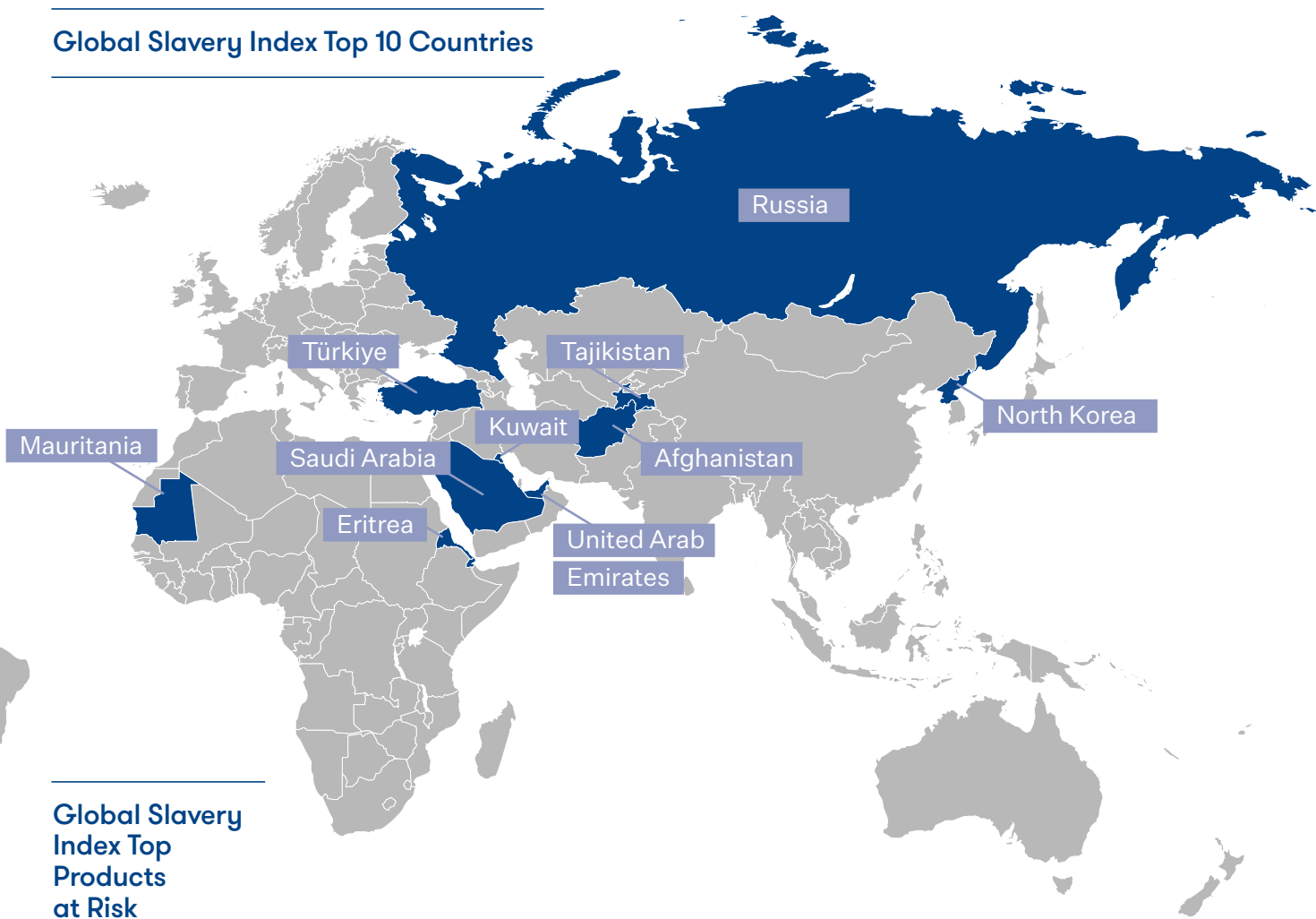
Child restraints – sale of child seats to members, that are correctly fitted by specially trained staff.

Travel insurance – online distribution of travel insurance issued by a third party.



Our purpose is to be Tasmania's shoulder to lean on and voice when it matters

Global Slavery Index Top 10 Countries



Global Slavery Index Top Products at Risk

Electronics
Garments
Palm Oil
Solar Panels
Textiles
Timber
Fish
Gold
Cattle
Sugarcane
Coffee
Cocoa
Rice
Coal

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.

The review in FY23 included an assessment of whether RACT had any dealings with countries in the *Walk Free Global Slavery Index 2023 Top 10* (listed above). RACT does not have any direct dealings in those countries.

We assessed whether RACT had supply chains in the top products at risk from importing to G20 countries (also based on the *Global Slavery Index*). See list *Global Slavery Index Top Products at Risk* (left).

