

18 August 2021

**ASX Announcement**

**2021 SUSTAINABILITY REPORT**

Super Retail Group Limited (ASX–SUL) is pleased to provide its Sustainability Report to the market.

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The release of this announcement has been authorised by the Board of Super Retail Group Limited.



Inspiring you to  
live your passion

ABN: 81 108 676 204





#### Information

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rarily excludes defects from after sale  
on. You bear all transportation costs to  
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y. Our goods come with guarantees that  
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and for compensation for any other  
You are also entitled to have the goods  
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D 37-65 COBALT STREET,  
AU: AIN 66 009 685 232

MADE IN KOREA

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## ABOUT THIS REPORT

This report has been prepared by Super Retail Group (also referred as 'the Group') in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The report was internally reviewed, supported by evidence, signed off by management, subject to limited assurance and approved by the Board before being released to market. It covers Super Retail Group's operations in Australia, New Zealand and China, including our store network, support offices and distribution centres for the period 1 July 2020 to 30 June 2021. Financial and Health and Safety data covers the period of 28 June 2020 to 26 June 2021 (unless noted otherwise). We have noted where data is not available, incomplete or available in a separate document. All financial figures are reported in Australian dollars, unless otherwise specified. Detailed financial information can be found in the Group's 2021 Annual Report, available on our website [www.superretailgroup.com.au](http://www.superretailgroup.com.au). Sustainability Reports from previous years are also available on our website. The full limited assurance statement for this report, which includes a summary of the specific reporting criteria used for each of the selected metrics reported under the GRI Standards, is available at the end of this report.

We welcome your feedback and comments. Please contact our team via:

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# CEO'S MESSAGE

## DEAR SHAREHOLDERS

**In FY21, Super Retail Group made substantial progress on implementing more sustainable practices and integrating sustainability considerations into our decision-making.**

Despite one of the most challenging retail environments in our history, we are committed to adopting and implementing robust ESG policies and practices that protect and enhance our sustainable performance. This commitment is in line with our stakeholders' expectations and our Group values.

### ACTING WITH INTEGRITY

The Group increased its Dow Jones Sustainability Index score to 60, placing it in the top quartile within the retail sector and securing a spot in the S&P Global Sustainability Yearbook 2021. We also received a leading rating from the Australian Council of Superannuation Investors for ESG reporting relative to peers in the ASX 200.

We published our inaugural Modern Slavery Statement and continued to identify and address modern slavery risks in our Operations and Supply Chain through our Responsible Sourcing Program.

Our community-first philosophy is a key part of the business's sustainability strategy, which recognises that long-term value creation is only possible if we play a positive role in the communities we serve.

During FY21, Macpac's 'Fund for Good' program awarded grants worth over \$376,000 to more than 40 Australian and New Zealand-based organisations. BCF's support of OzFish continued with \$300,000 being contributed to the protection and restoration of waterways and fish habitats and a further \$392,850 being raised by customers.

### PASSIONATELY SUPPORTING OUR TEAM

In a year that included the permanent operating environment of COVID-19, a safe work environment and the physical and psychological health and safety of our team members, customers, contractors, business partners and visitors has been paramount.

Across the year, the Group's initiatives in this space have focused on mental health, managing the impact of COVID-19, identifying and assessing key risks, line accountability and implementing initiatives to reduce risks involved with mobile plant and manual handling.

This has led to a Total Recordable Injury Frequency Rate (TRIFR) of 9.43 in FY21, which is a 24 per cent reduction on the previous year. We also recorded a Lost Time Injury Frequency Rate (LTIFR) of 4.51, a 22 per cent improvement on the previous year.

Our commitment to providing an environment that includes people with diverse values, backgrounds, skills, experience and needs is another critical component to reflecting the communities in which we operate.

Our goal remains to achieve gender equality in our Board, executive and senior leadership teams by 2025. We proudly hold the Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality (EOCGE) Citation and will be applying for renewal in 2021.

Female representation on our Board is at 29 per cent, 27 per cent at the executive leadership level and 39 per cent for women in senior leadership.

### CARING FOR OUR NATURAL ENVIRONMENT

We remain particularly focused on doing our share in protecting the places we love to play in.

Our carbon emissions (scopes one and two) across the Group declined by seven per cent and our recycling rates (for all waste material in stores, support offices and distribution centres) remained at 65 per cent, in line with FY20 levels.

Our brands continued to help customers reduce their impact on the environment with Supercheap Auto helping our customers recycle a record 1,068,200 litres of oil and 85,967 car batteries. Over at rebel, we recycled more than 37,000 pairs of shoes through our in-store collection.

I am proud of the progress we have made in our sustainability strategy.

That said, an awareness of community expectations and how they are constantly evolving, is necessary to continually readjusting the way we work. Rightly, the bar is being raised on what is the right way of going about business.

Given the pace of change, we have commenced a program of work to review and refresh our 2030 sustainability strategy. I expect this refresh will result in the expansion of several of our existing strategic commitments.

Importantly, it will continue to focus on ESG policies and practices that make a genuine difference in our communities, for our team members and for our shareholders. We are committed to making real change and building sustainable practices across our business.

**Anthony Heraghty**

Group Managing Director and Chief Executive Officer



Super Retail Group is a signatory to the United Nations Global Compact (UNGC) and strongly supports the Ten Principles of the UNGC in the areas of Human Rights, Labour, Environment and Anti-Corruption and contribute to the [UN Sustainable Development Goals](#) (SDGs) through our operations, products and supply chain.



# FY21 highlights

**1,068,200**

RECYCLED LITRES OF OIL



**15%**

REDUCTION IN CARBON  
EMISSIONS FROM BASE YEAR  
2017



**85,967**

RECYCLED CAR BATTERIES  
THROUGH SUPERCHEAP  
AUTO STORES



**65%**

RECYCLING RATE FOR ALL WASTE  
MATERIAL IN STORES, OFFICES  
AND DISTRIBUTION CENTRES



**>37,000**

RECYCLED PAIRS OF SHOES  
THROUGH REBEL'S IN-STORE  
COLLECTION



**\$300,000**

BCF CONTRIBUTED TO THE  
SUPPORT OF OZFISH

BCF helped its customers raise a  
further **\$393,745** to support  
OzFish in protecting and restoring  
waterways and fish habitats



**\$376,000**

GRANTS PROVIDED BY MACPAC FUND  
FOR GOOD, which represents 40  
Australian and New Zealand-based  
organisations committed to 'doing good  
in the world'



# FY21 highlights



## 9.43

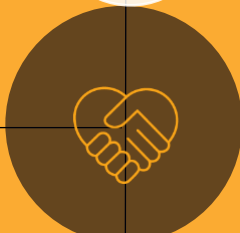
**TOTAL RECORDABLE INJURY  
FREQUENCY RATE (TRIFR) IN FY21**  
24 per cent improvement on the  
previous year

Published our inaugural  
**MODERN SLAVERY STATEMENT**



More than 1,800 team members  
participating in the '**I AM HERE**'  
program, a series of learning  
modules dedicated to supporting  
mental health

Included in the S&P Global  
**SUSTAINABILITY YEARBOOK 2021**



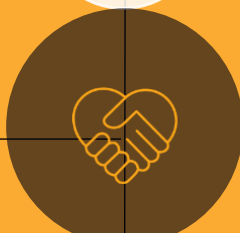
## 82

**ENGAGEMENT SCORE**  
Five points above the Achievers  
benchmark (77)



## 60

**INCREASED OUR DOW JONES  
SUSTAINABILITY INDEX  
SCORE FROM 52**  
Top quartile within the  
DJSI retail sector



Received a **LEADING RATING FROM  
THE AUSTRALIAN COUNCIL OF  
SUPERANNUATION INVESTORS** for  
ESG reporting relative to peers in the  
ASX 200

Macpac **DEMONSTRATED TAKING  
POSITIVE ACTION** to support workers in  
their supply chain during the COVID-19  
pandemic, and was featured in a case  
study in the **COVID Fashion Report 2020**



# 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.

Our powerful brands have established, leading positions in growing high-involvement lifestyle categories of auto, sports and outdoor leisure. We provide our customers and highly engaged eight million active loyalty club members with the option to experience our brands whenever and however they choose – whether that's through our network of 698 stores or via our digital capabilities, which we continue to enhance.

# \$3.45b

GROUP SALES REVENUE

**\$306.8m**

NORMALISED NET  
PROFIT AFTER TAX

**14,305**

TEAM MEMBERS

**698**

STORES

**8**

DISTRIBUTION  
CENTRES

**4**

SUPPORT  
OFFICES

**3**

COUNTRIES OF  
OPERATION

*Australia, New Zealand  
and China*

*Note: During FY21, we closed nine stores, relocated eight stores and opened ten new stores.*



Macpac tree planting and maintenance





## Our Brands

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

**rebel** helps our customers chase their sports dream. 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, with the best service and products empowering every customer to answer the call of sport.



**SUPERCHEAP  
AUTO**

**327**  
STORES

**2.3m**  
ACTIVE CLUB MEMBERS

**64**  
CLUB MEMBER NPS

**rebel**

**153**  
STORES

**3.2m**  
ACTIVE CLUB MEMBERS

**59**  
CLUB MEMBER NPS

**BCF** is a leading outdoor retailer, with stores in every Australian state and territory. With expert knowledge and service, we provide everything you could possibly need for your next boating, camping or fishing adventure, all under the one roof.

