



Modern Slavery Statement 2024





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A Message From Our Chair and Chief Executive Officer

Bapcor acknowledges our responsibility to protect human rights and stands firmly against all forms of modern slavery.

Our approach to modern slavery is guided by our Environmental, Social and Governance (ESG) strategy¹, our Human Rights Policy² and our Ethical Supply Chain/Procurement Policy³, which set out clear expectations and guidelines to uphold human rights in both our business operations and across our supply chain. We expect our team members, contractors, and suppliers to uphold these same standards.

In addition to our corporate policies and standards, Bapcor's anti-slavery program of work is also shaped by our organisational purpose "*Be there for what matters most.*" In pursuit of this purpose, we endeavour to foster a sense of shared responsibility amongst our team members, where we work together to do the right thing and not just comply with minimum standards.

While much work remains to be done, we are proud of what we have achieved thus far to instil a culture of ethics and respect for human rights across our organisation. In the past year, we successfully met the targets set in our last modern slavery statement, including continuing to build capability with respect to modern slavery in our procurement team; substantially increasing the number of suppliers onboarded to our Australian Automotive Aftermarket Association (AAAA) supplier self-assessment platform; and identifying high risk suppliers as a result.

We have commenced engaging with suppliers around Bapcor's expectations and delivered targeted and impactful training to procurement and product teams that has started changing our approach to suppliers and risks.

Bapcor acknowledges the global challenges businesses face in eliminating modern slavery and recognises that addressing these issues requires cross-industry collaborative efforts.

In FY24, Bapcor joined the UN Global Compact Network Australia's Modern Slavery Working Group to share knowledge and collaborate with peers on due diligence processes aligned with the UN Guiding Principles on Business and Human Rights.

In addition to suppliers and peers, we continued to engage with our investors, specifically the Investors Against Slavery and Trafficking – Australia Pacific (IAST APAC) – an investor led multi-stakeholder initiative that engages with companies to promote effective corporate action on modern slavery in supply chains.

Moving forward, we will continue to strengthen our approach to upholding human rights by identifying and progressively improving our efforts to mitigate modern slavery risks within our operations and supply chains in line with our Modern Slavery Roadmap. Our priorities will be to continue onboarding key suppliers to the AAAA portal for Self-Assessment Questionnaire (SAQ) completion, upskilling team members and engaging high-risk suppliers.



Angus McKay,
Executive Chair and
Chief Executive Officer

18 December 2024

**We will continue to
strengthen our approach to
upholding human rights by
identifying and progressively
improving our efforts.**

1. https://www.bapcor.com.au/uploads/governance/ESG_Strategy_20082024.pdf.

2. https://www.bapcor.com.au/uploads/governance/BAPCORP023_Human_Rights2_Policy_20240820.pdf.

3. https://www.bapcor.com.au/uploads/governance/Bapcor_Ethical_Supply_Chain_Procurement_ESCP_Policy.pdf.

Key achievements in FY24



234

Strategic suppliers were onboarded onto our Australian Automotive Aftermarket Association (AAAA) Modern Slavery Consortium Platform.



We strengthened our supplier visit methodology to improve risk assessment and mitigation.



153

Suppliers finalised their Self-Assessment Questionnaire (SAQ) – representing approximately 40% of total annual supplier spend, and doubling the number of completed supplier SAQs from last year.



We strengthened team member capacity to identify and manage risks through targeted training on definitions, drivers and indicators of modern slavery.



+9%

completion rate

We brought our supplier SAQ completion rate up from 56% in FY23 to 65% in FY24.



800+

Bapcor team members completed an online Modern Slavery training module – doubling the number of team members who have completed the module.

Our Purpose Be there for what matters most.



**We do the
right thing...**



**We are in
it together...**



**We give
a damn...**



**We get
it done...**



**Ethical Supply
Chain and
Procurement**



**Environmental
Sustainability**



**Good Governance
and Supporting
and Developing
Team Members**



**Positively
Impacting Our
Communities**



Entities Covered in this Statement

Bapcor is Asia Pacific's leading provider of vehicle parts, accessories, equipment, services and solutions. Our core business is the automotive aftermarket, with individual businesses that span the end-to-end aftermarket supply chain covering Trade, Specialist Wholesale and Retail.

This Modern Slavery Statement has been prepared in accordance with the *Modern Slavery Act 2018* (Cth) (the '**Act**') and outlines the steps and actions that Bapcor Limited (ABN 80 153 199 912) and our related bodies corporate ('**Bapcor**') have taken to assess and address the risk of modern slavery in our operations and supply chains during the financial year ending 30 June 2024.

This statement is provided by Bapcor and covers all entities over which Bapcor has control for accounting purposes (collectively referred to as '**Bapcor**', '**we**' or '**our**'), including the following reporting entities under the Act:

- › Bapcor Finance Pty Ltd
- › Aftermarket Network Australia Pty Ltd
- › Bapcor Retail Pty Ltd
- › Specialist Wholesalers Pty Ltd
- › Burson Automotive Pty Ltd
- › JAS Oceania Pty Ltd

Our Structure, Operations and Supply Chains

Bapcor is Asia Pacific's leading automotive aftermarket business. We employ approximately 5,500 team members across three countries with 89% based in Australia, 9% based in New Zealand, and 1% based in Thailand. The sections below provide further information on our structure, our operational footprint and supply chains.



Our Australian Operations

Within Australia, Bapcor's businesses cover the independent Trade (including Franchise operations), Retail & Service and Specialist Wholesale automotive aftermarket segments, with products and services available at approximately 734 locations across all states and territories.

Independent Trade

Australia's leading distributor of vehicle parts and equipment solutions to Trade customers. It consists of Burson Auto Parts, Precision Automotive Equipment and Blacktown Auto Spares in Australia as well as a footprint in Thailand. This segment is a distributor of:

- › Automotive aftermarket parts and consumables to trade workshops for the service and repair of passenger vehicles;
- › Automotive workshop equipment such as vehicle hoists and scanning equipment, including servicing of the equipment; and
- › Automotive accessories and maintenance products to do-it-yourself vehicle owners.

