



INSPIRING YOU TO LIVE YOUR PASSION

ABOUT THIS REPORT

Reporting is a key part of Super Retail Group's ongoing efforts to continuously improve our Sustainability performance, engaging transparently and positively with our stakeholders to enhance our collaboration in delivering sustained value. Through our Sustainability reporting, we aim to demonstrate our values of openness and integrity by providing information on the environmental, social and governance issues that matter to our business and our stakeholders.

Our 2016 Sustainability Report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines, and addresses our sustainability activities and performance during the period 1 July 2015 to 30 June 2016 (unless noted otherwise for specific data).

This report covers the performance indicators that have been identified as material according to the GRI principles, and focuses on the Group's performance on these material environment, social and governance issues. Detailed information on the Group's financial performance can be found in Super Retail Group's 2016 Annual Report.

Unless otherwise specified, the data for this report covers our operations in Australia, New Zealand and China, including our store network, support offices and distribution centres, and financial figures are reported in Australian dollars.

This report is available to view online on our corporate website, which is: **www.superretailgroup.com**

We welcome feedback and comments on this report, which can be provided through contacting the team via:

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MESSAGE FROM OUR CEO

Super Retail Group takes pride in our commitment to corporate social responsibility, and to managing and reducing our impact on the environment. Achieving profitable and sustainable growth in a manner consistent with our Group values is central to how we do business as a Group. It is important that we are making a meaningful contribution to social and environmental initiatives for the benefit of our team, customers, trade partners and the communities in which we operate.

We live in a world where financial and non-financial challenges are becoming more interdependent. The triple bottom line of financial, environmental and social sustainability is closely aligned to our own strategic planning framework and how we strive to operate our business. We are committed to continuously improving our Sustainability performance.

We see that the value of Sustainability reporting is much more than presenting a scorecard but provides a framework for engagement in conversations with our team, our customers and the wider community on our performance in this important area. Sustainability reporting provides not only greater transparency and accountability but it also enables us to make better informed and more robust decisions about our business.

Digital technology is transforming retail, and giving rise to an empowered, global consumer with ever-increasing expectations for the brands and companies with which they choose to do business. We need to ensure that we operate in a manner consistent with our customers' expectations.

We are an organisation whose purpose is to inspire our customers to live their leisure passions. Getting out and enjoying the Great Outdoors is what our customers and our team members want to do. It is therefore critical that we are committed to the important role we have to play in ensuring the sustainability and well-being of the Australian environment.

This year we were proud to sign a national partnership with Red Cross Australia, which aims to provide meaningful support to the local communities where we operate where and when they need it the most, such as during natural disasters. We look forward to continuing to strengthen and expand this partnership to create shared value for communities across Australia.

We are pleased to have been recognised by the Carbon Disclosure Project for 'Best climate disclosure by a new responding company' in 2015, and by the Australian Packaging Covenant as one of the highest performing signatories in the retail category. Further, we also received a 'Detailed' rating for our Sustainability Disclosures by the Australian Council of Superannuation Investors (ACSI), compared with an average sector rating of 'Moderate'.

To further advance those efforts, I am pleased to present our Sustainability Report for 2016, being the first time Super Retail Group has published a standalone report.



Peter Birtles
Group Managing Director and Chief Executive Officer



ABOUT US

Super Retail Group is one of Australasia's Top 10 retailers and is listed on the Australian Stock Exchange. With more than 640 stores and annualised turnover in excess of \$2.4 billion, the Group has operations in Australia, New Zealand and China, all striving to provide solutions and engaging experiences to enhance our customers' leisure time.

Our retail portfolio includes Amart Sports, BCF Boating Camping Fishing, Rays, Rebel, and Supercheap Auto.

In addition to our extensive retail network, our commercial entities, Auto Trade Direct, Infinite Retail and Super Retail Commercial, offer advantages for businesses throughout Australia, New Zealand and Asia Pacific to leverage the Group's sourcing and supply chain capabilities across multiple specialised categories available within our retail brands.

Our extensive online and digital presence is complementary to our physical store footprint and we continually seek out new ways of doing business. This innovation enables us to deliver a seamless, multi-channel shopping experience, allowing our customers to engage with our brands whenever and however they prefer.

We are proud to offer inspiration and value to our customers, who look to us as a trusted source of advice and solutions that best meet their needs. We believe in delivering exceptional choice and convenience for our customers and offering various ways to interact with us, whether in store, online, or via our social media communities.

Our success is underpinned by a continuous focus on maintaining and enhancing our culture and core values, which are embodied by our passionate team of just under 12,000.

We are proud retailers and are passionate about providing solutions and engaging experiences that enable our customers to make the most of their leisure time.

OUR STAKEHOLDERS

Our stakeholders' views are critical to shaping our approach to sustainability. Key stakeholders include our team members, customers, shareholders, regulators, trade partners, industry groups and the local communities in which we operate. We recognise stakeholders are any group potentially affected by our operations, or who have an interest in or influence what we do.

We engage with stakeholders in many different ways, including team members and customers satisfaction surveys, our website, intranet communications, internal bulletins, media releases, team members' feedback, formal and informal meetings, industry forums, proxy advisor discussions, and feedback from our customer service centres and social media.

Our Group Managing Director and Chief Executive Officer is a member of the Retail Council (former Australian National Retailers Association) and has been elected to the position of Chair of the Retail Council. He is also currently serving as a Queensland Male Champion of Change, a network of senior male business leaders committed to advancing the cause of Diversity and Inclusion in the workplace and society at large.

Our Chief Legal and Property Officer and Company Secretary is a Board member of the Large Format Retail Association (LFRA), which is regarded as the national peak body representing the interests of large format retailers, investors, owners, developers and service suppliers in Australia.

MANAGING OUR MOST MATERIAL SUSTAINABILITY ISSUES

Our focus is to create long-term value and sustainable growth by identifying risks and opportunities that allow us to maximise returns to our investors without compromising our values and reputation.

The content of this report has been developed to address the areas in which our operations may have a significant influence upon environmental, social and economic conditions and provides an overview of our strategy and performance in those areas.

For this report, we carried out a consultative materiality process to establish the sustainability issues that are currently the most material to our Group. This assessment process involved consideration of GRI aspects, UN Global Compact principles, Dow Jones Sustainability Index, analysis of our business goals, regulatory and material business risks, consultation with experts in the field of sustainability reporting, discussions with industry associations, non-governmental organisation interaction and a peer review to assess best practice in the retail industry. In addition, input and engagement was sought from across our business in the form of internal workshops.

The results of our materiality assessment help inform the Group's sustainability strategy and programs, as well as identify emerging sustainability issues that have the potential to become more significant over time.



The assessment process identified the following key material issues in terms of sustainability and corporate social responsibility

- Team culture and engagement
- Product safety and quality
- Safety and wellbeing
- Cyber security
- Environmental footprint
- Ethical sourcing
- Community impact and contribution
- Diversity and inclusion
- Customer experience
- Employment conditions

The majority of the issues identified in this year's materiality assessment were consistent with those identified in past years, reflecting the fact that many of the issues we face remain an ongoing and complex challenge and require constant diligence to continue to achieve and maintain a satisfactory standard.

Detailed information on our performance for the reporting period and our commitments for the coming year are set out in this report, and are contained under the following four key topics for ease of reference:

1 | OUR TEAM

- Team culture and engagement
- Safety and wellbeing
- Employment conditions
- Diversity and inclusion

2 | OUR CUSTOMERS

- Ethical sourcing
- Product safety and quality
- Cyber security
- Customer experience

3 | OUR COMMUNITY

- Community impact and contribution

4 | OUR ENVIRONMENT

- Environmental footprint

We continue to refine and formalise our annual materiality assessment process to ensure we identify and respond to the sustainability issues and opportunities that are most important to our business and stakeholders in terms of their materiality to our environment and social impacts. In the next financial year we shall further strengthen our materiality assessment through adopting a more formalised and structured framework, particularly to enhance how we gather input from key external stakeholder groups. We welcome all input from people interested in this report, and should you have any comments or feedback on the material issues identified above, please let us know.

OUR BUSINESS

OUR PURPOSE

To provide solutions and engaging experiences that enable our customers to make the most of their leisure time.



PASSION



OPENNESS



INTEGRITY



CARE



DISCIPLINE

OUR VISION

Inspiring you to live your passion.

STRATEGIC PILLARS

We see that customer engagement, delivering inspiring customer solutions, developing a world class supply chain and building an engaged and capable team are critical to our future. We remain focused on our strategic pillars to ensure we continue to foster sustainable value creation in a changing retail environment.

1 | CUSTOMER UNDERSTANDING AND INSIGHT

2 | SOLUTIONS THAT ENGAGE AND INSPIRE OUR CUSTOMERS

3 | LEADING PRIVATE BRANDS

4 | AGILE AND EFFICIENT SUPPLY CHAIN

5 | ENGAGED AND CAPABLE TEAM

6 | STRONG, SUSTAINABLE AND EFFICIENT FOUNDATIONS

OUR CORE BRANDS

Super Retail Group is one of Australasia's largest retailers, and is proud to provide solutions and engaging experiences that inspire our customers to live their leisure passions as the owner of iconic Australian brands including:



Amart Sports provides a broad range of leisure sports products geared to the casual market at compelling prices. With a wide range of products designed for family and team sports, the Amart Sports range includes equipment, apparel and associated accessories for sporting enthusiasts and spectators alike.



