Statement

CAPRICORN MUTUAL

Capricorn Mutual Ltd

2025

Modern Slavery Statement

About Us

Capricorn Mutual Limited (Capricorn Mutual) was formed in 2003 exclusively for Members of Capricorn Society Limited (Capricorn Society), offering a commercially feasible alternative to insurance. A mutual is an association of people with common risks or goals who pool financial resources to meet common financial obligations. Mutuals have a long and proud history in many countries and continue to grow in popularity today due to their ability to provide significant benefits and savings.

We are a discretionary mutual and unlike an insurance company, operate as a non-profit entity solely for the benefit of Members. As a discretionary mutual, the Capricorn Mutual Board exercise a number of discretions including membership admittance, scope of protections and claims decisions. Capricorn Mutual hold an Australian Financial Services License (AFSL 230038) and is regulated as a financial services provider by the Australian Securities & Investment Commission.

Our Business

Mandatory Reporting Criteria 1 & 2

Reporting Entity and Structure

Capricorn Mutual (hereafter referred to as 'Capricorn Mutual Limited', 'CML, 'we', 'our' or 'us') consists of Capricorn Mutual Limited (ACN 104 601 194) and our two wholly owned and controlled subsidiaries, Capricorn Isle of Man (CIOM) and Capricorn Mutual Limited New Zealand (CML NZ).

Capricorn Mutual is an unlisted public company limited by guarantee, registered in Western Australia with our corporate office located in Perth.