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



**142**  
STORES

**2.0m**  
ACTIVE CLUB MEMBERS

**63**  
CLUB MEMBER NPS



**76**  
STORES

**0.5m**  
ACTIVE CLUB MEMBERS

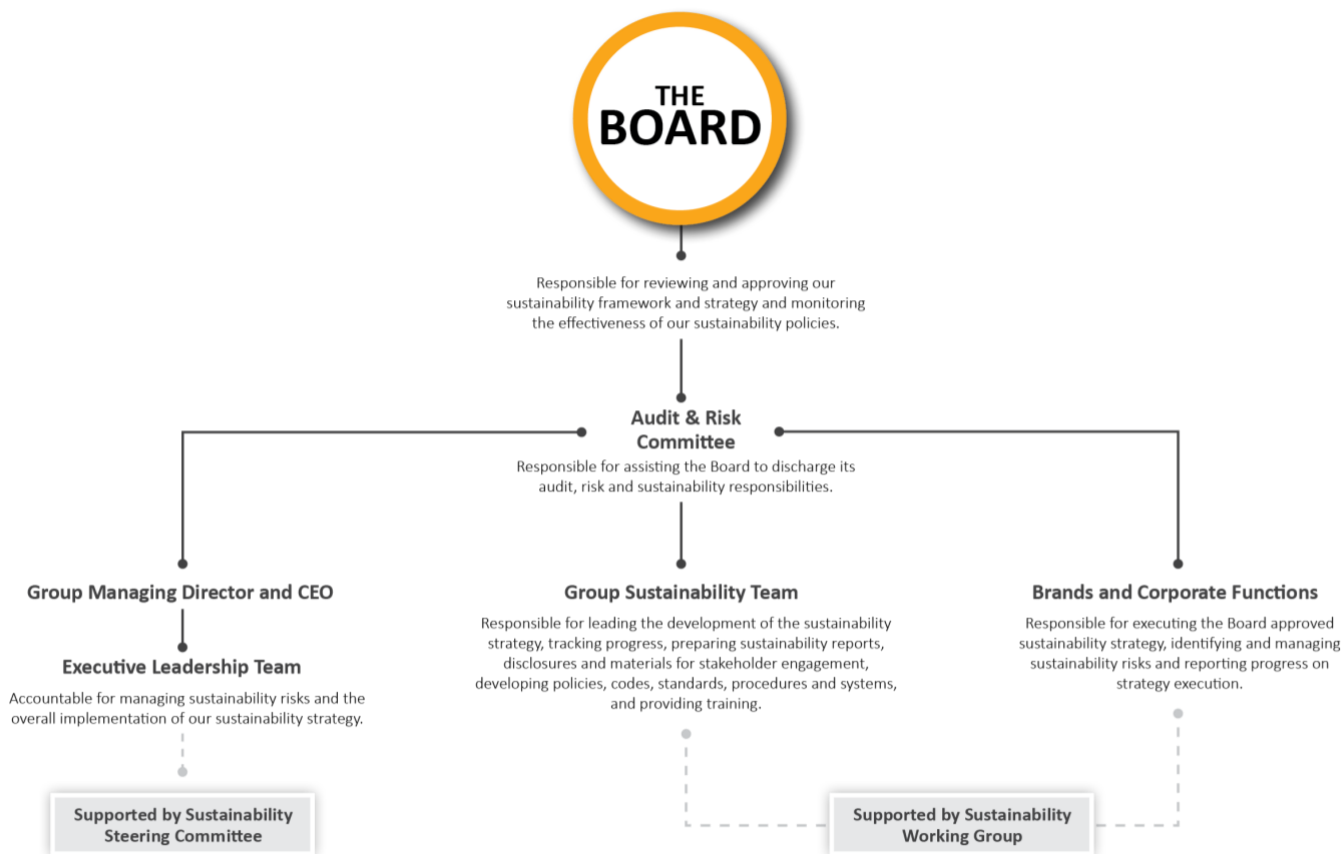
**68**  
CLUB MEMBER NPS

# Sustainability Governance

Super Retail Group is committed to adopting and implementing robust ESG policies and practices that protect and enhance our sustainable performance. This commitment is in line with our stakeholders' expectations and our Group values.

Our [Code of Conduct](#) sets out the Group values and standards of behaviour that apply in all of our daily business activities, and which help us meet our legal and ethical obligations. Our Code of Conduct is supported by a range of policies, including our [Diversity and Inclusion Policy](#) and [Responsible Sourcing Policy](#), all of which are publicly available on our website. Our 2021 Corporate Governance Statement includes details on the functioning of the Board and its Committees and is also available on our [website](#).

Key sustainability performance indicators such as safety, product compliance with safety standards and responsible sourcing practices are monitored and reported to the Group Executive Leadership Team and the Board. Exposure to ESG related risks, including climate change, are managed in accordance with our [Risk Management Policy](#) and Risk Management Framework and reported to the Board and Audit and Risk Committee. A list of the Group's material risks, including ESG risks, are disclosed in our FY21 Annual Report, available on our [website](#).







# Our 2030 sustainability strategy

## 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 undertaking a materiality assessment based on the Global Reporting Initiative Standards for sustainability reporting.

Our key stakeholders include team members, customers, investors, trade partners, community partners, governments and regulators. We engage with stakeholders regularly, including through our store network, loyalty club memberships, consumer research, social media platforms, customer service helplines, employee engagement surveys, investor briefings, industry bodies and government relations.

Our materiality assessment takes into consideration:

- 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.

The Group's risk management framework (RMF) complements our materiality assessment. The Board reviews the RMF annually. For further information about our RMF please refer to our 2021 Governance Statement available on [our website](#).

Our 2030 Sustainability Strategy builds on what is important to our business and stakeholders. It focuses on creating a world of good to drive and achieve lasting sustainable outcomes under three pillars: acting with integrity, passionately supporting our team, and caring for our natural environment.

When we developed our 2030 sustainability strategy, we identified 12 material issues, grouped under the three pillars, to form the basis of our strategic commitments. We recognise that our stakeholders' views and expectations, and our sustainability challenges and opportunities, are constantly, and rapidly, evolving. The pace of this change has accelerated over the last 12 to 18 months in particular. For this reason, we have commenced a program of work to review, and refresh, our 2030 sustainability strategy. While this work is still underway, we expect that our refreshed sustainability strategy will build on, and potentially expand, a number of our existing strategic commitments while recognising early successes in relation to other commitments.



2030 SUSTAINABILITY STRATEGIC PILLAR	MATERIAL ISSUES	OUR STRATEGIC COMMITMENTS 2018 - 2030	MOST RELEVANT SDGs
 <b>PASSIONATELY SUPPORTING OUR TEAM</b>	<ol style="list-style-type: none"> <li>Engaged, fulfilled and healthy team</li> <li>Fairness, equity and gender equality</li> <li>Continuous learning and development</li> </ol>	<ul style="list-style-type: none"> <li>Consistent, top quartile engagement (ANZ)</li> <li>Safety is everyone's business</li> <li>50:50 gender equality (Board, executive and senior leadership teams) by 2025</li> <li>Strive to achieve the Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality (EOCGE) citation</li> <li>Invest in our team and provide development opportunities that attract, grow and retain the talent needed to compete in tomorrow's marketplace</li> </ul>	 
 <b>ACTING WITH INTEGRITY</b>	<ol style="list-style-type: none"> <li>Transparency and openness</li> <li>Contributing to community</li> <li>Responsible sourcing</li> <li>Product safety</li> <li>Respect for privacy</li> </ol>	<ul style="list-style-type: none"> <li>Continually improve ESG disclosure in line with industry best practice</li> <li>Contribute to community programs that support the passion of our customers' and team members'</li> <li>Improve transparency beyond first-tier suppliers for high-risk supply chains</li> <li>Invest in capability-building for our trade partners</li> <li>Source cotton, down and feather insulation, wood, board and paper from sustainable sources</li> <li>Product Compliance System built around product safety, protecting our customers</li> <li>Protect the privacy of team members and customers by protecting the data shared with us</li> </ul>	  
 <b>CARING FOR OUR NATURAL ENVIRONMENT</b>	<ol style="list-style-type: none"> <li>Responding to climate change</li> <li>Sustainable packaging and products</li> <li>Promoting reduce-reuse-recycle</li> <li>Protecting nature and waterways</li> </ol>	<ul style="list-style-type: none"> <li>Reduce carbon emissions by 20 per cent by 2030 (from a 2017 base) through energy efficiency measures</li> <li>Adopt a circular economy model for our private brand products and packaging</li> <li>Create connections with customers through sustainable product, packaging and in-store recycling</li> <li>Adopt the Australasian Recycling Label for our private brand products and encourage our trade partners to do the same</li> <li>100 per cent of all our private brand packaging to be reusable, recyclable or compostable by 2025</li> <li>50 per cent recycled content in our private brand packaging</li> <li>Support environmental conservation and restoration programs where our customers play</li> </ul>	  





# Acting with integrity



ACTING WITH  
INTEGRITY

## SUPPORTING COMMUNITIES WHO SUPPORT US BY DOING THE RIGHT THING

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

Our commitment to responsible corporate conduct is underpinned by being open and transparent, making a positive contribution to society, sourcing our products responsibly, providing safe products for our customers and protecting the privacy of our customers' and team members' personal information.

### TRANSPARENCY AND OPENNESS

We believe that greater transparency enhances accountability and helps earn the trust of our customers, team members, shareholders and the communities in which we operate. We prepare annual sustainability reports in accordance with the Global Reporting Initiative (GRI) Standards: Core option.

This year, we participated in a number of voluntary ESG disclosure programs, including:

- [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;

- [ISS Environmental & Social 'QualityScore'](#): a data-driven solution for institutional investors, designed to measure and identify areas of environmental and social risk through company disclosure; and
- [FTSE Russell ESG Rating](#): a ratings and data model that allows investors to understand a company's exposure to, and management of, ESG issues in multiple dimensions.

Macpac also provided disclosure to the [Baptist World Aid Australia](#) (BWA), through Tearfund New Zealand. BWA assesses and rates the information provided based on the strength of the company's systems to mitigate against the risks of forced labour, child labour, and exploitation in their supply chains. Ratings are publicly disclosed in the BWA's annual Ethical Fashion Report.

