

SUSTAINABILITY REPORT 2017



Inspiring you to live your passion

ABOUT US

Super Retail Group is one of Australasia's largest retailers and is listed on the Australian Securities Exchange (ASX).

We have over 630 stores, an annualised turnover of more than \$2.5 billion, and operations in Australia, New Zealand and China.

Our retail portfolio includes Amart Sports, BCF Boating Camping Fishing, Rays, Rebel and Supercheap Auto. Our extensive online and digital presence complements our physical store footprint and allows our customers to shop whenever and however they prefer.

In addition to our extensive retail network, our commercial entities – Auto Trade Direct, Infinite Retail and Super Retail Commercial – offer opportunities for businesses to use our sourcing and supply chain capabilities to buy the products they need, when they need them.

We have a clear view of the future, a solid strategic roadmap and a passionate team of almost 12,000 members – all committed to delivering solutions that engage and inspire our customers.

Your feedback is important to us
We welcome your feedback and comments on this report. Please feel free to contact our team via:

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CONTENTS

02

About Us

03

Message from our CEO

04

Our business

07

Our Network

08

Our supply chain

09

Governance

10

Stakeholder engagement

11

Managing our most material issues

26

Appendix

ABOUT THIS REPORT

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. It covers our Australian, New Zealand and China operations, including our store network, support offices and distribution centres for the period 1 July 2016 to 30 June 2017 (unless noted otherwise for specific data). We have noted where data is not available or incomplete. All financial figures are reported in Australian dollars, unless otherwise specified. Detailed information on our financial and economic performance can be found in Super Retail Group's 2017 [Annual Report](#). The online version of our previous year's report can be found [here](#).

MESSAGE FROM OUR CEO

Super Retail Group wants to make a positive contribution to the world. We do this through inspiring people to live their passions. We also do this through reducing our environmental impact and through helping the community, our team members and trade partners live and work more sustainably.

Sustainability isn't a buzzword for us. It's something we practice every day. We have seven strategic pillars that outline how we create value in a changing retail environment. One of these pillars is 'Strong & Sustainable Foundations'. This underlines our commitment to improve our ethical, socially responsible and environmentally sustainable business practices.

We believe that any company that fails to embed sustainability in the heart of its operations risks eroding the value of its brand and reputation over time. The link between sustainability and financial returns was highlighted by an award we received for the company that reported the most profitable carbon reduction activity in 2016.

We received the award from the CDP (formerly Carbon Disclosure Project) after spending \$27,610 on mitigation measures that reduced our carbon footprint by 3,519 metric tonnes. The reduction, in turn, led to \$1,374,308 in annual savings, representing an astonishing 4,878 per cent return on investment.

Of course, there is still much we can do to improve in the months and years ahead. On some issues, we must become better at turning aspirations into outcomes: reducing the use of plastic bags and plastic packaging are examples.

But we're making progress, especially on the material issues that matter most to our business: ensuring business practices are responsible, reducing our environmental footprint, and promoting the wellbeing of our team members and the broader community.



I hope you find this report informative. It intends to offer a window into the efforts we're making to become a more sustainable business: what we've done well, what we can do better, and what our plans are for the future.

Now, more than ever, I am proud Super Retail Group holds itself to account on whether we're making the world a cleaner, healthier and happier place.

Peter Birtles
Group Managing Director and
Chief Executive Officer

OUR BUSINESS



OUR PURPOSE

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

OUR VISION

We exist to inspire you to live your passion.

STRATEGIC PILLARS

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



OUR CORE BRANDS

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

AUTO	LEISURE	SPORTS
<p>Supercheap Auto is a thriving specialty retail business, specialising in automotive parts and accessories. Supercheap Auto stocks a wide range of tools and accessories for the DIY home handyman, as well as products for travel, touring, outdoors, garage and the shed.</p>	<p>With stores across every state of mainland Australia, BCF is the largest outdoor retailer in the country. We only sell quality brands from trusted manufacturers and are committed to offering the widest product range to our customers, who are as passionate about boating, camping and fishing as we are.</p> <p>As Australia's largest outdoor entertainment and camping leisure retailer, Rays offers families everything they need to enjoy the outdoors from the backyard to the bush.</p>	<p>Rebel offers a wide range of the latest release, quality, branded sporting and leisure goods for the casual enthusiast and serious competitor, including fitness equipment, sports equipment, apparel and associated accessories.</p> <p>Amart Sports provides a broad range of leisure sports products designed for family and team sports, and geared to the casual market at compelling prices. The Amart Sports brand will be merged into the Rebel business in November 2017.</p>

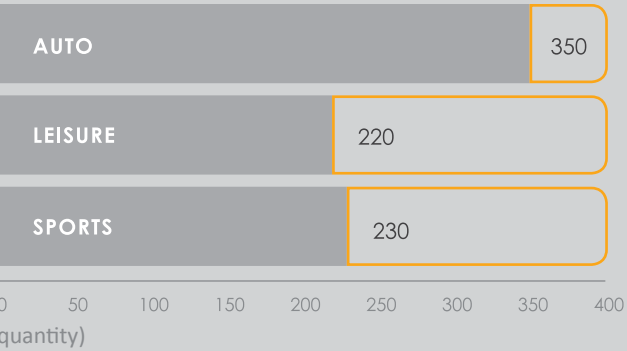
OUR BUSINESS

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

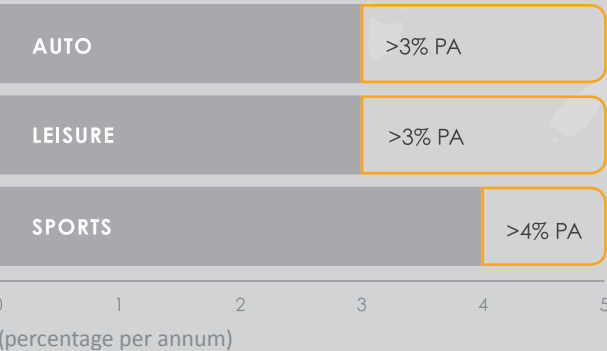


DELIVERING OUR FINANCIAL TARGETS 5 YEAR TARGETS

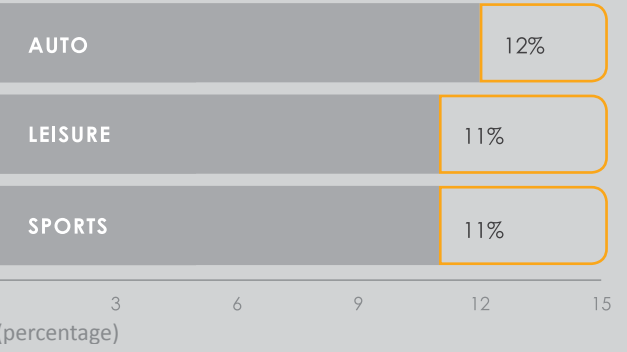
STORE NUMBERS



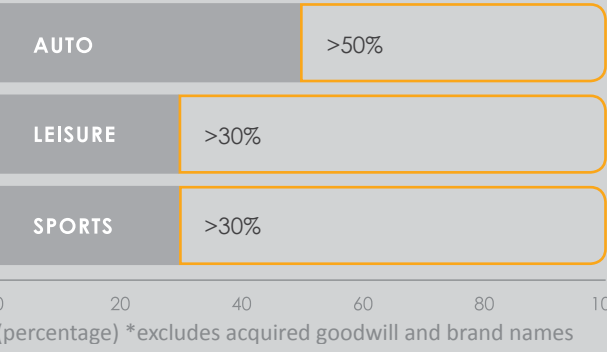
LFL GROWTH



EBIT MARGIN



PRE TAX ROC %*



OUR NETWORK

~12,000
TEAM MEMBERS


630+
STORES

4 SUPPORT
OFFICES
1 new support office
opened (Strathpine)

7 DISTRIBUTION
CENTRES

3 COUNTRIES OF OPERATION:
AUSTRALIA, NZ & CHINA
22 stores opened;
31 stores closed

BRAND	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	NZ	TOTAL
AMART SPORTS	-	13	1	28	5	-	18	3	-	68
BCF	3	38	2	38	10	4	22	18	-	135
RAYS	1	1	-	1	1	-	11	-	-	15
REBEL	4	37	-	15	7	1	26	8	-	98
SUPERCHEAP AUTO	4	72	3	83	21	5	54	30	44	316
TOTAL	12	161	6	165	44	10	131	59	44	632

 SUPER RETAIL GROUP
DISTRIBUTION CENTRE

 SHIPPING

 ROAD FREIGHT

 RAIL FREIGHT

632
STORES ACROSS OUR
ENTIRE NETWORK

6

165

59

44

161

12

131

10

44

OUR DIGITAL NETWORK



OUR SUPPLY CHAIN

Super Retail Group operates a big international supply chain. We source and distribute product from 17 countries into our Australian and New Zealand store network.

