

For the financial year January 2022 to December 2022

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 (the "Modern Slavery Act"). It constitutes RAC Group's modern slavery and human trafficking statement for the financial year ending 31 December 2022.

Our Structure

RAC is a consumer services subscription business, providing a differentiated range of driving and mobility related services, principally breakdown assistance, for consumer and business customers, and retail motor and telematics insurance products underwritten by a panel of leading insurers.

Our business is built around providing Complete Peace of Mind to our members for their driving needs. We are set up to deliver long term sustainable growth from a growing base of subscription customers, underpinned by a quality customer experience and enabled by digital platforms, data and our colleagues. As of 31 December 2022, RAC employs 4,200 dedicated colleagues who carry out a broad range of roles within our Roadside Operations, Head Office and Contact Centres across the UK. In 2022, RAC's 1,750 strong patrol force attended nearly 2.4 million breakdowns. Full details of our businesses and subsidiaries are set out in our Annual Report and Accounts, which are available on our website.

RAC has a network of partners, contractors and suppliers which support it in running its business, both operationally and in the supply of goods and services. RAC's outsourced services and supply chains are predominantly UK based (other than recovery abroad and the wider supply chains for certain parts and products) meaning RAC has a limited number of suppliers, direct and indirect, in higher risk jurisdictions.

We are aware of the emerging risks and the need to be alert to the ever-changing nature of modern slavery and the impact on our operations. We will therefore continue to review and seek opportunities for further improvements in assessing and developing our approach to modern slavery as set out in this statement.

This statement applies to all companies in the RAC group (meaning companies with RAC Group (Holdings) Limited as parent company) including RAC Motoring Services, RAC Financial Services Limited, RAC Brand Enterprises LLP and RAC Insurance Limited (the "RAC Group").

Introduction from RAC CEO, Dave Hobday

We are committed to respecting, protecting and championing the human rights of all who come into contact with our operations, including employees, suppliers and contractors. This means that we take a zero-tolerance approach to offences under the Modern Slavery Act, or any other violation of human rights.

Modern slavery is unacceptable within our business and supply chain, and combatting it is an important element of our approach to business and human rights. We accept our responsibility to support transparency; to find and resolve problems; to review our business practices regularly; and to collaborate with others to protect the rights of workers, particularly those who are most vulnerable to abuses such as modern slavery.

We conduct our business in a manner that protects human rights within our sphere of influence, and we are committed to upholding the principles and objectives of the Modern Slavery Act. We believe that doing the right thing builds trust, which in turn strengthens reputation and increases value. Ensuring we have a reputable and dependable supply chain not only helps us to safeguard the reputation and integrity of our business but also enables

us to continue to provide a high standard of service to motorists and offer complete peace of mind to our members resulting in a continued positive contribution to society.

Slavery and human trafficking: our commitment

We recognise that our responsibilities extend beyond our own commercial interests. As such, all members of the RAC Group are committed to helping combat slavery and human trafficking.

We acknowledge that colleagues, customers and partners are at the heart of everything we have achieved and are essential to our ongoing success – people are our business. To build on this, we are committed to taking all reasonable steps to ensure slavery and human trafficking do not feature in our business or supply chain. This is reflected through our internal systems and controls.

Business Environment

2022 has been another challenging year for businesses internationally, with the impact of the Covid-19 pandemic continuing to be felt, as well as international crises such as the conflict in Ukraine affecting global supply chains in multiple sectors.

We recognise that turbulent times such as these increase cost pressures on suppliers, and so increase the risk of human rights abuses, including modern slavery. Despite this, we have continued to work effectively with suppliers to implement measures to support them to ensure we all, operate in a way which continues to champion worker's rights and prevent their exploitation.

We continued to undertake assessments of our key partners, focusing on those partners that provide goods or services to RAC and, particularly, those which represent the highest commercial risk to RAC. Our assessments included checking compliance with the requirements of the Modern Slavery Act, and we are pleased to report that no issues were identified.

Modern Slavery Risk in RAC's Supply Chain

As identified in the [Global Slavery Index](#), RAC operates in an industry and jurisdiction where the risks of slavery and human trafficking are relatively low. Nevertheless, we acknowledge we are not immune from the risks of slavery and human trafficking and have a responsibility to be alert to any risk. We have continued to strengthen our efforts to mitigate the risk of abuse in our business and supply chain, as set out in this statement.

This year we have undertaken a program to identify risks of exploitation in our supply chain with a specific focus on the contractor network used to provide specialist roadside assistance services. Consequently, we have included specific requirements in our contracts that our Contractors ensure all staff are vetted to DBS level. We also include obligations on them to confirm they are vetting their own supply chain in line with our own standards.

Policies

Modern Slavery Policy

Our Modern Slavery Policy confirms we will not tolerate or condone abuses of human rights within our business and will take seriously any allegations relating to breaches of human rights. Our Modern Slavery Policy is an internal resource with user friendly guidance on the types of risks we should be identifying as an organisation, what steps can be taken to address these risks, and how to raise a concern. The policy is clear on the individual responsibilities of RAC colleagues and ensures we take collective corporate responsibility. The policy also reflects our commitment to acting ethically, with integrity and implementing and enforcing our policy across all our business relationships.

