



AA HOLDINGS

AA Holdings Pty Ltd

ACN 112 233 744
ABN 94 112 233 744

1st Floor, 40 Johnston Street
Collingwood Victoria 3066

1. AA HOLDINGS PTY LTD MODERN SLAVERY STATEMENT

Date: 30 March 2021

This is the AA Holdings Group's inaugural Modern Slavery Statement published in compliance with our obligations pursuant to the *Modern Slavery Act 2018 (Cth)*.

This statement outlines the actions taken to assess and address modern slavery risks in internal operations and external supply chains, and forms part of a program of commitment to further engagement and development over time.

The Modern Slavery statement covers the activities of AA Holdings Pty Ltd (ACN 112 233 744) for the period of 1 July 2019 to 30th June 2020.

1.1 About AA Holdings

AA Holdings Pty Ltd (AA Holdings) owns and operates 53 Petrol Stations within the inner and outer suburbs of Melbourne.

AA Holdings designs, constructs and licenses retail outlets, providing branded fuel products, convenience shop items, and carwash facilities which operate 24 hours, 7 days a week. AA Holdings is committed to meeting customer requirements by providing quality, branded products, fast professional service and a well presented chain of retail stores.

AA Holdings is a responsible community member and is mindful of the opinions of its neighbourhoods. We construct and operate facilities which observe applicable environmental standards and regulatory requirements.

AA Holdings recognises the increasing globalisation of industry, particularly relating to operations and supply chains. With over \$100 million in consolidated revenue in the last financial year, AA Holdings is formally required to maintain and update a modern slavery & human trafficking statement. In line with the requirements of the Modern Slavery Act 2018 (Cth), AA Holdings has compiled this statement which is intended to assist in reducing modern slavery and human trafficking.



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It is recognized that AA Holdings is at the end of almost all of its supply chains and that all entities have a role to play in respecting human rights and that the actions each entity takes to assess, address, report and engage on these matters, leads to greater awareness and action and thus better outcomes.

1.2 AA Holdings' structure, operations and supply chains

Structure

AA Holdings is an Australian organization and is a family owned business which is led by its management team comprising the Director, General Manager, Construction and Marketing Manager, IT and Infrastructure Manager and Operations Manager all of whom oversee the day to day operations of the company. Delegation of authority principles exist to enable leadership across all parts of the business. The AA Holdings head office is located at 40 Johnston Street, Collingwood VIC 3066.

Management responsibility interacts and is accountable to AA Holdings stakeholders on a day to day basis. These stakeholders include the Government, regulators, employees, and more generally the wider community.

Overarching AA Holdings' organisation and governance structure is the company's policies and procedures, culture and values and business processes and risk management.

AA Holdings currently employs 49 employees.

Operations

AAHoldings is part of the downstream petroleum industry. This industry includes:

- Fuel wholesale businesses who source and transport fuels in trucks from terminals and depots to customers; and
- Fuel retail businesses who sell transportation fuels to customers at service stations; and
- Total supply which comprises refining, importing and buy-sell transactions between refiners.

The downstream petroleum industry in Australia is the end of a long supply chain in terms of its key inputs being fuel, equipment in relation to fuel supplies, storage and pumps and convenience store equipment and shop product offering.



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While to a consumer, particularly at a service station level, the industry appears dominated by large international brands the reality is that most service stations and independent, family operated businesses many of which are small to medium in size.

Supplier Chain

AA Holdings is at the end of most of the supply chains it participates in and as a proud Australian business, AA Holdings is committed to engaging Australian suppliers wherever possible.

AA Holdings appreciates that its supply chain constitutes services (and labour) that are sourced in Australia and overseas. Although AA Holdings does not import any items from outside Australia directly it does note that some of its Australian Suppliers do import items directly from manufacturers overseas.

Procurement is centralized via Head Office for all suppliers.

AA Holdings is at the end of a global supply chain made up of approximately 250 contracted suppliers. Our supply chain relationships consist of a broad range of industry segments and includes suppliers from the following sectors:

- Consulting and Contractor Services, Corporate Clothing, Motor Vehicle Management and maintenance, Information Communications and Technology, Logistics and Transport, Marketing, Office Cleaning, Office Supplies and Consumables, Print and Promotional Goods and Services, Property Services, Travel and Recruitment.
- Fuel and associated fuel system equipment, storage and maintenance;
- Convenience store equipment/ fixtures and convenience retail products, Shop Signage;
- Electricity, water, telecommunications, waste and environmental management services;
- Uniforms, Subscriptions, legal and taxation services.

