

RACT Modern Slavery Statement 2024





Modern Slavery Statement

Under the Modern Slavery Act 2018 (CTH)
Reporting period 1 July 2023 – 30 June 2024
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 26 November 2024 in its capacity as the principle governing body of the Royal Automobile Club of Tasmania Limited (ABN 62 009 475 861).

This Modern Slavery Statement ('Statement') is made on behalf of The Royal Automobile Club of Tasmania Limited (RACT) and the following The Royal Automobile Club of Tasmania Limited Reporting entities (together referred to as we, our, RACT Group or RACT).

The Royal Automobile Club of Tasmania Limited
(ABN 62 009 475 861);

RACT Insurance Pty Ltd
(ABN 96 068 167 804);

RACT Pty Ltd (ABN 77 009 551 615); and

RACT Investment Holdings Pty Ltd
(ABN 17 651 441 548).

This statement covers the reporting period 1 July 2023 to 30 June 2024 (Reporting Period or FY24) and has been prepared to meet the mandatory criteria of the Modern Slavery Act 2018 (Cth) (Modern Slavery Act). This Statement is informed by the Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities (2023).

This Statement has been signed by:

Allison Flakemore (RACT Chair)

NAME

A handwritten signature in blue ink, appearing to read "Allison Flakemore", is written over a horizontal line.

SIGNATURE

26 November 2024

DATE

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In the spirit of reconciliation, we not only acknowledge the ancient history of the Traditional Owners of Lutruwita/ Tasmania, their continuing connection to family, community, and the land, sea, and waterways but also incorporate their respect into our mission for a safer, more inclusive Tasmania.

We pay our deepest respects to those who have passed before us and acknowledge today's Tasmanian Aboriginal people, the Palawa, and their enduring connection to this island.

RACT upholds high standards of conduct, and our Integrity Hotline is an independent and confidential service that allows people to raise concerns of modern slavery, potential human rights issues or unethical behaviours in our operations or supply chain. Our Whistleblower Hotline operates 24 hours a day, 365 days a year, on 1800 774 387 and by visiting <https://australia.deloitte-halo.com/whistleblower/website/RACT>.

CEO foreward

As a mutual organisation embedded in the fabric of Tasmania, the Royal Automobile Club of Tasmania Limited (RACT) is dedicated to supporting our members and strengthening the communities they call home. We are committed to the responsible delivery of our services and benefits, with a focus on sustainability and respect for human rights.

Recognising that our actions have an impact on people both within Tasmania and around the world, we want to ensure that our operations, partnerships, and supply chains uphold the values we champion.

Modern slavery is a specific violation of human rights that exists in every industry and country. According to the [2023 Global Slavery Index](#), 41,000 Australians live in modern slavery every day, along with an estimated 50 million people who are exploited globally through coercion, extortion, or threats. RACT is opposed to modern slavery in all its forms and knows

that businesses must be accountable for addressing vulnerabilities in their supply chains and operations, including our own.

We are acutely aware that supply chains are complex, and that vulnerable people and human rights violations are likely within some of the global supply chains we engage with. RACT remains committed to understanding our impact and taking reasonable steps to address modern slavery risks, with this year's statement detailing our ongoing efforts.

Mark Mugnaioni
CEO RACT





1 About this statement

1.1 Consultation and engagement

In preparing this Statement, relevant business units and entities which form part of the broader RACT Group and key members of RACT's Executive Leadership Team were engaged and consulted with. This was undertaken by (i) collaborating with the relevant business units, to provide an overview of the Modern Slavery Act 2018's reporting requirements, (ii) providing information regarding the actions we intend to take to address these requirements, including relevant updates, and (iii) seeking feedback from relevant business units, entities and the board with respect to modern slavery matters. This report is the consolidation of the outputs from those efforts.

2 About RACT

For more than 100 years, RACT has been a purpose-led, for-profit member organisation and one of Tasmania's most recognised and trusted brands. We deliver benefits to more than 218,000 members every day through vital services, including roadside assistance to keep people on the road, driver training services, and a range of insurance products to protect vehicles and households.

RACT also offers a Member Rewards program that provides discounts and benefits across travel, accommodation, entertainment and everyday expenses, providing more value for our members.

As an advocacy-driven organisation, we undertake initiatives to benefit our members and their communities, focusing on our purpose areas of safer journeys, resilient communities and connected communities. [Our Manifesto](#) highlights our commitment to trustworthiness, integrity and empathy, ensuring we are consistent in the value and proposition we offer members.

This consideration extends beyond our members to all people, including those within our supply chain and business operations. RACT understands its responsibility to address and identify our modern slavery risks and impacts. Through a commitment to ethical and sustainable practices, we strive to ensure that our operations and partnerships align with our values of community support and respect for human rights.



