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JB HI-FI LIMITED SUSTAINABILITY REPORT 2020





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ABOUT THE JB HI-FI GROUP

The JB Hi-Fi Group, operating under its listed holding company, JB Hi-Fi Limited, brings together two of Australia’s best known and most trusted retail brands, JB Hi-Fi and The Good Guys. The Group sells an extensive range of consumer electronics, whitegoods, appliances and home entertainment at great prices combined with genuine personal service from our specialist staff.

In addition to operating from over 300 stores in Australia and New Zealand and its websites, the Group also services the commercial, insurance and education sectors and offers information technology and consulting services, through its JB Hi-Fi Solutions business.

ABOUT THIS REPORT

This is JB Hi-Fi Group’s first Sustainability Report and serves as a review of our sustainability performance covering the reporting period 1 July 2019 – 30 June 2020. In developing this report, we have drawn upon the reporting principles for defining report content and quality provided by the Global Reporting Initiative 101 Foundation Standard.

We recommend that this report be read in conjunction with the JB Hi-Fi Limited 2020 Annual Report.

For enquiries, please email:
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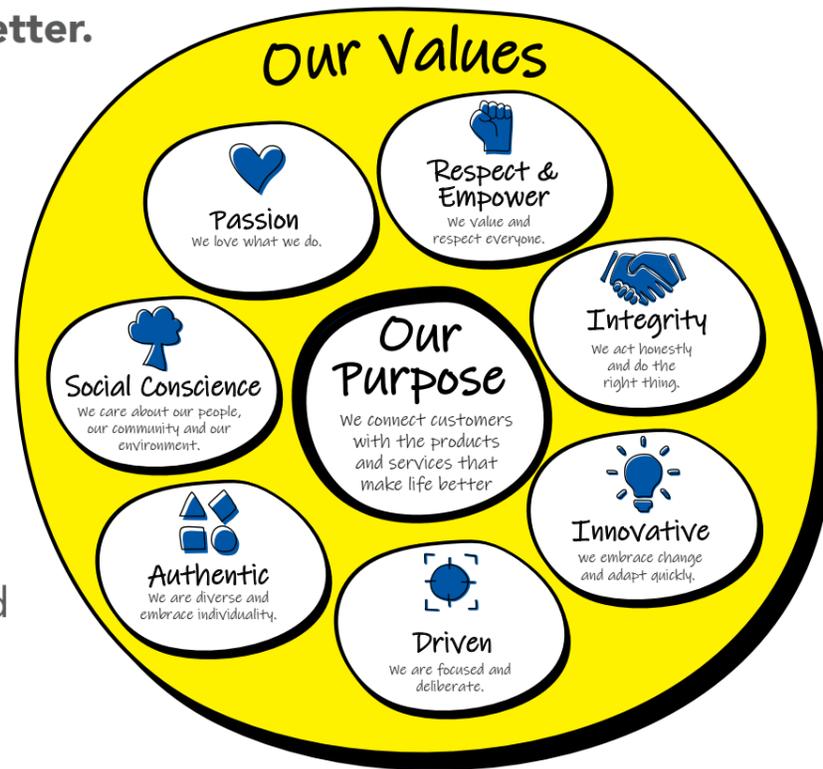
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A MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

1 ESTABLISHING OUR APPROACH TO SUSTAINABILITY

The purpose of JB Hi-Fi Group is to connect our customers with the products and services that will make their lives better.

Our values help guide us in how we should do this – with passion, respect, integrity, authenticity and a social conscience that is aware and responsive to the challenges and opportunities presented by our changing world.



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The FY20 financial year brought some significant challenges for all of us – through the devastating impact of this summer’s bushfires, to the unprecedented health crisis and economic disruption brought about by Covid-19. These events whilst catastrophic, have provided the Group an opportunity to reflect on the relationship we have with our environment, our people and our communities; and the responsibility we have to create a positive impact.



During FY20 we launched our Group Sustainability Plan, which provides a framework to help us integrate sustainability into the operating rhythm and strategic priorities of our businesses.

To further inform how we manage our impacts, we asked our teams and our stakeholders to tell us what issues mattered most to them and used this feedback to help develop the content of this report. We recognise that the health and wellbeing of our people is critical to the success of our business, the importance of stamping out modern slavery, for finding new and efficient ways to reduce, recycle and re-use waste in the circular economy, and that there is a sense of urgency around climate action. We recognise our obligation and the community’s expectations of the Group to address and respond to these challenges.

Recognising that there is more we can do and improve on, we are now focused on actioning our FY21 commitments which include: continuing to ensure that our teams and our customers remain safe and feel supported at all times, deepening our engagement with suppliers on our ethical sourcing standards, optimising our waste diversion and recycling behaviours, and developing a plan to review and reduce our emissions over time.

Richard Murray
Group Chief Executive Officer
17 August 2020

Through this report, we take our first steps to providing meaningful and transparent disclosure around the most material sustainability-related issues for our businesses, and how we plan to prioritise and manage these going forward.

We achieved a lot in FY20 such as the launching of ‘We Care Day’ within our JB Hi-Fi store network, a strategic initiative that is aimed at enhancing the physical and mental well-being of our people. We were the first retail partner of eMeals, an exciting new e-Waste recycling initiative which also addresses food insecurity. We published and disseminated our Group Ethical Sourcing Policy, outlining the minimum standards we require of our suppliers in relation to their labour, safety, ethical and environmental practices. And we responded to the challenge presented by Covid-19, ensuring all our workplaces and shopping environments have appropriate health and safety controls in place.



This report was authorised for released to the Australian Stock Exchange by the JB Hi-Fi Limited Board

The Group has undertaken a materiality review to determine the most material environmental and social issues to manage and disclose progress on.

The identification of these issues has been informed by the application of globally recognised materiality tests¹, the expectations of our management team, employees, suppliers and investors, and the principles contained within our risk management framework, as well as industry and external factors which were also considered.

The priority we assigned to each issue is determined by its potential impact on society and the environment, as well as the importance of that issue to our stakeholders. The most material environmental and social issues

identified through our review are set-out within this report. These issues also form the basis of our Group Sustainability Plan, within which they are managed on an on-going basis.

The reporting on each of the issues within this report includes a description of our management approach, key achievements and progress, areas for improvement and FY21 commitments. Material issues for the business which are not considered to be environmental or social issues are addressed within the 2020 JB Hi-Fi Limited Annual Report.



Our People & Culture

The JB Hi-Fi and The Good Guys retail brands, and the JB Hi-Fi Solutions & The Good Guys Commercial businesses are defined by their unique cultures and passionate team members, who are crucial to the success of our businesses.

The Group is committed to developing our people, providing them with a safe and respectful workplace, whilst looking for ways to improve work flexibility and inclusion.

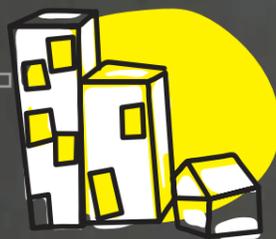
- Health, safety & wellbeing
- Diversity and inclusion

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Our People & Culture

- Health, safety & wellbeing
- Employee engagement, communication & employment practices
- Responsible business
- Diversity & inclusion



Creating Positive Impacts for our Communities

- Community investment
- Ethical sourcing



Our Environment

- Product & waste recycling
- Product packaging
- Emissions & energy

¹The Five-Part Materiality Test, AccountAbility; Harvard University's Initiative for Responsible Investment; and the Global Reporting Initiative's materiality guidance

HEALTH, SAFETY & WELLBEING

"We will protect the health and safety of our people"



Our top priority is to create a safe workplace and shopping environment.

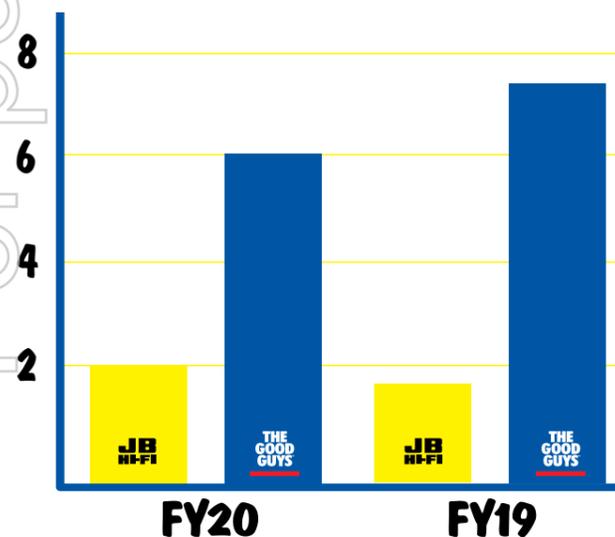
We strive to promote and reinforce a culture of safety throughout all our operations by:

- Maintaining a strong leadership focus and implementing a Group Strategy for safety;
- Employing a systematic approach to incident management and risk mitigation, supported by our Group Occupational Health and Safety System;
- Maintaining Safety Committees across our businesses which meet regularly to ensure all health and safety risks are understood and effectively mitigated;
- Providing on-going training and supporting our team members to champion the health and safety message throughout our businesses;
- Ensuring safety procedures are embedded into all operational processes and working on continuous improvement; and
- Establishing key performance indicators and safety targets to monitor and improve performance.

