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JB HI-FI LIMITED SUSTAINABILITY REPORT 2021



60 City Road, Southbank, Victoria, Australia 3006



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.

ABOUT THIS REPORT

This is the JB Hi-Fi Group’s second Sustainability Report and serves as a review of our sustainability performance covering the reporting period 1 July 2020 – 30 June 2021. 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 2021 Annual Report.

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

MAKING PROGRESS ON OUR SUSTAINABILITY PLAN AND COMMITMENTS

We are pleased to be presenting this report on our sustainability performance for the 2021 financial year (FY21). Looking back on the year, the challenges associated with COVID-19 continued as both a health crisis and a source of economic disruption that have impacted our day to day lives and, at times, our business operations.

The resilience of our entire team has been inspiring. We remained focused and have been agile in how we responded to the changes and followed all health and safety requirements. At the same time, we have made significant progress on our sustainability commitments that will ensure we continue to have a positive impact on our people, our communities, and our environment for years to come.

OUR PEOPLE

Our people are our most important asset, and their health, safety and wellbeing will always be our number one priority.

This year, in addition to our COVID management and response plan, our safety focus has been expanded to include a range of support programs in response to the mental health risks that are increasingly evident in our society and in our workplaces. Our existing programs such as 'We Care' have provided invaluable support to our store teams and we established a new partnership with The Resilience Project to offer a ten-week virtual program for our Support Office team who endured many months of remote working during the year.

We are passionate about fostering a work environment that is safe, inclusive and welcoming for everyone. Having a diverse and inclusive team is a high priority

for our business. This year we launched several key initiatives to enhance our Group Diversity and Inclusion strategy. Our competency-based framework will guide our recruitment, retention and succession planning, as well as our flexible working and equal opportunity policies. We also implemented a national training program to promote the principles of equal opportunity and respect within our stores and support offices.

We have worked hard at communicating with our teams and have developed a new online system to help us engage with, and obtain feedback from, our teams more frequently, through a 'pulse' survey strategy. This included our recent Inclusion survey which has provided valuable feedback and helped lay the foundation for enhancing our Group Diversity and Inclusion strategy in the year ahead.



OUR COMMUNITIES

Across the JB Hi-Fi and The Good Guys businesses, our teams work with hundreds of suppliers, and we continue to engage with them and industry bodies to be able to effectively assess and address the risk of modern slavery. This year, we released our first Modern Slavery Statement which outlines the actions we are taking.

We are so proud of our team for their incredible effort to support our community partners through our Helping Hands and Doing Good workplace giving programs, which this year surpassed donations of \$28m since inception. We continue to seek innovation within our workplace giving programs, and this year Helping Hands launched an environmental initiative called 'Earth Squad' that will help to fund two organisations (2040 and Carbon8) working to raise awareness of ways to mitigate the risks associated with climate change.

OUR ENVIRONMENT

Recognising the impact climate change is having on our natural environment and on our lives, we believe that it is important to act with a sense of urgency around climate action. We have continued our efforts toward reducing our greenhouse gas emissions, and to position our business to navigate the risks and seize new opportunities as our economy transitions toward renewable energy.

A keynote of this year's report is the Group's commitment to reach

net-zero direct (scope 1 and scope 2) carbon emissions by 2030.

The implementation of our plan began this year with the launch of our first solar powered JB Hi-Fi store and will continue in FY22, with an additional 15 stores to have solar power generation installed before the end of 2021.



Our team's passion to adopt circular economy thinking and search for solutions to reduce, re-use and recycle has been inspiring. This was reflected through a number of different initiatives such as The Good Guys team developing a uniform recycling program that will see an initial 2000kg of fabric and textiles re-purposed and our JB Hi-Fi team developing new systems and processes to re-use unsellable mobile phones, DVD and Blu Ray cases. These initiatives are smart, simple and tangible examples of our teams' ability to develop ideas that are good for our environment and to make them happen.

This is my final sustainability report as CEO of JB Hi-Fi Group before Terry Smart takes over to lead the Group. I have had the privilege to work at JB Hi-Fi for 18 years including seven years as CEO. I am proud of the sustainability commitments and initiatives that we have implemented in that time. Knowing that our sustainability plan is now established and progressing fills me with great optimism that JB Hi-Fi and The Good Guys will continue to be among Australia's most trusted and admired brands for many years to come.

Richard Murray
Group Chief Executive Officer
16 August 2021

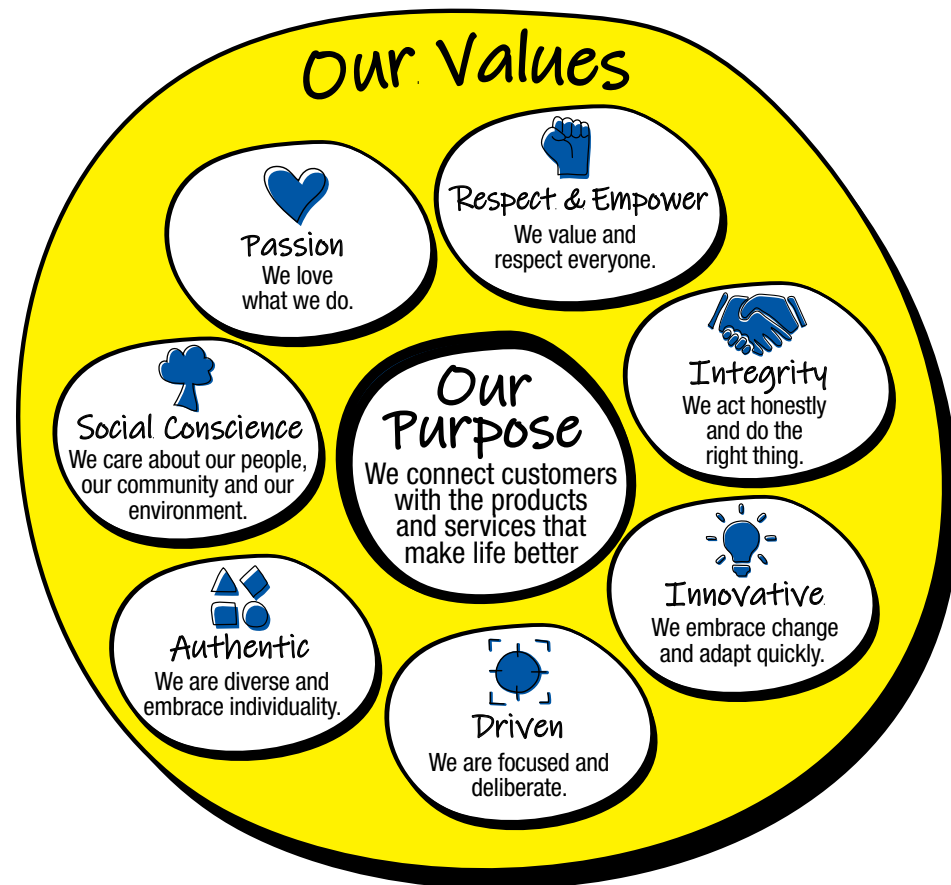


OUR COMMITMENT TO RESPONSIBLE BUSINESS PRACTICE

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 the need to act ethically and operate as a responsible business.

Our aspiration to be a Group that acts 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 and demonstrate our understanding and focus on addressing the most material social and environmental issues facing our industry.



1 FOCUSING ON THE MATERIAL ENVIRONMENTAL AND SOCIAL ISSUES THAT MATTER

The Group conducted a materiality review in FY20 to identify the environmental and social issues which we identified as being relevant and important to our businesses and conducted a review in FY21 which confirmed this assessment. The issues identified were informed by:

- the application of globally recognised materiality tests¹
- the views and expectations of our stakeholders including our team members, investors, suppliers, and customers
- the principles contained within our Risk Management Framework
- consideration of both current and emerging areas of focus for the retail industry

These issues form the basis of our Group Sustainability Plan, which guides how we manage them on an on-going basis. The priority we assign to each issue is determined by its potential impact on society and the environment, as well as the importance of that issue to our stakeholders.

Our FY21 Sustainability Report outlines our approach to managing each of the material issues, our achievements and progress to date, and areas for improvement including our FY22 commitments.

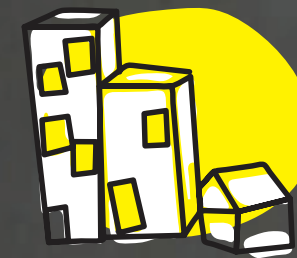
Material issues for the business not considered to be related to environmental or social impacts are addressed within the FY21 JB Hi-Fi Limited Annual Report.

Our sustainability areas of focus are:



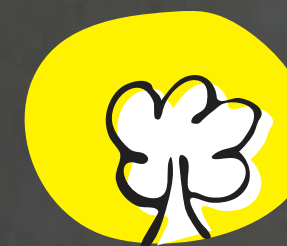
Our People & Culture

- Diversity and inclusion
- Employee health and safety
- Employee engagement, communication and employment practices
- Responsible business



Our Communities

- Community investment
- Ethical sourcing



Our Environment

- Product & waste recycling
- Packaging
- Emissions & energy

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



Our People & Culture

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 over 13,000 team members who are crucial to the success of our businesses.

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

HEALTH, SAFETY & WELLBEING

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

OUR APPROACH

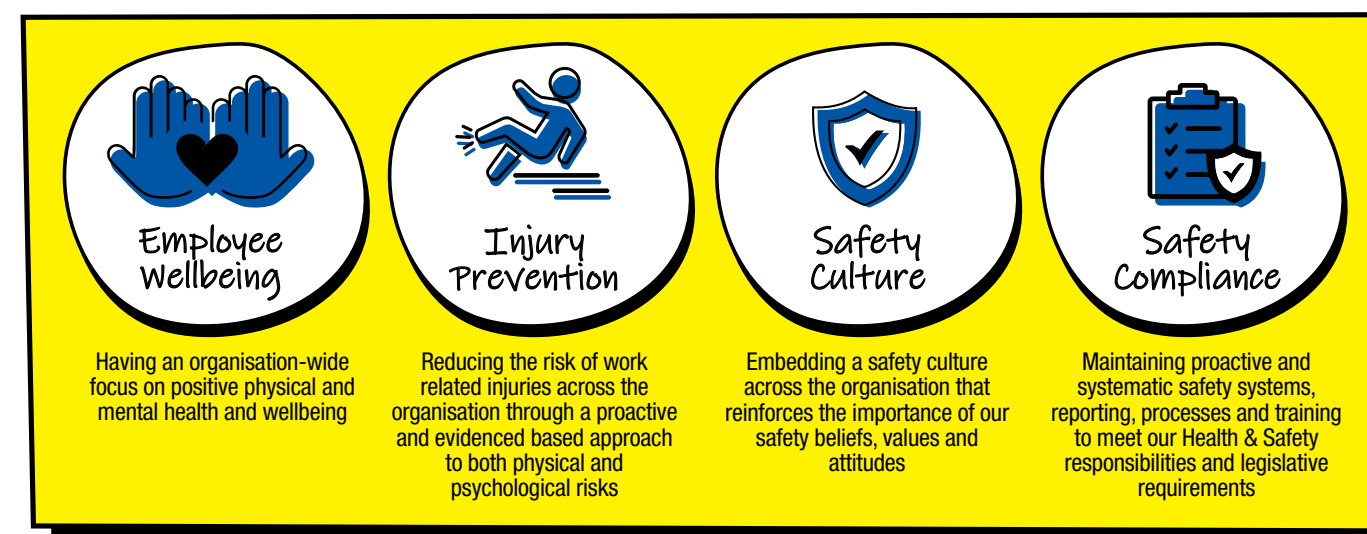
Our top priority is to create a safe workplace and shopping environment.

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

- maintaining a strong leadership focus and implementing a Group strategy for safety
- employing a systematic approach to incident management and risk mitigation, supported by our Group Occupational Health and Safety System
- ensuring safety procedures are embedded into all operational processes and working on continuous improvement
- providing on-going training and supporting our team members to champion the health and safety message throughout our businesses
- ensuring our safety committees across our businesses meet regularly to ensure all health and safety risks are understood and effectively mitigated
- establishing key performance indicators and safety targets to monitor and improve performance
- maintaining strong governance and oversight of performance against our KPI's and targets by the Group's Audit & Risk Management Committee (a sub-committee of the Board of Directors) and the Board

This year, the Group's safety team was increased in both size and capability. Our safety and injury management team comprises qualified allied health practitioners (such as physiotherapists and a psychologist) who support our team members at an early stage to help reduce the impact of injuries and improve return to work outcomes.