The *Global Slavery Index* spotlight in 2023 was on:

- Garment** – global demand for fast fashion
- Fishing** – global demands for seafood and a motivation to reduce costs amid diminishing profits
- Child labour** farming cocoa beans that end up in chocolate
- Digital value chain** (raw materials and overseas workforce)
- “Sustainable” industries** for renewal energies increased risk of exploitation (e.g., solar panels and other renewal technologies)

We reviewed our supply chains against that spotlight (in addition to the countries and products at risk).

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

In our insurance claims operations, we identified the following comprised of the highest risk for potential modern slavery:

- Builders (including the supply of solar panel parts)
- Carpets/floor coverings
- Motor vehicle repairs and auto glass

Roadside assistance

In our roadside assistance operations, we identified the following comprised of the highest risk for potential modern slavery:

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

Other operations

In our other operations, we identified the following comprised of the highest risk of potential modern slavery:

- Movie vouchers
- Child restraints

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

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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 computer 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

RACT has a suite of policies and procedure 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
- Procurement and Contract Management Policy
- Conflict of Interest and Gifts and Entertainment 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:

- In FY22 a group wide risk assessment was completed to map supply chains up to 10 tiers of suppliers (I.e., our suppliers, our supplier's suppliers, that supplier's supplier and so forth) to identify the areas of greatest risk in our operations and supply chains.
- In FY23 the FY22 data was reviewed against the updated *Walk Free Global Slavery Index* to assess whether the areas of greatest risk in our operations and supply chains had changed based on the changing profile of modern slavery.
- We reviewed the RACT Group spend data for H1FY23 to assess where the top 10 product risk exposure existed (and also to confirm which suppliers we had reviewed modern slavery statements or questionnaires for previously). Initially the review focused on high risk and high spend (i.e., over \$500,000 annual spend and a risk of more than 0.015 theoretical slaves per \$M spend) however the review completed in FY23 ultimately covered:
 - 54% of all motor vehicle repair spend;
 - 72% of all building works spend;
 - 89% of all suppliers in total Corporate spend for the RACT Group; and
 - 55% of all suppliers in total Corporate spend for RACT Insurance
- We reviewed all suppliers in high-risk products and services to assess their public position on managing risks relating to modern slavery, including reviews of annual Modern Slavery Statements where suppliers were subject to the Modern Slavery Act.
- Where suppliers were not large enough to be subject to the Modern Slavery Act we requested completion of a questionnaire (this included carpet providers, technology support, furniture suppliers, fuel suppliers and real estate agents).



- Our commitment to upholding and promoting human rights is published on our website.
- We continued to roll out our Supplier Code of Conduct to key suppliers in our insurance claims supply chain and expanded the Code of Conduct to key suppliers in the RACT Group outside of insurance. We focused on suppliers who did not have published statements in relation to modern slavery commitments (including annual Modern Slavery Statements).
- In addition to an assessment on our supply chains, we also reviewed our approach to temporary/contract workers to ensure we adequately capture requirements to meet Australian laws (including Fair Work requirements on pay and conditions).
- We included modern slavery contract terms in several new supplier agreements.
- No matters relating to modern slavery were identified in FY23 requiring investigations and remedial actions.
- We continued to raise awareness by contract owners and administrators on the requirements to manage the risk of modern slavery in our supply chains.

The questionnaires and review of modern slavery statements 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 continue to be less mature in their understanding of the existence of the framework. We continue to work with our suppliers to reiterate 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 are 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.

→ [RACT’S HUMAN RIGHTS AND MODERN SLAVERY COMMITMENT](#)

Reporting Channels

RACT provides access to an external confidential 24/7 whistleblower service.

Phone:
1800 774 387

Email:
RACTintegrityhotline@deloitte.com.au

Online:
RACTintegrityhotline.deloitte.com.au

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 within RACT’s operations.



Next steps

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

- Undertake an annual assessment of our supply chain for modern slavery risks.
- Further embed the requirements for managing modern slavery risk into our procurement and contract management processes.
- Consider a broader training campaign for staff on modern slavery (in addition to continuing to expand the awareness of contract owners and administrators).
- Continue to review modern slavery statements or request a 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.
- Undertake appropriate action when modern slavery issues have been reported.
- On a triennial basis we will reassess contractor modern slavery statements or questionnaires for 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 response include:

- Proportion of suppliers review for modern slavery responses (either modern slavery statements or questionnaires).
- Ongoing industry collaboration – through engagement with other Australian auto clubs and engagement through the Insurance Council of Australia.
- Proportion of staff trained in modern slavery.
- 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.





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Hobart

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Kingston

Shop 60, Channel Court, 7050

Launceston

Cnr York & George Streets, 7250

Rosny Park

Rosny Mall, 2 Bayfield Street, 7018

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Website ract.com.au