

AA Limited - Modern Slavery Statement FY24

AA Limited and its subsidiaries (“The AA” or “the Group”) has a policy of zero tolerance towards modern slavery or any other violation of fundamental human rights. We are committed to acting ethically and to ensuring that we have effective systems and controls in place to mitigate the risk of modern slavery or human rights abuse occurring in our operations and supply chains. This statement, relating to the financial year ending 31 January 2024, is made pursuant to section 54(1) of the Modern Slavery Act 2015 (the Act).

Our business

The AA is the UK’s leading provider of roadside assistance services in the UK, with a growing insurance business and propositions across the driving services category. Our roadside assistance business covers over 40% of the UK consumer market and over 60% of the business-to-business market with more than 3,000 patrols on hand to support our members around the clock. Our insurance business focuses primarily on motor and home policies with our broker operating a diverse panel of underwriters including our in-house underwriter. Our driving services arm is comprised of varied businesses including a market-leading driving school offering, our Drivetech driver education business and our in-house service, maintenance and repair (SMR) offering through AA Autocentre and approved garage network. We also offer other financial and insurance related services including the AA Cars used vehicle resale platform, our Accident Assist business which offers claims management services and our financial services arms offering products including loans and savings accounts with support from our partners. The AA’s mission is to create confidence for drivers now and for the future – anticipating drivers’ needs since 1905 and striving to be always ahead. Full details of our businesses and subsidiaries are set out in our 2024 Annual Report and Accounts, which is available on our corporate website (theaacorporate.com).

Our people and supply chains

The AA employs around 7,300 people who carry out a broad range of roles across Road Operations, Contact Centres and at our Head Office. The significant majority of these people are based in locations around the UK with the exception of our Gibraltar office where 11 employees were based at the end of FY24. Approximately 35% of our people are employed as field-based patrols providing coverage across all parts of the UK. Our HR processes ensure that all staff recruited, including through employment agencies, have appropriate approvals and rights to work in the UK and we also do background and financial checks for roles in our regulated entities.

Our business operations are supported by around 2,500 suppliers that provide a wide range of goods and services with a majority of these suppliers being UK-based at the end of FY24. We believe that the overall modern slavery risk across our supply chain is relatively low but we are looking to further build upon our risk assessment process in FY25.

A key part of our supply chain are the multiple garage and dealership networks that we work with and these present a slightly higher risk of modern slavery due to the nature and scale of these businesses. At the end of January 2024, we worked with over 1,000 suppliers across these varied garage networks. The roadside assistance garages we work with support us when we are unable to support our members at the roadside. The AA-approved service, maintenance and repair (SMR) garages we work with are central to our vehicle maintenance offering and the accident repair garages we work with are a key part of our insurance and claims management offerings. Used Car Sites Limited, a 100% owned subsidiary of the AA, also has contracts with over 1,500 dealer groups for the advertisement of used cars.

AA Policies and Codes

The AA's business model puts people, safety and the environment at its core. This is reinforced through our policies, management, training and annual reporting. The AA's Policy Committee oversees an effective, auditable and systematic process for the creation and review of all policy documentation.

The commitment to our role in eradicating modern slavery in commercial supply chains is embedded into relevant policies, codes and annual reports, which are aligned with our values and created to ensure effective working practices. They include:

- Our **Environmental, Social and Governance (ESG) Report**, sets out our framework and commitment to running our business in a responsible, ethical and sustainable way.
- Our **Supplier Code of Conduct**, which sets out the high standards we expect our suppliers to adhere to and contains specific provisions against the use of forced, bonded or compulsory labour.
- Our **Whistleblowing Policy and Procedure**, both internal documents, which set out our approach for how and when our people should raise concerns at work (including any modern slavery or human rights concerns) and how we protect those that raise these concerns.
- Our **Financial Crime Policy**, an internal document, which sets out the framework that applies within the AA Group to identify, manage and mitigate exposure to financial crime. This is relevant as modern slavery offences are often linked to money laundering and financial crime.

Our latest ESG Report and Supplier Code of Conduct can be found on our corporate website (theaacorporate.com). Enhanced disclosure on relevant internal policies is provided on pages 39 of our 2024 Annual Report and Accounts to meet the requirements of the relevant Non-Financial Reporting Regulation.

Supplier Management

The AA has a centralised procurement team that assumes responsibility for the governance of the AA's purchasing arrangements. During the onboarding, all suppliers are required to sign up to the AA's Supplier Code of Conduct, or provide details of their own. Our Purchase Order Terms and Conditions also include specific language requiring the supplier to comply with the Modern Slavery Act 2015 and to warrant that it has in place adequate procedures to prevent it (and its suppliers) from engaging in conduct prohibited by law, including specific references to bribery, corruption and modern slavery. We have also been running a Supplier Relationship Management (SRM) program since 2022 for our critical and strategic suppliers that includes regular business reviews and attestations from these suppliers in relation to topics like policy compliance. In addition to suppliers' contractual commitments, this SRM process explicitly requires these critical and strategic suppliers to confirm that they comply with relevant modern slavery laws including providing a modern slavery statement when relevant.

As stated above, our varied garage networks present a slightly raised level of modern slavery risk and we have separate processes in place to manage this risk. For our roadside assistance garage partners, we have a team of network managers that run onboarding processes and annual inspections with 90% of the network visited during FY24. For our SMR garage network, our network team aims for quarterly visits to all garages and has conducted at least one audit/inspection for 100% of garages in FY24. For our accident repair network, all garages must have externally certified management systems in place to the BSI 10125 standard. For our AA-approved used car sales business, all approved dealerships are vetted to assess their suitability to advertise under the AA brand with an account management team in place to ensure standards are met.

Risk review

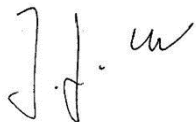
The AA's Group Risk function facilitates the Risk Management framework providing operational support and challenge of design and operation of the business' risks and controls. The team check and challenge risk events reported by the business and provide support in considering the actions to remedy, identifying root cause and additional controls which may be required. Group Risk oversees the business-led activities and gives assurance that appropriate mitigating activities are in place. Controls are tailored to suit the relevant business area and are subject to quarterly Risk and Control Self-Assessment. Any material risks or issues are escalated to Executive level and considered at applicable Committees and Boards, including the Executive Risk and Compliance Committee, which is held on a monthly basis. No incidents of modern slavery have been reported since the last Modern Slavery Statement published for the year ended 31 January 2023.

Training

We have mandatory training in place for all staff in relation to key policies that the business relies on including whistleblowing, financial crime, employee conduct and vulnerable customers. Our whistleblowing policy, procedure and training is particularly important so that our colleagues and suppliers understand how they can escalate any concerns in relation to Modern Slavery. 95% of relevant staff had completed all mandatory modules at the end of FY24. This year we have also created bespoke training in relation to the identification and prevention of modern slavery in areas where this is a higher concern like our garaging networks. This additional training was provided to 67 people across The AA group.

Monitoring our effectiveness

This statement demonstrates the AA's commitment to helping eradicate modern slavery from the global supply chain and we are pleased to report that no issues relating to modern slavery or human rights abuses were identified or reported across our workforce, supply chain or garage networks during FY24.



Jakob Pfaudler, Chief Executive Officer
on behalf of the Board of AA Limited
Date: 25 July 2024

This is a Group statement covering AA Limited and its applicable subsidiary entities which operate in the UK and have an annual turnover exceeding £36 million, this being Automobile Association Developments Limited, Automobile Association Insurance Services Limited, AA Brand Management Limited, AA Corporation Limited, AA Intermediate Co Limited and Drivetech (UK) Limited.