JB HI-FI LIMITED

SUSTAINABILITY REPORT 2022

JB HI-FI THE GOOD GUYS

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.

For enquiries, please email:
sustainability@jbhifi.com.au

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

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A MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

MAKING PROGRESS ON OUR SUSTAINABILITY PLAN AND COMMITMENTS

We are pleased to present this report on the sustainability performance of the JB Hi-Fi Group for the period from 1 July 2021 to 30 June 2022 (FY22).

Whilst the past year has been another successful one for our businesses, our team members were once again tested as they continued to operate amidst the uncertainty caused by the COVID pandemic and faced new and emerging challenges for the retail industry including global supply chain disruptions, rising inflation, and labour shortages.

The response of our team members has been inspiring as we continue to adapt and respond to the changing retail landscape, whilst also making significant progress on the commitments in our Sustainability Plan to ensure we continue to have a positive impact on our people, our communities and our environment.

Some of the highlights of our work over the past year are set out below, with further detail provided in the rest of this Report.

OUR PEOPLE

As we have said many times before, our people are our most important asset and their health, safety, wellbeing and engagement will always be a key focus.

This year we took steps to enhance our Group Diversity and Inclusion Strategy through several key initiatives. This included the launch of our Speak Up Campaign, which emphasised the importance of team members calling out any issues impacting their feelings of respect, inclusion and safety in the workplace, and reassured them that we will listen and respond.

We also increased engagement with our team members through more frequent pulse surveys, designed to gather real-time feedback on how we can provide a more diverse and inclusive culture.

We are continuing to implement new policies to identify and build our talent, as well as seeking to provide all of our team members with opportunities to achieve their full potential, regardless of their personal circumstances. An example of this was the launch of our revised Parental Leave Policy which supports all primary carers regardless of gender and doubles the amount of paid parental leave from 6 to 12 weeks.

OUR COMMUNITIES

During the year we updated and distributed our revised Group Ethical Sourcing Policy throughout our supply chain, ensuring that the minimum standards we expect of our suppliers remain aligned with global best practice. The revised policy has some important changes, including enhancing worker and environmental protections, as well as establishing minimum requirements for suppliers to conduct regular audits of their operations utilising recognised social compliance auditing standards.

Looking internally, our team members continue to provide incredible support to our community partners in our Helping Hands and Doing Good Workplace Giving Programs, with combined team member and company donations of over $3.6 million this year and a significant milestone passed during the year with donations of more than $30m since inception.

OUR ENVIRONMENT

The Queensland and New South Wales flooding events were a timely reminder of the real and current impact of climate change. Not only did this flooding cause disruption to businesses along the Eastern seaboard, but many families also lost their homes, livelihoods and loved ones.

Both globally, and within the communities in which we live, we know that governments, businesses, and households are striving to act with more urgency on climate action than ever before. In FY21 the Group set a target to reach net-zero direct (scope 1 and 2) carbon emissions by 2030. As part of our work towards this, in FY22 we completed the installation of solar power generators on 14 of our stores with an additional 10 stores having received approval from landlords to proceed with installation. Solar power generation is an important initiative for the Group as we work toward our goal of reaching net zero direct carbon emissions by 2030, and we continue to engage with as many landlords as possible to explore opportunities to work together on carbon reduction initiatives.

We have also improved the management and recycling of the waste generated by our operations through the implementation of standardised recycling bin infrastructure, expansion of our Expanded Polystyrene (EPS) recycling solutions, and development of waste and recycling training to improve the sorting of waste streams throughout our store network.

Whatever your relationship as a stakeholder in the JB Hi-Fi Group, whether as a shareholder, customer, team member or business partner, we hope that you find this report useful in understanding our work in relation to Sustainability. We are proud of the progress we are making and recognising that there are still opportunities to improve, we'll continue to work with our stakeholders and develop our program. I look forward to reporting on the development and progress of this work in the coming years.

Terry Smart
Group Chief Executive Officer
JB Hi-Fi Limited
15 August 2022

OUR COMMITMENT TO RESPONSIBLE BUSINESS PRACTICE

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

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

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

ABOUT THIS REPORT

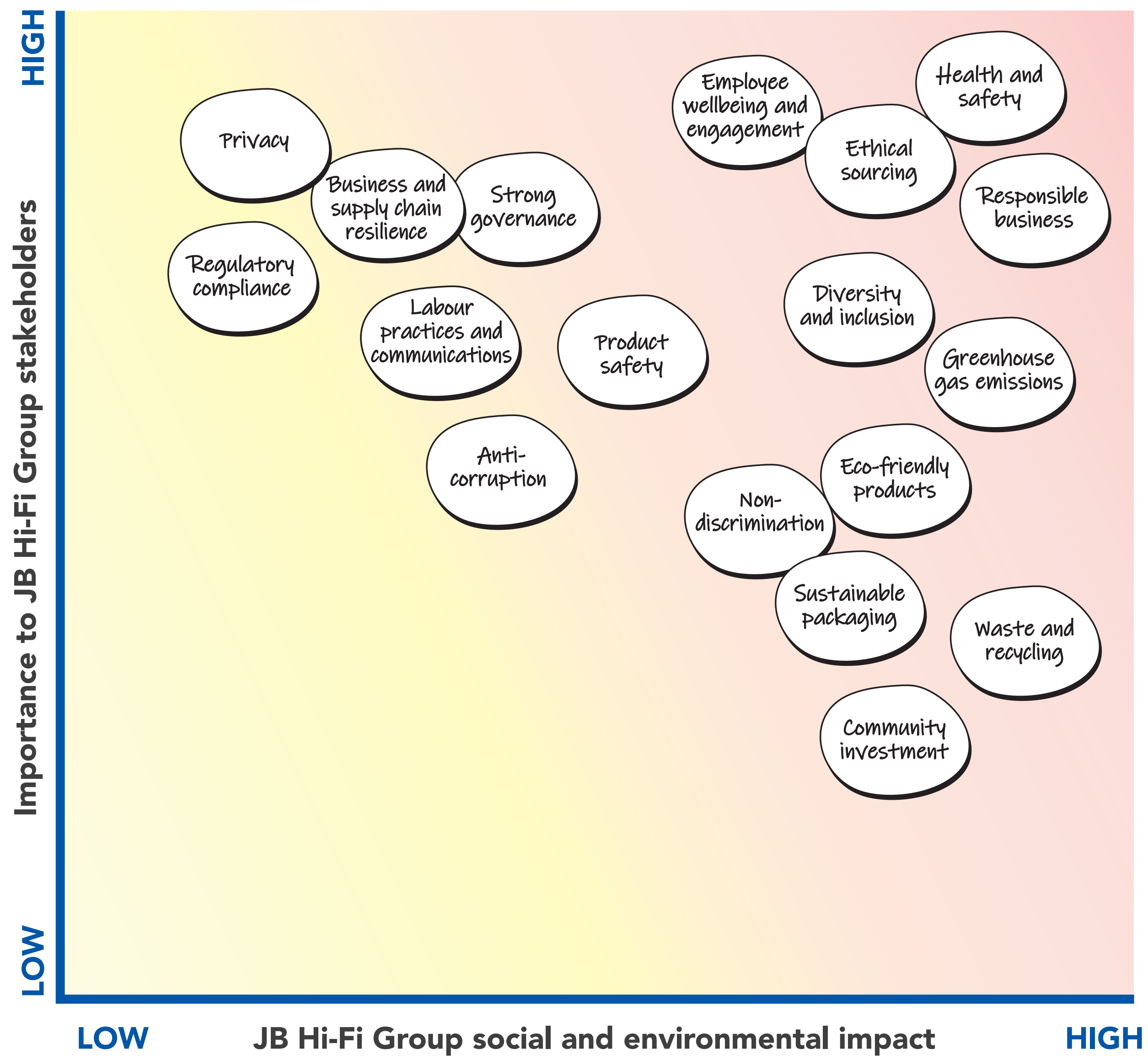
This is the JB Hi-Fi Group's third Sustainability Report and serves as a review of our sustainability performance covering the reporting period 1 July 2021 – 30 June 2022. It also outlines our approach to managing each of the material issues, the progress made during the financial year, and also identifies areas for improvement, including our FY23 commitments.

In developing this report, we have drawn upon the reporting principles for defining report content and quality provided by the Global Reporting Initiative 101 Foundation Standard. We recommend that this report be read in conjunction with the JB Hi-Fi Limited 2022 Annual Report which provides further information about the Group's businesses, performance and governance.

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

- the application of globally recognised materiality tests[1]
- 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

Our Group Sustainability Plan guides how we manage these issues on an on-going basis. The chart shown below outlines our material issues, based on their importance to our stakeholders and the impact the Group has on the social and the environmental issues identified.



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

Our People

The JB Hi-Fi and The Good Guys retail brands, and the JB Hi-Fi and The Good Guys Commercial businesses are defined by their unique cultures and our 13,000+ team members who are crucial to the success of our businesses.

We are committed to supporting our people and ensuring a safe, inclusive and respectful workplace, whilst always looking for ways to provide them flexibility and opportunities to grow and develop.

HEALTH, SAFETY & WELLBEING

OUR APPROACH

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

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

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

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

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

We have safety committees for each of our retail brands and supply chain operations to provide oversight and ensure effective health and safety practices are embedded throughout our operations. These committees meet regularly to ensure all health and safety risks are understood and effectively mitigated.

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

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

Our Group National Safety Strategy comprises the following four key pillars

OUR PERFORMANCE AND PROGRESS

MENTAL HEALTH TRAINING

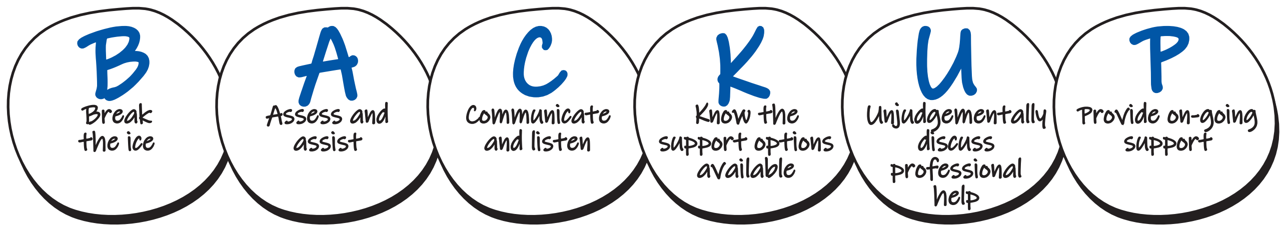
We continue to be pro-active in providing our team with a comprehensive program of mental health and wellbeing training and support. This year, we delivered more frequent initiatives aimed at raising awareness and equipping our team members with the necessary information and skills to manage both their own mental health and wellbeing, and that of their teams.

In September 2021, as part of R U OK Day we held training to help our team members have difficult conversations around mental health. We also held 'masterclasses' which looked at the key factors which contribute to wellbeing, and how to manage these effectively.

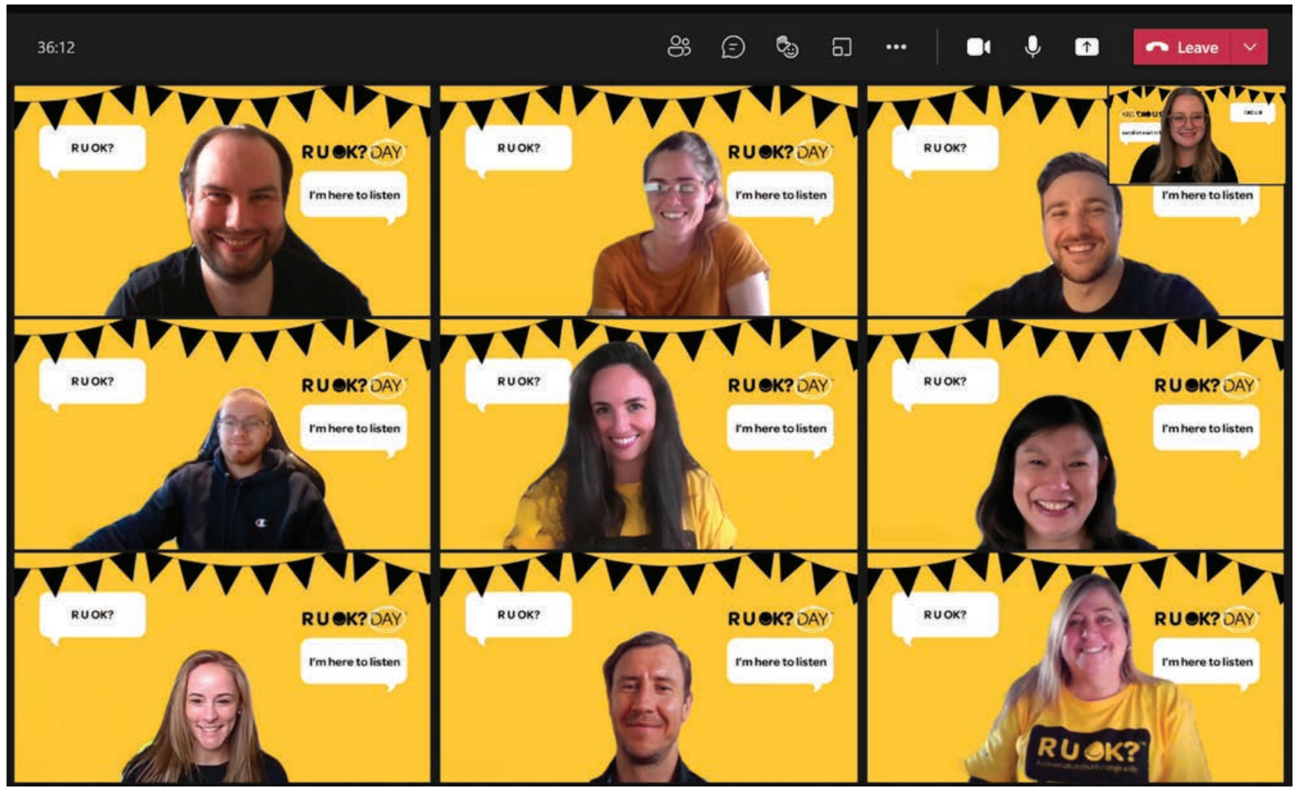
As part of our safety focus training month in January 2022, we provided mental health and self-care webinars on how team members can establish wellbeing goals to improve their overall physical and mental wellbeing.

Mental health challenges such as anxiety and depression have been exacerbated through COVID. Recognising that these are very real challenges for our team members, we have sought to provide our teams with a model upon which to have mental health conversations with their colleagues.

Our B.A.C.K. U.P. mental health training is a structured approach to build the awareness, knowledge and confidence of our managers to support their teams who may be experiencing mental health issues.



Following the positive feedback from our JB Hi-Fi store managers who took part in B.A.C.K. U.P. training in FY21, in FY22 we expanded the training to Support Office managers and The Good Guys store managers. Team members who attended this year provided positive feedback and following the course, reported that their awareness of mental health issues had significantly increased.



EMPLOYEE ASSISTANCE PROGRAM

Our Employee Assistance Program (EAP) is a free support service provided to our team members, enabling them to access support and counselling for a broad range of personal and work-related issues through seven different assistance streams. Team members are able to access this service anonymously, with all consultations kept private and confidential[2].

In addition to the seven EAP assistance streams offered, the Group has added three new hotlines offering counsellors who specialise in (1) disability support, which provides advice and support to team members living with disability, or who care for family members or friends who live with disability (2) spiritual and pastoral care, which provides support relating to questions of faith, religion, and spirituality, and (3) youth and students, which provides age-sensitive support focusing on the emotional needs and psychological pressures facing young people and students in their everyday lives.