Our Group-wide National Safety Strategy comprises the following four key pillars.



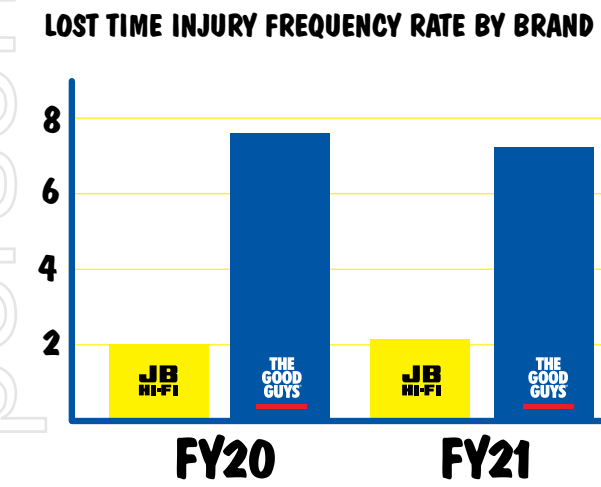
A key element to our approach is a commitment to building and maintaining a safety-first culture that is consistent across both of our brands. The Good Guys continue to embed their safety-first culture through the ‘Safety Champions’ program across its store network, to recognise team members and improve awareness and engagement around key safety initiatives and achievements.

The JB Hi-Fi business has instilled and maintained its culture of safety by continuing to promote ‘We Care Day’ and increasing the number of resources available to team members to help them better manage their health and wellbeing. In addition to this, there is continuous training and awareness on specific safety focuses that relate directly to our highest incident types (such as manual handling, aggressive customers, cuts and lacerations, and slips and trips type incidents) as well as a strong focus on reporting and early intervention.

OUR PERFORMANCE AND PROGRESS

The Group measures its safety performance using a number of metrics to enable early identification of incident trends and allow for proactive management and continual improvement.

These metrics are used to set annual targets to further reduce the incident frequency and improve the overall safety and wellbeing of our team. This is managed through the safety policies, processes, systems and training we put in place.

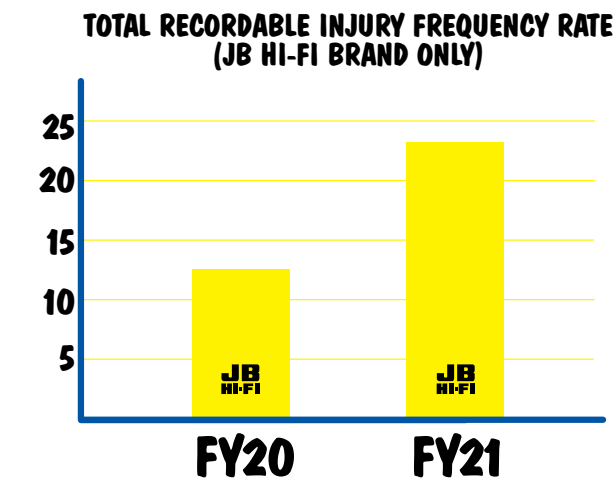


1 INJURIES AND LOST TIME

Lost time injury frequency rate (LTIFR²) records all worker compensation claims that result in loss of time from work. Total recorded injury frequency rate (TRIFR³) records all injuries receiving medical treatment, regardless of whether the injury resulted in an absence from work.

JB Hi-Fi’s lost time injury frequency rate (FY21: 2.15) increased by 8% (as a result of two additional lost time injuries) during the year, coming off a low base of 1.99 in FY20. This is below the average industry rate and is a result of the supportive culture JB Hi-Fi has in assisting injured workers back to work.

²LTIFR 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



³TRIFR is calculated by the number of Total Recordable Injuries / number of Worked hours multiplied by 1,000,000. A Total Recordable Injury is defined as a work-related injury that required medical treatment

TRIFR has increased by 84% on the prior year. This increase has been largely driven by improvements in the completeness and accuracy of reporting of injuries; as well as more team members seeking reassurance from their health professionals for minor ailments that have been recorded as an injury, but not necessarily resulted in time off work.

The Good Guy’s lost time injury frequency rate (FY21: 7.29) decreased by 5% from the previous year, which is reflective of the continued focus and improved safety

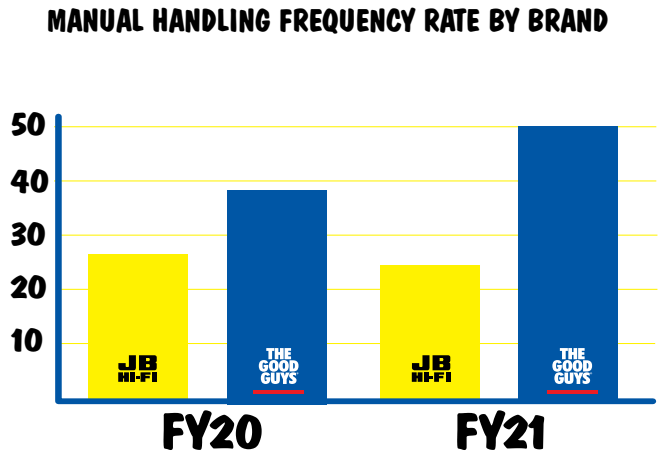
2 MANUAL HANDLING

The manual handling frequency rate (MHFR⁴) relates to any manual handling incident type that was reported, regardless of whether the incident or injury required medical treatment. Manual handling injuries remain the predominant injury type for both businesses and are a high priority for the Group.

JB Hi-Fi achieved a 6% reduction in the MHFR from FY2020 as a result of continued training and upskilling of our teams. The Good Guys had a 29% increase in MHFR as compared to the previous year. This increase is attributable to injury management training conducted during the year which re-emphasised the importance of early intervention and reporting of all muscular strains, no matter how minor, to reduce the likelihood of more significant longer-term injury. This has allowed for early management of minor muscular strains which is expected to lead to a decrease in the number of injuries requiring on-going medical treatment.



practices within the business. Injury management training was delivered to all store managers aimed at increasing their knowledge and confidence in managing injuries. On average, store managers reported a confidence rate of 9.07 (out of 10) in managing workplace injuries following the training (the confidence rate before the training was 7.43). This is the first year that The Good Guys has collected TRIFR data, and the Group will report on this metric in our FY22 report.



⁴MHFR is calculated by the number of manual handling incidents reported / number of worked hours multiplied by 1,000,000

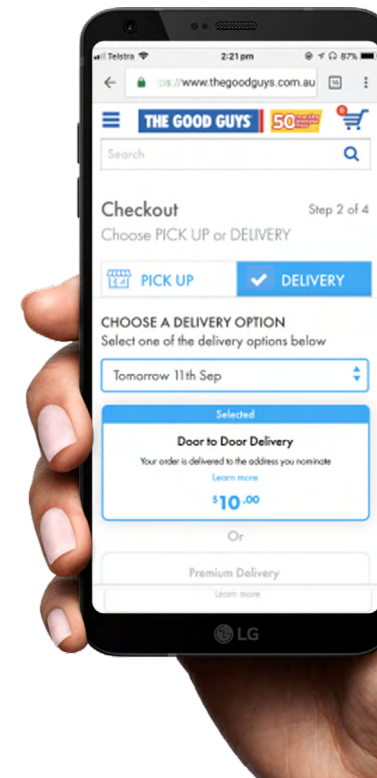
3 COVID-19 MANAGEMENT

The effective management of COVID-19 continues to be a focus for our businesses. During the year our COVID-19 steering committee met regularly to ensure all of our stores, distribution centres and support office locations operated in accordance with state and territory government COVID-19 safety protocols and requirements.

We implemented a COVID-19 management and response plan in line with government guidance which included COVID-19-specific hygiene, mental health, social distancing, training, and communication initiatives designed to protect the safety of our team members, customers and business partners.



Through this management and response plan we have ensured the business is highly responsive, implementing the necessary operational changes in our businesses to ensure we limit the risk of spreading the virus and continue servicing our customers safely.



Over the past 12 months, state and territory regulatory authorities have conducted reviews of our COVID-19 management processes across more than 50 of our stores and warehouses across the Group.

The health and safety measures that were assessed during these reviews included strict social distancing, personal hygiene, cleaning standards, capacity limits, hand sanitisation stations, supply of personal protective equipment, and wellbeing support programs.

Through these assessments we were acknowledged by government authorities for our consistently high levels of compliance with the relevant regulations.



4 MENTAL HEALTH & WELLBEING

The impact on mental health and wellbeing as a result of COVID-19 emerged as a significant risk to our team during FY21. We focused on responding to this risk pro-actively across the Group through a variety of 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. These initiatives included:

- further investment in our 'We Care' program across our JB Hi-Fi retail business, which provides a forum for our store teams to meet regularly to share and discuss their concerns and learnings about mental health and wellbeing
- mental health training for our JB Hi-Fi sales and merchandising managers, The Good Guys territory managers, and our human resources and senior management teams at support office
- delivering a 10-week health and wellbeing program for our Victorian support office during the extended Victorian lockdown period, conducted online in conjunction with The Resilience Project⁵
- increasing the profile of the Group's Employee Assistance Program whereby employees can access outside support and counselling in relation to a broad range of personal and work-related issues

OUR HEALTH, SAFETY AND WELLBEING COMMITMENTS FOR FY22



Continue to refine how we approach mental health well-being across the business through a combination of staff initiatives and training and awareness.



Implement initiatives aimed at improving performance across all measurable targets.



Conduct further review of our manual handling practices, including an investment in different types of manual handling equipment for our store teams.

⁵The Resilience Project is an organisation that delivers emotionally engaging programs and evidence-based mental health strategies to build resilience and happiness.

DIVERSITY & INCLUSION

"We are committed to a diverse and inclusive culture"

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

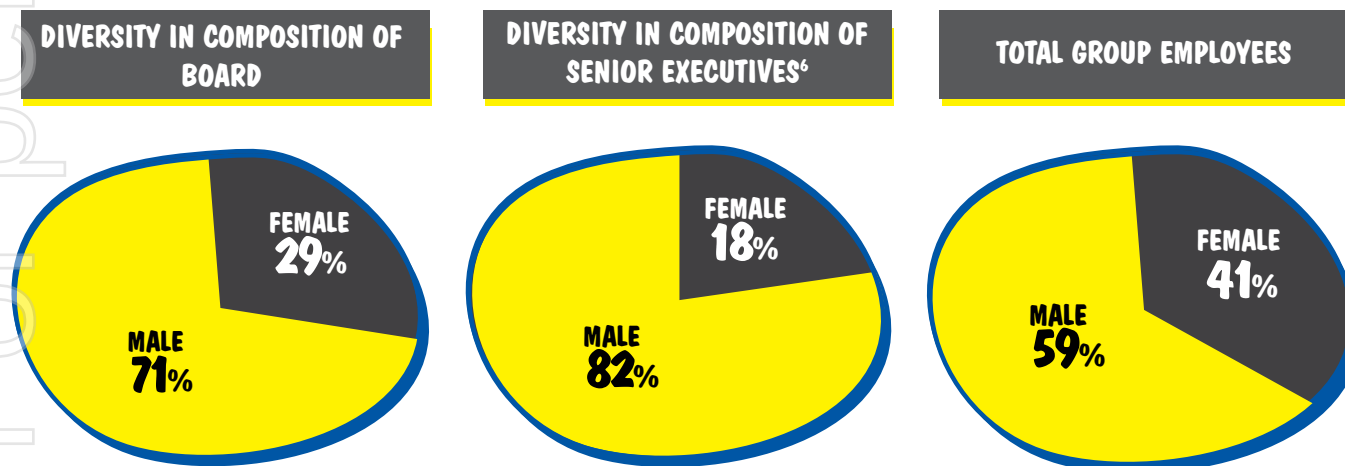
OUR APPROACH

At JB Hi-Fi and The Good Guys, we are passionate about fostering a work environment that is safe, inclusive and welcoming for everyone. We recognise that our customers and our community are diverse, and we believe it is important that our teams reflect the same diversity.

Key to this is our Group wide shared commitment to a diverse and inclusive culture, which we believe can lead to high levels of innovation, encourage different perspectives, and attract and retain talent.

