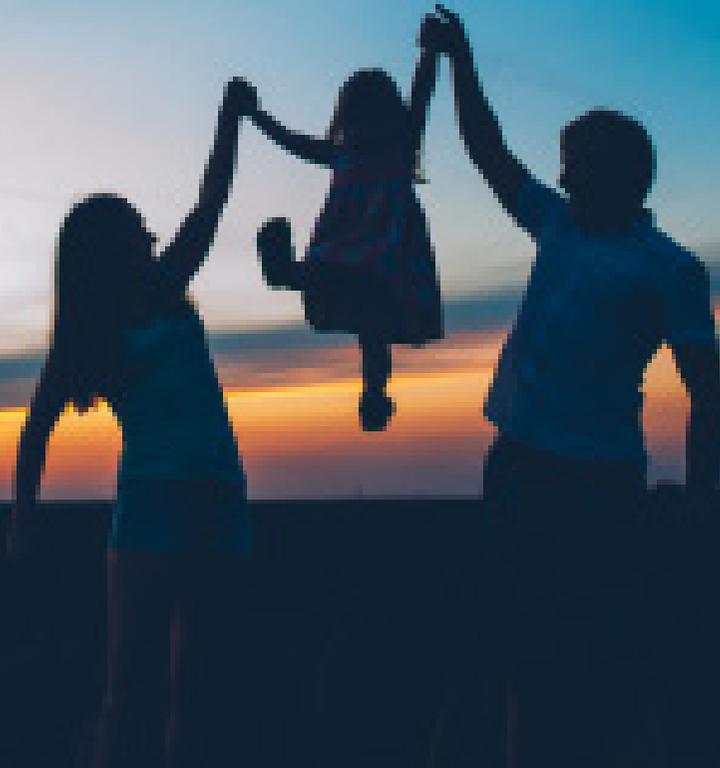




ENVIRONMENT, SUSTAINABILITY AND GOVERNANCE CHARTER

GPC ASIA PACIFIC | JUNE 2021



Who we are

GPC Asia Pacific is the largest automotive aftermarket parts and accessories supplier in Australia and New Zealand, operating under the well-known and respected Repco and NAPA brands. The group also operates in Australia under the motorcycle focused 2 Wheel Division. Collectively, we resell and distribute automotive and motorcycle replacement parts, accessories and related tools and equipment through a network of 556 stores, 6 market leading distribution centres and a team of more than 6200 dedicated team members. Our scale, buying power, and unmatched logistics give us market leading positions across a number of segments, with annual sales of approximately A\$2 billion.

With a rich history in Australia's automotive and engineering industries, along with nearly 100 years of operational experience, GPC Asia Pacific's brands are synonymous with quality and reliability in the automotive aftermarket across our region.

We service our expansive trade and retail markets with more than 150,000 SKUs in our permanent product range. With access to a further 1,000,000 items via our domestic and global network of suppliers, we are positioned to provide effective and quick support to more than 36,000 trade and countless retail consumers.



Our mission:

Our mission is to get the right part, to the right place, at the right time, at a competitive price

GPC Asia Pacific by our numbers:



Over A\$2B in annual sales and growing



6 advanced distribution centres and over 550 stores



500K+ unique SKUs and access to 1M more



Subsidiary of Genuine Parts Company

Our ESG vision

We will be an active caretaker of our local, national and global community. As our employees, customers, and shareholders invest in the growth of our business, we will give back to those most in need. We will ensure that our practices are building a sustainable and ethically responsible business that seeks to benefit our communities and minimise potential negative impacts from our operations. We will be known for being accountable for our actions, leading the industry in sustainable practices, and caring for our communities.

Our sustainability strategy and commitments



To the environment:

We will actively minimise our environmental impact, with a drive to more sustainable practices. We will work alongside our teams, our partners, and our customers to identify, ideate, and execute on opportunities to improve our environmental footprint in Australia, New Zealand, and across the globe. We will focus on resource and energy efficiency, product and packaging lifecycle management, as well as taking meaningful steps to minimise the carbon footprint from our operations.