To enable us to more efficiently manage supply out of China – a primary sourcing location for private brand product – we have recently made a significant operating change by combining the International Operations team based in China with the Group Supply Chain team in Australia.

During the year under review the Group purchased \$288 million worth of product from overseas trade partners, a 15.2 per cent increase over the previous financial year. Domestic-supplied product represented turnover of \$1.161 billion, or a 5.5 per cent increase.

The Group operates seven distribution centres across Australia with approximately 193,000 square metres of capacity, capable of distributing the 110 million units purchased in the 2017 financial year to our national store and partner network.

GOVERNANCE

Good governance is more than just doing the right thing. It's about having the best possible processes for making and implementing decisions for our business and shareholders.

Our commitment to good governance goes beyond compliance. We believe that governance contributes to value creation through enhanced transparency, accountability, ethical management and fairness. A report from Macquarie Group¹ released in November 2016 acknowledged Super Retail Group as one of the ASX-listed companies that performs well on relative Environmental, Social and Governance (ESG) ratings and analyst recommendations; recognising that we have strong risk mitigation programs in place to address ESG issues and opportunities.

Our Corporate Governance Statement 2017 has detailed disclosures on the functioning of the Board and its committees and is available on our [corporate website](#).

Our sustainability performance relies on having good governance structures and strong commitment from our team members and leaders across the business.

Sustainability is the responsibility of the Company Secretary / Chief Legal and Property Officer and is supported across the Group by relevant policies which are part of our broader governance program. Our sustainability strategy and programs are managed by the Group's Sustainability Manager.

Our sustainability activities directly support our business goals. We promote responsible business practices across our supply chain, foster highly engaged team members to create a diverse and high performing team, and manage environmental impacts to minimise our carbon footprint. Exposure to economic, environmental and social sustainability risks are managed in accordance with our risk management strategy and frameworks.

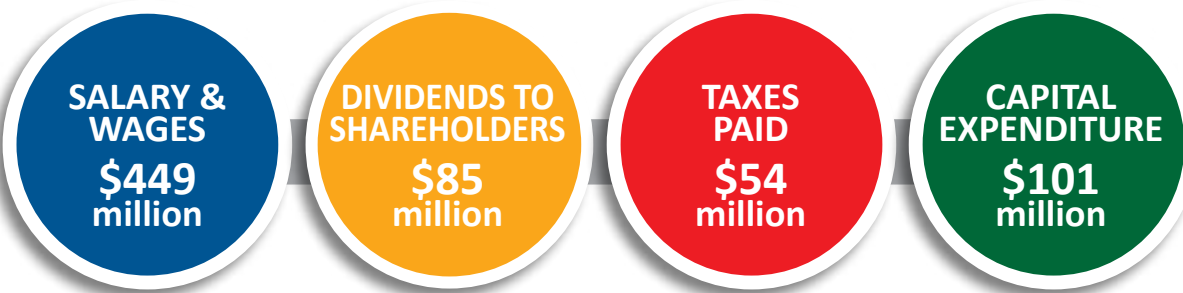
Selected sustainability performance indicators are monitored and reported monthly to the Board of Directors.

Our Chief Legal and Property Officer and Company Secretary is a board member of the Large Format Retail Association (LFRA), the national peak body representing the interests of large format retailers, investors, owners, developers and service suppliers in Australia. The LFRA advocates for clarity, consistency and certainty of legislation and regulations that apply to this sector, particularly in the areas of planning, zoning, technological, energy and environmental factors and initiatives.

Our Sustainability Manager is a board member of the Australian Packaging Covenant Organisation. The covenant is an agreement between government and industry to find and fund solutions to address packaging sustainability issues.

¹ Macquarie's ESG Ratings Survey, 22 November 2016.

OUR ECONOMIC CONTRIBUTION



STAKEHOLDER ENGAGEMENT

Stakeholders' views are critical to shaping our approach to sustainability. We recognise stakeholders are any group potentially affected by our operations, or who have an interest in what we do.

The following table provides a list of our key stakeholders, the engagement platforms, and some of the main issues of interest during the 2017 financial year:

Stakeholder	Issues of interest	Engagement mechanism	Frequency
Customers	<ul style="list-style-type: none"> Our products and services Packaging & waste Ethical supply chain Environmental footprint & impact on climate change Data security & privacy 	<ul style="list-style-type: none"> Stores Customer Service channels (online and phone) Social media Brands websites Market Net Promoter Score (NPS) Loyalty programs Surveys Club nights Newsletters 	Ongoing
Team Members	<ul style="list-style-type: none"> Safety and Wellbeing Product quality and safety Employment conditions Packaging and Waste Learning and development opportunities Gender Diversity 	<ul style="list-style-type: none"> Engagement surveys to all team members, with an 85 per cent response rate achieved for the 2016 survey. Internal intranet Team member newsletters (weekly Bulletin & quarterly Team Talk) Quarterly town hall meetings Team meetings Performance reviews 	Ongoing
Investors, Shareholders & Analysts	<ul style="list-style-type: none"> Economic performance Environmental, Social & Governance issues 	<ul style="list-style-type: none"> Corporate website ASX announcements Email communications Investors meetings and briefings AGM Annual reports Information requests 	Ongoing
Trade Partners	<ul style="list-style-type: none"> Product and services Compliance with mandatory standards Ethical Supply Chain Packaging & waste Environmental footprint & impact on climate change 	<ul style="list-style-type: none"> Meetings Site visits Factory audits 	Ongoing
Government & Regulators	<ul style="list-style-type: none"> Product quality & safety Economic performance Environmental impacts Gender Diversity 	<ul style="list-style-type: none"> Meetings Focus groups Annual Reports 	As required
Media	<ul style="list-style-type: none"> Corporate strategy Financial performance Products and services 	<ul style="list-style-type: none"> Media interviews Formal and informal briefings 	As required
Community & Non-governmental Organisations (NGOs)	<ul style="list-style-type: none"> Diversity Community contributions Ethical Supply chain 	<ul style="list-style-type: none"> Social Media Website Information requests Meetings 	Ongoing
Industry Associations	<ul style="list-style-type: none"> Packaging and Waste Resource efficiency Customer centricity Economic performance Responsible development of retail premises 	<ul style="list-style-type: none"> Meetings Industry Forums 	Ongoing

MANAGING OUR MOST MATERIAL ISSUES

We use a comprehensive materiality assessment based on a method developed by the Global Reporting Initiative (GRI), which is linked to the AA1000 Accountability Principles Standard (2008). Understanding and ranking the issues that matter most to our business and stakeholders allows us to evolve our business strategy and tailor our reporting in line with the interests and needs of our team members, customers, trade partners, shareholders and the broader community.

We regularly review and update our materiality assessment to make sure it reflects changes in our business and to identify emerging sustainability issues.

During the 2017 financial year we enhanced our assessment by extending our engagement with selected customers, trade partners and team members as part of the report preparation process. This engagement included in-depth consultation via customers and team members' surveys and meetings with three trade partners, one community partner and one industry group, in addition to our yearly assessment process. The latter involves consideration of GRI aspects, UN Global Compact principles, external assessment results from market analysts and proxy advisors, analysis of our business goals and regulatory risks, consultation with experts in the field of sustainability reporting, discussions with industry associations, non-governmental organisation interaction and peer review to assess best practice in the retail industry. We sought input and engagement from across our Group in the form of an internal workshop with selected Divisional representatives, the Group Leadership team and senior managers.

This engagement confirmed that the issues identified across our value chain in our materiality assessment remain consistent.

For this year's report we have grouped these material issues into the following three focus areas, aligned to our vision and purpose, brand portfolio and business strategy:

- Ensuring our business practices are responsible
- Reducing our environmental footprint
- Promoting the well-being of our team members and the broader community.

ENSURING OUR BUSINESS PRACTICES ARE RESPONSIBLE

This financial year brought more disruption than ever in the retail industry. The pace of change in how we work, live, shop and enjoy our leisure time is accelerating and we must rethink the way in which we connect with customers and address their expectations. A major customer expectation is the desire for products on the shelves to be sourced, manufactured, packaged and sold sustainably. Our customers care about where and how their products are made and they want to know that the company from which they buy them also cares.

