

# JB HI-FI LIMITED SUSTAINABILITY REPORT



# ABOUT THE JB HI-FI GROUP

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

In addition to operating from over 300 stores in Australia and New Zealand and its websites, the Group also services the commercial, insurance and education sectors through its JB Hi-Fi and The Good Guys commercial businesses.

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

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# A MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

We are pleased to report on the sustainability performance of the JB Hi-Fi Group for the year ending 30 June 2023 (FY23).

Over recent years, sustainability has emerged as one of the key issues in the retail sector and suppliers and retailers continue to evolve their strategy, operations, and supply chains to operate more sustainably. Many of our team members are passionate about this, championing environmental and social initiatives for the Group which are driving continuous improvement in how we embrace and embed sustainability in our day-to-day operations.

In FY23 we took the opportunity to re-assess the material topics covered in our Sustainability Plan and sought feedback from our team members and external stakeholders (such as suppliers, non-government organisations (NGO's), industry bodies, regulators, and investors) on what they believe to be the key environmental, social and governance (ESG) topics of focus for the Group. The collective feedback has helped us prioritise the key focus areas of our Sustainability Plan.

Over the past 12 months, the Group has continued to make steady progress. Some of the highlights of our work over the past year and the positive impacts we are having on our people, our communities and our environment are set out below, with further detail provided in the rest of this Report.



## OUR PEOPLE



We are pleased to report an increase in the number of women in leadership positions across our business. This is the result of our targeted efforts to understand the barriers that women experience in progressing into leadership roles, and actively working to remove these barriers and increase access to opportunities to progress within our business.

Maintaining the health and safety of our team members and taking care of their wellbeing will always be one of our top priorities. This year, we expanded our safety program to focus on mental health training, and provided tools and resources to our team members in order to promote overall wellness.

## OUR COMMUNITIES

Our team members continue to provide support to our Workplace Giving Programs. This year, our team member and company matching donations of over \$3.9 million have helped our charity partners make positive social and environmental impacts on the issues that are important to our team members.

During the year we also took action to ensure that more of our suppliers understand the minimum standards we expect regarding ethical sourcing. Our Ethical Sourcing Team engaged with an additional 107 suppliers, in order to identify specific suppliers that may be at a higher risk of modern slavery.

## OUR ENVIRONMENT

We have made solid progress this year to minimise the environmental impact of our businesses, having rolled out more consistent soft plastics recycling processes across all of our JB Hi-Fi and The Good Guys stores, expanded the number of stores that are participating in the recycling of expanded polystyrene, and advanced our plans to roll out e-waste recycling across all of our Australian stores in FY24.

Our combined scope 1 and 2 emissions are down 14.57%<sup>1</sup>, when compared to our FY20 baseline year. During the year we installed solar power generators on an additional 9 stores (taking the total number of stores with solar power to 24). We implemented a new emission monitoring tool to help us more effectively analyse and

reduce power consumption and increase energy efficiency, and laid the groundwork to begin procuring renewable energy for some of our store network in 2024.

This year we also progressed implementation of the Task Force for Climate-related Financial Disclosures (TCFD)<sup>2</sup> recommendations, by assessing the most material physical and transition climate risks affecting the Group, and advancing the development of our Scope 3 emission estimates.

We understand that climate change will have impacts on our strategy, operations, and supply chain, and we are working to ensure our business is climate resilient and prepared to operate within a low carbon economy.

We are proud of the progress we are making on our sustainability commitments, while also recognising that we can do more and be better. We look forward to continuing to work with our stakeholders to develop our program and achieve our goals.

**Terry Smart**  
Group Chief Executive Officer  
JB Hi-Fi Limited  
14 August 2023



<sup>1</sup>The Group's Scope 1 and 2 emissions calculations are unaudited

<sup>2</sup>The Task Force for Climate-related Financial Disclosures (TCFD) is an international agency created by the Financial Stability Board (FSB) to develop recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing risks related to climate change





# OUR COMMITMENT TO RESPONSIBLE BUSINESS PRACTICE

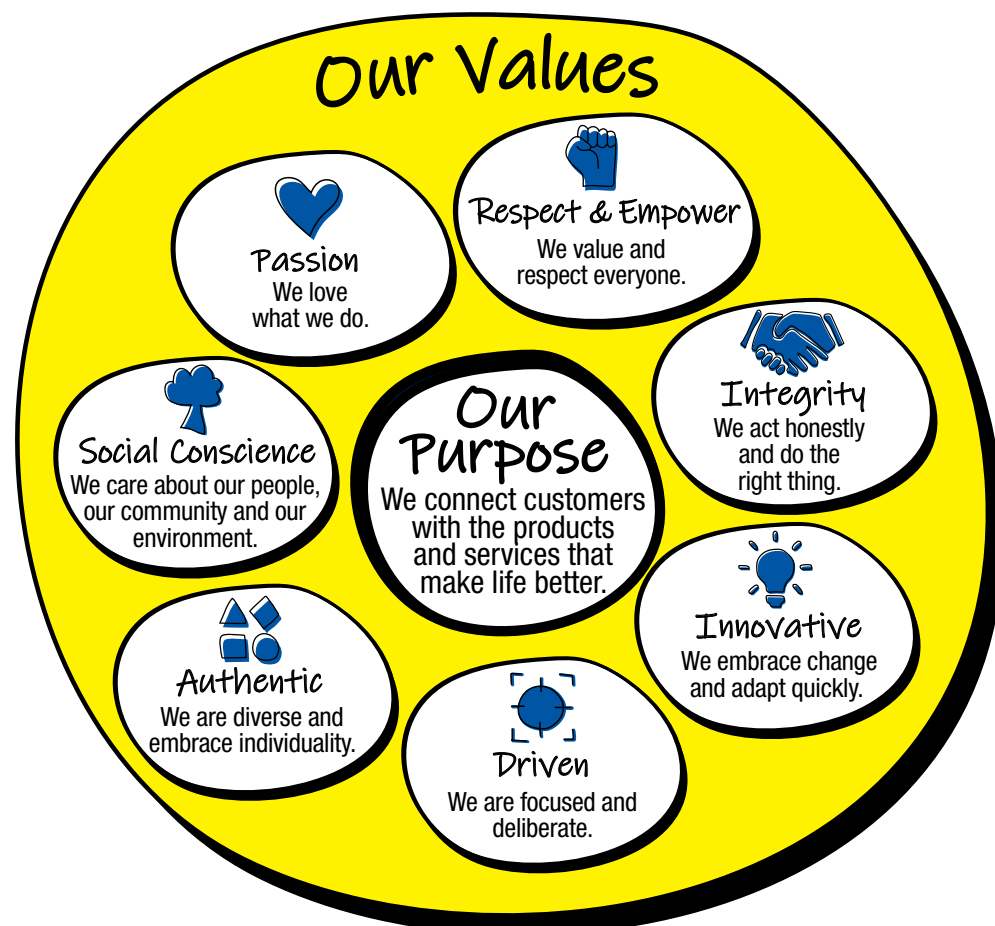
Operating two of Australia's best known and most trusted retail brands, the JB Hi-Fi Group understands that our future success will be defined, to a large extent, by our ability to act ethically and operate as a responsible business.

Our aspiration to act ethically and responsibly is reflected in our Values, our Code of Conduct (which sets out the ethical and behavioural standards that apply in our daily business activities), and our Group-wide framework of policies and training that inform how we should operate.

Our stakeholders expect us to do the right thing and to act ethically and responsibly with respect to the social and environmental issues that matter most to our people, our communities and our environment. We will continue to engage and listen to all our stakeholders,

demonstrate our understanding, and focus on addressing the most material social and environmental issues facing our industry.

The [Group's Reportable Misconduct and Whistle-blower Policy](#) outlines the internal and external reporting channels that are open to our team members and/or suppliers to alert us to significant issues of concern that they may become aware of. All disclosures are taken seriously and assessed to determine the appropriate action that may be required.



## ABOUT THIS REPORT

This is the JB Hi-Fi Group's fourth Sustainability Report and serves as a review of our sustainability performance covering the reporting period 1 July 2022 – 30 June 2023. It also outlines our approach to managing each of the material issues, the progress made during the financial year, and identifies areas for improvement, including our FY24 commitments.

In developing this Report, we have drawn upon the reporting principles for defining report content and quality provided by the Global Reporting Initiative 101 Foundation Standard. We recommend that this Report be read in conjunction with the JB Hi-Fi Limited 2023 Annual Report which provides further information about the Group's businesses, performance and governance.

## GOVERNANCE OF OUR SUSTAINABILITY PLAN

The Group's Audit and Risk Management Committee (ARMC) has been delegated responsibility by the JB Hi-Fi Limited Board of Directors for review of the Group's plans, actions and reporting in relation to sustainability.

A Group Sustainability Team exists to develop and support execution of the Group's Sustainability Plan. This team is part of a broader Group Business Improvement and Risk Management Function, which is responsible for the design and execution of Group's Risk Management and Assurance Framework. The Team provides the ARMC with a detailed sustainability update on a bi-annual basis, which includes the actions being undertaken to progress the Group Sustainability Plan.

## MATERIAL ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) TOPICS

Both the content of this Report, and the Group's Sustainability Plan, have been developed following a materiality assessment, designed to identify the most relevant environmental and social issues for our businesses. The issues identified were informed by:

- the application of globally recognised materiality tests<sup>3</sup>;
- the views and expectations of our stakeholders, including our team members, investors, suppliers, and customers;
- the principles contained within our Risk Management Framework; and
- consideration of both current and emerging areas of focus for the retail industry.

During the year, we distributed a material topics survey to all our team members, as well as selected suppliers, non-government organisations, civil society, industry bodies, and investors. The survey requested feedback on the environmental, social, and governance issues the recipients believed were most important for the Group to address, and asked stakeholders to rank these issues in order of relative importance. Over 800 survey responses were obtained and reviewed.

The Group engaged an external ESG advisory firm to independently assess the stakeholder feedback received and determine the significance of JB Hi-Fi Group's impact for each of the material topics identified. The approach to assessing the impact of each material topic involved an analysis of the following factors:

- Scale: How significant the potential impact is;
- Scope: How widespread the impact is (e.g. how many people could be affected or the extent of the potential environmental impact);
- Ability to remediate: The effort required to counteract the impact on people or the environment; and
- Likelihood: How likely the impact is to occur.

The feedback from our stakeholders helps us prioritise our management of each material topic and is used to update our Group Sustainability Plan. The Group strives to continuously improve its materiality assessment processes, and capture as broad a set of stakeholder views as possible.

<sup>3</sup>The Five-Part Materiality Test, AccountAbility; Harvard University's Initiative for Responsible Investment; and the Global Reporting Initiative's materiality guidance





The table shown below outlines the material topics<sup>4</sup> that our stakeholders have identified as being material for the Group, with cross reference to where in our Sustainability Report we have provided further information on how these issues are being managed. This year we consolidated the number of material topics from 18 (FY22) to 13 (FY23). We also added Rights of First Nations People and Indigenous Reconciliation on to our material topics list, and expanded greenhouse gas emissions to cover climate-related risks more broadly. The only material topic from FY22 that has not been included in this year's list is Business and Supply Chain Resilience. Whilst this is important from a management perspective, the topic ranked lower in terms of impact and importance with our stakeholders when compared with the other material topics identified.

<b>STRONG GOVERNANCE, BUSINESS ETHICS AND COMPLIANCE</b>  This refers to the issues covered by JB Hi-Fi Group's Code of Conduct (including anti-bribery, fraud, corruption, and awareness around whistleblowing), and the requirement to conduct its businesses with integrity and transparency, whilst complying with all relevant laws and regulations. This also refers to the governance and oversight provided by JB Hi-Fi's Board of Directors and Audit & Risk Management Committee.	<b>EMPLOYEE SAFETY, WELLBEING, AND ENGAGEMENT</b>  Creating and maintaining a safe and healthy workplace that strives to prevent fatalities, minimise physical injuries and illness and promote good mental health and wellbeing.	<b>DIVERSITY AND INCLUSION</b>  The fostering of diversity, inclusion, gender equality, non-discrimination, and equal opportunities across the workforce.	<b>LABOUR PRACTICES</b>  This refers to JB Hi-Fi Group's operations and supply chain adhering to ILO (International Labour Standards) conventions. This includes, but is not limited to fair living wage, safe working conditions, and freedom of association.	<b>THE RIGHTS OF ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES AND RECONCILIATION</b>  This refers to The Rights of Aboriginal and Torres Strait Islander Peoples and Reconciliation, including representation across JB Hi-Fi Group's operations and supply chain.	<b>COMMUNITY ENGAGEMENT AND INVESTMENT</b>  The impact, engagement, and involvement within the communities in which JB Hi-Fi Group operates (inclusive of the Group's workplace giving programs) and providing an inclusive environment for all community members when visiting JB Hi-Fi or TGG stores, warehouses and office locations.	<b>ETHICAL SOURCING AND MODERN SLAVERY</b>  JB Hi-Fi Group's commitment to sourcing its products and services in an ethical and responsible manner and in doing so ensure that minimum standards concerning labour, health and safety, environmental management and ethics are maintained across its supply chain. This includes JB Hi-Fi Group taking action to assess and address the risks of modern slavery in its operations and supply chain.
<b>PAGE 7</b>	<b>PAGE 11</b>	<b>PAGE 18</b>	<b>PAGE 23</b>	<b>PAGE 23</b>	<b>PAGE 25</b>	<b>PAGE 32</b>

<b>PRODUCT DESIGN, QUALITY, AND SAFETY</b>  Working with suppliers to maintain and improve product safety and compliance, durability and sustainability.	<b>DATA SECURITY AND PRIVACY</b>  JB Hi-Fi Group's policies and processes to ensure data privacy and cybersecurity for all relevant stakeholders (e.g. customers, suppliers, and employees).	<b>CLIMATE-RELATED RISKS</b>  Identification and assessment of JB Hi-Fi Group's physical and transition climate-related risks and opportunities, the associated impacts on JB Hi-Fi Group's strategy and operations and the implementation of mitigating actions.	<b>ENERGY CONSUMPTION AND EMISSIONS REDUCTION</b>  Monitoring and reduction of energy consumption and greenhouse gas emissions. This includes Scope 1 emissions relating to fuel emissions from company operated vehicles and the use of natural gas to heat a small number of our stores; Scope 2 emissions relating to purchased electricity to power our stores and warehouse locations; and Scope 3 emissions, relating to emissions generated across JB Hi-Fi Group's value chain.	<b>SUSTAINABLE PACKAGING</b>  This refers to JB Hi-Fi Group making continuous improvements to packaging design in order to lessen the impact of packaging on the environment. This may include reducing use of unnecessary packaging materials, increasing the proportion of recycled content, using renewable raw materials, and improving recyclability of packaging for stock on-shelf and in-transit.	<b>OPERATIONAL WASTE AND RECYCLING</b>  Responsible management of waste generated by JB Hi-Fi Group's operations, and optimisation of recycling (e.g. recycling of cardboard, paper, soft plastics, expanded polystyrene etc.)
<b>PAGE 45</b>	<b>PAGE 46</b>	<b>PAGE 49</b>	<b>PAGE 56</b>	<b>PAGE 62</b>	<b>PAGE 62</b>

<sup>4</sup>Material topics have been ordered alphabetically and this order does not represent the order of importance that the Group places on these topics. All material topics are deemed of high priority for the Group to address.





## Our People

The JB Hi-Fi and The Good Guys retail brands, and the JB Hi-Fi and The Good Guys Commercial businesses are defined by their unique cultures and our 14,500+ team members who are crucial to the success of our businesses. We are committed to supporting our people and ensuring a safe, inclusive and respectful workplace, whilst always looking for ways to provide them flexibility and opportunities to grow and develop.

# HEALTH, SAFETY & WELLBEING

## OUR APPROACH

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

Our Group Safety Strategy is underpinned by our commitment to protecting the safety of our team members and customers, and promoting a 'safety first' culture throughout our operations.

Our Group Safety Team has operational responsibility for embedding this culture throughout the organisation through a systematic approach to incident management and risk mitigation that is underpinned by our Group Occupational Health and Safety Systems.

The Group Safety Team comprises qualified allied health professionals (including physiotherapists and a psychologist), which enables us to deliver early-stage injury prevention and support our team members to help reduce the impact of injuries and improve return to work outcomes.

We ensure our safety procedures are embedded across our team through our annual training program that has a different safety related focus for each month. This ensures we are providing current and relevant training and that we are supporting our team members to champion the health and safety message throughout our businesses on a regular and ongoing basis.

We have Safety Committees for each of the Group's retail brands and its supply chain operations, which provide oversight and ensure effective health and safety practices are embedded throughout our operations. These Committees include members of senior management and meet regularly to ensure all health and safety risks are understood and effectively mitigated.



The Group measures safety performance using Key Performance Indicators (KPIs) to enable early identification of incident trends and allow for proactive management and continual improvement. These KPIs are used to set annual targets to further reduce the incident frequency and improve the overall safety and wellbeing of our team.

We maintain strong governance and oversight of performance against our targets and KPIs through regular reporting to the Group's Audit & Risk Management Committee (a sub-committee of the Board of Directors), and to the Board itself.





Our Group National Safety Strategy comprises the following four key pillars

**Employee Wellbeing**

Having an organisation-wide focus on positive physical and mental health and wellbeing

**Injury Prevention**

Reducing the risk of work related injuries across the organisation through a proactive and evidenced based approach to both physical and psychological risks

**Safety Culture**

Embedding a safety culture across the organisation that reinforces the importance of our safety beliefs, values and attitudes

**Safety Compliance**

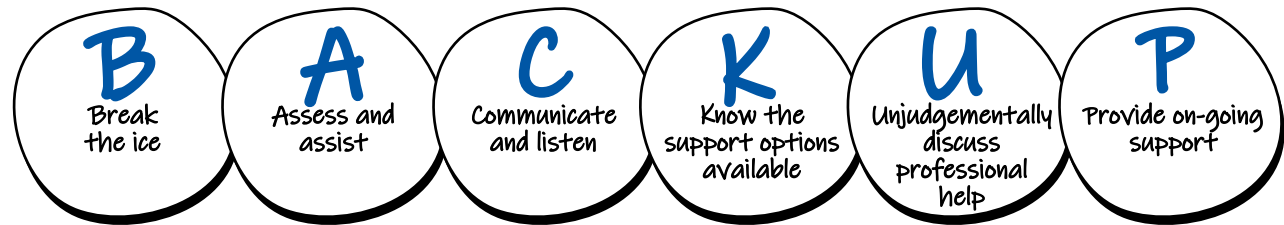
Maintaining proactive and systematic safety systems, reporting, processes and training to meet our Health & Safety responsibilities and legislative requirements

OUR PERFORMANCE AND PROGRESS

Throughout FY23 the Group implemented the planned initiatives from our Group Safety Strategy.

PSYCHOSOCIAL MANAGEMENT

The Group acknowledges the increasing risk of psychosocial hazards (i.e. anything that could cause psychological harm to someone) within the business, retail sector and community in general. We have incorporated actions within our Safety Strategy targeting the reduction of psychological injuries and promoting good mental health and wellbeing. These include regular initiatives aimed at raising awareness and equipping our team members with the necessary information and skills to manage both their own mental health and wellbeing, and that of their teams.



Throughout the year, we progressed our mental health training program and continued to roll out Day 1 B.A.C.K. U.P. training for store management teams and support office senior management. Our 'BACK UP' mental health training is a structured approach to build the awareness, knowledge, and confidence of our managers to support their teams in relation to their personal mental health. Positive feedback is consistently provided by team members undertaking the training, who report significant increases in their knowledge of how to manage and support mental health. Due to the success of the program, an additional Day 2 'BACK UP' training session was developed and piloted ready for roll out to the store networks in FY24.

Two Mental Health and Wellbeing “focus months” were completed during FY23, with the first being in September 2022 to align with “RUOK? Day”. This day continues to grow in importance within the Group as teams proactively promoted the message through team talks, resources, morning teas and attendance at an online webinar. An external speaker was invited to give a presentation on her personal mental health challenges, which provided our teams with another perspective of how these challenges can be effectively addressed.

The second mental health and wellbeing focus month took place in January 2023. In this month we aimed to set our teams up for personal wellbeing success for the year ahead. We did this by providing them tools and resources on ‘overall wellness’ and conducting webinars on topics such as self-care, gratitude and how to maintain good sleep habits, to help the team improve their overall physical and mental wellbeing.

All areas of the Group’s businesses have embraced the focus on mental health and wellbeing and acknowledge how this has a positive impact on our teams, both in and out of the workplace.

EMPLOYEE ASSISTANCE PROGRAM

Our Employee Assistance Program (EAP) is a free support service provided to our team members, enabling them to access support and counselling for a broad range of personal and work-related issues through seven different assistance streams. Team members are able to access this service anonymously, with all consultations kept private and confidential<sup>5</sup>.

In FY23 we saw utilisation rates of 6.0% (JB Hi-Fi) and 4.7% (The Good Guys) of our team members, compared with the 1.7% industry utilisation rate. We have also seen high reported satisfaction rates (93% JB Hi-Fi and 80% The Good Guys), as we continue to promote and encourage team members to access this free service.



<sup>5</sup>The only exceptions being instances where a team member may be considering self-harm or harming someone else, or issues which may involve illegal acts.





## KEY PERFORMANCE INDICATORS

### Injuries and Lost time

Lost Time Injury Frequency Rate (LTIFR<sup>6</sup>) records all worker compensation claims that result in loss of time from work.

The Good Guys experienced a decrease in LTIFR of 5% from FY22, whilst the JB Hi-Fi business saw an increase of 40% off a very low base in FY22.