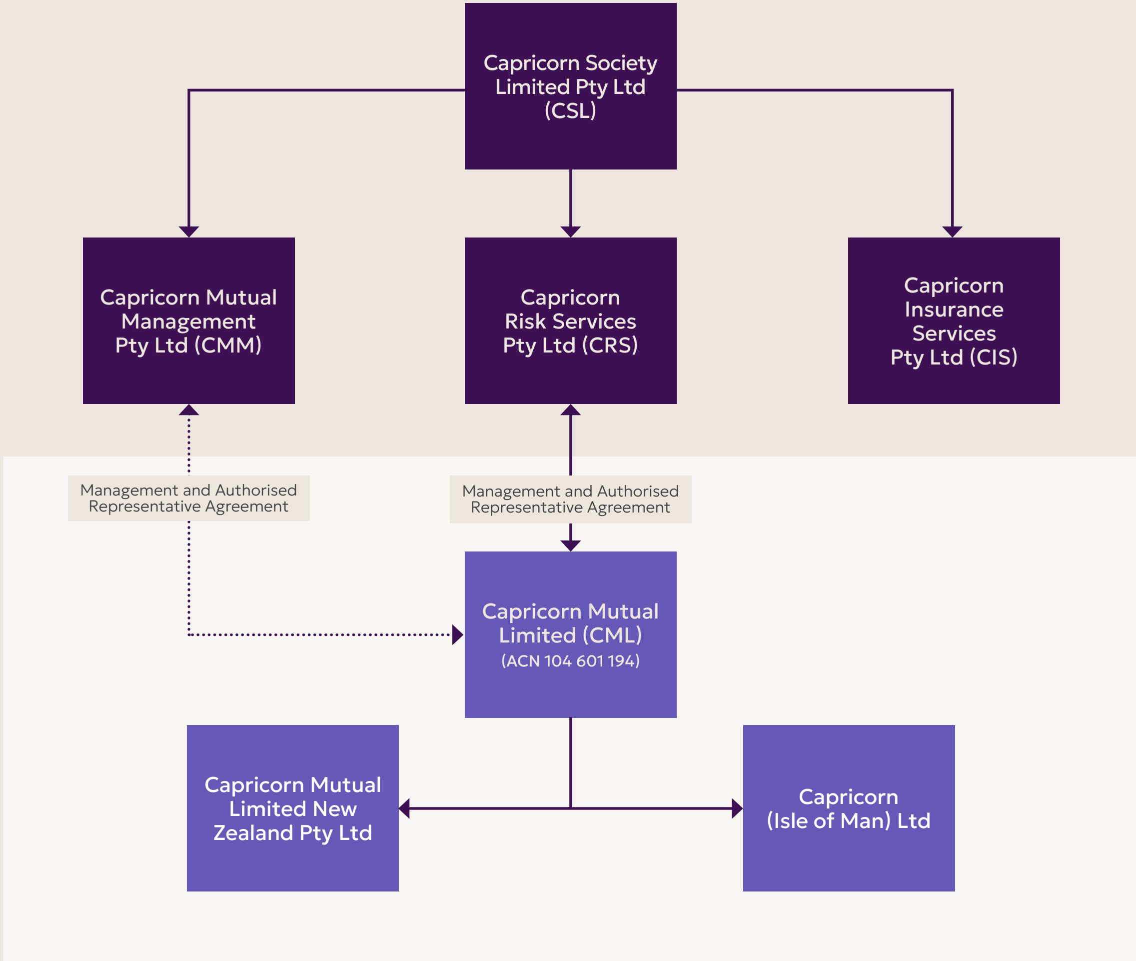


Diagram 1

The organisational structure of Capricorn Mutual and Capricorn Society is displayed in diagram 1. The Capricorn Society Modern Slavery Statement encompasses its wholly owned subsidiaries, including but not limited to, Capricorn Mutual Management Pty Ltd (CMM), Capricorn Risk Services Pty Ltd (CRS), and Capricorn Insurance Services Pty Ltd (CIS).

Under formal Management Agreements, CMM and CRS deliver a range of operational and administrative services to Capricorn Mutual, including claims management, protection administration, product distribution, and overall business management. As these subsidiaries are covered by the Capricorn Society Modern Slavery Statement, the risks and mitigation actions outlined in that statement are directly relevant to Capricorn Mutual's operations through the services provided by CMM and CRS. Consequently, the assessment and management of modern slavery risks, as well as the actions taken to address them, have a dual impact, both within Capricorn Society and across Capricorn Mutual's business activities.

Summary of our Management Agreement and Relationship with Capricorn Society

- **Capricorn Mutual Management Pty Ltd (CMM)** (ACN 129 143 479, AFSL 324456): CMM acts as a corporate authorised representative, overseeing Capricorn Mutual's operations including claims management, protection administration, pricing, underwriting, finance, and overall business management.
- **Capricorn Risk Services Pty Ltd (CRS)** (ACN 111 632 789): CRS serves as a corporate authorised representative, responsible for the distribution of Capricorn Mutual products and services including sales promotion, product distribution, and protection servicing.
- **Capricorn Insurance Services (CIS)** (ACN 154 801 377, AFSL 435197): CIS is a wholly owned subsidiary of Capricorn Society and a licensed general insurance broker, CIS sources insurance solutions for both Members and non-Members of Capricorn Society. Although CIS does not have a management agreement with Capricorn Mutual, it may be engaged as an alternative where a Member is ineligible for Capricorn Mutual protection or requires products outside of Capricorn Mutual's offerings, such as Workers Compensation Insurance.

This statement describes the actions we took in the financial year ending 30 June 2025 to assess and address the risk of modern slavery in our operations and supply chains. The content was guided by the *Modern Slavery Act 2018* (Cth) (the Act) and Guidance for Reporting Entities provided by the Commonwealth Attorney General's Department.

Our People

As at 30 June 2025, Capricorn Mutual did not employ any staff, with the exception of the Board of Directors who all reside in Australia. All operational employees are employed by Capricorn Society and perform their responsibilities for Capricorn Mutual under the terms of a Management Agreement. These employees and any relevant subcontractors or labour hire agreements are included within the Capricorn Society Modern Slavery Statement, which Capricorn Mutual formally acknowledges.

Our Operations

Business and Personal Protection

The most significant part of our operations is the management and distribution of discretionary risk protection mutual products for Members of Capricorn Society.

Capricorn Mutual is consolidated with Capricorn Society for financial reporting but not tax purposes. Capricorn Society activities are not covered by this statement.

Our Investment

Our operations also include the management of financial investments, both as internally managed investments in other entities and externally managed investment portfolios.

