



ESG Report 2024

About this Report

Bapcor’s 2024 Environmental, Social and Governance (ESG) Report discloses our commitments and performance across our most material ESG topics. Unless otherwise stated, the disclosures in this Report refer to the entire Bapcor Group for the period 1 July 2023 to 30 June 2024, which aligns to our financial reporting period. It covers Bapcor’s operations in three markets: Australia, New Zealand, and Thailand.

As our first standalone report, it demonstrates our maturity in showcasing our activities and progress in managing our material topics. The Report forms part of our reporting suite, including:

- > *Annual Report*
- > *Corporate Governance Statement*
- > *Tax Transparency Report*
- > *Modern Slavery Statement*

This Report is prepared with reference to the GRI Standards 2021 and aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (see **GRI Content Index** and **TCFD Index** here). Bapcor supports the Ten Principles of the UN Global Compact and the UN Sustainable Development Goals.

Acknowledgement of Country

Bapcor would like to acknowledge the Traditional Custodians of Country throughout Australia. We pay our respect to elders past and present.

We recognise the continued connection of all First Nations people with Country across Australia and in particular, on all the land where Bapcor operates.



Contents

FY24 ESG Snapshot	01	Environmental Sustainability	10
Interim CEO Message	02	Good Governance & Supporting and Developing Team Members	20
About Us	03	Positively Impacting our Communities	26
Our Approach to ESG	04	Appendix	29
Ethical Supply Chain & Procurement	08	Contact	36

FY24 ESG Snapshot

Ethical Supply Chain & Procurement



MODERN SLAVERY ROADMAP
Launched



SUPPLIER SELF-ASSESSMENT QUESTIONNAIRES
More than doubled completion rate



MODERN SLAVERY TRAINING MODULE
+800
Team members completed

Environmental Sustainability



SCOPE 3
Upstream inventory mapping developed



53%
WASTE DIVERTED
From landfill



SCOPE 1 AND 2 EMISSIONS
2.8% ↑
Increase from FY23



APCO PACKAGING STATUS
'Advanced'

Good Governance & Supporting and Developing Team Members



WOMEN IN LEADERSHIP
35%
Target achieved



DEI COUNCIL ESTABLISHED



TRIFR
15.41



LTIFR
5.72

Positively Impacting Our Communities



B4SI MEMBERSHIP
New methodology used to measure contributions



DONATIONS
\$303k
Direct cash, time, in-kind contributions and management costs



COMMUNITY VOLUNTEER WORK
280 HOURS
Outside work hours

Interim CEO Message

On behalf of the Bapcor Board, I am delighted to present our ESG Report for FY24.

This year, the business and regulatory landscape continued to evolve in response to climate change, the need for greater supply chain transparency and a sharper focus on corporate due diligence. We remain committed to improving our approach and ensuring we have a sustainable business that delivers for our team members, customers, communities, and our industry.

We are pleased with the strong progress made in integrating our ESG strategy into our operations. This is despite a challenging year where we have seen strong economic headwinds, global supply chain challenges and some of the operational complexities arising from the limited integration of our businesses over the past decade.

Our ESG journey this year has been marked by significant highlights, including the launch of Bapcor's purpose – be there for what matters most. Our purpose brings our team together with a common goal and shared values that will help us achieve both positive financial returns and wider social outcomes.

This year, we also conducted our first double materiality assessment which enables us to identify and focus on the impacts that matter most, both those affecting our business and those we have on the environment and society. We will use the outcomes of the assessment to refresh our ESG Strategy and inform key programs of work in 2025 and beyond.

We continued to build on Bapcor's zero-tolerance stance on corruption and bribery, reflected through our updated policies and our ongoing commitment to the Ten Principles of the UN Global Compact.

We strive to ensure our team members and suppliers adhere to these principles and are updating our Code of Conduct to reinforce our clearly articulated compliance guidelines for activities such as inclusive leadership, modern slavery and safety and wellbeing. These guidelines are supported by the expansion of our suite of team member incident reporting tools, providing more opportunities for our people to highlight hazards and continue to improve our workplace.

This year's report also includes our first voluntary disclosure in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), in preparation for upcoming climate and sustainability requirements outlined by the International Sustainability Standards Board (ISSB) IFRS 1 and 2 and the Australian Accounting Standards Board (AASB) draft standards.

While we have achieved positive results across key aspects of our ESG program, we acknowledge there is room for improvement. Emissions reductions, enhanced visibility of our supply chain impacts, and expanding our climate reporting and disclosure are some of the areas we will focus on in the short-term.

Building on our base for ESG at Bapcor, I am confident we are poised to drive further progress and positive impact.

Thank you to our team members, customers, and suppliers who help us deliver what matters most for a better future. We look forward to continuing our partnership with you.



Mark Bernhard

Interim Chief Executive Officer and Managing Director



About Us

As Asia Pacific's leading provider of automotive aftermarket parts, accessories, and services, Bapcor's business spans across the entire aftermarket value chain. Our four key business segments serve the automotive industry in distinct and complementary ways. See more in our *Annual Report*.



Australia's leading trade focused automotive parts and equipment distributor (also comprises our footprint in Thailand).



Industry leaders in electrical and truck and trailer markets and specialist products in Australia.



Premium parts and accessories retailer including service centres.



Services New Zealand trade, service, and specialist wholesale automotive segments.

Our Approach to ESG

At Bapcor, ESG is the cornerstone of our commitment to a sustainable future, encompassing environmental stewardship, social responsibility, and effective governance.

Our purpose "Be there for what matters most", shapes our approach to ESG and is consistently reinforced by our values in our everyday actions.

As a signatory to the United Nations Global Compact (UNGC), we recognise our role in shaping a more sustainable future by supporting the Ten Principles of the UNGC in the areas of human rights, labour, environment and anti-corruption. We also believe that business can play a critical role in achieving the UN Sustainable Development Goals (SDGs) and seek to align our business priorities with relevant SDGs.

Our ESG strategic framework sets the foundation for us to focus our efforts across four main priority pillars: Ethical Supply Chain & Procurement, Environmental Sustainability, Good Governance & Supporting and Developing our Team Members, and Positively Impacting our Communities. These four pillars capture material topics which drive long-term value for our business and our stakeholders.

Our Purpose

Be there for what matters most.



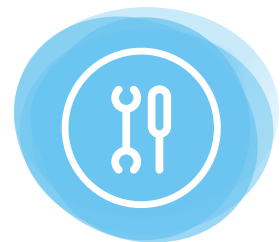
We do the right thing...



We are in it together...



We give a damn...



We get it done...



Ethical Supply Chain & Procurement



Environmental Sustainability



Good Governance & Supporting And Developing Team Members



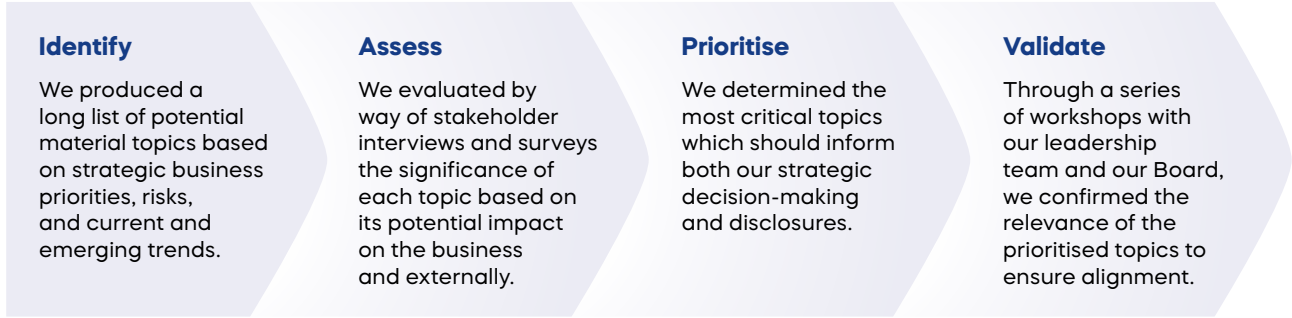
Positively Impacting Our Communities

Materiality Assessment

Building on our previous assessments of material sustainability issues for Bapcor, in FY24, we completed our first double materiality assessment. This is an important step towards better identifying the topics that matter most to our business, the environment and across our value chain and activities. Double materiality refers to topics which are significant both for their

value to our business and for their external impact, such as environmental effects, or social and community impact. The evaluation included extensive consultation with our key stakeholders – investors, team members, partners and suppliers, customers, and leading industry body.

We adopted the following process:



The table below summarises our final list of material topics:

Table 1: Material topics

 <p>Ethical Supply Chain & Procurement</p>	 <p>Supply Chain Responsibility</p>	 <p>Human Rights & Modern Slavery</p>		
 <p>Environmental Sustainability</p>	 <p>Emissions & Energy Management</p>	 <p>Climate Change Strategy</p>	 <p>Packaging & Circularity</p>	 <p>Waste Management</p>
 <p>Good Governance & Supporting and Developing Team Members</p>	 <p>Culture & Development</p>	 <p>Health, Safety & Wellbeing</p>	 <p>Diversity, Equity & Inclusion</p>	 <p>Privacy Protection & Cybersecurity</p>
 <p>Positively Impacting Our Communities</p>	 <p>Ethical Operations</p>	 <p>Product Quality</p>	 <p>Customer Relationship Management</p>	 <p>Community Engagement & Investment</p>

The outcomes of our materiality assessment not only inform our reporting but will also help shape our strategic focus moving forward. In FY25 we will undertake a review of our ESG strategic framework to incorporate the key findings of the materiality assessment, define priorities and goals. This refresh of our framework will ensure our commitment to sustainability continues to be relevant and integrated into our business strategy.

Stakeholder Engagement

Bapcor recognises that our stakeholders are key to ensuring the success of our business. We strive to maintain trust with our stakeholders by engaging through active listening, understanding, and collaboration.

The table below lists our key stakeholders, their interests and exemplifies some of the ways we engaged with them during the year.

Table 2: Bapcor’s engagement with stakeholders

STAKEHOLDERS	KEY TOPIC INTERESTS	HOW WE ENGAGE
Team members	<ul style="list-style-type: none"> > Culture & Development > Health, Safety & Wellbeing > Diversity, Equity & Inclusion > Privacy Protection & Cybersecurity 	<ul style="list-style-type: none"> > Materiality assessment > Bapcor’s Purpose roadshow > Our policies on health, safety & wellbeing, diversity & inclusion, privacy protection > Ongoing training and professional development programs
Investors	<ul style="list-style-type: none"> > Climate Change Strategy > Privacy Protection & Cybersecurity > Ethical Operations > Human Rights & Modern Slavery 	<ul style="list-style-type: none"> > Investor centre > Materiality assessment > Annual & interim reporting and briefings > One-on-one meetings > Investors Against Slavery and Trafficking – Australia Pacific (IAST-APAC) initiatives
Partners and suppliers	<ul style="list-style-type: none"> > Supply Chain Responsibility > Human Rights & Modern Slavery > Emissions & Energy Management > Climate Change Strategy > Packaging & Circularity > Product Quality > Waste Management 	<ul style="list-style-type: none"> > Materiality assessment > Supplier briefings > Supplier portals > UNGC Network Modern Slavery Community of Practice
Customers	<ul style="list-style-type: none"> > Human Rights & Modern Slavery > Climate Change Strategy > Privacy Protection & Cybersecurity > Product Quality > Customer Relationship Management 	<ul style="list-style-type: none"> > Annual & interim reporting > Trade shows > Loyalty programs > Social media
Industry	<ul style="list-style-type: none"> > Human Rights & Modern Slavery > Climate Change Strategy > Product Quality 	<ul style="list-style-type: none"> > Australian Automotive Aftermarket Association
Communities	<ul style="list-style-type: none"> > Human Rights & Modern Slavery > Community Engagement & Investment 	<ul style="list-style-type: none"> > Community programs > Recycling initiatives and waste program > Fleet program > Net zero commitment

Governance

Bapcor has developed sound oversight and control measures involving leadership and operational management that ensure integration and monitoring of ESG across the organisation.

