Environment, Social and Governance (ESG) Strategy

Effective date:	25 July 2018
Last review date:	26 August 2026
Recommended by:	Nomination, Remuneration & ESG Committee
Authorised by:	Bapcor Board

Our Values

We do the right thing...

We are **open, honest** and **respectful. We do what we say and say what we do.**

We are in it together...

We're all part of the Bapcor **family.** We **support** each other, **include** everyone and have **fun** along the way.

We give a damn...

We **care** about what we do and are **proud** of how we do it. We are **passionate** and **make a difference.**

We get it done...

We use our **unique** talents to find **solutions** and **achieve common goals.** We celebrate success and strive to win.

1. Introduction

(a) Bapcor Limited's (**Bapcor**) Environmental, Social and Governance (**ESG**) Strategy outlines Bapcor's approach to managing environmental, social and governance matters that may impact Bapcor's long-term performance, stakeholders and ability to create sustainable value. It builds on the principles set out in Bapcor's ESG Policy and supports the delivery of Bapcor's broader business objectives and corporate strategy.

(b) This ESG Strategy is reviewed annually by the Board of Bapcor (**Board**) to ensure it remains appropriate and aligned with Bapcor's strategic priorities, operating environment and regulatory obligations. Bapcor reports on its ESG performance in accordance with applicable legislation, frameworks and standards, having regard to evolving stakeholder expectations and industry practice.

2. Our Approach to ESG

(a) Bapcor's approach to ESG risks and opportunities is reflected in the Strategic Framework (as outlined in Section 3), which identifies key areas of focus and associated measures and initiatives. The Strategic Framework is underpinned by Bapcor's Purpose, Values, Code of Conduct and governance structures, and is intended to support responsible business practices, effective risk management and sustainable growth.

(b) Bapcor's ESG priorities and measures for each key pillars in the Strategic Framework have been informed by stakeholder engagement and Bapcor's assessment of its material ESG risks and opportunities. These measures are reviewed annually to ensure alignment with Bapcor's strategy, operations and the evolving regulatory landscape.

(c) Bapcor is currently undertaking a review of its corporate strategy to support future growth and sustainable value for shareholders. Following completion of that process, Bapcor will update this ESG Strategy (including any future targets and performance measures for FY27) to ensure ongoing alignment with Bapcor's corporate strategy.

3. Our Strategic Framework

(a) Bapcor's ESG Strategy includes a range of initiatives, measures and targets across four key pillars underpinned by a commitment to our governance practices:

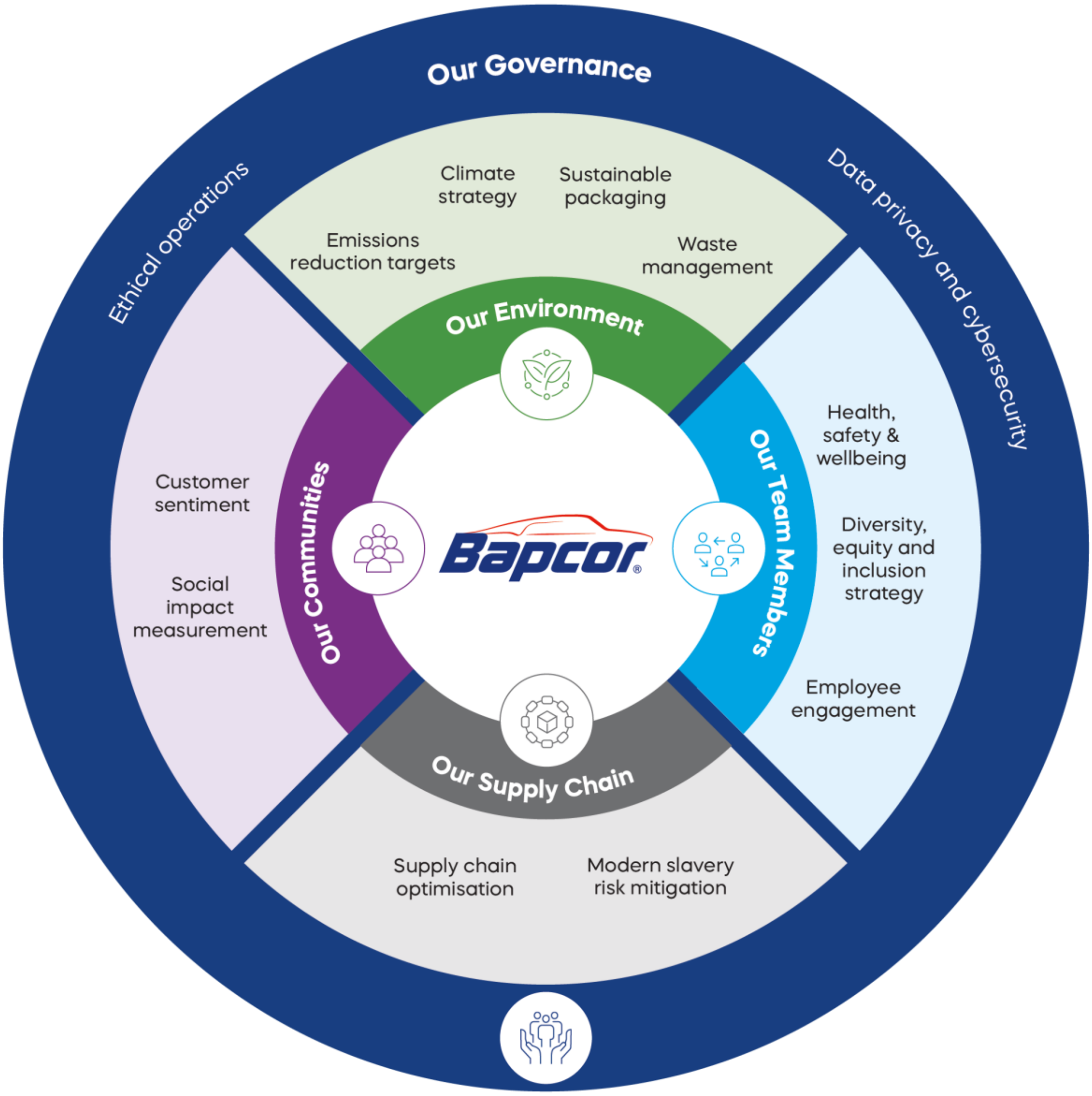
   (i) Our Supply Chain;

   (ii) Our Environment;

   (iii) Our Team Members; and

   (iv) Our Communities.

(b) Governance is positioned as a foundational element of the Strategic Framework supporting the establishment, monitoring and continuous improvement of sustainable practices across our key pillars.



