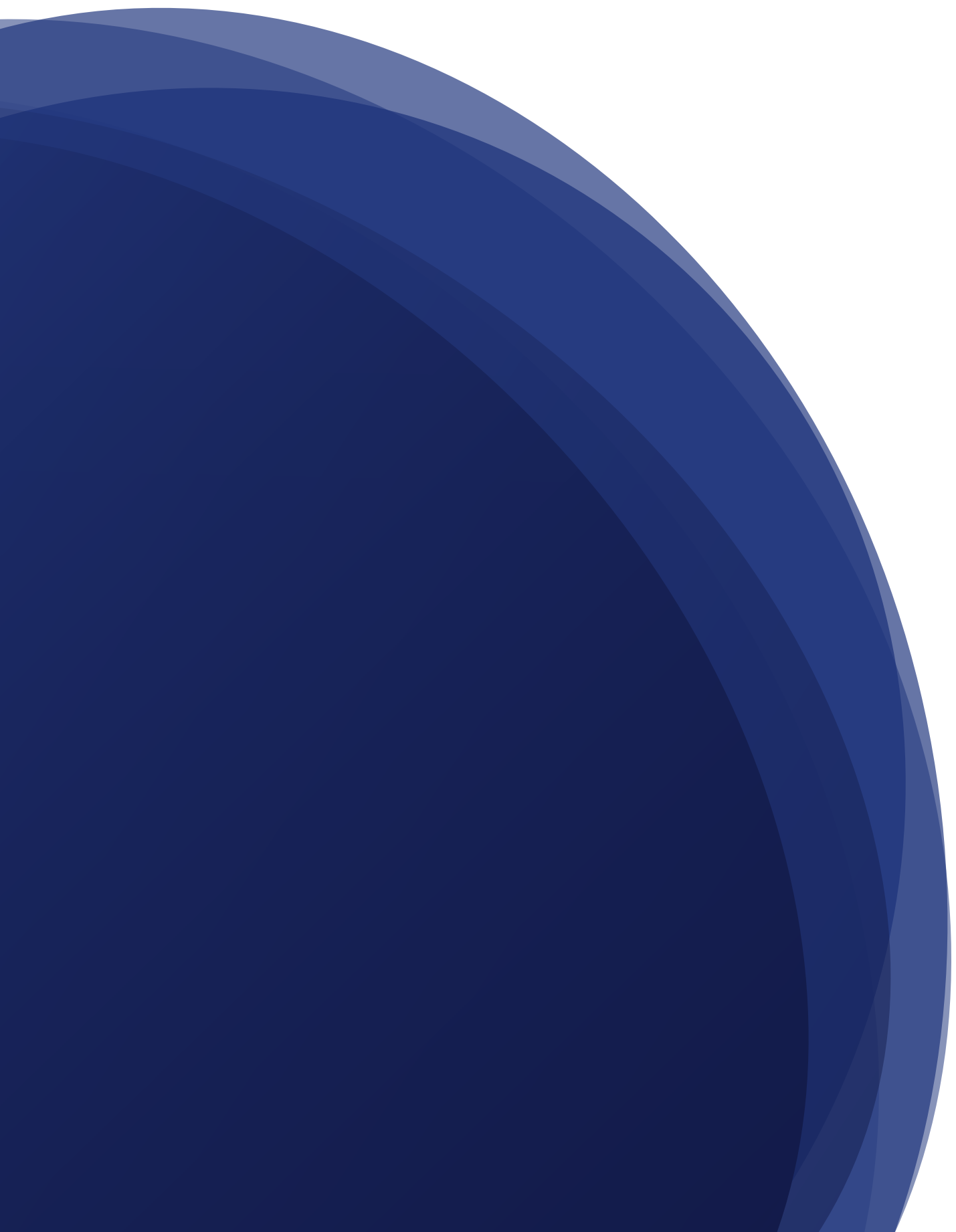




**Tax Transparency Report 2024**



# Introduction

This Report sets out Bapcor's tax activities for the year ended 30 June 2024 together with our approach to tax strategy and governance. This report should be read in conjunction with Bapcor's 2024 Annual Report which can be found on the Bapcor website at [www.bapcor.com.au](http://www.bapcor.com.au).