Our *ESG Policy* serves as the overarching foundation for all sustainability-related policies, and provides context for integrating economic, environmental and social sustainability principles into our daily operations and strategic decision-making.

We operate with three levels of ESG governance: the Board, Leadership and Operations. These levels collaborate to execute the ESG strategic framework and manage ESG and climate-related risks and opportunities.

The **Board** maintains oversight of the ESG agenda, reviewing and approving the ESG Policy and Strategy, and monitoring progress against goals and targets – with advice from the Remuneration and ESG Committee (as appropriate). The *Bapcor Board Charter* outlines the Board’s responsibilities and strategic direction regarding ESG impacts.

The Board is supported by three committees, whose responsibilities include, but are not limited to:

- > **Remuneration and ESG Committee:** supporting the Board in the fulfilment of its corporate governance responsibilities which includes environmental, social and governance policies, practices, and reporting.
- > **Nomination Committee:** provides guidance on director selection, performance, development, and succession planning.
- > **Audit and Risk Committee:** reviews and monitors the operational risk management framework and provides assurance for major business risks, including climate-related issues.

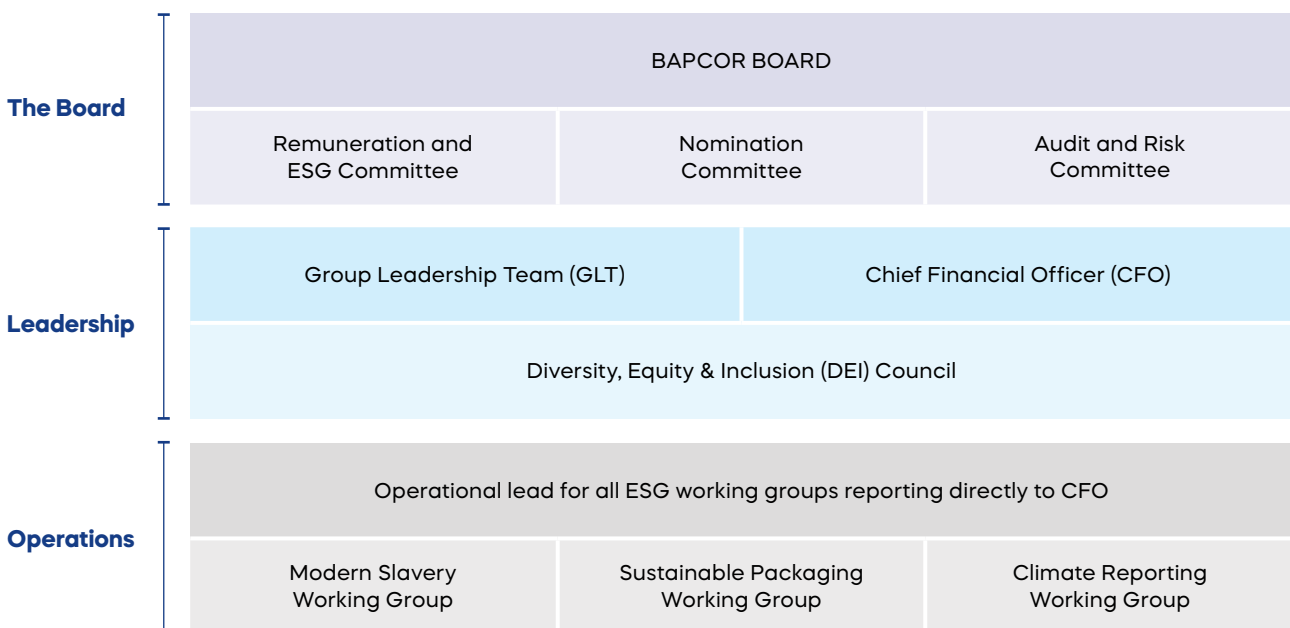
The **Group Leadership Team (GLT)** is accountable for implementing the ESG and climate strategy, overseeing progress and performance, as well as assessing and escalating risks. The Chief Financial Officer (CFO) is the key GLT member accountable for climate risk management.

In FY24, we established a *Diversity, Equity & Inclusion (DEI) Council* (borne out of what was previously the Diversity and Inclusion Working Group). Managed by, and comprising the GLT, the DEI Council is accountable for driving DEI outcomes, providing guidance on interpreting the *DEI Policy*, as well as strategic planning related to DEI within Bapcor.

At the **operational level**, our ESG Manager reports directly to the CFO, ensuring consistent oversight and reporting on ESG and related climate initiatives. Working Groups have been formed to support delivery across the various ESG programs. In FY24, with the rising prominence of the impacts from climate change and the impending mandatory climate reporting, we established the ESG Climate Reporting Working Group.

Through these governance structures, we integrate ESG considerations into our business operations and strategic decision-making processes, driving our commitment to sustainable and responsible business practices.

Figure 1: ESG Governance Framework









Ethical Supply Chain & Procurement



As a supply chain business, we prioritise our commitment to ensuring ethical and efficient sourcing, distribution, and logistics practices across our value chain. Our focus is on building and maintaining ethical relationships with suppliers, upholding high standards of transparency around our sourcing and labour practices, and maintaining an efficient supply chain network.



KEY TOPIC	OBJECTIVE/ INITIATIVE	FY22	FY23	FY24	TARGET	SDG ALIGNMENT
 Supply Chain Responsibility	Participate in UN Global Compact	✓	✓	✓	Ongoing	
	Develop and implement ESG-risk based procurement practices	AAAA modern slavery portal launched	126 suppliers onboarded of which 70 completed	234 suppliers onboarded of which 153 completed	Actively increase # of suppliers onboarded	
 Human Rights and Modern Slavery	Publish Modern Slavery Statement	✓	✓	✓	Ongoing	
	Active Modern Slavery Working Group	✓	✓	✓	Ongoing	

Supply Chain Responsibility



What does this mean to us?

Effective supply chain management is crucial for both the efficiency and sustainability of our operations. By embedding responsible practices into our supply chain and procurement strategies, we aim to enhance our operational resilience and mitigate environmental and social risks. Prioritising strong, ethical supplier relationships aligns with our commitment to sustainability and responsible business conduct.

How are we managing it?

Our *Ethical Supply Chain/Procurement Policy* establishes the foundation for our expectations regarding responsible business practices. This policy requires compliance with legal standards, promotes environmental stewardship, upholds health and safety, and enforces fair labour practices. Our Sourcing Council plays a role in overseeing procurement and related supply chain activities, ensuring they align with our ESG objectives. This Council also considers supplier-related risks that may arise.

Our approach to supplier management is continually evolving. We focus on enforcing our sustainability standards and policies through site visits, performance evaluations, and ongoing improvement initiatives. Supplier agreements and tender requirements now include ESG criteria, addressing labour rights, emissions, and sustainable packaging.

In the past year, we have intensified our efforts to optimise our supply chain and logistics network. The formation of a dedicated Supply-Chain IT taskforce underscores our commitment to digital integration and technological advancements. Collaborations with logistics partners have led to the reconfiguration of shipping routes and schedules, reducing the risk of disruptions and minimising shipment costs. We are also assessing the impact of these changes on our carbon footprint.

We are committed to a sustainable and ethical supply chain. Through robust policies, stakeholder engagement, and monitoring of ESG performance, we are reinforcing our dedication to responsible supply chain management.

Human Rights & Modern Slavery



What does this mean to us?

Bapcor acknowledges our responsibility to protect human rights and stands firmly against all forms of modern slavery. To uphold this responsibility, we are committed to continually improving our processes and sourcing practices to better identify and address modern slavery risks. We expect our officers, team members, contractors, and suppliers to uphold these same standards.

How are we managing it?

We have two core policies that govern our approach to human rights and modern slavery: our *Human Rights Policy* sets out our commitment to respect and promote human rights throughout our business. In turn, our *Ethical Supply Chain/Procurement Policy* delineates obligations for suppliers to take reasonable steps to prevent modern slavery in their own operations and supply chains. We communicate actions we have taken to identify and address modern slavery risks in an annual Modern Slavery Statement, prepared in accordance with the *Modern Slavery Act 2018* (Cth).

Through the Australian Automotive Aftermarket Association (AAAA) Modern Slavery Consortium, we have been driving transparency and accountability in collaboration with industry partners via a Supplier Self-Assessment Questionnaire (SAQ) platform. In FY24, we onboarded a total of 234 strategic suppliers who provide a broad spectrum of products and services to Bapcor. Of these, 153 suppliers finalised their SAQ – representing approximately 40% of total annual supplier spend and a significant improvement, approximately double the coverage from FY23. One of the key drivers for this increased rate has

been the inclusion of SAQ completion as part of our supplier onboarding and tender processes via the Group Procurement team.

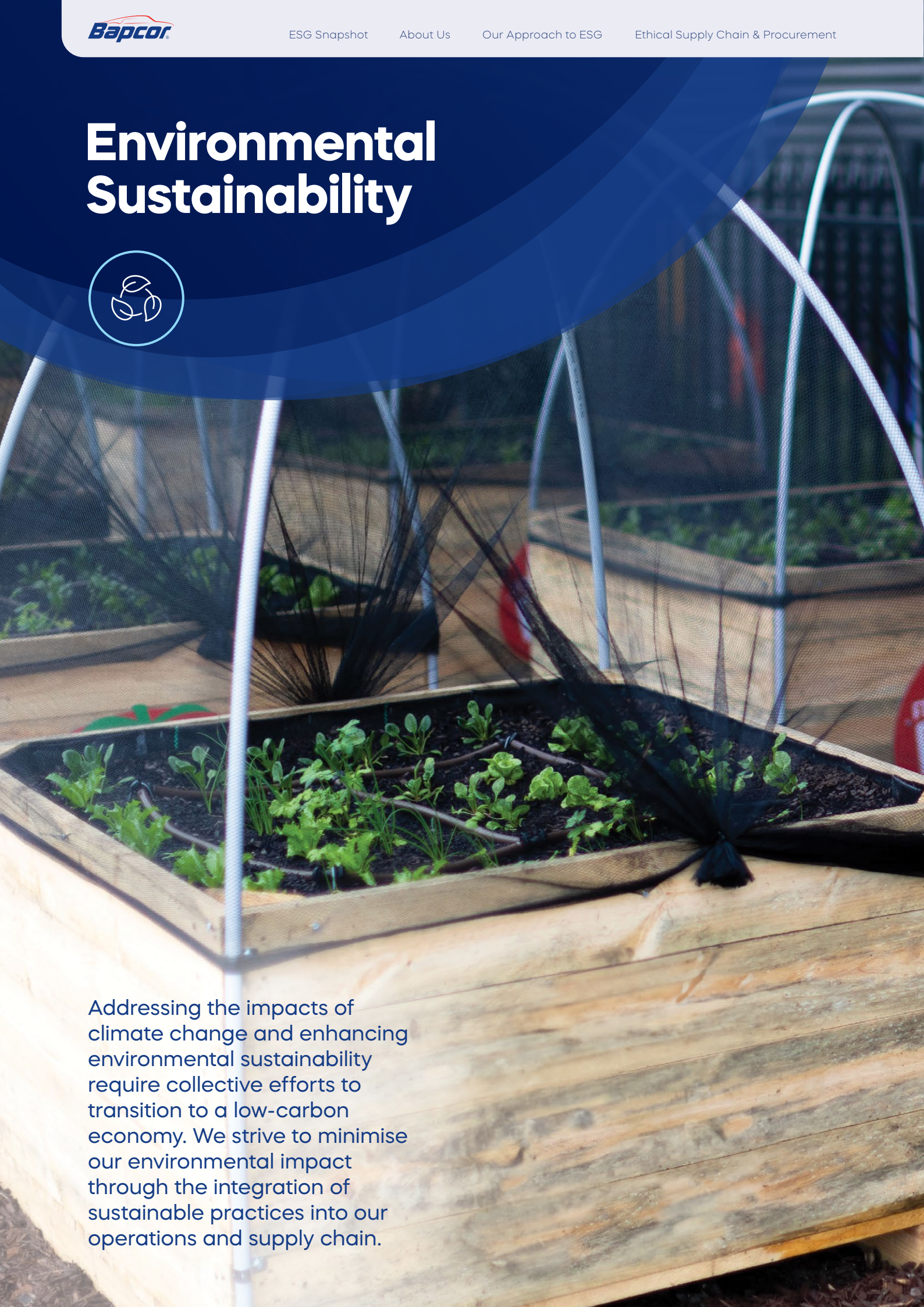
We have also improved our tracking of supplier visits and audits by refreshing our supplier audit log and checklist, which will be trialled next financial year. To support staff engaging with suppliers, we provided targeted training by a subject matter expert to our Procurement and Product teams on definitions, drivers and indicators of modern slavery. The modern slavery online training module, which aims to better equip team members with knowledge and tools to identify risks, has now been completed by 800+ team members.

