



GPC Asia Pacific  
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# Modern slavery statement

## Criteria 1 – identify the reporting entity

1. This document is the 'modern slavery statement' for GPC Asia Pacific Holdings Pty Ltd (ACN 162 550 978) (**GPC**) for the financial period ending on 31 December 2023. This statement has been prepared and published in accordance with the *Modern Slavery Act 2018* (Cth).
2. GPC is an Australian incorporated private company, which operates from 22 Enterprise Drive, Rowville, Victoria, 3178.
3. The statement is made on behalf of GPC and its related bodies corporate operating in Australia (as listed in Appendix A).
4. For context, GPC is the wholly owned Australasian division of Genuine Parts Company, a US-listed (NYSE: GPC) multinational service organisation. Founded in 1928, Genuine Parts Company is a global service organisation engaged in the distribution of automotive and industrial replacement parts. In total, the company serves its global customers from an extensive network of more than 10,000 locations in 17 countries and has approximately 58,000 employees.
5. GPC operates with a strong commitment to ensuring compliance with the laws and regulations of the areas in which it operates. In Australia, GPC also acknowledges the 'social licence' that it has developed over more than 100 years of operation, primarily through its Repco brand.
6. Genuine Parts Company's code of conduct forms the basis for a shared view across the company (including GPC) of its mission, vision and values, including ethical standards and the forms of acceptable behaviour. The code of conduct is communicated to team members as part of their induction and then regularly after that. The code of conduct is further supported by a whistleblower framework.

A copy of the code of conduct is available on the Genuine Parts Company's website (<https://www.genpt.com/governance-docs>).

## Criteria 2 – description of GPC's structure, operations and supply chain

7. At GPC, movement is in our DNA. As the largest distributor of automotive and industrial replacement parts in Australia and New Zealand, our people and parts keep wheels and industry moving.
8. GPC operates its business through two divisions: automotive and industrial.
9. Automotive: We operate principally under the well-known and trusted Repco, NAPA and McLeod Accessories (including AMX) brands. Collectively, we resell and distribute a diverse range of automotive and motorcycle parts, accessories, related tools and equipment and solutions. Our automotive products are seamlessly accessible to our customers through a comprehensive network of stores and branches and best-in-class digital solutions, supported by a team of over 6,500 dedicated team members.
10. Industrial: Motion is the market leader in the distribution of industrial replacement parts and services in Australia, New Zealand, Indonesia and Singapore. Its products include bearings, seals, power transmission, fluid power, lifting and safety equipment, and associated engineering services and consumables, used in almost all industrial and trade sectors. Target markets include mining, heavy industry and engineering, manufacturing, food and beverage, agriculture, and packaging.

Motion operates from 150 branches staffed by over 2,000 staff members delivering superior customer service and technical expertise with an innovative spirit. Motion has unrivalled product knowledge and is respected by its customers as the trusted partner in the field. Motion has the largest and best-trained

group of engineers in the industry, delivering value-added engineering solutions to customer problems, which are often on remote sites.

11. Distribution and supply chain management: Logistics are a key driver of GPC's capability to supply its extensive customer base. GPC's distribution network supports a footprint of more than 700 stores and branches serviced by distribution centres throughout Australia, New Zealand, Indonesia and Singapore. GPC's stores and branches are the most extensive distribution network in the Australasian automotive aftermarket and industrial replacement parts markets, with reach across all metropolitan and major regional areas. This network provides the ability to deliver to our customers' workshops and our stores or branches multiple times a day, via a fleet of dedicated delivery vehicles and best-in-class logistics partners. Most items from our distribution centres are available on the same day or within 24 hours.
12. Our distribution network is supplemented by best-in-class international logistics capability, including a seamless integration with Genuine Parts Company's global supply relationships, professional onshore and offshore sourcing and quality assurance capability, and overseas consolidation centres in Shanghai, Malaysia and Hong Kong providing state-of-the-art optimised supply chain solutions.
13. To service our customers across a multitude of markets and channels, GPC has relationships with several thousand suppliers operating domestically and internationally, supplying our businesses with automotive and industrial replacement parts, tools, equipment, and consumable items. GPC's inventory planning system forecasts demand and manages inventory replenishment for our stores and distribution centres, based on a deep understanding of vehicle-on-road and parts application data.
14. GPC's stores operate an automated stock management and replenishment system. Defined policies, managed by dynamic computer algorithms overlaid with historical sales data and overseen by expert demand planners, are used to determine store ranges, including stock depth and width. Holding the right inventory as close as possible to the customer is the foundation of our success. We strive to meet customer needs for immediate access to product, on time, every time.