To our social responsibilities:

We will improve the social fabric of every area we work in. In all matters, GPC Asia Pacific strives to enhance safety, diversity and inclusion, and the wellbeing of our stakeholders. Our social focus will support our people (both teams and partners), our community, and our customers.

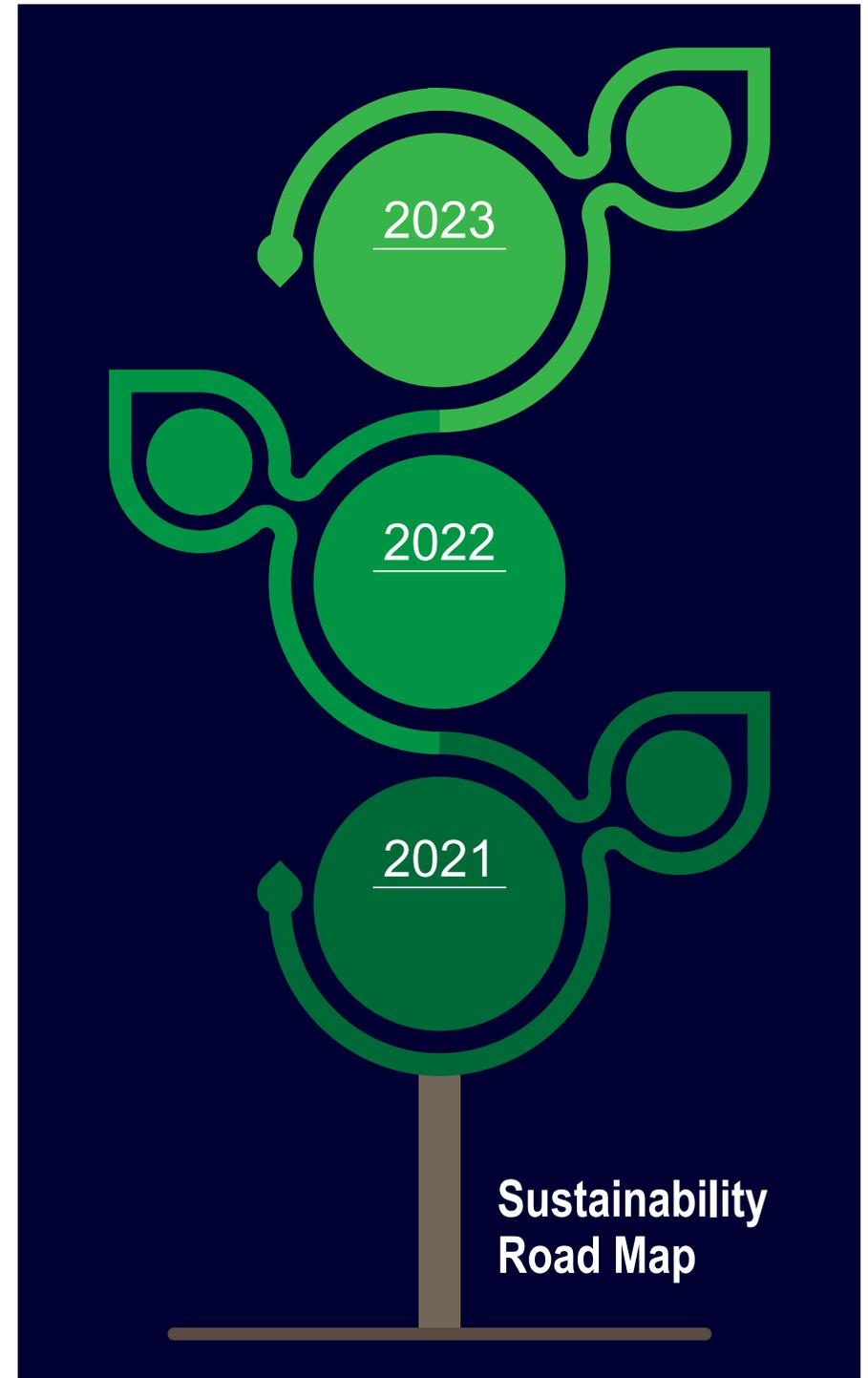
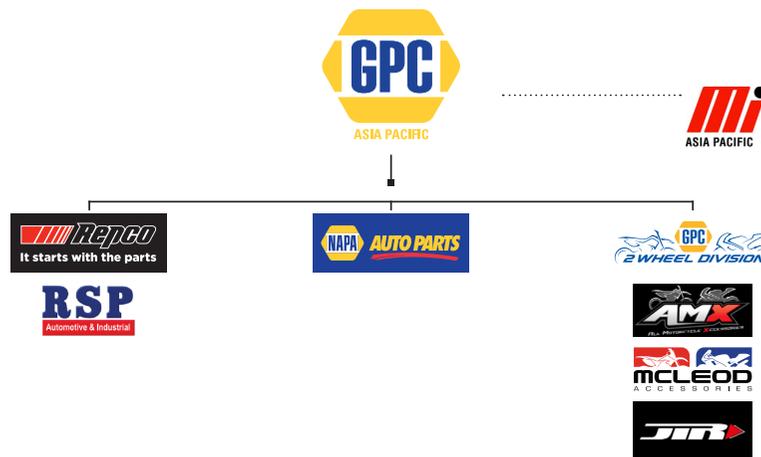