4. Organisational Structure and Oversight

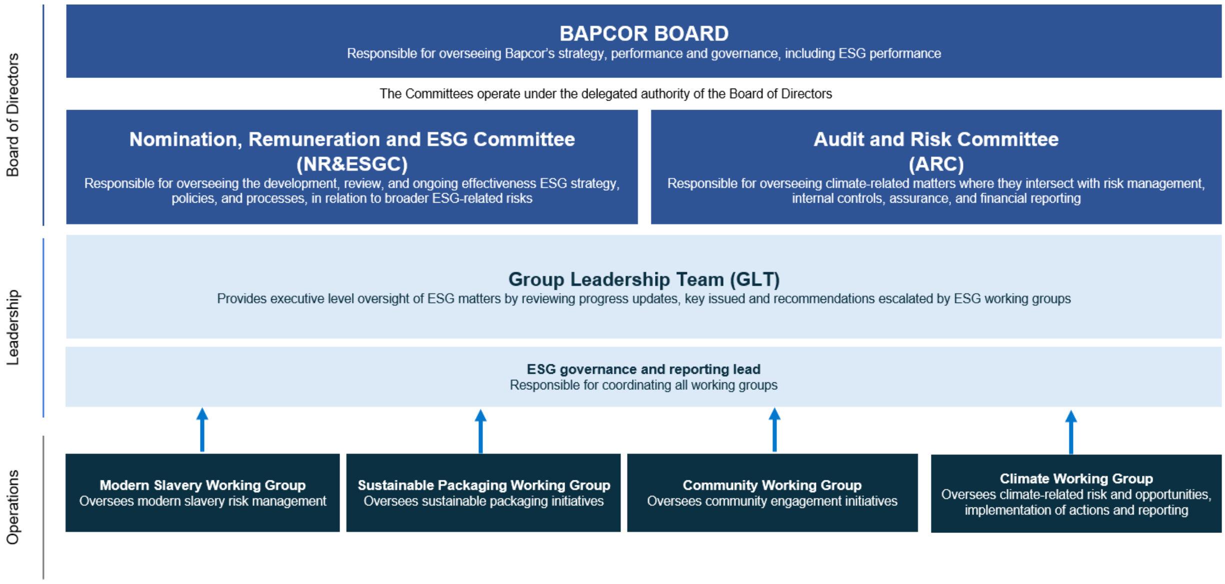
(a) The Board is responsible for overseeing our sustainability performance through the following:

i) **Nomination, Remuneration and ESG Committee -** provides oversight of ESG policies, practices, and reporting, with regular updates including in-depth reviews of key ESG topics and initiatives;

ii) **Audit and Risk Committee -** reviews and monitors Bapcor's risk management framework, including climate-related risks;

(b) The Group Leadership Team (**GLT**), led by the CEO, support the implementation of this ESG Strategy and monitors progress against ESG priorities and initiatives.

(c) The ESG governance and reporting lead is a direct report of the General Counsel & Company Secretary, and coordinates all the working groups.



5. Sustainability Targets

The targets set out below reflect Bapcor's FY26 Sustainability Targets. Future targets will be reviewed as part of the broader corporate strategy review and will be updated following completion of that process:

PILLAR	MEASURE	TARGET FY26	PERFORMANCE FY26	OUTCOME
Our Supply Chain	***DC supply rate*** *(percentage of products ordered vs percentage of products supplied by the DCs)*	*>90%*	*90.30%*	*Achieved*
	% Supplier base engaged by spend *(percentage of total annual supplier spend engaged as part of our modern slavery program)*	*Increase coverage 5% year-on-year*	*70.5% (5.5% increase year-on-year)*	*Achieved*
	Third party supplier audits *(visibility and initiation of third party modern slavery audits on suppliers)*	*Begin implementing audit program*	*Bapcor established a new role to commence the supplier audit program, rather than engaging third-party auditors. The role has performed remote and in-person supplier audits.*	*Achieved*
Our Team Members	***TRIFR*** *(TRIFR vs industry benchmark; vs past years)*	*5% decrease year-on-year from FY25 TRIFR of 8.7*	*10 (14.94% increase year-on-year)*	*Not achieved*
	Female team members *(percentage of female team members)*	*35%*	*29%*	*Not achieved*
	Females in senior leadership *(percentage of GLT and directs reports that are female)*	*35%*	*29%*	*Not achieved*
	Employee engagement *(year-on-year change in employee engagement score)*	*75% by FY30*	*54%*	*In progress*

