

RAA Group

**Royal Automobile Association
of South Australia Incorporated**

ABN 90 020 001 807

RAA Insurance Limited

ABN 14 007 872 602

RAA Insurance Holdings Limited

ABN 52 008 210 062

Joint Modern Slavery Statement

Under the *Modern Slavery Act 2018 (CTH)*

Reporting period


1 July 2021 – 30 June 2022



This Joint Modern Slavery Statement has been approved and lodged by the Board of Royal Automobile Association of South Australia Incorporated ABN 90 020 001 807, and the Board of the wholly owned subsidiaries RAA Insurance Holdings Limited ABN 52 008 210 062 and RAA Insurance Limited ABN 14 007 872 602, in their capacity as the principal governing bodies of these entities.

Pursuant to the requirements of the Act, authorised persons have reviewed the contents of this Statement and confirmed its accuracy for lodgement

Name: Nick Reade
 CEO of Royal Automobile Association of South Australia Inc
 Director, RAA Insurance Holdings Ltd
 Director, RAA Insurance Ltd

Signature:


Date of execution: 28 November 2022

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Part one

Mandatory reporting requirements - company information

1. This is the third joint statement prepared by the RAA Group under the *Modern Slavery Act 2018* (Cth).
2. This Statement reports on our action over the reporting period to identify and respond to risks of modern slavery, and continually build on our progress from prior reporting periods.
3. This statement is made in relation to the following mandatory reporting entities under the Act:
 - Royal Automobile Association of South Australia Incorporated - ABN 90 020 001 807 (“**RAA**”)
 - RAA Insurance Limited - ABN- 14 007 872 602 (“**RAAI**”)
 - RAA Insurance Holdings Limited ABN- 52 008 210 062 (“**RAAIH**”)
4. This Statement also addresses RAA Innovation Pty Ltd (ABN 13 655 258 272) (“**RAA Innovation**”), which is owned and controlled by the Group, but not, individually, a reporting entity.

All of these entities are referred to collectively in this Statement as the **RAA Group**, unless the context requires separate differentiation.

Who we are

5. As a proudly South Australian organisation, RAA keeps its members at the heart of everything it does. We’re driven to make things better for members and the community causes that matter to them most each and every day.

Our Structure

RAA

6. RAA is a mutual service organisation and our activities are governed by a constitution and the Associations Incorporation Act 1985 (SA).
7. We are governed by a Board of non-executive Directors (elected by RAA members), and a Chief Executive Officer (appointed by the Board).

RAA Insurance Limited (RAAI) & RAA Insurance Holdings Limited (RAAIH)

8. RAAIH is a wholly owned subsidiary of the parent entity.
9. RAAIH is the sole shareholder of the entity RAAI.
10. RAAI and RAAIH are referred to collectively in this Statement as “**RAA Insurance**”.
11. RAA Insurance is an authorised insurer that is regulated by Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investments Commission (ASIC) and holds an Australian Financial Services Licence. RAA Insurance has a separate Board to RAA, but most directors serve on both boards.

12. RAA Insurance issues and administers general insurance products including management of claims. RAA provides various shared services to RAA Insurance, including:
 - Information Technology
 - People and Environment
 - Procurement
 - Risk and Governance
 - Marketing
 - Investments
 - Product Distribution

RAA Innovation & RAA Solar and Battery Storage

13. During the reporting period the entity RAA established a new, wholly owned entity, RAA Innovation, which was registered on 11 November 2021. RAA Innovation has facilitated our expanded operations into the construction and management of an Electric Vehicle (“**EV**”) charging network. RAA Group was awarded a \$12.4 million State government grant to implement Australia’s first border-to-border EV charging network in South Australia.
14. RAA Group has continued to grow its solar related product and service offerings throughout the reporting period. Effective 1 July 2022 (immediately after the completion of the reporting period) RAA Innovation acquired what was previously our major solar installation partner to support the growth of our solar related operations and combined this with the existing assets of RAA Solar and Battery Storage.
15. In recognition of the significance of these business developments (particularly relating to RAA Solar and Battery Storage) to our overall response to modern slavery issues and risks, we have described issues relating to them in this statement, rather than deferring such descriptions until our statement for the next reporting period.

Our Operations

16. The following is an updated snapshot of our business operations during the reporting period:
 - Over 790,000 members
 - Over 450,000 vehicles insured and \$265m in claims paid
 - Over 170,000 homes insured and \$105m in claims paid
 - Over 341,000 road service callouts
 - Comprehensive retail travel services, including over 16,000 travel bookings over the subject reporting period, notwithstanding the continued disruption of the COVID-19 pandemic
 - Strong relationships with our trusted network of more than 400 independent RAA approved auto repairers (“**Approved Repairers**”)
17. Our headquarters are located in Mile End, South Australia. We have RAA shops and retail services at over 18 different locations throughout South Australia, and in Broken Hill (NSW).
18. During the reporting period, the RAA Group employed 1,244 staff to support our day-to-day operations in a variety of roles from administration, corporate services, insurance brokering to customer service. The breakdown of the employment types of our staff is as follows:
 - **977** – Full Time employees
 - **230** – Part Time employees
 - **37** – Casual employees

19. Our core business operations and products include:

- Road Service
- Car and other vehicle Insurance
- Home Insurance
- Landlord Insurance
- Travel Insurance
- Retail Travel Services
- Solar and Battery storage
- Personal loans
- Driver education lessons
- Community education programs
- Fleet safety training
- Vehicle inspection
- EV Charging Network

20. The ‘*Solar and Battery Storage*’ operations relate to our home solar and battery package product lines, primarily comprised of the retail on-selling and installation of solar panels / advanced battery systems for residential installation.