The increase at JB Hi-Fi has been influenced by multiple contributing factors including stores being open for the full year whereas they were closed in Victoria and NSW in early FY22 in line with State government COVID protocols, staff fatigue following continued elevated sales levels, and isolated instances of non-compliance with our safety processes. Whilst JB Hi-Fi has seen an increase in LTIFR in FY23, this is consistent with trends seen in industry workers compensation schemes throughout the industry where an increase in lost time injuries has been reported. JB Hi-Fi continues to consistently perform better than industry standards and industry averages in regard to safety performance.

The improved results experienced by The Good Guys were primarily due to the continued upskilling of all managers in the importance of early intervention, which resulted in a reduction of lost time and improved recovery timeframes.

### Total recorded injuries

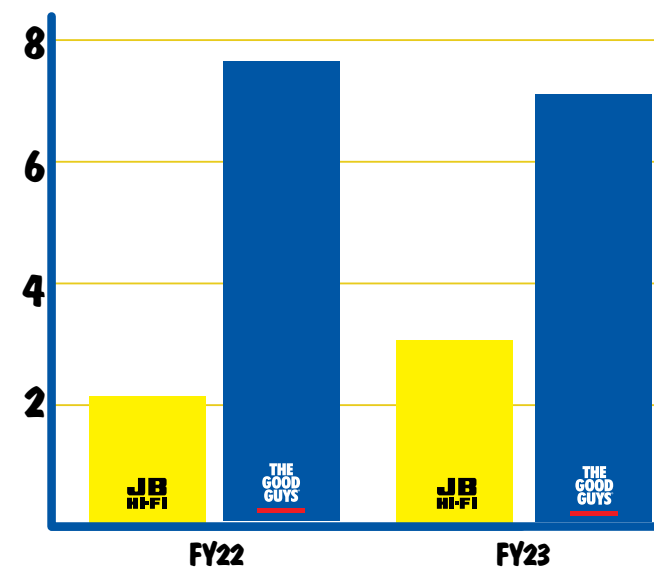
Total Recorded Injury Frequency Rate (TRIFR) records total recordable injuries, regardless of whether the injury resulted in an absence from work.

The Group's definition of a 'recordable injury' is aligned to that of the wider retail sector, where injuries are only classed as "recordable" when either medication has been prescribed, stitches are required, greater than 4 sessions with an allied health professional occur, or there are certified changes in the employee's capacity.

JB Hi-Fi has seen an increase of 20% in TRIFR, off a very low base in FY22. The factors contributing to this increase are the same as those that have contributed to the increase in LTIFR.

The Good Guys' TRIFR decreased by 2% when compared to the previous year. This result is indicative of the focus TGG has had on the ongoing early reporting of injuries to enable best practice and early intervention support. In addition, improved resources consisting of an additional allied health resource joining the Group Safety Team and the introduction of an after-hours injury management triage service ('Injury Care') to ensure that a high standard of injury management service is maintained at all times, have assisted performance.

#### LOST TIME INJURY FREQUENCY RATE

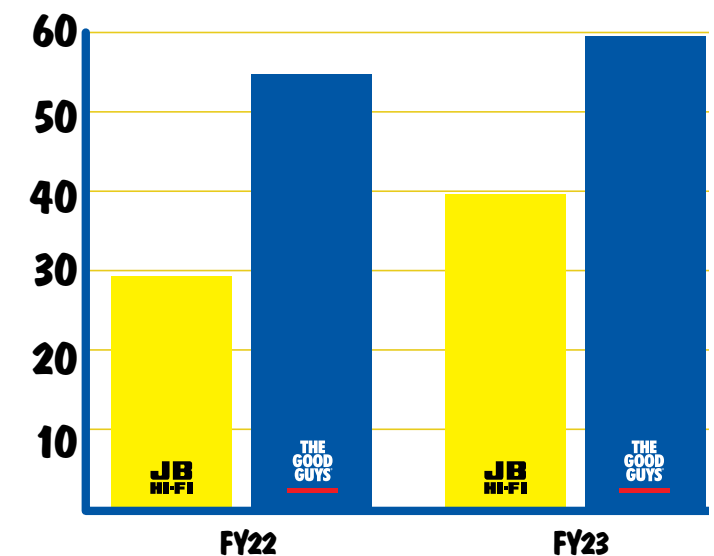


### Manual Handling Frequency Rate

The Manual Handling Frequency Rate (MHFR<sup>7</sup>) relates to any manual handling incident reported, regardless of whether the incident or injury required medical treatment. Manual handling injuries remain the predominant injury type for both of the Group's businesses and remain a priority for the Group's Safety Strategy.

In FY23 we saw a 11% increase in MHFR for The Good Guys and a 37% increase for JB Hi-Fi. These increases are the result of improved internal reporting of manual handling incidents, coupled with an increase in incidents due to higher levels of fatigue in team members as more stock flowed through the business compared to the previous year when New South Wales and Victorian stores were closed due to State Government COVID protocols.

#### MANUAL HANDLING FREQUENCY RATE



In order to mitigate the risk of manual handling incidents, the Group held two safety training focus months dedicated to manual handling, which included completing manual handling training targeted at higher risk products (such as large TV's and items with uneven weight distribution). This complimented the upskilling of managers through manual handling "masterclasses", general manual handling refresher training and a focus on hazardous manual handling behaviours.

During the year, the Group also prioritised the rollout of two types of new manual handling equipment to assist our store teams to safely and effectively move big and bulky products (such as fridges and large TV's). In Q2 of FY23, 44 powerlift trolleys were deployed into The Good Guys' store network and 127 lift trolleys were deployed into the JB Hi-Fi store network. Both trolleys eliminate the need for teams to manually lift big and bulky items.

<sup>6</sup>LTIFR is calculated by the number of Lost Time Injuries / number of worked hours multiplied by 1,000,000. A Lost Time Injury is defined as a full lost rostered shift following a work-related injury for a team member with an accepted work cover claim

<sup>7</sup>MHFR is calculated by the number of Manual Handling Incidents Reported / number of Worked hours multiplied by 1,000,000



## Supporting our teams to effectively manage aggressive customer behaviour

Consistent with experience across the broader retail industry, the Group continued to see elevated levels of aggressive behaviours towards our team members across the store network. The reopening of stores to customers post lockdowns has seen a shift of phone aggression incidents to in-store aggression. The mental health and wellbeing of our team members is of paramount importance to us and as a Group we have zero tolerance for any form of abuse or aggression towards our employees. To best prepare our team members to mitigate these risks, we provide training on how they can appropriately manage aggressive customers and shoplifters, as well as specific training to deal with aggression over the phone. The training provides best practice approaches and de-escalation techniques, and is completed on a regular basis by all our store and call centre team members.

Since the introduction of this training, we have seen a decline in the severity of incidents reported, with situations being managed well at an early stage, thereby preventing escalation to aggression. Our teams are also better informed about the potential risks of customer aggression. Feedback received from team members after the training is that they feel more confident in being able to safely manage and de-escalate situations, in particular being more confident to state that the business will not tolerate aggressive customer behaviour.

## Promoting a culture of safety

The Group continues to promote an overall culture of safety throughout its businesses through on-going training and awareness. Five different rolling masterclasses were completed during the year for newly appointed managers, in order to set them up for “safety success” in their new roles.

To promote safety culture, we have embedded initiatives such as:

### The JB Hi-Fi Safety Heroes Program

This was launched in Q2 of FY23 with the aim of recognising proactive safety behaviours and initiatives within our store network. Teams share and celebrate “safety wins” and complete proactive safety activities (such as team talks, wellness day and hazard reporting), all of which contribute to the overall awareness and improvement of safety culture in the store network.



### The Good Guys Warehouse Safety Squad

The squad meets bi-monthly, comprising team members from Inventory, Logistics, Safety and Store operations. The aim of this initiative is to ensure our warehouse operations team members have the opportunity to raise and discuss safety and operational concerns with the other relevant areas of the business as and when they occur.

### The Good Guys Safety Champion Program

This involves monthly meetings between store management teams from each State/Territory and the Group Safety Team, which ensures that safety advocates in each State/Territory can help drive engagement and celebrate improvements.



### Peak Trade Safety Survey

We surveyed team members and management teams in order to identify common risks that arise specifically during peak trading periods. The results were then presented to the Safety Committee for the relevant business, with actions allocated to relevant business units to implement improvement opportunities for FY24 peak trade periods.



## Safety Compliance

In March 2023, the Group launched a new contractor management system with improved functionality and capability to better service the broader needs of the business in its continued growth. This system facilitates improved safety compliance of all our contractors across the Commercial, HDC and Store networks.

The Group continues to invest in the health and safety of our team to ensure continual improvement and high standards are achieved. In FY23 additional Health and Safety Team resources were added with 2 additional Health and Safety Advisors, a Senior Health and Safety Advisor and an additional Wellbeing and Injury Management Advisor appointed.

In addition, as part of safety compliance training, the Group provided Electrical Safety Safe Work Practices Compliance Training to all our store teams in October 2022.

## OUR HEALTH, SAFETY AND WELLBEING COMMITMENTS FOR FY24

- Continue to develop and expand our mental health and wellbeing strategy
- Further build on and develop training content specific to management of psychosocial hazards in the workplace
- Enhance and develop relevant safety training content that is reflective of current and emerging safety issues, ensuring it is delivered in a timely manner during our dedicated safety training focus months
- Monitor high risk incident trends and respond with appropriate training to mitigate the risk
- Review and revise current, and implement new, initiatives aimed at improving Health and Safety performance across measurable targets





# DIVERSITY & INCLUSION

The Group continues to recognise the importance of diversity and understands that, by adapting to the differing needs of our teams, we will build a stronger, more inclusive culture, and create value for our customers and shareholders.

## OUR APPROACH

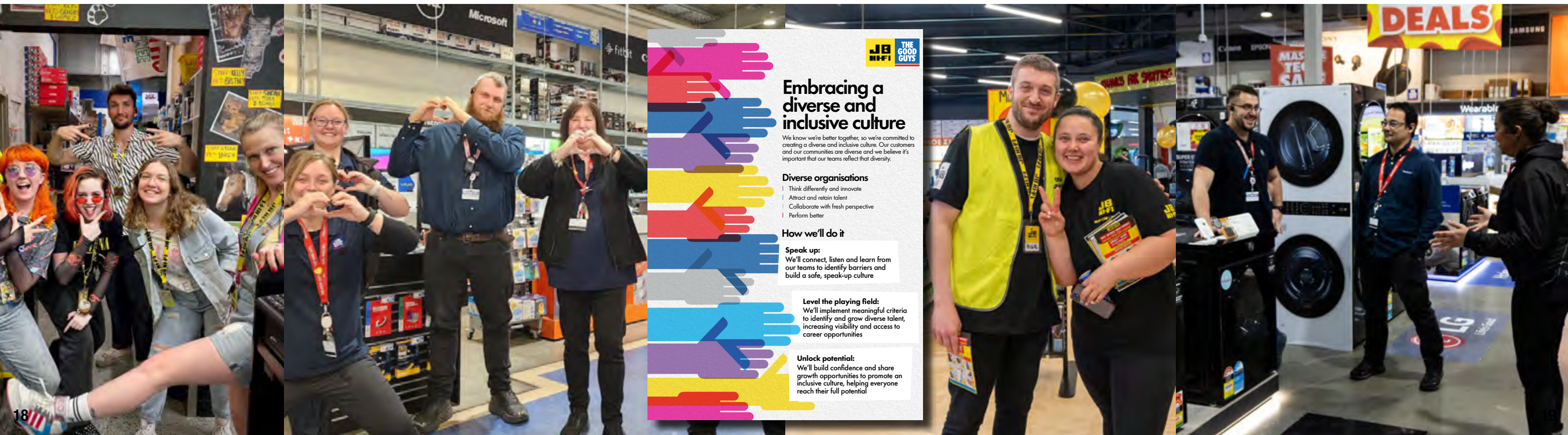
JB Hi-Fi and The Good Guys are focused on creating the best experiences for our customers. This starts with our ongoing commitment to protecting and strengthening our unique culture, and ensuring we continue to make JB Hi-Fi and The Good Guys an even better place to work.

Our Group-wide commitment to building a diverse and inclusive culture will help us achieve higher levels of innovation, encourage different perspectives, and allow us to attract and retain talent.

The Board has set measurable objectives to advance gender diversity, including increasing the proportion of women in leadership positions, and these continue to be a key priority for our business. Regular reporting on progress toward these objectives is provided to the Board, which provides ongoing governance and oversight over the actions we are taking.

In FY23 the Group reinforced its commitment to the Group Diversity and Inclusion Strategy and the importance of diversity and inclusion in the long-term success and sustainability of our businesses. Our Strategy has been informed through team member surveys, focus groups and listening sessions across the Group. It encompasses the following key pillars and supporting initiatives:

<b>SPEAK UP</b>	<p>Speak Up is listening, connecting, and learning from our teams to identify barriers and build a safe “speak up” culture. We will do this by:</p> <ul style="list-style-type: none"><li>ensuring everyone feels respected, included, and safe at work every day;</li><li>encouraging team members to call out any issues that make them feel uncomfortable or unsafe; and</li><li>listening and providing support whenever team members bring forward a concern or raise any issue that impacts their feelings of respect, inclusion, and safety at work.</li></ul>
<b>LEVEL THE PLAYING FIELD</b>	<p>Level the playing field is using meaningful criteria to identify and develop diverse talent. We do this through the following initiatives:</p> <ul style="list-style-type: none"><li>a competency-based framework and enhanced processes to identify and develop talent, providing increased transparency and access to career opportunities; and</li><li>providing our team members with flexible working options where possible, in order to attract and retain the best talent and further reduce potential barriers to progress into leadership roles.</li></ul>
<b>UNLOCK POTENTIAL</b>	<p>Unlocking potential includes building confidence and sharing growth opportunities to promote an inclusive culture, helping everyone achieve their full potential. We will do this by:</p> <ul style="list-style-type: none"><li>building understanding and promoting a culture of inclusive leadership, through training and awareness workshops;</li><li>enabling our managers to have more open and transparent development discussions to support and grow their team; and</li><li>supporting our talent with development planning.</li></ul>



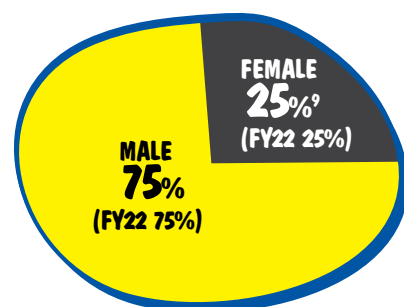




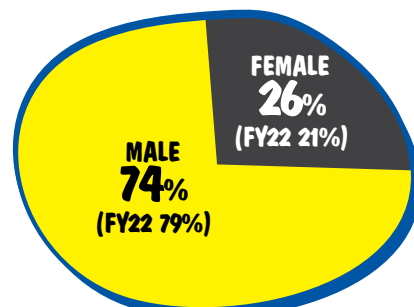
## OUR PERFORMANCE AND PROGRESS

The following charts provide (1) an overview of the gender composition as at 30 June 2023 across certain levels of the Group, and (2) progress being made against each of the measurable objectives that have been set by the Board:

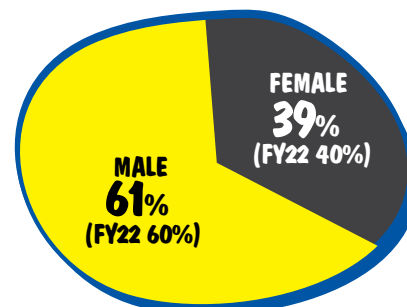
### DIVERSITY COMPOSITION OF BOARD



### DIVERSITY COMPOSITION OF EXECUTIVES & SENIOR MANAGEMENT<sup>8</sup>



### TOTAL GROUP EMPLOYEES



OBJECTIVE	JUNE 2023	JUNE 2022
To have not less than 30% of its directors of each gender by June 2023	25% <sup>9</sup>	25%
To increase the percentage of female to male Executives and senior managers	26%	21%
To increase the percentage of female to male store managers	27%	24%
To increase the percentage of female to male territory/area managers	28%	17%
To maintain or increase the percentage of female to male team members in the workplace generally	39%	40%

We are pleased to report an increase in the number of women in leadership positions across our business. This is the result of our targeted efforts to understand the barriers women experience in progressing into leadership roles, and actively working to remove these barriers and increase access to opportunities to progress within our business.

We continue to drive policies and processes that will bring even greater diversity and representation of women in leadership roles across our business. This includes further embedding our behavioural competencies throughout all parts of the organisation to identify high potential talent, strengthening and equalising recruitment and selection practices, and developing succession and development plans for high potential talent.



## SPEAK UP

Speak Up is a key part of our Group-wide strategy to create a workplace where our team members feel confident in bringing forward any concern relating to inclusion, respect, and safety in the workplace. We listen and learn from all team members as they share their experiences of inclusion at JB Hi-Fi and The Good Guys through regular surveys and listening sessions.

The feedback from our team members has continued to increase our understanding of their experiences of inclusion in the workplace and, together with quantitative analysis of key diversity indicators, informs our diversity and inclusion action planning and identifies future opportunities for improvement.

Now in its second year, we continued to communicate and promote the Speak Up program. Across JB Hi-Fi Australia, JB Hi-Fi New Zealand and The Good Guys,

we have delivered interactive workshops to 2240 store and support office people leaders to build a greater understanding of their role in creating a safe, respectful and inclusive Speak Up culture.

Our people leaders are critical in setting the tone, building a respectful inclusive workplace and effectively addressing any issues that arise. The sessions reinforce their role and responsibility to demonstrate our zero-tolerance approach of behaviours that impact on inclusion.

**84%**

of our team agree their manager would act to stop harassment, bullying and discrimination if it occurred.

## Equal Opportunity and Workplace Behaviour

Each year, we deliver training on the Group Equal Opportunity and Workplace Behaviour Policy to ensure all team members are aware of behavioural expectations, their obligations, and the process for escalating any concerns. We also recognise the importance of our people leaders in effectively preventing and dealing with any instance of sexual harassment, including their role in the escalation and intervention process to support our team members in dealing with instances of inappropriate behaviour from customers.

Knowing that our actions are having an impact, we will continue to focus on communicating with all levels of the business about Speak Up and continue to use the feedback from employee surveys to understand the progress we are making and where we need to do more.

## LEVEL THE PLAYING FIELD

We have continued to take action to 'level the playing field' that is helping to develop diverse talent across our business.

### Embedding competencies

Our competency framework identifies key behavioural competencies specific to each role type within our businesses and is designed to assist in identifying and developing diverse talent in a structured and standardised way.

The competencies address unconscious bias and barriers to equal access to career opportunities. We have continued to embed the competencies across our businesses and utilise these in regular talent mapping across the Group.

We also proactively communicate to ensure our team members receive regular updates on the roles available within our business and ensure we make visible the career opportunities available.

<sup>8</sup>Executives and Senior Management<sup>8</sup> means the 11 Group Executives and the 49 next most senior managers of the Group.

<sup>9</sup>On 14 August 2023, the Company announced the appointment of an additional non-executive director with effect from 16 September 2023. Following that appointment, 33% of the Board will be female.





Flexible work

As part of our Group-wide commitment to building a diverse and inclusive culture, and to attract and retain talent, JB Hi-Fi and The Good Guys have implemented the Group's Flexible Work Policy.

We continue to provide a wide range of leave options that include emergency services leave, family and domestic violence leave, and flexibility to take leave at half pay in certain circumstances.

In FY23 our Support Office team members have continued to work with their managers to find the right balance between their individual flexibility needs and the operational needs of the business.

These initiatives reflect our commitment to remove barriers to employee retention and career progression and support our efforts to 'level the playing field' and grow our talent pipeline.



UNLOCK POTENTIAL

As we continue to embed our diversity and inclusion plan, we have challenged ourselves to review and improve how we support talent within our current team.

Women in Leadership

Our JB Hi-Fi Women in Leadership programs in Australia and New Zealand have helped us develop female talent within our current team.

Within the JB Hi-Fi Australia business, in FY23 another 16 high potential female leaders participated in the three-month program aimed at building their confidence, visibility and influence through workshops, practical exercises, and coaching. This brings the total female leaders that have completed the program in Australia to 77. We have undertaken a review of our program in order to refine the program content, delivery, and ability to scale as we work toward achieving greater diversity across our business. We have updated and improved our program which will commence as a pilot in FY24.

JB Hi-Fi New Zealand has also reviewed its women in leadership mentoring program and added resources to its leadership team to better leverage the Group diversity and inclusion strategy across our New Zealand business in a way that supports our ongoing commitment to the local culture.

NUMBER OF EMPLOYEES WHO CELEBRATED LONG SERVICE MILESTONES DURING THE YEAR

The Group has service recognition awards to celebrate each five-year milestone that is passed by an individual team member. Team members that achieve 20 years of service receive a special award and a \$2000 visa gift card. For team members that achieve 30 years and 40 years of service, they receive visa gift cards valued at \$3000 and \$4000 respectively.

YEARS OF SERVICE	#JB AU EMPLOYEES	#JB NZ EMPLOYEES	#TGG EMPLOYEES
5	474	19	267
10	245	14	99
15	153	9	79
20	40	-	46
25	3	-	3
30	2	1	-

LABOUR PRACTICES

The Group employs over 14,500 team members. Most of the Group's team members are employed directly and on permanent or part-time contracts. During the busier peak trading periods such as Black Friday and Christmas, additional retail staff are employed on a casual basis to meet increased consumer demand in our stores.

Our 14,000+ Australian team members are employed on individual employment agreements. Team members may be covered by one of the Modern Awards set out below, or otherwise are Award-free (such as senior management).

- General Retail Industry Award 2020
- Clerks Private Sector Award 2020
- Commercial Sales Award 2020
- Storage Services and Wholesale Award 2020
- Graphic Arts, Publishing and Printing Award 2020
- Professional Employees Award 2020

Our 500+ New Zealand team members are employed on individual employment agreements underpinned by national legislation.