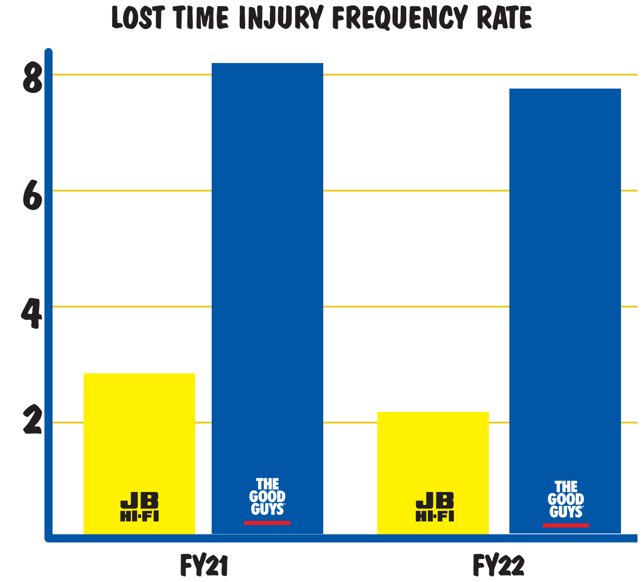
As a Group In FY22 we saw an average utilisation rate across the Group of approximately 4.5% (above the retail trade industry level of 1.3%), as we continue to promote and encourage team members to access this free service.

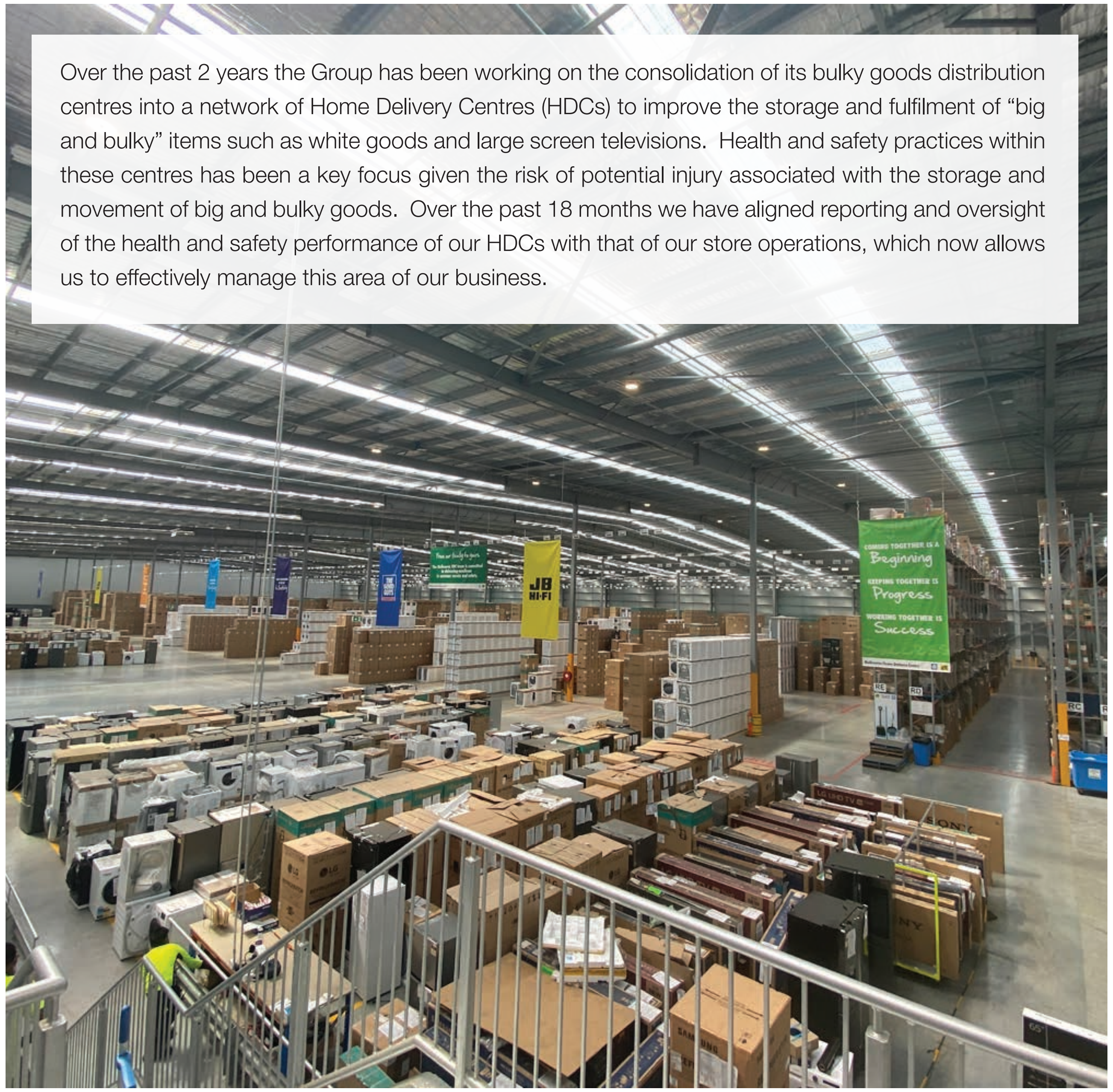
[2] The only exceptions being instances where a team member may be considering self-harm or harming someone else, or issues which may involve illegal acts.

INJURIES AND LOST TIME

Lost Time Injury Frequency Rate (LTIFR[3]) records all worker compensation claims that result in loss of time from work.

Our JB Hi-Fi and The Good Guys store networks experienced decreases in LTIFR (-21% and -6% respectively) from FY21 to FY22. These results were due to continued improvements in our early reporting practices which have allowed rapid intervention and management of injuries, including moving team members to lighter duties where appropriate to enable them to stay at work or return to work more quickly. The ability to provide team members with quicker and more effective support has resulted in a decrease in injury-related absenteeism across our store network, and our safety team provides continued assistance to all team members as they recover.



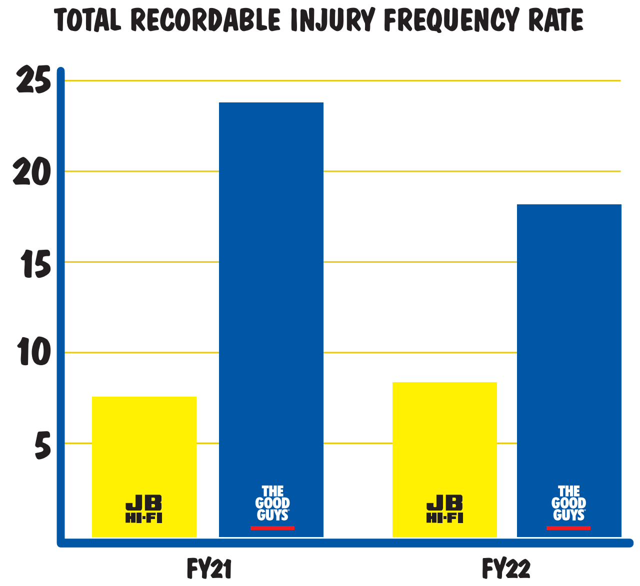


Over the past 2 years the Group has been working on the consolidation of its bulky goods distribution centres into a network of Home Delivery Centres (HDCs) to improve the storage and fulfilment of "big and bulky" items such as white goods and large screen televisions. Health and safety practices within these centres has been a key focus given the risk of potential injury associated with the storage and movement of big and bulky goods. Over the past 18 months we have aligned reporting and oversight of the health and safety performance of our HDCs with that of our store operations, which now allows us to effectively manage this area of our business.

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

TOTAL RECORDED INJURIES

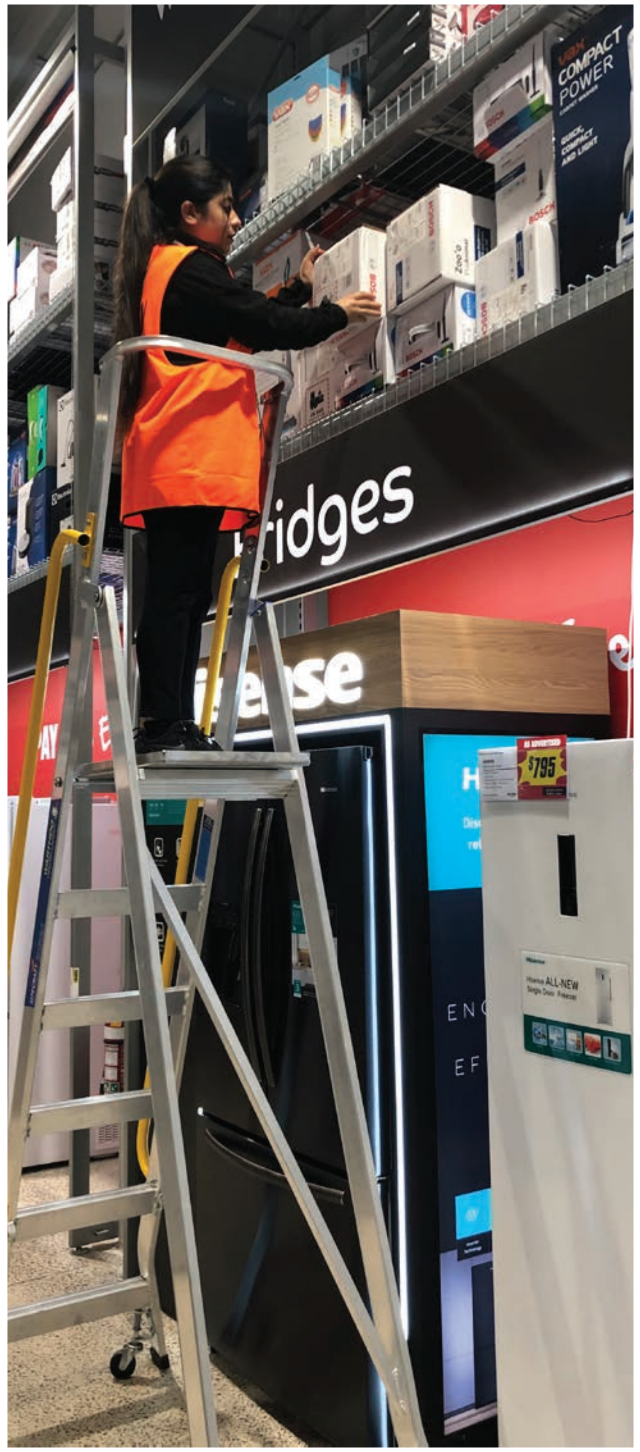
Total Recorded Injury Frequency Rate (TRIFR[4]) records total recordable injuries, regardless of whether the injury resulted in an absence from work.



In FY22 we reviewed the definition of a 'recordable injury' within our calculation of TRIFR in comparison to the broader retail industry. Whilst definitions vary slightly from business to business, the definition which the Group had used in the past was much broader than that used by other retailers, leading to an over-reporting of total recordable injuries by the Group in the past, as compared to the broader retail industry. For example, in the past the Group had recorded a 'recordable injury' for a team member attending a medical appointment, regardless of whether the injury required treatment or further diagnosis by medical specialists. The Group has now aligned its definition of 'recordable injury' with that of the wider retail sector, only recording an injury when either medication has been prescribed, stitches are required, greater than 4 sessions with an allied health professional occur or there are certified changes in capacity.

For the purposes of this report, current year and prior year TRIFR statistics have been calculated using the new definition. Comparisons between our FY21 Sustainability Report and this current report should take this definition change into account.

Noting the above, JB Hi-Fi's TRIFR remained relatively stable with a 8% increase (coming off a low base of just 7.53 in FY21), while The Good Guys' TRIFR decreased by 24%.

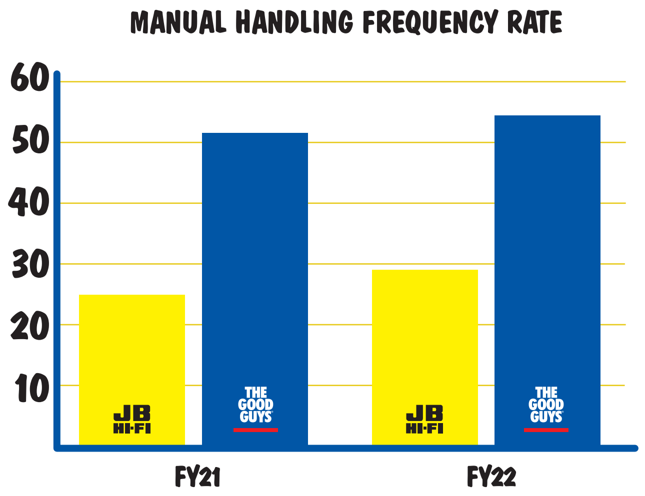


These results are indicative of the effort we have been placing (in addition to injury prevention) on enhancing our reporting processes and improving our return-to-work practices by ensuring that team members are assigned lighter duties and provided with ongoing health and safety support to improve recovery times and minimise the risk of further injury.

[4] TRIFR 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 prescribed medication, >4 sessions of allied health treatment, stitches or certified changes in capacity.

MANUAL HANDLING

The Manual Handling Frequency Rate (MHFR[5]) relates to any manual handling incident reported, regardless of whether the incident or injury required medical treatment. Manual handling injuries remain the predominant injury type for both businesses and remain a priority for the Group's safety team.



In FY22, we saw an increase in the MHFR from FY21 as a result of increased sales and stock levels flowing through the business, coupled with periods of elevated absenteeism at our stores and HDCs which exacerbated general fatigue.

However, the early intervention and support from our safety team has helped team members assume lighter duties to improve recovery time and minimise the risk of prolonged and more serious injury. As a result, we saw a 13% reduction in total JB Hi-Fi and The Good Guys worker compensation claims compared to the previous year.

Amongst various initiatives taken to reduce manual handling injuries, the Group is prioritising the roll-out of new equipment to assist our store teams move and manage stock more safely and effectively. We have commenced the rollout of powered trolleys specific to "big and bulky" items including large screen TVs and fridges that are available in our larger format stores and home centres.

[5]MHFR is calculated by the number of Manual Handling Incidents Reported / number of Worked hours multiplied by 1,000,000

SUPPORTING OUR TEAMS TO EFFECTIVELY MANAGE AGGRESSIVE CUSTOMER BEHAVIOUR

Consistent with experience across the broader retail industry, over the last two years we have seen a rise in aggressive customer incidents across our store network and call centres. Our discussions with industry peers suggest there are a number of reasons contributing to this including stock shortages, delays in fulfilling orders due to supply chain disruption, and general mental health challenges associated with COVID.

The mental health and wellbeing of our team members is of paramount importance to us, and as a Group we have zero tolerance for any form of abuse or aggression towards our team members. To best prepare our team members to mitigate these risks, we provide training on how our teams can appropriately manage aggressive customers and shoplifters on the shopfloor, as well as specific training to deal with aggression over the phone. The training provides best practice approaches and de-escalation techniques and is completed on a regular basis by all our store and call centre team members.

