

Super Retail
Group



2019

SUSTAINABILITY REPORT

Inspiring you to live
your passion



SUPERCHEAP
AUTO

rebel

BCF

macpac



About Us

Super Retail Group (ASX:SUL) is the proud owner of four iconic brands: Supercheap Auto, Rebel, BCF and Macpac, and is one of Australia and New Zealand's largest retailers. Each of our powerful brands have established market leading positions in growing high involvement lifestyle categories of auto, sports and outdoor leisure.

One of our unique differentiators is our passionate and capable team of more than 12,000 team members. All of us are committed to delivering on our purpose of providing solutions and engaging experiences, which inspire our customers to make the most of their leisure time.

We provide our customers and highly engaged 6.1 million active loyalty club members with the option to experience our brands whenever and however they choose – whether that's via our network of 690 stores or via our digital capabilities, which we continue to invest in and enhance.

ABOUT THIS REPORT

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. It covers our operations in Australia, New Zealand and China, including our store network, support offices and distribution centres for the period 1 July 2018 to 30 June 2019 (unless noted otherwise). We have noted where data is not available or

incomplete. All financial figures are reported in Australian dollars, unless otherwise specified. Detailed information on our financial and economic performance can be found in Super Retail Group's 2019 Annual Report. Sustainability reports from previous years are available on our website: www.superretailgroup.com.au.

Your feedback is important to us

We welcome your feedback and comments on this report. Please feel free to contact our team via:

Group Sustainability,
Super Retail Group
email: communications@superretailgroup.com
tel: +61 (0)7 3482 7900

Table of Contents

CEO's Message	3
FY19 Sustainability Highlights	4
Our Business	5
Our Brands	7
Our 2030 Sustainability Strategy	9
Materiality – Focusing On What Matters	11
Acting With Integrity	13
Passionately Supporting Our Team	21
Caring For Our Natural Environment	29
Sustainability Governance	36
Appendices	37

CEO's Message



DEAR SHAREHOLDER

At Super Retail Group, we are committed to social, ethical and environmental initiatives that benefit our team, investors, customers, trade partners and the communities in which we operate.

Creating cohesion between economic stability and environmental sustainability is a fundamental expectation of businesses that operate in a global economy.

Our customers want to deal with businesses that act responsibly. Our investors care where and how their money is invested. Our team care about where our products come from and who and what is impacted in that process.

The three pillars of our sustainability strategy reflect the areas where we believe we can have the greatest impact:

- **Acting with integrity** – supporting communities that support us by doing business responsibly
- **Passionately supporting our team** – encouraging our people to live their passion and share it with our customers
- **Caring for our natural environment** – reducing our impact and protecting the environment that enable our outdoor passions.

We are motivated to meet increasing expectations by doing our fair share to address complex global social and environmental challenges, such as human rights and fair working conditions, sourcing products in a responsible way, and reducing our carbon footprint.

This year, our trade partners were provided greater clarity about our expectations for addressing global social and environmental factors

in our supply chain. This includes sourcing products in a sustainable and responsible way, respecting human rights and fair working conditions, and managing our environmental impact in the sourcing process.

For our team, we continued to improve our safety performance, increase the percentage of women in leadership roles, and deliver greater investment in learning and development.

A disappointing note in FY19 was the identification of an underpayment of our retail managers.

The issue reflects the same problem we uncovered with our Set Up team members in FY18. We found that while retail managers' base salaries were correct, not all overtime hours worked were paid according to the General Retail Industry Award. Additionally, some allowances required under the award were not paid. They are both serious underpayments that we deeply regret and we apologise to our team members who have been affected. The Group will make back payments to all impacted team members.

To ensure ongoing compliance, we have introduced an increased level of governance, including quarterly audits of our employment arrangements. We are confident that we have the controls in place to detect the sort of anomalies that may occur from time to time in an organisation of our size.

Within our brands, we focused on matters most relevant to our

customers. This included recycling oil and car batteries in Supercheap Auto, supporting women in sport in Rebel by partnering with Australia's major sporting codes, protecting and restoring waterways and fish habitats in BCF, and focusing on sustainable apparel in Macpac.

This year, we also enhanced the long-term direction of our sustainability strategy by aligning future initiatives to the United Nations Sustainable Development Goals (SDGs), which provides a global framework so business, governments and the broader community can pull in the same direction. We became a signatory to the United Nations Global Compact (UNGC) and support its Ten Principles. We contribute to the UN SDGs through our operations, products and supply chain and, in this report, we share our performance against the UNGC core values.

Going forward, I look forward to building sustainable practices across our businesses, supporting our long-term viability and making real change to the social and environmental issues that we all care about.


Anthony Heraghty
Group Managing Director and Chief Executive Officer

FY19 Sustainability Highlights

ACTING WITH INTEGRITY



BECAME A SIGNATORY TO THE UNITED NATIONS GLOBAL COMPACT



SUSTAINABILITY LEADER
Listed as a Sustainability Leader in the Australian retail sector



SUSTAINABILITY DISCLOSURE
Recognised by the Australian Council of Superannuation Investors (ACSI) as 'Leading' among our ASX-listed peers for sustainability disclosure



LAUNCHED OUR REVISED RESPONSIBLE SOURCING PROGRAM

97%

RESPONSIBLE SOURCING
97% of all our in-scope factories completed a Responsible Sourcing audit in the past two years

52

SCORE
Dow Jones Sustainability Indices (DJSI)

PASSIONATELY SUPPORTING OUR TEAM



BEST EMPLOYER
AUSTRALIA | 2019

Named an Aon 2019 Best Employer within Australia and New Zealand



TOTAL RECORDABLE INJURY FREQUENCY RATE

Total Recordable Injury Frequency Rate (TRIFR) reduced 10.1% with a measure of 14.34 per million hours worked



WOMEN IN LEADERSHIP

Women in leadership roles increased from 37.6% in FY18 to 38.6% in FY19 for key senior management roles*, with a rise of 1.9% (to 35.0%) for management roles



TRAINING HOURS TO SENIOR LEADERS

Delivered more than 2,250 organisational training hours to our senior leaders

*Senior management includes Bands 1-3.

CARING FOR OUR NATURAL ENVIRONMENT

1.9% ↓

CARBON EMISSIONS
Reduction in carbon emissions from FY18



1,058,208 LITRES OF OIL RECYCLED BY SUPERCHEAP AUTO

\$470K

BCF CONTRIBUTIONS TO OZFISH

BCF contributed \$220,000 and helped its customers raise a further \$250,000 to support OzFish in protecting and restoring waterways and fish habitats

3.0% ↑

RECYCLING RATE
Increase in recycling rate, achieving a total recycling rate of 63%



> 773,000 PLASTIC PET BOTTLES

Recycled in making the fleece for Macpac's Tui jackets sold in FY19

Our Business

OUR PURPOSE

At Super Retail Group, our purpose is to inspire our customers to live their leisure passions – whether that's proudly looking after their car, running a marathon, catching a 'barra' or reaching a mountain summit.

OUR FOUR POWERFUL BRANDS

Our success begins with our four powerful brands which provide solutions and engaging experiences to our loyal and growing customer base.

690

STORES

8

SUPPORT OFFICES

OUR VALUES

Our culture is built around a set of five Group values that help define who we are and guide us in the way we behave.

BACKING OUR BRANDS

Leveraging our scale advantage, we back our brands with centralised service functions that establish our Group-wide strategy, as well as building and enabling the capabilities we need to create value and become a winning omni-retailer.

6

DISTRIBUTION CENTRES

3

COUNTRIES OF OPERATION

Australia, New Zealand & China



PASSION



OPENNESS



INTEGRITY



CARE



DISCIPLINE



Supercheap Auto is Australia and New Zealand's largest specialty automotive parts and accessories retail business. We leverage our market leadership to bring a wide range of tools and accessories for the DIY home handyman, as well as products for travel, touring, outdoors, garage and the shed.

278
STORES (AU)

45
STORES (NZ)



BCF is the leading outdoor retailer in the country, with stores across every state of mainland Australia. With expert knowledge and service, we provide everything you could possibly need for your next boating, camping or fishing adventure under the one roof.

136
STORES (AU)

161
STORES (AU)



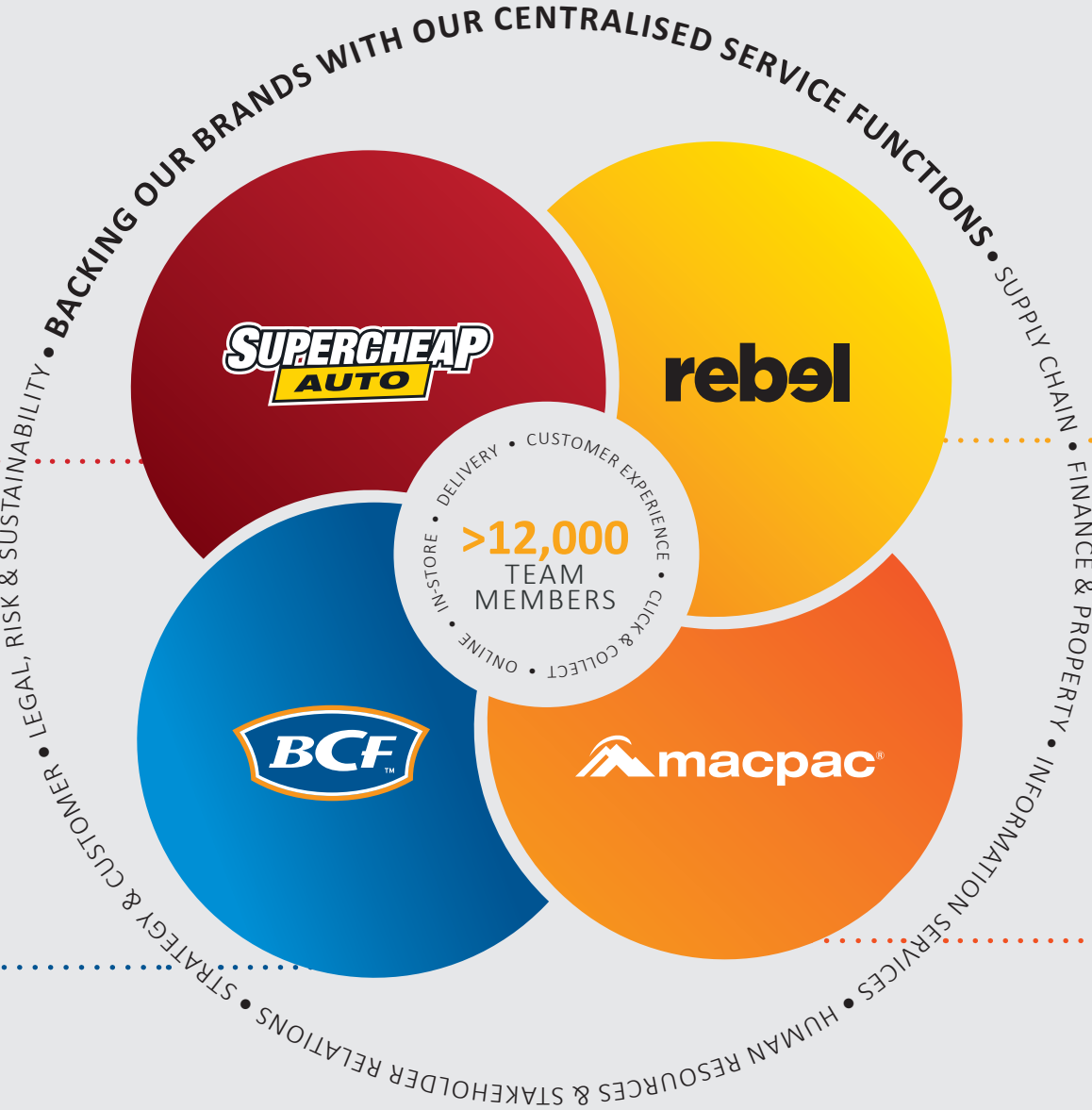
Rebel helps our customers dream big. We are Australia's leading sporting goods specialist retailer, bringing the best of global brands direct to our customers. We inspire all Australians to live their sporting passion, by providing the right service, right advice, right brands and right products to help them start right and chase their dreams.