Human Rights Policy

Our Human Rights Policy further enhances our approach, by stating our commitment to safeguarding human rights throughout our business and supply chain. Our human rights policy incorporates the United Nations Guiding Principles on Business and Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. This ensures RAC and our supplier's employees are treated fairly, with respect and dignity. It further underpins our Modern Slavery Policy by re-iterating our commitment to prevent all forms of forced labour and human trafficking.

Whistleblowing Policy

Our Whistleblowing Policy seeks to encourage colleagues to report wrongdoing, including suspected violations of the Modern Slavery Act, via an independent third-party agency. Employees can report via calling a toll-free number or using an online, secure web portal. Reports can be made anonymously and in confidence. All reports are directed to the Chair of the Board Risk and Audit Committee, who reviews the concern and where necessary instruct that appropriate action is taken. Again, no reports have been received this year regarding concerns about modern slavery.

RAC Code of Conduct

Our Code of Conduct sets out our minimum expectations on how colleagues conduct themselves at work. This includes enshrining our company values in the policy. RAC requires all its people to "Own It", taking responsibility for their actions in all aspects of their work. This includes taking responsibility to report any suspected wrongdoing. We ask our colleagues to "Handle it Together", ensuring there is a zero-tolerance attitude to unlawful or discriminatory behaviour. Additionally, RAC employees are required to promote our principles of transparency, honesty, and operating in an ethical manner.

Breaches of this policy carry potential disciplinary sanctions for RAC employees. Conversely, employees are incentivised to comply with this policy through RAC's reward structure.

Code of Conduct for Suppliers

RAC's Code of Conduct for Suppliers requires our suppliers ensure they do not use forced labour, and that suppliers monitor and provide RAC with evidence of this in relation to their supply chains, upon request. We continue to ensure all new supplier relationships, or renewals of existing relationships, reflect these requirements in our contracts, wherever possible.

Due diligence processes for slavery and human trafficking

As a first step in any purchasing process, RAC colleagues are required to undertake due diligence on any new partner. Our internal due diligence checklist makes specific reference to considering the risks of modern slavery and human trafficking within the new partner relationship/supply chain. Any risks identified in the due diligence process (including any potential modern slavery risks) are assessed by key stakeholders before contract negotiations are undertaken

Our contract approval documentation is completed as part of our internal sign off process, each time we either renew or enter into a new contract. Our sign off process requires us to consider, flag and rectify any risks associated with modern slavery and human trafficking in our contracts. This provides assurance to our executive board that appropriate due diligence has been undertaken, all risks have been considered, and appropriate contractual provisions reflecting those risks are in place.

As a minimum, every contract should require third parties to comply with all applicable laws. Our standard form contracts contain robust contractual terms to meet the requirements of the Modern Slavery Act, including controls to prevent slavery and human trafficking and an obligation to notify RAC immediately if a partner becomes aware of any modern slavery within their supply chain.

Additionally, every contract should grant RAC a right to audit its suppliers, which allows RAC to assess a third party's (and its employees', agents' and contractors') compliance with the Modern Slavery Act.

Awareness and training

We expect our colleagues to act in a transparent, honest and ethical way and we require colleagues to take personal responsibility for reporting any instances of actual or suspected wrongdoing.

We place responsibility on every colleague in our business to uphold our legal and ethical obligations. Our policies are available to all colleagues on the RAC intranet. All colleagues, including new joiners must complete annual mandatory training on modern slavery as part of our computer based Essential Learning training programme.

The business ethics module, incorporating modern slavery prevention, forms part of the compulsory computer-based training undertaken by all new colleagues. Refresher training is undertaken by all colleagues annually. This will be updated in accordance with any future guidance published.

To emphasise the message, in line with the publication of this, our sixth modern slavery statement, we shall publish an update on the RAC intranet, to reiterate our colleague's obligations in supporting our commitment to combatting modern slavery and human trafficking.

Monitoring

RAC has in place internal procedures to ensure the business is clear on its obligations in respect of due diligence and whistleblowing to combat modern slavery and human trafficking.

Specifically, we have in place systems to:

- monitor, identify and assess potential risk areas in our supply chains;
- mitigate the risk of slavery and human trafficking occurring in our supply chains; and
- protect whistle-blowers.

We also have a dedicated legal and compliance team, which consists of:

- Risk and Compliance;
- Corporate Legal; and
- Internal Audit.

Key Priorities

Our focus for the next financial year will be to:

- continue to strengthen and enhance our approach to identifying and managing modern slavery risk across our business operations;
- engage with suppliers to assess detailed risks present in their supply chains, and implement appropriate mitigation where risks are found;
- continuously monitor and improve our due diligence processes so that we can identify modern slavery risks as early as possible;
- continue to provide training to our colleagues on their obligations to tackle and identify modern slavery risks and how they can report concerns.

This statement has been formally approved by the RAC Board of Directors on 31 January 2023 and signed on its behalf by Dave Hobday, CEO