PILLAR	MEASURE	TARGET FY26	PERFORMANCE FY26	OUTCOME
Our Environment	**Scope 1 and 2**[1] (annual emissions (tn) and reduction against FY23 baseline in-line with FY30 targets)	40% reduction by FY30 50% reduction by FY33	Reduced by 2% between the FY23 baseline and FY26.	In progress
	Fleet emissions[2] (year-on-year reduction in emissions from fleet compared to the baseline)	5% decrease year-on-year	4% decrease year-on-year	Not achieved
	Waste diversion[3] (percentage of waste diverted from landfill)	>58%	59.8%	Achieved
Our Communities	**Community investment** (development of a social impact and community engagement program)	Develop social impact program	Bapcor is progressing a community partnership program.	In progress
	Customer sentiment (establish net promoter score (NPS) and NPS baseline)	Develop group wide customer NPS and targets	NPS program established, with more than 20,000 customer surveys completed.	Achieved
Our Governance	**Code of conduct/ ACF training completion rate** (percentage of team members who have completed Code of Conduct and Anti-Bribery, Corruption, and Fraud Policy training)	>90%	80.8%	Not achieved
	Cybersecurity/ Privacy training completion rate (percentage of team members who have completed Cybersecurity and Privacy training)	>90%	81.2%	Not achieved

[1] FY23 baseline year
[2] FY25 baseline year
[3] AU only. Approximately 90% of sites.

6. Our Supply Chain

As an automotive aftermarket business, Our Supply Chain is fundamental to our business and our sustainability commitment. Bapcor's approach to our supply chain focuses on optimising processes to better meet customer needs while promoting transparency, integrity and responsible sourcing practices. Through a range of strategic initiatives, we are enhancing our supply chain processes to deliver operational and cost efficiencies, fostering strong, ethical relationships with suppliers, and upholding high standards to create a responsible, resilient supply chain.

7. Our Environment

Managing climate-related risks and opportunities and promoting environmental sustainability are important priorities for Bapcor. Our Environment pillar focusses on developing a decarbonisation strategy that reduces our emissions, as well as managing the risks, opportunities and compliance requirements presented by climate change. This strategy coincides with our increasing efforts to reduce waste and proactively moving towards more sustainable packaging for our own brands. These initiatives in combination with collaboration and innovation, are essential for Bapcor to ensure a sustainable future for our business and the communities we serve.

8. Our Team Members

Bapcor is committed to creating a safe, inclusive workplace where Our Team Members can thrive. Our approach to this pillar places the highest priority on team member safety and wellbeing. Our Diversity, Equity and Inclusion Strategy recognises the value that diversity, equity and inclusion brings to our people and business and has been implemented to build an inclusive environment that reflects our core values. Through robust health, safety, and wellness (**HSW**) systems, proactive risk prevention, and ongoing training and support, Bapcor is fostering a culture centred on our values of safety and inclusion to empower our team members to succeed and feel valued every day.

9. Our Communities

Bapcor recognises the importance in creating a positive impact for Our Communities. Our approach to supporting our communities is focused on investing and strengthening our connection with the communities in which Bapcor operates. Our customer engagement approach focuses on understanding customer needs and continually improving the customer experience. Through these efforts and initiatives, we will strengthen our community and customer relationships, aligning our actions to reflect our commitment to be a good corporate citizen.

10.Our Governance

Acting ethically and responsibly is essential to building trust among our stakeholders and ensuring Bapcor's long-term sustainability. Our commitment to governance is supported by governance structures, mandatory training for team members, and effective control measures to mitigate or address any ethical, data-related or cybersecurity incidents. Through our ongoing commitment to the UN Global Compact, we are continually reviewing our approach to embedding ethical practices into our business. This builds a culture of transparency and integrity, strengthens stakeholder trust and supports sustainable growth for the business.

11. Version Control

Version	Amendment/s	Date created	Author
1.0	Establish policy	25 July 2018	Chief Executive Officer
1.1	FY19 review	31 August 2018	Chief Executive Officer
1.2	FY20 review	31 July 2019	Chief Executive Officer
1.3	FY21 review	31 August 2020	Chief Executive Officer
1.4	FY21 update	1 December 2021	Chief Executive Officer
1.5	FY23 update	15 August 2023	ESG Manager
1.6	FY24 update	20 August 2024	ESG Manager
1.7	FY25 Refreshed Strategy	27 August 2025	ESG Manager
1.8	Review and update	26 August 2026	General Counsel & Company Secretary