With stores across every state of mainland Australia, BCF is the largest outdoor retailer in the country. We only sell quality brands from trusted manufacturers and are committed to offering the widest product range to our customers, who are as passionate about boating, camping and fishing as we are.



As Australia's largest outdoor entertainment and camping leisure retailer, Rays offers families everything they need to enjoy the outdoors from the backyard to the bush.



Rebel offers a wide range of the latest release, quality, branded sporting and leisure goods for the casual enthusiast and serious competitor, including fitness equipment, sports equipment, apparel and associated accessories.



Supercheap Auto is a thriving specialty retail business, specialising in automotive parts and accessories. Supercheap Auto stocks a wide range of tools and accessories for the DIY home handyman, as well as products for travel, touring, outdoors, garage and the shed.

OUR BUSINESS

OUR FINANCIAL TARGETS

TO DELIVER COMPOUND
ANNUAL GROWTH IN EPS OF

>15%

TO GROW RETURN
ON CAPITAL TO

>15%

OUR GOALS

Super Retail Group has a strong portfolio of retail businesses, each with strong potential for organic growth. We recognise the imperative of turning this potential into growth in total Group earnings.

TO BE
ONE OF THE FIVE
LARGEST AUSTRALASIAN RETAIL COMPANIES

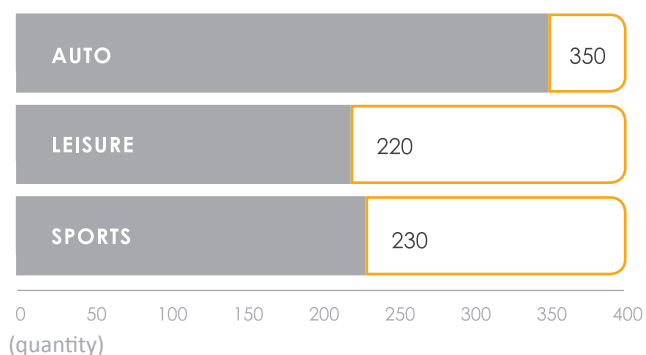
TO ACHIEVE HIGHER
CUSTOMER ENGAGEMENT
RATINGS THAN OUR COMPETITORS

TO ACHIEVE THE HIGHEST
**TEAM MEMBER
ENGAGEMENT**
ACROSS THE RETAIL INDUSTRY

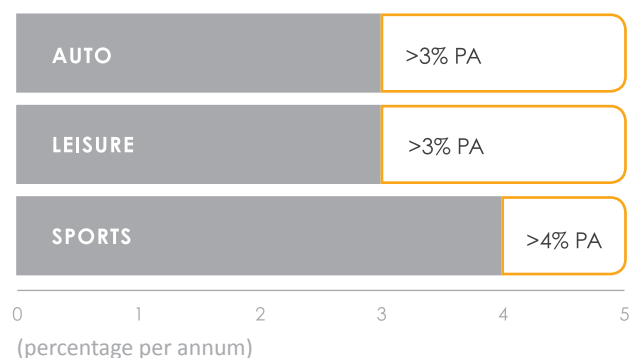
TO PROVIDE RETURNS TO OUR
SHAREHOLDERS
THAT EXCEED THE ASX 200 BY 5%

DELIVERING OUR FINANCIAL TARGETS 5 YEAR TARGETS

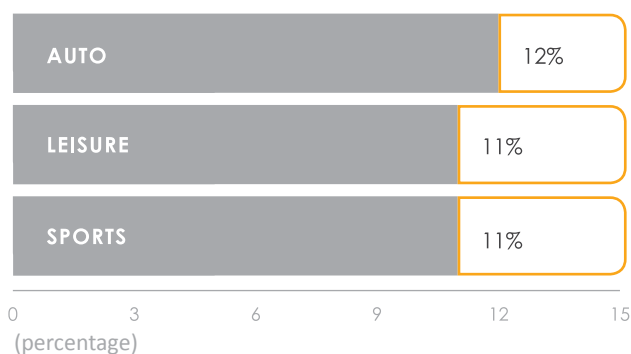
STORE NUMBERS



LFL GROWTH



EBIT MARGIN



PRE TAX ROC %*



OUR NETWORK

~12,000
TEAM MEMBERS

640+
STORES

3 SUPPORT
OFFICES

3 DISTRIBUTION
CENTRES
7 TOTAL SITES ACROSS THE
SUPPLY CHAIN NETWORK

3 COUNTRIES OF OPERATION:
AUS, NZ AND CHINA

641
STORES ACROSS OUR
ENTIRE NETWORK



BRAND	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	NZ	TOTAL
AMART SPORTS	-	12	1	28	5	-	14	-	-	60
BCF	3	34	1	38	7	-	21	16	-	120
RAYS	1	7	1	10	5	4	17	8	-	53
REBEL	4	40	-	14	7	1	25	10	-	101
SUPERCHEAP AUTO	4	67	3	82	19	5	54	28	45	307
TOTAL	12	160	6	172	43	10	131	62	45	641



OUR GOVERNANCE

Our Board is committed to ensuring that the Group's corporate governance policies and practices are of the highest standards and in line with ASX Principles and Recommendations so that our Directors and management team fulfill their functions effectively and responsibly. The Board delegates responsibility for day-to-day management of the Group to our Group Managing Director and Chief Executive Officer.

Our Board is currently comprised of seven directors, six of whom (including the Chairman) hold their positions in a non-executive capacity. The predominance of Independent Non-Executive Directors separates the Board from the Company's executive management and ensures board independence. The structure also provides the Company with the benefit of a diverse range of experience, qualifications and professional skills. For further information on our Board and corporate governance, please refer to our 2016 Annual Report available on our corporate website.

Our Board of Directors and associated committees meet on a regular basis as well as undertaking regular facility inspections and site visits. There is a regular calendar of engagement with shareholders including the Annual General Meeting, regular meetings with investors and proxy holders as well as participation in conferences.

Our Group Sustainability Manager is responsible for driving the sustainability strategy and reports to the Company Secretary and Chief Legal and Property Officer, who reports directly to our Group Managing Director and Chief Executive Officer, the Board Member who is operationally responsible for Sustainability for the Group.

ADDING ECONOMIC VALUE

We believe that the development of a healthy economy supports and sustains the community and the environment over the long-term and we are committed to make a positive impact in our business operations.

Our business performance underpins our sustainability strategy. For information about our business performance, please refer to the Super Retail Group 2016 Annual Report, available on our corporate website.

SUSTAINABILITY FRAMEWORK

We are committed to achieving and demonstrating profitable and sustainable growth in a manner consistent with our Group values and with our commitment to social and environmental initiatives for the benefit of our team, customers and trade partners, and the communities in which we operate.

The Board has approved the Group's strategic goals for Sustainability and set a target to improve the sustainability performance of the business. This includes establishing a Sustainability framework to further the realisation of the Group's commitment to ethical, socially responsible and environmentally sustainable business practices.

The Group has set a target to improve its sustainability performance to equal or better than global retail benchmarks as based on externally assessed ratings. To that end, the Group has set out the following objectives:

1. Establish a governance framework aligned with business strategy that supports stakeholder engagement, performance measurement and reporting
2. Sustainability integrated into business practices, addressing material risks and opportunities, and aligned with Group values
3. Community engagement programs, including product stewardship, aligned with business strategy
4. An ethical Supply Chain compliant with international standards
5. Reduction in carbon footprint (relative to business scale) aligned with science based targets

This report summarises our journey towards those goals through the reporting period.

OUR SHARED SAFETY PROMISE

WE KEEP OURSELVES AND EACH OTHER SAFE

We always think safety, act safely and we care for each other.

WE'RE FIT FOR WORK

We arrive fit and ready for work.

WE DO THE TRAINING

We all participate in safety training and ensure our training is up to date.

WE KNOW THE RISKS

We work in the safest way, identify hazards and risks and respond to them quickly.

WE USE THE TOOLS

We use the available resources and equipment to ensure we do the job safely.

WE ALWAYS REPORT

We report all incidents and near misses within 24 hours.

OUR TEAM

The passion and dedication we see within our people every day is what makes our team our most powerful differentiator. From a workforce of 6,000 in 2011, our team has nearly doubled in size over the last five years, totaling 11,937 at the close of the 2016 financial year.

We have experienced considerable growth over the last few years and we attribute a significant share of this success to our people. We are proud to strive towards our goal of ensuring our team is engaged, enjoys coming to work, and goes over and above to provide exceptional customer service. This attitude is present in every corner of our business; whether it's working in a customer-facing role in store, a support role in our offices or Distribution Centres, we all share a sense of pride knowing we're inspiring our customers to live their passions.

EMPLOYMENT CONDITIONS

We are committed to ensuring a safe, fair and equitable working environment for all team members across all areas of our business.

All team members in Australia are either bound by our Super Retail Group Enterprise Agreement (EA), which is regularly reviewed, or by individual contracts, which are individually negotiated at point of hire. All team members in New Zealand and China are covered by individual contracts.

A total of 79.2 per cent of our team members fall under the EA. Our EA is negotiated with team members by way of a working group and works alongside the National Employment Standards (NES). During the reporting period the current Group EA was successfully negotiated for a period of three years and approved by the Fair Work Commission and rolled out across the business.

