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Environment, Social and Governance (ESG) Strategy

Effective date:	25 July 2018
Last review date:	27 August 2025
Recommended by:	Remuneration & ESG Committee
Authorised by:	Bapcor Board

1. Introduction

a) Bapcor Limited's (**Bapcor**) Environmental, Social and Governance (ESG) Strategy builds upon Bapcor's vision, commitment, and responsibilities regarding the ESG principles outlined in Bapcor's ESG Policy.

b) Our approach to delivering on our sustainability commitments is defined by our ESG Strategic Framework. The framework sets out our integrated approach to sustainability as fundamental to what we do, underpinned by our Code of Conduct, our Purpose, and our Values.

c) This ESG Strategy is reviewed annually by the Board of Bapcor (**Board**) to ensure it remains appropriate.

d) Bapcor reports on its process in accordance with relevant legislation, frameworks and standards, while striving to align with best practice.

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2. CEO Statement

Our ESG Strategy ensures our actions remain relevant, impactful, and aligned with our strategic and operational priorities. Informed by a materiality assessment undertaken in 2024, the ESG framework establishes clear goals, initiatives, and accountability structures to drive performance across four strategic pillars.

From our team members to our customers, the communities where we operate and our investors – we have a strong commitment to social responsibility and to delivering on our commitments by -:

- Establishing excellence for our team members in safety, diversity and inclusion;
- Improving our supply chain and logistical practices;
- Managing risk and remaining compliant with local laws and guidelines; and
- Delivering to our customers in the most sustainable way we can.

A select set of key measures has been identified for each strategic pillar. These measures are carefully aligned with Bapcor's strategic priorities and an evolving regulatory landscape.

3. Our Strategic Framework

a) Bapcor's ESG Strategy includes a range of initiatives and targets across four key areas of focus underpinned by a commitment to our governance practices:

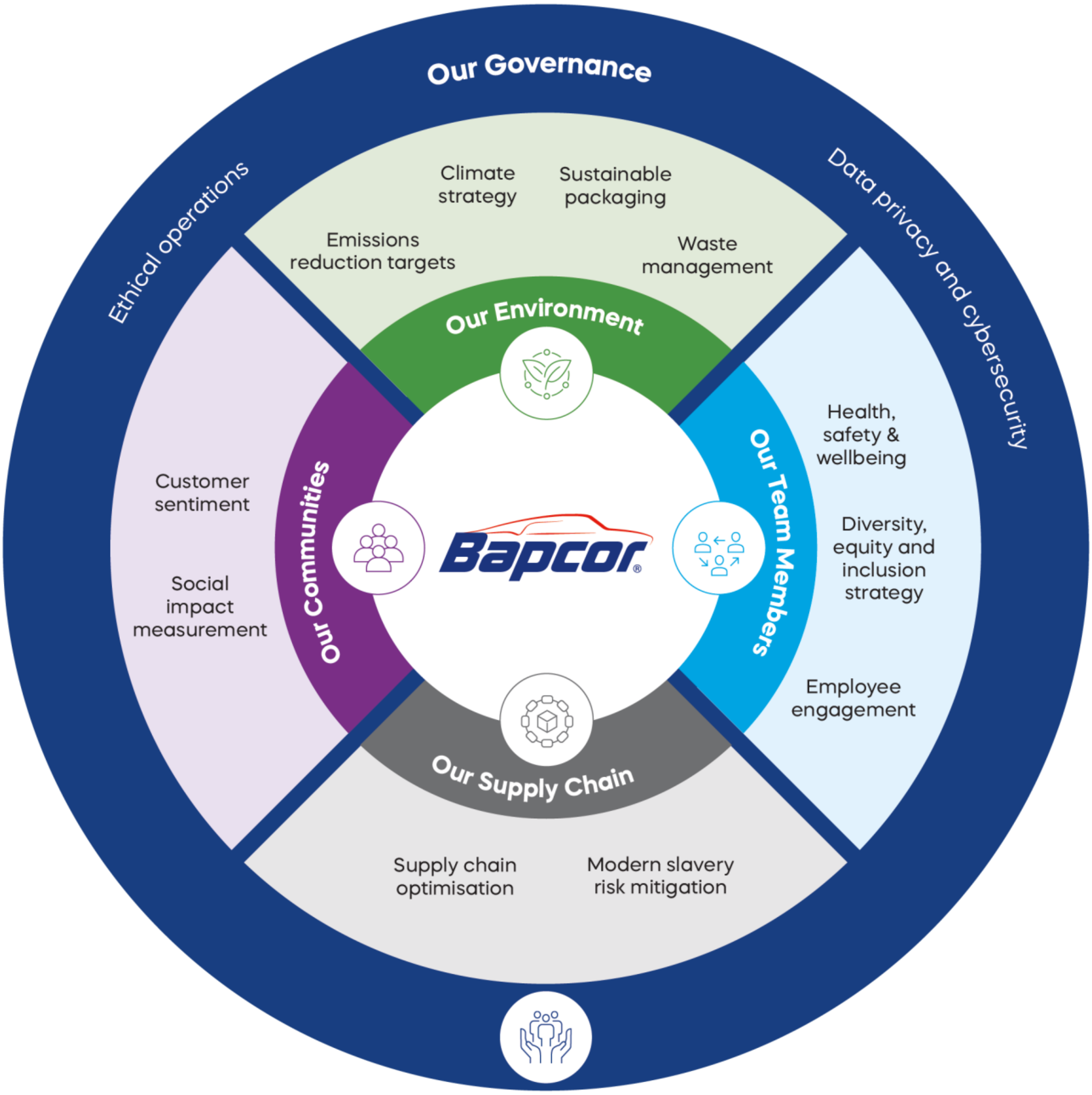
(i) Our Supply Chain

(ii) Our Environment

(iii) Our Team Members

(iv) Our Communities

Governance is positioned as a foundational element of the framework supporting the establishment, monitoring and continuous improvement of sustainable practices across our pillars.


Our Governance
Ethical operations
Data privacy and cybersecurity
Climate strategy
Sustainable packaging
Emissions reduction targets
Waste management
Our Environment
Customer sentiment
Social impact measurement
Our Communities
Bapcor
Our Team Members
Health, safety & wellbeing
Diversity, equity and inclusion strategy
Employee engagement
Our Supply Chain
Supply chain optimisation
Modern slavery risk mitigation

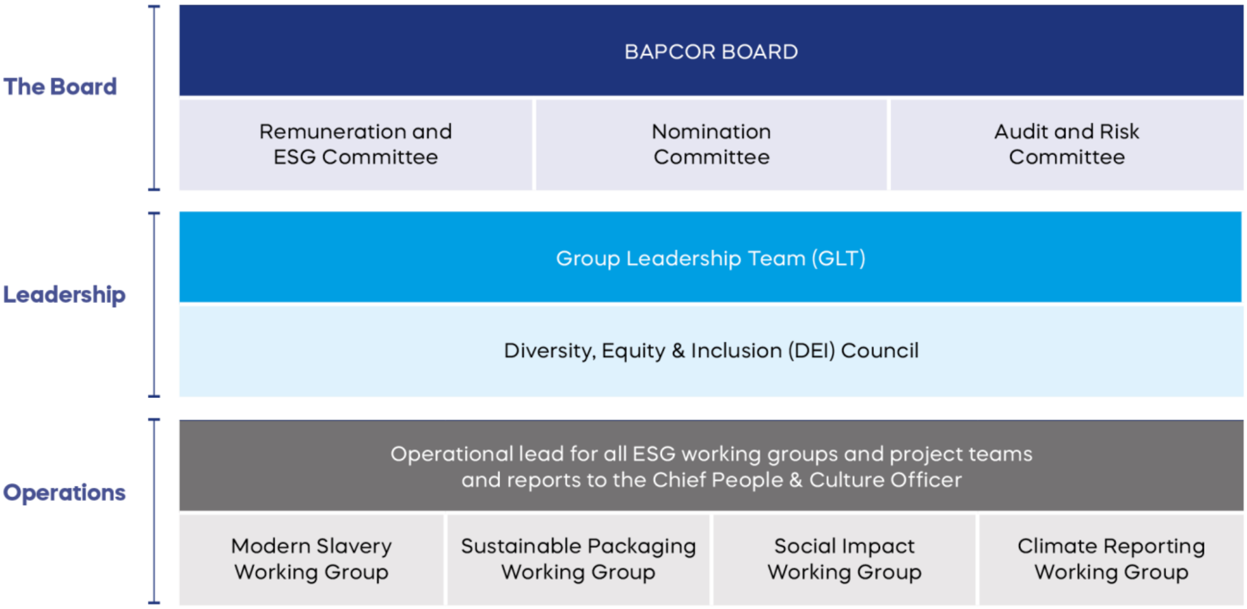
4. Organisational Structure and Oversight

a) The **Board** is responsible for overseeing our sustainability performance through the following:
   i) **Remuneration and ESG (RESG) Committee -** provides oversight of ESG policies, practices, and reporting, with quarterly updates including in-depth reviews of key ESG topics and initiatives.
   ii) **Audit and Risk Committee -** reviews and monitors the operational risk management framework, including climate-related risks.
   iii) **Nomination Committee -** guides Board and Committee composition, Board performance and development, and succession planning.

b) The **Group Leadership Team (GLT)**, headed by the CEO, meets regularly to assess ESG performance across the Group.

c) The **Operational lead for Sustainability** is a direct report of the Chief People & Culture Officer and coordinates all the working groups.

