

# Joint Modern Slavery Statement FY2024

Under the Modern Slavery Act 2018 (Cth)

**The Royal Automobile Club of W.A. (Inc.)**

ABN 33 212 133 120

**RACWA Holdings Pty Ltd**

ABN 60 008 985 877

**RAC Insurance Pty Ltd**

ABN 59 094 685 882

**RAC Motoring Pty Ltd**

ABN 33 009 292 228



**For the better**

# RAC Modern Slavery Statement

For the Reporting Period  
1 July 2023 to 30 June 2024



## Reporting entities

This Joint Statement is made pursuant to the Modern Slavery Act 2018 (“the **Act**”) and is submitted by The Royal Automobile Club of W.A. (Inc.). This statement has been prepared in consultation with RAC’s reporting entities, RACWA Holdings Pty Ltd, RAC Insurance Pty Ltd and RAC Motoring Pty Ltd (together “**RAC**”).

A Modern Slavery Working Group, comprised of RAC senior representatives, was established in RAC in 2019. The Working Group inform and contribute to the development of this statement, having regard to the matters noted below. The respective boards of each entity, where relevant, have considered and approved this Joint Modern Slavery Statement.

The purpose of this statement is to set out:

- » RAC’s structure, operations, and supply chains;
- » modern slavery risks in RAC’s supply chains; and
- » the steps RAC has taken to identify and minimise these risks.

Each year, we aim to show our progress and maturity in our understanding and response to modern slavery risks.

## About RAC

For more than 119 years, RAC has been a purpose-led member organisation which has evolved into one of the most trusted and recognised organisations in WA, now with more than 1.3 million members.

### Purpose

The driving force for a better WA.

### Vision

2030: A safer, sustainable and connected future for Western Australians.

### Mission

Delivering great member services and experiences, while inspiring positive community change, that makes life better in WA.



## RAC's reporting structure

The Royal Automobile Club of W.A. (Inc.) (an incorporated association governed by the Associations Incorporation Act 2015 (WA)) is a reporting entity under the Act.

As shown in the below diagram, RACWA Holdings Pty Ltd is wholly owned by The Royal Automobile Club of W.A. (Inc.). RAC Insurance Pty Ltd and RAC Motoring Pty Ltd are wholly owned subsidiaries of RACWA Holdings Pty Ltd.



## RAC's operations

Located in Western Australia, RAC has a range of operations which centre upon delivering diverse member services and experiences, while inspiring positive community change, that makes life better in WA.

The services provided by the RAC group of companies include:

- » social and community impact initiatives, centred around the pillars of safe, sustainable and connected, which benefit members and the Western Australian community;
- » roadside assistance;
- » retail general insurance products;
- » automotive repair and maintenance services;
- » travel and tourism services;
- » holiday parks;
- » small consumer loan services;
- » sales, distribution and membership operations;
- » retirement living services;
- » new business prototype, including market testing; and
- » an innovation venture capital fund.

RAC employs approximately 2,100 people, which comprises a blend of direct employees and contractors, the majority of which are within Western Australia.



## RAC's suppliers

The RAC's operations continue to mainly utilise the provision of goods and services from direct suppliers located within Western Australia.

Similar to previous years, goods and services commonly sourced from suppliers outside Australia include commercial construction materials, stationary, motor vehicle parts, batteries, home building materials, software services and technology.

During the past financial year, RAC Tourism Assets Pty Ltd, an entity within the RAC group, engaged a wholly-owned and operated international supplier to provide modular building components for its development at Ningaloo Reef Resort.

## RAC's investment portfolios

RAC acknowledges that modern slavery risks may arise in the RAC's two investment portfolios. Each of RACWA Holdings Pty Ltd and RAC Insurance Pty Ltd has an externally managed investment portfolio.

RACWA Holdings' portfolio is predominantly invested in wholesale unit trusts with the balance in cash. The trusts include investments in Australian and international equities, global property, alternatives and interest bearing securities, and utilise external investment managers.

RACWA Holdings' investment advisers have integrated approaches and processes in place to assess the modern slavery risks of all the investment managers that their clients are invested with. This is both in relation to the managers' own supply chains and day to day operations, and as to how each manager integrates modern slavery risk into its investment process.

RAC Insurance's portfolios are invested in interest bearing securities and cash. Its investment manager considers modern slavery risks as part of the investment process and as such the risks are considered for all issuers in the portfolio and on the investment manager's coverage list.

In addition to the above, RAC requires its investment advisers and managers to consider environment, social and governance (ESG) matters as part of their investment processes when selecting, retaining or realising investments. Further, the ESG policy and processes of the manager is one of the items that is closely assessed as part of the due diligence process when appointing an investment manager. The manager is then monitored in relation to their ESG practices and compliance on an ongoing basis.