OUR PERFORMANCE AND PROGRESS

The following charts provide an overview of the gender composition across the Group as at 30 June 2021:



The Board has set measurable objectives to advance gender diversity within our business. These objectives include increasing the proportion of females in leadership positions across the organisation, which is a key priority of the business. Progress toward achieving these objectives are set out in the following table:

OBJECTIVE	JUNE 2021	JUNE 2020
To have not less than 30% of its directors of each gender by 30 June 2022	29%	29%
To increase the percentage of female to male senior managers	18%	18%
To increase the percentage of female to male store managers	20%	17%
To increase the percentage of female to male territory / area managers	14%	17%
To maintain or increase the percentage of female to male team members in the workforce generally	41%	40%

We have made significant progress in implementing foundational processes and policies that we believe will enable even greater diversity and representation of women in leadership roles across our business. This includes developing behavioural competencies to identify high potential talent, strengthening and equalising recruitment and selection practices, and developing succession and development plans for high potential talent.

1 ENHANCING OUR DIVERSITY AND INCLUSION STRATEGY

This year we launched a number of initiatives to enhance our Group Diversity and Inclusion Strategy and reinforce the importance of diversity and inclusion to the long-term success and sustainability of our business.

The Group has undertaken a comprehensive project to engage our team members in developing the Group strategy and action plans. This project had a clear aim to listen and gain deeper insights from our team into their experiences of inclusion at JB Hi-Fi and The Good Guys, including the potential barriers to womens' progression to leadership roles. It has also helped us to identify and prioritise new initiatives which will support the roll-out of the revised Group Diversity and Inclusion Strategy in FY22, and further strengthen the Group's culture of inclusion over coming years.



2 LISTENING AND LEARNING FROM OUR TEAMS

One of the key workstreams of the project was our Inclusion Survey that invited all team members to share their feelings of inclusion at JB Hi-Fi and The Good Guys. We received responses from 26% of our team members, and more than 2700 of those responses from store team members.

This was followed by a series of workshops, interviews and focus groups that involved approximately 200 team members from across stores and support office and representation from every level of the business. These listening sessions have helped us gain even more understanding of the experiences of inclusion in the workplace for our team members, and together with the quantitative analysis of key diversity indicators, will help us further develop our diversity and inclusion action planning.

⁶Management/Executive means the 10 Group Executives and the 46 next most senior managers of the Group.

3 COMPETENCIES AND TALENT MAPPING

Both JB Hi-Fi and The Good Guys have made significant progress with the program of work to develop common competency-based criteria to identify and grow diverse talent, along with systematic talent mapping across all key roles in the organisation. This program of work is foundational to increasing visibility, transparency and access to career opportunities, and identifying and developing high potential diverse talent.

Alongside this foundational work, during FY21 JB Hi-Fi and The Good Guys have focussed on developing systems to enable regular reporting and assessment of progress towards the adopted gender diversity objectives, including gender diversity dashboard reporting.



4 EQUAL OPPORTUNITY AND WORKPLACE BEHAVIOUR

JB Hi-Fi and The Good Guys are committed to ensuring our workplace is safe, respectful and free from unlawful discrimination and sexual harassment.

As part of this ongoing commitment, in October 2020 we expanded our Group Equal Opportunity and Workplace Behaviour Policy and training program.

The policy and training are designed to ensure that our team members understand how they can address and escalate any situation that leaves them feeling uncomfortable or unsafe. This includes any instance of discrimination or sexual harassment directed at our store team members from customers. We have focused on ensuring that our managers are confident in the steps

they should take to support their teams with any issue that is brought forward. This training was released and completed across all JB Hi-Fi and The Good Guys teams from October 2020 to March 2021.

In addition to this, both JB Hi-Fi and The Good Guys provided training on dealing with disgruntled and aggressive customers throughout the year. This ranged from specific aggression relating to COVID-19, to more generalised forms of customer aggression. Training was provided through team talks, face to face training and an online learning module (launched in June 2021) that provides additional guidelines on how to manage and respond to the most common types of customer aggression that are observed by our teams.

5 BETTER ENGAGEMENT

Building on our commitment to listen and learn from our teams, we have invested in a new online platform which will increase the accessibility and regularity of engagement surveys to encourage feedback from our team members.

As a core component of the Group's listening strategy, this new platform is designed to facilitate more regular feedback via 'pulse' surveys through mobile devices and QR codes and is expected to result in increased

participation. The new platform will significantly reduce the lead time for assessing and taking action on results and communicating back to team members.

JB Hi-Fi and The Good Guys launched the first survey using this new platform in mid-July 2021, and sought feedback from team members on, amongst other things, diversity and inclusion, flexibility, safety and wellbeing, sustainability and the Group's COVID-19 response.

6 FLEXIBLE WORKING

JB Hi-Fi and The Good Guys launched a Flexible Work Policy in June 2020. The COVID-19 restrictions necessitated a rapid move to enact the Policy and transition our support office team members to work remotely. For the majority of this reporting year, our business shifted to a new way of working, leveraging digital technology to facilitate effective remote communication and collaboration.

As restrictions eased in Victoria, both JB Hi-Fi and The Good Guys have continued to operate flexibly. Support Office team members have worked with their managers to find the right balance between their individual needs and the operational needs of the business on an ongoing basis.

Underpinning this new way of working is the Group's recognition that, by adapting to the differing needs of our team members, we will attract and retain the best talent and further reduce potential barriers to progression to leadership roles.

The Group recognises that, for many of our team members, their responsibilities and commitments extend beyond work. As well as remote working, some of the other ways in which we offer a flexible working environment for our team members include:

- options to work part time or job-share
- variations to start and finish times
- a range of leave provisions such as paid maternity leave, emergency services leave, family and domestic violence leave and flexibility to take leave at half pay.

The Group remains committed to openly considering ways to support the needs of our team members, while balancing the needs of our customers and our businesses.



NUMBER OF EMPLOYEES WHO CELEBRATED LONG SERVICE MILESTONES DURING THE YEAR

The success of each our brands is underpinned by all our people, and we have long service recognition awards to celebrate each five-year milestone that is passed. Team members that achieve 20 years of service receive a special award and a \$2000 gift voucher. This year we recognised 1,594 team members for their loyalty and service.

YEARS OF SERVICE	#JB EMPLOYEES	#TGC EMPLOYEES
 5	732	212
 10	350	82
 15	122	49
 20	29	14
 25	-	4

Impact 21 is a pioneering work readiness initiative specifically designed for young people with Down Syndrome and intellectual disabilities. It is one of the flagship programs of the Inclusion Foundation and JB Hi-Fi is a proud founding partner of the program. We look forward to welcoming another two team members from the 2021 program cohort and considering how we can extend the program.



8 TIKANGA AND MANA WAHINE IN JB HI-FI NEW ZEALAND

Tikanga

For our JB Hi-Fi New Zealand team members, we have continued our Tikanga culture and values program. 'Tikanga', is a Maori concept that integrates the culture and values our team members helped us define into our ways of working, and build a sense of pride, ownership and purpose across our business.

Our Tikanga values are reflected visually using the Waka – the Maori expression for the canoe – and our store teams and support office have celebrated our Tikanga program each month and reflected on a different value.

A Maori proverb states “Ko tōu reo, ko tōku reo te tuakiri tangata. Tīhei uriuri, tīhei nakonako – Your voice and my voice are expressions of identity. May our descendants live on and our hopes be fulfilled”.

The program will continue in FY22 and our JB Hi-Fi NZ team members will be focussing on their personal journey of where they are from and how they arrived at JB Hi-Fi New Zealand. Tikanga discussions will be had at the beginning of every “hui” (training session) and team conference to establish unity, understanding and foster a greater knowledge of each other.



Mana Wahine

'Mana Wahine' is the Maori term for 'strong woman' and has helped shape our New Zealand female leadership mentoring program. The program brings together eight up and coming female leaders with eight senior women to act as mentors and help shape our emerging talent.



In this second year of the program, the feedback confirms the value, and has resulted in three of the emerging leaders being promoted to new management roles.



OUR DIVERSITY AND INCLUSION COMMITMENTS FOR FY22



Launch our Group Diversity and Inclusion action plan to focus on increasing women in leadership at JB Hi-Fi and TGG.



Conduct more frequent pulse surveys with team members.



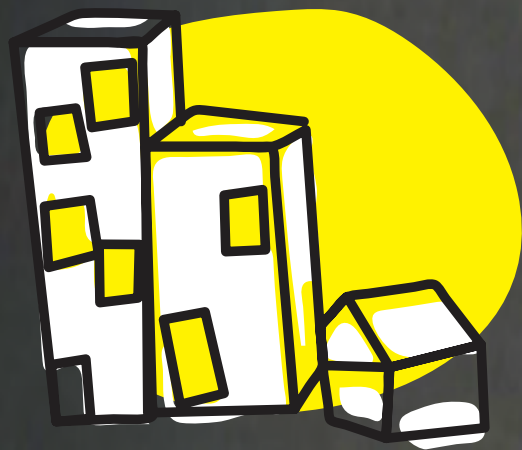
Continue rollout of communications and training to support team members in addressing or escalating any situation that leaves them feeling uncomfortable or unsafe at work.



Women in Leadership program to include a further sixteen participants.



Mana Wahine program to include a further eight participants.



Creating Positive Impacts for our Communities

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

COMMUNITY INVESTMENT

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

Over this past year, the impact of the COVID-19 pandemic has had profound effects on the work of our community and environmental partners. We are humbled and proud of our store teams and customers getting behind the causes and campaigns we care about and helping community organisations do their important work.

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 that workplace giving is a simple and efficient way to donate and provide regular 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 company and there is no cap on matched funding. For more than a decade, the JB Hi-Fi Group has 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. WGA works with employers to develop best practice corporate giving programs.

Our Group CEO, Richard Murray, is the chair of WGA's Employer Leadership Group that advocates for workplace giving with business leaders.

1 JB HI-FI'S HELPING HANDS



Helping Hands approaches giving through long-term partnerships (circa five to ten years) to achieve goal-based outcomes. The program supports a range of social and environmental issues that are important to our team members.

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 performance, and plan communications and fundraising campaigns to engage our team members and customers.

Beyond the regular workplace giving donations, Helping Hands receives donations from our customers through our 'Change for Change' donation points and through the sale of JB Hi-Fi plastic and re-usable bags in Australia. In FY21 \$41,809 was raised through 'change for change' and \$228,071 was raised through bag sales. These funds were distributed evenly across our Australian charity partners.

2 THE GOOD GUYS DOING GOOD

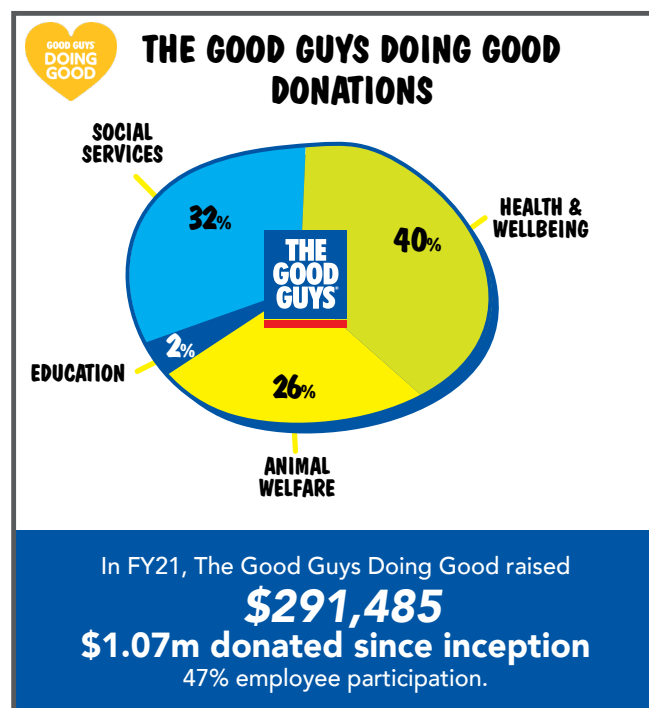
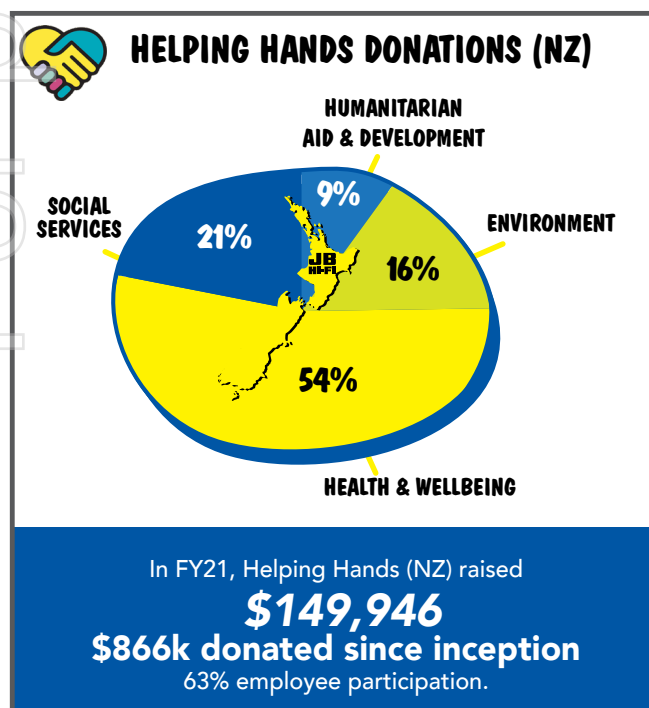
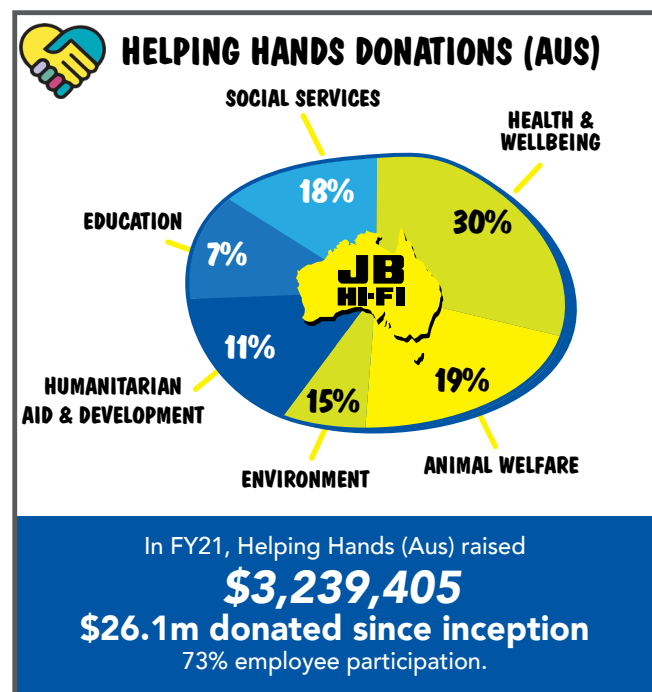