34
STORES (AU)



36
STORES (NZ)

Macpac has designed apparel and equipment that has inspired a life outdoors since 1973. Designed, tested and proven in the ultimate outdoor test lab – New Zealand, Macpac's wide range of products are made for adventurers, by adventurers.



DELIVERING OUR CUSTOMER EXPERIENCE

Our objective is to create an enjoyable and seamless shopping experience for our customers every time, no matter how they choose to shop with us – whether that's at one of our 690 conveniently located stores, online or via Click & Collect.

\$2.71B

TOTAL GROUP SALES

\$228.1M

TOTAL SEGMENT EBIT

DELIVERING LONG-TERM VALUE FOR OUR SHAREHOLDERS

By inspiring, engaging and satisfying our customers, we will continue to grow our businesses in high involvement categories and aim to deliver top quartile shareholder returns.

Our Brands



1.65M

ACTIVE CLUB MEMBERS

61%	39%
CLUB MEMBER NPS	CLUB SALES % TOTAL SALES
323	6%
STORE NUMBERS	ONLINE SALES % TOTAL SALES
65%	45%
CLICK & COLLECT % ONLINE SALES	PRIVATE BRAND MIX

2.57M

ACTIVE CLUB MEMBERS

57%	61%
CLUB MEMBER NPS	CLUB SALES % TOTAL SALES
161	9%
STORE NUMBERS	ONLINE SALES % TOTAL SALES
26%	11%
CLICK & COLLECT % ONLINE SALES	PRIVATE BRAND MIX

1.45M

ACTIVE CLUB MEMBERS

61%	81%
CLUB MEMBER NPS	CLUB SALES % TOTAL SALES
136	7%
STORE NUMBERS	ONLINE SALES % TOTAL SALES
68%	35%
CLICK & COLLECT % ONLINE SALES	PRIVATE BRAND MIX

0.41M

ACTIVE CLUB MEMBERS

61%	65%
CLUB MEMBER NPS	CLUB SALES % TOTAL SALES
70	10%
STORE NUMBERS	ONLINE SALES % TOTAL SALES
65%	90%
CLICK & COLLECT % ONLINE SALES	PRIVATE BRAND MIX

Our 2030 Sustainability Strategy

Our 2030 Sustainability Strategy focuses on creating a world of good to drive and achieve lasting sustainable outcomes. Our strategy addresses issues that are material to our business and our key stakeholders.

This strategy includes commitments within three pillars: acting with integrity, passionately supporting our team and caring for our natural environment. These pillars encapsulate Super Retail Group's engagement with stakeholders including team members, shareholders, customers and communities, as well as our responsibility to reduce the impact of our operations on the environment.

A WORLD OF GOOD



Materiality – Focusing On What Matters

Understanding the issues that matter most to our business and stakeholders allows us to focus our efforts on what is important and most relevant. We do this through our materiality assessment based on the Global Reporting Initiative Standards for sustainability reporting.

Our materiality assessment takes into consideration:

- key stakeholders' views and expectations;
- sustainability challenges and trends in the retail industry;
- our business goals and policies;
- United Nations Sustainable Development Goals;
- global disclosure frameworks;

- external assessment results from market analysts, proxy advisors and media; and
- emerging regulatory risks.

We regularly engage with our key stakeholders including team members, customers, investors, trade partners, community partners, governments and regulators. This engagement takes place through various channels, such as our store network, loyalty club

memberships, consumer research, social media platforms, customer service helplines, internal team member communication platforms, investor briefings, industry bodies and government relations.

The following table outlines twelve material issues identified by our stakeholders and agreed by our Executive Leadership Team. These are grouped under the three pillars of our 2030 Sustainability Strategy.



2030 SUSTAINABILITY STRATEGIC PILLAR	MATERIAL ISSUES	OUR STRATEGIC COMMITMENTS 2018 - 2030	MOST RELEVANT SDGS
 ACTING WITH INTEGRITY	1. Transparency and good governance	<ul style="list-style-type: none">• Continually improve environmental, social and governance (ESG) disclosure in line with industry best practice	  
	2. Contributing to community	<ul style="list-style-type: none">• Contribute to community programs that support our customers' and team members' passions	
	3. Responsible sourcing	<ul style="list-style-type: none">• Improve transparency beyond first-tier suppliers for high-risk supply chains• Invest in building capability for our trade partners• Source cotton, down and feather insulation, wood, board and paper from sustainable sources	
	4. Product safety	<ul style="list-style-type: none">• Foster product compliance systems that continually improve product safety for our customers	
	5. Respect for privacy	<ul style="list-style-type: none">• Protect the privacy of our team members and customers by protecting the data they share with us	
 PASSIONATELY SUPPORTING OUR TEAM	6. Engaged, fulfilled and healthy team	<ul style="list-style-type: none">• Consistent, top quartile engagement (ANZ)• Operate by the principle that safety is everyone's business	 
	7. Fairness, equity and gender equality	<ul style="list-style-type: none">• 50:50 gender equality (women in leadership roles)• Strive to achieve the Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality (EOCGE) citation	
	8. Continuous learning and development	<ul style="list-style-type: none">• Continually improve our people leaders' capability so they can drive our organisational strategy and be narrators of change• Invest in our team and provide development opportunities that attract, grow and retain the talent needed to compete in tomorrow's marketplace	
 CARING FOR OUR NATURAL ENVIRONMENT	9. Responding to climate change	<ul style="list-style-type: none">• Reduce carbon emissions by 20 per cent by 2030 through energy efficiency measures• Investigate net-zero emission scenarios through renewable energy options in 2020	  
	10. Sustainable packaging and products	<ul style="list-style-type: none">• Adopt a circular economy model for our private brand products and packaging• Create connections with customers through sustainable products, packaging and in-store services	
	11. Promoting reduce, reuse, recycle	<ul style="list-style-type: none">• Adopt the Australasian Recycling Label for our private brand products and encourage our trade partners to do the same• 100 per cent of all our private brand packaging to be reusable, recyclable or compostable by 2025• 50 per cent recycled content in our private brand packaging by 2030	
	12. Protecting forests, waterways and nature	<ul style="list-style-type: none">• Support environmental conservation and restoration programs where our customers play• Contribute to industry's efforts to achieve net-zero deforestation through the sustainable sourcing of wood, board and paper	



Acting With Integrity

Supporting communities that support us by doing business responsibly



Our customers, trade partners, shareholders and the communities in which we operate all have clear expectations of how we behave as a business. It is important to protect these relationships, our reputation, the trust our stakeholders have in us and the Group's ability to continue operating in the community. Our values and Code of Conduct set out the standards of behaviour that apply in all of our daily business activities and help us carry out our legal and ethical obligations.

The benefits associated with upholding and maintaining a strong reputation influence many aspects of the business, including how our team members, customers and investors perceive our brands.

We are determined to meet and, where possible, exceed expectations of lawful and ethical corporate conduct. We do this by being open and transparent, focusing on making a positive contribution to society, sourcing our products responsibly, ensuring the safety of our products, and by protecting the privacy of our customers' personal information.

TRANSPARENCY AND GOOD GOVERNANCE

Super Retail Group uses the globally recognised reporting framework developed by the Global Reporting Initiative (GRI). The GRI reporting framework sets out reporting standards

for economic, environmental, and social performance. Our report has been prepared in accordance with the GRI Standards: Core option.

We participate in a number of sustainability-related disclosure programs, including:

- **CDP (formerly the Carbon Disclosure Project):** an investor-driven disclosure initiative that enables companies to measure and manage their environmental impacts. This includes risk identification and mitigation processes related to climate change;
- **Dow Jones Sustainability Indices (DJSI):** a series of indices that track the performance of the world's leading public companies using economic, environmental and social criteria;

- **United Nations Global Compact (UNGC) Communication on Progress:** the mechanism through which we report on our efforts to support and uphold the Ten Principles of the UNGC; and

- **ISS Environmental & Social QualityScore:** a data-driven scoring and screening solution for institutional investors, designed to measure and identify areas of environmental and social risk through company disclosure.

SUPPORTING COMMUNITIES THAT SUPPORT US

The Group employs 12,885 team members in Australia, New Zealand and China. In FY19, we paid more than \$502 million in wages, \$54.2 million in taxes and \$96.7 million in dividends to our shareholders.

OUR ECONOMIC CONTRIBUTION



SALARY AND WAGES
\$502.2
MILLION



DIVIDENDS TO SHAREHOLDERS
\$96.7
MILLION



TAXES PAID
\$54.2
MILLION



CAPITAL EXPENDITURE
\$89.8
MILLION

Our Community Partnerships

We support a number of community programs that align with the customer value proposition of our retail brands and the Group's overall sustainability aspirations.



Macpac Fund for Good recipient, Banks Peninsula Conservation Trust.

Macpac Fund for Good



The Macpac Fund for Good was established in 2017 to enable our passionate team members to support the people and wild places to which we are closely connected.

The Fund for Good offers financial support to organisations who contribute to adventure-based social development, environmental conservation and restoration, and ethical manufacturing.

Since the program started, the fund has donated more than \$230,000 to 41 Australian and New Zealand-based organisations committed to 'doing good' in the world.



Kurtis Somerfield was the first young person to undertake our school-based traineeship program. Pictured at our Supercheap Auto Albury, NSW store.

Investing in young people

Australia's youth unemployment rate is around 12 per cent – more than double the overall national unemployment rate, which sits at 5.2 per cent⁽¹⁾. One reason for this divergence is that many young people have not yet developed the professional skills they need to succeed in the workplace. These include teamwork, motivation, customer service, communications skills, problem solving and reliability. Without these skills, young people are more likely to experience prolonged unemployment, which can lead to a host of negative outcomes like low self-esteem, depression and long-term welfare dependence.