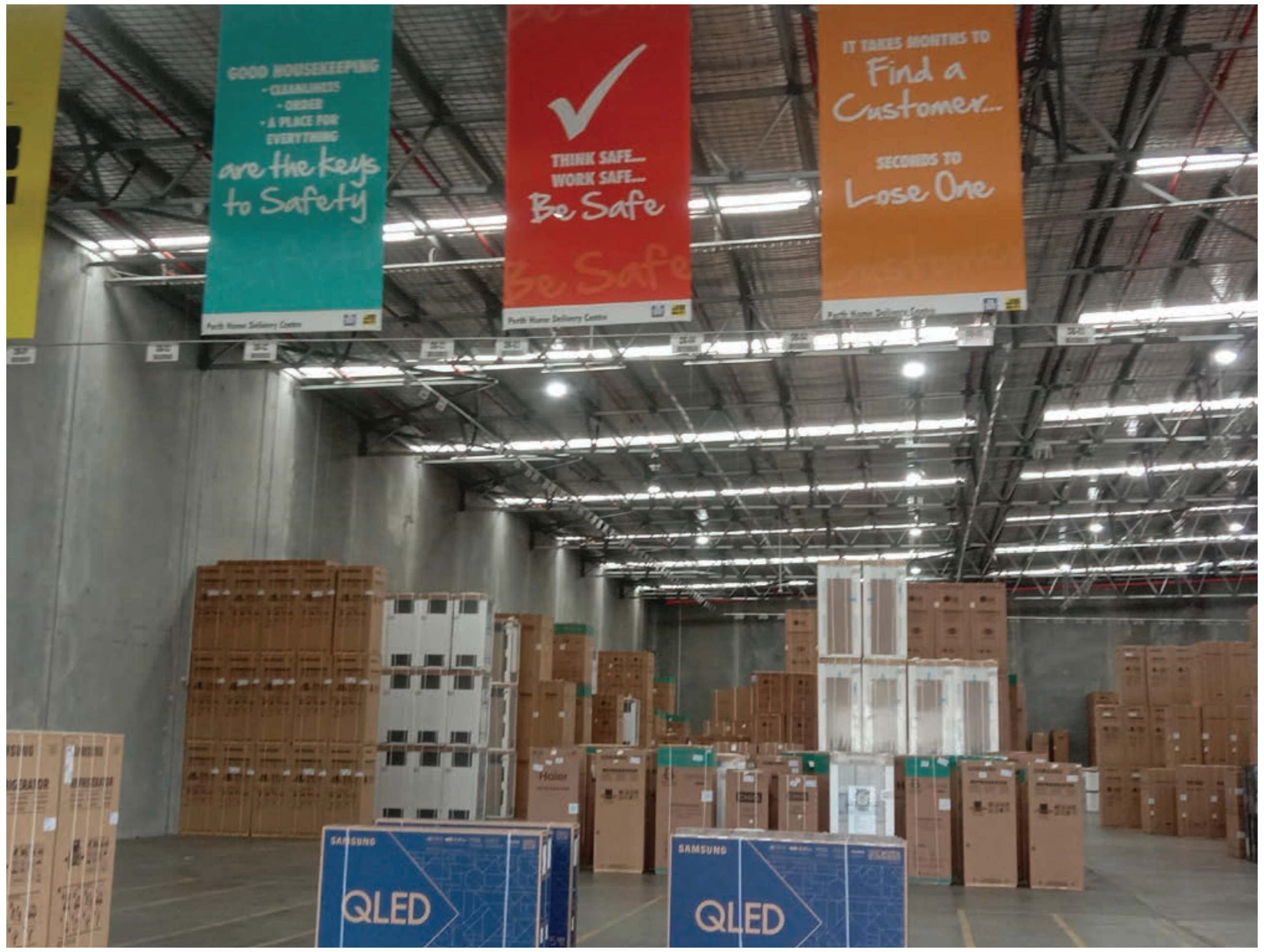
Since the introduction of this training we have seen a decline in the severity of incidents reported, with situations being managed well at an early stage, thereby preventing escalation to aggression. Our teams are also better informed about the potential risks of customer aggression. Feedback received from team members after the training is that they now feel more confident in being able to safely manage and de-escalate situations.

PROMOTING A CULTURE OF SAFETY

We continue to promote a culture of safety throughout the Group's businesses through on-going training and awareness. This year we delivered a masterclass on hazard management and safety coaching to our store managers across both businesses, which focused on how to embed a best practice safety culture within their teams.

One of the initiatives introduced into The Good Guys this year was the launch of the Warehouse Safety Squad that meets bi-monthly, comprising team members from Inventory, Logistics, Safety and Store operations. The aim of this initiative is to ensure our warehouse operations team members have the opportunity to raise and discuss safety and operational concerns with the other relevant areas of the business as and when they occur.

The Good Guys Safety Champion Program was refreshed this year to further embed our safety culture within The Good Guys store network. Monthly meetings are held between store management teams from each state and territory and the Group safety team, which ensures there is a safety advocate in each state or territory to help drive engagement and celebrate improvements.



EMERGENCY PREPAREDNESS

This year we provided updated training on emergency preparedness, and specific training on roles and responsibilities for our fire wardens. We also conducted emergency evacuation drills for all our stores and HDCs and rolled out new Group Emergency Preparedness Procedures.

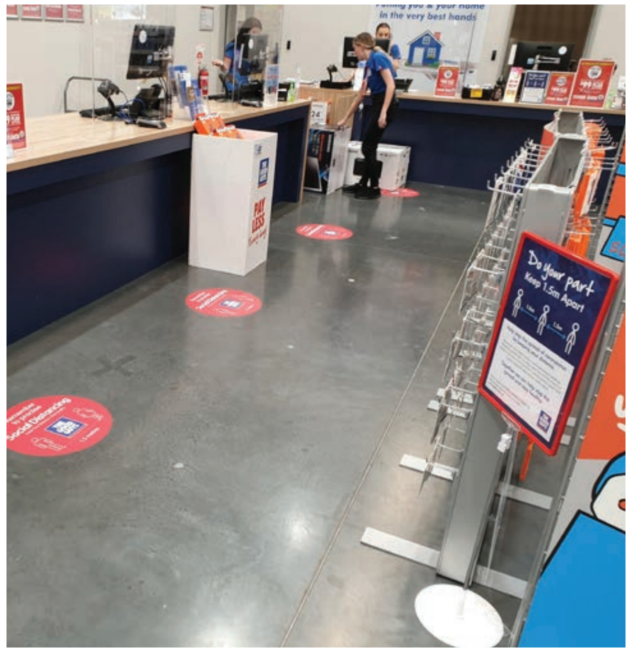
The training is backed up by our safety team who ensure there is prominent signage for all team members setting out the actions to take in the event of an emergency situation.

[5]MHFR is calculated by the number of Manual Handling Incidents Reported / number of Worked hours multiplied by 1,000,000

EMBEDDING OUR INFECTION CONTROL SETTINGS

This year we continued to review and revise our COVID Management and Response Plan in accordance with individual state/territory government guidance, in order to protect our team members, customers, and business partners.

Our COVID safe plans reflected the health and safety protocols set by each government, and included clear indicators and guides to facilitate social distancing, hygiene and hand sanitisation, and prominent signage at store entry to inform customers and visitors of our requirements. We have also applied relevant quality systems, policies, and procedures to assist in infection control settings at our HDCs and Support Office locations. Our plans are continuously updated as government guidance changes.



OUR HEALTH, SAFETY AND WELLBEING COMMITMENTS FOR FY23

- Continue to develop and expand our mental health and wellbeing training
- Conduct further manual handling task specific training throughout the Group's store network across two dedicated training focus months
- Develop relevant safety training content that is reflective of current and emerging safety issues, ensuring it is delivered in a timely manner during our dedicated safety training focus months
- Monitor high risk incident trends and respond with appropriate training to mitigate the risk
- Review current, and implement new, initiatives aimed at improving Health and Safety performance across measurable targets, including such areas as aggressive customers and electrical safety

DIVERSITY & INCLUSION

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

OUR APPROACH

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

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

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

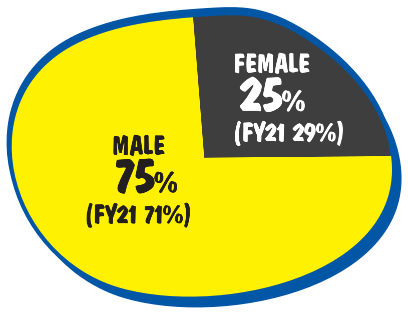
In FY22 the Group expanded its Group Diversity and Inclusion Strategy to reinforce the importance of diversity and inclusion as a key to the long-term success and sustainability of our businesses. Our strategy has been informed through employee team member surveys, focus groups and listening sessions involving over 200 team members from across the Group. It encompasses the following key pillars and supporting initiatives:

SPEAK UP	Speak Up is listening, connecting, and learning from our teams to identify barriers and build a safe speak up culture. We will do this by ensuring: • everyone feels respected, included, and safe at work every day by encouraging team members to call out any issues that make them feel uncomfortable or unsafe • that we listen and provide support whenever team members bring forward a concern or raise any issue that impacts their feelings of respect, inclusion, and safety at work
LEVEL THE PLAYING FIELD	Level the playing field is setting the criteria to identify and grow diverse talent. We do this through the following initiatives: • a competency-based development framework and enhanced processes to provide increased transparency and access to career opportunities • providing our team members with flexible working where possible in order to attract and retain the best talent and further reduce potential barriers to progression to leadership roles
UNLOCK POTENTIAL	Unlocking potential includes building confidence and sharing growth opportunities to promote an inclusive culture, helping everyone achieve their full potential. We will do this by: • building understanding and promoting a culture of inclusive leadership, through training and awareness • enabling our managers to have more open and transparent discussions to support and grow their team

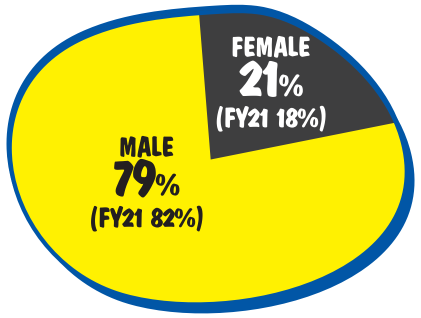
OUR PERFORMANCE AND PROGRESS

The following charts provide (1) an overview of the gender composition as at 30 June 2022 at certain levels of the Group, and (2) progress being made against each of the measurable objectives that have been set by the Board:

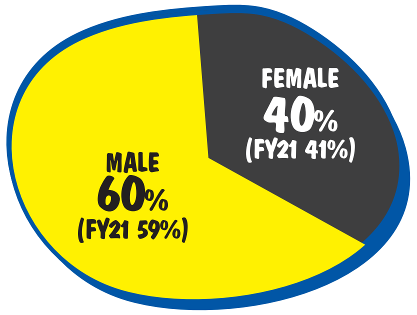
DIVERSITY COMPOSITION OF BOARD



DIVERSITY COMPOSITION OF EXECUTIVES & SENIOR MANAGEMENT[6]



TOTAL GROUP EMPLOYEES



OBJECTIVE	JUNE 2022	JUNE 2021
To have not less than 30% of its directors of each gender by June 2023	25%	29%
To increase the percentage of female to male senior managers	21%	18%
To increase the percentage of female to male store managers	24%	20%
To increase the percentage of female to male territory / area managers	17%	14%
To maintain or increase the percentage of female to male team members in the workforce generally	40%	41%

We continue to work hard on implementing the policies and processes that will enable even greater diversity and representation of women in leadership roles across our business. This includes embedding our behavioural competencies into the organisation to identify high potential talent, strengthening and equalising recruitment and selection practices, and developing succession and development plans for high potential talent.

SPEAK UP

In February, we launched Speak Up as a Group-wide initiative to listen and learn from our teams and create an environment where our team members can bring forward any concerns relating to inclusion, respect, and safety in the workplace. We invited all team members to share their feelings of inclusion at JB Hi-Fi and The Good Guys through surveys and listening sessions. The feedback increased our understanding of the experiences of inclusion in the workplace for our team members and, together with quantitative analysis of key diversity indicators, further informed our diversity and inclusion action planning and identified future opportunities for improvement.

We have supported the launch with our Speak Up communications campaign and training for managers to encourage our team to proactively identify and raise issues that impact inclusion, safety and respect in the workplace. In addition, through our half-yearly engagement surveys and our annual inclusion surveys, we will review the feedback from our team to understand how we are making progress and where we need to do more.

[6] 'Executives and Senior Management' means the 10 Group Executives and the 47 next most senior managers of the Group.

EQUAL OPPORTUNITY AND WORKPLACE BEHAVIOUR

This year we delivered annual refresher training on the Group Equal Opportunity and Workplace Behaviour Policy to ensure all team members are aware of behavioural expectations, their obligations and the process for escalating any concerns.

As mentioned earlier in this report, we also continued to deliver training, and reinforce the escalation and manager intervention process in place to support our team in dealing with disgruntled and aggressive customers. This ranged from specific aggression relating to COVID requirements, to more generalised forms of customer aggression that our team experience across our store network or over the phone.

FLEXIBLE WORK

JB Hi-Fi and The Good Guys further embedded the Group's Flexible Work Policy during FY22 and our team members continued to embrace flexible working, leveraging digital technology to facilitate effective communication and collaboration. As COVID restrictions eased, Support Office team members have worked with their managers to find the right balance between their individual flexibility needs and the operational needs of the business.

In FY22 we made some important enhancements to our Parental Leave Policy, moving from a paid maternity leave program to a paid parental leave program to support all primary carers regardless of gender, and doubling the period of paid leave from six weeks to 12 weeks.

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

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

EMBEDDING THE GROUP'S COMPETENCY FRAMEWORK

The Group's Competency Framework identifies key behavioural competencies specific to each role type within our businesses and is designed to assist in identifying and growing diverse talent in a structured and measurable way. In particular, the Framework is anchored in interpersonal and leadership behaviour which broadens success criteria and therefore the pool of potential talent, and challenges preconceptions and any unconscious bias.

In FY22, we delivered training and awareness for our executives to further promote the importance of inclusive leadership as a key component in unlocking potential and developing talent across the Group.

We also continued to embed the Competency Framework across our businesses and provided

967

managers with training in FY22 to use the framework for career and development discussions. Key to this was providing managers with the skills to clearly communicate the behavioural competencies relevant to their teams.

WOMEN IN LEADERSHIP

Our JB Hi-Fi Women in Leadership programs in Australia and New Zealand are helping us develop talent within our current team. Within the JB Hi-Fi Australian business another 16 high potential female leaders participated in the three month program aimed at building their confidence and presence through practical exercises and coaching. This brings the total female leaders that have completed the program in Australia to 61.

'Mana Wahine' is the Māori term for 'strong woman' and has helped shape our New Zealand female leadership mentoring program. The New Zealand program brings together eight up and coming female leaders with eight senior women acting as mentors and helps shape our emerging talent. In, FY22, our third year of the program, we adapted the program to communicate virtually and maintain the connection with program participants. We were fortunate to bring our participants together for the final session and, together with past participants, we celebrated the participants as our emerging leaders.

NUMBER OF EMPLOYEES WHO CELEBRATED LONG SERVICE MILESTONES DURING THE YEAR

The Group has long service recognition awards to celebrate each five-year milestone that is passed by an individual team member. Team members that achieve 20 years of service receive a special award and a $2,000 JB Hi-Fi or TGG gift voucher. This year we recognised 1,523 team members for their loyalty and service.

YEARS OF SERVICE	#JB EMPLOYEES	#TGG EMPLOYEES
5	625	277
10	286	86
15	141	56
20	22	22
25	5	2
30	1	-

IMPACT 21

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 continues to be a proud founding partner of the program. JB Hi-Fi welcomed another team member as part of the program in FY22 and we have confirmed our support for the program next year.

JB HI-FI NEW ZEALAND

A Māori whakataukī (proverb) states "He aha te mea nui o te ao? He tāngata, he tāngata, he tāngata!" - what is the most important thing in the world? It is people, it is people, it is people!