21. As described in our last statement, these packages were previously installed in partnership with a single subcontractor. RAA Innovation has now acquired this subcontractor, effective from 1 July 2022. We anticipate that this business acquisition will, over the longer term, afford us greater control over a range of supply chain and operational aspects, including ensuring that adequate and ongoing due diligence and mitigatory measures are in place and commensurate with the elevated modern slavery risks relating to global solar-related supply chains.

Overview of Supply Chains

22. The RAA Group’s direct supply chain included over 2,619 confirmed active direct suppliers during the reporting period, which is approximately 1,000 less suppliers when compared to the last reporting period. We procure a range of goods and services that support our operations and functions across the entirety of the RAA Group. Further detail on our specific supply chain risk is in Part 2 of this statement. Our suppliers are predominately based in Australia. However, of the remaining suppliers, they are located as follows:

- Several computer related suppliers based in the USA, Canada, New Zealand, and Switzerland
- Business service providers based in Canada and Sweden
- An education provider based in the UK

Part two

Modern slavery risk assessment

23. The RAA Group has assessed that our overall operations and supply chains associated with our core provision of insurance products and road service remains low. However, we recognise that our increasing market presence in renewable energy activities, whilst undoubtedly positive from an overall environmental sustainability perspective, carries important implications in relation to potentially increased modern slavery risk exposure, which are described further below.

24. During the reporting period, the RAA Group did not identify, or receive any reports of, any actual or suspected instances of modern slavery within our operations or supply chains.

25. The RAA Group has continued our longstanding partnership with external consultants to undertake a risk assessment using proprietary technology to analyse the cumulative modern slavery risk through to the tenth tier of our supply chains for the RAA Group, our investment portfolio and RAA Insurance.

26. The Appendix contains a summary of the risk assessment methodology used for our risk assessment.

27. Any risk mitigation strategies are further detailed in Part Three of this statement.

28. Using our procurement data for the RAA Group, the risk assessment identified industry categories, based on relative spend, with potentially elevated modern slavery risks in our supply chains included below:

Australian Business Services & Australian Computer Related Services

29. The two categories of ‘*Australian Business Services*’ and ‘*Computer Related Services*’ have been identified in both our previous statements as higher risk supply chain categories. The prevalence of these categories over consecutive reporting periods demonstrates that our supply chain risks, and overall modern slavery risk profile remains relatively unchanged. It also confirms the importance of continued due diligence and engagement with suppliers operating in these industries on a long-term basis.

30. As described in detail in our last statement, the risks relating to the ‘*Computer Related Services*’ industry category are identified as being elevated within the operations of our direct suppliers. Rather, the risks relate to the use of high-risk computer /electronic hardware, which is predominately manufactured and imported from China and Malaysia. These countries are widely recognised for a high prevalence of forced labour, particularly in the electronics manufacturing industry. Further down the supply chain, inputs used to produce componentry such as cobalt for lithium-ion batteries are also commonly extracted through modern slavery practices in high-risk geographies, such as the Democratic Republic of Congo.

31. Australian ‘*Business Services*’ has a relatively large procurement spend. It includes over 80 suppliers providing a range of professional services, such as consulting, market research and advertising services. This relative spend factor contributes towards the higher identified risk. Other significant risk identifiers associated with this category are largely the same as ‘*Computer Related Services*’, which reflects the unavoidable prevalence of high-risk computer and hardware inputs inherent in this sector.

Australian Printing & Media Services

32. One newly identified category in the risk assessment completed for this reporting period was 'Australian Printing and Media Services'. The risks associated with this industry category are:
- Similar to 'Business Services' and 'Computer Related Services', suppliers operating in the media services industry are heavily dependent on high-risk computer and electronics related componentry.
 - Suppliers of printing related products are unlikely to be exposed to modern slavery within their direct operations. However, key raw materials generally used in this sector, such as paper and pulp, represent a higher risk supply chain.
 - These inputs are highly dependent on the forestry and timber extraction industries, which are characterised by a high proportion of people in informal workforces, vulnerable working conditions, and remote work sites. There is also a strong overlap between illegal logging practices and forced labour, including reliance on workers who do not have the protection of employment contracts and are otherwise vulnerable to exploitation. These risks are reflected in the fact that the global timber industry is internationally recognised as a high-risk sector for goods produced by modern slavery (particularly, child and forced labour).