AA Holdings recognises the services that contribute to its own goods and services extend beyond those received from direct suppliers. AA Holdings' supply chain also includes goods and services used by indirect suppliers.



1.3 AA Holdings Policies and Procedures

AA Holdings understands the importance of protecting human rights and is committed to protecting the rights of all people. Modern slavery goes against everything AA Holdings stands for. AA Holdings is committed to ensuring its key policies and procedures support and assist in protecting human rights.

1.4 Risks of Modern Slavery Practices in the operations and supply chains of AA Holdings

Risks of modern slavery practices means the potential for causing, contributing or being directly linked to modern slavery through operations and supply chains. Modern slavery has the potential to exist in AA Holdings' supply chain in a number of ways, including by child labour, debt bondage, forced labour and human trafficking.

AA Holdings appreciates the following risks in its operations and supply chains:

1. Risks that AA Holdings may cause modern slavery practices;
2. Risks that AA Holdings may contribute to modern slavery practices; and
3. Risks that AA Holdings may be directly linked to modern slavery practices.

AA Holdings considers the third risk the most likely (if any), that AA Holdings may be directly linked to modern slavery practices. AA Holdings is highly aware of the risk that its operations and goods and services may be connected to modern slavery through the activities of another entity that AA Holdings has a business relationship with, including those suppliers which maintain a majority of operations outside Australia. These business relationships include all entities in the AA Holdings supply chain, including entities AA Holdings does not have a contractual relationship with. It does not include customers who purchase AA Holdings goods and services.

AA Holdings considers services and supplies in relation to cleaning products and consumables, Print and Promotional Goods and retail shop products for resale to be the sectors of the highest risk of modern slavery in AA Holdings' supply chain. AA Holdings appreciates its most severe modern slavery risks may not align with the volume or cost of the products and services procured.

AA Holdings is committed to continually improving how they work with business, government, suppliers and society to meet moral and ethical obligations to combat modern slavery and human trafficking.



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1.5 Due Diligence and Risk Management

AA Holdings works with its stakeholders to identify and understand the impacts of its activities. Due diligence is implemented to prevent and mitigate adverse impacts arising from AA Holdings' activities. This due diligence refers to an ongoing management process to identify, prevent, mitigate and account for how AA Holdings addresses actual and potential adverse human rights impacts in its operations and supply chains.

In regards to internal operations AA Holdings has undertaken an assessment of risks of modern slavery in internal operations and they are considered to be low. In addition to the commitment to and compliance with Australian employment and safety laws, which reduces the risk of modern slavery impacts, AA Holdings also actively participates in annual independent review of employment and safety compliance audits undertaken by the industry association ACAPMA.

Each of the 53 Petrol Stations owned by AA Holdings are operated under commission agent arrangement. The commission agent is a separate business receiving fuel commissions for selling fuel on behalf of AA Holdings. These separate businesses engage, pay and manage their own staff. While they are a separate business it is recognized that they pose a risk of modern slavery connected to AA Holdings and as such special arrangements and requirements, including the requirement to provide evidence of annual independent audit of employment and safety compliance, is undertaken.

AA Holdings has, as a part of this first modern slavery statement reporting period, undertaken to educate itself and its decision makers about modern slavery, and to develop a plan for assessing risk now and into the future and building and developing the framework for addressing risks.

AA Holdings has undertaken educating itself by researching the nature of modern slavery by referencing guidance provided by the government and engaging with industry Association on industry context and specific industry risks.

AA Holdings has undertaken an initial assessment of internal operations and is developing a plan for ongoing assessment, reporting, response and review.

AA Holdings has commenced planning for due diligence tasks in relation to suppliers which will be initiated by a risk identification and assessment of current suppliers and new suppliers prior to any contracting. AA Holdings is developing risk management processes in order to identify, monitor, assess



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and mitigate potential risk areas where AA Holdings could be exposed to human rights concerns in regards to suppliers.

The final part of AA Holdings' due diligence process is publicly commenting on AA Holdings' actions, which includes through the publication of this statement.