As part of the refresh of our 2030 sustainability strategy, we are reviewing our existing reporting commitments, and other reporting options, with a view to identifying the most appropriate, and effective, format for our stakeholders.

## SUPPORTING COMMUNITIES THAT SUPPORT US

The Group employed 14,305 team members in Australia, New Zealand and China as end of June 2021. In FY21, we paid more than \$603.7 million in wages, \$75.3 million in taxes and \$118.5 million in dividends to our shareholders.



ACTING WITH  
INTEGRITY

## OUR VALUES

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PASSION



OPENNESS



INTEGRITY



CARE



DISCIPLINE

# \$603.7m

SALARY & WAGES PAID

## \$118.5m

DIVIDENDS PAID TO  
SHAREHOLDERS

## \$75.3m

TAXES  
PAID

## \$84.5m

CAPITAL  
EXPENDITURE



# Our community partnerships



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



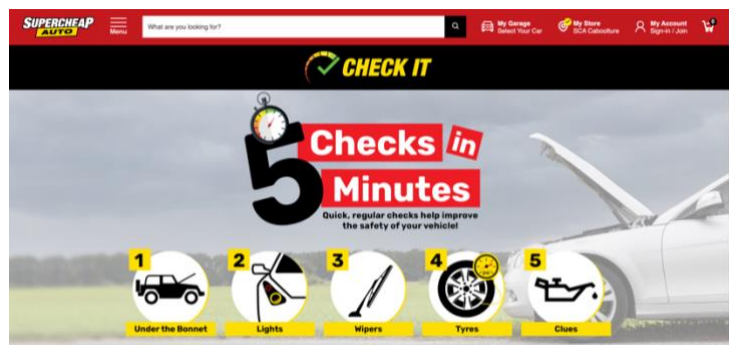
All our brands actively participated in the retail industry's First Responders Day on 24 June 2021.

Discounts were available across all our Supercheap Auto, BCF, rebel and Macpac stores in Australia for our first responder community. This event is the retail industry's way of thanking Australian medical and health workers, police, and firefighters for their hard work and dedication in keeping us safe.

## Investing in young people

In FY21 we continued our school-based trainee program. This program provides students aged 16 years or older with valuable industry skills while they complete their secondary school qualifications. Through these traineeships, we hope to improve the students' employability with a rewarding experience and a nationally recognised qualification.

There are four school-based trainees in the current intake, with two trainees completing the program this year, further enabling the stores to continue connecting with their local community and inspire the next generation of retailers.



## Supercheap Auto – keeping our young drivers safe

In partnership with [Driver Safety Australia](#), Supercheap Auto invests in a young driver safety program to raise awareness of the importance of undertaking regular vehicle safety checks.

The program delivers free training in stores and online tutorials to young drivers.

Despite a challenging period of COVID-19 restrictions, more than 6,500 drivers learned how to check their vehicle online through our '[Check It](#)' video tutorials, thanks to Supercheap Auto and its passionate team.



## Think Global, Act Local

Our passion for all things Boating, Fishing and Camping is shared by our team and customers.

In FY21 we once again allocated every BCF store a sponsorship budget for their TGAL (Think Global, Act Local) Initiatives. The TGAL sponsorship program aims to support our local communities and give back to those who continue to support BCF.

Building a community of passionate outdoor enthusiasts aligns with our core purpose and values and this approach means we can support a variety of local projects. From supporting local sporting teams to equipment for emergency services and supplying prizes for a local fishing competition, the BCF TGAL program puts the community first.



## rebel Women in Sport

Our team's passion for championing women's sport continued in FY21, with rebel deepening its relationship with Football Australia and the national women's team, the Matildas.

We also extended support of female professional sporting leagues and young elite athletes, with rebel presenting the following awards in FY21:

- NRL Women's (Rugby League): rebel Rookie of the Year – **Kennedy Cherrington**
- Suncorp Super Netball (Netball): rebel Rising Star – **Maisie Nankivell**
- WBBL (Cricket): rebel Young Gun – **Darcie Brown**
- AFLW (Australian Rules): rebel Young Leader – **Georgia Patrikios**

The awards include a cash gift of \$5,000 and access to the rebel Women's Mentoring Program (WMP), an online leadership and education program. The WMP was refreshed in FY21 to assist professional female athletes in challenging times due to the COVID-19 pandemic. The modules focus on mental health, the business of sport, leadership and sports media.

During FY21, rebel extended access to the WMP to all rebel VFLW players and all rebel WBBL players while they were based in a season long COVID 'hub'. This year the WMP had its largest participation uptake. In addition, rebel provided sporting equipment and activities to the WBBL hub, as well as training equipment to athletes in quarantine.

Young female rebel customers were also supported with access to half time events such as the 'rebel race' at the Women's State of Origin event, a competition to find the fastest female rugby league player in Queensland.



## Macpac Fund for Good



The Macpac Fund for Good engages team members and customers in strengthening their local communities through either financial aid or grants or the provision of apparel and equipment.

The fund supports non-profit organisations focused on long-term positive impacts such as the protection, regeneration and monitoring of native flora or fauna, adventure-based learning, therapy or environmental education, and Indigenous community projects. During FY21, the fund awarded grants worth over \$376,000 to more than 40 Australian and New Zealand-based organisations committed to doing good in the world.

Macpac remains passionate about the projects supported by the fund. An example is the Rainforest Rescue, an organization that has been protecting and restoring rainforests in Australia and internationally since 1999. Macpac's support this year included financial aid to help equip a new high-capacity nursery with vital tools. The new nursery is crucial for dramatically scaling the output of native seedling species to restore the Daintree Rainforest. The Daintree provides habitat for countless rare, precious, endangered and threatened flora and fauna, a sink for carbon, and new employment for locals and Traditional Owners.

### MACPAC GEAR ROOM

The Macpac gear room is a community initiative based at the Macpac support office in New Zealand. Local charities, schools and outdoor education providers can borrow gear such as hiking packs, jackets, hiking boots, sleeping bags and tents, free of charge. Macpac recognises that lack of access to adequate gear can be a significant barrier to getting out in nature and created the gear room as a way to help overcome these barriers.

The [Odyssey House Trust](#), a group that provides therapeutic support and education to people with drug and alcohol addictions, regularly make use of the gear room. They recently reported that the equipment provided a positive experience to a group of young women using their counselling services.





# Responsible Sourcing



ACTING WITH  
INTEGRITY

Responsible Sourcing is a material risk and a key focus for the Group. We are committed to upholding human rights and fair working conditions for all our team members, trade partners and service providers. Our customers, team members and investors expect it. Most importantly, it is the right thing to do.

We have a Responsible Sourcing Program aligned with the [UN Guiding Principles on Business and Human Rights](#), the [UN Global Compact](#), and the requirements of the *Modern Slavery Act 2018*. Our [Responsible Sourcing Policy](#) and [Responsible Sourcing Code](#) supports our program, which requires our team members and trade partners to:

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

The scope, risk approach, and verification of compliance requirements of our Responsible Sourcing Program is outlined in our Responsible Sourcing Code.

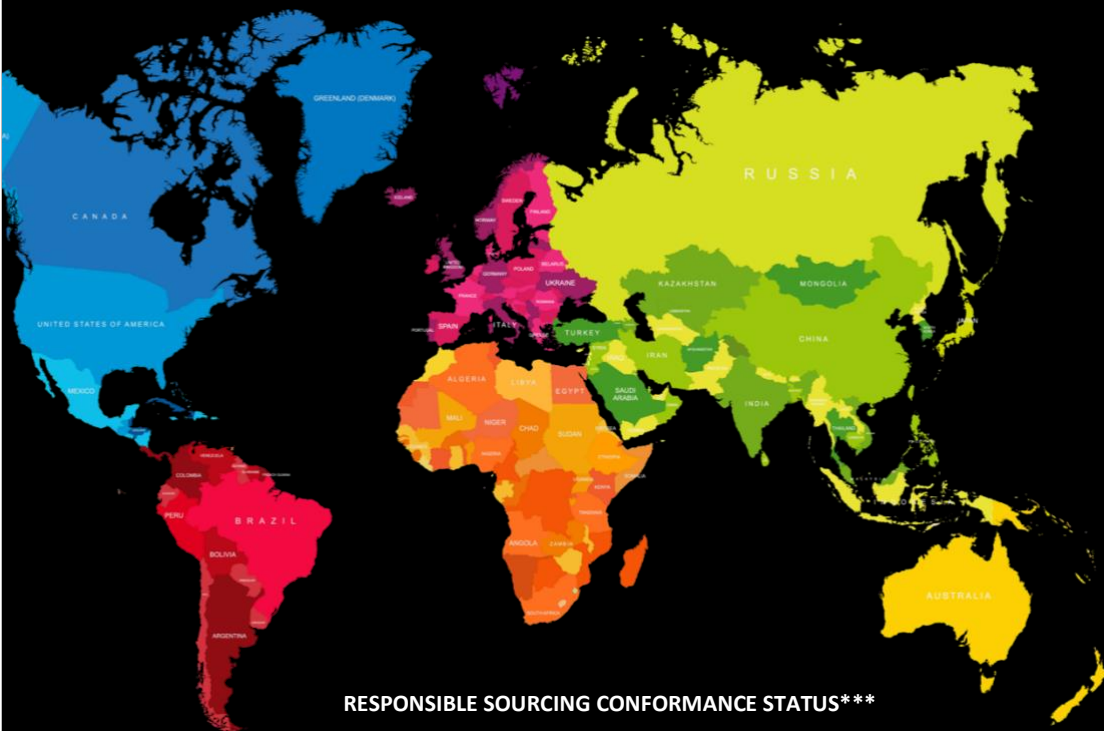
We published our inaugural [Modern Slavery Statement](#) in March 2021. The statement describes the process and actions the Group takes to identify, assess and address the risks of modern slavery across its operations and supply chain.