To help address this critical issue, in February 2019, we launched a school-based traineeship program for students aged 16 years and older. The initiative provides participants with valuable industry skills while they complete their secondary school qualifications. Through these traineeships, we hope to improve their employability with a rewarding experience and a nationally recognised qualification.

(1) Australian Bureau of Statistics, Labour Force Commentary January 2019. Trading Economics, Australia Youth Unemployment Rate 2019.



We partner with GreenMoney to help people make more sustainable decisions in their daily lives. Available in selected council areas, the partnership rewards participants for living green by allowing them to earn points every time they recycle, grab their coffee in a reusable cup, or ditch the car to walk or ride to work. Points can be redeemed for discount vouchers at selected Supercheap Auto, Rebel and BCF stores in Victoria and New South Wales. More than 450 discount vouchers were downloaded for redemption in our stores during FY19.



Our Supercheap Auto team at the 'Check It' day launch in Sydney.

Supercheap Auto – keeping our young drivers safe

Supercheap Auto is empowering young drivers to improve safety on our roads. According to research by Driver Safety Australia⁽¹⁾, young drivers are the most likely group to be involved in a road accident. Two in five young drivers, under 25 years of age, have knowingly driven a car with a safety issue.

Young drivers are increasing this risk by allowing basic safety essentials to go unchecked. Recognising the need for action on this issue, Supercheap Auto leveraged its long-standing partnership with Driver Safety Australia to launch 'Check It' in February 2018 – a campaign that raises awareness amongst young drivers on the importance of undertaking regular vehicle safety checks.

We built on this partnership by launching national 'Check It' day in March 2019. The inaugural 'Check It' day was a great success, with our skilled and capable team members providing training to more than 1,650 drivers in-store. This training shows drivers how to check a vehicle for basic problems that cause breakdowns, such as the condition of wipers, tyres, engine oil, coolant and engine fluids. In addition, more than 5,000 people have learned how to check their vehicle online through our 'Check It' video tutorials.

(1) Research: Driver Safety Australia 2019

Rebel women in sport

Rebel continued to champion women's sport in FY19, and remains committed to raising the profile of female athletes through a number of initiatives. One highlight was the continued development and expansion of the Rebel Women Mentor Program (previously referred to as the Rebel Next Gen Program), which now covers all five of our sporting code partnerships.

The following awards were presented in FY19:

- **NRL Women's (NRL):** Rebel Rookie of the Year – Jess Sergis
- **Suncorp Super Netball (netball):** Rebel Rising Star – Jess Anstiss
- **WBBL (cricket):** Rebel Young Gun – Georgia Wareham
- **AFLW (AFL):** Rebel Young Leader – Hayley Miller
- **W-League (football):** Rebel Role Model – Ally Green

The award is made up of three elements: \$5,000 cash, access to the Rebel Women Online Mentoring Program and an individual mentoring session with Rebel Ambassador and former Australian Diamond, Laura Geitz.

In FY19, we enhanced the online mentoring element by tailoring content to better support young female athletes in their first few years in a professional training environment. The updated program includes resources such as key take-outs, podcasts and other forms of help and advice to guide the athlete on her sporting journey.



NRL Women's Rebel Rookie of the Year award winner, Jess Sergis.



Responsible Sourcing

Responsible sourcing is a fundamental principle that all businesses are expected to uphold. In particular, key stakeholders increasingly expect us to diagnose and address social and environmental challenges in our own operations and supply chain. This includes:

- sourcing products in a sustainable and responsible way;
- respecting human rights and fair working conditions; and
- managing our environmental impact in the sourcing process.

In FY19, we conducted a comprehensive review of our ethical sourcing program, benchmarking our approach against globally recognised multi-stakeholder social compliance programs and retail industry leaders. As a result, we made a number of improvements to our processes to better align with the UN Guiding Principles on Business and Human Rights, the UN Global Compact and the requirements of the Modern Slavery Act 2018 (Cth), which came into effect on 1 January 2019. We launched our revised Responsible Sourcing Program in February 2019.

In April 2019, we became a signatory to the United Nations

Global Compact (UNGC), which demonstrates our public commitment to the Ten Principles of the UNGC on human rights, labour, the environment, anti-corruption and the Sustainable Development Goals.

Our Responsible Sourcing Program is supported by the:

- [Responsible Sourcing Policy](#), which applies to our trade partners; and the
- [Responsible Sourcing Code](#), which applies to trade partners supplying our private brand products, all factories directly contracted by the Group, and direct imports.

The Responsible Sourcing Policy states our overall commitment to this issue and the Responsible Sourcing Code outlines our criteria on business integrity, human rights and fair working conditions, environmental management, and sustainable sourcing.

We take a risk-based approach to verifying compliance with our responsible sourcing criteria. The appropriate verification process is determined based on country risk and our accountability for the product supply chain.

Factories are considered high risk if they are located in countries

where human rights violations, weaker protections for workers, and inadequate governance and enforcement of the rule of law are more prevalent. In low-risk countries such as Australia and New Zealand, we also take into account risks specifically related to the use of labour hire agencies and the treatment of migrant workers in the service sector.

Our private brand products and direct imports manufactured in high risk countries are required to provide audit reports or certification documents.

To reduce duplication and audit fatigue, we accept audit reports and certification from the following globally recognised and independent compliance monitoring and certification schemes:

- Social Accountability International (SA8000)
- Worldwide Responsible Apparel Production (WRAP)
- amfori Business Social Compliance Initiative (BSCI)
- International Council of Toy Industries (ICTI) Ethical Toy Program
- Responsible Business Alliance (RBA)
- Fair Labour Association (FLA)
- ILO-IFC Better Work Programme.



NUMBER OF FACTORIES BY COUNTRY*

Australia.....	32	Malaysia	3	Taiwan	14
China	385	Netherlands	1	Thailand	2
India	6	New Zealand	6	Vietnam.....	2
Indonesia.....	2	South Korea	3		

*Data excludes Macpac. Number of factories relate to our private brand products, direct imports and exclusive brands that the Group is responsible for manufacturing.

We also accept Supplier Ethical Data Exchange (Sedex) Members Ethical Trade Audits (SMETA) conducted by accredited auditors, as well as audit reports from major buying companies that have equivalent criteria to our Responsible Sourcing Code.

Where a non-conformance is identified, we work closely with our trade partners and factories to rectify and improve the problem. This includes preparing a Corrective Action Plan to address non-conformance and delivering e-learning modules through our partner, Elevate, to build capability in our supply chain.

We recognise the importance of our team members upholding the same standards consistently. In this context, we provide ongoing training to increase understanding of their legal and ethical responsibilities to deliver improved outcomes throughout our supply chain. Since the launch of the revised program, we delivered a series of training sessions for 34 relevant team members across our Merchandising, International Operations, Group Procurement, Legal and Compliance departments.

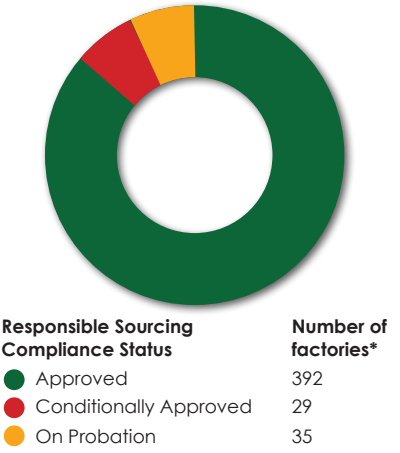
At the end of FY19, we had 456 active factories in 11 countries; 417 of which were in-scope for our Responsible Sourcing verification audits. Ninety-

seven per cent of these factories were audited in the past two years.

In FY19, 99 new factories were screened for responsible sourcing, 31 of which did not satisfy our requirements and were not approved.

There were no instances of child labour or forced labour identified in any of our active factories. Key areas of improvement identified related to health and safety, working hours, wages and social insurance. We have agreed corrective action plans with factories to improve these issues.

RESPONSIBLE SOURCING COMPLIANCE STATUS

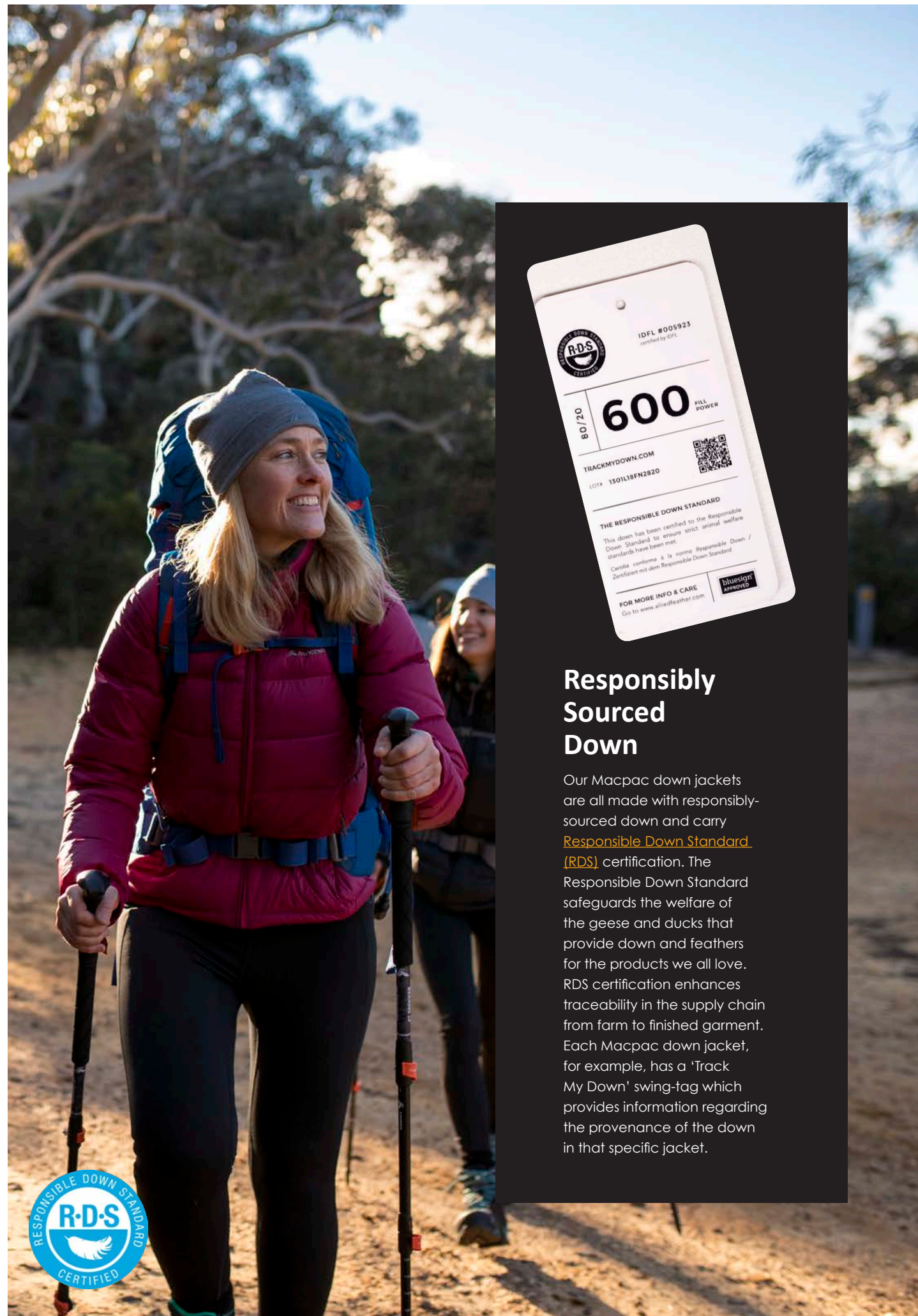


*Data excludes Macpac. This data will be included in FY20.