The JB Hi-Fi Group works with a vast network of domestic and international third-party suppliers, which employ workers from all over the world. The Group has an Ethical Sourcing Policy which affirms our commitment to respecting human rights and outlines the minimum standards we expect of our suppliers' labour, health and safety, environmental and ethical practices. It is informed by internationally recognised frameworks including the United Nations Guiding Principles on Business and Human Rights, the Ethical Trading Initiative (ETI) Base Code, and the International Labour Organisation (ILO) fundamental conventions concerning rights at work. For more information on our Ethical Sourcing Policy and processes refer to page 32 of this report.

THE RIGHTS OF ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES AND RECONCILIATION

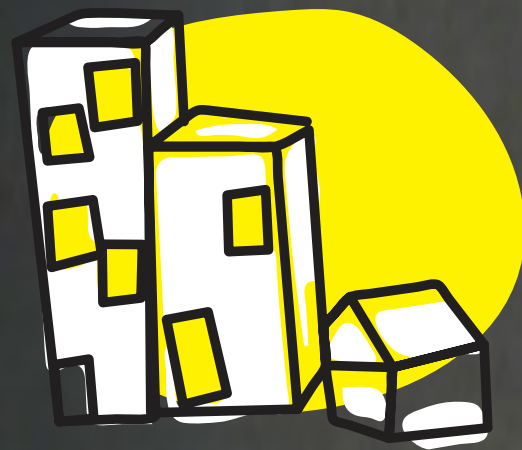
The Group has added The Rights of Aboriginal and Torres Strait Islander Peoples and Reconciliation to its list of material social topics this year. The feedback we received from both our team members and from external stakeholders through our 2023 sustainability survey indicated that The Rights of Aboriginal and Torres Strait Islander Peoples and Reconciliation was important to them, and an issue that the Group has the potential to positively impact both within our organisation, and within the communities in which we operate.

This year we began the groundwork to understanding how the Group can best support The Rights of Aboriginal and Torres Strait Islander Peoples and Reconciliation and have opened conversation with Aboriginal and Torres Strait Islander business leaders to help us better understand and develop an approach that will result in meaningful action and tangible outcomes for Aboriginal and Torres Strait Islander communities.

OUR DIVERSITY AND INCLUSION COMMITMENTS FOR FY24

- Continue the Group's progress towards achieving its measurable objectives for gender diversity
- Continue to embed our diversity and inclusion strategy
- Continue regular inclusion and engagement surveys of our team and take meaningful actions based on the results
- Deliver annual equal opportunity and workplace behaviour training
- Launch our new Women in Leadership Program across JB Hi-Fi Australia and New Zealand and The Good Guys
- Develop an approach to address The Rights of Aboriginal and Torres Strait Islander Peoples and Reconciliation





## Our Communities

We believe it is important to make a positive impact in the communities where we live and work. We will also work with our partners to protect and further human rights, improve working conditions, and strive to ensure what we use and sell is sourced ethically.

## COMMUNITY INVESTMENT

In FY23 we continued to help our charity partners make a positive impact in our community and the environment thanks to the generous donations of our team members and customers. The creative ways that our teams build engagement and get behind the causes and campaigns that we care about continues to be inspiring, and something the Group is proud of.

### OUR APPROACH

Our community investment approach is underpinned by our workplace giving programs, JB Hi-Fi Helping Hands and The Good Guys Doing Good. We believe workplace giving is a simple and efficient way to generate regular and reliable funding for charities.

Our workplace giving programs invite team members to make regular pre-tax donations to one or more of our charity partners. Every donation made is matched dollar

for dollar by the Group and there is no cap on matched funding.

For more than a decade, we have been a proud supporter and partner of Workplace Giving Australia (WGA) which helps raise awareness of workplace giving as a high value funding stream for the charity sector, and works with employers to develop best practice corporate giving programs.

#### JB HI-FI HELPING HANDS



Helping Hands supports a range of social and environmental issues that are important to our team members.

We select charity partners and enter into multi-year partnerships (circa 5-10 years) to achieve mutually agreed social and environmental goals.

Our Helping Hands Advisory Committee includes representatives from across our business and is chaired by a member of the Group Executive team. The Committee meets regularly to consider the feedback from our team members, review program performance, and plan communications and fundraising campaigns to engage our team members and customers.

In recent years, the Helping Hands program strategy has been refreshed to enable new causes and charities to be considered for support on a one-off basis. We take inspiration from our team through regular feedback, to ensure the causes we support reflect the issues they care about.

#### THE GOOD GUYS DOING GOOD



The Good Guys Doing Good workplace giving program aims to address important social causes that our team care about. Our donations support our

Doing Good charity partners in their work to make a positive and sustainable impact on the community and environment.

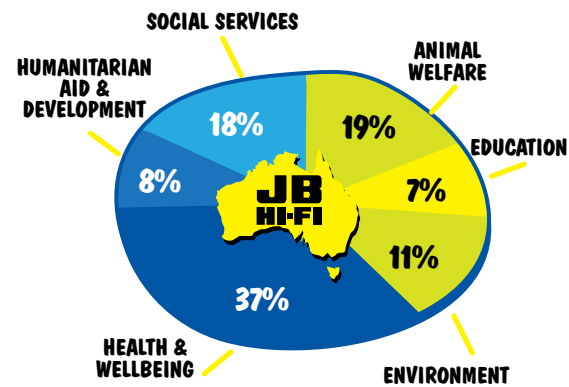
In FY23 we made progress on our commitments to refresh our program and ensure the charity partners we support reflect the social issues that are important to The Good Guys' team. As a result, we will introduce two new charity partners in FY24, focusing on environmental action and mental health. We have also made progress to increase awareness and engagement with our team members in relation to the program.





## OUR PERFORMANCE AND PROGRESS

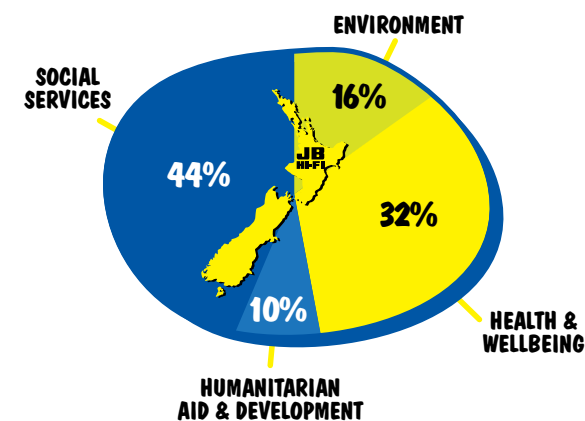
### HELPING HANDS DONATIONS (AUS)



In FY23 Helping Hands (Aus) raised  
**\$3,331,947**  
**\$32,770,623 million**  
donated since inception  
65% team member participation

JB Hi-Fi Helping Hands was again recognised at the Annual Workplace Giving Excellence Awards where our partnership with sleepbus received a Silver award for the Most Innovative Charity / Employer partnership.

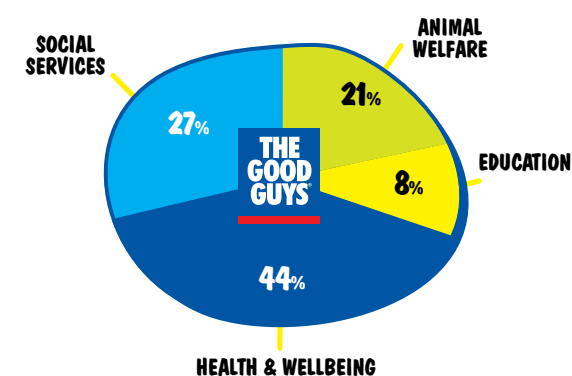
### HELPING HANDS DONATIONS (NZ)



In FY23 Helping Hands (NZ) raised  
**\$172,914<sup>NZD</sup>**  
**\$1,161,772<sup>NZD</sup>** donated  
since inception  
49% team member participation.

The generosity of our team in New Zealand has helped the program raise in excess of one million NZ dollars since inception and provided much needed support to our six charity partners. The ongoing commitment of our team to donate has continued to enable our workplace giving strategy to focus on long term partnerships to support charities and causes that our team identifies with and cares about.

### DOING GOOD DONATIONS



In FY23, The Good Guys Doing Good raised  
**\$454,056**  
**\$1,846,908 million**  
donated since inception  
44% team member participation.

The Good Guys Doing Good was recognised at the 2023 Annual Workplace Giving Australia Excellence Awards. We received the Best Innovation award for our Amazing Race Campaign that we conducted in March 2022 to engage our people leaders in the program.

## A shout out to our team members for workplace giving month

In June 2023, both JB Hi-Fi and The Good Guys celebrated workplace giving month by recognising our team members for their generous donations and support of Helping Hands and Doing Good. Throughout the month, our team members were invited to share their story about why they give through workplace giving. We issued a special badge to each contributing team member and encouraged them to wear it on their lanyards along with other pins that are awarded to mark special events, special effort and other significant milestones.



## HELPING HANDS PROGRAM AND CHARITY UPDATE

### Earth Squad

We farewelled 2040 as one of our founding Earth Squad partners. Our team members are proud to have helped 2040. From 1 July, donations to Earth Squad will fund Carbon8 and their work to help Australian farmers make the change to regenerative farming and reduce carbon emissions.

### Sleepbus

We shared regular updates with our team members on our donation to sleepbus, which is funding the refurbishment of a new bus that will operate in and around the Sydney CBD. The JB Hi-Fi sleepbus will provide safe sleeping and other support services for up to 40 people per night. It is due for launch in FY24 and this will be the first sleepbus to operate in Sydney.

## DOING GOOD PROGRAM AND CHARITY UPDATE

In September, we conducted our 'Game On' campaign to launch the introduction of an online participation form for team members wanting to join Doing Good. The campaign helped to raise awareness of the program that resulted in a 15% increase in team members regularly giving to the program.

In November 2022, we established a Doing Good Steering Committee comprising team members from The Good Guys business. The Committee meets regularly to consider the feedback from our team members, review program performance, and plan communications and fundraising campaigns to engage our team members and customers. We also appointed

team members to be Doing Good program champions as part of our effort to engage with more team members and increase participation in the program. We have worked hard to increase our communications with our team members and acknowledge the positive difference being made from our donations.

Another exciting innovation for Doing Good was being part of the launch of a new digital learning platform in June 2023. As team members complete online training relevant to their role throughout the year they earn points that will convert into donations for our charity partners.



## POSITIVE SOCIAL AND ENVIRONMENTAL IMPACTS

Donations from the Helping Hands and Doing Good workplace giving programs have helped our community partners achieve a broad range of positive outcomes and impacts for the most vulnerable in communities across Australia, New Zealand and in a range of international locations.



### JB HI-FI HELPING HANDS AUS



#### COMPANION ANIMAL NETWORK AUSTRALIA

Cared for 24,922 companion animals and re-homed 24,661



#### REACH OUT

Supported over 2 million young people and their families to better understand their experience of mental health and improve their wellbeing



2040 (Partnership concluded in FY23) National advocate of community action to support regenerative agriculture and positive climate action



#### REDKITE

Redkite delivered 588 hours of counselling to ensure emotional wellbeing, paid 634 essential household bills and provided 445 hours of in-hospital support to families facing childhood cancer



Carbon8 has supported 216 farmers nationally across 3 key programs, with 52,400 hectares of agricultural land being transitioned to regenerative agriculture



#### SUPPORT ACT

Paving the way for a more culturally intelligent space for 600+ First Nations music workers to access crisis relief services and providing increased First Nations mental health support



#### THE FRED HOLLOWES FOUNDATION

Screened 10,300 patients and performed 2,600 sight saving operations



#### THE SONG ROOM

Supported over 17,600 students and 756 teachers through in-class programs, and over 23,000 digital education subscribers



#### KIDS UNDER COVER

Launched Kids Under Cover in South Australia and provided support for the first six young people at risk of homelessness in that State



#### MCAULEY COMMUNITY SERVICES FOR WOMEN

Funded more crisis accommodation for women and children who have experienced family violence and contributed towards two new properties that will accommodate another 60 women and children



#### OXFAM

Helped local partners in more than 90 countries, supporting communities to build better lives with lasting solutions



### JB HI-FI HELPING HANDS NZ



#### FOREST AND BIRD

Funding to support major campaigns to protect conservation and marine areas, native land and eco-systems, and protected species to thrive



#### KENZIES GIFT

Helped 62 Kiwi families experiencing serious illness and grief to receive one on one support from mental health professionals



#### MUSICHELPS

Distributed financial grants and provided 24/7 helpline and counselling services to support music and entertainment industry workers



#### PLUNKET

Whānau Āwhina Plunket offers health and wellbeing services for young children and their families to thrive



#### SHELTER BOX

Providing ShelterBox aid packages to more than 20,000 people following the Türkiye earthquakes



#### YOUTHLINE

Funded the 24/7 helpline responding to young people experiencing mental health issues with calls, texts, emails, and web chats



### THE GOOD GUYS DOING GOOD



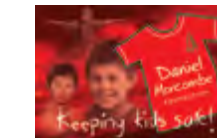
#### BERRY STREET

Supported 1,114 children and young people in out-of-home care, including kinship, foster and residential care



#### ORANGE SKY

Funded 1,339 loads of laundry across 36 locations for people experiencing homelessness to have clean clothes, warm showers and non-judgemental conversation



#### DANIEL MORCOMBE FOUNDATION

Provided child safety education to over 6000 schools and early learning centres Australia-wide



#### PERTH CHILDREN'S HOSPITAL FOUNDATION

Contributed to the Wal-yan Respiratory Research Centre to help improve childhood lung health



#### EDCONNECT

Supported 1,300 volunteers to guide disadvantaged students in over 260 schools



#### PROSTATE CANCER FOUNDATION OF AUSTRALIA

Expanded the Prostate Cancer Specialist Nursing program to more than 110 nurses and invested in new research projects looking at improved treatment options



#### HEARTKIDS

Provided in-hospital support and financial assistance to over 3,500 children, families and adults affected by congenital heart disease



#### RSPCA AUSTRALIA

Provided care for over 940,000 animals in around 29 shelters nationwide and investigated over 53,000 reports of animal cruelty



#### KICK START FOR KIDS

Enabled 900 disadvantaged primary school kids to attend Camp Kickstart school holiday program



#### SOLDIER ON

Helped 194 veterans access the Pathways program and secure employment.



#### MCGRATH FOUNDATION

Supported the Foundation to expand its support with 200 McGrath Breast Care Nurses providing free specialist care for individuals and their families affected by breast cancer



#### WHITELION

Provided intensive case support to 1026 young people at risk across Australia, to build connections and pathways to work.



# In-store and event fund-raising

Beyond the regular workplace giving donations from our team members, our charity partners receive donations from our customers through our 'Change for Change' donation points, in-store campaigns, and through the sale of plastic and re-usable bags.

## JB HI-FI AUSTRALIA

### Back to the 80's

In September 2022, we re-engaged our team members with our music inspired "Back to the 80's" campaign. The campaign encouraged new team members to consider joining Helping Hands, and existing donors to revisit their weekly donations. Along with new members joining the program, the campaign inspired 245 existing donors to increase their regular weekly contribution.



Together, we raised  
**\$153,000**  
for Kids Under Cover in addition to the annual donation received from Helping Hands.

### Undercover to help solve youth homelessness

In April, we ran a campaign to help raise funds for Kids Under Cover and their work to support young people at risk of homelessness. The 'Undercover to help solve youth homelessness' campaign was rolled out across our store network to invite our customers to each donate \$2 (or more) to Kids Under Cover. Our Support Office team members had the opportunity to meet representatives of Kids Under Cover at a special dress up day and consider making a one off donation to the Undercover campaign.

### School for Life

In June, The School For Life Foundation received a one-off \$50,000<sup>10</sup> donation toward its work in Uganda providing high quality education and employment opportunities. The school has 1700 students from pre-school through to Year 11 and provides employment to many local community members. The funds will be used to:

- advance the school's sustainability program;
- install a 250,000 litre water tank to provide clean water; and
- replace the solar battery system that provides power to operate computers, fridges, freezers and power for extra-curricular activities and vocational training outside of daylight hours.



### GIVIT Christmas appeal

JB Hi-Fi donated  
**\$50,000<sup>10</sup>**  
to the 2022 GIVIT Christmas Appeal to provide some of the joy of Christmas to vulnerable families across Australia. The JB Hi-Fi donation supported  
**684 people**  
with vouchers to purchase their special requests.

## JB HI-FI NEW ZEALAND

### The Kindness Collective

In FY23 our team held a special one off campaign to support The Kindness Collective and their work to help people impacted by the New Zealand cyclones.

We raised

**\$7,632NZD**

for the Kindness Collective made up of

**\$1,676NZD** from our team members and

**\$5,970NZD** from customers, to provide everyday essentials and moments of joy to Kiwi kids and families.

### Christmas campaign

Our Christmas campaign included our own JB Hi-Fi Christmas wrapping paper that was designed by our team members.

Customers who purchased our Christmas wrapping paper raised \$27,200NZD and the proceeds were evenly distributed across our six Helping Hands Charity Partners.



## THE GOOD GUYS

### 'Be an Angel for Heartkids' Christmas campaign

For the first time, The Good Guys conducted a Christmas campaign across its store network and invited customers and team members to donate to its Doing Good partner HeartKids. Our customers and team members raised \$14,443 for Heartkids, that included a \$2,986 one off contribution from our team members that was matched by The Good Guys.



## OUR COMMUNITY INVESTMENT COMMITMENTS FOR FY24

- Continue to engage team members with our Workplace Giving activities through internal communications and creative campaigns
- Refresh the Helping Hands component of JB Hi-Fi's induction process to engage with all new team members
- Continue to refresh The Good Guys Doing Good Program and introduce two new charity partners to support greater levels of participation and engagement

<sup>10</sup>The \$50k donations to GIVIT and School for Life are included in the total amount raised (\$3,331,947) through the Helping Hands (Australia) program





# ETHICAL SOURCING

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

In FY23 we continued to improve how we responsibly manage the risks in our supply chain. Our aim is to work with our suppliers to protect and further human rights, improve working conditions, minimise our environmental impact, and ensure that what we use and sell is sourced ethically.

## OUR APPROACH

The Group works with a vast network of domestic and international suppliers that has evolved over many years. Maintaining productive relationships with all our suppliers is one of the key elements to the success of our business.

We group our supply chain into the following five categories to help us manage and prioritise our ethical sourcing work:

- trade suppliers of branded products and services, consisting of manufacturers and service providers that the Group contracts with directly for the supply of goods and services for resale within our retail and commercial businesses;
- trade suppliers of JB Hi-Fi owned private label products, consisting of a limited number of Australian-based suppliers for the sourcing and manufacture of products for our XCD, Flea Market and Terminal 2 brands;
- indirect trade suppliers, consisting of suppliers that contribute to the construction of products that we resell;
- non-trade suppliers, consisting of suppliers of goods and services not for resale that are integral for the running of our businesses; and
- service providers and outsourced sub-contractors, engaged for installation and set-up services for some of the products we sell.

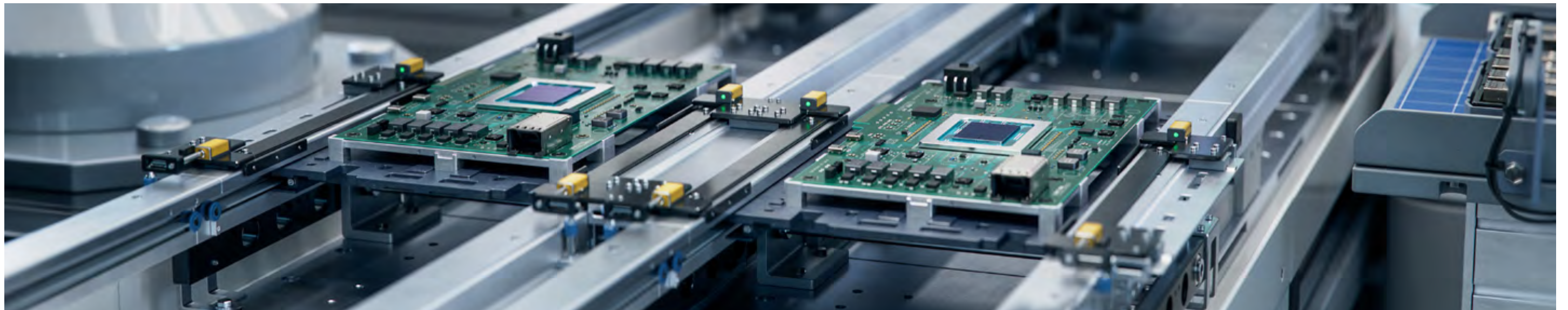
Our approach to ethical sourcing involves developing an understanding of each of these supply chain categories and adopting a risk-based approach to assessing and addressing ethical sourcing risks.

Some of the risks that the Group may be exposed to from a human rights perspective include:

- contributing to, or being directly linked to, modern slavery in the supply chain as a result of the operations of our trade suppliers or indirect suppliers (e.g. deceptive recruitment practices and trafficking of migrant workers or the use of forced labour/child labour by direct or indirect suppliers in the assembly of products, component parts or the sourcing of raw materials);
- within our domestic supply chains, there is a potential for the group to contribute to, or be directly linked to, modern slavery practices in industries and sectors which utilise low-skilled workers, young workers or migrant workers, or outsource work to sub-contractors. Such industries and sectors include (but are not limited to) cleaning and maintenance, security, waste management and logistics; and
- contributing to, or being directly linked to, modern slavery through its network of service providers and sub-contractors. For example, if a small business engaged to provide installation services for televisions purchased at either JB Hi-Fi or The Good Guys exploits young apprentice workers with little or no pay.