## PRODUCT SUPPLY CHAIN

We source products from our trade partners and third-party factories (Factories). Factories supplying our private brand products and direct imports, manufactured in high-risk countries, are required to provide audit reports for our assessment every two years. The verification of compliance against our Responsible Sourcing Code is focused on Factories that supply our finished goods.

At the end of FY21, we had 534 active Factories in 20 countries. This includes 66 new Factories, all of which were screened against our Responsible Sourcing Code requirements. Based on our risk rating, 492 of our active Factories were subject to our Responsible Sourcing audits. 90 per cent of those Factories were audited in the past two years.

Key areas of improvement identified in the various audit reports include those relating to health and safety, working hours, wages, payroll, and social insurance. We have agreed corrective action plans in each case and are working closely with our trade partners and Factories to resolve critical issues.



### RESPONSIBLE SOURCING CONFORMANCE STATUS\*\*\*

**480**

TOTAL

**49**

CONDITIONALLY  
APPROVED

**5**

ON PROBATION OR  
NOT APPROVED

\*Number of factories relate to our private brand products, direct imports and licensed brands that the Group is responsible for manufacturing. These are first-tier factories.

\*\* High risk refers to countries with Corruption Perception Index (CPI) score of less than 70; Low risk refers to countries with CPI score of 70 or greater. CPI score is used as a minimum threshold for our risk rating.

\*\*\*Responsible Sourcing Conformance Status definitions can be found in the Glossary.

### TIER-1 FACTORIES BY COUNTRY\*

	Country Risk Rating (Corruption Perception Index)**	
Australia	29	77
Cambodia	1	21
China	454	42
Fiji	1	No score available
Georgia	1	56
Hungary	1	44
India	4	40
Indonesia	4	37
Italy	2	53
Malaysia	2	51
Netherlands	1	82
New Zealand	6	88
Philippines	1	34
South Africa	1	44
South Korea	3	61
Taiwan	10	65
Thailand	4	36
Turkey	1	40
USA	1	67
Vietnam	7	36

**534**

TOTAL



ACTING WITH  
INTEGRITY

We identified some critical breaches of our requirements relating to modern slavery issues through our audit program in FY21, including:

- An underaged worker employed at one factory;
- Migrant workers being charged recruitments fees;
- Labour agency withholding migrant worker documentation; and
- Trade partners not disclosing full list of factories.

In all cases we have either resolved the issue or are working with the trade partners to address any outstanding issues

### CAPACITY BUILDING AND TRAINING

We continued to deliver online training to our trade partners and factories via our advisory partners. Topics included health & safety, workers' rights, social insurance and working hours. During FY21, representatives from 164 factories completed online training.

In addition, we delivered Responsible Sourcing training to 115 team members involved in the procurement of products and services on behalf of the Group.

### SERVICES SUPPLY CHAIN

We continued our due diligence processes for our service providers to evaluate compliance with the requirements

of our Responsible Sourcing Policy and Responsible Sourcing Code. We identified that service sectors with the following characteristics present a potential risk of modern slavery:

- Presence of labour brokers;
- Prevalence of migrant, overseas or other vulnerable worker;
- Multi-layer subcontracting models; and
- Franchisee business models.

As part of our procurement process<sup>1</sup>, we require service providers to complete a self-assessment that includes a self-declaration of compliance with our Responsible Sourcing requirements. Where necessary, further documents, interviews or independent audits are requested, depending on the residual risk.

During FY21 we assessed 103 service providers across various service types against our Responsible Sourcing Code requirements. All of these service providers completed self-declarations. Seven had follow up interviews and five were required to provide an audit report or certification.

No breaches of our Responsible Sourcing requirements have been identified as a result of our assessments.

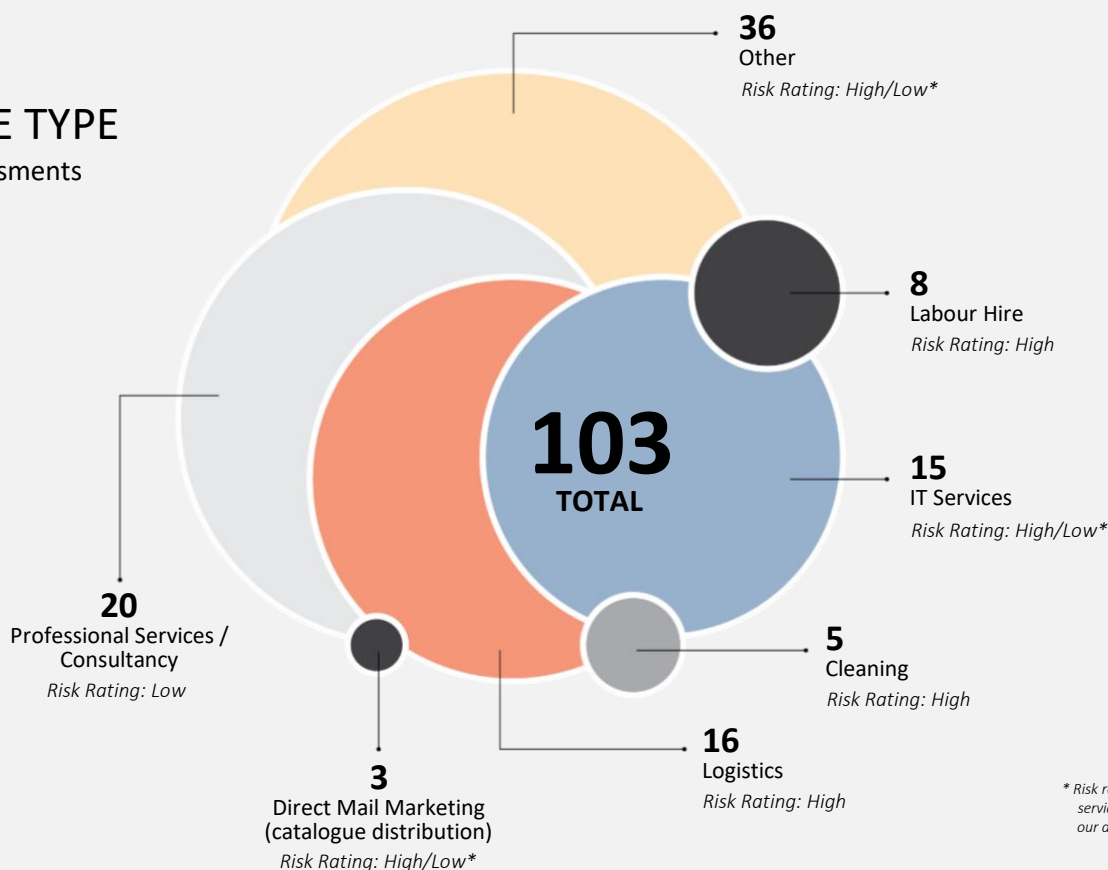
Looking ahead, we will continue to refine our approach to managing our risks and making improvements in this area.

<sup>1</sup> Excludes Macpac in FY21. Macpac started following this process in FY22.



## SERVICE TYPE

No. of assessments  
by sector

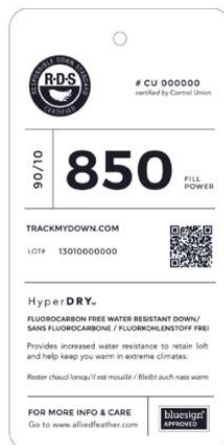


ACTING WITH  
INTEGRITY



## Commitment to Fairtrade organic cotton

Macpac's commitment to [Fairtrade](#) remains strong, with all cotton T-shirts being Fairtrade sourced. Fairtrade farmers and all operators in the supply chain are externally verified for compliance against the Fairtrade standards, which include monitoring for modern slavery, gender equality and fair pay. Fairtrade farmers receive a fairer price, thanks to the Fairtrade Minimum Price, and have access to the Fairtrade Premium, a fixed additional income source that provides farmers with the means to invest in improving the quality of their businesses and communities.



## Ethically sourced down

All Macpac down insulated gear is made with ethically-sourced down and carry [Responsible Down Standard \(RDS\)](#) certification. RDS certification 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 product. Each Macpac down jacket has a 'Track My Down' swing-tag which provides information regarding the provenance of the down in each product.



## Ethically sourced wool

Macpac was included in the Humane Society International Australia's (HIS) [Better Wool Guide](#) for its public commitment to source only certified non-mulesed wool. According to the HIS, millions of lambs bred for wool in Australia suffer as they are subjected to 'mulesing', a painful mutilation to protect them from flystrike.

Macpac does not permit wool from farms that practice mulesing to be used in its private brand products. Wool sourced from Australia must be certified Non-Mulesed (NM) in accordance with the [National Wool Declaration](#). Macpac does not permit the use of angora or mohair fibre in its private brand products.



ACTING WITH  
INTEGRITY

## PRODUCT SAFETY

Super Retail Group remains committed to product safety. We have processes in place for compliance with product safety requirements of the Australian and New Zealand consumer laws. These processes continually evolve to remain aligned with emerging regulations and to address important issues occurring throughout the year.

Our product compliance requirements apply to all suppliers. A well-established product testing regime is in place for our private brand products, which addresses all applicable regulatory safety standards. Product testing is conducted either in-house or at third-party National Association of Testing Authorities (NATA)-accredited facilities. The same level of focus on product safety is required from our non-private brand suppliers.

During FY21 we initiated voluntary recalls for two Supercheap Auto products - a trolley jack and a reclining lounge. While these products were tested to applicable standards, a decision to recall the products was made in light of customer feedback that suggested use of the products raised potential safety concerns. Additional information regarding product recalls is available in our [FY21 Sustainability Data and Indices](#).

We are not aware of any breach of mandatory standards relating to our private brand products and services for FY21.

## RESPONSIBLE MARKETING

Our core values of integrity and openness are well aligned with responsible marketing. Our fundamental marketing communication principle is to advertise our products fairly and to describe features and benefits truthfully. This applies to all marketing platforms, whether digital or print.