The group measures its safety performance through a number of metrics that allow for early identification of incident trends allowing for proactive management and continual improvement. These metrics are used to set annual targets to further reduce the incident frequency and improve the overall safety and wellbeing of our team. This is managed through the safety policies, processes, systems and training we put in place.

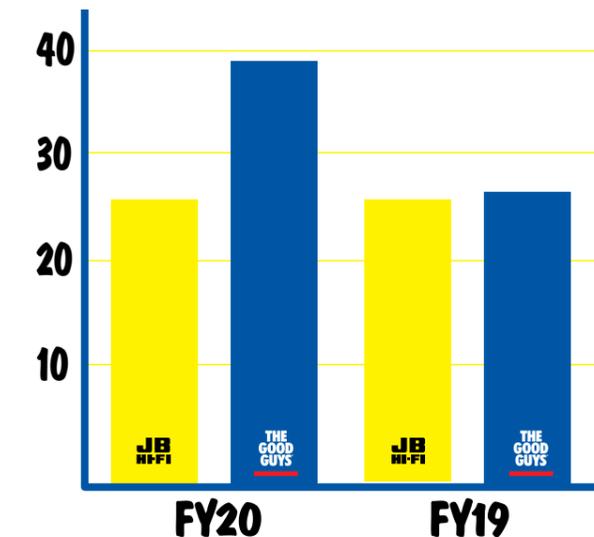
1 OUR SAFETY RESULTS

LOST TIME INJURY FREQUENCY BY BRAND



(LTIFR is calculated by the number of lost time injuries / number of worked hours multiplied by 1,000,000. A lost time injury is defined as a full lost rostered shift following a work-related injury for a team member with an accepted work cover claim)

MANUAL HANDLING FREQUENCY RATE BY BRAND



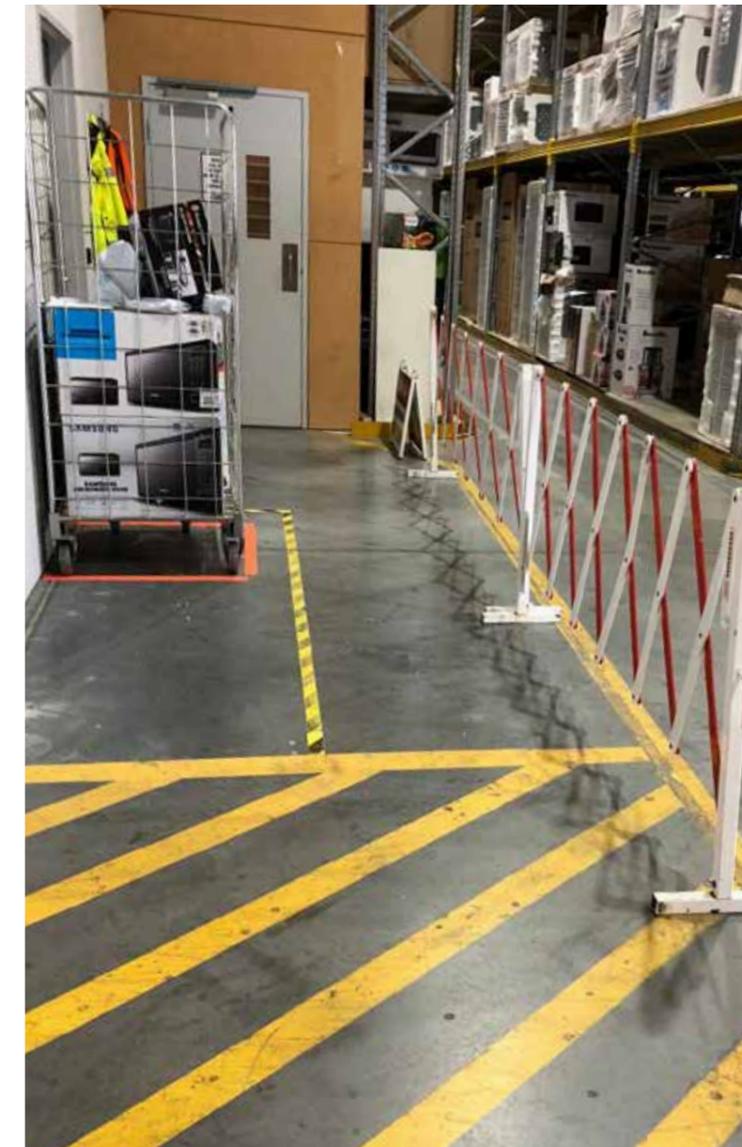
(MHFR is calculated by the number of manual handling incidents reported / number of worked hours multiplied by 1,000,000)



Our JB Hi-Fi business maintains a low incidence of lost time injury (LTIFR of 1.99 in FY20), with muscular strains being the most common incident type. This year we introduced a new safety performance measure: total recordable injury frequency rate (TRIFR), which records the rate of all injuries in the workplace that received medical treatment, regardless of whether the injury resulted in an absence from work. This measure gives us a better understanding of the frequency of injuries and will help us to drive further improvements in our safety performance. We will provide reporting on this performance measure in FY21.

The Good Guys made a 20% improvement in LTIFR (5.97 in FY20) on the prior year as a result of store management being upskilled to better manage injuries as they first occur, in line with best practice. The manual handling frequency rate increased by 33% (to 38.59 in FY20) due to improvements in reporting practices which has resulted in more manual handling incidents being reported. However, the actual number of manual handling work related workers compensation claims has decreased by 9% from prior year, due to earlier reporting allowing for more effective and early intervention of manual handling related incidents. Some of the additional actions we took in FY20 included establishing safety protocols throughout our new home delivery centres, procuring new equipment to more effectively handle and store large bulky items, and providing more detailed and effective safety training with a focus on manual handling, order picking and incident management.

Next steps are to continue to build and grow the culture of safety within our new warehouse operations and optimise the use of our back of house store-rooms in order to improve stock flow and further reduce the risk of workplace injury.



2 OUR RESPONSE TO COVID-19

Covid-19 represents an unprecedented and on-going challenge for the community and retail industry from a health and safety perspective.

At the beginning of the pandemic we formed a Covid-19 Steering Committee to ensure all our stores, distribution centres and support office locations operate in accordance with Government Covid-19 safety protocols and requirements. The Committee has been focused on understanding and actioning Government guidance, assessing the risk to our team and customers, and implementing the necessary operational changes in our businesses to ensure that we limit the risk of spreading the virus, whilst ensuring the continuity of our operations.

Some of the new controls implemented to minimise the spread of Covid-19 include:

- Implementation of a Covid-19 Management Plan and Case Register;
- Regular and intensive cleaning of all stores, offices and distribution centres;
- Installation of permanent hand sanitiser stations at the entrance to every store;
- Training on good hygiene practices, social distancing and appropriate cleaning and sanitisation of equipment and materials;

Further to this, we engaged an external health and safety consultant to conduct an independent assessment of the controls we implemented. The assessment confirmed the controls we had implemented complied with all Government recommendations and regulatory requirements.

- Implementation of social distancing guidelines, signage and floor decals;
- Introduction of store capacity capping and traffic management processes;
- Introduction of contactless customer collection / pick up;
- Installation of protective screens at store counters and distribution centres;
- Encouraging cashless transactions and cash handling protocols in stores;
- Mandatory wearing of face masks and temperature checking of all team members and customers during Stage 3 restrictions within affected areas of Victoria;
- Adoption of Covid-19 safety protocols through our delivery and logistics network, such as contactless delivery;
- Facilitation of support office working from home;
- Restricted travel and meetings;
- Regular communication to all team members;
- Provision of Covid-19 specific support for team members' mental health and wellbeing through the Group's Employee Assistance Program; and
- Most recently, following the Victorian Government's move to stage 4 restrictions, the temporary closure to customers of our metropolitan Melbourne stores and the move to online fulfillment by contactless delivery and contactless click and collect.



3 JB HI-FI 'WE CARE DAY' AND PROMOTING MENTAL HEALTH



Beyond Blue estimates that approximately 3 million Australians are living with anxiety or depression. One in seven Australians will experience depression in their lifetime and one quarter of Australians will experience an anxiety condition in their lifetime.

This year, as part of our overarching strategy to continuously improve health and safety across our JB Hi-Fi store network, we launched 'We Care Day', an initiative to improve wellbeing, developed by our team members and embraced by our store network.

We Care Day involves each of our in-store teams coming together weekly to share experiences and new skills in managing their physical and mental health. This has helped deepen team engagement, provided a sense of belonging through our store network, and raised awareness on how to better manage mental health wellbeing.

