

Annual Sustainability Report

2025-2026

For the year ended 30 June 2026

RACWA Holdings Pty Ltd
ABN 60 008 985 877



About RAC

At RAC, our purpose is clear: to be the driving force for a better Western Australia (“WA”). In addition to making WA a better place, RAC provides a range of important services to members including Roadside Assistance, Insurance, Travel, Tourism, Finance, Auto Services, Batteries, Tyres, and Security. Since our foundation in 1905, we have worked alongside government, industry, our members, and the broader community to champion change and create a safer, sustainable, and connected future for Western Australians - this inaugural Sustainability Report marks a significant milestone in that journey.

About this report

This Sustainability Report of RACWA Holdings Pty Ltd and the entities it controls (“RAC” or the “Group”) has been prepared in accordance with the Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* (“AASB S2”) that has been issued by the Australian Accounting Standards Board (“AASB”) and the *Corporations Act 2001*. This report has been prepared for a consistent reporting period, and for the same reporting entities as RAC.

References to the ‘reporting period’ and ‘current year’ refer to the year commencing 1 July 2025 to 30 June 2026. The climate-related financial disclosures are presented in Australian dollars, consistent with the presentation currency used in the Group’s consolidated financial statements.

This report was authorised for issue in accordance with a resolution of the directors on 7 September 2026.

Transitional Relief

As this is RAC’s first Sustainability Report, we have elected to apply the following transitional reliefs for the first annual reporting period:

- Not to disclose comparative information in this report; and
- Not to disclose Scope 3 greenhouse gas (“GHG”) emissions.

Limitations, estimates, and assumptions

Scenario Analysis and Assumptions

Scenario analysis has inherent limitations and does not predict definitive outcomes or probabilities. These scenarios rely on assumptions that may prove inaccurate or fail to materialise, and they can be influenced by factors beyond those disclosed.

Forward-Looking Statements

Forward-looking metrics, projections, and targets in this report involve uncertainty and may be influenced by factors outside RAC’s control. These statements are based on assumptions, estimates, and judgments that carry inherent risks. Actual outcomes may differ significantly from those anticipated. These disclosures are based on the facts and circumstances that currently apply to us. We have disclosed significant assumptions, including significant areas of uncertainty.

Governance

The RACWA Holdings Pty Ltd Board (“Board”) maintains ultimate responsibility for the governance and oversight of climate-related matters, supported by governing and management bodies that contribute specialist guidance and operational oversight across the Group. Due to the materiality of RAC Insurance Pty Ltd (“RAC Insurance”) operations and potential climate-related risk and opportunity exposure, the Board may draw on the expertise and insights of the RAC Insurance Board (“IB”) when considering insurance-related climate-related risk and opportunity matters. The IB supports the Board by providing information required for regulatory compliance and consolidated Group reporting, enabling the Board to consider insurance-related climate matters as part of its overall oversight responsibilities.

For climate-related matters, the Board is supported by the Group Audit and Risk Committee (“GARC”) who are responsible for assisting the Board to fulfill its duties relating to climate-related governance and management. During the reporting period, RAC undertook a review of its sustainability governance and management arrangements and established the Executive Sustainability Advisory (“ESA”) in March 2026 and Sustainability Working Group (“SWG”) in June 2026. Going forward, these groups will strengthen management-level oversight and support the Board and GARC’s governance of climate-related matters.

The diagram below (Figure 1) illustrates our climate-related governance and management structure:

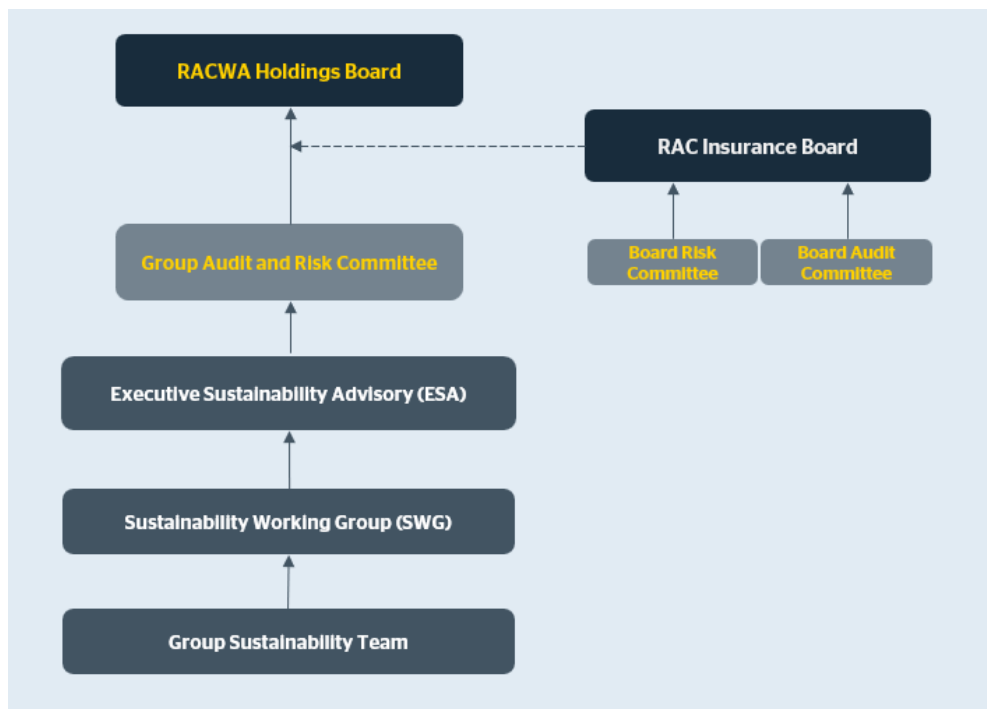


Figure 1: RAC's climate-related governance and management structure

Roles and responsibilities

RACWA Holdings Board

As detailed in its charter, the Board is responsible for overseeing RAC's business, governance, risk management (including climate-related risks and opportunities), sustainability reporting, and financial performance. The Board oversees the identification and management of climate-related matters, including risks and opportunities, which includes receiving regular updates in session or via briefing papers on associated risks, emerging trends, and potential financial implications. In the reporting period, the Board received updates on climate risk-related matters in September and May, as detailed in Table 1 below.

The Board discusses a range of climate-related topics over which they have oversight, including requirements under AASB S2 and the climate-related risks and opportunities. Table 1 captures climate-related matters reported or discussed at Board meetings in the reporting period. The outcomes of our current risk management process review will inform how frequently the Board receives updates on climate-related matters in future reporting periods.

Table 1: RACWA Holdings Board meetings with climate-related agenda items

Agenda Item	Meetings with climate-related agenda items					
	July - Aug 25	Sept - Oct 25	Nov - Dec 25	Jan - Feb 26	Mar - April 26	May - June 26
AASB S2 Reporting Update	•		•			•
Climate Risk-related Update		•				•
Strategy Update						•

In addition, a number of committees (as disclosed below) are in place to assist the Board to discharge its responsibilities and to support effective governance, oversight, and management of climate-related risks and opportunities. The roles and responsibilities of each committee are set out in the respective committee terms of reference or committee charter, which are regularly reviewed.