We acknowledge the global challenges businesses face in eliminating modern slavery and recognise that addressing these issues requires cross-industry collaborative efforts. In FY24, we joined the UN Global Compact Network Australia's Modern Slavery Community of Practice to enhance sustainability leadership and collaborate with peers on due diligence processes aligned with the UN Guiding Principles on Business and Human Rights.








In addition to engaging with peers and suppliers, we continued to engage with our investors, specifically the Investors Against Slavery and Trafficking – Australia Pacific (IAST APAC) – an investor led multi-stakeholder initiative that engages with companies to promote effective corporate action on modern slavery in supply chains.

We will continue to strengthen our approach to upholding human rights and mitigating modern slavery risks within our operations and supply chains by following our *Modern Slavery Roadmap*.

Environmental Sustainability



Addressing the impacts of climate change and enhancing environmental sustainability require collective efforts to transition to a low-carbon economy. We strive to minimise our environmental impact through the integration of sustainable practices into our operations and supply chain.

KEY TOPIC	OBJECTIVE/ INITIATIVE	FY22	FY23	FY24	TARGET	SDG ALIGNMENT
 Emissions & Energy Management	Reduce Scope 1 and Scope 2 emissions in-line with targets	Net Zero Emission ambition established	Roadmap with specific targets established	Action planning based on Roadmap	40% reduction by FY30 50% reduction by FY33	 
	Perform annual emissions assessment for Scope 1 and Scope 2	FY22 not measured like-for-like	28,061 tn	28,852 tn	Ongoing	
	Increase renewable electricity utilisation	-	Preliminary assessment completed	Scope 2 data metering platform established	Renewable energy strategy	
 Climate Strategy	Improve resilience against climate-related risks and opportunities and align with the recommendations of the Task Force for Climate-related Disclosures (TCFD)	-	-	Inaugural TCFD disclosure	In development	
 Packaging & Circularity	Review and report on packaging in line with Australian Packaging Covenant Organisation (APCO)	-	Inaugural APCO Report and Action Plan filed	Achieved 'Advanced' performance status	Ongoing	
 Waste Management	Assess and improve waste management processes and increase levels of waste diverted from landfill	FY22 not measured like-for-like	5,861 tn waste generated ¹ 47% diverted from landfill (AU only)	5,555 tn waste generated ¹ 53% diverted from landfill (AU only)	Mid-term improvements	

Emissions & Energy Management

What does this mean to us?

We understand our responsibility in reducing emissions and energy consumption, recognising the role it plays in combating climate change. We have been taking proactive steps to monitor, manage and reduce emissions. This includes continuing to measure and monitor our Scope 1, 2 and 3 emissions, whilst pinpointing areas of improvements to increase data quality and accuracy and close data gaps.

How are we managing it?

Last year we undertook calculations for our emissions across our direct operations and established a robust GHG emissions inventory. Building on this, we set reduction targets and conducted emission pathway modelling for achieving these.

Our focus this year was on action planning to formulate solutions, and uphold and improve the practices established last year. This included documenting our energy-use and emissions, streamlining our data collection process for our emissions inventory, establishing a Scope 2 data metering platform, and addressing previously identified data gaps across our operations in Australia, New Zealand and Thailand.

Streamlining the data collection process has not only eased data collection but also reduced the reliance on estimations and allowed us to achieve better data quality and a more complete dataset.

1. Approximately 80% of AU and NZ sites.

Table 3: GHG Emissions

EMISSIONS SCOPE ²	FY23 (tCO ₂ e)	FY24 (tCO ₂ e)	TARGETS
Scope 1	14,250	14,567	<ul style="list-style-type: none"> › Reduce Scope 1 and 2 emissions by 40% by FY30, from an FY23 baseline › Reduce Scope 1 and 2 emissions by 50% by FY33, from an FY23 baseline
Scope 2 (Market-based)	13,811	14,285	
Scope 2 (Location-based)	14,071	15,318	
Scope 1 and 2 (Market-based)	28,061	28,852	

Scope 1 and 2

In FY24, Scope 1 and 2 emissions have increased compared to last year, with Scope 1 emissions recording a 2% increase while Scope 2 emissions grew approximately 3%. This is in line with our emissions reduction pathway modelling completed in FY23, predicting a rise in emissions over the short-term due to the expected business growth, and as we design and resource the most effective strategies for implementation.

Our Scope 1 emissions saw a slight increase this year, attributed to the purchase of eight additional fleet vehicles, as well as improved data capture across our stationary fuel and refrigerant leakage through engagement with our business units.

Predominantly, our Scope 1 emissions comprise fuel emissions from fleet operations, thus we identified decarbonisation of our fleet as a key lever to achieving our targets. As at end of FY24, the integration of telematics has reached approximately 80% of our fleet. Telematics information has the potential to play a role in managing fleet emissions through optimising routes and thereby reducing fuel consumption, while also providing insights into fleet utilisation.

Commencing with a review of vehicle acquisitions and disposals, we are progressively centralising fleet management. This is important as we look towards having more sustainable vehicles and expanding the number of lower emission vehicles in our fleet.

These plans do not come without challenges: the phasing in of lower emission vehicles amongst our sizeable fleet requires balancing the lead time for acquiring these new vehicles whilst ensuring this does not disrupt daily operations. Moving forward, we will establish a Fleet Steering Committee to support good governance practices and alignment on fleet-related matters across the business.

This year our Scope 2 emissions saw an increase (to 14,285 tCO₂e market-based, 15,318 tCO₂e location-based) largely due to two reasons: first, improved data capture, and second, the addition of five new operational sites. In FY23, we focussed on enhancing the data capture of our operating sites, and in FY24, we centralised our primary Scope 2 data across all operating sites in Australia and New Zealand onto a single energy data metering platform. This has allowed for improved tracking of our electricity consumption, with actual consumption data gathered for ~96% of our sites in FY24.

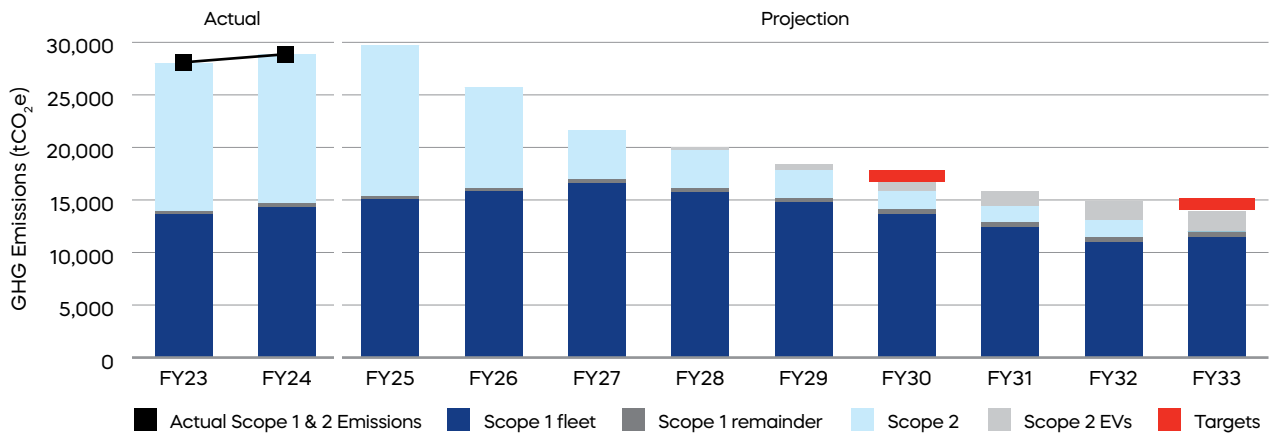
Additionally, in this year’s calculations, we have worked to further align with best practice methodologies, including the National Greenhouse and Energy Reporting (NGER) Scheme³ calculation methodology for our Scope 2 emissions, as well as continuing our alignment with the GHG Protocol. The energy data metering platform and increased reliability of our energy consumption and emissions profile will be foundational in shaping our renewable energy strategy in the future.

In line with our operational improvements, we are also progressing with our Distribution Centre (DC) consolidation plans, focusing on operational efficiency by consolidating our warehouses. We expect these consolidation plans will help us reduce our warehouse footprint and improve energy and logistics efficiency. Over the next year, we will be developing a comprehensive renewable energy strategy. In support of this, we have already procured 100% renewable energy for one of our largest distribution centres. Further, our state-of-the-art DC in Redbank, Queensland, commissioned a 1.8-megawatt solar panel system in October 2023 to kickstart our broader renewable energy initiatives.

2. **Location-based method:** Location-based emissions estimation methods are based on onsite consumption multiplied by industry averages and typically do not reflect a company’s decision to purchase renewable energy or products calculates GHG emissions based on the average emissions intensity of grids on which energy consumption occurs.
Market-based method: The market-based method of estimating Scope 2 emissions subtracts eligible renewable energy purchases from the total quantity of purchased or acquired electricity that is not considered renewable before applying an emissions factor to the residual electricity.