SAFETY AND WELLBEING

At Super Retail Group, we are committed to providing a healthy and safe work environment for all our team members, contractors and customers. Our Group safety and wellbeing strategic plan and safety management system reflects a proactive risk and behaviour-based approach. Our Work, Health and Safety Policy also supports this commitment.

Our Group Value of 'Care' clearly defines our commitment to safety and the expectations placed on each of us. Our safety philosophy of 'All injuries are preventable' is supported by the six guiding principles in 'Our Shared Safety Promise', which set out our practical approach to safety.

TOTAL WORKFORCE by Region and Gender

	Australia	NZ	China	Total	%
Female	5,233	181	63	5,477	45.9%
Male	6,156	264	40	6,460	54.1%
Total	11,389	445	103	11,937	100%

BOARD COMPOSITION by Gender and Age Group

By Gender			By Age Group	
Female	3	42.9%	Under 30	0.00%
Male	4	57.1%	30 - 50 years	0.00%
			Over 50	100%

TOTAL WORKFORCE

By employment type, employment contract and gender

	Female	Male
Casual	2,510	3,147
Full Time	1,515	2,139
Part Time	1,334	1,105
Temporary Full Time	107	60
Temporary Part Time	11	9
Total Group	5,477	6,460

TOTAL WORKFORCE by Age Group

Under 30	30 - 50 Years	Over 50
67.6%	26.8%	5.6%

Safety is a key performance measure across our business, for our stores, Distribution Centres and Support Offices. The principles of safety and injury management are embedded in the way we do business. Our team members play an important role in incident reporting including near-misses, hazards and injuries.

Health and Safety Metrics Reports are presented to the Board and Group Leadership Team monthly. Lost time injuries are classified in accordance with the Australian Standard: Workplace Injury and Disease Recording Standard.

Lost time injuries
44%
decrease

LTIFR
48%
decrease

In 2016, the Group Lost Time Injury Frequency Rate (LTIFR) was 6.87 per million hours worked, compared to 13.29 for the previous year. We have continued to drive a whole-of-business focus on safety leadership; actively working towards meeting standardised safety positive performance indicators and targets, and increasing team member awareness and education through frequent and relevant safety communications. As a result of these programs, we have seen a 44 per cent decrease in the number of lost time injuries and an overall 48 per cent decrease in LTIFR.

There were no work related fatalities recorded during the reporting period.

We also provide a range of health and wellbeing activities and initiatives designed to educate and support our team members to be able to meet the demands of their role physically, mentally and emotionally. My Wellbeing framework focuses on bringing tools, information and tips to support team members physically and mentally. Team members are well supported following an injury, with specific return to work programs with a focus on timely, safe and sustainable return to work outcomes.

In the year ahead we will continue to drive cultural change and safety performance improvements through safety leadership and team member personal accountability. Wellbeing initiatives and process improvement efforts will remain a key focus.

DIVERSITY AND INCLUSION

The only constant in retail is ongoing change: continually evolving our business to match the needs of our customers is the key to our ongoing success as a business, but also as retail professionals – by ensuring we continue to develop the skills demanded by the new world of omnichannel retailing.

Diverse teams are proven to be more innovative and adaptable to change and the Group endeavours to form a team that is reflective of our commitment to diversity and inclusion within our business – not only are diverse teams proven to be more innovative and more adaptable to change, but it is critical that our Board, management and wider team is reflective of our increasingly broad and diverse customer base.

Accordingly, the Group recognises its talented and diverse workforce as a key competitive advantage. Our business performance is a reflection of the quality and skill of our people and behaviours that are aligned to our Group Values. The Board and Leadership team are firmly committed to developing policies and ways of working that support diversity. Our principles and objectives are contained in the Group's Diversity Policy, which can be accessed on our corporate website.

Central to achieving this goal is a diverse and inclusive work environment and culture that allows team members to contribute their full potential through recognising and supporting their unique strengths and needs.

INJURY RATE, OCCUPATIONAL DISEASES RATE (OD), LOST DAY RATE, ABSENTEE RATE AND WORK-RELATED FATALITIES (WRF) By Region

	TEAM MEMBERS			CONTRACTORS		
	AUS	NZ	China	AUS	NZ	China
Injury Rate	0.76	0.68	0.00	2.19	2.33	0.00
Occupational Disease Rate	0.17	0.16	0.00	0.71	0.58	0.00
Lost Day Rate	2.03	0.00	N/A	N/A	N/A	N/A
Absentee Rate	1.92%	0.16%	N/A	N/A	N/A	N/A
Work-Related Fatalities	0.00	0.00	0.00	0.00	0.00	0.00

INJURY RATE, OCCUPATIONAL DISEASES RATE (OD), LOST DAY RATE, ABSENTEE RATE AND WORK-RELATED FATALITIES (WRF) By Gender

	Male	Female
Injury Rate	0.68	0.86
Occupational Disease Rate	0.16	0.19
Lost Day Rate	1.79	2.05
Absentee Rate	1.67%	2.15%
Work-Related Fatalities	0.00	0.00



GENDER DIVERSITY

We are proud that our culture and inclusive policies have created a workforce in which women represent 45.9 per cent of the workforce at the end of June 2016, particularly given many of the Group's businesses operate in retail sectors that have traditionally been male-dominated.

The Group has set a target of 40 per cent female representation in Board and senior management positions by 2019, and diversity is championed in the business at both Board and executive level.

As at 30 June 2016, 43 per cent of the membership of our Board of Directors, 34 per cent of senior management positions (Bands 1-3), and 32 per cent of middle and senior management positions (Bands 1-4) are held by women. This compares to the previous reporting period whereby 20 per cent of our Board, 28 per cent of senior management positions, and 32 per cent of middle and senior management positions on 30 June 2015.

In addition, we achieved an increase in the number of female General Managers appointed (to 9 from 4 in the prior year), including in non-traditional roles, such as Merchandising.

To continue to progress towards achieving our Diversity goals, the Group maintains three areas of focus:

1. Recruitment Practices

The Group's recruitment practices are aimed at fostering and encouraging diversity and inclusion. Specific initiatives that have been continued or maintained this year include:

- Requiring a minimum of one female to be shortlisted and interviewed for all management positions
- Actively seeking female talent through targeted LinkedIn searches and talent pooling
- All Band 1 to 3 appointments reviewed by the CEO and Chief Human Resources Officer to ensure adherence to the Group's Diversity Policy

2. High Potential Development Programs

The Group's learning and development programs are designed to foster the development of female future leaders.

Our dedicated 'Women in Leadership Development' (WILD) program, which aims to equip female team members to progress their careers within the business, continued in 2016 and will be rolled out again in 2017.

3. Flexible Working Practices

The Group continues to actively seek opportunities to increase the flexibility of its work practices to encourage its team members (both male and female) to take opportunities to advance their careers while balancing personal commitments.

To advance these initiatives, our CEO led a Flexibility Listening Tour across key sites in Brisbane, Sydney and Melbourne to improve awareness and identify any barriers team members currently experience around adopting flexible working arrangements. The insights gathered will inform the Group's ongoing efforts to lift team members' uptake of flexible working arrangements, such as further advancing how we track and promote flexibility across the Group.

At the end of June 2016, five members of the executive team (Bands 1-2), being one male and four females, are successfully working under flexible work arrangements.

OTHER DIVERSITY INITIATIVES

The Group has also implemented a number of other initiatives to foster workplace diversity. These include:

- Carried out a Diversity Audit
- Extended access to domestic and family violence leave, incorporating this into 2015 SRG Enterprise Agreement
- Ongoing CEO participation in the Queensland Male Champions of Change

LEARNING AND DEVELOPMENT

At Super Retail Group, team members come first. The quality of the team members we attract, the culture we build and the leadership we exhibit are all critical in building the engagement of our team members. This is the foundation for everything we do at Super Retail Group and underpins our commitment to growing our team members. We encourage all team members to make the most of learning opportunities available to them, including: retail training, management training, leadership development programs, and personal development programs.

We value investing in and developing our people and offer an extensive range of internal and external opportunities. We empower our team members to define their own pathways to success; working with their manager to identify how well they are performing, how they can improve, and what skills they need to achieve that success. Our managers play an important role in supporting each individual team member to advance their career and professional development. Formal performance reviews are one part of an overarching career development program.

The Group also partners with a Registered Training Organisation, which allows us to offer a range of qualifications aligned to our internal development needs, as well as offering training through Campus, our interactive learning portal.

The Group also offers a number of Development Programs to managers and high performing team members to further develop their careers across all levels of the business. Those programs, Turbo Boost, Ignite and Flame, are designed in-house using a blended learning approach including classroom sessions, self-directed learning, experiential learning, on the job learning, coaching and mentoring.

NEW TEAM MEMBERS BY GENDER

Female	1,267	45.4%
Male	1,522	54.6%

NEW TEAM MEMBERS BY AGE GROUP

Under 30	2,266	81.2%
30 - 50 Years	460	16.5%
Over 50	63	2.3%

NEW TEAM MEMBERS BY REGION

AUS	2,612	93.7%
NZ	143	5.1%
China	34	1.2%

71% OVERALL TEAM MEMBER ENGAGEMENT SCORE

TEAM CULTURE AND ENGAGEMENT

We know our people are the foundation of our business success and we are committed to the development of a culture that engages and inspires team members to live their passions. Our team members are critical to delivering our strategy through operating in a manner that is consistent with our sustainability goals and providing world-class experiences for our customers.