Governance

Good governance is essential to the long-term sustainable success in eliminating modern slavery. Good governance is ingrained at AA Holdings and is the collective responsibility of all levels of management and even more widely extends to all employees. The assessment of risk of modern slavery in AA Holdings' operations and supply chain will form part of the AA Holdings' corporate-wide governance and risk management framework. Responsibility for assessing and addressing modern slavery risks will have been assigned to senior managers, and AA Holdings' leadership team to be briefed regularly and appropriately.

Contractual Arrangements

Through contractual arrangements and procurement principles, AA Holdings suppliers, contractors and commission agents are required to comply with AA Holdings Policies and contractual arrangements wherever possible. AA Holdings' standard terms and conditions also require minimum standards in ethical business practices, safety and environmental protection.

Grievance and feedback

AA Holdings is looking to implement a Whistleblower Protection policy that allows AA Holdings employees and contractors to raise concerns in a confidential manner. This includes concerns relating to modern slavery.

Grievances can be received via direct correspondence, social media or through bodies such as the Human Rights Commission and the Department of Home Affairs.

Where concerns are raised, AA Holdings will conduct an investigation in accordance with regulatory requirements and applicable policies and procedures, and will address any concerns as appropriate. AA Holdings' grievance procedures will ensure all grievances are managed and investigated in a comprehensive, timely and transparent manner.



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AA Holdings want to ensure they are well prepared to respond if they find modern slavery occurring in its operations and/or supply chains.

Communication

Modern slavery requirements and updates will be communicated to all AA Holdings employees to ensure compliance with this statement across AA Holdings' entire business.

AA Holdings will also be clearly communicating its expectations to suppliers and ensuring that modern slavery issues are specifically addressed via relevant mechanisms.

1.6 Actions to date

Actions taken to date in order to minimise the risks of modern slavery within AA Holdings include:

- undertaking a gap analysis of AA Holdings' current policies and procedures against the Australian Modern Slavery Act.

How will AA Holdings assesses the effectiveness of actions?

AA Holdings will continue to assess the effectiveness of its actions in comparison to industry standards and practices.

AA Holdings recognizes the importance of evaluating effectiveness of actions taken and as this is the first Modern Slavery Statement for AA Holdings we plan to assess and address the effectiveness of actions taken in FY20 in the FY21 statement.

However it is identified that there are a range of ways AA Holdings can demonstrate how to assess the effectiveness of its actions, including:

1. Establishing a process to regularly review the actions they have taken. This could include an annual review by the Management Team of AA Holdings' response to modern slavery.
2. Regularly checking risk assessment processes to ensure they remain up to date.
3. Establishing processes to provide for regular engagement and feedback.
4. Conducting internal audits and/or monitoring of specific steps AA Holdings has taken to assess and address modern slavery risks.



5. Tracking the actions taken and measuring the impact.
6. Working with suppliers to check how they are progressing, including any actions they have put in place to address modern slavery risks.

1.7 Looking Forward

AA Holdings' has set the following priorities for 2020-2021:

1. Reviewing Policies and Procedures – to continue to ensure AA Holdings' current policies and procedures are best practice and fulfil the requirements of the Australian Modern Slavery Act and expanding internal communication on the risks of modern slavery, and communicating this statement to all staff.
2. Modern Slavery Training – expand training to staff involved in or overseeing procurement to ensure they are able to identify and manage modern slavery risks.
3. Due Diligence and Risk Assessment – creating more streamlined and formalised due diligence, risk assessment and assurance processes
4. Analysing supply chains – including through the requesting of information from direct suppliers about sub-suppliers (including country of origin), engaging with key suppliers to understand how they are addressing modern slavery risks and reviewing their Modern Slavery Statements, working with other entities to carry out joint assessments of supply chains, using traceability processes and identifying existing credible assessments.
5. Engagement and Collaboration – with suppliers to ensure they understand AA Holdings' requirements in avoiding modern slavery risks.
6. Improve supplier awareness – of modern slavery risks and how they may contribute to modern slavery through awareness-raising and training.
7. Continue with annual external employment and safety compliance auditing.



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This statement is made pursuant to the Modern Slavery Act 2018 (C/th) and constitutes the Modern Slavery Statement of AA Holdings Pty Ltd.

This Statement was approved on the 30th March 2021.

Andreas Andrianopoulos
Sole Director
AA Holdings Pty Ltd