3. <https://cer.gov.au/schemes/national-greenhouse-and-energy-reporting-scheme>

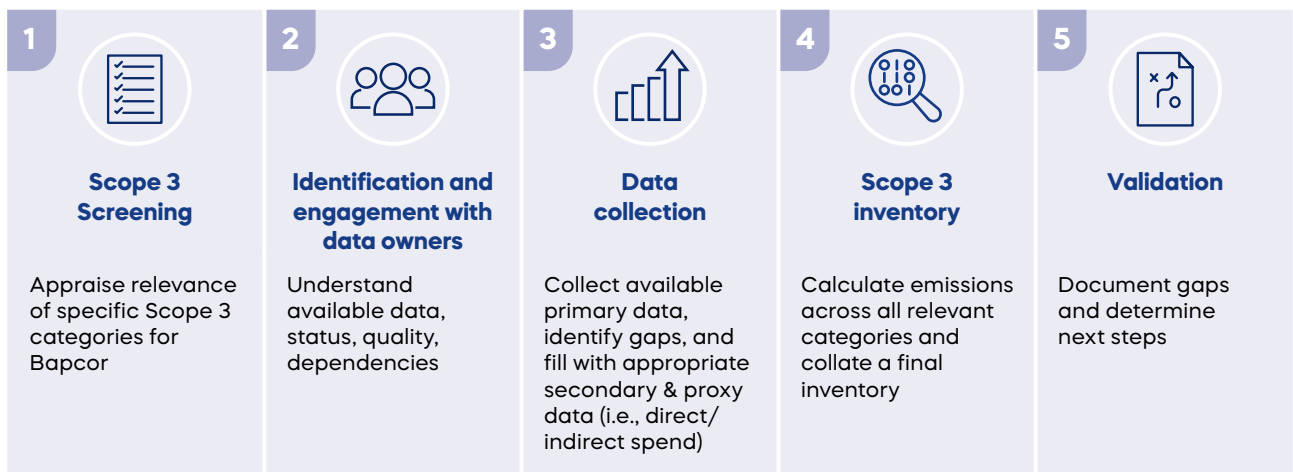
Figure 2: Annual Scope 1 and 2 emissions, and SBT Achievement Scenario



Starting on our Scope 3 journey

An important component of our environmental impact includes our value chain, or Scope 3 emissions. We recognise the complexity of our value chain and the challenges in capturing accurate Scope 3

emissions data. This year we embarked on a comprehensive initiative to help us better understand our upstream emissions profile and make informed decisions to drive sustainability across our business.



Starting with an internal strategic workshop, we conducted a first pass screening of our Scope 3 emissions and identified the categories most relevant to us. We appraised eight relevant areas in our upstream value chain and determined that Scope 3 emissions from purchased goods and services and upstream transportation and distribution stand as the most relevant. Accordingly, we chose to focus on these categories and engaged with data owners to understand data availability, quality, and depth of the information.

Across the upstream categories we conducted a thorough data collection and analysis process in-line with the GHG Protocol, incorporating primary data where available and/or supplemented with secondary or proxy data. The process is shaping our full Scope 3 emissions inventory and will lead to an improvement roadmap to help inform our decisions and actions as we move towards decarbonisation.

For upstream transportation and distribution specifically, we reviewed significant freight and logistics suppliers for our inbound shipments and engaged directly with them to source activity data. This approach effectively laid the foundation for working more closely with our suppliers to obtain high quality data and improve accuracy. We are looking to replicate this success with our other Scope 3 categories and prioritise sourcing primary data where available.

We have started to optimise our transport routes to achieve less transfers and distance travelled. We partnered with one of our key suppliers and have started to optimise our shipping routes – for example, through offshore consolidation starting with our shipments from China. Locally, we are identifying strategic locations for developing micro fulfilment centres (MFCs) across major cities in Australia. Initiatives from major suppliers, such as plans to switch to Bio-Diesel, demonstrate their commitment to sustainability that aligns with our ESG goals. As a next step, we will start to review our domestic suppliers.

Table 4: Scope 3 Categories

CATEGORY	RELEVANCE	ACTIONS UNDERWAY
1. Purchased Goods & Services	Highly relevant	Consolidate data based on spend
2. Capital Goods	Relevant	Consolidate data based on spend
3. Fuel – and energy-related activities	Relevant	Improve on data accuracy by leveraging new energy monitoring dashboards
4. Upstream transportation & distribution	Highly relevant	Engage with suppliers to obtain primary data
5. Waste generated in operations	Relevant	Improve data accuracy by leveraging waste monitoring dashboards
6. Business travel	Relevant	Consolidate data based on travel records
7. Employee commuting	Relevant	Estimate based on FTE data
8. Upstream leased assets	Not Applicable	

Climate Change Strategy – Taskforce on Climate-related Financial Disclosures (TCFD)



What does this mean to us?

Bapcor recognises the importance of transitioning to low carbon solutions to help reduce the impacts of climate change. We aim to support our customers in contributing toward climate action by gradually investing in the decarbonisation of our own assets and facilities.

Over the past year, we have achieved several climate-related milestones. These include improving our ESG and climate governance structure, establishing an ESG Climate Reporting Working Group, identifying climate risks and opportunities, making progress in understanding our Scope 3 emissions, and our inaugural TCFD disclosure.

How are we managing it?

This marks our first disclosure of climate-related impacts on our business, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Our voluntary TCFD disclosures will prepare us for incoming mandatory climate and sustainability regulations, as well as meet shareholder ESG expectations.

In FY25 and beyond, we intend to expand our disclosures including undertaking climate scenario analysis across our operations, defining renewable energy pathways, and preparing for compliance with the Australian Accounting Standards Board (AASB) incoming climate standards.

Governance

There are three levels of ESG and climate agenda governance at Bapcor – the Board, leadership, and operational levels – that together deliver our ESG strategy and manage short – to long-term climate-related risks and opportunities (see **Figure 1**).

The Remuneration and ESG Committee is informed about climate-related matters. It monitors and oversees progress against goals and targets for

addressing climate-related issues on a quarterly basis and recommends developments to our climate strategy to the Board. At present, around two-thirds of the Board is appropriately skilled in environment and sustainability concepts and issues, including those related to climate change. Further information regarding our Board and senior leadership can be found in our *Corporate Governance Statement* and the **Governance section** of this report.

Strategy

Climate risks and opportunities

Climate change presents both physical and transition risks and opportunities across our operations and value chain. In FY24, we identified potential physical hazards and transition risks and opportunities that can impact our business operations, assets, and personnel via desktop research and stakeholder interviews. Our internal stakeholders then ranked and endorsed the climate risks and opportunities at a prioritisation workshop.

Our priority climate risks and opportunities involve adapting our operations to extreme weather events,

navigating the regulatory landscape, and responding to economy-wide shifts towards renewable energy. Additionally, we face the emergence of new low-carbon transport markets and evolving consumer preferences, presenting both risks and opportunities for our business. To maintain our competitive market position, we will need to adapt and adjust to a fast-changing environment and emphasise the need for proactive adaptation and strategic planning to address these complexities effectively. We will begin to assess the evolution of our prioritised risks and opportunities via climate scenario analysis in FY25.

Table 5: Priority climate-related risks (R) and opportunities (O) impacting Bapcor.

PRIORITY R/O	POTENTIAL FINANCIAL IMPACTS AND IMPLICATIONS	TIMEFRAME ⁴	BAPCOR'S RESPONSE ⁵
PHYSICAL			
Acute			
RISK Increases in the severity and frequency of extreme weather events	<ul style="list-style-type: none"> > Higher capital, operational, and insurance costs due to asset damages > Financial losses from business disruptions and reduced productivity > Supply chain disruptions and delays, including import deliveries and power supply issues > Increased safety risks for team members on-site and during commuting 	Short to long term	<ul style="list-style-type: none"> > Geographic diversity of operations > Site selection considering climate > Emergency and Response Plans > Safety software > Crisis and business continuity arrangements
TRANSITION			
Policy and Legal			
RISK Responding to regulatory requirements, and transition to low carbon transport	<ul style="list-style-type: none"> > Higher operating costs due to new climate regulations and reporting requirements > Increased operating and capital costs from transitioning to low-carbon transport, including upskilling, service changes, rising fossil fuel prices, and additional internal combustion engine (ICE) vehicle fees > Higher supply chain costs from emerging climate regulations and requirements 	Short to long term	<ul style="list-style-type: none"> > Engage with internal and external experts on upcoming legislation > Decarbonisation roadmap > Monitor automotive market trends and legislation

4. Timeframe indicates when the risk/opportunity will likely start to impact Bapcor for short (next five years), medium (five to 10 years) and/or long (10+ years) term periods.

5. Indicates high-level activities that Bapcor is, or will be, implementing to reduce climate risks/grow opportunities.

PRIORITY R/O	POTENTIAL FINANCIAL IMPACTS AND IMPLICATIONS	TIMEFRAME ⁴	BAPCOR'S RESPONSE ⁵
Market			
RISK Market and consumer preferences change as the transition to low-carbon transport and relevant services accelerate	<ul style="list-style-type: none"> > Increased operational costs due to adjustment to market changes and upskilling > Increased operational costs and revenue loss from stranded auto parts, overstock, and inability to meet consumer preferences 	Short to long term	<ul style="list-style-type: none"> > Research into products and market demand > Renewable energy and fleet transition initiatives > Business operations and product diversification
OPPORTUNITY New markets in low carbon transport and relevant services	<ul style="list-style-type: none"> > Additional revenue sources and other opportunities related to market change to low emission vehicles, and circular approach implementation 	Short to medium term	
Technology			
RISK Supply chain innovation and partnerships reduce Scope 3 emissions	<ul style="list-style-type: none"> > Supply chain technology improvements followed by the impacts on operational and supply chain costs, including costs related to Scope 3 emissions reduction 	Medium term	<ul style="list-style-type: none"> > Consideration of technology-based initiatives affecting overall supply chain and Scope 3 emissions
OPPORTUNITY Increased efficiency through automation and technology, optimised energy cost with renewable energy	<ul style="list-style-type: none"> > Costs and resource optimisation due to new technology and increased automation > Energy costs and resource optimisation due to energy efficiency improvement, reducing reliability on external energy resources via implementing renewable energy on site > Reducing fleet-related operating costs through fleet transition to low emission vehicles 	Short to medium term	<ul style="list-style-type: none"> > Implementation of renewable energy generation on sites, energy efficiency, digitalisation and automation initiatives within the organisation

For the full list of physical and transition risks and opportunities, potential impacts and responses, please refer to our **Appendix**.

Risk Management

Bapcor recognises that climate-related risks may cause disruptions in our value chain. Our approach to managing these and other risks is guided by our Enterprise Risk Management (ERM) processes as outlined in our *Risk Management Policy*. The Board has responsibility for the implementation and oversight of our risk management approach, with detailed work delegated to the Audit and Risk Committee (ARC). The ARC ensures that regular reviews are undertaken to identify major business risks and to ensure they are being assessed and addressed appropriately.

During FY25 we will continue to develop responsibilities and practices regarding climate risk management, upskill employees to effectively identify and in time, address these risks, and explore the uptake of climate-related opportunities.

Climate risk is currently considered in our Group Risk Register as part of a risk associated with ESG strategy and climate change. Responses to this risk include enhancing systems and data to support ESG activities and reporting, and continuing to increase the depth to which climate-related risks and opportunities are understood. In addition, leveraging the climate scenario analysis being completed in FY25 we will be further integrating climate risks and opportunities into our business strategy.

Metrics and Targets

We are committed to reducing GHG emissions and transitioning to a low-carbon future. We take responsibility for our role in combating climate change and are dedicated to managing emissions across our operations. Last year, taking guidance from the Science Based Targets Initiative (SBTi), we set science-aligned Scope 1 and 2 emission reduction targets from our FY23 base year. We will continue to improve and refine metrics and targets to provide transparent and accurate disclosures to relevant stakeholders.

Our current GHG emission metrics and targets are included in Table 6. For more detailed information on our emission metrics and targets, please refer to the section **Emissions & Energy Management**.