Our culture is built around our Group values of passion, openness, integrity, care and discipline. Those values not only help to define who we are, but help guide us in the way we behave.

Like our customers, it is important to understand what matters to our team members if we are to continue to ensure an engaged workforce and be successful as a business.

We regularly undertake a Group-wide team engagement survey every 18 months. The survey is conducted by an independent third party and provides a valuable benchmark of our levels of team engagement both over time and compared with our peer group. Beyond measuring overall team engagement, the survey provides important insights into where we need to improve our team engagement efforts.

The most recent survey was conducted in October 2015. The survey showed an overall team member engagement score of 71 per cent, 3 per cent higher than our previous survey and placing Super Retail Group within the top 25 per cent of companies across Australia and New Zealand for engagement.

Our high levels of engagement are further demonstrated by our strong levels of team retention. A total of 2,789 new team members joined the Group during the reporting period and our total retention was overall steady at greater than 75 per cent.

TOTAL TURNOVER RATE

	Aus and NZ	China
2015	26.6%	10.4%
2016	23.9%	5.8%
YOY change	-0.7%	-3.7%

TEAM MEMBER TURNOVER BY GENDER

Female	1,264	10.59%
Male	1,571	13.16%

TEAM MEMBER TURNOVER BY AGE GROUP

Under 30	2,246	18.82%
30 - 50 Years	519	4.35%
Over 50	70	0.59%

TEAM MEMBER TURNOVER BY REGION

AUS	2,665	22.33%
NZ	164	1.37%
China	6	0.05%



OUR CUSTOMERS

ETHICAL SOURCING

As a major Australian retailer with international operations, we are committed to upholding the principles of the United Nations Global Compact wherever we operate. Given our international presence, we have a responsibility to everyone who contributes to our success. This means integrating social and environmental concerns such as ethical labour practices and anti-corruption principles into all our business operations.

Our compliance framework underpins the Group's competitive sourcing arrangements and the strategic development of leading private and exclusive brands. The framework includes our Ethical Sourcing Policy and General Business Agreement. We continue to engage with our trade partners to raise awareness of our standards, to establish supporting business agreements, and to execute a system of audits and reviews of selected factories to monitor compliance.

While we do not own factories, we work with our major trade partners in China and elsewhere to promote workers' rights and to positively influence them to improve working conditions across their operations.

Audits are performed by independent third party auditors at selected factories which we have a direct relationship with to monitor compliance with both the Group's General Business Agreement and the Ethical Sourcing Policy. We also place reliance on the audits of accredited auditors completed for other companies with comparable policy standards. In addition, factory reviews are performed by our internal audit team in China, as part of our compliance program.

We monitor for compliance with a range of criteria set out in our policy, including safety, working hours and human rights, such as freedom of association and labour conditions.

Where there is an identified instance of non-compliance with our standards, we work with our trade partners to implement remedial action and achieve compliance. This may involve the implementation of a corrective action plan.

We remain conscious that withdrawing from a factory may cause hardship to workers, and we approach incidences of non-compliance on a case-by-case basis. However, the Group is prepared to sever our relationship with any trade partner who is unable or unwilling to demonstrate commitment to improvement towards compliance with our standards.

During the reporting period, where trade partners were identified as having actual and potential negative human rights non-conformances in relation to safety, wages and working conditions, they have been cooperative and active in carrying out corrective actions through the implementation of detailed plans. This resulted in their continued supply of products with the assurance compliance requirements will continue to be met.

This year we completed a comprehensive review of our compliance framework. Whilst recognising the many positive activities currently effected, we see the opportunity to improve the visibility of our supply chain to a broader range of factories, including those supplying our private brands with whom we do not have a direct relationship.

We have committed to and have commenced activity to extend the coverage of the audit program to validate trade partner compliance with our standards.

Looking ahead, a five year plan is being developed to improve our ethical sourcing practices as a key component of our Strong, Sustainable and Efficient Foundations strategic pillar. This includes further extension of the coverage of the audit program and reporting capabilities.

RESPECTING HUMAN RIGHTS

We currently source the majority of our private brand products from the Asian region. Sourcing products from Asian countries creates economic benefits for local communities and allows our brands to offer affordable products to customers. At the same time, we are conscious of the need to continue to develop robust processes to anticipate and mitigate potential issues and risks that emerge from having an international supply chain.

To this end, we evaluate all current and potential countries from which we source product and adjust for many factors, including regulatory strength, production quality, compliance and human rights issues.

We also require our trade partners with whom we have a direct product supply relationship to sign our General Business Agreement and comply with our Ethical Sourcing Policy, our standards and expectations around compliance with that policy.

The Group has dedicated teams in China and Australia, enabling team members to engage with trade partners and factories of our private branded products and maintain open channels of communication.

PRODUCT SAFETY AND QUALITY

We are committed to providing safe products that enable our customers to make the most of their leisure time.

We have a dedicated compliance team that aims to ensure our products comply with relevant mandatory standards before they are offered for sale. Our testing regime addresses mandatory Australian and New Zealand standards, and includes testing by both in-house and NATA-accredited third party assessors.

We continue to refine operational processes to ensure that the products we sell are safe, fit for purpose and meet quality and regulatory standards. Our compliance strategy includes:

- Working closely with our trade partners and testing agencies to ensure our quality and compliance requirements are being met
- Having dedicated compliance teams in China and Australia to monitor our product range for safety, quality and labelling compliance
- Establishing an internal quality assessment team in China to support the specialist independent auditors periodically engaged by the Group to ensure our compliance requirements are being met
- Performing product compliance checks at factory level, before products are shipped, and at our Distribution Centres in Australia and New Zealand
- Implementing product recalls where possible safety issues arise
- Performing informal audits at store level
- Investigating customers' complaints and any product related incidents; and
- Delivering annual product compliance training for our Merchandising and Retail teams.

During the reporting period, there were no incidents of non-compliance with health and safety, labeling, information or any other regulations related to our private brand products and services resulting in fines, penalties or formal warnings. We have supported all regulatory requirements that applied to products sourced from local trade partners in a timely manner, and have processes and policies in place to address any such events that may occur in our wholesale relationships.

This year, we have initiated two voluntary recalls of products that we considered posed potential safety risks to our customers. These recalls were initiated after detailed discussions with the relevant regulators.

All communications received from regulators related to health and safety, labeling and information of our products and services have been investigated and addressed.

RESPONSIBLE MARKETING

Our marketing strategy is based on honest and truthful communication and we are committed to take all necessary steps to ensure compliance with all the laws and regulations that regulate responsible marketing in Australia and New Zealand.

Our strategy includes:

- Having a dedicated compliance team to monitor our product claims in products, services and marketing materials
- Providing mandatory training to team members in Marketing, Merchandising and Retail departments
- Developing policies, processes and guidelines to provide guidance on product responsibility and marketing practices
- Proactively monitoring our social media
- Developing and implementing Customer Relationship Management (CRM) strategies across all our brands to build customer satisfaction, loyalty, and advocacy
- Having a Customer Interaction Centre (CIC) as a central point for customer enquiries. The CIC is open seven days a week, 364 days a year and customers are able to interact with the CIC team via chat, email and phone

There were no instances of fines or warnings where non-compliance with regulations or voluntary codes concerning marketing communications was identified.

“DIGITAL TECHNOLOGY IS TRANSFORMING RETAIL, GIVING RISE TO AN EMPOWERED, GLOBAL CONSUMER WITH EVER-INCREASING EXPECTATIONS FOR THE BRANDS AND COMPANIES WITH WHICH THEY CHOOSE TO DO BUSINESS.

IN THIS VOLATILE, COMPLEX WORLD, SUSTAINABILITY REPORTING IS A VALUABLE TOOL THAT SUPPORTS THE DEVELOPMENT OF COHERENT, FOCUSED STRATEGY TO DELIVER LONG-TERM VALUE FOR ALL STAKEHOLDERS - OUR TEAM, OUR CUSTOMERS AND OUR COMMUNITIES. ”



DIGITAL AND CYBER SECURITY

Technology has dramatically changed the way people are spending their leisure time. From Australia and New Zealand to emerging markets like China, digital technology offers a vast information resource, a means of social networking and a way of sharing experiences with others that greatly enriches people's leisure experiences and love affair with the great outdoors.

Whether our customers are seeking solutions and services in a physical store, online, or a combination of both, we need to ensure our customer offering melds seamlessly into one integrated experience.

Aside from the opportunities of a connected and digital world, the rise of digital security, privacy and data protection issues also brings a level of risk. Protection of our customer and team member data is a priority of the Group and we will continue to adapt and evolve our business and processes to keep on top of these issues.

The Group has appointed a Chief Information Officer (CIO) during the reporting period to support our information systems strategy, which includes the development and implementation of innovative and cost-effective technologies and enhancement of our data security. The CIO reports to the Group's Managing Director, who is a member of the Group's Board of Directors.

CUSTOMER DATA AND PRIVACY

We strive to conduct our business in full compliance with laws and regulations, and have implemented a number of measures to protect the personal information of our customers, club members and team members, including safeguards to prevent security breaches in our networks and database systems, limited access to information in our systems and verification processes to prevent unauthorised access to information.

Securing and protecting personal information is managed at all levels of the business. The Group adopts strong industry standards as the basis for protecting this information.

In 2016, one vulnerability was identified by an external party that resulted in customer details being able to be obtained by changing data in web page requests. This was quickly identified as being due to a legacy function of the website and immediately fixed. No customer data was lost and no complaints were received from customers, external organisations or regulatory bodies regarding breaches of customer privacy and losses of customer data.

