



Modern slavery and human trafficking statement 2019

This statement covers the activities of the National Roads and Motorists' Association Limited ABN 77 000 010 506 (the "NRMA") and its controlled entities to understand and implement actions to minimise the risk of modern slavery and human trafficking in our operations and supply chain.



Introduction

This is the first Modern Slavery Statement (“Statement”) for the NRMA, as informed by the Federal Modern Slavery Act 2018.

The purpose of this statement is to outline our approach to ensuring that NRMA has robust frameworks and processes in place to minimise the risk of modern slavery in our business operations and supply chain.

At the NRMA, we recognise that slavery and human trafficking can occur in many forms, as considered in the Act. This can include slavery, servitude, human trafficking, forced marriage, forced labour, debt bondage, child labour, and deceptive recruiting for labour or services.

The NRMA is fully committed to operating responsibly and establishing and adhering to the highest ethical standards across our group. We will not tolerate any forms of slavery or human trafficking in our business.

We support the United Nations Sustainable Development Goals, with one of our priority goals being Goal 8: decent work and economic growth. We strongly support this goal with the commitment in working to eradicate the many forms of modern slavery.

Our business

Since our inception in 1920, we have grown to become one of the largest member-owned tourism and transport organisations in the country, providing motoring, transport and tourism services to our Members, customers and the community.

The NRMA is a public company limited by guarantee, incorporated and domiciled in Australia under the *Corporations Act 2001 (Cth)*.

The group has over 2,600 employees with operations across Australia and New Zealand.

The NRMA is proud to be named one of the most trusted brands in Australia. We have our great people and workplace culture to thank for getting us there. We understand the importance of respecting and improving human rights is fundamental to how we deliver for our Members, customers and the broader community.

We monitor, manage and report progress on a range of indicators used to assess the effectiveness of our responsible business programs and performance. We report our progress against these metrics in our NRMA Annual Report. For more information about our business structure and strategy, please refer to our 2018 Annual Report.

Our structure, operations and supply chain

This statement covers the activities of the NRMA and its controlled entities. A complete list of controlled entities can be found in the NRMA Annual Report (p106, www.mynrma.com.au/agm).

For the purposes of this statement, our key operating entities and operations and the associated supply chains are as follows:

<p>Area</p>  <p>Corporate functions (including Membership)</p>	<p>Main operations</p> <ul style="list-style-type: none"> Delivering Member and customer services (including advocacy and publishing of the Open Road). Corporate functions include: Sales and marketing. Finance, property and procurement. Technology and data. Commercial, governance, and investments. Call centre operations are located in Sydney and Gosford. 	<p>Supply chain</p> <ul style="list-style-type: none"> Office consumables and promotional merchandise. Technology (hardware, software and cloud services). Utilities and professional services consultants who provide a service directly to the NRMA. Uniforms and work attire (e.g. safety vests) Publishing of the Open Road includes local printing and distribution activities and paper sourced from Norway.
 <p>Motoring</p>	<p>Delivering our core roadside assistance function and related activities such as:</p> <ul style="list-style-type: none"> Car servicing. Driver training. Car electrics. Batteries. Electric vehicle charging infrastructure. Education and advice. 	<ul style="list-style-type: none"> Automotive requirements (vehicles, tyres, fuel, spare parts which may be sourced from various overseas locations). Products that we purchase and on sell to Members and customers (batteries, tyres, and other products which may be sourced overseas locations such as South Korea). Contractors and sub-contractors who deliver services to our Members and customers.
	<p>Providing car rental services in Australia and New Zealand under the Thrifty brand.</p>	<p>Similar to Motoring Services above plus:</p> <ul style="list-style-type: none"> Franchise network. Call centre services located in the Philippines.
	<p>Delivering accommodation and associated services. NRMA owns or manages over 48 parks across Australia.</p>	<ul style="list-style-type: none"> Accommodation requirements (cabins and amenity buildings). Hospitality and catering services and consumables (linen and cleaning services, food and other products). Landscaping and maintenance requirements (chemicals, equipment), utilities, contractors. Sub-contractors who deliver services to our Parks and Resorts.
 	<p>Delivering passenger transit and tourism services.</p>	<ul style="list-style-type: none"> Marine requirements (fuel, maintenance, spare parts). Products that we purchase and on sell to Members and customers (beverages and food). Contractors and sub-contractors who deliver services to our marine businesses.
<p>Joint venture and associates</p>	<p>Investments into hotels (Tuckerbox, Hotel Kurrajong) and other associates such as Club Assist, AMS and Divvy.</p>	<p>Operations are outsourced and their processes will be reviewed over the next 12 months.</p>
<p>Investments</p>	<p>Diversified investment portfolio across various asset classes including equities, property, infrastructure and fixed income.</p>	

Our approach

In accordance with our Group Risk Appetite, NRMA has **zero tolerance** for any form of slavery-like practices.

We have established the following governance process to provide the Board oversight of the implementation phase as we embed requirements into NRMA's existing Group Compliance Framework.



Our policies and procedures

We have formal policies already in place that are intended to promote ethical and legally compliant business conduct. Our policies contribute to our commitment to prevent violations of human rights such as modern forms of slavery in our business including our Code of Conduct, Speak Up (whistleblower) Policy and anonymous Ethics Hotline.

Our Procurement team have a number of risk mitigation and robust procurement processes in place including our Supplier Engagement Principles and supplier on-boarding requirements.