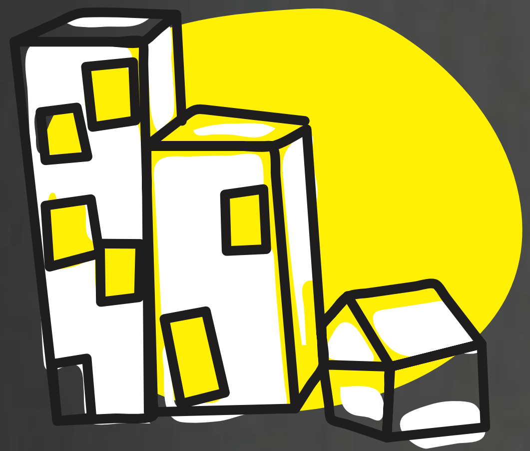
For our JB Hi-Fi New Zealand team members, we have continued our Tikanga culture and values program. 'Tikanga', is a Māori concept that integrates the culture and values of our team members and helps us, build a sense of pride, ownership and purpose across our business.

In FY22 the program continued to help our JB Hi-Fi NZ team members stay connected through periods of extended COVID lockdowns. This included adopting virtual meetings to ensure our team continued to establish unity, understanding and foster a greater knowledge of each other.

For our Support Office team members, who worked remotely for more than nine months, we held a special pōwhiri ceremony to reopen our office and welcome back our team.

OUR DIVERSITY AND INCLUSION COMMITMENTS FOR FY23

- Continue the Group's progress towards achieving measurable objectives for gender diversity
- Embed our Group Diversity and Inclusion Strategy through additional training and awareness programs
- Conduct annual program of inclusion and engagement surveys of our team and undertake meaningful actions on the results
- Deliver annual equal opportunity and workplace behaviour training
- Expand our Women in Leadership program in Australia and New Zealand



Our Communities

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

COMMUNITY INVESTMENT

In FY22, we continued to help our charity partners make a positive impact on our community and environment thanks to the generous donations of our team members and customers. The creative ways that our teams build engagement and get behind the causes and campaigns that we care about continues to be inspiring, and something the Group is proud of.

OUR APPROACH

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

Our workplace giving programs invite team members to make regular pre-tax donations to one or more of our charity partners. Every donation made is matched dollar for dollar by the Group and there is no cap on matched funding.

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

JB HI-FI HELPING HANDS

Helping Hands selects charity partners with whom it enters long-term partnerships (circa 5-10 years) to achieve mutually agreed social and environmental goals. 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 businesses and is chaired by a member of the Group Executive team. The Committee meets regularly to consider the feedback from our team members, review program performance, and plan communications and fundraising campaigns to engage our team members and customers.

In recent years, the Helping Hands program strategy has been refreshed to enable new causes and charities to join the program whilst maintaining our commitment to help our 12 charity partners deliver measurable social impact. We take inspiration from our team through regular feedback, to ensure the causes we support reflect the issues they care about. This year, we surveyed our team and reaffirmed that our program aligns with the social causes that matter to them, as well as identifying where we can make an even greater difference.

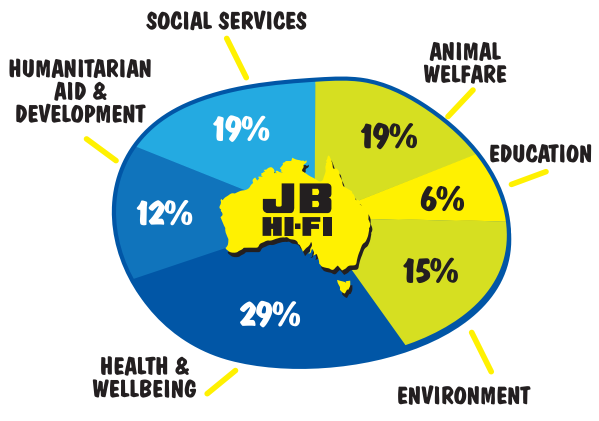
THE GOOD GUYS DOING GOOD

The Good Guys Doing Good workplace giving program aims to enhance the wellbeing of Australians and our donations support 12 charity partners in their work to make a positive and sustainable impact on the community and environment.

Our charity partners reflect causes that are important to our team members, including the local and state issues that are of special significance to team members and customers who live and work in those regions.

OUR PERFORMANCE AND PROGRESS

HELPING HANDS DONATIONS (AUS)



In FY22, Helping Hands (Aus) raised

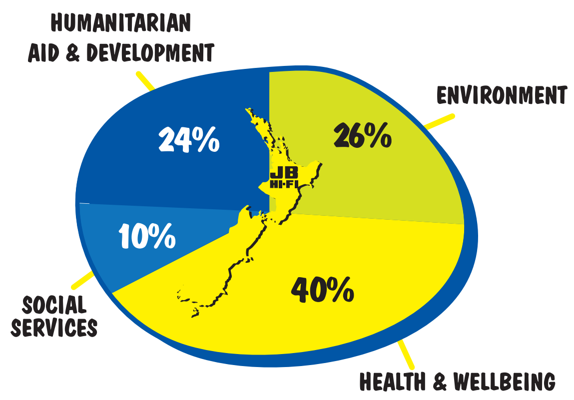
$3,134,232

$29.1million donated since inception

66% team member participation

JB Hi-Fi Helping Hands was again recognised at the Annual Workplace Giving Australia Excellence Awards. Our program received two Silver awards, one for the 'Best Overall Program', and another for 'Best Innovation'.

HELPING HANDS DONATIONS (NZ)



In FY22, Helping Hands (NZ) raised

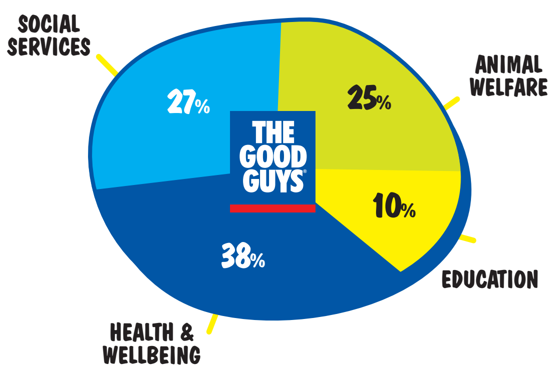
$118,396

$988,858 donated since inception

56% team member participation.

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

DOING GOOD DONATIONS



In FY22, The Good Guys Doing Good raised

$279,299

$1.38million donated since inception

40% team member participation.

Our commitment to refreshing our program commenced this year with a team survey to ensure the charities that we support continue to resonate with our team members.

The feedback confirmed our team members' commitment to our current partners and identified opportunities to support additional initiatives including mental health and wellbeing, people living with disabilities, and climate change.

These important insights will be the focus for our program in the coming year as we establish a Doing Good steering committee and introduce new charity partners in response to our team's feedback.

Support Act

SUPPORTACT
The heart & hand of Australian music

Our team feedback encouraged us to find an innovative charity partner that focuses on mental health and wellbeing, as well as supporting the unique needs of First Nations people. In FY22, Helping Hands welcomed Support Act to the Helping Hands program as a new charity partner, recognising the close links to the origins of JB Hi-Fi as an independent retailer of music.

Support Act is recognised for their outstanding work in delivering crisis relief to artists and workers within the Australian Live Music industry that was profoundly impacted by COVID.

Our donations to Support Act will contribute to Support Act's mental health and wellbeing programs supporting First Nations people that work in the Australian Live Music and Entertainment industry.

Bush Heritage

In FY22, as part Helping Hand's commitment to enable new charities to participate in the program, we farewelled Bush Heritage with a national instore campaign that raised further awareness of their environmental stewardship in protecting Australian landscapes and native species. Over the last decade the Helping Hand's program has raised in excess of one million dollars for Bush Heritage.

POSITIVE SOCIAL AND ENVIRONMENTAL IMPACTS

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

JB HI-FI HELPING HANDS AUS

Bush Heritage (Helping Hands partner to March 2022)
Helped protect over 11.3 million hectares of land and more than 7700 native species, including 243 that are threatened with extinction

COMPANION ANIMAL NETWORK AUSTRALIA
Cared for 21,348 companion animals and re-homed 21,455

EARTH SQUAD

2040
National advocate of community action to support regenerative agriculture and positive climate action

Carbon eight
Supporting Australian farmers and communities learn and transition to regenerative practices

THE FRED HOLLOWS FOUNDATION
Screened 9,148 people and performed 1,075 eye operations and treatments

KIDS UNDER COVER
Provided 66 studios to 102 young people at risk of homelessness and 253 scholarships to support education and training

MCAULEY COMMUNITY SERVICES FOR WOMEN
Funded more crisis accommodation for women and children who have experienced family violence

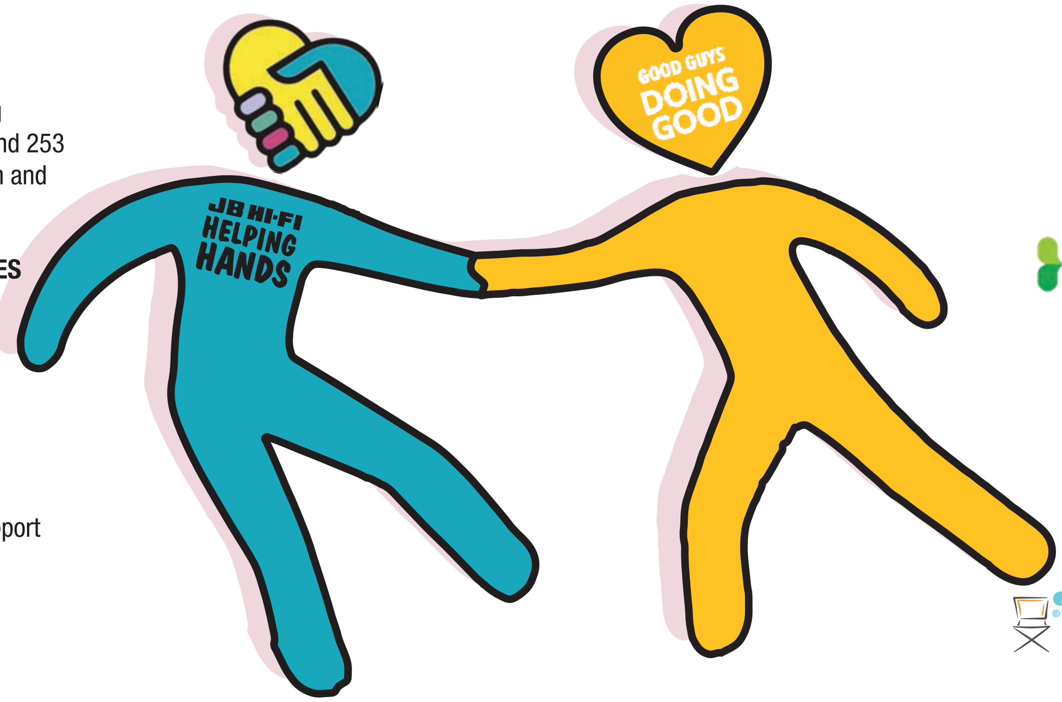
OXFAM
Helped global Oxfam effort to support 14 million people in 23 countries

REACH OUT
Supported over 3.3 million young people and their parents to better understand their experience of mental health and improve their wellbeing

REDKITE
Provided approximately 10,000 information, support and counselling sessions for children, families and support networks in calendar year 2021 - an increase of 53% from 2020

SUPPORT ACT
Expanded the mental health and wellbeing services and support to assist First Nations Music workers

THE SONG ROOM
Supported over 14,000 students and 617 teachers through in-class programs, and over 34,000 digital hub subscribers



JB HI-FI HELPING HANDS NZ

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

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

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

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

SHELTER BOX
Contributions have been directed to assist people fleeing war and conflict in Ukraine

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

THE GOOD GUYS DOING GOOD

BERRY STREET
Supported 1,066 children and young people in out-of-home care, including kinship, foster and residential care

DANIEL MORCOMBE FOUNDATION
Provided child safety education to over 5,500 schools and early learning centres Australia-wide

EDCONNECT
Supported 1,000 volunteers to guide disadvantaged students in over 250 schools

HEARTKIDS
Provided in-hospital support and financial assistance to over 3,000 children, families and adults affected by congenital heart disease

KICK START FOR KIDS
Enabled 220 disadvantaged primary school kids to attend Camp Kickstart school holiday program

MCGRATH FOUNDATION
Supported 19 McGrath Breast Care Nurses to care for individuals and their families affected by breast cancer

ORANGE SKY
Funded 917 loads of laundry across 25 locations for people experiencing homelessness to have clean clothes, warm showers and non-judgemental conversation

PERTH CHILDREN'S HOSPITAL FOUNDATION
Contributed to the Wal-yan Respiratory Research Centre to help children living with serious respiratory disease to breathe better

PROSTATE CANCER FOUNDATION OF AUSTRALIA
Expanded the Prostate Cancer Specialist Nursing program to more than 100 nurses and launched the country's first prostate cancer specialist counselling service

RSPCA AUSTRALIA
Provided care for over 100,000 animals in around 28 shelters nationwide and investigated over 55,000 reports of animal cruelty

SOLDIER ON
Delivered more than 3,500 group or individual psychological sessions for veterans, and placed more than 300 veterans in employment through its Pathways Program

WHITELION
Provided intensive case support to nearly 1,000 youths at risk across Australia, and hundreds more through drop in and mobile outreach services

In-store Campaigns and Event Fundraising

IN-STORE AND EVENT FUND-RAISING

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

JB HI-FI IN-STORE COLLECTIONS

In FY22, funds from our JB Hi-Fi in-store change-for-change collection points and sales of our JB Hi-Fi plastic and re-usable bags were used to support people facing hardship.

SecondBite received a one-off

$50,000[7]

donation toward their national food rescue efforts and we donated

$100,000[8]

to support SleepBus, who provide safe secure overnight accommodation to Australian rough sleepers.

Our contribution will help SleepBus expand nationally and launch the first SleepBus service in Sydney.

SUPPORT FOR FLOOD-AFFECTED COMMUNITIES

In response to the severe weather events in New South Wales and Queensland, the Group made a one-off donation of $110,000 to GIVIT to support an estimated 50,000 households impacted in flood affected communities. GIVIT is a not-for-profit organisation whose purpose is to match generosity to real local needs through an online platform.

The donation enabled GIVIT to work directly with the local communities in New South Wales and Queensland through the recovery and rebuilding efforts by

- providing 161,171 goods and services to flood-impacted communities
- working with 48 Local Government Areas who placed requests for assistance
- supporting 160 local organisations in need of assistance

[7]The $50k donation to SecondBite is included in the total amount raised ($3,168,057) through the Helping Hands (Australia) program
[8]The $100k donation to SleepBus is included in the total amount raised ($3,168,057) through the Helping Hands (Australia) program

THE GOOD GUYS AMAZING RACE

In FY22, The Good Guys conducted a fun and creative 'Amazing Race' campaign which involved our team members participating in a race across three states to collect charity tokens, learn and share information about the impact of our Doing Good donations, and encourage program participation.

Four of our charity partners were invited to participate in the 'amazing race' and they each received an

additional $5,000

donation toward their social impact.

OUR COMMUNITY INVESTMENT COMMITMENTS FOR FY23

- Continue to engage team members with our Workplace Giving activities through internal communications and creative campaigns
- Introduce new cause and charity partners as part of annual charity rotation policy
- Relaunch The Good Guys Doing Good Program and introduce new Doing Good Committee to support greater levels of participation and engagement

ETHICAL SOURCING

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

In FY22 we continued to improve how we responsibly manage the risks in our supply chain. Our aim is to work with our suppliers to protect and further human rights, improve working conditions, minimise our environmental impact, and ensure that what we use and sell is sourced ethically.