### Criteria 3 – description of modern slavery risks in operations and supply chains

15. Modern slavery risks are a key consideration across GPC's business. At GPC, we operate with a focused awareness of that risk in every sourcing decision that we make.
16. In Australia, we consider that the risk of modern slavery within our controlled operations is very low based on several key factors, including:
  - a) GPC operates principally in Australia and New Zealand. Both countries are considered to be very low modern slavery risk countries. We have smaller sales and distribution operations in Indonesia and Singapore. We do not conduct any manufacturing, and we source all of the goods we sell from third parties;
  - b) in Australia, our employees are either engaged subject to an applicable modern award, enterprise bargaining agreement (**EBA**) or individual contracts where neither an award nor an EBA applies, and a consistent model also applies in New Zealand. GPC operates sophisticated payroll systems with best-in-class third party payroll service providers. We do this for a range of reasons, including to ensure compliance with industrial instruments and contractual obligations; and
  - c) GPC notes that a number of its domestic suppliers are committed to a high level of compliance with modern slavery legislation, including the *Modern Slavery Act 2018* (Cth). Consequently, GPC considers the risk of modern slavery practices to be low for its Australian based suppliers.
17. In an international context, GPC has identified that its most salient human rights risks are likely to be as follows:
  - a) labour rights (human rights) including forced or compulsory labour, wages and benefits, work hours and child labour;
  - b) freedom of association;
  - c) health and safety;
  - d) anti-discrimination;

- e) anti-bribery and corruption; and
- f) access to grievance mechanisms.

The above issues are routinely raised with suppliers to ensure that acceptable standards are satisfied and maintained.

- 18. Supplier arrangements that include downstream contracting have also been identified as an area of modern slavery risk. Downstream contracting occurs in arrangements such as labour hire and logistics services, including areas of low skill employment. GPC principally employs labour hire staff to work in its distribution centres.
- 19. Our customers require a diverse range of products. In response to this, we have a large number of supplier partners operating from other countries. This potentially presents challenges in the visibility of modern slavery risk although mitigation measures have been implemented.

#### **Criteria 4 – description of risk mitigation actions**

- 20. To mitigate the risks identified and referred to in criteria 3 (above), GPC has implemented a comprehensive risk-based approach to assessing where to apply resources. The criteria for assessing the risk of modern slavery in our supply chain includes an assessment of high-risk jurisdictions and product categories.
- 21. Prevention is key in driving positive social change. GPC is committed to preventing human rights abuses, including any aspect of modern slavery, as set out in the Genuine Parts Company Human Rights Policy. A copy of that policy is available on the Genuine Parts Company’s website (<https://www.genpt.com/governance-docs>).
- 22. We have longstanding risk-based procedures in place to continually apply a focus on the modern slavery risk in our automotive division, and this model is progressively being applied to the industrial division, particularly the supply chain. This represents the largest proportion of our overall procurement spend. The criteria for assessing the risk of modern slavery in our supply chains include an assessment of location-based risks, product categories (including raw material inputs), and workforce skill set. Length of tenure and past compliance audits are also carefully considered.
- 23. During prior reporting periods, we expanded our modern slavery risk review focus to include our Two Wheel Division, incorporating McLeod Accessories, AMX Superstores and JTR. This division represents a significant range of apparel that is both “own brand” and third party branded that is manufactured in international locations. Leveraging the modern slavery risk-based desktop tool developed in 2022, we ranked each supplier to the 2 Wheel Division against a range of factors with a view to determining where audit and investigation resources should be focused.
- 24. GPC will not tolerate trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and the forms of child labour within our business or supply chains. We continue to take affirmative steps to ensure that our product suppliers and service providers are compliant with all applicable laws and with GPC’s own rigorous standards regarding human rights. These steps include:
  - a) incorporating modern slavery compliance provisions into all GPC standard terms and conditions where relevant;
  - b) communicating GPC’s expectations to supplier partners, including new supplier partners, as set out in the policy contained in Appendix B;
  - c) addressing modern slavery risk as a standard consideration for indirect procurement;
  - d) updating GPC’s risk model for assessing modern slavery risk to include additional modern slavery risk factors, leveraging the Global Slavery Index;
  - e) directly addressing key suppliers at supplier summits regarding our expectations and their need to examine and address risk of modern slavery in their own supply chains; and

