



Environment, Social and Governance (ESG) Strategy

Effective date: 25 July 2018

Last review date: 20 August 2024

Recommended by: 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.

Bapcor Limited ESG Strategy

1. Introduction

- a) Bapcor Limited's (Bapcor) Environment, Social and Governance (ESG) Strategy builds upon Bapcor's vision, commitment and responsibilities in regard to ESG principles outlined in the Bapcor ESG Policy.
- b) Our approach to taking action on sustainability is defined by our ESG strategic framework. The framework sets out our integrated approach to sustainability as fundamental to what we do, underpinned by our Code of Conduct, our Purpose and our values.
- c) This document is reviewed regularly by the Board of Bapcor (Board) to ensure its appropriateness.

2. Our ESG Strategic Framework

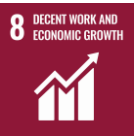


- a) Bapcor's ESG Strategy includes a range of initiatives and targets across four key Areas of Focus:
 - (i) Ethical Supply Chain / Procurement;
 - (ii) Environmental Sustainability;
 - (iii) Good Governance & Supporting And Developing Our Team Members; and
 - (iv) Positively Impact Our Communities.





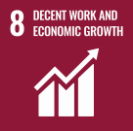

3. Reporting


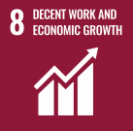




- a) Progress will be tracked against the actions (and timeframes agreed) for each objective of our ESG Strategy.





4. Our Commitment to Sustainability

Key topic	Objective / initiative	FY22	FY23	FY24	Target	SDG ¹ Alignment
Supply Chain Responsibility	Participate in UN Global Compact	✓	✓	✓	Ongoing	
	Develop and Implement ESG-risk based procurement process	AAAA Modern Slavery portal launched	126 suppliers commenced onboarding with 70 completed	234 suppliers commenced onboarding with 153 completed	Actively increase # of suppliers onboarded	
Human Rights and Modern Slavery	Publish Modern Slavery Statement	✓	✓	✓	Ongoing	
	An active Modern Slavery Working Group	✓	✓	✓	Ongoing	
Emissions & Energy Management	Reduce Scope 1 and Scope 2 emissions in-line with targets	Net Zero Emission ambition established	Roadmap with specified targets established	Action planning based on roadmap	40% Reduction by FY30 50% Reduction by FY33	 
	Perform annual emissions assessment for Scope 1 and 2	FY22 not measured like-for-like	28,061 tn (Bapcor wide)	28,852 tn (Bapcor wide)	Ongoing	
	Increase renewable energy utilisation	-	Preliminary assessment completed	Scope 2 data metering platform established	Finalise renewable energy strategy	

¹ Sustainable Development Goals

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	
Waste Management	Assess and improve waste management processes; increase levels of waste diverted from landfill	FY22 not measured	~5,861 tn waste generated; (~ 80% of AU/NZ sites)	~5,555 tn waste generated (~ 80% of AU/NZ sites)	Mid-term improvements	
			47% diverted from landfill (AU only)	53% diverted from landfill (AU only)		
Packaging and Circularity	Review and report on packaging in-line with Australian Packaging Covenant Organization (APCO)	NA	Inaugural APCO Report and Action Plan filed	Achieved 'Advanced' APCO performance status	Ongoing	
Health, Safety and 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	  
Culture and Development	Achieve a positive and open culture and a 2nd quartile employee engagement score (utilising the Organisational Health Index, OHI)	3 rd quartile	4 th quartile	Not available in FY24	Original target (2nd quartile by FY25) superseded due to unavailable data – a new methodology is currently under review	

	Reduce total team member turnover across the Group	39.3%		36.6%	Further improvement	  
Diversity, Equity and Inclusion	Maintain an active Diversity and Inclusion 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% FY26	
		29% New Female Hires	32% New Female Hires	30% New Female Hires	50% FY26	
		24% Female Internal Promotions	27% Female Internal Promotions	29% Female Internal Promotions	35% FY26	
		15% Female People Leaders	16% Female People Leaders	16% Female People Leaders	35% FY26	
17% GLT and Direct reports		30% GLT and Direct reports	36% GLT and Direct reports	35% FY26		
Privacy Protection	Ensure privacy for personal information	0 data breaches recorded	0 data breaches recorded	0 data breaches recorded	Ongoing	

<p>Community Engagement & Investment</p>	<p>Drive positive community impact through focused engagement and support</p>	<p>NA</p>	<p>FY23 not measured like-for-like*</p>	<p>\$303K comprising cash, time, in-kind and management costs (B4SI)</p>	<p>Continue applying B4SI methodology</p>	  
<p>Ethical Operations</p>	<p>In development</p>					 

* 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.

5. 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