REDUCING OUR ENVIRONMENTAL FOOTPRINT

We continue to work with our customers and trade partners to reduce the impacts of our products and activities in the environment. Our direct environmental impacts relate to packaging, energy use, waste production and transport emissions.

PROMOTING THE WELL-BEING OF OUR TEAM MEMBERS AND THE BROADER COMMUNITY

Fundamental to our success as a sustainable business is ensuring a safe workplace where team members enjoy coming to work and are engaged and inspired so that they can meet customers' needs. As well as making Super Retail Group a great place to work, we aim to provide opportunities for our people to help support their local communities and the issues that matter to them. In addition, our commitment is reflected through our corporate philanthropy, our support of community groups and other NGOs, our active participation in improving community well-being, and our provision of on-the-ground assistance in times of natural disasters, such as fires, floods and earthquakes.

While our reporting focuses on the issues that matter most to our business and our stakeholders, we have not set targets for all of these material issues. However, we have made important progress in addressing these issues this year. Our Sustainability Agenda aims to close this gap and our progress will be reported in the next financial year.

ENSURING OUR BUSINESS PRACTICES ARE RESPONSIBLE

WHAT MATTERS MOST	PROGRESS IN 2017
Ensuring our business practices are responsible	<ul style="list-style-type: none"> Updated Ethical Sourcing Policy implemented across the Group, which includes 630 stores, three support offices, seven distribution centres and 11,842 team members Audits conducted on 456 factories (81.5 per cent of total current factories) with no critical non-conformances identified New investments in cyber security to protect customer information and the integrity of our systems Earned the highest score in the Dow Jones Sustainability Index Review in the Australian Retail category
Reducing our environmental footprint	<ul style="list-style-type: none"> Improved recycling rates in Australia by 7.3 per cent Achieved a decrease in our energy use intensity of 4.9 per cent and decrease in greenhouse gas emissions intensity of 7.9 per cent Collected 750,200 litres of oil (18.8 per cent increase on FY2016) and 60,000 car batteries (23.3 per cent increase compared with FY2016) for recycling through our Supercheap Auto network Paper and cardboard used to package our private branded products imported from China were made of 100 per cent recycled materials Introduction of centralised printing in support offices led to a 24 per cent (5,307 kg) reduction in greenhouse gas emissions Reduced the number of pallets shipped by approximately 45,000 – enough to fill around 1,000 B-Double trucks Received the CDP (formerly Carbon Disclosure Project) Australian Climate Leadership Award – given to the Australian company which reported the most profitable carbon reduction activity in 2016. The Group spent \$27,610 to save 3,519 metric tonnes CO2-e, which brought annual savings \$1,374,308 – a 4,878 per cent return on investment Remained one of the highest performing retail signatories within the Australian Packaging Covenant (star rating 4 out of 5) Level of sustainability disclosure recognised by the Australian Council of Superannuation (ACSI) as 'Leading' among our ASX-listed peers, the highest ranking
Promoting the well-being of our team members and the broader community	<ul style="list-style-type: none"> Maintained top quartile levels of team engagement across the Group, with our overall team engagement score of 71 per cent, including a 6 per cent increase in the number of 'highly engaged' team members Reduced Lost Time Injury Frequency Rate (LTIFR) from 8.77 to 6.31 per million hours worked Improved gender diversity in senior positions: 40 per cent of direct reports to our Group Managing Director and 43 per cent of our Board are now represented by women Team members were granted leave to perform almost 7,000 hours of community service Named one of Australia's most attractive employers for 2017 by the Randstad Employer Brand Research. The research is based on the perceptions of over 10,000 members of the general public, and is designed to uncover how employers are perceived in the eyes of job seekers and potential employees Amart Sport's Community Kickbacks provided \$4.5 million in sporting equipment to local clubs and schools Partnered with the Australian Red Cross to support its Disaster Preparedness, Relief and Recovery campaign and Winter Woollies campaign 3,480 new team members completed online Sustainability-related training modules during their induction. The training focused on compliance with the relevant Group policies and legislative requirements. In addition, 118 team members in specialty roles completed online packaging training, which focused on compliance with our Sustainable Packaging Guidelines

To operate sustainably, it is essential that we integrate sustainability into all aspects of our business and supply chain. Issues around traceability and ethical sourcing are material risks for the retail sector and mitigating these risks requires long-term partnerships with our trade partners.

SOURCING ETHICALLY

We are committed to promoting better working conditions in our global supply chain and ensuring the products we provide to our customers are ethically and sustainably sourced. An updated Ethical Sourcing Policy was implemented in 2017 across the Group. The policy incorporates the standards of behaviour mandated in our Code of Conduct and is based upon the principles contained in the International Labour Standards published by the International Labour Organisation (ILO), the employment rights provisions within the United Nations Human Rights Charter and the labour law in the country of manufacture or supply.

The core labour standards for the protection of human rights at work, as identified by the ILO are: freedom of association, the right to collective bargaining, the prohibition of forced labour, the elimination of child labour and non-discrimination in employment. Our recent program of factory audits, which examine a broad range of human rights and safety matters, found no instances of human rights violations.

Generally, our relationship with all trade partners is based on a standardised General Business Agreement that requires them to comply with the provisions of our Ethical Sourcing Policy. Our China and Australian based teams maintain open communications with our direct trade partners so as to offer opportunities for improvement in the human rights of workers in our supply chain.

With an initial focus on private-branded products, a program of factory audits was implemented to align with the new policy in early 2017. Current satisfactory ethical sourcing audit reports are held on 456 factories with no critical non-conformances identified in any of those audit reports. This represents 81.5 per cent of total current factories. It is expected that transitioning to the new policy and regular audit regime will have been completed by the end of 2018.

There were 74 minor non-conformances during the financial year which identified opportunities for improvement, primarily related to non-critical safety features and employee record-keeping. We are working with the factories involved to correct those instances as a method of positively contributing to the improvement of working conditions in our supply chain. Together with our third party audit provider, we plan to conduct seminars for factories that we have a direct relationship with to assist our manufacturers to improve working conditions at their facilities.

PROVIDING SAFE AND HIGH-QUALITY PRODUCTS

We are committed to providing safe, high-quality products. Our dedicated compliance team, together with our trade partners, aims to ensure our products comply with product safety requirements and relevant consumer laws. Our product testing regime addresses mandatory and regulated Australian and New Zealand standards, and includes testing by either in-house or third-party NATA-accredited facilities.

REDUCING OUR ENVIRONMENTAL FOOTPRINT

We continue to refine our operations to ensure that the products we sell are safe, fit for purpose and meet quality and regulatory standards. This includes:

- Working closely with our trade partners and testing laboratories to ensure quality and compliance requirements are being met
- Having dedicated compliance teams in China and Australia to monitor our product range for safety, quality and labelling compliance
- Performing regular product compliance and quality checks at the factory level, before products are shipped, and at our distribution centres in Australia and New Zealand
- Performing informal audits at store level
- Periodically engaging specialist independent auditors to ensure compliance requirements are being met
- Implementing product recalls or holding products off-show where possible safety concerns arise
- Investigating customer complaints.

During the 2017 financial year two voluntary recalls of products were initiated when we identified potential safety issues as a result of our regular product testing regime.

We reported 29 injuries to customers that involved our products under the ACCC's Mandatory Reporting regime. The injuries included minor cuts and burns as well as allergic reactions. We have worked closely with those customers to ensure their wellbeing. In every case, the products were examined and where corrective action was suggested, we worked with our trade partners to improve the safety and performance of the products involved. There was no breach of mandatory standards associated with those injuries and customer concerns have been addressed and resolved.

MARKETING RESPONSIBLY

Our marketing strategy is based on honest and truthful communication with our customers – from marketing materials to claims made about the products we sell. We strive to take all necessary steps to ensure compliance with laws and regulations that govern responsible marketing and labelling in Australia and New Zealand.

Policies, processes and guidelines are in place to provide guidance on marketing practices across all brands. We have a dedicated compliance team to monitor our product claims on products, services and marketing materials and provide mandatory training to team members in our Marketing, Merchandising and Retail teams on a regular basis.

Our advertising materials and social media channels are monitored and customer relationship management (CRM) strategies are in place across all our brands to build customer satisfaction, loyalty, engagement and advocacy.

In addition, we have a Customer Interaction Centre for customer enquiries. The centre is open seven days a week, 364 days a year and customers are able to interact with the centre's team via chat, email and phone.

During the reporting period there were no incidents of non-compliance with regulations and voluntary codes concerning product and service information, labelling and marketing communications.