- f) maintaining GPC's comprehensive social audit compliance program in line with the SA8000 Standard developed by Social Accountability International. The audit compliance program is further supported by a risk-based assessment methodology corrective action plan program to address any non-compliances identified through the audit program. GPC recognise that we have a responsibility to support a continuous improvement approach to compliance within our supply chain via setting clear expectations, and managing suppliers towards those expectations where any deficiencies are identified via consultation and engagement.
25. We will continue to ensure ethical sourcing practices across our business and within our supply chains by:
- a) employing clearly documented standards and statement of requirements that suppliers can be audited against;
  - b) applying a strong focus on suppliers who provide GPC 'own brand' products or who are based outside of Australia and New Zealand, noting the heightened risk factors at play;
  - c) having heightened awareness and applying additional attention to import suppliers based in countries where the risk of human rights violations is greater. This includes countries where there are fewer or no social safety nets to minimise poverty;
  - d) continuing to maintain the currency of the model used to assess modern slavery risk to ensure that changes in factors or emerging circumstances are factored into our decision making; and
  - e) maintaining a comprehensive, structured audit and remediation program.

**Criteria 5 – description of assessment of the effectiveness of actions**

26. We are further expanding our focus to consider operations that have not been previously captured in due diligence activities. Focus continues to be given to those areas of the business where clothing and apparel form part of the product base. We will also continue to engage directly with suppliers, both in person at supplier summits and via formal correspondence, to reiterate GPC's expectations in an effort to influence positive supplier behaviour, recognising that our scale and reputation affords a certain amount of influence. Our experience indicates through this engagement that supplier awareness of modern slavery related risks and issues has grown considerably in recent years.
27. Ongoing refinement of an internal desktop analysis tool to support our supplier due diligence program will ensure that we are keeping abreast of changing or emerging risk factors.
28. Establishing a dedicated focus on indirect procurement activities to incorporate modern slavery considerations into our sourcing and due diligence business practices, using a risk-based approach in applying GPC's comprehensive social audit compliance program for key indirect procurement supply categories such as domestic and international logistics, technology, professional services and marketing.
29. A sophisticated procurement approach underpins our business. We leverage internal quality assurance professionals and specialist external compliance audit specialists to test and vet the product suppliers we engage with. Particular focus is given to product suppliers in high-risk locations, with low skill workforces, or where social compliance audits identify non-compliances.
30. Our social audit format follows the SA8000 Standard developed by Social Accountability International. This Standard emphasises continuous improvement and includes management interviews, worker interviews, document reviews, plant floor audits, dormitory audits, and environmental assessment. The audit program contains 120 questions, categorised as follows:

SGS audit checklist sections based upon SA8000		
No	Section	Questions
1	Child/ Young Labour	18

2	Forced Labour	10
3	Health & Safety	59
4	Discrimination	5
5	Disciplinary Practice	8
6	Working Hours	7
7	Wages & Compensation	11
8	Environment	12

31. Where non-compliance is identified, we will work with suppliers to develop and implement corrective action measures that achieve compliance. We utilise an internal categorisation and escalation matrix to support efficient decision-making. We will not knowingly enter into or maintain a business relationship with suppliers that do not meet our social responsibility standards or that are unwilling to take appropriate corrective action when non-compliances are identified. This policy position is clearly set out in Genuine Parts Company's Human Rights Policy.
32. The program of annual social compliance audits conducted by GPC is key to enabling GPC to assess and test whether the mitigation steps undertaken by GPC concerning the risks of modern slavery in our supply chains is effective.
33. In addition to measurement of supplier performance via its audit programs, and the expansion of the focus of GPC's modern slavery compliance program to include new areas of the business.
34. In the reporting period, GPC performed 43 social compliance audits via an external third-party professional audit firm across our Automotive and Industrial divisions in a range of international countries. GPC's approach to supplier engagement and consultation with a continuous improvement mindset shows demonstrable improvement in supplier compliance.
35. In addition to pursuing an approach to continuous improvement, GPC seeks to use its influence with suppliers to improve both awareness of modern slavery issues and the standards our suppliers apply in their treatment of their team members. GPC will also take deliberate steps to not deal with a supplier that does not meet our standards.
36. Modern slavery compliance obligations are incorporated into applicable GPC contracts, and GPC will continue to review its suite of contract templates to ensure appropriate modern slavery provisions are incorporated. We also hold contractual audit rights that enable us to examine supplier compliance with relevant laws and contractual obligations.
37. Our dedicated Quality Assurance team follow stringent quality control and safety standards. Such standards are used to assess and monitor the products we sell. Our Quality Assurance team also engage and partner with specialist external quality assurance and compliance audit specialists. The team includes accredited engineers in Australia and China who conduct rigorous testing to validate product specifications and performance. This ensures the products GPC supplies are both safe to use and fit for their intended purpose. 'Own brand', safety-critical and imported product are all put through a rigorous quality assurance process and continuous improvement cycle, which includes:
  - a) each 'own brand' and safety-critical product is inspected before release to the market. Our rigorous validation processes ensure a product is fit for purpose, safe to use and meets any mandatory standards or regulatory requirements;
  - b) supplier and product quality audits follow either: the ISO9001 Quality Management Systems Standard; or the ITAF16949 Automotive Quality System Standard, developed by the International Automotive Task Force;