### **Our Group Ethical Sourcing Policy**

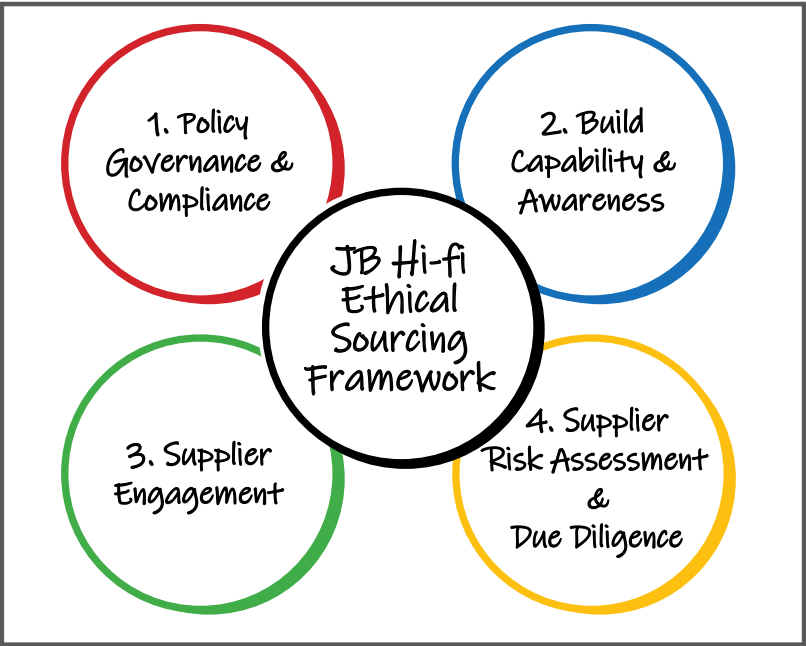
- outlines the minimum standards we expect of our suppliers' labour, safety, environmental and ethical practices;
- is designed to uphold worker rights, minimise unnecessary adverse impacts on the environment, and foster ethical operations through the supply chain;
- is informed by the Responsible Business Alliance (RBA) Code of Conduct, and internationally recognised frameworks, including the United Nations Guiding Principles on Business and Human Rights, the Ethical Trading Initiative (ETI) Base Code, and the International Labour Organisation (ILO) fundamental conventions concerning rights at work; and
- takes into account consultation with key stakeholders such as suppliers and specialists within the area of human rights.







To support the implementation of our Ethical Sourcing Policy, the Group established an Ethical Sourcing Framework. This framework draws upon the United Nations Guiding Principles on Business and Human Rights, as well as the Government Guidance to Reporting Entities on the Australian Modern Slavery Act.



We adopt a risk-based approach to supplier due diligence that considers supplier category, country of origin, type of product or service, spend level, degree of our reliance on the supplier, characteristics of the supplier's operations, and the level and effectiveness of supplier oversight concerning its operations and supply chain. This approach helps us prioritise effort and resources in aiming to achieve our objectives.

# OUR PERFORMANCE AND PROGRESS

## POLICY GOVERNANCE AND COMPLIANCE

A cross functional Ethical Sourcing Working Group, involving members of senior management and the Executive team provides strategic direction and oversight over the implementation of the Group's Ethical Sourcing Policy.

The operational responsibility for ethical sourcing sits with the Group Sustainability and Ethical Sourcing team, which works in collaboration with business units across the Group. The Group Chief Financial Officer has accountability and ownership of the framework at an Executive level.

Compliance with our Ethical Sourcing Policy, as well as the actions we are taking to assess and address the risks of modern slavery, are reported to the Audit & Risk Management Committee (a sub-committee of the Board) twice a year. The Board of Directors also reviews and approves JB Hi-Fi Limited's Modern Slavery Statement each year.

## BUILD CAPABILITY AND AWARENESS

The Responsible Business Alliance (RBA) is a global non-profit industry coalition comprised of companies committed to supporting the rights and wellbeing of workers, communities and the environment. As members of the RBA, we access thought-leadership, industry advocacy, training and assessment tools that support and inform our Ethical Sourcing Framework.

We continue to monitor and review the output of the RBA's Responsible Labor Initiative (RLI), where RBA members, suppliers, recruitment partners and stakeholders use their collective influence and the application of due diligence to drive the transformation of recruitment markets, reduce the risk of forced labour and provide remedies in global supply chains at all stages of recruitment and employment.

Internally, our Group Sustainability and Ethical Sourcing team continues to build its capability and awareness of key issues through both supplier engagement and structured training. The RBA Learning Academy has an extensive library of training modules, which we utilise to provide bespoke training on key topics (such as recognising forced labour, effective management of

working hours, and correctly administering employee social insurance payments) to both our team members who engage with our private label suppliers, as well as the private label suppliers themselves.

We continue to engage with the National Associated Retail Traders of Australia's (NARTA) Modern Slavery Initiative Working Group alongside other NARTA retail and supplier members. The working group continues to share ideas and insights on how NARTA and its member companies can work together to assess and address the risks of modern slavery within the supply chain.

The Group has regular engagement with the Investors Against Slavery and Trafficking (IAST) Asia Pacific initiative, an investor led working group convened to promote effective action among investee companies in the Asia Pacific Region to find, fix and prevent modern slavery. During the year we met with the IAST twice to discuss our approach to modern slavery, as well as exploring potential opportunities for continuous improvement.







## SUPPLIER ENGAGEMENT

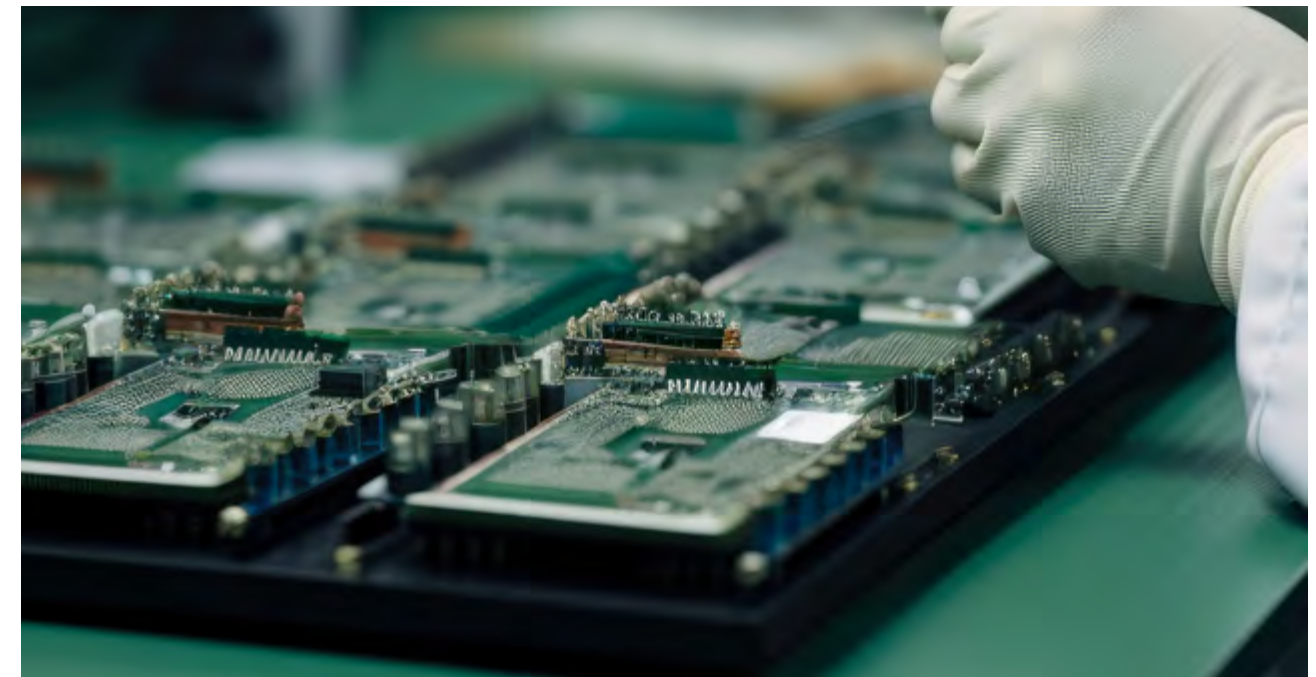
Our suppliers range from large multinational 'big brand' companies to smaller product and service providers, each with varying maturity of processes and controls to manage social compliance risk in their operations and supply chain. Our Ethical Sourcing Policy emphasises our desire to engage constructively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

We take a risk-based approach to understanding the country of origin and the conditions and work practices in the factories where our products come from. Whilst we expect all of our suppliers to have adequate controls to assess and address the risk of modern slavery, factories operating in countries which are more susceptible to human rights violations and with lesser levels of worker protection and governance are considered higher risk.

In FY23 we expanded on the foundational work that we undertook in FY20 to understanding country of final assembly for many of our larger trade suppliers. During the year we began to engage with some of our smaller trade suppliers, and wrote to an additional 107 suppliers, asking them to provide information relating to: (1) country of origin for their final assembly facilities, (2) whether any of these facilities utilised foreign migrant labour, and (3) the types of social auditing conducted on the final assembly facilities identified.

Of these 107 suppliers, 60 responded with the requested information. In FY24 we will use this information to help us prioritise engagement with suppliers that are deemed at a higher risk of modern slavery, as well as following up suppliers that have not yet responded to our request.

Whilst a large proportion of our suppliers have proactively engaged with our Ethical Sourcing Policy and due diligence processes, we have experienced challenges with some suppliers in progressing our ethical sourcing work. We continue to advocate for cooperation and engagement on this issue with these suppliers and, where possible, utilise the networks provided through our membership with the RBA to open lines of communication.



## SUPPLIER RISK ASSESSMENT AND DUE DILIGENCE

The Group has adopted a 3-tiered risk-based approach to supplier due diligence to assess ethical sourcing risks within our supply chain:

### Level 1 SUPPLIER ETHICAL SOURCING INHERENT RISK ASSESSMENT

Level 1 involves a risk assessment using the supply chain analytics capability of the RBA. The risk assessment takes into consideration characteristics associated with a suppliers' operations, such as the country of final assembly, the sector within which they operate, and the products or services that are provided to the Group.

Level 2 involves completion of an ethical sourcing self-assessment questionnaire (SAQ) by our supplier. The result of this self-assessment helps us assess a supplier's organisational policies, procedures, and risk profile across each pillar of our Ethical Sourcing Policy.

Level 3 involves our review of an independent social compliance audit specific to a supplier location to assess compliance against our Ethical Sourcing Policy. Our policy outlines the type and frequency of audits that we expect our suppliers to undertake.

### Level 2 SUPPLIER ETHICAL SOURCING SELF- ASSESSMENT

We utilise a supplier watchlist to prioritise due diligence and monitoring of suppliers that we deem as higher risk due to their product category, country of manufacture, or risk of non-compliance against the requirements of our Ethical Sourcing Policy.

Our watchlist consists of suppliers identified through our Level 1 due diligence process as well as key suppliers of JB Hi-Fi's private label branded products, or products that are ranged exclusively through JB Hi-Fi or The Good Guys. Other suppliers are added to the watchlist when information comes to our attention indicating a high risk of non-compliance with our Policy which warrants investigation, for example media allegations or the inclusion of a supplier on government watchlists.

### Level 3 SUPPLIER SOCIAL COMPLIANCE AUDIT ANALYSIS





Level 1

Level 2

Level 3

## SUPPLIER ETHICAL SOURCING INHERENT RISK ASSESSMENT

A supplier's 'inherent risk' is based on specific characteristics associated with their operations including country, sector, and the products being manufactured. Our Level 1 due diligence process involves completion of an ethical sourcing inherent risk assessment for each supplier using the supply chain analytics capability of the RBA.

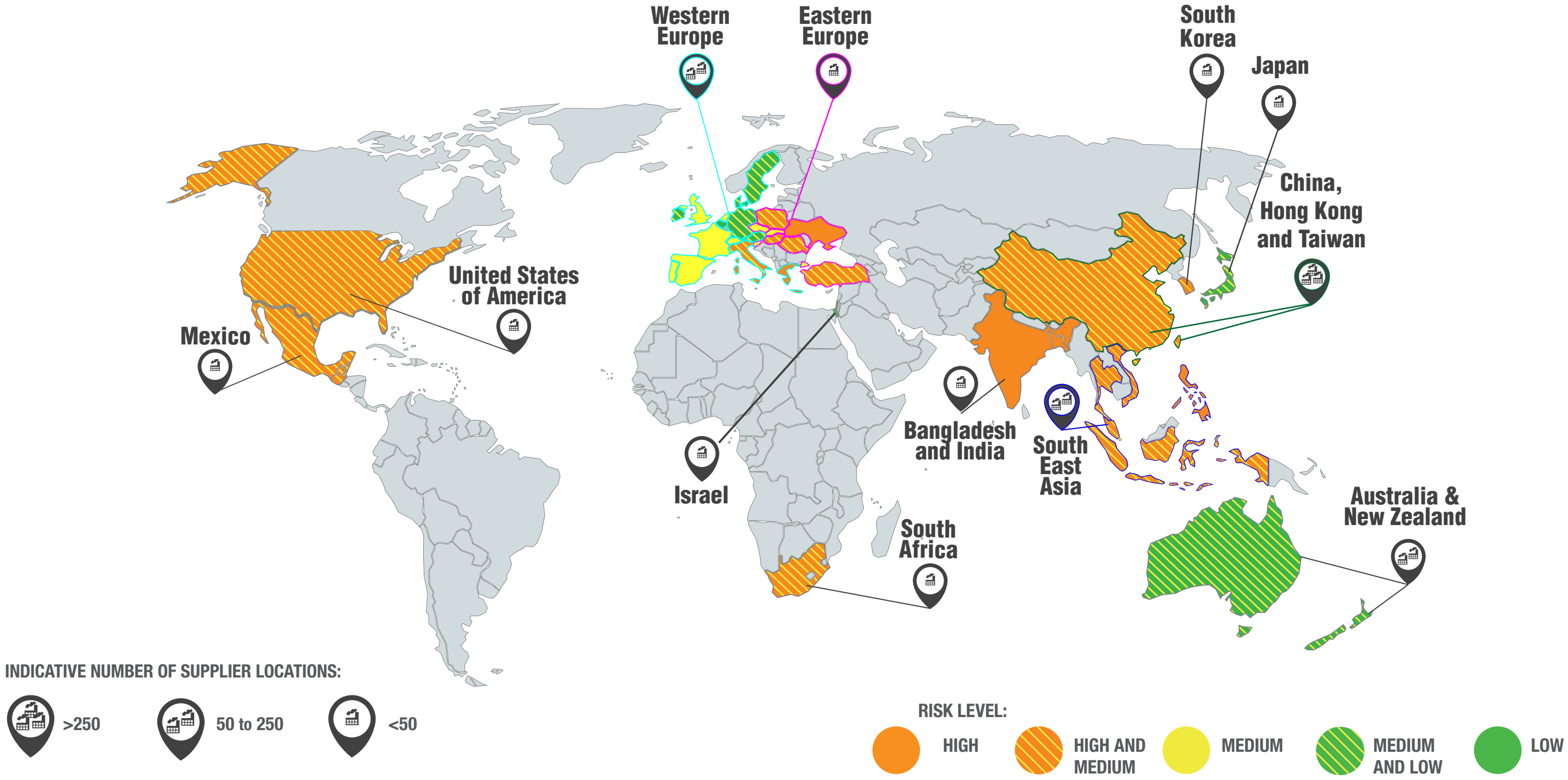
The RBA analytics tool is based on aggregated social compliance audit data and publicly available indices developed by governments, not-for-profit organisations and other organisations such as the United Nations, the World Bank and leading universities. It uses this data to assess the inherent risk associated with each of our ethical sourcing pillars, being labour, health and safety, environment, ethics, and management systems. A risk score is then assigned to suppliers based on its inherent characteristics and the underlying source data.

The map below provides a high-level overview of the output of our Level 1 inherent risk assessments conducted to date, an indication of the number of supplier locations that have been assessed in each region, and level of risk by geography.

This Level 1 inherent risk assessment acts as a foundation that informs how we prioritise suppliers for our Level 2 and Level 3 due diligence processes.

In FY23 we engaged with an additional 107 suppliers and requested information on geographic location, number of final assembly facilities, whether foreign migrant labour is utilised, and the types of social compliance auditing frameworks they employ and/or may be members of. Of these 107 supplier requests, 60 responses have been received. The information provided will enable us to prioritise further engagement with suppliers that may be at a higher risk of modern slavery and in FY24 we will follow up suppliers that have not yet responded to our request.

Changes in our inherent risk assessment this year are the result of new information received from the suppliers we engaged during the year. There has also been one new country (Israel) that has been added to our inherent risk assessment, based on the feedback received from suppliers this year.







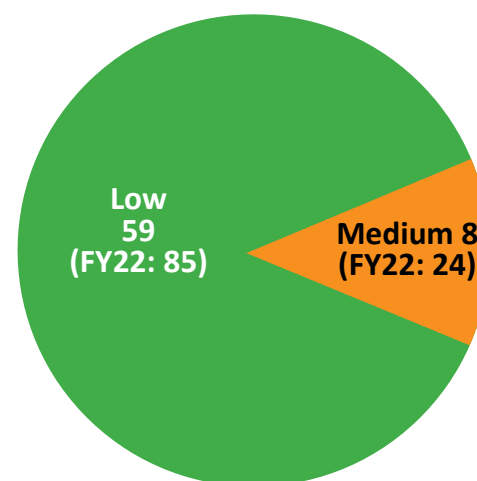
## SUPPLIER ETHICAL SOURCING SELF-ASSESSMENT QUESTIONNAIRE (SAQ)

Our Level 2 due diligence process utilises the supplier Self-Assessment Questionnaire (SAQ) format and methodology developed and provided by the RBA. The result of the self-assessment helps us develop an understanding of the supplier's organisational policies, procedures, and risk profile across each pillar of our Ethical Sourcing Policy.

Many of our suppliers who are members of the RBA, complete RBA self-assessment questionnaires as part of their member compliance requirements or their own due diligence processes. We also require that all new factories on our supplier watchlist complete self-assessments if they do not already do this.

Chart 1 provides a summary of the SAQ results received from suppliers (by risk rating) during the 12 months ended 30 June 2023 in comparison to the prior year<sup>11</sup>. We did not receive any "High Risk" self-assessment questionnaires from any suppliers in FY23 (FY22: 2). In the event that any high-risk ethical sourcing self-assessments are received, these are immediately discussed with the relevant supplier and we require them to provide us with a copy of their most recent social compliance audit (or conduct one if they have not done so recently), in order to determine if any of the risk factors arising in the questionnaire have resulted in non-compliance with our Ethical Sourcing Policy.

CHART 1



## SOCIAL COMPLIANCE AUDITS AND CORRECTIVE ACTIONS

Our Ethical Sourcing Policy outlines the Group's requirements for suppliers to engage an independent party to conduct regular social compliance audits to assess and address the environmental, social and ethical risks at the supplier's manufacturing facilities. We may request a supplier to undertake an additional and/or specific social compliance audit at any time, for the purposes of assessing compliance with our Ethical Sourcing Policy.

Social compliance focuses on systems and controls in place that seek to protect the health, safety, and rights of workers and the environment, as well as upholding the overall ethics of an organisation's operations and its supply chain. Social compliance auditing is a means of checking that organisations are operating in a way that complies with acceptable standards in these areas.

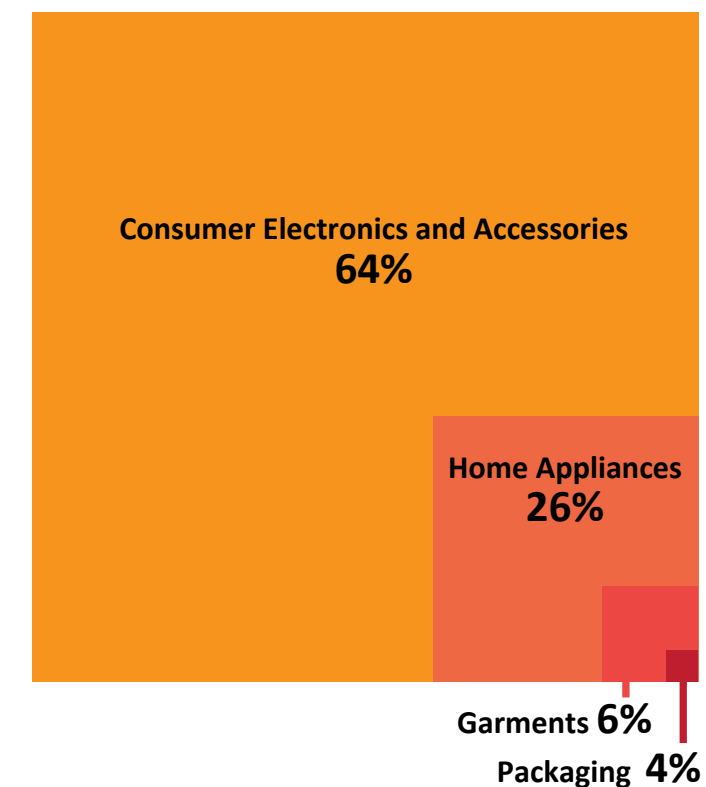
Given the inherent limitations of a self-assessment, Level 3 of our approach supplements our Level 2 SAQ due diligence with a detailed analysis of independent social compliance audits.

