



Environment, Social and Governance (ESG) Strategy

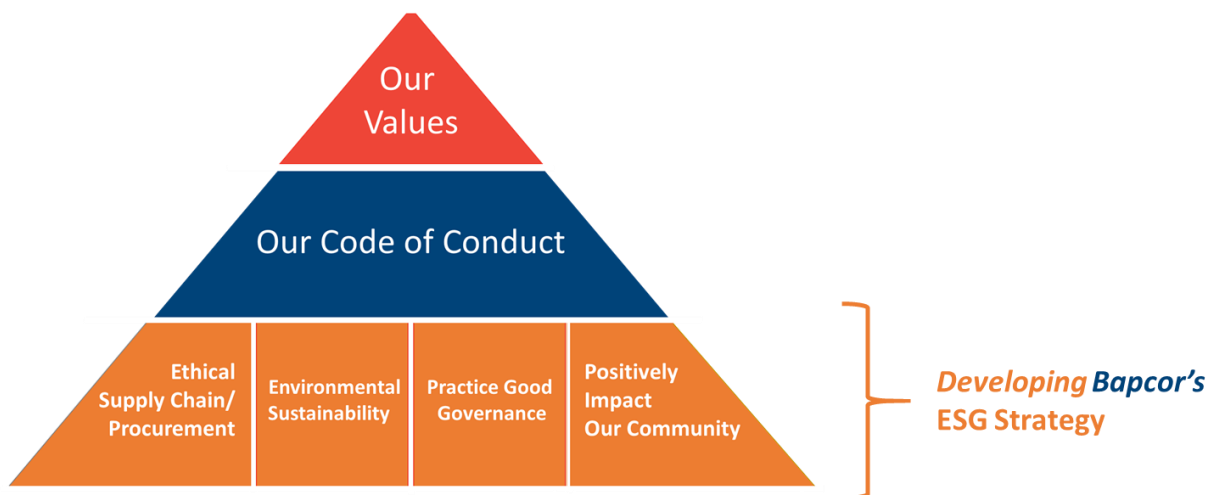
Adopted by the Board on 25th July 2018

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; forging strong supplier relationships; enhanced transparency)
3. **Environmental Sustainability** (Efficient use of resources; optimizing our fleet; reducing waste)
4. **Practice Good Governance** (Upholding our values and code of conduct; prioritizing health and safety, training and developing our team members; fostering a 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 Bapcor's 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 annually to set and review objectives in relation to ESG and to assess quarterly Bapcor's progress in achieving the objectives.

Actions:

Timeline

1. Conduct governance process at Board level	Complete
2. Formalise our commitment to the UN Global Compact Principles	Complete
3. Monitor sustainability risk within the Risk Management Framework	Ongoing
4. Report annually to the UN Global Compact via our Communication on Progress	Ongoing
5. Instigate 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 and with key partners and stakeholders.

Actions:

Timeline

1. Deloitte review of actions taken for compliance with the Modern Slavery Act (MSA)	Complete
2. Update Ethical Supply Chain / Procurement (ESC/P) Policy to reflect MSA passing	Complete
3. Training Business Procurement Leads on Modern Slavery legislation in Australia	Complete
4. Established Bi-annual Modern Slavery Working Group Meeting	Complete
5. Preparation of first Modern Slavery Statement	FY21

Priority 3: Environmental Sustainability

Commitments:

- I. Continuously reduce our environmental footprint and more efficiently use 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. Monitor and expand Group-wide initiative toward streamlining waste and recycling	Complete
2. Renew and expand carbon offset program to offset vehicle fleet emissions	Complete
3. Explore additional LED replacement opportunities across Group sites in Australia and NZ	Ongoing
4. Review opportunities to improve fuel economy of Bapcor fleet	Ongoing
5. Develop a pathway toward emissions reductions in our business	FY21

Priority 4: Practice Good Governance – Our People

Commitments:

- I. Commit to upholding Our Values and Code of Conduct.
- II. Commit to the training and professional development of our team members.
- III. Promote and encourage health and safety activities and move toward Zero Harm.
- IV. Foster a diverse, inclusive and accepting workplace culture.

Action

Timeline

1. Conduct training and/or professional development programs for team members	Ongoing
2. Group-wide Zero Harm reporting	Ongoing
3. Establish, measure and monitor gender and cultural diversity statistics in workforce	Ongoing
4. Monitor and engage with our team members regarding satisfaction and 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 & foster a culture of workplace giving	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
1.2	FY20 review	31 July 2019	JJ
1.3	FY21 review	31 August 2020	JJ