

Bapcor[®]



**MODERN SLAVERY
STATEMENT 2023**

INTRODUCTION

Contents

Entities Covered in this Statement	03
Our Structure, Operations and Supply Chains	04
How We Assess and Manage Risks of Modern Slavery	08
Our FY23 Risk Assessment	12
Measuring Effectiveness	14
Engagement and Consultation	18

Bapcor seeks to take an integrated approach towards economic, environmental and social sustainability, aligning company values and strategic direction with positive outcomes for Bapcor’s stakeholders and the wider communities in which we operate.

Our approach to Environmental, Social and Governance (ESG) is mapped out in our strategic framework and our Purpose *‘Be there for what matter most’* serves to anchor our focus.

For Bapcor, maintaining ethical and efficient practices across the value chain reflects how our core values are embedded within our organisation, rather than a matter of mere compliance. By upholding ethical practices, Bapcor ensures the integrity of our products, builds trust with stakeholders, and contributes to a more responsible automotive aftermarket industry.

Bapcor recognises the importance of upholding human rights and opposes all forms of modern slavery. To this end, we are committed to continuously building improvements into our processes and sourcing practices that better identify and mitigate modern slavery risks and we expect the same of our team members, contractors, and suppliers.



BAPCOR 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 & Procurement

- > Human Rights and Modern Slavery
- > Ethical Supply Chain
- > Ethical Procurement



Environmental Sustainability

- > Net-Zero Emissions
- > Waste Management
- > Packaging and Circularity



Good Governance & Supporting And Developing Team Members

- > Health, Safety and Wellbeing
- > Culture and Development
- > Diversity and Inclusion
- > Privacy Protection



Positively Impacting Our Communities

- > Community Engagement
- > Fair Tax Contributions

Our Human Rights Policy¹ sets out clear expectations and guidelines to uphold human rights in both our business operations and across our supply chain.

Bapcor believes collaboration is key to effective action on modern slavery. As such, Bapcor is an active participant of the UN Global Compact and a founding member of the Australian Automotive Aftermarket Association (AAAA) Modern Slavery Consortium – an industry-led initiative to deliver efficiency, transparency, and accountability for suppliers.

In FY23, Bapcor took important steps to develop and mature its approach, processes, and future commitments regarding its modern slavery program. We particularly focused on onboarding key strategic suppliers onto the AAAA platform to complete Supplier Self-Assessment Questionnaires (SAQ), enabling us to better understand our suppliers and potential modern slavery risks. We reviewed and commenced updating contractual arrangements with suppliers and provided education and training to Bapcor team members to enhance our organisational understanding of modern slavery and enable our people to uphold our ethical requirements.

1. http://www.bapcor.com.au/uploads/governance/Bapcor_Human_Rights_Policy.pdf

KEY ACHIEVEMENTS IN FY23



126 key strategic suppliers were onboarded onto the AAAA platform with 70 suppliers completing the SAQ.



Commenced transition to a centralised procurement function to enhance risk assessment and supply chain assurance.



Developed and delivered more broadly across the organisation a new, compulsory online training module on modern slavery, which was completed by more than 400 Bapcor team members as of 30 June 2023.



The Bapcor 'PIT Crew' comprising 100 senior leaders participated in modern slavery training to increase the knowledge base around modern slavery and ensure a mutual understanding of how Bapcor is approaching the topic of human rights due diligence.



Updated our supplier service agreements and tender requirements to embed our commitment to sustainability including ESG-related prequalification measures on emissions, sustainable packaging, human rights and SAQ completion.





ENTITIES COVERED IN THIS STATEMENT

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

Whilst our business is large and complex, we are committed to being One Bapcor. **One Bapcor** is about bringing our team together and uniting behind a common purpose, set of values and improved ways of working to realise the full potential of Bapcor and unleash the power of our people. Our 'Better Than Before' transformation is an important step on that journey, with the company making targeted investment in people, processes, and technology in key areas of digital, category management and procurement.