Social consciousness and a desire to support Australian families 'live better' has been one of the defining values of The Good Guys business for over 30 years. The Good Guys 'Doing Good' workplace giving program aims to enhance the wellbeing of

Australians and donations support our 12 charity partners and their work to make a positive and sustainable impact.

The charity partners have been selected by our team members and reflect the interests and causes that are important to them including some local and state issues that are special to our team members and customers in those regions.

OUR PERFORMANCE AND PROGRESS



JB Hi-Fi Helping Hands was again recognised at the 2021 Annual Workplace Giving Australia Excellence Awards. The contributions of our team to our workplace giving program and the campaigns we deliver in support of our charity partners resulted in JB Hi-Fi receiving two Gold awards, one for the 'Best Overall Program', and another for 'Best Innovation'.

Both awards reflect the commitment of our team members to creating positive social and environmental change, and our desire to contribute to building a more compassionate society.



3 NEW TO HELPING HANDS



IN OCTOBER 2020 WE LAUNCHED AN 'EARTH SQUAD' INITIATIVE THAT WILL FUND TWO ORGANISATIONS (2040 AND CARBON8) WORKING TO RAISE AWARENESS ON WAYS TO MITIGATE CLIMATE CHANGE RISKS.

2040

Through film and social media, the 2040 documentary presents the future we could create if more people embraced the best climate solutions that are available now. It delivers positive messages of hope and action on how we can all act on climate change.

Our support of 2040 is helping them engage more people through their commitment to the six tangible and immediate changes available to combat climate change including:



EDUCATING GIRLS



MARINE PERMACULTURE



RESOURCES



ENERGY



TRANSPORT



REGENERATIVE AGRICULTURE

Carbon eight

Building on our partnership with 2040, we did further research into organisations that are responding to one of 2040's six solutions available now to combat Climate Change. Carbon8 is an Australian organisation working with national farmers to change traditional farming practices to regenerative agriculture methods. The benefits of these modern contemporary farming practices will help:

- draw down carbon from the atmosphere into the soil
- improve land quality and ability to hold and store water
- improve soil health and grow healthier food



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 the communities across Australia, New Zealand and in a range of international locations.

JB HI-FI HELPING HANDS AUS



BUSH HERITAGE

Protecting 11.3 million hectares of Australian bush - home to 6,700 precious native species and holds over 45 million tonnes of carbon stock



COMPANION ANIMAL NETWORK AUSTRALIA

Caring for companion animals - 20,825 companion animals and re-homed 15,745

2040

Raised over \$200,000 to scale climate solutions, engaged over 400,000

Australian school students, facilitated 50 corporate and community screening events, and planted 10,000 trees



Carbon eight

Supported 450 farmers and sent over 1200 books on regenerative agriculture to regional schools, libraries and farmers across Australia



THE FRED HOLLOWES FOUNDATION

Screened 14,040 people in remote Australian communities and performed 2,280 eye operations and treatments



KIDS UNDER COVER

Built 113 studios to support 176 young people from falling into homelessness in Victoria, and provided 506 education scholarships



McAULEY COMMUNITY SERVICES FOR WOMEN

Supported almost 1400 women and children experiencing family violence and expanded to provide more permanent housing for women accessing their services



MEDECINS SANS FRONTIERES

Contributed to 2,690,600 cases of Malaria being treated, delivery of 306,800 at risk babies, and 161,400 malnourished children being admitted to feeding programs in over 88 countries



OXFAM

Funding helped global Oxfam effort to support 12.7 million people in 23 countries



REACH OUT

Supported the mental health and wellbeing of more than 3 million people and their families, and provided 65,000 young people a safe environment to seek help through our peer-support forums



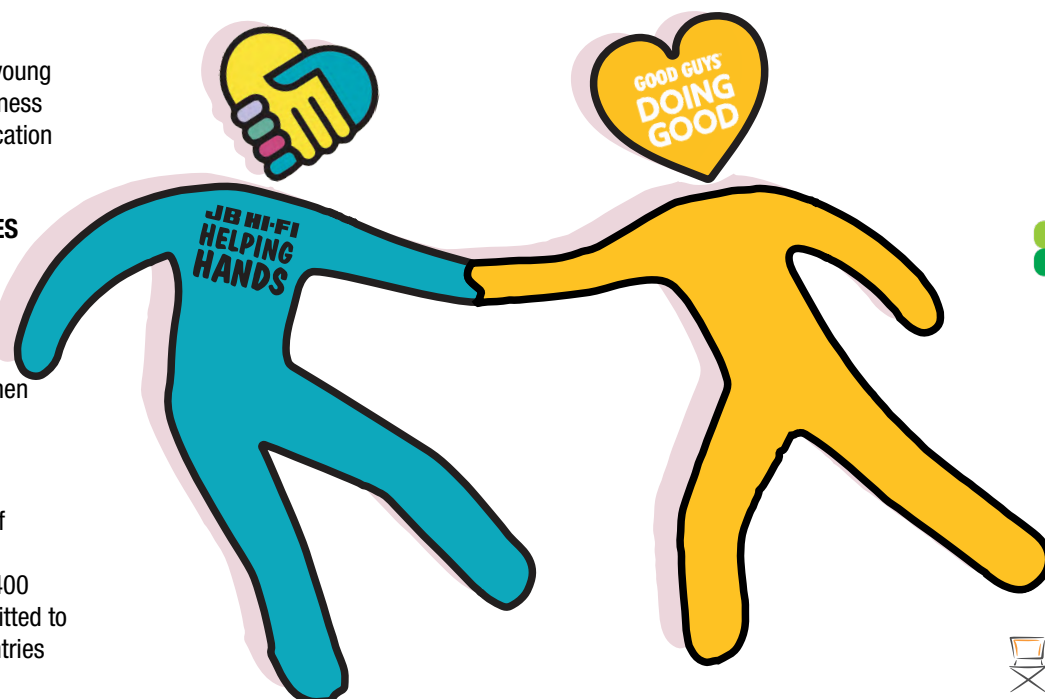
REDKITE

Provided cancer support such as counselling, financial assistance, and music therapy treatments to approximately 2,400 children and their families living with cancer



THE SONG ROOM

Supported over 13,000 students and development of 120 online education resources



JB HI-FI HELPING HANDS NZ



FOREST AND BIRD

Funding to support 5 major campaigns to protect marine protected areas, native land and eco-systems, and protected species to thrive



KENZIES GIFT

Helped 68 Kiwi families experiencing serious illness and grief



MUSICHELPS - NEW CHARITY PARTNER

Distributed financial grants to support those in the music and entertainment industry that experienced extended shutdowns due to COVID



PLUNKET

Whānau Āwhina Plunket offers a range of community services designed to empower people in their parenting and connect them to other local whānau or families



SHELTER BOX

Supported more than 2 million people made homeless due to natural disaster or civil emergency, from Vanuatu to Honduras, India to Mozambique



YOUTHLINE

Funded the 24/7 Helpline respond to more than 84,051 texts, calls, emails, and web chats from young people experiencing mental health issues

THE GOOD GUYS DOING GOOD



BERRY STREET

Supported more than 35,000 vulnerable children, young people, and families



DANIEL MORCOMBE FOUNDATION

Provided child safety education to 4,846 schools and early learning centres Australia-wide



EDCONNECT

Volunteer support for over 14,000 students, with schools reporting a 98% increase in improved student-school relationships



HEARTKIDS

Provided over 26,000 hours of support for families impacted by congenital heart disease



KICK START FOR KIDS

School breakfast and lunch program helping over 1000 children from disadvantaged backgrounds to fully participate in school and increase self esteem



McGRATH FOUNDATION

Funding for 15 newly placed breast care nurses to provide free support to families experiencing breast cancer across Australia



ORANGE SKY

Funding to support 4460kg of laundry and 223 safe hot showers for people experiencing homelessness



PERTH CHILDREN'S HOSPITAL FOUNDATION

Gave a record \$8.79m in grants to help transform children's healthcare in Western Australia, funding ground-breaking research, advanced equipment and innovative education and training programs



PROSTATE CANCER FOUNDATION OF AUSTRALIA

Continued to fund world class research projects and launched the country's first Prostate Cancer Specialist Telenursing Service dedicated to supporting the 45 men a day diagnosed with prostate cancer



RSPCA AUSTRALIA

Cared for around 110,000 animals and worked to educate communities about responsible pet ownership



SOLDIER ON

Funding to support the annual March-On campaign that raised more than \$1.85m to help prevent veteran suicide



WHITELION

Whitelion supported 1082 young people at risk with mentoring matches and created 30 job placements

In-store Campaigns and Event Fundraising

CARBON 8



Our team members embraced our new charity partner Carbon8, with a month long national in-store campaign, and designed their own in-store banners to invite donations from our customers.



Over a four-week campaign and national farmers day, we raised

\$73,042

for our new charity partner, Carbon8

MCAULEY COMMUNITY SERVICES FOR WOMEN

Supporting women and children who've faced family violence

\$10



Our JB H-Fi in-store campaign held in October 2020 helped raise awareness and funds for McAuley through the sale of postcards to our customers shopping in-store. For the first time, we also included information and access to the campaign for customers shopping online.

This was especially important at a time when incidents of family violence increased due to the COVID pandemic and extended periods of lockdown, particularly in Victoria, impacted the way charities like McAuley can seek to raise funds.

The combination of in-store and online channels to support McAuley Community Services for Women raised

\$100,000



MCGRATH FOUNDATION

This year, donations from Doing Good funded an **additional 15 new breast care nurses** who provided free support to **more than 10,000 families**

The funds raised support the McGrath Foundation with their national Breast Care Nursing program, which provides patients and their families living with breast cancer with free physical, emotional, and psycho-social support, from the time of diagnosis and throughout treatment.

The Good Guys Workplace Giving Program Doing Good has donated \$218,000 over the past five years, and has contributed to funding 162 McGrath breast care nurses.



MUSIC HELPS

Helping Hands New Zealand welcomed Music Helps to the program in recognition of the impact of COVID on the local music industry. Music Helps funds programs and initiatives that showcase the power of music to change lives. Their grants program has helped New Zealanders in need, including hundreds of Kiwi music people experiencing hardship and illness.



Our New Zealand fundraising event for Music Helps raised \$21,549

to expand their local grants program

OUR COMMUNITY INVESTMENT COMMITMENTS FOR FY22



Survey our team members to test engagement and explore new causes that our people care about and are willing to support.