Group Audit and Risk Committee ("GARC")

The purpose of GARC is to assist the Board in fulfilling their responsibilities relating to the integrity of financial reporting and compliance processes. Meeting at least quarterly, GARC oversee the effectiveness of RAC's risk management, audit, compliance, and financial and sustainability management and reporting frameworks. This includes oversight of emerging and strategic risks (including climate-related risks and opportunities), internal and external audit processes, reporting, and compliance with legal and regulatory obligations including AASB S2.

RAC Insurance Board (“IB”), Board Audit Committee (“BAC”), and Board Risk Committee (“BRC”)

The IB is responsible for the overall governance, strategic direction, and performance of RAC Insurance, ensuring compliance with obligations to policyholders and all legal and regulatory requirements. This includes overseeing financial and operational performance, and providing information required for consolidated regulatory reporting for the Group, including reporting under AASB S2 and climate-related risks and opportunities. IB is supported by both BAC and BRC to fulfil its duties through providing oversight and recommendations across audit, reporting, and risk management. The BAC makes recommendations regarding AASB S2 reporting requirements to IB, and BRC oversees and recommends items relating to the operation and adequacy of risk management processes, including climate-related risks. In the reporting period, BAC was informed on climate-related matters twice. The appropriate reporting frequency to these committees is to be defined.

Climate-related skills, experience, and training

For our Board members, we utilise a self-assessed skills matrix to identify and maintain the core competencies needed to oversee both current and emerging issues, including environmental and social responsibility. The skills matrix currently references climate change, but does not specifically refer to climate-related risks and opportunities. The matrix is to be expanded to include climate-related matters in future reporting periods. Self-assessments are typically completed during the appointment process to ensure the competencies are considered in the context of our strategic priorities and the external environment in which we operate. Where specialist expertise or professional development is required, the Board, committees, and other personnel have access to internal subject matter experts and external advisors to ensure the Board remains equipped to discharge their responsibilities. In December 2024, external experts were brought in to conduct Board training on the new reporting requirements. As no climate-related training was conducted during the reporting period, a Director’s professional development program is planned to be implemented, which will cover a range of topics including climate-related matters. In the upcoming year, the ESA will complete education sessions on climate specific topics, strengthening their understanding and management of climate-related matters.

Executive remuneration

No portion of executive remuneration or Key Performance Indicators were linked to climate-related considerations in the current period.

Management responsibilities

The Board delegate day-to-day responsibilities for managing climate-related risks and opportunities to the appropriate level of management for oversight and action, while retaining ultimate accountability for the oversight of climate-related risks and opportunities. During the reporting period, we reviewed our sustainability governance arrangements to ensure roles, accountabilities, and decision-making pathways were clearly defined. This review resulted in the establishment of the ESA in March 2026 and the SWG in June 2026 to provide formal management level oversight of

climate-related risks and opportunities. The establishment of the ESA and SWG formalises management oversight arrangements that were previously undertaken through existing governance processes and the Climate Working Group (“CWG”).

The CWG was established in February 2025 and was comprised of representatives from across RAC, including RAC Insurance, and was responsible for the identification of climate-related risks and opportunities. The CWG was responsible for determining the methodology, identification, and prioritisation of climate-related risks and opportunities, however it was a standalone body that did not formally integrate with other internal functions. As such, the preferred scenarios and time horizons used in our climate assessment followed our governance structure, and were endorsed by GARC and approved by Board in the reporting period.

Executive Sustainability Advisory (“ESA”)

The ESA is responsible for providing operational strategic direction and resourcing to manage climate-related risks and opportunities. The ESA represents all subsidiaries of RAC, including RAC Insurance, and provides management level direction on the approach to sustainability and climate-related matters. The ESA consists of all of RAC’s Group Executives and meets on a quarterly basis or more frequently as required.

Sustainability Working Group (“SWG”)

The SWG is a management level committee comprising of representatives across RAC, including RAC Insurance, and meets on a quarterly basis or as required. The SWG supports the development of sustainability activities, including the identification and management of climate-related risks and opportunities, and the implementation of any future strategy that is to be developed.

The ESA and SWG are supported by our business units, our Group Sustainability team, and external subject matter experts, who provide technical expertise and support the delivery of climate-related activities.

Governance of climate strategy, targets, and controls

Our Strategy Statement is ‘creating sustainable value for current and future members’. Our strategic processes are embedded into our quarterly business planning cycle and the development of each business’ plan. Our strategy is ultimately approved by the Board, which is responsible for oversight of climate-related risks and opportunities. As a result of changes made during the reporting period, climate-related considerations are now embedded within RAC’s investment and planning artefacts. These artefacts are now considered by the RAC Executive team as part of investment decision-making and approval processes, ensuring that in future reporting periods, climate-related risks and opportunities will be appropriately considered before progressing through portfolio governance and delivery forums. Initiatives will be considered through the quarterly planning cycle and prioritised accordingly. Delivery, funding, and resourcing, are now monitored through ongoing portfolio governance forums to ensure alignment with organisational priorities and the effective delivery of our strategic objectives. As updates were made to the planning artefacts in the reporting period, climate-related risks and opportunities were not formally considered in any major transactions.

As the climate-related risks and opportunities were identified during the reporting period, associated trade-offs are still to be considered and embedded into the wider risk management practices and processes, which will include identification and formalisation of supporting controls.

The Risk Management Framework (“RMF”), overseen by GARC and Board, describes our strategy to manage the risks we face in achieving our corporate business objectives. Our RMF is currently being reviewed and uplifted, and will include sustainability coverage and incorporate climate-related risks and opportunities in the next reporting period. While not explicitly linked to the climate-related risks and opportunities, climate risk is a consideration and a causal factor for a number of operational risks.

Following Board approval in the reporting period, work has commenced to develop a Climate Transition Plan (“CTP”). The CTP is expected to outline our approach to identifying, assessing, and managing climate-related risks and opportunities over time. This will include governance arrangements, defined roles and responsibilities, accountability mechanisms, and possible transition pathways, as well as how climate-related considerations may be further incorporated into business planning, decision-making, and capital allocation, including across the value chain where relevant. The CTP is also expected to consider trade-offs between climate-related risks and broader business requirements. The development of a CTP is one of our strategic projects supporting RAC’s 2030 Group Strategy. The Board has ultimate responsibility for the strategic direction of RAC, and approving any future climate-related strategy or targets we may set. As no climate-related targets were in place during the reporting period, Board oversight has not been required to date.

The SWG will be directly involved in the CTP’s development, supporting the identification of decarbonisation actions and the management of climate-related risks and opportunities. Approval to implement the CTP will follow our Sustainability Governance Structure, progressing from the ESA through GARC to Board, with relevant RAC Insurance matters considered by IB, BAC, and BRC. Once developed, the ESA will provide oversight, guide prioritisation, and ensure there are adequate resources allocated to support its implementation.