Each store has embraced this initiative in a way that suits the specific needs and interests of team members. All activities are designed to address the psychological and emotional needs of our teams while strengthening team bonds and improving productivity. For example, our Brunswick Store engaged a local YMCA to teach meditation practices as a way to reduce stress and bring mindfulness into their day. As a result, several

members have signed up for more classes to develop a personal practice. In Craigieburn, the team injected some light-hearted fun into a session of yoga, creating a positive atmosphere which helped them exceed their sales targets. Traralgon hosted an 'R U OK' BBQ lunch, where the team shared stories about how they have given and received help in the past and established a 4-step process to check in with each other on an ongoing basis.

To supplement the We Care Day initiative, we also

provided mental health training to 332 store managers

to equip them with the necessary skills and awareness to recognise mental health issues in the workplace and provide appropriate care and support for colleagues.

A positive outcome of this training has been an increased engagement with well-being services offered through our Employee Assistance Program. During the year 383 JB Hi-Fi team members accessed our employee assistance program, representing a 4.3% utilisation rate (3.3% higher than industry average).

4 THE FUTURE OF WORK

JB Hi-Fi and The Good Guys launched a Flexible Work Policy in June 2020. Key to this Policy is the acknowledgement that the Group values diversity and recognises the different needs of our team members.

The Group recognises that for many of our team members, their responsibilities and commitments extend beyond work. The Group is committed to openly considering ways to support the needs of our team members, while balancing the needs of our customers and our businesses.

We believe that by recognising and adapting to the differing needs of our team members, we will attract and retain the best talent and reduce potential barriers to progression to leadership roles.

Some of the ways in which we will create a more flexible working environment for our employees include:

- Providing leave options such as paid maternity leave, emergency services leave, domestic violence leave and flexibility to take leave at half pay;
- Providing options to work part time or job-share; and
- Providing options to work from home, alternative office locations and/or to vary start and finish times.

The impact of Covid-19 has challenged our operating model and required us to adopt new ways of working for our teams. Leveraging digital technology to facilitate effective remote communication, and ensuring our teams have the appropriate skills and tools necessary to manage performance and morale through the pandemic have been, and will continue to be, key areas of consideration in how we think about the future of work.



5 EMPLOYEE COMMUNICATION, ENGAGEMENT AND EMPLOYMENT PRACTICES

A key focus of our approach to people management is to ensure each employee feels supported in their role and connected to the company's purpose.

Our approach to employee engagement includes systematic and regular communication to facilitate the two-way flow of information across our stores and geographic locations. Information is shared with our teams by management through regular meetings and information sessions, as well as the content on our brand intranet web pages. Regular updates are provided from our senior leadership team through video and email communication channels.

Our store operation teams meet weekly to ensure important messaging and initiatives are cascaded across all stores. This has been especially important during the Covid-19 pandemic to ensure team members were informed and prepared as changes to health and safety measures were introduced. During the pandemic a number of our stores have been temporarily closed, with staff re-deployed and re-integrated across our store network. Despite this disruption, our store teams have made an incredible contribution to the on-going safety and continuity of our businesses under challenging circumstances. In recognition of this the Group provided

a cash bonus of \$1000 to each of its full-time customer-facing team members (pro-rated for part-timers and casuals) in JB Hi-Fi Australia and New Zealand, as well as The Good Guys. (For more information see the section on our response to Covid-19).

We also welcome the insights our people can provide and seek their feedback via forums such as focus groups to test specific strategic initiatives. Recent examples include team member input into our group purpose and values, as well as to discuss gender diversity. Our people are actively involved in decision making around specific initiatives such as store charity fund-raising events, and JB Hi-Fi's 'We Care Day'. This all helps build a sense of belonging and deepens engagement across our store network.



Both brands have long service recognition awards, where team members receive a pin and certificate to mark each 5 years of service, as well as an award and a \$2,000 gift voucher on reaching 20 years of service. This year, we celebrate a number of team members reaching these milestones.

| YEARS OF SERVICE | #JB EMPLOYEES | #TGG EMPLOYEES |
|------------------|---------------|----------------|
| 5 | 513 | 191 |
| 10 | 287 | 97 |
| 15 | 88 | 44 |
| 20 | 7 | 12 |
| 25 | 5 | 1 |
| 30 | 4 | - |

The Group measures employee engagement through a third-party survey. Key insights from our last survey showed team members have strong positive perceptions of manager support, safety, and diversity, whilst the key themes for improvement centred around career opportunity, staff connectedness to the company's mission and goals, and communication.

The Group is continuing to deliver strategy to identify talent and increase transparency around career opportunities, developing a calendar of communication to continue improving the consistency and quality of company-wide communication, strengthening the linkage to our recently launched purpose and values, and exploring new ways to obtain employee feedback through more regular surveys.

DIVERSITY & INCLUSION

"We will encourage a diverse and inclusive work environment"



The Group recognises the importance of diversity and understands that by adapting to the differing needs of our teams, we will build stronger teams and create value for our customers and shareholders.

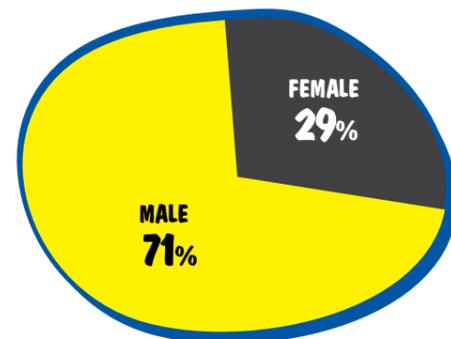
The Group's Diversity Policy outlines the initiatives designed to enable gender diversity - through talent and succession planning, recruitment and selection, and leadership development, underpinned by principles of equal opportunity to ensure a workplace free of unlawful discrimination and harassment.

The Policy also requires the setting and disclosure of measurable objectives to advance gender diversity within our business. These objectives include increasing the proportion of females in leadership positions across the organisation.

The following charts and table provide an overview of the gender composition across the Group as at 30 June 2020.

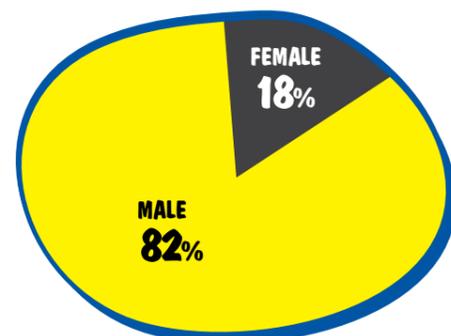


JB HI-FI LIMITED BOARD¹



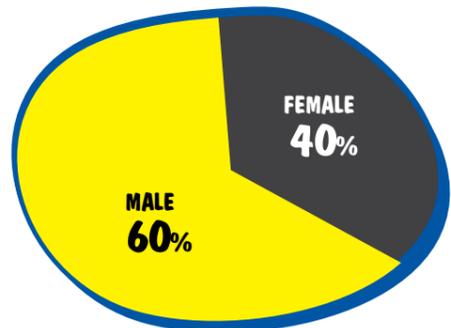
¹The retirement of Greg Richards on 30 June 2020 means that 33% (2 out of 6 directors) are now female.

SENIOR MANAGEMENT AND EXECUTIVE TEAM²



²Excludes Executive Director/Group CEO, and includes 7 Group Executive Team members and 50 next most senior managers in the Group

TOTAL GROUP EMPLOYEES



The measurable objectives in relation to gender diversity, and progress towards achieving them are set out in the table below:

| OBJECTIVE | JUNE 2020 | JUNE 2019 |
|---|-----------|------------------|
| To improve the percentage of female to male store managers | 17% | 16% |
| To improve the percentage of female to male territory/area managers | 17% | 17% ³ |
| To increase the percentage of female to male senior managers | 18% | 17% ⁴ |

³The percentage of female to male territory/area managers was incorrectly reported in the 2019 Annual Report as 18%.

⁴The percentage reported in the 2019 Annual Report was 13%, but revised methodology (being the methodology used for the Group's Workplace Gender Equality Agency reporting) has been used for 2020 and will be used in future years, so the 2019 figure has been restated accordingly.

In FY20, the Group has launched a Group Diversity Strategy for both the JB Hi-Fi and The Good Guys businesses to help drive progress in achieving its diversity objectives. This strategy is focussed on identifying and growing internal talent, underpinned by common and meaningful

competency-based criteria. The Group Diversity Strategy and associated program of work is fundamental to enabling diversity by supporting women's progression to leadership roles, and is further supported by work to identify and remove potential barriers to this progression.

During FY20 JB Hi-Fi and The Good Guys implemented the following initiatives to assist in achieving the Group's diversity objectives:

- Reviewed the gender composition of the workforce across both businesses, in particular the representation of women in leadership roles;
- Developed systems to enable regular reporting and assessment of progress towards the adopted gender diversity objectives, including gender diversity dashboard reporting;
- Introduced a Flexible Work Policy which formalised and extended the Group's practices in this area;
- Conducted annual gender pay gap analysis across all levels of the Group;
- Conducted a Group-wide employee survey with specific focus on diversity;
- Conducted focus groups to determine potential barriers to women's progression to leadership and/or return from parental leave;
- Conducted diversity and unconscious bias training facilitated by an external expert diversity advisor;
- Introduced compliance training setting out equal opportunity obligations and expectations of all employees and training to increase leaders' capability in managing parental leave and flexibility requests; and
- Implemented systematic talent mapping across key roles to highlight women with high leadership potential.