Bapcor is Asia Pacific's leading provider 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 network servicing customers through specialist knowledge and expertise in Trade, Specialist Wholesale and Retail businesses. Bapcor's reach now extends across c.950 locations across Australia, New Zealand and Thailand and employs approximately 5,500 team members across Australia and New Zealand.



# 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.

## Our Approach to Tax Policy, Strategy and Governance

Continued

### 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 uses these engagements, and any other interactions with tax authorities, to build trust with the tax authorities and to work with them to help them 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 its external advisors to clarify the application of the tax law.



## Bapcor Australian Group and International Related Party Dealings

Bapcor is an ASX-listed public company with headquarters in Melbourne, Australia, with gross revenue of over \$2.0 billion in the 2024 year across the Group. The Australian operations of the Group make up more than 91% 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 predominantly sales and purchases of trading stock. For the 2024 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

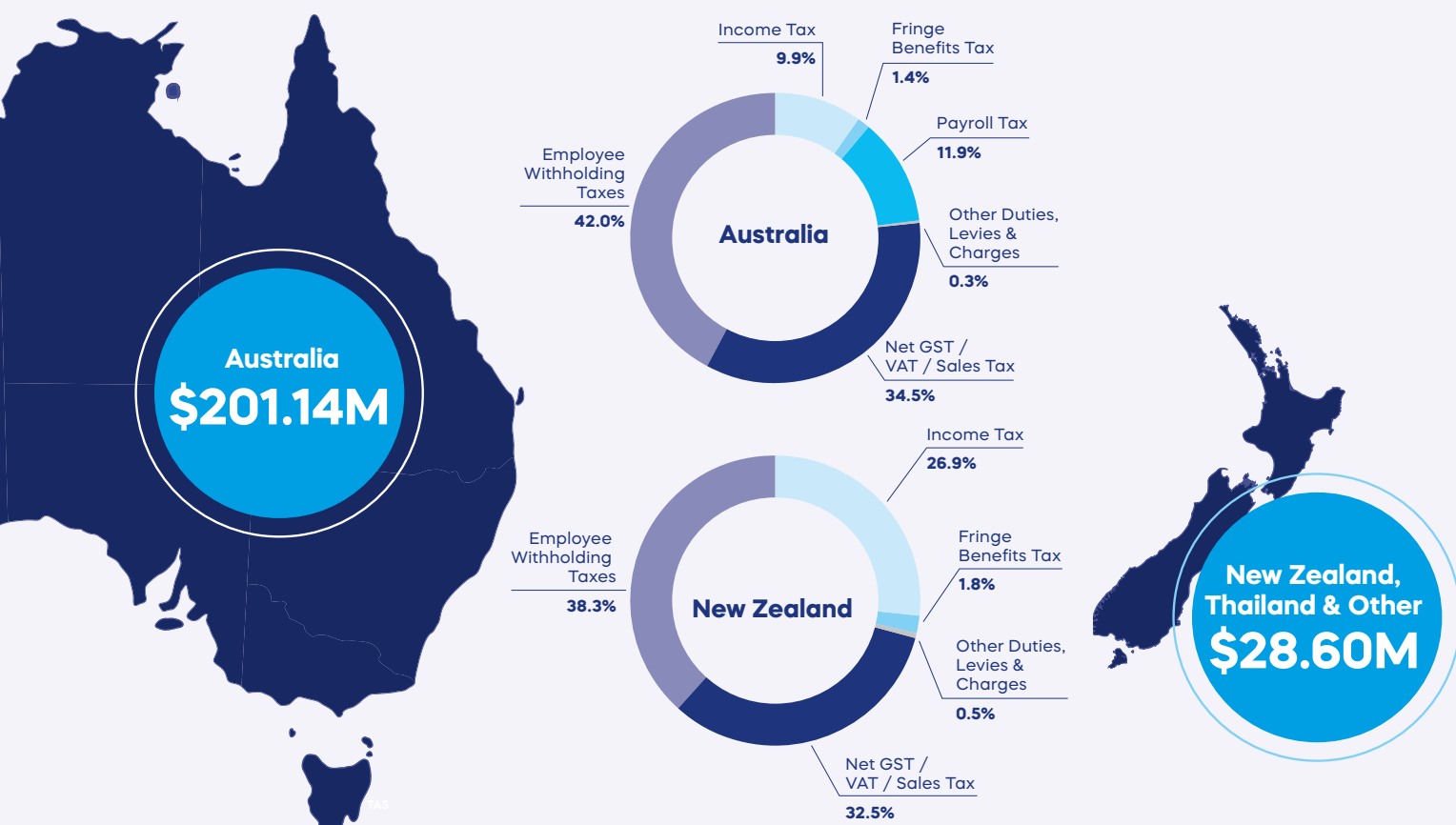
The majority of Bapcor's taxes are paid in Australia and New Zealand, being the areas where most of Bapcor's business operations are located.

