



Climate-Related Sustainability Report

2025-26

Managing Director and CEO's Report



Neil Taylor

At RACV, our purpose is to improve lives in the areas of Home, Cleaner Energy, Motoring & Mobility, and Leisure. As a business spanning diverse industries, we're committed to playing our part in the shift to a low-carbon future, and we've taken a proactive approach to preparing for it.

We've continued to expand the range of cleaner energy solutions which our members are increasingly choosing — investing in the electric vehicle (EV) sector, growing RACV's electrification proposition, and introducing sustainable tourism initiatives such as our 'Go Green and Give' programs. We're proud that this year RACV achieved Ecotourism Australia's Sustainable Tourism Certification across all ten of our Club and Resorts properties — and pleased that RACV Noosa Resort and RACV Royal Pines Resort became the first hotels in Australia to attain the Advanced Sustainable Tourism Certification. It's a genuine milestone: independent recognition that our sustainability performance measures up against the very best internationally recognised standards.

Encouragingly, even as our business has grown, we've kept our Scope 1 and 2 emissions from

energy consumption broadly in line with FY19 levels. This reflects a sustained emissions reduction program: a \$5.5 million investment in energy efficiency upgrades across our sites, a \$7.6 million rollout of solar panels across 11 locations, and the procurement of electricity that is 100% matched to renewable sources across all our managed sites. This includes a \$3.4 million investment in FY26 for additional solar panels installs across 5 sites.

Looking ahead, our Electrification Masterplan charts a course to eliminate gas-related emissions across RACV properties by the mid-2030s, supported by around \$4 million in annual investment beyond standard asset replacement.

We've embedded climate-related risks within our Risk Management Framework — identifying them through workshops across every division and subsidiary and integrating their assessment and monitoring into our day-to-day operations. Scenario analysis improves our view of the financial impact of key risks, and overseen by our Executive Leadership Team, we continue to identify any opportunities a low-carbon future presents.

This Sustainability Report allows us to share that progress openly and consistently with our members, customers, and broader community. I'm confident that the objectives and actions we've set will continue to serve our members well, today and into the future.

I thank our people for the work behind this progress, and our members and communities for the trust that drives us to keep going.



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Basis of Preparation

This report represents a complete set of climate-related financial disclosures for the Royal Automobile Club of Victoria (RACV) and wholly owned subsidiaries (collectively known as “RACV Group”) for the year ended 30 June 2026.

RACV Group’s climate-related disclosures have been prepared in accordance with the Australian Corporations Act 2001 (Cth) (Corporations Act) and the Australian Accounting Standards Board (AASB) S2 Climate-Related Disclosures.

The Group has early adopted the Amendments to AASB S2 Climate-related Disclosures, issued by the Australian Accounting Standards Board in December 2025, for the reporting period ended 30 June 2025. The amendments are effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted.

For the purpose of greenhouse gas (GHG) reporting in this report, RACV applies an operational control boundary approach which requires inclusion of GHG emissions from operations where RACV has operational control. GHG emissions from entities or operations where RACV does not have operational control are excluded from the scope of reporting.

The year 1 transitional reliefs relating to the non-disclosure of Scope 3 emissions have been applied for this report, as well as comparative information. However, prior year Scope 1 and 2 emissions are voluntarily disclosed in this report.

This report was authorised for issue on 9 September 2026 in accordance with a resolution of directors.

Strategy



RACV’s Approach to Climate and Sustainability

RACV’s purpose is to improve lives in the areas of Home, Cleaner Energy, Motoring and Mobility and Leisure. This includes supporting the transition to a cleaner energy future. RACV recognises the impacts of climate change on its members, customers and the broader community, and supports global and national efforts to mitigate these risks, aligned with the Paris Agreement, Australia’s national climate targets and Victoria’s state-based goals.

RACV has established a Sustainability Statement to articulate its key themes and focus areas relating to sustainability, which is broader than climate action. The Statement aligns with RACV’s business strategy, informs decision-making, and is reviewed and updated as required.

RACV Sustainability Statement

At RACV, we see sustainability as how we meet the needs of today and tomorrow, while having a positive impact on the world in which we operate

KEY THEMES

FOCUS AREAS



Operating With Care

- Reducing GHG emissions in support of government net zero targets
- Reducing our impact on natural resources by rethinking how we consume and operate
- Having a safe and engaged workforce who reflect the communities we serve
- Continuing meaningful community support



Helping Our Customers

- Providing quality solar & battery installations
- Supporting members and customers to transition to cleaner energy solutions
- Providing energy efficiency advice for homes and businesses



Using Our Voice

- Continuing our advocacy for road safety
- Promoting home safety
- Supporting the electrification transition through education and advocacy

Key Highlights

RACV has supported climate action over several years, with key highlights below.



Solar panel installations for self generation and consumption across RACV sites



An electrification masterplan in place to degasify RACV properties



Glass recycling and waste reduction initiatives in place at resorts

Upgraded building management systems and installed LED lights to improve efficiency of usage



Installed additional water and gas meters across resorts for improved monitoring



Internal Combustion Engine vehicles replaced with lower emissions vehicles where possible





Shifted to "renewables matched" electricity at RACV controlled sites



EV charger installations, upgrades and investments across the portfolio such as JET Charge, ChargeFox and EVX



Educating members and the community through climate-related articles such as electrification

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RACV’s Approach to Climate and Sustainability continued

Business Model and Resource Allocation

Climate-related risks and opportunities are increasingly relevant considerations for RACV’s business model. In response to the transition to a lower-carbon economy, and consistent with the priorities outlined in the Sustainability Statement, RACV has diversified its business, including expanding into cleaner energy products and services through RACV Solar, investing in the electric vehicle support and charging sector, and reducing emissions across its operations. These actions mitigate vulnerability to transition and physical risks and support participation in emerging opportunities associated with changing customer demand.

RACV expects its business model to continue to evolve over the medium and long term, including adapting product offerings to changes in demand (for example, the impact of electric vehicle uptake on Emergency Roadside Assistance), supporting members in adopting new technologies, and incorporating climate resilience considerations into its property and insurance activities.

RACV funds these activities through existing strategic, capital, investment and business planning processes, rather than a separate climate budget, with oversight by the Executive Leadership Team and the Board. Current investment includes the Electrification Masterplan, on-site solar generation, energy efficiency upgrades, and physical resilience measures across the property portfolio. RACV also maintains liquid assets that may be used to fund adaptation, decarbonisation and climate-related opportunities, with adequacy assessed through existing capital, liquidity and investment governance processes. Planned allocation includes ongoing decarbonisation investment, resilience and efficiency expenditure, and development of low-carbon products.

RACV's Climate-Related Risks – Key Concepts

RACV's climate-related risk profile is a key input into its sustainability approach. This section outlines the outcomes of RACV's climate risk identification and assessment process, part of the broader Risk Management Framework.

For the year ended 30 June 2026, RACV identified a range of physical and transition risks across its own operations and broader value chain that could reasonably be expected to affect its prospects. These risks are managed through an ongoing climate risk register integrated into RACV's annual risk management processes (see *Risks & Opportunities Management* section for further detail).

Established two years ago, the register was built on a foundational assessment of RACV's value chain and risk framework, mapping upstream dependencies, internal activities and downstream impacts to define operational boundaries and identify carbon-intensive and climate-vulnerable areas.

Defining Materiality

A risk is considered to reasonably be expected to affect RACV's prospects if it could lead to a one-off financial impact of \$20 million or more, or a recurring annual financial impact of \$15 million or more on RACV's profit and loss position, balance sheet or cashflow prospects. This threshold is consistent with a 'Major' financial impact as defined in RACV's Risk Management Framework. Such impacts are considered reasonably expected to affect RACV's prospects, and are highlighted in the *Physical and Transition Climate-Related Risks* tables.

The financial threshold does not operate in isolation. A risk falling below this threshold may still be able to affect RACV's prospects where other quantitative (e.g. emissions) and qualitative factors are considered. Qualitative considerations include non-financial factors such as reputation, health, safety and wellbeing or compliance. The materiality determination therefore incorporates both quantitative and qualitative considerations to ensure material information is captured for disclosure.

In accordance with disclosure requirements, material information is determined based on whether the omission, misstatement, or obscuration of information could reasonably be expected to influence the decisions of primary users reviewing the report.

Climate Scenarios

Two climate scenarios—Rapid Decarbonisation (1.5°C) and Delayed Climate Action (>2.0°C)—were selected to inform the assessment of selected risks, and a structured data request process was implemented to gather the necessary financial, operational, and asset-level data. More information about the scenario analysis process, inputs, and parameters is included under *Climate Scenario Analysis* of this section.

Time Horizons Considered

RACV considers climate-related risks across three different time horizons:

- Short term – up to 3 years
- Medium term – 3 to 10 years
- Long term – 10 years and over

This segmentation ensures a focused approach to addressing climate-related risks (CRRs) emerging across different stages of climate transition and physical risk trajectories and is discussed in further detail in the *Risks & Opportunities Management* section of this report. In the *Physical and Transition Climate-Related Risks* tables, time horizons are highlighted where a risk may be reasonably expected to affect RACV's prospects.



RACV’s Climate-Related Risks – Key Concepts continued

Potential Financial Impact

Each risk identified as being potentially impactful to RACV’s future prospects was then further assessed using an impact pathway approach. This approach is adapted from the World Business Council’s climate impact guidance, to connect climate drivers through to specific financial outcomes. Workshops were held with divisional representatives to validate assumptions, refine risk pathways, and identify data gaps. CRRs were assessed iteratively, progressing from an initial qualitative enterprise risk rating through semi-quantitative screening to quantitative assessment where data and capabilities permitted. Where quantification was not feasible, RACV has undertaken a qualitative assessment and provided the assessment basis thereof.

Rather than assessing the impact of risk on an inherent basis (i.e. raw exposure with zero controls applied), RACV has worked on a more realistic ‘qualified residual basis’. This approach considers controls that are an inherent part of operational management and therefore challenging to exclude from consideration of how a risk might crystallise. The mitigating effect of controls that are less ingrained or more uncertain in their contribution (e.g. insurance cover) have not been included.

Due to the inherent uncertainty in forecasting anticipated financial impacts, defined ranges of impact were used. These ranges are consistent with those defined in RACV’s enterprise risk consequence matrix: Negligible, Minor, Moderate, Major and Severe.



Climate-Related Risks Overview

Physical Risks

RACV is exposed to several physical climate-related risks, particularly to its physical assets. Adverse acute climate-related physical events may also impact the insurance business and over the long term could increase health and safety issues for its people working outdoors.

RACV takes a measured response to the physical risks of climate change through a mixture of:

- Operational and system resilience plans
- Capital allocation aligned with mitigating physical risks
- Established health and safety risk management
- Ensuring RACV has sufficient insurance coverage

Table 1 below summarises where these risks are concentrated within our value chain.*

Physical Risk Name	Type	RACV Value Chain – Impacted Areas	
		Products & Services	Operations
 Property Damage & Business Disruption	Acute	• Leisure	• Finance • Property & Capital Works • Legal
 Increase in Home & Motor Insurance Perils	Acute	• Insurance	• Finance
 Increased Stress on Infrastructure & Productivity – Chronic	Chronic	• Leisure	• Finance • Property & Capital Works • Health, Safety & Wellbeing

Table 1. Physical Risks Overview and Value Chain Impacts

Transition Risks

Additionally, RACV has identified several transition risks with potential impacts. These transition risks fall within four categories – Technology, Market, Reputation and Policy and Legal risks relating to the transition to a lower carbon economy. RACV has identified two transition risks that could reasonably be expected to affect RACV’s prospects, summarised in Table 2 below.

RACV will adopt appropriate transition risk mitigation strategies through:

- Planning to meet increased capital expenditure requirements
- Capital allocation aligned with mitigating transition risks
- Implementing policies and procedures as appropriate
- Taking member and customer feedback

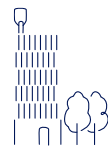
Table 2 below summarises where these risks are concentrated within our value chain.

Transition Risk Name	RACV Value Chain – Impacted Areas	
	Products & Services	Operations
 Compliance & Disclosure Failure – Policy & Legal	–	• Finance • Legal, Risk & Compliance
 Adaptation to Shifting Markets – Market	• Insurance • Emergency Roadside Assistance • Home Product Offerings • Home Trades Hub Australia • Nationwide	–

Table 2. Transition Risks Overview and Value Chain Impacts

Full details of each risk are provided in the following pages. External data sources used in the risk assessment can be found in Appendix 1.