In FY19, Macpac became a member of the Sustainable Apparel Coalition, joining more than 200 global members with combined annual apparel and footwear revenues of more than \$500 billion. Coalition members are collectively committed to improving supply chain sustainability in the apparel, footwear, and textile industries.

The Sustainable Apparel Coalition has developed the Higg Index – a set of standardised tools that enable members to measure their environmental and social impacts across the value chain. Macpac uses the Higg Index to evaluate materials, products, facilities and processes based on environmental performance, social labour practices, and product design choices. These assessments have helped Macpac sharpen its strategic focus on increasing supply chain traceability beyond its first-tier suppliers, improve its packaging design and increase its use of responsibly-sourced materials.

Macpac achieved a B-grade in the 2019 Baptist World Aid's Ethical Fashion Guide. We will work to improve this rating and look forward to reporting an A+ rating in the not-too-distant future.



Responsibly Sourced Down

Our Macpac down jackets are all made with responsibly-sourced down and carry [Responsible Down Standard \(RDS\)](#) certification. The Responsible Down Standard safeguards the welfare of the geese and ducks that provide down and feathers for the products we all love. RDS certification enhances traceability in the supply chain from farm to finished garment. Each Macpac down jacket, for example, has a 'Track My Down' swing-tag which provides information regarding the provenance of the down in that specific jacket.



PRODUCT SAFETY

We continue to improve our compliance processes for product safety. Our compliance team and trade partners implement our private brand product testing regime. Product testing addresses mandatory and regulated Australian and New Zealand standards, with testing conducted either in-house or at third-party National Association of Testing Authorities (NATA)-accredited facilities.

In FY19, we initiated one voluntary recall for Rebel's Torres fitness bench to mitigate any potential safety risks to our customers. While tested and compliant to voluntary industry standards, customer feedback indicated a deficient welding joint on the product. A root cause analysis was conducted and identified a welding workmanship issue affecting the seat assembly in one product batch.

We reported 20 customer injuries under the Australian Competition and Consumer Commission (ACCC) Product Safety Mandatory Reporting requirements relating to products sold through our retail channels. Eight of the 20 Mandatory Reports were for our private brand products, where one injury was determined to be due to product fault, two due to product misuse and investigations are underway for the remaining five incidents.

The majority of injuries sustained were minor cuts and burns. In each case, the products and circumstances were assessed and where corrective action was required, we worked with our trade partners to improve the safety of the product. There was no breach of mandatory safety standards associated with those injuries and customer concerns have been addressed.

RESPECTING PRIVACY

Our customers expect us to secure their information against unauthorised access. We are committed to meeting these expectations by safeguarding the confidentiality and integrity of our systems, and by ensuring we remain compliant with applicable privacy laws.

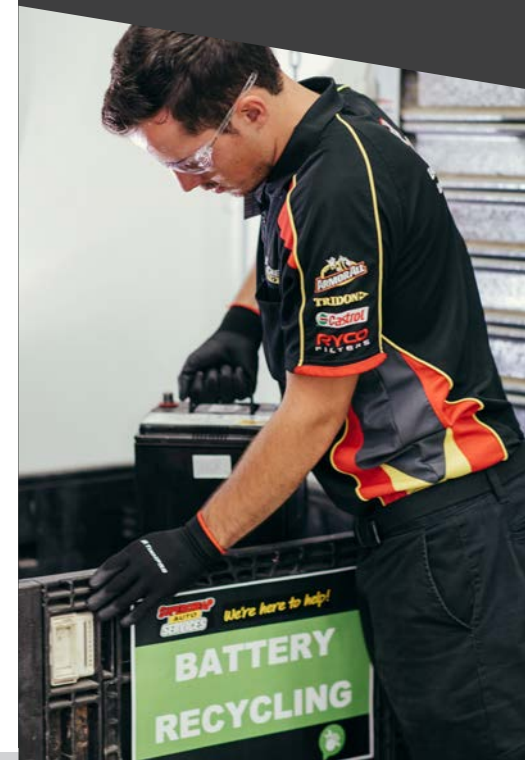
Our [Privacy Policy](#) outlines how we collect, store, maintain and use the personal information of our customers, visitors to our websites and stores, users and contributors to social media and other digital services, job applicants, and members of the public.

Priority areas include detection and response, technical security, third party security and data protection. A governance structure is in place to align cyber investments with strategic priorities aimed at protecting customer information and our enterprise value.

In order to ensure our cyber strategy and operations align with good practice, our cyber security function is reviewed by independent assessors against compliance to industry standards such as the Payment Card Industry Data Security Standard (PCI DSS) and ISO 27001.

There were no notifiable breaches for reporting to the Privacy Commissioner over the reporting period.

WE ARE COMMITTED TO MEETING OUR CUSTOMERS EXPECTATIONS BY SAFEGUARDING THE CONFIDENTIALITY AND INTEGRITY OF OUR SYSTEMS.





Passionately Supporting Our Team

Encouraging our team members to live their passion and share it with our customers



At Super Retail Group, everything starts with our team. Having healthy, happy, capable and passionate team members is an essential part of providing inspiring solutions and experiences for our customers.

Engaged, fulfilled and healthy team

BUILDING A POSITIVE WORK ENVIRONMENT

AON®

BEST EMPLOYER

AUSTRALIA | 2019

We regularly measure how engaged our team members are at work and the drivers that influence how they feel about the organisation. In FY19, leadership teams continued to execute the engagement action plans that were developed out of insights from our Pulse Engagement Survey conducted in May 2018.

The survey was conducted by an independent third party and, as a Group, our overall engagement score was 70 per cent. This puts Super Retail Group again in the top quartile for Australian and New Zealand organisations. In October 2019, we will conduct our next annual team member engagement survey. Following this, we will start running shorter, more regular pulse surveys so we can listen and respond faster to the 'heartbeat' of our team members.

One example of an initiative that arose from the survey results is SOULmoments – our digital team member recognition platform. Accessible via mobile app or web browser, SOULmoments enables our team members and leaders to virtually connect and celebrate achievements with one another across all divisions and locations.

Through the power of 'instant recognition', our geographically dispersed workforce can be instantly recognised and rewarded for living our values and delivering passionate service to our customers, and leaders can immediately reinforce the behaviours and culture that

makes us unique. Currently, 76 per cent of our team have an activated account and access the platform, on average, 13,500 times every month to give thanks to one another for living our values and delivering excellent customer service.

It was an honour to be named an Aon 2019 Best Employer within Australia and New Zealand. The Aon Best Employer program identifies those companies that strive to create a competitive advantage through high employee engagement scores and outstanding people practices. Aon's research has shown that organisations with high levels of engagement achieve better results and Aon Best Employers enjoy sales growth that is four times higher than that of their counterparts.

To achieve recognition through this program, Super Retail Group was assessed on four measures:

1. **Engagement Index:** team members speak positively about their employer, intend to stay, and are motivated by their employment experience to do their best work every day.
2. **Agility Index:** team members see that the organisation as highly adaptive, innovative, inclusive and responsive to the changing needs of its customers.
3. **Engaging Leadership Index:** leaders are deeply connected with team members to drive engagement, communicate a clear vision, and exert strong personal values.
4. **Talent Focus Index:** team members feel that the organisation is highly focused on attracting and retaining talent and accelerating people's potential.

Complementing our highly engaged

team is our ability to maintain high levels of team member retention. During the reporting period, 3,262 team members joined Super Retail Group and our total retention levels increased by 2.1 per cent to 75.9 per cent.

KEEPING OUR TEAM SAFE

10.1% ↓

TOTAL RECORDABLE INJURY FREQUENCY RATE

We are committed to providing a safe, fair and equitable working environment for all our team members, contractors, customers and visitors.

Our Board and senior management continually monitor safety performance, the ongoing improvement of our safety management systems, and the adequacy of our approach to risk management.

We track safety performance via our Total Recordable Injury Frequency Rate (TRIFR). This measures the number of fatalities, lost time injuries, restricted duties and other injuries requiring treatment by a medical professional, per million hours worked.

We are pleased to report a 10.1 per cent reduction on last year, with a result of 14.34 in FY19. There were no work-related fatalities recorded during the reporting period. The TRIFR result compared to the previous year reflects ongoing maturity of our reporting data, which recalculated FY18 TRIFR to 15.95.

The continued decrease in TRIFR was supported by a whole-of-business focus on safety leadership, risk management, personal accountability and team member awareness and education. We will continue our focus



SAFETY METRICS

SAFETY METRICS BY REGION*

	Team members		Contractors**	
	Australia	New Zealand	Australia	New Zealand
Injury rate	1.24	1.10	2.90	2.81
Lost day rate	1.79	0.21	0.09	2.81
Absentee rate	2.49%	1.67%	N/A	N/A
Work-related fatalities	0	0	0	0

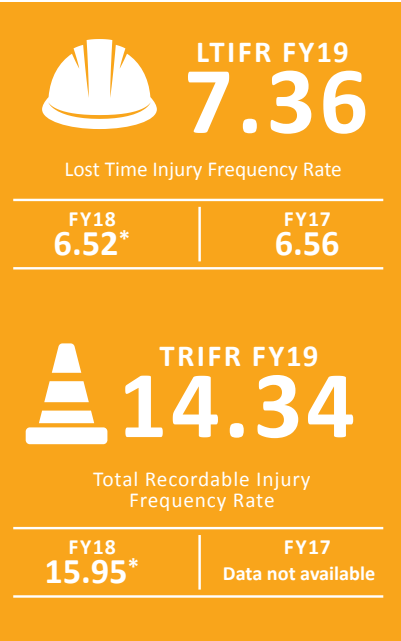
SAFETY METRICS BY GENDER*

	Male	Female
Injury rate	1.22	1.40
Lost day rate	1.12	2.41
Absentee rate	2.2%	3.0%
Work-related fatalities	0	0

* Due to the breadth and diversity of our businesses this data is not gathered across the Group, it currently excludes Macpac Brand and China. This data will be inclusive from FY20.
** Refers to contractors in our distribution centres where some of the team members employed are through employee hire programs. Excludes contractors engaged in maintenance and consultancy work.

on improving the effectiveness of our Safety Management System, reporting analytics and processes.

In FY19, the Group's Lost Time Injury Frequency Rate (LTIFR) was 7.36, higher than the FY18 rate of 6.52. Due to ongoing maturity of our reporting, our FY18 LTIFR result was recalculated from 6.44 to 6.52.