We take all necessary steps to comply with the law and the expectations of our customers and have clear processes and guidelines in place to support compliant marketing initiatives.

We did not receive any fines, penalties or warnings relating to marketing communications during FY21.

## RESPECTING PRIVACY

The Group cares about our customers and team members and takes seriously the trust our customers and employees place in us when choosing to share their personal information.

Our [Privacy Policy](#) describes how the Group manages and protects the personal information shared with us by 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. It also sets out the process to be followed to raise any complaints or concerns with the Group.

Our commitment to maintaining customer and team member privacy is supported by internal policies, procedures, reviews and training. Where service providers are used, we expect them to comply with all applicable privacy laws.

We do not sell the information we collect. As set out in our Privacy Policy, the Group uses data shared with us to provide services, information and engaging customer experiences that enable our customers to shop their way.

During FY21, the Group was made aware via our privacy inbox of an instance in which a retail store sent an email to multiple customers without hiding recipient's email addresses. The relevant team was notified of the issue, training was refreshed, and the customers impacted were notified. No other complaints concerning breaches of customer privacy or loss of customer data (and which were subsequently substantiated) were received.



# Passionately supporting our team

Super Retail Group employs 14,305 team members (as at 30 June 2021) across Australia, New Zealand and China. An engaged, passionate and capable team is critical to achieving our vision to inspire our customers to live their passion.

**82**  
**ENGAGEMENT  
SCORE**

Five points above the  
Achievers benchmark  
of 77

## ENGAGED, FULFILLED AND HEALTHY TEAM Building a positive work environment

Super Retail Group is committed to maintaining high levels of team member engagement, so that our team members continue to have the passion and capability to keep inspiring our loyal customers.

In FY21, we shifted from an annual engagement survey to a continuous listening and end-to-end engagement cycle by introducing a pulse survey that measures engagement three times a year via a ten-minute survey. This type of engagement measurement enables Super Retail Group and people leaders to listen more, learn more and take action with greater speed.

The first 'Listen' pulse was undertaken across the organisation in late April and early May, with 17 questions, including 15 benchmarked questions and two open-ended questions. The survey was facilitated via the Achievers platform, a global expert in employee recognition and engagement who provides access to a global industry benchmark. We recorded a participation rate of 71 per cent with 10,014 responses, approximately 800 more than our 2019 engagement survey. Super Retail Group's overall engagement score was 82, which is five points above the Achievers benchmark of 77. To continue to drive engagement we will amplify highlights and address hotspots at the team, division and organisation level with people leaders logging 'micro-actions' based on their specific team's feedback.





PASSIONATELY  
SUPPORTING  
OUR TEAM

We continue to leverage and invest in two of our key engagement platforms – SOULmoments and Workplace.

SOULmoments is our digital team member recognition platform and each month, on average, our team provides 14,351 recognitions on SOULmoments that acknowledge team members' contributions for living our values and delivering excellent customer service.

In FY21, we rolled out Workplace from Facebook - our digital communication platform for retail management and the support office – to an additional 900 users. We maintained high engagement levels on the platform throughout FY21, with 93 per cent of the group activated and 89 per cent active every month.

During the reporting period, 6,658 team members joined Super Retail Group. Using the GRI Sustainability Reporting data set that includes our seasonal casual team members (employed on a short-term contract, generally for peak period only) and non-payroll team members, our retention rate was 78 per cent.

#### Keeping our team safe

We care about the physical and psychological health and safety of our team members, customers, contractors, business partners and visitors including our heavy vehicle operators.

The Total Recordable Injury Frequency Rate (TRIFR) in FY21 improved by 24 per cent on the previous year to 9.43. The Lost Time Injury Frequency Rate (LTIFR) declined by 22 per cent to 4.51. The numbers now include both team members and labour hire.

Our Health and Safety Policy and Injury Management and Recovery Policy were reviewed during the year to include psychological safety.

The Group also established a new set of Health and Safety Standards, including:

1. Leadership Governance and Resources;
2. Legal Requirements and Document Management;
3. Consultation and Engagement;
4. Training and Behaviour;
5. Hazard and Risk Management;
6. Contractors and Suppliers;
7. Health and Wellness;
8. Incident and Emergency Management;
9. Injury Management and Recovery; and
10. Monitoring and Assurance

The Group's Health and Safety Management System is based on the Group Health and Safety Standards and ISO45001:2018. The System complies with legal requirements in Australia and New Zealand and covers our team members, customers, suppliers, contractors, and visitors to our sites in Australia and New Zealand. Our International Operations team in China manages health and safety in accordance with local laws.

Health and Safety Assurance is done through field verification on Health and Safety compliance. The questions are aligned to each of the Health and Safety Standards and key risks.

Our management process for incident investigation, hazard identification and risk management is based on legislative requirements and industry practice. Our Incident Management procedure has been revised and is available to people leaders to identify, assess, investigate, and implement controls to prevent re-occurrences. Processes for team members to identify, assess, control, and report hazards is included in inductions and annual refresher training.

Identified hazards are assessed using the SRG Enterprise Risk Matrix with the aim of eliminating hazards. Risks are escalated to different levels of management based on their risk rating. Where elimination is not possible, other control measures are developed in consultation with affected team members. Management implement controls and review them for effectiveness.

The Group Health and Safety function conducts bowtie analysis for high consequence risks to identify critical controls. Regular reviews are undertaken to address risks and identify improvements. Assurance results, hazard reports, near hits and incident data is analysed to develop safety action plans. Senior management monitors progress on a regular basis.

**9.43**

**FY21 TOTAL  
RECORDABLE INJURY  
FREQUENCY RATE  
(TRIFR)**

24 per cent  
improvement YOY

**4.51**

**LOST TIME INJURY  
FREQUENCY RATE  
(LTIFR)**

22 per cent  
improvement YOY

*\*These results include both team members and labour hire.*



In FY21, these actions have been taken, or are underway, to eliminate work-related hazards and minimise risks:

- **Mental health** – The ‘I Am Here’ program was launched last year to create a culture where ‘it’s ok not to feel ok, and it’s absolutely ok to ask for help’. The program is designed to help us look out for ourselves and others to create a supportive work environment for every team member, every day. Over 1,800 team members are participating in the program.
- **COVID-19 response** – We implemented an SRG COVID-19 Operations Guide to help our teams focus on the controls necessary to keep our team and others safe through the COVID-19 pandemic. The Guide contains mandated government controls, risk assessments, enhanced cleaning methods, mental wellbeing, remote working guidance, incident response and government travel restrictions. The relevant government and health authorities, and our partnership with International SOS, informs our decision making.
- **Dealing with customer abuse** – We partnered with the Shop, Distributive and Allied Employees Association (SDA), National Retail Association (NRA) and Australian Retailers Association (ARA) to commit to a retail industry free from abuse and violence. Due to this commitment, our stores now display zero tolerance posters. Our team has also been provided with workplace aggression education. We work with the local police in high crime rate areas to discuss strategies for preventing workplace aggression.
- **Health and wellbeing** – Free flu vaccines are offered annually to the team regardless of their employment status or location. Voluntary health promotion services and programs such as healthy eating options, fitness, health insurance, optical and dental services are also offered to our team members and their families.
- **Manual handling** – Throughout the year, the Group introduced various initiatives to minimise manual handling risks. These include a back of house reset, housekeeping, customised trolleys for bulky goods and the introduction of the Move4Life program at our distribution centers.

- **Transport Safety and Chain of Responsibility (CoR)** – More than 11,000 team members have completed online training related to CoR.

Health and Safety training consists of both online and on-the-job competency assessments. We assess the effectiveness of training through incident investigations and trend analysis. Training is covered under four main themes: Induction, Safe Moves, Safety at Work and Health and Safety Leadership.

Team members can report work-related hazards and potentially dangerous situations directly with line managers or through an online reporting platform. The team is protected against reprisals and can report matters to Work Health and Safety regulators for independent review. Customers and contractors are also encouraged to report hazards. Available reporting channels include our online reporting platform (WORMS), a dedicated health and safety email and our whistleblower integrity line.

Additional data related to health and safety is outlined in our [FY21 Sustainability Data and Indices](#), available on our website.

#### KEEPING OUR CUSTOMERS SAFE

Macpac has partnered with [Oz Satellite Rentals](#) and [Southland Locator Beacon Trust](#) to make Personal Locator Beacons (PLBs) available for hire to Macpac customers across all Australian and New Zealand stores.

Due to rugged and often isolated landscapes and rapidly changing weather conditions in both countries, a personal locator beacon is an essential safety item for any person who is heading into the back-country bush for hiking, backpacking, four-wheel driving and boating. Beacons (also known as distress or emergency beacons) are the most effective way of letting people know that someone needs urgent help and where to find them.

Due to the high cost of buying a personal locator beacon, many customers cannot afford to own the beacon outright. Macpac's hire service is available at a low cost and per-day basis, making this essential safety item more accessible to our customers. We have recently recorded our first successful rescue of a Macpac customer who hired the device and used it to alert rescuers to their distress.

Macpac Team Members, Scouts and Girl Guides may hire the beacons free of charge.





## Fairness, equity and gender equality

### ENABLING A DIVERSE AND INCLUSIVE TEAM

At Super Retail Group, our team is made up of people with diverse values, backgrounds, skills, experience and needs. It's the combination of our differences that shape our view of the world, how we work and how we serve our customers. We strive for a workplace where team members have a sense of belonging, an opportunity to fulfill their individual and combined potential, to have equal access to opportunities, to have pay-equity and where harassment is not tolerated.

Our [Diversity and Inclusion Policy](#) outlines the processes and standards we expect to ensure that all team members are given equal access to reach their full potential. The policy considers every step in the team member lifecycle, including attraction and recruitment, career development, performance management and retention. It supports

practices that are objective and free from bias, so team members are treated fairly and with equal opportunity.