PROTECTING CUSTOMER INFORMATION

Protecting customer information is an obligation we take seriously. We are committed to achieving this through investments in cyber security that ensure the confidentiality and integrity of our systems. A newly appointed Group Security Officer (GSO) has responsibility for cyber security. The GSO reports to the Chief Financial Officer (CFO), who is a member of the Group Leadership Team. Priority areas include detection and response, technical security, people security and data security. A governance structure is in place to align cyber investments with strategic priorities to protect customer information and our enterprise value. For the reporting period no notifiable breaches were reported to the Privacy Commissioner.

To reduce our environmental footprint, we maintain an environmental management system that supports us to prevent pollution, comply with applicable environmental laws, identify risks and opportunities associated with our operations, and conduct business in accordance with our Environmental Policy and Ethical Sourcing Policy. We also seek to work with our trade partners to build a sustainable supply chain, including through product stewardship and efficiency programs.

Progress on this issue is measured and reported against such indicators as greenhouse gas (GHG) emissions, energy use, waste and recycling and business travel.

Climate change remains an important issue for the Group, as more extreme weather events will negatively impact our team members, customers and trade partners. As part of our contribution to broader efforts to address climate change, we've invested to increase energy efficiency across our operations, reduced waste and packaging, and offered recycling options to our customers.

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

The Group was honoured to receive the CDP (formerly Carbon Disclosure Project) Australian Climate Leadership Award, which is given to the Australian company which reported the most profitable carbon reduction activity in 2016. The Group spent \$27,610 to save 3,519 metric tonnes CO₂-e, which brought annual savings of \$1,374,30 – a 4,878 per cent return on investment.

Our annual CDP Reports are available on our [corporate website](#).

MINIMISING PACKAGING AND WASTE

While packaging protects the integrity and quality of our products, it also contributes to landfill. We are working hard to address concerns about the waste and pollution, with current initiatives including providing recyclable packaging to our customers, making it easier for them to recycle some of the products we sell, and recycling waste generated in our own operations.

We promote waste minimisation to all team members internally via multiple channels including the intranet, email communications, store bulletins and team member meetings, and seek to assist and influence our trade partners to design more sustainable packaging by providing guidance on packaging design.

During the reporting period, we decreased the waste produced in Australia and improved our recycling rates by 7.3 per cent to a total of 59.8 per cent, which is above our target of 54.5 per cent in the 2017 financial year. In New Zealand, we decreased our waste by 3.0 per cent while our recycling rates remained flat due to store refurbishment activity.

We will continue to work on strategies to reduce our overall waste and reach our recycling target of 55.5 per cent in the 2018 financial year.

	AUSTRALIA		NEW ZEALAND	
	2016	2017	2016	2017
Total waste produced (in tonnes)	10,183	10,178	688	668
Variance total waste	-0.05%		-3%	
Total Recycled	52.5%	59.8%	59.7%	58.9%
Variance recycling rates	+7.3%		-0.8%	



Super Retail Group has been a signatory of the Australian Packaging Covenant (APC) since 2008. The APC is an agreement between government, industry and community groups to find and fund solutions to address packaging sustainability issues. It aims to encourage businesses to design more sustainable packaging, increase recycling rates and reduce packaging litter. Signatories are required to prepare an Action Plan and report annually on their progress against their targets. The APC reviews the submitted report and provides a rating based on performance (1-5 stars, with 5 being the highest). During the 2017 financial year we achieved a rating of 4 out of 5, positioning the Group as one of the highest performer signatories in the retail category.

We consult and collaborate with the APC on a regular basis to ensure our commitments are aligned with best practice. Our Group Sustainability Manager is also a member of the Board. Our APC action plan and most recent reports are available at our [corporate website](#).

ENGAGING OUR TRADE PARTNERS

Our trade partners are vital allies in our efforts to reduce waste. We work closely with trade partners to promote packaging that is fit-for-purpose, resource efficient, made of low-impact materials and designed to maximise its potential for recycling.

Our team in China liaises with factories on a regular basis and performs new product packaging assessments. We also review the environmental impacts of the packaging that passes through our distribution centres in Australia and New Zealand and recommend to trade partners how processes might be optimised.

FORECASTED PLASTIC SAVINGS PER YEAR (KG)				
PRODUCTS REVIEWED 67	Weight saved (tonnes)	Plastic saving per type (tonnes)		
	2.70	PP	PE	PVC
		0.01	2.61	0.08

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

During the reporting period:

- Through packaging optimisation, we achieved a 21.8 per cent pallet utilisation improvement and an 11.2 per cent container utilisation improvement. Figures relate to reviewed products only (2,716 during the 2017 financial year), not total activity.
- We continued to reduce the amount of plastics used to package our products. We estimate that a total of 2,700 kg of plastic material will be saved per year based on the 67 products reviewed in the 2017 financial year.
- Paper and cardboard used to package our private branded products imported from China were made of 100 per cent recycled materials.

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

RECYCLING AND REUSING PRODUCTS

We continue to explore opportunities to improve resource recovery of products that we sell in stores and use in our operations.

Some of our current programs include:

- Car battery recycling – Supercheap Auto is part of a national network of battery recycling centres established by Century Yuasa for environmentally responsible collection and recycling of used lead-acid batteries. Batteries collected are reconditioned or recycled into new products made from lead, sulphuric acid and polypropylene. Recycling uses less energy than refining primary ore and removes lead from the environment. During the 2017 financial year our stores collected over 60,000 batteries for recycling, an increase of 23.3 per cent compared to the 2016 financial year.

- Oil recycling – A used motor oil recycling service is available at selected Supercheap Auto stores across Australia to encourage safe and environmentally responsible disposal. The recycled oil can be used as an industrial burner fuel, hydraulic oil, incorporated into other products or re-refined back into new lubricating oil. During the 2017 financial year our stores collected 750,200 litres of oil for recycling, an increase of 18.8 per cent compared to the previous reporting period.
- Clothes hangers reuse – Our leisure and sports brands are part of a closed loop reuse program established by TIC Group to reduce the amount of hangers going to waste. Hangers used in stores are returned to TIC and shipped to China for reuse.
- Cartridge recycling – Used cartridges are collected from all sites with photocopiers and sent to our trade partner for recycling. We also use recycled cartridges in our photocopiers.
- Pallet reuse – The Group has a partnership with two local trade partners that enables stores to return their pallets to our distribution centres for reuse. Damaged pallets are recycled in our distribution centres by our waste provider.
- Office e-waste – Used and obsolete IT equipment is collected by our trade partner and disposed in accordance with international standards.

Further information about our current recycling initiatives can be found in our most recent APC report, available on our [corporate website](#).

RECYCLING INITIATIVE	UNIT	2016	2017	YOY CHANGE	VARIANCE
Car Batteries	N/A	49,719	61,294	+23.3%	11,575
Oil	litres	631,400	750,200	+18.8%	118,800

REDUCING PAPER USAGE AND RECYCLING

We're always looking for ways to reduce paper consumption in our operations. Our catalogues are printed on recycled paper and distributed in targeted areas, reducing our advertising waste. Our use of customer targeting software and greater emphasis on email marketing has enabled us to reduce catalogue distribution quantities with little or no loss in effectiveness.

Our Support Offices have all implemented a centralised printing system that requires team members to enter a code in order to print. Since the implementation of this initiative we have seen a reduction of greenhouse gas emissions of 24 per cent (5,307 kg). All paper used in our stores and support offices are carbon neutral, which means that its entire carbon footprint has been measured and then offset by investments in greenhouse gas reduction projects. We also encourage team members to avoid printing documents unnecessarily and double-sided printing is set as the default on printers.

We have increased our electronic communications with shareholders to reduce waste and mailing costs. During the reporting period the Group saw an improvement in the full e-communication rate, with an uptake from 46.4 per cent to 53.1 per cent, which was achieved despite an increase in shareholder numbers.

REDUCING THE USE OF PLASTIC BAGS

As part of our strategy to reduce our impact on the environment, our Leisure brands have banned single use plastic bags in stores. Paper bags are available for customers and supplied upon request.

Our Sports brands have recently started a trial in selected Rebel stores in South Australia which we estimate to have saved approximately 7,025 plastic bags from going to waste in the first week of the trial. The results of this trial will be informing our next steps for other Sports stores.

Our team members also help reduce bag usage by asking customers if they need a plastic bag to carry small items, instead of automatically providing one. Regular communications are sent to stores via internal bulletins to raise awareness on this issue.

We will continue to work to educate customers and team members about plastic bag reduction and help to shape community behaviour in this regard in the coming years.