Insurance Claims Risk

33. In addition to assessing our supply chains, we have continued to assess our modern slavery risks in relation to all of RAAI's insurance claim categories. Overall, the supply chain risk profile of our insurance claims remains very low.
34. The risk assessment has identified that the areas of most elevated modern slavery risk exposure relate to the following insurance categories::
- Motor vehicle related insurance
 - Home & Contents insurance
 - Landlord insurance
 - Boat insurance

This is generally comparable to previous reporting periods.

35. The risks associated with these insurance categories include the use of building and construction suppliers, and inputs for motor and other vehicle repairers. These industries are reliant upon tools, machinery and materials, which are often manufactured offshore in high-risk geographies, using multiple high-risk raw materials. These supply chains can be complex and opaque, particularly at more remote tiers of the supply chain, such as during the extractive stages. Additionally, the construction industry is generally a sector with low barriers to entry for vulnerable migrant workers, who are often employed in subcontracting arrangements that prevent the proper assumption of direct accountability for actual working conditions.
36. The risks in these insurance categories are, again, most elevated at deeper tiers of the supply chain - at our suppliers' suppliers and beyond. We continue to engage with insurance providers to promote multi-tiered due diligence that 'cascades' down the supply chain and improves transparency beyond those companies' direct operations (which are relatively low risk).

Solar and Renewable Technology-Related Risks

37. One of our continuing priority areas is the recognised risks in the industry as a whole associated with solar and renewable technology-related products and services. These now primarily fall under the core business of our newly controlled entity: RAA Innovation.

38. There are increasingly documented and concerning tensions between pursuing environmental sustainability goals and potentially elevated human rights risks in renewable energy industries as a whole. As noted in our previous statement, we recognise that key inputs within the global solar supply chains (particularly polysilicon and raw quartz) are at a disproportionately high risk of being tainted using forced labour, including the state-sanctioned exploitation of imprisoned Uyghur labourers in the Xinjiang region of China.
39. One specific aspect for the ongoing procurement of solar panels in connection with RAA Group's supply chains is the emerging implications for Australian markets of import bans on certain Chinese-manufactured solar panels (and componentry) into the USA under the *Uyghur Forced Labor Prevention Act*, which commenced operation in mid-2022. In particular, we will track future risk that tainted products which are banned for import into the US may be 'dumped' in markets such as Australia, which do not (currently) have equivalent trade restrictions.
40. In recognition of our potential exposure to these potential risks, RAA Group has undertaken specific due diligence as a form of risk mitigation, in relation to the solar energy industry category, described below:

Desktop Audits

41. To develop a deeper understanding, the RAA Group engaged external consultants to undertake a comprehensive desktop audit of the current industry landscape in Australia. This included seven direct solar product suppliers (which are primarily end-stage distributors) and five (current and potential) second-tier suppliers / manufacturers of solar product componentry, including panels, batteries and inverters.
42. The desktop audit, which was completed shortly prior to the end of this reporting period, revealed multiple industry specific findings, rather than RAA specific findings, that we anticipate will underpin our ongoing supplier engagement and longer-term due diligence activities and are further detailed in Part Three of this statement.
43. The audited end-stage distributors and wholesalers were comprised mostly of smaller non reporting entities that, understandably, currently implement only minimal risk mitigation frameworks. These entities generally demonstrated only a basic awareness of modern slavery risks potentially associated with solar products. We consider these insights as presenting opportunities for future awareness raising/training, capacity building and other positive collaborative partnership in our modern slavery response for the next reporting period onwards.
44. As described above, another core focus is developing an unprecedented network of state-wide EV charging stations, which is currently in the pre-construction phase. We anticipate that the EV charging network, once operationalised, will be powered by renewable energy sources, such as solar power. Assessing and addressing the potential modern slavery risks with renewable energy componentry where applicable will remain a priority area for the RAA Group.

Investment Risk

45. The RAA Group has continued to undertake a proprietary risk assessment of our investment portfolio, which has identified the following general assets as having potentially elevated modern slavery risks:
- Financial services industry in Ireland, Australia and the Philippines; and
 - Food related retailers based in Australia.

46. The risks associated with the ‘*Financial Services Industry*’ are similar to ‘*Australian Business Services*’, namely the prevailing dependence on high-risk computer and electronic inputs. However, we also specifically acknowledge the potential elevated risk in relation to our investment in financial services based in the Philippines. This investment’s operational risk is assessed as low, however its presence in a higher risk geography may be source of risk exposure further down the supply chain.
47. RAA Group also recognises the different risks associated with our investment in food related Australian retailers. We know that the broader agricultural and horticultural industries, which supply end-stage retailers, can be more reliant on temporary migrant workers, who are more vulnerable to debt-bondage and forced labour, even in Australia. Our external consultant has reviewed the Modern Slavery Statements and relevant ESG reporting frameworks published by the investees, which disclose what is considered to be a “leading practice” level of insight into their risk profile and correlating measures to mitigate and address these risks.
48. As described in our last statement, the RAA Group maintains a framework to review our fund managers, as part of our overall response to modern slavery risks. This review process has continued throughout the reporting period, with no issues of major or critical concern identified.