The Group also has the following programs and policies aimed at enabling greater diversity across its businesses:

- A paid maternity leave scheme across the Group;
- A Women in Leadership program for high potential female leaders; and
- A Domestic Violence Policy and paid domestic violence leave program.



Tikanga

In 2020 our JB Hi-Fi New Zealand (NZ) business launched an initiative to explore 'Tikanga', a Maori concept around culture and values, and how this could be integrated into the business to develop a sense of pride, ownership and purpose.

In Maori custom there is a waka, a large canoe that is big enough to transport the entire tribe. Our store managers met to discuss the importance of the waka, following which there was a focused discussion on how this concept could be used to inform the business's culture, values and behaviours both within support office and the broader store network.



Each manager has taken the Tikanga concept back to their teams and created a team waka, represented by artwork and kept with pride within each store's lunchroom.

In FY21 the Tikanga will continue to grow as all our teams integrate it into how we operate as a business. Each month, there will be focus on a different waka paddle, with teams able to share ideas and learnings through the company intranet.

Mana Wahine

'Mana Wahine' is the Maori term for 'strong woman' and has been adopted for the NZ businesses mentoring program for female leaders.

Through the program, a group of eight up-and-coming female leaders across the NZ store network and support office were identified and paired with a mentor.

Participants have developed new skills and knowledge, increased their network, fostered career vision, and overcome self-limiting mindsets. Mentors have also developed new coaching skills in the transfer of learnings and experiences to their mentees. Two of the program participants have since been promoted, and the business plans to open the initiative to all male and female NZ leaders in FY21.



Impact 21 is a pioneering work readiness initiative specifically designed for people living with Down Syndrome and intellectual disabilities. Its aim is to meet the learning and employability needs of people living with Down Syndrome by assisting in areas such as learning and development, health and fitness, workplace training and networking.

Last year, Impact 21 launched a 12-month Employment Readiness Pilot Program designed to help its participants gain meaningful and sustainable careers with national employers committed to workplace diversity and inclusion. JB Hi-Fi was honoured to be one of the program's founding partners, which involved participants attending 12 weeks of work experience at our JB Hi-Fi

Home South Wharf store to engage in on-site discovery, on-the-job training, and workplace coaching and mentoring. Program participants experienced work life in a fast-paced retail environment and were integrated and rotated through many of the day to day in-store merchandising and stock management operations.

An important aspect of the Pilot Program was our participation in Impact 21's 'Inclusion Confidence Development Program' – a program designed specifically for business leaders to develop knowledge and awareness on how to become successful employers of people living with down syndrome. At the end of the program, our teams have emerged more confident and aware on how to work with and support colleagues living with down syndrome.

We are pleased to welcome two new team members to the JB Hi-Fi family as a result of the Impact 21 Program. These two new recruits have accepted permanent roles in our store network and we look forward to seeing them grow and develop their careers with us.

Our purpose is to connect our customers with the products and services that will make their lives better. In doing this, our customers and employees expect us to do the right thing and to act ethically and responsibly.

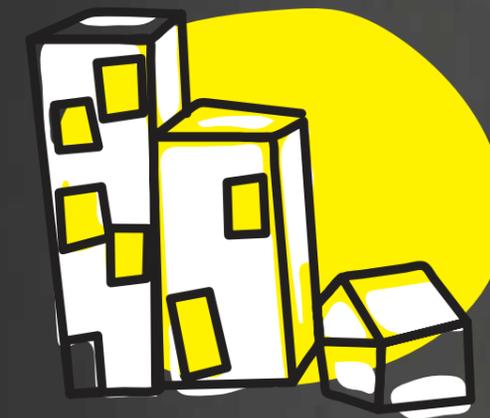
The Group achieve this through the following actions (together with the other actions set out in this Report):

- Maintaining an appropriate framework of policies and relevant training, to ensure we act ethically and with integrity at all times and comply with applicable laws and regulations;
- Establishing and disseminating our Group Code of Conduct, to ensure all persons employed or engaged by the group understand the ethical and behavioural standards that apply in all our daily business activities. These standards are fundamental to maintaining confidence in our brands and businesses;

- Maintaining appropriate information security policies and controls to ensure that personal information we handle is kept safe and secure;
- Maintaining the security and integrity of our payment card processing channels, so that our customers can confidently shop with us, knowing that when they transact with any of our brands or businesses, their credit card details are safe and secure at all times. All our payment card processes and controls are assessed annually against the PCI Data Security Standards (an internationally recognised set of card payment security controls developed by a global council of card payment schemes);
- Working closely with our suppliers and distributors to ensure all products offered for sale, comply with relevant Australian product safety and manufacturing requirements. Where products fail to meet these standards, we work pro-actively with our suppliers and store networks to ensure product recalls are executed swiftly and consumers informed; and
- Maintaining a Group Reportable Misconduct and Whistleblower Policy, so employees and suppliers are aware of what constitutes reportable misconduct, and are provided with safe and confidential avenues to report misconduct to us.



Earning and maintaining the trust of our customers is paramount to the on-going success of our business and is of critical importance to us. Whilst our values and code of conduct help inform our behaviours, we also operate an internal control framework to ensure we mitigate the risks to our business. The Group has established a Risk Management Framework and Policy, to ensure we continually assess the effectiveness of these controls. Further information on the Group's risk management and governance processes can be found in our Annual Report.



Creating Positive Impacts for our Communities

We believe it is important to give back to those communities within which we live and work. This reflects our values of caring about our people, our communities and the environment, which are inherent to the JB Hi-Fi and The Good Guys businesses.

4 OUR KEY FY21 PEOPLE AND CULTURE COMMITMENTS



Continuing to review and develop the on-going effectiveness of our Covid-safe controls



Continuing to improve the safety culture and performance across our businesses



Expansion of our mental health training to The Good Guys



Review our diversity strategy, and the effectiveness of our initiatives to increase gender composition within our leadership teams



Understand the flexible working needs of our teams, and look for new ways of working that supports both our people and business



Build on our company-wide communication and look for new ways to capture employee feedback

- **Community investment**

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- **Ethical sourcing**

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COMMUNITY INVESTMENT

"We will support social causes we value through our workplace giving programs"



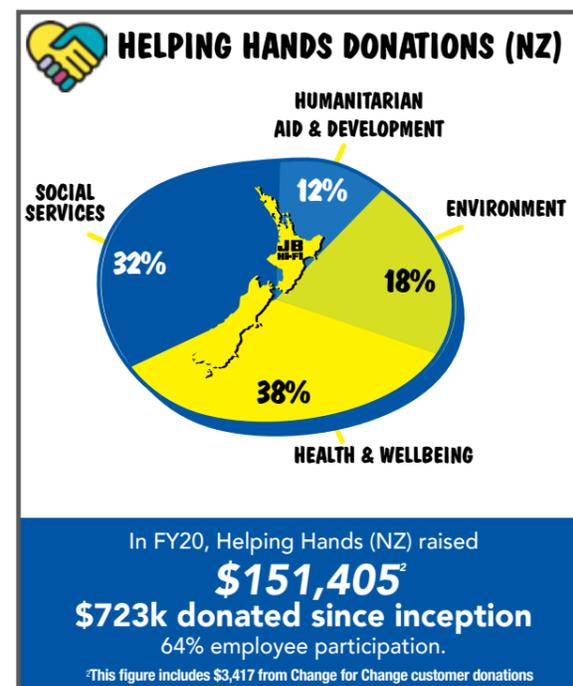
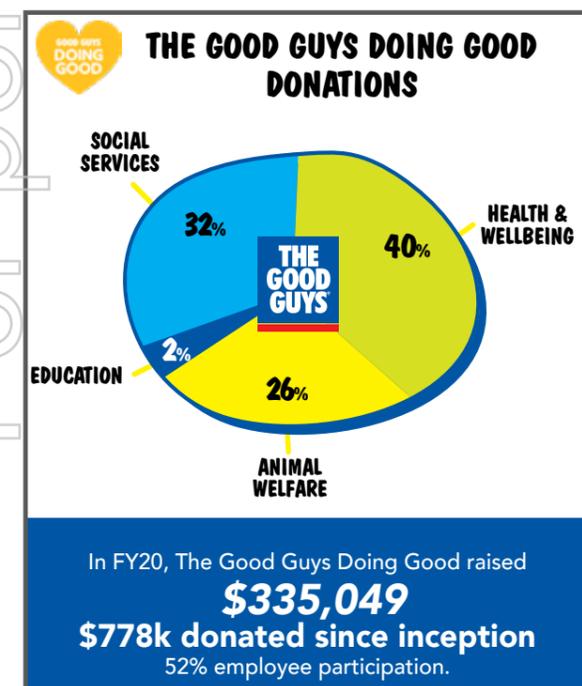
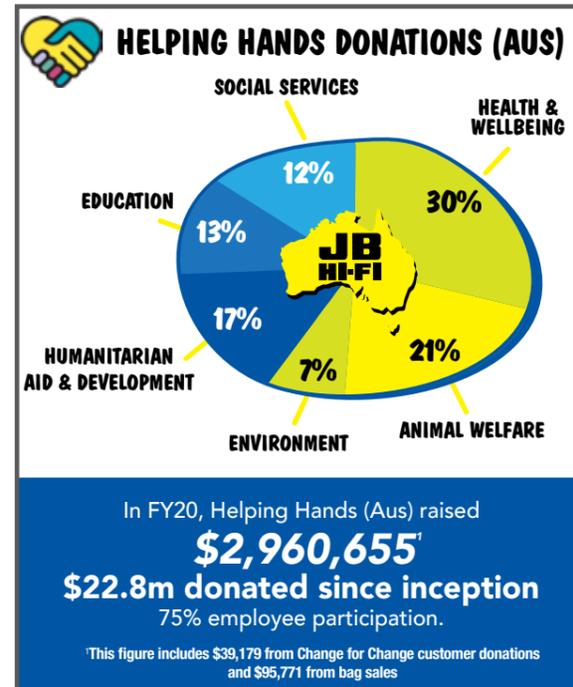
Photo courtesy of Matthew Smeal