- c) audits are administered by either our internal Quality Assurance team based in Australia and China or by external specialists; and
- d) review of documentation and process across all areas of leadership, planning, support, operation, performance evaluation and improvement.

#### **Criteria 6 – process of consultation**

- 38. GPC adopts an enterprise-wide approach to assessing and mitigating modern slavery risk that sits across all operating entities. Key subject matter experts in areas such as legal, risk and compliance, quality assurance, procurement, logistics, supply chain management, and logistics, often operate across the entire enterprise, ensuring that GPC is able to adopt a consistent approach and influence each of the relevant areas of the group. This approach enables GPC to ensure that relevant subject matter experts are cognisant of the group's obligations under the *Modern Slavery Act 2018* (Cth), and consult as applicable with each of the entities in the GPC group concerning GPC's modern slavery compliance program.
- 39. We regularly outline our approach to contribute to eliminating modern slavery and our expectations for alignment across the business. We also confirmed details of the current reporting requirements in the *Modern Slavery Act 2018* (Cth).
- 40. In preparing this statement and during the reporting period, our key subject matter experts were consulted concerning the various actions GPC takes to address the risk of modern slavery in the Group's supply chains, and to support development of this statement.
- 41. For completeness, GPC confirms that its company secretary (who is also the company secretary of each entity listed in Appendix A) participated in the preparation of this statement.

#### **Criteria 7 – other relevant information**

- 42. GPC is an active member of the Australian Automotive Aftermarket Association (**AAAA**). In August 2022, AAAA announced a program to use the Informed 365 software platform to provide further visibility, transparency and information about human rights and modern slavery initiatives.
- 43. The Informed 365 software platform offers learning resources and enables GPC to understand how to work better with its supply partners while allowing us to report each year on human rights or modern slavery risks. GPC continues to partner with Informed 365 to further tailor the platform for use in the Australian automotive aftermarket and industrial replacement parts markets.

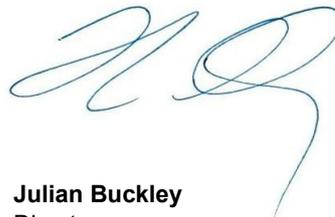
#### **Approval**

- 44. This statement has been made in accordance with the *Modern Slavery Act 2018* (Cth). It is made on behalf of GPC and its related bodies corporate operating in Australia, as listed in Appendix A.
- 45. This statement has been approved by the directors of GPC Asia Pacific Holdings Pty Ltd (ACN 162 550 978) on 28 June 2024.

Signed for and on behalf of **GPC Asia Pacific Holdings Pty Ltd** by its directors



**Rob Cameron**  
Managing Director  
Group CEO



**Julian Buckley**  
Director  
Group Chief Financial Officer and Chief  
Operating Officer

**Appendix A – GPC entities (as at 31 December 2023)**

GPC ASIA PACIFIC PTY LTD	(ACN 097 993 283)
GPC ASIA PACIFIC GROUP PTY LTD	(ACN 123 768 936)
R&E AUTOS PTY LTD	(ACN 006 068 613)
COVS PARTS PTY LTD	(ACN 145 562 278)
RANCIO PTY LTD	(ACN 010 916 891)
AMX SUPERSTORES PTY LTD	(ACN 602 341 060)
MCLEOD ACCESSORIES PTY LTD	(ACN 010 831 071)
PARTS AUSTRALIA PTY LTD	(ACN 166 607 094)
RSP AUTOMOTIVE & INDUSTRIAL PTY LTD	(ACN 005 272 015)
SNATCH CLOTHING PTY LTD	(ACN 615 249 842)
SPARESBOX PTY LTD	(ACN 168 552 323)
ETAIL INVESTMENTS PTY LTD	(ACN 163 418 826)
BEARING SERVICE PTY LTD	(ACN 004 112 887)
BSC INDUSTRIAL PTY LTD	(ACN 154 303 152)
MOTION AUSTRALIA PTY LTD	(ACN 000 143 608)
HS COMPANY PTY LTD	(ACN 099 707 856)
MOTION ASIA PACIFIC PTY LIMITED	(ACN 007 595 977)
MOTION ASIA PACIFIC SERVICES PTY LTD	(ACN 106 493 565)
MOTION ASIA PACIFIC WHOLESALE PTY LTD	(ACN 000 191 257)