Table 6: Summary of Bapcor climate-related metrics and targets

SCOPE	METRICS	TARGETS	TIME PERIOD
Scope 1 GHG emissions	Scope 1 emissions reduction (tCO ₂ e)	Scope 1 and 2 reductions by 40%	By 2030 from FY23 baseline
Scope 2 GHG emissions	Scope 2 emissions reduction (tCO ₂ e) – location and market-based	Scope 1 and 2 reductions by 50%	By 2033 from FY23 baseline
Energy	% of renewable energy used	Finalise renewable energy strategy.	FY25
Fleet	% of electrified fleet	Reducing fleet emissions through numerous measures including gradual transition to low emission vehicles, where appropriate technology is available and feasible.	In development (hybrid trial commenced)

Looking forward, we aim to enhance our climate metrics and targets through the following actions:

- > Improving our Scope 3 emissions methodology and data collection;
- > Developing a renewable energy strategy and rollout plan;
- > Exploring opportunities for optimising our fleet size and considering newer, safer, and more sustainable alternatives;
- > Focusing on current waste management, packaging solutions and investment targets to achieve Scope 1 and 2 emissions goals; and
- > Considering potential climate-related metrics and targets to provide transparent and accurate disclosures.

Packaging & Circularity



What does this mean to us?

We acknowledge the significance of sustainable packaging and circularity in minimising waste and preserving resources. We are actively exploring recyclable, reusable, sustainable packaging solutions as part of committing to circular economy principles that also extend product lifecycles and reduce overall resource consumption. Our efforts include developing a sustainable packaging program that will position us well to adapt to anticipated national packaging regulation.

How are we managing it?

In FY24, we developed a Sustainable Packaging Strategy Framework (SPSF) embracing APCO's Sustainable Packaging Guidelines (SPG). With oversight from our Sustainable Packaging Working Group, we have introduced robust processes and tools such as supplier packaging guidelines and fostered product team collaboration across our business units. As a result, we were able to significantly improve our performance in our second APCO Annual Report – our status progressing from 'Getting Started' to the start of an 'Advanced' rating.

We have focused on developing more consistent material specification procedures that focus on:

- > Identifying and replacing problematic materials;
- > Improving the recyclability of material components used in our packaging solutions; and
- > Increasing the use of recycled content in our packaging solutions.

We remain committed to a phased roll-out of our SPSF across our business units. Appointment of business unit Packaging Recyclability Evaluation Portal (PREP) Champions, regular training and upskilling on new packaging technologies, supplier engagement to manage complexities presented by our broad product portfolio all play a role in building the foundations of our sustainable packaging program.

In addition to progress made on eliminating problematic packaging materials such as PVC from our portfolio, our battery recycling program resulted in 293,663 tonnes of batteries being recycled in FY24.

PACKAGING: STREETWIZE BRAND PVC REMOVAL

Since committing to the removal of PVC from our packaging in 2023, we have successfully identified and started to roll-out strategies to eliminate the use of PVC from our Streetwize brand through recyclable alternatives.

Streetwize offers a range of affordable, fit-for-purpose automotive protection products, microfibre cloths and accessories that enhance and protect vehicles. The products are designed to provide a good level of quality, fit for their intended purpose, and offer an expected level of style and innovation.

This transition began with the redesign of our seat cover packaging, switching from PVC bags to cardboard boxes and the change has now extended to our Streetwize pet range, sunshades and car organiser packaging. This is the result of a significant collaborative effort across our private label & graphic design teams, with intentions to see zero PVC and non-recyclable plastics in this brand by the end of 2025.





Waste Management ♻️

What does this mean to us?

At Bapcor, effective waste management is essential for our ambition to reduce waste to landfill and increase reuse and recycling of materials. We have a strong awareness around poor waste practices posing risks to the business, such as regulatory non-compliance, increased costs, reputational and environmental damage.

How are we managing it?

Over the past 12 months, Bapcor generated an estimated 5,555 tonnes of waste across Australia and New Zealand, a reduction of approximately 5% in total waste generated compared to FY23. We also achieved a 53% waste diversion from landfill (compared to 47% in FY23). The reduction in the amount of waste generated at our operations and increase in diversion from landfill is a testament to the progress made on various initiatives designed for us to better understand and improve our approach to managing waste.

With support from our waste management providers, this year we launched internal waste management dashboards covering both Australia and New Zealand. This has provided visibility and granularity of performance across our portfolio and supports more effective waste management based on data-driven insights. Efforts to progressively capture and move across sites to these common providers continues.

Our waste management providers have also been reporting more 'actual' weight data from collection trucks enabling us to increasingly move away from estimates and assumptions. Site visits have enhanced our visibility of waste across our sites. This year approximately 25% of sites managed by our Australian waste management provider have been audited, helping to identify underperforming locations and implement control measures.

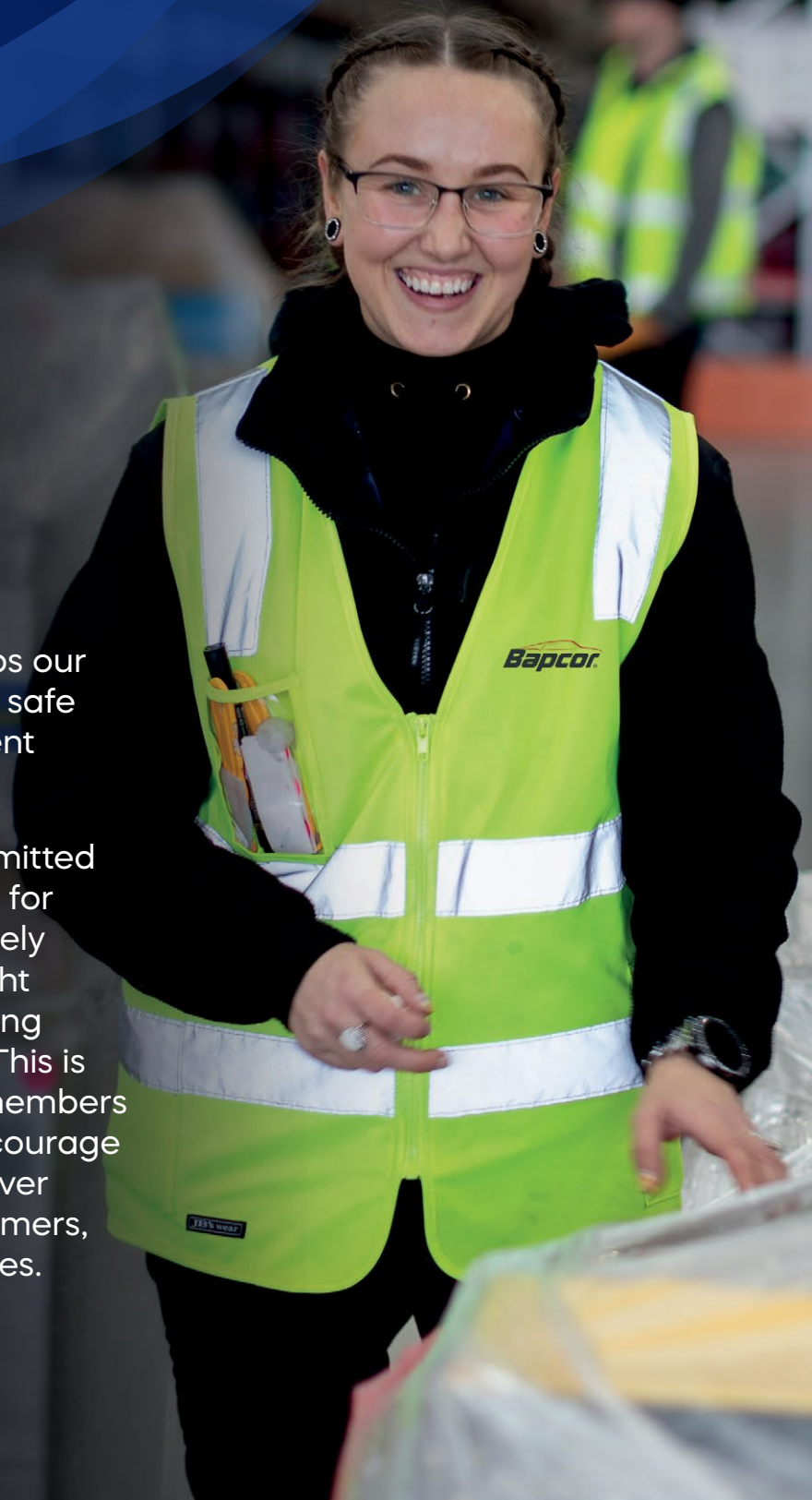
Some notable waste initiatives include the implementation of programs to return pallets to a central location, introduction of appropriate waste collection streams, such as cardboard and soft plastics, as well as tweaking collection frequencies, all with a view to improving waste practices and reducing our environmental footprint.












Good Governance & Supporting and Developing Team Members



Bapcor supports and develops our team members by creating a safe and inclusive work environment where people thrive.

Our team members are committed to our purpose of being there for what matters most, and actively live our values – doing the right thing, being in it together, giving a damn and getting it done. This is evidenced in the way team members collaborate, engage, and encourage a consistent approach to deliver the best for their peers, customers, shareholders, and communities.



KEY TOPIC	OBJECTIVE/ INITIATIVE	FY22	FY23	FY24	TARGET	SDG ALIGNMENT
 Culture & Development	Achieve a positive and open culture and a 2nd quartile employee engagement score	3rd quartile	4th quartile	Survey not conducted	Original target (2nd quartile by FY25) superseded due to unavailable data – a new methodology is currently under review	
	Reduce total turnover across the group	39.3%	39.0%	36.6%	Further improvement year-on-year	
 Health, Safety, & Wellbeing	Continue to invest in and develop safety processes, systems, and education to reduce TRIFR	20.58 TRIFR 7.18 LTIFR	13.99 TRIFR 5.13 LTIFR	15.41 TRIFR 5.72 LTIFR	Further improvement year-on-year	 
 Diversity, Equity, & Inclusion	Maintain an active Diversity and Equity Working Group	✓	✓	New DEI Council established	Ongoing	
	Invest in Women's Development	✓	✓	✓	Ongoing	
	Inclusive leadership training for senior leaders and managers	-	-	Launch of Inclusive Leadership Program for Bapcor PIT Crew	Expand Program to additional team members	
	Implement initiatives to improve gender, age, ethnicity, and ability diversity across the Bapcor Group	26% female team members	28% female team members	28% female team members	35% female team members by FY26	
		29% new female hires	32% new female hires	30% new female hires	40% new female hires by FY26	
24% female internal promotions		27% female internal promotions	29% female internal promotions	35% female internal promotions by FY26		
15% female people leaders		16% female people leaders	16% female people leaders	25% female people leaders by FY26		
17% GLT and direct reports	30% GLT and direct reports	36% GLT and direct reports	35% GLT and direct reports by FY26			
 Privacy Protection & Cybersecurity	Ensure privacy for personal information	0 recorded data breaches	0 recorded data breaches	0 recorded data breaches	Ongoing	

Culture & Development



What does this mean to us?

Our culture is one where our team members strive to achieve the best outcomes for customers, shareholders, and each other.

No matter where they are located – across different countries, states and regions – each team member understands our purpose and values. This helps us to prioritise what is important, bringing consistency in performance, decision-making, investments, and engagements across the company.

How are we managing it?

To foster a strong culture and support our team members' growth, we continue to develop our Learning and Development framework with the aim to provide career growth opportunities for all team members.

Specifically, for our PIT crew – our top 100+ senior leaders – we have continued providing tailored

development support across the year, reinforcing leadership skills that align with our purpose and values. We have invested further in our senior leaders through intensive programs to ensure a shared understanding of our strategy and purpose, as well as support to manage change and contribute to build an inclusive and diverse Bapcor.

We complemented these programs with strategic roadshows where over 1,700 of our team members participated. The program ran in late 2023, showcasing the company's purpose, business priorities and culture for team members in sites across Australia and New Zealand.

Looking forward, in late 2024 we will release our *company behaviours*, which will practically underpin how our team members 'turn up' for work in a way that is consistent with our purpose and values. This will be further supported with an updated version of our Code of Conduct and provides compliance guidelines for activities such as cyber security, safety and wellbeing, inclusive leadership and modern slavery.