* LTIFR and TRIFR result for FY18 were recalculated due to improvements in our reporting maturity and quality of data. FY18 TRIFR adjusted from 23.84 to 15.95 and LTIFR adjusted from 6.44 to 6.52.



Our Team Member Loan Policy provides interest-free loans of up to \$4000 to team members who are experiencing financial hardship due to family tragedy, financial misfortune, serious illness, impacts of a natural disaster, and other serious or difficult circumstances.

In FY19, 65 loans were provided to eligible team members.

Fairness, equity and gender equality

BUILDING A DIVERSE AND INCLUSIVE TEAM

Fostering an inclusive work culture and maintaining an environment that embraces diversity makes our business better, fairer and smarter.

Our proven ability to build and maintain a talented and diverse workforce is a competitive advantage, and remains essential to our continued viability and success. Across the Group, we seek to encourage a workplace where new ideas are sought and respectful challenges are made. In addition, we strive to create an environment where everyone can thrive and succeed by bringing their 'whole self' to work.

Our key commitments are:

- foster an inclusive work culture and maintain a respectful environment that embraces the unique diversity of all our people;
- a zero tolerance for discrimination, harassment, bullying and unlawful behaviours; including gender-based harassment and discrimination, sexual harassment and bullying;
- equity within the workplace, and to support and develop the skills and knowledge of all our team members in order to set them up for success;
- strive for employment equality and gender pay equity;
- promote work-life balance and encourage flexible work practices that allow all our team members to live their passion; and
- ensure our team members feel included and valued, and are happy, healthy and passionate.

We are firmly committed to policies, practices and ways of working that support diversity and inclusion.

GENDER DIVERSITY

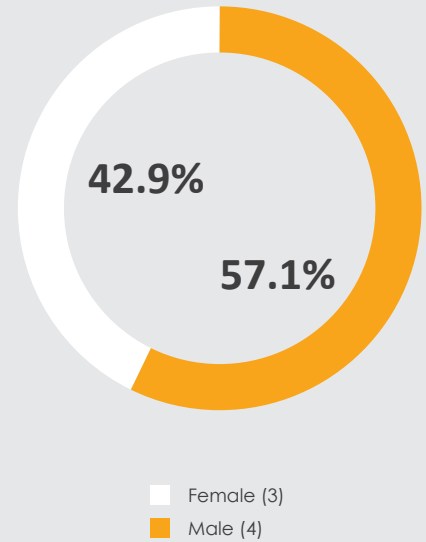
In FY19, our total team mix was 47.9 per cent female and 52.1 per cent male. Women in leadership increased from 37.6 per cent in FY18 to 38.6 per cent in FY19 for key senior management roles (Bands 1-3), with a rise of 1.9 per cent (to 35.0 per cent) for management roles.

Female representation on our Board remained consistent year-on-year at 43 per cent, while leadership renewal at the executive level meant the number of women decreased to 20 per cent. We remain committed to our target of having 40 per cent female representation at Board and senior management levels by 2020.

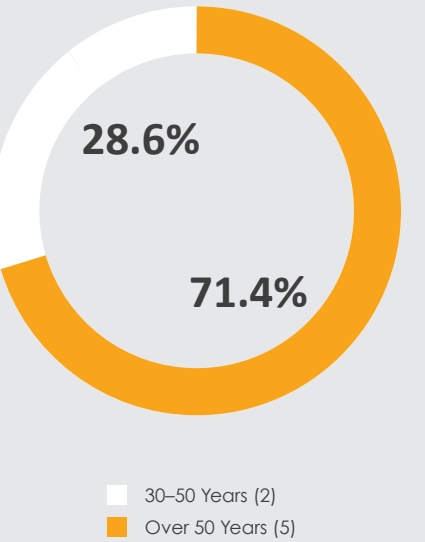
We encourage all team members to be strong advocates for diversity and inclusion in the business and retail sectors. Super Retail Group's 2019 Workplace Gender Equality Agency (WGEA) report is available via the WGEA website: <https://www.wgea.gov.au/>.

OUR BOARD

BOARD COMPOSITION BY GENDER



BOARD COMPOSITION BY AGE





Our BCF team members.

ENTERPRISE AGREEMENT

Part of making Super Retail Group the best possible place to work involves ensuring a safe, fair and equitable working environment for everyone. A robust enterprise agreement is a key mechanism for delivering that promise.

We employ 12,885 team members across Australia, New Zealand and China (as at the end of FY19). In Australia, 77 per cent of our team members are covered by the Super Retail Group Enterprise Agreement 2015 (EA). In December 2018, we submitted our Retail/Clerical Enterprise Agreement to the Fair Work Commission (FWC), after it was overwhelmingly endorsed by team members in late November, with 93 per cent of participants voting yes.

While we wait for formal approval, our existing EA continues to operate. In March 2019, we implemented interim increases to Saturday, Sunday and Late Night penalty rates for retail team members while we waited for approval. We will provide the additional benefits prescribed under the proposed Enterprise Agreement once approved by the FWC.

In FY19, we commenced negotiations on our Supply Chain Enterprise Agreement, which is specifically for our distribution centre team members and reflects the unique environment this team work in.

The remaining 23 per cent of our Australian team are covered by individual employment contracts. These are individually negotiated at point-of-hire and upon transfer to new roles.

In New Zealand and China, all team members are covered by individual employment agreements.

IMPROVING GOVERNANCE FOR EMPLOYMENT ARRANGEMENTS

A disappointing note in FY19 was the identification of an underpayment of our retail managers, following a Group-wide review of employment arrangements.

The issue reflects the same problem we uncovered with our Set Up team members in FY18. While retail managers' base salaries were correct, not all overtime hours had been paid according to the General Retail Industry Award. Additionally, some allowances required under the award

were not paid. We deeply regret these serious underpayments, and apologise to all affected team members.

To ensure ongoing compliance, we have introduced an increased level of governance, including quarterly audits of our employment arrangements. We are confident that sufficient controls are now in place to detect the sort of anomalies that may occur from time-to-time in an organisation of our size.

Continuous learning and development

INVESTING IN LEARNING AND DEVELOPMENT

We provide development opportunities that attract, grow and retain the talent needed to compete in today's marketplace.

In FY18, we established our School of Ultimate Learning and Leadership (SOUL) – a three-year program of work designed to attract, retain, reward and develop our talent.

This program is specifically focused on enhancing the capabilities of our senior leaders, who are organisational narrators of change and critical to the success of our Group strategy. In



Our Coffs Harbour Rebel team members are currently completing their Certificate III in Retail Operations.

FY19, SOUL delivered more than 2,250 training hours to our senior leaders.

We also know the execution of our strategy and delivery of our customer promise relies on developing the expertise and knowledge of all our team members. With this in mind, in FY19, we launched a suite of learning tools (SOULlibrary, SOULsnack and SOULtoolkit) for all team members based on a 'continuous learning' philosophy. Participation is voluntary and genuinely self-directed – team members can do as little or as much as they like.

Another key focus this year was launching an 'experts' learning program for Supercheap Auto, Rebel and BCF retail team members with customer-facing roles. The training focuses on building the skills and knowledge of our team members to create even better in-store experiences for customers. These 'expert' learning modules will ultimately reach 9,300 team members.

In FY19, we also completed the following learning programs:

- **Ignite:** a leadership development program that accelerates the development of our future leaders.

The program runs over 18-24 months and has a current cohort of 12 team members.

- **Turbo Boost:** an 18-month development program for 13 team members that concluded in November 2018, combining best practice study and practical training. It focused on the transition required to take on a larger leadership position for high potential team members from across the Group.

- **Women in Leadership Development (WILD):** a program that equipped our female team members with the tools, skills and techniques required to advance their careers. This year, 31 participants were provided with practical tools and tips to help them fulfil their career goals.

- **iLEADwithSOUL:** our management fundamentals program that focuses on change leadership, customer-centricity and communication skills. This program concluded in FY19 and delivered almost 3,000 organisational training hours to 166 first-time people leaders.

ACCREDITED LEARNING PROGRAMS

We partner with a Registered Training Organisation in Australia and an Industry Training Organisation in New Zealand to facilitate accredited learning programs. These programs allow retail team members and managers to obtain industry-recognised qualifications.

Over the last three years, the program has paved the way for participants to pursue a successful career in retail, with more than 20 per cent progressing to roles with higher duties. Across Australia we are proud to have more than 220 team members currently completing their qualification and, in FY19, we celebrated the successful training of more than 130 team members. Additionally, for the first time this year, we have 44 store and assistant store managers currently completing their Level 4 Retail Management qualification.

OUR WORKFORCE

TOTAL WORKFORCE by region and gender

	Australia	New Zealand	China	Total	%
Female	5694	436	48	6178	47.9%
Male	6280	385	42	6707	52.1%
Total	11974	821	90	12885	100%

TOTAL WORKFORCE
by employment type, employment contract and gender

	Female	% Female	Male	% Male
Casual	2,711	21.04%	3,263	25.32%
Full time	1,714	13.30%	2,093	16.24%
Part time	1,690	13.12%	1,303	10.11%
Temporary full time	54	0.42%	43	0.33%
Temporary part time	9	0.07%	5	0.04%
Total Group	6,178	47.95%	6,707	52.05%

TOTAL WORKFORCE by age group

Under 30	8410	65.3%
30-50 years	3572	27.7%
Over 50	903	7.0%

NEW TEAM MEMBERS by region*

Australia	2928	89.76%
New Zealand	320	9.81%
China	14	0.43%

NEW TEAM MEMBERS by gender*

Female	1490	45.7%
Male	1772	54.3%



NEW TEAM MEMBERS by age group*

Under 30	2648	81.2%
30 - 50 years	511	15.7%
Over 50	103	3.1%

TOTAL TURNOVER by region

Financial Year	Australia and New Zealand	China	Australia and New Zealand	China
FY17	27.5%	28.2%	3229	24
FY18	26.1%	12.9%	3070	10
FY19*	24.1%	9.1%	2823	8
YOY change	-2.0%	-3.8%	-247	-2

TEAM MEMBER TURNOVER by gender*

Female	1259	22.7%
Male	1564	25.2%

TEAM MEMBER TURNOVER by age group*

Under 30	2117	27.0%
30 - 50 years	555	16.8%
Over 50 years	151	17.7%

TEAM MEMBER TURNOVER by region*

Australia	2662	23.2%
New Zealand	153	35.3%
China	8	9.1%

* Due to the breadth and diversity of our businesses this data is not gathered across the Group, it currently excludes Macpac Brand. This data will be inclusive from FY20.





Caring For Our Natural Environment

Reducing our impact and protecting the environment that enable our outdoor passions



The great outdoors is home to where our team members and customers pursue their leisure passions like fishing, boating, camping, hiking and outdoor sports activities. As a result, the future of our business is intrinsically linked to the health of the natural environment.

In order to manage the impact associated with our operations, we seek to reduce our environmental footprint wherever possible, with a particular focus on energy use, packaging and waste.