All of the above procedural controls will be reviewed to ensure that we have robust processes in place to minimise the risk of modern slavery in our operations and supply chain.

Potential risks in our operations and supply chains

In 2019, we undertook a review of potential risk of modern slavery practices across our operations and supply chains using the NRMA Risk Management Framework.

For this Statement, we have focused more on the potential risks to people rather than risks to our business entities.

During the assessment process, we considered risks that may possibly cause, contribute and/or be directly linked to modern slavery practices, in accordance with the Australian Government's Department of Home Affairs draft guidance document (2018).

We also took into consideration other risk factors such as the sector, industry, types of products and services, geographic locations and business models.

As a result, the NRMA has been able to identify areas with no or low risk, for example, in any operational activities that are directly undertaken by NRMA employees and covered by our internal processes. We also identified potential risk 'hotspots' – e.g where a local supplier may source a product, such as car batteries, uniforms and technology products/services from overseas sources, which may have a record of having modern slavery practices still in place.

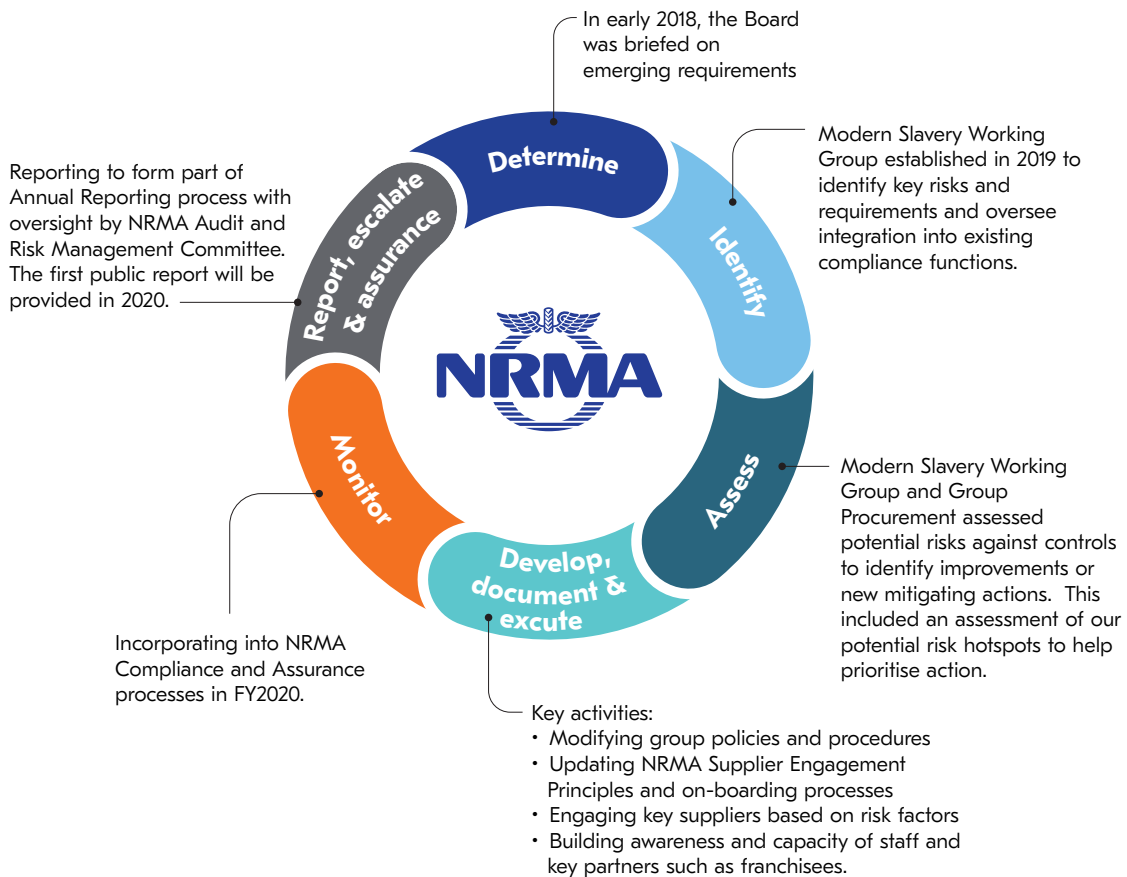
We will use these potential risk scenarios to prioritise our supplier engagement activities over the next financial year (FY2020). In addition, we have already been working on improving our processes such as reviewing our Supplier Engagement Principles and supplier on-boarding approach.

We are also aware that there are wider potential risks, for example the potential risk of our accommodation or rental vehicles being used as part of human trafficking operations. We will seek to identify these risks and ensure relevant staff are aware of them as part of training.

Addressing the risk of modern slavery practices

We are incorporating our approach to address the various risks of modern slavery practices in our Group Compliance framework and assurance processes. This will ensure that our organisation has robust and effective processes that are firmly embedded in how we do business.

Our key actions to date and over FY2020 have been outlined per our Compliance Framework.



Future commitments:

Over the next year, our key focus areas will be:

- Reviewing and updating our suite of risk-related policies and governance control measures;
- Begin stakeholder engagement on this issue, including delivering appropriate awareness training sessions on modern slavery principles to relevant NRMA staff, our franchisees and key suppliers;
- Incorporating requirements into existing assurance processes; and
- Preparing our first reporting cycle under the Act and if appropriate under the NSW Modern Slavery Act 2018.

This statement was approved by the Board of the NRMA.

Tim Trumper
Chair