<sup>11</sup>A higher number of SAQs were received in FY22 due to foundational work we completed in the prior year

## FY23 Social Compliance Audit Observations

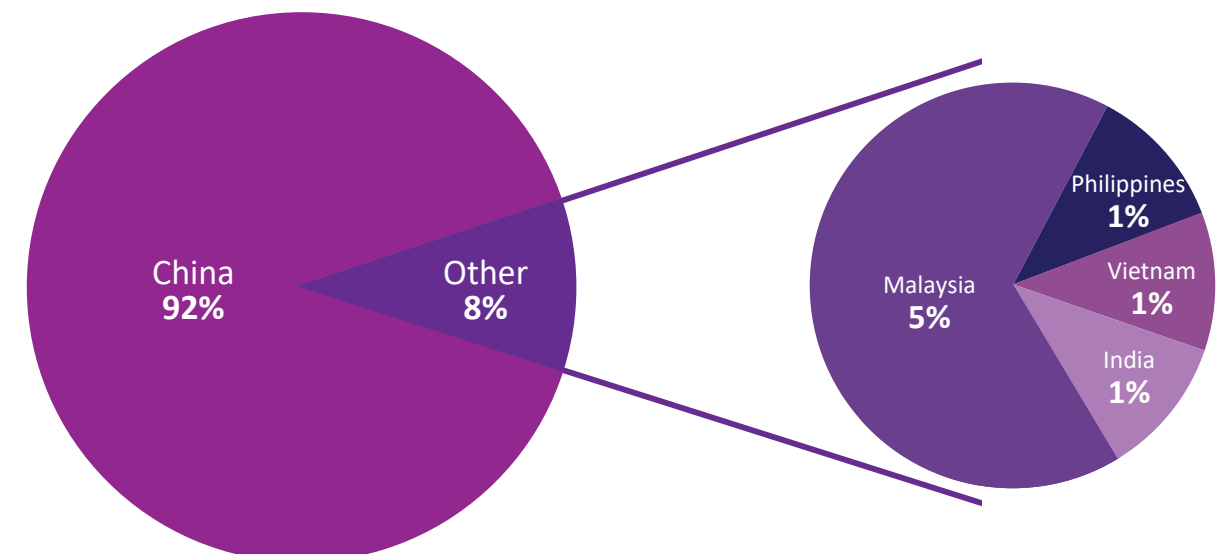
We use a risk-based approach to prioritise the review of supplier social compliance audit reports, and in FY23 we reviewed 72 social compliance audits across the manufacturing facilities on our watchlist (FY22: 88 audits). These facilities represent a range of final assembly manufacturing sites, some of which are owned by our direct suppliers and others which are owned and operated by third parties which have been engaged by our direct suppliers. The decrease in the number of social compliance audits reviewed year on year is the result of delays in factories providing their audit to us, or factories being taken off of our watchlist as we receive evidence that concerns that we have previously raised in relation to those factories have been mitigated. Chart 2 provides the industry split of the suppliers on our watchlist across consumer electronics, home appliance, garment, and packaging manufacturing suppliers.

CHART 2



The majority of the facilities on our watchlist are located in mainland China with the remainder in Vietnam, Malaysia, Philippines, and India. Chart 3 provides the percentage breakdown by location.

CHART 3







Implementing a process to review the social compliance audit reports of the suppliers' facilities on our watchlist has helped us develop a deeper understanding of the ethical sourcing risks within our supply chain and provides us clearer visibility around how suppliers are responding to the issues identified. Chart 4 provides a summary of the proportion of audit findings raised under each of the key pillars of our Ethical Sourcing Policy. Chart 5 provides a more detailed breakdown of the individual findings, classifying them as major or minor, against each requirement of our Ethical Sourcing Policy.

CHART 4

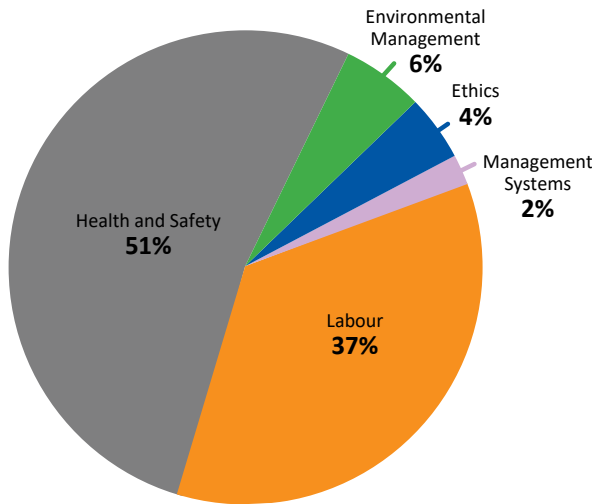
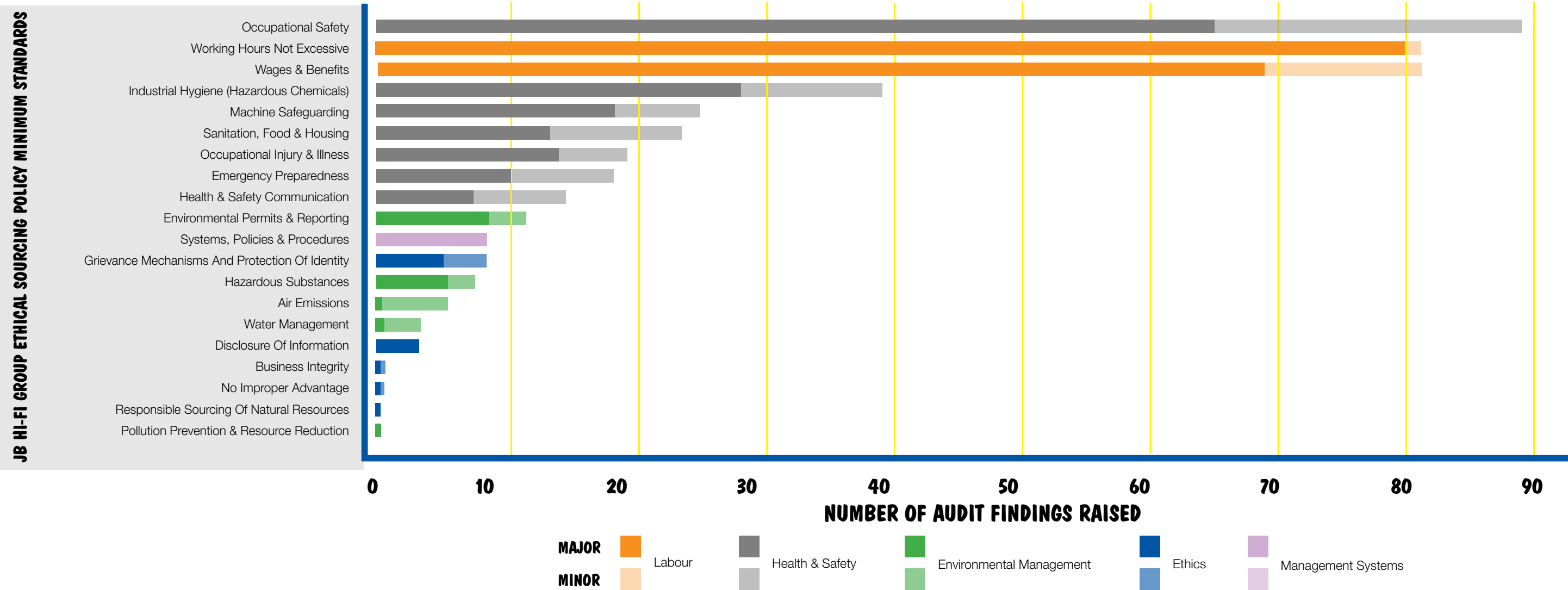


CHART 5



In FY23 we began assigning major vs minor ratings to each of the social compliance audit observations that resulted in non-compliance with any one of the minimum standards contained within the Group's Ethical Sourcing Policy. The categorisation of a major vs minor finding is based on the RBA's Verified Audit Program audit ratings methodology:

A major finding is defined as:

- violation of applicable law;
- systemic failure (i.e. recurring findings); or
- findings raised that impact  $\geq 20\%$  of total population affected.

A minor finding is defined as:

- one off incident; or
- findings raised that impact  $< 20\%$  of total population affected.

Using the RBA ratings methodology, we also utilise the concept of a 'priority' finding in our review process, which is defined as:

- an egregious ethical breach (for example, a finding such as debt bondage that is prohibited by our Ethical Sourcing Policy) or multiple major findings that in aggregate are determined to be egregious; or
- an activity that occurred which resulted in significant impact on life, limb, facility, environment, or community.

The implementation of these ratings has enabled us to more effectively prioritise our supplier engagement on major and priority issues, and those that are recurring where corrective action plans are not working effectively.

Following review of a social compliance audit, we run feedback sessions with our direct supplier to discuss any areas of non-compliance with our Policy. As part of this process, we request suppliers to implement corrective actions that are commensurate with the severity of the issues identified. All priority and major findings result in immediate engagement with suppliers to discuss the nature and timing of corrective actions.



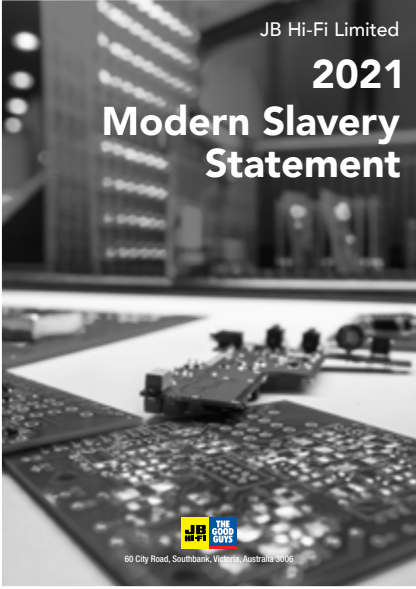


The majority of non-compliance with our Ethical Sourcing Policy in FY23 continues to be associated with labour and health & safety practices. In particular, we are seeing recurring issues relating to working hours and payment of social insurances not being compliant with local laws for several suppliers in mainland China. We understand these two issues to be systemic across industries and suppliers that have manufacturing facilities in this region, and we are continuing to work with our suppliers to drive progress and continuous improvement in these areas. There were no priority findings identified during FY23.

While the majority of factories on our watchlist have been willing to conduct social compliance audits in line with our Ethical Sourcing Policy, during the year one of these factories that had been engaged by a direct supplier, was unwilling to undertake social compliance auditing in line with our policy. This factory supplied just one product SKU at low volumes, and after discussion with our direct supplier that had engaged the factory, as well as our internal buying team, it was decided to discontinue this product. As a result, our direct supplier ceased using this factory for the product in question.

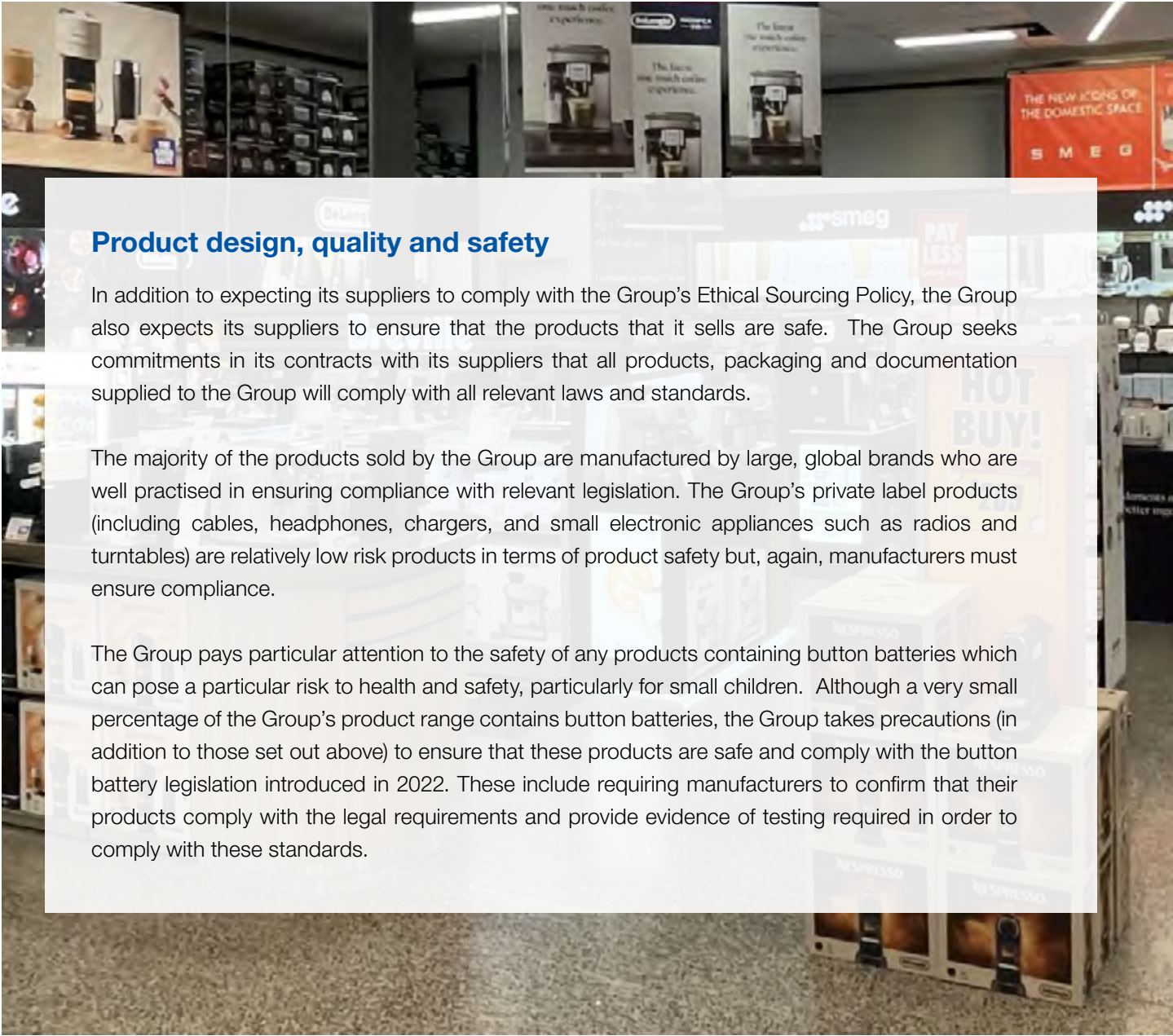
In FY23 we also continued to have detailed discussions with one of our branded trade suppliers following reports in FY22 about potential forced labour in their supply chain. We are committed to addressing any modern slavery allegations in our supply chain and have reviewed the actions the supplier has taken to address these allegations. We continue to work constructively with the supplier to understand whether these actions have been successful in mitigating our concerns and the further actions they are taking to assess the risk of modern slavery in their supply chain.

Further information on the actions the Group is taking to assess and address modern slavery in our operations and supply chain is provided in our JB Hi-Fi Limited Modern Slavery Statements located on our JB Hi-Fi investor website<sup>12</sup>.



### Cleaning Suppliers

In FY23 we continued our targeted review of our cleaning supply chain for potential labour risks. We are currently progressing our review, which to date has included deepening our understanding of our cleaning supply chain and engaging our store operations teams to understand the nature of cleaning services being undertaken in a sample of stores, the number of workers used to carry out these services, and the hours worked. Our next steps will be to review the payments being made by our businesses to the relevant suppliers in light of the services being performed; as well as exploring additional controls which can be put in place to assess and address the risk of labour exploitation within our cleaning supply chain.



### Product design, quality and safety

In addition to expecting its suppliers to comply with the Group's Ethical Sourcing Policy, the Group also expects its suppliers to ensure that the products that it sells are safe. The Group seeks commitments in its contracts with its suppliers that all products, packaging and documentation supplied to the Group will comply with all relevant laws and standards.

The majority of the products sold by the Group are manufactured by large, global brands who are well practised in ensuring compliance with relevant legislation. The Group's private label products (including cables, headphones, chargers, and small electronic appliances such as radios and turntables) are relatively low risk products in terms of product safety but, again, manufacturers must ensure compliance.

The Group pays particular attention to the safety of any products containing button batteries which can pose a particular risk to health and safety, particularly for small children. Although a very small percentage of the Group's product range contains button batteries, the Group takes precautions (in addition to those set out above) to ensure that these products are safe and comply with the button battery legislation introduced in 2022. These include requiring manufacturers to confirm that their products comply with the legal requirements and provide evidence of testing required in order to comply with these standards.

## OUR ETHICAL SOURCING COMMITMENTS FOR FY24

- Continue to embed ethical sourcing within business operations through process improvements and additional stakeholder training and awareness programs
- Continue to seek collaboration and share knowledge with industry peers and suppliers
- Ensure suppliers conduct quality and independent social compliance audits in line with our Ethical Sourcing Policy, and appropriately manage corrective action plans to resolve any issues raised
- Progress the review of our cleaning supply chain to identify risks and improvement opportunities and work with suppliers to enhance practices where required
- Continue to build knowledge of ethical sourcing risks in different countries and product categories and engage with suppliers to better understand and manage these risks

<sup>12</sup> JB Hi-Fi Limited's 2023 Modern Slavery Report will be submitted to the Federal Government by 31 December 2023.





# DATA SECURITY & PRIVACY

**The Group recognises the need to take appropriate action to secure its information systems in order to reduce the risk of customer, employee or company information being stolen or otherwise accessed by unauthorised persons. We recognise the threat landscape and sophistication of actors perpetrating cybercrime is continually evolving and these incidents are becoming more common.**

## CYBER SECURITY

The Group's Technology Director is responsible for coordinating the security of the Group's information systems and has established a dedicated cybersecurity function that monitors the environment, responds to events, assesses risk, and implements new capabilities, both preventative and reactive, in a constantly changing landscape. In addition, relevant team members throughout the Group's businesses receive regular privacy, cyber security, and training on the Payment Card Industry Data Security Standards (PCI-DSS).

The responsibilities delegated by the JB Hi-Fi Limited Board to the Group's Audit & Risk Management Committee include responsibility for assessing whether Management has developed and implemented effective systems to manage the Group's cyber-security risks, and the Committee receives detailed bi-annual updates from the Group Technology Director and head of the cybersecurity team.

## PRIVACY OF CUSTOMER PERSONAL INFORMATION

The Group holds certain personal information of employees and some customers, and recognises the need to protect this information.

Whilst many customers are able to transact with us anonymously, there are times where we need to collect personal information from some customers in order to provide goods and/or services to them, to market our products and services, to deal with requests and enquiries, and to provide other customer-service related activities. This information usually includes all or some of the customer's name, address, email address and phone number.

Our Group Privacy Policy outlines the types of personal information we may collect and how customers can request to access and amend their personal information. We do not hold financial information or payment details. Generally, we do not hold details or copies of customer identification documents such as passports or driving licences. The only exception to this is the collection and holding of certain identification details where we acquire second-hand goods, as required by law.

A number of third parties used by the Group hold personal information of the Group's customers and employees, in order that the Group can conduct its business. The Group works with these third parties to ensure that such information is held securely and is only held to the extent absolutely necessary. The Group seeks appropriate contractual obligations from such third parties regarding data security.

In the year ended 30 June 2023, the JB Hi-Fi Group made one notification to the Office of the Australian Information Commissioner under the Notifiable Data Breach Scheme as a result of the IT systems of a former third-party supplier, Pegasus Group Australia Pty Ltd (now known as My Rewards Pty Ltd), being improperly accessed by an unauthorised user. This breach resulted in unauthorised access to 1.8 million records of current and/or former The Good Guys customers and the Group informed and offered support to all affected customers. No sensitive identity data such as driver's licenses were involved in this breach and The Good Guys own IT systems were not involved in the incident.

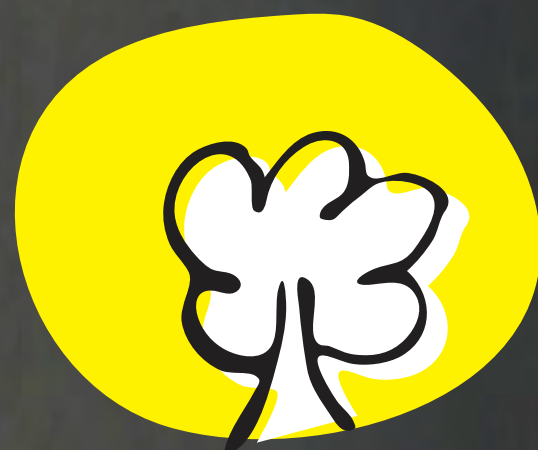
## PAYMENT CARD SECURITY

The security of payment card data is fundamental to our business, serving to uphold consumer confidence in being able to transact securely with our brands at all times. The Group does not store payment card data on any of its systems, and utilises PCI-compliant third parties for the storage, processing and transacting of this data on its behalf.

Every year, a third-party Qualified Security Assessor (QSA) performs an independent audit of the Group's payment card security policies, systems and controls, to ensure that the measures we have in place to protect the payment card details of our customers remain compliant with the PCI-DSS.

PCI-DSS is a global data security standard, aimed at strengthening the systems and processes which are in place to ensure the security of payment card data.





## Our Environment

*The Group recognises the growing urgency for climate action and the importance of limiting global temperature increases in line with the Paris Agreement. We will minimise the impacts that our operations may have on the natural environment and will be pro-active in reducing our waste, energy consumption and emissions.*

## CLIMATE ACTION

**We will monitor and reduce our energy consumption and greenhouse gas emissions, with the goal of achieving net-zero direct (scope 1 and 2) carbon emissions by 2030<sup>13</sup>. We also recognise that climate change and the action that we take to combat it has impacts on our strategy, operations, and supply chain, and are working to ensure our business is well-prepared to operate within a low carbon economy.**

## OUR APPROACH

The Group has established a target to achieve net-zero direct carbon emissions by 2030. This involves reducing emissions from scope 1 sources (direct emissions from our company-owned vehicles and usage of natural gas in our stores), and scope 2 sources (purchased electricity to power our stores, warehouses and support offices). This target has been informed by our company values, risk appetite, stakeholder expectations, the current climate landscape, and developments in technology and the regulatory environment.

Reducing energy consumption through behavioural change, energy efficiency upgrades, and transitioning towards more renewable energy across our store network, are key to our efforts to reduce carbon emissions. The Group has developed a roadmap of emission reduction initiatives which are prioritised based on strict assessment criteria to ensure they assist the Group in achieving net-zero direct carbon emissions by 2030.