Both JB Hi-Fi and The Good Guys are proud employer partners with Workplace Giving Australia.

This non-profit social enterprise advises employers on how to develop best practice corporate giving programs and advocates workplace giving as the most efficient way for working Australians to support charity.

Through this partnership, we connect with other employers engaged in workplace giving, charities who are recipients of workplace giving, and gain access to resources to continue to engage our team. We are exposed to different initiatives which enables us to better understand the challenges and successes other employers experience and use that knowledge when adapting and evolving our programs.

As a further sign of our commitment to workplace giving, our Group CEO chairs Workplace Giving Australia's "Employer Leadership Group", which was formed to generate awareness of the benefits of workplace giving programs across Australian businesses.



During FY20, JB Hi-Fi was honoured to be recognised with three awards at the annual Workplace Giving Australia Excellence Awards: A bronze award for 'Best Overall Program, silver for 'Most Innovative Charity / Employer Partnership Program' and Gold for 'Most Unique Innovation'.

These awards reflect the commitment our employees have towards creating positive social and environmental change, and most importantly, enable us to continue to contribute to building a more compassionate society.

Founded in 2008, The Helping Hands program has been embraced by JB Hi-Fi staff since its inception. Charity partners are selected by surveying our team members to learn about the causes that are important to them. Team members are then able to select charity partners to support via regular pre-tax donations through their salary remittances at an amount that they nominate. Employee donations are matched dollar for dollar by the company. The program is completely voluntary and team members can opt in or out at any time.



The Helping Hands program approaches giving through long-term partnerships (circa 5-10 years) with small to medium sized charities. An advisory committee comprising diverse representatives from across our businesses meet periodically to contribute ideas for in-store awareness, fundraising campaigns and new charities. The committee recommends charity partners whose values align with those of our people.

Other sources of fundraising come from 'change for change' - a customer focused initiative where donation boxes are located throughout the JB Hi-Fi store network; and through the sale of JB Hi-Fi plastic and re-usable bags in Australia.

In FY20
\$42,596 & **\$95,771**
raised through 'Change for Change' & raised through bag sales
were split evenly between our Helping Hands Australian charity partners.

Social consciousness and a desire to support Australian families 'live better' has been one of the defining values of The Good Guys business for over 30 years.



In 2017, The Good Guys launched its 'Doing Good' workplace giving program. Doing Good aims to enhance the wellbeing of Australians through initiatives, actions and organisations that have a positive and sustainable impact. It addresses a number of pressing social problems while assisting those in the community who need a helping hand, through 12 community partnerships across Australia.

Community partnerships are selected by our team members, with many of these, representative of the local communities within which our teams live and work. Team members support their preferred charity via regular pre-tax donations that are matched dollar for dollar by the company, and can opt in or out at any time.

1 JB HI-FI GETTING CREATIVE TO GIVE A HELPING HAND

At the heart of our workplace giving programs are our people, whose commitment goes beyond financial support. Each year since 2011, JB Hi-Fi has hosted a unique fundraising event that highlights the creativity of our team members.

This year, in Australia the challenge was to create a limited-edition postcard for The Song Room, a national not-for profit organisation that brightens the futures of Australia's most disadvantaged children through music and arts education programs. All JB Hi-Fi team members were welcome to submit entries, with the winning four designs selected by the Helping Hand's Committee.

This year's theme was 'Getting the Band Together'. Leveraging our great heritage in music and access to an extensive range of CD's and Vinyl, staff promoted The Song Room and the limited-edition post cards to customers over 5 weeks, featuring different musical genres each week.

This year we raised an amazing **\$159,202** for The Song Room through our helping hands fund-raising campaign.



The 4 winning limited-edition postcards



Tuggerah Store dressed for Punk Day



Store created artwork

Similar one-off fund-raising campaigns are undertaken in New Zealand. This year, a Super Heroes post card challenge raised NZD\$10.5k for Plunket – a NZ support service for the health and well-being of children under five; and NZD\$13k raised for Music Helps (a social enterprise that supports healthcare, at-risk vulnerable people and community development) through the sale of t-shirts.



The 3 winning limited-edition post cards



Store team dressed as superheroes



Music Helps T-Shirt promotion

2 MY ROOM

Founded in 1992 by a group of three families touched by childhood cancer, My Room is a volunteer led organisation working to support patients and families affected by childhood cancer. My Room's aim is working towards a 100% cure rate for all childhood cancers.

JB Hi-Fi is proud to support the important work of My Room. We have supported the My Room Gala Ball raffle, lucky dip and silent auction in 2018 and 2019. At

the August 2019 Ball our support raised \$90,591, with pledges and the purchase of a marketing package, an additional \$75,000 was contributed.

Our total support for FY20 was **\$165,591** together with FY19 our support of My Room has totalled \$290,241.

3 DISASTER RELIEF



Last summer Australia suffered its most devastating bushfire season on record. Like all Australians, we watched on helplessly at the loss of life, property and wildlife.

Our hearts go out to those affected by this unprecedented natural disaster. Please see the Climate Action section of this report for our commitments relating to climate change.

In response, the Group raised funds of

\$557,853

in Australia and New Zealand through a customer and employee fund-raising campaign for the Australian Red Cross and a selection of animal welfare charities.

4 RECYCLING E-WASTE FOR E-MEALS



This year JB Hi-Fi and The Good Guys were honoured to be the first retail partners of eMeals, an exciting new recycling initiative which also delivers meals for people in need.



The eMeals program is an initiative created by digital recycling platform, Ecoactiv, and social enterprise, PonyUp for Good. It seeks to address two pressing issues within our community – eWaste, (the fastest growing waste stream in Australia) and food insecurity caused by poverty.



The eMeals program provides a pick-up service for unwanted and used technology and delivers equipment directly to accredited recyclers. Every booking enables PonyUp for Good to donate the equivalent of five meals to SecondBite, Australia's largest fresh food rescue charity, redistributing surplus food to over 1400 community food programs on the frontline of food poverty around Australia.

The eMeals program launched internally on 5 June 2020 and together we have set a target of donating 1 million meals to SecondBite through the program. As at 30 June, our customers have diverted 1,733 kilograms of technology from landfill and donated 660 meals to vulnerable Australians.

5 OUR KEY FY21 COMMUNITY COMMITMENTS



In response to our team's growing passion and concern for the environment and climate action, in FY21 the Helping Hands program will be announcing its newest environmental charity partner. Adding another environmental charity reflects the importance our team places on this issue and the new partnership will present additional opportunity to make a positive environmental impact

5 IMPACT DATA – HELPING HANDS CHARITIES

Donations from the Helping Hands and Doing Good workplace giving programs contribute to a wide range of programs supporting the most vulnerable in our community. Below is an example of just some of the impacts that our charity partners have made:



AWLA

Cared for over 60,000 animals in need through treating, sheltering, rehoming, reuniting and enrichment.



BUSH HERITAGE

Planted 36,000 trees towards its largest ever revegetation project of one million trees and began restoring its bushfire-affected reserves.



THE FRED HOLLOWES FOUNDATION

Screened 13,473 people in remote and underserved communities and supported 1,307 surgeries to restore sight.



KIDS UNDER COVER

Built more than 100 studios and provided over 500 scholarships to keep young people connected to education.



REDKITE

Supported 118 families of children with cancer, providing essential emotional, practical and financial support.



REACH OUT

Developed wellbeing resources in response to COVID-19 that were accessed by over 142,000 people and prevented an estimated more than 300 fatal suicides.



MCAULEY COMMUNITY SERVICES FOR WOMEN

Helped keep over 1000 women and children safe from family violence and homelessness.