* Impacts to RACV’s suppliers as part of the value chain are also considered relevant to the following risks: Increase in Home & Motor Insurance Perils; and Increased Stress on Infrastructure & Productivity – Chronic



Physical Climate-Related Risks

Property Damage & Business Disruption – Acute

Risk Description	Time Horizons & Potential Financial Impact		
	One-off; Major (\$20M – \$100M)		
	Short-term (up to 3 years)	Medium-term (3-10 years)	Long-term (10+ years)
Increased intensity and frequency of acute physical events (including flooding and bushfires) cause damage to RACV's physical asset portfolio, and disrupt operations at RACV Resorts and Clubs, limiting member and customer access to services.	Potential for impacts over all 3 time horizons; Potential 'Major' impact in Long-term		
Potential Impacts (If Risk Occurs)	RACV Response		
Current Impacts - No material financial impacts from property damage and business disruption from acute events were reported for this financial year. No material adjustments to asset/liability carrying amounts for next reporting period expected. Anticipated Impacts - Increased capital and operating expenditure (including legal costs to manage claims) due to property damage. Repairing or rebuilding assets following an acute event. Higher ongoing costs for emergency response and clean-up - Decline in property asset values due to property damage. This includes the impairment write-downs in financial statements, and structural devaluations as the market reprices climate exposure. - Increase in insurance premium costs due to property damage caused by higher claims history and increased risk profile - Revenue loss resulting from cancelled bookings and conferences due to inability to serve members and customers during or following an acute event	Current Controls - Fully documented and tested crisis management plans, business continuity plans, incident response plans and site-specific emergency response plans - Specific physical resilience investments such as flood barriers, water pumping infrastructure, and sprinkler systems - Event response and review: when an event (climate or other) does impact RACV, a review is undertaken to assess the quality of RACV's response, identify any learnings and required actions, and consider whether those learnings and actions may also be applicable to other sites - Funding is reviewed and resources allocated for asset replacement and upgrade as part of business planning. A contingency budget is also allocated for unplanned repairs and replacement - RACV holds Industrial Special Risk Insurance (property and business disruption cover) Future Controls - Planned – Scenario planning for asset replacement, upgrade and install to augment current processes - Potential – Expanded use of modelling in the Climonomics tool to assist in Return on Investment decisions for potential climate mitigants		

Assessment Basis

Financial impacts were quantified across two components using available data and analytical capabilities. Property damage is estimated using RACV's licensed S&P Global Climonomics® platform, which projects a Modelled Average Annual Loss (MAAL) for acute hazards across RACV physical assets against insurance reinstatement valuations under Shared Socio-Economic Pathway (SSP) climate scenarios. Business interruption was quantified using a bottom-up approach based on resort-level financial data, with hazard-specific closure assumptions drawn from management's estimate based on Australian disaster literature and discussions with RACV's Leisure and Property subject matter experts. This has been annualised using the Climonomics® Relative Risk percentage to place both components on a consistent probabilistic basis. This impact quantification does not consider site-specific controls as climate data is region-based, not site-based; nor insurance as a control, given the inherent uncertainty associated with insurance claims, particularly for business interruption. Two financial impacts were identified but not quantified due to uncertainty: decline in property asset values and increases in insurance premium costs. The uncertainty arises both from the absence of reliable forward-looking valuation and insurance market pricing data under climate scenarios, and the ways in which this may change to be applied in future, making robust quantification not possible at this time. The quantified assessment indicated a Moderate financial impact range. However, non-quantified impacts were assessed as potentially impactful over the long term based on qualitative assessment and supporting literature review. As a result, the overall financial impact range was increased from Moderate to Major to reflect both the quantified and qualitative assessment outcomes. As this risk has been calculated on an annualised probability-weighted basis, we therefore have reflected the expected annual risk adjusted loss rather than losses in an event year. As a result, if an acute climate-related event was to occur at a RACV property, the financial impact of such an event could be materially higher than the annualised value.

Financial Statement Impacts: This risk is anticipated to impact the following line items from RACV's financial statements:

Balance Sheet: Receivables (current); Property, plant and equipment; Investment properties; Over the long term, Property, plant and equipment and Investment properties may be affected by impairment or market repricing of climate-exposed assets. This may be partly offset by resilience and adaptation investment, funded through existing capital and investment-planning processes and liquid assets, with no material change to RACV's funding structure expected.

Profit and Loss: Club and resorts trading income; Inventories recognised as expense; Property expense; Computer and telecommunications expense; Other expenses; Fair value adjustments to assets: Across all horizons, RACV expects higher property, technology and other operating costs from emergency response, clean-up, repairs and insurance premiums. Disruption may also reduce Club and resorts trading income, and asset values may be repriced through Fair value adjustments to assets. These cash outflows are expected to be met from operating cash flows, existing capital and liquid assets. No current-period effect exceeds RACV's materiality threshold.



Physical Climate-Related Risks continued

Increase in Home & Motor Insurance Perils – Acute			
Risk Description	Time Horizons & Potential Financial Impact		
	Recurring		
	Short-term (up to 3 years)	Medium-term (3-10 years)	Long-term (10+ years)
	Potential for impacts over all 3 time horizons: Insufficient data to quantify		
Potential Impacts If Risk Occurs			
Current Impacts			
Whilst the impact of more frequent and severe physical events is anecdotally impacting upon insurance claims costs, pricing, and by extension affordability, RACV does not currently have access to sufficient data to accurately segregate this from other causes of policy lapse.			
Anticipated Impacts			
- Policy cancellations due to decreased affordability, including climate-linked premium increases outpacing capacity to pay, and high-hazard areas where rising premiums push members to purchase inadequate insurance coverage or forgo insurance cover - Reduction in addressable market and consequent revenue. This includes climate exposed areas becoming uneconomical to insure, effectively removing these segments from the market and shrinking the profitably serviceable market, constraining total premium volume and new business growth. - Member / customer growth and retention challenges in insurance and other parts of the RACV product portfolio as cross-sell opportunities reduce.			
RACV Response			
Current Controls			
RACV supports the work of its insurance manufacturer partner to:			
- Reprice insurance to effectively account for changes in risk and increasing costs, including those from climate change - Establish internal process guardrails to aggregate underwriting exposure, considering climate risks including geographic concentration - Manage capital including via reinsurance programs - Introduce proactive measures to reduce claims including alerting members to upcoming weather events			
Future Controls (owned and operated by our insurance manufacturer partner)			
- Planned - Embed climate resilience for the long term in the insurance claims response via engagement with supply chain partners on rebuilding / repairing customer assets to climate-resilient standards - Potential - Future consideration: reward individual home climate resilience measures in pricing of premiums			
Assessment Basis			
This risk was informed in part by RACV's motor and home insurance manufacturer partner. Our partner identifies an increase in natural perils as a material risk, acknowledging that, due to their core business principles of repricing and reinsurance largely absorbing losses from increased claims frequency and severity, the primary residual impact is sustained premium increases reducing customer access to insurance over time and impacting the size of the addressable market. As such, repricing and reinsurance controls owned and operated by our partner, being inextricable from their normal business operations, have been included in the risk assessment. No other controls have been factored in.			
The risk has not been financially quantified due to inherent uncertainty associated with the potential impact on insured assets of climate-related events, and an immaturity of the required data. Data limitations include insufficiently granular data, lack of access to modelling relevant to the insurance risk exposure of RACV's joint venture, and difficulty in disaggregating climate-related impacts from other risks in existing insurance models. RACV aims to uplift its data and capability to quantify this risk and has commenced engagement with relevant experts to commence this uplift process. RACV expects that the risk will be material in the long-term, however this determination has not yet been supported by modelling.			
Financial Statement Impacts: This risk is anticipated to impact the following line items from RACV's financial statements:			
Balance Sheet: Investments accounted for using the equity method; Over the medium to long term, RACV's minority investment in its home and motor insurance joint venture may reduce in value as natural-peril costs rise and the insurable market contracts. This is expected to be managed through insurance partner actions and existing capital-planning processes, with no material change to RACV's funding structure.			
Profit & Loss: Fair value adjustments to assets; Commission income; Share of net profit and impairment of equity accounted investments. Across all horizons, lower affordability, policy cancellations and a smaller market may reduce Commission income and RACV's share of insurance profits from its minority joint venture with its insurance manufacturer partner. Any related cash impacts are expected to be managed through operating cash flows and existing capital.			



Physical Climate-Related Risks continued

Increased Stress on Infrastructure & Productivity – Chronic			
Risk Description	Time Horizons & Potential Financial Impact		
	Recurring; Major (\$15M – \$30M)		
	Short-term (up to 3 years)	Medium-term (3-10 years)	Long-term (10+ years)
Potential for impacts over all 3 time horizons; Potential 'Major' impact in Medium and Long-term			
Potential Impacts (If Risk Occurs)	RACV Response		
Current Impacts	Current and Future Controls		
No material financial impacts from increased stress on property and infrastructure due to chronic conditions were reported for this financial year. No material adjustments to asset/liability carrying amounts for next reporting period expected.	A range of mitigation (reducing the contributing factors and costs) and adaptation (preparing to handle impacts) strategies have been adopted to various extents across RACV properties and will continue to be expanded and rolled out in future. These include: - Improving insulation, sealing and passive comfort (shading, ventilation, reflective surfaces) at its properties to create a more efficient thermal envelope - Replacing older heating / cooling units with high efficiency models with variable speed compressors and smart controls to optimise running costs - Transitioning to sustainable energy sources such as scaling up of solar photovoltaic (PV) arrays at its properties and creating energy storage capacity - Strengthening energy supply resilience through backup power systems, grid resilience and redundancy measures, and microgrids or Virtual Power Plants (VPPs); - Market research and demand forecasting incorporating climate scenarios - Enhanced guest experience offerings for changing conditions Funding is reviewed and resources allocated for the above actions as part of business planning. A contingency budget is also allocated for unplanned repairs and replacement		
Anticipated Impacts			
- Increased capital and operating expenditure in energy costs, and accelerated wear and upgrades on heating, cooling, electrical and building systems - Rising maintenance backlogs as assets degrade faster than they can be maintained or replaced - Strained infrastructure capacity caused by persistent strain accelerating the need for upgrades and redesign - Asset impairment risks including the shortening of useful asset life and increasing the likelihood of impairment write-downs and structural devaluations - System failures and guest dissatisfaction leading to reputational harm. - Reduced employee productivity leading to service disruption and erosion of efficiency caused by ambient heat stress or prolonged heat exposure			
Assessment Basis			
Financial impacts are quantified using RACV's licensed S&P Global Climonomics® platform for temperature extremes and water stress across RACV's physical asset portfolio under SSP climate scenarios. Climonomics® projects a Relative Risk percentage for each hazard and property, representing the expected incremental annual financial cost as a proportion of insurance reinstatement value. The Modelled Average Annual Loss is derived by applying this percentage to each property's reinstatement value. This approach quantifies the anticipated impacts of increased capital and operating expenditure arising from loss of employee productivity, accelerated asset degradation, and higher energy and water demand. This impact quantification does not consider site-specific controls as climate data is region-based, not site-based; nor insurance as a control, due to assumption that MAAL would be reflected in insurance premiums. The anticipated impacts of 'rising maintenance backlogs' and 'strained infrastructure capacity' were jointly quantified with 'Increased capital and operating expenditure, asset impairment risks, and employee productivity' in Climonomics. The anticipated impact of system failures and guest dissatisfaction was not quantified due to uncertainty in reliably estimating its financial impact. At this stage based on a qualitative review, this impact category is not anticipated to be substantial enough to influence the impact range disclosed			
Financial Statement Impacts: This risk is anticipated to impact the following line items from RACV's financial statements:			
Balance Sheet: Property, Plant and Equipment; Investment properties; Over the medium to long term, heat and water stress may reduce the value or useful life of Property, plant and equipment and Investment properties. RACV expects to manage this through planned resilience and efficiency upgrades, funded through existing business and capital-planning processes, with no material change to its funding structure.			
Profit & Loss: Property expense; Computer and telecommunications expense; Other expenses; Depreciation and amortisation expense; Other expenses; Fair value adjustments to assets: Across all horizons, RACV expects higher property, technology and other operating costs, including energy, maintenance and earlier asset replacement. Service disruption may also affect revenue. These costs are expected to be funded through operating cash flows and existing capital.			