OUR COMMUNITY

Super Retail Group is committed to supporting the communities in which we operate. This includes supporting community groups through corporate philanthropy, providing assistance and support in times of natural disasters such as fires, floods, earthquakes, and actively participating in improving community wellbeing. Our decisions about how we can allocate resources to best support communities are based on alignment to our core purpose and values.

We also support communities through the employment, taxes, product stewardship and education programs we provide through our normal business operations. Many of our stores are in small, regional communities and we are often a key source of employment opportunities for the local area, particularly for young people.

COMMUNITY SERVICES LEAVE AND WORKPLACE GIVING DONATIONS

We support and encourage Team Members who wish to make a contribution to the community by taking part in civic activities. We provide various forms of leave under Community Services Leave, including Blood Donor Leave, Emergency Services Leave and Natural Disaster Leave.

Super Retail Group is part of Club Red, a nationwide initiative to drive blood donations for the one in three Australians that will need blood or blood products in their lifetime.

COMMUNITY AND SPONSORSHIP PARTNERSHIPS

In 2016, we launched a national community partnership with Red Cross Australia. This partnership provides a focus for our corporate philanthropy work across the Group and aligns with our core corporate values of supporting the local communities where we operate. Red Cross is the official recipient for all fundraising efforts undertaken by team members throughout the year, and is the recipient of donations of residual positive balances from the Group's Dividend Reinvestment Plan.

In the coming year we will be expanding this partnership with a fundraising and awareness drive to activate our national retail network in support of Red Cross' annual Disaster Preparedness and Recovery campaign.

In addition, each of our brands engage in their own programs of community giving and corporate philanthropy that are aligned with their individual brand purpose and the issues that matter to their customers. These include support for Marine Rescue, Cancer Council and Coastguard NZ.

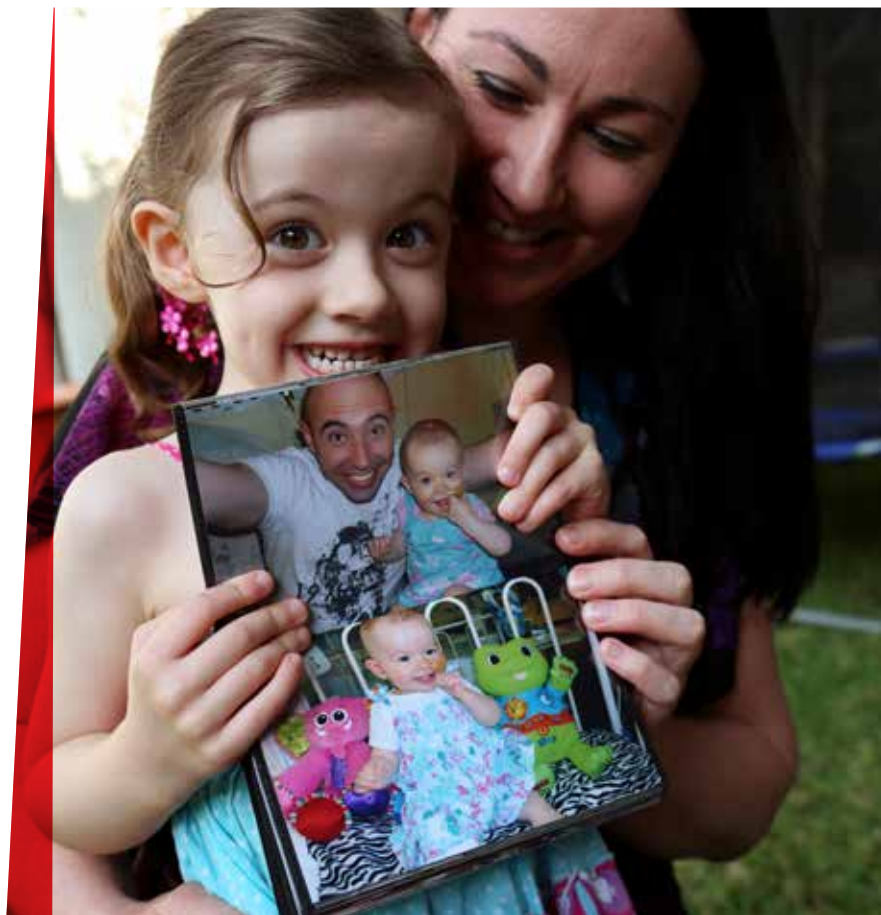
In total, our cash contributions through community partnerships, sponsorships and team member contributions in the 2016 financial year was \$129,911. In addition, discounts and store credits were provided to community groups and customers at store level during the reporting period.

Blood donations
by team members
saved over

483

lives in FY16

the
power of
humanity



OUR ENVIRONMENT

Care towards the environment requires a joint effort and our focus is to work with our trade partners, customers and team members to reduce the impacts of our products and operational activities.

As a retailer, our main environmental impacts relate to transportation, packaging, energy and raw material consumption, and waste production.

We are committed to minimise those impacts by:

- Maintaining an environmental management system that is regularly reviewed and improved for the prevention of pollution
- Identifying and ensuring compliance with applicable legal and other requirements to which the Group subscribes, such as the Australian Packaging Covenant (APC) and the National Greenhouse and Energy Reporting (NGER)
- Identifying environmental risks associated with our operations and setting targets, from a cost and process perspective, to reduce these risks in line with best practice and in a sustainable manner
- Using resources such as energy, water, raw materials, packaging and consumables as efficiently as practical in all areas of our business
- Continually improving waste management and recycling strategies
- Regularly communicating our expectations to team members on conducting business in accordance with our Environmental Policy
- Encouraging our trade partners to conduct business in accordance with our Ethical Sourcing Policy
- Where appropriate, publishing our policies, processes and achievements for the information of our stakeholders

These commitments are documented in our Environmental Policy.

ENVIRONMENTAL COMPLIANCE

The Group has an Environmental Management System (EMS) in place since 2011 to better manage our environmental impacts and drive environmental initiatives, including the reduction of waste, packaging and energy consumption. Our EMS Committee has representatives of various departments across the Group and meets quarterly to discuss ways to improve our environmental practices and monitor our progress against our goals.

As a retailer and brand owner, we are committed to reducing the environmental impacts of our consumer packaging and are a voluntary signatory of the Australian Packaging Covenant (APC).

We import a small range of products containing timber and have a due diligence process in place to meet the requirements of Australia's Illegal Logging Prohibition legislation, which seeks to minimise the risk that these products were made from wood that was illegally harvested.

We are also subject to the National Greenhouse and Energy Reporting Act (NGER Act) and, accordingly, have developed systems and processes for the collection, calculation and storage of the data required for reporting to ensure compliance.

Our next yearly NGER report outlining the Group's greenhouses gas emissions and energy use will be submitted to the Clean Energy Regulator in October 2016 to satisfy our obligations under the NGER Act. The results will be included in the Group's next Sustainability Report.

The Group has not received any fines or non-monetary sanctions for non-compliance with environmental laws and regulations during the reporting period.

WASTE

Reducing waste is good for the environment and reduces costs to our business. We continue to promote waste minimisation to all team members internally via intranet, email communications, store bulletins and team members meetings.

The primary goal of this activity is to continuously increase our recycling rates across the Group by raising team members' awareness, identifying new waste streams for recycling and opportunities for improvement, with the assistance of our team members and waste provider. Our progress is communicated to the Board, Group Leadership Team and operational management on a monthly basis.

Despite our efforts, the amount of waste produced in Australia increased by 8 per cent, mainly due to new stores and refurbishment activities to improve our customers' shopping experience. In New Zealand, our waste decreased by 21 per cent and recycling rates improved by 2.4 per cent.

Overall, our recycling rates also dropped by 1.3 per cent, slightly below our target of 53.5 per cent.

In the coming year, we will be actively developing strategies to improve our performance, such as waste reviews, team member awareness programs and investigation of recycling solutions for building materials in order to be able to effectively realise our targets next year.

	AUSTRALIA		NEW ZEALAND	
	2015	2016	2015	2016
Total waste produced (in tonnes)	9,444	10,183	874	688
Variance total waste	+8%		-21%	
Total Recycled	53.2%	52.5%	57.3%	59.7%
Variance recycling rates	-0.7%		+2.4%	

TRADE PARTNER ENGAGEMENT

We work closely with our trade partners to ensure packaging is in accordance to our environmental specifications, which includes the following core objectives:

- Design – optimise packaging to achieve resource efficiency and reduced environmental impact without compromising product quality and safety
- Recycling – ensure the efficient collection and recycling of packaging
- Product Stewardship – ensure a demonstrated commitment to product stewardship by the supply chain, and reduce the impact of post-consumer waste

The team liaises with factories on a regular basis and performs packaging assessments for all new products. Further, we proactively review existing packaging that passes through our Distribution Centre and recommend to trade partners how it might be optimised.