Operational Risk

49. In addition to a risk assessment of our respective supply chains, we recognise potential risk areas that may be more directly linked to our operations. Our own day-to-day operational risk is low. We abide by all federal and related employment legislation and regulations. We primarily engage professional staff using direct employment contracts.
50. However, our use of services such as commercial cleaning, facilities management, and corporate catering means that we have an operational exposure to recognised higher risk industries in Australia. We are aware that these types of services often contract low-skilled and vulnerable migrant workers, whose employment is tied to their visa status, making them unlikely to speak out about exploitation. Whilst our engagement of these operational suppliers is by no means unusual for an organisation like RAA, we are continuing to monitor suppliers in this category and ensure appropriate risk mitigation measures are in place where applicable.

Part three

Addressing modern slavery risks

51. The RAA Group has continued to address identified modern slavery risks throughout our operations and supply chains. Our focus remains on effectively prioritising those areas of greatest identified risk where we believe to have greatest capacity to achieve practical positive impact.

Solar and Battery Storage Industry – Supplier Due Diligence & Engagement

52. The RAA Group fully recognises the increasingly documented risks associated with the global solar products industry. As described above, this elevated risk area is of particular relevance to the activities of our new controlled entity - RAA Innovation.
53. The RAA Group has developed a relatively small base of direct suppliers/partner organisations since the acquisition in these emerging sustainability-driven industry categories, which are listed on RAA’s public website: raa.com.au/en/home/solar-and-battery-storage

Solar Supply Chain Engagement

54. In our last statement, we described the engagement with our solar battery sub-contractor (now acquired by RAA Group – as described above) for the purpose of initiating positive engagement with its direct suppliers on modern slavery issues.
55. As part of this initial engagement, our (then) 2nd tier suppliers provided written confirmation on a variety of relevant factors, including agreement to notify any instances of suspected modern slavery occurring in their own supply chains or operations, and incorporating express provisions relating to modern slavery provisions in their own supplier contracts. This process was finalised during the reporting period.
56. We are continuing to monitor international developments in relation to risk identification and mitigation to address Uyghur forced labour. We are treating this as an important measure applicable to all our procurement decisions (including products offered by major global electronics brands),

Next Steps for Solar and Battery Storage Due Diligence

57. Building upon the positive foundation of supply chain engagement and in response to the desktop audit findings, planned progressive actions are detailed in Part Five of this statement.
58. The key focus areas where we could have the most impact would include:
- The degree of relative (non-)proximity of potential identified risk areas to our direct suppliers is such that we strongly believe that collaborative efforts with these trusted suppliers is the preferable approach, rather than enacting punitive or exclusionary actions (such as contract termination and/or non-renewal), which have repeatedly been shown to only increase potential vulnerabilities for at-risk workforces.
 - The scoping of potential alternative suppliers throughout future reporting periods without known linkages to forced labour practices in Xinjiang, where feasible, with a focus on examining supply chain traceability in relation to polysilicon procurement and solar wafer / ingot manufacturing.

- The exclusion, if possible, of linkages to key raw materials (including lithium and cobalt) in batteries with insufficient supply chain traceability to ensure that these minerals have not been mined using forced and/or child labour.
- Investigating and, if necessary, appropriately mitigating, supply chain connections to manufacturers in high-risk countries and industry categories. This includes identified potential connections with a specific (indirect) manufacturing supplier in Malaysia that has previously been investigated for charging illegal recruitment fees and withholding worker identity documents.

Computer Related Services

59. We have continued to carefully monitor the two electronics suppliers identified in our last statement as having allegedly been linked to Uyghur forced labour. These suppliers maintain comprehensive and contextually appropriate supply chain due diligence procedures, including engagement with workers and onsite audits within the identified high-risk manufacturing regions.
60. As part of our long-term approach to engaging with the risks associated with this industry, RAA Group plans to incorporate specific and appropriate modern slavery considerations within the tender process and associated contract(s) for an ICT Computer hardware supplier, which is scheduled for the next reporting period. This procurement will include laptops, monitors, mini desktop devices and accessories such as docks, keyboards, headphones and mice.

Printing and Media Services

61. RAA Group plans to incorporate specific and appropriate modern slavery and sustainability considerations within the tender process and associated contract(s) for a Print Preferred Supplier Panel during the next reporting period. Opportunities to digitise future print offerings will also be investigated.

Investments

62. We will explore the development of a **Responsible Investment Policy**, subject to Investment Committee endorsement to expand this framework, including through facilitating more comprehensive review of our external fund managers.

Environment and Social Impact Framework

63. Another major focus area for the RAA Group during the reporting period was to develop our 'Environment and Social Impact Framework' ("**ESI Framework**"), as part of our increased commitment to impactful organisational ESG. As part of our ESI Framework, our Board has established an ESG Steering Group and associated Charter. The ESG Steering Group has responsibility for the ESI Framework and keeping the Board abreast of material issues.
64. A key component of the overall ESI Framework is our Social Impact Strategy, which focuses on increasing the social value created through our commercial operations and advocacy, with our overarching aim to make 'every day better for our community today and for future generations'.
65. We have embedded addressing modern slavery as a key 'form' of social impact within the ESI Framework. Our ESI Framework has been developed using a framework of relevant UN Sustainable Development Goals, including the following Goals that address underlying factors contributing to modern slavery:

- **UN SDG 8** – Promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- **UN SDG 10** – Reducing inequality within and among countries.
- **UN SDG 11** – Making cities and human settlements inclusive, safe, resilient, and sustainable.
- **UN SDG 12** – Ensuring sustainable consumption and production patterns.