Specialist Wholesale

Bapcor's Specialist Wholesale segment is a leader in the truck, electrical and specialist wholesale markets; and acts as aggregator and importer for Bapcor. It consists of the Specialist Networks business including the Commercial Vehicle Group (CVG comprising Truckline and WANO), as well as the Auto Electrical Group (AEG comprising JAS Oceania, Baxters and Federal Batteries) and the Wholesale business that is a specialised leader in automotive aftermarket wholesale operations through brands such as AAD, Bearing Wholesalers, Roadsafe, Premier Auto Trade and Diesel Distributors.

Retail and Services

One of Australia's leading full-offer retailers and service centres, this segment consists of business units that are retail customer focused, such as the Autobarn and Autopro brands as well as the Midas and ABS workshop service brands. This segment is comprised of mostly company-owned flagship stores in the Autobarn channel, with a mix of company-owned and franchised stores and workshops across the other brands.

Bapcor New Zealand

New Zealand is a leading integrated trade and specialist wholesale group, providing aftermarket parts and equipment solutions. The trade group consists of Brake & Transmission (BNT), which supplies automotive parts, and Autolign, which specialises in steering and suspension. BNT is the primary supplier of automotive parts and accessories to workshops and offers commercial parts through the Truck and Trailer Parts brand operating across 89 locations. The Specialist Wholesale businesses include HCB for batteries, JAS for auto electrical components, and Precision Equipment for automotive workshop equipment. The licensee network features Battery

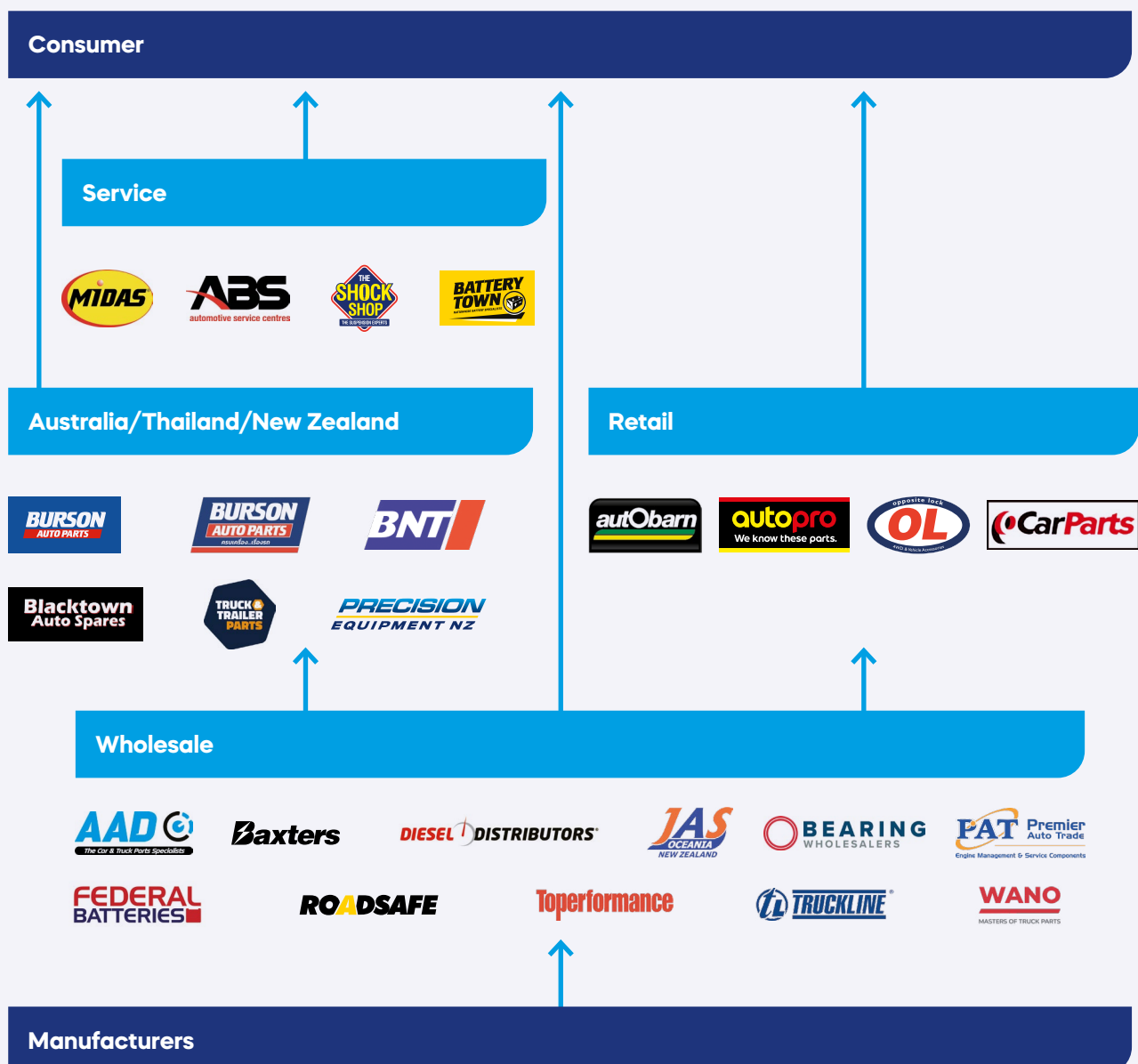
Town, New Zealand's largest network of automotive electricians; Battery Town Marine, the only network of its kind in New Zealand; and the Shock Shop, the largest specialist steering and suspension network in the country, operating across 139 locations.

Burson Auto Parts Thailand

Bapcor's Trade segment outlined above also comprises six locations in Thailand. The entire staff are Thai Nationals, except for the General Manager, who is Australian.

Figure 1: Bapcor Australia Business Segments

BAPCOR BUSINESS SEGMENTS





Indirect Suppliers

‘Indirect suppliers’ are those we contract for products and/or services that support our day-to-day operations.