Should a team member have a concern about workplace conduct, the Group has a Workplace Resolution Policy that guides the process for grievance handling, ensuring it is accessible to all team members and deals with workplace complaints promptly, confidentially and fairly.

In FY21, Super Retail Group undertook several initiatives, including:

- starting a group-wide Diversity and Inclusion Committee;
- launching a Gender Affirmation Policy and supporting procedure and plan;
- celebrating various diversity events including Wear it Purple Day, International Women's Day and NAIDOC week; and
- analysing data to inform the development of a data-driven Gender Equality in Leadership Plan designed to achieve sustainably balanced gender equality in leadership by 2025.

Super Retail Group is committed to achieving gender equality in our Board, executive and senior leadership teams by 2025. Super Retail Group's 2020 Workplace Gender Equality Agency (WGEA) report is available on [our website](#).



The Group was pleased to be awarded the Workplace Gender Equality Agency's Employer of Choice for Gender Equality citation for 2019 – 20 and will be applying for renewal in 2021.

Additional data related to our workforce is available on our website and in our [FY21 Sustainability Data and Indices](#).

### ENTERPRISE AGREEMENTS

Our enterprise agreements underpin a safe, fair and equitable working environment for all team members.

Super Retail Group currently operates two enterprise agreements. The Super Retail Group Enterprise Agreement 2018 (2018 EA) covers our retail and administrative team members. The Super Retail Group Supply Chain Enterprise Agreement 2019 (2019 EA) covers team members working in our distribution centres.

Both agreements have been active for more than 12 months and are due for renewal in January 2024 and December 2022, respectively.

Super Retail Group employs 14,305 team members across Australia, New Zealand and China. Of the 13,424 Australian team members, 1.73 per cent are covered by the 2019 EA and 77.63 per cent are covered by the 2018 EA.

The remainder of Australian team members are engaged on individual employment agreements and may be covered by a relevant modern award, or are otherwise Award/Agreement free.

Award coverage within Super Retail Group currently includes:

- General Retail Industry Award (GRIA);
- Clerks Private Sector Award (CPSA);
- Storage Services and Wholesale Award (SSWA); and
- Graphic Arts, Publishing and Printing Award (GAPPA).

As at FY21, our 813 New Zealand team members and 68 China team members are engaged on individual employment agreements underpinned by national and local government legislation.

### IMPROVING GOVERNANCE FOR EMPLOYMENT ARRANGEMENTS

Since identifying underpayment issues affecting some of its team members, Super Retail Group has been dedicated to remediating those underpayments and improving the effectiveness of our governance and proactive and detective controls for employment arrangements.

With the assistance of Deloitte, we have been methodically working through the underpayment issues first identified and proactively reported to the Fair Work Ombudsman in 2018. The remediation program is substantially complete with \$52.4 million in back payments made to 26,488 team members, which is 98 per cent of the total back payment amount owed to 96 per cent of total impacted team members. Less than \$1 million remains unpaid to former team members whom we have been unable to locate. We are continuing to engage with the Fair Work Ombudsman, and awaiting the outcome of the Ombudsman's investigation, which may involve the company entering into an enforceable undertaking with the Ombudsman, or becoming the subject of legal proceedings.

We have an increased level of governance in place that includes quarterly wage reviews and these controls are supported by our external legal, accounting and auditing partners. We are confident these controls will eliminate the risk of large-scale underpayment issues in the future and swiftly detect any pay-related anomalies that may occur from time-to-time in an organisation of our size.

In FY21, we reached a significant milestone in the rollout of a new rostering, time and attendance system, called 'Dimensions'. In preparation for this change, 49 stores from across our brands were initially deployed in the reporting period, allowing for improvements to be made prior to implementing the new system across the entire retail network. Deployment for BCF, rebel and Supercheap Auto Australian stores and Supply Chain will occur between July and September 2021, with Macpac and Supercheap Auto NZ following.

To support retail management with this rollout, a comprehensive development program was established in addition to Dimensions systems training. More than 3,700 hours of training has been completed to support managers in all aspects of rostering their team to enhance customer service.



## Investing in continuous learning and development

We provide learning and development opportunities to attract, grow and retain the talent needed to execute our strategy and deliver our customer promise.

In FY21 we continued to leverage a suite of learning tools which are based on a continuous learning philosophy and available to all team members. This specific type of learning - on-demand, bite-sized and mobile accessible – enables all our team members to improve their skills and knowledge when, where and how it suits them. In FY21, almost 19,000 hours have been spent learning with 77 per cent of team members logging into the SOULlibrary platform and 'opting-in' to this additional development program.

Another significant learning and development investment in FY21 was the continuation of our 'experts' learning program for Supercheap Auto, rebel, BCF and Macpac retail team members with customer-facing roles. This program equips our team members with the product and technical expertise customers are seeking from the high-involvement categories in which we operate. There were 22 campaigns rolled out to retail team members in the financial year with topics including rainwear (Macpac), seven steps of super service (BCF and Supercheap Auto) and footwear (rebel). In FY21, 11,525 team members spent more than 40,000 hours completing their 'experts' learning.

Our learning and development program expanded in FY21, delivering 10 targeted modules that assess and develop 150 of Super Retail Group's future leaders.

Our focus on providing our retail team members with access to accredited learning programs also continued in the financial year. Across Australia, there were 113 team members who successfully completed their Certificate III in Retail Operations or Certificate IV in Retail Management in the reporting period. There are 266 team members currently completing one of these qualifications. In New Zealand, the Level Four Retail Management qualification is offered, with five team members successfully completing this in FY21 and 28 team members continuing to progress through the program.

Pleasingly, we continue to see successful career progression for team members who complete these qualifications. Twenty-four per cent of team members who have completed Certificate III, and 33 per cent of team members who have completed Certificate IV, have progressed to higher duties.





# Caring for our natural environment

## DOING OUR SHARE IN PROTECTING THE PLACES WE LOVE TO PLAY IN

Whether it's fishing, boating, camping, hiking or outdoor sports, our customers and team members love the great outdoors. Protecting these playgrounds is important to our customers and team members so it's important to us too.

In our own operations, we have been focusing on reducing energy use and waste and increasing reuse and recycling. For our products, our focus has been on packaging sustainability and product stewardship. We have commenced a program of work to review, and refresh, our 2030 sustainability strategy and the three pillars underpinning it, including this pillar of 'caring for our natural environment'. While this work is still underway, we expect that our refreshed sustainability strategy will build on our efforts to date to reduce energy and waste, increase reuse and recycling and enhance packaging sustainability. The information below is provided in that context.

The Group's environmental obligations are regulated under state, territory, national and international laws. The Group has controls in place to comply with its environmental performance obligations and all material environmental performance obligations are reported to the Board. No environmental breaches have been notified to the Group by regulators during FY21.

## RESPONDING TO CLIMATE CHANGE

Climate change is a material risk to our business, as outlined in our [FY21 Annual Report](#). We continue to take steps to understand the impacts that can be expected from our changing climate and the actions we can take to manage our risks and embrace our opportunities.

About 98 per cent of our direct carbon emissions come from electricity use. With this in mind, in 2018 we set a target of reducing our carbon emissions by 20 per cent by 2030 (from a 2017 base) through more efficient energy use in our operations. In 2018, we acquired the Macpac business, which resulted in an increase in our number of stores and electricity use.

Our energy efficiency program includes structural and behavioural initiatives. Energy efficiency upgrades are part of the scope of works for new stores and refurbishment activities. During FY21, we completed lighting upgrades in 50 stores, with an expected energy saving of approximately 1,077 MWh and an annual reduction of almost 830 tonnes of scope two carbon emissions. Our landlord also completed lighting upgrades in one of our distribution centres, with an expected energy saving of approximately 70.2 MWh and an annual reduction of approximately 48 tonnes of scope 2 carbon emissions.

We reduced our carbon emissions (scopes one and two) by seven per cent compared to FY20 and fifteen per cent from our base year of FY17 (despite Macpac's acquisition in FY18), as a result of energy efficiency initiatives but also due to temporary store closures during the COVID-19 pandemic.

We report our Australian carbon emissions to the Clean Energy Regulator annually. Reports are publicly available on [our website](#) and the [Clean Energy Regulator website](#).





## TRAVEL TYPE

### ROAD TRAVEL (tCO<sub>2</sub>)

**-22.9%**

94	92	70	54
<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>

### AIR TRAVEL\* (tCO<sub>2</sub>)

**-69.5%**

3666	3729	2926	891
<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>

\*Air travel refers to both domestic and international travel.  
Travel is considered Scope 3 emissions.



## ELECTRICITY USAGE (MWh)

91,609	97,487	92,642	86,167	81,470
<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>

## EMISSIONS (tCO<sub>2</sub>-e)

SCOPE 1*	738 <b>FY17</b>	961 <b>FY18</b>	932 <b>FY19</b>	900 <b>FY20</b>	945 <b>FY21</b>
SCOPE 2**	71,882 <b>FY17</b>	73,106 <b>FY18</b>	71,700 <b>FY19</b>	65,534 <b>FY20</b>	60,914 <b>FY21</b>
TOTAL SCOPE 1 & 2	72,620 <b>FY17</b>	74,067 <b>FY18</b>	72,632 <b>FY19</b>	66,434 <b>FY20</b>	61,859 <b>FY21</b>
EMISSIONS INTENSITY (total CO <sub>2</sub> e/\$1 million revenue)	32.5 <b>FY17</b>	30.5 <b>FY18</b>	26.8 <b>FY19</b>	23.5 <b>FY20</b>	17.93 <b>FY21</b>

\*Scope 1 emissions are direct emissions from owned or controlled sources e.g. emissions from the use of natural gas in DCs and LPG in stores.

\*\*Scope 2 emissions are indirect emissions from the generation of purchased energy.