MITIGATING GREENHOUSE GAS EMISSIONS

Energy and emissions data for our operations in Australia is collected, calculated and reported to the Clean Energy Regulator in accordance with the National Greenhouse and Energy Reporting Scheme. Collecting this data also helps us understand our environmental impact from energy use and where we need to act.

Our primary operational greenhouse gas emissions are from electricity used in our retail stores, support offices and distribution centres in Australia. Those emissions (Scope 2) represent 99 per cent of our total emissions. Our Scope 1 emissions relate to motor vehicles fully maintained by the Group and represent one per cent of our total emissions.

During the reporting period we continued with our energy efficiency initiatives to mitigate our greenhouse gas emissions and achieved a decrease in our energy use intensity of 4.9 per cent and decrease in emissions intensity of 7.9 per cent.

Overall, our total energy consumption increased by 3.0 per cent due to business growth and store refurbishment activity, with floor space increasing at some stores to provide a better shopping experience to our customers.

Despite this increase, our total greenhouse gas emissions decreased by 0.3 per cent compared to the previous reporting period due to a 26.0 per cent reduction in the number of fully maintained vehicles by the Group, following an internal review of vehicle needs and reassignment of surplus vehicles to new team members with transportation needs.

REDUCING OUR ENERGY USAGE

We seek new ways to reduce power usage and have implemented a number of initiatives across the Group. These include awareness campaigns with team members, structural changes such as lighting upgrades and heat reflective roof paint, procedural improvements such as optimising the hours of operation of equipment through timers and photoelectric cells (air conditioning, lighting and illuminated signage) and installation of energy saving devices and control equipment.

During the reporting period we partnered with our electricity provider and trialled the deployment of Energy Performance Monitoring (EPM) at 15 Supercheap Auto stores. This trial led to a 4.5 per cent reduction in electricity consumption and energy cost savings of approximately \$40,000. We are currently reviewing the outcome of the pilot with a view to implementing the initiative across our broader retail network.

Energy efficiency upgrades are also part of our brands' scope of works for new stores and refurbishment activities. During the financial year, 38 stores across our network had lighting upgrades completed.

We take a whole-of-business approach to energy management and utilise reporting mechanisms to provide accurate and verifiable data to help identify poorly performing sites across the Group. Corrective action may include either procedural, educational or structural changes.

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

Description	Unit	2015	2016	YOY Change
Greenhouse Gas Emissions (Scope 1)	tCO2	894	785	-12.2%
Greenhouse Gas Emissions (Scope 2)	tCO2	83,004	82,836	-0.2%
Total Greenhouse Emissions (Scope 1 and Scope 2)	tCO2	83,898	83,621	-0.3%
Energy consumed	GJ	353,653	363,805	2.9%
Greenhouse Emissions intensity (CO2e/\$1 million revenue)	tCO2	37.47	34.52	-7.9%
Energy intensity (CO2e/\$1 million revenue)	GJ	157.97	150.20	-4.9%

Notes:
1. Scope 1 – Fuels; Scope 2 – Electricity and natural gas.
2. Total energy consumed refers to fuels (fully maintained cars), electricity and gas consumption in stores.
3. Emissions have been calculated by compiling the total kilowatt usage for each facility, obtained from electricity billing records. Where data was incomplete we have proportioned the billing records so they reflect usage of 365 days (or less if the facility has not operated for the full year). Where the data was not available, we have estimated the usage based on previous usage or similar facility.
4. Data relates to Australian operations in the 2015 and 2016 financial years. Our report for financial year 2017 will be submitted to the Clean Energy Regulator in October 2017 and reported in the next financial year.

LOWERING TRANSPORT EMISSIONS

Emissions related to transport are around 1.0 per cent of our total carbon footprint. Those emissions relate to fully maintained motor vehicles that are used by team members in the discharge of their duties, such as managing stores, providing training and preventing asset loss. Transport related to the delivery of our products is provided by trade partners.

We regularly review our fleet and fuel sources with a view to identifying opportunities to further lower our emissions.

Our products are sent to Distribution Centres, stores and customers by trade partners using road, air and sea. This activity is managed by our Supply Chain team, which is highly focused on efficiency and sustainability. This focus has resulted in a number of initiatives that have helped us use fewer resources and cut costs. They include:

- Increasing Units per Outbound Pallet (UPP) – This activity helps us to reduce the number of pallets we use and optimises freight transfers between Distribution Centres. In the year under review we reduced the number of pallets shipped by approximately 45,000, enough to fill around 1,000 B-Double trucks. The estimated freight cost benefit of this initiative is around \$2.5 million.
- Changing pallet wrap from black film to clear film for securing pallet loads at the Distribution Centres – In addition to delivering safety improvements for our team members, the reduction in thickness of film has seen a reduction of around eight tonnes of film and a budget saving of around \$25,000 in the 2017 financial year.
- Removing unnecessary packaging materials at our Distribution Centres (including through a reduction in packaging and cardboard grade) has resulted in less tonnage of wrapping and packaging being used in the Brendale, Erskine Park and Altona Distribution Centres. This initiative not only removed unnecessary packaging from the supply chain but delivered a budget saving of around \$350,000 during the 2017 financial year.

The Group achieved a carbon emissions reduction of 25.4 per cent during the 2017 financial year for air travel. Our emissions associated with road travel rose by 20.6 per cent during the reporting period due to increased team member travel to support store activities and other business activities.

We will continue to work to reduce the impact of business travel through initiatives including upgrading video conferencing to facilitate more virtual meetings, offering more road and air travel options that have a lower emissions footprint, and implementing more stringent controls through real-time monitoring of travel activities.

Description*	Unit	2016	2017	YOY Change
Road travel	tCO2	927	1,118	+20.6
Air travel	tCO2	6,140	4,580	-25.4%

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

PROMOTING THE WELLBEING OF OUR TEAM MEMBERS AND THE BROADER COMMUNITY

Super Retail Group is committed to ensuring a safe, fair and equitable working environment for all team members. We employ 11,842 people across Australia, New Zealand and China, as of the end of the 2017 financial year.

In Australia, 79 per cent of our team members are covered by the Super Retail Group Enterprise Agreement 2015 (EA), which remained effective throughout the duration of this reporting period. The EA is due for renegotiation in 2018, and team members will be engaged and consulted throughout the process.

The remaining 21 per cent of our Australian team are covered by Individual Employment Contracts. These are individually negotiated at point of hire and upon transfer to new roles.

In New Zealand and China, all team members employed are covered by Individual Employment Agreements. During the reporting period, New Zealand Individual Employment Agreements were updated to reflect changes to legislation pursuant to the Employment Relations Amendment Act 2016.