To date, 51 indirect suppliers have joined the AAAA platform, with 35 completing their SAQs in FY24. The majority of these are based in Australia, with ‘facilities management’ and ‘transport and logistics’ representing over half of the onboarded suppliers.

51
Indirect suppliers
onboarded

Key categories

- › Transport and logistics
- › Facilities management
- › Marketing
- › Information technology
- › Human resources
- › Equipment and Construction
- › Commercial and professionals
- › Travel
- › Utilities

35
Completed
SAQs



Direct Suppliers

‘Direct suppliers’ are those from whom we procure goods via domestic and global supply chains for resale to customers.

To date, 183 direct suppliers have joined the AAAA platform and 118 have completed the SAQ. Within this group, suppliers are headquartered in fourteen countries with a high proportion in Australia and China. Of these, a high proportion of suppliers represent the categories of ‘braking’, ‘car accessories’, and ‘oils, coolants and filtration’. Those direct suppliers who have completed SAQs accounted for approximately 40% of our total FY24 spend.

183
Direct suppliers
onboarded

Key categories

- › Batteries
- › Bearings and driveline
- › Braking
- › Car accessories
- › Electrical
- › Engine and engine management
- › Equipment
- › Oil, coolants and filtration
- › Suspension, steering and 4WD
- › Thermal and cooling
- › Tools

118
Completed
SAQs



Our Supply Chains

Bapcor's merchandise can be divided into two major groups, products sourced from companies that are sold under their market brands be they Original Equipment (OE) suppliers, manufacturers and/or distributors, and then own brand products.

These own brand products are mostly sourced direct from overseas manufacturers and sold under Bapcor owned brands. Bapcor defines Tier 1 suppliers as the suppliers supplying these products directly to Bapcor as detailed above. The map below provides location information from direct suppliers who have completed self-assessments on our AAAA platform.

Note: This map is not an exhaustive list of Bapcor's direct supplier network.

Germany

Bearings & Driveline;
Engine & engine
management;
Equipment; Tools

Turkey

Car accessories

Canada

Engine & engine
management

USA

Batteries; Bearings & Driveline;
Car accessories; Engine & engine
management; Oils, coolants & filtration;
Thermal and cooling

France

Engine & engine
management

Italy

Engine & engine
management;
Equipment; Oil,
coolants & filtration

China

Batteries; Bearings & Driveline; Braking; Car accessories; Electrical; Engine & engine management; Equipment; Oil, coolants & filtration; Suspension, steering & 4wd; Thermal and cooling; Tools

South Korea

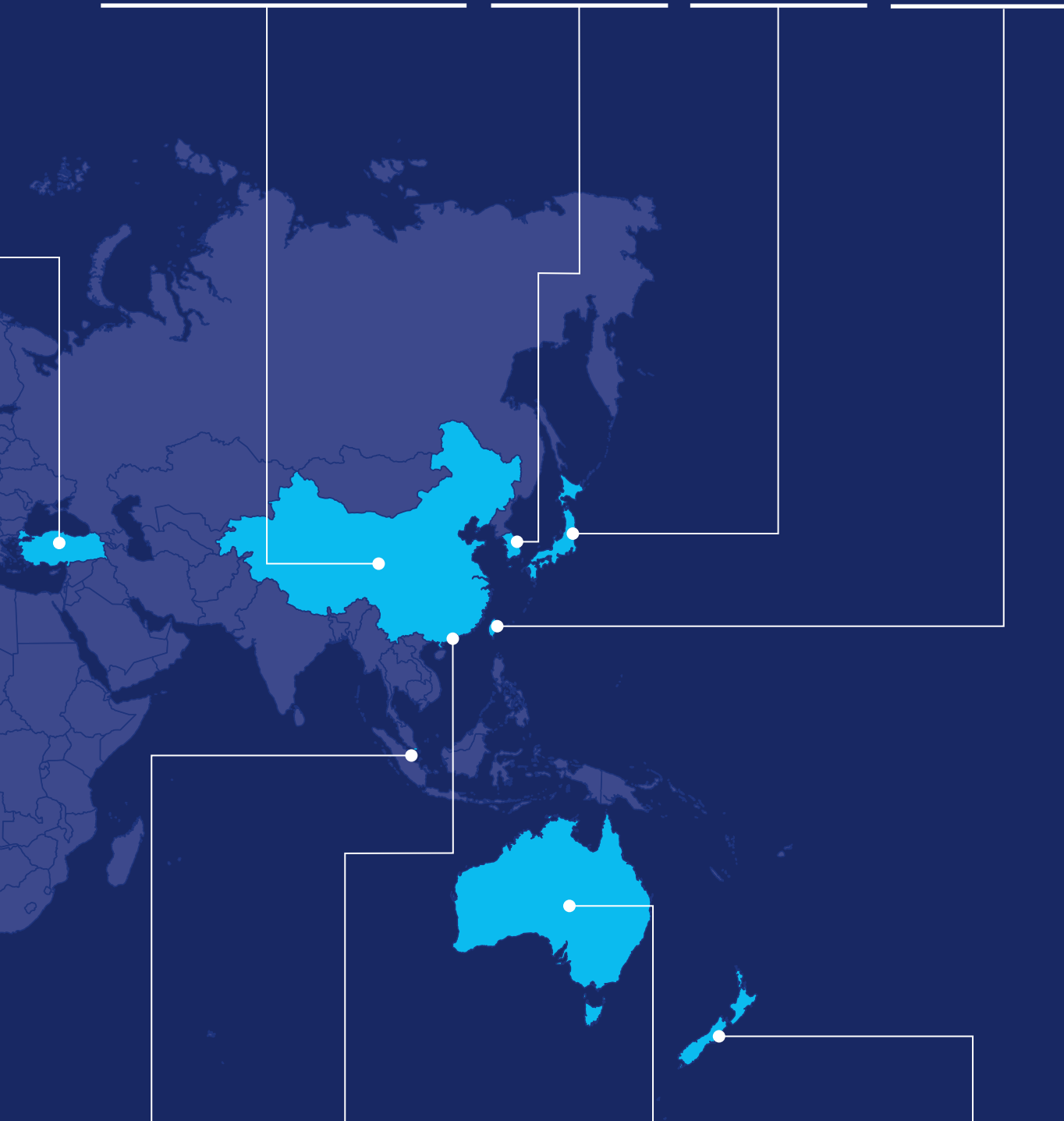
Thermal and cooling

Japan

Engine & engine management

Taiwan

Bearings & Driveline; Braking; Car accessories; Engine & engine management; Thermal and cooling; Tools