Strategy

Introduction to climate-related risks and opportunities

Climate-related risks and opportunities are the potential impacts – both adverse and beneficial – that climate change can have on our operations, financial performance, and long term resilience.

Time horizons

We aligned our climate assessment and scenario analysis horizons with existing strategic and operational planning cycles, with the approach reflecting common planning practices: the short term (0-3 years) aligns with budget cycles and near-term priorities, the medium term (4-9 years) corresponds to strategic refresh periods, and the long term (10-25 years) captures major infrastructure investments, long term insurance exposures, and alignment with national and global climate objectives.

Climate-related risks and opportunities impacting the business

Refer to the risk management section of this report for details of the process followed in the identification of the climate-related risks and opportunities. The tables below outline our climate-related risks and opportunities, their potential impacts on our business model and value chain, and the activities that contribute to their management. Climate-related matters are generally managed through existing operational risk and business management processes, rather than as standalone climate-related risks and opportunities. Accordingly, the mitigation and adaptation activities described below reflect existing business operations and practices and were not introduced specifically in response to the identified climate-related risks and opportunities.

Climate-related initiatives are identified, resourced, and funded through our existing business planning, budgeting, and portfolio governance processes.

Climate-related risks

Acute physical risk	Insurance and Actuarial Challenges Arising from Increasing Frequency and Severity of Natural Disasters
Risk description	The increasing frequency and severity of natural disasters continues to challenge our insurance operations by driving higher premiums, escalating reinsurance costs, and placing pressure on our pricing models. These impacts may affect our profitability and overall risk management. Climate-driven changes in insurability and affordability also pose significant risks to our insurance market, profitability, and reputation.
Time horizons(s) impacted	Short Medium Long
Entities impacted	RAC Insurance Pty Ltd
Parts of the value chain impacted	• Own operations: Product and Pricing, Underwriting and Claims Management • Upstream value chain: Reinsurers • Downstream value chain: Members and customers
Potential impact to value chain	Own operations: Product and Pricing, Underwriting and Claims Management • Increased claims cost due to severity and frequency of natural disasters which cannot be passed on to members. • Challenges in actuarial pricing and reserving due to greater uncertainty in claims experience. • Increased capital requirements due to greater uncertainty in claims experience. • Increased labour costs and employee workload following natural disasters (e.g. claims handling, member support, service providers). Upstream value chain: Reinsurers • Reduced availability and increased of reinsurance for high-risk perils or geographic areas, increasing RAC's exposure to losses arising from natural disasters. • Increased insurance claims costs due to rising number of claims. Downstream value chain: Members and customers • Higher insurance premiums and affordability pressures for members due to increasing reinsurance costs. • Reduced number of policies due to growing premiums from higher costs and insurance unaffordability. • Reduced availability of insurance for some members in high-risk areas. • Reduced member satisfaction due to price increases or claims-handling pressures.
Mitigation and adaptation efforts	Risk assessment tools, including catastrophe modelling, underwriting parameters, and reinsurance options, are used to manage exposure to the increasing frequency and severity of natural disasters.

Acute physical risk	Financial Loss from Severe Weather Events and Increased Damage to RAC Property Assets
Risk description	Climate-driven increases in extreme weather and natural disasters pose direct risks to our properties and operations. These events can lead to financial losses from property damage, higher insurance and maintenance costs, and challenges in maintaining service delivery and overall business viability.
Time horizons(s) impacted	Short Medium Long
Entities impacted	RAC Tourism Assets Pty Ltd, St Ives Group ("St Ives Group" refers to active entities under St Ives Group Pty Ltd, consisting of Blaxland Pty Ltd, Patton Enterprises Pty Ltd, and St Ives Villages Pty Ltd), Corporate Group ("Corporate Group" refers to RACWA Holdings Pty Ltd and RAC Distribution Pty Ltd)
Part of the value chain impacted	• Own operations: Acquisitions and development, and Operations • Upstream value chain: Suppliers • Downstream value chain: Members and customers
Potential impact to value chain	Own operations: Acquisitions and development, and Operations • Business interruption and operational inefficiencies from damage to assets (e.g. buildings, equipment, vehicles, ability to service enquiries). • Loss of asset value (e.g. property, equipment, vehicles) due to write-offs and increase in replacement and repair costs. Upstream value chain: Suppliers • Restricted supplier access to RAC sites during, or following, severe weather may delay services required to support operations. Downstream value chain: Members and customers • Reduced ability to provide services to members and customers where severe weather damages RAC property assets or disrupts operations.
Mitigation and adaptation efforts	Insurance coverage, exposure monitoring, and risk management processes are used when assessing the potential financial impacts associated with severe weather damage to existing assets and acquisition of new assets across the business.

Policy and legal transition risk	Rising Regulatory Pressure, Expectation and Costs
Risk description	Increasing climate-related regulatory requirements, policy developments, and regulatory expectations pose compliance, operational, and strategic challenges. These include mandatory climate-related reporting requirements, evolving Australian Prudential Regulation Authority (“APRA”) expectations relating to the management of climate-related financial risks, and potential government interventions aimed at addressing insurance affordability, insurability, and resilience to natural disasters. These developments may increase compliance, reporting, assurance, and risk management costs, requiring RAC Insurance and the Group to modify governance processes, business practices, and strategic decision-making. For RAC Insurance, climate-related regulatory and policy responses may also affect product design, underwriting practices, reinsurance arrangements, and capital requirements, contributing to increased operating costs and pressure on profitability.
Time horizons(s) impacted	Short Medium Long
Entities impacted	Corporate Group, RAC Insurance Pty Ltd
Parts of the value chain impacted	• Own operations: Group compliance and operational activities, and Insurance underwriting, pricing, and product design
Potential impact to value chain	Own operations: Group compliance and operational activities • Increased compliance, reporting, assurance, and data management costs associated with climate-related regulatory requirements and expectations. • Increased operational costs arising from the implementation of governance, risk management, and reporting processes to support compliance with climate-related regulations and regulatory expectations. • Increased costs associated with adapting business practices, products and services in response to evolving climate-related policy developments and stakeholder expectations. Own operations: Insurance underwriting, pricing, and product design • Increased compliance, governance, and risk management costs associated with climate-related regulatory requirements and APRA expectations relating to climate-related financial risks. • Increased operational and implementation costs associated with changes to underwriting practices, product design, and risk assessment processes in response to climate-related regulatory developments and government interventions. • Reduced pricing flexibility and increased operational complexity arising from regulatory or policy measures aimed at improving insurance affordability and insurability in high-risk areas. • Capital impacts arising from government interventions and resilience arrangements designed to address climate-related insurance affordability and insurability challenges in high-risk areas.
Mitigation and adaptation efforts	Regulatory and emerging risks are integrated into the Group and Insurance Risk and Compliance frameworks and review processes.