Figure 1: ESG Governance Framework



5. Sustainability Targets

TOPIC	MEASURE	PERFORMANCE	TARGETS	
		FY25	FY26	FY27
Our Supply Chain	DC supply rate	85.6%	>90%	>92%
	% Supplier base engaged by spend	65%	Increase coverage 5% Yr/Yr	
	3rd party supplier audits	Develop screening program	Begin implementing audit program	
Our Team Members	TRIFR	8.7	↓ 5% Yr/Yr	
	Female team members	29%	35%	TBD
	Females in senior leadership	27%	35%	TBD
	Employee engagement	52%	75% by FY30	
Our Environment	Scope 1 and 2[1]	Transition planning	40% reduction by FY30 50% reduction by FY33	
	Fleet emissions[2]	Transition planning	↓ 5% Yr/Yr	
	Waste diversion[3]	55.3%	>58%	>60%
Our Communities	Community investment	B4SI Membership	Develop social impact program	
	Customer sentiment	Customer-focused strategy	Develop group wide customer NPS and targets	
Our Governance	Code of conduct/ ACF training completion rate	New team training released	>90%	>95%
	Cybersecurity/ Privacy training completion rate	New team training released	>90%	>95%

[1] FY23 baseline year
[2] FY25 baseline year
[3] AU only. Approximately 90% of sites.

6. Our Supply Chain

As an aftermarket automotive parts business, Our Supply Chain is fundamental to our business and our sustainability commitment. Bapcor's approach to our supply chain focuses on optimising processes to better meet customer needs while ensuring transparency and integrity in our own operations and sourcing with suppliers. Through a range of strategic initiatives, we are enhancing our supply chain processes to deliver operational and cost efficiencies, fostering strong, ethical relationships with suppliers, and upholding high standards to create a responsible, resilient supply chain.

GOALS	KEY INITIATIVES	KEY MEASURES	SDGs
Optimise our **supply chain** to enhance inventory management, increase delivery speed, and trigger resource efficiencies whilst continuing to ensure exceptional value and responsiveness for our customers.	• Inventory control • Accelerating delivery times	**DC Supply Rate:** percentage of products ordered vs percentage of products supplied by the DCs	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Proactively manage and mitigate **human rights and modern slavery risks** in our operations and collaborate with suppliers in our supply chain.	• Strategic sourcing and Systems alignment • Stakeholder engagement • Organisational capacity • Due diligence, verification and remediation	**% Supplier base engaged by spend:** percentage of total annual supplier spend engaged as part of our modern slavery program **Supplier audits**: visibility and initiation of 3rd party modern slavery audits on suppliers.	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

7. Our Environment

Addressing climate change and promoting environmental sustainability are a priority for Bapcor as we transition to a low-carbon economy. Our Environment pillar focusses on developing a decarbonisation strategy that reduces our emissions, as well as managing the risks, opportunities and compliance requirements presented by climate change. This strategy coincides with our increasing efforts to reduce waste and proactively moving towards more sustainable packaging for our own brands. These initiatives in combination with collaboration and innovation, are essential for Bapcor to ensure a sustainable future for our business and the communities we serve.

GOALS	KEY INITIATIVES	KEY MEASURES	SDGs
Monitor, manage and reduce **emissions** with better data quality and a more complete dataset to support reporting and compliance requirements. Implement our **climate strategy** for a gradual transition to a low carbon economy.	• Emissions reduction • ASRS disclosure • Decarbonisation strategy	**Scope 1 and 2:** annual emissions (tn) and reduction against FY23 baseline in-line with FY30 targets. **Fleet Emissions:** year-on-year reduction in emissions from fleet compared to the baseline	
Achieve comprehensive waste data reporting across all sites and implement strategies to **manage our waste**	• Waste data reporting	**Waste diversion:** year-on-year increase in percentage of waste diverted from landfill	
Collaborate with our global supplier network to ensure Own Brand **packaging** meets best practice standards	• Annual APCO Reporting	**APCO score:** maintain or exceed APCO "*Advanced*" packaging status	