**Singapore**

Batteries; Thermal and cooling

Hong Kong

Car accessories; Equipment; Tools

Australia

Batteries; Braking; Car accessories; Electrical; Engine & engine management; Equipment; Oil, coolants & filtration; Suspension, steering & 4wd; Thermal and cooling

New Zealand

Thermal and cooling

How We Assess and Manage Risks of Modern Slavery

As a supply chain business, we prioritise our commitment to ensuring ethical and efficient sourcing, distribution, and logistics practices across our value chain. Our focus is on building and maintaining ethical relationships with suppliers, upholding high standards of transparency around our sourcing and labour practices, and maintaining an efficient supply chain network.

At the heart of our approach to modern slavery risk management is our Ethical Supply Chain/ Procurement Policy, which sets out our expectations for suppliers to be aware of and, where relevant, compliant with modern slavery legislation. We also expect our suppliers to take reasonable steps to ensure there is no modern slavery in their supply chains and to maintain appropriate oversight with respect to mitigating risks of modern slavery.

These requirements have been embedded into our procurement templates and we are also working to update and renew existing supplier agreements.

Risk Assessment Methodology

Bapcor uses two primary lenses to assess our material risks: 1) '*inherent*' supplier risk, which considers the supplier's headquarters location and primary industry; and 2) '*residual*' risk, which derives from suppliers' responses in their SAQs and includes their systems, policies and processes, and governance related to modern slavery.

In FY24, we continued to refine our risk assessment methodology to reflect global trends and dynamic influences, such as global indices, evolving knowledge, and contextual changes in our operating environment. In doing so, we identified a need to expand our country risk assessment toward greater consideration of where suppliers are manufacturing goods, as this may be different from their headquarters location and is likely to carry more risk. Work continues as we look to refine our methodology in this regard.

In evaluating country risk, our methodology considers a range of factors, including armed conflict, climate change, democratic decline, retraction of women's rights and the lasting impacts of the pandemic. We also consider the prevalence of, and vulnerability to, modern slavery, as well as government responses in the supplier's headquarters location. This analysis is drawn from a range of sources including the *Global Slavery Index*, the *Corruption Perceptions Index* (produced by Transparency International), the *Social Progress Index* and the *Global Peace Index* (produced by Vision for Humanity).

To assess industry risk, we use the *Global Industry Classification System (GICS)*⁴ to first categorise our suppliers and a set of indicators commonly associated with higher risk of modern slavery. These include high reliance on low-skilled work; reliance on a seasonal and/or migrant workforce; reliance on labour recruiters; and industry characteristics, such as supply chain capacity and complexity; and high levels of competitiveness with downward pressures on delivery times and wages. Our risk assessment also considers reports of modern slavery and other human rights violations in government and industry publications.

4. The GICS is a four-tiered, hierarchical industry classification system. The four tiers are: Sectors, Industry Groups, Industries and Sub-Industries. Revenues, earnings and market perception determine a firm's principal business activity. The full methodology and classification list is available at: <https://www.msci.com/our-solutions/indexes/gics>.

A supplier's residual risk assessment is based on their approach to addressing modern slavery, environmental-social-governance (ESG) and ethical sourcing. More specifically, we ask our suppliers about their policies and procedures, risk assessment, mechanisms for worker dialogue, supply chain visibility, and processes for remediation. We also gather a series of supplier details, including among other things, details of their own hiring arrangements, and sourcing countries.

All of this risk information is gathered via our comprehensive supplier SAQ platform, developed in partnership with the AAAA Modern Slavery Consortium. The primary purpose of this platform is to improve the quality of data provided by suppliers by simplifying and streamlining reporting and reducing the burden and resources often involved in reporting to multiple customers.

In FY24, we more than doubled the number of suppliers fully onboarded to the AAAA system (i.e., completed supplier questionnaires) from 70 to 153 – an outcome

we attribute to making supplier onboarding a key performance indicator for relevant team members. These 153 suppliers represent approximately 40% of our total annual supplier spend, which also doubled from last year's figure of approximately 20%.

Stakeholder Engagement

Bapcor recognises that modern slavery is not a problem that can be solved alone – it requires purposeful and effective collaboration across stakeholder groups. This is a key reason why stakeholder engagement and collaboration forms one of our four focus areas in our Modern Slavery Strategic Framework, discussed further on p17.

At the highest level, engagement is about ensuring we have the necessary partnerships to be effective in our work against modern slavery. It is also about ensuring we obtain and share relevant information to support broader efforts on this important issue, such as those of our industry peers and our investors.

Figure 2: Bapcor's engagement with stakeholders regarding modern slavery

STAKEHOLDERS	KEY TOPIC INTERESTS	HOW WE ENGAGE
Investors	Ethical operations Human rights Modern slavery	Investor centre Materiality assessment One-on-one meetings Annual & interim reporting and briefings Investors Against Slavery and Trafficking – Australia Pacific (APAC) initiatives
Suppliers	Supply chain responsibility Human rights Modern slavery	Materiality assessment Supplier briefings Supplier portal (AAAA Platform) Supplier visits and one-on-one meetings
Industry	Human rights Modern slavery	UNGC Network Modern Slavery Community of Practice Australian Automotive Aftermarket Association Modern Slavery Consortium

This is particularly the case with our collaboration via the AAAA Modern Slavery Consortium, where members can discuss shared problems and work together to increase the number of suppliers participating on the platform.