# Transitioning to a circular economy



CARING FOR  
OUR NATURAL  
ENVIRONMENT

## SUSTAINABLE PACKAGING

Packaging offers product protection, but it often has an environmental impact, especially if it is not designed, or disposed of, correctly. We recognise the need to transition to a circular economy model - where packaging is made of sustainable materials, recovered or reused. This creates sustainable value for our business, the environment and society.

We continue to work closely with our trade partners to achieve our packaging targets. Despite having limited

influence in packaging decisions, we promote packaging that is fit-for-purpose, resource efficient, made from recycled materials and designed to increase the potential for recycling or reuse.

This year, Macpac introduced new baselayer pouches. The pouches are designed for reuse, but when they are no longer needed, they can either be returned to stores, or disposed of in landfill where they will biodegrade.

Our sustainable  
packaging targets:

**100%**

of all our private brand  
packaging to be reusable,  
recyclable or compostable  
by 2025

**50%**

recycled content in our  
private brand packaging  
by 2030





CARING FOR  
OUR NATURAL  
ENVIRONMENT



#### PLASTIC REDUCTION

**2,871 kg**

of plastic material  
estimated to be saved  
per year based on 67  
private brand products  
reviewed in FY21.



#### PACKAGING OPTIMISATION

**381m<sup>3</sup>**

of transportation and  
storage volume  
estimated to be saved  
per year based on the 25  
private brand products  
reviewed in FY21.



#### PACKAGING RECYCLABILITY

**56**

private brand products  
improved packaging  
recyclability.

We are 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. As a signatory, we report our progress against our targets annually and are scored based on our performance. This year we were rated as Leading, based on achieving a score of 66 per cent for our report. Our annual [APC reports](#) are available on our website.





Plywood rack available in the market

Cardboard rack designed for rebel

## Reduce waste by designing better packaging

We continue to explore ways to reduce waste by designing better packaging in collaboration with our trade partners. As an example of how small changes can make a big impact, a display box designed for our rebel stores has delivered both environmental and financial benefits to the Group and our trade partner. By changing the design of a plywood rack typically found in the market, we achieved major efficiencies, including:

- 64 per cent cost reduction
- 35 per cent display area reduction
- Less waste – the new packaging material is 100 per cent recyclable

### SUSTAINABLE PRODUCTS

We continue to look for opportunities to offer products made from degradable or recycled materials to our customers.

During FY21:

- We sourced a new degradable gift card for our brands. Rebel will be the first of our brands to receive their degradable stock in September 2021, with the other brands receiving their stock by December 2021. Our aim is to move all gift card stock to a more environmentally friendly option over the next 12 -18 months.
- Macpac reviewed its Halo and Eyre ranges. The Halo range of down insulated jackets, the largest by volume of fabric, transitioned to 100 per cent recycled nylon main and lining fabrics. These jackets will be in store by winter 2022. The Eyre range, a summer staple, now features 100 per cent recycled polyester and will be in store for the 2021-22 summer season.
- Macpac designed a new down-insulated sleeping bag range to replace the majority of the existing offering. The new design features recycled main and lining fabrics, together representing more than 50,000 yards. Existing synthetic-insulation sleeping bag ranges were updated to include a recycled hollow fibre fill. A new 100 per cent recycled entry level pack range was also developed.
- BCF expanded its National Geographic product range, offering a wider variety of styles within bags and back packs using 100 per cent recycled PET plastic bottles.
- BCF introduced its first camping chair incorporating recycled content. The fabric is constructed using approximately 22 recycled PET plastic bottles per chair. Feedback from both stores and customers has been positive, with sales meeting expectations.





## Promoting reduce-reuse-recycle

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

During FY21 our waste increased by 15 per cent in Australia and 36 per cent in New Zealand as a result of increased sales and business activities. Our recycling rates remained at 65 per cent in Australia and decreased by four per cent in New Zealand compared to FY20 as a result of store network expansion and refurbishment activities. We expect recycling will be one of the key areas of focus for our refreshed 2030 sustainability strategy.

In addition to promoting waste reduction and recycling within our own operations, we have made a commitment to adopt the [Australasian Recycling Label](#) (ARL) for our private brand product packaging. Our first range of products with the ARL was launched by rebel in FY21. Clear and consistent consumer-facing recycling information makes it easier for our customers to recycle effectively and reduce contamination in curbside recycling streams.

### PRODUCT STEWARDSHIP

We offer our customers recycling services for oil and car batteries in our Supercheap Auto stores. Sports shoe recycling is also available at rebel stores, in partnership with the Australian Sporting Goods Association and recycler Save Our Soles. The recycled footwear material is turned into gym mats, retail flooring and anti-fatigue mats – a true example of a circular economy.

Repairs are another important part of the product stewardship offer for our brands. Customers can repair car windscreens at Supercheap Auto and their gear at Macpac.

During FY21, Macpac entered into two key partnerships to help drive further progress in this area:

- [Upparel](#), a leading textile upcycling brand based in Australia. Through this partnership, Macpac can now recycle used and returned, un-donatable and un-repairable gear; and
- 2nd Life Project, an [Offtrack](#) initiative. The 2nd Life Project team repairs and then donates used Macpac items that are returned at the end of their useful life by customers. The initiative helps to give product a new life, and to give those in need access to donated gear.

Through partnerships such as these, Macpac kept more than 1,000 items of gear out of landfill during FY21.



# 4,784

**LESS PLASTIC SACHELS  
TO LANDFILL**

Macpac switched to reusable satchels for their inter-store transfers in NZ and Tasmania in October 2020. The satchels are made from leftover fabric at one of our long-term manufacturing trade partners. In the first nine months these satchels were used 4,784 times, meaning an equivalent number of plastic courier bags were saved from going to landfill.



# ~885,000

**LESS SHOPPING BAGS  
USED IN MACPAC STORES**

Although Macpac only offers recycled paper bags, this initiative encourages customers to say no to these bags at the checkout to minimise unnecessary packaging. Every time a customer refuses a checkout bag, Macpac donates 20 cents to the Fund for Good. Since its inception in late 2018, customers from around Australia and New Zealand have refused almost 885,000 bags, helping to grow the Fund for Good.



# IN-STORE RECYCLING FOR CUSTOMERS

# 37,158

## PAIRS OF SPORTS SHOES RECYCLED –PILOT PROGRAM

YOY Change 54.8% | Variance 13,158 | FY20 24,000\*

*\*Data from Nov 2019, when the initiative started, to May 2020.*

## FY21 CAR BATTERIES RECYCLED (UNITS)

# 85,967

FY18	FY19	FY20	FY21
71,047	71,677	79,540	85,967

YOY Change 8.0% | Variance 6,427

## FY21 OIL RECYCLED (LITRES)

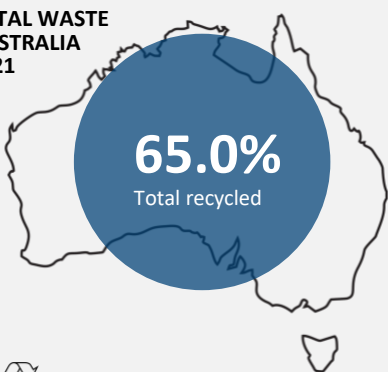
# 1,068,200

FY18	FY19	FY20	FY21
1,024,000	1,058,208	1,339,136	1,068,200

YOY Change -20.2% | Variance -270,936

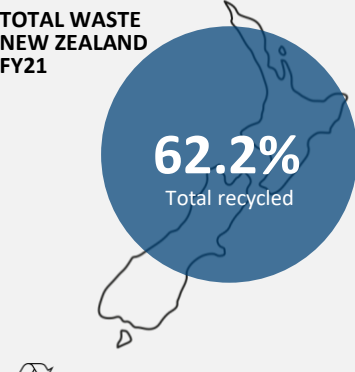
## WASTE AND RECYCLING – Stores, distribution centres and support offices

### TOTAL WASTE AUSTRALIA FY21



	FY20	FY21
Waste to landfill	3439	3939
Recycled waste	6384	7360
Total waste (in tonnes)	9824	11299
Variance total waste		+15.0%
Total recycled	65.0%	65.0%
Variance in recycling rates		0.0%

### TOTAL WASTE NEW ZEALAND FY21



	FY20	FY21
Waste to landfill	184	280
Recycled waste	360	460
Total waste (in tonnes)	544	740
Variance total waste		+36.0%
Total recycled	66.2%	62.2%
Variance in recycling rates		-4.0%



# Protecting waterways and nature

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

## **RESTORING WATERWAYS – BCF PARTNERSHIP WITH OZFISH**

Our fish habitats have experienced more than two centuries of habitat destruction by human intervention, placing the future of recreational fishing at risk. Many of these vital habitats are not just threatened but are considered functionally extinct. Less habitat means fewer fish surviving, thriving and breeding and that impacts a fishing trip.

BCF is playing its role to address this problem by partnering with [OzFish Unlimited](#), a not-for-profit organisation

dedicated to the protection and restoration of our waterways. The fifth year of this partnership has seen BCF and OzFish once again working collaboratively with landowners, government and local communities to rebuild, restore and regenerate fish habitats.

There are now 48 local OzFish Chapters of recreational anglers across the country restoring their local waterways, with 2,664 volunteer members who have contributed more than 75,000 hours of work to date with more than 62 separate projects.

In FY21, BCF contributed \$300,000 to this vital work, while our customers contributed a further \$392,850 through donations in our BCF stores.