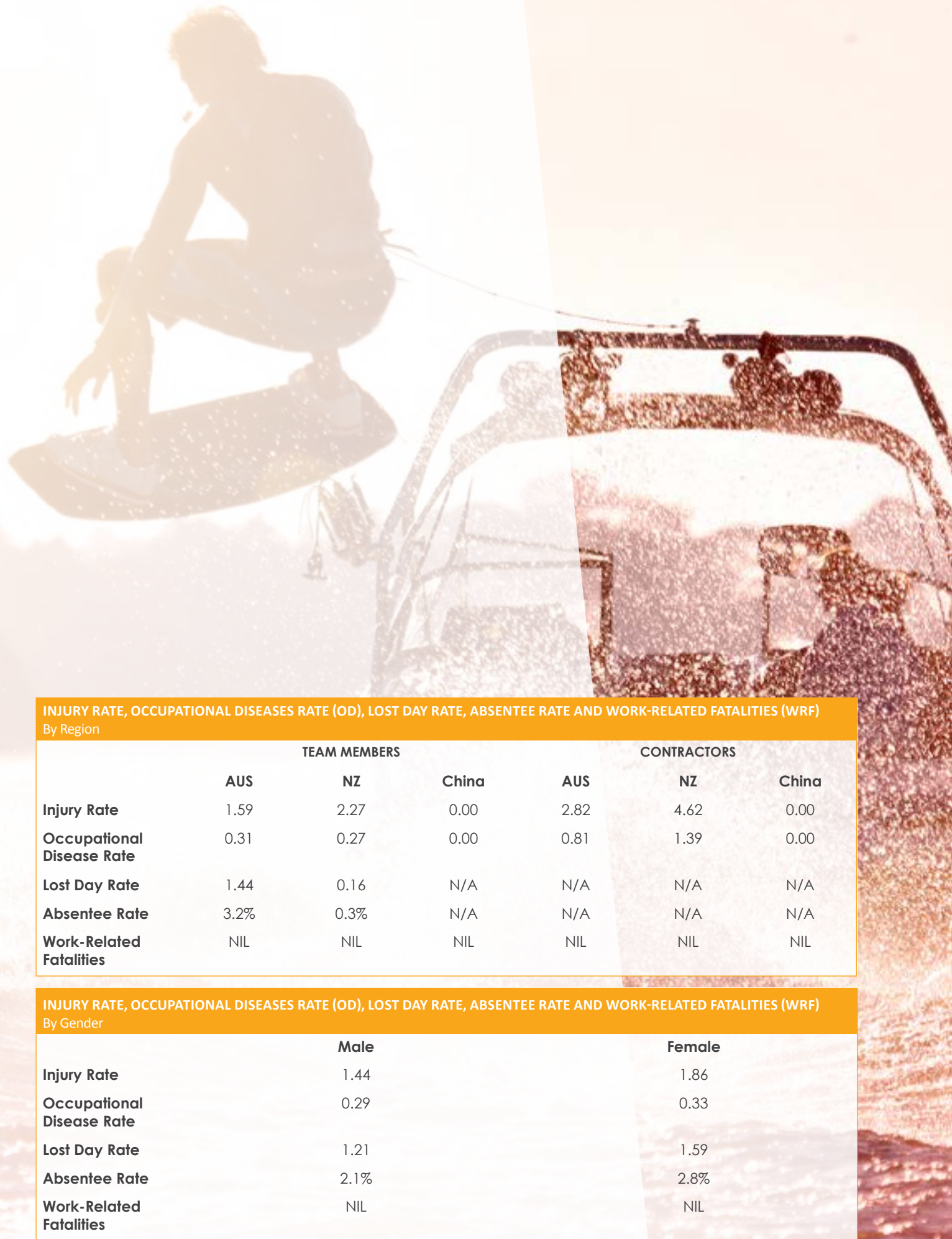
TOTAL WORKFORCE by Region and Gender					
	Australia	NZ	China	Total	%
Female	5,228	181	46	5,455	46.1%
Male	6,074	274	39	6,387	53.9%
Total	11,302	455	85	11,842	100%

BOARD COMPOSITION by Gender		
Female	3	42.9%
Male	4	57.1%

BOARD COMPOSITION by Age Group		
Under 30	0	0.0%
30-50 Years	0	0.0%
Over 50	7	100.0%

TOTAL WORKFORCE By employment type, employment contract and gender				
	Female	% Female	Male	% Male
Casual	2,420	20.5%	3,128	26.4%
Full Time	1,556	13.1%	2,117	17.9%
Part Time	1,369	11.6%	1,081	9.1%
Temporary Full Time	96	0.8%	56	0.5%
Temporary Part Time	14	0.1%	5	0.0%
Total Group	5,455	46.1%	6,387	53.9%

TOTAL WORKFORCE by Age Group		
Under 30	30 - 50 Years	Over 50
7,819	3,235	788



INJURY RATE, OCCUPATIONAL DISEASES RATE (OD), LOST DAY RATE, ABSENTEE RATE AND WORK-RELATED FATALITIES (WRF)						
By Region						
	TEAM MEMBERS			CONTRACTORS		
	AUS	NZ	China	AUS	NZ	China
Injury Rate	1.59	2.27	0.00	2.82	4.62	0.00
Occupational Disease Rate	0.31	0.27	0.00	0.81	1.39	0.00
Lost Day Rate	1.44	0.16	N/A	N/A	N/A	N/A
Absentee Rate	3.2%	0.3%	N/A	N/A	N/A	N/A
Work-Related Fatalities	NIL	NIL	NIL	NIL	NIL	NIL

INJURY RATE, OCCUPATIONAL DISEASES RATE (OD), LOST DAY RATE, ABSENTEE RATE AND WORK-RELATED FATALITIES (WRF)		
By Gender		
	Male	Female
Injury Rate	1.44	1.86
Occupational Disease Rate	0.29	0.33
Lost Day Rate	1.21	1.59
Absentee Rate	2.1%	2.8%
Work-Related Fatalities	NIL	NIL

ENSURING THE SAFETY AND WELL-BEING OF OUR PEOPLE

Our Work Health and Safety Policy defines our commitment to provide a healthy and safe work environment for all our team members, contractors, customers and visitors. It is supported by our Group safety and well-being strategic plan and safety management system, which reflects a proactive risk and behaviour-based approach.

We believe that all injuries are preventable. To this end 'Our Shared Safety Promise' sets out our practical approach to safety through six guiding principles:

- We keep ourselves and each other safe
- We're fit for work
- We do the training
- We know the risks
- We use the tools
- We always report

Our Board and senior management continually monitor safety performance, the ongoing improvement of our safety management systems and the adequacy of risk management activities.

In the 2017 financial year the Group Lost Time Injury Frequency Rate (LTIFR) was 6.31 per million hours worked, compared to 8.77 for the previous year². Our result for the 2016 financial year was restated from the previously reported 6.87 to reflect re-clarification of key definitions, continuing the ongoing maturation of our data measurement.

The continued decrease in our LTIFR reflects our whole-of-business focus on safety leadership, actively working towards meeting standardised safety-positive performance indicators and targets, and increasing team member awareness and education.

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

We continue to improve the effectiveness of the Group's Safety Management System and our safety performance, targeting safety culture, process improvement and driving personal accountability for safety among team members.

BUILDING A DIVERSE AND INCLUSIVE TEAM

We believe a diverse and inclusive team is a core competitive advantage. A team that reflects the diversity of our customers in the areas we serve helps us better understand and anticipate their needs and develop more meaningful connections.

Likewise, we are committed to ensuring all team members' contributions are welcomed and valued, differences are celebrated and everyone benefits from inclusive practices and behaviours.

We offer flexible working arrangements to support our team members enjoy greater work-life balance, so they, like our customers, can enjoy their leisure passions. We also offer flexible work arrangements that cater to family needs and commitments.

GENDER DIVERSITY

In the 2017 financial year, we continued to make progress on gender diversity at our most senior levels. The number of women within the Group Executive Team (Band 1) reporting to the Managing Director and Chief Executive Officer rose to four, up from two the prior year, representing female representation at this senior level of 40 per cent.

At the same time, we are proud that our Board's gender representation was maintained at 43 per cent, with Dr Sally Pitkin named as independent non-executive chair to replace Mr Robert Wright upon his retirement in October 2017. This again underlines the commitment to gender diversity.

There was continued improvement in other key workplace diversity indicators over the period, including an increase in the overall population of women as well as the number of women in leadership, with 12 additional female appointments to key senior management roles (Bands 1-3), taking the total representation of women at this level to 34 per cent.

We remain committed to further advancing gender diversity at all levels, in line with our target of having 40 per cent female representation at Board and senior management level by 2019.

At the end of the reporting period, our team comprised 46 per cent women, representing 46 per cent of team members in Australia and 40 per cent in New Zealand.

² Lost time injuries are classified in accordance with Australian Standard 1885.1 - Workplace Injury and Disease Recording.

71% OVERALL TEAM MEMBER ENGAGEMENT SCORE

We encourage all team members to be strong advocates for diversity and inclusion in the business and retail sectors. This is led by our Managing Director and Chief Executive Officer Peter Birtles who is an active member of the Queensland Male Champions of Change and a regular speaker on gender diversity and inclusion.

Super Retail Group's 2017 Workplace Gender Equality Agency (WGEA) report may be viewed on the website <https://www.wgea.gov.au/>.

INVESTING IN LEARNING AND DEVELOPMENT

Investing in our team is a Group-wide commitment as demonstrated by our retail training, management development and personal development programs, as well as product and sales training.

This includes a partnership with a Registered Training Organisation that delivers training modules for a range of nationally-recognised qualifications for retail team members. Our learning and development programs are delivered in a variety of formats to best meet the needs of our diverse and geographically-dispersed team.

LEADERSHIP

Leadership capability continues to be a key focus for the Group and a new leadership program will be introduced to 130 of our senior leadership team in the new financial year. The program will deliver strong alignment to the commercial drivers of the organisation and better equip our leadership cohort to lead through a period of unprecedented change. There will also be a reinvigorated leadership program launched for middle management across all areas of the Group.

Ignite is a leadership development program aimed at accelerating the development of high performing managers who have the potential to be the future leaders of our organisation. The program, which runs over 18-24 months and has a current cohort of 12 team members, aims to strengthen the Group's internal leadership pipeline and grow a community of future leaders who actively demonstrate the values and behaviours required to ensure the business continues to grow and succeed.