2.1 Our purpose, vision and values

RACT's purpose is to be a shoulder to lead on and voice when it matters for Tasmanians. We place people at the heart of what we do, working to meet the needs of our members and contribute positively to our broader community and environment.

Our vision is to have a valued relationship with every Tasmanian by 2030.

RACT's corporate values are:

- Engage with heart
- Unleash potential
- Walk the talk
- Together we thrive

2.2 About reporting structure

The Royal Automobile Club of Tasmania Limited (RACT) is a member owned mutual and is the parent entity of the RACT Group. It is responsible for the overall strategic direction and governance of the RACT Group.

Within the RACT Group are:

- RACT Insurance Pty Ltd: A wholly-owned subsidiary of RACT, providing general insurance products to members, including vehicle, home, boat, investor, and strata insurance.
- RACT Pty Ltd: An interposed entity between the parent entity (RACT) and RACT Insurance.
- RACT Investment Holdings Pty Ltd: A non-operating holding company which forms an APRA regulated Level 2 insurance group with RACT Insurance Pty Ltd.

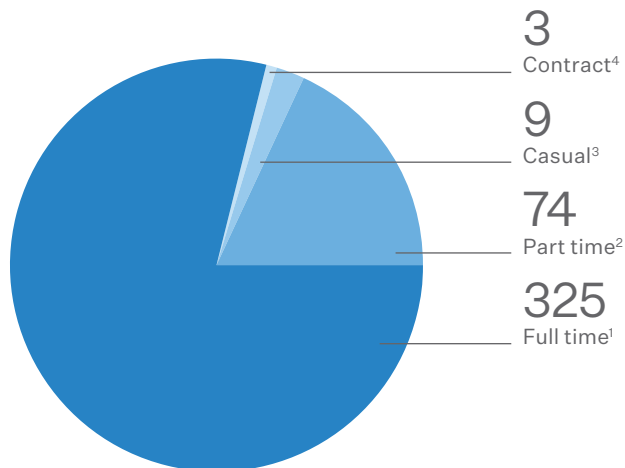
For detailed information on the RACT Group, visit www.ract.com.au



2.3 Our business operations

RACT employs over 400 people across our major operating sites in Tasmania: Burnie, Devonport, Glenorchy, Hobart, Kingston, Cambridge, Launceston, and Rosny Park. This workforce is supported by direct commercial contract engagements which allow the delivery of statewide roadside assistance, insurance services and other business activities.

Employment status (at 30 June 2024)



¹ Full time employees are employed by RACT on a full time (38 hours per week) or part time basis (less than 38 hours per week).

² Part time employees are employed by RACT for less than 38 hours per week.

³ Casual employees are paid on an hourly basis.

⁴ Includes temporary support services recorded in internal systems. Does not include third party asset operations and development contractors such as cleaners or security personnel.

The services provided by The RACT group of companies include;

Social and community initiatives

We deliver these to benefit RACT members and the wider Tasmanian community, with a focus on our purpose areas of safer journeys, resilient communities and connected communities.

Insurance

Our insurance business provides personal insurance to members with a range of products, including vehicle, home and boat insurance.

Roadside Assistance

Our roadside assistance service gives motorists peace of mind and helps them get back on the road safely and quickly. With 24/7, 365-day-a-year coverage for members, RACT helps by mobilising cars, towing vehicles and selling batteries.

In addition to these key activities, RACT has an interest in or a role in delivering:

AutoServe: Vehicle inspections, servicing and repairs by mechanics.

Driver training: Safety-focused driver training/lessons and provisional licence assessments.

Finance: A referral service through a third-party provider for personal loans, primarily for new and used cars, personal finance and debt consolidation.

A Member Rewards program: Discounts and benefits for our members from different partners.

Child restraints: The correct fitting of child seats by specially trained staff.

Travel insurance: Online distribution of travel insurance issued by a third party.



