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# **Environment, Social and Governance (ESG) Strategy**

Adopted by the Board on 1 December 2021

## 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

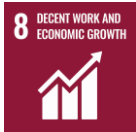


- a) Bapcor's ESG Strategy includes a range of initiatives and targets across four pillars:
  - (i) Ethical Supply Chain / Procurement;
  - (ii) Environmental Sustainability;
  - (iii) Practise Good Governance – Supporting & Developing Our Team Members; and
  - (iv) Positively Impact Our Community.



### 3. Reporting

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

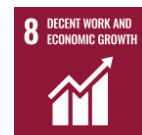
### 4. Our Commitment to Sustainability

Sustainability strategy pillar	Key topic	Objective / initiative	Time-line	Most relevant UN SDG
<b>Ethical sourcing</b>	Modern slavery	Publish Modern Slavery Statement	In place and ongoing	
		An active Modern Slavery Working Group	In place and ongoing	
		Further develop risk-based approach to improve transparency in the supply chain through use of supplier self-assessment and/or independent audit	FY23	
<b>Environmental sustainability</b>	Carbon emission measurement and reduction	Measure baseline carbon emissions to inform roadmap and reduction targets	FY22	
		<b>Phase I:</b> Victorian DC consolidation, reducing from 13 DC's to 1, resulting in significant reductions in emissions, water, energy & packaging usage, as well as increase in waste recycling	FY22	
		<b>Phase II:</b> Measure scope 1, 2 and 3 carbon emissions for entire business	FY22	
		Develop road map to reduce identified carbon emissions to specified targets	FY23	
		Establish Queensland distribution centre to consolidate 7 warehouses and achieve significant reductions in emissions, water, energy & packaging usage, as well as increase in waste recycling	FY22/FY23	
		Bapcor vehicle fleet review to accelerate transition to reduce vehicle emissions	FY22	

Carbon emission measurement and reduction	Increase level of renewable energy to at least 50% of total requirements	FY24
	Continuation of installation of energy efficient lighting in stores / branches and evaluate use of local solar panels (already reduced over 3.7 million kw/annum)	Ongoing
	Renew and expand carbon offset program to offset vehicle fleet emissions (currently offsetting 6,400 tonnes of carbon emissions p.a. by planting 40,000 native trees each year)	Ongoing
Waste / recycling	Further review of waste management and commitment to reduce waste going to landfill (to date diverted c.6,200 tonnes from landfill)	FY23
	Review of packaging used across the group with view to shift to fully recycled / recyclable packaging	Ongoing

**Supporting & developing our people**

Safety	Continue to invest in and develop safety processes, systems and education to reduce TRIFR (TRIFR reduced from 30.1 to 24.8 in FY21)	Ongoing
Employee engagement	Improve employee engagement score to 75% (In FY21 64%)	FY26
Development	Invest in learning and development for our team to ensure industry leading workforce	Ongoing
Diversity	Implement initiatives to improve gender, age, ethnicity and ability diversity across the group including:	FY22
	• Unconscious bias training for senior leaders	FY22
	• Female Leaders networking sessions and development program	FY22
	• Graduate program and experienced team member program	FY22
	Total number of female team members to 35% (FY21 25%)	FY26



Diversity	Number of female new hires to 50% (FY21 29%)	FY26
	Number of female internal promotions to 35% (FY21 24%)	FY26
	Number of female people leaders to 35% (FY21 11%)	FY26

**Positively impacting communities**

Community support

Each location to support at least two community clubs or organisations within their local area

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
1.4	FY21 update	1 December 2021	JP