Through this group, we receive and consider briefings on important global trends and legislative updates affecting socially responsible businesses. Fulfilling commitments from last financial year, we finalised our Terms of Reference and Guiding Principles, which focus on influencing positive change, reducing costs for suppliers, and enabling communication, transparency, and education.

The Consortium holds bi-monthly meetings to discuss key modern slavery risk areas in supply chains; review recent resources, events and reports relevant to modern slavery; and learn from subject matter experts, including the Australian Government Attorney-General's Department.

Along with steadily increasing supplier engagement across the AAAA Platform, we are pleased to see continued growth of the Consortium itself. Two additional partners joined the Consortium during FY24, increasing supply chain representation and diversity of perspectives in how we assess and address modern slavery risks across the automotive aftermarket sector. This is most significant in the shared ability to analyse trends in supplier knowledge, actions, and processes over time, ensuring continuous improvement in line with the Act.

We also continued to engage with investors, including representatives of Investors Against Slavery and Trafficking (IAST) – Australia-Pacific. IAST-APAC is an investor-led, multi-stakeholder led initiative established in 2020 to engage with companies in the APAC region to promote and provide guidance on identifying, rectifying, and preventing modern slavery within their operations and supply chains. These meetings continue to provide useful insights into how we can continuously improve our approach to modern slavery and related human rights concerns.

Supplier Site Visits

As reported previously, Bapcor team members visit suppliers to assess a range of performance topics including quality assurance, contractual compliance, and assessment of supply chain risks. During these visits, team members utilise a standard checklist that prompts consideration of whether the supplier has agreed to Bapcor's Ethical Supply Chain/Procurement Policy; whether the supplier holds a related policy and if so, how this is communicated to relevant team members; and whether there is a grievance mechanism in place. The checklist also requires team members to note general observations about the site and to discuss a range of issues including labour standards, work hours, pay rates, freedom of association, immigration matters, child labour, access to water and breaks and, where relevant, accommodation standards.

The checklist provides guidance to team members on how to escalate concerns if not satisfied with a supplier's response. The checklist reminds team members that understanding the risk involved is key to strategic decision-making, which may result in working with the supplier to remediate a concern rather than delisting them.

After several years of not being able to visit suppliers due to COVID-19, restrictions, we increased the average number of site visits completed this year. In FY24, we visited 44 offshore suppliers from whom we source products across our business units, including 41 in China and 3 in Taiwan.

While our site visits did not detect any cases of modern slavery in FY24, we did successfully identify other issues that have been generally associated with poor working conditions. For example, one site visit detected WHS risks, including potential fire hazards and risks of electric shock. We provided written advice to the supplier on these concerns and were extremely pleased that the supplier remediated these concerns immediately, providing photographic evidence of the changes.

Improving Site Visit Methodology

As committed to in our last statement, we reviewed and revised our site visit checklist, data collection and reporting method.

We prioritised this work because we saw a need for greater consistency across team members' assessments and better detection of risks and/or harm to people working in our supply chains.

Key updates to our checklist included:

1. clarifying pre-visit requirements to maximise the benefits of site visits to ourselves and to our suppliers;
2. developing specific user guidance for greater consistency in compliance assessment;
3. expanding and aligning our assessment of working conditions with international standards; and
4. developing a separate modern slavery risk assessment with interpretive guidance for forced labour indicators.

This new methodology is being tested and rolled out in FY25.

Our site visits are also enabling us to identify workforce trends, including the use of migrant labour at supplier sites. With our revised checklist, we anticipate improvements in data quality to better inform our assessment of equal and fair working conditions.

Oversight and Capacity Building

Bapcor established a Modern Slavery Working Group in 2021 to provide leadership, oversight, and continuity for modern slavery risk management across the business. The Working Group is chaired by our ESG Manager and is comprised of leaders from our key business units, including General Managers, Product and Procurement Managers and Key Supplier Account Managers. The Working Group oversees Bapcor's participation in the AAAA Consortium and is responsible for implementation of our Modern Slavery Roadmap. For example, Group members oversaw the revision of our site visit methodology and took carriage of supporting onboarding suppliers within their respective business units onto our AAAA platform.

Through this Group's leadership, we doubled the number of team members who completed our online modern slavery training module, ensuring that key team members understand our modern slavery obligations and are positioned to contribute to our strategy.

Targeted Training for Procurement and Product Management Team Members

While Bapcor continues to deliver a general online training module on modern slavery for all team leaders, we recognise the need for targeted training to upskill those team members who engage directly with our suppliers.

It is these team members who are most likely to encounter a potential case of modern slavery or conditions that could give rise to labour rights violations.

As such, we worked with a subject matter expert this year to curate and deliver a specialised training for category and product managers. Key learning outcomes for this training were:

1. Team members understand what modern slavery is, what it looks like and why it occurs in supply chains.
2. Team members are aware of and able to support Bapcor's requirements, current actions & plans to address modern slavery.
3. Team members understand how procurement and product teams contribute to/benefit from the above requirements and actions.

This time was also used to begin scoping further training and support needs, including for team members conducting supplier site visits.






















With an increased level of awareness and understanding, modern slavery has become a more significant factor in our supplier assessments with identified risks playing a stronger role in our tendering processes and influencing supplier selection.



Our Risks of Modern Slavery

As outlined above, Bapcor uses a risk assessment methodology that considers country risk, industry risk and individual supplier risk, drawn from supplier self-assessment responses. Since our last statement, which included risk data based on country of headquarters and industry only, we have started to build out a more comprehensive risk profile of suppliers across all three categories. We have identified the following risks across our assessment framework.