Transition Climate-Related Risks



Compliance Failure – Policy & Legal			
Risk Description	Time Horizons & Potential Financial Impact –		
	One-off		
	Short-term (up to 3 years)	Medium-term (3-10 years)	Long-term (10+ years)
Failure to identify, adapt to, and comply with current and future climate-related regulatory and legislative requirements may result in non-compliance, increased compliance and operational costs, legal liability, regulatory penalties and reputational damage.	Potential for impacts over all 3 time horizons; Insufficient data to quantify		
Potential Impacts (If Risk Occurs)	RACV Response		
Current Impacts	Current Controls		
No material financial impacts from climate-related compliance were reported for this financial year. No material adjustments to asset/liability carrying amounts for next reporting period expected.	- Dedicated climate risk management and oversight capabilities - Allocation of specific resources, roles and responsibilities concerning climate and sustainability - Regular compliance monitoring, regulatory change management and reporting processes		
Anticipated Impacts	Future Controls		
- Potential regulatory action, legal challenges or remediation costs associated with climate-related claims or targets that are perceived to be inaccurate, misleading or unsubstantiated claims in relation to products, services and/ or content - Reputational damage impacting member retention, advocacy and acquisition as well as the amplification of financial and legal impacts - Additional costs associated with complying with climate-related requirements, including carbon pricing, reporting obligations, and accelerated investment in building and fleet upgrades.	Planned – Continue to monitor evolving regulatory landscape and plan accordingly		
Assessment Basis			
Regulatory penalty exposure is quantified with reference to the penalty framework applicable across a number of sustainability and climate related obligations. Recent Australian Securities and Investments Commission (ASIC) enforcement outcomes provide a benchmark range of \$10.5 million to \$12.9 million for comparable regulatory failures, which informs the assessed penalty range scaled to RACV’s size, nature of breach, and mitigating factors.			
Several additional anticipated financial impacts were identified, including an increased cost of compliance to meet potential future regulatory requirements, qualitative implications associated with reputational damage, as well as additional legal costs and revenue impacts from member or customer loss following regulatory action. These were not quantified at this time, as the level of measurement uncertainty involved in estimating the effects is so high that the resulting quantitative information would not be useful. In particular, inherent uncertainty surrounding the future direction of government policy precludes the accurate assessment of impacts from this risk. While the current likelihood of this risk is assessed as low, a more progressive regulatory environment may increase scrutiny of sustainability claims and policy requirements, reflecting that impacts could become material over the long term.			
Financial Statement Impacts: This risk is anticipated to impact the following line items from RACV’s financial statements:			
Balance Sheet: Cash and cash equivalents; If this risk occurs, RACV may need to use Cash and cash equivalents to pay penalties, settlements, remediation costs, accelerated investments in building and fleet upgrades. The impact is expected to be limited in the short and medium term, with the main exposure over the long term. RACV expects to manage any one-off cash outflow using existing liquid assets and current planning processes.			
Profit and Loss: Contractors and other external fees. In the short and medium term, costs may increase if RACV needs extra legal, assurance or advisory support. Over the long term, accelerated investments, fleet upgrades, penalties, litigation or remediation could increase Contractors and other external fees and reduce cash flows. Any cash impact is expected to be funded from operating cash flows and liquid assets.			



Transition Climate-Related Risks continued

Adaptation to Shifting Markets – Market			
Risk Description	Time Horizons & Potential Financial Impact – Recurring		
	Short-term (up to 3 years)	Medium-term (3-10 years)	Long-term (10+ years)
	Potential for impacts over all 3 time horizons: Insufficient data to quantify		
Potential Impacts (If Risk Occurs)	RACV Response		
Current Impacts	Current Controls		
No material financial impacts from product market adaptation failure were reported for this financial year. No material adjustments to asset/liability carrying amounts for next reporting period expected.	RACV supports the work of its insurance manufacturer partners to: - Adapt product and pricing approaches and portfolio choices - Engage and advocate to Government and industry bodies - Manage capital including via reinsurance programs		
Anticipated Impacts	As noted in the Strategy section of this report, RACV is also anticipating and responding to structural market change by developing solutions that help customers adapt to a changing climate and transition to net zero, mitigating the impact of shifting demand, affordability, coverage and regulatory expectations on RACV's product offering.		
This risk could manifest in a variety of ways. Impacts could include one or several of: - Obsolescence of products designed for a pre-transition market - Reduced new business acquisition as climate aligned competitors and new entrants capture emerging segments - Member growth and retention challenges including multi-product members moving to better fit competitor products. - Market share erosion and/or reduction in addressable market compounding profitability loss and costs to recover market share - Diminishing relevance in the marketplace and brand erosion, weakening RACV's standing with members and brand built on trust and member value - Reduced revenue from compressed margins when competing on price to defend share against rivals - Reduced spread of fixed costs and scale efficiencies. Reduced margins impacting capacity to reinvest in products, services and innovations needed for adaptation	During business planning cycles, resource allocations are identified including funding of capacity and capital requirements to address planned projects. There is also contingency budgets for unplanned events. Future Controls (owned and operated by our insurance manufacturer partner) - Potential – Consider rewarding individual home climate resilience measures in pricing of premiums - Potential –Directly assist customers to improve climate resilience and insurance affordability		
Assessment Basis			
RACV recognises that climate change may have material, structural impacts on how the insurance market operates, which brings inherent risk to the prospects of returns from the minority stake RACV holds in the joint venture with our insurance manufacturer partner. How this risk eventuates is a matter of uncertainty, however it may include government intervention (identified as a material risk by RACV's insurance partner) or standard insurance product changes. This risk also includes climate-driven shifts in other product markets relevant to RACV, including consideration of shifts in the solar market, and the possible impact of high electric vehicle uptake on Emergency Roadside Assist (ERA) product offerings. This risk was qualitatively determined to be material due to the scale of change expected in the insurance industry (based on internal expert opinion and review of public studies and articles). Additionally, a preliminary quantification exercise was carried out to assess the possible impact of increased electric vehicle uptake on ERA, and consequent on selling opportunities. At this stage, RACV does not have sufficient data or certainty to meaningfully quantify this risk, however the risk has been included due to qualitatively assessing it to be material information.			
Financial Statement Impacts: This risk is anticipated to impact the following line items from RACV's financial statements:			
Balance Sheet: Cash and cash equivalents; Investments accounted for using the equity method. Over the medium to long term, market changes may reduce the value of RACV's Investments accounted for using the equity method and require use of cash and cash equivalents to fund product changes. RACV expects to manage this through existing planning, capital and liquid assets, with no material change to its funding structure. Profit & Loss: Subscription and entrance fee income; Commission income; Share of net profit and impairment of equity accounted investments; Fair value adjustments to assets. Across all horizons, product obsolescence, reduced new-business acquisition and competitive margin pressure may lower Subscription and entrance fee income, Commission income and RACV's Share of net profit and impairment of equity accounted investments, with related Fair value adjustments to assets; RACV's diversification into lower-emissions products and services (RACV Solar and EV-sector offerings) may partly offset this through new revenue as customer demand shifts. Associated cash-flow effects are expected to be met from operating cash flows and existing capital.			

RACV's Climate Resilience

RACV defines climate resilience* as the ability to:

- Withstand climate-related changes
- Absorb impacts from climate events
- Recover quickly
- Adapt to changing circumstances

A resilience assessment was undertaken to understand RACV's current mitigation actions, and sensitivity to different climate scenarios.

Current mitigation actions for each risk can be found in the *Physical and Transition Climate-Related Risks* tables.

In assessing the climate-related risks outlined, RACV qualitatively and, where possible, quantitatively assessed the potential impacts of each risk under the two described climate scenarios: *Rapid Decarbonisation* and *Delayed Climate Action* (see Table 4).

RACV's scenario analysis found that physical risks are likely to have worse consequences under the Delayed Climate Action Scenario. For transition risks, both 'Adaptation to shifting markets' and 'Compliance failure' are expected to weigh more heavily under the Rapid Decarbonisation Scenario.

However, although the scenarios shift the expected consequence level, none of them moved an identified risk into a different financial impact band. The scenarios therefore influence potential consequences, but not to a degree that calls for entirely different management approaches. This partly reflects the current "long-term" assessment ending in 2050; it may change as the long-term horizon extends into the 2050s, where the climate scenarios diverge further.

While the analyses produced broadly similar outcomes, RACV's response differs in emphasis under each scenario.

Under Rapid Decarbonisation, RACV expects to:

- Continue decarbonising owned assets and operations
- Stay ahead of evolving policy and disclosure obligations
- Manage transition-driven changes in adjacent markets, such as shifts in the solar

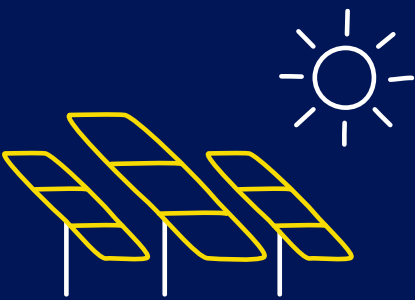
market and the potential impact of high electric-vehicle uptake on Emergency Roadside Assist offering

Under Delayed Climate Action, RACV expects to:

- Withstand events through tested crisis, business continuity and emergency response plans, supported by physical investments such as flood barriers, pumps and sprinklers
- Adapt the property portfolio to chronic heat and water stress
- Maintain sufficient insurance coverage and capital — absorbing, recovering and capturing lessons after each event
- That said, uncertainties around the nature of the energy transition and physical climate change call for an adaptable, flexible approach to risk management so that RACV remains resilient.

Table 3 on the following page outlines the key themes informing RACV's approach to climate resilience in both strategic decision-making and day-to-day operations. RACV's ability to respond to climate-related risks and opportunities across the short, medium and long term is supported by access to liquid assets, which can be deployed, as required, to manage financial shortfalls, absorb physical and transition impacts, and fund adaptation, decarbonisation and climate-related investment initiatives.

Together, these elements support a flexible and adaptive approach that addresses near-term needs while remaining sustainable over the medium and long term.



* Adapted from World Business Council: *Business Leaders' Guide to Climate Adaptation and Resilience* and De Graaf & Ovink: *The Five Pillars of Climate Resilience*

RACV's Climate Resilience continued

Table 3. RACV Resilience Themes

Resilience Theme	Type of Resilience	Description	Relevant Risks and Opportunities	Supporting Tools, Processes, Procedures
Scenario planning for asset replacement, upgrade and install.	Withstand	When making decisions about asset replacement, upgrade and/or install, various use case scenarios are considered including those influenced by climate. E.g. consideration of air conditioning demand increasing over time due to heat stress when planning for heating, ventilation and air conditioning (HVAC) upgrades or replacement. These plans are regularly reviewed to allow for adjustment if circumstances change.	- Property damage & business disruption - Increased stress on infrastructure & productivity	Asset lifecycle plans
Flexibility in supplied goods requirements.	Withstand	Minimising reliance on particular suppliers or supplied goods, favouring flexibility instead. E.g. adjusting hotel menus based on ingredient availability. (Discussions with Procurement confirm supply chain cost escalation is not reasonably expected to affect RACV's prospects).	Supply chain cost escalation*	
Insurance product partnership	Withstand	RACV's insurance manufacturer partner's core business includes annual planning cycles that consider weather patterns, insurance premium pricing and the reinsurance market. RACV supports this work as a distributor of these products.	- Increase in home & motor insurance perils - Adaptation to shifting markets	
Site-specific adaptations and technology trials.	Withstand and absorb	Pro-actively identifying site-specific climate risk mitigation and/or emerging technology opportunities and implementing pilot programs. E.g. energy efficient reflective paint.	- Property damage & business disruption - Increased stress on infrastructure & productivity	Impact measurement for pilot programs to consider broader application.
Contracting and supplier relationships.	Absorb	Ongoing contracts with major suppliers allow for some security in potential supply disruptions.	Supply chain cost escalation*	
Operational incident and emergency response planning.	Absorb and recover	Planning responses to various possible climate-related emergencies, crises and incidents builds readiness and resilience, including minimised impacts and faster recovery times. Most recently, this process has been improved by the development of incident response plans to address a gap between crisis management plans and emergency response plans.	Property damage & business disruption	- Incident response plans - Emergency response plans - Crisis management plans
Improving data quality and monitoring practices	Adapt	RACV have been progressively improving the quality and granularity of utility data, such as by increasing the number of water and energy meters. This enables identification of inefficiencies or impacts as climate change continues.	Increased stress on infrastructure & productivity	Sustainability dashboard
Event response and review	Adapt	When a climate event does impact RACV, a review is undertaken to assess the quality of RACV's response, identify any learnings and required actions, and consider whether those learnings and actions may also be applicable to other sites.	- Property damage & business disruption - Increased stress on infrastructure & productivity	

Additional resilience levers RACV may exercise in future as the realities of climate impacts evolve are industry engagement and government advocacy. These are soft measures that RACV may use directly or through relevant industry partners to complement operational controls, particularly in the instance of any industry-wide or geography-wide changes or events.

* While this risk was not assessed as expected to reasonably affect RACV's prospects on a standalone basis, it is a cross-cutting consideration that influences multiple risk areas and is therefore important to consider in the context of RACV's overall resilience.

