



## RACV RISK APPETITE STATEMENT

As a membership organisation, RACV is committed to returning value to our members. We do this by providing quality products and services which reflect the needs of members and providing access to a range of benefits which offer year round value. We also recognise that we are responsible for the sustainability of the organisation and must therefore safeguard the assets of our members for the long term. RACV accepts that a degree of risk is inherent across our diverse business operations; however we will implement strategies to mitigate risks to a level consistent with our risk appetite.

Category	Risk Appetite
Financial	<p>RACV has a low tolerance for any activities that could materially damage our financial position. RACV does accept however, that we may occasionally experience a financial loss of up to \$10m at an operating level on a single activity, venture or project.</p> <p>RACV does not expect to make a loss in any year.</p>
Investment	<p>In relation to our investment portfolio, RACV has adopted the following specific risk targets to limit negative returns over the investment cycle:</p> <ul style="list-style-type: none"> <li>To limit the probability of achieving a negative return over moving one year periods to one year in five.</li> <li>To limit the expected loss in a 'poor year' to not greater than 10% (RACV expects a 'poor year' to occur 1 in every 20 years).</li> </ul>
Brand and Reputation	<p>RACV is proud of our standing in the community and we have a very low tolerance for any activities that could materially damage our brand or reputation. RACV accepts that we may periodically have temporary negative publicity.</p>
Health and Safety	<p>RACV is committed to the health and safety of employees and anyone who works within or visits our sites and as such will take all reasonable measures to ensure the safety of our members, customers and staff.</p>
Legal and Regulatory	<p>RACV has a low tolerance for any non-compliance with regulatory requirements, internal fraud, collusion and/or theft, and is committed to maintaining the strong control processes currently in place.</p>
Political	<p>RACV will remain apolitical.</p>
Information	<p>RACV respects the privacy of our members and customers, and will take all reasonable steps to safeguard their information. As such RACV has a very low tolerance to information/data security breaches.</p>
Service Delivery	<p>RACV is committed to providing a high standard of service to our members and customers and has a low tolerance to events that result in negative impacts to significant numbers of members or customers for prolonged periods. We have a moderate tolerance to short term negative impacts arising from unexpected peak loads including the performance of external service providers.</p>
Project Delivery	<p>RACV fosters an environment of continuous improvement and has a moderate appetite in terms of the operational risks associated with the implementation of change and key strategic plans. RACV expects projects to be well planned and delivered in a professional and structured way.</p>