‘Scope 3’ greenhouse gas (GHG) emissions relate to ‘indirect’ greenhouse gas emissions from the activities of the Group, which occur from sources that we do not own or control, and that do not form part of scope 1 or 2 (for example, purchased goods, use of products by consumers, business travel and employee commuting).

This year, for the first time, we undertook an estimation of our scope 3 GHG emissions using the Greenhouse Gas Protocol Scope 3 Corporate Value Chain Accounting and Reporting Standard<sup>14</sup>. Going forward we will continue to refine our scope 3 GHG emissions reporting, using this information to enhance our understanding of product specific emission impacts, and identify opportunities to work with stakeholders on emission reduction across the value chain.

We also recognise that climate change has a broad range of impacts across our operations, teams, supply chain and customers. In order to understand the nature and extent of these impacts on our business, we have established an annual review of material risks and opportunities arising from climate change and the actions taken to combat it, and are integrating climate into our enterprise risk management and strategic planning processes. Our goal is to ensure the Group is climate resilient and develops a transition plan to operate competitively and efficiently within a low carbon economy.

<sup>13</sup>The goal to achieve net-zero direct (scope 1 and 2) carbon emissions by 2030 was included in the Group's FY21 Sustainability Report and will be measured against the Group's FY20 emissions (66,888 t-CO2-e). Our FY20 emissions have been re-stated to include our NZ stores (360 t-CO2-e in FY20) and exclude emissions relating to our third party operated reverse logistics warehouse (248 t-CO2-e) over which we do not exert operational control. The effect of these changes on our baseline FY20 emissions is less than 0.5%. Amounts are unaudited.

<sup>14</sup>The Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standards provides requirements and guidance for companies that wish to publicly report greenhouse gas emissions from value chain activities (i.e. scope 3 GHG emissions). The goal of the standard is to provide a standardised step-by-step approach for companies to prepare a true and fair scope 3 greenhouse gas emissions inventory, help companies develop strategies to reduce their scope 3 GHG emissions, and support consistent and transparent public reporting of scope 3 GHG emissions.





## CLIMATE-RELATED FINANCIAL DISCLOSURES

We recognise the growing demand for climate-related financial disclosures, and seek to continuously improve our disclosures based on the framework suggested by the Taskforce for Climate Related Financial disclosures (TCFD). The TCFD framework is structured around four thematic areas: Governance, Strategy, Risk Management, Metric and Targets.

We also continue to monitor the work being done by standard setting agencies such as the International Sustainability Standards Board (ISSB) in providing further guidance on sustainability and climate-related financial disclosures. We seek to continuously improve and take feedback on our climate-related financial disclosures, as new standards are implemented.

## GOVERNANCE

### Audit & Risk Management Committee (ARMC)

The ARMC has been delegated responsibility by The Board to oversee the Group's climate transition plan. The ARMC is provided with a Sustainability update on a bi-annual basis, which includes the actions being taken in managing the Group's material climate risks and opportunities, and the progress against our 2030 net-zero emissions reductions target.

### Group Chief Financial Officer (Group CFO)

The Group CFO has responsibility at an executive level for integrating the effects of climate change into the Group's strategic planning and risk management processes.

### Executive Management teams

The Group and brand executive management teams have operational responsibility for managing material climate-related risks and opportunities, and for developing plans and actions to transition the business to operate competitively within a low carbon economy.

### Group Sustainability team

The Group Sustainability team keeps management informed of climate-related issues and emerging regulation, and supports the identification of material climate related risks and opportunities. Where necessary, the Group Sustainability Team will engage third party experts on specific areas of climate risk in order to better understand the nature of specific risks and potential mitigations. The Group Sustainability team is part of a broader Group Business Improvement and Risk Management Function, which is responsible for the design and execution of the Group's Risk Management and Assurance Framework.

The Group also reports on how climate issues are addressed by our governance, strategy, and risk management processes through its annual response to the CDP's Climate Change Questionnaire. This Questionnaire collects climate-related data from the world's largest companies on behalf of over 590 institutional investors and is aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

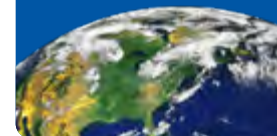
## STRATEGY

Climate risk has been identified as one of the key issues facing our industry sector. Our goal is to ensure our business is climate resilient, and pro-actively responding to the climate-related risks and opportunities that are most material to the Group.

The Group's strategic planning processes are driven by the Group Chief Executive Officer, and Group Strategy Director, in collaboration with members of the Group and brand executive teams. We recognise that climate risk can have broad impacts on our business and are integrating consideration of climate risks and opportunities into the Group's strategic planning and risk management processes.

The Group applies climate scenario analysis to evaluate how the most material physical and transition risks arising from climate change will impact the Group under differing climate scenarios. This year, we engaged an independent environmental advisor to help us evolve our climate scenario analysis, taking into consideration three possible climate scenarios relevant to the Group (in FY22 two possible climate scenarios were considered). These scenarios are as follows:

### SCENARIO 1: LIMITING OF GLOBAL TEMPERATURE INCREASES TO 1.5 DEGREES



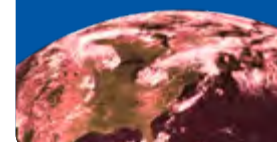
Global warming is limited to 1.5°C above pre-industrial levels, and the transition to a low carbon economy will be supported by significant market and regulatory reform. This will include increased demand for sustainable products and services and significant reallocation of capital towards the low carbon economy. This will create market risks for companies that fail to adapt and create stranded assets across emissions intensive industries. There will also be a rapid proliferation of climate policy and regulation globally including the introduction of carbon pricing globally.

### SCENARIO 2: BASE CASE (BUSINESS AS USUAL) GLOBAL TEMPERATURE INCREASE EXCEEDS 2 DEGREES



Under a business as usual (BAU) scenario, emissions will continue to increase, driving increased frequency and severity of climate change impacts in line with an above 2-degree temperature increase trajectory. While global emissions will increase, this will be slower than historical year-on-year trends as recent mitigation efforts and legislated policies come into action. These efforts however will not be enough to meet global climate goals and prevent the most catastrophic climate impacts in some regions. As such, the business-as-usual case reflects a middle of the road scenario combining transition risks associated with recent policy and regulatory developments in progressive markets and physical risks associated with climate impacts in vulnerable regions. Impacts will be unequally distributed affecting emerging economies more severely and creating political instability, conflict, and migration.

### SCENARIO 3: GLOBAL TEMPERATURE INCREASE EXCEEDS 3 DEGREES



In a scenario where global warming exceeds 3°C above pre-industrial levels, climate change impacts could be severe and far-reaching, including widespread displacement, food and water insecurity, and loss of biodiversity. There may be increased political instability, conflicts, and humanitarian crises as a result of these impacts. In this scenario, business as usual may be largely unsustainable, and businesses may need to adapt to new realities by shifting to more sustainable and resilient business models and developing new products and services that align with a changing world. There may also be increased health impacts from air pollution and the spread of vector-borne diseases.





## RISK MANAGEMENT

Climate risk is integrated into the Group's broader enterprise risk management process. The processes of identifying, assessing, evaluating and mitigation of climate risk, closely aligns with the risk management processes that have been established within the Group's Risk Management Framework.

Both transition risk and physical risks are considered, when evaluating the impact of climate change on our business.

Transition risks relate to policy, legal, technology and market changes that may arise as a result of markets transitioning to a low carbon economy. For example, in the retail sector this may mean changing consumer demand for more sustainable and eco-friendly products and services, or increased government regulation around emissions reduction.

Physical risks relate to either one-off (acute) weather events such as flash flooding or bush fires, or longer term (chronic) changes in weather patterns brought about by climate change (for example, consistent elevated temperatures during the hotter summer months). Both types of physical risks may have impacts on our operations and supply chain, depending on frequency and severity.

The types of physical and transition risks and opportunities that are considered as part of the Group's approach to climate risk management are summarised as follows:

## Transition Risks

### LEGAL AND REGULATORY RISK



New legal and regulatory requirements imposed either directly on our business, or indirectly through our supply chain, which may impact our business operations and/or the products and services that we use or sell

### MARKET RISK



Changing consumer preferences and / or supplier behaviour that may impact demand and supply dynamics within our industry sector

### TECHNOLOGY RISK



Emergence of new technology to support the transition to a low carbon economy may affect our cost of doing business (for example, new clean technology used in freight and logistics which may impact freight and logistics costs)

### REPUTATIONAL RISK



Potential negative stakeholder sentiment associated with our retail brands if we fail to meet stakeholder expectations on climate action

## Physical Risks

### ACUTE PHYSICAL RISKS



Increasing severity of severe weather events such as heavy rain and floods which disrupt our store and warehouse network and ability to service customers

### CHRONIC PHYSICAL RISKS



Longer-term changes in weather patterns resulting in structural changes or disruptions to our supply chain or business operations

## Opportunities

### MARKET OPPORTUNITIES



Changing consumer preferences in how they want to shop with us, and increasing demand for products and services which will help consumers live more sustainably

### PRODUCTS AND SERVICES



Increasing levels of product innovation, new technology and use of circular economy principles by our suppliers, resulting in new product and service categories for our business

### BUSINESS RESILIENCE



Enhancing the resilience of our supply chain, store, and warehouse network to withstand both acute and chronic physical impacts of climate change

### ENERGY SOURCES



Integrating renewable energy sources (such as solar power) into our store, warehouse, and support office network, which will decrease our carbon footprint and energy costs over time

### RESOURCE EFFICIENCY



Reducing our energy consumption and use of raw materials within our store, warehouse, and support office network, which will decrease our costs over time

### WORKFORCE



Increasing employee engagement and retention, by continuing to reduce the Group's carbon emissions, and by placing the health and safety of our team members as our top priority

### REPUTATION



Increasing consumer sentiment and awareness toward our retail brands, by continuing to progress the work we are undertaking to reach net-zero direct (scope 1 and 2) carbon emissions by 2030, and increasing the range of sustainable eco-friendly products and services on offer





During the year, a climate risk and opportunity strategy workshop involving members of the Group and Brand Executive Teams was held. The purpose of the workshop was to identify the most material physical and transition risks affecting the Group and assess the likelihood and impact of the identified risks in line with the Group’s Risk Management Framework. The workshop was facilitated by a third party environmental and sustainability advisor which provided support in applying climate scenario analysis to the assessment of each risk and opportunity.

The most material physical and transition risks (and opportunities) identified as part of this workshop are consolidated into a Group Climate Risk and Opportunities Register. Each risk (and opportunity) is rated in accordance with the Group’s risk rating criteria, prioritised, and assigned to a relevant member of the Executive Team for on-going review and management, in line with the Group’s Risk Management Framework. The table below outlines the six most material climate-related risks and opportunities identified through the Climate Risk Strategy Workshop.

Risk or Opportunity Description	Climate Risk or Opportunity Type	Likelihood Rating:		Time Period	Potential Financial Implication	How we will respond	
Increased disruption of our operations and supply chain, due to increase in severity and frequency of acute weather events (e.g. flood)	Physical Risk (Acute Physical)	1.5 Degree Scenario Risk:			Potential decrease in revenues as a result of temporary store disruption / closures, delays to freight and logistics and potential inventory shortages	<ul style="list-style-type: none"><li>Establish business continuity and disaster recovery response plans across the Group's store, warehouse and support office network, outlining roles, responsibilities and actions required for acute weather events</li><li>Review business continuity and disaster recovery response plans on a regular basis to ensure they continue to address the risks in geographic locations prone to acute weather events</li><li>Work with key suppliers to understand the plans in place to respond to the impacts of acute weather events on stock availability and logistics</li></ul>	
		Possible		Short Term			
		2+ Degree Scenario Risk:					
		Likely		Short Term			
		3+ Degree Scenario Risk:					
Almost Certain			Short Term				
Increased property and stock damage due to increase in severity and frequency of acute weather events (e.g. flood)	Physical Risk (Acute Physical)	1.5 Degree Scenario Risk:			Potential increase in property and inventory damage / write-offs and increased costs to insure fixed assets and stock	<ul style="list-style-type: none"><li>Review flood risk on an annual basis to understand potential stores which are at heightened risk of flood, and the associated insurance costs to mitigate these risks</li><li>The Group takes out Industrial Special Risks insurance to protect physical assets (insurance for stock / fixtures / fittings)</li><li>Improve weather resilience of stores, develop business continuity, and disaster recovery plans, aimed at minimising stock and property damage in locations that may be exposed to acute weather</li></ul>	
		Possible		Short Term			
		2+ Degree Scenario Risk:					
		Likely		Short Term			
		3+ Degree Scenario Risk:					
Almost Certain			Short Term				
Consumer demand and expectations change, in favour of circular economy, low carbon, eco-friendly products and services, second hand products and repair	Market Opportunity and/or Transition Risk (Market)	1.5 Degree Scenario Risk:			Potential increase in revenues, as the Group expands and diversifies its business lines toward new products and services, as a result of changes in consumer demand	<ul style="list-style-type: none"><li>Integration of sustainability into our business strategy and operations</li><li>Monitoring and responding to the increase in consumer demand for more sustainable products and services within our industry sector</li><li>Testing and implementing new product and service offerings (such as product trade ins and recycling)</li><li>Working with suppliers and looking for new opportunities to extend category range toward more sustainable and eco-friendly products and services</li><li>Engaging suppliers on sustainability and environmental requirements within the Group's Ethical Sourcing Policy</li></ul>	
		Almost Certain			Short Term		
		2+ Degree Scenario Risk:					
		Likely		Medium Term	Conversely this could also be viewed as a transition risk, if changes in demand reduces demand for the products and services that we sell, or if second hand products reduce demand for new product		
		3+ Degree Scenario Risk:					
Unlikely			Long Term				
Cost of goods sold and other operating costs increase due to changes to global carbon pricing and other emerging legislation (that impose requirements to accelerate decarbonisation across the Group's value chain)	Transition Risk (Regulation)	1.5 Degree Scenario Risk:			Potential increase in direct and indirect costs if suppliers pass on price increases as result of new carbon pricing / taxes or other emerging climate regulation	<ul style="list-style-type: none"><li>Work with suppliers to develop an understanding of potential price increases for products and services that may be most at risk of price increases as a result of changes in global carbon pricing regimes</li><li>Develop mitigation strategies to offset and mitigate price increases</li><li>Ensure supplier base is sufficiently diversified in order to minimise impact</li><li>Monitor emerging legislation that may impact the Group</li></ul>	
		Likely		Short Term			
		2+ Degree Scenario Risk:					
		Likely		Medium Term			
		3+ Degree Scenario Risk:					
Unlikely			Long Term				
Increased price and supply volatility of electricity	Transition Risk (Market)	1.5 Degree Scenario Risk:			Potential increase in operating (electricity) costs	<ul style="list-style-type: none"><li>Implementation of solar power generation within the store network, to maximise self-reliance on power generation</li><li>Work with energy advisors to monitor the energy market, and to ensure risks and opportunities with respect to energy procurement are managed appropriately</li><li>Identifying opportunities to reduce consumption through monitoring of power consumption</li><li>Improving energy efficiency of store, warehouse and office locations through continual review of LED lighting and heating and cooling systems</li><li>Increase proportion of energy portfolio that is from renewable energy</li></ul>	
		Possible		Short Term			
		2+ Degree Scenario Risk:					
		Possible		Short Term			
		3+ Degree Scenario Risk:					
Likely			Short Term				
Competing retailers develop stronger brand reputation for being more sustainable	Transition Risk (Reputation)	1.5 Degree Scenario Risk:			Potential decrease in revenues if shoppers favour other retailers based on stronger sustainability credentials and reputation	<ul style="list-style-type: none"><li>Integration of sustainability into our business strategy and operations</li><li>Monitoring and responding to the increase in consumer demand for more sustainable products and services within our industry sector</li><li>Testing and implementing new product and service offerings (such as product trade ins and recycling)</li><li>Working with suppliers and looking for new opportunities to extend category range toward more sustainable and eco-friendly products and services</li><li>Engaging suppliers on sustainability and environmental requirements within the Group's Ethical Sourcing Policy</li><li>Minimising the risks associated with Greenwashing through governance and oversight over environmental claims</li><li>Integration of sustainability and environmental requirements into the Group's Ethical Sourcing Policy</li></ul>	
		Possible		Short Term			
		2+ Degree Scenario Risk:					
		Possible		Medium Term			
		3+ Degree Scenario Risk:					
Unlikely			Long Term				





## TARGETS AND METRICS

### Our Scope 1 and 2 emissions

The Group measures and monitors emissions from scope 1 sources (direct emissions from our company-owned vehicles and natural gas usage), and scope 2 sources (purchased electricity to power our stores, warehouses and support offices), and reports annually via the Australian Government's National Greenhouse and Energy Reporting Scheme (NGERS), as well as voluntarily through the CDP's Climate Change Questionnaire.

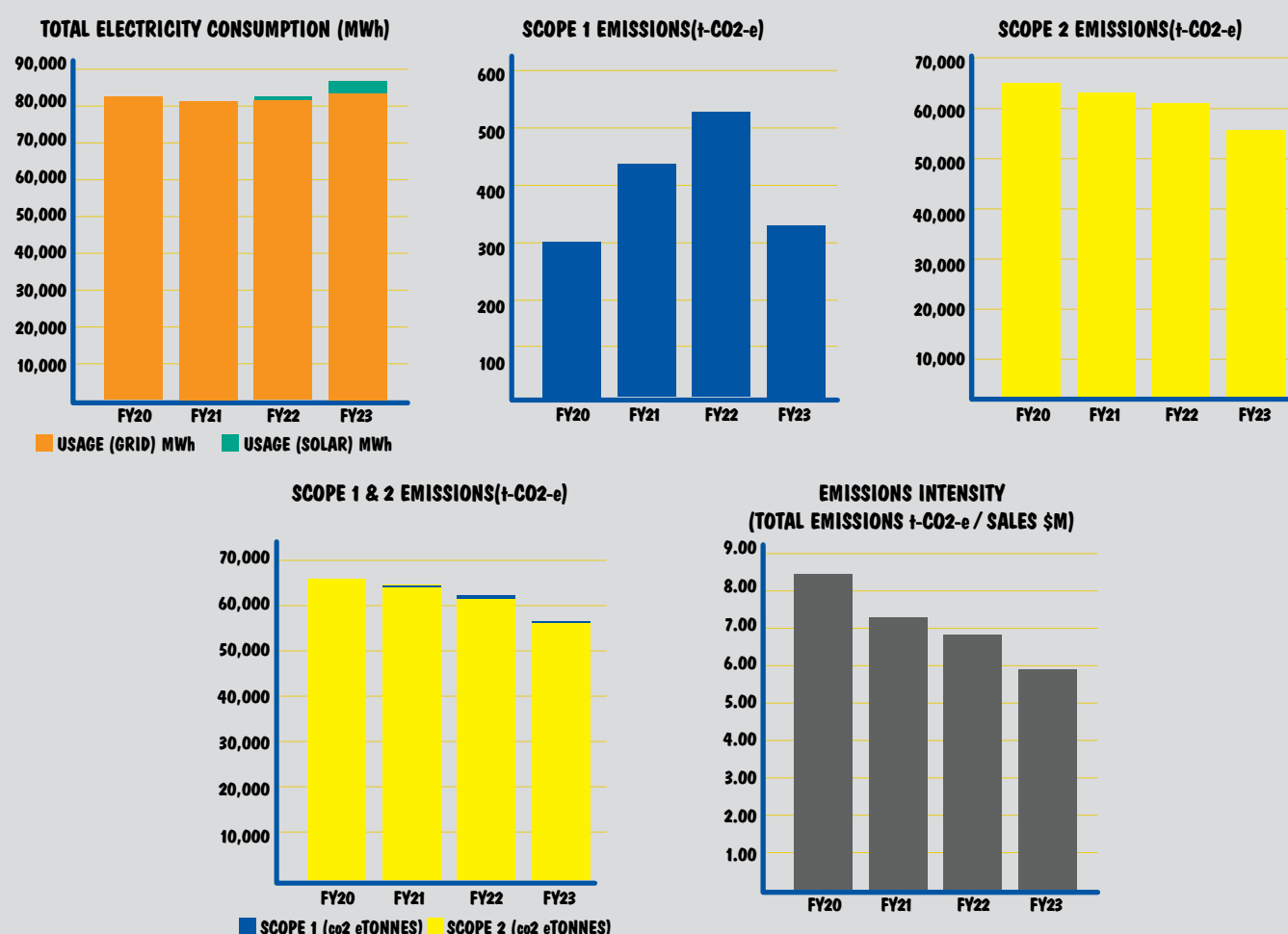
The majority (circa 99%) of our operational greenhouse gas emissions come from the electricity used to power our stores, warehouses and support offices (scope 2), with the remainder (circa 1%) associated with fuel to run our company-owned car fleet and a limited amount of natural gas to heat our stores (scope 1).

In FY23 our combined scope 1 and 2 emissions were 57,143<sup>15</sup> t-CO2-e (FY22: 63,241<sup>16</sup> t-CO2-e), representing a 9.64% decrease from the prior year and a decrease of 14.57% when compared to our baseline year of FY20<sup>17</sup>.

The decrease in emissions from the prior year is attributable to continued grid decarbonisation, further implementation of solar power generation into our store network, and the impact of improved energy efficiency and reduction initiatives.

Solar power generators were installed on an additional 9 stores in FY23 (14 in FY22), bringing the total number of stores with solar power up to 24 sites. In total, these solar powered stores contributed to a reduction of approximately 1,260 tonnes of CO2 during the year.

JB Hi-Fi operated a temporary 'store-to-door' delivery service when stores were temporarily closed in FY22 (and FY21) due to government COVID restrictions. The service was enabled through an increase in the number of lease cars operated by the Group during FY21 and FY22. This initiative was discontinued in FY23 once government COVID restrictions were lifted, which has contributed to a drop in our scope 1 emissions of 201 t-CO2-e in FY23.