Health, Safety & Wellbeing



What does this mean to us?

At Bapcor, our team members matter most, and we are passionate about keeping people safe and well while performing their roles. We recognise that supporting both physical and mental wellbeing reduces the risk of accidents and injuries. This helps every team member to perform at their best.

How are we managing it?

We have a comprehensive framework of Health, Safety, and Wellbeing (HSW) policies, standards, and procedures to embed a proactive safety culture and a dedicated HSW team to implement this holistic approach.

In FY24, we further integrated the Donesafe management system. This software has enhanced our ability to manage health and safety incidents and injuries by improving data capture and reporting processes.

This enhanced oversight has enabled strategic decisions and preventive controls, especially in known areas of high risk. As an example, detailed insights from Donesafe inform segment risk profiles and the development of segment safety plans to address segment-specific risk.

While this has resulted in increased hazard reporting this year, it has led to the deployment of early intervention programs to reduce further risk in the future.

We review HSW performance against set metrics annually, using trends from Donesafe to set new targets. In FY24, we introduced housekeeping inspections to address an increasing trend of incidents.

Bapcor has introduced a more proactive approach to injury management. Introducing these early intervention programs across the business prompted an increase in reporting of medically treated injuries, and contributed to a rise in the Total Recordable Injury Frequency Rate (TRIFR), however the Lost Time Injury Frequency Rate (LTIFR) of 5.72 remains below the industry benchmark of 13.2.

Risk assessments and reviews conducted by third parties have provided insights and action plans to reduce the risks of poor health and safety in our workplace.

Recommendations to address psychosocial risks have driven implementation of a range of solutions and control measures, including a dedicated change team and policies to deliver a better people experience across segments and teams. Monthly HSW communication across Bapcor sites provides updates on HSW related topics and reminds team members of the range of programs, training, and information available to them. This helps our team members to prioritise their personal health and wellbeing.

The Employee Assistance Program (EAP) provides access to psychological and counselling services, and the wellbeing program offers access to flu vaccinations, skin health checks and heart health information. We also support our senior leaders with access to a comprehensive health check to encourage proactive management of their overall health.

In FY25, we will develop a strategic investment plan targeting areas in the Group risk profile and specific segments. Additionally, we are optimising ways of working to improve return-to-work outcomes for injured team members and invest strategically in holistic wellbeing programs.

SAFETY & ENVIRONMENT: INSTALLATION OF TELEMATICS IN BAPCOR'S FLEET

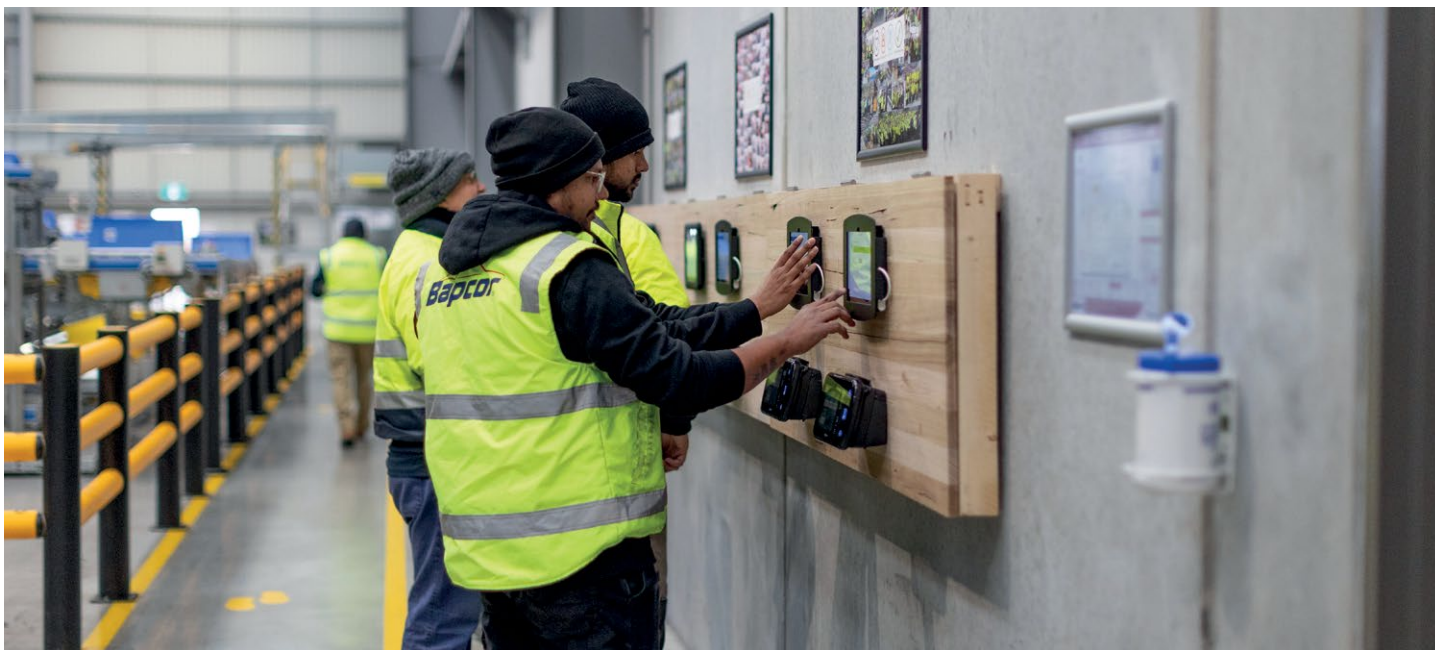
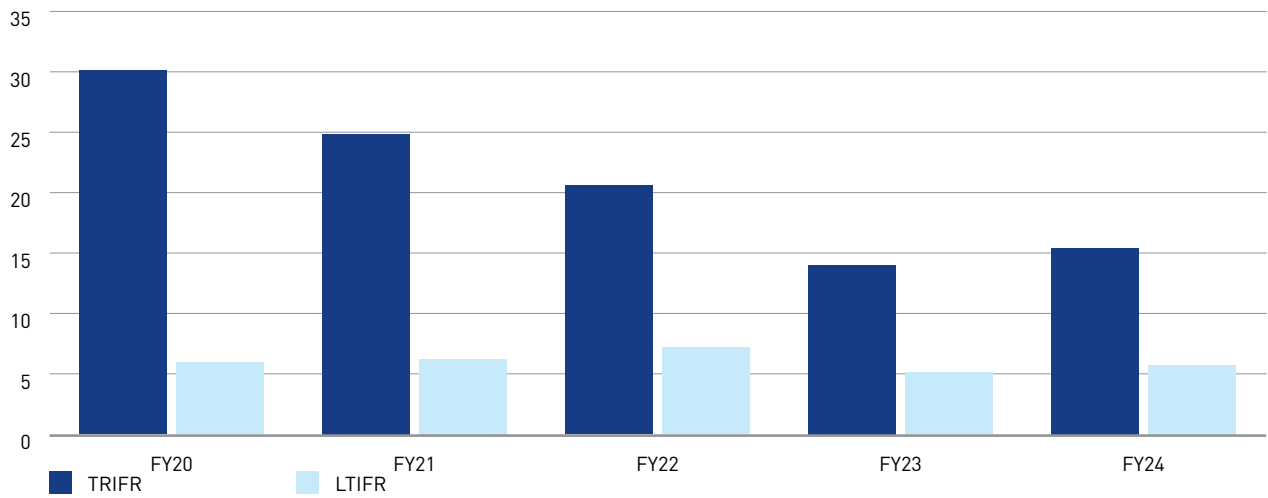


The installation of telematics in our fleet vehicles was a significant step forward this year in keeping many team members safe and well. Recognising that driving is a high-risk activity, telematics provides real-time data on speeding, harsh cornering, and braking – indicators of risky behaviour. By monitoring and modifying these behaviours soon after they occur, we aim to enhance driver safety and reduce accidents.

Moreover, telematics has the potential to support our climate strategy by enabling more efficient route planning. In time, optimisation through telematics will deliver efficiencies including reduced fuel consumption, thereby lowering our carbon footprint, and contributing to environmental sustainability efforts.

This dual benefit of increased safety and environmental sustainability showcases our commitment to responsible and progressive operational practices.

Figure 3: Bapcor's TRIFR and LTIFR: FY20 to FY24



Diversity, Equity and Inclusion

What does this mean to us?

At Bapcor, we value the uniqueness of every team member. We believe that embracing differences helps each of our team members reach their potential and supports our business goals. A diverse and inclusive workplace where everyone feels like they belong allows us to attract, develop, retain, and motivate talent from a broad pool and better serve our customer base.

To create the environment we want, we do not tolerate discrimination, bullying, harassment, vilification, or victimisation. As a major player in our industry, we understand the role we play in influencing and leading the way by working closely with our suppliers, industry partners and governing bodies to shift the dial.

DEI: INTERNATIONAL WOMEN'S DAY CELEBRATION

On International Women's Day (IWD) 2024, we launched the #inspireinclusion campaign, aimed at advancing gender equity and inclusion in the workplace. As part of the campaign launch, we supported the delivery of a range of initiatives and events to demonstrate our commitment to building an inclusive and diverse workplace.

The inaugural IWD Industry Breakfast brought industry representatives together to announce a partnership to drive gender equality across the automotive aftermarket sector.

Recognising the power of collaboration, the partnership is committed to welcoming women as employees in the sector and to supporting them to succeed, lead and improve pipelines into the industry.

As part of IWD, we introduced an industry-leading Parental Leave Policy. The new policy enhances support for families by increasing paid parental leave to 26 weeks and removing primary and secondary 'carer' labels to provide greater flexibility.

These collective efforts are a significant stride towards equity in the workplace.



Figure 4: Bapcor's DEI Strategy



How are we managing it?

Following a comprehensive benchmarking review, this year we articulated a new *Diversity, Equity, and Inclusion (DEI) Strategy* with clear goals and targets based on four key pillars:

- > Lay the Foundation;
- > Accountable & Invested Leaders;
- > Building Belonging; and
- > Lead the Industry.

We also established a new DEI Council composed of GLT members who govern and oversee our DEI initiatives. The Council monitors progress against targets and engages with stakeholders and experts to stay updated on best practices and emerging trends. To support our new Strategy, we also refined our gender targets to FY26 against 5 key metrics, ensuring we focus our efforts where we can make the biggest difference and reinforcing leadership accountability for DEI.

We launched multiple successful initiatives in FY24 and made significant strides in advancing gender equality. We trained over 100 senior team members on inclusive leadership and conducted an education session with the Board on the Positive Duty Act.

We reached our FY26 target of 35% female representation in the cohort of GLT and their direct reports. This is two years ahead of schedule – an achievement which models diversity from the top and allows for increased focus on DEI at all levels of the organisation.

In collaboration with AAAA members, we launched a new industry partnership to tackle gender equality in the automotive aftermarket industry by promoting inclusiveness and improving diversity pipelines into the industry.

As our journey to build a diverse and inclusive workplace and set the standard for the industry by monitoring targets evolves, we will continue listening to our team members, celebrating differences, educating leaders on DEI and adapting our policies to meet the needs of all team members and customers.

Privacy Protection & Cybersecurity

What does this mean to us?

We are committed to safeguarding our business systems and the private and sensitive data of our employees, customers, and supply chain partners. We enforce data protection measures and adhere to relevant privacy laws and regulations.

We have a critical incident management plan with clear escalation and governance procedures for all incidents, including security and privacy.

There were no reportable cybersecurity incidents or privacy breaches in FY24.