MOTION INDUSTRIAL SOLUTIONS PTY LTD	(ACN 001 560 443)
SEAL INNOVATIONS PTY LTD	(ACN 004 483 256)
THE BAYSET POWELL GROUP PTY LTD	(ACN 147 497 372)
POWELL INDUSTRIAL PTY LTD	(ACN 010 035 346)
ADELAIDE BELT AND HOSE DISTRIBUTORS PTY LTD	(ACN 008 194 376)
MALOLO PTY LTD	(ACN 000 119 157)
NTN-CBC (AUSTRALIA) PTY LIMITED (50%)	(ACN 000 936 667)

\*Operating assets divested in 2023.

Not all of the entities listed are reporting entities in their own right.



## Appendix B



### GPC Asia Pacific Modern Slavery Statement

Modern slavery is an unacceptable risk to the livelihoods, health, and wellbeing of vulnerable people globally, particularly in developing markets. If we don't pay due attention to our own practices when sourcing goods and services, we know that we face the risk of inadvertently enabling modern slavery in hidden pockets of our supply chain, and indirectly through our suppliers.

The integrity of our business reputation and our brand ethos requires us to make the absence of modern slavery in our supply chains a priority, driving us to ensure that we have the right systems and processes in place, that we make appropriate decisions about who we partner with, and that we hold our suppliers and partners to this same essential standard.

#### Eradicating Modern Slavery from our Practices

GPC Asia Pacific and its team members are united in their efforts to end all forms of modern slavery, including human trafficking, unlawful child labour, and forced labour, wherever they are found. Further, GPC Asia Pacific continues to take affirmative steps to ensure that its suppliers and service providers are compliant with all applicable laws and with GPC Asia Pacific's standards regarding human rights and ethical sourcing.

We commit ourselves to doing the right thing and require our suppliers and other business partners to do the same. We will not tolerate forms of modern slavery, and we do not purchase parts or services from or maintain relationships with companies that do. We seek out ethical, law-abiding partners and suppliers, and we establish lasting relationships with companies that meet our high standards. We expect our suppliers and partners to maintain safe working conditions at all times and use ethical and responsible business practices in relation to the manufacture, sale, transportation, and distribution of products for or on behalf of GPC Asia Pacific.

Suppliers in high risk locations must undergo a comprehensive audit process before becoming a partner of GPC Asia Pacific. This process includes on-site surveys conducted by GPC Asia Pacific personnel and our audit partners, including quality assurance and social audits. GPC Asia Pacific's audit process is imbedded in our procurement framework, and is updated regularly to ensure suppliers meet GPC Asia Pacific's high standards. If a supplier is unwilling to cooperate or improve its social obligations, GPC Asia Pacific will discontinue its business relationship.

In implementing this Modern Slavery Statement, GPC Asia Pacific commits to continually evaluate and enhance its approach to Ethical Sourcing, and how to best detect areas of vulnerability in our supply chain. GPC Asia Pacific conducts training and development programs with its employees to ensure awareness of its Ethical Sourcing requirements, and remains steadfast in its commitment to ensure that its business relationships with suppliers, partners, and team members reflect GPC Asia Pacific's values and commitment to upholding fundamental human rights.

GPC Asia Pacific takes all reports of Modern Slavery-related concerns seriously, and all concerns will be fully investigated. GPC Asia Pacific encourages anyone with a Modern Slavery-related concern to please call GPC Asia Pacific's Just Call reporting hotline on (AU) 1800 424 143 or (NZ) 0800 424 143 or use GPC Asia Pacific's anonymous web reporting service at [gpc.ethicspoint.com.au](http://gpc.ethicspoint.com.au).

GPC Asia Pacific will not take any action against any party as a result of raising an issue in good faith pursuant to this reporting process, and GPC Asia Pacific does not tolerate any reprisal by any individual against any party for raising a concern or making a report in good faith.

Monday, 17 August 2020