



2023  
Modern Slavery Statement

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# RACQ Modern Slavery Statement 2023

This is the fourth Modern Slavery Statement for The Royal Automobile Club of Queensland Limited (RACQ). It describes the actions taken by RACQ to address modern slavery risk within its operations and supply chain for the financial year ended 30 June 2023. This statement has been prepared to comply with the requirements of the Modern Slavery Act 2018 (Cth) (the Act). All content is accurate as at 30 June 2023.

This is a joint statement made on behalf of all applicable entities in the RACQ Group, including *The Royal Automobile Club of Queensland Limited (ABN 72 009 660 575)*, *RACQ Operations Pty Ltd (ABN 80 009 663 414)*, *Members Banking Group Limited (ABN 83 087 651 054)*, and *RACQ Insurance Limited (ABN 50 009 704 152)*.



## Our business

RACQ's purpose is to drive a positive future for all Queenslanders. Our Club's culture is underpinned by a set of values, behaviours and beliefs which allow us to deliver on our purpose and strategy.

RACQ is committed to upholding and promoting human rights and expects its suppliers and partners to do the same. RACQ is committed to taking the necessary steps to identify and address modern slavery in our operations and supply chain, and to continuously improve our understanding of, and response to, modern slavery risks.

Formed in 1905, RACQ is Queensland's largest club with 1.7m+ members. RACQ provides a range of products and services to our members, customers, and the Queensland community. These products and services include roadside assistance, insurance, banking, solar and advocacy.

RACQ employs 2,711 people across 28 stores in Queensland, including 20 RACQ stores, 8 agencies and a local 24/7 call centre. RACQ utilises a network of contractors, suppliers, agents,

and partners who support us in running our business, both operationally and in the supply of products and services, across various categories, including staff and contractors, technology, property, corporate and professional services, insurance claims, and marketing. Most of RACQ's suppliers and outsourced service providers are based in Australia. There are a small number of suppliers located overseas, some of which have a presence in geographies which may represent a higher modern slavery risk (as identified by Global Slavery Index) such as Fiji, Thailand, the Philippines, India, and China.

RACQ Group has three main business lines: Banking, Insurance, and Assistance. These were supported in FY23 by centralised Group functions, including People and Purpose, Member Engagement and Technology, Corporate Services, Risk and Audit.



## RACQ Bank

RACQ Bank offers banking products and member benefits to approximately 90,000 (as at 09/11/2023) personal and business members. RACQ Bank provides retail banking services to these members. The product and service offerings include transaction and savings accounts, term deposits, travel and international services, personal borrowing including home loans, residential investment loans, personal loans and secured and unsecured overdrafts. We

also offer small business borrowing including secured business loans and overdrafts (secured by residential or commercial property), and unsecured business overdrafts. RACQ Bank operates across a network of 17 RACQ stores throughout Queensland. Members can also access banking services through Mobile, Internet and Phone Banking.



## Insurance

RACQ Insurance is one of the largest providers of insurance in Queensland, with over 1.4 million active covers including partner products (as at 10/11/2023). The insurance business line provides

personal insurance lines to members with a range of products including motor, CTP, home and contents, pet, caravan, and boat insurance.



## Assistance

Roadside assistance covers 1.25 million Queenslanders on a 24/7 basis. Services are delivered Australia wide through an extensive network of staff and contractors.

There are a range of automotive products provided including batteries, vehicle inspections, automotive repair, glass and auto electrics. RACQ also now offers solar panels and batteries for members homes.



## Investments

At the close of FY22, RACQ rationalised its investment portfolios including selling out of Australian and International equities. In FY23 the portfolio consisted of internally and externally managed investments. Australian money market securities and cash represented over 90% of investments. Other investments included infrastructure, direct property and alternatives.

All RACQ's external investment managers are signatories to the United Nations-backed Principles for Responsible Investment (PRI).

The vast majority of funds managed internally are invested in the debt instruments of Australian banks, with a small investment held in direct property.

In addition, RACQ has equity interests in a range of other strategic investments, including through subsidiaries and joint ventures.

These interests are primarily focused on the following areas:

- Solar panel and battery storage installations, and
- Insurance products and services.

# Our commitment

RACQ recognises that modern slavery can take many forms, including trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

Whilst RACQ acknowledges that no sector or industry is immune from the risks of modern slavery, we are committed to operating responsibly and taking all reasonable steps to identify and prevent any acts of modern slavery occurring in our operations and supply chain. This includes a commitment to maintaining and improving our internal systems and controls to ensure these remain effective.

# Our policies, processes, and procedures

RACQ has a suite of internal policies and procedures which inform the way we work and aim to ensure that we operate in an ethical and responsible manner. These include:

- RACQ Code of Conduct
- Discrimination, Harassment and Workplace Bullying Policy
- Diversity and Inclusion Policy
- Group Procurement and Contract Management Policy
- Group Outsourcing Policy
- Group Whistleblower Policy
- Group Remuneration Policy, and
- RACQ Vulnerable Consumer Policy.