RACV's Climate Resilience continued

Residual vulnerability

RACV's scenario analysis and mitigative actions contribute to a climate resilient business model, however some residual vulnerability remains, largely in areas of significant uncertainty or compounding impacts. RACV categorises its residual vulnerability around the following topics:

- **Cumulative acute weather events within a year:** while individual events are prepared for and can be responded to, the risk of compounding events within a short period is much more difficult to plan for. As such, while RACV has controls in place for acute weather events under climate change, the compounding impact of multiple events is an area of residual vulnerability.
- **Impacts to the value chain outside of RACV's operational control:** Table 3 includes some measures by which RACV aims to mitigate value chain impacts, however RACV's level of influence over its supply chain is smaller than over that of its own operations. As such, some vulnerability persists where upstream suppliers or downstream partners are impacted by climate events.
- **Industry- and/or geography-wide impacts:** inherently, when a climate event impacts an entire industry or geography, the ability to respond and recover will be slower than if it impacts RACV alone.
- **Control uncertainty- in particular the insurability of physical assets:** a key control RACV has in place to manage the physical impacts of climate change is insurance on physical assets. If the premiums of or access to these insurance products change, RACV will need to change its risk management approach.

Significant areas of uncertainty

- Insurance trajectories (availability of insurance; price of insurance premiums)
- Supply chain vulnerability
- Trajectory of energy transition

Availability and flexibility of financial resources to respond

RACV has the capacity to adjust and adapt in response to climate-related risks and opportunities that are identified over the short,

medium and long term.

- **Financial resources:** RACV holds liquid assets that can be readily accessed to fund any shortfall arising from the financial effects identified in its climate-related scenario analysis. This provides the flexibility to absorb impacts from physical and transition risks, fund adaptation and decarbonisation investments, and pursue climate-related opportunities as they emerge. The adequacy of these resources is reviewed through RACV's ongoing capital, liquidity, and investment governance processes, ensuring the level of liquid assets held remains appropriate across the range of climate scenarios considered.
- **Existing assets:** RACV's asset base is varied, ranging from current assets such as an investment portfolio to a large non-current asset base that includes leisure and corporate properties and motoring service infrastructure. While the non-current assets will be more difficult to repurpose or upgrade quickly, RACV's current assets can be redeployed quickly to respond to identified climate-related risks and opportunities, if required. Capital planning and asset lifecycle reviews currently already considers climate-related factors, enabling RACV to progressively adapt its physical footprint (for example, through resilience upgrades to assets exposed to physical climate risks, or retrofitting properties to improve energy efficiency and reduce emissions) as conditions evolve.
- **Current and planned investments:** RACV is making targeted investments in climate-related mitigation, adaptation and opportunities that strengthen its overall climate resilience. These include investment in the decarbonisation of owned assets and operations (e.g. Electrification Masterplan), adaptation measures to reduce exposure to physical climate risks across the property portfolio (e.g. flooding mitigation solutions such as flood walls), and the development of products and services that support members through the energy transition. These investments are integrated into RACV's broader strategic and capital planning processes and are reviewed regularly to ensure they remain aligned with the evolving climate-related risk and opportunity landscape.

Climate Scenario Analysis

RACV has engaged sustainability consulting partners to assist with the scenario analysis to inform RACV’s climate resilience assessment, as well as to quantify the financial impacts of climate change on RACV’s business activities and value chain. Scenario analysis has been used to improve the quality of both qualitative and quantitative assessments of the potential impacts of climate-related risks on RACV’s prospects. This scenario analysis was undertaken in 2026.

RACV’s partners conducted a series of workshops with risk owners and champions across the business divisions to apply the scenarios to each risk selected for assessment. Two different climate scenarios were utilised in this assessment to model physical and transition risks.

The 1.5°C scenario was selected for analysis as it aligns with the latest international agreement on climate change, being the Paris Agreement (December 2015). The well exceeds 2.0°C scenario was selected to enable an informed analysis of climate risks against a plausible higher-emissions pathway where global climate action is insufficient to meet Paris Agreement targets, consistent with global policy trajectories assessed by the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6).

Note: Scenario analysis was not used to identify or assess climate-related opportunities.

Table 4. Rapid Decarbonisation and Delayed Climate Action

	Rapid Decarbonisation	Delayed Climate Action
Global Temperature	Aligned to Paris Agreement, Keep global warming well below 2°C and targeting 1.5°C above pre-industrial levels by 2100.	Global warming exceeds 2°C, with temperatures rising 3.6°C above pre-industrial levels by 2100.
Shared Socio-Economic Pathway (SSP)	Based on SSP 1-2.6 ¹ 'Taking the Green Road' from IPCC AR6. This scenario represents a future in which global emissions are rapidly reduced.	Based on SSP 3-7.0 'Regional Rivalry' from the IPCC AR6. This scenario represents a future in which climate action is fragmented and insufficient, resulting in continued high levels of greenhouse gas emissions.
Scenario Summary	The world transitions rapidly toward decarbonisation, implementing coordinated climate policies to reduce emissions and limit fossil fuel consumption. Governments, businesses, and communities collaborate to accelerate renewable energy deployment, reduce inequality, and redirect economic growth to prioritise human well-being and environmental stewardship. Renewables including solar, wind, and green hydrogen dominate the energy mix by mid-century, with coal and gas progressively reduced and electrification expanding across transportation, heating, and industry. Transportation, energy production, and industrial operations undergo fundamental redesigns to minimise carbon footprint, with a particular focus on electrification, energy efficiency, and innovative low-carbon solutions.	Global climate governance is fragmented, with nationalistic priorities and regional security concerns taking precedence over international cooperation. Policy implementation is inconsistent, and the energy transition is insufficient to meet climate targets. Coal, oil, and gas continue to dominate the energy mix, with renewables expanding too slowly to offset growing demand and no meaningful reduction in emissions intensity. Countries focus on domestic energy and food security, resulting in slow economic growth, persistent inequalities, and environmental degradation. Investments in education, technology, and comprehensive climate strategies decline, leaving industries, governments, and communities ill-equipped to manage growing climate and environmental pressures.

¹RACV acknowledges that the median temperature outcome by 2100 for SSP1-2.6 is above 1.5 degrees, however the most likely range for this scenario of 1.3 to 2.4 °C incorporates 1.5 degrees, and it still represents an ambitious low-emissions pathway that would likely meet the 2 °C Paris target. SSP1-2.6 is often used to represent a 1.5 °C scenario as data is more readily available than for lower trajectories and 1.5 °C falls within the range of expected temperature outcomes.

Climate-Related Drivers Considered

Both scenario analyses incorporated a range of physical and transition climate drivers, identified through an impact pathway approach that connected climate drivers to business and financial outcomes. Physical drivers of risk were explored by looking at climate models for:

 Bushfires	 Drought	 Water stress	 Temperature extremes
 Fluvial flooding	 Pluvial flooding	 Coastal flooding	 Tropical cyclones

For quantified physical risks, RACV used S&P Global’s Climanomics® platform to assess the financial exposure of its physical asset portfolio across operational locations in Victoria, Queensland, Tasmania, New South Wales, and Western Australia. Drawing on downscaled Coupled Model Intercomparison Project Phase 6 (CMIP6) climate model data under both Rapid Decarbonisation (SSP1-2.6) and Delayed Climate Action (SSP3-7.0) scenarios, Climanomics® projected a Relative Risk percentage for each asset and hazard, which was applied to reinstatement valuations to derive a decadal Modelled Annual Average Loss (MAAL). These decadal MAALs were then weighted to align with RACV’s short-term, medium-term, and long-term reporting periods, with long-term calculations capped at 2050.

A strength of the Climanomics® platform is that, while it draws on globally consistent climate data sets, these are resolved and applied at the individual asset level using each location’s geographic coordinates (latitude and longitude). As such, RACV has assumed that a level of national and regional variables are reflected in the risks assessment results, however acknowledging that there is an opportunity for RACV to continue to evolve its approach in future to further incorporate more granular variables.

Transition drivers across four categories informed the climate-related scenario analyses over the same time periods. These categories are:

 Technology availability and adoption	 Market shifts E.g. structural market changes, and increased consumer demand for low-carbon products and services
 Reputational pressures	 Policy and legal E.g. Evolving mandatory climate reporting requirements and regulatory enforcement activity

As detailed in the *Climate-Related Risks Overview* section of this report, policy and legal and market drivers were determined to be reasonably expected to affect RACV’s prospects. Regarding the impact of climate-related policies, RACV’s key policy assumption was calibrated to its operating jurisdiction by reference to the trajectory of Australian Commonwealth and Victorian climate policy and regulation. This indicated a trend of increasing stringency of climate-related regulation, which further informed the risk assessment.

Other Risks Under Ongoing Management

The following risks have been identified through the enterprise-wide risk register but could not reasonably be expected to affect RACV’s prospects. They are, however, monitored within RACV’s enterprise risk management framework:

- Demand volatility and reduction, where chronic climate impacts affect customer demand and strain infrastructure capacity.
- Technology implementation failure, where climate-aligned technologies fail to meet expectations or regulatory requirements.
- Energy transition risk, relating to failed transition from gas to renewable energy and inability to incorporate power-efficient technologies.
- Supply chain cost escalation, where climate impacts drive up operational costs through supply chain disruption.
- Climate response reputation risk, where stakeholders view RACV’s climate action as inadequate.

These risks sit outside AASB S2’s disclosure thresholds and are provided for additional context only, to give a fuller picture of the climate-related risks RACV monitors, rather than as disclosures required by the Standard. They will be reassessed and confirmed each reporting year.





Climate-Related Opportunities (CROs)

RACV is well placed to pursue climate-related opportunities across its diverse businesses. In line with RACV's Sustainability Statement and its commitment to making a positive impact on the world, RACV has undertaken several climate-related projects and initiatives. These have been described earlier in this section of the report and vary in size, value and impact.

However, in alignment with quantitative thresholds applied to climate-related risks for materiality, and applying qualitative measures, there are no climate-related opportunities currently identified that could reasonably be expected to improve RACV's financial prospects.

This will be continually monitored, in line with RACV's climate-related opportunities management framework.

Climate-Related Transition Plan

RACV does not currently have a formal climate transition plan. While a formal plan has not yet been adopted, RACV remains committed to continuing with its approach of making meaningful investments and undertaking initiatives that make a measurable impact, supporting RACV's Sustainability Statement as detailed earlier in this section.

Climate-related initiatives and emissions reduction actions are currently addressed through RACV's broader strategic, operational and investment decision-making processes, rather than through a single consolidated transition plan.

Metrics & Targets



RACV Metrics Overview

RACV has calculated Scope 1 and Scope 2 emissions for FY26. The following provides an overview of the basis of preparation for each emission profile.

Reporting Boundary

RACV considers the businesses and facilities where it has operational control, as per the definition of the National Greenhouse and Energy Reporting Act 2007, to be within the reporting boundary for measurement of Scope 1 & 2.

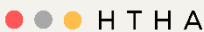
RACV’s operational control includes the following entities and sites:



- Royal Automobile Club of Victoria (RACV) Ltd buildings and facilities
- RACV’s network of EV charging stations
- Other subsidiaries as disclosed in ‘Consolidated Entity Disclosure Statement’ in the Financial Statements section of the RACV Annual Report 2025–26, which includes:



- Nationwide Group Pty Ltd and Controlled Entities sites and facilities (NWG)
- NWG truck owner–driver contractors under NWG’s operational control



- Home Trades Hub Pty Ltd and Controlled Entities sites and facilities (HTHA)

RACV investee’s emissions are excluded from the above consolidated group emissions for Scope 1 and 2, as RACV does not have operational control over the investees.

Scope 1 & 2 Greenhouse Gas (GHG) Emissions Basis of Preparation

Emissions are reported as absolute gross emissions in tonnes of carbon dioxide equivalent (tCO₂-e) and consolidated using the operational control approach. For Scope 1 and Scope 2, RACV has applied the measurement methods of the National Greenhouse and Energy Reporting (NGER) scheme, in line with its existing regulatory requirement, and as permitted under paragraph 29(a)(ii).

Judgements and Assumptions

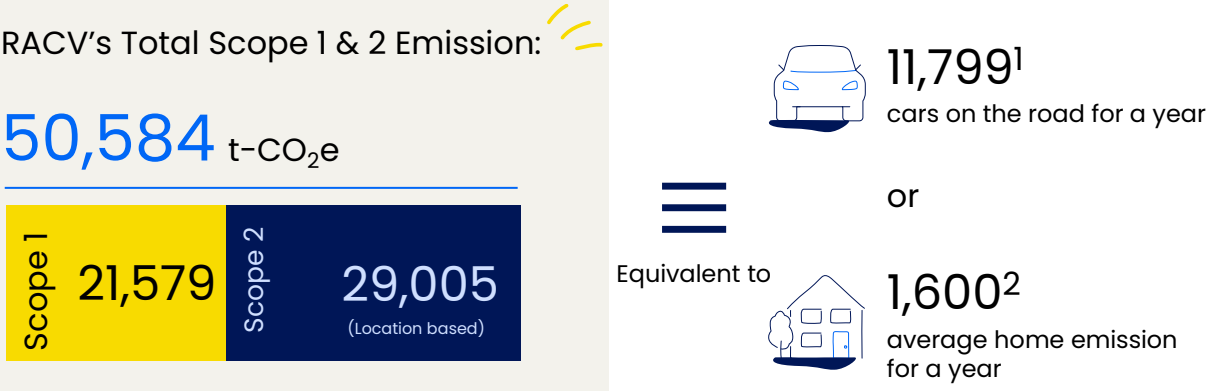
Information on relevant data gaps, estimates and assumptions related to scope 1 and 2 emissions calculations can be referenced in Appendix 2.

