



Bapcor[®]

Bapcor Limited

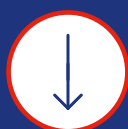
**TAX
TRANSPARENCY
REPORT 2023**

Bapcor[®]

INTRODUCTION

This Report sets out Bapcor's tax activities for the year ended 30 June 2023 together with our approach to tax strategy and governance. This report should be read in conjunction with the Bapcor 2023 Annual Report which can be found on the Bapcor website at www.bapcor.com.au.

Bapcor is one of Asia Pacific's leading providers of vehicle parts, accessories, equipment, service and solutions. From our origins as Burson Auto Parts in 1971, Bapcor has since grown into a vertically integrated business servicing trade, wholesale and retail customers. Bapcor's reach now extends across c.1,000 locations and employs approximately 5,500 team members across Australia, New Zealand and Asia.



BAPCOR Annual Report 2023
Download from bapcor.com.au



OUR APPROACH TO TAX POLICY, STRATEGY AND GOVERNANCE



Bapcor has a strong commitment to tax risk management and corporate governance. Bapcor adopts a group wide Tax Governance Policy (Policy) developed by the Head of Taxation and Chief Financial Officer (CFO), endorsed by the Audit and Risk Committee (ARC) and approved by the Board of Directors.

Bapcor is committed to a high standard of integrity and acts as a responsible taxpayer. Under Bapcor's Policy, the Board has approved the following principles:

- A low tolerance for tax risk.
- Not sanction or support any activity that has as its principal function the avoidance of tax.
- To conduct its tax affairs in compliance with the laws of all jurisdictions in which Bapcor operates.

Tax risk management

The ARC provides oversight and advice to the Board on tax risk management and is ultimately responsible for directing Bapcor's approach to tax compliance, through adoption of the Policy. Changes to the Policy require Board approval.

The CFO and Head of Taxation report to the ARC regularly (at least annually) on tax governance, significant tax issues and risks, effective tax rate updates, revenue authority reviews, significant transactions, tax reform and legislative change, and ongoing operational improvements.

Our team member engagement is embedded in a commitment to strong corporate governance practices to ensure transparency, accountability, and ethical conduct. The company adheres to relevant laws in all aspects of its operations, fostering trust among our stakeholders.

Our Values



We do the right thing...

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



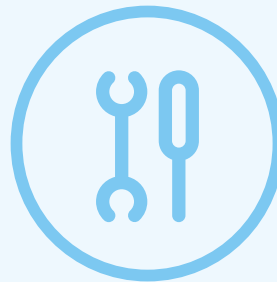
We are in it together...

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...