Turbo Boost is a 12 month, high potential development program for 14 team members that combines best practice knowledge with practical hands-on application. It focuses on the transition required to take on a larger leadership position

for high potential team members from across the Group, which includes store managers.

The Women in Leadership Development (WILD) program aims to equip female team members with the tools, skills and techniques required to advance their careers within the business. Through the program, up to 32 participants are equipped with practical tools and tips to assist them in fulfilling their career goals.

Launched in June 2017, **SOUL** is Super Retail Group's School of Ultimate Learning & Leadership. SOUL brings together our senior leaders to support them in developing the skills they need. In the year ahead, 130 of our most senior leaders will participate in learning modules focus on customer service, business acumen and collaboration across the value chain. Additionally, up to 250 of our emerging leaders will participate in iLEAD with SOUL, our Management Fundamentals program, focused on change leadership, customer-centricity and communication skills.

NEW TEAM MEMBERS BY GENDER		
Female	1,480	45.4%
Male	1,780	54.6%

NEW TEAM MEMBERS BY AGE GROUP		
Under 30	2,607	80.0%
30 - 50 Years	541	16.6%
Over 50	112	3.4%

BUILDING A POSITIVE CULTURE

Our Group values of Passion, Openness, Integrity, Care and Discipline symbolise who we are and how we approach our work. These values are embedded throughout all stages of the team member lifecycle including attraction and recruitment, on-boarding, ongoing training and development, performance management, recognition, reward and retention. These values support a strong, positive team culture that is aligned to our strategy.

One way we understand the needs and desires of our team members is through a Group-wide team member engagement survey undertaken every two years, with a pulse survey every alternate year. These surveys are conducted by an independent third party and provide valuable insights that allow us to track team engagement over time, as well as compare how we are tracking against industry benchmarks. In addition to measuring engagement at a specific point-in-time we garner valuable

insights about what we are doing well and where we can improve.

Our most recent engagement survey was conducted in May 2017. We maintained our strong levels of team engagement, with an overall Group score consistent with the 2015 score of 71 per cent, putting us in the top quartile of employers in Australia and New Zealand and above the global norm for the retail sector. Pleasingly, we improved the strength of engagement across the team, with 33 per cent of team members categorised as 'highly engaged', an increase of 6 per cent on 2015, and improved our already strong overall participation rate of 82 per cent in 2015 to 85 per cent in 2017.

We are proud of our continued high levels of engagement and are committed to using the insights to improve further our team members' experience at work.

Complementing our highly engaged team is our strong levels of team member retention. During the reporting period, 3,260 team members joined Super Retail Group and our total retention levels continued to be strong at over 74 per cent. The turnover in China was impacted by the closure of our Auzzie Outdoors business during the reporting period, which employed a largely female dominated workforce.

TEAM MEMBER TURNOVER BY GENDER		
Female	1,452	44.6%
Male	1,801	55.4%

TEAM MEMBER TURNOVER BY REGION		
AUS	3,081	27.3%
NZ	148	32.5%
China	24	28.2%

TEAM MEMBER TURNOVER BY AGE GROUP		
Under 30	2,513	77.2%
30 - 50 Years	611	18.8%
Over 50 Years	129	4.0%

TOTAL TURNOVER				
	Aus & NZ	China	Aus & NZ	China
2016	24.4%	5.8%	2829	6
2017	27.5%	28.2%	3229	24
YOY change	+3.1%	+22.4%	+400	+18

ENGAGING MEANINGFULLY WITH THE COMMUNITY

We encourage our team members to get involved in the community. This includes providing various forms of leave to support them in taking part in civic activities, including Emergency Services Leave and Natural Disaster Leave, as well as paid blood donor leave to employees donating with the Australian Red Cross Blood Service. Through these leave provisions, our team members contributed almost 7,000 hours of volunteering their time and expertise.



We continue our partnership with GreenMoney, a rewards program for the environment, available in select council areas to city workers and residents. Under the program, workers and residents can earn rewards for recycling and living green. They earn points each time they take a sustainable action, such as recycling more, grabbing their coffee in a reusable coffee cup or ditching the car. These points can be redeemed for discount vouchers at local and national businesses. Selected Supercheap Auto and Rebel stores in Victoria and NSW are part of this program, rewarding participants with in-store discounts for each voucher presented in stores. A total of 565 rewards were downloaded for redemption in stores during the 2017 financial year.

SUPPORTING LOCAL COMMUNITIES

Many of our 630+ stores across Australia and New Zealand support their own local community through a variety of charity initiatives. For example, the Australian Red Cross is the official recipient of all fundraising activities undertaken by team members throughout the year, such as Social Club team events, and also receives donations of residual positive balances from the Group's Dividend Reinvestment Plan.

In September, Super Retail Group joined forces with the Australian Red Cross to support the Red Cross Disaster Preparedness, Relief and Recovery campaign. The campaign made use of Super Retail Group's national network to raise funds to support Red Cross's critical disaster relief and recovery work, and raise awareness about the importance of preparing for disaster season with customers and team members. By inviting customers to round up their total bill to support Red Cross, the campaign raised over \$80,000 from customer donations, a sum that was matched through a cash donation by Super Retail Group itself. The Group also donated over 1,000 items of high-quality winter clothing

to Red Cross for sale through the Red Cross store network in support of its Winter Woollies campaign.

At the same time, each of our brands manages their own community giving programs aligned to their core brand purpose and issues that matter most to their customers. As one example, Amart Sport's Community Kickbacks is a community program that provides support to local clubs and schools which often struggle to find required funding for sporting equipment. Through this program, over \$4.5 million in sporting goods was provided to local groups in 2017 alone.

In the 2017 financial year, Super Retail Group contributed a total of more than \$110,000 through cash donations, sponsorships and team member contributions. In addition, we provide discounted products and store credits to support local community groups.

APPENDIX

APPENDIX

APPENDIX 1: OUR IMPACTS AND MATERIALITY

MATERIAL ASPECT	ASPECT BOUNDARY	KEY STAKEHOLDERS	LIMITATION
CATEGORY: ECONOMIC			
Economic Performance	Our Operations	Team members; Shareholders; Regulators; Trade partners; Communities (current & future)	
Indirect Economic Impacts	Our Operations	Team members; Trade partners; Communities (current & future)	
CATEGORY: ENVIRONMENT			
Energy	Our Operations	Shareholders; Regulators; Team Members; Communities (current and future)	
Emissions	Our Operations	Shareholders; Regulators; Team Members; Trade Partners; Communities (current and future)	
Waste	Our Operations	Shareholders; Industry Associations; Communities (current and future)	
Environmental Compliance	Our Operations; Our Supply Chain	Shareholders; Regulators; Trade Partners; Communities (current & future); Customers	

APPENDIX 1: OUR IMPACTS AND MATERIALITY

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

APPENDIX 2: GRI CONTENT INDEX

GENERAL DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE NUMBER	SECTION	NOTES	OMISSION
ORGANISATIONAL PROFILE					
GRI 102-1	Name of the organization	–	This index	Super Retail Group	
GRI 102-2	Activities, brands, products, and services		About us; This index	We do not sell products or services that are banned or that are the subject of public debate	
GRI 102-3	Location of headquarters	–	This index	Lawnton, Qld, Australia	
GRI 102-4	Location of operations	1	About us; This index	Australia, New Zealand & China	
GRI 102-5	Ownership and legal form	1	About us; This index	Super Retail Group is an ASX listed company	
GRI 102-6	Markets served	1	About us; This index	Australia and New Zealand	
GRI 102-7	Scale of the organization		This index	Contained within our 2017 Annual Report, available at our corporate website	
GRI 102-8	Information on employees and other workers	21	Promoting the wellbeing of our team members and the broader community		
GRI 102-9	Supply chain	6-7	Our network; our Supply Chain		
GRI 102-10	Significant changes to the organization and its supply chain		This index	No significant changes from previous period	
GRI 102-11	Precautionary Principle or approach		This Index	The Group applies the precautionary approach by analysing, monitoring and taking actions to reduce its environmental impacts. Our Environmental Policy is consistent with the Precautionary Principle	
GRI 102-12	External initiatives	16	Australian Packaging Covenant, This index	We are a signatory of the Australian Packaging Covenant and support the Fair Labour Association, the Universal Declaration of Human Rights, the Convention of Rights of the Child, the ILO Declaration on Fundamental Principles and Rights at Work and the UN Sustainable Development Goals	
GRI 102-13	Membership of associations	9	Governance		