Technology and market transition risk	Insurance Pricing and Profitability Challenges
Risk description	We face emerging risks associated with the increasing adoption of electric vehicles (EVs) and new automotive technologies. These include higher claims costs driven by lower salvage values, and more complex and expensive repairs. Limited historical data also makes pricing and underwriting more challenging. Together, these factors may affect our loss ratios and overall profitability, requiring continued improvements in our claims management and pricing strategies.
Time horizons(s) impacted	Short Medium Long
Entities impacted	RAC Insurance Pty Ltd
Parts of the value chain impacted	• Own operations: Insurance underwriting, pricing, and product design
Potential impact to value chain	Own operations: Insurance underwriting, pricing, and product design • Increased claims costs due to lower salvage values and increased repair expenses. • Decreased profits due to challenges in pricing and underwriting due to a lack of historical experience and data.
Mitigation and adaptation efforts	Actuarial pricing models, underwriting controls, and reinsurance strategies are used when assessing profitability impacts associated with changing claims patterns.

Climate-related opportunities

Market opportunity, Products and Services, Resilience	Expansion of Product and Service Offerings
Opportunities description	Changing technologies and customer preferences may create opportunities across home services, motoring, and tourism. These opportunities may arise during the transition to a lower-emissions economy and include home energy solutions such as residential solar, battery storage, and EV charging. Additionally, opportunities may arise from services such as EV battery condition checks that support EV ownership through RAC's Auto Service Centres, and growth in our tourism offerings within WA. By leveraging our existing capabilities, trusted brand, and member relationships, we may strengthen our core businesses while generating new and diversified revenue streams.
Time horizons(s) impacted	Short Medium Long
Entities impacted	Corporate Group, FFD100 Group ("FFD100 Group" refers to BetterLabs Pty Ltd, Heyscape Pty Ltd, PW Willow Pty Ltd, and Strata Town Pty Ltd), RAC Security Services (WA) Pty Ltd, RAC Automotive Services, RAC Tourism Assets Pty Ltd
Parts of the value chain impacted	• Own operations: Product and service development and delivery, Marketing and Sales, Operations, and Investment • Upstream value chain: Suppliers, contractors and service providers • Downstream value chain: Members and customers
Potential impact to value chain	Own operations: Product and service development and delivery, Marketing and Sales, Operations, and Investment • New and expanded revenue streams from climate-related products, services and alternative business offerings. • Increased market presence and competitive advantage through broader climate-related product and service offerings. Upstream value chain: • Access to new products, technologies and supply-chain entrants may broaden RAC's product and service offerings. Downstream value chain: Members and customers • Increased choice and access to products and services that support decisions to reduce emissions, or reduce environmental impacts. • Improved member and customer satisfaction and retention through broader product and service offerings. • Access to discounts or rebates for decisions that reduce emissions, or reduce environmental impacts.
Mitigation and adaptation efforts	Opportunities to strengthen and broaden RAC's portfolio of products and services in relation to low-emissions alternatives are considered.

Financial effects

Climate-related risks and opportunities can affect our financial position, financial performance, and cash flows in the current reporting period (current financial effects) and in future periods (anticipated financial effects). In the current period, we undertook an assessment of the financial impacts of the climate-related risks and opportunities on our business.

Current financial effects

The financial impacts of climate-related risks and opportunities for this reporting period have not materially affected our financial position, financial performance, or cash flows. While not quantitatively material in nature, the acute physical risks identified by two of the five climate-related risks and opportunities were experienced during the reporting period, as a result of two severe weather events: Cyclone Narelle in March 2026, and a major storm in South Western Australia, including the Perth Metropolitan area, in May 2026.

Anticipated financial effects

The anticipated financial effects have been presented primarily on a qualitative basis, informed by a selective quantitative analysis. Not all climate-related risks and opportunities can be expressed quantitatively in financial terms, therefore in some instances qualitative analysis is more appropriate and useful for decision-making. While we undertook qualitative analysis for all climate-related risks and opportunities, we were able to quantify the approximate financial impacts for three. For the remaining two, only qualitative analysis was performed due to the inability to separately identify the financial effects of these climate-related risks and opportunities, as well as there being a high level of measurement uncertainty surrounding the anticipated financial effects, such that the resulting disclosure would not provide useful information.

Over the short, medium, and long term, managing climate-related risks and opportunities has the potential to influence our financial position, financial performance, and cash flows, including changes in operating expenditure, capital expenditure, revenue, and funding requirements. In the short term, our strategy to manage climate-related risks and opportunities is considered and funded through our strategic and financial planning processes, including business planning, budgeting, and forecasting activities, with the outcomes approved by the Board. As the climate-related risks and opportunities were identified during the reporting period, we have not yet considered how our investment and disposal plans will directly support our strategic response to these risks and opportunities. Table 2 includes a descriptive analysis of how we expect each climate-related risk and opportunity to impact our financial position over the short, medium, and long term based on the information available during the reporting period.

Table 2: Financial statement areas impacted, assessment basis, and quantitative impact

Category	Climate-related risk or opportunity	Quantitative or qualitative assessment	Reason for assessment approach	Financial statement areas and categories impacted
Risk	Insurance and Actuarial Challenges arising from increasing frequency and severity of natural disasters	Quantitative	Ability to quantify peril-related claims costs using historical data and external research.	- Insurance revenue - Insurance services expenses - Reinsurance expenses
<i>Anticipated financial effects:</i> Under our anticipated scenario, analysis suggests peril-driven claim losses in the short term of \$700m and medium term of \$2,000m per annum before reinsurance. Short term claims volatility is expected to continue to be influenced by natural variability in weather and peril activity, compounded by the effects of climate change. These impacts are not separately identifiable from other factors, and are driven by more frequent extreme precipitation, doubled bushfire and coastal flood risks, and significant compounding events under the higher emissions scenario. The methodology adopted for analysing the anticipated financial effects of this climate-related risk was a bottom-up approach, based on assumptions of sum insured and expected loss ratio under different climate scenarios and time horizons. It did not consider potential events that are not reasonably expected to occur over the time horizons used. Financial impacts identified are subject to significant uncertainty due to the nature of climate analysis and the influence of future mitigation, adaptation, and exposure changes, and are within the coverage under our current reinsurance strategy. Peril driven claim losses under our anticipated scenario in the long term are subject to more uncertainty and have not been quantified. We expect these to further increase, driven by the same factors described above, with the extent of the increase dependent on other assumptions such as future expected business growth, changing market share, and population growth in WA. The corresponding impact on global reinsurance markets and the increasing costs of reinsurance is uncertain. Financial projections into the long term are inherently subject to more uncertainty and are difficult to anticipate and estimate with a high degree of certainty, therefore we have not disclosed the anticipated financial impact of this risk over the long term.				
Risk	Financial Loss from Severe Weather Events and Increased Damage to RAC Property Assets	Quantitative	- Asset and revenue data is available to support quantification. - External climate data is available to support quantification of climate risks over all time horizons.	- Revenue from contracts with members - Rent and property expenses - Cash flows from investing activities - Investment properties - Property, plant and equipment and Right-of-use assets
<i>Anticipated financial effects:</i> RAC anticipates the frequency and severity of extreme weather events will continue to increase. Under our anticipated scenario, analysis suggests that across all time horizons, the financial impact of severe weather events and increased damage to RAC Property Assets is expected to fall between \$0.3m-\$0.6m per annum before insurance. Assessed at an asset level, the financial impact is expected to arise primarily from surface water flooding and riverine flooding. These costs are driven by increased replacement and repair costs, asset value loss, and disruption to business operations. RAC anticipates there may be disruption to business operations and operational inefficiencies following climate events, leading to revenue loss and potential increases in expenses. Whilst Parks and Resorts assets are more prone to climate risks, projected climate-related financial losses are typically higher for retirement village assets compared to Parks and Resorts and other Group assets due to higher asset values. There may also be increased operating costs to support investment in climate-resilient measures to protect assets and reestablish normal business operations where required.				