RESPONDING TO CLIMATE CHANGE

We support the commitments made by the Australian and New Zealand governments under the Paris Agreement to limit global warming to 1.5°C-2°C above pre-industrial levels.

While we are not a carbon-intensive business, we recognise the need to do our fair share in responding to the challenges of climate change. Within our own operations, approximately 98 per cent of our carbon emissions come from electricity use. Other emissions sources include the fuel used in motor vehicles fully maintained by the Group, and the natural gas used in heating our stores.

We have identified two main opportunities for reducing our carbon emissions: using electricity more efficiently and switching to electricity generated from renewable sources.

With this in mind, we have set ourselves a target of reducing carbon emissions by 20 per cent by 2030 (from a 2017 base) through more efficient energy usage in our stores, offices and distribution centers. In addition, we are investigating options for sourcing renewable energy through a power purchase agreement.

Our energy efficiency programs include structural changes such as lighting upgrades, optimising the operating hours of our equipment

through timers and photoelectric cells (air conditioning, lighting and illuminated signage), installing energy saving devices, and encouraging behavioral change in the energy usage of our team members.

Energy efficiency upgrades are part of the scope of works for new stores and refurbishment activities. During the financial year, 16 stores across our network had lighting upgrades completed, with an expected energy saving of over 600 MWh and a reduction of approximately 450 tonnes of carbon emissions per annum.

Through ongoing energy efficiency initiatives in our stores, we achieved a reduction in carbon emissions of 1.9 per cent compared to FY18.

Carbon emissions are also produced by our transport fleet – specifically company cars used by our team members for work purposes (direct emissions), business travel and delivery of our products to our distribution centres, stores and customers (indirect emissions).

We improved the units per outbound pallet (UPP)⁽¹⁾ from our distribution centres by 4 per cent in the last quarter of FY19.

Our supply chain team continually look for opportunities to reduce delivery distances for our online orders. During the year approximately 45,000 orders were reallocated to dispatch from sources closer to our customers reducing delivery distances.

During the year, the Group increased its carbon emissions by 1.7 per cent for air travel to meet business needs associated with the acquisition of Macpac (headquartered in New Zealand). Our emissions associated with road travel reduced by 1.8 per cent largely thanks to an increase in rideshare options.

We disclose our carbon emissions to the CDP (formerly Carbon Disclosure Project) annually. Relevant reports are available on our [corporate website](#). Carbon emissions data for our operations in Australia is also reported to the Clean Energy Regulator annually in accordance with the National Greenhouse and Energy Reporting scheme. This data is publicly available on the [Clean Energy Regulator website](#).



Reduce our carbon emissions by

20%

by 2030 from base year of 2017

FY19 RESULTS

1.9%

reduction in carbon emissions from FY18

⁽¹⁾ UPP is the metric that measures how efficiently we move our products from our distribution centres to our stores.



WE REMAIN COMMITTED TO CONTRIBUTING TO THE DEVELOPMENT OF A CIRCULAR ECONOMY MODEL AND CREATING LONG-TERM VALUE FOR OUR BUSINESS, THE ENVIRONMENT AND SOCIETY.



ENERGY USE				
	Unit	FY17	FY18	FY19
	MWh	91,609	97,487	92,642

CARBON EMISSIONS				
	Unit	FY17	FY18	FY19
Scope 1*	tCO2-e	738	961	932
Scope 2**	tCO2-e	71,882	73,106	71,700
Total Scope 1 & 2	tCO2-e	72,620	74,067	72,632
Carbon Emissions intensity	CO2e/\$1 million revenue	32.53	30.46	26.80

* Scope 1 emissions are direct emissions from owned or controlled sources e.g. emissions from the use of natural gas in our stores.
** Scope 2 emissions are indirect emissions from the generation of purchased energy.
Note: FY17 and FY18 data recalculated due to overestimation in previous reports and adjusted for Macpac.

TRAVEL TYPE			
AIR TRAVEL*		ROAD TRAVEL	
			
1.7% YOY CHANGE		-1.8% YOY CHANGE	
FY18	FY19	FY18	FY19
3,666 (tCO2)	3729 (tCO2)	94 (tCO2)	92 (tCO2)

* Air travel refers to both domestic and international travel. FY18 data was revised to reflect the correct unit of measure.



Supercheap Auto is helping trade customers go solar

Supercheap Auto worked with Jim's Mowing, a trade customer, to develop a custom-made solar powered recharging system for Jim's Mowing Group.

The solar powered recharging system, currently in trial phase, includes the installation of solar panels and dual batteries to selected Jim's Mowing vehicles, and the switching of gardening equipment from petrol to battery-operated with solar recharging.

The feedback from Jim's Mowing was positive and highlighted substantial time and cost saving benefits. Users also noted the elimination of the petrol fumes, fire dangers and noise associated with petrol-powered tools.

The trial has been showcased with approximately 240 franchisees in the Sydney metropolitan area, and reportedly many are interested in migrating from petrol to battery-operated tools with solar recharging.

Sustainable packaging and products

PACKAGING

Packaging is a material issue for most retailers, particularly in light of China's ban on contaminated recycling materials last year and the decision by other Asian nations to follow.

These import restrictions have reinforced the need to move towards a circular economy model, where products and packaging materials are recovered and regenerated at the end of each service life.

We remain committed to contributing to the development of a circular economy model and creating long-term value for our business, the environment and society. As part of this commitment, we continue to address social and environmental concerns around packaging waste and plastics by reducing the use of unnecessary materials in our products, providing recyclable packaging to our customers, making it easier for customers to recycle some of the products we sell, and repurposing, wherever possible, the waste generated in our own operations. We are also taking steps to incorporate recycled materials in selected products.

During FY19, the Group committed to the following targets:

- 100 per cent reusable or recyclable packaging by 2025;
- 50 per cent recycled content across all packaging by 2030;
- 100 per cent cardboard packaging from recycled or certified sustainable sources by 2030.

We will achieve these ambitious targets by working closely with our trade partners to promote packaging that is fit-for-purpose, resource efficient, made from recycled materials and designed to increase the potential for recycling.

Super Retail Group is a signatory to the Australian Packaging Covenant (APC) – an agreement between government and businesses to share the responsibility for managing the environmental impacts of packaging in Australia.



Macpac's Tui range of fleece garment uses recycled polyester yarn from PET bottles, with each fleece containing the equivalent of approximately 21 plastic bottles.

266,402

Total amount of polybags Macpac removed across four product categories, reducing the plastic waste ending up in landfill

PRODUCTS

Adopting circular economy principles means more than just recycling – we are also looking for opportunities to offer products made from recycled materials to our customers.

Macpac's Tui range of fleece garment, for instance, uses recycled polyester yarn from PET bottles, with each fleece containing the equivalent of approximately 21 plastic bottles. In FY19, we sold 37,453 across Australia and New Zealand. By making this choice to use recycled fibre, 773,748 plastic bottles were diverted from landfill, or prevented from potentially ending up in our oceans.

PROMOTING REDUCE-REUSE-RECYCLE

Reducing, reusing and recycling are some of the most effective ways we can save natural resources, protect the environment and save on costs.

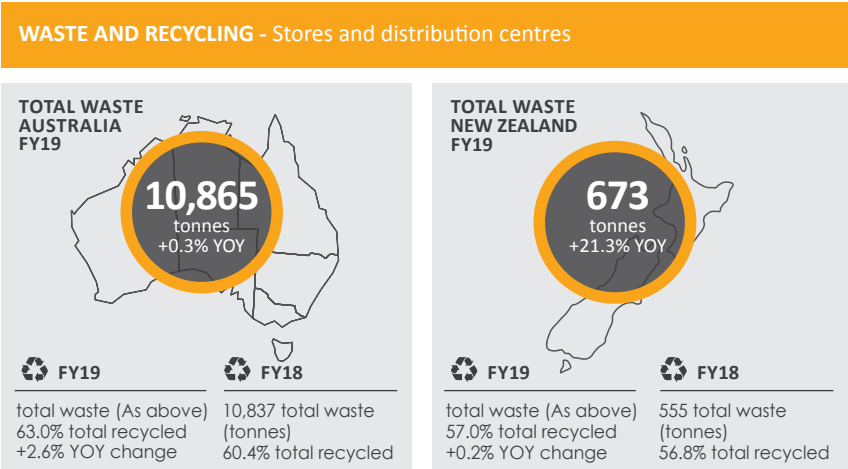
In addition to promoting recycling within our own operations, we have made a commitment to adopt the Australasian Recycling Label for our private brand product packaging. Clear and consistent consumer-facing recycling information will make it easier for our customers to recycle effectively and reduce contamination in curbside recycling streams.

During the reporting period, recycling rates from our operations improved by

2.6 per cent in Australia and 0.2 per cent in New Zealand. However, waste generated in Australian operations increased by 0.3 per cent and in New Zealand by 21.3 per cent due to the acquisition of Macpac.

We offer our customers recycling services for oil and car batteries in our Supercheap Auto stores.

- **Car battery recycling** – Supercheap Auto is part of a national network of battery recycling centres established by Century Yuasa for the environmentally responsible collection and recycling of used lead-acid batteries. During FY19, our stores collected 71,677 batteries for recycling, an increase of 0.89



per cent compared to the previous financial year.

- **Oil recycling** – a recycling service for used motor oil is available at selected Supercheap Auto stores across Australia and New Zealand to encourage safe and environmentally responsible disposal. During FY19, our stores collected approximately 1,058,208 litres of oil for recycling – an increase of 3.34 per cent compared to the previous financial year.

During the reporting period, we revised a number of standard practices in our distribution centres to

help reduce waste and costs. These included:

- **Online satchels** – standardising and sourcing plastic satchels locally led to an approximately 70 per cent reduction in the number of satchels purchased compared to the previous period. Local sourcing also facilitated a sustainable reduction in order lead time and transport.
- **Cardboard and plastic recycling** – consolidated recycled tonnage of cardboard and plastic improved by approximately 3 per cent compared to the previous period in our distribution centres.

- **Printed paper usage** – the successful roll-out of paper reduction across the network resulted in approximately 7 million fewer pages printed from transport manifests and invoices.

Protecting forests, waterways and nature

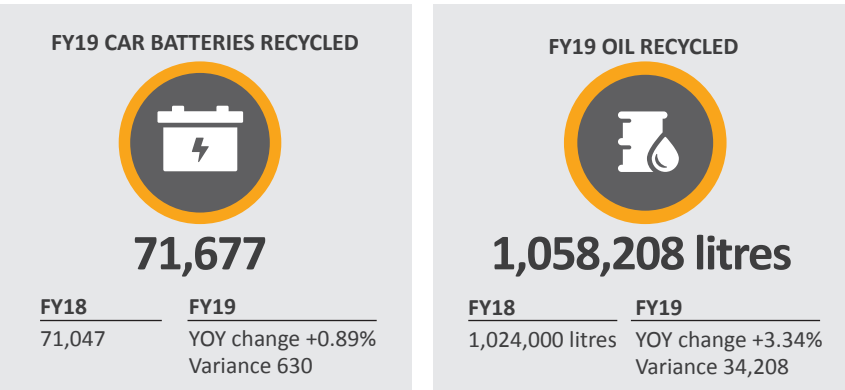
Forests, waterways and wild places play a major role in the outdoor activities enjoyed by our customers. They provide for the continuity of the world's biodiversity which is necessary for economic development, the diversity of lifeforms and human health.