APPENDIX 2: GRI CONTENT INDEX

GENERAL DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE NUMBER	SECTION	NOTES	OMISSION
STRATEGY					
GRI 102-14	Statement from senior decision-maker	3	Message from our CEO		
ETHICS AND INTEGRITY					
GRI 102-16	Values, principles, standards, and norms of behavior	4; 9	Our Business; Governance		
GOVERNANCE					
GRI 102-18	Governance structure	9	Governance; This index	Contained within our 2017 Corporate Governance Statement and 2017 Annual Report, available at our corporate website	
STAKEHOLDER ENGAGEMENT					
GRI 102-40	List of stakeholder groups	10	Stakeholder Engagement		
GRI 102-41	Collective bargaining agreements	21	Employment Conditions		
GRI 102-42	Identifying and selecting stakeholders	10	Stakeholder Engagement		
GRI 102-43	Approach to stakeholder engagement	10	Stakeholder Engagement		
GRI 102-44	Key topics and concerns raised	10	Stakeholder Engagement		
REPORTING PRACTICE					
GRI 102-45	Entities included in the consolidated financial statements	–	This index	Contained within Super Retail Group 2017 Annual Report	
GRI 102-46	Defining report content and topic Boundaries	11	Managing our most material sustainability issues		
GRI 102-47	List of material topics	11	Managing our most material sustainability issues	Stakeholder Engagement Appendix 1	
GRI 102-48	Restatements of information	–	This index	No restatements this year	

APPENDIX 2: GRI CONTENT INDEX

GENERAL DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE NUMBER	SECTION	NOTES	OMISSION
GRI 102-49	Changes in reporting	–	This index	No significant changes from previous period, except for transitioning from the GRI G4 to the new GRI Standards	
GRI 102-50	Reporting period	1	About this Report		
GRI 102-51	Date of most recent report	–	This index	2016 Sustainability Report (1 July 2015 to 30 June 2016)	
GRI 102-52	Reporting cycle	–	This index	Annual	
GRI 102-53	Contact point for questions regarding the report	1	About this Report		
GRI 102-54	Claims of reporting in accordance with the GRI Standards	1	About this Report		
GRI 102-55	GRI content index	–	This index		
GRI 102-56	External assurance	–	This index	SRG did not seek external assurance for this report	

SPECIFIC STANDARD DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE NUMBER	SECTION	NOTES	OMISSION
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200 (ECONOMIC TOPICS)

GRI 201: ECONOMIC PERFORMANCE 2016					
GRI 103	Explanation of the material topic and its boundary		Adding economic value	The Group supports the economy through taxes, job creation (directly and indirectly), and support to the community and local trade partners. For detailed information about our economic performance please refer to our Annual Report 2017, available at our corporate website	
GRI 201-1	Direct economic value generated and distributed	9	This index; Our Economic contribution	Contained within our 2017 Annual Report, available at our corporate website	
GRI 201-2	Financial implications and other risks and opportunities due to climate	15	Reducing our environmental footprint; This index	Contained within our CDP Report, available at our corporate website	

APPENDIX 2: GRI CONTENT INDEX

SPECIFIC STANDARD DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE NUMBER	SECTION	NOTES	OMISSION
GRI 203-2	Significant indirect economic impacts	–	This index	We provide safe, innovative and high quality products to consumers at a reasonable price and contribute to indirect job creation through our supply chain	

300 (ENVIRONMENTAL TOPICS)

GRI302: ENERGY 2016				
GRI 103	Explanation of the material topic and its boundary	15; 18	Reducing our Environmental Footprint; Mitigating Greenhouse Gas Emissions	
GRI 302-1	Energy consumption within the organization	18	Mitigating Greenhouse Gas Emissions	
GRI 302-3	Energy intensity	18	Mitigating Greenhouse Gas Emissions	
GRI 302-4	Reduction of energy consumption	15; 18; 19	Reducing our Environmental Footprint; Mitigating Greenhouse Gas Emissions; Reducing our energy usage	

GRI 305: EMISSIONS 2016				
GRI 103	Explanation of the material topic and its boundary	15; 18; 20	Reducing our Environmental Footprint; Mitigating Greenhouse Gas Emissions; Lowering transport emissions	
GRI 305-1	Direct (Scope 1) GHG emissions	18	Mitigating Greenhouse Gas Emissions	
GRI 305-2	Energy indirect (scope 2) GHG Emissions	18	Mitigating Greenhouse Gas Emissions	
GRI 305-5	Reduction of GHG emissions	18	Mitigating Greenhouse Gas Emissions	

APPENDIX 2: GRI CONTENT INDEX

SPECIFIC STANDARD DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE NUMBER	SECTION	NOTES	OMISSION
GRI 306: EFFLUENTS AND WASTE 2016					
GRI 103	Explanation of the material topic and its boundary	15- 16	Reducing our environmental Footprint; Minimising Packaging and Waste		
GRI 306-2	Waste by type and disposal method	15-16	Minimising Packaging and Waste		
GRI 307: ENVIRONMENTAL COMPLIANCE 2016					
GRI 103	Explanation of the material topic and its boundary	15-16	Reducing our environmental Footprint		
GRI 307-1	Non-compliance with environmental laws and regulations	-	This index	No incidents related to non-compliance with environmental laws and regulations were recorded during the reporting period	
400 (SOCIAL TOPICS) LABOR PRACTICES AND DECENT WORK					
GRI 401: EMPLOYMENT 2016					
GRI 103	Explanation of the material topic and its boundary	21	Promoting the wellbeing of our team members and the broader community		
GRI 401-1	New employees hires and employee turnover	24	Leadership		
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016					
GRI 103	Explanation of the material topic and its boundary	22-23	Ensuring the safety and well-being of our people		
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	22-23	Investing in learning and development; Leadership		
GRI 404: TRAINING AND EDUCATION 2016					
GRI 103	Explanation of the material topic and its boundary	24	Investing in learning and development; Leadership		

APPENDIX 2: GRI CONTENT INDEX

SPECIFIC STANDARD DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE NUMBER	SECTION	NOTES	OMISSION
GRI 404-3	Percentage of Employees receiving regular performance and career development reviews	-	This index	We are currently unable to provide an accurate number of team members receiving regular performance and career development reviews due to different record keeping methods (on-line and paper based)	Quantitative data
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016					
GRI 103	Explanation of the material topic and its boundary	23	Building a diverse and inclusive team		
GRI 405-1	Diversity of governance bodies and employees	23	Building a diverse and inclusive team		
HUMAN RIGHTS					
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016					
GRI 103	Explanation of the material topic and its boundary	13	Ensuring our business practices are responsible; Sourcing ethically		
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	13	Sourcing ethically		
GRI 408: CHILD LABOR 2016					
GRI 103	Explanation of the material topic and its boundary	13	Ensuring our business practices are responsible; Sourcing ethically		
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	13	Sourcing ethically		
GRI 409: FORCED OR COMPULSORY LABOR 2016					
GRI 103	Explanation of the material topic and its boundary	13	Ensuring our business practices are responsible; Sourcing ethically		
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	13	Sourcing ethically		

APPENDIX 2: GRI CONTENT INDEX

SPECIFIC STANDARD DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE NUMBER	SECTION	NOTES	OMISSION
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016					
GRI 103	Explanation of the material topic and its boundary	13	Sourcing ethically		
GRI 414-1	New suppliers that were screened using social criteria	13	Sourcing ethically		
GRI 414-2	Negative social impacts in the supply chain and actions taken	13	Sourcing ethically		

SOCIETY
PRODUCT RESPONSIBILITY

GRI 416: CUSTOMER HEALTH AND SAFETY 2016					
GRI 103	Explanation of the material topic and its boundary	13-14	Providing safe and high-quality products		
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	13-14	Providing safe and high-quality products		
GRI 417: MARKETING AND LABELING 2016					
GRI 103	Explanation of the material topic and its boundary	14	Marketing responsibly		
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	14	Marketing responsibly		
GRI 417-3	Incidents of con-compliance concerning marketing communications	14	Marketing responsibly		
GRI 418: CUSTOMER PRIVACY 2016					
GRI 103	Explanation of the material topic and its boundary	14	Protecting customer information		
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	14	Protecting customer information		

APPENDIX 2: GRI CONTENT INDEX

SPECIFIC STANDARD DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE NUMBER	SECTION	NOTES	OMISSION
GRI 419: COMPLIANCE					
GRI 103	Explanation of the material topic and its boundary	13; 14	Providing safe and high-quality products; Marketing responsibly; Protecting customer information		
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	-	This index	No incidents of non-compliance with laws and regulations in the social and economic area were recorded during the reporting period	

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