To strong governance practices:

We will ensure we have the systems and controls in place to achieve our business, legal, environmental, and social objectives. Our approach to Governance will enable appropriate transparency and to execute on clear roles and accountabilities. These practices will ensure the sustainability and long term success of our business, so we can deliver on each and every commitment we make to our key stakeholders.

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Delivering on our commitment to the environment

At GPC Asia Pacific, we have a commitment to perform every role and function in sustainable ways. Our approach encompasses the proper balance of environmental responsibility, wellness, community involvement and economic success.

Day-to-day, this means actively considering opportunities to reduce consumption and our carbon footprint via energy efficiency and resource sustainability. At GPC Asia Pacific we comply with all applicable environmental laws and regulations, selecting environmentally responsible business partners, and looking for ways to address sustainability challenges across our operations.

In 2021 to deliver on our commitment to care for and sustain our local, national and global environment, GPC Asia Pacific will...

... Make sustainable choices in our use of resources and energy

As a signatory to the Australian Packaging Covenant, GPC Asia Pacific achieved a "beyond best practice" score for core initiatives in our 2020 plan. The Australian Packaging Covenant's 2025 national packaging targets apply to all packaging that is made, used and sold in Australia, with a goal to move to 100% use of reusable, recyclable or compostable packaging. This adjustment requires complete and systemic change to the way we design and resource our product packaging, accounted for in our long term plans. The 2025 targets are also an important step on GPC Asia Pacific's journey towards a circular economy for packaging.

We are committed to help improve the utilisation and preservation of our valuable resources by meeting the Australian Packaging Covenant's 2025 objectives for our 'Own Brand' products:

- 100% reusable, recyclable or compostable packaging.
- 70% of plastic packaging being recycled or composted.
- 50% of average recycled content included in packaging.
- The phase out of problematic and unnecessary single-use plastics packaging.

We will continue to engage with our suppliers to influence these outcomes.

In addition, GPC Asia Pacific will strive to ensure:

- the use of fuel-efficient vehicles for team member use and customer delivery
- the adoption of alternative solutions to delivery that minimise environmental impacts, such as the use of e-bikes, electric vehicles, and implementing sophisticated route planning systems
- we effectively leverage our infrastructure for renewable energy generation, such as installation of solar panels in new GPC Asia Pacific facilities
- Removal of plastic bags in customer facing retail environments



Delivering on our commitment to socially responsible practices

In 2021 to deliver on our commitment to care for our people and our communities, GPC Asia Pacific will...