OUR APPROACH

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

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

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

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

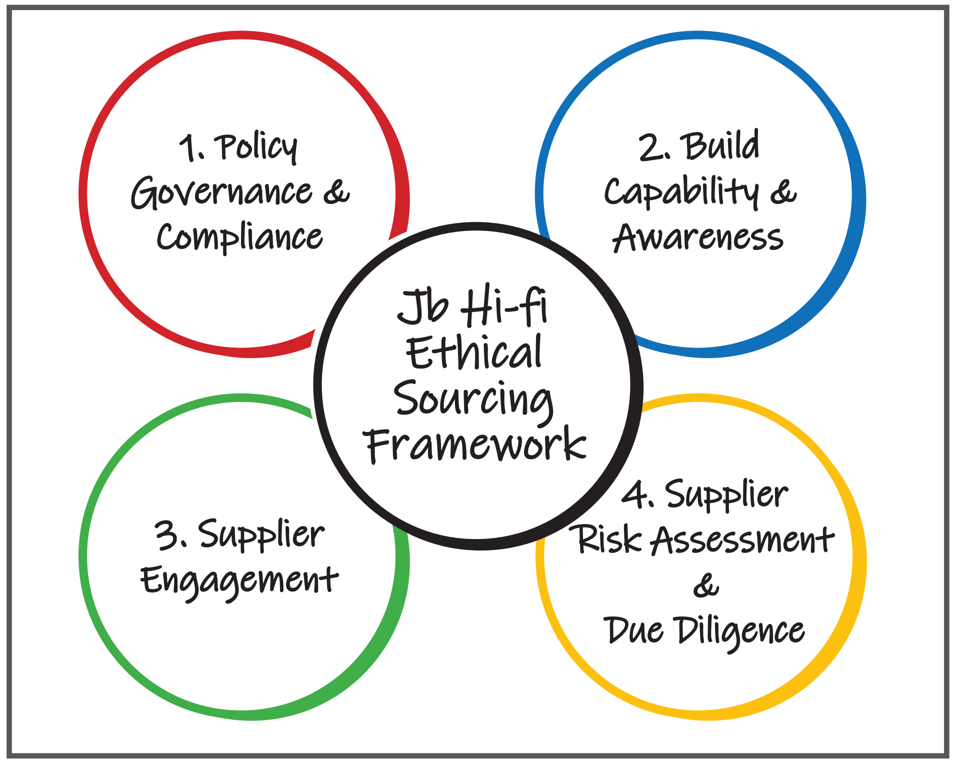
Some of the risks that the Group may be exposed to from a human rights perspective include:

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

Our Group Ethical Sourcing Policy:

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

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



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

This approach helps us prioritise effort and resources in aiming to achieve our objectives.

OUR PERFORMANCE AND PROGRESS

POLICY GOVERNANCE AND COMPLIANCE

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

In FY22 we revised our Group Ethical Sourcing Policy to make clear the social compliance auditing requirements we expect of our suppliers, as well as aligning the policy to the updated RBA Code of Conduct. These enhanced social compliance obligations have enabled us to assess supplier compliance against our policy and monitor ethical sourcing risks within our supply chain more effectively. We also reviewed the minimum standards contained in our policy to ensure they remain aligned with the RBA's Code of Conduct and other relevant international frameworks.

As a result of this review, we made enhancements to our policy to improve worker and environmental protections including:

(1) that wages be enough for basic living needs with residual income for discretionary spend,
(2) additional protections for migrant workers, and
(3) that suppliers establish a plan to monitor and reduce their greenhouse gas emissions.

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

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

BUILD CAPABILITY AND AWARENESS

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

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

Internally, our Group Sustainability and Ethical Sourcing team continues to build their capability and awareness of key issues through both supplier engagement and structured training. This year, we provided refresher training to our JB Hi-Fi and The Good Guys merchandising teams on ethical sourcing risks within our supply chain, with the aim of increasing their awareness and ability to engage suppliers on the requirements of our Ethical Sourcing Policy.

FY22 also saw the successful roll out of a pilot ethical sourcing training program to all key suppliers of our private label branded products, utilising tailored online training modules designed by the RBA.

This training focused on recognising forced labour, effective management of working hours, and correctly administering employee social insurance payments. Supplier feedback from this pilot program has been positive and in FY23 we aim to extend this program across additional risk areas to more of our key suppliers.

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

SUPPLIER ENGAGEMENT

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

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

In FY21 our work primarily focused on suppliers with manufacturing in mainland China and in FY22 we extended our engagement to specific suppliers across geographies outside China. This has included working with suppliers not only in consumer electronics and home appliances, but also in garment and packaging manufacturing across Malaysia, Philippines, Vietnam, Thailand, Bangladesh, India and Australia.

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

SUPPLIER RISK ASSESSMENT AND DUE DILIGENCE

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

Level 1 – SUPPLIER ETHICAL SOURCING INHERENT RISK ASSESSMENT

Level 2 – SUPPLIER ETHICAL SOURCING SELF-ASSESSMENT

Level 3 – SUPPLIER SOCIAL COMPLIANCE AUDIT

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

Level 2 involves completion of an ethical sourcing self-assessment questionnaire (SAQ) by our supplier. The result of this self-assessment helps develop our understanding of the supplier's organisational policies, procedures, and risk profile across each pillar of our ethical sourcing policy.

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

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

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

In FY22 we also started reviewing our cleaning supply chain and engaged with the Cleaning Accountability Framework on how they approach the issue of worker exploitation within the cleaning industry. We are currently progressing our review, which to date has included deepening our understanding of our cleaning supply chain, the scope of services undertaken, and assessing the level of payments being made to cleaning companies to ensure alignment with award wage requirements.

Level 1 Level 2 Level 3

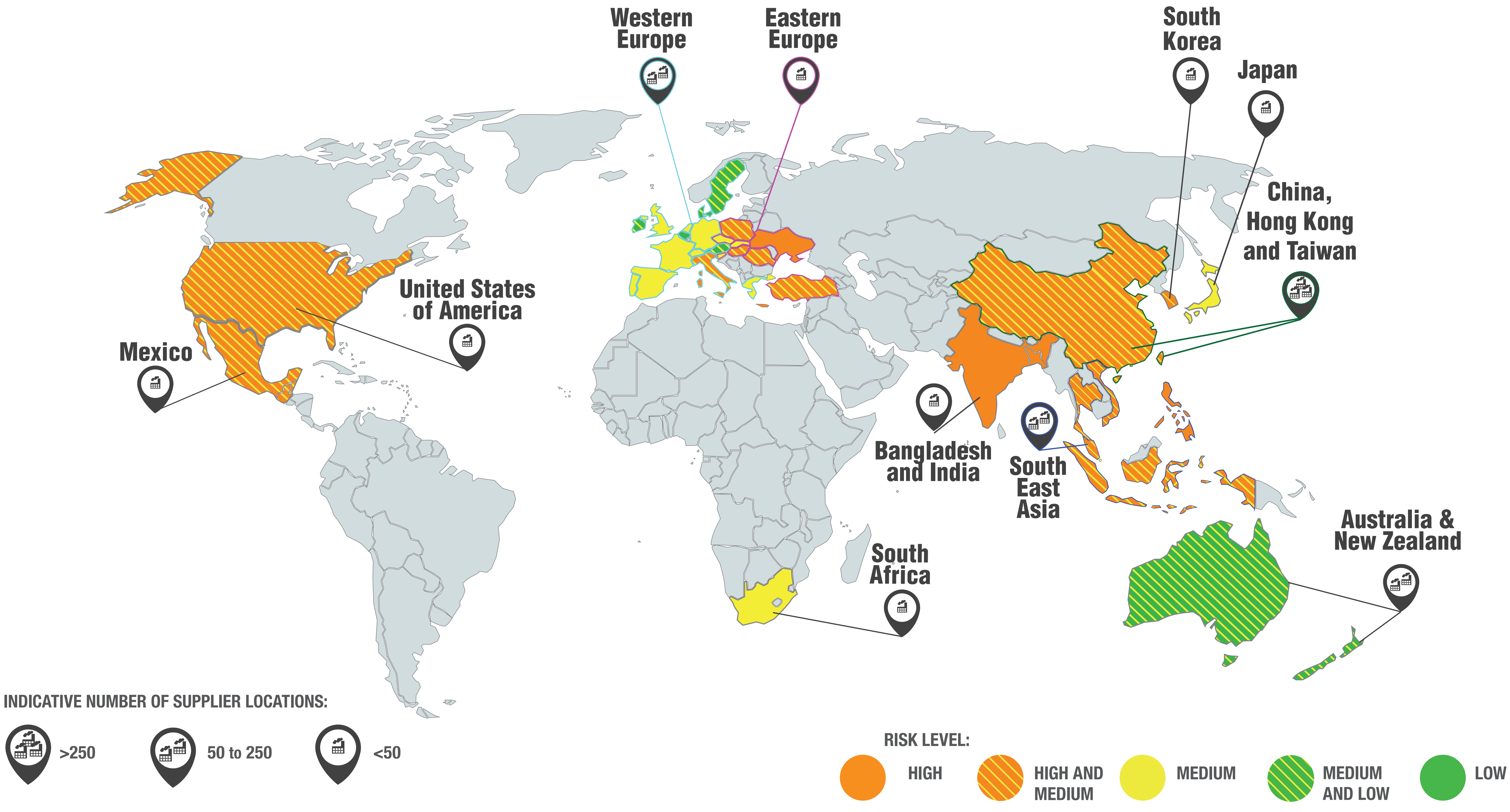
SUPPLIER ETHICAL SOURCING INHERENT RISK ASSESSMENT

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

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

A risk score is then assigned to suppliers based on their inherent characteristics and the underlying source data. The map below provides a high-level overview of the output of our Level 1 inherent risk assessment, an indication of the number of supplier locations, and level of risk by geography. This Level 1 inherent risk assessment acts as a foundation that informs how we prioritise suppliers for our Level 2 and Level 3 due diligence processes.

Changes in our inherent risk assessment this year relate to new suppliers that produce t-shirts for our collectibles range in India and Bangladesh, as well as increased country risks in the RBA analytics tool for America, Turkey, Ukraine and the surrounding Eastern European countries.



Level 1 Level 2 Level 3

SUPPLIER ETHICAL SOURCING SELF-ASSESSMENT QUESTIONNAIRE (SAQ)

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

Chart 1 provides a summary of the SAQ results received from suppliers (by risk rating) during the 12 months ended 30 June 2022 in comparison to the prior year[9]. Chart 2 provides a thematic summary of the types of issues arising out of the "high-risk" self-assessments that were received in FY22.

All high-risk ethical sourcing self-assessments are discussed with suppliers as soon as they are received. Any supplier that returns a high risk SAQ is also asked to provide a copy of their most recent social compliance audit to determine if any of the risk factors arising in the SAQ result in non-compliance with our Ethical Sourcing Policy.

CHART 1

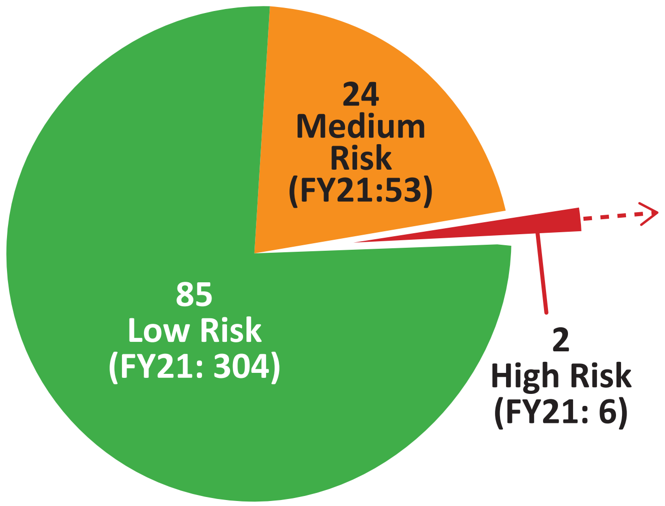


CHART 2

Level 1 Level 2 Level 3

SOCIAL COMPLIANCE AUDITS AND CORRECTIVE ACTIONS

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

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

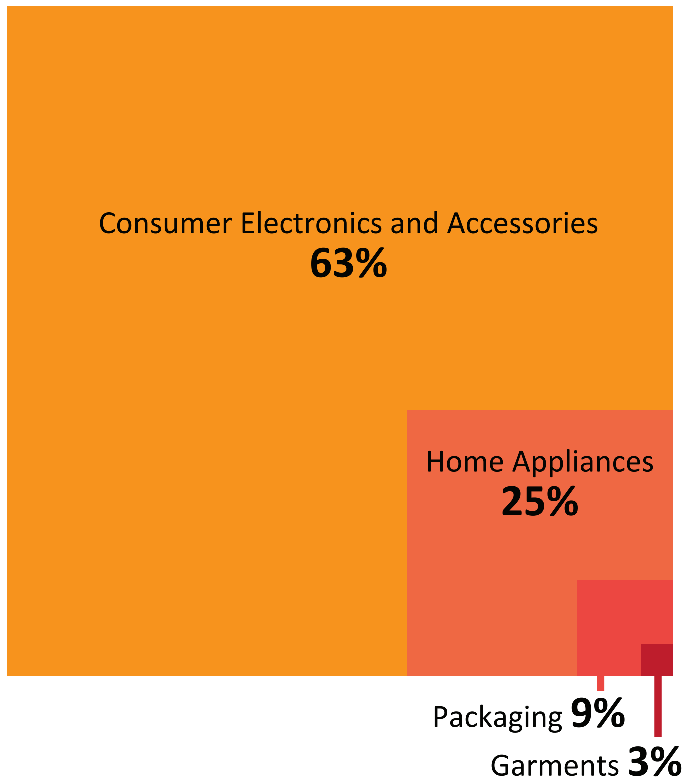
Given the inherent limitations of a self-assessment, Level 3 of our approach supplements our Level 2 SAQ due diligence with a detailed analysis of independent social compliance audits.

[9] A higher number of SAQs were received in FY21 due to the foundational work completed in the prior year.