Figure 3: Bapcor's supplier industries and sub-industries

VERY HIGH RISK		HIGH RISK	
	Automobiles and Components		Commodity Chemicals
	Automotive Parts & Equipment		Construction & Engineering
	Automotive Retail		Construction Materials
	Automobile Manufacturer		Copper
	Construction Machinery & Heavy Trucks		Distributors
	Industrial Machinery		Electrical Components & Equipment
	Metal & Glass Containers		Highways and Railtracks
			Trucking
			Household Appliances
			Office Services & Supplies
			Security & Alarm Services
			Specialty Chemicals
			Trading Companies & Distributors
			Transportation

Country Risk

Examining our supplier manufacturing locations, we found a significant proportion are operating in and/or sourcing from China, which is ranked 46/100 for vulnerability and 40/100 for government response by the Global Slavery Index. In considering possible risks, we are mindful of reports of state-imposed forced labour as well as forced labour imposed by private actors. We also work with numerous suppliers manufacturing in Malaysia, which we consider to have higher risk due to limited law enforcement and reports of victims being criminalised for conduct occurring under the coercion of exploiters. A few suppliers are also manufacturing in Mexico, which we rank as a higher-risk operating location due to an increased prevalence of modern slavery and limited government and business action on supply chains. Despite comprising a very small proportion of our suppliers, other sourcing countries of potential concern include Vietnam, Thailand, Indonesia, Turkey, and Russia.

Industry Risk

As discussed in the previous section, Bapcor's industry risk assessment considers a range of factors, including the nature of work performed (i.e., low skill or dangerous); workforce characteristics (i.e., migrant or sub-contracted labour); and contextual realities of the business operating environment (i.e. low margins, high competition).

Using the *Global Industry Classification Standard* to categorise our suppliers, we have identified the following industries and sub-industries as having very high or high risk. Refer to Figure 3 on page 14.

Inherent Supplier Risk

Bringing country and industry risk together, we form a holistic view of a supplier's inherent risk. As shown in Figure 4, our analysis has determined that of the 153 suppliers who have completed their SAQs, 30 have been rated as high risk and 1 supplier as very high risk.

Changes in our inherent supplier risk profile since last year are largely attributable to both an increase in the number of suppliers represented, as well as strategic enhancement in our risk assessment process that considers the evolving global risk landscape. Moving forward, Bapcor is committed to targeted engagement with suppliers that have a 'very high' or 'high' inherent risk rating.

Supplier Residual Risk

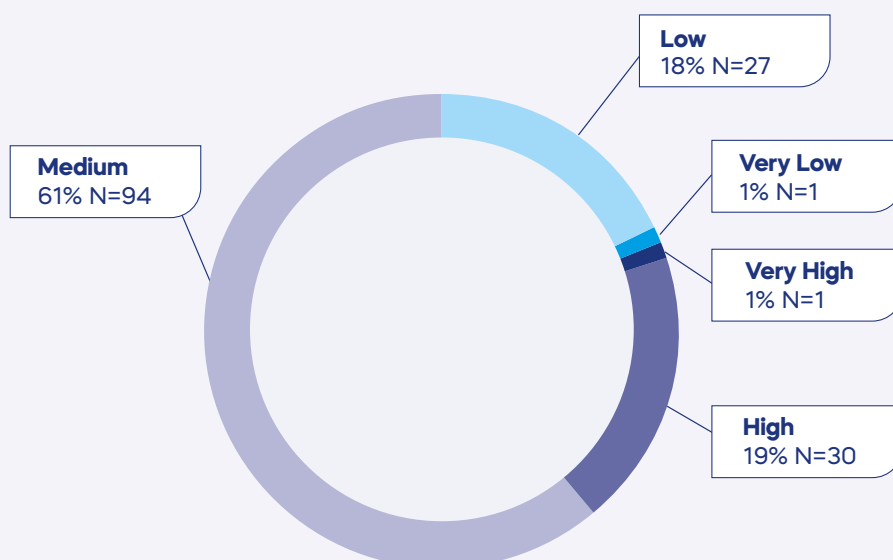
The increase in completed SAQ data also enabled us to further a process towards a balanced, or weighted, scorecard for suppliers. Residual risk is based on suppliers' responses to self-assessment questions in the AAAA platform.

In time, this information will allow us to develop a picture of our supplier's individualised risk, highlighting areas of strength and weakness in their respective modern slavery risk management, which will inform how we prioritise supplier engagement and enablement moving forward. For example, of the 153 suppliers who completed their SAQs in FY24, we identified policies and procedures as an area of reasonable strength, with the majority of these suppliers having relevant policies that align with Bapcor's requirements. Policy alignment is vital to effective risk management because the documents form the basis for a common language when engaging suppliers around human rights. While they are not a guarantee of low risk, they are the foundation for setting corporate culture and commitments.

In contrast, we identified remediation processes and supply chain visibility as areas requiring improvement. These insights are relevant as Bapcor is committed to supporting access to remedies in situations where suspected human rights violations rely on knowledge of the origin of our products.

Importantly, most of our suppliers onboarded to the AAAA platform have indicated they are not required to report under modern slavery legislation in Australia or another jurisdiction. We anticipate these suppliers may require additional support and guidance from Bapcor as they develop and improve their own supply chain governance.

Figure 4: Inherent Risk (Supplier HQ Country and Industry, N=153)



Measuring our Effectiveness

Bapcor is committed to continuously improving our approach to assessing and addressing modern slavery risks. In FY24, we engaged a subject matter expert to help us track progress under our Strategic Framework on Modern Slavery, established in FY23 (Figure 5).

This framework is comprised of four key focus areas that form the basis of our Modern Slavery Roadmap. At the core of this framework is:



Actionable data;



Capability development;



Purposeful stakeholder engagement; and



Effective supply chain governance.



Figure 5: Bapcor's Strategic Framework on Modern Slavery

Measuring our Effectiveness continued



Our Modern Slavery Roadmap sets out short, medium, and longer-term objectives, through which we contextualise yearly targets within a broader plan. We are pleased to report we successfully met the targets set in last year's modern slavery statement, as shown in Figure 6.

As part of our commitment to continuous improvement, we have again sought to delineate specific targets for the coming year across our

four key focus areas, as shown in Figure 7. Building on our progress to date, we have identified activities to be undertaken over the next year, which we expect will lead to certain outcomes as measured by a series of performance indicators.

This provides a set of priorities for the coming year, and forms the basis for forecasting impactful, yet feasible, targets moving forward.