The growth and success of OzFish's community driven restoration projects was this year recognised by the UN, as part of their UN Decade of Ecosystem Restoration. The aim is to create change and focus for the next ten years to prevent, halt and reverse the degradation of ecosystems on a global scale. This reflects the impact



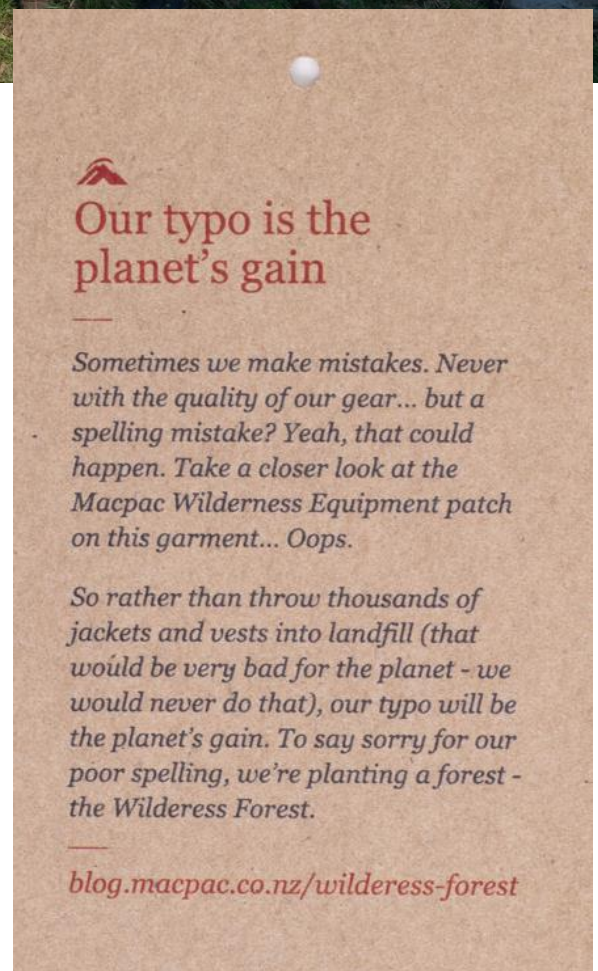


OzFish is having with its large-scale community-driven restoration, making a real difference to fish populations and habitats across Australia. Despite the challenges of drought, fire, flood and a pandemic, the work speaks for itself in scores of riparian trees planted, seagrass meadows rejuvenated, rivers resnagged, shellfish reefs restored, fish rescued, habitats mapped, rivers monitored, and waterways cleaned.

Our vision is to unite our passionate customers together with OzFish to collectively shape and protect fish habitats and the future of the outdoors our customers enjoy in their leisure time.

#### **RESTORING NATURE - THE MACPAC "WILDERESS" FOREST**

In 2019, Macpac made a commitment to plant a native forest in response to a spelling mistake made on a branding patch used on down-insulated jackets. In July 2020, the Macpac team began planting at Living Springs, situated in the Banks Peninsula near our Christchurch support office in New Zealand. Macpac, in collaboration with Living Springs and other volunteers, have since planted more than 1,500 native plants on the land, supporting Living Spring's aspiration of becoming the leading environmental education centre for children in Canterbury.





# Glossary

Terms	Definitions
Active factories	First-tier factories that the Group has a working relationship with.
Carbon dioxide equivalent (CO <sub>2</sub> e)	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.
Due diligence process	The process by which we evaluate and address risks.
ESG	Environmental, social and governance.
Executive Leadership Team	The Group's CEO and his direct reports.
First-tier factories	Factories supplying finished goods directly to the Group or through our trade partners.
Group	The Company and its related bodies corporate.
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	A term used to describe serious exploitation, including forced labour, debt bondage, deceptive recruitment and the worst forms of child labour.
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.
Private brand	Products manufactured specifically for our Brands, using product brand names owned or licensed by the Group.
Responsible Sourcing Conformance Status	<p>Ratings that we give to factories after assessing their audit reports. These ratings determine whether we can do business with a factory. There are four ratings: Approved, Conditionally Approved, On Probation and Not Approved.</p> <ul style="list-style-type: none"> <li>• Approved – the factory has no critical non-conformances (NCs). We can place orders with the factory.</li> <li>• Conditionally Approved – the factory has some critical NCs (excluding child and forced labour). Orders can be placed provided that issues are closed within the timeframe in the Corrective Action Plan.</li> <li>• On Probation – the factory either has critical or overdue NCs or overdue renewal audits. Existing orders can be completed but no new orders should be placed until outstanding issues are addressed.</li> <li>• Not Approved – the factory is unable to comply with our Responsible Sourcing requirements. No new orders can be placed in the factory. Audit/re-audit is required before placing any orders to verify compliance.</li> </ul>
S&P Global Sustainability Yearbook	The S&P Global Sustainability Yearbook is a comprehensive publication on corporate sustainability, based on the results of the S&P Global's Corporate Sustainability Assessment, which enables companies to benchmark their performance on a wide range of industry-specific economic, environmental and social criteria relevant to sustainability focused investors.
Senior Management	The Group's senior management team including Bands 1-3.
SDGs	UN Sustainable Development Goals (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.
Team members	All employees of the Group.
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 divided by hours worked in a 12-month period multiplied by 1,000,000.

# Independent Limited Assurance Statement to the Management and Directors of Super Retail Group Limited

## Our Conclusion:

Ernst & Young ('EY', 'we') was engaged by Super Retail Group Limited ('SRG') to undertake 'limited assurance' as defined by Australian Auditing Standards, hereafter referred to as a 'review', over SRG's Sustainability Report and supporting FY21 Sustainability Data and Indices for the year ended 30 June 2021, including 'selected sustainability performance indicators' using the 'criteria' outlined below. Based on our procedures and the evidence obtained, nothing came to our attention that caused us to believe that the Sustainability Report and supporting FY21 Sustainability Data and Indices, including 'selected sustainability performance indicators', have not been prepared in all material respects, in accordance with the reporting Criteria presented below.

## What our review covered

We have been engaged by Super Retail Group Limited ('Super Retail Group') to perform a 'limited assurance engagement', as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on SRG's Sustainability Report and supporting FY21 Sustainability Data and Indices as of 17 August 2021 (the 'Sustainability Report') for the year ended 30 June 2021 including selected 'sustainability performance indicators' within SRG's Sustainability Report and supporting FY21 Sustainability Data and Indices (together the 'Sustainability Report, Data, Indices, and selected indicators').

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

## Review Subject Matter

The Subject Matter for our limited assurance engagement was SRG's Sustainability Report, Data, Indices and selected indicators for the year ended 30 June 2021.

Selected sustainability performance indicators covered in our review were limited to those aspects listed below as included in the Sustainability Report, for the year ended 30 June 2021:

- ▶ GRI 305-1: Direct (Scope 1) Greenhouse Gas (GHG) emissions
- ▶ GRI 305-2: Energy indirect (Scope 2) GHG Emissions
- ▶ GRI 305-5: Reduction of GHG emissions
- ▶ GRI 306-3: Waste generated
- ▶ GRI 401-1: New employee hires and employee turnover
- ▶ GRI 403-9: Work-related injuries
- ▶ GRI 403-10: Work-related ill health
- ▶ GRI 405-1: Diversity of governance bodies and employees
- ▶ GRI 408-1: Operations and suppliers at significant risk for incidents of child labour
- ▶ GRI 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labour
- ▶ GRI 414-1: New suppliers that were screened using social criteria
- ▶ GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services
- ▶ GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data.

The Subject Matter did not include Management's forward-looking statements.

## Criteria

In preparing the Sustainability Report, SRG applied the following criteria:

- ▶ Definitions as per the Global Reporting Initiative's (GRI) Sustainability Reporting Standards
- ▶ SRG's own publicly disclosed criteria
- ▶ National Greenhouse Accounts (NGA) Factors.

## Key responsibilities

### SRG's responsibilities

SRG's management is responsible for selecting the Criteria, and for preparing and presenting the Sustainability Report, Data, Indices, and selected indicators in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

### EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *Australian Standard for Assurance Engagements ASAE 3000 Other Than Audits or reviews of Historical Financial Information* ('ASAE 3000'), and the terms of reference for this engagement as agreed with SRG on 4 June 2021. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

### Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Sustainability Report and supporting Sustainability Report, Data, Indices, and selected indicators and related information, and applying analytical and other appropriate procedures. Our procedures included:

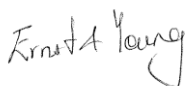
- ▶ Conducting interviews with SRG personnel to understand the business and reporting processes
- ▶ Conducting interviews with key personnel to understand the process for collecting, collating, and reporting the subject matter during the reporting period
- ▶ Checking that the data collection process and calculation criteria has been appropriately applied in accordance with the methodologies outlined in SRG's Criteria
- ▶ Undertaking analytical review procedures to support the reasonableness of the data
- ▶ Checking the accuracy of calculations performed, and identifying and testing assumptions supporting calculations
- ▶ Obtaining and reviewing evidence to support key assumptions in calculations and other data or statements
- ▶ Testing, on a sample basis, to underlying source information to check the accuracy of the data
- ▶ Checking whether data and statements had been correctly transcribed from corporate systems and/or supporting evidence into the Sustainability Report, Data, Indices, and selected indicators
- ▶ Checking the presentation of information within SRG's 2020 Modern Slavery Statement for the year ended 30 June 2020 where it is referenced in the Sustainability Report, Data, Indices, and selected indicators for GRI 408-1, GRI 409-1 and GRI 414-1.

We also performed such other procedures as we considered necessary in the circumstances.

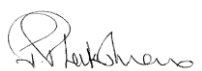
#### **Restricted use**

This report is intended solely for the information and use of SRG and is not intended to be and should not be used by anyone other than those specified parties.

In addition to the Sustainability Report, the extent of our review included the information in the supporting FY21 Sustainability Data and Indices as at 17 August 2021, which is published in SRG's website on the Reports & Publications section. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement, nor over any information available through web-links that are beyond the boundary of Sustainability Report, Data, Indices, and selected indicators.



Ernst & Young



Terence Jeyaretnam, FIEAust EngExec  
Partner  
Melbourne, Australia  
17 August 2021



Super Retail  
Group