Our Supply Chain

Our supply chain is predominantly related to professional services, operational and claims management.

During the reporting period we engaged directly with 30 unique external corporate suppliers. Procurement practices have remained consistent from the previous reporting period, including:

1. Professional services
2. Financial and investment services
3. Claims settlement and remediation
4. Reinsurance

Modern Slavery **Risks**

Mandatory Reporting Criteria 3

Capricorn Mutual has utilised the *Global Slavery Index 2023* to help identify potential modern slavery risks within our operations and supply chain. This assessment considers factors such as the geographical locations where we operate and procure goods and services, the vulnerability of those regions to modern slavery, and the effectiveness of government responses to combatting modern slavery in those areas.

Operations

Our People

All operational staff are engaged through the Management Agreement with Capricorn Society. Our direct operations pose a minimal risk of modern slavery, as all activities are based in Australia or New Zealand. The Capricorn Society workforce consists of skilled professionals employed under formal contracts and protected by workplace laws in both countries. These workplace laws are strictly enforced, ensuring fair wages, safe working conditions, and comprehensive protections against exploitative practices.

Investments

Our investment portfolio comprises both domestic and international holdings. We understand that, without appropriate selection criteria, these investments may be susceptible to modern slavery risks.

Supply Chain

Procurement Practices

For the majority of our operational and office-related requirements, including IT and telecommunication services and equipment, financial services, training providers, uniforms, security, cleaning, office supplies, fleet vehicles, travel and entertainment, as well as marketing and digital products, we rely primarily on Capricorn Society procurement practices. Capricorn Mutual retains direct responsibility for procurement related to claims settlement and remediation, professional services, reinsurance, and the Management Agreement between Capricorn Society and its associated subsidiaries.

Our tier one, direct suppliers, are all located in Australia and New Zealand with approximately 96.8% of expenditure relating to the Management Agreement with Capricorn Society. The remaining 3.18% of expenditure is located in Australia. We assess our direct supplier risk as low, with Australia ranking 155 out of 160 countries for vulnerability to modern slavery and 147 for prevalence per thousand people, according to the *Global Slavery Index 2023*. Australia is also ranked 2nd out of 176 countries for the strength of its governance response in addressing modern slavery. This context reinforces the low risk profile associated with our direct suppliers and procurement practices.

We acknowledge that risks may arise at different levels of our supply chain, including through arrangements involving third parties. At present, Capricorn Society maintains a contractual relationship with a supplier incorporated in India, which accounts for 3.28% of their tier one procurement expenditure. India is recognised as having a heightened modern slavery risk, as indicated by the *Global Slavery Index 2023*, with a prevalence rate of 8.01 per 1,000 and a vulnerability score of 55.98%. In response, the Capricorn Society contract includes modern slavery provisions, such as warranties to comply with Australian legislation, the undertaking of precontractual and ongoing internal and supply chain governance systems to ensure ongoing compliance. Teams from this supplier are located in both India and the United States, with engagements occurring from daily to weekly via online channels like video calls and emails, supporting effective communication and oversight. Capricorn Society also has a contractual relationship with a third party located in Australia who provides recruitment services, facilitating the offshoring of administrative work to the Philippines. Individuals are engaged through this arrangement to perform administrative duties and fill temporary vacancies, with workforce numbers flexibly adjusted according to business needs. Daily interaction between Capricorn Society and the service provider is conducted frequently through online channels, such as video calls and emails, ensuring communication and oversight. The agreement also incorporates comprehensive modern slavery provisions, including warranties from the recruiter confirming compliance with relevant human rights laws and the *Modern Slavery Act 2018* (Cth).

	Capricorn	Global Slavery Index 2023		
Countries	**Procurement Distribution by Spend**	**Estimated prevalence of modern slavery per 1,000 population**	**Total Vulnerability score (%)**	**Government response total (%)**
Australia	96.47%	1.61	6.81	66.67
New Zealand	3.53%	1.61	7.82	53.85

Tier 1 Supply Chain

Members and Preferred Suppliers

We support our Members, all of whom are linked to the Australia or New Zealand automotive industry. Given the nature of the activities undertaken by Members, primarily collision and motor vehicle repair and servicing, we assess the risk of Member's engaging in modern slavery to be consistent with the broader exposure levels of Australia and New Zealand, where vulnerability is considered relatively low on a national scale.