Modern Slavery Roadmap

Yr 1 FY24

1. Improve category management capacity.
2. Identify high risk goods/services.
3. Prioritise, onboard and assess suppliers via AAAA.
4. Communicate and enact expectations to suppliers.
5. Train & equip staff.
6. Clarify supply chain, assurance program and delegations across the business.

Short to mid term

1. Incorporate direct supplier risk assessments beyond SAQs.
2. Enhance engagement with high risk Tier 1 suppliers.
3. Remediation and derisking of high risk Tier 1 suppliers.
4. Conduct detailed research of high risk products and mapping into supply chain.
5. Identification of industry collaboration targets to strengthen AAAA platform.

Beyond

1. Continued attention, on high risk Tier 1 suppliers.
2. Due diligence and verification of high risk Tier 2 suppliers.
3. Remediation and derisking of high risk Tier 2 suppliers.
4. Progress on identified industry collaboration, targets.

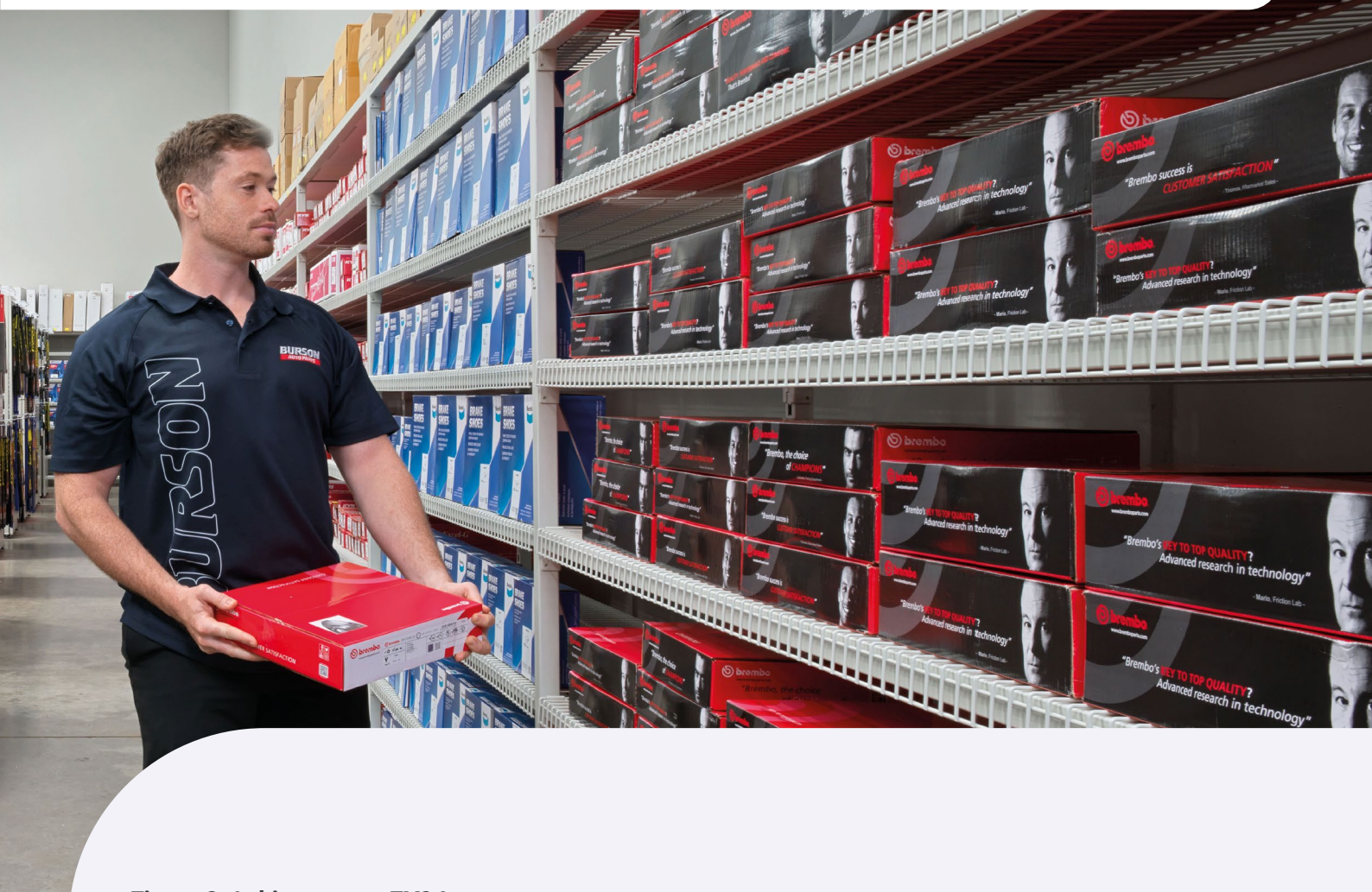


Figure 6: Achievements FY24

Focus Area 1: Strategic Sourcing and Systems Alignment

- › We continued to build out our capability in centralised procurement with a key aspect of that approach being ESG, including more structured Supplier Relationship Management (SRM).
- › New service agreement templates and tenders include modern slavery provisions.

Focus Area 2: Organisational Capacity Building

- › We doubled the number of team members completing SafeTrac online modern slavery training from approximately 400 in FY23 to over 800 in FY24.
- › We delivered a highly successful, interactive training session with 28 members of the Procurement and Product teams that helped to identify material exposure to modern slavery in our supply chains. During this training, we also met last year's commitment to scope further training needs for team members conducting site visits to improve detection and remediation of modern slavery/human rights concerns.

Focus Area 3: Stakeholder Engagement

- › We increased the total number of suppliers onboarded to the AAAA platform from 126 to 234.
- › We increased the SAQ completion rate of onboarded suppliers to 65%.
- › We reviewed and refreshed the SAQ to strengthen data quality.
- › We reviewed and updated terms of reference for AAAA Consortium.
- › Consortium members met six times and identified ways to strengthen and grow the initiative.
- › We became active members of the UN Global Compact Network Australia Modern Slavery Community of Practice.