2.4 Our supply chain

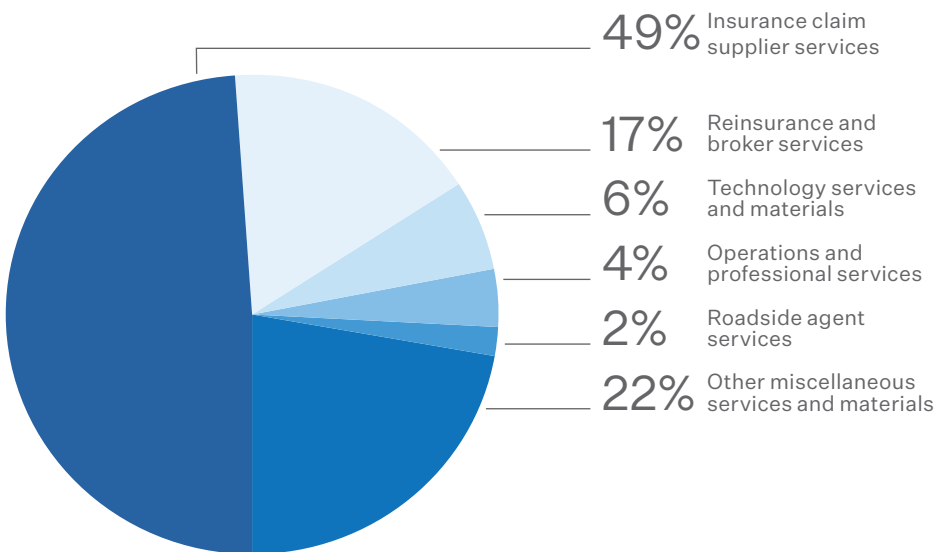
As a proud Tasmanian organisation deeply rooted in our community, we prioritise working with local suppliers where possible to support the local economy, enabling close connections within our supply chain.

In this reporting period, RACT's total spend was made across 1,000 suppliers, with 97.8% based in Australia. As we primarily engage local contractors for services like motor vehicle repairs, home-building repairs, and towing, these local providers are directly connected to our operations. However, as these suppliers often rely on broader, multi-layered supply chains for their materials, this adds complexity and distance from primary sources.

Our higher risk lies in this complex, extended supply chain that supports our insurance services, involving international suppliers from the United States, New Zealand, and Germany, as well as global reinsurers accessed through an Australian broker. Key areas of spend include motor vehicle repair, building works, and corporate services essential to serving our members.



Table 2 - Supply chain overview by category spend



The shape of RACT's supply chain is defined by both direct relationships with domestic suppliers and indirect relationships that extend globally through our partners and service providers. This layered structure allows us to meet a broad range of service needs, ensuring we can continue to deliver high-quality support to our members across Tasmania.

3 Assessing our risks

3.1 Our operational risks

We assess the risk of modern slavery within RACT's direct operations to be very low.

Our workforce is entirely based in Australia, a country recognised as low-risk for modern slavery. Most employees hold permanent positions in support services, professional and technical roles and are covered by comprehensive benefit schemes, including wages above award rates, superannuation, leave entitlements, and access to formal grievance mechanisms.

In addition, our policies, including our Code of Conduct, Equal Employment Opportunity Policy, Recruitment Policy, and Whistleblower Policy, reinforce our commitment to fair treatment and transparency across our operations. While the risk of contributing to modern slavery within our directly controlled operations is low, we recognise potential risks in subcontracted services. Although we do not directly control these services, we remain committed to promoting fair labour practices throughout our extended operations.

3.2 Our supply chain risk

Like many Australian businesses, RACT's supply chain includes both well-understood direct suppliers and more complex, multi-tiered networks in the deeper levels. To maintain a strong understanding of our direct suppliers and their operations, we conducted an internal desktop assessment in FY22 to evaluate modern slavery risks across our supply chain. This analysis focused on inherent risks based on factors such as country of origin, industry, product type, commodity, and spend level. Key risk indicators included practices associated with child labour, forced labour, excessive working hours, exploitation of migrant labour, gender equality, legal systems, and corruption, using prevalence and vulnerability data from the Global Slavery Index.

We have reviewed our spend data twice to ensure the relevance of our risk baseline, most recently in FY24.

Our findings indicate that modern slavery risks are primarily located in the deeper tiers of our supply chain, especially within the

manufacturing and raw material sourcing stages. While none of our direct suppliers present significant modern slavery risks, elevated risks arise in the production stages of certain goods and materials used in our supply chain.

For instance, some sectors within our supply chain, such as professional services, rely on electronic products like computers and tablets. These items often contain components or raw materials sourced from high-risk countries, including Malaysia and China, where modern slavery risks are elevated.

3.3 Priority risk areas

In 2022, RACT implemented a desktop methodology to prioritise risk categories within its procurement. This approach leveraged the outputs of the initial spend-based risk assessment and aligned these insights with RACT's actual spend data, focusing on categories where a higher prevalence of modern slavery risks could be expected based on geographic and industry-specific indicators. The approach included:

- Overlaying prevalence data with spend profiles
- Prevalence-based prioritisation
- Category segmentation and focus
- Validation and adjustment

According to the [United Nations' Guiding Principles on Business and Human Rights \(UNGPs\)](#), a three-part continuum of involvement demonstrates how businesses may, in certain contexts, be associated with modern slavery and other adverse human rights impacts, including:

Cause: Situations where RACT's own actions may directly lead to modern slavery.