Modern Slavery **Actions**

Mandatory Reporting Criteria 4

During the reporting period, in combination with initiatives governed by Capricorn Society and their people, existing due diligence and remediation practices were maintained, as well as improvements to select processes.

Operations

Through the Management Agreement, Capricorn Society employs staff who are equipped with the knowledge and tools necessary to assess and address modern slavery through ongoing training, clear policies, and accessible reporting channels. These processes ensure teams who engage with Capricorn Mutual are empowered to recognise potential risks and take appropriate action.

Governance & Oversight

The Capricorn Mutual Board of Directors has ultimate responsibility for the Group's strategy and management of risks, including risks to human rights such as those addressed by the Act. As part of the induction and onboarding process, directors, where necessary, are provided with training on Modern Slavery and Whistleblowing to ensure they are equipped to identify, assess, and respond to issues should they arise.

Capricorn Society Policies & Procedures

To support our workers and their health, safety, and wellbeing, Capricorn Society have the following policies, and their related procedures, in place as they relate to assessing and addressing modern slavery risks.

Employee Remuneration Policy

Capricorn Society has established practices to consistently attract, retain, and fairly reward employees by implementing a uniform remuneration approach across the organisation. The method is designed to reduce the risk of exploitative practices and safeguard employees from vulnerabilities associated with modern slavery.

Payroll Policy

The Payroll Policy aims to guarantee that every employee, including those that service Capricorn Mutual, receives accurate and timely payment, fully complying with applicable laws. By safeguarding efficient payroll processes, the organisation protects staff from wage theft and financial exploitation.

Work, Health, Safety & Security Policy

Capricorn Society supports a healthy and safe work environment for all workers, contractors, and visitors. By maintaining health, safety, and security measures, Capricorn Society aim to mitigate against and prevent unsafe practices and working conditions.

Whistleblower Policy and Protection Scheme

Both the Capricorn Mutual and Capricorn Society Whistleblower Policies and scheme focuses on transparency and protection, encouraging all individuals to safely and securely report legitimate concerns or wrongdoing related to our operations. By protecting and supporting whistleblowers, Capricorn Mutual strengthens the ability for workers to detect, deter, and address wrongdoing, including modern slavery risks, ensuring a culture of accountability. In 2021, Capricorn Mutual engaged an independent whistleblower service to receive and manage any disclosures made under our Whistleblower Policy. During the reporting period, our Whistleblower Policy was independently reviewed, updated to reflect best practice, and formally approved by the Board.

Legal Services Policy

This policy is designed to ensure that all areas of Capricorn Society, and every individual within the organisation, fully comply with legal obligations. It also establishes internal governance for the procurement of goods and services from external parties, including the effective management of contracts.

Capricorn Society Training and Awareness

Capricorn Society ensures that its employees are thoroughly educated about the risks, indicators, and responsibilities related to modern slavery. The organisation delivers targeted training designed to empower staff to recognise and appropriately address potential modern slavery concerns, fostering a culture of vigilance and accountability throughout the business.

- Modern Slavery Awareness Training forms a core component of the Capricorn Society employment onboarding process, equipping new team members with an understanding of modern slavery risks, indicators, and reporting responsibilities. To ensure ongoing understanding, refresher training is periodically mandated. The most recent Modern Slavery refresher training was assigned during the 2024 reporting year.
- Whistleblower Training is provided to all new Capricorn Society employees during their onboarding, ensuring they understand how to safely report concerns. Ongoing awareness is maintained through compulsory annual knowledge sessions, as well as regular updates and information shared via the intranet, internal newsletters, and displayed throughout office spaces.