Risk	Rising Regulatory Pressure, Expectation and Costs	Qualitative	The financial effects of climate-related regulation are not separately identifiable from other regulatory financial impacts. The resulting quantitative information would not be useful, as there is a high level of measurement uncertainty involved in estimating effects.	- Consulting and legal expenses - Other expenses - Employee benefits expense - Insurance service expense
<i>Anticipated financial effects:</i> No quantitative assessment was undertaken. Using a qualitative assessment, under our anticipated scenario, there may be a negative financial impact across the short, medium, and long term from rising regulatory pressure, expectations and costs, although the regulatory and compliance burden impacts are uncertain and unable to be quantified. It is anticipated this impact is greater in the medium and long term, as regulation of the Insurance sector is expected to increase. The financial effects of government policies will be dependent on the timing, nature, and scope of the regulatory requirements, though RAC anticipates that increasing regulatory demands may impact operating expenses, compliance costs, and capital requirements.				
Risk	Insurance Pricing and Profitability Challenges	Qualitative	Specific data relevant to this risk was unavailable, resulting in a high level of measurement uncertainty. As such, the resulting quantitative information would not be useful.	- Insurance revenue - Insurance service expenses
<i>Anticipated financial effects:</i> No quantitative assessment was undertaken. Using a qualitative assessment, in the short and medium term, RAC anticipates rapid growth of EVs may potentially result in increased expenses, due to lower salvage values and higher repair expenses. Over the long term, there is not expected to be a material change as we strengthen our pricing models and underwriting capabilities to reduce any profit margin impacts.				
Opportunity	Expansion of Product and Service Offerings	Quantitative	- Expected revenue for short-term initiatives is available, but no financial projections are readily available for other future products. - As data relevant to other future products is unavailable, in the medium and long term there is a high level of measurement uncertainty involved in estimating effects, therefore, the resulting quantitative information would not be useful.	- Revenue from contracts with customers - Employee benefits expense - Other expenses - Cash flows from investing activities
<i>Anticipated financial effects:</i> Under our anticipated scenario, in the short term, our business plan includes budgeted revenue of \$0.6m-\$0.9m per annum from Home EV chargers and Home Solar product offerings. Given the higher level of uncertainty around home charger replacement rates, charging technology advancements, and limited internal data beyond the 3-year budget projection, we have not quantified impacts in the medium and long term. In the medium and long term, there may be potential improvement across our businesses as financial benefits of innovative product offerings and sustainable development projects materialise, offering new revenue streams and enhanced profit margins.				

RAC's climate scenario analysis

In assessing the resilience of our strategy and business model, during the reporting period, we undertook climate-related scenario analysis for the physical and transition risks, as well as the opportunities, that could reasonably be expected to affect our prospects. The analysis was based on assumptions reflecting our current operating context, available data, and forward-looking scenario analysis.

In alignment with AASB S2 and the *Corporations Act 2001*, we have assessed climate-related risks and opportunities under two scenarios:

- Low emissions scenario: average global temperature increase limited to 1.5°C above pre-industrial levels; and
- High emissions scenario: average global temperature increase well exceeds 2.0°C above pre-industrial levels.

We selected SSP1-1.9, aligned with a low emissions scenario, and SSP5-8.5, aligned with a high emissions scenario across short, medium, and long term horizons. The scenario descriptions for these are informed by publicly available and internationally recognised climate scenarios, including those published by the Intergovernmental Panel on Climate Change ("IPCC"), the Network for Greening the Financial System ("NGFS"), and the International Energy Agency ("IEA"). These scenarios provided insight into how contrasting transition pathways may affect us, enabling comparison across extremes to capture a broad range of climate-related risks and opportunities. Where sufficient data was available quantitative estimates were developed, otherwise, qualitative assessments were applied to capture strategic relevance.

Low emissions scenario SSP 1-1.9 (warming of 1.0°C to 1.8°C)



Immediate policy action



Lower physical risks from early climate action



Medium transition risks from coordinated policy

SSP1-1.9 describes a scenario where the global community is able to achieve the goals set by the Paris Agreement to limit global warming to well below 2°C and pursue efforts to keep it to 1.5°C. This is achieved through immediate policy action across a global scale and rapid development of negative emission technologies. Under a low emissions scenario, transition risks are greater compared to a higher emissions scenario, and are associated with shifts in policy, regulation, and consumer expectations.

High emissions scenario SSP5-8.5 (warming of 3.3°C to 5.7°C)



Nil to low policy action



Higher physical risks from more frequent and severe weather



Low transition risks from limited mitigation efforts

SSP5-8.5 is a high emission scenario reflecting minimal action to address emissions. This scenario is characterised by limited mitigation efforts and no policy action, leaving emissions unchecked and resulting in higher frequency and severity of weather events, such as storms, droughts, heatwaves,

and rising sea levels. There is high energy demand in this scenario, with continued reliance on fossil fuels. Under a high emissions scenario, physical climate risks are more pronounced due to more frequent and severe natural peril events compared to a low emissions scenario.

Key assumptions used in the climate scenario analysis

Table 3 outlines the key assumptions underlying our selected climate scenarios. The assumptions reflect a diverse set of plausible future climate, policy, economic, energy mix, and technological conditions, and provide the foundation for assessing the resilience of our strategy and business model over the short, medium, and long term.

Scenario analysis involves inherent uncertainty, particularly over longer time horizons, due to limitations in historical data, the complexity of climate systems, and the potential for non-linear climate-related changes. Accordingly, our analysis is not a prediction or forecast, but an exploration of plausible future conditions based on reasonable and supportable inputs at the time of our assessment. These inputs, along with data and methodologies, are expected to be refined over time as information, modelling, and internal capabilities evolve.