THE SONG ROOM

Provided music and arts-based education programs to over 16,000 young people in Australia, helping to improve academic performance, literacy, attendance and well-being.



OXFAM

Reached 19.5 million people in 79 countries to provide life-changing support, tackling poverty and injustice.



MEDECINS SANS FRONTIERES

Vaccinated 361,079 children in the Central Africa Republic, assisted with 60,000 deliveries in Afghanistan, and treated 300,000 children for malnutrition and malaria in Niger.



PLUNKET

Conducted 191 parenting courses and have helped over 1,500 parents and caregivers in the New Zealand Northland area.



FOREST AND BIRD

Progressed key environmental and wildlife conservation initiatives relating to New Zealand wetland and freshwater protection and vulnerable native species.



YOUTHLINE

Helped support the free National Helpline Service and face to face counselling sessions for 150 young clients, training 20 volunteers for the Helpline so they can support young people by phone and text.



KENZIES GIFT

Supported 40 families with one on one therapy sessions and distributed 300 resource packs.



SHELTER BOX

Essential items such as shelter kits include tarpaulins, toolkits, kitchen sets and household items distributed to over 2000 families effected by Cyclone Harold in Pentecost Island, Vanuatu.



HEARTKIDS

Provided one on one support on over 10,000 occasions for infants, children, teens, adults and their families impacted by Congenital Heart Disease.



EDCONNECT

1,393 EdConnect Volunteers contributed over 2,300 hours to over 16,200 students with schools reporting a 100% increase in students' self-esteem.



BERRY STREET

Provided family violence support services to tens of thousands of vulnerable families and support to children that have experienced trauma.



DANIEL MORCOMBE FOUNDATION

Experienced a record number of people (1.3 million) participating in Australia's largest child safety awareness and education day.



PERTH CHILDREN'S HOSPITAL FOUNDATION

19,504 children enjoyed respite from hospital life through Perth Children's Hospital Foundation Fun on Four precinct- providing them with access to the healing nature of play.



SOLDIER ON

Facilitated 79 new psychology referrals and 800 new participants in its Pathways to Employment & Education Program.



RSPCA AUSTRALIA

Cared for over 124,000 animals in shelters and investigated over 58,000 animal cruelty complaints.



ORANGE SKY

Provided over 38,000 loads of laundry, 5,000 safe hot showers, and most importantly almost 63,000 hours of conversation.



PROSTATE CANCER FOUNDATION OF AUSTRALIA

Continued funding world class research with an additional \$1M invested into three new Australian research projects.



KICK START FOR KIDS

Served 60,000 breakfasts a week and 10,000 sandwiches for lunch across 380 schools to underprivileged children.



WHITELION

Supported 2,394 young people, facilitated 284 mentoring matches and created 138 job placements.



MCGRATH FOUNDATION

Placed 13 new McGrath Breast Care Nurses in communities across Australia, providing free support to 11,205 individuals and their families experiencing breast cancer.



ETHICAL SOURCING



“We will work with our partners to protect and further human rights, improve working conditions and strive to ensure what we use and sell is sourced ethically”

The Group recognises the importance of sourcing responsibly, and the potential social and environmental impacts that our purchasing decisions can create.

We welcomed the introduction of the Modern Slavery Act in Australia and support the Universal Declaration of Human Rights.

In FY20, we made significant progress towards responsibly managing risks in our supply chain.

The supply chain for consumer electronics is vast, complex and can span across multiple countries. There may be a large number of third-party suppliers that contribute to the construction of a laptop, phone, or television. Tracing the supply chain for certain products

can be very complex: from the technical design to the minerals extracted from the ground, the fabrication of the materials to the construction and testing of the electronic components, and the final assembly, packaging and shipping.



Our Ethical Sourcing Policy (the Policy) released this year outlines the minimum standards we expect of our suppliers' labour, safety, environmental and ethical practices. The Policy is designed to uphold worker rights and minimise unnecessary adverse impacts on the environment. It is informed by internationally recognised frameworks, including the United Nations Guiding Principles on Business and Human Rights, the Ethical Trading Initiative (ETI) Based Code, and the International Labour Organisation (ILO) fundamental conventions concerning rights at work. The Policy design also took into account consultation with key stakeholders such as suppliers and specialists within the area of human rights.



To support the implementation of this Policy, the Group established an Ethical Sourcing Framework, comprising the following components:

1 RISK ASSESSMENT AND DUE DILIGENCE

We employ a risk-based approach to supplier due diligence that considers the country of origin, type of product or service, spend level, degree of our reliance on the supplier, characteristics of the supplier's operations, and the level and effectiveness of supplier oversight concerning its operations and supply chain.

This approach helps us prioritise effort and resources when undertaking supplier due diligence. The table below outlines our stepped approach to due diligence. The extent of due diligence is determined by the risk level (high, medium or low) assigned to each supplier. The Group undertakes all six due diligence steps for

suppliers of product or services that are considered as private label to the Group.

2 SUPPLIER ENGAGEMENT

Our suppliers range from large multinational 'big brand' companies to smaller product and service providers, each with varying maturity of processes and controls to manage social compliance risk in their operations and supply chain. Our Ethical Sourcing Policy emphasises our desire to engage constructively with all suppliers on these issues, and to support continuous awareness and improvement in the pursuit of positive social and environmental outcomes.

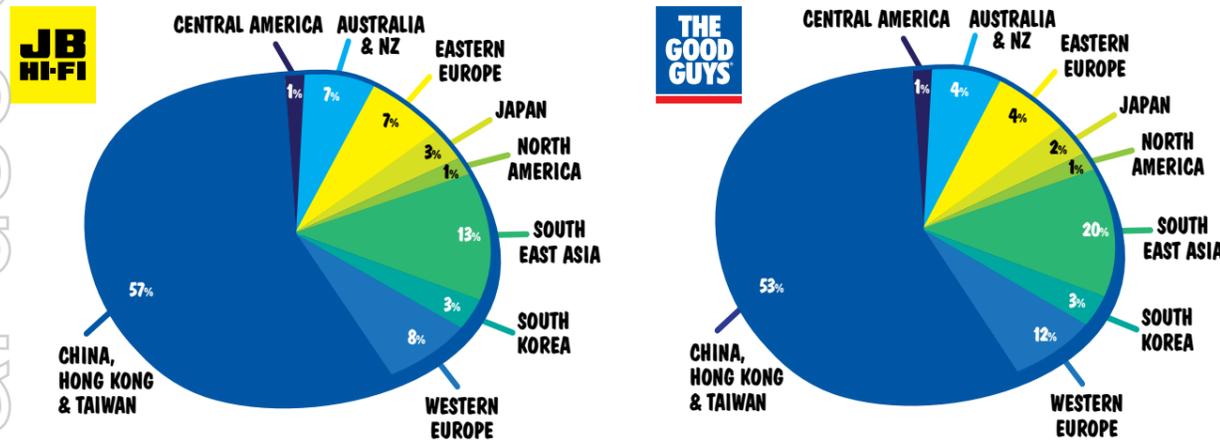
| ETHICAL SOURCING DUE DILIGENCE | | SUPPLIER RISK LEVEL | | |
|--------------------------------|--|---------------------|-----|------|
| | | LOW | MED | HIGH |
| 1 | Supplier ethical sourcing risk assessment | ✓ | ✓ | ✓ |
| 2 | Issuance of group ethical sourcing policy | ✓ | ✓ | ✓ |
| 3 | Ethical sourcing policy included within terms of trade | ✓ | ✓ | ✓ |
| 4 | Issuance of Ethical Sourcing Self-Assessment Questionnaire | | ✓ | ✓ |
| 5 | Social compliance audit conducted | | | ✓ |
| 6 | Review of corrective actions | | | ✓ |

As a retailer, we believe it is important for us to understand the country of origin and the conditions and work practices in the factories where our products come from. Factories operating in countries which are more susceptible to human rights violations and with lesser levels of worker protection and governance, are considered to be of higher risk. We expect suppliers operating in these jurisdictions to have adequate controls to identify and mitigate the risk of modern slavery. Given the complexity of the supply chain for some of our supplier's products, we have focused our

efforts on understanding the country of final assembly of our top spend suppliers, whilst engaging with our suppliers and partners to build awareness of issues deeper in the supply chain.

Throughout the year we engaged all of our top spend suppliers to map the country of final assembly for products and the country of origin for services. The results of this work and the geographic distribution of our trade supply chain for each of our brands are outlined in the charts below.

TRADE SUPPLY - FINAL ASSEMBLY LOCATION BY REGION



The 2018 Global Slavery Index and the United Nations estimate approximately 40 million people are affected by modern slavery globally, with a large proportion within the Asia Pacific Region.

Given our reliance on electronics supply chains within the Asia Pacific Region, the Group recognises that modern slavery presents a material risk to our industry. Whilst the risk is lower in Australia, we are also aware that slavery can exist closer to home. As a result, we ensure that our supplier due diligence and engagement on this issue extends across all our supply chains, both international and domestic where the risk of slavery may be inherently higher (E.g. due to the use of foreign migrant workers, lower-skilled, or young workers).