### Our Scope 3 emissions

'Scope 3' greenhouse gas (GHG) emissions relate to 'indirect' greenhouse gas emissions from the activities of the Group, which occur from sources that we do not own or control, and that do not form part of scope 1 or 2.

In FY22 we identified the primary and secondary categories of our scope 3 GHG emissions using the Greenhouse Gas Protocol Quantis Scope 3 Evaluator Tool<sup>18</sup>. This year we have built on that work and engaged a climate change advisory firm to assist us with the estimation of the Group's most material scope 3 GHG emissions.

Our approach to estimating the Group's scope 3 GHG emissions is based on the Greenhouse Gas Protocol Scope 3 Corporate Value Chain Accounting and Reporting Standard. This Standard provides requirements and guidance for companies that wish to publicly report greenhouse gas emissions from value chain activities (i.e. scope 3 GHG emissions). The goal of the Standard is to provide a standardised step-by-step approach for companies to prepare a true and fair scope 3 GHG emissions inventory, help companies develop strategies to reduce their scope 3 GHG emissions, and support consistent and transparent public reporting of scope 3 GHG emissions.

Our approach to estimating our scope 3 GHG emissions involves the following three steps:

1. Consideration of the following factors in developing an organisational emissions boundary (refer to chart on page 58 & 59) and identifying the group's most material scope 3 GHG emissions categories, as defined by the Greenhouse Gas Protocol:
  - size: the relative contribution of the emission source to the Group's total anticipated scope 3 GHG emissions (e.g. emissions relating to product manufacture);

- influence: potential emissions reductions that could be undertaken or influenced by the Group (e.g. emissions relating to use of products);
- risk: contribution of the emission source to the Group's overall risk exposure (any physical or transition risks that may arise as a result of the emission source);
- stakeholders: emission source relates to a significant stakeholder to the group (e.g. team members commuting); and
- outsourcing: emissions from outsourced activities that were previously performed in-house, or activities outsourced that may be typically performed in-house by other companies in our sector.

2. Establishment of carbon accounting principles and an activity data hierarchy - in order to obtain the best available data upon which to estimate the Group's scope 3 GHG emissions, whilst also being transparent with respect to any data limitations; and
3. Applying the most relevant emission factors to the best available activity data - in order to convert activity data into estimated greenhouse gas emissions. For example, product-specific emission factors applied to actual sales volumes or units sold, in order to estimate emissions relating to the manufacture of purchased goods and services.

Going forward we will continue to refine our scope 3 GHG emissions reporting, using this information to enhance our understanding of product specific emission impacts and identify opportunities to work with stakeholders on emission reduction across the value chain.

We are also continuing to pro-actively engage with the broader retail industry on how to most effectively reduce scope 3 GHG emissions, and monitoring the development of climate-related disclosure standards to ensure our scope 3 GHG emissions approach aligns with stakeholder expectations.

<sup>15</sup>8% of FY23's total emissions of 57,143 t-CO2-e have been calculated using historical estimates relating to electricity invoices which the group has not yet received from its energy providers  
<sup>16</sup>FY22 emissions (63,241 t-CO2-e) differs from the total emissions reported through the group's National Greenhouse Energy Reporting, which excludes emissions relating to the group's New Zealand stores (385 t-CO2-e).  
<sup>17</sup>The Group's FY20 emissions (66,888 t-CO2-e) have been re-stated to include emissions relating to the group's NZ stores (360 t-CO2-e in FY20) and exclude emissions relating to the group's third party operated reverse logistics warehouse (248 t-CO2-e) over which the group does not exert operational control. The effect of these changes on our baseline FY20 emissions is less than 0.5%.  
<sup>18</sup>The Scope 3 Evaluator is a web-based tool developed by the Greenhouse Gas Protocol and Quantis. It provides organisations with a standardised methodology to measure, report and reduce emissions throughout the value chain, and helps identify areas for more accurate emissions calculations and reduction efforts.





The chart below shows the Group’s organisational emissions boundaries which has formed the basis for calculation of the Group’s most material scope 3 GHG emissions. At the time of publishing this Report, the Group was completing a quality review of its FY23 scope 3 GHG emissions estimates. The Group expects to publish its FY23 scope 3 GHG emissions estimates in its FY24 Sustainability Report and FY24 CDP Report.

UPSTREAM ACTIVITIES			
GHG emissions associated with upstream activities are indirect GHG emissions related to goods and services purchased by the Group and occur up to the point of receipt of the goods or services by the Group.			
1. PURCHASED GOODS AND SERVICES	Emissions relating to product manufacture		
	Information technology services and equipment	Office consumables	Professional services
	Repairs and maintenance	Shop fitting and installation services	
2.CAPITAL GOODS	Computer hardware and software	Fixtures and fittings	Leasehold improvements
	Motor vehicles	Plant and equipment	
3.FUEL & ENERGY-RELATED ACTIVITIES EXTRACTION, PRODUCTION & TRANSPORTATION	Network distribution losses for electricity used in operations	Upstream processing of liquid fuels and gas used in operations	
4.UPSTREAM TRANSPORTATION & DISTRIBUTION	Freight and couriers		
5.WASTE GENERATED IN OPERATIONS	Co-mingled recycling	E-waste	Expanded polystyrene (EPS)
	General waste	Paper and cardboard	Plastics
6.BUSINESS TRAVEL	Accommodation	Flights	Land transport
7.EMPLOYEE COMMUTING	Bus	Ferry	Personal vehicle
	Train	Tram	Working from home
8.UPSTREAM LEASED ASSETS	Not applicable		

DOWNSTREAM ACTIVITIES		
GHG emissions associated with downstream activities are indirect GHG emissions related to goods and services sold by the Group and occur subsequent to the sale of the goods or services by the Group		
9.DOWNSTREAM TRANSPORTATION AND DISTRIBUTION	Freight and couriers	
10.PROCESSING OF SOLD PRODUCTS	Not applicable	
11.USE OF SOLD PRODUCTS	Electricity consumption from use of sold products throughout its lifetime	
12.END-OF-LIFE TREATMENT OF SOLD PRODUCTS	General waste	Product recycling
		Product re-use
13.DOWNSTREAM LEASED ASSETS	Not applicable	
14.FRANCHISES	Not applicable	
15.INVESTMENTS	Not applicable	

Legend

Included (primary scope 3 GHG emission categories)	Included (secondary scope 3 GHG emission categories)	Non yet quantified	Emissions category not applicable to our operations
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## OUR PERFORMANCE AND PROGRESS



### Solar Power Generation

The Group aims to reduce carbon emissions from its operations through the use of renewable energy and has been investing in on-site solar power generators across our store portfolio. In FY23 9 new sites had solar power generators installed, taking the total number of sites as of 30 June 2023 to 24 (FY22: 15). The total installed capacity of these systems is 2.6 megawatts (FY22: 1.5 megawatts). In FY23 our stores consumed 1,998 MWh (FY22: 601 MWh) from the production of these systems, which contributed to a reduction of 1,260 tonnes (FY22: 379 tonnes) of CO<sub>2</sub>-e.

We have obtained landlord approval for an additional 8 stores where we will invest in on-site solar generation, and we will continue to work with landlords on this initiative to identify further opportunities across our store network.

### Improving energy efficiency and reducing energy usage in our stores

The majority of our stores are now fitted with energy efficient LED lighting, and we continually look for opportunities to upgrade to more energy efficient lighting as we refurbish our stores. LED Lighting is now a standard inclusion for all newly built, relocated, and refurbished stores.

In FY23 we improved the way in which we record and monitor energy consumption and emissions; implementing a new system to capture the Group's energy consumption more efficiently. The new system will improve our ability to analyse energy consumption and emissions and identify opportunities to improve energy efficiency and reduce our usage.

The majority of our stores are fitted with smart meters, providing us with the ability to monitor and record energy consumption within a store at short intervals. This year we started to use the energy consumption data from these smart meters to baseline the energy usage of our stores. As a result of this work, we have implemented real time alerts (via email) to notify store managers of changes in energy consumption, which has enabled us to identify and eliminate unnecessary energy usage (e.g. from power being consumed overnight when the store is closed).

The next steps in leveraging this data, will be to benchmark the energy consumption of comparable stores in order to identify further opportunities to either improve efficiency or reduce consumption where possible.

## Sourcing Renewable Energy

In addition to on-site solar power generation, we are continuing to explore opportunities to integrate more renewable energy as part of our energy procurement strategy. During FY23 we undertook a review with our energy advisors to evaluate potential options and timing to source renewable energy for the Group. Length of contract term and cost continue to be the key challenges to overcome in being able to accelerate the integration of renewable energy. We are continuing to work with our energy advisors to overcome these challenges in order to meet our 2030 net-zero targets.

## Product Energy Efficiency

A significant portion of the Group's scope 3 GHG emissions are attributable to usage of the products that we sell.

Consumer electronics and home appliances offered for sale in Australia and New Zealand must meet Minimum Energy Performance Standards (MEPS) and energy rating labelling requirements, under the Greenhouse and Energy Minimum Standards (GEMS) Act in Australia and the Energy Efficiency Regulations in New Zealand. MEPS help ensure that products which do not meet energy efficiency standards set out by the government do not enter the Australian or New Zealand marketplace.

Regulated products must also be displayed with an Energy Rating Label (or ERL), and we work with our suppliers to ensure the correct labelling is affixed to each product. ERLs provide consumers with energy performance information at point of sale, and help consumers to compare the relative energy efficiency of similar products through the 'Star Rating' and estimated annual energy consumption.

Both our JB Hi-Fi and The Good Guys retail businesses provide information to customers on how new product technology can help reduce the amount of electricity they consume in their home. We approach this through a combination of online product information (such as buying guides and product reviews) as well as tailored product advice on the shop floor to explain the relative energy efficiency of different products.



## OUR CLIMATE ACTION COMMITMENTS FOR FY24

- Continue to review and implement our emissions reduction initiatives across our store, warehouse and support office network in line with our 2030 net-zero direct (scope 1 and 2) carbon emissions target
- Further refine our approach to quantifying our scope 3 GHG emissions and explore opportunities to engage and collaborate on scope 3 GHG emissions reductions across the supply chain
- Continue to manage climate risk within our strategic planning and risk management processes





# PRODUCT AND WASTE RECYCLING

We understand that strong consumer demand for new technology, and replacement and upgrade of consumer electronics and home appliances, produces significant amounts of waste both from a product and packaging perspective. We also recognise the need to minimise the waste we generate within our operations.

Throughout FY23 we continued to improve our existing waste and recycling systems and processes across the JB Hi-Fi and The Good Guys store networks and made further progress to align our packaging targets with the 2025 National Packaging Targets.

## OUR APPROACH

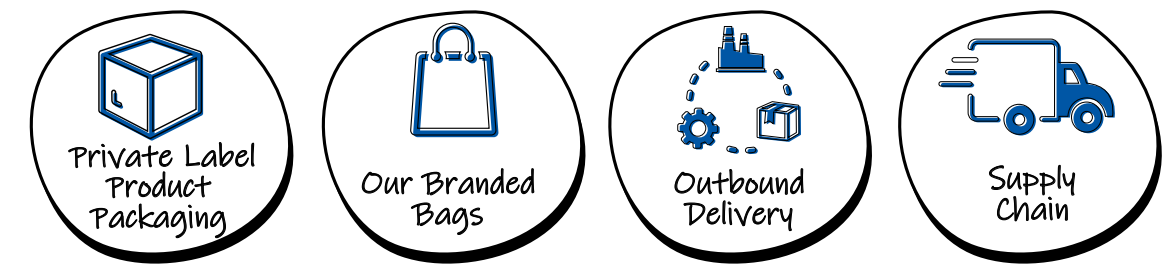
Our approach for managing and improving product and waste recycling combines packaging compliance to ensure we meet regulatory obligations, with collaborative supplier engagement to continually improve our practices.

Regulatory requirements for waste, recycling and packaging are dynamic and evolving quickly across both State and Federal jurisdictions. The Group continually monitors the changing regulatory environment to understand our obligations and make timely adjustments to our operations where required.

We engage regularly with suppliers, industry partners such as the Australian Retailers Association (ARA) and National Retail Association (NRA), the Australian Packaging Covenant Organisation (APCO) and Federal, State and Territory Government departments to understand emerging regulations, potential risks and opportunities, and how industry is responding.



To achieve these targets the Group is working to optimise how we manage and recycle each of the primary waste streams which result from our store and warehouse network, and we are improving the sustainability of our packaging across the following areas of our operations:



The Group submits an Annual Report Action Plan to APCO (available [here](#) on our investor website) to report our progress toward the 2025 National Packaging Targets. Our report also details the challenges we are working on in order to achieve these targets. These include the ability of our suppliers to source

packaging materials made with sufficient levels of recycled content, and obtaining timely and accurate data on packaging and waste metrics for certain parts of our operations. We continue to work closely with our suppliers and providers on these issues, as we work toward the 2025 targets.

## JB HI-FI AND THE GOOD GUYS STORE NETWORK

The Group is working towards implementing a consistent approach to waste management and recycling. This includes:

- establishing centralised oversight by our support office team;
- standardisation of waste management and recycling systems and processes;
- simplification of our waste supply chain;
- implementation of minimum standards; and
- Group-wide training and awareness to build a stronger and more consistent culture around waste management and recycling.

## HOME DELIVERY CENTRES (HDC)

The Group operates a network of 6 Home Delivery Centres in Melbourne, Sydney, Newcastle, Brisbane, Perth and Adelaide. Our Home Delivery Centres operate as storage and fulfillment hubs for “big and bulky” consumer electronics (e.g. large screen televisions) and white goods which consequently generate large amounts of waste from daily operations. Each HDC is equipped with:

- industrial scale on-site cardboard compactors;
- expanded polystyrene (EPS) recycling solutions<sup>19</sup>;
- e-waste collection facilities; and
- a dedicated scrap metal partner, responsible for:

- reclaiming ozone depleting and synthetic greenhouse gas refrigerants; and
- recycling metal and other components of scrapped home appliances reclaimed from customer premises.

The Group also operates a Central Returns Centre (CRC) which receives and consolidates operational soft plastics, textiles and e-waste for recycling.

<sup>19</sup> All HDC's are operating EPS recycling except for the group's Queensland HDC, where an EPS extruder has been installed, but is not currently operational.





## OUR PERFORMANCE AND PROGRESS

### PRODUCT PACKAGING STRATEGY

#### Private Label product packaging

The Group is continuously working in collaboration with key suppliers to align our core range<sup>20</sup> of private label products (XCD, Flea Market and Terminal 2 brands) with the 2025 National Packaging Targets. These brands comprise of a range of consumer electronics products including headphones, cables, travel and vinyl accessories.

By the end of FY23, we had conducted recyclability assessments on 66% of our core private label product range that we replenished during the year, and 56% of this core range now has 100% recyclable packaging. We have also made it easier for consumers to understand the waste disposal and recycling information for this packaging by including the Australasian Recycling Label (ARL) on all packaging that has been through a recyclability assessment.

In addition, we worked with suppliers to begin sourcing recycled content for our packaging and will see the results of this work through increases in the recycled content used in our core private label product packaging in FY24.



#### JB Hi-Fi Private Label – Trialling of recycled materials for our XCD brand

While we are focused on aligning our private label packaging with the 2025 National Packaging Targets, we also recognise the impact of the raw materials that go into making our private label products. In FY23 we began working with key suppliers to trial and test recycled raw materials in a limited number of XCD products, including laptop cases and a range of cables and charging accessories.

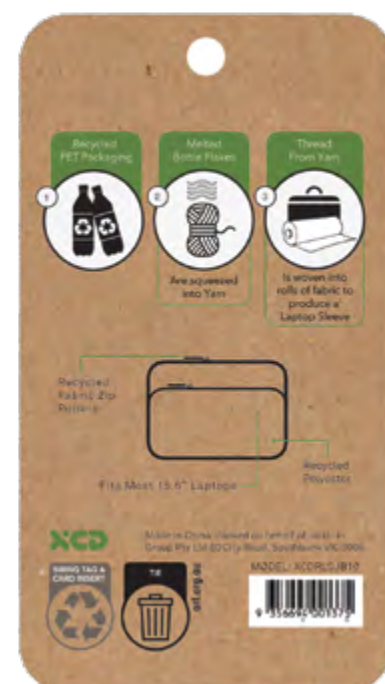
We have incorporated recycled materials into a new XCD laptop case range using fabric made of at least 90% recycled polyethylene terephthalate (PET) taken from recovered plastic bottles.

Our new XCD cable range includes at least 40% recycled thermoplastic elastomer (TPE) and our new XCD chargers contain at least 33% recycled polycarbonate (PC).

By working in collaboration with our suppliers on the trial design of these products, we have been able to incorporate recycled materials into a number of test SKU's, without compromising the quality of these products. We will keep working with our suppliers to investigate opportunities to incorporate recycled materials into more of our private label product range where possible.



In FY24, we will continue to work towards meeting the 2025 National Packaging Targets by further redesigning our private label packaging and increasing the number of packaging assessments, as we work toward all our core private label product range having 100% recyclable packaging and including the ARL. We will also accelerate the amount of recycled content used across our private label range and continue to work to remove all unnecessary and problematic plastics.



#### JB Hi-Fi and The Good Guys branded bags

As required by the Western Australian Government's Plan for Plastics Stage 1<sup>21</sup>, JB Hi-Fi removed thick yellow plastic bags from our WA store network and rolled out 50c user-pays paper bags from 1 July 2022. We continue to offer a \$1 re-usable bag across Australia and proceeds from the sale of all JB Hi-Fi bags in Australia are donated to our Helping Hands workplace giving program.

Following the success of the WA paper bag roll out, and to align with our commitment to 100% recyclable packaging by 2025, the Group has made the decision to phase out plastic bags nationally and move to paper bags in the first half of FY24. Going forward, all paper JB Hi-Fi bags will be made with 100% recycled paper, will be 100% recyclable, and will include the Australasian Recycling Label (ARL).



This roll out will ensure consumers are able to recycle our paper bags in their kerbside bin and that any future State and Territory plastic bag bans are complied with.

The Good Guys continue to use recyclable paper bags made from 100% recycled paper with the ARL included. JB Hi-Fi New Zealand has phased out the use of plastic bags and instead utilises 100% recyclable paper bags, as well as offering a \$2 reusable bag for customers.



In FY23: our plastic bag usage dropped a further  
**12%**  
vs FY22; and we handed out  
**606,850**  
fewer plastic bags vs FY22.

<sup>20</sup>The JB Hi-Fi core private label product range is defined as established private label product which we continually range and seasonal private label product which we usually range at the relevant time each year.

<sup>21</sup><https://www.wa.gov.au/organisation/departments-of-water-and-environmental-regulation/western-australias-plan-plastics-stage-1>



Outbound Delivery

In FY23 the Group rolled out newly designed cardboard cartons used to deliver online orders to customers. These cartons are 100% recyclable and we have increased the recycled content percentages across the different carton types that are used to deliver online orders. We have also changed our plastic postage satchels, which are used to post online orders to customers, to new satchels made from 80% recycled plastic.

In FY24 more of our online fulfilment cartons will incorporate the ARL and relevant certification logos for consumers to understand more about the source of the raw materials used and how to appropriately dispose of them after use. We continue to work with our suppliers to seek suitable alternatives for hard-to-recycle online fulfilment packaging, such as padded mailers and certain soft plastics.

Supply Chain

Our third-party branded suppliers are responsible for the content of the packaging for their products and for reporting under relevant State and/or Federal legislation. We recognise that our third-party branded suppliers are at differing stages of maturity in relation to sustainable packaging, with some suppliers pro-actively reviewing the design of their packaging to lessen the impact of packaging waste on the environment, and other suppliers being less progressed in this area.

The Group has written to all its suppliers, encouraging them to utilise the APCO Sustainable Packaging Guidelines and work toward achieving APCO’s 2025 packaging targets. During the year, the Group also developed a “Preferred Packaging Materials Listing” for our private label suppliers based on the Sustainable

Packaging Guidelines, which we engaged APCO to independently review. The Preferred Packaging Materials Listing was developed using a traffic light system so our private label suppliers can more easily identify which packaging items we prefer (green), those that we accept if there is no viable preferred alternative (amber) and those we no longer accept, for our private label packaging (red). During the year, our Sustainability team provided training on the National Packaging Targets to our Merchandise teams who liaise on a daily basis with our third party branded suppliers. As part of this training the Group’s Preferred Packaging Materials Listing was provided to our merchandise teams, for use in discussions with our third party branded suppliers.

In FY23 we have been actively engaging with industry, government, and our supply chain on the regulatory plastic bans being introduced across Australia and New Zealand in order to ensure that we understand and are compliant with our regulatory obligations. We have written to all suppliers reminding them of their obligations in relation to the removal of banned plastics from our supply chain and engaged our store operations teams to monitor compliance across our store network.

The Group utilises a variety of packaging types in our reverse logistics operations to move customer returned stock and product waste back to our central warehouse for sorting and, from there, back to suppliers where appropriate. This packaging primarily includes stretch wraps, pallets, and cardboard shippers. In FY23 our cardboard shippers incorporated an average of 97% recycled materials and are themselves 100% recyclable. We are currently working with our warehouse operator to investigate recycled content and recyclability options for all remaining packaging materials.

E-Waste

E-waste continues to be one of the fastest growing waste streams in Australia, with electrical and electronic products now listed as a high priority by the Federal Government as a product category in need of product stewardship. Last year the Federal Government issued a discussion paper on Stewardship for Consumer and Other Electrical and Electronic Products. This was followed by a further discussion paper on a proposed regulatory approach for small electrical products (less than 20kg) and photovoltaic system waste in June 2023. The Group has provided feedback on both of these papers through an industry-wide submission led by the Australian Retailers Association.