Table 3: Key Assumptions in Climate Scenario Analysis

Assumption	Low Emissions Scenario	High Emissions Scenario
Scenario	SSP 1-1.9	SSP 5-8.5
Scenario temperature	Warming of 1.0°C to 1.8°C	Warming of 3.3°C to 5.7°C
Policies	Strong and coordinated climate policy accelerates decarbonisation and supports achievement of Paris Agreement goals.	Limited climate policy and mitigation efforts result in continued emissions growth and fossil fuel dependence.
Macroeconomic trends	Economic growth prioritises sustainability, resource efficiency, and reduced material consumption.	Economic growth prioritises consumption, productivity, and resource-intensive development.
National or regional level variables	Earlier adaptation strengthens infrastructure resilience and limits regional climate and resource pressures.	Greater climate impacts increase infrastructure strain, resource pressures, and regional weather variability.
Energy usage mix	Rapid transition to renewable energy and widespread electrification across the economy.	Continued reliance on fossil fuels with slower transition to low-emissions energy sources.
Developments in technology	Technology deployment accelerates decarbonisation through low-emissions energy, storage, and carbon removal solutions.	Technological progress prioritises economic growth and productivity despite continued fossil fuel dependence.

Climate resilience

We have assessed the climate resilience of our Group strategy and business model, informed by our scenario analysis. Table 4 summarises the outcomes of our scenario analysis, outlining the anticipated change in exposure to each identified climate-related risk or opportunity across the selected scenarios and time horizons.

Based on our assessment, we consider that our current Group strategy and business model remain resilient across a range of plausible climate-related changes and transition pathways, with the capacity to adjust to uncertainties arising from climate-related risks and benefits from climate-related opportunities. We acknowledge that our current assessment of climate resilience is primarily qualitative and therefore subject to a degree of uncertainty. We have developed an initial understanding of climate-related risks and opportunities across our businesses, which will continue to be monitored as they may change over time. Activities such as enhanced scenario analysis, clearer integration with strategic and financial planning processes, and the development of a CTP, are intended to enhance the quality and decision-usefulness of our resilience assessments.

Our approach to capital management provides us with the financial flexibility to respond to unforeseen events including climate-related developments. This includes the ability to reallocate funding across business units, and reprioritise investment through business planning and portfolio governance processes. Capital deployment in response to climate-related risks and opportunities will be considered through the development of a CTP, once strategic responses to the climate-related risks and opportunities and climate-related targets have been determined.

Climate-related opportunities were considered in the development of the latest budget, which has been approved by the Board. Opportunities were incorporated where strategically prioritised, such as investing in home energy solutions, aligned with the opportunity of 'Expansion of product and service offerings'. Further work is to be undertaken to explore the effects of current or planned investments specifically associated to climate related mitigation, adaptation, or opportunities for climate resilience beyond the latest approved budget.

Table 4: RAC's anticipated climate-related risk and opportunity effects under the selected scenarios

Change		Time horizon	
↑	Favourable change: the risk effect reduces or the opportunity benefit increases.	0 – 3 years	Short term
–	No material change: the anticipated effect remains broadly consistent with the original assessment.	4 – 9 years	Medium term
↓	Adverse change: the risk effect increases or the opportunity benefit reduces.	10 – 25 years	Long term

Category	Climate-related risk or opportunity	Low emissions scenario			High emissions scenario		
		Short term	Medium term	Long term	Short term	Medium term	Long term
Risk	Insurance and Actuarial Challenges Arising from Increasing Frequency and Severity of Natural Disasters	–	–	–	–	↓	↓
Under the low emissions scenario, across the short, medium, and long term, there is no significant effect anticipated. Under the high emissions scenario, in the short term there is no significant impact expected, but over the medium and long term, there may be a negative impact. Losses in the long term are driven by the same natural perils as the short term but occurring more frequently. The concentrated geographical coverage of our Insurance offering could make us more vulnerable to increases in the cost of reinsurance. Additionally, the cost of reinsurance is expected to continue to rise, influenced by global reinsurance market shifts and ongoing pressure from rising climate-related claims.							
Risk	Financial Loss from Severe Weather Events and Increased Damage to RAC Property Assets	–	–	–	–	↓	↓
Under the low emissions scenario, there is no anticipated material impact in the short, medium, or long term. Under a high emissions scenario, there is no anticipated impact in the short term, however greater negative impact is expected over the medium and long term, though not expected to be material to the Group after insurance, and is expected to arise predominately from surface water flooding and riverine flooding.							
Risk	Rising Regulatory Pressure, Expectation and Costs	↓	↓	↓	–	↓	↓
Under a low emissions scenario, across the short, medium, and long term, there may be a negative impact as we may face increased operating expenses in response to regulatory pressures and the shift towards a lower carbon economy. Under the high emissions scenario, in the short term there is no change expected, but in the medium and long term, the insurance industry may face a disproportionate increase in regulatory burden, and as future compliance requirements remain uncertain, this may lead to strategic uncertainty and reactive responses required to changing regulation.							

Risk	Insurance Pricing and Profitability Challenges	↓	↓	–	–	–	–
Under a low emissions scenario, in the short and medium term, there may be negative impacts associated with sharp policy action focusing on reducing emissions, and the rapid growth of EVs may potentially result in increased expenses and impact profit margins. Over the long term, there is not expected to be a material change if we strengthen our underwriting capabilities to respond to new technologies in the low carbon market. Under a high emissions scenario, across the short, medium, and long term, analysis suggests slower uptake of EVs would enable RAC to adapt pricing models and underwriting practices that support the gradual incorporation of new technology. Moreover, with little change in the risk exposure of insured assets, in the long term we may be able to optimise actuarial strategies, maintaining greater profit stability.							
Opportunity	Expansion of Product and Service Offerings	–	↑	↑	–	↓	↓
Under a low and high emissions scenario, analysis indicates that in the short term, there is no anticipated material financial effect. Under a low emissions scenario over the medium and long term, analysis suggests there may be potential improvement across our businesses as it is expected that the financial benefits of innovative product offerings and sustainable development projects materialise, offering new revenue streams and enhanced profit margins that align with growing consumer expectations. Under a high emissions scenario, over the medium and long term, there may be a potential negative impact as we expect to experience barriers to capitalising on product and service offerings, and potential investments in sustainable offerings may not be widely adopted.							

Risk Management

Our Risk and Compliance Framework (“RCF”), overseen by the Group Risk and Compliance team, provides a structured and consistent approach to identifying and managing our risks and compliance obligations. It is supported by our RCF software, Protecht, which helps automate, integrate, and streamline the recording and management of operational and compliance risks. The RCF incorporates governance and oversight arrangements, with mitigating actions incorporated into risk management activities to maintain resilience.

During the reporting period, we undertook a review of our broader risk management processes, which remains ongoing. The outcomes of the review are under consideration, including the integration of climate-related risks and opportunities into our risk management processes. The approach to monitoring the climate-related risks and opportunities, including the frequency and approach to future reviews, will also be informed by the outcomes of this review.

Since 2021, ‘Climate Change Risk’ has been identified as a Group strategic risk. While not explicitly linked to the climate-related risks and opportunities, it has been overseen and managed through existing RMF processes, with the associated controls. In addition, climate change impacts are assessed as a causal factor of other operational risks, with appropriate mitigating actions taken. Climate-related risks and opportunities are not yet integrated into the RMF, therefore they are not directly being managed or monitored. Work to ensure the incorporation of climate-related risks and opportunities into risk management practices and the RCF will be completed during the next reporting period. This will ensure that climate-related risks and opportunities are directly managed, monitored, and continually reviewed.