Scope 3

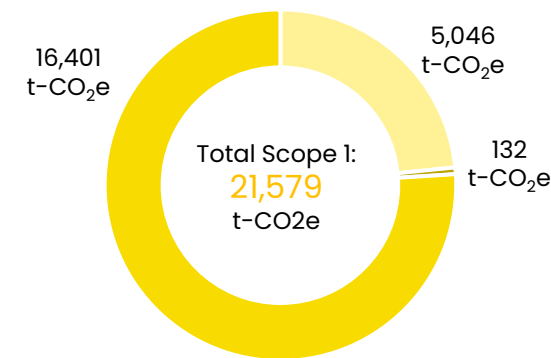
RACV is applying the transition relief available and will not be disclosing Scope 3 emissions for FY26.

RACV’s FY26 Scope 1 and Scope 2 Emission Profile

RACV’s Scope 1 and 2 emissions profile is driven largely by liquid fuel consumption associated with transport activities like diesel and unleaded petroleum. These activities account for 76% of The Group’s Scope 1 emissions.
Figure 5. RACV FY26 Scope 1 and Scope 2 Emissions Profile



Scope 1 Emissions Breakdown



	Gas	5,046 t-CO ₂ e	23%
	LPG	132 t-CO ₂ e	1%
	Fuel	16,401 t-CO ₂ e	76%

Transport fuel consumption represents the largest component within RACV’s Scope 1 emissions footprint. Emissions from the combustion of diesel and petrol account for 76% of the Group’s Scope 1 emissions.

Location Based
Mandatory Disclosure
Emissions from the local grid’s average energy mix

RACV uses grid electricity at all RACV sites across 5 states (9 Resorts, 1 Club, 3 Corporate offices, 7 Electric vehicle charging stations, 15 Retail stores and 11 Industrial sites)

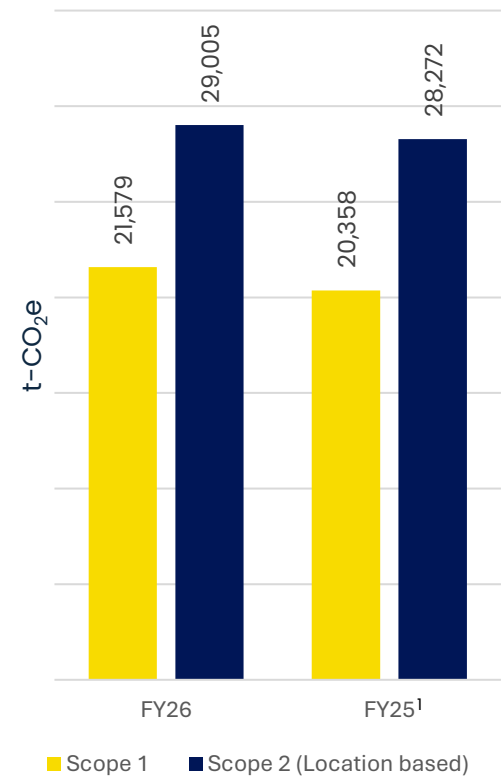
Contractual Instruments
Qualitative Disclosure
Emissions based on purchased energy attributes

RACV has contractual arrangements with its energy retailers matching its electricity consumption to renewable energy certificates surrendered on RACV’s behalf, via renewables-matched supply agreements and retailer-procured GreenPower at a majority of sites. These arrangements cover approximately 98% of RACV’s controlled-site electricity consumption for the reporting period; the balance is supplied under agreements conveying no certificates. Renewable attributes are evidenced by Large-scale Generation Certificates (LGCs) and International Renewable Energy Certificates (iRECs), tracked, allocated, and voluntarily retired on RACV’s behalf on a calendar-year basis – and managed by the appropriate retailer. Certificates for second-half FY26 consumption will be reconciled and retired from January 2027. Sites within shopping centres are supplied via the centres’ embedded networks and fall outside these contractual arrangements. They represent under 0.5% of RACV’s total electricity consumption and are accounted for using the location-based method.

¹Source: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>, calculated figure is unassured
²Assuming an average emissions footprint per person per year of ~12 t-CO₂e and an average household size of ~2.6 people (Department of Energy, Environment and Climate Action [DEECA] and ABS); calculated figure is unassured

RACV’s Scope 1 and Scope 2 Emission Profile – Year on Year¹

Figure 1. Comparison of Scope 1 and 2 Emissions YoY



¹Emissions are based on 11 months of actual data and one month of forecast data where available. For further information, see Appendix 2.

Key Drivers of Emissions Change FY25 to FY26

-  Increase in diesel fuel usage by ▲ 8% for Nationwide
-  Reduction in fuel usage by ▼ 8.4% across RACV Fleet vehicles due to EV and hybrid vehicle upgrades as part of the Fleet replacement project
-  Phase out of liquefied petroleum gas (LPG) usage at Noosa resort and reduction in LPG use at Cobram resort. LPG related emissions decreased by ▼ 13.5% from FY25 to FY26
-  Increase gas usage by ▲ 4.8% driven by increased occupancy rates at resorts and higher staff attendance at RACV offices
-  Increased occupancy rates and guest stays across resorts, up ▲ 1.3% year on year, drove up location-based electricity demand
-  Increase usage of electric vehicle charging (EVC) network by ▲ 42% driven by a stronger customer demand driving increased location-based electricity consumption

FY26 Scope 1 and Scope 2 emissions across the Group increased by approximately 4% compared to FY25. Scope 1 emissions increased by approximately 6% year-on-year. This increase was primarily driven by higher diesel consumption associated with Nationwide Group's towing and emergency roadside assistance activities, along with increased natural gas consumption across sites.

During the year, RACV refined its methodology for estimating fuel use from the Nationwide Group owner-driver cohort, which represents the Group's largest source of Scope 1 emissions. The updated approach uses activity data to estimate fuel consumption where direct fuel data is unavailable. While this methodology is intended to provide a more representative estimate of fuel use, it remains subject to inherent uncertainty due to its reliance on proxy activity data and underlying assumptions. As a result, reported emissions for this cohort may be sensitive to changes in methodology, assumptions and data availability.

Location-based Scope 2 emissions remained relatively stable in FY26, increasing by approximately 3% compared with FY25. RACV continues to match a significant proportion of the electricity procured for its controlled sites to renewable energy sources. This is achieved primarily through the surrender of International Renewable Energy Certificates (I-RECs), which lower market-based Scope 2 emissions while leaving location-based Scope 2 emissions unchanged.

¹FY25 emissions have been calculated based on the measurement methods of the National Greenhouse and Energy Reporting (NGER) scheme

Other Climate-Related Metrics

Table 5. Other Climate-Related Metrics and Basis of Preparation

Metric	FY26 – Amount and Percentage	Basis of Preparation
RACV assets that are vulnerable to climate-related physical risks (CRRs)	Total value = \$2,068.2m % of Total Assets = 58.5%	These metrics are calculated by identifying RACV asset categories assessed as having any degree of exposure to RACV’s identified physical (acute and chronic) and transition climate-related risks respectively, as confirmed through the annual climate-related risk identification process. For each metric, the carrying value of the exposed asset groups at financial year end is aggregated and expressed as both an absolute dollar value and a percentage of RACV Group’s total balance sheet asset value. The metrics capture the presence of exposure only and do not quantify severity, probability, timing or financial impact.
RACV assets that are vulnerable to climate-related transition risks (CRRs)	Total value = \$831.4m % of Total Assets = 23.5%	
RACV assets that are aligned with climate-related opportunities (CROs)	Not applicable for FY26	
Capital Deployment towards management of climate-related risks and opportunities	• \$11.6m spent during FY26 towards climate-related risks Not applicable for climate-related opportunities	This metric aggregates capital expenditure incurred during the reporting period that is directly attributable to initiatives, where addressing RACV’s identified climate-related risks or opportunities is a primary driver of the spend, identified in consultation with relevant divisional SMEs in Leisure and Property & Capital Works (i.e Heads Of and General Managers) and assessed against financial statements. It is reported as an absolute value on an actual-spend basis, and excludes spend with only indirect or ancillary climate-related benefits and future capital commitments, and does not assess effectiveness, emissions impact or financial return.

Internal Carbon Pricing Metric

Given RACV’s small emissions footprint, and that it is predominantly a business-to-consumer (B2C) business, it does not at this time see the need for internal carbon pricing.

How is remuneration linked to climate-related outcomes?

The Board approves company goals and executive incentive arrangements. While sustainability considerations may be taken into account in executive performance assessments where relevant, there are currently no specific climate-related targets or metrics linked to executive remuneration.

Climate-Related Targets

RACV currently does not have specific climate-related targets.

There are several projects and initiatives currently underway that will have a positive impact on RACV’s direct climate emissions. These are reported on an individual project basis.

Risks & Opportunities Management



Climate-Related Risk Management Framework and Approach

RACV’s Risk Management Framework (RMF), aligned with AS/ISO 31000:2018, gives the organisation a single, accountable way to manage risk, and climate-related risk is now part of it, not a separate exercise.

The change came in two deliberate steps. In 2025, RACV added climate-related risk guidelines so teams could apply a climate lens to everyday risk activities. In 2026, it introduced climate-related scenario analysis to test the impact of selected climate risks under different futures (see Strategy).

As a result, climate-related risks are identified, assessed, prioritised and monitored with the same rigour and visibility as RACV’s other Priority Risks.

This means that risks are identified throughout the year and recorded in business unit risk registers, which undergo formal review as part of the Risk and Control Self-Assessment (RCSA) cycle. Governance is underpinned by the RACV

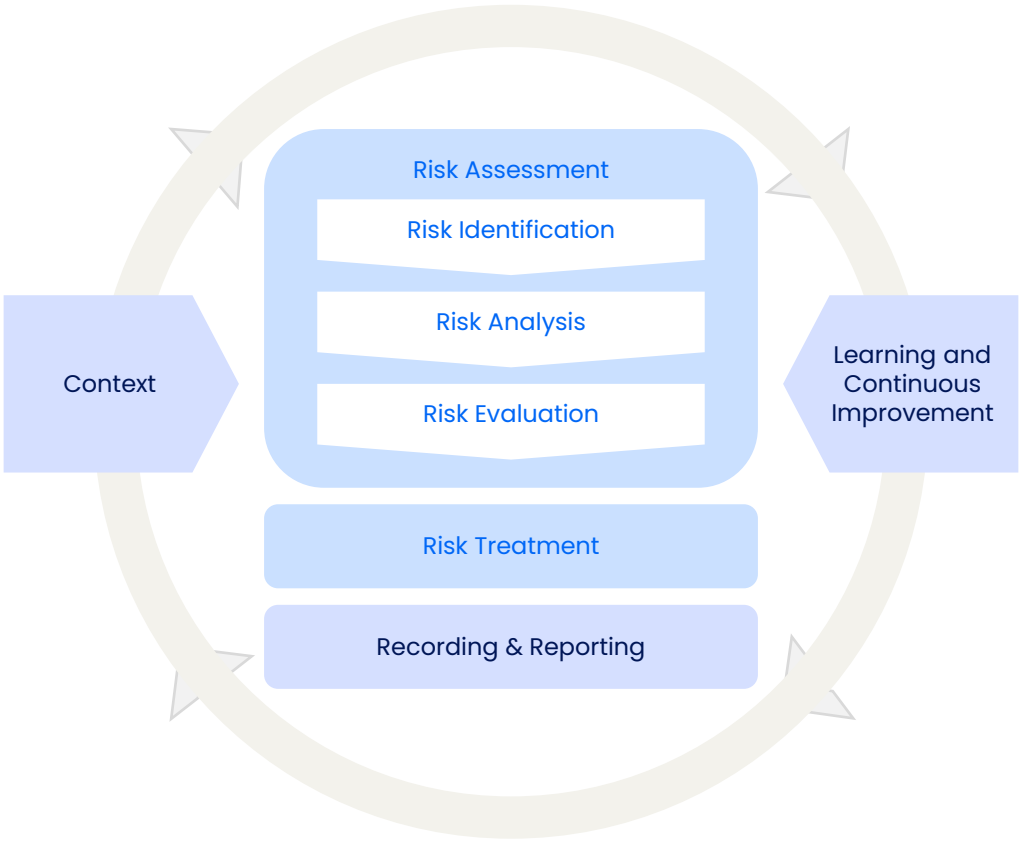
Risk Appetite Statement and Priority Risk Categories, which include climate-related risks classified under:

- Environment and Climate Change
- Operational Failure
- Health, Safety and Wellbeing
- Conduct and Compliance

RACV’s established Risk Management Process (RMP) outlines how risk management is executed across the organisation. Figure 2 provides an overview of the activities and mechanisms that support the RMP’s objectives.