Review the strategy that determines the recipient/s of funds raised from the sales of our plastic and multi-use bags.



Continuing to evolve our understanding of the impact our programs are having on our charity partners and the community.



Identify new opportunities for our innovation category that can create social impact.



Review and relaunch The Good Guys Doing Good program.

ETHICAL SOURCING

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

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

In FY21 we continued our progress towards responsibly managing the risks in our supply chain. Our aim is to work with our suppliers to protect and further human rights, improve working conditions and strive to 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 product for our XCD and Flea Market brands
- indirect trade suppliers, consisting of suppliers within the supply chain that contribute to the construction of products that we resell
- non-trade suppliers, consisting of suppliers of goods and services not for re-sale that are integral for the running of our businesses

- 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 human rights risk. Our aim is to ensure workers are treated fairly and provided with safe working and living conditions.

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

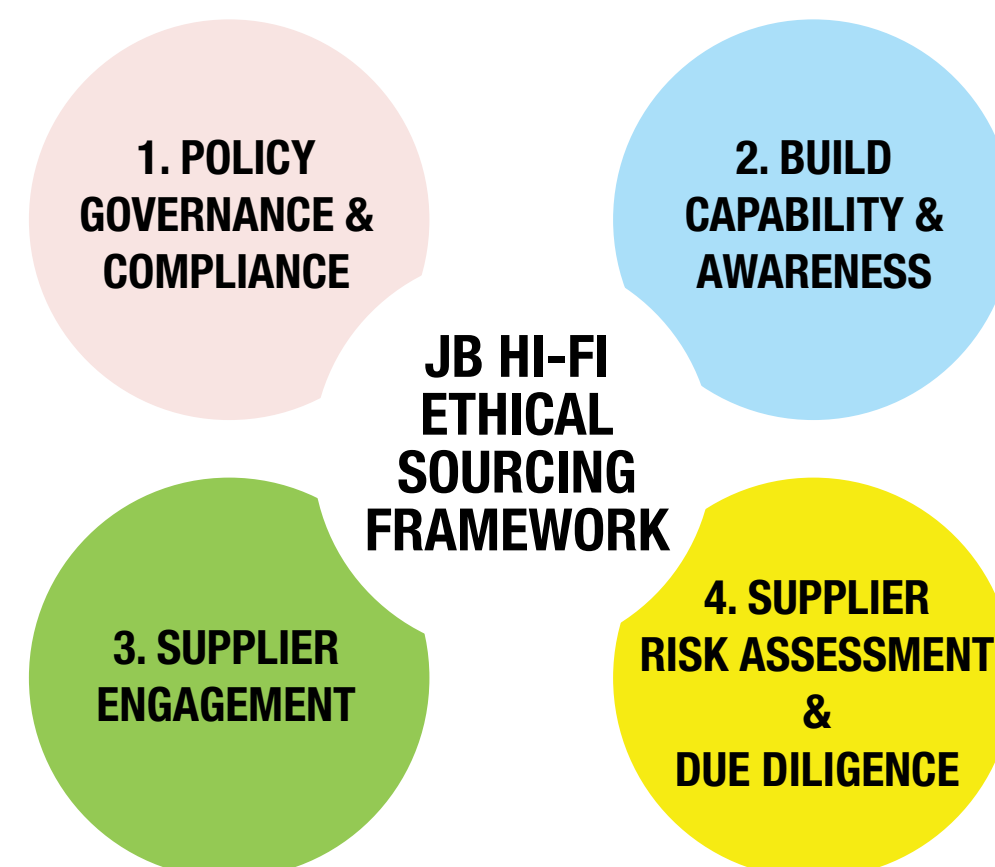
- contributing to, or being directly linked to, modern slavery in the supply chain as a result of the operations of our trade suppliers or indirect suppliers (e.g. deceptive recruitment practices and trafficking of migrant workers or the use of forced labour/child labour by direct or indirect suppliers 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

- 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 Ethical Sourcing Policy (the Policy) outlines the minimum standards we expect of our suppliers' labour, safety, environmental and ethical practices. The Policy is designed to uphold worker rights and minimise unnecessary adverse impacts on the environment. It is informed by 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) Based Code, and the International Labour Organisation (ILO) fundamental conventions concerning rights at work. The Policy design also takes into account consultation with key stakeholders such as suppliers and specialists within the area of human rights.

To support the implementation of the 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 Modern Slavery Act.



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

This approach helps us prioritise effort and resources when undertaking supplier due diligence.



OUR PERFORMANCE AND PROGRESS

1 JB HI-FI'S MODERN SLAVERY STATEMENT

The Group's (FY20) first Modern Slavery Statement was submitted to the Australian Border Force in March 2021. The Statement provides a report of the actions that had been taken in assessing and addressing the risk of modern slavery in our operations and supply chain up to 30 June 2020.

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 approach to modern slavery.

The operational responsibility for ethical sourcing and modern slavery sits with the Group Sustainability and Risk Team, which works in collaboration with business units across the Group. The Chief Financial Officer has

accountability and ownership of the framework at an Executive level.

The Audit and Risk Management Committee is responsible for reviewing the Group's plans, actions and reporting in relation to modern slavery and for assessing and monitoring the effectiveness of the Group's planned initiatives. The Audit & Risk Committee reports to the Board on these issues.

2 CONTINUING TO BUILD OUR CAPABILITY AND AWARENESS

The Responsible Business Alliance (RBA) is a global non-profit industry coalition comprised of companies committed to supporting the rights and well-being of workers and communities. As members of the RBA, we can 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.

Some of the key initiatives undertaken by the RLI include the development and release of a Responsible Recruitment Due Diligence Toolkit and a Practical Guide to Due Diligence on Recruitment Fees in International Supply Chains, both of which we will seek to share with our suppliers where relevant, as part of our on-going engagement with them on ethical sourcing.

In addition to this, the RBA also shared Guidance on Due Diligence related to Ethnic Minority Human Rights with its members, which we will apply going forward as part of our supplier due diligence.

3 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.

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

Whilst a large proportion of our suppliers have pro-actively engaged on 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 utilise the networks provided through our membership with the RBA (where applicable) to open lines of communication.

In FY21 the Group extended its ethical sourcing due diligence to an additional 27 suppliers.

The Group has now engaged over 530 of its suppliers on ethical sourcing

We will further refine our risk-based approach and start extending the scope of our ethical sourcing due diligence process to even more of our supply chain, including smaller suppliers operating in high-risk industries or geographies.

4 SUPPLIER RISK ASSESSMENT AND DUE DILIGENCE

The Group has adopted a 3-tiered risk-based approach to supplier due diligence⁷ to assess the risk of modern slavery in its supply chain:

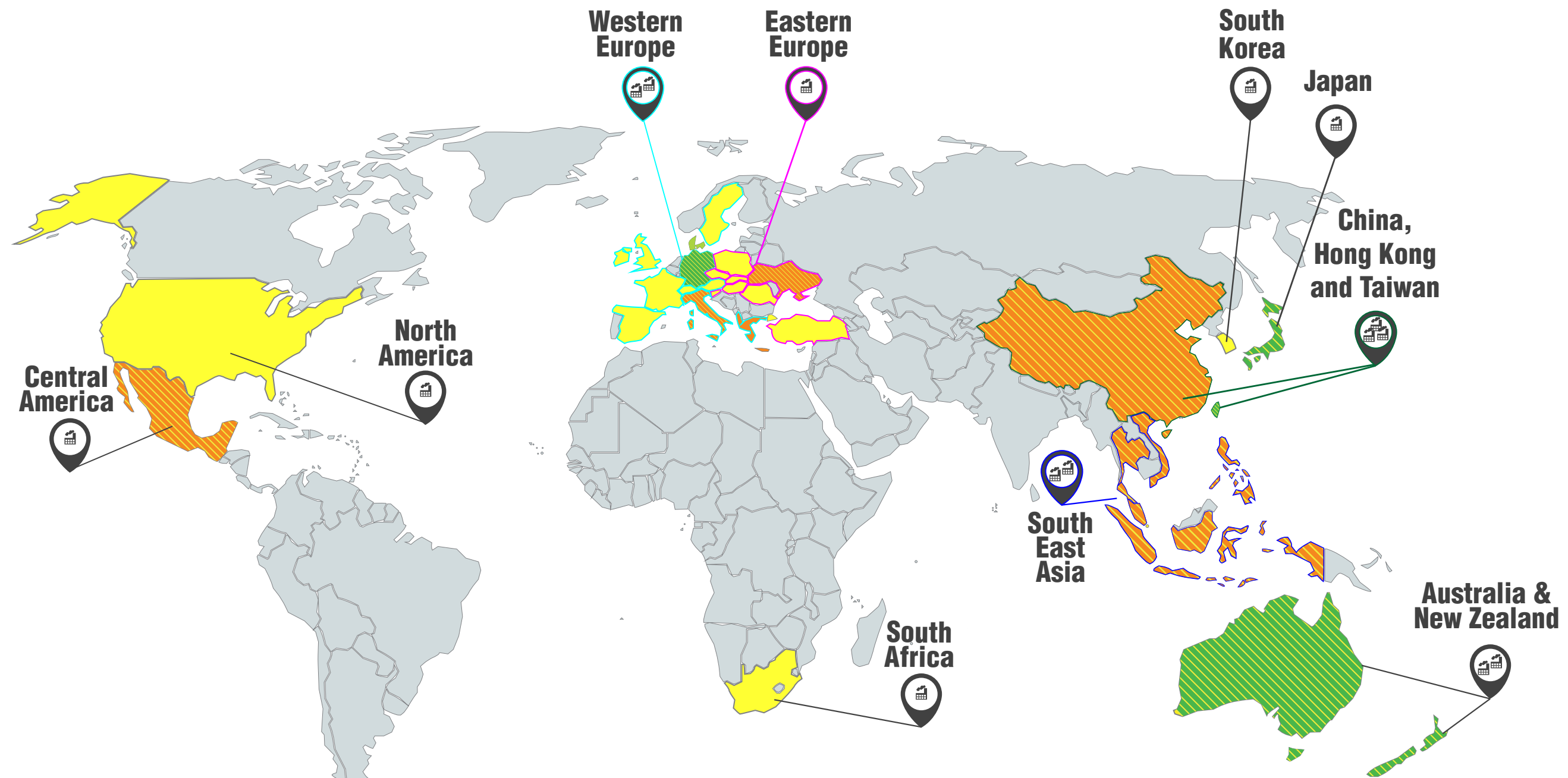


⁷Page 29 of JB Hi-Fi Limited's 2020 Sustainability Report outlined a 6-step Ethical Sourcing Due Diligence Process. Whilst each of these six steps are undertaken, we have simplified our approach into 3 Levels for the purposes of communicating and engaging with our suppliers.

Level 1 Level 2 Level 3 Supplier Ethical Sourcing Inherent Risk Assessment

Level 1 entails an inherent supplier risk assessment for modern slavery using the supply chain analytics capability of the RBA.

The map below provides a high-level overview of the output of our Level 1 Supplier Ethical Sourcing Risk Assessment, an indication of the number of supplier locations and level of risk by geography. The risk level associated with each country is an average of the individual risk scores assigned to each supplier location, as determined by our Level 1 Risk Assessment.