Our RCF is reviewed on a regular basis, with operational and compliance risks at the business unit level identified annually, or more frequently as required. Under the risk management arrangements, RAC’s Executives are ultimately responsible for the oversight of identified risks within their business area. RAC works on a three lines of accountability model, where risk and compliance management is the responsibility of all employees. Responsibility for managing the identified risks is held at the senior management level, including the establishment of controls and procedures to aid in the mitigation of operational and compliance risks. Late in the reporting period, the RCF and the RMF were combined into a singular Group Risk and Compliance Framework.

Climate-related risk and opportunity methodology

In 2025, a comprehensive assessment of climate-related risks and opportunities was completed to guide the way in which we address climate change. The climate-related risks and opportunities were identified through a process developed in the reporting period, designed to support AASB S2 reporting requirements. This enabled us to identify and prioritise the most significant factors that could influence our operations, financial performance, and long term resilience.

We identified and assessed climate-related risks and opportunities through engagement with internal stakeholders across business units and senior leadership, external advice, and analysis across our operations and value chain. Stakeholder feedback played a key role in shaping the prioritisation of risks and opportunities, validating assumptions, and refining materiality scoring.

In addition to stakeholder feedback, we leveraged internal business data and projections to calculate impacts, including budget projections, asset and revenue data, inflation rates, and projected insured losses. Where internal data was not available, we used publicly available data, including from the Climate Council, the National Climate Risk Assessment, and the Insurance Council of Australia Historical Catastrophe List. This process ensured the process reflected operational realities, member expectations, and emerging market and regulatory trends.

We utilised a bottom-up approach by identifying a broad set of potential climate-related risks and opportunities across our operations and value chain. This list of more than 220 climate-related risks and opportunities was then evaluated using a structured materiality approach as outlined in the RCF, that considered both likelihood and potential impact.

Using our risk and opportunity scoring matrices, this empirical scoring process reduced the longlist to a shortlist of approximately 60 climate-related risks and opportunities. For consistency with the RMF, we aligned the climate-related risk and opportunity threshold for financial materiality with the Group's financial accounting threshold of 2 per cent of Group net assets. In addition, we considered factors such as interest in the climate-related risk or opportunity or related topic from the Club, inclusion in corporate documents, and relevance to regulatory requirements or lender debt covenants. Five climate-related risks and opportunities were identified as being reasonably expected to affect our prospects and progressed for detailed analysis and validation with key stakeholders across the Group to ensure they reflected RAC's operational context and strategic priorities. Climate-related scenario analysis was used to inform our understanding of climate-related risks and opportunities, considering the climate pathways of SSP1-1.9 and SSP5-8.5. Quantitative estimates were developed where they could be supported by available data, with qualitative assessments applied in other cases to capture the strategic relevance of the climate-related risk or opportunity.

Climate-related Metrics

Organisational boundary

To define our organisational boundaries for carbon accounting, we elected to use the Control approach under the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* ("GHG Protocol"). Specifically, we adopted the operational control approach, where we account for emissions if we have full authority to introduce and implement operating policies in operations or at a facility. Using the operational control approach enables us to focus on reducing emissions in areas where we have direct influence over day-to-day operations. As the majority of our business operations are controlled by RAC, this approach encapsulates most of our activities and emission sources. Additionally, data is more readily available under this method, as we have access to, and control, the underlying financial information. This method aligns with the GHG Protocol.

Following an assessment undertaken in line with the GHG Protocol, we determined that we could introduce and implement operating policies in all financially owned subsidiaries, except for the Perth Surf Park Group, which comprises multiple entities and trusts associated with RAC's interest in the Perth Surf Park. Perth Surf Park Group is independently managed under separate management agreements, and the Group does not have the ability to introduce and implement operating policies, therefore does not have operational control.

Scope 1 and 2 emissions

Scope 1 emissions are GHG emissions associated with the direct combustion of fuels in the assets we control and fugitive emissions. This includes fuel combustion in company-owned vehicles and on-site energy generation such as from gas boilers and diesel generators.

Scope 2 emissions are emissions associated with the generation of purchased electricity, making them indirect emissions. These emissions are generated at the point of energy production rather than at our sites, but as the energy is consumed by our assets, we can directly influence the volume of energy consumed. In accordance with AASB S2, Scope 2 emissions have been calculated using the location-based method. In the reporting period, we had no material contractual instruments necessary to user understanding of our Scope 2 GHG emissions.

Table 5: RAC's Scope 1 and 2 Emissions

Scope	Reporting period CO ₂ e in tonnes
1	3,775.8
2	4,140.6
Total	7,916.4

Scope 1 and 2 emissions calculation methodologies

RAC used IBM Envizi, which is a third party cloud platform that calculates carbon dioxide equivalent (“CO₂e”) emissions from activity or spend data, as the system for our emissions calculation. The emission factors used in Envizi are managed by IBM, and are regularly updated to match the relevant country-based emission factors for Australia. Table 6 details the data and emissions factor sources used for the reporting period.

Table 6: Data and emissions factor sources

Scope	Emission Category	Activity	Data Source	Global Warming Potential and Emission Factor Source	Methodology and Data Quality
1	Natural Gas Stationary	Gigajoules (GJ) used	Supplier reports	NGA Factors Table 5 Natural gas distributed in a pipeline	Stationary combustion of gaseous fuels calculation method i.e. Gigajoules used multiplied by the energy content factor and emission factor. High data quality, low uncertainty.
1	Diesel Stationary	Litres (L) purchased (0.2% spend data)	Supplier reports, invoices, and fuel logs	NGA Factors Table 8 Diesel oil	Stationary combustion of liquid fuels calculation method i.e. Kilolitres purchased multiplied by the energy content factor and emission factor. High data quality, low uncertainty. Where spend data was used, the data quality and certainty are low.
1	Petrol Stationary	Litres (L) purchased (18% spend data)	Supplier invoices and fuel logs	NGA Factors Table 8 Automotive gasoline/petrol (other than for use as fuel in an aircraft)	Stationary combustion of liquid fuels calculation method i.e. Kilolitres purchased multiplied by the energy content factor and emission factor. Where activity data was not available, Litres were estimated using spend amount divided by petrol average price for the relevant month. Low data quality, high uncertainty.
1	Diesel Transport	Litres (L) purchased (2.2% spend data)	Supplier reports, invoices, and bowser reports	NGA Factors Table 9 Cars and light commercial vehicles - Diesel oil	Transport fuels calculation method i.e. Kilolitres purchased multiplied by the energy content factor and emission factor. High data quality, low uncertainty. Where spend data was used, the data quality and certainty are low.
1	Liquefied Petroleum Gas (LPG) Stationary	Kilograms (kg) or Litres (L) purchased	Supplier reports or invoices	NGA Factors Table 8 Liquefied petroleum gas	Stationary combustion of liquid fuels calculation method i.e. Kilolitres purchased multiplied by the energy content factor and emission factor. High data quality, low uncertainty.
1	Petrol Transport	Litres (L) purchased (16.6% spend data)	Supplier reports, invoices, and bowser reports	NGA Factors Table 9 Cars and light commercial vehicles - Gasoline	Transport fuels calculation method i.e. Kilolitres purchased multiplied by the energy content factor and emission factor. Where activity data was not available, Litres were estimated using spend amount divided by petrol average price for the relevant month.