A strong risk culture is reinforced through key policies such as the Risk Management Policy, Code of Conduct and the Whistleblower Policy, alongside RACV’s organisational values. Staff awareness is supported through mandatory inductions, periodic refresher training, and role-specific education.

Figure 2. RACV Risk Management Process

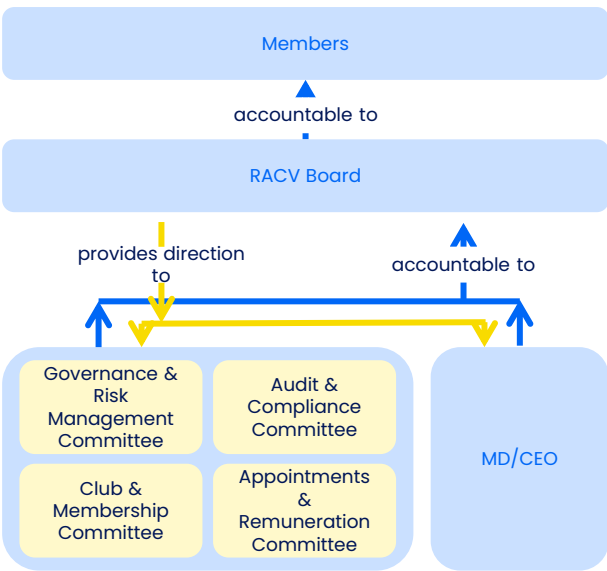


Risk Governance

The Board holds ultimate accountability for risk management, supported by its committees and executive management (see Governance).

Figure 3 shows how risk-specific accountabilities flow within the Board-approved Governance Framework – the channel through which climate-related risks are escalated to the Board.

Figure 3. RACV Governance Framework



Inputs and Parameters

To support the identification of climate-related risks, business management and Risk Champions are guided by RACV’s Climate-Related Risk Guidelines and a series of value chain maps developed for each major operational division—Leisure, Insurance & Roadside, Home Trades, and Transformation. Created by internal subject matter experts drawing on their operational and business knowledge, these maps detail the inputs, processes, and outputs associated with divisional products and services. This approach enables a comprehensive assessment of climate-related risks across all aspects of the value chain.

A curated list of RACV properties, goods, and services identified as having high exposure to transition or physical climate-related risks is available to support risk identification. This list is informed by the expertise of the Risk & Compliance team. Risks are then identified through the business and operational insights of management, including General Managers and Subject Matter Experts, as required.

Climate-related scenario analysis was also used to conduct RACV’s climate resilience assessment, and in the assessment of selected climate-related risks. This was performed in 2026 and outlined further in the *Strategy* section of this report.

Three Lines of Defence Model

RACV employs a Three Lines of Defence model, reflecting its commitment to embedding risk management across the organisation as a core component of effective governance

The three lines are described in the RMF and summarised below:

Three Lines of Defence Model

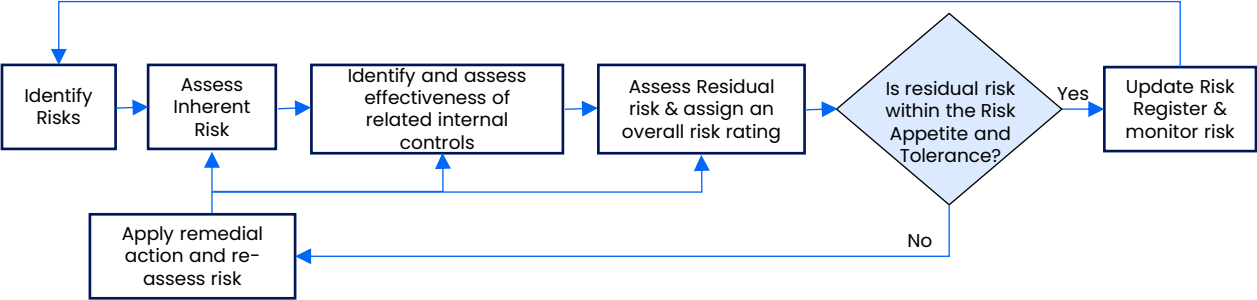
Line 1	Management is accountable for owning and managing the risks originating within their department or division.
Line 2	The Risk & Compliance team, reporting to the Executive General Manager (EGM) – Corporate & Member Services division, is accountable for providing risk oversight and governance, including climate-related risks. This includes administering the Risk Management Framework, managing the Risk & Control Self Assessment cycle and providing risk updates to the ELT and the Governance & Risk Management Committee.
Line 3	Internal Audit provides independent assurance regarding the effectiveness of RACV’s internal control environment and the adequacy of key risk management practices.

Identifying Risks

Risks are identified in alignment with RACV’s broader risk management practices. Building on that integration, climate-related risks are identified and assessed through RACV’s established processes and the Three Lines of Defence described earlier.

Risk Champions are appointed across the business to drive risk identification, management and control within the first line of defence. Each has received additional briefings on climate-related risk, so they can work with divisional stakeholders to identify, assess and manage these risks with confidence.

Figure 4. Risk Identification Process



Documenting Risks

As climate-related risks are identified, they are documented in the respective business division or department’s risk register within RACV’s online Governance, Risk and Compliance platform called ‘Risk Hub’, and assessed on both an inherent and residual basis.

Table 6 outlines the details that are captured for each identified climate-related risk to ensure that they are clearly defined in terms of RACV’s nature and potential impact.

Table 6. Summary of Details Captured for each Climate-Related Risk

Type / Category of Risk	Transition or physical
Time Horizon	Risks are assessed across three timeframes: short (up to 3 years), medium (up to 10 years) and long term (10 years and over). This helps determine the urgency and strategic response required. RACV’s broader enterprise-wide risk management framework categorises risks over the following two timeframes: near-term risks which could impact RACV’s 3 year plan, and long-term risks which could impact RACV’s future beyond the 3-year planning cycle. The time horizons used for the purposes of our climate-related risk assessment and scenario analysis are closely aligned with the timeframes within the organisation’s enterprise risk management framework and strategic planning cycles. • The short-term time horizon of 3 years is fully aligned with RACV’s 3-year strategic planning cycle / ‘near-term’ risk • The medium-term (3 to 10 years) closely aligns with RACV’s strategy Enterprise Risk Management ‘long-term’ category, matching RACV’s strategy, capital and investment planning, capturing transition, regulatory, market and technology changes within that window. • The long-term (10 years and over) extends beyond these cycles to structural risks – chronic physical impacts, major policy and economic shifts, and effects on long-lived assets and business models. These linkages are reinforced through Board-level oversight and executive accountability, which support prioritisation and capital allocation for climate-related initiatives.
Inherent Risk Assessment	Including the likelihood of occurrence and impact on operations, financials and reputation. This assessment is conducted prior to considering any mitigating controls.
Scope of Risk	Enterprise or operational
Controls In Place	Policies, procedures, and systems already implemented to mitigate the risk
Residual Risk Assessment	An assessment of the level of risk remaining after the implementation of mitigating controls, considering both the likelihood of occurrence and the potential impacts on operational performance, financial position, and organisational reputation.

Documenting Risks (cont.)

RACV has adopted a risk assessment and rating methodology consistent with the guidance provided by AS/ISO 31000. Each risk is assessed using a standardised methodology, that is based on assessment of the following parameters of each risk:



Likelihood
Assessment of the probability of the risk occurring.



Impact
Estimate the extent of expected impact in a worst-case scenario, considering the following areas: Financial; Reputation & Community; Health Safety & Wellbeing; Service Delivery; Regulatory and Legal; and People



Effectiveness of Controls
Assess the extent to which existing controls would be effective at mitigating the likelihood or impact of the risk scenario.

These are assessed at the inherent risk and residual risk levels, driving a rating for each risk as defined within RACV’s Risk Management Framework.

For climate-related physical and transition risks, the additional lens of scenario analysis has been applied to understand different risk outcomes under a rapid decarbonisation future (aligned to Paris Agreement of 1.5°C global warming above pre-industrial average temperatures), and a delayed climate action future (aligned to global warming of 3.6°C above pre-industrial levels).

Additional information about the chosen climate scenarios is provided in the *Strategy* section of this report. This scenario analysis was used to conduct the climate resilience assessment for RACV, and to refine the assessment of financial (and non-financial) impacts of key risk types that are reasonably expected to affect RACV’s prospects, as described in Appendix 3.

Addressing Risks

The initial focus is on establishing processes and controls that ensure RACV operates within defined risk tolerances, as outlined in the Risk Appetite Statements. When a risk is identified as operating outside RACV’s risk appetite—or when control deficiencies are detected—issues and remedial actions are recorded in RACV’s governance and risk management platform, Risk Hub, with clear ownership and due dates assigned.

These actions are monitored through to completion under the oversight of the Risk & Compliance team and are included in reporting to the Executive Leadership Team, GRMC and the Board. Remedial actions may include initiating change initiatives or projects to mitigate residual risk and restore alignment with RACV’s risk appetite.

Monitoring Risks

Every climate-related risk in Risk Hub has a named owner accountable for ongoing monitoring and review. Risks are re-assessed through RACV’s standard Risk and Control Self-Assessment (RCSA) cycles, led by the Risk & Compliance team, and prioritised on the same basis as other Priority Risks (see Appendix 3 for definitions).

Risk updates are provided to the ELT before each Governance and Risk Management Committee (GRMC) meeting, highlighting any risks requiring escalation or heightened awareness, including those related to climate.

To further facilitate Directors’ oversight of climate-related risks, a Climate-Related Risk Dashboard is presented at least once per annum to GRMC as part of the Risk Management Update, which is a standing agenda item for each meeting. The dashboard features a heatmap showing the distribution of RACV’s enterprise-level climate risks across their respective risk scales.

For material risks with associated activities, interim updates may also be provided to the GRMC and Leadership Team throughout the year.



Climate-Related Opportunities Management

RACV’s approach to managing climate-related opportunities is led by RACV’s Executive Leadership Team (ELT). Based on the RACV Climate-related Opportunities Management Framework, the ELT led the identification, assessment, approval, prioritisation and monitoring of climate-related opportunities.



Figure 6. Climate-Related Opportunities Management Process

- 1

 - RACV’s Sustainability Statement, Key Themes and Focus areas are defined by the ELT and endorsed by the GRMC and approved by the Board
 - The Key Themes and Focus Areas are reviewed to ensure relevancy and connection to RACV Strategy and provide direction for any climate-related opportunities
- 2

 - Climate-related opportunities origination sits with ELT members, and they are considered in line with the Sustainability Statement’s key themes and focus areas
 - Climate-related opportunities Management Framework and Guidelines guide and support the opportunities management process
 - While opportunities can be identified throughout the year, a dedicated ELT discussion on CROs occurs at least once annually, in an ELT meeting, with any outcomes captured in existing governance materials such as meeting minutes
- 3

 - Opportunity ideas initially identified undergo preliminary assessment by the EGM, both quantitative and qualitatively to understand size of opportunity
 - Opportunities identified as suitable for further consideration are assessed using RACV’s existing Initiative Governance Forum (IGF) or business case assessment frameworks
 - Approval of climate-related opportunities follows RACV’s Delegations of Authority (DOA) and IGF processes, with approval pathways dependent on the size, scale and financial impact of the opportunity
- 4

 - Projects that are set up to realise climate-related opportunities are tracked and reported via suitable progress reporting processes; for example, major enterprise projects funded through IGF will follow the IGF governance processes
 - Disclosure of opportunities that could reasonably be expected to affect RACV’s prospects will appear in the annual Sustainability Report
 - The disclosure threshold is based on AASB S2 general requirements and RACV’s Enterprise Risk Rating Matrix, set at “Major” impact, in line with climate-related risks