Investments

Our operations include the management of financial investments, both as internally managed investments in other entities and externally managed investment portfolios. The Capricorn Mutual Board delegates authority to the Chief Executive Officer of Capricorn Society Risk Services (Risk), who in turn sub-delegates authority to the Head of Finance for Risk to oversee these investments. The Investment Policy provides a clear framework for this delegation, ensuring that environmental, social, and governance (ESG) considerations, including modern slavery, are embedded in our investment research, analysis, and selection processes.

To reinforce the integration of ESG principles, including proactive measures to address modern slavery, the Capricorn Mutual Board gives preference to fund managers who are signatories to the United Nations Principles for Responsible Investment or members of the Responsible Investment Association Australia.

During the reporting period, our investment portfolio was held with JBWere, which, as a subsidiary of National Australia Bank, issues and publishes a Modern Slavery Statement that addresses modern slavery risks and actions.

Supply Chain

We support our supply chain partners to obtain the knowledge and tools necessary to meet our requirements and commitments regarding modern slavery risk.

Procurement Practices

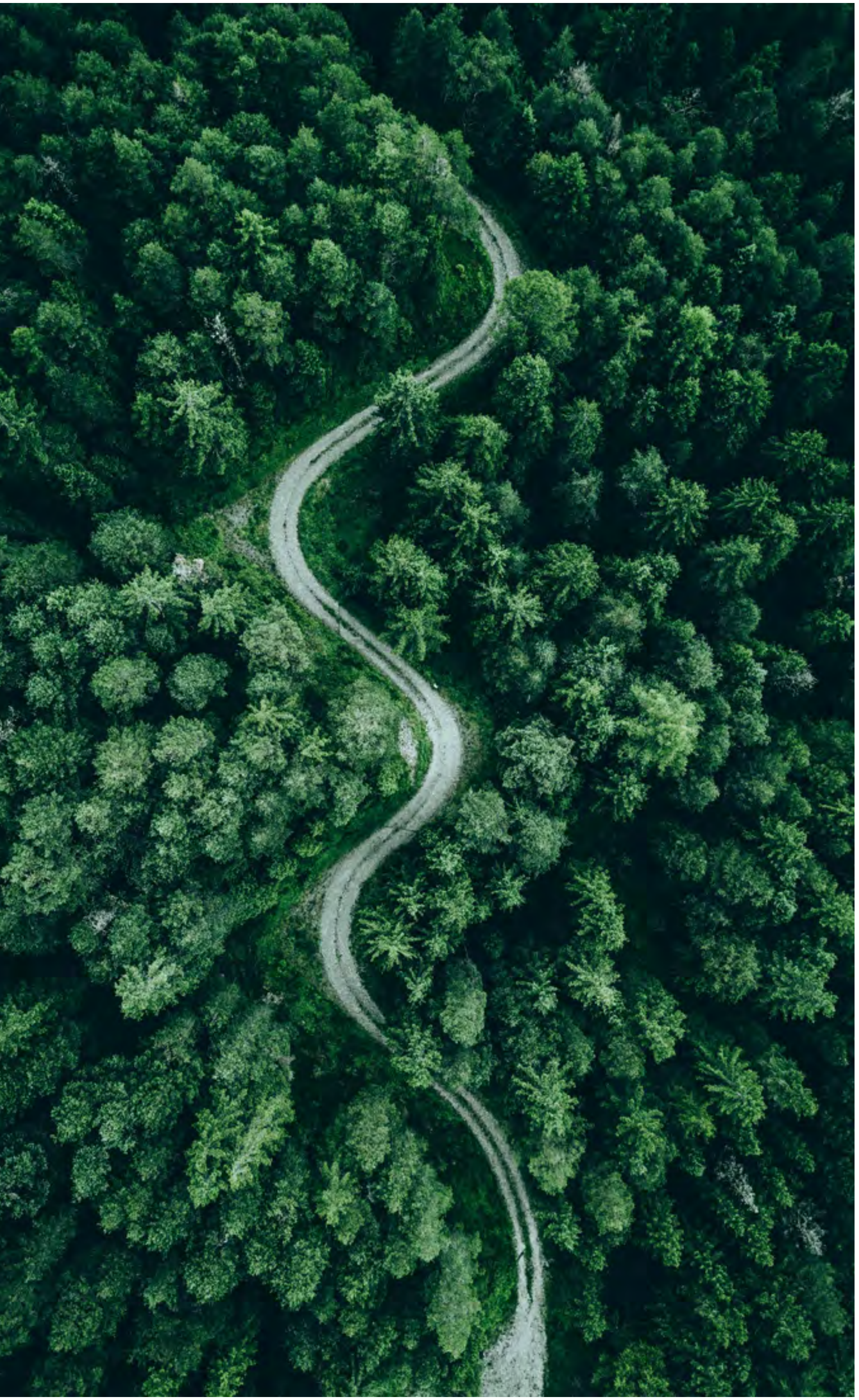
Throughout this reporting period, we continued to uphold Capricorn Society established policies and actions aimed at mitigating modern slavery risks within procurement practices. This commitment extends to the Legal Services Policy, which governs the contracting of external party goods and services, including the management of contracts.