					High data quality, low uncertainty. Where spend data was used, the data quality and certainty are low.
1	Dry Wood Stationary	Tonnes (t) or cubic meters (m ³) purchased (3.1% spend data)	Supplier invoices	NGA Factors Table 4 Dry wood	Stationary combustion of solid fuels calculation method i.e. Tonnes purchased multiplied by the energy content factor and emission factor. Low data quality, high uncertainty.
1	Primary solid biomass fuels - other	Tonnes (t) estimated	Business estimate	NGA Factors Table 4 Primary solid biomass fuels (other than mentioned above)	Stationary combustion of solid fuels calculation method i.e. Tonnes disposed multiplied by the energy content factor and emission factor. Low data quality, high uncertainty.
1	Wastewater treatment - Anerobic lagoon shallow	Maximum occupants of resort and staff accommodation	Business record of limit	NGA Factors Table 17 Anerobic lagoon shallow	Domestic and commercial wastewater calculation method i.e. Number of people in population multiplied by emission factor. Low data quality, high uncertainty.
1	Fugitive - Airon with R32, R134A or R410A charge	Kilograms (kg) estimated	Public websites and supplier manuals	IPCC 6 th Assessment Report, NGA Factors Table 10 Domestic A/C split	Refrigerant leakage calculation method i.e. Global warming potential multiplied by charge and annual leakage rate. Low data quality, high uncertainty.
1	Fugitive – Refrigerator with R134A, R404A, R290 or R600A charge	Kilograms (kg) estimated	Public websites and supplier manuals	IPCC 6 th Assessment Report, NGA Factors Table 10 Domestic refrigerator	Refrigerant leakage calculation method i.e. Global warming potential multiplied by charge and annual leakage rate. Low data quality, high uncertainty.
2	Electricity	Kilowatt-hours (kWh) used	Supplier reports or invoices	NGA Factors Table 1 SWIS	Location-based scope 2 calculation method i.e. Kilowatt-hours used multiplied by emission factor. High data quality, low uncertainty.
2	Electricity (four sites not connected to SWIS or NWIS grids)	Kilowatt-hours (kWh) used	Supplier reports	Supplier provided emission factors. Calculations aligned with NGA Factors Appendix 4.	Location-based scope 2 calculation method i.e. Kilowatt-hours used multiplied by emission factor. High data quality, low uncertainty.

Internal carbon price

We do not have, or currently apply, an internal carbon price.

Exposure

We assessed our exposure to climate-related risks and opportunities across business units, which were used as a proxy for business activities, with each unit representing groups of underlying operational activities within our business model. As such, we assessed vulnerability and alignment qualitatively at a business activity level. Business activities were assessed as vulnerable where they could reasonably be expected to be affected by one or more identified climate-related risks. Business activities were assessed as aligned where they could reasonably be expected to be affected by one or more identified climate-related opportunity. The percentages disclosed represent the proportion of business activities, relative to our overall business model and portfolio, assessed as exposed to the relevant climate-related risk or opportunity category:

- 11 of 11 major business activities were assessed as vulnerable to climate-related transition risks, representing 100 per cent of RAC's business activities.
- 4 of 11 major business activities were assessed as vulnerable to climate-related physical risks, representing approximately 82 per cent of RAC's business activities.
- 9 of 11 major business activities were assessed as aligned with climate-related opportunities, representing approximately 93 per cent of RAC's business activities.

Resourcing

While currently no material capital expenditure, financing, or investment is separately classified and directly attributable to the management of climate-related risks and opportunities, during the reporting period we undertook foundational work to support future capital allocation decisions. Despite funds not being explicitly allocated, climate-related risks and opportunities are indirectly managed as part of business-as-usual activities and are resourced through existing budgets and funding processes.

Decarbonisation Strategy, emissions reduction target, and Climate Transition Plan

Improvements to the quality and coverage of our emissions data during the reporting period provides a strong foundation for decarbonisation planning. While at present we do not have a decarbonisation strategy, any future strategy will consider practical emissions reduction pathways and supporting measures, such as energy efficiency initiatives and electrification where appropriate, and will inform the assessment of a potential emissions reduction target. While we do not currently have any climate-related or GHG targets, any targets we consider will be underpinned by detailed modelling and supported by a defined plan and actions, together with appropriate governance and oversight by the relevant bodies, to ensure our commitments are realistic and transparent.

We are progressing the development of a CTP, following work undertaken during the reporting period to strengthen our emissions data, climate-related risk and opportunity analysis, and governance arrangements.

Carbon offsets

As we have not yet established emissions reduction targets, we do not purchase verified carbon credits.

Progress on previously disclosed plans

As this is our inaugural reporting year, there are no prior reporting periods or previously disclosed plans to assess progress against. Future reports will include year-on-year progress.

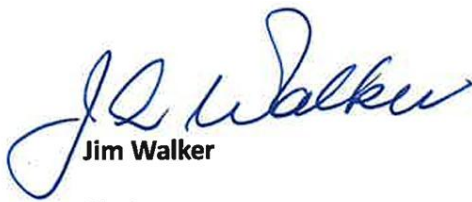
Director's Declaration

In the opinion of the directors of RACWA Holdings Pty Ltd (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 subsidiaries (collectively the Group) for the year ended 30 June 2026, as presented on pages 2 to 28, 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 RACWA Holdings Pty Ltd 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



Jim Walker

Chair

Non-executive Director

Perth, W.A.

7 September 2026

Independent auditor's review report to the members of RACWA Holdings Pty Ltd

Conclusion

We have conducted a review of the following information in the Sustainability Report of RACWA Holdings Pty Ltd (the Company) and its subsidiaries (collectively the Group) 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: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Governance section on pages 3 to 7
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Strategy section on pages 8 to 13
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Climate-related Metrics on pages 24 to 28

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 the Group 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 reviews of the selective sustainability information of public interest entities 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 information

The directors of the Company are responsible for the other information. The other information comprises the Financial Report, the Directors' 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. We have issued a separate auditor's report on the Financial Report.

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.

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.



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Inherent limitations

As discussed on page 2 of the Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The 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.

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.



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

- Considered the completeness of RACWA Holdings Pty Ltd 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.

A stylized, handwritten signature of 'Ernst & Young' in black ink.

Ernst & Young

A stylized, handwritten signature of 'J K Newton' in black ink.

J K Newton
Partner
Perth

7 September 2026