Governance



Overview

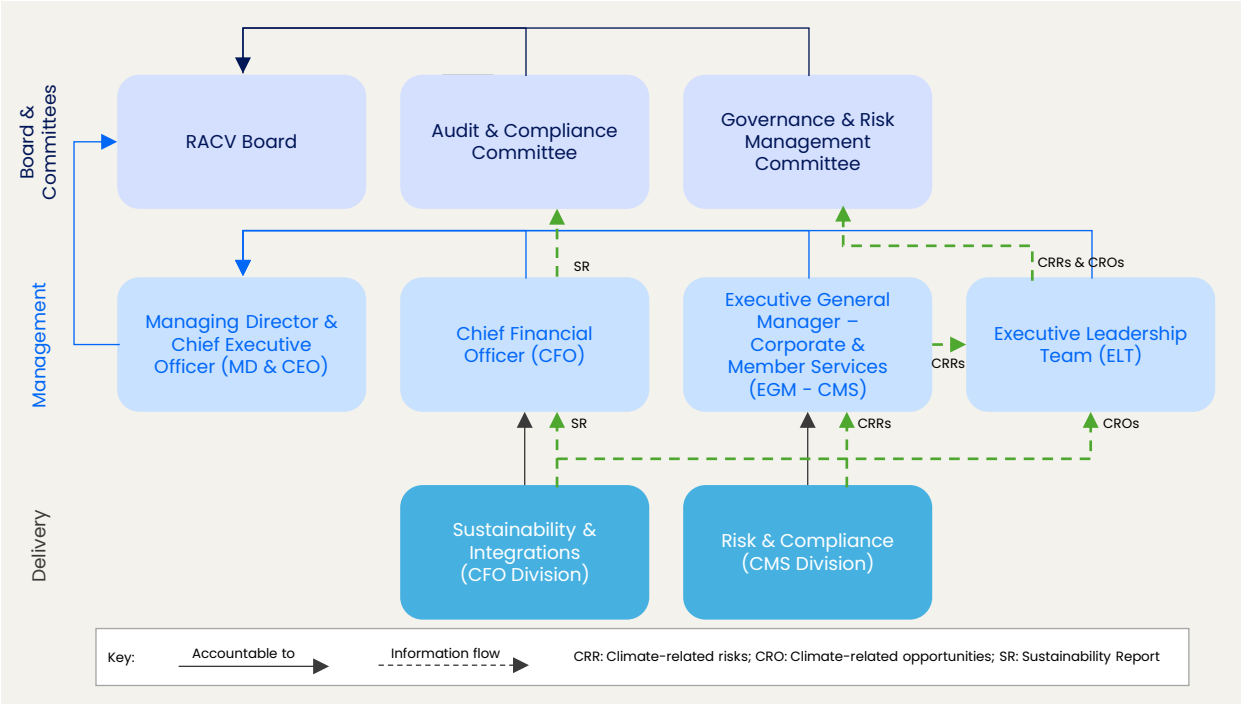
Climate-related risks and opportunities are governed through the same framework RACV uses to run the wider organisation, and not as a parallel, standalone process.

The Board sets the direction and holds oversight, as part of its responsibility for strategy, risk and long-term member value, and delegates implementation to the Managing Director & CEO and the Executive Leadership Team (ELT). From there the two streams follow established paths: climate-related risks run through RACV’s Risk Management Framework, coordinated by the Risk & Compliance function; climate-related opportunities are owned by the ELT and progressed through strategic planning and business decisions.

Figure 7 provides a high-level view of RACV Group’s climate-related governance structure, specific to climate-related risks and opportunities in the context of AASB S2 and sits within RACV’s broader corporate governance framework.

Matters that are reasonably expected to affect prospects are reported to the Governance & Risk Management Committee (GRMC) through regular updates and risk dashboards; the GRMC provides oversight and escalates key matters to the Board. Figure 7 shows this structure in the context of AASB S2, within RACV’s broader corporate governance framework. Accountabilities are detailed on the following pages and in Appendix 4.

Figure 7. Climate-Related Governance Structure



Climate sits inside RACV’s existing governance, not beside it — the Board oversees, the ELT delivers, and the GRMC is the primary committee that supports the Board’s oversight of material climate-related risks and opportunities.

The Board and Committees

RACV Board

The RACV Board has oversight of climate-related risks and opportunities, including their integration into RACV’s strategy and major business decisions.

Accountability and Oversight

The Board oversees RACV Group’s governance framework, including oversight of climate-related risks and opportunities, in accordance with the RACV Constitution.

It sets strategic direction and monitors its implementation, approves long-term climate-related objectives and targets and oversees progress through management reporting.

The Board is supported by delegated committees, including the Governance and Risk Management Committee (GRMC) and the Audit and Compliance Committee (ACC), which assist with oversight of climate-related risks and opportunities and the reporting and assurance of climate-related disclosures, respectively.

Decision Making and Risk Integration

Climate-related risks are integrated into RACV’s enterprise risk management framework and are incorporated into the Group’s Top Enterprise Risks to ensure appropriate visibility and oversight.

Board decision-making is guided by RACV’s risk appetite statements and corporate strategy, which are applied across both strategic and operational decisions. Climate-related risks and opportunities are considered as part of this process, including any necessary trade-offs between managing climate-related risk and opportunities, and other business priorities.

Management Execution and Capability

The Board delegates responsibility for day-to-day management to the MD & CEO and Executive Leadership Team. Management is responsible for implementing climate-related initiatives, managing risks within approved tolerances, and identifying opportunities aligned to RACV’s strategic objectives.

To support effective oversight, the Board receives updates on climate-related risks and opportunities matters at least once per annum as part of Committee updates. Targeted briefings may also be provided, as necessary. Education on sustainability and climate-related matters are also held as required through the year.

Audit & Compliance Committee

Oversees the assurance requirements of the Sustainability Report, with respect to AASB S2, and provides recommendations to the Board. The ACC discuss different aspects of the Sustainability Report and assurance plan across at least three meetings per annum, as part of scheduled updates in the annual work plan.

Governance & Risk Management Committee

Oversees sustainability and climate-related matters, including the Sustainability Statement, and climate-related risks and opportunities that are reasonably expected to affect prospects. The GRMC are informed of material climate-related risks and opportunities at least once annually for each, through scheduled updates and presentation of risk dashboards as part of the annual work plan.

Further details on Board and Committee artefacts documenting responsibilities for climate-related risks and opportunities as well as how skills and competencies are assessed and developed under AASB S2, are provided in Appendix 5.

Management Responsibility

RACV’s Executive Leadership Team plays a significant role in the management of climate-related risks and opportunities for the business.

Managing Director & Chief Executive Officer (MD & CEO)	Has overall responsibility for the management of climate-related matters and reports to the Board. Management and reporting of climate-related risks and opportunities extends to RACV’s Chief Financial Officer (CFO), Executive General Manager of Corporate & Member Services (EGM – CMS), and the RACV Executive Leadership Team (ELT).
Chief Financial Officer (CFO)	Has overall responsibility for the delivery and assurance of the Sustainability Report. The CFO also ensures that there is sufficient capital allocation to deliver climate-related projects and targets.
Executive General Manager – Corporate & Member Services (EGM – CMS)	The main office holder responsible for the management of climate-related risks. They have overall responsibility for the RACV Risk Management Framework, which includes climate-related risks. They are also accountable for RACV’s Sustainability Statement, providing executive oversight of RACV’s sustainability plan, supporting projects and initiatives, and related targets and KPIs.
Executive Leadership Team (ELT)	Collectively are responsible for defining and endorsing sustainability objectives, targets and initiatives for RACV, including remediation approach for climate-related risks and identification, and the identification and prioritisation of climate-related opportunities that align with RACV’s Sustainability Statement. This responsibility has been formalised in the Leadership Team Charter. Responsibility for reporting on climate-related risks and opportunities and sustainability also forms part of Board reporting. Further details including delegations can be found in Appendix 4.

Delivery Functions

The following two support functions contribute key components to the delivery of the Sustainability Report.

Sustainability & Integrations (CFO Division)	Reporting directly to the CFO, the Head of Sustainability & Integrations is responsible for producing the annual Sustainability Report, coordinating and collating all inputs required across RACV Group. The S&I team also supports the administration of the climate-related opportunities framework and maintenance of the Sustainability Statement.
Risk & Compliance (CMS Division)	Reporting directly to the EGM – CMS, the General Manager of Risk & Compliance is responsible for the co-ordination of climate-related risk assessments, their integration with the Risk Management Framework and reporting to the GRMC.

Directors Declaration



DIRECTORS DECLARATION

In the opinion of the directors of RACV (the Company), I state that the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the Company and its wholly owned subsidiaries (collectively the Group) for the year ended 30 June 2026, are in accordance with the *Corporations Act 2001*, including:

- a) Complying with Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* and any further requirements determined under section 296C(2) of the *Corporations Act 2001*; and
- b) Containing the climate statement disclosures required by section 296D of the *Corporations Act 2001*.

Made in accordance with a resolution of the directors of RACV pursuant to section 296A(6) of the *Corporations Act 2001*, as modified by section 1707C(2) of the *Corporations Act 2001*.

On behalf of the board

A handwritten signature in black ink, appearing to read 'GR', followed by a long horizontal stroke.

Greg Robinson
Chairman
9 September 2026

Assurance Statement





Shape the future
with confidence

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Independent Auditor's Review Report to the Members of Royal Automobile Club of Victoria (RACV) Limited

Conclusion

We have conducted a review of the following information in the Climate-Related Sustainability Report 2025-26 (the "Sustainability Report") of Royal Automobile Club of Victoria (RACV) Limited ("the Company" or "RACV") for the year ended 30 June 2026 (the 'selective sustainability information') as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Selective sustainability information	Criteria: Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Pages 34 to 36; Pages 48 to 50
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Paragraphs 2, 4 and 5 on page 7; Pages 10 to 14
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Paragraphs 4 and 5 on page 3; Pages 23 to 25; Page 46

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective sustainability information and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the selective sustainability information specified in the table above does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the selective sustainability information is free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the Work performed* section of our report.



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Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

We are independent of RACV in accordance with the auditor independence requirements of the Act and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code) that are relevant to our review of the selective sustainability information in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

Comparative information was not subject to an assurance engagement in the prior period. In connection with our review on the selective sustainability information, our responsibility is to determine whether the comparative information is appropriately presented, by evaluating its consistency with the disclosures presented in the prior period and the consistency of the criteria with the criteria applied in the current period. Our conclusion is not modified in respect of this matter.

Other information

The directors of the Company are responsible for the other information. The other information comprises the Financial Report and the Sustainability Report, but does not include the selective sustainability information and our review report thereon.

Our conclusion on the selective sustainability information does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our review of the selective sustainability information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the selective sustainability information, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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Responsibilities for the selective sustainability information

The directors of the Company are responsible for:

- The preparation of the selective sustainability information in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.

Inherent limitations

As discussed on page 17 of the Sustainability Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Sustainability Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not yet occurred and may never occur. We do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

Auditor's responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the selective sustainability information, defined in the *Conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, the procedures we performed included, but were not limited to:

- Considered the completeness of RACV assessment of climate-related risks and opportunities
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period
- Read minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures
- Assessed the appropriateness of the reporting boundaries applied
- Undertook analytical review procedures to support the reasonableness of the selective sustainability information
- Evaluated the appropriateness of emission factors applied in the greenhouse gas emission processes
- Agreed the selective sustainability information disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the selective sustainability information against the requirements of AASB S2
- Evaluated the appropriateness of the methodology used by the company for calculating greenhouse gas emissions.

Ernst & Young

Jacob Gossan
Partner
Melbourne
9 September 2026

Appendix



Appendix 1. External Data Sources

The following external data sources informed RACV’s assessment of climate-related risk and scenario analysis:

- ADAC, *Pannenstatistik 2025*, April 2025.
- AEMO, *Electric Vehicle Projections 2024*, 2024.
- Agero, *2023 Roadside Assistance Benchmark Research*, 2023.
- APRA, *Climate Risk Self-Assessment Survey 2024*, 2023.
- APRA, *Insurance Climate Vulnerability Assessment*, December 2024.
- APRA, *Mind the Gap: An Insurance Climate Vulnerability Assessment*, 2026.
- ASIC, *Regulatory Guide 280: Sustainability Reporting*, March 2025.
- ASIC v LGSS [2025] FCA 205.
- ASIC v Mercer [2024] FCA 850.
- ASIC v Vanguard [2024] FCA 1086.
- AASB, *AASB S2 Climate-related Disclosures*, September 2024.
- Climate Council, *At Our Front Door*, 2025.
- Climate Council, *Uninsurable Nation*, 2022.
- CBRE Hotels, *Trends in Fixed vs. Variable Cost Analysis*, 2022.
- DCCEEW, *National Climate Risk Assessment 2024*, September 2024.
- Deloitte Access Economics & NSW Reconstruction Authority, *Northern Rivers Economic Profile and Natural Hazard Impact Report*, 2025.
- Insurance Council of Australia & Deloitte, *CAT221 Catastrophe Preparedness Review*, October 2023.
- Natural Hazards Research Australia, *Understanding the Black Summer Bushfires Through Research*, 2023.
- Paddam, S, Lui, C & Philip, S, *Home Insurance Affordability and Home Loans at Risk*, Actuaries Institute, 2024.
- Prostay, *Hotel Fixed and Variable Costs: Complete Management Guide*, 2026.
- Queensland Reconstruction Authority, *2025 Tropical Cyclone Alfred – Recovery Operation*, 2025.
- Reiner, V et al., 'Wish you were here?', *Economics of Disasters and Climate Change*, 2024.
- S&P Global Sustainable, *Climanomics® Platform*, February 2026.
- Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024 (Cth).

