



Environment, Social and Governance (ESG) Strategy

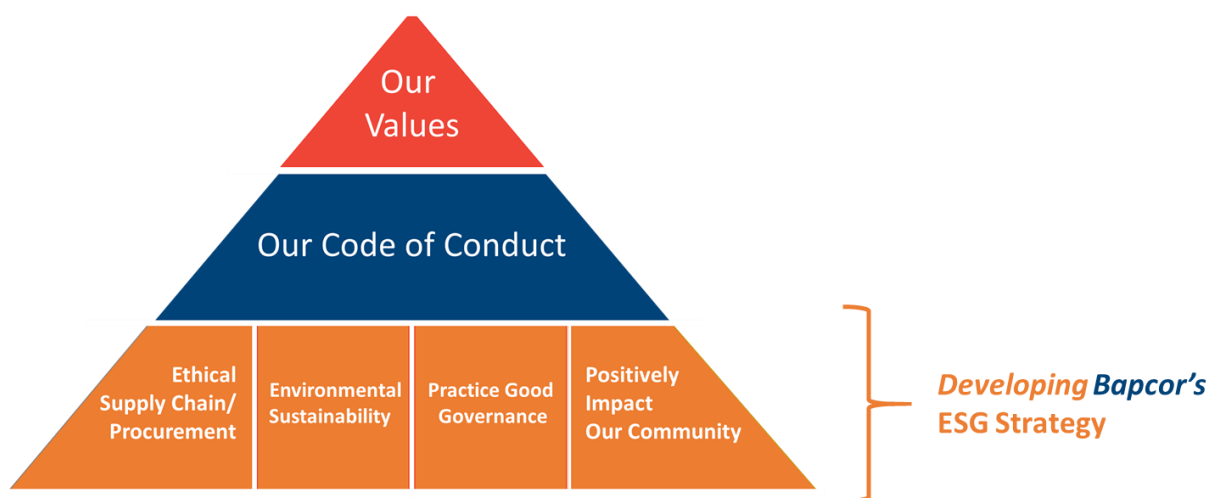
Adopted by the Board on 25th July 2018

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 sustainability factors outlined in the Bapcor ESG Policy.
- b) Our approach to taking action on sustainability is defined by the ESG strategic framework. The framework sets out our integrated approach to sustainability as fundamental to what we do, underpinning our corporate code of conduct and our values.
- c) This document will be reviewed regularly by the board of Bapcor (Board) to ensure its appropriateness.

2. Our ESG Strategic Framework



Priority Areas

- 1. **Develop ESG Strategy** (Establish governance processes; system of continuous improvement)
- 2. **Ethical Supply Chain / Procurement** (Ethical sourcing; code of conduct; transparency)
- 3. **Environmental Sustainability** (Efficient use of resources; fleet optimisation; managing waste)
- 4. **Practice Good Governance** (Upholding our values and code of conduct; training and developing our team members; commitment to a safe, diverse and welcoming workplace)
- 5. **Positively Impact Our Community** (Engaging stakeholders; supporting the communities in which we operate)

3. Reporting

- I. Progress will be tracked against the actions (and timeframes agreed) for each priority area.

4. Our Commitment to Sustainability

Priority 1: Develop ESG Strategy	
Commitments:	
I. Have regard to our responsibility to serve the communities in which our businesses operate. II. Invest in areas viewed as an important driver of long-term performance and value creation. III. The Board to annually set and review objectives in relation to ESG; and assess annually Bapcor's progress in achieving the objectives.	
Actions:	Timeline
1. Establish ESG Policy	Complete
2. Establish Governance process at Board level	FY19
3. Integrate salient sustainability risks in current Risk Management Framework	FY19
4. Implement an Environmental Management System (continuous improvement)	FY21
Priority 2: Ethical Supply Chain / Procurement	
Commitments:	
I. Continually focus on our commitment toward ethical sourcing practices. II. Build strong relationships with key suppliers, to build on our positive contribution. III. Enhance transparency within our supply chain, key partners and stakeholders.	
Actions:	Timeline
1. Establish Ethical Supply Chain / Procurement (ESC/P) Policy	FY19
2. Initiate Implementation of the ESC/P policy with Bapcor's supplier base	From FY19
Priority 3: Environmental Sustainability	
Commitments:	
I. Continuously improve reduction of our footprint and more efficient use of resources; such as energy, water, raw materials, packaging and consumables, where practical to do so. II. Develop good recycling practices, minimise waste in offices, stores and warehouses with a goal of creating a greener workplace. III. Develop a pathway toward emissions reductions in our business.	
Actions	Timeline
1. Establish Group-wide initiatives toward streamlining waste, recycling & packaging processes	FY19
2. Explore additional LED replacement opportunities across Group sites in Australia & NZ	FY19
3. Review areas for opportunities to improve fuel economy of Bapcor fleet	FY20
4. Develop a pathway toward emissions reductions in our business	FY21
Priority 4: Practice Good Governance (Our People)	
Commitments:	
I. Commit to upholding our Code of Conduct. II. Commit to training and professional development of our team members. III. Promote and encourage health and safety activities; toward Zero Harm. IV. Foster a diverse, engaged and inclusive workplace culture.	
Action	Timeline
1. Conduct training and/or professional development programs for team members	Ongoing
2. Establish Zero Harm Group-wide reporting processes	Ongoing
3. Establish, measure & monitor gender & cultural diversity statistics in workforce	Ongoing
4. Continue to monitor and engage with our team members (satisfaction & retention)	Ongoing
Priority 5: Positively Impact the Communities In Which We Operate (Our Community)	
Commitments:	
I. Proactively identify and engage with our stakeholders. II. Provide support for a wide variety of social, charitable and sporting initiatives. III. Encourage employees to support their local community and foster a culture of workplace giving	
Action	Timeline
1. Support a wide variety of social, charitable and sporting initiatives	Ongoing
2. Encourage team members to support their local community and foster a culture of workplace giving and support	Ongoing

5. Version Control

Version	Amendment/s	Date created	Author
1.0	Establish policy	25 July 2018	JJ
1.1	FY19 review	31 August 2018	JJ