Our brands continue to address environmental concerns through strategic partnerships and community giving programs aligned to their core brand, purpose and the issues most important to their customers. BCF's partnership with OzFish Unlimited and Macpac's partnership with Parks Victoria are two examples.

PROTECTING FORESTS

Deforestation accounts for 20 per cent of all greenhouse gas emissions. There are many complex drivers of deforestation. One of the most significant is unsustainable logging for the production of the wood, paper and board used in consumer products and packaging.

RECYCLING INITIATIVES





OzFish Unlimited helping to Restore fish habitat in Queensland's Moreton Bay.

These forestry products are major ingredients in the supply chains of most consumer goods brands and retailers. We have an opportunity to improve our supply chain by ensuring our sourcing does not contribute to deforestation, and particularly the depletion of tropical rainforests. In this context, we are committed to working with our trade partners to source our paper and board packaging from sustainable sources.

As part of our Sustainability Strategy 2030, we have committed to source all of our cardboard packaging from recycled or certified sustainable sources by 2030. These requirements are included in our Responsible Sourcing Code.

RESTORING WATERWAYS – BCF'S PARTNERSHIP WITH OZFISH

Almost 3.5 million Australians go fishing each year, making the activity one of Australia's most popular pastimes. Sadly, a number of high-profile issues continue to impact the health of our waterways, including high fish mortality, pollution, drought, unsustainable water usage and the loss of species diversity.

Since 2017, BCF has demonstrated its commitment to making a positive contribution to environmental and social change by partnering with OzFish Unlimited, a fishing conservation organisation.

Together, in FY19, we opened the Moreton Bay Shellfish Recycling Centre as part of the 'Give Back to Habitat' initiative. The initiative restores marine life habitat by placing used oyster shells in waterways to encourage live oysters to return to the area and boost fish populations. These efforts will be concentrated through 100 hectares of oyster reef in Moreton

Bay and will also encourage habitat restoration in surrounding areas.

The project relies on the ongoing support of many stakeholders, including government and the local community. Each year Australians eat millions of oysters, with the majority of discarded shells ending up in landfill sites. This contributes to the growing waste problem. To help address this issue, local businesses can donate used oyster shells to OzFish, which will help restore marine habitat and prevent unnecessary waste going to landfill.

This kind of restorative environmental work relies on securing continued funding. In FY19, BCF contributed \$220,000 to OzFish, while our customers contributed almost \$250,000 through our Round Up campaign, which involves rounding up purchases and donating the difference to OzFish.

Other BCF initiatives include donating products and discounts to local OzFish chapters to source prizes for fundraising events.

Within the next five years our plan is to increase the sustainability of habitat projects through the OzFish partnership, and increase fundraising efforts through engaging our customers in-store and online. We will place more emphasis on cause awareness with the aim of helping BCF customers connect with and understand the OzFish mission. Our ultimate goal is to build a community of environmental stewards who are empowered to actively manage the health of our waterways.

MACPAC'S PARTNERSHIP WITH PARKS VICTORIA

The successful Junior Ranger program, run by Parks Victoria, encourages

kids to explore Victoria's amazing parks with a park ranger, taking part in activities like rock pool rambles, historic tours and spotlight night walks.

Macpac is thrilled to partner with Parks Victoria, having invested \$400,000 in the Junior Ranger program. The three-year partnership will help create the next generation of nature lovers and environmental advocates. It aligns with Macpac's commitment to protecting wildlife and the environment, while having a lasting impact on people's lives through the outdoors.

BRUNO'S ORIGINALS X MACPAC RANGE

Macpac has also partnered with New Zealand designer Bruno Harding to create the Bruno's Originals X Macpac Collection – a micro-range of one-off street and adventure wear garments made from pre-loved or damaged Macpac products.

Some of these garments are made from old Macpac tents or sleeping bags, and include stylish detailing from backpack zippers. The range includes a pair of shorts, pants, a water-resistant duffle bag, and jackets made of goose down from an old sleeping bag.

These unique items will be auctioned online with the proceeds going to the Macpac Fund for Good. The initiative is another example of Macpac helping those committed to creating long-term change for the good of our people and planet.

Watch a video of the collection here: [Bruno's Originals x Macpac – A Sustainable Design Collaboration](#).



Bruno's Originals X Macpac range.



A micro-range of one-off street and adventure wear garments made from pre-loved or damaged Macpac products.

Sustainability Governance

Super Retail Group is committed to adopting and implementing rigorous environmental, social and governance (ESG) policies and practices that protect and enhance the long-term performance of the Group. We believe that upholding high levels of sustainability governance ultimately contributes to strong financial returns, including by taking proper account of the long-term needs and interests of shareholders and other stakeholders.

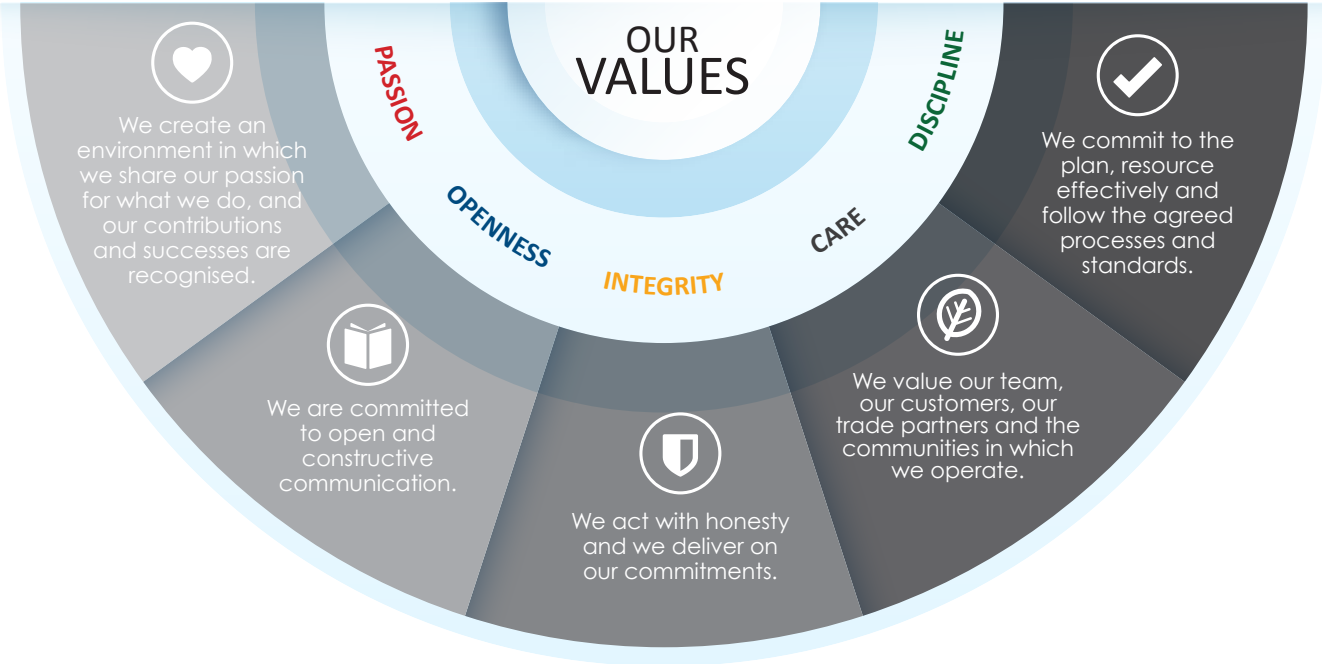
Our values and Code of Conduct set out the standards of behaviour that apply in all of our daily business activities and help us carry out our

legal and ethical obligations. Our Code of Conduct is supported by a range of policies, including our Anti-corrupt Practices Policy and Whistleblower Policy, all publicly available on our [website](#). Our [Corporate Governance Statement FY19](#) includes details on the functioning of the Board and its committees and is available on our corporate website.

The implementation of our sustainability strategy is driven by the Group Sustainability team led by our Group General Counsel and Company Secretary. The most senior executive with accountability for

sustainability performance is the Group Managing Director and Chief Executive Officer.

Key sustainability performance indicators such as safety, product compliance with safety standards and responsible sourcing practices are monitored and reported monthly to the Executive Leadership Team and the Board of Directors. Exposure to economic, environmental and social sustainability risks is managed in accordance with our Risk Management Policy and Risk Management Framework.



APPENDICES

GLOSSARY

TERMS	DEFINITIONS
Aon Best Employer	Each year an elite group of organisations across Australia and New Zealand achieve Aon Best Employer accreditation status. These organisations not only record high employee engagement scores but deliver outstanding people practices.
Carbon dioxide equivalent (CO2e)	A universal standard measure used to compare the emissions from various greenhouse gases based on their global warming potential. For example, one tonne of methane emission is equivalent to 21 tonnes of carbon dioxide emissions.
CDP	CDP, formerly the Carbon Disclosure Project, runs the global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts.
Dow Jones Sustainability Indices (DJSI)	DJSI is regarded as the world's leading sustainability benchmark. It is used by institutional investors, financial analysts and asset managers to evaluate the relative sustainability risks of their investment decisions.
Executive Leadership Team	The Group's Managing Director and CEO and his direct reports.
ISS Environmental and Social QualityScore	QualityScore is a data-driven approach to measuring the quality of corporate disclosures on environmental and social issues, including sustainability governance conducted by the Institutional Shareholder Services Inc. (ISS), a provider of governance and responsible investment solutions to the global financial community.
Lost Time Injury Frequency Rate (LTIFR)	LTIFR measures the number of Lost Time Injuries (LTIs), defined as injuries or illnesses resulting in an employee being unable to work for a full scheduled day (or shift) other than the day (or shift) on which the injury occurred where work was a significant contributing factor, per one million hours worked in a 12 month period.
Modern Slavery Act 2018 (Cth)	The Act established a national Modern Slavery Reporting Requirement for certain large businesses and other entities in the Australian market.
National Greenhouse and Energy Reporting scheme	The National Greenhouse and Energy Reporting (NGER) scheme, established by the National Greenhouse and Energy Reporting Act 2007, is a single national framework for reporting and disseminating company information about greenhouse gas emissions, energy production, energy consumption and other information specified under NGER legislation.
Private brand products	Product brands for which Super Retail Group (or one of its subsidiaries) own the trade mark.
Senior Management	The Group's senior management team includes Bands 1-3.
Total Recordable Injury Frequency Rate (TRIFR)	TRIFR is the sum of the number of Fatalities, Lost Time Injuries, Restricted Work Injuries, and Medical Treatment Injuries in a 12 month period divided by hours worked in a 12 month period multiplied by 1,000,000.
UN Global Compact (UNGC)	The UNGC is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN's Sustainable Development Goals (SDGs). The UNGC has Ten Principles under four core areas of human rights, labour, environment and anti-corruption.
UN Sustainable Development Goals (SDGs)	UN SDGs are a set of 17 goals stemming from the UN's 'Agenda 2030': a 15-year plan to improve the wellbeing of present and future generations by tackling the world's biggest challenges through the promotion of sustainable development.