... Create and operate an increasingly safe workplace for our employees and visitors

GPC Asia Pacific is committed to providing our team members, contractors, visitors, and customers with an environment that is free from risks to their health, safety, and wellbeing. Our vision is to create a workplace where everyone goes home safe and healthy, and where the products we sell are safe and fit for purpose.

We strive to promote and embed our Make it Safe Make it Home philosophy through strong leadership and a positive work health and safety culture.

GPC Asia Pacific is committed to:

- Driving a positive safety culture driven by all managers at all levels through active and visible safety leadership
- Driving a positive safety culture through active and visible safety leadership
- Empower all team members to participate in safety programs, and be confident in raising work health and safety hazards, matters and concerns
- Communicate, consult and involve team members on matters affecting their health and safety
- Implement risk management for the effective control and management of workplace risks and hazards.
- Investigate all reported incidents and taking actions to prevent re-occurrence
- Establish measurable work health and safety performance objectives and indicators throughout the business with a focus on continuous improvement

- Maintain and continually improve an effective WHS Management System compliant with all relevant WHS legislation, Codes of Practice and National Standards, scaling with the business as it grows.
- Providing information, training, instruction, and supervision to team members, contractors and visitors
- Providing health and wellbeing programs and initiatives that encourage team members to maintain their psychological and physical health
- Ensuring adequate resources and support are provided to allow for the implementation of this policy and health and safety management systems

... Further our work on creating a diverse and inclusive business culture

We are committed to continually creating work environments that are truly diverse and inclusive for team members from a range of backgrounds, experiences and worldviews, at every stage of the employee life cycle.

GPC Asia Pacific will continue to deliver on its commitment to Diversity and Inclusion by:

- Defining a consolidated purpose and pillar-based approach to sustainable Diversity and Inclusion
- Gathering statistics and establishing a baseline for our current standards
- Securing vetted Diversity partners to enable us to broaden hiring practices
- Reviewing and modernising our parental leave policies to create greater consistency with industry standards



... Provide fair and equitable treatment to team members

GPC Asia Pacific has an established Equal Opportunity Policy which defines how we will ensure there is equality applied to:

- ensure all team members have equal opportunity in recruitment, promotion, transfer, training and development,
- ensure external contractors are made aware of the Equal Opportunity Policy,
- develop a culture of equal opportunity in all business operations and dealings with customers,
- assist in creating a more cooperative and productive environment that makes the workplace a better place to work, and
- comply with all current legislation

GPC Asia Pacific takes seriously its responsibility to:

- take all reasonable steps to prevent sexual harassment, discrimination and bullying in the workplace and ensure there is a current Equal Opportunity Policy that guides behaviours.
- take all reported cases and complaints of sexual harassment, discrimination and bullying seriously
- provide equal opportunity training for all staff members
- communicate the Equal Opportunity Policy to ensure all staff members understand it
- handle all complaints promptly, confidentially and in an impartial manner
- fully investigate any alleged incidents and form a conclusion
- ensure that staff members who have made a complaint are not victimised or disadvantaged in their employment conditions or opportunities.