In addition to company tax, Bapcor also pays various other Federal, State & local taxes, including fringe benefits tax, payroll tax, stamp duty 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 2024 year is presented below:

AMOUNTS IN AUSTRALIAN DOLLARS	AUSTRALIA \$'000	NEW ZEALAND, THAILAND & OTHER \$'000	TOTAL 2024 \$'000
<b>Taxes directly borne and paid:</b>			
Income Tax	19,843	7,683	27,526
Fringe Benefits Tax	2,763	513	3,276
Payroll Tax	23,964	-	23,964
Other Duties, Levies & Charges	783	161	944
<b>Total</b>	<b>47,353</b>	<b>8,357</b>	<b>55,710</b>
<b>Taxes collected and remitted on behalf of others:</b>			
Net GST/VAT/Sales Tax	69,399	9,293	78,692
Employee Withholding Taxes	84,385	10,945	95,330
<b>Total</b>	<b>153,784</b>	<b>20,238</b>	<b>174,022</b>
<b>Overall Tax Contribution</b>	<b>201,137</b>	<b>28,595</b>	<b>229,732</b>



# 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 Effective Tax Rate of 29.8% for the year ended 30 June 2024.

AMOUNTS IN AUSTRALIAN DOLLARS	CONSOLIDATED	
	2024 \$'000	2023 \$'000
(Loss)/Profit before income tax (benefit)/expense	(161,955)	148,407
Tax at the Australian tax rate of 30%	(48,586)	44,522
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Impairment of goodwill	43,832	–
Impairment of investments	1,050	–
Other	550	454
	<b>(3,154)</b>	<b>44,976</b>
Adjustments recognised for prior periods	(65)	(2,289)
Difference in overseas tax rates	(111)	(449)
<b>Income tax (benefit)/expense</b>	<b>(3,330)</b>	<b>42,238</b>
Less tax effect of permanent differences on non-cash accounting impairments:		
Impairment of goodwill	(43,832)	–
Impairment of investments	(1,050)	–
<b>Underlying income tax (benefit)/expense</b>	<b>(48,212)</b>	<b>42,238</b>
<b>Effective Tax Rate*</b>	<b>29.8%</b>	<b>28.5%</b>
<b>Reconciliation of income tax expense to income tax paid</b>		
Income tax (benefit)/expense	(3,330)	42,238
Timing differences in deferred tax balances	35,578	(3,769)
Current year tax refundable/(payable) next year	10,483	12,242
Prior years' tax payments/(refunds)	(15,205)	2,289
<b>Income tax paid/(received) per cash flow statement</b>	<b>27,526</b>	<b>53,000</b>

\* Bapcor has calculated its Effective Tax Rate (ETR) as underlying income tax expense/(benefit), which excludes the impact of permanent differences on non-cash accounting impairments, divided by profit/(loss) 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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