FY22 Social Compliance Audit Observations

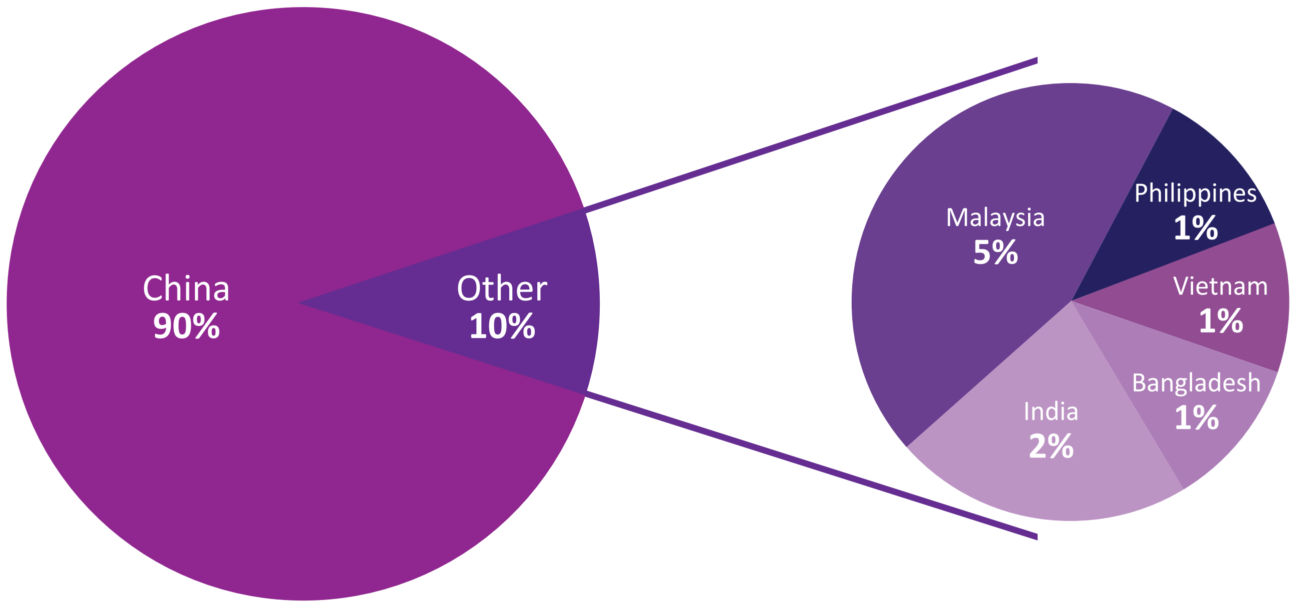
We used a risk-based approach to prioritise the review of supplier social compliance audit reports, and in FY22 we reviewed 88 social compliance audits across the manufacturing facilities on our watchlist. These facilities represent a range of final assembly manufacturing sites. Chart 3 provides the industry split of the audits that we reviewed, across consumer electronics, home appliance, garment, and packaging manufacturing suppliers.

CHART 3



The majority of the facilities reviewed were located in mainland China with the remainder in Vietnam, Malaysia, Philippines, India and Bangladesh. Chart 4 provides the percentage breakdown by location, of the facilities that we reviewed social compliance audits for.

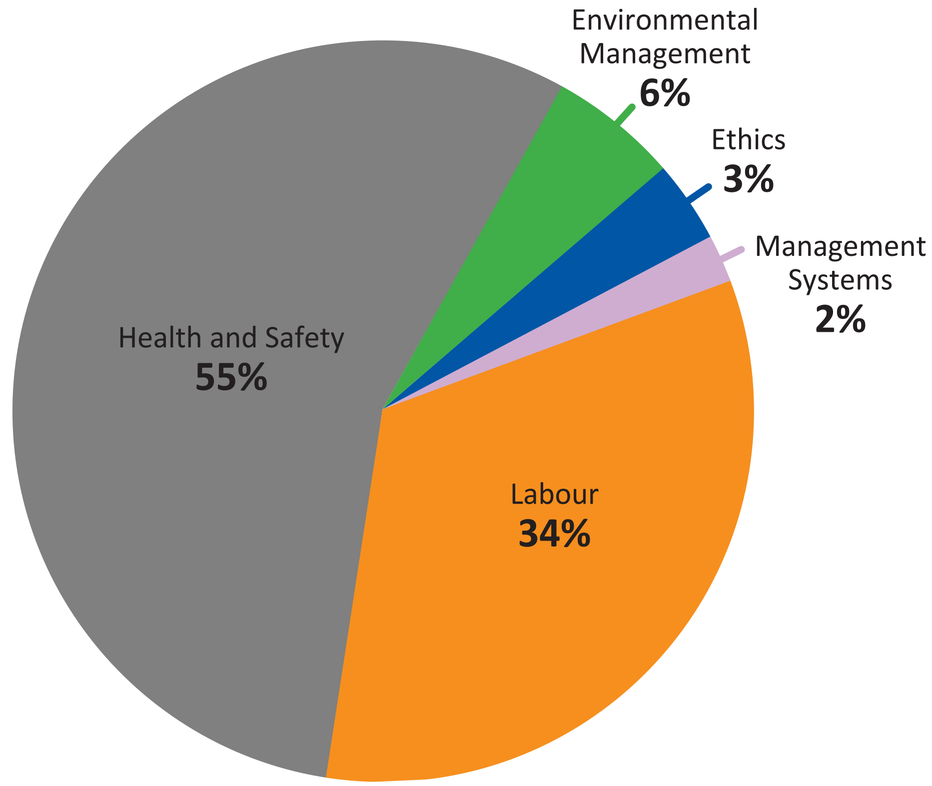
CHART 4



Implementing a process to review the social compliance audit reports of our suppliers' facilities has helped us develop a deeper understanding of the ethical sourcing risks within our supply chain and provides us clearer visibility around how suppliers are responding to the issues identified.

Chart 5 provides a summary of the proportion of audit findings raised under each of the key pillars of our Ethical Sourcing Policy. Chart 6 provides a more detailed breakdown of the individual findings against each requirement of our Ethical Sourcing Policy.

CHART 5



The majority of non-compliance with our Ethical Sourcing Policy has been associated with labour and health & safety practices. In particular, we are seeing recurring issues relating to long working hours and incorrect payment of social insurances for several suppliers in mainland China. We understand these two issues to be systemic across industries and suppliers that have manufacturing facilities in this region, and we are continuing to work with our suppliers to drive progress and continuous improvement in these areas.

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

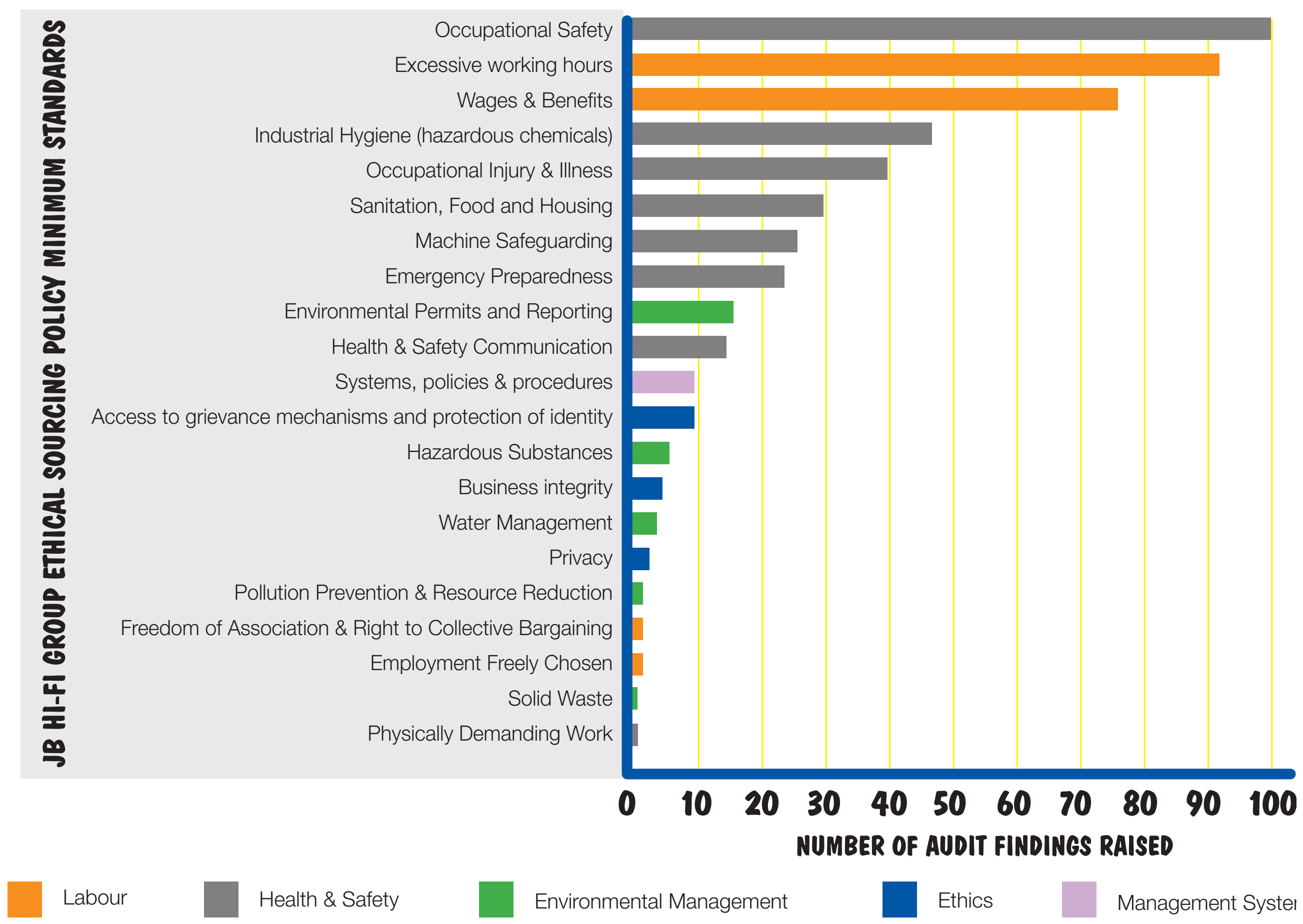
While the majority of our suppliers have been willing to conduct social compliance audits in line with our Ethical Sourcing Policy, in FY22 after extensive discussion with two of our suppliers, we decided to discontinue placing orders at four manufacturing facilities that were unwilling to conduct social compliance audits in line with our policy.

We also engaged one of our branded trade suppliers following reports about potential forced labour in their supply chain (noted in chart 6 under 'employment freely chosen'). We are committed to addressing any modern slavery allegations in our supply chain and have reviewed the actions the supplier has taken to address these allegations. We continue to work constructively with the supplier to understand the further actions they are taking to assess the risk of modern slavery in their supply chain.

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

[10]JB Hi-Fi Limited's 2022 Modern Slavery Report will be released by 31 December 2022.

CHART 6



OUR ETHICAL SOURCING COMMITMENTS FOR FY23

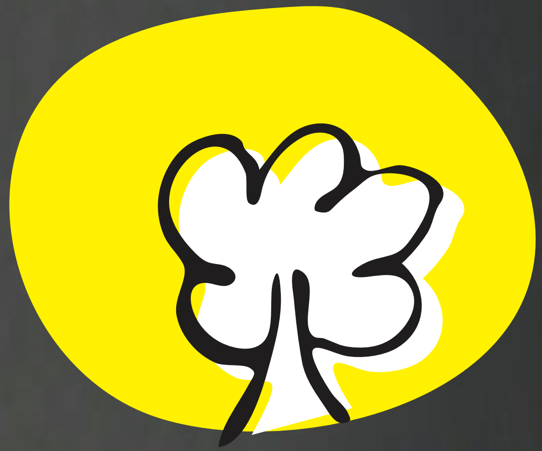
Continue to embed ethical sourcing within business operations through process improvements and additional stakeholder training and awareness programs

Continue to seek collaboration and share knowledge with industry peers and suppliers

Ensure suppliers conduct quality and independent social compliance audits in line with our Ethical Sourcing Policy, and appropriately manage corrective action plans to resolve any issues raised

Progress the review of our cleaning supply chain to identify risks and improvement opportunities and work with suppliers to enhance practices where required

Continue to build knowledge of ethical sourcing risks in different countries and product categories and engage with suppliers to better understand and manage these risks



Our Environment

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.

CLIMATE ACTION

The Group recognises the growing urgency for climate action and the importance of limiting global temperature increases in line with the Paris Agreement. We will monitor and reduce our energy consumption and greenhouse gas emissions, with the goal of achieving net-zero direct carbon emissions by 2030[11]

OUR APPROACH

Our strategic goal to achieve net-zero direct carbon emissions by 2030 has been informed by our company values, risk appetite, stakeholder expectations, the current climate landscape, and developments in technology and the regulatory environment.

The Group measures and monitors 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), and reports annually via the Australian Government's National Greenhouse and Energy Reporting Scheme (NGERS), as well as voluntarily through the CDP's Climate Change Questionnaire.

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

GOVERNANCE AND OVERSIGHT

Progress against our net zero target is reported to the Audit & Risk Management Committee and Board of Directors at least twice a year. The Committee is responsible for reviewing the Group's plans and actions relating to its emissions reduction initiatives, and provides oversight and monitoring of the Group's progress toward its 2030 net-zero target.

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

[11]The goal to achieve net zero direct (scope 1 and 2) carbon emissions by 2030 was included in the Group's FY21 Sustainability Report and will be measured against the Group's FY20 emissions (66,776 t-CO20-e)

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Building on the foundational work we undertook in FY21 to start understanding the impact of climate change on our business, we have established an annual review of the Group's key risks and opportunities relating to climate change. Risks and opportunities are assigned to a member of the senior management team to manage on an on-going basis, with progress reported to the Audit & Risk Management Committee twice a year.

Some of the key risks and opportunities which the business has identified include the following:

Our approach takes into account physical and transition risks as well as opportunities associated with our changing climate, and considers two possible future climate scenarios.

SCENARIO 1: LIMITING OF GLOBAL TEMPERATURE INCREASES TO 1.5 - 2 DEGREES	• rapid and coordinated transformation to a low carbon economy, fast-tracking of renewable energy, led by Government Policy • coordinated and cooperative decarbonisation across all sectors and markets • changes in household consumption and behaviour toward more sustainable living in order to reduce climate impacts
SCENARIO 2: GLOBAL TEMPERATURE EXCEEDS 2 DEGREES	• lack of government leadership and coordinated action across all markets and sectors to reduce emissions • limited transition to renewable energy, and continued reliance on fossil fuels • economic and social systems are adversely impacted by severe changes to the climate, coupled with resource constraints

Transition Risks

LEGAL AND REGULATORY RISK

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

MARKET RISK

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

TECHNOLOGY RISK

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

REPUTATIONAL RISK

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

Physical Risks

ACUTE PHYSICAL RISKS

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

CHRONIC PHYSICAL RISKS

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

Opportunities

MARKET OPPORTUNITIES

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

PRODUCTS AND SERVICES

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

BUSINESS RESILIENCE

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

ENERGY SOURCES

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

RESOURCE EFFICIENCY

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

WORKFORCE

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

REPUTATION

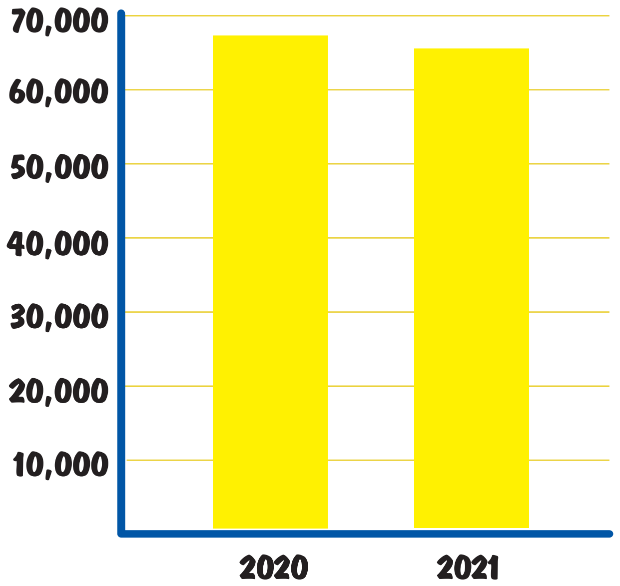
Increasing consumer sentiment and awareness toward our retail brands, by continuing to progress the work we are undertaking to reach net zero carbon emissions by 2030, and increasing the range of sustainable eco-friendly products and services on offer

OUR PERFORMANCE AND PROGRESS

OUR SCOPE 1 AND 2 EMISSIONS

The majority of our operational greenhouse gas emissions come from the electricity used to power our stores, warehouses and support offices, with the remainder associated with our company-owned car fleet.