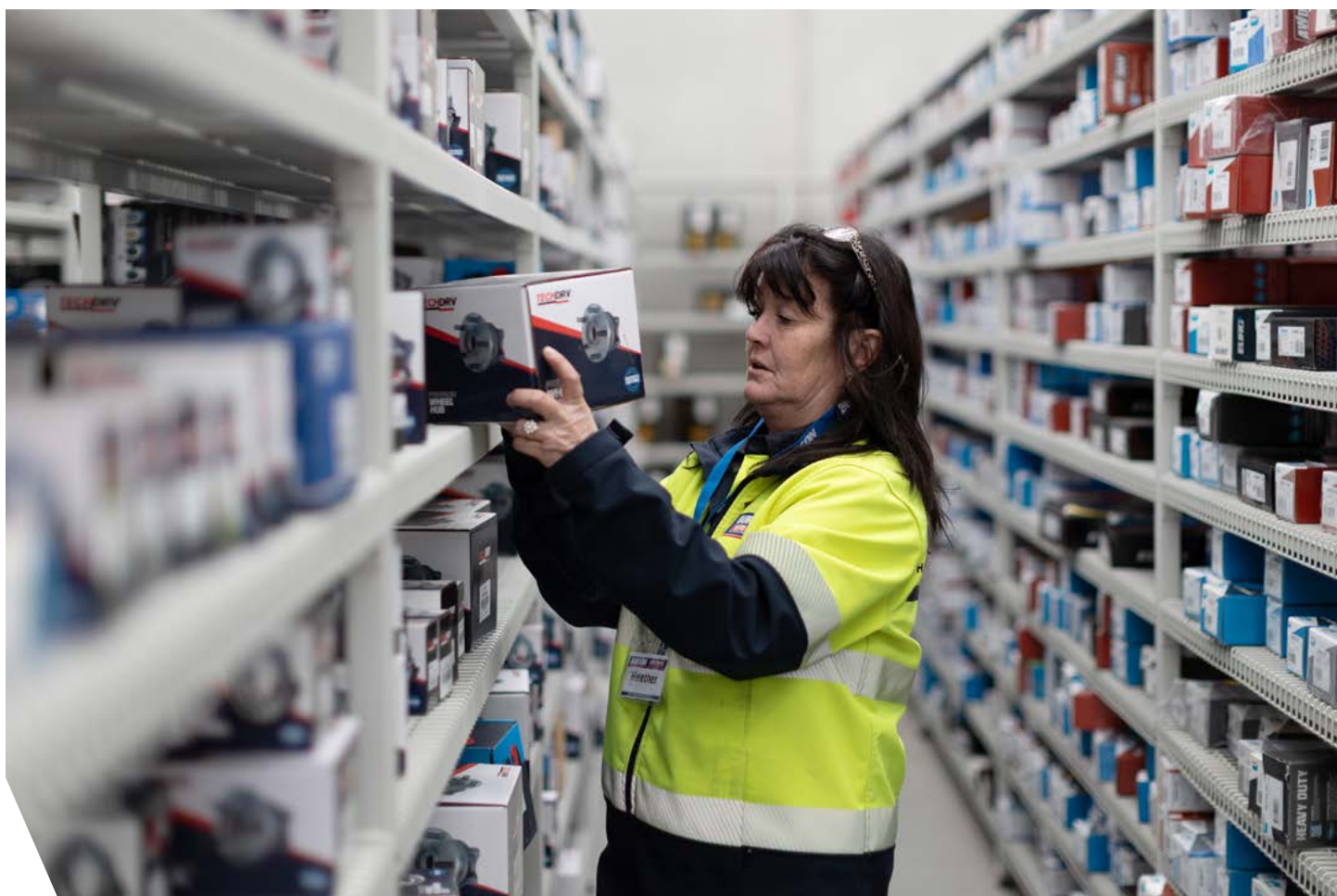
We use our **unique** talents to find **solutions** and **achieve common goals**. We celebrate **success** and strive to win.

Relationship with advisors and tax authorities

Bapcor aims to operate in a proactive, transparent and collaborative way with tax authorities to pay the right amount of tax. Tax authorities will conduct assurance reviews of the Bapcor business from time to time. Bapcor works to use these engagements, and any other interactions with tax authorities, to build trust with the tax authorities and to work with them to understand our business. We seek to maintain our relationships with tax authorities through regular communication and interaction to resolve any issues in a timely and commercial manner.

In the event where the application of a tax law is unclear, Bapcor may engage with the tax authorities and/or Bapcor's external advisors to clarify the application of the tax law.

BAPCOR AUSTRALIAN GROUP AND INTERNATIONAL RELATED PARTY DEALINGS



As an ASX-listed public company with headquarters in Melbourne, Australia, Bapcor recorded gross revenue of over \$2.0 billion in the 2023 year across the Group, with operations in Australia making up more than 90% of global revenues. The wholly owned Australian entities form an Australian income tax consolidated group, where Bapcor Limited is the head entity.

Outside of Australia, Bapcor conducts business activities through its wholly owned subsidiary group in New Zealand and its majority-owned joint venture in Thailand. Its international related party dealings are limited to sales/purchases of trading stock, recharges for support services provided to its offshore businesses and intercompany balances that may arise from time to time. For the 2023 year, the gross value of international related party transactions in and out of Australia represented less than 1% of total Australian revenues.