... Create increased flexibility

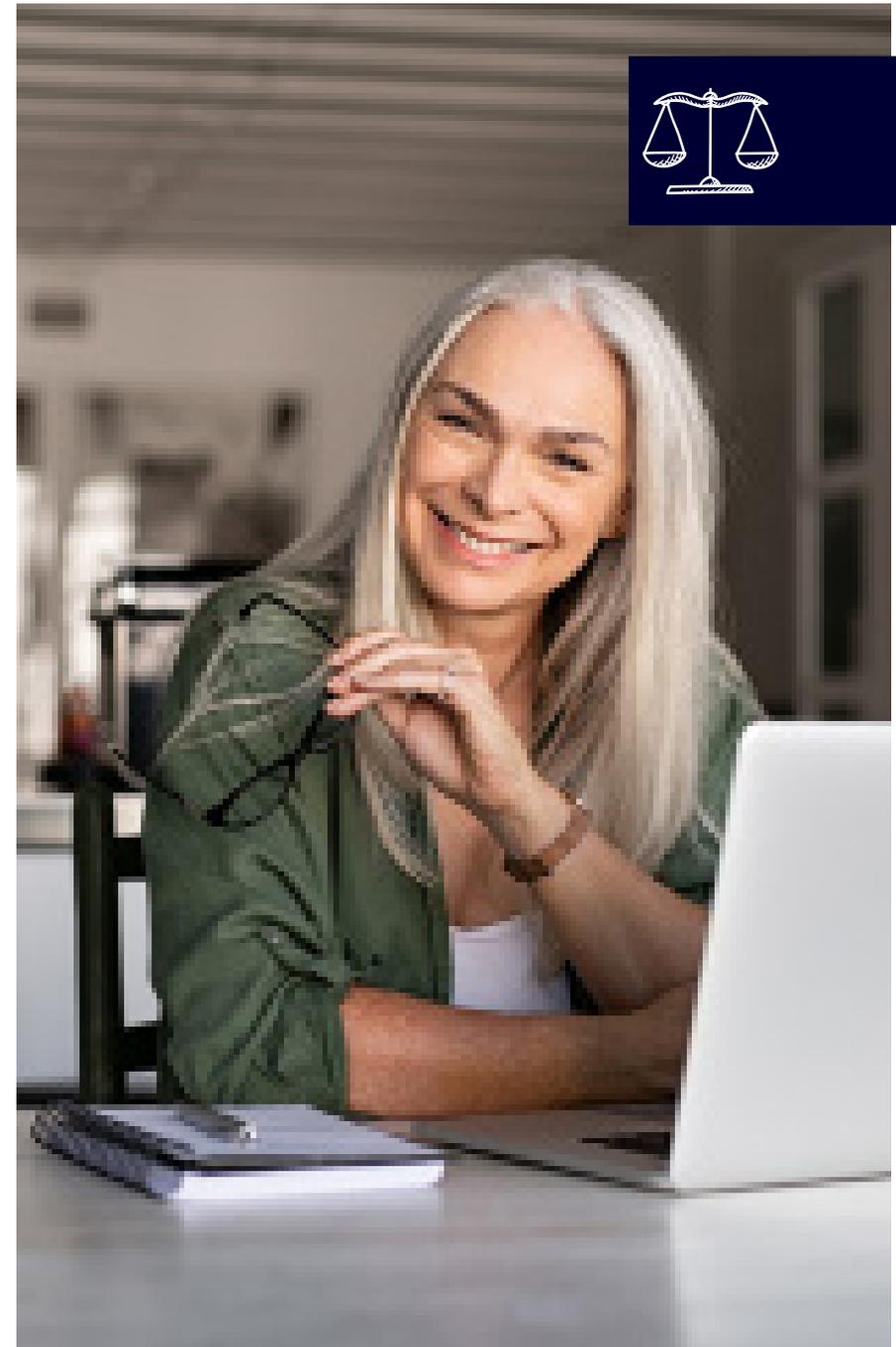
GPC Asia Pacific has also developed and implemented policies which enable greater flexibility to team members in where and how they perform their role. By creating flexibility, we hope to enable a broader range of talented team members to join our business.

- **The Flexible Work Policy:** making it permissible for team member to request flexibilities such as start and end times, temporary work locations and other requests which enable personal commitments to be met.
- **The Working from Home Policy:** providing team members who undertake roles which can be done from a location other than the office on a regular basis, the opportunity to formalise such arrangements

... Investing in partnerships

GPC Asia Pacific partners with Host Plus to implement a work hosting program. Host Employment arrangements are mutually agreeable arrangements entered into by the company, a third party (parent organisation) and an inexperienced or injured worker seeking an opportunity to rehabilitate or develop a range of work skills. GPC Asia Pacific engages in three types of host employment:

1. Work Hardening and/or Rehabilitation
2. Work Experience – School Based and or/ Tertiary
3. Adult based Work Experience





GPC ASIA PACIFIC FOUNDATION



... Further grow our work giving back to communities through charitable giving

We respect and encourage personal charitable activities, but also enjoy giving back as a company.