Contribute: Situations where RACT's actions or inactions may play a role in enabling or exacerbating conditions that contribute to modern slavery.

Directly linked: Situations where RACT is connected to modern slavery risks through products, services, or operations required for our operations, even if these risks arise deeper within its supply chain.

RACT has identified the following key risk areas within our operations and supply chain, and our potential relationship to them.

RACT business operations

Category	Risk	Relationship to and description of Global risk
Finance	Services	Directly linked: Globally, financial services often rely on outsourced customer service and IT support, commonly in regions with lower labour protections. These roles are susceptible to poor working conditions and potential exploitation due to limited oversight, particularly in cases involving subcontracted staff in high-prevalence regions. As such, we have limited visibility over the conditions subcontracted staff face within these services.
Computer and technical services	Services	Directly linked: The supply chain for computer and technical services involves both hardware manufacturing and technical support, often sourced through multi-tiered global supply chains. We are <i>directly linked</i> to these risks as we purchase equipment from local distributors; however, we have very little visibility of hardware production stages, where forced labour risks may be present in raw material extraction and component manufacturing.

RACT Insurance

Category	Risk	Relationship to and description of risk
Insurance claims	Services and materials	Contribute: The supply chains supporting insurance claims, including materials like solar panels, glass, rubber, and building components, involve significant risks in the primary stages of sourcing, where forced labour concerns are prevalent, particularly in high-risk regions like Xinjiang, China. RACT is <i>directly linked</i> to these risks through the procurement of materials where we have limited oversight over sourcing practices. Locally, we work with service providers in Tasmania for on-site repairs and installation, where we have greater visibility and influence over labour practices, allowing us to promote fair working conditions.

RACT Roadside Assistance

Category	Risk	Relationship to and description of risk
Motor vehicle repairs, batteries and tyres	Services and materials	Contribute: The supply chain for vehicle parts, including batteries and tyres, presents risks in material sourcing stages, particularly in rubber and metal extraction, which can involve forced labour in high-risk regions. We are <i>directly linked</i> to these risks, with limited control over sourcing practices further upstream. Additionally, disposal of these materials poses environmental and human rights risks, as improper handling of waste can expose vulnerable communities to hazardous conditions. Locally, our relationship with repair and service providers in Tasmania involves installation, maintenance, and regulated disposal practices, where we have better visibility and can contribute to improved labour and environmental conditions.
Towing	Services	Contribute: Towing services primarily involve direct labour risks in local settings. Towing work can involve long hours and physical demands, which may lead to poor working conditions if improperly managed. We may <i>contribute</i> to these risks through contracting practices but maintain more oversight, allowing us to set expectations for fair labour practices with local providers.

4 Addressing and mitigating risks



RACT is committed to taking reasonable steps to identify and address modern slavery risks. We do this through a range of measures outlined below.

4.1 Governance

RACT’s governance framework outlines the roles and responsibilities in relation to modern slavery.

Table 1 – Modern slavery governance framework

Stakeholders	Government and Regulators	Members	Customers	Community
Owner	RACT Members Guide high level community expectations			
Board	Board Oversees key business risks, including modern slavery and human rights			
Executive Leadership Team	Monitors overall risk management framework, including modern slavery risks			
Business processes	Corporate Governance Accountable for implementing corporate governance policies that include modern slavery	Procurement Development and implementation of procurement procedures, including modern slavery risk	Human Resources Accountable for adherence to employment legislation and other industrial agreements	Compliance Monitoring developments in legal environment, including changing obligations to modern slavery law
RACT team	Staff Responsible for identification of actions or activities outside of RACT’s values, risk appetite, and operating policies and procedures.			

4.2 Policies

The following documents form RACT's framework for modern slavery due diligence and remediation.

Table 2 - Policy Framework

Policy title	Relevance to our anti-modern slavery approach
RACT Supplier Code of Conduct	Defines expectations and requirements on our supplier and staff relationships.
RACT Workplace Behaviour Policy	Details RACT's standards and expectations for workplace behaviour, including contributing to a work environment where everyone is safe and respected.
RACT Grievance, Conflict and Complaint Resolution Policy and Procedure	Advice for the grievance and remediation process, including addressing concerns of human rights violations.
RACT Procurement and Contract Management Policy	Summarises RACT's key steps in managing modern slavery risk in procurement and contract contexts.
RACT Conflict of Interest, Gifts and Entertainment Policy	Details RACT's expectations and requirements for employees accepting gifts or benefits that might create a real or apparent conflict of interest, potentially obscuring potential risks within our operations. This policy ensures procurement decisions remain focused on ethical standards, including considerations around modern slavery.
RACT Whistleblower Policy	Guidance on reporting unethical, illegal or fraudulent conduct in relation to RACT, and a framework for investigating and addressing concerns. Our Whistleblower Policy was updated in 2022 to incorporate Human Rights Grievance Policy content.
Risk Management Strategy	Outlines RACT's board and senior management commitment to managing risk and how risk management activities are integrated into the Group's business practices, systems and behaviours at all levels of the business.