Our response to modern slavery is an important component of this transformation.

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 ended 30 June 2023.

This statement is provided by Bapcor Limited 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 outline how we are structured, our operational footprint and provide insight into our extensive supply chain.

Our Structure and Operations

Bapcor Australia

Within Australia, Bapcor's businesses cover the Trade, Retail & Service and Specialist Wholesale automotive aftermarket segments, with products and services available at approximately 740 locations across all states and territories.

Trade

Bapcor's Trade segment is Australia's leading distributor of vehicle parts and equipment solutions for the Trade market. It consists of the Burson Auto Parts, Precision Automotive Equipment and Independents business units. This segment is a distributor of:

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

Specialist Wholesale

Bapcor's Specialist Wholesale segment is a leader in both the Australian truck and specialist wholesale markets; and acts as aggregator and importer for One Bapcor. It consists of the Specialist Networks business including the Commercial Vehicle Group comprising Truckline as well as the auto electrical businesses of JAS Oceania and Baxters/MTQ; 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, Federal Batteries, Diesel Distributors, and AADi.

Retail and Services

Bapcor's Retail segment is one of Australia's leading full offer retailer and service centre providing best in class omni channel customer experiences. It consists of business units that are retail customer focused, and include the Autobarn, Autopro and Opposite Lock 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 Retail's other brands.

Bapcor New Zealand

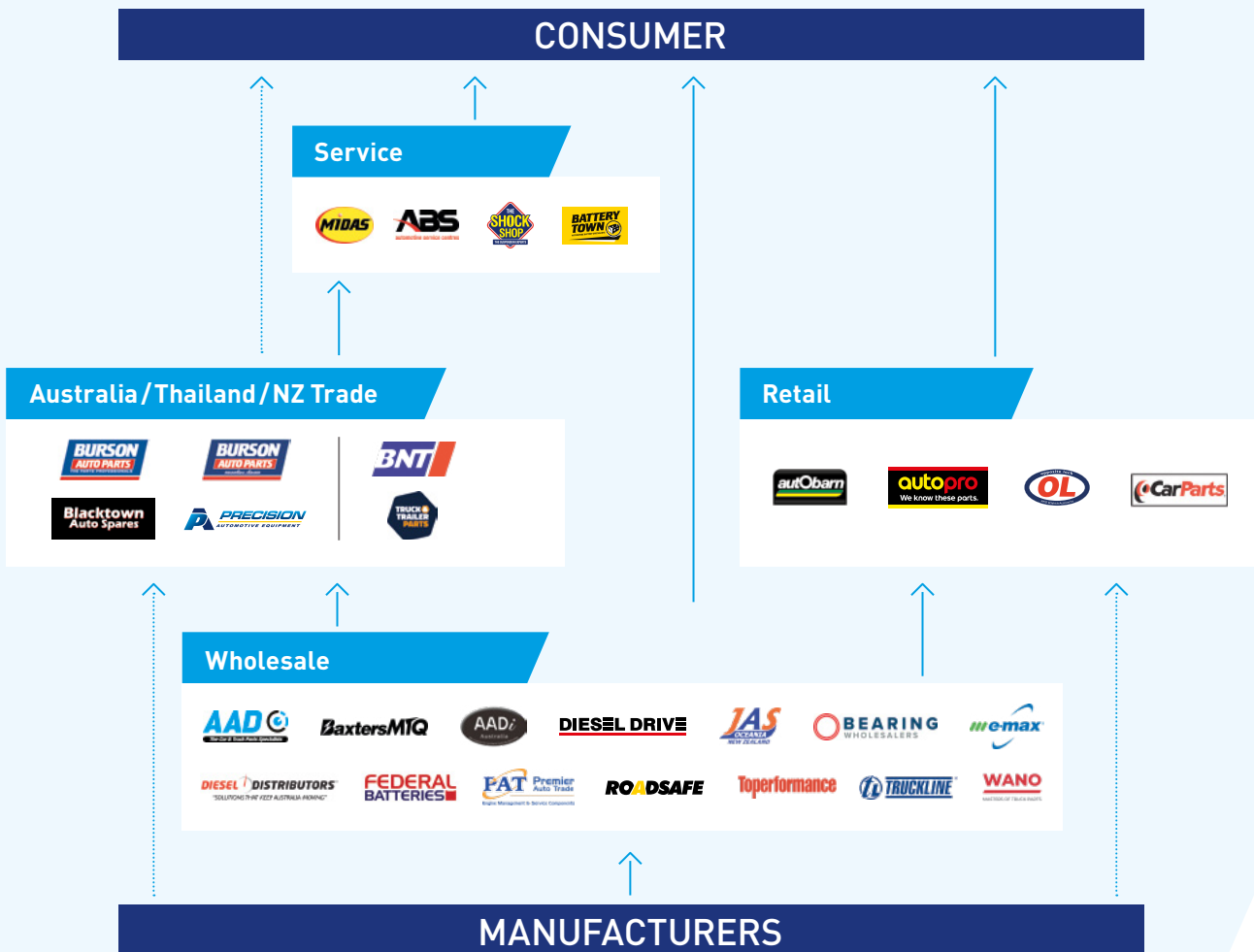
Bapcor's New Zealand segment is the leading integrated trade and wholesale group providing parts and equipment solutions across New Zealand. It consists of Trade and Specialist Wholesale businesses based in New Zealand operating across 89 locations, as well as 127 Battery Town and Shock Shop locations. Brake & Transmission ['BNT'] is the predominant business supplying automotive parts and accessories to workshops, as well as truck and trailer parts through the Truck and Trailer Parts brand. New Zealand also includes the Specialist Wholesale businesses of HCB – batteries, Autolign – steering and suspension, JAS – auto electrical and Precision Equipment NZ – vehicle workshop equipment.

Burson Auto Parts Thailand

Bapcor's Trade segment outlined above also comprises 6 locations in Thailand. The entire staff are Thai Nationals, except for the General Manager, who is Australian.



BAPCOR BUSINESS SEGMENTS



OUR FOOTPRINT

Our Supply Chains

Bapcor sources products and services to fulfill customer orders in the automotive aftermarket and we source a mix of supplier branded products as well as for our private label programs.

Bapcor defines Tier 1 suppliers as those suppliers with whom we have a direct, commercial relationship. These include contracted manufacturers and licensed distributors. Tier 2 suppliers are commercial partners from whom our Tier 1 suppliers source their materials or products.

Bapcor's supplier network is extensive. We distinguish our supplier base into 'indirect' and 'direct' suppliers, as outlined below:

Indirect Suppliers

Bapcor defines 'indirect suppliers' as those we contract for materials and/or services that support our operations.

Key categories include:

- > Transport and logistics
- > Facilities management
- > Marketing
- > Information technology
- > Human resources
- > Equipment and construction
- > Commercial and professional services
- > Travel
- > Utilities

Direct Suppliers

Bapcor defines 'direct suppliers' as those we procure goods for the purpose of resale to customers.

Key categories include:

- > Oils, coolants and filtration
- > Braking
- > Suspension, steering and 4WD
- > Electrical
- > Batteries
- > Engine and Engine Management
- > Equipment
- > Tools
- > Bearings and Driveline
- > Thermal and Cooling
- > Car accessories

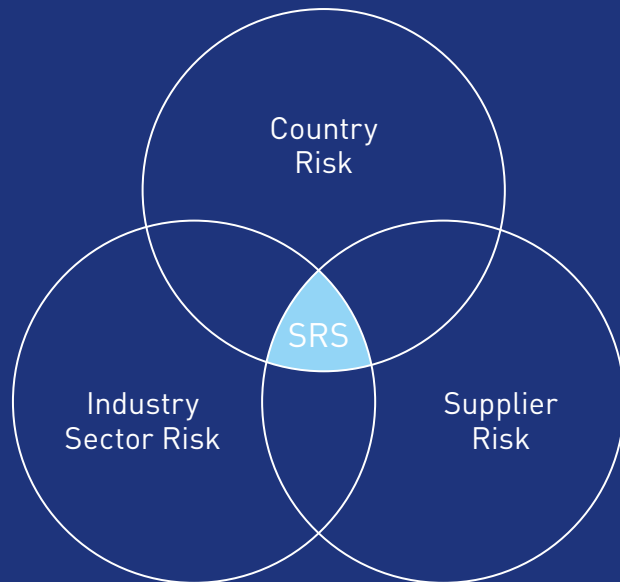
Our store footprint





HOW WE ASSESS AND MANAGE RISKS OF MODERN SLAVERY

For Bapcor, ethical supply chain and procurement means ensuring the efficient and responsible sourcing, distribution, and delivery of our products. To this end, our focus is on building strong relationships with suppliers, promoting ethical practices, and maintaining a robust and reliable supply chain network. Taking an approach combining collaboration and compliance enables us to manage our supply chain and provide high-quality products to our customers whilst minimising risks and maintaining a competitive advantage.



Supplier Risk Scorecard

Bapcor's Risk Assessment Methodology

In FY23 we established our methodology of risk assessment and started to embed it in our operations. Going forward, we anticipate for this to further evolve with the successful transition to centralised procurement and category management, which will also further enhance our ability to understand and address risks across our operations and supply chains.

Bapcor's methodology identifies risk through three primary lenses. As our screening processes evolve, and our suppliers provide information on these parameters, we will be able to combine country, industry and supplier risk data to assign each supplier an individualised risk scorecard.



Country Risk

Bapcor's modern slavery risk assessment model considers the risk of modern slavery in any of the suppliers' locations. Working with a third party, we assess country risk using information from a range of sources including the Global Slavery Index (GSI), the Corruption Perceptions Index (produced by Transparency International), the Social Progress Index and the Global Peace Index (produced by Vision for Humanity).

The GSI methodology considers several critical factors when assessing countries, including prevalence and human vulnerability data and the extent to which government responses are effectively addressing modern slavery. The countries estimated to have the highest prevalence of modern slavery tend to be conflict-affected, have state-imposed forced labour, and have weak governance. In contrast, the countries with the lowest prevalence of modern slavery are those with strong governance and strong government responses to modern slavery.

The government response assessment compares the legal, policy, and programmatic actions that governments are taking to respond to modern slavery. Governments are assessed for their progress in the identification and support of survivors; effective criminal justice responses and cross-jurisdictional coordination; addressing societal push factors that create risk; and efforts, by both government and business, to stop sourcing goods and services produced by forced labour.

The GSI vulnerability model considers a range of risk variables across the domains of governance (i.e. regulatory quality and political rights); lack of basic needs (i.e. food security and social safety net); inequality (i.e. violent crime and law enforcement reliability); disenfranchised groups (i.e. LGBTI acceptance); and effects of conflict (i.e. internally displaced persons).

Industry Risk

To assess industry risk, we assign a risk rating for various industry types that is based on a set of indicators commonly associated with higher risk of modern slavery, including: high industry reliance on low-skilled and/or 3D work (dirty-dangerous-demeaning); industry reliance on a seasonal and/or migrant workforce; industry reliance on labour recruiters; and industry characteristics that shape business models, such as 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. To identify which industries are in our supply chain, suppliers self-identify using the Global Industry Classification System (GICS)¹, produced by MSCI and S&P's Financial Services.

1. 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>.

Supplier Risk

On supplier risks, Bapcor applies a collaborative process as a founding member of the Australian Automotive Aftermarket Association (AAAA) Modern Slavery Consortium. This forum has established an industry-led approach for the development and implementation of a comprehensive, fit-for-purpose supplier Self-Assessment Questionnaire (SAQ) platform. Supplier onboarding to this platform is a key KPI in Bapcor's strategy for assessing and managing modern slavery risks.

The SAQ collects key data on supplier risks, including but not limited to what policies and processes are in place to assess risks of modern slavery in operations and supply chains; the nature and location of goods and/or services being sourced; and whether suppliers have procedures for remediating detected cases. Suppliers operating without standard policies and procedures or who are sourcing products deemed to be high risk will receive a higher risk rating and, consequently, will be identified for further attention and engagement. We acknowledge there are some limitations to relying solely on self-reports to assign risks and are committed to strengthening our verification processes, such as increasing supplier site visits, in years to come.

Participation in the AAAA Modern Slavery Consortium will create efficiency and a sense of shared responsibility for supply chain risks with industry peers and suppliers

This year, members of the AAAA Consortium commenced drafting Terms of Reference and Guiding Principles for the Consortium, which focus on influencing positive change, reducing costs for suppliers and enabling communication, transparency and education. Another key principle is that of impartiality, under which we agreed to respond individually to supplier risks within our respective businesses; and collaboratively to address broader risks across the sector.

HOW WE ASSESS AND MANAGE RISKS OF MODERN SLAVERY CONTINUED

Supplier Site Visits

Bapcor team members routinely visit suppliers to monitor contractual compliance and assess supply chain risks. In recent years, Covid-19 restrictions made these visits quite challenging and, in some cases, prevented them altogether. However, with the easing of these restrictions during the current reporting period, we were able to complete a small number of supplier visits and make arrangements for further visits in FY24. For example, Premier Auto Trade (PAT) team members will be visiting several factories across China and Taiwan to explore new product opportunities, verify new sources of supply, strengthen existing supplier relationships and update operational information after three years of travel restrictions in China. These visits will provide an opportunity to verify working conditions in our supply chain and remediate any potential issues.

During site visits, team members utilise a standard checklist that has been prepared by the Modern Slavery Working Group and guides them on the nature of the audit being conducted. It prompts consideration of whether the supplier has agreed to Bapcor's Ethical Supply Chain and Procurement policy; whether the supplier holds a related policy and if so, how this is communicated to relevant staff; 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 Group Procurement Manager, in conjunction with the relevant Purchasing Business Unit or Merchandise Manager and their Executive General Manager will develop an action plan for execution by the business unit. The checklist reminds team members that understanding risks is key to strategic decision-making, which may result in working with the supplier to remediate a concern rather than delisting them.

Investor Engagement

In addition to engaging with peers and suppliers, we enhanced engagement with investors, including Investors Against Slavery and Trafficking – Australia Pacific (IAST-APAC) – an investor-led multistakeholder initiative that engages with companies to promote effective corporate action on modern slavery in supply chains. We have also engaged with the Australian Council of Superannuation Investors (ACSI) on Bapcor's results from ACSI's review of modern slavery reporting for ASX200 companies. This analysis assessed the quality of ASX200 companies' most recent modern slavery statements against the mandatory requirements of the Act and stakeholder expectations. Engaging with IAST and ACSI has helped us to identify areas where we can improve our practices and modern slavery reporting.

Oversight and Training

Bapcor established a Modern Slavery Working Group in 2021 to provide leadership, oversight, and continuity for modern slavery risk management across the business. Comprised of senior leaders from our key business units, the Working Group oversees Bapcor's participation in the AAAA Consortium, including developing team member guidance and training solutions. Underpinning this body of work is our Ethical Supply Chain & Procurement (ESC/P) Policy, which sets Bapcor's expectations on suppliers' compliance with laws, environmental sustainability, health and safety, and labour practices.

To ensure our people can effectively manage risks identified through the AAAA platform, education and training are a priority. We recognise that whilst many team members are generally aware of modern slavery risks, they may be less familiar with specific operational human rights impacts. To address this, Bapcor endeavours to ensure that our team members understand what human rights are, how they are relevant to our business and where modern slavery sits in relation to broader human rights issues. To do this, Bapcor delivered information sessions to 100 senior leaders to increase the knowledge base and ensure an improved understanding of how Bapcor is approaching the topic of human rights due diligence. These sessions covered information considered vital to a consistent approach to addressing modern slavery across our business, including the Act's requirements; the definition and characteristics of modern slavery; why it is relevant to Bapcor and our industry; areas of risk; and steps Bapcor is taking to identify and respond to modern slavery risks.

We also introduced a compulsory modern slavery online training module more broadly across the organisation to better equip Bapcor team members with the knowledge and tools required for identifying modern slavery risks. More than 400 team members completed this training during the reporting period.

Embedding Sustainability

In addition to the AAAA platform, we updated our supplier service agreements and tender requirements to embed our commitment to sustainability by utilising ESG-related prequalification measures, including on human rights and SAQ completion.

Over the next 12 months, as we continue to strengthen our approach to upholding human rights and mitigating modern slavery risks within our operations and supply chains, our priorities will be to:

- ▶ Continue onboarding key suppliers to the AAAA portal for SAQ completion;
- ▶ Conduct risk assessments based on SAQ responses;
- ▶ Continue to create more internal awareness around modern slavery; and
- ▶ Foster a culture of ethical responsibility under the Better than Before transformation.



SAMPLE SITE VISIT RESULTS (FY23)

Federal Batteries

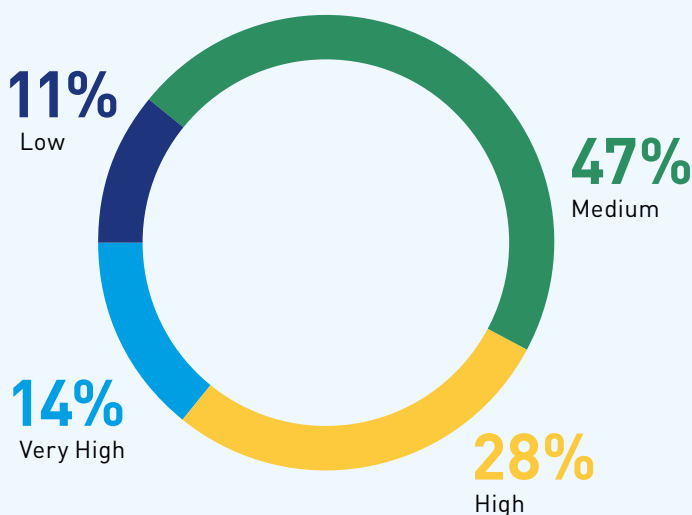
In December 2022, two team members visited three South Korea-based battery manufacturers. The site visits were focused on assessing factory and working conditions; verifying battery manufacturing and safety standards; and exploring sustainable packaging options. The site visits included a tour of the factories and head offices. We found the sites to be operating at a very high standard with one supplier in particular demonstrating strong alignment with Bapcor's ethical business policies.

OUR FY23 RISK ASSESSMENT

In FY23, we used data on country and industry risks to establish an initial view on our supplier risk. We successfully completed the onboarding of 70 key suppliers on to the AAAA platform that submitted risk self-assessments. We are preparing to be in a position to use the results of completed risk assessments in future iterations of supplier risk scorecards.

Drawing on the country – and industry-based risk methodology applied in FY23, 14% of key suppliers were identified to be potentially “very high risk”, with 58% determined to be either “medium” or “low” risk.

Supplier Risk Assessment Results (Country and Industry, N=70)



Country Risk

Bapcor contracts with suppliers on a global basis. Hence, when assessing any potential direct or indirect country risk and irrespective of the specific location that Bapcor would actually be supplied from, suppliers provided the below list of countries in which they operate through the AAAA self-assessment.








Countries				
Australia	England	Ireland	Philippines	Sweden
Argentina	Egypt	Israel	Poland	Switzerland
Austria	Fiji	Italy	Portugal	Taiwan (POC)
Belgium	Finland	Japan	Russia	Thailand
Brazil	France	Korea (ROK)	Saudi Arabia	Turkey
Bolivia	Germany	Malaysia	Serbia	Ukraine
Bulgaria	Greece	Mexico	Singapore	United Arab Emirates
Canada	Hong Kong	Netherlands	South Africa	United Kingdom
China	Hungary	New Zealand	South Korea	United States
Colombia	India	Norway	Spain	Vietnam
Denmark	Indonesia	Papua New Guinea	Sri Lanka	

Against the above list, Bapcor applied the assessment criteria from the Global Slavery Index (GSI), the Corruption Perceptions Index (produced by Transparency International), the Social Progress Index and the Global Peace Index (produced by Vision for Humanity). Several countries were rated high or very high risk, for example:

- › Countries where forced labour is not criminalised in line with international conventions and therefore, does not adequately protect victims or hold perpetrators accountable. These countries are rated at or around 50/100 for government response.
- › Countries where risks of state-sanctioned forced labour exists, or compulsory prison labour schemes as well as the criminalisation of modern slavery victims for conduct that occurred whilst under the control of exploiters. This includes countries where laws or policies prevent or hinder workers from leaving abusive employers without risk of loss of visa and deportation and/or security deposits. Most of these countries are rated 40 or below out of 100 for government response.

Industry Risk

Our industry assessment considers risk factors commonly associated with the type of work being performed, workforce characteristics, and features of the business operating environment. Using this methodology, risk ratings are assigned to industries at each of the four levels in the Global Industry Classification Standard.

Very High-Risk Sub-Industry	Description
 Auto Parts & Equipment	Manufacturers of parts and accessories for automobiles and motorcycles.
 Automotive Retail	Owners and operators of stores specialising in automotive retail. Includes auto dealers, gas stations, and retailers of auto accessories, motorcycles & parts, automotive glass and automotive equipment and parts.
 Distributors	Distributors and wholesalers of general merchandise not classified elsewhere. Includes vehicle distributors.
 Industrial Machinery	Manufacturers of industrial machinery and industrial components. Includes companies that manufacture presses, machine tools, compressors, pollution control equipment, elevators, escalators, insulators, pumps, roller bearings and other metal fabrications.
 Building Products	Manufacturers of building components and home improvement products and equipment.
 Construction Machinery & Heavy Trucks	Manufacturers of heavy-duty trucks, rolling machinery, earth-moving and construction equipment, and manufacturers of related parts.
 Technology Distributors	Distributors of technology hardware and equipment. Includes distributors of communications equipment, computers and peripherals, semiconductors and electronic equipment and components.

Sub-Industry Descriptions are derived from the GISC Mapbook Brochure.
<https://www.spglobal.com/marketintelligence/en/documents/gisc-mapbook-brochure.pdf>

Supplier Risk

This year, we expedited efforts to invite key strategic suppliers onto the AAAA platform, resulting in 126 suppliers commencing the onboarding process, of which 70 suppliers completed the SAQ. We estimate that those key strategic suppliers who have completed self-assessments in FY23 represent approximately 20% of average annualised total supplier volumes and the SAQs will aid in better understanding our suppliers, identifying risk, and aligning them with our ethical requirements. Moving forward we aim to continue increasing the number of suppliers onboarded to the platform as well as support them in moving through to SAQ completion.

MEASURING EFFECTIVENESS

BAPCOR STRATEGIC FRAMEWORK ON MODERN SLAVERY

Bapcor is committed to reviewing our policies, processes, and tools to continuously improve them and broaden our capability to assess and address risks of harm to people. To this end, we engaged a subject matter expert to support us in further refining our strategy on modern slavery, review our last statement and identify areas where we can strengthen both our actions and our disclosure.

Through this process, we developed a strategic framework shaped by four areas of focus.





Based on this strategic framework the following FY24 aspirations have been set:

**FOCUS
AREA 1**

Strategic Sourcing and Systems Alignment

- › Complete transition to category management.
- › New service agreement renewals and tenders include modern slavery provisions.

**FOCUS
AREA 2**

Organisational Capacity

- › Increase number of team members that have completed modern slavery training.
- › Deliver information session to senior leaders on amendments to Australian Modern Slavery legislation and introduction of New Zealand legislation.
- › Hold interactive information and target-setting session with the Group Procurement team tailored to discuss what actions Bapcor is taking with respect to its commitments under the Modern Slavery Act.
- › Scope training needs for team members conducting site visits to improve detection and remediation of modern slavery/human rights concerns.

**FOCUS
AREA 3**

Stakeholder Engagement

- › Increase number of suppliers on the AAAA platform.
- › Increase the number of SAQs completed.
- › Review and refresh SAQ to strengthen data quality.
- › Review and finalise Terms of Reference for AAAA Consortium.
- › Consortium members meet regularly and identify ways to strengthen and grow the initiative.

**FOCUS
AREA 4**

Due Diligence

- › Review and revise site visit checklist, data collection and reporting system.
- › Further develop risk-based analysis from AAAA platform.
- › Further develop our understanding and approach to high-risk suppliers (i.e. increased site visits, derisking where suppliers are unable to meet requirements).

Having this framework has enabled us to develop a high-level roadmap for our modern slavery program.

MODERN SLAVERY ROADMAP



Year 1 FY24

- 1 Transition to category management
- 2 Increase number of onboarded suppliers on AAAA assessment portal
- 3 Initial identification of high risk key suppliers
- 4 Communicate and enact expectations to suppliers
- 5 Train additional team members



Short to mid-term

- 1 Incorporate direct supplier risk assessments beyond SAQs
- 2 Due diligence and verification of high risk Tier 1 suppliers
- 3 Remediation and derisking of high risk Tier 1 suppliers
- 4 Initial identification of high risk products and mapping into supply chain
- 5 Identification of industry collaboration targets



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

By the end of year 1, we aim to have significantly progressed the transition to category management, resulting in a better understanding of where our material risks are across our categories (both direct and indirect). Through supply chain consolidation and simplification, we will enhance our ability to engage suppliers and be more equipped to make strategic decisions to better manage and reduce risks.

We will also continue supplier site visits to clarify expectations, support suppliers to meet those expectations and enact expectations through contractual arrangements.

We will continue to roll out team member training to engage suppliers around risks and noncompliance and work with industry peers to develop a consistent strategy for managing risks, noncompliance, and incidents.

Thereafter, we will build on actions commenced in year 1 and plan to be carrying out increased due diligence and verification of very high-risk Tier 1 suppliers. We will maintain a strong commitment to ongoing education and training as new team members join and ethical practices will continue to be embedded into our procurement processes.

In years to come, we will continue to improve our systems, our team member knowledge and capacity. We will be making more informed and strategic decisions on our supply chain, and we will have taken steps to derisk our suppliers for select key products and services.

ENGAGEMENT AND CONSULTATION

Bapcor adopts a four-phase approach to consulting across our business for modern slavery reporting. Our ESG team led the development of this statement, with input from a range of other 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 business. Members are responsible to ensure a consistent and people-centred approach to modern slavery across our business segments; and communicate expectations to team members overseeing organisational reporting; as well as developing and maintaining strategic partnerships, such as those with our AAAA Consortium partners.

The statement is then reviewed by Bapcor's Nomination, Remuneration and Environmental, Social and Governance ('NRESG') Committee, which is authorised by Bapcor's Board to fulfill certain statutory and regulatory responsibilities as set out in Bapcor's NRESG Committee Charter. The NRESG Committee oversees corporate governance responsibilities, including ESG and climate-related matters and provides updates to the Board on a regular basis. On final review, the NRESG 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) (the 'Act') on 6th December 2023.

Margaret Haseltine, Independent Non-Executive Chair

6 Dec 2023

Date

Noel Meehan, Managing Director and Chief Executive Officer

6 Dec 2023

Date



bapcor.com.au