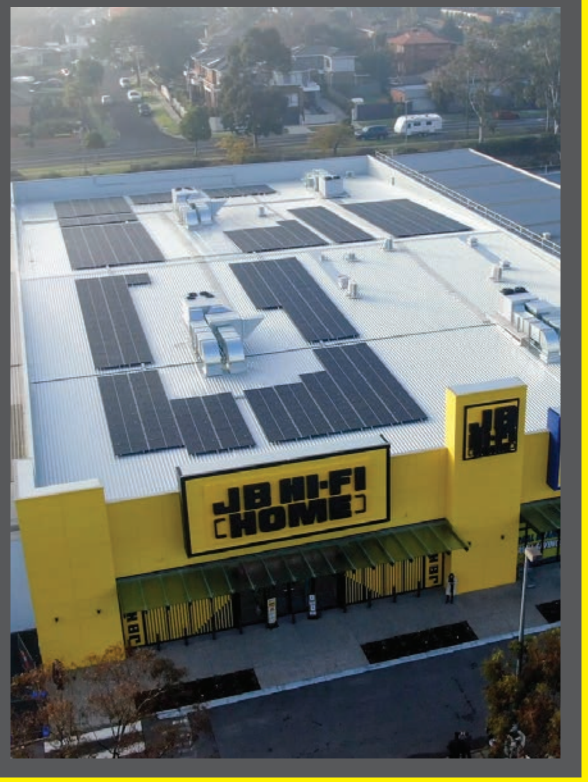
In FY21 our scope 1 and 2 emissions were 64,847 tonnes (FY20: 66,776 tonnes). The decrease was primarily attributable to a large proportion of our store network being unable to trade as a result of government lockdowns imposed on retailers during the height of COVID. Scope 1 and 2 emissions for FY22 were not available at the time this report was published and will be submitted to the National Greenhouse and Energy Reporting Scheme by 31 October 2022.



SOLAR POWER GENERATION

The Group aims to reduce carbon emissions from its operations through the use of renewable energy and has been investing in on-site solar power generators across our store portfolio. In FY22, 14 new sites had solar power generators installed, taking the total number of sites to 15. The total installed capacity of these systems is 1.5 megawatts. In FY22, these systems have produced 520.26 megawatt hours of energy. This is estimated to be the equivalent of powering 86 average sized households, and a reduction of 342.05 tonnes of carbon dioxide.

We have obtained landlord approval for an additional 10 stores where we will invest in on-site solar generation, and we will continue to work with landlords on this initiative to identify further opportunities for on-site solar power generation across our store network.



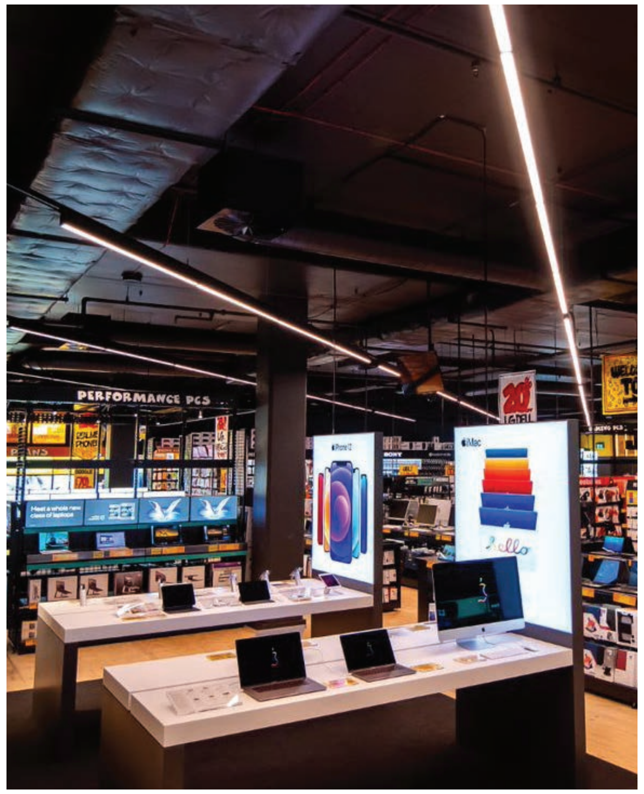
RENEWABLE ENERGY

In addition to on-site solar power generation, we are continuing to explore opportunities to integrate more renewable energy as part of our energy procurement strategy. The Group works closely with its advisors to understand and monitor the evolving market dynamics, as well as the risks and opportunities with respect to renewable energy.

IMPROVING ENERGY EFFICIENCY IN OUR STORES

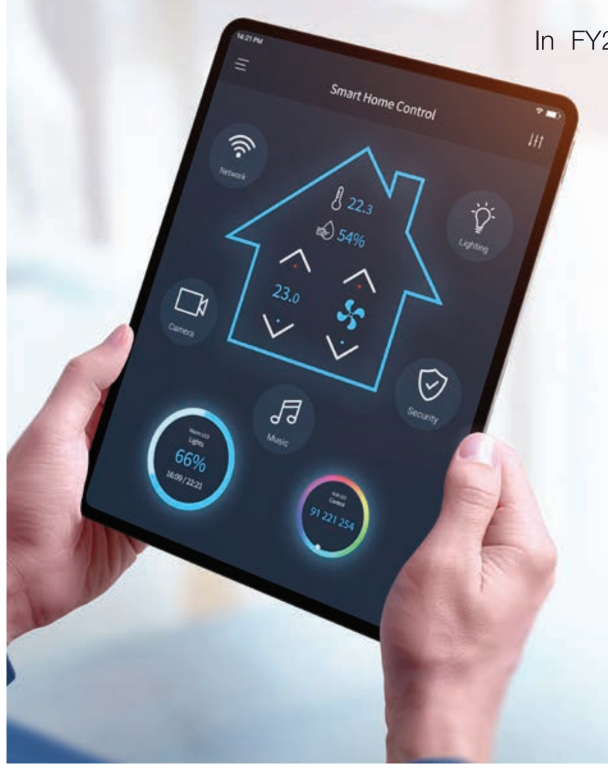
In FY21 we conducted a review of lighting across the store network and identified 37 stores which had not been upgraded to energy efficient LED lighting. In FY22 we completed the LED Lighting upgrade for these stores, replacing more than 8000 fittings in total. LED Lighting is now a standard inclusion for all newly built, relocated, and refurbished stores.

During FY22 the Group engaged an independent environmental consultant to undertake a carbon assessment at four stores of differing formats and size. The intent of the review was to assist us in identifying further energy efficiency initiatives for the four stores reviewed, which could then be replicated to other comparable stores. We are continuing to review the recommendations made and will explore these opportunities in FY23 as part of our commitment to reducing our energy consumption.



SCOPE 3 EMISSIONS

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



In FY22 we undertook an initial estimate of our scope 3 emissions using the GHG Protocol Quantis Scope 3 Evaluator Tool[12]. This identified the primary sources of our scope 3 emissions to be related to our purchased goods and services and the use of the products that we sell. Building on the results of this review, we are developing an approach to more accurately quantify these emissions with the dual aim of both enhancing our understanding of product specific emission impacts, as well as identifying opportunities to work with suppliers on emission reductions.

We have also identified the secondary sources of our scope 3 emissions applicable to our business and supply chain, and will develop an approach to measure and reduce these emissions over time.

[12] The Scope 3 Evaluator is a web-based tool developed by the Greenhouse Gas Protocol and Quantis. It provides organisations with a standardised methodology to measure, report and reduce emissions throughout the value chain, and helps identify areas for more accurate emissions calculations and reduction efforts.

A summary of the scope 3 emissions categories which we believe are primary, secondary and not applicable is set out below:

Primary Scope 3 Emission Categories
Purchased goods and services
Use of sold products
Secondary Scope 3 Emission Categories
Waste generated in operations
Employee commuting
Fuel and energy related activities (not included in scope 1 & 2)
Downstream transportation and distribution
End-of-life treatment of sold products
Business travel
Upstream transportation and transportation
Scope 3 Emission Categories deemed not applicable to our operations
Capital goods
Upstream leased assets
Downstream leased assets
Processing of sold products
Franchises
Investments

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

Scope 3 Case Study – Product Energy Efficiency

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

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

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

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

Participating in Government-led initiatives to improve energy and water efficiency in the home

Victorian Government Home Heating and Cooling Upgrades

In FY22, The Good Guys was selected as an approved supplier for the Victorian Government's Home Heating and Cooling Upgrades Program with energy efficient reverse cycle air conditioners.

The program offers rebates to eligible residents living in community housing which go toward replacing ageing and inefficient heating and cooling systems with newer, more efficient reverse cycle air conditioners. Participants in the program are expected to save up to $680 a year on energy bills, whilst also contributing to Victoria's emissions reduction targets.

New South Wales Government Washing Machine Replacement Trial

In FY22, The Good Guys was selected to supply the NSW Government with energy and water efficient washing machines as part of a washing machine replacement trial initiative to assist up to 3,000 social housing tenants upgrade to a new more efficient washing machine.

The initiative will see old top loader washing machines replaced with new front loaders, which are more water and electricity efficient, and according to the NSW Government could reduce annual household electricity bills and detergent costs by $220 - $245 on average.

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

As mentioned in our FY21 Sustainability Report, JB Hi-Fi assisted Samsung in its launch of 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 usage[13] of selected Samsung QLED TVs purchased through JB Hi-Fi.

Since the launch in October 2021, Samsung has funded approximately 366,961 new trees which will be planted next year to facilitate the reforestation of the Yarra Yarra Biodiversity Corridor in Western Australia (the largest biodiverse reforestation carbon sink in Australia).

It is expected that, by the end of the Samsung campaign, funding for approximately 450,000 new trees will have been provided, which will lead to an estimated 32,000 tonnes of CO2-e removed from the atmosphere.

The Yarra Yarra Biodiversity Corridor reforestation project began in 2008 and since then, more than 30 million mixed native specifies have been planted across almost 14,000 hectares.

OUR CLIMATE ACTION COMMITMENTS FOR FY23

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

[13]Calculation 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.

PRODUCT AND WASTE RECYCLING

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.

Throughout FY22, we continued to improve our existing waste and recycling systems and processes. Additional working groups were established to help develop our approach across all our major waste streams, and we began implementation of standardised waste and recycling infrastructure and training across our store networks.

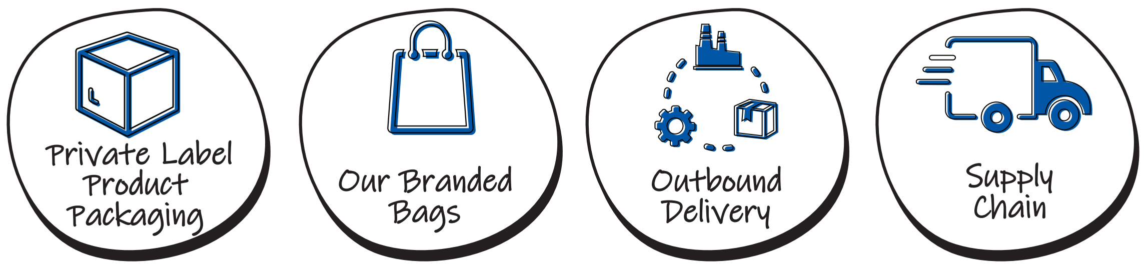
OUR APPROACH

Australia's 2025 National Packaging Targets

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

OUR STRATEGY

The Group is working towards optimising how we manage and recycle each of the primary waste streams which result from the running of our store and warehouse network, and is also working to improve the sustainability of our packaging to achieve the 2025 targets across the following areas of our operations:



WORKING GROUPS

We have established cross functional working groups to review current systems and processes and drive continuous improvement in how our brands manage and recycle waste. These working groups provide team members who are passionate about sustainability with the opportunity to be involved in how the Group reduces its impact on the environment.

During FY22, three separate cross functional working groups reviewed our waste and recycling capability across the store and warehouse network, e-waste capability, and our online delivery packaging. Each working group is led by a member of the Group's senior management team, and progress is reported twice a year to the Audit & Risk Management Committee, a sub-committee of the Board.

JB HI-FI AND THE GOOD GUYS STORE NETWORK

The Group is working towards implementing a consistent approach to how our store and warehouse network undertakes waste management and recycling. This includes:

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

HOME DELIVERY CENTRES (HDC)

The Group operates a network of 5 Home Delivery Centres in Melbourne, Sydney, Brisbane, Perth and Adelaide. These delivery centres act as storage and fulfillment hubs for "big and bulky" consumer electronics and white goods (e.g. large screen televisions and white goods) and, consequently, generate large amounts of waste from daily operations. Each HDC[14] 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 metal and other components of scrapped home appliances reclaimed from customer premises.

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

[14]Our Adelaide home delivery centre is still relatively new (opened in November 2021). At the time of publishing this report we are still awaiting the delivery of a cardboard compactor and are working with our supplier on the implementation of an EPS recycling solution.

OUR PROGRESS AND PERFORMANCE

PRODUCT PACKAGING STRATEGY

Private Label product packaging

JB Hi-Fi is continuously working in collaboration with key suppliers to align our private label XCD, Flea Market and Terminal 2 brands with the 2025 National Packaging Targets. These brands comprise of a range of consumer electronics products including headphones, cables, travel, and vinyl accessories.

In FY22, we conducted packaging recyclability assessments of an additional 129 (21%) of our private label product SKUs. Our aim is to ensure that our private label packaging is transitioned to 100% recyclable packaging in line with the 2025 targets without compromising product safety. Additionally, we are working with suppliers to increase the recycled content included in this packaging. We have also made it easier for consumers to understand the waste disposal and recycling information for the packaging by utilising the Australasian Recycling Label (ARL).

Next year, we will continue to increase the number of packaging assessments and increase usage of the ARL across our private label brands to enhance our packaging sustainability in line with the 2025 targets.

JB Hi-Fi and The Good Guys branded bags

JB Hi-Fi continues to operate a 15c user-pays policy for its plastic bags and sells a $1 re-usable bag (in Australia). The policy was designed to reduce the use of plastic bags and minimise the adverse impact on the environment caused by soft plastics.

As a result of this ongoing initiative:

- our plastic bag usage dropped a further 8% in FY22 vs FY21 (in addition to the initial 42.8% reduction in FY21 vs FY20);
- we handed out 424,000 fewer plastic bags in FY22 vs FY21, the equivalent of 7 tonnes of plastic waste; and
- all proceeds from the sale of our plastic and re-usable bags in Australia were donated to our Helping Hands Charity Program.

The Group continues its support of the REDCycle Program, a recovery and recycling initiative comprising consumer drop off points for soft plastics across Australia. 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 that our bags can and should be recycled.

The Good Guys utilise recyclable paper bags made from recycled content and JB Hi-Fi New Zealand also offers recyclable paper bags as well as a $2 re-usable bag. Effective 1 July 2022, JB Hi-Fi ceased using plastic bags in WA and is now offering new paper bags made from 100% recycled paper. These paper bags have the Australian Recycling Label which encourages consumers to re-use and recycle the paper bags.

Outbound Delivery

The Group's online sales grew 52.8% to $1.6 billion in FY22 and represented 17.6% of total sales (FY21: 12.4%). In FY22, the Group established a sustainable packaging working group tasked with reducing the environmental footprint of the packaging used to fulfil online product orders. One of the aims of the working group is to ensure our packaging meets the 2025 National Packaging Targets.

In FY22, the working group undertook a review of our outbound delivery packaging materials to identify improvement opportunities and minimise our impact on the environment. We identified that cardboard cartons and mailers make up approximately 90% of the packaging utilised for our outbound deliveries. Following this review we have been working with our supplier to introduce cartons that are made from 100% recycled content, can be recycled, and are responsibly sourced. This new packaging will be rolled out in FY23.