In 2020 GPC Asia Pacific established the GPC Asia Pacific Foundation. The Foundation is a reflection of the heart of our team members, who have been actively fundraising and supporting a range of charities and community needs for many years both locally and as an entire business. The Foundation gives structure, governance and transparency to where and how funds are raised and disbursed and enables the GPC Asia Pacific business to play an active role in caring for their teams and their community.

The Foundation is built around five pillars of activity:



Team Member Hardship Fund

- We recognise there will be times our team members may experience unexpected financial hardship which cannot be addressed through normal financial support channels.
- The Team Member Hardship Fund is available to address financial hardship which is one-off in nature or triggered by an unexpected event or circumstances.



Disaster Relief Fund

- The Disaster Relief Fund has been established to provide financial support for relief due to natural disasters such as bushfires, floods, earthquakes, and drought.
- The fund is externally or community focused.
- The fund will provide opportunity for employees to propose relief activity and assistance for specific disasters at a local level.



GPC Scholarship Fund

- The Scholarship Fund will enable us to create opportunities to invest back in our communities through education.
- We will look to create development and career path opportunities in the automotive industry via education for those who, due to circumstances and disadvantage, may have not otherwise been able to access them.



Third Party Charities

- We have long standing partnerships with the Starlight Children's Foundation and CanTeen.
- This pillar will provide further opportunities to support fundraising activities for these life changing groups and other key charity partners, and avenues for our team members to contribute.
- We know our team members are highly passionate about these causes and our partnerships.



Volunteering Pillar

- It is increasingly common for organisations to facilitate the donation by employees of their time (whether paid work hours or holiday time) for charitable purposes.
- GPC Asia Pacific will establish and pilot a formal program that encourages and enables the donation of time by our team.



Delivering on our commitment to strong governance

In 2021 to deliver on our commitment to strong and transparent governance practices, GPC will...

GPC Asia Pacific operates with a strong commitment to ensuring compliance with the laws and regulations in the areas we operate. We also wish to honour the 'social licence' to operate that we have earned over decades of principled activity and decision making. GPC Asia Pacific's employees are governed by a Code of Conduct - www.genuineparts.investorroom.com/governance-docs - that is communicated and embedded on a bi-annual basis. This code sets out an expected standard of responsible and ethical behaviour for our employees and contractors.

... Continue to ensure Ethical Sourcing practices across our business.

We recognise that our corporate responsibility to our local, national and global community doesn't end with our operational practices, and as such, we commit to ethical sourcing in a number of key areas:

Human Rights and Social Responsibility

GPC Asia Pacific is committed to preventing Human Rights abuses in every aspect of its business, as set out in the Genuine Parts Company Human Rights Policy - www.genuineparts.investorroom.com/governance-docs. GPC Asia Pacific will not tolerate child labour, forced labour, or human trafficking within our supply chains, and continues to take affirmative steps to ensure that its product suppliers and service providers are compliant with all applicable laws and with GPC Asia Pacific's standards regarding Human Rights.

We know that setting high standards is not enough. We are working to build the knowledge and understanding of our team, through targeted training programmes for employees. These programs are vital to ensure that our commitment is maintained not only for today but into the future and are used at all levels of the organisation to build the capability of our team. In addition, steps have been taken to update key supplier facing documentation, including contract templates and tender materials to reflect GPC Asia Pacific's approach to mitigating the risk of modern slavery in our supply chains.

Risk Assessment and future actions

In the first reporting period, GPC Asia Pacific has focussed on the supply chain for its automotive division, as this represents the largest proportion of the group's procurement focus. The criteria for assessing the risk of modern slavery in the supply chain includes an assessment of high-risk jurisdictions and product categories, as well as length of tenure and past compliance audits.

We will expand the focus of our modern slavery risk review to include non-automotive operations and internal operations during the next reporting period to ensure we are applying a consistent framework.

Reporting

We recognise the importance of providing all employees, contractors, and parties engaging with GPC Asia Pacific the opportunity to confidentially raise concerns if they suspect an employee or business partner of engaging in any activity that is inconsistent with the law or GPC Asia Pacific policy. GPC Asia Pacific has an independent reporting hotline and web portal that enables concerned parties to confidentially raise compliance, ethical, or employment related concerns.

Ensuring suppliers are socially responsible

GPC Asia Pacific drives a sophisticated procurement approach, leveraging internal quality assurance professionals and specialist external compliance audit specialists to test and vet the product suppliers we engage with, particularly in high risk locations. GPC Asia Pacific's social audit format follows the SA8000 Standard developed by Social Accountability International, which emphasises continuous improvement, and includes management interviews, worker interviews, document reviews, plant floor audits, dormitory audits, and environmental assessment.

GPC Asia Pacific will work with suppliers in respect of any non-compliance to identify and take corrective action measures to move suppliers to compliance. In addition, GPC Asia Pacific has developed an internal categorisation and escalation matrix to support efficient decision making. We will not knowingly enter into or maintain a business relationship with suppliers which do not meet GPC Asia Pacific's social responsibility standards, or which are unwilling to take appropriate corrective action when non-compliances are identified.



... We will continue to ensure Ethical Sourcing practices across our business by..

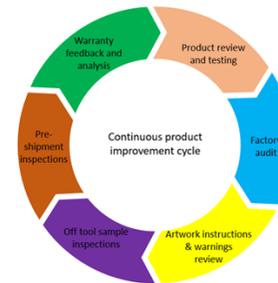


- Employing clearly documented standards and statement of requirements that suppliers can be audited against
- Applying a strong focus on suppliers who provide GPC Asia Pacific “own brand” products or which are based outside of Australia and New Zealand
- Having heightened awareness and applying additional attention to import suppliers based in countries where the risk of human rights violations is greater, including due to fewer or no social safety nets to minimise poverty
- Maintaining a comprehensive and structured audit and remediation program

Product Safety and Quality Assurance

We have a dedicated Quality Assurance team who follow stringent quality control and safety standards to assess and monitor the products we sell who engage and partner with specialist external quality assurance and compliance audit specialists. The GPC Asia Pacific Quality Control team includes accredited engineers in Australia and China who conduct rigorous testing to validate product specifications and performance, ensuring the products GPC Asia Pacific supplies are both safe to use and fit for their intended purpose. Own brand, safety critical, and imported product are put through a rigorous quality assurance process and continuous improvement cycle.

Product validation and Supplier validation:



- Each own brand and safety critical product is inspected before release to the market to ensure it is fit for purpose, safe to use, and meets any mandatory standards or regulatory requirements.
- 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.
- Audits are administered by either our GPC Asia Pacific’s quality assurance team, based in Australia and China, or external specialists
- Review of documentation and process across all areas of leadership, planning, support, operation, performance evaluation and improvement.

Being Fair and Equitable

As a partner to 1,000’s of suppliers domestically and globally, GPC Asia Pacific recognises that our business partners will have different cash flow requirements, particularly where they are smaller entities. GPC Asia Pacific commits to supporting local business where possible and commits to paying all eligible Australian small business in accordance with the GPC Asia Pacific Small Business Policy, as well as reporting against small business payments terms and practices in accordance with the Payment Times Reporting Act 2020.

Modern Slavery Statement

This Charter incorporates GPC Asia Pacific's first Modern Slavery Statement. It has been made in accordance with the Australian Modern Slavery Act (Cth) 2018, and is made on behalf of GPC Asia Pacific and its related bodies corporate, which includes GPC Asia Pacific Pty Ltd, GPC Asia Pacific Limited, Motion Asia Pacific Pty Ltd, Motion Asia Pacific Limited, McLeod Accessories Pty Ltd, and Sparesbox Pty Ltd.

This Charter, incorporating GPC Asia Pacific's first Modern Slavery Statement, has been approved by the Board of GPC Asia Pacific Holdings Pty Ltd for the year ended 31 December 2020.



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