We recognise the importance of addressing the growing levels of e-waste within our community. Whilst e-waste is banned from landfill in many States, more needs to be done to increase the recycling and re-use of precious metals (such as gold, silver, copper, lithium and iron) that is contained in many electronic products, in order to reduce the need to mine more of these finite raw materials.

In-store battery and e-waste recycling

During the year, the Group finalised its plans to roll out customer battery and e-waste recycling facilities across our store network. We appointed a recycling and logistics partner to service battery and e-waste drop off points for our customers across all of our stores in South Australia (5 The Good Guys and 11 JB Hi-Fi stores) over a four-week pilot period starting in mid-July 2023. Pending successful completion of the pilot, our plan is to extend customer battery and e-waste recycling to all stores in Australia.

Operational waste

The Group operates a number of operational waste recovery and recycling processes across the JB Hi-Fi and The Good Guys store and warehouse network. We are continually seeking ways to improve our waste and recycling processes to achieve better environmental outcomes.

During FY23 we finalised the implementation of consistent general, co-mingled, and cardboard & paper recycling bins for all of our shop floors across JB Hi-Fi and The Good Guys stores. We also improved store participation in our soft plastics recycling processes through the implementation of team member training, refreshed signage, and dedicated soft plastics recycling bins. All Australian stores across the Group now participate in, and have a consistent approach to, soft plastics recycling.

Each of our JB Hi-Fi and TGG stores now has the following waste and recycling infrastructure:

- cardboard and paper recycling skips at the back of house;
- colour coded bins in-store to enable different waste streams (general, co-mingled, and cardboard & paper) to be sorted at the source;
- new collection services for co-mingled waste recycling and expanded polystyrene recycling;
- dedicated bins to collect soft plastics for recycling; and
- access to recycling awareness and training materials to ensure waste streams are managed correctly.

During the year, we introduced soft plastics and coffee cup recycling bins on all floors at our Southbank Support Office.

Trade-In

Both JB Hi-Fi and The Good Guys now offer customers the opportunity to “trade-in” certain products (such as phones, tablets, smart watches and gaming consoles) where they are looking to upgrade these items or purchase alternative products. Customers are able to go online to get a trade-in quote for their old device and, if eligible, will receive trade-in credit immediately which they can use in-store or online to purchase a new product. JB Hi-Fi Group’s third-party partner ensures that the old device is given a second life following refurbishment, often outside Australia. Whilst we currently offer trade-ins on a limited number of product types, we are working on expanding this offer to include more products going forward.





# BELOW IS A SUMMARY OF SOME OF THE WASTE THAT WE HAVE DIVERTED FROM LANDFILL IN FY23

## STORE AND WAREHOUSE WASTE (FROM THE GROUP'S OPERATIONS):

Last year we calculated our store and warehouse waste diversion based on cubic metres. This year, we have changed our basis of calculation to tonnes. We believe this provides a more accurate measurement of the waste we divert from our store operations. We diverted **59.3%** (FY22: 54.79 %) of waste from landfill, relating to our stand-alone stores and warehouse operations. Based on our prior reporting method (cubic metres), our diversion rate this year is **48.69%** (FY22 46.8%)<sup>22</sup>.

## E-WASTE (FROM THE GROUP'S OPERATIONS):

We recycled **7,660 kg** (FY22: 3,512 kg) of operational e-waste comprising servers, laptops, cabling and computer accessories used in our store and support office operations.

## MOBILE PHONES (FROM THE GROUP'S OPERATIONS):

We refurbished **6,146** (FY22: 5,027) unwanted and unsellable mobile phones, giving them a second life for use within our business operations or in second hand markets overseas.

## SOFT PLASTICS:

We recycled **65,943 kg** (FY22: 61,350 kg) of plastic, comprising store banners, plastic product packaging, bubble wrap and LDPE pallet wrap used when transporting palletised stock.

## PRINTER TONER CARTRIDGES:

We collected **22,399** cartridges (FY22: 15,240) weighing **6,527 kg** (FY22: 6146 kg) from our operations and customers on behalf of the Cartridges 4 Planet Ark program.

## EXPANDED POLYSTYRENE (EPS):

We collected **16,740 cubic metres** of EPS (FY22 17,030 cubic metres) for recycling from **154** locations (FY22: 107) across our store and warehouse network, and diverted approximately **58,590 kg** of EPS (FY22: 59,605 kg) from landfill.

All EPS collected is palletised and used in the production of picture frames and skirting boards.

## TEXTILES:

We collected **81 kg** (FY22: 1,261 kg) of used The Good Guys uniforms which were shredded and repurposed into products such as insulation, acoustic panels, suspended ceiling tiles, cushion filling and furniture cushioning.

In FY23 we also began collecting 'lightbox skins' used for visual merchandising, and recycled **473 kg**. These materials are used in the production of cushioning, insulation and acoustic panels.

## E-WASTE (FROM CUSTOMERS):

The emeals initiative took<sup>23</sup> **516** (FY22: 810) bookings for JB Hi-Fi and The Good Guys, delivering **2,086** (FY22: 4,050) fresh meals to people in need via SecondBite, and diverting **8,654 kg** (FY22: 13,770 Kg) of waste from landfill.

Our customers dropped off **209,007 kg** (FY22: 169,491 kg) worth of e-waste to **44** (FY22: 42) collection points across our JB Hi-Fi and The Good Guys store network.

We recycled **3,604 tonnes** of big and bulky appliances from JB Hi-Fi and The Good Guys customers as part of our premium delivery service.

## MOBILE PHONES (FROM CUSTOMERS):

Our customers returned **387** (FY22: 697) reply-paid mobile phone recycling satchels containing **116 kg** (FY22: 177 kg) worth of mobile phones and accessory e-waste as part of Mobile Muster's 'Race to Zero' campaign. The Race to Zero campaign runs annually to raise awareness about the importance of mobile phone recycling in Australia.

## PAPER RECYCLING:

Our Australian stores recycled **168 tonnes** (FY22: 155 tonnes) of paper through Shred-X's closed loop secure document destruction and recycling service.

## OUR PRODUCT AND WASTE RECYCLING COMMITMENTS FOR FY24

- Continue to implement packaging improvements across private label, branded bags, outbound deliveries and our supply chain, in line with the 2025 National Packaging Targets
- Implement more e-waste collection points across our JB Hi-Fi and The Good Guys store network
- Continue to improve waste management and recycling processes across all Group locations

<sup>22</sup> This figure is provided by our waste supplier and only provides a partial view of our waste diversion, given the lack of reporting available on waste generated from new store openings, closures, and refurbishments, stores within embedded networks (i.e. shopping and homemaker centres), and the Group's reverse logistics warehouse which is operated by a third party.

<sup>23</sup> The emeals initiative is a third-party initiative run by EcoActive, providing a pick-up service for unwanted and used technology and delivering equipment directly to accredited recyclers. Every booking enables EcoActive to donate the equivalent of five meals to SecondBite, Australia's largest fresh food rescue charity, redistributing surplus food to over 1400 community food programs on the frontline of food poverty around Australia. Reporting on emeals customer bookings, number of fresh meals provided to SecondBite, and e-waste diversion is provided by Activ Group (the operator of EcoActive) on behalf of the emeals initiative.





# FY23 SUSTAINABILITY COMMITMENTS AND ACTIONS TAKEN



## Our People & Culture

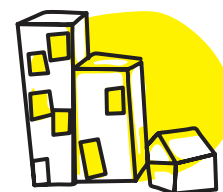
### Health and Safety

### Diversity and Inclusion

COMMITMENT	ACTIONS TAKEN
<input type="checkbox"/> Continue to develop and expand our mental health and wellbeing training	<ul style="list-style-type: none"><li>• Provided Day 1 'BACK UP' training to store management teams and support office senior management.</li><li>• Developed Day 2 'BACK UP' training to roll out in FY24.</li><li>• Held two safety training months dedicated to mental health and wellbeing which included the provision of tools, resources, webinars and external speakers to help our teams improve their overall physical and mental wellbeing.</li></ul>
<input type="checkbox"/> Conduct further manual handling task specific training throughout the Group's store network across two dedicated training focus months.	<ul style="list-style-type: none"><li>• Held two safety training focus months dedicated to manual handling, which involved completing manual handling training targeted at higher risk products such as large TV's and items with uneven weight distribution.</li></ul>
<input type="checkbox"/> Develop relevant safety training content that is reflective of current and emerging safety issues, ensuring it is delivered in a timely manner during our dedicated safety training focus months	<ul style="list-style-type: none"><li>• Developed Day 2 'BACK UP' training which builds on our structured approach to raise the awareness, knowledge, and confidence of our managers to support their teams with their personal mental health.</li><li>• Provided training on how our teams can appropriately manage aggressive customers and shoplifters on the shopfloor, as well as specific training to deal with aggression over the phone.</li></ul>
<input type="checkbox"/> Monitor high risk incident trends and respond with appropriate training to mitigate the risk	<ul style="list-style-type: none"><li>• Conducted on-going monitoring of safety performance using Key Performance Indicators (KPIs) to enable early identification of incident trends and allow for proactive management and continual improvement. KPI's are used to set annual targets to further reduce the incident frequency and improve the overall safety and wellbeing of our team.</li></ul>
<input type="checkbox"/> Review current, and implement new, initiatives aimed at improving Health and Safety performance across measurable targets, including such areas as aggressive customers and electrical safety.	<ul style="list-style-type: none"><li>• Reviewed and updated the Group Safety Strategy to ensure that the actions we are taking to address the current and emerging safety risks facing our businesses continue to be effective. New initiatives are planned and executed as part of our annual safety strategy update.</li><li>• Provided training on how our teams can appropriately manage aggressive customers and shoplifters on the shopfloor, as well as specific training to deal with aggression over the phone.</li><li>• As part of safety compliance training, the Group provided Electrical Safety Safe Work Practice Compliance Training to our store teams in October 2022.</li></ul>

COMMITMENT	ACTIONS TAKEN
<input type="checkbox"/> Continue the Group's progress towards achieving measurable objectives for gender diversity	<ul style="list-style-type: none"><li>• Achieved percentage increases in female senior managers, female store managers, and female territory and area managers.</li></ul>
<input type="checkbox"/> Embed our Group Diversity and Inclusion Strategy through additional training and awareness programs	<ul style="list-style-type: none"><li>• Delivered interactive workshops to 2240 people leaders in our store teams and 661 people leaders in Support Office to help them understand their role in building a speak up culture.</li><li>• Conducted the annual Equal Opportunity and Workplace Behaviour Training for all team members to ensure they understand the behaviour expected and how to address and escalate any situation that leaves a team member feeling uncomfortable or unsafe in the workplace.</li></ul>
<input type="checkbox"/> Conduct annual program of inclusion and engagement surveys of our team and undertake meaningful actions on the results	<ul style="list-style-type: none"><li>• Conducted our annual full and pulse engagement surveys, and annual inclusion survey measuring the actions we are taking to make JB Hi-Fi and The Good Guys an even better place to work.</li></ul>
<input type="checkbox"/> Deliver annual equal opportunity and workplace behaviour training	<ul style="list-style-type: none"><li>• Completed training on the Group Equal Opportunity and Workplace Behaviour Policy. This year, the content reinforced the Group's commitment to provide a safe, inclusive workplace free from sexual harassment, as well as people leaders' obligations in effectively preventing and dealing with any instance of sexual harassment.</li></ul>
<input type="checkbox"/> Expand our Women in Leadership program	<ul style="list-style-type: none"><li>• Within the JB Hi-Fi Australia business another 16 high potential female leaders participated in a three-month program aimed at building their confidence, visibility and influence through workshops, practical exercises, and coaching.</li></ul>





Our Communities

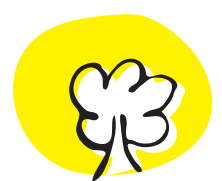
Community Investment

Ethical Sourcing

COMMITMENT	ACTIONS TAKEN
<div></div> <div>Continue to engage team members with our Workplace Giving activities through internal communications and creative campaigns</div>	<ul style="list-style-type: none"><li>• We planned and delivered more internal communications to inform our team members of the benefits resulting from our workplace giving donations. We shared our messages across a wide range of internal channels and received support from our senior leadership team and people leaders.</li><li>• We invited representatives of our charity partners to present to our Store and Support Office Leaders who then shared stories of impact with their team members.</li></ul>
<div></div> <div>Introduce new cause and charity partners as part of annual charity rotation policy</div>	<ul style="list-style-type: none"><li>• We farewelled one of our Helping Hands Earth Squad members, 2040, and from 1 July 2024 we will direct 100% of Earth Squad donations to Carbon8.</li><li>• Doing Good identified two new cause areas (and potential charity partners) to add to the existing program.</li></ul>
<div></div> <div>Relaunch The Good Guys Doing Good Program and introduce new Doing Good Committee to support greater levels of participation and engagement</div>	<ul style="list-style-type: none"><li>• Launch of Doing Good Steering Committee.</li><li>• Establishment of Doing Good Champions to connect with more team members.</li><li>• Delivered the first Christmas customer fundraising campaign across our The Good Guys store network.</li><li>• Embedded Doing Good into our online learning platform.</li><li>• Launched a new online sign-up process to simplify the process for new team members joining Doing Good.</li></ul>

COMMITMENT	ACTIONS TAKEN
<div></div> <div>Continue to embed ethical sourcing within business operations through process improvements and additional stakeholder training and awareness programs.</div>	<ul style="list-style-type: none"><li>• Began assessing social compliance audit observations that have resulted in non-compliance with our Ethical Sourcing Policy as either major or minor. This has enabled us to more effectively prioritise supplier engagement on major issues, and those that are recurring where corrective action plans are not working effectively.</li><li>• Continued to utilise the RBA Learning Academy to provide bespoke training on key topics to team members and private label suppliers when needed.</li></ul>
<div></div> <div>Continue to seek collaboration and share knowledge with industry peers and suppliers</div>	<ul style="list-style-type: none"><li>• Continued to engage with the National Associated Retail Traders of Australia's (NARTA) Modern Slavery Initiative Working Group alongside other NARTA retail and supplier members.</li><li>• Continued to engage with the Investors Against Slavery and Trafficking (IAST) Asia Pacific initiative to discuss our approach to modern slavery.</li></ul>
<div></div> <div>Ensure suppliers conduct quality and independent Social Compliance Audits in line with our Ethical Sourcing Policy, and appropriately manage corrective action plans to resolve any issues raised.</div>	<ul style="list-style-type: none"><li>• Reviewed 72 social compliance audits across the manufacturing facilities on our watchlist and engaged with suppliers to discuss actions relating to major audit findings.</li></ul>
<div></div> <div>Progress the review of our cleaning supply chain to identify risks and improvement opportunities and work with suppliers to enhance practices where required.</div>	<ul style="list-style-type: none"><li>• Continued review of potential labour risks associated with our cleaning supply chain, and began assessing the payments being made to our suppliers in light of the services being performed.</li></ul>
<div></div> <div>Continue to build knowledge of ethical sourcing risks in different countries and product categories and engage with suppliers to better understand and manage these risks.</div>	<ul style="list-style-type: none"><li>• Engaged an additional 107 suppliers and requested information to enable us to prioritise further engagement with suppliers that may be at a higher risk of modern slavery.</li></ul>





Our Environment

Product & Waste and Recycling Commitments

Climate Action

COMMITMENT	ACTIONS TAKEN
<div><input type="checkbox"/></div> Complete rollout of standardised waste and recycling infrastructure, including relevant training, across our JB Hi-Fi and The Good Guys store network	<ul style="list-style-type: none"><li>Finalised the implementation of a consistent waste management system for our shop floors, across all JB Hi-Fi and The Good Guys stores.</li><li>Enhanced our soft plastics recycling processes through team member training, refreshed signage, and dedicated soft plastics recycling bins across all JB Hi-Fi and The Good Guys stores.</li></ul>
<div><input type="checkbox"/></div> Implement packaging improvements for our JB Hi-Fi and The Good Guys outbound deliveries relating to online sales, in line with the 2025 National Packaging Targets	<ul style="list-style-type: none"><li>Rolled out newly designed cardboard cartons which are 100% recyclable, for use in our online deliveries.</li><li>Changed our plastic postage satchels, which are used to post online orders to customers, to new satchels made from 80% recycled plastic.</li></ul>
<div><input type="checkbox"/></div> Implement more e-waste collection points across our JB Hi-Fi and The Good Guys store network	<ul style="list-style-type: none"><li>Appointed a recycling and logistics partner to service battery and e-waste drop off points for our customers across 5 The Good Guys and 11 JB Hi-Fi Stores in South Australia over a 4-week pilot period in mid-July 2023. Pending successful completion of the 4-week pilot period, the Group plans to extend customer battery and e-waste recycling nationally to all stores in Australia.</li></ul>
<div><input type="checkbox"/></div> Continue the roll-out of our sustainable packaging strategy for our private label product	<ul style="list-style-type: none"><li>Put 66% of our core private label product range that we replenished during FY23, through recyclability assessments. 56% of our core private label range now has 100% recyclable packaging.</li><li>Worked with suppliers to begin sourcing recycled content for our packaging and will see the results of this work through increases in the recycled content used in our core private label product packaging in FY24.</li></ul>
<div><input type="checkbox"/></div> Continue working with APCO and our supply chain to implement sustainable solutions for expanded polystyrene (EPS) in line with the National Plastics Plan targets	<ul style="list-style-type: none"><li>Submitted our EPS Action Plan to APCO which identified that only 13 historical product SKUs (which are no longer in our core range) had expanded polystyrene (EPS) packaging used. We have successfully removed all EPS from our current core private label packaging.</li></ul>

COMMITMENT	ACTIONS TAKEN
<div><input type="checkbox"/></div> Continue to review and implement our emissions reduction initiatives across our store, warehouse and support office network in line with our 2030 net-zero direct (scope 1 and 2) carbon emissions target	<ul style="list-style-type: none"><li>Installed an additional 9 sites with solar power generators and obtained landlord approval for an additional 8 stores where we will invest in on-site solar generation.</li><li>Implemented a new emissions monitoring system and began analysing energy consumption to identify opportunities to further reduce consumption and/or increase energy efficiency.</li></ul>
<div><input type="checkbox"/></div> Further develop our approach to quantifying our scope 3 GHG emissions and explore opportunities to engage and collaborate with suppliers and industry partners on scope 3 GHG emissions reduction across the supply chain	<ul style="list-style-type: none"><li>Undertook an estimation of our primary and secondary scope 3 emission categories, using the Greenhouse Gas Protocol Scope 3 Corporate Value Chain Accounting and Reporting Standard.</li></ul>





# OUR FY24 SUSTAINABILITY COMMITMENTS



## Our People & Culture

### Health and Safety

#### COMMITMENT

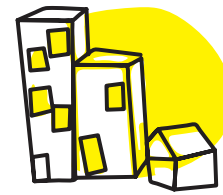
- ☐ Continue to develop and expand our mental health and wellbeing strategy.
- ☐ Further build on and develop training content specific to management of psychosocial hazards in the workplace.
- ☐ Enhance and develop relevant safety training content that is reflective of current and emerging safety issues, ensuring it is delivered in a timely manner during our dedicated safety training focus months.
- ☐ Monitor high risk incident trends and respond with appropriate training to mitigate the risk.
- ☐ Review and revise current, and implement new, initiatives aimed at improving Health and Safety performance across measurable targets.

### Diversity and Inclusion

#### COMMITMENT

- ☐ Continue the Group's progress towards achieving its measurable objectives for gender diversity .
- ☐ Continue to embed our Diversity and Inclusion Strategy.
- ☐ Continue regular inclusion and engagement surveys of our team and take meaningful actions based on the results.
- ☐ Deliver annual equal opportunity and workplace behaviour training.
- ☐ Launch our new Women in Leadership Program across JB Hi-Fi Australia and New Zealand and The Good Guys.
- ☐ Develop an approach to address The Rights of Aboriginal and Torres Strait Islander Peoples and Reconciliation.





## Our Communities

### Community Investment

#### COMMITMENT

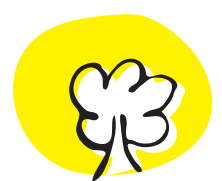
- ☐ Continue to engage team members with our Workplace Giving activities through internal communications and creative campaigns.
- ☐ Refresh the Helping Hands component of JB Hi-Fi's induction process to engage with all new team members.
- ☐ Continue to refresh The Good Guys Doing Good Program and introduce two new charity partners to support greater levels of participation and engagement.

### Ethical Sourcing

#### COMMITMENT

- ☐ Continue to embed ethical sourcing within business operations through process improvements and additional stakeholder training and awareness programs.
- ☐ Continue to seek collaboration and share knowledge with industry peers and suppliers.
- ☐ Ensure suppliers conduct quality and independent social compliance audits in line with our Ethical Sourcing Policy, and appropriately manage corrective action plans to resolve any issues raised.
- ☐ Progress the review of our cleaning supply chain to identify risks and improvement opportunities and work with suppliers to enhance practices where required.
- ☐ Continue to build knowledge of ethical sourcing risks in different countries and product categories and engage with suppliers to better understand and manage these risks.





Our Environment

Climate Action

COMMITMENT

- ☐ Continue to review and implement our emissions reduction initiatives across our store, warehouse, and support office network in line with our 2030 net-zero direct (scope 1 and 2) carbon emissions target.
- ☐ Further refine our approach to quantifying our scope 3 GHG emissions and explore opportunities to engage and collaborate on scope 3 GHG emissions reductions across the supply chain.
- ☐ Continue to manage climate risk within our strategic planning and risk management processes.

Product and Waste Recycling

COMMITMENT

- ☐ Continue to implement packaging improvements across our private label products, branded bags, outbound deliveries and our supply chain, in line with the 2025 National Packaging Targets.
- ☐ Implement more e-waste collection points across our JB Hi-Fi and The Good Guys store network.
- ☐ Continue to improve waste management and recycling processes across all Group locations.





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