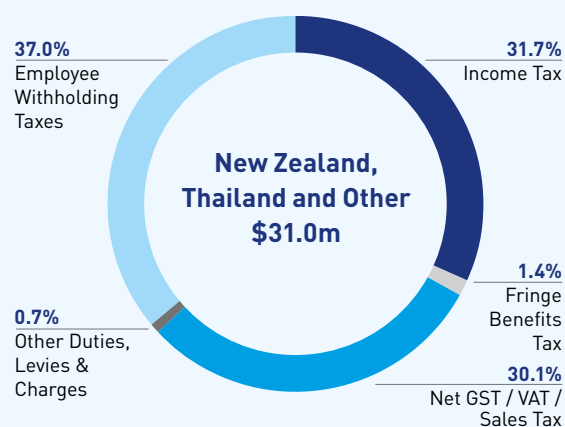
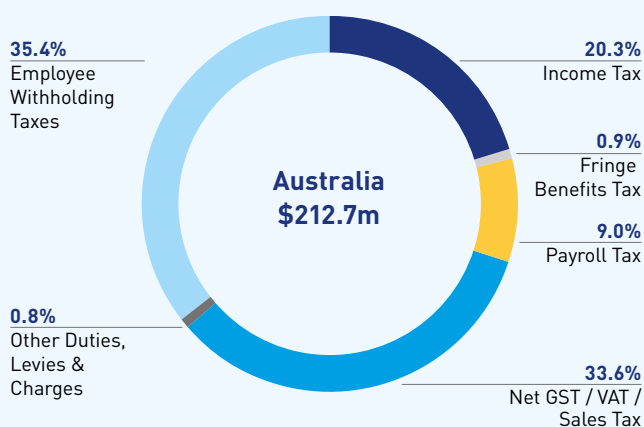
BAPCOR'S OVERALL TAX CONTRIBUTION

The majority of Bapcor's taxes are paid in Australia and New Zealand, being the areas where most of Bapcor's business operations are located. In addition to company tax, Bapcor also pays various other Federal, State & local taxes, including fringe benefits tax, payroll tax, duties, etc.

Further, Bapcor collects and pays taxes on behalf of others including taxes on employee earnings (PAYG/PAYE withholding), indirect taxes such as goods and services tax (GST) in Australia and New Zealand and other withholding taxes, etc.

A summary of the taxes paid, collected and remitted by Bapcor in the 2023 year is presented below:

AMOUNTS IN AUSTRALIAN DOLLARS	AUSTRALIA \$'000	NEW ZEALAND, THAILAND AND OTHER \$'000	TOTAL 2023 \$'000
Taxes directly borne and paid:			
Income Tax	43,146	9,854	53,000
Fringe Benefits Tax	1,982	424	2,406
Payroll Tax	19,083	-	19,083
Other Duties, Levies and Charges	1,731	227	1,958
Total	65,942	10,505	76,447
Taxes collected and remitted on behalf of others:			
Net GST/VAT/Sales Tax	71,467	9,340	80,807
Employee Withholding Taxes	75,318	11,197	86,515
Total	146,785	20,537	167,322
Overall Tax Contribution	212,727	31,042	243,769



EFFECTIVE TAX RATE AND RECONCILIATION OF STATUTORY PROFIT TO INCOME TAX EXPENSE AND INCOME TAX PAID

Bapcor's Effective Tax Rate (ETR) is reflective of taxes for the key regions in which Bapcor operates, primarily being Australia (30% corporate tax rate) and New Zealand (28% corporate tax rate). The table below provides details of Bapcor's global ETR of 28.5% for the year ended 30 June 2023.

AMOUNTS IN AUSTRALIAN DOLLARS	CONSOLIDATED 2023 \$'000
Profit before income tax expense	148,407
Tax at the Australian tax rate of 30%	(44,522)
Adjustments in income tax expense due to:	
Net tax effect of amounts which are (non-deductible)/non-assessable for tax	(454)
Total income tax expense on current year profit	(44,976)
Income tax (under)/over provision in prior years	2,289
Difference in overseas tax rates	449
Total income tax (expense)/benefit	(42,238)
Effective Tax Rate	28.5%
Reconciliation of income tax expense to income tax paid	
Total income tax (expense)/benefit	(42,238)
Timing differences and tax losses recognised in deferred tax balances	3,769
Current year tax (refundable)/payable next year	(12,242)
Prior years' tax (payments)/refunds	(2,289)
Income tax (paid)/received per cash flow statement	(53,000)

Bapcor calculates its Effective Tax Rate (ETR) as income tax expense divided by profit before income tax expense. Income tax expense is an accounting concept and reflects the amount of income tax applied for accounting purposes.

Income tax expense is calculated using the current applicable Australian tax rate of 30% and is recognised in the income statement except to the extent that it relates to items recognised in 'other comprehensive income' or transactions recognised directly in equity. The income tax expense includes both current and deferred tax. Current tax represents tax payable on the profit for the current tax year and any adjustments identified in respect of tax recognised in prior periods. Deferred tax represents the timing difference between recognising income tax in the financial statements and the actual payment liability for income tax.



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