66. The Social Impact Strategy will initially focus on maturing our ESG approach, including through:
- Measuring and benchmarking our social impact;
 - Utilising our existing products and services to create social impact;
 - Building capabilities and partnerships with key organisations; and
 - Extending the Strategy to include our members and employees, as part of our efforts to improve key areas of social impact.
67. To achieve these goals, the RAA Group intends to implement the following actions over future reporting periods:
- Using the relevant UN SDGs for benchmark analysis to direct our resources and focus our efforts;
 - Improving procurement strategies where applicable;
 - Innovating products and services to improve communities, including advocating for change in new product and service areas.
68. As part of this Strategy, RAA has integrated the previously foreshadowed formation of a Modern Slavery Working Group into the newly created 'Social Impact Cross Functional Team ("**Social Impact Team**")'. The Social Impact Team is sponsored by the General Manager of Community & Corporate Affairs and our CFO, with representatives from across the organisation.
69. The Social Impact Team will meet quarterly and be the key internal group for reviewing our year-on-year progress against our Social Impact Strategy. The Social Impact Team will report to our ESG Steering Group.
70. The RAA Group intends for this broader ESI Framework to maintain and grow our organisational-wide support for addressing modern slavery in a sustainable and long-term manner, from the Board Room to our day-to-day operations and interactions with our valued suppliers, members and other stakeholders.

Policy and Governance Updates

71. During the reporting period, we continued to refresh and refine our policy and governance framework with the following updates:
- We updated our **Whistleblower Policy** to specifically reference 'conduct or circumstances that give rise to a suspicion of modern slavery' as a 'disclosable matter'. No reports related to potential modern slavery concerns were received during the reporting period.
 - We have now rolled out our **Insurance Supply Chain Governance Policy** and the associated **Claims Supply Chain Governance Guide**. As described in our last statement, these have been developed to better govern our management of risks (including modern slavery) associated with our insurance claim supply chain.
 - We have now operationalised our **Checklist for Supplier Contracts**, which specifically includes an assessment of modern slavery as a risk factor.

Preferred Supplier Selection

72. We have previously described our action to develop a **Preferred Supplier Framework**, which established certain modern slavery related criteria that a supplier must meet. A Preferred Supplier is one that the RAA Group engages with to obtain goods or services on a regular basis. This means that we have a greater degree of engagement and/or commercial leverage with our Preferred Suppliers. The framework was developed to ensure we have proper checks and balances to screen these entities across multiple areas, including modern slavery. During the reporting period, we operationalised this framework (August 2021) and onboarded suppliers in various categories.
73. Our Procurement Team undertook the preferred supplier screening. During this process, a total of 21 suppliers were reviewed. No issues of major or critical concern were identified. All suppliers appropriately addressed our screening criteria, including the provision of acceptable evidence relating to their response and mitigation measures to address risks associated with their industry where applicable, including:
- current programs and policies to address modern slavery in their operations and supply chains; and
 - provision of modern slavery training to either employees, customers or suppliers.
74. We have implemented modern slavery clauses in all contracts with preferred suppliers to date. These clauses require the supplier to provide express warranties relating to modern slavery issues. This includes steps to ensure that we are promptly and appropriately notified of any event of actual or suspected modern slavery in that supplier's own operations and supply chains and a commitment by the supplier to implement due diligence procedures to cascade down its supply chain.
75. During the next reporting period, our procurement team plans to focus on the selection of a Preferred Supplier Panel for printing.

Supplier and Insurance Provider Contracts

76. In our last statement, the RAA Group outlined our intention to enter into new contracts with a variety of supplier groups during this reporting period, with a focus on implementing modern slavery provisions in all of these contracts. We subsequently made the decision to prioritise those suppliers operating in higher risk categories, detailed below:
- Provisions that expressly address modern slavery issues are now incorporated into all of our updated *Builder and Restorer Contracts*, the *EV Charging Network* and *Solar and Battery Storage*. We have two agreements in place for equipment for the EV charging stations. We also have a contracted partnership for installation.
 - We have continued to use the contract review process as a tool to start two-way dialogues with our suppliers and insurance providers about our stance against slavery and our expectations of our suppliers to practically support this commitment.
 - We are still in the process of updating the contracts for suppliers operating in the categories of 'Approved Repairers' and *Insurance Claims Providers*' that we previously indicated as a future focus area.
 - RAA Group plans to finalise the modern slavery provisions for these new supplier contracts for the next reporting period and will continue to be guided by our amended Insurance Supply Chain Governance Policy and our Claims Supply Chain Governance Guide (detailed above at para [71]).