INDICATIVE NUMBER OF SUPPLIER LOCATIONS:



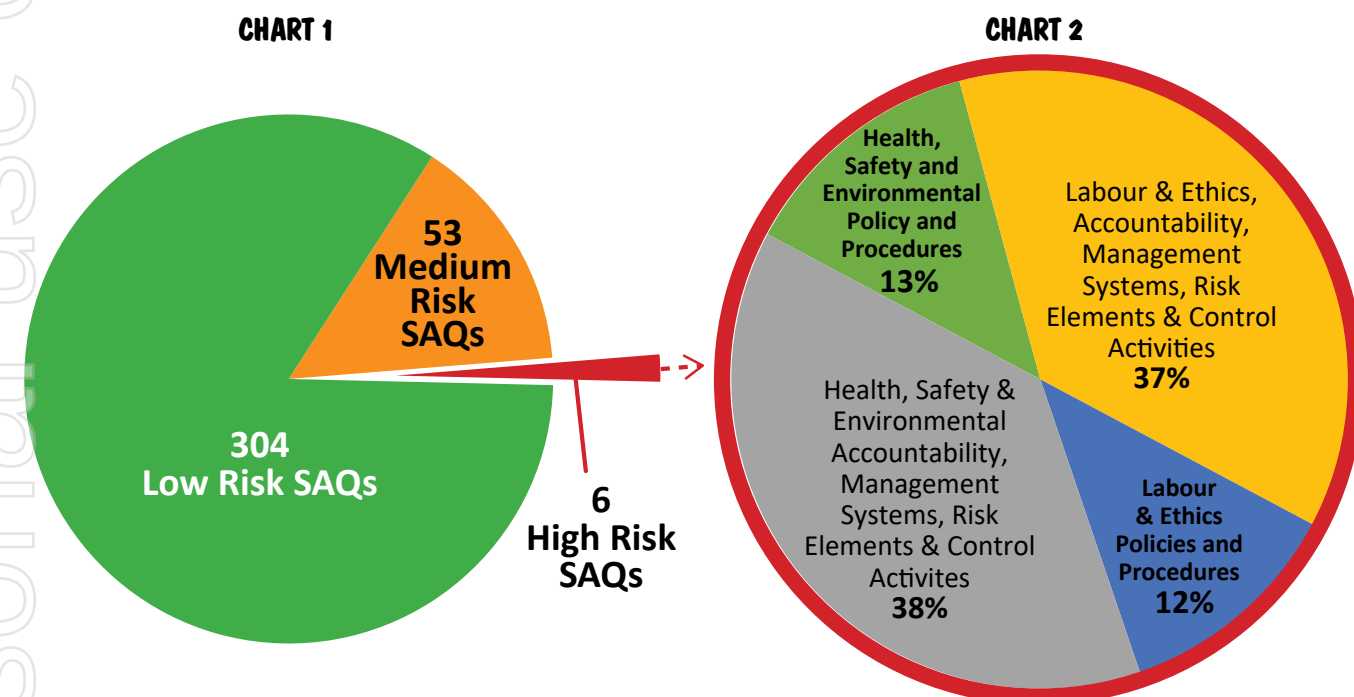
RISK LEVEL:



Supplier Ethical Sourcing Self-Assessment Questionnaire (SAQ)

The results of our Level 1 risk assessment have helped us prioritise suppliers to engage for our Level 2 supplier ethical sourcing SAQ.

Chart 1 provides a summary of the SAQ results received (by risk rating) during the 12 months ended 30 June 2021. Chart 2 Provides a thematic summary of the types of issues arising out of the high-risk self-assessments that were received in FY21. All high-risk ethical sourcing self-assessments are discussed with suppliers as soon as they are received, and we work closely with each of these suppliers to ensure corrective actions are implemented in a timely manner where necessary.



Social Compliance Audits

Social compliance is a focus on policies and processes that seek to protect and uphold the rights, health, and safety of workers. Social compliance auditing is a means of checking that companies are operating in a way that complies with acceptable standards relating to these areas.

Given the inherent limitations of a self-assessment, we supplement our SAQ due diligence with independent social compliance audits for locations of higher risk, to verify the information provided to us through the SAQ and develop a more holistic understanding of the factory of final assembly.

In FY21 we reviewed and updated our Ethical Sourcing Policy to make clear the social compliance auditing standards that we expect of our suppliers (such as the standard, frequency and independence requirements associated with these audits), as well as align our policy to the updated RBA Code of Conduct.

Our updated policy will be released in FY22 and will include a requirement for social compliance auditing to be conducted. This will help ensure all factories in our supply chain are being audited periodically utilising a recognised social compliance auditing approach and will assist us in more effectively assessing the risk of modern slavery, as well as compliance against our Ethical Sourcing Policy.

During the year we also asked the operators of all factories of final assembly utilised for the Group's private label product range to submit a recognised social compliance audit to the Group. These audits were received and reviewed against our Ethical Sourcing Policy, and we will publish the results of this analysis in our FY21 Modern Slavery Statement.



OUR ETHICAL SOURCING COMMITMENTS FOR FY22



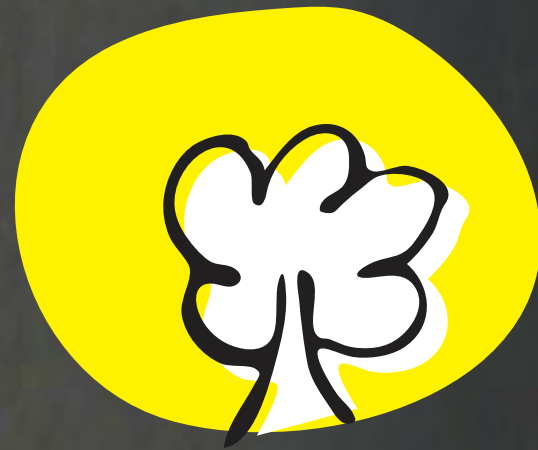
Continue to build engagement, collaborate, and share knowledge and learnings with suppliers and across our industry alliances and partnerships, on modern slavery risks.



Provide our suppliers with our updated Ethical Sourcing Code of Conduct, inclusive of our Policy on Social Compliance Auditing.



Review the effectiveness of our actions and refine our risk-based approach to start extending the scope of our ethical sourcing due diligence process to more of our supply chain, including smaller suppliers operating in high-risk industries or geographies.



Our Environment

We recognise our obligation to 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.

PRODUCT & WASTE RECYCLING

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

We understand that strong consumer demand for new technology, and replacement and upgrade of consumer electronics and home appliances, produces a significant amount of waste both from a product and packaging perspective.

Looking for ways to continuously improve the way we reduce, reuse and recycle waste is something that many of our team members feel passionate about. Throughout FY21 there have been some great examples of how our team members have pursued new initiatives and created a culture of exploring new 'circular economy'⁸ initiatives.

OUR APPROACH

At the start of 2021, we established a Waste and Recycling (WaR) Working Group to provide strategic direction in reducing our operational waste and increase recycling and re-use across the Group. This working group is focused on better understanding our waste streams and enabling improved management processes, systems, and behaviours.

A first step to achieving this was the development of a store-specific waste collection survey (for release in Q1 FY22) to better understand the variation in the waste and recycling processes and waste collection providers across each of our locations and prioritise improvement opportunities for FY22.

The working group includes team members from our store, warehouse and support office operations across both JB Hi-Fi and The Good Guys businesses. The group is chaired by the Group's Chief Financial Officer and reports bi-annually to the Audit and Risk Management Committee, a sub-committee of the Board.



⁸The 'circular economy' refers to an economy that seeks to extend the useful life of products and materials, through the design, re-use, and recycling of those products and materials for alternative uses

1 AUSTRALIAN PACKAGING COVENANT 2025 TARGETS

The JB Hi-Fi Group is a member of the Australian Packaging Covenant (“APCO”). The Group supports and has adopted APCO’s 2025 National Packaging Targets, which include:



To help guide and inform our work to address our packaging waste footprint, the Group has developed a strategy to achieve APCO’s 2025 targets. The strategy addresses the following areas of our operations:



OUR PERFORMANCE AND PROGRESS

This year we saw an average recycling rate of circa 45.5% (FY20: 49.3%) of waste from our stand-alone store network across both brands. This figure provides only a partial view of our waste diversion, given the lack of reporting provided for our stores in shopping and homemaker centres, over which we have less control and visibility over how waste is managed and reported.

During the year we conducted an initial analysis to better understand the gaps in our waste reporting and going forward we will continue to improve our reporting to provide greater visibility and enhanced analytics on performance across our key waste streams.

2 PRODUCT PACKAGING

Private Label product packaging

In January 2021 we designed and trialled new 100% recyclable packaging for three of our XCD cable products. The goal of this trial was to assess the resilience and shelf life of the packaging and to assess how the packaging and product performed through various supply chain environments. Several significant changes were made to improve the recyclability of the packaging including phased replacement of inner plastic trays with recyclable cardboard and replacing polybags used in the transportation of product in the supply chain with tissue paper. In addition, we made it easier for consumers to understand the recycling information on the packaging by utilising the Australian Recycling Label (ARL).

Following this successful trial, in June 2021 we proceeded with a broader rollout plan across more XCD product lines, as well as our Flea Market private label brand (which comprises a range of gifting products such as arcade games and portable audio) with the aim being to have a further 40 products to be transitioned to 100% recyclable packaging by 31 December 2021.



JB Hi-Fi and The Good Guys branded bags

In FY20, JB Hi-Fi introduced a 15c user-pays charge on all plastic bags and launched a \$1 re-usable bag option in Australia. The policy was designed to reduce the use of plastic bags and hence minimise the adverse impact on the environment caused by soft plastics.

As a result of this initiative:

Our plastic bag usage has dropped
42.8%
in FY21 vs FY20





We handed out
4.1m fewer plastic bags
in FY21 vs FY20, the equivalent of
56.6 tonnes of plastic waste



The total proceeds of sales from plastic bags of
\$228,071
was donated equally amongst our Helping
Hands Charities

The Group continues its support of the REDCycle Program, a recovery and recycling initiative comprising consumer drop off points for soft plastics across Australia and New Zealand. The soft plastics recycled through the program are converted into a range of products from outdoor benches to playground equipment. All JB Hi-Fi plastic bags promote the REDCycle Program, indicating our bags can and should be recycled.

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

Supplier engagement

We understand many of our third-party suppliers are proactively reviewing the design of their packaging to lessen the impact of packaging waste on the environment. We seek to encourage other suppliers that are less progressed in this area to utilise the APCO Sustainable Packaging Guidelines to achieve better packaging outcomes for the environment.

In June 2021, we communicated our packaging expectations to all third-party branded suppliers. We asked them to review their products' on-shelf packaging as well as any packaging and materials utilised in transit (such as pallets, boxes, plastics, wrapping, strapping etc.) against APCO's Sustainable Packaging Guidelines and 2025 Targets. Going forward we will continue to look for opportunities to collaborate with our trade partners to reduce the environmental impact of business-to-business packaging.



3 OPERATIONAL WASTE

During FY21 we took significant steps toward increasing our operational recycling capability for big and bulky products. For our metropolitan markets, big and bulky products are predominantly fulfilled from the Group's Home Delivery Centre (HDC) network. Collectively, as set out below, these HDCs provide a step change in waste management capability compared to legacy warehouse operations.

The Group's Central Returns Centre (CRC) receives and consolidates soft plastics waste from our store network for recycling. In FY21 approximately 51,800 kgs of plastic, comprising store banners, plastic product packaging, bubble wrap, plastic bags and LDPE pallet wrap used when transporting palletised stock was sent for recycling.

Each HDC is equipped with:

- industrial scaled on-site cardboard compactors
- expanded polystyrene (EPS) recycling solutions
- e-waste collection facilities
- a dedicated scrap metal partner, responsible for:
 - reclaiming ozone depleting and synthetic greenhouse gas refrigerants
 - recycling of metal and other components of scrapped home appliances reclaimed from customer premises.



3 E-WASTE

e-Waste continues to be the fastest growing waste stream in both Australia and across the world and is a high priority for the Group to manage. In addition to continuing with the Group's initiatives outlined below, in FY22 we will investigate opportunities to collaborate and partner with suppliers and across industry to address this issue.

The Group has established processes to facilitate recycling of all our operational e-Waste generated by our store and support office. In FY21, we have recycled approximately 18,453 kgs of operational e-waste.



Trialling in-store recycling stations

In June 2021, we launched a trial of our first dedicated e-waste collection point, within our JB Hi-Fi Chadstone Homemaker Centre. The collection point receives unwanted laptops, mobile phones and accessories, batteries, cables, chargers, and printer cartridges. If successful, collection points will be gradually introduced in more stores across our JB H-Fi store network. In FY22 we will also trial a similar recycling solution within our Good Guys Store Network.



eMeals

In FY21 both JB Hi-Fi and The Good Guys continued to support the eMeals program that provides a pick-up service for unwanted and used technology and delivers equipment directly to accredited recyclers. Every booking enables PonyUp for Good to donate the equivalent of five meals to SecondBite, Australia's largest fresh food rescue charity, redistributing surplus food to over 1,400 community food programs on the front line of food poverty around Australia.