How does Bapcor manage this?

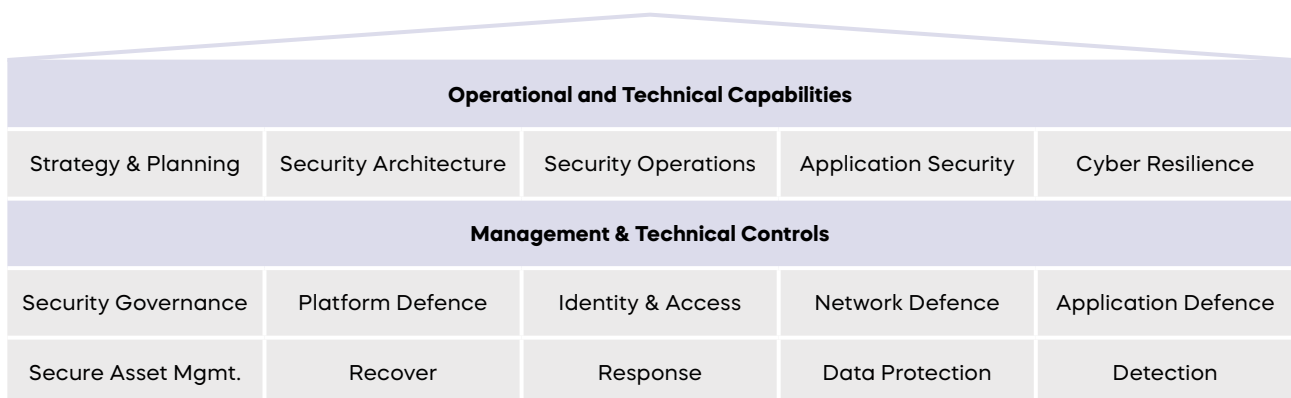
With increased digitalisation driving our operations, we recognise the critical importance of cybersecurity in managing potential breaches and responsibilities entrusted to us to handle data privacy properly. Our goal is to maintain cybersecurity and privacy controls suited to our business size and nature and ensure legal and regulatory compliance.

We are in the final stage of implementing a cybersecurity program aligned with the National Institute of Standards and Technology (NIST) framework. This program includes a Cyber Security Controls Framework, with policy-based and technical controls to classify, manage, and protect private information. New and updated cybersecurity and privacy policies have been communicated to team members, supported by updated tools and processes for endpoint protection, mail filtering, privileged access management, security operations, threat detection, and web firewalls.

In the face of increasing cybersecurity threats, we equip our team to manage digital interactions safely at work, home, and in the community. Malicious activities like phishing and social engineering are countered with technical controls, and communication. We ensure all team members receive initial and ongoing cybersecurity training.

With the first two stages of the cybersecurity program complete, the final phase is scheduled for FY25.

Figure 5: Bapcor’s Cybersecurity Framework



Positively Impacting our Communities



We work with local organisations and stakeholders to meet community needs and enhance societal wellbeing. This includes community contributions, as well as ensuring we operate ethically, and aim for high product quality, and positive customer relationships.

KEY TOPIC	OBJECTIVE/ INITIATIVE	FY22	FY23	FY24	TARGET	SDG ALIGNMENT
 Ethical Operations				In Development		
 Community Engagement & Investment	Drive positive community impact through focused engagement and support	N/A	N/A ⁶	\$303k comprising cash, time, in-kind and management costs (B4SI)	Continue applying B4SI methodology	
				\$52k leverage comprising employee donations		

6. Our community investment contribution was calculated for the first time in FY24 using the B4SI methodology and was independently verified. The data published in FY23 (\$728k) applied different criteria and is not comparable to FY24.

Ethical Operations, Product Quality & Customer Relationship Management



What does this mean to us?

We believe that ethical practices and delivering high-quality products helps us build stronger, more trusting relationships with our customers. This approach not only enhances satisfaction but also seeks to reinforce our reputation and integrity.

How are we managing it?

Our *Code of Conduct* is the foundation of our way of working. It sets out clear expectations for all team members, including Board members and third parties acting on our behalf. As part of onboarding, all team members undergo periodic compliance training on our Code of Conduct as well as our *Anti-Bribery, Corruption, and Fraud Policy*.

We have a sourcing strategy upheld by established Quality Control (QC) processes. Each supplier undergoes a validation process to ensure they adhere to our standards. Alongside the QC process, we work closely with Original Equipment Suppliers (OES), ISO accredited manufacturers, and those who produce components for leading global brands. This approach ensures that top-tier automotive products from reputable global suppliers who meet our quality standards are part of our own brand programs.

By integrating these practices into our operations, we mitigate risks, promote a culture of integrity, and contribute positively to our customers' experience.



CUSTOMER: BAPCOR DRIVE EXPO



We recently hosted the Bapcor Drive Expo in Auckland, New Zealand. The four-day event, aimed at deepening our engagement with industry partners and customers, offered a comprehensive program of activities. Attendees benefited from valuable product knowledge opportunities and training sessions responding to requests received around upskilling.

We held a suppliers welcome dinner and VIP customer grand opening function, followed by two days of

dynamic tradeshows with 61 exhibitors across 100 booths. With over 1,300 registrations, the Expo exceeded attendance expectations. Customer and supplier feedback was overwhelmingly positive – networking opportunities, quality of engagement and workshops were called out as highlights.

The Drive Expo showcased the strength of our relationships with customers and suppliers, solidifying our leadership in the aftermarket industry in New Zealand.

Community Engagement & Investment

What does this mean to us?

We are committed to making a positive contribution to the local communities in which we operate. We actively engage in community investment through direct cash and in-kind donations. We aim to leave a lasting and meaningful legacy everywhere we work.

How are we managing it?

To enhance our approach to managing and measuring our community investments, in FY24 we joined Business for Societal Impact (B4SI). B4SI provides a common standard to enable businesses to manage their social impact and share information in an open, transparent, and consistent manner. The application of a robust measurement standard will allow us to better understand the difference our contributions make in-line with corporate peers.

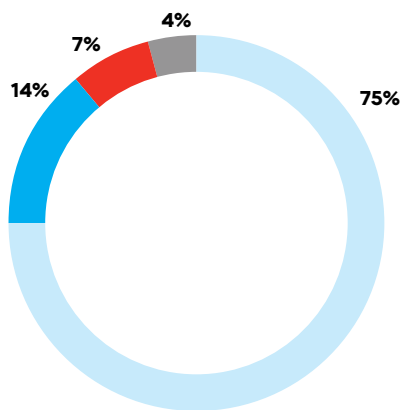
As part of B4SI, this year we were able to apply an externally validated methodology to our community investment, effectively setting a new baseline. This brings our community investment spend in FY24 to \$303K. Some of these contributions were in the form of direct cash donations to community partners. We also contributed through time spent by our people volunteering, and through the donation of value-in-kind products. Our community investment figure only includes spend that directly benefits the community and excludes costs associated with

commercial sponsorships or marketing campaigns, in-line with B4SI methodology. Most of our community contributions went towards educational causes linked to our business purpose, such as supporting student course fees and supplying equipment to the Auto Super Shoppes training academy. The academy provides an automotive pre-trade course for students to transition to the work force. Additionally, we leveraged \$52K in value from our employees' donations and contributions and saw 280 hours of volunteer work completed in employees' own time.

Community champions for each business segment are responsible for liaising with store managers, collating team member volunteering efforts and have been trained in data collection on community investment spend to support our efforts. One example is Burson's Be Part of the Community Program which encourages our stores to engage with their local communities by supporting local charities, groups and organisations that contribute positively to the community, our industry, health, education, and the environment.

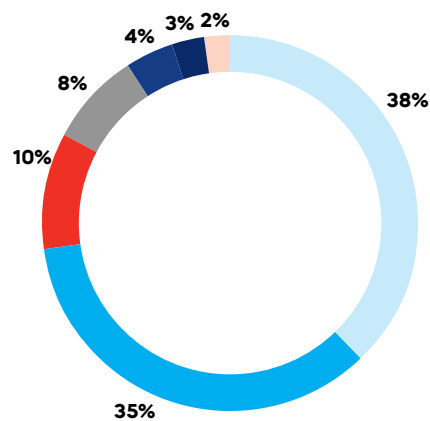
We will continue to measure our community impact and refine our approach based on the insights gained from our new methodology. Our focus will remain on enhancing our community investment strategies, ensuring alignment with our business purpose, and maximising the positive impact of our contributions.

Figure 6: Community investment spend



- Cash
- Management costs
- Time
- In-kind: contributions of product, equipment, rooms etc.

Figure 7: Community investment spend, by cause



- Education
- Economic development
- Social Welfare
- Health
- Arts/Culture
- Environment
- Other support

Appendix

Glossary

TERM	DESCRIPTION
Australian Automotive Aftermarket Association (AAAA)	The national industry association that represents the full supply chain of the Australian automotive market which includes car component manufacturers, wholesalers and distributors of accessories and replacement parts and independent auto service and repair workshops.
Australian Packaging Covenant Organisation (APCO)	Not-for-profit organisation in Australia leading the development of a circular economy for packaging.
Greenhouse gas (GHG) emissions	Gases that tend to trap heat radiating from the earth's surface, thus causing warming in the lower atmosphere, such as carbon dioxide (CO ₂) and methane (CH ₄).
Intergovernmental Panel on Climate Change (IPCC)	The IPCC is an intergovernmental body of the United Nations and has a key role in advancing scientific research into the human causes of climate change and their impacts. The IPCC routinely releases assessment reports that are highly regarded as robust, thorough and authoritative sources of the most recent literature on the impacts of climate change.
Investors Against Slavery and Trafficking – Australia Pacific (IAST-APAC) initiatives	Investor-led, multistakeholder led initiative established in 2020 to engage with companies in the APAC region to promote and provide guidance on identifying, rectifying, and preventing modern slavery within the operations and supply chains.
Modern Slavery Act 2018 (Cth)	<i>Modern Slavery Act 2018</i> (Commonwealth Act) requires Australian entities or carry on businesses in Australia with a minimum annual consolidated revenue of \$100 million to report under the Commonwealth Act their risk of modern slavery in their operations and supply chains and actions to address those risks, and for related purposes through a modern slavery statement.
Net zero (absolute emissions)	Achieving an overall balance between greenhouse gas emissions produced and greenhouse gas emissions taken out of the atmosphere.
Science-based target	An emissions reduction target that is in line with the scale and timing of reductions required to limit warming in line with the goals of the Paris Agreement, limiting warming to well below 2 degrees, with efforts to meet 1.5 degrees above pre-industrial levels. Targets can be either validated by the Science Based Target initiative (SBTi) or are aligned to the SBTi guidance on target setting.
Task force for Climate-related Financial Disclosures (TCFD)	Created in 2015 by the Financial Stability Board to guide the development of climate-related financial risk disclosures for companies, banks and investors in providing information to stakeholders.

GRI Content Index

Statement of use

Bapcor has reported the information cited in this GRI content index for the period 1 July 2023 to 30 June 2024 with reference to the GRI Standards.