Education & Training

77. In our last statement, we described our commitment to facilitating ongoing anti-slavery training for key employee groups (management level and procurement / purchasing staff). During the reporting period, a total of 198 employees out of 224 applicable staff completed the training. We are currently in the process of following up with the remaining staff members to ensure maximum participation in the training.
78. The training material has been developed in-house by our Procurement Team, using insights from their day-to-day engagement with modern slavery issues.
79. We plan to review our training material and approach to targeted employee training in the next reporting period, including assessing the effectiveness of this tool in raising genuine organisational awareness.

Industry Collaboration

80. RAA Group engaged with external stakeholders and industry groups in relation to modern slavery throughout the reporting period.
81. We have been approved as a member organisation within the United Nations Global Compact "Network Australia". This required the RAA Group to submit a formal commitment to the UN Global Compact and its Ten Principles, many of which are directly applicable to addressing modern slavery. Our membership is aimed at further strengthening our modern slavery response, including through the requirement to prepare an annual communication about our progress in advancing the Ten Principles.
82. RAA Group also joined the Modern Slavery Working Group initiated by the Business Council of Co-Operatives and Mutuals.¹ We engaged with this industry working group to gain insights into best practice in our sector, and otherwise as a further resource for helping us to continually improve our own approach.

¹ This has occurred after the conclusion of the reporting period, but prior to the lodgement of this statement.

Part four

Measuring the effectiveness of our modern slavery response

83. The RAA Group understands the importance of continually improving our modern slavery response. We use monitoring processes to determine whether past strategies remain the most appropriate approach to achieving our overall goal of a practically impactful response to modern slavery.
84. Within our organisation, our Procurement Team has day-to-day responsibility for monitoring the KPIs developed in our last statement. In so doing, our Procurement Team has liaised with key internal stakeholders throughout the reporting period to obtain regular progress updates on key deliverables.
85. The following table provides a snapshot of our progress over the reporting period, tracked against corresponding planned actions described in last year’s statement.

Key Performance Indicator	FY22 Progress Indication	Comments
Making available to RAA Group’s network of auto part suppliers modern slavery awareness-raising communication and education materials	Complete	RAA Group has continued to develop and provide targeted modern slavery communication to relevant suppliers through our ARS newsletter. Our most recent annual issue was published in September 2022.
Increasing the number of RAA Group employees who undertake modern slavery training	Ongoing	RAA Group has provided online training to employees, which has been completed by 88% of all eligible staff. We consider this to be a tangible area that RAA Group can re-evaluate in future reporting periods to actively seek more ‘effective’ ways of implementing this action item. We will continue mandatory training for applicable new starters, as part of the onboarding process. We will also explore a supplementary targeted modern slavery training module.

Key Performance Indicator	FY22 Progress Indication	Comments
Formation of a Modern Slavery working group that reports directly to the Board Risk and Compliance Committee and provides a biannual report.	Substituted Action Taken	The Social Impact Team is accountable as a Modern Slavery working group and is currently developing the reporting proforma. We have done this to pursue wider organisational support for our modern slavery response within the Environment & Social Impact Strategy. In future reporting periods, we will report on the operation of the Social Impact Team, with the first meeting scheduled for October 2022.
Implementing modern slavery risks into the internal auditing process	Substituted Action Taken	RAA Group have implemented modern slavery specific risks into our assurance plan and into our risk registers which includes documented and operational risks, as well as appropriate controls. We intend for any internal auditing / benchmarking process to occur on a 3 to 5 yearly cycle. In the next reporting period, we plan to focus on our integration of modern slavery risks into the benchmarking and metrics for reviewing the first-year progress of the Strategy.
Assessing RAA Group’s investments for management of modern slavery risk	Complete (and ongoing)	212 investees have been subject to proprietary risk assessment.
Updating the RAA Group’s Whistleblower Policy to include modern slavery specific provisions	Complete	The Whistleblower Policy has been updated and operationalised.
Appointment of preferred suppliers of merchandise, including due diligence for modern slavery risks and appropriate contractual provisions	Complete	Preferred merchandise suppliers have been appointed, using the modern slavery screening component of the Preferred Supplier Framework
Embedding of modern slavery into the RAA Group’s social value proposition	Complete (and ongoing)	Our Environment and Social Impact Strategy has been approved by our Board, which includes modern slavery as a focus area (inclusive of UN SDG’s 8, 10, 11 and 12, detailed above.)

Part five

Consultation with controlled entities & other relevant information

86. The RAA Group has undertaken all necessary consultation with all entities within the Group in the preparation of this Statement, and in relation to our overall ongoing response to modern slavery.