Capricorn Society and Capricorn Mutual seek to include in supplier contracts a right to terminate dealings with suppliers that operate in a manner that puts at risk our commitment as outlined in this statement. We do, however, recognise that such action could have a detrimental impact on the employees of suppliers, which is contrary to the purposes of the Act. Our preferred approach will therefore be influencing the supplier to remediate. Additionally, as part of our supplier onboarding process, all material contractors are onboarded via in-house legal who ensure modern slavery risks regarding prospective suppliers with turnover greater than $100m are required to provide a Modern Slavery Statement as part of the documented contracts process.

Members and Preferred Suppliers

Our operations are built upon strong relationships. Capricorn Society field teams regularly visit our Capricorn Mutual Member sites to directly provide support and assistance. This frequent engagement enables a continuous assessment and capacity to respond to any potential modern slavery concerns that may arise.

During the reporting period, Capricorn Society enhanced the Area Manager Handbook for field staff teams and developed a quick reference guide to provide further support in identifying and managing modern slavery risks in their day-to-day roles. These resources provide practical examples and clear steps to follow if a suspected instance of modern slavery is encountered. If concerns arise, Capricorn Society and Capricorn Mutual retain the discretion to discontinue relationships with Members who do not uphold our standards.



Modern Slavery **Effectiveness of Actions**

Mandatory Reporting Criteria 5

Throughout the reporting period, Capricorn Mutual did not receive any notifications, nor did we identify any confirmed or suspected cases of modern slavery within our operations or supply chains.

The effectiveness of our actions to address modern slavery risks is an ongoing and evolving process. The following performance measures facilitated through Capricorn Society demonstrate the effectiveness of actions noted in this statement.

Capricorn Society Training and Awareness

Modern Slavery Awareness

100%

Designated employees successfully completed assigned mandated training

Whistleblower Training

100%

Designated employees successfully completed assigned mandated training

Whistleblower Reports Relating to Modern Slavery

0

Modern Slavery **Consultation with other Entities**

Mandatory Reporting Criteria 6

Capricorn Mutual and its subsidiaries operate under the leadership of the Capricorn Risk Services Chief Executive Officer, who works closely with the Capricorn Society Group CEO to ensure effective day-to-day management. Executive-level consultation is undertaken as needed to support this collaborative approach. Throughout the preparation of this statement, the Groups Executive Leadership Team and relevant Senior Management were actively consulted, and this statement has been formally endorsed by the Capricorn Mutual Board.

We recognise that addressing modern slavery risks is a long-term process that requires strong commitment and dedication. Capricorn Mutual is committed to reporting annually on its progress in addressing modern slavery risks within its operations and supply chain and look forward to working with our business partners and suppliers on this global issue.

This statement for Capricorn Mutual Ltd and its wholly owned and controlled subsidiaries was approved by the Capricorn Mutual Board on 12 December 2025.

Signed,

Mario Pirone
Chair, Board of Directors
Capricorn Mutual Limited

Capricorn Mutual Limited
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