Applying our risk-based approach, we have begun prioritising suppliers for further due diligence.

The results of these self-assessments will assist us in better understanding both the characteristics of our supply chain, as well as the level and extent of controls in place to mitigate adverse labour and environmental impacts, inclusive of modern slavery.

We expect to receive the results of these self-assessments later this year, which will inform the next phase of our due diligence process - ensuring that appropriate social compliance audits and the oversight of corrective actions to comply with our ethical sourcing policy are in place where necessary.



During FY20 we issued **615 ethical sourcing self-assessments**

to suppliers in supply chains where the risk of slavery could be inherently high.

3 BUILDING CAPABILITY AND AWARENESS

In 2019, we became the first Australian retailer to join the Responsible Business Alliance (RBA). The RBA is a global non-profit industry coalition comprised of companies committed to supporting the rights and well-being of workers and communities.

Through the RBA, we are able to gain access to an alliance of global retail peers and consumer electronics suppliers, industry advocacy, thought-leadership, and training and assessment tools that help inform our Ethical Sourcing Framework.

Some of our international suppliers have sophisticated and mature ethical sourcing policies and processes. During the year, we engaged with some of these suppliers to help build our awareness of current and emerging sustainability-related matters within global supply chains. This process has enabled us to ensure our approach is prudent, pragmatic and tailored appropriately to each supplier.

Shortly after the release of our Group Ethical Sourcing Policy, we delivered training to all our senior managers, buyers and procurement managers that included awareness of the risks of modern slavery in our supply chains. We will continue to look for opportunities to build capability, expertise and awareness as our ethical sourcing program evolves.

In FY20 we trained **113 JB Hi-Fi and The Good Guys buying team members** on modern slavery.

4 GOVERNANCE AND OVERSIGHT

The Group's Ethical Sourcing policies, processes and progress are reviewed and monitored by a working group chaired by a member of the Group Executive. Further oversight is provided through bi-annual reporting provided to the Audit and Risk Committee.

5 OUR FY21 ROADMAP

In FY21, we will seek to further evolve and improve our Ethical Sourcing processes by undertaking the following actions:



A review of our Ethical Sourcing Policy to take account of recent developments and learnings



A review of the effectiveness of our actions taken to date



The Group will submit its Modern Slavery Statement in line with the requirements of the Modern Slavery Act, and guidance set out by the Federal Government



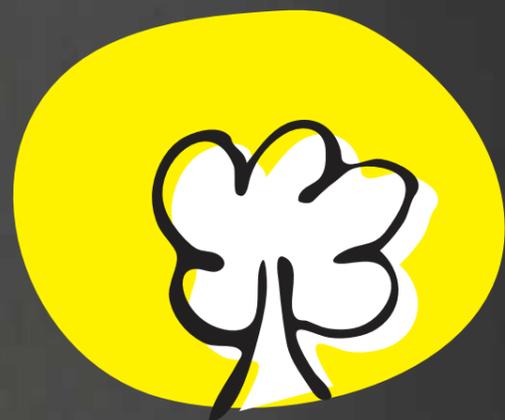
Review the results of supplier self-assessments issued in FY20 and, where necessary, further engage with our suppliers on the execution of social compliance audits and the oversight of corrective actions



Continue to learn and build capacity and awareness both internally and with our key suppliers on pertinent social and environmental risks and opportunities within the supply chain



Develop and implement a supplier-facing Packaging Policy, leveraging the Sustainable Packaging Guidelines issued by the Australian Packaging Covenant (For more information please refer to Sustainable Packaging section of this report)



Our Environment

We recognise our obligation to minimise the impact of waste generated by our operations on the natural environment, wildlife, and emission of greenhouse gases.

- Product & waste recycling
- Climate action

PRODUCT & WASTE RECYCLING



"We will minimise the waste we create and encourage responsible recycling"

This year we have made progress to reduce the usage of plastic bags, engaged with one of our key suppliers to develop more sustainable packaging for our private branded products, and launched a dedicated e-Waste collections service for customers.

1 PRODUCT PACKAGING

Reducing the use of JB Hi-Fi Plastic Bags

In February 2020 JB Hi-Fi changed its bag policy and launched a re-usable \$1 bag as well as a 15c user-pays plastic bag option in Australia. The Policy was designed to disincentivise the use of the plastic bag and hence minimise the adverse impact on the environment caused by soft plastics.



Our plastic bag usage has dropped by

72.5% ↓

We handed out

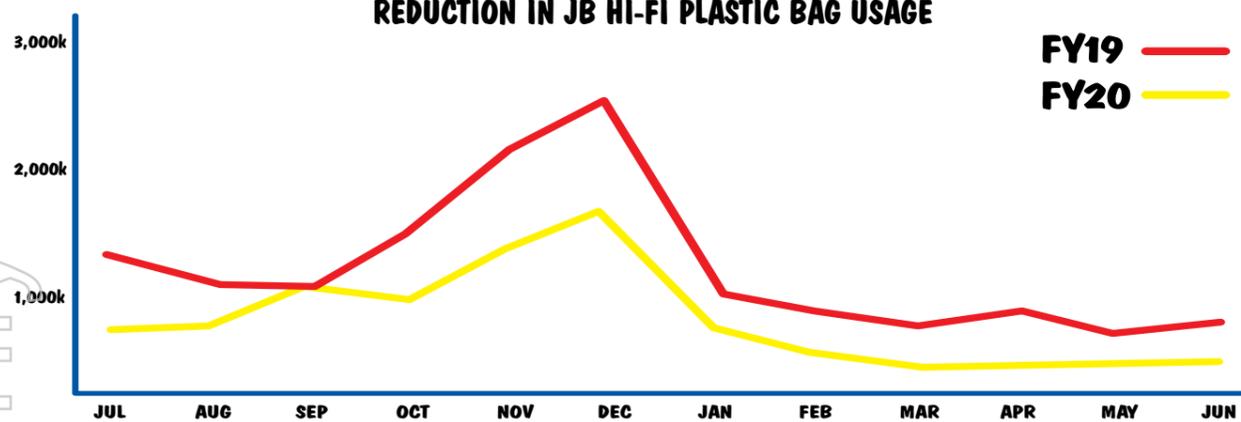
6 million fewer

plastic bags in FY20 vs FY19 (A reduction of 38.8% and equivalent to 59.1 tonnes of plastic waste).

\$95,771

worth of proceeds from plastics bags have been donated equally amongst our Helping Hands Charities.

REDUCTION IN JB HI-FI PLASTIC BAG USAGE



The Group continues its support of the REDCycle Program, a recovery and recycling initiative comprising consumer drop off points for soft plastics across Australia and New Zealand. All new JB Hi-Fi plastic bags promote the REDCycle Program, indicating our bags can and should be recycled.

The JB Hi-Fi New Zealand and The Good Guys businesses utilise recyclable paper bags, with JB Hi-Fi New Zealand also offering a \$2 reusable bag.

2 SUSTAINABLE PRODUCT PACKAGING

Packaging of product for the end consumer, and within the logistics supply chain, generates waste. In order to reduce waste from packaging, we will be focused on reducing the use of unnecessary packaging and improving the recyclability of packaging utilised within our private branded products, as well as the packaging utilised within our supply chain logistics and delivery networks.



100% recyclable packaging developed for our XCD private label brand

In FY20, the Group engaged a key supplier to undertake a sustainable packaging pilot project, designed to achieve the following key objectives:

1. *Improve recyclability and reduce the use of unnecessary materials in the packaging of selected XCD private label product lines;*
2. *Align labelling with the Australasian Recycling Label standards to improve clarity for consumers on how to correctly recycle packaging for kerbside pickup;*
3. *Look for more sustainable ways to package and protect product through the logistics supply chain journey; and*
4. *Establish an engagement model that can be applied to other suppliers in order to improve packaging sustainability.*



As at 30 June 2020, we were in the process of finalising the implementation of 100% recyclable packaging for a selected private label product line. Following this we will engage our suppliers to develop a road map in moving toward 100% recyclable packaging across more private label product lines over time.

In FY21 we will use the learnings from our pilot project to develop a Group Sustainable Packaging Policy. This Policy will assist us in engaging our suppliers to improve packaging sustainability and will also include adoption of the Australasian Recycling Label (ARL) across our private brand products, whilst encouraging the ARL principles to be adopted by our branded suppliers.

The Group is a member of the Australian Packaging Covenant (APCO) and we report annually to APCO on the progress and actions we are taking to improve the sustainability of our packaging.



3 OPERATIONAL WASTE RECYCLING

Waste that is buried in landfill contributes to generating greenhouse gas (GHG) emissions, and so increasing our diversion of waste from landfill into recycling will be an important part of our overall approach to climate action going forward.

On average we recycle 50% of waste from our stand-alone store network (i.e. stores not embedded in a shopping centre) across both brands. Operational processes and systems are in place to facilitate the recycling of cardboard, paper, and polystyrene waste, as well as soft plastics used for in-store merchandising.