8. Our Team Members

Bapcor is committed to creating a safe, inclusive workplace where Our Team Members can thrive. Our approach to this pillar places the highest priority on team member safety and wellbeing. Our Diversity, Equity and Inclusion Strategy recognises the value diversity brings to our people and business and has been implemented to build an inclusive environment that reflects our core values. Through robust health, safety, and wellness (HSW) systems, proactive risk prevention, and ongoing training and support, Bapcor is fostering a culture centred on our values of safety and inclusion to empower our team members to succeed and feel valued every day.

GOALS	KEY INITIATIVES	KEY MEASURES	SDGs
Continually improve our systems to reduce **health, safety and wellbeing** risks and optimise performance.	• HSW program • Injury prevention • Injury management • Capability and partnership	**Total Recordable Injury Frequency Rate:** TRIFR vs industry benchmark; vs past years	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
Build a **diverse workforce** representative of the communities we operate in; we aim to achieve this by first creating an **inclusive environment** and improving our **gender balance**	• Female representation • Women in leadership • Pay equity	**Female team members:** percentage of female team members **Females in senior leadership:** percentage of GLT and directs reports that are female	5 GENDER EQUALITY 10 REDUCED INEQUALITIES
Achieve a positive and open **culture** through improvements to **employee engagement and development**.	• Employee engagement score • Staff retention • Learning and Development framework	**Employee engagement:** year-on-year change in employee engagement score	8 DECENT WORK AND ECONOMIC GROWTH

9. Our Communities

Bapcor is dedicated to creating a positive impact for Our Communities, building trust and delivering on our commitments. Our approach to supporting our communities is focused on enhanced measurement of our social impact through the B4SI (Business for Societal Impact) framework. Our customer engagement approach will focus on being responsive to evolving needs, and tools like Net Promoter Score (NPS) will be used to continuously improve customer satisfaction. Through these efforts and initiatives, we will strengthen our community and customer relationships, aligning our actions to reflect our commitment to be a good corporate citizen.

GOALS	KEY INITIATIVES	KEY MEASURES	SDGs
Commit to contributing positive impacts to our **communities** and continuing to measure our social impact through the B4SI framework.	• Application of B4SI framework for impact measurement	**Community investment:** total value of community investment, comprising cash, time, in-kind and management costs	8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES
Improve our service to deliver greater value for **customers**, meet customer demand and improve the overall customer experience.	• Customer satisfaction	**Customer loyalty:** establish net promoter score (NPS) and NPS baseline	17 PARTNERSHIPS FOR THE GOALS 8 DECENT WORK AND ECONOMIC GROWTH

10.Our Governance

Acting ethically and responsibly is essential to building trust among our stakeholders and ensuring Bapcor's long-term sustainability. Our commitment to governance is supported by governance structures, mandatory training for team members, and effective control measures to mitigate or address any ethical, data-related or cybersecurity incidents. Through our ongoing commitment to the UN Global Compact, we are continually reviewing our approach to embedding ethical practices into our business. This builds a culture of transparency and integrity, strengthens stakeholder trust and supports sustainable growth for the business.

GOALS	KEY INITIATIVES	KEY MEASURES	SDGs
Embed **ethical operations** throughout the company through proactive measures, responding quickly to incidents and promoting transparency and accountability.	• *Do the Right Thing* training program	**Organisation wide training:** percentage of team members who have completed Code of Conduct and Anti-Bribery, Corruption, and Fraud Policy training.	
Maintain and continually improve our **data privacy and cybersecurity** systems and policy framework to reduce risks of cyber losses and optimise performance.	• Establish, govern and track technology roadmap • Cybersecurity and Privacy training	**Organisation wide training:** percentage of team members who have completed Cybersecurity and Privacy training	

~~11.~~Version Control

Version	Amendment/s	Date created	Author
1.0	Establish policy	25 July 2018	Chief Executive Officer
1.1	FY19 review	31 August 2018	Chief Executive Officer
1.2	FY20 review	31 July 2019	Chief Executive Officer
1.3	FY21 review	31 August 2020	Chief Executive Officer
1.4	FY21 update	1 December 2021	Chief Executive Officer
1.5	FY23 update	15 August 2023	ESG Manager
1.6	FY24 update	20 August 2024	ESG Manager
1.7	FY25 Refreshed Strategy	27 August 2025	ESG Manager