APPENDICES

UNITED NATIONS GLOBAL COMPACT

The table below references the sections within this report that describe our commitment to the UN Global Compact principles and how we are implementing them in our own operations and in our supply chain.

PRINCIPLES	SECTION REFERENCE	PAGE REFERENCE
HUMAN RIGHTS		
Principle 1 Protection of Human Rights	Responsible Sourcing Program	17-18
Principle 2 No Complicity in Human Rights Abuses	Responsible Sourcing Program	17-18
LABOUR		
Principle 3 Freedom of Association and Collective Bargaining	Fairness, equity and gender equality	24
	Enterprise Agreement	25
	Responsible Sourcing Program	17-18
Principle 4 Elimination of Forced and Compulsory Labour	Responsible Sourcing Program	17-18
Principle 5 Abolition of Child Labour	Responsible Sourcing Program	17-18
Principle 6 Elimination of Discrimination	Fairness, equity and gender equality Building a diverse and inclusive team Gender Diversity	24
ENVIRONMENT		
Principle 7 Precautionary Approach	The Group applies the precautionary approach by analysing, monitoring and taking actions to reduce its environmental impacts	30-35
Principle 8 Environmental Responsibility	Caring For Our Natural Environment	30-35
Principle 9 Environmentally Friendly Technologies	Caring For Our Natural Environment	30-35
ANTI-CORRUPTION		
Principle 10 Work against Corruption	Sustainability Governance Responsible Sourcing Program	36 17-18

GRI CONTENT INDEX

GENERAL DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE NUMBER	SECTION	NOTES	OMISSION
ORGANISATIONAL PROFILE					
GRI 102-1	Name of the organisation	-	This index	Super Retail Group Limited	
GRI 102-2	Activities, brands, products, and services	1	About us; This index	We do not sell products or services that are banned or that are the subject of public debate	
GRI 102-3	Location of headquarters	-	This index	Lawnton, Qld, Australia	
GRI 102-4	Location of operations	1	About us; This index	Australia, New Zealand & China	
GRI 102-5	Ownership and legal form	1	About us; This index	Super Retail Group is an ASX listed company	
GRI 102-6	Markets served	1	About us; This index	Australia and New Zealand	
GRI 102-7	Scale of the organisation	-	This index	Contained within our 2019 Annual Report, available at our corporate website	
GRI 102-8	Information on employees and other workers	21	Passionately supporting our team		
GRI 102-9	Supply chain	8; 17	Our brands; Responsible sourcing		
GRI 102-10	Significant changes to the organisation and its supply chain	-	This index	No significant changes from previous period	
GRI 102-11	Precautionary principle or approach	-	This index	The Group applies the precautionary approach by analysing, monitoring and taking actions to reduce its environmental impacts	
GRI 102-12	External initiatives	14; 17; 32	Transparency and good governance, Responsible sourcing, Sustainable packaging and products, This index	the Group is a signatory of the Australian Packaging Covenant and the United Nations (UN) Global Compact . We support the Fair Labour Association , the Universal Declaration of Human Rights , the Convention of Rights of the Child , the ILO Declaration on Fundamental Principles and Rights at Work and the UN Sustainable Development Goals	

GRI CONTENT INDEX

GENERAL DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE NUMBER	SECTION	NOTES	OMISSION
GRI 102-13	Membership of associations	14	This index; Transparency and good governance	The Group maintains memberships with a number of associations and organisations, including the Australian Packaging Covenant , the United Nations (UN) Global Compact and the National Retailers Association	
STRATEGY					
GRI 102-14	Statement from senior decision-maker	3	Message from our CEO		
ETHICS AND INTEGRITY					
GRI 102-16	Values, principles, standards, and norms of behaviour	5; 36	Our business; Sustainability governance		
GOVERNANCE					
GRI 102-18	Governance structure	36	Sustainability governance; This index	Contained within our 2019 Corporate Governance Statement and 2019 Annual Report, available at our corporate website	
STAKEHOLDER ENGAGEMENT					
GRI 102-40	List of stakeholder groups	11	Materiality		
GRI 102-41	Collective bargaining agreements	25	Enterprise agreement		
GRI 102-42	Identifying and selecting stakeholders	11	Materiality		
GRI 102-43	Approach to stakeholder engagement	11	Materiality		
GRI 102-44	Key topics and concerns raised	11	Materiality		
REPORTING PRACTICE					
GRI 102-45	Entities included in the consolidated financial statements	-	This index	Contained within Super Retail Group 2019 Annual Report	
GRI 102-46	Defining report content and topic boundaries	11	Materiality		
GRI 102-47	List of material topics	11	Materiality		

GRI CONTENT INDEX

GENERAL DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE NUMBER	SECTION	NOTES	OMISSION
GRI 102-48	Restatements of information	-	This index	1. LTIFR and TRIFR result for FY18 were recalculated due to improvements in our reporting maturity and quality of data. 2. Air travel data for FY18 was revised to reflect the correct unit of measure. 3. FY17 and FY18 carbon emissions data recalculated due to overestimation in previous reports and adjusted for Macpac.	
GRI 102-49	Changes in reporting	-	This index	No changes in reporting this year	
GRI 102-50	Reporting period	1	About this report		
GRI 102-51	Date of most recent report	-	This index	2018 Sustainability Report (1 July 2017 to 30 June 2018)	
GRI 102-52	Reporting cycle	-	This index	Annual	
GRI 102-53	Contact point for questions regarding the report	1	About this report		
GRI 102-54	Claims of reporting in accordance with the GRI Standards	1	About this report		
GRI 102-55	GRI content index	-	This index		
GRI 102-56	External assurance	47	Assurance report		

SPECIFIC STANDARD DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE NUMBER	SECTION	NOTES	OMISSION
200 (ECONOMIC TOPICS)					
GRI 201: ECONOMIC PERFORMANCE 2016					
GRI 103	Explanation of the material topic and its boundary	6; 14	This index; Our business; Supporting communities that support us	The Group supports the economy through taxes, job creation (directly and indirectly), and support to the community and local trade partners. For detailed information about our economic performance please refer to our Annual Report 2019, available at our corporate website	
GRI 201-1	Direct economic value generated and distributed	6; 14	This index; Our business; Supporting communities that support us	Contained within our 2019 Annual Report, available at our corporate website	

GRI CONTENT INDEX

SPECIFIC STANDARD DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE NUMBER	SECTION	NOTES	OMISSION
GRI 201-2	Financial implications and other risks and opportunities due to climate	30	Caring for our natural environment; This index	Contained within our CDP Report, available at our corporate website	
GRI 203-2	Significant indirect economic impacts	-	This index	We contribute to job creation and wages through our supply chain	

300 (ENVIRONMENTAL TOPICS)

GRI 305: EMISSIONS 2016					
GRI 103	Explanation of the material topic and its boundary	30	Caring for our natural environment		
GRI 305-1	Direct (Scope 1) GHG emissions	30	Caring for our natural environment		
GRI 305-2	Energy indirect (scope 2) GHG Emissions	30	Caring for our natural environment		
GRI 305-5	Reduction of GHG emissions	30	Caring for our natural environment		
GRI 306: EFFLUENTS AND WASTE 2016					
GRI 103	Explanation of the material topic and its boundary	32; 33	Sustainable packaging and products; Promoting reduce-reuse-recycle		
GRI 306-2	Waste by type and disposal method	33	Promoting reduce-reuse-recycle		
GRI 307: ENVIRONMENTAL COMPLIANCE 2016					
GRI 103	Explanation of the material topic and its boundary	30	Caring for our natural environment		
GRI 307-1	Non-compliance with environmental laws and regulations	-	This index	No incidents related to non-compliance with environmental laws and regulations were recorded during the reporting period	

GRI CONTENT INDEX

SPECIFIC STANDARD DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE NUMBER	SECTION	NOTES	OMISSION
400 (SOCIAL TOPICS) LABOUR PRACTICES AND DECENT WORK					
GRI 401: EMPLOYMENT 2016					
GRI 103	Explanation of the material topic and its boundary	22	Passionately supporting our team		
GRI 401-1	New employees hires and employee turnover	27	Our workforce		
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016					
GRI 103	Explanation of the material topic and its boundary	22	Keeping our team safe		
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	23	Keeping our team safe	Occupational Disease Rate (OD) is not reported due to maturity of data.* * measure to be included from FY21	Quantitative data
GRI 404: TRAINING AND EDUCATION 2016					
GRI 103	Explanation of the material topic and its boundary	25	Continuous learning and development		
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	25	Continuous learning and development		
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016					
GRI 103	Explanation of the material topic and its boundary	24	Fairness, equity and gender equality		
GRI 405-1	Diversity of governance bodies and employees	24	Fairness, equity and gender equality		

GRI CONTENT INDEX

SPECIFIC STANDARD DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE NUMBER	SECTION	NOTES	OMISSION
HUMAN RIGHTS					
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016					
GRI 103	Explanation of the material topic and its boundary	17	Responsible sourcing		
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	17	Responsible sourcing		
GRI 408: CHILD LABOUR 2016					
GRI 103	Explanation of the material topic and its boundary	17	Responsible sourcing		
GRI 408-1	Operations and suppliers at significant risk for incidents of child labour	17	Responsible sourcing		
GRI 409: FORCED OR COMPULSORY LABOUR 2016					
GRI 103	Explanation of the material topic and its boundary	17	Responsible sourcing		
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	17	Responsible sourcing		
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016					
GRI 103	Explanation of the material topic and its boundary	17	Responsible sourcing		
GRI 414-1	New suppliers that were screened using social criteria	17	Responsible sourcing		
GRI 414-2	Negative social impacts in the supply chain and actions taken	17	Responsible sourcing		

GRI CONTENT INDEX

SPECIFIC STANDARD DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE NUMBER	SECTION	NOTES	OMISSION
SOCIETY PRODUCT RESPONSIBILITY					
GRI 416: CUSTOMER HEALTH AND SAFETY 2016					
GRI 103	Explanation of the material topic and its boundary	20	Product safety		
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	20	Product safety		
GRI 418: CUSTOMER PRIVACY 2016					
GRI 103	Explanation of the material topic and its boundary	20	Respecting privacy		
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	20	Respecting privacy		
GRI 419: COMPLIANCE					
GRI 103	Explanation of the material topic and its boundary	20; 25; 36	Product Safety; Respecting privacy; Improving governance for employment arrangements; Sustainability governance		
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	25	Improving governance for employment arrangements		

Super Retail
Group



rebel



ABN: 81 108 676 204

www.superretailgroup.com.au