Other Relevant Information – Future Plans

87. RAA Group remains committed to continually improving our modern slavery response with each passing reporting period. As part of this commitment, RAA Group has developed our action plan for the FY23 reporting period, including specific focus areas and new initiatives

Focus area	Action item
Solar and Battery Risk Mitigation	<p>As described in Part Three, we recognise that our engagement in the solar and battery and EV charging battery sector is a significant area of potential modern slavery risk.</p> <p>To build on current efforts, we plan to implement the following action items:</p> <ul style="list-style-type: none"> • broader coverage of modern slavery clauses in relevant supply contracts; • reviewing current product range and investigating lower risk alternative products; • providing training to suppliers and relevant staff; • targeted use of supplier self-assessment questionnaires as an engagement springboard; and • investigating potential solar partnerships for greater leverage and industry impact.
Education, Training and Awareness Building	<p>Undertaking a planned review of our current online modern slavery training module and updating the content where necessary. We also intend to look at expanding the scope of employees who complete this training content.</p> <p>Provision of more regular ‘modern slavery’ targeted communication to staff across the RAA Group.</p> <p>Members of our Procurement Team and Social Impact Team have also enrolled in a training programme facilitated by the UN Global Compact Network, the ‘Business & Human Rights Accelerator Course’, which commences in February 2023.</p>

Focus area	Action item
Investment Monitoring	Review feasibility of developing a Responsible Investment Policy.
Industry Collaboration	<p>Continued participation in the Modern Slavery Working Group facilitated by the Business Council of Co-operatives and Mutuals.</p> <p>Continued participation in the United Nations Global Compact Network Australia, including adherence to any reporting and disclosure requirements.</p> <p>Participation in the ICA Working Group for Modern Slavery.</p>
Supplier Engagement	<p>Incorporation of modern slavery considerations into the planned Computer Hardware tender process.</p> <p>Finalise the uplift of modern slavery clauses for inclusion in all outstanding insurance contracts, including the contracts with our approved repairers and insurance claims providers.</p> <p>Continued embedding of modern slavery into supplier contracts, at the point of renewal or where required.</p> <p>Increase the number of suppliers screened through the Preferred Supplier Framework, starting with our printing suppliers.</p>