GRI STANDARD	DISCLOSURE	LOCATION	PAGE
GRI 1 used	GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021	2-1 Organisational details	About this Report	i
	2-2 Entities included in the organisation's sustainability reporting	About Us	03
	2-3 Reporting period, frequency and contact point	About this Report Contact point	i 36
	2-6 Activities, value chain and other business relationships	About Us	03
	2-9 Governance structure and composition	Governance	07
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance	07
	2-14 Role of the highest governance body in sustainability reporting	Governance	07
	2-22 Statement on sustainable development strategy	CEO message	02
	2-23 Policy commitments	Governance	07
2-29 Approach to stakeholder engagement	Stakeholder Engagement	06	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment	05
	3-2 List of material topics	Materiality Assessment	05
ETHICAL SUPPLY CHAIN & PROCUREMENT			
Responsible Supply Chain			
GRI 3: Material Topics 2021	3-3 Management of material topics	Responsible Supply Chain	09
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Supply Chain	09
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible Supply Chain	09
Human Rights & Modern Slavery			
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights & Modern Slavery	09
GRI 412: Human Rights Assessment 2016	412-2 Employee trainings on human rights policies or procedures	Human Rights & Modern Slavery	09
ENVIRONMENTAL SUSTAINABILITY			
Emissions & Energy Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Emissions & Energy Management	11
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Emissions & Energy Management	12-13
	305-2 Energy indirect (Scope 2) GHG emissions	Emissions & Energy Management	12-13
	305-3 Other indirect (Scope 3) GHG emissions	Emissions & Energy Management	13-14
	305-5 Reduction of GHG emissions	Emissions & Energy Management	10-13

GRI STANDARD	DISCLOSURE	LOCATION	PAGE
ENVIRONMENTAL SUSTAINABILITY (CONTINUED)			
Climate Strategy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate Strategy	14-17
Packaging & Circularity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Packaging & Circularity	18
Waste Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste Management	19
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management	19
	306-2 Management of significant waste-related impacts	Waste Management	19
	306-3 Waste generated	Waste Management	19
	306-4 Waste diverted from disposal	Waste Management	19
GOOD GOVERNANCE & SUPPORTING AND DEVELOPING TEAM MEMBERS			
Culture & Development			
GRI 3: Material Topics 2021	3-3 Management of material topics	Culture & Development	22
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Culture & Development	21
Health, Safety & Wellbeing			
GRI 3: Material Topics 2021	3-3 Management of material topics	Health, Safety & Wellbeing	22
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health, Safety & Wellbeing	22
	403-2 Hazard identification, risk assessment, and incident investigation	Health, Safety & Wellbeing	22
	403-3 Occupational health services	Health, Safety & Wellbeing	22
	403-6 Promotion of worker health	Health, Safety & Wellbeing	22
	403-9 Work-related injuries	Health, Safety & Wellbeing	21-23
Diversity, Equity & Inclusion			
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity, Equity & Inclusion	24
Privacy Protection			
GRI 3: Material Topics 2021	3-3 Management of material topics	Privacy Protection & Cybersecurity	25
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy Protection & Cybersecurity	25
POSITIVELY IMPACTING OUR COMMUNITIES			
Ethical Operations, Product Quality & Customer Relationship Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Ethical Operations, Product Quality & Customer Relationship Management	27
Community Investment & Engagement			
GRI 3: Material Topics 2021	3-3 Management of material topics	Community Investment & Engagement	28

TCFD Index

TCFD THEME	DISCLOSURES	LOCATION IN REPORT
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	07, 14
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	14
Strategy	a. Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term.	15-16, 33-35
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	15-16, 33-35
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Planned for FY25
Risk Management	a. Describe the organisation's processes for identifying and assessing climate-related risks.	15
	b. Describe the organisation's processes for managing climate-related risks.	15
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	16
Metrics and Targets	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	17
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	12-14
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	17

TCFD Risks and Opportunities – detailed description

Table A1

Detailed descriptions of the climate-related risks (R) and opportunities (O) potentially impacting Bapcor. Timeframe indicates when the risk/opportunity will likely start to impact Bapcor for short (next 5 years), medium (5 to 10 years) and/or long (10+ years) term periods. Bapcor's response summarises key high level activities to reduce the climate risks/grow opportunities. Risks shaded green have been classified as priority risks/opportunities.

RISK/OPPORTUNITY	POTENTIAL FINANCIAL IMPACTS AND IMPLICATIONS	TIMEFRAME ⁷	BAPCOR'S RESPONSE ⁸
PHYSICAL			
Acute			
PRIORITY RISK Increases in the severity and frequency of extreme weather events	<ul style="list-style-type: none"> > Increases in capital, operational costs and insurance premiums associated with increases in physical damages of assets (e.g., fleet, buildings). > Financial losses due to business disruptions, and reduced productivity related to limited access to sites and roads, product and vehicle damage, management of weather event consequences and migration of hazardous materials/waste off site. > Increasing supply chain disruptions and/or delays, such as delivery process and schedule for import (e.g., power supply, road closures). > Threat to the safety of team members, on site and during commute to/from work that may be compounded by extreme weather events. 	Short to long term	<ul style="list-style-type: none"> > Geographic diversity of operations. > Site selection process considering climate. > Emergency Preparedness and Response Procedure and Plans. > Safety software. > Crisis and business continuity arrangements.
RISK Storm surge and coastal hazards impacting assets and workforce	<ul style="list-style-type: none"> > Financial losses due to damaged coastal infrastructure and sites. > Increased costs associated with marine logistics and port-related delays and disruptions. > Threat to the safety of team members, on site and during commute. 	Medium to long term	<ul style="list-style-type: none"> > Geographic diversity of operations. > Site selection process considering climate.
Acute and Chronic			
RISK Long-term temperature rise, drought, and extreme heat	<ul style="list-style-type: none"> > Operational costs increase (e.g., energy costs). > Financial costs related to loss of labour productivity and threat to team members' health. > Water crisis causing increased prices on water supply and water use restrictions/limitations. 	Short to long term	<ul style="list-style-type: none"> > Automotive and retail industry standards on emergency response, health and safety. > Initiatives on energy efficiency.

7. Timeframe indicates when the risk/opportunity will likely start to impact Bapcor for short (next five years), medium (five to 10 years) and/or long (10+ years) term periods.

8. Indicates high-level activities that Bapcor is or will be implementing to reduce climate risks/grow opportunities.

RISK/OPPORTUNITY	POTENTIAL FINANCIAL IMPACTS AND IMPLICATIONS	TIMEFRAME ⁷	BAPCOR'S RESPONSE ⁸
TRANSITION			
Policy and Legal			
PRIORITY RISK Responding to regulatory requirements, and transition to low carbon transport	<ul style="list-style-type: none"> › Increased operating costs and additional fees arising from the need to align with emerging regulation and reporting requirements related to climate change and decarbonisation, including the need for Bapcor GHG emissions reduction. › Increased operating and capital costs arising from adjustment to transitioning to low carbon transport, including upskilling, service line change, increased fossil fuel prices and additional fees on internal combustion engine (ICE) vehicles. › Increased supply chain costs associated with emerging climate regulation and requirements. 	Short to long term	<ul style="list-style-type: none"> › Proactive engagement with internal and external experts regarding upcoming legislation and requirements. › GHG emissions targets and decarbonisation strategy work underway. › Research of current trends in automotive market and legislation with consideration of potential impacts on Bapcor.
OPPORTUNITY Increased regulatory support for EVs based on the EV and emissions reduction strategies	<ul style="list-style-type: none"> › Additional sources of revenue and financial opportunities due to expansion of low emission vehicles supported by the government. 	Short to long term	
Market			
PRIORITY RISK Market and consumer preferences change as the transition to low-carbon transport and relevant services accelerate	<ul style="list-style-type: none"> › Operational costs increase due to adjustment to market change including need for upskilling and search for new partnerships. › Increased operational costs and revenue loss associated with stranded auto parts followed by over stock, inability to meet consumers' preferences, and align supply and demand. 	Short to long term	<ul style="list-style-type: none"> › Research into products and market demand, including low emission vehicles use. › Initiatives related to renewable energy and fleet transition low emission vehicles.
PRIORITY OPPORTUNITY New markets in low carbon transport and relevant services	<ul style="list-style-type: none"> › Additional revenue sources and other opportunities related to market change to low emission vehicles, and circular approach implementation. 	Short to medium term	<ul style="list-style-type: none"> › Consideration of business operations diversification and different approach to products and services provided.
Technology			
PRIORITY RISK Supply chain innovation and partnerships reduce Scope 3 emissions	<ul style="list-style-type: none"> › Supply chain technology improvements followed by the impacts on operational and supply chain costs, including costs related to Scope 3 emissions reduction. 	Medium term	<ul style="list-style-type: none"> › Consideration of technology-based initiatives affecting overall supply chain and Scope 3 emissions.

RISK/OPPORTUNITY	POTENTIAL FINANCIAL IMPACTS AND IMPLICATIONS	TIMEFRAME ⁷	BAPCOR'S RESPONSE ⁸
TRANSITION (CONTINUED)			
Technology (continued)			
PRIORITY OPPORTUNITY Increased efficiency through automation and technology, optimised energy cost with renewable energy	<ul style="list-style-type: none"> Costs and resources optimisation due to new technology and automation implementation. Energy costs and resources optimisation due to energy efficiency improvement, reducing reliability on external energy resources via implementing renewable energy on site. Reducing fleet-related operating costs through fleet transition to low emission vehicles. 	Short to medium term	<ul style="list-style-type: none"> Implementation of renewable energy generation on sites, energy efficiency, digitalisation, and automation initiatives within the organisation.
Reputation			
RISK Decrease in talent retention and attraction	<ul style="list-style-type: none"> The lack of proactivity in internal and external communication leading to talent retention and attraction issues, and decreased business partnership opportunities. 	Medium term	<ul style="list-style-type: none"> Incorporate climate risks and opportunities into business strategy, including development of climate communication plans and fulfilling reporting requirements.
RISK AND OPPORTUNITY Requirement for value chain emissions reporting	<ul style="list-style-type: none"> The lack of proactivity and readiness to meet stakeholders' changing demand and expectations leading to reputation shifts and, consequently, impact on financial metrics. 	Medium term	<ul style="list-style-type: none"> Ongoing communication and engagement with the stakeholders, including investors, business partners and customers. Climate-related reporting and communication initiatives underway, including Scope 3 management plans.

* The timeframes are aligned with the Bapcor understanding of short-, medium- and long-term time periods within strategy planning.

** Bapcor risk management actions under consideration.

Health, Safety and Wellbeing – data tables

Table A2: Health, Safety and Wellbeing Performance

LEAD INDICATORS	FY22	FY23	FY24
First Aid Reports in Donesafe	No data	833	543
Hazards Reported in Donesafe	No data	3,275	5,008
Walk'n'Talks Recorded in Donesafe	No data	3,379	3,889
% Toolbox Talks Completed	No data	94%	100%
% Risk Assessment Reviews Completed	No data	94%	100%
Segments % Safety Compliance Training Completed	No data	81%	81%
Housekeeping Inspections	No data	NA	100%

LAG INDICATORS	FY22	FY23	FY24
Lost time injuries	67	55	62
Medical treated injuries	125	95	105
Lost time injuries frequency rate	7.18	5.13	5.72
TRIFR Frequency rate	20.58	13.99	15.41

COMPLIANCE TRAINING ACTUALS, COMPLETION	FY22	FY23	FY24
Safety fundamentals	No data	76%	85%
Safety fundamentals – People Leaders	No data	70%	83%
Edrive	No data	75%	80%
CoR (Chain of Responsibility)	No data	86%	81%

Diversity, Equity and Inclusion – data tables

Table A3: Bapcor’s gender targets/performance

MEASURE	FY22	FY23	FY24	FY26
	Actual	Actual	Actual	Target
Increase the total number of female team members	26%	28%	28%	35%
Increase the number of female new hires	29%	32%	30%	40%
Increase the number of females who are promoted internally	24%	27%	29%	35%
Increase the number of females who are people leaders	15%	16%	16%	25%
Increase the number of GLT and their direct reports who are female	17%	30%	36%	35%

Contact

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