In South Australia (SA), all general waste from our store network undergoes treatment through our waste provider Suez, to produce Process Engineered Fuel (PEF), a fossil fuel replacement. PEF, along with the cardboard recycling at the stores results in

100% waste diverted from landfill in SA.

In FY21 we will seek to establish improvement targets and actions for our waste diversion and recycling rates.

4 HELPING OUR JB HI-FI SOLUTIONS CUSTOMERS RECYCLE



In FY20 JB Hi-Fi Solutions launched a range of asset disposal services to help its commercial customers responsibly dispose of end of life technology. The new suite of services includes on-site collection, recycling through accredited providers, trade-in and re-use of assets within the circular economy where possible.

5 CIRCULAR ECONOMY AND RE-USE

e-Waste is now the fastest growing waste stream domestically and has been banned in landfill within certain states in Australia. Ninety percent of e-Waste can be salvaged and re-used.

Operational processes are in place to facilitate the salvage and re-use of unwanted technology from both our own operations and items not required by customers.

In June 2020, the Group was the first retailer to partner with social enterprise, Pony Up for Good, to launch an exciting new recycling initiative – eMeals, which also delivers meals for people in need. The initiative offers a dedicated e-Waste pick-up service that is not dependent on the sale and delivery of a new product and can be arranged by any household in Australia at any time.



This process delivers a minimum of 95% diversion from landfill and means these precious resources are re-introduced back into the manufacturing process, reducing toxic chemicals from our e-waste ending up in landfills and waterways whilst simultaneously reducing our reliance on virgin materials.

(Further information on the eMeals initiative is included within the Social Impact section of this Report).

Metals, glass and plastics are manually separated and sent to local downstream specialist recyclers.



Printer Cartridges

The Group is a Cartridges for Planet Ark collection partner. This program enables consumers to drop off used printer cartridges in our stores, where they are collected and returned for recycling and remanufacturing, ensuring landfill is avoided.



In FY20 we
collected 30,119 cartridges

from our operations and customers on behalf of the cartridges for Planet Ark collection program.

Second Hand Games are a good example of the circular economy at work. Many second-hand games are sought after by second hand games collectors. This secondary market prolongs the useful life of physical gaming discs and minimises the landfill impact of these games. In order to enable the trade in of games for credit, JB Hi-Fi holds second-hand dealer licenses in each state of Australia.



6 OUR FY21 PRODUCT AND WASTE RECYCLING COMMITMENTS

Whilst progress has been made, we acknowledge there is still room for improvement both within our own operations and through our supply chain.

In FY21 we will undertake a strategic review and evolve our approach to reducing our waste footprint. Our review will include:



Developing strategic objectives and establishing measurable targets to improve waste diversion and recycling across all our waste streams



Improving operational processes and culture to optimise sorting and recycling behaviours through training and awareness



Validating the completeness and accuracy of the reporting of waste and recycling through each stream, in order to improve the disclosure of our performance



Looking for new ways to reduce waste and promote the circular economy



Developing and implementing a Group Sustainable Packaging Policy, applicable to all our supply partners

CLIMATE ACTION

"We will monitor and reduce our energy consumption and greenhouse gas emissions"



The Group recognises the importance of the targets set by the Paris Agreement to limit global temperature increase in this century to 2 degrees Celsius above preindustrial levels, whilst pursuing means to limit the increase to 1.5 degrees Celsius.

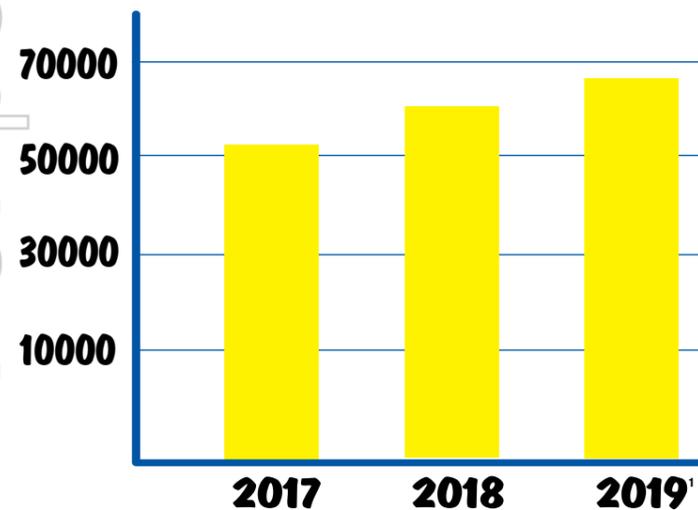
Over the past 3 years we have pursued initiatives to improve our energy efficiency (such as the installation of LED lighting across our store network), and we recognise that acting with a sense of urgency around climate

action is important to our teams and the communities in which we live and operate. Going forward, we will take a pro-active approach to reducing the energy consumption and emissions within our operations and supply chains.

1 EMISSIONS AND ENERGY

The Group is committed to transparency and discloses its GHG emissions annually via the CDP (formerly the Carbon Disclosure Project) and the Australian Government's National Greenhouse and Energy Reporting Scheme (NGERS).

JB HI-FI LIMITED SCOPE 1 AND 2 EMISSIONS (T CO2-E)



(SOURCE: NATIONAL GREENHOUSE AND ENERGY DATA)

The majority of our greenhouse gas (GHG) emissions resulting from our business operations come from the electricity used to power our store and warehouse network. In addition, we consume natural gas for heating, fuel associated with our company-leased cars, as well as domestic and international business travel.

This year, we began the roll-out of our home delivery centres, which services the home delivery of big and bulky goods to both JB Hi-Fi and The Good Guys customers. By increasing the geographical density of our delivery logistics network, these centres present new opportunities to reduce the distance travelled and fuel consumed to service our home delivery customers.

¹Scope 1 and 2 emissions for 2020 was not available at the time this report was published and will be submitted to the National Greenhouse and Energy Reporting Scheme by 31st October 2020.



Solar Panels on top of our Melbourne Home Delivery Centre

Additional opportunities exist to utilise solar panelling on our large warehouses. This year we began generating energy from a solar grid on the roof of our new Melbourne home delivery centre. The solar grid contains 303 panels and covers a roof area of 594 square meters. With a generation capacity of 99 kWp it is estimated the grid will generate 125 MWh electricity per annum, which will be used to power the warehouse, with the added capability to feed excess power back into the national grid when available.

In FY20 we implemented an Ethical Sourcing Policy that outlines our minimum standards around environmental management, applicable to our supply chain. Our standards require our suppliers to implement appropriate systems and processes to minimise pollution, reduce the consumption of finite resources, and look for ways to reduce their GHG emissions.



2 OUR FY21 CLIMATE ACTION COMMITMENTS

We will adopt the key recommendations of the Task Force for Climate Related Disclosures (TCFD) and implement the following:



A strategic plan with measurable targets to reduce our carbon emissions over time, taking into consideration the recommendations established by the Paris Agreement, and The Intergovernmental Panel on Climate Change



A periodic risk and opportunities assessment to review the Group's energy consumption and reduction activities, assets that may be exposed to climate change, potential impacts, and current and emerging risks relating to climate change more broadly



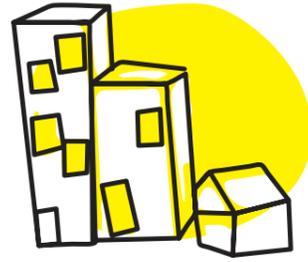
Governance and oversight of our strategic plan and progress against the targets we set

OUR FY21 SUSTAINABILITY COMMITMENTS SUMMARISED



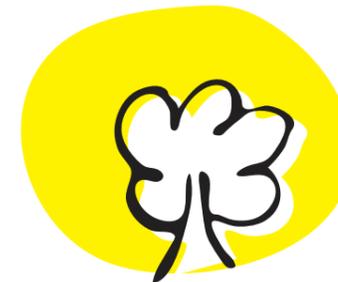
Our People & Culture

- Ensure our workplace and shopping environments remain COVID-Safe
- Continue to improve the safety culture and performance across our businesses
- Expansion of our mental health training across the Group
- Review our diversity strategy, and the effectiveness of our initiatives to increase gender composition within our leadership teams
- Understand the flexible working needs of our teams, and look for new ways of working that supports both our people and business
- Build on our company-wide communication and look for new ways to capture employee feedback



Our Communities

- Expansion of our community investment to an environmental cause that is important to our teams
- Further supplier engagement and due diligence with respect to human rights and ethical sourcing



Our Environment

- Develop plans and targets, to reduce our carbon emissions, and improve our rates of waste diversion and recycling
- Develop and implement a Sustainable Packaging Policy and engage with suppliers to obtain more sustainable packaging outcomes in the logistics supply chain
- Validate and improve how we measure, report and disclose our GHG emissions, waste and recycling performance



Sustainability Disclosure

- Evolve our sustainability disclosure to deliver meaningful and transparent reporting of progress



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