Mobile Muster

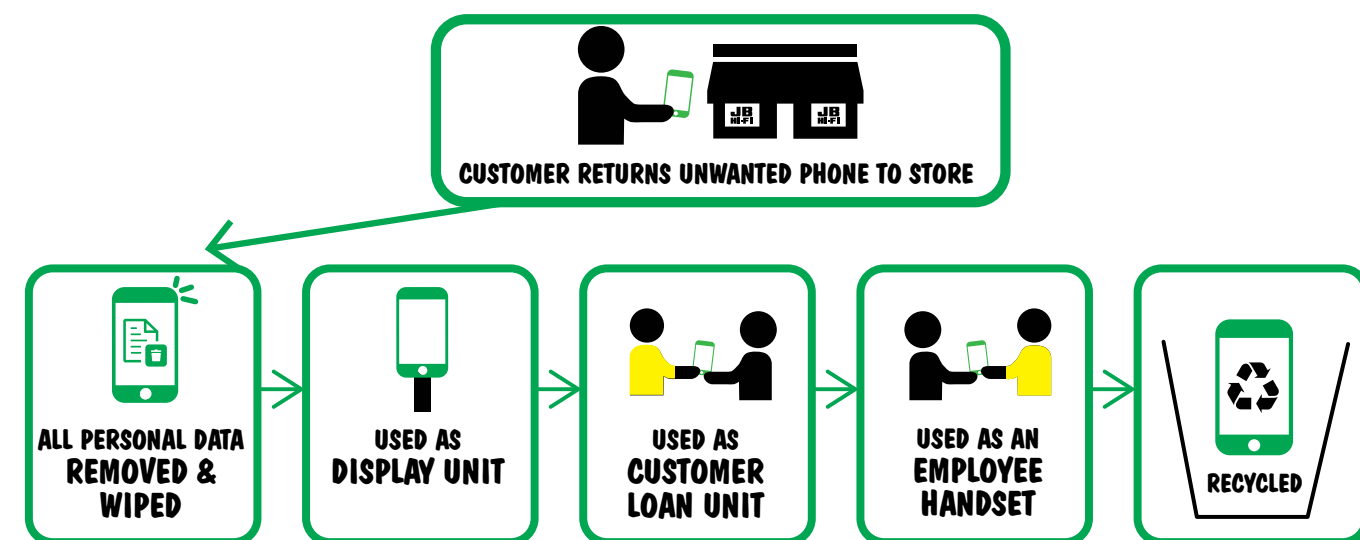
This year we re-launched our partnership with MobileMuster to make a free "post-back" option available to customers in all our stores through the distribution of a reply-paid mobile phone recycling satchel. The relaunch of this partnership in early 2021 involved MobileMuster delivering 40 of satchels and posters to each of our JB Hi-Fi stores, to encourage our customers to recycle their old devices.

4 CIRCULAR ECONOMY INITIATIVES

This year we have introduced and extended several circular economy initiatives and are working to further integrate this practice into our business culture. Some examples of these initiatives are set out below.

Mobile phones

Our central warehouse operates a process to refurbish and re-use within our business 'unsellable' mobile phones that have been returned by customers or are ex-display stock. In FY21 approximately 7,578 mobile phones were given a second life and re-used through different areas of the business. This process involves creating a circular economy within our business operations for unsellable mobile phones as either demo/display units, customer loan devices and company phones for employees, thus extending the useful life of each phone prior to it being salvaged and recycled. The below provides an infographic outlining the life cycle of a mobile phone within our business:



⁹Reporting on eMeals customer bookings, number of fresh meals provided to SecondBite, and e-waste diversion is provided by Activ Group on behalf of the eMeals initiative

The Good Guys uniform recycling

In May 2021 The Good Guys launched its National Uniform Recycling Program, which involves a centralised returns and collections process to enable old uniforms to be recycled and repurposed into a variety of other products.

Used garments are separated into groups of the same fabric fibre, composition, and colour. The garments are then shredded, with the shredded textiles being repurposed into foam filling, ceiling tiles, insulation, office partitions, and stuffing (for items such as boxing bags).

With close to 3000 team members across The Good Guys' store network, we anticipate the program will divert approximately 2000kg of fabric waste from landfill initially, with future contributions dependent on staff turnover and replacement.

Textile and fabric waste is one of the largest contributors to landfill across the globe. We are proud to have found an environmentally friendly solution as we move into the next phase of our uniform evolution.



DVD / Blu-Ray recycling

The movies and music categories remain an important part of the JB Hi-Fi business although in recent years the space devoted to these products in many stores is smaller than it was previously. As a result, the number of blank DVD / Blu-Ray cases that the business uses in merchandising these categories has decreased. The business is trialling a process whereby excess cases are collected and transferred to a central warehouse and stores can then place orders to utilise these units as required, creating a circular system, and avoiding unnecessary wastage by giving these blanks a second life.

The initiative commenced in November 2020 and in FY21 we have recycled 12,100 blank DVD cases and 4,600 blank Blu-Ray cases. This is the equivalent of diverting 1,118 kgs of plastic waste from landfill.

OUR PRODUCT AND WASTE RECYCLING COMMITMENTS FOR FY22



Identify and progress waste reduction, re-use, and recycling initiatives, through the Waste and Recycling Working Group.



Review the packaging utilised in all outbound deliveries associated with our JB Hi-Fi and The Good Guys online eCommerce businesses, as well as the packaging we utilise in our store-to-store transfers.



Review our plastic and paper bag strategy and explore improvement opportunities to align with APCO 2025 Targets.



Continue the roll-out of our sustainable packaging strategy for our Private Label product line.



Explore cross industry collaboration to address e-Waste.



Trial a customer-facing recycling point within our Good Guys store network.



Work with Government, APCO and trade partners to ensure sustainable solutions for expanded polystyrene (EPS) in line with the National Plastics Plan targets.

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 2030¹⁰"



The Group recognises the sense of urgency required around climate action and the importance of the targets set by the Paris Agreement to limit global temperature increase in this century to 2 degrees celsius above preindustrial levels, whilst pursuing means to limit the increase to 1.5 degrees celsius.

This year the Group has set a strategic goal to achieve net-zero direct (scope 1 and 2) carbon emissions by 2030

OUR APPROACH

The Group is committed to taking responsibility for its greenhouse gas emissions and discloses its emissions annually via the CDP (formerly the Carbon Disclosure Project) and the Australian Government's National Greenhouse and Energy Reporting Scheme (NGERS). This year we developed a plan to start reducing the Group's greenhouse gas emissions using renewable energy, and energy efficiency and reduction initiatives over the coming years. We also undertook an assessment to better understand the risks and opportunities associated with climate change for our business.

This work was completed in three stages:

1 STAGE 1: CARBON STRATEGY

The Group has set a strategic goal to achieve net-zero direct carbon emissions by 2030. This has been informed by our company values, stakeholder expectations, the current climate landscape, and developments in technology and the regulatory environment. This included understanding the competitive and supplier landscape that the Group operates within, potential risks and opportunities associated with climate change that are relevant to our business, and how they may impact our aspiration to achieve net-zero direct carbon emissions by 2030.

2 STAGE 2: GHG BASELINE AND INVENTORY DEVELOPMENT

We reviewed the Group's emissions from scope 1 sources (direct emissions from our company-owned vehicles), and scope 2 sources (purchased electricity to power our stores, warehouses and support offices). Our target for net zero emissions by 2030 will apply to our scope 1 and 2 emissions, with the majority of reductions to occur against our scope 2 emissions which represent 99% of the emissions under our direct control.

¹⁰The goal to achieve net-zero direct (scope 1 and 2) carbon emissions by 2030, will be measured against the Group's FY20 emissions (66,776 t-CO2e)

3 STAGE 3: EMISSION REDUCTION ANALYSIS AND OPPORTUNITY IDENTIFICATION

We identified emission reduction initiatives aligned to the Group's primary emission sources (i.e., scope 2 purchased electricity to power our stores, warehouses and support offices). These initiatives include a combination of energy reduction and energy efficiency initiatives (such as LED lighting) as well as potential future investments in renewable energy sources (such as the implementation of solar panels). Going forward, these initiatives will be prioritised based on strict assessment criteria to ensure they assist the Group in achieving net-zero direct carbon emissions by 2030.

4 GOVERNANCE AND OVERSIGHT

We have established an Energy and Emissions Working Group to provide strategic and operational oversight of the Group's energy consumption and emissions. One of the first tasks of the working group was to review the opportunity to integrate solar power generation within our store network and consider the role that solar energy could play in contributing to the Group's target of net-zero direct carbon emissions by 2030.

The Audit and Risk Management Committee is responsible for reviewing the Group's plans and actions relating to its emissions reduction initiatives and will provide oversight and monitoring of the Group's progress toward its 2030 net-zero target. The Audit and Risk Committee will report progress to the Board.

5 CLIMATE-RELATED RISKS & OPPORTUNITIES

In recognition of the current and increasing focus on climate change, in FY21, with the assistance of an external consultant, the Group conducted a review of the potential climate-related risks and opportunities facing the organisation.

The review considered two possible climate scenarios:

SCENARIO 1:

Coordinated and cooperative decarbonisation across all sectors and markets, resulting in rapid decarbonisation and limits global temperature increases in line with targets set by the Paris Agreement (i.e. circa 1.5 – 2 degrees)

SCENARIO 2:

Current settings are maintained without material change, leading to limited impact on emission reduction, and the targets set by the Paris Agreement not being met (i.e. greater than 2 degrees increase)

As part of this assessment, we identified a range of risks and opportunities which management will monitor and integrate as part of its risk management and strategic planning processes going forward:



Climate-related risks

Government and regulatory expectation
Extreme weather events
Commodity and raw material scarcity
Employee health and safety
Affordability and accessibility of renewable energy
Reputational damage
Demand for lower carbon goods and services
Change in consumer behaviour
Loss of trade



Climate-related opportunities

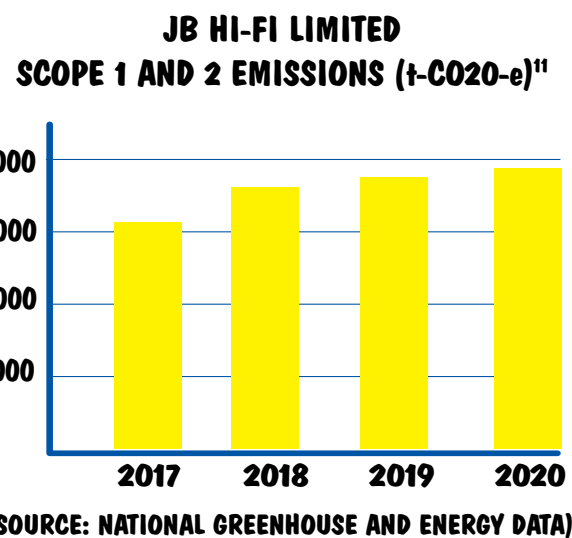
Climate-related strategy and initiatives
Investment in renewable energy and energy efficiency
Investment in alternative products
Investment in alternative services
Collaboration with suppliers / other parties
Design and development of infrastructure
Employee engagement
Enhanced reputation
Increased revenue

OUR PERFORMANCE AND PROGRESS

6 OUR SCOPE 1 AND 2 EMISSIONS FOOTPRINTS

The majority of our operational GHG emissions come from the electricity used to power our stores, warehouses and support offices. In addition, we consume natural gas for heating and fuel associated with our company-owned cars as well as domestic and international business travel.

In FY20 our GHG emissions were 66,776 tonnes (up 2,373 tonnes from the prior year). The increase from FY19 is attributable to: (1) additional locations including new stores and the opening of new Home Delivery Centres in FY20, and (2) improvements in the quality of reporting for The Good Guys store network.



The business is committed to increasing its utilisation of renewable energy with a focus on the installation of solar power generators across both the store and home delivery centre networks. The Group has recently installed a 160kw solar power generator at JB Hi-Fi Chadstone Homemaker Centre which opened in June 2021, with an additional 15 stores to have solar power generation installed by the end of 2021.

We have also focused on optimising and regulating our energy use through energy efficiency initiatives such as LED lighting upgrades and the implementation of Building Energy Management Systems. LED lighting is widely utilised across our store network and is a

standard inclusion in all of our new stores. During FY21 we conducted a review that identified additional opportunities to retrofit LEDs in a number of existing stores that will be actioned in FY22.

7 SCOPE 3 EMISSIONS

'Scope 3' emissions relate to 'indirect' GHG 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 FY21 we undertook an initial estimation of scope 3 emissions. The estimation was based on the Scope 3 Evaluator web-based tool from Greenhouse Gas Protocol and Quantis that uses a standardised methodology for companies to measure, report, and reduce emissions

throughout their value chain. Through this analysis, we identified the primary sources of our scope 3 emissions to be related to the manufacture and usage of the products that we sell.

Whilst our current priority is on reducing the emissions within our direct control, this analysis provides us with an initial understanding of our material scope 3 emissions, which will help us prioritise and engage on emissions reduction initiatives across our supply chain in the future.