## Modern slavery risks

In the 2022 financial year, RAC appointed an external consultant, Fair Supply Analytics Pty Ltd (“Fair Supply”), to provide specialist services to identify, manage and mitigate RAC’s modern slavery risks.

In August 2023, Fair Supply provided RAC a number of enhanced features as part of their Modern Slavery Risk Assessment service, including the provision of a Supplier Risk Profile. This Profile rates suppliers on a 5 level risk rating, aligned to that used by RAC. The provision of this Supplier Risk Profile has provided the RAC Working Group with additional clarity on Modern Slavery Risks within RAC’s supply chain, and where to focus remediation efforts, based on the risk exposure.

RAC has, and intends to continue to, engage Fair Supply to conduct its modern slavery risk assessments.

Consistent with previous years, the RAC’s modern slavery risks profile remains low as:

- a) the majority of its suppliers are located in Australia or otherwise in regions considered as relatively low geographical risk;
- b) whilst RAC’s products and services span a number of industries, for the most part these are not high modern slavery risk industries; and
- c) due to the above factors, the risk of engaging a disadvantaged supplier workforce is low.

## Modern slavery acknowledgement

RAC acknowledges with increased migration to Western Australia, there are modern slavery risks which impact certain industries, like hospitality and tourism. With a continued reliance on casual and overseas workers in its holiday park operations, RAC is committed to its compliance with Industrial Relations and Employment Laws and ensures that all its employees and contractors are appropriately engaged, and in accordance with applicable awards and conditions.

## Steps taken by RAC to assess and address risks in our supply chain

RAC has taken the following steps to assess and address modern slavery risks:

- » Assessed the modern slavery risk assessment results received from Fair Supply. The Modern Slavery Working Group actively engages with Fair Supply to ensure that RAC consistently evaluates its modern slavery risks;
- » The Modern Slavery Working Group meets regularly to consider ways RAC can enhance its modern slavery practices and continue to maintain its low modern slavery risk profile;
- » The Working Group obtains approval when developing response plans to Supplier Risk Profiles, ensuring alignment with the actions required within the Group's Risk Management Framework. This includes:
  - > conducting additional due diligence for suppliers with a Supplier Risk Profile rated as High or Moderate-High;
  - > monitoring and assessing suppliers with a Supplier Risk Profile of Moderate, Moderate-Low and Low on an annual basis, or whenever there is a change in the goods supplied; and
  - > undertaking additional due diligence and, if necessary, engaging Fair Supply to perform in-depth risk assessments for those supplier identified as High risk in the 2023 Global Slavery Index as High Risk (e.g. Textiles, Garments, Solar Panels or Electronics), and
- » Continues to provide modern slavery training and awareness.

These steps aim to ensure that all entities within RAC are aligned with our unified approach to combating modern slavery.

## Assessing the effectiveness of our actions

We continue to track and monitor our performance and seek to identify further ways we can address and minimise Modern Slavery risk going forward.

The Modern Slavery Working Group reports into the respective risk committees of RAC, so as to introduce greater oversight by executives and leaders on modern slavery issues present in the business.

We assess the effectiveness of our actions taken by:

- » regularly checking our risk assessment processes to ensure they remain relevant and up to date;
- » having regular engagement and feedback between key areas of the organisation (including Commercial, Human Resources, Risk & Compliance and Legal), to highlight potential areas of improvement;
- » considering trends in cases reported through grievance mechanisms and how these cases were handled; and
- » monitoring global trends and best practice to ensure RAC's actions align with these standards.

We continue to ensure RAC's modern slavery initiatives are embedded, respected and upheld throughout the organisation.

RAC's Modern Slavery Statement is publicly available on its website: [www.rac.com.au/about-rac/purpose/annual-report](http://www.rac.com.au/about-rac/purpose/annual-report). This joint statement was prepared in consultation with the Modern Slavery Working Groups, procurement, risk and legal teams and draft versions of the Modern Slavery Statement have been circulated to key stakeholders within our subsidiaries, ensuring the statement accurately reflects our collective efforts and commitments.

The joint statement is approved by RAC Council for and on behalf of The Royal Automobile Club of W.A. (Inc.) and its wholly owned subsidiaries RACWA Holdings Pty Ltd, RAC Insurance Pty Ltd and RAC Motoring Pty Ltd.



Signed

**25 November 2024**

Dated

**Allan Blagaich**

Name

**President**

Position



[rac.com.au](http://rac.com.au)