RACQ also conducts risk assessments and performs supplier due diligence as part of our procurement and partnering activities, which includes the identification and assessment of modern slavery risk.

RACQ Group Internal Audit (GIA) assurance activities, conducted on a cyclical basis in accordance with GIA's risk-based annual audit plans, include reviews of the effectiveness of our internal policies and their implementation. These audit plans are approved by the Group Audit Committees and the results of audit activities are reported to the Group Audit Committees.



## Potential risks

RACQ takes the risk of modern slavery seriously and does not want to be complicit in perpetuating modern slavery.

A review of the Group's operations and supply chain was undertaken to establish a baseline for identifying potential modern slavery risk. This review was based on the following risk factors that increase the risk of modern slavery practices, including vulnerable populations, high-risk geographies, high-risk sectors, and high-risk business models. Based on this assessment, we have identified the following areas of potential risk in our operations and supply chain:

- Direct and indirect procurement of high-risk goods and services, including:
  - technology products and services
  - property and building services, including facilities management and cleaning services
  - construction services and building materials
  - corporate uniforms
  - print and promotional materials
  - office supplies and consumables, including stationery
  - batteries, tyres and auto glass
  - solar products
- Business partners, including investment managers and joint venture partners
- Vulnerable populations, including vulnerable consumers.

# Actions taken during the reporting year

In this fourth reporting year, RACQ has continued to assess the risk within its supply chains as well as build on the foundations previously established in previous reporting years. Key actions taken by RACQ during the fourth reporting period included:

- Assessment of 42.3% of the contracted supply chain for Modern Slavery risk via a third-party questionnaire. Other than the questionnaire, RACQ has also used alternate sources which includes the Global Slavery Index and Modern Slavery Statements.
- For those assessed suppliers the contract management system was updated to record the residual risk rating of low, medium or high.
- Continued to provide awareness of modern slavery across the organisation through an online eLearning package for available to all staff and mandatory for RACQ’s contract managers and owners.
- Incorporating our preferred modern slavery clauses, or a negotiated compromise, when negotiating new contracts or renewing existing arrangements.
- Conducted supply chain mapping of RACQ high-risk business areas.
- Investigated potential modern slavery issues or risks identified in supply chain mapping and assessment practices.
- Continuation of Vulnerable Consumer Program frameworks to govern and guide identification, assessment and management of consumer vulnerabilities.



## Reporting channels

RACQ provides access to an external reporting service (Stopline) - an independent and confidential service that operates 24 hours a day, 365 days a year - to receive whistleblower reports from our employees and third parties regarding illegal or unethical conduct.

Stopline’s contact details are:

Phone	Website & Online Reporting form	Address	Email
1300 304 550	<a href="http://racq.Stoplinereport.com">racq.Stoplinereport.com</a>	RACQ c/o Stopline PO Box 403 Diamond Creek VIC 3089	<a href="mailto:racq@Stopline.com.au">racq@Stopline.com.au</a>

Employees can also report through published internal channels. Reporting of information can be made anonymously.

To date no instances of suspected Modern Slavery have been reported through Stopline or Hypercare, the team established to take care of claims where a vulnerability has been identified.

## Monitoring

The RACQ's Group Procurement Team, reporting to the Chief Financial Officer, has overall responsibility for the coordination of the RACQ Group's modern slavery risk management activities. Ownership of identifying and managing modern slavery risks sits with first line business units and functions.

## Accountability

Recognising the multiple elements that comprise the Group's approach to modern slavery risk, accountability for compliance for the various components sits with the individual executives leading each relevant function.

## Next steps

RACQ is committed to continuously improving its ability to identify and manage modern slavery in its operations and supply chain. In line with this, RACQ will undertake the following activities during the next reporting period:

- Continue to assess and manage modern slavery risks with RACQ's third party engagements
- Conduct a market review for risk intelligence and tools to support identification and management of Modern Slavery risk
- Continue to work with the Insurance Council of Australia working group on industry wide initiatives or opportunities for streamlining and/or supply chain education
- Engage with contract managers of high-risk business and or business lines to look for improvement opportunities
- Review and maintain supply chain maps of RACQ high risk business areas and/or suppliers
- Conduct regular assurance and audit processes for continued monitoring of modern slavery compliance within RACQ's supply chain.
- Capture and remediate / respond to any issues or risks outside of tolerance identified through these, and our regular processes
- Publish the RACQ Supplier Code of Conduct

The RACQ Group Procurement function, under the CFO developed this joint statement. The statement was reviewed and endorsed by the Managing Director and Group Chief Executive Officer. The Statement has been reviewed and approved by the respective boards.



**Leona Murphy**  
President and Chair



**David Carter**  
Managing Director and Group Chief  
Executive Officer







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