¹¹Scope 1 and 2 emissions for FY21 was not available at the time this report was published and will be submitted to the National Greenhouse and Energy Reporting Scheme by 31 October 2021

Scope 3 Case Study - Samsung and Carbon Neutral Yarra Yarra Biodiversity Corridor

In FY21, we assisted Samsung prepare to launch an industry first initiative, partnering with Carbon Neutral (one of the longest standing carbon offset providers in Australia) to offset the first 12 months of electricity usage¹² of selected Samsung QLED TVs purchased through JB Hi-Fi.

This initiative is due to launch this spring, and will help reforestation of the Yarra Yarra Biodiversity Corridor in Western Australia (the largest biodiverse reforestation carbon sink in Australia) with 450,000 new trees expected to be established, which will lead to an estimated 32,000 tonnes of CO2 emissions removed from the atmosphere. The Yarra Yarra Biodiversity Corridor reforestation project began in 2008 and, since then, more than 30 million mixed native species have been planted across almost 14,000 hectares.



OUR CLIMATE ACTION COMMITMENTS FOR FY22



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) target.



Develop reporting for management and the Board to monitor the effectiveness of our emission reduction initiatives against our 2030 net-zero direct (scope 1 and 2) target.



Refine our understanding of our scope 3 emissions and explore opportunities to engage and collaborate with like-minded suppliers on emissions reduction across the supply chain.

¹²Calculation of the emissions from the TV consumption is based on model type, estimated energy usage, and state-based electricity emission factors, and was subject to an independent review.

ACTIONS TAKEN TO ADDRESS OUR FY21 SUSTAINABILITY COMMITMENTS



Our People & Culture

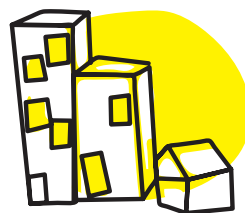
Health and Safety

COMMITMENT	ACTIONS TAKEN
☐ Continuing to review and develop the on-going effectiveness of our COVID-safe controls	Implemented a COVID-19 management and response plan in line with government guidance and including COVID-specific hygiene, mental health, social distancing, training, and communications designed to protect the safety of our team members and customers, and ensure a timely and proportionate response to potential outbreaks
☐ Continuing to improve the safety culture and performance across our businesses	- Progressed the embedding of our safety-first culture within The Good Guys business through nominating 'Safety Champions' across The Good Guys store network, to improve awareness and engagement around key safety initiatives and achievements. - Continued to promote 'We Care Day' and increase the number of resources available to team members to help them better manage their health and wellbeing
☐ Expansion of our mental health training to The Good Guys	- Engaged the Resilience Project and launched a 10-week mental health and wellbeing program for our support office team that provided online resources and webinars - Conducted mental health training for The Good Guys Territory Managers and Human Resource and Senior Management Teams at Support Office, and conducted additional training for JB Hi-Fi Sales and Merchandise Managers

Diversity and Inclusion

COMMITMENT	ACTIONS TAKEN
☐ Review our diversity strategy, and the effectiveness of our initiatives to increase gender composition within our leadership teams	- Completed a review and refresh of the Group Diversity and Inclusion strategy, which included quantitative analysis and qualitative inputs via Group wide diversity and inclusion survey, focus groups, workshops, and interviews - Reviewed and improved the Group Equal Opportunity and Workplace Behaviour Policy and conducted training for team members and managers - A total of 45 team members have now completed the Women in Leadership program
☐ Understand the flexible working needs of our teams, and look for new ways of working that supports both our people and business	- Conducted consultation with Support Office team members to establish post-COVID flexible working model - Responded to changes in flexible working arrangements required to support the business through COVID-19
☐ Build on our company-wide communication and look for new ways to capture employee feedback	- Increased communications from senior management across all channels – email, team talks, video - Throughout the extended periods of remote working for our support office, we leveraged online communication tools to maintain connectivity and engagement with our team members working from home - Introduced a new culture survey platform to facilitate feedback from team members using "pulse" surveys

ACTIONS TAKEN TO ADDRESS OUR FY21 SUSTAINABILITY COMMITMENTS



Our Communities

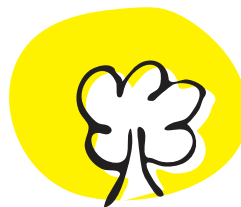
Ethical Sourcing

COMMITMENT	ACTIONS TAKEN
☐ A review of our Ethical Sourcing Policy to take account of recent developments and learnings	Reviewed and updated our Group Ethical Sourcing Policy to align to The RBA's revised code of conduct and include the Group's requirements for social compliance auditing. (Our updated policy will be released to our suppliers in Q1 FY22)
☐ A review of the effectiveness of our actions taken to date	On-going work as part of the Group's Ethical Sourcing Framework, with oversight provided by the Ethical Sourcing Working Group and Audit and Risk Management Committee
☐ The Group will submit its Modern Slavery Statement in line with the requirements of the Modern Slavery Act, and guidance set out by the Federal Government	The Group submitted its FY20 Modern Slavery Statement to the Australian Border Force in March 2021
☐ Review the results of our supplier self-assessments issued in FY20 and where necessary, further engage with our suppliers on the execution of social compliance audits and the oversight of corrective actions	On-going work as part of the Group's Ethical Sourcing Framework, with oversight provided by the Ethical Sourcing Working Group and Audit and Risk Committee. For further detail, please refer to the JB Hi-Fi Limited 2020 Modern Slavery Statement
☐ Continue to learn and build capacity and awareness both internally and with our key suppliers on pertinent social and environmental risks and opportunities within the supply chain	On-going work as part of the Group's Ethical Sourcing Framework, with oversight provided by the Ethical Sourcing Working Group and Audit and Risk Committee For further detail, please refer to the JB Hi-Fi Limited 2020 Modern Slavery Statement

Community Investment

COMMITMENT	ACTIONS TAKEN
☐ In response to our team's growing passion and concern for the environment and climate action, in FY21 the Helping Hands program will be announcing its newest environmental charity partner	Launched our "Earth Squad" initiative, an innovative partnership with the team behind the environmental documentary "2040" and Carbon8, a charity supporting farmers to transition to regenerative agriculture, sequestering carbon out of the atmosphere and into the soil

ACTIONS TAKEN TO ADDRESS OUR FY21 SUSTAINABILITY COMMITMENTS



Our Environment

Waste and Recycling

COMMITMENT	ACTIONS TAKEN
 Developing strategic objectives and establishing measurable targets to improve waste diversion and recycling across all our waste streams	- Established a Waste and Recycling Working Group to provide strategic direction in reducing our operational waste, and increase recycling and re-use across the Group through improved waste management processes, systems and behaviours - Developed a store-specific waste collection survey (for release in Q1 FY22) to better understand the variation in the waste and recycling processes and waste collection providers across each of our locations, and prioritise improvement opportunities for FY22
 Improving operational processes and culture to optimise sorting and recycling behaviours through training and awareness	To be considered in FY22 as part of the Waste and Recycling Group's strategic priorities to improve waste diversion
 Validating the completeness and accuracy of the reporting of waste and recycling through each stream, to improve the disclosure of our performance	Conducted an initial analysis to ascertain gaps in reporting, with further work to be undertaken in FY22 to improve the completeness and accuracy of waste reporting going forward
 Looking for new ways to reduce waste and promote the circular economy	See Pages 43 - 45 of this report for circular economy initiatives implemented by the Group in FY21
 Developing and implementing a Group Sustainable Packaging Policy, applicable to all our supply partners	Wrote to all our third-party branded trade suppliers and communicated our expectation that each supplier reviews both their products' on-shelf packaging and packaging and materials utilised in transit against APCO's Sustainable Packaging Guidelines and 2025 Targets

Climate Action

COMMITMENT	ACTIONS TAKEN
 A Strategic Plan with measurable targets to reduce our carbon emissions over time, taking into consideration the recommendation established by the Paris Agreement, and The Intergovernmental Panel on Climate Change	Developed a plan to reach net-zero direct carbon emissions across scope 1 and 2 by 2030, utilising a combination of energy efficiency and renewable energy initiatives
 A periodic risk and opportunities assessment to review the Group's energy consumption and reduction activities, assets that may be exposed to climate change, potential impacts, and current and emerging risks relating to climate change.	Undertook an initial assessment of the potential climate-related risks and opportunities the Group may be exposed to and will monitor and integrate this assessment as part of our risk management and strategic planning processes going forward. Refer to page 47 of this report for the results of this assessment
 Governance and oversight of our strategic plan and progress against the targets we set	- Established an Energy and Emissions Working Group to provide strategic direction on the initiatives which will contribute to achieving the Group's target of net-zero direct (scope 1 and 2) carbon emissions by 2030 - The Audit and Risk Management Committee (a sub-committee of the Board of Directors) will be responsible for reviewing the Group's plans and actions relating to its emissions reduction initiatives and will provide oversight and monitoring of the Group's progress toward its 2030 net-zero target. The Audit & Risk Committee will report progress to the Board

OUR FY22 SUSTAINABILITY COMMITMENTS SUMMARISED



Our People & Culture

Health and Safety

COMMITMENT

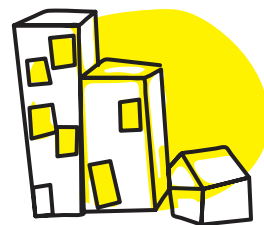
- ☐ Continue to refine how we approach mental health and wellbeing across the business through a combination of staff initiatives, training and awareness
- ☐ Implement initiatives aimed at improving performance across all measurable targets
- ☐ Conduct further review of our manual handling practices, including an investment in different types of manual handling equipment for our store teams

Diversity and Inclusion

COMMITMENT

- ☐ Launch Group Diversity and Inclusion action plan with focus on increasing women in leadership at JB Hi-Fi and TGG
- ☐ Conduct more frequent pulse surveys with team members
- ☐ Continue rollout of communications and training to support team members in addressing or escalating any situation that leaves them feeling uncomfortable or unsafe at work
- ☐ Women in Leadership program to include a further sixteen participants
- ☐ JB Hi-Fi New Zealand Mana wahine program to include a further eight participants

OUR FY22 SUSTAINABILITY COMMITMENTS SUMMARISED



Our Communities

Community Investment

COMMITMENT

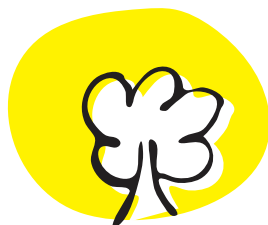
- ☐ Survey our team members to test engagement and explore new causes that our people care about and are willing to support
- ☐ Review the strategy that determines the recipient/s of funds raised from the sales of our plastic and multi-use bags
- ☐ Identify new opportunities in our innovation category that can create social impact
- ☐ Continuing to evolve our understanding of the impact our programs are having on our charity partners and the community
- ☐ Review and relaunch The Good Guys Doing Good program

Ethical Sourcing

COMMITMENT

- ☐ Continue to build engagement, collaborate, and share knowledge and learnings with suppliers and across our industry alliances and partnerships, on pertinent modern slavery risks
- ☐ Provide our suppliers with our updated Ethical Sourcing Code of Conduct, inclusive of our Policy on Social Compliance Auditing
- ☐ Review the effectiveness of our actions and refine our risk-based approach to start extending the scope of our ethical sourcing due diligence process to more of our supply chain, including smaller suppliers operating in high-risk industries or geographies

OUR FY22 SUSTAINABILITY COMMITMENTS SUMMARISED



Our Environment

Product and Waste Recycling

COMMITMENT

- ☐ Identify and progress high impact waste reduction, re-use, and recycling initiatives, through the Waste and Recycling Working Group
- ☐ Review the packaging utilised in all outbound deliveries associated with our JB Hi-Fi and The Good Guys online eCommerce businesses, as well as the packaging we utilise in our store-to-store transfers
- ☐ Review our plastic and paper bag strategy and explore improvement opportunities to align to APCO 2025 Targets
- ☐ Continue the roll-out of our sustainable packaging strategy for our Private Label product lines
- ☐ Explore cross industry collaboration to address e-Waste
- ☐ Trial a customer-facing recycling point within our Good Guys store network
- ☐ Work with Government, APCO and trade partners to ensure sustainable solutions for expanded polystyrene (EPS) in line with the National Plastics Plan targets

Climate Action

COMMITMENT

- ☐ Continue to review and implement our emissions reduction initiatives across our store network in line with our 2030 net-zero direct (scope 1 and 2) target
- ☐ Develop reporting for management and the Board to monitor the effectiveness of our emission reduction initiatives against our 2030 net-zero direct (scope 1 and 2) target
- ☐ Refine our understanding of our scope 3 emissions and explore opportunities to engage and collaborate with like-minded suppliers on emissions reduction across the supply chain

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