PRODUCTS REVIEWED 372	PLASTIC SAVINGS PER YEAR (kg)			
	Weight saved (kg)	Plastic saving per type (kg)		
		PP	PE	PVC
	4,309	298.9	3,979.8	30

* PP - Polypropylene, PE - Polyethylene, PVC - Polyvinyl chloride

During the reporting period:

- Our packaging optimisation program achieved 23.5 per cent pallet utilisation improvement (-1.9 per cent compared to FY 2015) and 10.65 per cent container utilisation improvement (+1.85 per cent compared to FY 2015). This program involves reducing packaging materials and improving air space. Figures relate to reviewed products only, not total activity
- We continued with our program to reduce the amount of plastics used to package our products. We estimate that a total of 4,309 kg of plastic material will be saved per year based on the products reviewed in FY16

Our team engages with our trade partners and encourages continuous improvement by awarding their performance via our Trade Partner Recognition Program, which includes publicly recognising those partners who achieve the highest scores.

AUSTRALIAN PACKAGING COVENANT (APC)

Super Retail Group has been a signatory of the APC since 2008. The APC is an agreement between government, industry and community groups to find and fund solutions to address packaging sustainability issues. It aims to encourage businesses to design more sustainable packaging, increase recycling rates and reduce packaging litter.

The Group has an action plan in place and reports on our progress against the plan to the APC on an annual basis.

Some key initiatives undertaken during the reporting period include:

- Publishing regular articles on waste and environmental topics through our internal communications channels to increase team members' awareness and encourage enterprise-wide participation in our environmental activities
- Continuing our packaging optimisation program. This program was launched in 2010 and over the past six years has worked to reduce air space and reduce the amount of packaging material we use by changing packing methods. As a result of this program, the Group has reduced a significant amount of packaging that could potentially become waste, at the same time as saving on shipping costs through optimising carton sizes on tertiary packaging
- Using recycling logos in our packaging and catalogues to encourage waste recycling
- Development and implementation of policies, procedures and guides to ensure adherence to the Sustainable Packaging Guidelines
- Engaging with our waste management provider on a regular basis to identify issues, review and improve our waste management practices

We consult and collaborate with the APC on a regular basis to ensure our commitments are aligned with best practice. In 2016, we are pleased to have again been recognised by the APC as one of highest performer signatories in the retail category.

Our APC action plan and reports are available on our corporate website.

THE ENVIRONMENTAL BENEFITS FROM OUR RECYCLING EFFORTS IN 2016 ARE EQUIVALENT* TO:

596

Cars permanently removed from roads

3,082

Annual Electricity requirements (households)

1,064

Annual Water Usage (people)

Factors used:
Cars removed – each car removed is equivalent to 5.1 tonnes of CO2 per year
Electricity savings – annual household electricity requirements is equal to 6000 kwh/year
Water savings – each persons' annual usage is equivalent to 256.25 litres of water per day

*The assumptions and estimates used to compile the Environmental Benefits Equivalent calculations have been provided by our waste provider and have been sourced from The Australian Recycling Sector Report 2012, produced by the Sustainability, Environment, Water, Population and Communities .

REDUCING WASTE THROUGH COLLABORATION

In line with our commitment to reduce resource waste, we work closely with our trade partners to optimise our product packaging, ensure it is fit for purpose and meets our specifications.

As an example of how small changes can make a big impact, a display box ranged at our Leisure brands has delivered both environmental and financial benefits to the Group and our trade partner. By changing the packaging design, we achieved major efficiencies, including:

45%

volume reduction

28%

material reduction

Container efficiency improved by

10%

(Old display box in 40 ft container: 444 pcs; new display box in 40' container: 912 pcs)

Quantity in 40 ft container improved by

105%

Annual estimated cost saving of

\$947,197

(shipping and materials)

This collaborative approach helps us build a stronger relationship with our trade partners, promotes mutual financial benefits and allow us to make a positive change to the environment.



Members of the International Operations Packaging (IOP) team.

PRODUCT RECYCLING AND REUSE

We continue to explore opportunities to improve resource recovery. Some of the current initiatives include:

- Supercheap Auto's oil and battery recycling initiatives – used batteries are collected in all stores and sent to recycling facilities to reduce waste. Old engine oil is also collected in selected stores for recycling.
- Clothes hangers reuse – all hangers used in Leisure and Sports stores are returned to our trade partners for reuse. According to our trade partner, approximately 321 loose cartons were collected from Rays and BCF stores alone in 2015.
- Cartridge recycling – used cartridges are collected from all sites with photocopiers and sent to our trade partner for recycling. We also use recycled cartridges in our photocopiers.
- Pallet reuse – the Group has a partnership with two local trade partners that enables stores to return their pallets to our Distribution Centres for reuse. Damaged pallets are recycled in our Distribution Centres by our waste provider.
- Office e-waste – used and obsolete IS equipment is collected by our Trade Partner and disposed in accordance with international standards.

For more information about our current recycling initiatives, please refer to our APC report, available in our corporate website.

Recycling initiative	Unit	2015	2016	YOY Change	Variance
Car batteries	N/A	35,929	49,719	+38.38%	+13,790
Oil	litres	233,200	631,400	+171.00%	+398,200

PAPER REDUCTION AND RECYCLING

Super Retail Group is committed to using recycled paper for catalogue printing and reducing advertising waste through greater targeted delivery. Our use of customer targeting software and greater emphasis on email marketing has enabled us to reduce catalogue distribution quantities with little or no loss in effectiveness.

In addition, all paper and cardboard used to package our products imported from China are made of 100 per cent recycled paper.

We also encourage team members to avoid printing documents unnecessarily and double-sided printing is set as the default on printers.

PLASTIC BAGS REDUCTION

To encourage customers to reduce their environmental impact, BCF decided to discontinue the use of plastic bags in store and instead offer customers the option to purchase a reusable shopping bag.

In our other stores, team members help reduce bag usage by asking customers if they need a plastic bag to carry small items, instead of automatically providing one.

ELECTRONIC PAYSIP SYSTEM

Our Electronic Payslip System has enabled team members to receive payslips via email or by logging into our payroll system, thus reducing our paper use. Weekly paper payslips are no longer used by the Group. We estimate this initiative saves approximately 600,000 pages per annum across the Group.

E-VOUCHERS

Our brands offer an e-voucher option to customers, which allows them to purchase products online or in-store. One of the benefits of e-cards is that they reduce materials and avoid unnecessary wastage.

ELECTRONIC DATA INTERCHANGE

By moving away from a paper-based exchange of business documentation to an electronic process, Super Retail Group enjoys major benefits such as paper reduction and reduced cost. Other benefits include faster, more efficient and more accurate procurement, improved overall supply chain visibility and efficiency and collaborative business processes with trade partners.

CLIMATE CHANGE

Climate change remains a serious challenge for all businesses, and the consequences of more extreme weather events are likely to widely impact our team members, customers and trade partners.

The 2015 Paris Climate Conference, COP21, established a global focus to drive change to ensure a sustainable climate that contributes to continued growth, better welfare for more people, functional ecosystems and a safe environment. This affects us all in a positive way and we aim to play our part in taking an active leadership role in combating climate change.

As a retailer, we recognise that many of the most significant climate impacts from our value chain occur outside of our own operations. We are focused on working with our trade partners to support their efforts to take action on this important issue for our planet.

At the same time, we continue our own efforts to reduce our climate impact by increasing energy efficiency across our operations, reducing waste and offering recycling channels to our customers for selected products that we sell in stores. Action on climate change also offers significant potential to create sustainable value for the Group through reducing our greenhouse emissions and operational costs related to waste, packaging and electricity consumption.

We will keep supporting innovation in technology enabling more environmentally friendly materials and processes and are committed to influence our value chain towards more sustainable operations.

To ensure transparency and better management of our climate impact from our business operations, the Group has been disclosing our carbon emissions in Australia and New Zealand to the Carbon Disclosure Project (CDP) since 2015. Through this reporting and analysis, we aim to improve the management of our carbon footprint, manage the risks and opportunities

from climate change to our business, and identify opportunities for emission and cost reductions.

We are currently developing a three-year plan to set out a program of work to achieve reduction in our carbon emissions relative to business size, including investigating the development of an emission reduction target, in line with science-based data, in the next financial year.

Our CDP Report is available on our corporate website.

ENERGY AND GREENHOUSE GAS EMISSIONS

The environmental data outlined in this report relate to our Australian operations only. Energy and emissions data is collected and calculated as part of mandatory carbon reporting governed by Australian legislation.

Our primary operational greenhouse gas emissions are from electricity used in our retail stores, Support Offices and Distribution Centres in Australia. Those emissions (Scope 2) represent 99 per cent of our total emissions. Our Scope 1 emissions relates to motor vehicles fully maintained by the Group and represent 1 per cent of our total emissions.

We are pleased to report that during the relevant reporting period, the Group achieved a decrease in our energy use intensity of 3 per cent and decrease in emissions intensity of 4 per cent. This was achieved through energy efficiency initiatives, such as by purchasing more energy efficient cars.

Our total energy consumption increased by 3 per cent and our total greenhouse gas emissions increased by 2 per cent compared to the previous reporting period. This increase was due to business growth, with total site numbers increasing from 604 to 613 sites over the respective reporting periods, and store refurbishment activity, with floor space increasing at some stores.