4.3 Capability and awareness

To ensure our people are aware and able to act upon modern slavery risks within our operations and supply chain, RACT will support and educate relevant staff on the risk of modern slavery. During this reporting period, we developed an online modern slavery learning module, that will be deployed in a targeted manner and support staff in identifying and managing modern slavery risks.

4.4 Grievance and remediation

To uphold our commitment to operate with integrity and retain our members' trust, and ensure all concerns are adequately investigated and addressed, we have the following grievance and remediation mechanisms in place.

RACT Integrity Hotline	This independent 24/7 service allows people to report concerns about actual or suspected violations of our policies, codes, health, safety and environmental obligations, and human rights (including labour rights). We investigate and address all concerns.
RACT Grievance, Conflict and Complaint Resolution Procedure	This document provides advice for the grievance and remediation process, including how to address concerns of human rights violations.

4.5 Stakeholder engagement

RACT understands that addressing modern slavery and minimising its risks and impact is only possible by forming solid relationships with our suppliers, partners, and industry peers.

5 Measuring effectiveness

5.1 Last year's commitments and performance

Table 3 - Update on last year's commitments

Area	Commitment	Progress
Risk assessment	Undertake an annual assessment of our supply chain for modern slavery risks.	Complete: In FY24, we reviewed our current year's spend data and found it to be materially consistent with previous years.
	Every three years, we will reassess contractor modern slavery statements or questionnaires for high-risk suppliers, and where appropriate, conduct a more targeted review.	Ongoing: We are updating our procurement and contract management framework to implement APRA CPS 230 <i>Operational Risk</i> and review our approach to contractor management and oversight for modern slavery.
Due diligence	Further embed the requirements for managing modern slavery risk into our procurement and contract management performance.	Ongoing: This action is also dependent on updates to our procurement and contract management framework, including the implementation of APRA CPS 230 <i>Operational Risk</i> and a review of our approach to contractor management and oversight for modern slavery.
	Continue to review modern slavery statements and request a modern slavery risk assessment questionnaire from suppliers who have been identified as higher risk in our service supplier network. Communicate expectations with suppliers and provide them with the Supplier Code of Conduct.	Ongoing: We have identified the need for our team to have further guidance on high-risk suppliers and categories to enable this action. We are continuing to review our approach to contractor management and oversight for modern slavery.
Grievance and remediation	Undertake appropriate action when modern slavery issues have been reported.	Ongoing: No concerns or issues were reported to our Whistleblower Hotline or directly with RACT during this reporting period.
Governance	Consider a broader training campaign for staff on modern slavery.	Ongoing: Developed an online modern slavery learning module for targeted deployment in FY25.

6 Next steps

6.1 Our future commitments

Table 4 - Our future roadmap

Area	Our future actions
Risk assessment	Monitor the currency of our supply chain risk assessment to maintain the relevance of its outputs.
	Complete the triennial supplier assessment of modern slavery statements and risk assessment questionnaires from suppliers identified as high-risk in our service supplier network planned for FY26.
Due diligence	Review the content and use of our modern slavery self-assessment questionnaires.
	Work with our product partnership and wider RACT team to integrate modern slavery due diligence into our alignment with APRA CPS 230 <i>Operational Risk</i> .
	Engage selectively with new suppliers and contractors to communicate our expectations and provide access to our Supplier Code of Conduct.
Grievance and remediation	Continue to share RACT's Grievance, Conflict and Complaint Resolution Procedure with internal staff and undertake appropriate action when modern slavery issues have been reported.
Governance	Deliver online modern slavery training module to RACT employees in a targeted manner.



Burnie

24 North Terrace, 7320

Devonport

68 Rooke Street Mall, 7310

Glenorchy

Cnr Main Road & Terry Street, 7010

Hobart

179-191 Murray Street, 7000

Kingston

Shop 60, Channel Court, 7050

Launceston

Cnr York & George Streets, 7250

Rosny Park

Rosny Mall, 2 Bayfield Street, 7018

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