Supply Chain

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 FY22 we have been actively engaging with industry, government and our supply chain to understand and prepare for the industry phase-out of moulded single use expanded polystyrene (EPS) packaging that forms part of the Australian National Plastics Plan. We continue to closely engage with and monitor APCO's development of their EPS Phaseout Roadmap. While we look forward to the finalisation of the APCO roadmap, we have already been working with all key private label suppliers on this phaseout and we are on track to have all EPS phased out from our private label products by the end of 2022.

E-WASTE

E-waste continues to be a fast-growing waste stream in Australia, and the Group recognises the importance of striving to attain improved recyclability and rates of recycling of electronic and electrical products.

Recognising that more needs to be done on e-waste recycling, the Federal Government issued a Discussion Paper on Stewardship for Consumer and Other Electrical and Electronic Products in December 2021, providing companies the opportunity to put forward their views and ideas on how collectively we can improve product stewardship arrangements for electrical products. The Group contributed to a retail industry response (prepared by the Australian Retailers Association) in consultation with other retail companies and we continue to be engaged with the ARA and industry peers to explore opportunities for industry wide collaboration on this issue.

In FY22 the Group established a cross functional working group to specifically review and further develop our e-waste recycling strategy, with particular focus on the store network. The Group currently has 42 back of house and two trial in-store e-waste collection points across the store and warehouse network, and we will increase the number of collection points over the next year. This initiative will further help our customers recycle unwanted TVs, computers, printers, laptops, mobile phones and accessories, batteries and cables.

Below is a summary of some of waste we have diverted from landfill in FY22

STORE AND WAREHOUSE OPERATIONAL WASTE

We diverted **46.8%** (FY21: 45.5%) of waste from landfill, relating to our stand-alone stores and warehouse operations[15]

SOFT PLASTICS

We recycled **61,350 kg** (FY21: 51,800 kg) of plastic, comprising store banners, plastic product packaging, bubble wrap, plastic bags and LDPE pallet wrap used when transporting palletised stock.

E-WASTE (FROM OPERATIONS):

We recycled **3,512 kg** (FY21: 18,453 kg) of operational e-waste comprising servers, laptops, cabling, and computer accessories generated by our store and support office operations. The drop in volume being attributable to a lower level of IT replacements and upgrades needed in this financial year.

MOBILE PHONES (FROM OPERATIONS):

We refurbished **5,027** (FY21: 7,578) unwanted and unsellable mobile phones, giving them a second life for use within our business operations. The reduction has been driven by lower return levels and reduced operational requirements.

E-WASTE (FROM CUSTOMERS):

In FY22 the emeals[16] initiative took[17] **810** (FY21: 2,000) bookings for JB Hi-Fi and The Good Guys, delivering **4,050** (FY21: 12,000) fresh meals to people in need via SecondBite, and diverting **13,770 kg** (FY21: 34,487 kg) of waste from landfill. The reduction in the number of bookings from FY21 was driven by store closures as a result of government lockdowns.

Our customers dropped off **169,491 kg** (FY21: 165,725 kg) worth of e-waste to 42 (FY21: 39) collection points across our JB Hi-Fi and The Good Guys store network.

MOBILE PHONES (FROM CUSTOMERS):

Our customers returned **697** reply-paid mobile phone recycling satchels containing **254 kg** worth of mobile phones and accessory e-waste as part of Mobile Muster's 'Race to Zero' campaign. The Race to Zero campaign runs annually to raise awareness about the importance of mobile phone recycling in Australia.

TGG UNIFORMS:

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

EXPANDED POLYSTYRENE (EPS):

We collected **17,030** cubic metres of EPS for recycling from **107** locations (FY21: 25) across our store and warehouse network, and diverted approximately **59,605 kg** of EPS (FY21: 32,935 kg) from landfill. 100% of all EPS collected is palletised and used in the production of picture frames and skirting boards.

PRINTER TONER CARTRIDGES:

We collected **15,240** (FY21: 24,652) cartridges (5,051 kg, FY21: 7,179) from our operations and customers on behalf of the Cartridges 4 Planet Ark program.

[15] This figure only provides a partial view of our waste diversion, given the lack of reporting available for stores within embedded networks (I.e. shopping and homemaker centres), over which we have less control and visibility over how waste is managed and reported.

[16] the emeals initiative is a third-party initiative run by PonyUp for Good, providing a pick-up service for unwanted and used technology and delivering 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 1400 community food programs on the frontline of food poverty around Australia.

[17] Reporting 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

OPERATIONAL WASTE

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

During FY22, the waste and recycling working group conducted a store specific waste collection survey to understand the types of waste generated and how these different waste streams were being disposed of in our store network. This survey highlighted opportunities for the Group to make further improvements in this area. We are now in the process of improving and standardising our store waste management systems across the store network. As part of the process we are:

- rolling out new coloured bins so that waste can be sorted at the source;
- introducing new collection services, such as co-mingled recycling and polystyrene collections; and
- rolling out a new waste and recycling awareness and training program to support the improved store waste management systems.

OUR PRODUCT AND WASTE RECYCLING COMMITMENTS FOR FY23

- Complete rollout of standardised waste and recycling infrastructure, including relevant training, across our JB Hi-Fi and The Good Guys store network
- Implement packaging improvements for our JB Hi-Fi and The Good Guys online product sales, in line with the 2025 National Packaging Targets
- Implement more e-waste collection points across our JB Hi-Fi and The Good Guys store network
- Continue the roll-out of our sustainable packaging strategy for our private label product
- Continue working with APCO and trade partners to implement sustainable solutions for expanded polystyrene (EPS) in line with the National Plastics Plan targets

FY22 SUSTAINABILITY COMMITMENTS AND ACTIONS TAKEN

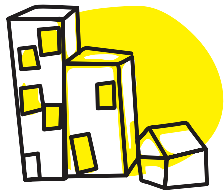
Our People & Culture

Health and Safety

COMMITMENT	ACTIONS TAKEN
Continue to refine how we approach mental health and wellbeing across the business through a combination of staff initiatives, training and awareness	• Expanded the roll out of B.A.C.K. U.P. Mental Health Training across the JB Hi-Fi business • Introduced B.A.C.K. U.P. Mental Health Training to TGG Store Managers • As part of RU OK Day we held training to help our team members have difficult conversations around mental health • Held 'masterclasses' which looked at the key factors which contribute to wellbeing, and how to manage these effectively • We provided mental health and self-care webinars on how team members could establish wellbeing "goals" to improve their overall physical and mental wellbeing
Implement initiatives aimed at improving performance across all measurable targets	• Delivered annual training and new initiatives in response to most common causes of injury • Launched The Good Guys Warehouse Safety Squad comprising cross-functional team members from Logistics, Safety and Store Operations
Conduct further review of our manual handling practices, including an investment in different types of manual handling equipment for our store teams	• Review completed and manual handling processes and procedures updated • Invested in manual handling equipment in response to team feedback and increased stock levels • Annual training schedule developed and implemented – each month focused on a different safety area

Diversity and Inclusion

COMMITMENT	ACTIONS TAKEN
Launch Group Diversity and Inclusion Action Plan with focus on increasing women in leadership at JB Hi-Fi and TGG	• Launched our updated Group Diversity and Inclusion Strategy
Conduct more frequent pulse surveys with team members	• Completed two engagement surveys (July and Feb) and one inclusion survey (May)
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	• Rolled out Speak Up campaign along with a range of relevant communications • Completed Group-wide equal opportunity and workplace behaviour training • Reinforced escalation procedures and manager actions for unacceptable customer behaviour
Women in Leadership program to include a further sixteen participants	• Completed program for an additional sixteen participants
JB Hi-Fi New Zealand Mana Wahine program to include a further eight participants	• Completed program for an additional eight participants



Our Communities

Community Investment

COMMITMENT	ACTIONS TAKEN
Survey our team members to measure engagement and explore new causes that our people care about and are willing to support	• Completed survey and overall findings demonstrate our program strategy is aligned with team members' expectations
Review the strategy that determines the recipient/s of funds raised from the sales of our plastic and multi-use bags	• Strategy updated to make one-off donations to charities supporting disadvantaged communities
Identify new opportunities for our innovation category that can create social impact	• Survey findings resulted in the addition of a new charity partner – Support Act
Continuing to evolve our understanding of the impact our programs are having on our charity partners and the community	• Increased the frequency of the Helping Hands communications across all JB Hi-Fi team members to report on progress made by charity partners • Conducted regular meetings of the Helping Hands steering committee to review and refine program strategy
Review and relaunch The Good Guys Doing Good program	• Completed a first stage review to seek feedback from our team and conducted team engagement activity to increase program awareness and participation • Rescheduled the relaunch of the program to FY23

Ethical Sourcing

COMMITMENT	ACTIONS TAKEN
Continue to build engagement, collaborate, and share knowledge and learnings with suppliers and across our industry alliances and partnerships, on modern slavery risks	• On-going work as part of the Group's Ethical Sourcing Framework with oversight provided by the Ethical Sourcing Working Group and Audit & Risk Management Committee. For further detail of our achievement in this area, please refer to the JB Hi-Fi Limited 2021 Modern Slavery Statement • Utilised best practice tools and training available through the RBA • Participated in relevant industry working groups • Facilitated ethical sourcing training across group merchandising teams • Provided detailed feedback to suppliers on ethical sourcing observations and areas for improvement
Provide our suppliers with our updated Ethical Sourcing Policy, inclusive of our policy on Social Compliance Auditing	• Distributed updated JB Hi-Fi Group Ethical Sourcing Policy, including our enhanced social compliance audit requirements, to suppliers
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	• On-going work as part of the Group's Ethical Sourcing Framework, with oversight provided by the Ethical Sourcing Working Group and Audit & Risk Management Committee. For further detail of our achievement in this area, please refer to the JB Hi-Fi Limited 2021 Modern Slavery Statement • Developed supplier watchlist to evolve how we manage our risk-based approach to supplier ethical sourcing due diligence • Extended our due diligence processes to relevant suppliers of high-risk products operating across additional industries and geographies

Our Environment

Waste and Recycling Commitments

COMMITMENT	ACTIONS TAKEN
Identify and progress high impact waste reduction, re-use, and recycling initiatives, through the Waste and Recycling Working Group	• Completed a review of operational waste management and recycling capabilities across the Group • Began implementation of standardised waste and recycling systems and training across our store network operations
Review the packaging utilised in all outbound deliveries associated with our JB Hi-Fi and The Good Guys online product sales, as well as the packaging we utilise in our store-to-store transfers	• Established a Sustainable Packaging Working Group tasked with improving the sustainability of our outbound delivery packaging and alignment with the 2025 National Packaging Targets • Developed plan with our packaging supplier to align outbound delivery packaging with the 2025 National Packaging Targets
Review our plastic and paper bag strategy and explore improvement opportunities to align to the 2025 National Packaging Targets	• Ensured The Good Guys' paper bags include recycled content and added waste disposal messaging, including the Australasian Recycling Label, to encourage appropriate consumer disposal behaviour • Engaged with suppliers to understand the process of increasing the recycled content of our plastic and re-usable bags
Continue the roll-out of our sustainable packaging strategy for our private label product lines	• Completed 129 private label product packaging recyclability assessments and included the Australasian Recycling Label on 105 product packaging in stores • Continued to work with suppliers to redesign packaging in line with the APCO Sustainable Packaging Guidelines
Explore cross industry collaboration to address e-waste	• Contributed to the ARA's industry response to the Federal Government's consultation on product stewardship for electrical and electronic products
Trial a customer-facing collection point within The Good Guys store network	• Conducted trial customer-facing e-waste collection points at one Good Guys store and one JB Hi-Fi store
Work with Government, APCO and trade partners to ensure sustainable solutions for expanded polystyrene (EPS) in line with the National Plastics Plan targets.	• Developed an internal EPS Action Plan in line with draft APCO EPS Phase Out Roadmap to ensure a full phase out of EPS for all JB private label products and continued engagement with trade partners on the development of EPS alternatives

Climate Action

COMMITMENT	ACTIONS TAKEN
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) carbon emissions target	• Continued implementation of solar generation in our store and HDC network • Upgraded remaining stores with LED lighting and ensured LED lighting is now a standard inclusion in all new store fit outs • Undertook detailed carbon assessment of four JB stores and identified further reduction initiatives for consideration across our operations • Reviewed risks, opportunities and feasibility to increase procurement of renewable energy
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) carbon emissions target	• Reported to the Audit & Risk Management Committee in October 2021 and April 2022 on the effectiveness and progress of our emission reduction initiatives • Implemented a new emissions reporting management system to enable more effective monitoring of our energy consumption, and the effectiveness of our emission reduction initiatives
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	• Developed an approach to improve the measurement of our material scope 3 emissions, and further engage with suppliers on emissions reduction • Continued our collaboration with suppliers on energy and emission reduction initiatives outside our direct control (refer to page 50 for example scope 3 case studies)

OUR FY23 SUSTAINABILITY COMMITMENTS

Our People & Culture

Health and Safety

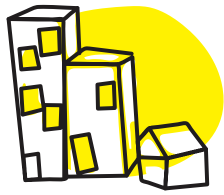
COMMITMENT

- [ ] Continue to develop and expand our mental health and wellbeing training
- [ ] Conduct further manual handling task specific training throughout the Group's store network across two dedicated training focus months
- [ ] Develop relevant safety training content that is reflective of current and emerging safety issues, ensuring it is delivered in a timely manner during our dedicated safety training focus months
- [ ] Monitor high risk incident trends and respond with appropriate training to mitigate the risk
- [ ] Review current, and implement new, initiatives aimed at improving Health and Safety performance across measurable targets, including such areas as aggressive customers and electrical safety

Diversity and Inclusion

COMMITMENT

- [ ] Continue the Group's progress towards achieving measurable objectives for gender diversity
- [ ] Embed our Group Diversity and Inclusion Strategy through additional training and awareness programs
- [ ] Conduct annual program of inclusion and engagement surveys of our team and undertake meaningful actions on the results
- [ ] Deliver annual equal opportunity and workplace behaviour training
- [ ] Expand our Women in Leadership program in Australia and New Zealand



Our Communities

Community Investment

COMMITMENT

- [ ] Continue to engage team members with our Workplace Giving activities through internal communications and creative campaigns
- [ ] Introduce new cause and charity partners as part of annual charity rotation policy
- [ ] Relaunch The Good Guys Doing Good Program and introduce new team Doing Good Committee to support greater levels of participation and engagement

Ethical Sourcing

COMMITMENT

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

Our Environment

Climate Action

COMMITMENT

- [ ] Continue to review and implement our emissions reduction initiatives across our store, warehouse and support office network in line with our 2030 net-zero direct (scope 1 and 2) carbon emissions target
- [ ] Further develop our approach to quantifying our scope 3 emissions and explore opportunities to engage and collaborate with suppliers and industry partners on scope 3 emissions reduction across the supply chain

Product and Waste Recycling

COMMITMENT

- [ ] Complete rollout of standardised waste and recycling infrastructure, including relevant training, across our JB Hi-Fi and The Good Guys store network
- [ ] Implement packaging improvements for our JB Hi-Fi and The Good Guys outbound deliveries relating to online sales, in line with the 2025 National Packaging Targets
- [ ] Implement more e-waste collection points across our JB Hi-Fi and The Good Guys store network
- [ ] Continue the roll-out of our sustainable packaging strategy for our private label product
- [ ] Continue working with APCO and our supply chain partners to implement sustainable solutions for expanded polystyrene (EPS) in line with the National Plastics Plan targets

60 City Road, Southbank, Victoria, Australia 3006
+613 8530 7333

www.jbhifi.com.au www.thegoodguys.com.au