Focus Area 4: Due Diligence, Verification and Validation

- › We reviewed and revised our site visit checklist, data collection and reporting system.
- › We further enhanced our risk analysis developed from AAAA data, including country, industry and supplier risk.
- › We further developed our understanding and approach to high-risk suppliers (i.e. site visits, derisking where suppliers are unable to meet requirements).

Measuring our Effectiveness continued

Figure 7: Based on our strategic framework the following FY25 aspirations have been set:

	OBJECTIVES	ACTIVITIES FY25	OUTCOMES FY25
Culture and Governance			
MS Working Group	Provide oversight of modern slavery risks and management frameworks to guide decision-making and continuous improvement.	<ul style="list-style-type: none"> › Communicate and cascade vision and expectations to business unit team members. › Determine requirements for and oversee organisational reporting. › Develop tools and processes to support Bapcor's modern slavery program. 	<ul style="list-style-type: none"> › We continue to build the right data sets to make more informed and strategic decisions that balance cost with risk to business and people. › Bapcor is increasingly prepared for stricter compliance obligations.
Code of Conduct	Provide clear compliance guidelines for organisation-wide activities.	<ul style="list-style-type: none"> › Update Bapcor's Code of Conduct, highlighting a number of key compliance policies (including modern slavery). › Release company behaviours document. 	<ul style="list-style-type: none"> › Consistent and people-centred approach to human rights across the business. › Team members 'turn up' for work in a way that is consistent with our purpose and values.
Policy	Ensure policies relevant to modern slavery are current and in line with international standards.	<ul style="list-style-type: none"> › Review Ethical Supply Chain/Procurement Policy. 	<ul style="list-style-type: none"> › Bapcor's policies related to modern slavery provide a clear and consistent path for strategic engagement with suppliers around modern slavery risks.
Strategic Sourcing and Systems Alignment: Consistency, Data and Risk-based approach			
Centralised and strategic procurement	Align sourcing practices with modern slavery risk mitigation efforts.	<ul style="list-style-type: none"> › Action modern slavery requirements in supplier screening and engagement. › Analyse spend and assess material risk by further developing category/supplier risk matrix. › Continue to increase contract coverage using Bapcor's updated terms and conditions across direct and indirect suppliers' terms of trade. 	<ul style="list-style-type: none"> › Increased visibility of modern slavery risks including improved decision making associated with supplier selection. › Improved ability to engage with stakeholders regarding risks. › Improved modern slavery reporting.

	OBJECTIVES	ACTIVITIES FY25	OUTCOMES FY25
Organisational Capacity Building: Training and support, tools and templates			
Responsible sourcing	Enhance internal capabilities to address modern slavery in supply chains.	<ul style="list-style-type: none"> › Review and refresh SafeTrac Modern Slavery e-learning module with new team members to complete. › Provide training around category risk. › Conduct supplier enablement activity. 	<ul style="list-style-type: none"> › Team members are able to engage suppliers around risks, non-compliance and remediation. › Improved supplier understanding of Bapcor requirements.
Stakeholder and Supplier Engagement: Gathering and actioning information, enablement			
AAAA Platform	Improve and action information gathered from suppliers to inform decision-making regarding modern slavery risks in Bapcor supply chains.	<ul style="list-style-type: none"> › Compile, assess and action SAQ data and as required, provide feedback to suppliers on their SAQ evaluation. › Consortium to meet bimonthly to continue improving SAQ platform. › Consortium to align supplier residual score ratings. › Improve SAQ to align with a need to better understand where goods are manufactured. 	<ul style="list-style-type: none"> › Increase number of suppliers (current N=234) onboarded onto AAAA platform by at least 30%. › Maintain or improve SAQ completion rate of 65%. › Supplier risks being more consistently identified and actioned through appropriate means.
Internal engagement	Strengthen relationships and information sharing with New Zealand and Thailand operations.	<ul style="list-style-type: none"> › Conduct in-person site visits with Thailand and NZ operations. › Identify strategic suppliers for AAAA onboarding. › Provide support to Thailand and NZ teams for a more consistent approach across Bapcor operations. 	<ul style="list-style-type: none"> › Thai and NZ teams participate in and contribute knowledge to Modern Slavery Working Group. › Enhanced collaboration and skill across Bapcor operations. › Extended risk assessment across Bapcor supply chains.
Due Diligence, Verification and Validation			
Supply Chain Due Diligence	Verify supply chain conditions meet Bapcor expectations for respecting human rights.	<ul style="list-style-type: none"> › Conduct targeted supply chain monitoring and verification activities via supplier site visits/engagement. › Incorporate modern slavery in Quarterly Business Reviews (QBRs) with key strategic suppliers. 	<ul style="list-style-type: none"> › Suppliers are meeting requirements under Bapcor policies. › Bapcor looks for harm, not just risks of harm.

Engagement and Consultation



Bapcor adopts a four-phase approach to consulting across our business for modern slavery reporting. Our ESG Manager led the development of this statement, with input from a range of teams and functions, including Group Procurement and Finance.

A draft of the statement then goes to our Modern Slavery Working Group, which plays a vital role in delivering a consistent modern slavery response across our complex business. Members are responsible to ensure consistent and people-centred approach to modern slavery across business units; communicate vision and expectations to team members to oversee organisational reporting; and develop and maintain strategic partnerships, such as those with our AAAA Consortium partners.

The statement then proceeds to our Remuneration and Environmental, Social and Governance Committee (the "Committee"), which operates under the delegated authority of the Board of Directors. The Committee oversees ESG and climate-related risk matters and provides updates to the Board on a regular basis. On final review, the Committee recommends the statement to the Board for approval.



Principal Governing Body Approval

This modern slavery statement was approved by the principal governing body of Bapcor as defined by the *Modern Slavery Act 2018 (Cth)* on 18 December 2024.

Angus McKay,
Executive Chair and
Chief Executive Officer

18 December 2024



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