Description	Unit	2014	2015	YOY Change
Greenhouse Gas Emissions (Scope 1)	tCO ₂	965	894	-7%
Greenhouse Gas Emissions (Scope 2)	tCO ₂	81,088	83,004	2%
Total Greenhouse Emissions (Scope 1 and Scope 2)	tCO ₂	82,053	83,898	2%
Energy consumed	GJ	343,653	353,653	3%
Greenhouse Emissions intensity (CO ₂ e/\$1 million revenue)	tCO ₂	38.84	37.47	-4%
Energy intensity (CO ₂ e/\$1 million revenue)	GJ	162.71	157.97	-3%

Notes:

1. Scope 1 – Fuels; Scope 2 – Electricity and natural gas.
2. Total energy consumed refers to fuels (fully maintained cars), electricity and gas consumption in stores.
3. Emissions have been calculated by compiling the total kilowatt usage for each facility, obtained from electricity billing records. Where data was incomplete we have proportioned the billing records so they reflect usage of 365 days (or less if the facility has not operated for the full year). Where the data was not available, we have estimated the usage based on previous usage or similar facility.
4. Data relates to the 2014 and 2015 financial years. Our 2016 report for will be submitted to the Clean Energy Regulator in October 2016 and reported in the next financial year

ELECTRICITY USAGE REDUCTION INITIATIVES

We are committed to reduce power usage and monitor our performance by exploring and implementing a number of initiatives across the Group, including:

- Driving cultural and behavioural change – educating team members on how to reduce power usage
- Team member engagement – actively seeking input from team members on how to further improve energy efficiency
- Structural initiatives – changing building specifications, such as lighting upgrades and heat reflective roof paint
- Installation of energy saving devices and control equipment, such as 'smart' thermostats and light sensors
- Procedural initiatives – optimising the hours of operation of equipment, e.g. air conditioning, lighting and illuminated signage through timers and photoelectric cells

During the reporting period we continued to advance our long term electricity management plan. The plan takes a whole-of-business approach and looks to ensure we have the right reporting mechanisms to provide accurate, verifiable data in order to identify poorly performing sites across the Group so that corrective action can be taken.

Having a proactive approach to energy efficiency enables an improved response to rising electricity costs, particularly given our significant exposure to electricity prices for our stores, offices and distribution centres.

TRANSPORT

Emissions related to transport are around 1 per cent of our total carbon footprint. Those emissions relate to fully maintained motor vehicles that are used by team members in the discharge of their duties, such as managing stores, providing training and preventing asset loss. Transport related to the delivery of our products is provided by trade partners.

We will continue review our fleet with a view to identifying opportunities to further lower our emissions.



PRODUCT TRANSPORT AND SUPPLY CHAIN

The Group has an international supply chain, with product being sourced from various parts of the world. In the last 12 months, our mix of imported and domestic supply has remained reasonably consistent, as has the overall structure of our supply chain.

In total, the Group purchased goods costing approximately \$250 million from overseas trade partners, predominantly based in China. Our remaining \$1.1 billion of purchases were sourced from domestic trade partners.

Our products are sent to distribution centres, stores and customers by trade partners using road, air and sea. Our ability to reduce carbon emissions is driven by:

- Increasing efficiencies in packing and packaging design to maximize the utilization of container space, and consequently reducing the number of containers and trucks required
- Consolidating store loads across our various retail brands to reduce the total number of truck trips
- Optimising our distribution centre network to reduce the distance between these distribution centres and our stores and customers, thereby reducing the kilometres travelled

During the reporting period we have made good progress in each of these areas. Some of the initiatives undertaken over the last 12 months include:

- Reviewing the packaging used by overseas trade partners that supply private branded products, with 85 per cent of total products reviewed being improved to enhance packaging utilisation. As a result, pallet space utilisation for these products was improved by 23.5 per cent and container space utilisation by 10.65 per cent
- Realising the benefits from the re-configuration of our distribution centre network. Between 2011 and 2014, the Group re-designed its distribution network, constructing new facilities in Sydney and Brisbane and closing older facilities. This reporting period represented the first full year of benefits from the re-design, which has resulted in significant reductions in both truck trips and total kilometres travelled. With our Distribution Centres now located closer to our store network, we have been able to consolidate loads across multiple retail brands. For the last 12 months, the Group has achieved a reduction of more than 2.7 million kilometres in truck travel, as well as reducing the number of truck trips by over 2,000
- Working with transportation partners to increase the use of modern, fuel efficient vehicles, and to explore the use of more sustainable fuels

BUSINESS TRAVEL

While some team members are required to travel as part of their role, our support offices are equipped with appropriate technology to enable team members to hold virtual meetings whenever possible.

The main environmental impact associated with business travel is carbon emissions from burning fossil fuels. Our carbon emissions data associated with business travel by road have increased by 12 per cent and 35 per cent by air during the reporting period. The increase was driven by business growth, the inclusion of Infinite Retail and Youcamp in the Group's business portfolio, better engaging our overseas trade partners, as well as progressing Group-wide strategic projects that required increased collaboration between team members and trade partners from different states.

Looking ahead, our strategy to reduce travel includes:

- A review of our current Travel Policy
- Introduction of a ride share and taxi share technology to enable team members to share rides between the airport and office where there are multiple team members on the same flight
- Encouraging team members to hold virtual meetings whenever possible
- International travel cuts to business class, encouraging team members to use premium economy, or mixed class (fly Premium outbound and Business back), which dramatically reduces the amount of emissions proportionally per passenger

We will continue to monitor our overall business travel in order to identify opportunities to reduce our emissions and impacts.

Description*	Unit	2015	2016	YOY Change
Road travel	tCO2	827	927	12%
Air travel	tCO2	4,537	6,140	35%

*Road travel based on car hire. Air travel relates to domestic and international travel.





APPENDIX



APPENDIX: OUR IMPACTS AND MATERIALITY

MATERIAL ASPECT	ASPECT BOUNDARY	KEY STAKEHOLDERS	LIMITATION
CATEGORY: ECONOMIC			
Economic Performance	Our Operations	Team members; Shareholders; Regulators; Trade partners; Communities (current and future)	
Indirect Economic Impacts	Our Operations	Team members; Trade partners; Communities (current and future)	
CATEGORY: ENVIRONMENT			
Energy	Our Operations	Shareholders; Regulators; Team Members; Communities (current and future)	
Emissions	Our Operations	Shareholders; Regulators; Team Members; Trade Partners; Communities (current and future)	
Waste	Our Operations	Shareholders; Industry Associations; Communities (current and future)	
Products and Services	Our Operations	Shareholders, Trade Partners; Industry Associations; Regulators; Team Members; Communities (current and future); Customers	
Compliance	Our Operations; Our Supply Chain	Shareholders; Regulators; Trade Partners; Communities (current and future); Customers	
Transport	Our Operations; Our Supply Chain; Global	Shareholders; Trade Partners; Communities (current and future)	Limited data due to the complexity of our supply chain and availability of accurate and verifiable data

APPENDIX: OUR IMPACTS AND MATERIALITY

MATERIAL ASPECT	ASPECT BOUNDARY	KEY STAKEHOLDERS	LIMITATION
CATEGORY: SOCIAL			
Employment	Our Operations	Team Members; Communities (current and future)	
Occupational Health and Safety	Our Operations	Team Members; Regulators; Communities (current and future)	
Training and Education	Our Operations	Team Members	Limited data due to different record keeping methods (on-line and paper based)
Diversity and Equal Opportunity	Our Operations	Team Members; Regulators; Communities (current and future)	
Supplier Assessment for Labour Practices	Our Supply Chain	Trade Partners; Regulators; Shareholders; Communities (current and future)	Limited data due to availability of verifiable data
Labour Practices Grievance Mechanisms	Our Operations; Our Supply Chain	Team Members; Trade Partners; Regulators	
Non-Discrimination	Our Operations	Team Members; Regulators; Communities (current and future)	
Freedom of Association and Collective Bargaining	Our Operations; Our Supply Chain	Team Members; Shareholders; Customers; Communities (current and future); Trade Partners	
Child Labour	Our Operations; Our Supply Chain;	Shareholders; Communities (current and future); Trade Partners	
Forced and Compulsory Labour	Our Operations; Our Supply Chain	Shareholders; Communities (current and future); Trade Partners	
Supplier Human Rights Assessment	Our Supply Chain	Trade Partners; Shareholders; Communities (current and future)	Limited data due to availability of verifiable data
Customer Health and Safety	Our Operations; Our Supply Chain	Customers; Communities (current and future); Shareholders; Regulators; Trade Partners	
Product and Service Labelling	Our Operations; Our Supply Chain	Customers; Regulators; Trade Partners	
Marketing Communications	Our Operations	Customers; Regulators; Communities (current and future)	
Customer Privacy	Our Operations	Customers; Regulators	
Compliance	Our Operations	Shareholders; Customers; Regulators; Trade Partners; Communities (current and future)	

GRI G4 CONTENT INDEX

GRI REFERENCE	COVERAGE	REFERENCE/SECTION	PAGE	NOTES
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GENERAL STANDARD DISCLOSURES

STRATEGY AND ANALYSIS				
G4-1	Full	Message from our CEO	1	
ORGANISATIONAL PROFILE				
G4-3	Full	This Index	-	Super Retail Group Limited
G4-4	Full	About Us	4	
G4-5	Full	This index	-	Lawnton, QLD, Australia
G4-6	Full	About us; Our Network	8-9	
G4-7	Full	About us; Our Governance	10	
G4-8	Full	About us; Our Business; Our Network	6-7	
G4-9	Full	Contained within Super Retail Group 2016 Annual Report	-	Our Annual Report is available at our corporate website
G4-10	Full	Our People; within our Workplace Gender Equality Report (WGER) 2015-2016		Our WGER is available at our corporate website
G4-11	Full	Employment Conditions	11	
G4-12	Full	Our Network; Product Transport and Supply Chain	26	
G4-13	Full	Contained within Super Retail Group 2016 Annual Report	-	
G4-14	Full	Sustainability at Super Retail Group	Include whole section	The Group applies the precautionary principle by analysing, monitoring and taking actions to reduce its environmental impacts. Our Environmental Policy is consistent with the precautionary principle.
G4-15	Full	Australian Packaging Covenant; This index	-	We are a signatory of the Australian Packaging Covenant and support the Fair Labour Association, the Universal Declaration of Human Rights, the Convention of Rights of the Child and the ILO Declaration on Fundamental Principles and Rights at Work
G4-16	Full	Our Stakeholders; Australian Packaging Covenant (APC)	21	