Appendix 2. Data Gaps, Estimates and Assumptions

This Sustainability Report has been prepared with the following methodology, emission factors, data gaps, estimations and assumptions across various subjects.

Emissions factors prescribed by the NGER Measurement Determination have been used throughout. Greenhouse gas emissions are calculated by applying the relevant emissions factors to activity data.

The following are data gaps that currently exist within the emissions calculation process. Estimates have been created where appropriate to address gaps:

1. Nationwide (NWG) related fuel emissions

a) NWG owner driver tow truck fuel consumption is not directly available. Emissions from fuel are estimated using mileage-based calculations. Mileage data is derived from driver safety systems installed in trucks and vans, and multiplied by an expected fuel consumption based on conservative values derived from the National Heavy Vehicle Regulator (NHVR) freight pass. Emissions factors from the NGER Measurement Determination are then used to calculate emissions.

- The driver safety system uses GPS to track mileage within the tow truck cohort, and has an accuracy of +/- 5%.
- Where data appeared to be an outlier, an average of estimated mileage was used as to not overstate emissions.

b) For NWG owner driver roadside assist vans, fuel consumption and resulting emissions have been based on applying the actual average fuel litre per job of company owned vans, multiplied by the number of jobs completed during the year by owner-driver vans.

2. A small amount of motor vehicle fuel (approximately 1% of total fuel usage) is distributed to RACV resorts and utilised for facility maintenance vehicles. Vehicle type in which the fuel is consumed is not currently tracked and hence RACV has applied the cars and light commercial vehicles emission factors for the respective fuel type.

3. Due to data lag times and availability, RACV's

Scope 1, and 2 emissions inventories have been prepared with 11 months of actual data and 1 month of forecast data.

- For electricity, Natural gas and LPG consumption, forecasts are based on prior year invoicing. 11 months of actual data has been prioritised, however some consumption forecasts include additional months.
- For fuel consumption, forecast methodologies vary depending on the fuel use. For models and estimates, a full list of forecast methodologies can be found within the relevant basis of preparation. For fuel card fuel consumptions, forecasts have been calculated based on YTD results, using FY25 seasonality to forecast June data.

4. Where vehicle type is not known, a conservative combined emissions factor for the appropriate fuel type has been utilised.

5. NWG roadside assist services delivered for other non-RACV Automobile Clubs fall under the operational control of those clubs and have been excluded from RACV's Scope 1 emissions footprint.

6. Internal RACV calculations are used to convert emissions data to the equivalent annual emissions from households in amount of carbon dioxide (t CO₂-e). These calculations utilise data from the ABS and DEECA. Equivalency metrics for vehicles are sourced from: [Greenhouse Gas Equivalencies Calculator | US EPA](#)

Full sets of assumptions related to RACV's emissions inventories can be provided by RACV Corporate Governance on request.

The following are data gaps, limitations and estimates relating to the Risk Assessment and quantification process:

1. The Climonomics tool used in the risk assessment is based on global data models, which are applied at a local level using longitude and latitude information. While this approach enables location-specific analysis, it may limit the precision of assessments at individual sites. In particular, flooding data represents an area where increased model granularity could improve the accuracy of future assessments.

Appendix 3. RACV Risk Types and Definitions

Near-term Risks – Risks which could impact delivery of RACV’s 3 year plan	
Operational failure risk	Focus on resilience against serious business or service disruption, damage to assets, property or reputation, weakness in systems, technology, infrastructure, processes or capability
Conduct and compliance risk	Focus on complying with the law and ensuring that the conduct of its people and those who represent them is ethical and in alignment with RACV’s Code of Conduct and values.
Health, safety and wellbeing risk	Focus on maintaining a safe workplace, promoting an effective safety culture and addressing potential and actual harm to members, customers, its people, and the public.
Cyber and data risk	Focus on maintaining strong system defences, safeguarding privacy, data confidentiality, integrity, and availability, and ensuring service resilience.
Strategic initiatives risk	Focus on enabling strategy execution, supporting innovation, and delivering long-term value to members and customers through strategic initiatives whilst containing the disruptive consequences of change.
Environment and Climate Change risk	Focus on ensuring RACV achieves its climate and environment objectives, manages its impact on the environment and climate, and pursues opportunities that arise from climate change.
Third parties risk	Focus on the quality and sustainability of business relationships and limiting the introduction of undesirable risk by third parties
Longer-term Risks – Risks which could impact RACV’s long term future	
Strategy realisation risk	Focus on understanding the evolving competitive landscape and emerging strategic threats and opportunities.
IAG relationship risk	Focus on a continuing close and mutually enriching relationship.
Culture Risk	Focus on continuing workforce engagement and adherence to RACV values.
Future workforce risk	Focus on understanding evolving workforce dynamics and ensuring RACV’s workforce model remains fit for purpose.
Disruption from major shifts in emerging technology	Focus on keeping pace with the latest innovations, recognising that failure to do so could pose a significant threat to RACV’s business, while effectively managing the risks, ethical considerations and workforce impacts associated with rapid technological evolution.

Appendix 4. Climate-Related Management Roles & Responsibilities

Executive Team	Overall role in climate-related risks and opportunities.	Any delegations to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.	Controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.
Managing Director and Chief Executive Officer (MD and CEO)	Ultimate responsibility for climate-related matters.	Support provided by CFO, EGM – Corporate & Member Services (CMS) and wider RACV Executive Leadership Team (ELT).	Climate-related risks are managed through the RACV Risk Management Framework, while climate-related opportunities are managed through the Climate-Related Opportunities Framework (CROF) and Guidelines, operating within existing governance structures (Board, ACC, GRMC and ELT).
Chief Financial Officer (CFO)	Overall responsibility for the delivery of the annual Sustainability Report. Oversees compliance with ASRS reporting and assurance requirements. Responsible for ensuring there is sufficient capital set aside to deliver projects designed to achieve any climate-related targets set.	Head of Sustainability & Integrations, who reports directly to the CFO, has been delegated the responsibility of producing the annual Sustainability Report including co-ordination of all required inputs across the RACV Group and associated businesses. The CFO and Head of Sustainability & Integrations meet regularly throughout the year, and progress updates are provided on the Sustainability Report as appropriate, including any issues or concerns that needs to be addressed. Preparation timelines for the Sustainability Report are aligned with the annual financial accounts, with standard updates to the ACC. These act as further controls to ensure the Sustainability Report remains on track.	The CFO is responsible for RACV's annual capital and budget planning process. Oversight of this process and the final budget enables identification of any misalignment between capital funding approved with agreed sustainability initiatives and targets. The CFO is supported in this process by the Business Insights function within the CFO division, who execute and manage the annual capital and budget planning process. The preparation calendar for the Sustainability Report is managed by the Sustainability & Integrations team and integrated into the team's standard operating rhythm.
EGM – Corporate & Member Services (EGM – CMS)	Overall responsibility for development, management and oversight of the RACV Risk Management Framework, which includes climate-related risks. Responsibility for ongoing management of sustainability and environmental implementation of strategy, which encompasses executive oversight of the climate-related opportunities management framework and RACV's sustainability statement	General Manager – Risk & Compliance (GM – R&C) has been delegated the responsibility for executing RACV's Risk Management Framework, which includes the identification, assessment and monitoring of climate-related risks, and facilitating its application at all levels of the business. Oversight is provided as part of business-as-usual (BAU) interactions and meetings between General Manager – Risk & Compliance and EGM – CMS throughout the year, including preparations of risk updates to the GRMC. The Head of Sustainability & Integrations supports the EGM – CMS by managing the climate-related opportunities framework which includes administration of climate-related opportunities, managing the annual review cycle of the Sustainability Statement and all updates to the GRMC as required	Climate-related risks are embedded as part of the Risk Management Framework, leveraging existing risk management processes and systems. Climate-related risks are included in the business risk registers, reviewed as part of the R standard bi-annual risk assessment cycles, and are reported as part of standing agenda risk updates at each GRMC meetings, and at key RACV ELT operational meetings. Oversight of the Risk Management Framework allows the EGM-CMS to ensure that all categories of risk, including climate-related are actively considered as part of BAU risk management activities. There is a dedicated Climate Risk and Opportunities Information Centre SharePoint site that is managed by the Risk & Compliance function, that provides all necessary guidelines and supporting documents for managing RACV's climate-related risks and opportunities. The EGM – CMS and the Head of Sustainability & Integrations meet regularly to provide oversight on upcoming activities and updates required for the GRMC and the ELT for climate-related opportunities and the Sustainability Statement.

Appendix 4. Climate-Related Management Roles & Responsibilities
continued

Executive Team	Overall role in climate-related risks and opportunities	Any delegations to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.	Controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.
RACV Executive Leadership Team (ELT) – (includes CEO, CFO and EGM – CMS)	Responsible for defining and agreeing on sustainability targets and objectives for RACV, including remediation approach for climate-related risks and identification, and prioritisation of initiatives to realise climate-related opportunities.	Departmental General Managers across RACV are delegated the responsibility of identifying areas of their operations and value chains with exposure to climate-related risk or opportunity, assessing potential impacts and exploring mitigants or actions to address these. Oversight of the risk management responsibilities is exercised through the RACV Risk Management Framework and the bi-annual Risk and Controls Self Assessment process. For any climate-related opportunities that has been delegated to them for management, oversight is exercise through check – in and progress meetings with their respective EGMs. General Manager – Program Management has the delegation to oversee any major, enterprise-wide projects and initiatives to address climate-related risks or realise opportunities. Oversight of the Program Management function is exercised through the Initiatives Governance Framework, which is a structured governance model that ensures RACV focuses on and successfully delivers priority initiatives.	Management of climate-related risks are fully embedded into the RACV Risk Management Framework. They are recorded in their respective business division risk registers on Risk Hub and are part of the standard bi-annual Risk and Controls Self Assessment process. This process reviews and/ or updates existing risks and identifies new items. Risk champions from each division manage the process for their functions. Risk owners (who can be General Managers or EGMs) are required to review and approve any changes including new risk items before they are finalised in the risk registers. Climate-related opportunities identified are managed separately from risks. The ELT drives the identification, prioritisation and management of climate-related opportunities. Oversight of the ELT’s responsibilities are exercised through ELT meetings that includes the CEO and MD, where climate-related agenda items are discussed as required throughout the year.

Appendix 5. Key Artefacts

Board Level Artefacts	
RACV Board Charter	Describes the RACV Board’s role in considering climate-related risks and opportunities and their impacts to the business’ overall strategy and decision making. The Charter is reviewed and updated as required.
Corporate Governance Statement	This outlines RACV’s principal corporate governance practices and policies, which has been updated to include more information on where climate-related oversight will be incorporated across the RACV governance landscape.
Board Skills Matrix	This matrix includes “climate-related risk management and strategy” as a Governance competency. Directors complete the self-assessment, with results reviewed by the Appointment and Remuneration Committee and the Board. Any material capability gaps are addressed through training and/or educational sessions and/or Board recruitment processes. Board education sessions are overseen by the Governance and Risk Management Committee which recommends Board education sessions for discussion and approval by the Board.
Annual Work Plan	The Board’s annual work plan, managed by the Corporate Governance team, sets the meeting schedule and presentations for the calendar year. Updates from the Audit and Compliance Committee and the Governance and Risk Management Committee are standing agenda items. These committees meet at least three times each year, providing updates on assurance activities and oversight of climate-related risks, opportunities and strategy at least once per annum.
Committee Level Artefacts	
Audit and Compliance Committee (ACC) Charter	Describes the ACC’s role in overseeing the assurance of the RACV’s climate-related disclosures.
Governance and Risk Management Committee (GRMC) Charter	Describes the GRMC’s role in overseeing sustainability reporting and enterprise risk management more broadly. Responsibilities relating specifically to RACV’s Sustainability Statement and climate-related risks and opportunities are reflected in Board artefacts and internal operational documents: Climate-Related Governance Overview and Climate-Related Opportunities Management Framework.
Management Level Artefacts	
ELT Charters	Describes the ELT’s role in supporting RACV’s climate-related risks and opportunities obligations
Climate-related opportunities framework and guidelines	Supports the ELT in the identification, assessment, prioritisation and management of climate-related opportunities