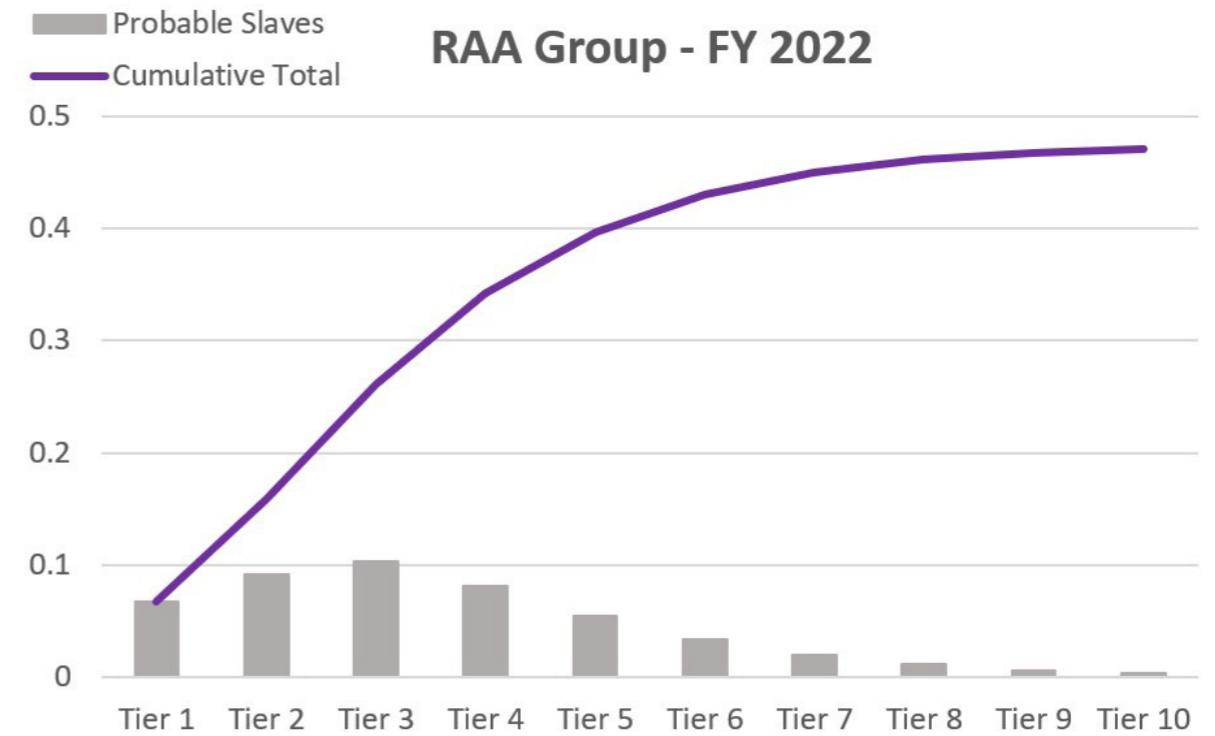
Appendix

Initial Risk Assessment Methodology Summary

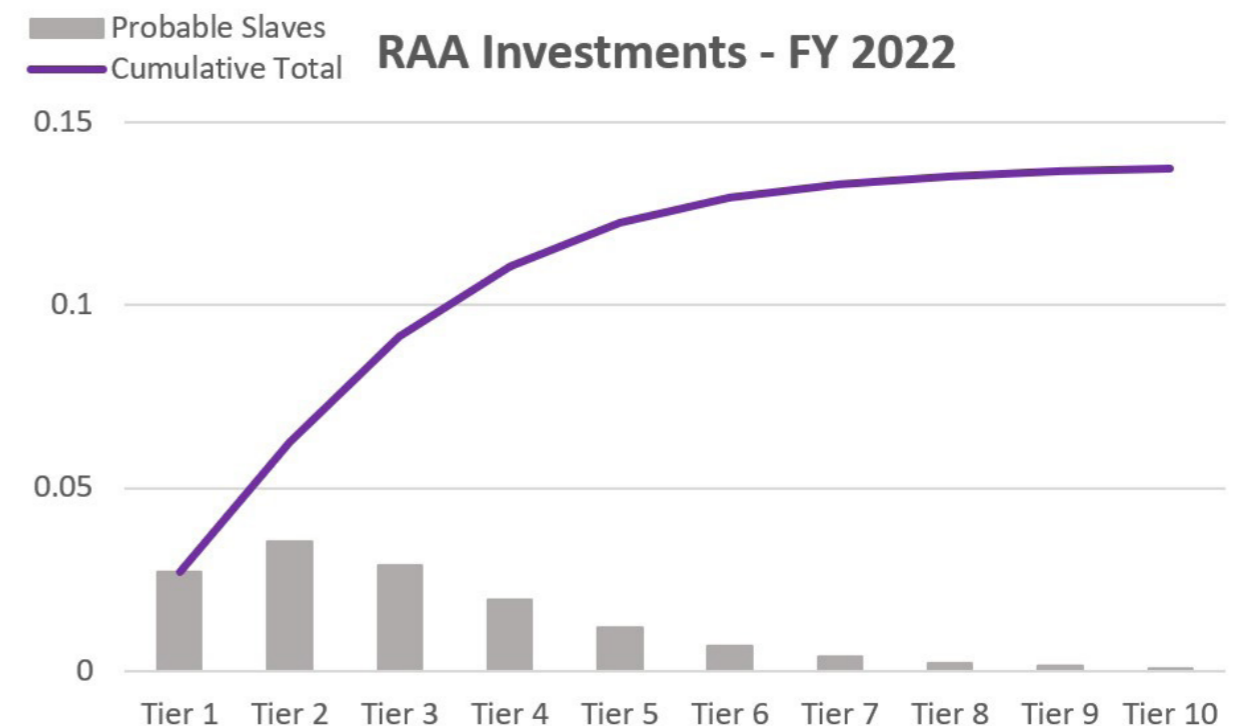
1. As discussed in Part Two of this Statement, we continued our engagement with external consultants to carry out the same comprehensive risk assessment in relation to new supplier categories that were not previously subject to assessment.
2. Incorporating company spend data throughout global markets, we have utilised external consultants with proprietary technology to trace the economic inputs required to produce products and services sourced from Tier 1 suppliers to Tier 2 suppliers, Tier 2 suppliers to Tier 3 suppliers, and so on, all the way to Tier 10 suppliers of the supply chain of RAA Group’s top suppliers by spend.
3. This supply chain mapping was performed using a balanced, global Multi-Regional Input-Output (MRIO) table which links supply chain data from 190 countries, and in relation to 15,909 industry sectors. This MRIO table is assembled using the following sources:
 - a. The United Nations’ (UN) System of National Accounts;
 - b. UN COMTRADE databases;
 - c. Eurostat databases;
 - d. The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and
 - e. Numerous National Agencies including the Australian Bureau of Statistics.
4. The MRIO is then examined against the following international standards:
 - a. The UN Guiding Principles on Business and Human Rights;
 - b. The Global Slavery Index;
 - c. International Labour Organisation (ILO) Global Estimates of Modern Slavery; and
 - d. The United States’ Reports on International Child Labour and Forced Labour.
5. A proprietary algorithm has then been applied to synthesise publicly available risk data against the exclusively licensed MRIO table. The result of this process is the creation of a modern slavery risk profile to Tier 10 for each supplier of RAA Group.
6. This analysis was performed for the purposes of risk identification under Section 16(1)(c) of the Modern Slavery Act 2018 (Cth). No information confirms the actual existence or non-existence of slavery in RAA Group’s supply chains, operations or investments. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level.
7. The multi-faceted approach to modern slavery risk assessment that we have undertaken has included examination and analysis of the following:
 - a. The individual suppliers and industries with the most elevated risk of modern slavery;
 - b. Supply chain and investment plots to provide a visual representation of the supply chains for RAA Group’s top 3 first tier industries;
 - c. Plotting the relative slavery risk in the supply chain by tier, up to tier 10;
 - d. Geographical depiction of the cumulative risk of modern slavery across the supply chain around the world;
 - e. An overview of the classification of the first tier of our supply chain by country and industry, including relative modern slavery risk; and

f. Suppliers in our supply chains and operations that posed any calculated risks in relation to modern slavery were identified. Further detail is in the statement for these supply chains.

8. The following plot indicates the tier of the supply chain in relation to our suppliers where the greatest risk of modern slavery has been estimated to occur:



9. The following plot indicates the tier of the supply chain in relation to our investments where the greatest risk of modern slavery has been estimated to occur:



10. The following plot indicates the tier of the supply chain in relation to our insurance categories where the greatest risk of modern slavery has been estimated to occur:

