

14 March 2023

Market Announcements
Office ASX Limited

Sustainability Report

Eagers Automotive Limited (ASX: APE) attaches our Sustainability Report.

-ENDS-

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Authorised for release by the Company Secretary.



Sustainability Report 2022

Eagers Automotive Limited

ABN 87 009 680 013

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We are pleased to present our sustainability report for 2022.

At Eagers Automotive, our vision is to be the most admired automotive group, and we know this cannot be realised without a strong people focus, considered environmental footprint and a business resilient to internal and external pressures.

This is why our sustainability strategy has People, the Planet and our Performance at its core.

1. Introduction

SUSTAINABILITY VISION STATEMENT

SUSTAINABLE TOGETHER

To be the most admired automotive retailer by delivering sustainable growth through the optimisation of our operations, our people and our environment.

MISSION & GOALS

Develop our People



Optimise our Environment

PEOPLE

To attract and retain the best people, deliver superior customer service on a balanced and productive cost base and support sustainable communities through our dealerships and the Eagers Automotive Foundation.

Sustainable Growth



PLANET

To reduce our impact on, and where practicable enhance the environment through operational optimisation and collaborative partnerships.



PERFORMANCE

To build a resilient business that can withstand and adapt through market cycles as well as grow and thrive in the face of change and disruption.

Our report for 2021 established the Sustainability Accounting Standards Board (**SASB**) as the globally recognised reporting standard against which we will align for its guidance for companies in the multiline and speciality retailers and distributors sector (**SASB Standard**).

Sustainability is a journey of continuous improvement and accountability and over the past year we have focused on developing a Group-wide sustainability

strategy that supports our overarching corporate strategy and takes into account the environmental, social and governance issues of most importance and relevance to the Group.

We have also considered the Task Force on Climate-related Financial Disclosures (**TCFD**) reporting framework, and have identified the following five United Nations Sustainable Development Goals (**UN SDGs**) which our strategy best supports and aligns:



These five UN SDGs reflect the areas we believe Eagers Automotive Group is best placed to contribute given our prominent role in the automotive retail industry.

2. About Us

Eagers Automotive is the largest automotive retail group in Australia, with a long and proud history over 110 years, more recently expanding operations to New Zealand.

We employed 7,738 people and represented 43 automotive brands during the reporting period, with locations in every Australian capital city as well as regional Queensland, the Newcastle/Hunter Valley region of New South Wales, broader Tasmania and Auckland, New Zealand.

As well as the sale of new and used motor vehicles, our principal activities consist of the distribution and sale of parts, accessories and car care products, repair and servicing

of vehicles, provision of extended warranties, facilitation of motor vehicle finance, property ownership and investments.

Strong company growth in recent years has seen a shift towards greater centralised operational and regulatory oversight. We continue to mature our Group-wide approach and data collection and reporting capabilities, and it is within this context that our sustainability journey is evolving.

Key Facts/Highlights

- ✓ Sustainability vision, mission and goals developed
- ✓ 5 UN SDGs of focus
- ✓ 7,738 employees, 7,323 in Australia and 415 in New Zealand
- ✓ 43 automotive brands represented
- ✓ Dealerships in every Australian capital city



AutoMall West – Indooroopilly Shopping Centre, West Brisbane.

This new automotive retail and service format provides a tailored, flexible and convenient experience for our customers while leveraging a more economically sustainable retail footprint for the longer term.



AutoMall West
Indooroopilly Shopping Centre,
West Brisbane.



3. People



As an automotive retail sales and service provider, people are at the core of our business and our most important asset. To be competitive and provide a superior customer experience, we need to attract and retain the best employees, and to be the most admired automotive group, our aim is for people throughout our value chain to feel valued and respected.

Key Facts/Highlights

- ✓ Recommended our Employee Engagement Survey
- ✓ Uplift in female gender representation:
 - 7% increase in management positions
 - >13% increase in non-management positions
- ✓ Our people:
 - represent > 40 places of origin
 - speak > 30 different languages
- ✓ Commitment made to remunerate all employees above the minimum wage by end of 2023
- ✓ 377 new apprentices employed
- ✓ 127 apprentices completed their training

(a) Employee Engagement

We recognise there is a strong link between employee engagement and business performance – a highly engaged workforce will ensure we achieve sustainable high-performance outcomes.

Our 2022 Employee Engagement Survey provided the opportunity to hear directly from our employees as to how they feel about working for Eagers Automotive Group, the recent growth in our business and how the COVID-19 pandemic had impacted them.

This survey was conducted by an independent third-party provider, giving employees comfort that the survey was both anonymous and confidential, and enabling feedback to be benchmarked against a portfolio of other automotive, transportation and logistics employers.

Of our 7,316 employees (at that time), 3,964 responded to the survey, representing approximately 54% of our workforce. The survey results highlighted the areas across our business that are most important to our employees, and provided insights about their views on company culture, how we go about our work, where we are headed as a company and where there are opportunities for growth.

(b) Diversity and Inclusion

We recognise the inherent benefits in having a diverse workforce, one that reflects the diversity of the communities within which we operate, and we value the different perspectives and contributions these differences in thoughts and approach can make to our business.

3. People

(CONTINUED)



Naidoc Week celebrations in Western Australia.

(i) Equal Opportunity and Treatment

To attract and retain the most talented and engaged people and achieve optimum diversity in our workforce, we are committed to fostering a work environment that provides for and respects equal employment opportunities and experiences. We work on the principle that all employment decisions must be based on merit and be non-discriminatory. All employees are valued according to how they perform their duties and their ability and enthusiasm for maintaining company expectations and standards.

Our managers are responsible for ensuring employees are treated fairly and with respect and dignity regardless of race, gender identity, sexual orientation, marital status, age, sex, disability, pregnancy, breast feeding, intersex status or other background or personal characteristics, in accordance with our Diversity Policy, Code of Conduct and other governance documents.

(ii) Diversity Policy

In accordance with our Diversity Policy, the Group's governing Board has set the following objectives for achieving diversity in the composition of our Board, senior executives and workforce generally:

A. Board Composition

As against our diversity target to increase female representation on the Board to 30% by 2025, women now make up 25% of the Board.

Gender	February 2023	February 2022	February 2021
Board			
Female	25.0%	22.2%	20.0%
Male	75.0%	77.8%	80.0%

B. Diversity and Inclusion Training

'Inclusiveness' is one of our four company values and to help embed this value across the Group, our objective is to deliver diversity and inclusion training to all managers over a four-year period, focusing on increasing awareness of unconscious biases and understanding how differences can contribute to the development of a high-performance culture.

Diversity-related management training and coaching provided in 2022 included in the areas of:

- Leadership
- Unconscious Bias
- Duty of Care
- Workplace Harassment & Bullying
- Discrimination
- Probation
- Mental Health Awareness

C. Workforce Gender Composition

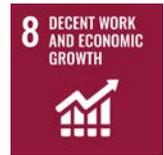
We are committed to improving the gender balance of our workforce. Our objective is to recognise and better understand relevant gender issues in our workforce so that we can ensure a supportive environment for all and minimise any barriers to gender equality.

The following table shows the gender representation across the Group, and the increase in female representation across our management and non-management roles from our 2021 results.

Gender	2022 Rate*	2021 Rate*
Management		
Female	15.2%	8.2%
Male	84.8%	91.8%
Non-Management		
Female	39.3%	25.6%
Male	60.7%	74.4%
Non-Specific	0.1%	–
Apprentices and Trades People Graduates		
Female	4.3%	5.1%
Male	95.7%	94.9%

* Rates are calculated to the nearest one decimal place.

3. People (CONTINUED)



A formidable force – Fearless Female+ Forum group photo 2022.



R U OK Day morning tea event at corporate head office, Brisbane to encourage our people to start meaningful conversations with someone they feel may be struggling with the pressures of life.

As we continue to recover from the impacts of the COVID-19 pandemic, priority during the year was given to regional initiatives to support and promote a gender diverse workplace including these targeted programs:

- **Fearless Female+ Forum**

Established in April 2021, the Fearless Female+ Forum is a networking forum to inspire, motivate and connect aspiring female and non-binary leaders across our Western Australian businesses and work toward bridging the gender gap in the automotive industry.

During 2022 the Forum held sessions focusing on mindset, recognising potential, psychological safety, personal brand, realising purpose and achieving work life balance.

- **GROW Program**

The GROW Program operates across our South Australian dealership network and is a 12-month in-house development program aimed at our female employees to help develop self-confidence and personal leadership skills to further their careers.

Consisting of three modules run over three separate days throughout the year, it is also supported by other initiatives including guest speaking groups, charity events and a celebration dinner at the end of the year.

Other diversity and inclusion activities are guided centrally and practised at the dealership level. For example, we support various charity and community awareness activities which are outlined in our annual Health & Wellbeing Calendar and published on our company intranet. In 2022, these events included R U OK Day, Mental Health Awareness Week, International Women's Day, International Men's Health Week, National Women's Day, NAIDOC Week, Darkness to Daylight and Safe Work Month.



GROW Ladies Day 2022 raised over \$15,000 for local charities in South Australia.

D. Cultural Diversity Recognition

Similarly, we are also working to better understand the cultural heritage and diversity of our workforce. According to our 2022 Employee Engagement Survey, while Australia, New Zealand, United Kingdom and Asia are the prominent countries or places of origin of our employees, more than 40 other places of origin are also represented, and our employees speak more than 30 different languages.

3. People

(CONTINUED)



Long Service Dinner – Western Australia’s longest serving employee, Maureen Rice, who has 48 years of tenure with our business.



Western Australia’s 30 Year Club – Recognising and celebrating our employees who have served our businesses for 30+ years.

(c) Reward and Recognition

Appropriate and adequate rewards and recognition are an important driver of employee engagement and we are proud that many of our employees have chosen to have long careers with us. To celebrate our long tenured employees, we recognise annual service anniversaries that begin after 10 years with us, and every subsequent five-year anniversary. This acknowledgement includes CEO recognition, a gift of appreciation and celebratory events.

Throughout 2022 all our employees were remunerated in accordance with the relevant industrial awards and enterprise agreements. The broad variety of roles within the Group that are captured by the SASB reporting standards means the reporting of averaged labour rates¹ may not reflect accurately and is therefore of limited extrinsic value. This does not detract, however, from its importance to entities with less diverse business operations and in international markets that do not have the extensive industrial relations regime applying in Australia.

We are committed to exceeding all legal and employee payment obligations, which is reflected in the reduction in the number of our employees paid the minimum wage, and subsequently, an increase in the number of our employees paid above the minimum wage. By the end of 2023, our aim is that all Group employees will be remunerated above the minimum wage.

Minimum Wage Employee Rate	2022 Rate*	2021 Rate*
Whole of Group	0.9%	1.4%

* Rate is calculated to the nearest one decimal place.



Precision Automotive Technology (PAT) Diamond Awards Night 2022 for our QNT region. These awards are held annually in our regions and recognise the exceptional work performance of our PAT sales teams.

¹ For example, the average hourly wage of retail and distribution employees, as required by CG-MR-310a.1.

3. People (CONTINUED)



(d) Career Development and Training

As Australia’s leading automotive retailer, we are committed to the future of the automotive industry and actively look to encourage people to pursue and maintain careers in our sector.

(i) Learning and Development

We value continuous learning that supports role performance, customer service improvements and achievement of professional goals. In that regard, we provide training in many areas including:

- Sales and Service Development
- Car Care
- Finance and Insurance
- Leadership
- Workplace, Health and Safety
- Managing Award Based Workforces
- Manufacturer and product-specific training
- Systems training

Company-sponsored training and educational opportunities are also available on a case-by-case basis, in areas such as executive education, future leadership and sponsored higher education.

(ii) Apprenticeships

We have various apprenticeship and traineeship opportunities available in Automotive Trades and Services, as well as Administration.

We employ 769 apprentices across the Eagers Automotive Group. In 2022, 377 new apprentices were employed, and 127 apprentices completed their training to become qualified Automotive Technicians, Automotive Electricians and Parts Interpreters.

We provide many benefits to support our apprentices during their training, including payment of technical fees, interest-free loans to purchase toolkits, the opportunity to salary sacrifice some expenses, and discounts on vehicles, parts and servicing.

(e) Labour Practices

We recognise the importance of monitoring certain aspects of labour practices to ensure that we are providing our employees with a great place to work and that any issues that may arise can be appropriately and promptly addressed. The below sets out the Group’s employment turnover breakdowns and addresses, as applicable, employment violations for the reporting period, in satisfaction of the SASB reporting requirements.

(i) Turnover

The table below shows our employee turnover across our Group in 2022 and the Group is working on implementing employee retention strategies that focus on recruitment and employee engagement in an effort to reduce turnover rates across the business going forward. Voluntary turnover includes resignations and retirements, while involuntary turnover includes dismissal, redundancy and non-renewal of contracts.

Group-wide Turnover	2022 Rate*	2021 Rate*
Voluntary	33.0%	30.2%
Involuntary	3.2%	3.0%

* Rates are calculated to the nearest one decimal place.

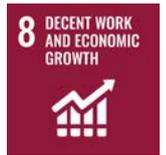
(ii) Labour Law and Other Violations

We did not incur any monetary loss in 2022 as a result of legal proceedings associated with labour law violations.

We also did not incur any monetary loss in 2022 as a result of legal proceedings associated with employment discrimination.



3. People (CONTINUED)



(f) Balancing Work Goals with Life Goals

To be truly aligned with our “Inclusive” corporate value and to attract and retain the best employees, we know that we need to meet our people at whatever stage they are in their life, whether that be raising children, caring for elderly parents, pursuing further education or achieving personal life goals - because high performing people don't just perform highly in their work life.

(i) Parental Leave Policy

It is important to us that our employees maintain a balance between their work and family commitments. During the reporting period we developed a new harmonised Parental Leave Policy, incorporating our Maternity Support Program, which is intended to subsidise any payments made under the relevant Government Scheme to assist eligible employees to maintain their usual average pay for a period of up to 12 weeks during their parental leave.

(ii) Employee Assistance Program

We continue to provide employees and immediate family members with access to 'Best You' by Benestar - an independent, free and confidential counselling and support program in areas such as mental health, relationships, exercise, sleep and financial counselling, and the online platform BeneHub which contains a library of health and wellbeing resources.

(g) Health, Safety and Wellbeing

We are dedicated to ensuring the health, safety and wellbeing of our people at work, through the ongoing identification and management of workplace health and safety risks in accordance with our Workplace Health, Safety and Environment (WHSE) Policy, Risk Management Procedure, integrated WHSE software platform and other supporting documents and systems.

Our health and wellbeing activities during 2022 included:

- Review, reduction and simplification of our Safe Work Instructions to aid usability and compliance.
- Launch of a new online WHSE Risk Profile Register for greater ease of reporting, monitoring, task assignment and control measure alignment.
- Roll out of a suite of short training videos to support our WHSE Policy and related policies, procedures and practices.
- Development of an Electric Vehicle Safety Guide to respond to the identification of electric vehicle safety as an emerging risk.
- Safe Work Month safety campaign and competition to recognise and reward employees for their promotion and ownership of a safety culture.

(h) Modern Slavery

As a reporting entity under the *Modern Slavery Act 2018* (Cth), the Eagers Automotive Group continued to mature its approach to the identification and understanding of modern slavery risks in its operations and supply chain, and to strengthen its controls to mitigate these risks.

This year we reviewed and revised our supplier questionnaire process with the aim of uplifting supplier engagement and enabling more efficient risk assessments in line with a risk-based approach.

We also strengthened our modern slavery governance through the development of a Modern Slavery Policy, reaffirmed our commitment to protecting against modern slavery practices in our revised Code of Conduct, and are in the process of developing modern slavery training and awareness for roll out to employees in 2023.





(i) Supporting our Community – Eagers Automotive Foundation

Established in 2013, the Eagers Automotive Foundation provides meaningful and sustainable support to our communities, and as all administration expenses of the Foundation are paid for by Eagers Automotive Limited, we ensure that 100% of donations are delivered to intended recipients.

The Foundation’s vision is to create a lasting spirit of giving within the Eagers Automotive network for those in need. Employees have the option to donate a portion of their salary to the Foundation through our Workplace Giving Program and are encouraged to propose charities and causes close to their heart for the Foundation to support, through a formal grant process.

Our dealerships also have a longstanding history of giving and together with the Foundation, our support exceeded \$1,480,000 in monetary and in-kind contributions during 2022.



Tim Franklin is undertaking an incredible feat to run the world – known as ‘Tim Runs The World.’ The 26,232 kilometre (16,300 mile) journey will take Tim from his home city of Brisbane with the objective to be arriving back within 433 days to break the current world record. Tim is fundraising for his journey with a percentage of all donations going to his three chosen charities – Inspiring Brighter Futures, Lung Foundation Australia and Wings for Life. easyauto123 supported Tim’s world record attempt by providing a drive car for his support team during the New Zealand leg of his journey.



Tree planting day – our employees planted over 650 native trees at Bannister Creek Reserve, Western Australia.



Supporting Cancer Council ACT through the provision of a vehicle.



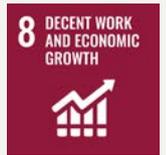
Supporting National Breast Cancer Foundation (NBCF) – Our WA parts distribution centre, AMCAP, donated \$13,500 to the NBCF in 2022, via NBCF CEO Cleola Anderiesz. AMCAP not only raise valuable funds to support the NBCF’s mission towards zero deaths from breast cancer by 2030, but create breast cancer awareness through its pink NBCF branded cabinets and containers.



Supporting Variety – The Children’s Charity of Queensland, through the funding of two \$20,000 bikes for the Championing Cycling for Kids with Disability Program. This program provided the children at Nursery Road State Special School, Brisbane with adaptive bikes that are engineered to give all children the opportunity to share in the joy of riding a bike.

Eagers Automotive Foundation 2022 Initiatives

Organisations, causes and events benefiting from Group initiatives during 2022 include:



Queensland

- Ginger Cloud Foundation
- St Vincent de Paul Society – Christmas Appeal and Flood Appeal
- Darkness to Daylight
- Hope in a Suitcase Australia
- National Breast Cancer Foundation
- Waalitj Foundation
- CPL Giving Day
- Jack Reed Foundation
- Mangrove Housing
- Variety Bash
- Peak 2 Park
- Loads of Love
- Xavier Foundation
- Variety – The Children's Charity
- The Humpty Dumpty Foundation
- Wheely Fun Kids Cycling Program
- Tour De Pif
- Tour De Brisbane
- Rural Aid Australia
- Ecumenical Coffee Brigade
- Cystic Fibrosis Australia
- Baby Give Back
- Mater's International Women's Day

South Australia

- Minda
- Backpacks 4 SA Kids
- Kickstart for Kids
- Living Without Limits
- The Royal Society for the Blind
- Youth Opportunities
- GROW Ladies Day
- Big Night Out

Western Australia

- Dress for Success
- The Salvation Army Australia
- Lifeline Australia
- Immune Deficiency Foundation Australia
- Cancer Council - Australia's Biggest Morning Tea
- Camp Quality
- Waalitj Foundation
- Western Australian Association for Mental Health (WAAMH) - Mixed Mental Health Charity Game
- National Breast Cancer Foundation
- Harry Perkins Institute of Medical Research
- Oz Harvest
- Activ Foundation
- North Perth Christmas Lunch-for homeless and in need
- Special Children's Christmas Parties (Perth)
- Wheels for Hope
- Perth Children's Hospital Foundation
- Headspace
- BulldustNBack 2022 – Children's cancer and mental health charities
- Cystic Fibrosis
- Lionheart Camp for Kids
- Muscular Dystrophy Association of WA
- National Tree Day
- Pink Ribbon Breakfast
- Hearts for the Homeless
- Movember

Northern Territory

- Fight Cancer Foundation
- Camp Quality
- Cancer Council NT
- PAWS
- Special Children's Christmas Party

New South Wales

- Immune Deficiencies Foundation Australia
- Mark Hughes Foundation
- Elouera Surf Lifesaving Club
- Penrith Men's Walk and Talk
- Better Foundation – Blacktown and Mount Druitt Hospitals
- Kids Rehab at The Children's Hospital at Westmead
- Society 389 Children's Charity Club

Australian Capital Territory

- Canberra Pet Rescue
- Roundabout Canberra
- Walk with me
- Percy Begg Pantry
- Soldier On
- Community First Program
- Beryl Women Inc
- Ronald McDonald House Charities
- Carers ACT
- Cancer Council
- St Vincent De Paul
- Marymead

Victoria, Tasmania and New Zealand

- Variety the Children's Charity – Bikes4Kids and Motor Mouth Camp
- Camp Quality
- Pathways Tasmania
- Cancer Council
- Tasmanian Institute of Sport
- St Giles Society
- Sally's Ride
- Tim Runs the World
- Breast Cancer Foundation



For every new or demonstrator vehicle sold and delivered in December 2022, two of our Melbourne dealerships donated a bike, helmet & lock valued at \$218 to **Variety Bikes4Kids** program to show children the joy, fun with friends and fitness that owning a bike can bring. 92 bikes were donated in 2022, with a total value over \$20,000.



The Push-up Challenge 2022 – 24 Days, 26,182 push ups. 25 of our Western Australian employees participated in The Push Up Challenge raising over \$2,800 for **Lifeline WA**.

4. Planet – Climate Change and the Environment



The increasing occurrence of serious weather events affecting our service territories is a continuing reminder of the risks that natural disasters pose to our property, assets and operations, and the importance of appropriately incorporating business resilience activities into our strategic planning.

Key Facts/Highlights

- ✓ 14 underground petroleum storage systems (UPSS) decommissioned, handed back or divested
- ✓ 15 solar photovoltaic systems installed

(a) Environment

Our business activities can be both impacted by, and have an impact on, the environment in which we operate. Our efforts have and will continue to focus on mitigation activities that optimise our physical environment, deliver greater business resilience, and improve customer and employee experience and satisfaction.

(i) Hazardous Chemicals

A. Chemical Risk Management

Our operations involve the handling, storage and sale of many hazardous chemicals such as paints, solvents, fuel, degreasers, aerosols and oil. Our WHSE Risk Management approach aligns with our overarching risk management approach.

Our centralised safety management system and use of Chemwatch, an externally run online platform, enables the application of specific control measures for each site, including the development and maintenance of chemicals registers, Safety Data Sheets, chemical composition awareness to aid decision making, signage and employee training in the safe handling and use of chemicals.

Group, State and site safety partners and advisors, as well as Operations Management are supported in their ownership of chemical risk management by a suite of governance documents and processes including our WHSE Policy, Environmental Register, WHSE Risk Management Procedure, and site and business-based risk profile registers which are tested through an internal audit program using audit criteria aligned to our safety management system.



4. Planet – Climate Change and the Environment

(CONTINUED)



Underground Petroleum Storage System (UPSS) –
One of the 37 UPSSs decommissioned, handed back or divested under our program of works to mitigate safety and environmental risks associated with UPSS.

B. Hazardous Chemical Handling and Elimination

Within dealership and service operations, chemical use and management is primarily guided by vehicle manufacturer requirements and those of the third-party products we on-sell.

Programs have also commenced to help mitigate environmental and safety implications of certain hazardous chemicals used within our operations. For example, a chemical control and substitution program is being piloted to eliminate the use of harmful chemicals in products (such as detailing products) provided by a supply partner, and a review of our spray-painting activities was completed to ensure their continued safe operation.

At the beginning of 2021 there were 56 underground petroleum storage systems (UPSSs) across our network of dealerships and service centres with the potential to present safety and environmental risks if they were to deteriorate over time. As such, we commenced a program of works that will ultimately see all UPSSs decommissioned, handed back (if within a leased site), or divested (if subject to a property sale). To date 37 UPSSs have been decommissioned, handed back or divested, 14 of these during the reporting period.

(ii) Waste Management

The Group's waste management initiatives address specific site and operational impacts and requirements and are focused on reducing, reusing or recycling waste materials:

– **Reduce and reuse** – The Group is in the process of rolling out electronic contracts for customers and document management systems to not only improve customer and employee experience, but reduce paper usage, increase information security, and reduce physical storage expenses.

At our parts distribution and service centres goods may be unpackaged and repackaged for distribution to customers and other Group locations. Packaging initiatives have focused on reducing use of single-use plastic, substituting plastic products with paper equivalents (i.e. plastic bags and tape) and reusing cardboard boxes for repackaging goods where appropriate (dependant on size, shape and weight considerations).

At Precision Automotive Technology (PAT), the Group's wholly-owned provider of premium aftermarket car care products, cardboard product boxes are made in Australia by a company that is a signatory to the Australian Packaging Covenant and plastic product bottles are also made in Australia by a carbon neutral plastics factory.

– **Recycle** – Paper and comingled recycling initiatives are deployed throughout our sites and other recycling initiatives include the recycling of plastics (such as pallet wrapping, bumpers and mouldings), timber pallets, cardboard boxes, metal (predominantly manufacturer's transport frames, damaged panels, and doors), lead acid batteries and tyres.



4. Planet – Climate Change and the Environment

(CONTINUED)



(b) Climate Change

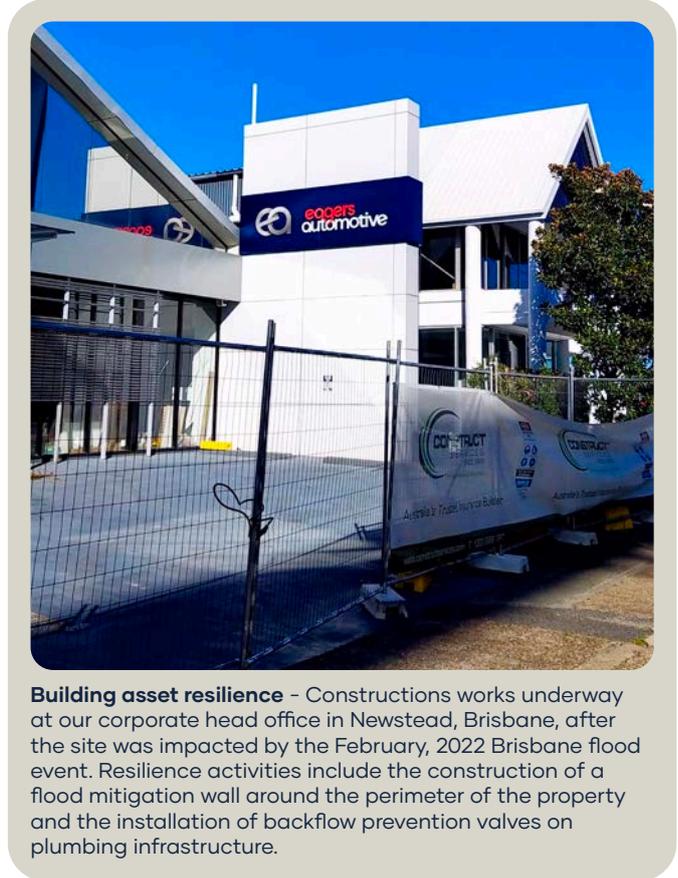
As a business operating across Australia and New Zealand we recognise the impact of climate change on our environment and the impact severe weather events can have on buildings and assets, as well as business operations and people. In this section we provide an overview of the Group’s greenhouse gas (GHG) emissions and mitigation activities to reduce the impact of our operations on the environment.

(i) Climate Change Governance – Risks and Opportunities

We acknowledge that as a retailer of new and used vehicles, regulatory and consumer demands are a driving force behind our original equipment manufacturers (OEMs) transitioning to significantly reduced carbon emissions and this, as well as any increase in extreme weather events, will continue to impact our business, presenting both climate change risks and opportunities.

The Group underwent a climate change risk identification process during the reporting period. The climate related physical and transition risks recognised as having the potential to impact our business are not unusual or dissimilar to other retail entities operating within the automotive industry and across our operational territory and include:

- Increases in extreme weather events impacting property and other physical assets, as well as causing supply chain disruption.
- Changes in operational requirements resulting from increased OEM requirements to meet climate related regulatory changes.
- A shift in market demand (internal combustion engine (ICE) to low emission vehicles (i.e. electric, hybrid, hydrogen and emerging)) and resulting operational impacts.
- Utility, transportation and insurance cost pressures (for example water, power, fuel and waste).
- Changing workplace health, safety and environment hazards.



Building asset resilience - Constructions works underway at our corporate head office in Newstead, Brisbane, after the site was impacted by the February, 2022 Brisbane flood event. Resilience activities include the construction of a flood mitigation wall around the perimeter of the property and the installation of backflow prevention valves on plumbing infrastructure.

Many of these climate change risks present opportunities for our business, including cost savings through energy, recycling and asset resilience initiatives, as well as retail sales product mix with the demand for and supply of lower emissions products and services.

Our diversified vehicle brand approach places us in a strong competitive position to adapt to shifting consumer preferences, while our diversified business approach enables us to leverage new opportunities. Our broad geographic operations base also ensures we are well placed to mitigate the impacts of extreme weather events, all together increasing business resilience and ensuring financial stability.

See section 5(a) of this report for more information about the Group’s approach to climate change risk management.

4. Planet – Climate Change and the Environment

(CONTINUED)



(ii) Greenhouse Gas (GHG) Emissions

Although our business, as a retailer, generates a relatively modest level of GHG emissions, we are committed to playing our part in the broader emission reduction response. An annual review of the emissions and energy consumption of the Group's Australian operations is undertaken as part of our compliance with Australia's national greenhouse and energy reporting requirements (NGERS).

Our main sources of Scope 1 emissions include emissions from transport fuel (i.e. Diesel, petrol and LPG). Our NGERS reporting for the 2021-2022 highlights reductions across all three fuel uses.

Our main source of Scope 2 emissions derives from purchased electricity. Our NGERS reporting for the 2021-2022 also showed a decrease in electricity usage across the Group, down 11% from the 2020-2021 reporting period. These decreases may be attributed in part to energy efficiency and renewable initiatives as well as site consolidations.

Our total Scope 1 (direct) and Scope 2 (indirect) emissions for the NGERS reporting year 2021-2022, in comparison to the previous year were:

T CO ₂ -e	2021-2022	2020-2021
Scope 1	29,067	33,009
Scope 2	26,104	29,561
TOTAL	55,171	62,570

Our emissions data collection and reporting processes are maturing, and we are currently investigating the most appropriate metric by which to report our emissions trends that also takes into account our company's growth strategy.

A. Reducing CO₂ Emissions – Eagers Automotive Group initiatives

The majority of our operational GHG emissions come from electricity used to power our sites and offices. Heating, ventilation and air conditioning (HVAC) are the largest users of electricity in our business, at approximately 60% of total usage. Although HVACs are the most significant consumers of electricity, it is important that we continue to provide our employees and customers with a comfortable and safe place in which to work and visit.



Solar system installed on one of our Toowoomba dealerships in South-East Queensland.

We have continued to roll out our solar replacement and installation program with an additional 15 Solar Photovoltaic systems installed in 2022, each providing between 30Kw and 100Kw of electricity.

The Group also continued its installation of more energy efficient lighting and air conditioning systems and use of sensor and timing devices, all together contributing in part to a reduction in energy consumption from the last reporting period despite overall business growth and aiding in the management of rising electricity prices.

B. Reducing CO₂ Emissions – Partner initiatives

Our OEM partners have set ambitious targets for reducing CO₂ emissions and increasing the sale of electric vehicles, and we are committed to supporting and facilitating their journey to a lower emissions economy by bringing these vehicles to market.

The table on the following page provides a summary of the targets from 13 of the top 15 brands sold in Australia and represented by the Group, which accounted for 76% of all new vehicle sales in 2022.

4. Planet – Climate Change and the Environment

(CONTINUED)



OEM	Target	Target Year
1	Reduce global average CO ₂ emissions from new vehicles by 90%, compared to 2010 levels	2050
	Global Battery Electric Vehicle sales target of 3.5 million each year	2030
	Achieve carbon neutrality across Australian operations	2025
2	Achieve carbon neutrality across global manufacturing facilities	2035
	Reduce 'well-to-wheel' CO ₂ emissions and achieve a 50% reduction, compared to 2010 levels	2030
	All vehicles will be electrified, and pure-electric vehicles will account for 25 to 40% of those sales	2030
3	All vehicles, production facilities and suppliers will be carbon neutral	2045
	All electricity at production facilities to be replaced by 100% renewable energy	2040
	Phase out production of all combustion engine vehicles in key markets (exc. Australia)	2040
	Global sales target for electric vehicles of 1.4 million each year	2030
4	Achieve target of net-zero in terms of emissions across the value chain	2050
	CO ₂ emissions from new vehicles to be 40% below 2010 levels, and electric vehicles to be 50% of all vehicles sold	2030
	CO ₂ emissions from business activities to be 40% below 2014 levels	2030
5	Eliminate or offset GHGs generated at all stages of the value chain, including purchase, procurement, production, sales, use and disposal	2045
	All electricity at production facilities to be replaced by 100% renewable energy	2045
	Achieve 100% electrification of new vehicles worldwide	2040
	Global sales target for electric vehicles of 1.87 million each year	2030
6	All vehicles, production facilities and suppliers will be carbon neutral	2050
	Source 100% carbon-free electricity for global operations	2035
	50% of global sales will be battery/electric powered	2030
	Global sales target for electric vehicles of 2 million each year	2026
7	Pursue goal of reducing the average CO ₂ emissions from new passenger cars by at least 90%, compared to 2010 levels	2050
	All commercial cars will be equipped with electric powertrain technology	Early 2030s
	Increase the ratio of electric vehicles (EV) and hybrid cars to 40% of the gross number of vehicles sold, globally	2030
8	Achieve target of net-zero across the entire life cycle of new vehicles	2050
	Achieve target of net-zero arising directly from business and manufacturing operations	2050

OEM	Target	Target Year
	Reduce CO ₂ emissions from business activities by 50%, on 2013 levels	2030
	Offer a complete fleet of carbon neutral vehicles	2030
9	Achieve target of net-zero in terms of emissions across the value chain	2050
	Reduce vehicles' CO ₂ emissions in production and use phase by 30%, compared to 2018 levels	2030
	Increase the proportion of the fleet that is electric to at least 50%	2030
	Reduce the production-related environmental impact with respect to energy, water, waste by 45% per vehicle	2025
10	All new vehicles to be CO ₂ neutral along all stages of the value chain	2039
	Reduce CO ₂ emissions of new vehicles by 40%, on 2018 levels	2030
	Plug in hybrids or all-electric vehicles to account for more than 50% of car and van sales	2030
	Customers to be offered the choice of at least one all-electric vehicle in every vehicle segment	2025
	Manufacturing operations at all production plants to be CO ₂ neutral	Achieved
11	Achieve target of net-zero in terms of emissions across the value chain	2050
	Every all-new vehicle offering in key markets will be electrified	Early 2030s
	Aim to have an electrification mix of more than 50% globally	2030
	Introduce 20 new EV and e-POWER equipped models in key markets	2026
12	Achieve target of net-zero in terms of emissions across the value chain	2050
	Reduce CO ₂ emissions per vehicle and kilometre driven by 40% throughout the entire lifecycle – supply chain, production and use phase – from 2019 levels	2030
	50% of sales volumes to come from fully electric vehicles	2030
	10 million fully electric vehicles to be on global roads	2030
13	Zero CO ₂ emissions from production	2050
	Start full scale inclusion of electrification technologies in vehicles	2030
	Reduce 'well-to-wheel' CO ₂ emissions by 40%, compared to 2010 levels	2030
	Reduce CO ₂ from business activities by 45% in base unit per sales unit, compared to 2016 levels	2030
	Launch the first EV for international markets	2025

5. Performance – Sustainable Growth



Robust risk management processes and practices integrated into our work culture are important for the resilience and long-term sustainability of our business.

Key Facts/Highlights

- ✓ Independent review of our cybersecurity practices
- ✓ Establishment of a standing Privacy Management Working Group
- ✓ Commenced review of key employee and governance policies

(a) Risk Management Framework

Our risk management framework provides the tools to identify and report on key business risks, including climate change risks. The Group risk register is prepared by management and includes specific risk groups across seven (7) risk categories. Of these risk categories, climate related risks are included under the 'strategic', 'operational', 'people', 'legal' and 'social' categories.

When identifying risks, changes in external and internal context and indicators of emerging risks are considered. The risk analysis examines consequences and likelihood to determine a risk rating that supports the priority of actions for managing risks. The risk matrix provides parameters for risk analysis to ensure a consistent approach.

Following assessment, risk management plans and controls for individual risks are developed and implemented by management. Risks are assessed on a bi-annual basis by each functional area and provided to the Executive Leadership Team for review, after which the risk ratings are submitted to the Audit & Risk Committee. The Audit & Risk Committee monitors, assesses, and reports to the Board on the effectiveness of the risk management system and the group risk register. Risks are communicated through the business as agenda items at key management meetings (including Executive, Board and Audit & Risk Committee meetings).

The Eager Automotive Board oversees the Group's risk management approach and is responsible for ensuring a sound system of risk oversight, management and internal control is in place. The Board sets the risk appetite within which management is expected to operate. Climate and sustainability related issues are considered by the Board as relevant, for example, when reviewing and guiding strategy, setting performance objectives, and overseeing major capital expenditure.

(b) Data and Information Security

We take a proactive approach to protecting our commercial, customer and employee information, with multiple strategies deployed to reduce the risk of cyber security breaches, including:

- Next-Generation Antivirus protection across all endpoints in the business
- Strong mail-filter settings
- Modern firewall and internet gateways
- Secure remote access mechanisms
- Online cyber-security training to all employees
- Internal simulated phishing exercises
- Company IT, cyber security and privacy related policies, guidelines, and incident response documents.

5. Performance – Sustainable Growth

(CONTINUED)



Results of vulnerability scanning, and cyber incident and breach trends are reported regularly to management and the Board. During the reporting period there were no known successful cyber security breaches of our customer and employee data. There were also no reportable data breaches that involved the theft of personal information.

In light of increasing cyber security risks globally and in line with our continuous improvement approach, 2022 saw the development of a Cyber Incident Response Plan and an external and independent review of our cybersecurity practices. Further, our Internal Audit team conducted 55 physical audits of information security at dealership locations covering physical security of IT servers, password security awareness and physical security of hardcopy documents. For 2023 we will be increasing our commitment to Cyber Security with the appointment of a Chief Information Security Officer.

We also commenced a review of our privacy and information management practices and established a standing Privacy Management Working Group tasked with identifying and promoting privacy and information management process improvements.

(c) Ethics and Integrity Policies

Our commitment to a culture of honesty and ethical behaviour is reflected in our adoption of "Integrity" as one of our four corporate values. Ethical behaviours are promoted through a suite of Group-wide policies and procedures, including our Code of Conduct, Employee Manual, Whistleblower Policy and Bribery and Corruption Policy, all of which are currently under review as part of our continuous improvement approach.

We encourage and support our employees, customers and stakeholders to speak up about unethical behaviour and have implemented an integrity reporting framework to provide eligible whistleblowers with a safe avenue to raise concerns confidentially and anonymously via an external and independently operated complaints avenue. Employees can also choose to report issues directly to their managers or other senior personnel in accordance with our Grievance and Complaints Management Policy.



Appendix A: SASB Reference Table

Topic	Accounting Metric	Page
Energy Management in Retail and Distribution	Total energy consumed	17
Data Security	Description of approach to identifying and addressing data security risks	19, 20
	1. Number of data breaches	20
	2. Percentage involving personally identifiable information (PII) 3. Number of customers affected	
Labour Practices	1. Average hourly wage	9
	2. Percentage of in-store employees earning minimum wage, by region	
	1. Voluntary 2. Involuntary turnover rate for in-store employees	10
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	10
Workplace Diversity and Inclusion	Percentage of gender representations for	7
	1. Management 2. All other employees	
Product Sourcing, Packaging and Marketing	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	14, 15
	Discussion of strategies to reduce the environmental impact of packaging	15

Disclaimer and Disclosures

This report contains forward-looking statements in relation to Eagers Automotive Limited and its controlled entities (collectively the Eagers Automotive Group or Group), including statements setting out the Group's intent, goals, objectives, initiatives, commitments and current expectations in relation to the Group's business and operations, external conditions and risk management practices.

This report also includes forward-looking statements regarding climate change and other environmental and social consideration. While these statements are based on the Group's good faith assumptions as to the risks and opportunities likely to affect the Group's business and operations in the future, the Group does not give any assurance that any assumptions will eventuate or prove correct or accurate, as there are many intervening factors which are outside the control of the Group. As such, no undue reliance should be placed on these statements.

The Eagers Automotive Group also recognises and acknowledges that due to its decentralised business structure and sustainability reporting being in its infancy, data and information gathered and reported may be incomplete or inaccurate, despite the Group's best efforts. The continued development and implementation of appropriate data gathering tools and systems is a key focus for the Group to ensure streamlined sustainability reporting and a continuous improvement approach to data accuracy, relevance and reliance.



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