GRI G4 CONTENT INDEX

GRI REFERENCE	COVERAGE	REFERENCE/SECTION	PAGE	NOTES
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES				
G4-17	Full	Contained within Super Retail Group 2016 Annual Report	-	
G4-18	Full	Defining Materiality	4-5	
G4-19	Full	Defining Materiality	4-5	
G4-20	Full	Appendix 1: Our impacts and materiality	30-31	
G4-21	Full	Appendix 1: Our impacts and materiality	30-31	
G4-22	Full	This index	-	No restatements this year
G4-23	Full	This index	-	No significant changes from previous year
STAKEHOLDER ENGAGEMENT				
G4-24	Full	Our Stakeholders	4	
G4-25	Full	Our Stakeholders	4	
G4-26	Full	Our Stakeholders ; Defining Materiality	4-5	
G4-27	Full	Our Stakeholders; Defining Materiality	4-5	
REPORT PROFILE				
G4-28	Full	About this report	Inside cover	
G4-29	Full	This index	-	2015 Corporate Review (released 18/09/15)
G4-30	Full	This index	-	Annual
G4-31	Full	About this report	Inside cover	
G4-32	Full	About this report; this index	Inside cover	Super Retail Group did not seek external assurance for this report
G4-33	Full	About this publication	Inside cover	Super Retail Group did not seek external assurance for this report

GRI G4 CONTENT INDEX

GRI REFERENCE	COVERAGE	REFERENCE/SECTION	PAGE	NOTES
GOVERNANCE				
G4-34	Full	Our Governance; within Super Retail Group 2016 Annual Report	10	Our Annual Report is available at our corporate website

ETHICS AND INTEGRITY				
G4-56	Full	Our Governance; Our Purpose; Ethical Sourcing; within our Code of Conduct	10, 16	Our Code of Conduct is available at our corporate website

DMA AND INDICATORS	OMISSIONS	REFERENCE	PAGE	NOTES
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SPECIFIC STANDARD DISCLOSURES

ECONOMIC

ECONOMIC PERFORMANCE				
G4-DMA		Sustainability framework; Adding Economic Value; within Super Retail Group 2016 Annual Report	10	Our Annual Report is available at our corporate website
G4-EC1		Community and Sponsorship Partnerships; within Super Retail Group 2016 Annual Report	10	Our Annual Report is available at our corporate website
G4-EC2		Climate Change; Energy and Greenhouse Emissions; within our CDP Report 2016	24-25	Our CDP report is available at our corporate website
G4-EC8		Our Community	18-19	

ENVIRONMENTAL

EMISSIONS				
G4-DMA		Our Environment; Environmental Compliance; Energy and Greenhouse Emissions	20, 24	
G4-EN15		Energy and Greenhouse Emissions; contained within our CPD Report and NGER	24	Our CDP Report is available at our corporate website. Our NGER data is publicly available at the Clean Energy Regulator website
G4-EN16		Energy and Greenhouse Emissions; contained within our CPD Report and NGER	24	Our CDP Report is available at our corporate website. Our NGER data is publicly available at the Clean Energy Regulator website
G4-EN19		Electricity Usage Reduction Initiatives; contained within our CPD Report	25	Our CDP Report is available at our corporate website.

GRI G4 CONTENT INDEX

DMA AND INDICATORS	OMISSIONS	REFERENCE	PAGE	NOTES
EFFLUENTS AND WASTE				
G4-DMA		Waste; Environmental Compliance; Australian Packaging Covenant (APC); Product Recycling and Reuse; Paper Reduction and Recycling	20-23	
G4-EN23		Waste	20	
PRODUCTS AND SERVICES				
G4-DMA		Our Environment; Environmental Compliance; Waste; Trade Partner Engagement; Australian Packaging Covenant; Product Recycling and Reuse; Product Transport and Supply Chain	20-26	
G4-EN27		Waste; Trade Partner Engagement; Australian Packaging Covenant; Product Recycling and Reuse; Product Transport and Supply Chain	20-26	
COMPLIANCE				
G4-DMA		Environmental Compliance	20	
G4-EN29		Environmental Compliance; Product Responsibility	20, 17	
TRANSPORT				
G4-DMA		Transport; Product Transport and Supply Chain; Business Travel	25-26	
G4-EN30	Quantitative data on impacts	Transport; Product Transport and Supply Chain; Business Travel	25-26	Quantitative data for product transport not included due to a lack of systems to capture this information

SOCIAL

LABOR PRACTICES AND DECENT WORK

EMPLOYMENT				
G4-DMA		Our People; Team Engagement	14	
G4-LA1		Learning and Development; Team Engagement	14	

GRI G4 CONTENT INDEX

DMA AND INDICATORS	OMISSIONS	REFERENCE	PAGE	NOTES
OCCUPATIONAL HEALTH AND SAFETY				
G4-DMA		Safety and Wellbeing	11	
G4-LA6		Safety and Wellbeing	11	
TRAINING AND EDUCATION				
G4-DMA		Learning and Development	14	
G4-LA11	Quantitative data	Learning and Development	14	We are currently unable to provide an accurate number of team members receiving regular performance and career development reviews due to different record keeping methods (on-line and paper based)
DIVERSITY AND EQUAL OPPORTUNITY				
G4-DMA		Diversity and Inclusion	12-13	
G4-LA12		Diversity and Inclusion; Gender Diversity; Other Diversity Initiatives	12-13	
SUPPLIER ASSESSMENT FOR LABOUR PRACTICES				
G4-DMA		Ethical Sourcing; Respecting Human Rights	16	
G4-LA14	Quantitative data	Ethical Sourcing; Respecting Human Rights; this index	16	We are currently unable to provide an accurate percentage of new suppliers that were screened using labour practices criteria. A plan is in place to address this issue and we expect to report against this KPI in the near future.
G4-LA15	Quantitative data	Respecting Human Rights; Ethical Sourcing; this index	16	We are currently unable to provide an accurate number of trade partners subject to impact assessments. A plan is in place to address this issue and we expect to report against this KPI in the near future.
G4-LA16		This index	32-38	No grievances about labour practices were filed through formal grievance mechanisms during the reporting period and prior to the reporting period.

GRI G4 CONTENT INDEX

DMA AND INDICATORS	OMISSIONS	REFERENCE	PAGE	NOTES
HUMAN RIGHTS				
NON-DISCRIMINATION				
G4-DMA		Diversity and Inclusion; Gender Diversity	12-13	
G4-HR3		Other Diversity Initiatives	13	There were no incidences of discrimination during the reporting period, however, we are currently developing systems to record this data more accurately.
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
G4-DMA		Ethical Sourcing; Respecting Human Rights	16	
G4-HR4		Ethical Sourcing; Respecting Human Rights	16	
CHILD LABOUR				
G4-DMA		Ethical Sourcing; Respecting Human Rights	16	
G4-HR5		Ethical Sourcing; Respecting Human Rights	16	
FORCED OR COMPULSORY LABOUR				
G4-DMA		Ethical Sourcing; Respecting Human Rights	16	
G4-HR6		Ethical Sourcing; Respecting Human Rights	16	
SUPPLIER HUMAN RIGHTS ASSESSMENT				
G4-DMA		Ethical Sourcing; Respecting Human Rights	16	
G4-HR10		Ethical Sourcing; Respecting Human Rights; this index	16	We are currently unable to provide an accurate percentage of new suppliers that were screened using human rights criteria. A plan is in place to address this issue and we expect to report against this KPI in the near future.
SOCIETY				
COMPLIANCE				
G4-DMA		Our Governance; Product Safety and Quality; Responsible Marketing	10, 17	

GRI G4 CONTENT INDEX

DMA AND INDICATORS	OMISSIONS	REFERENCE	PAGE	NOTES
G4-SO8		This Index	32-38	There were no significant fines or sanctions for non-compliance with laws and regulations in this reporting period

PRODUCT RESPONSIBILITY

CUSTOMER HEALTH AND SAFETY				
G4-DMA		Product Safety and Quality	17	
G4-PR2		Product Safety and Quality	17	
PRODUCT AND SERVICE LABELING				
G4-DMA		Product Safety and Quality	17	
G4-PR4		Product Safety and Quality	17	
MARKETING COMMUNICATIONS				
G4-DMA		Responsible Marketing	17	
G4-PR6		Responsible Marketing	17	
G4-PR7		Responsible Marketing	17	
CUSTOMER PRIVACY				
G4-PR8		Digital and Cyber Security; Customer data and Privacy	18	
COMPLIANCE				
G4-DMA		Product Responsibility; Responsible Marketing	17	
G4-PR9		This Index	32-38	There were no monetary fines non-compliance with laws and regulations concerning the provision and use of our products in the reporting period





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