



# Flybuys Modern Slavery Statement

Financial Year 2023

## Acknowledgement of Country

Flybuys wishes to acknowledge the Traditional Custodians of the land of Country throughout Australia.

We recognise their strength and resilience and pay our respects to their Elders past and present.

Flybuys extends that respect to all Aboriginal and Torres Strait Islander peoples, and recognises their rich cultures and their continuing connection to land and waters.

All references to First Nations peoples in this report are intended to include Aboriginal and/or Torres Strait Islander peoples.

# Contents

Acknowledgement of Country .....	2	3.0 Risks .....	14
From the CEO of Flybuys .....	4	3.1 Our Operations .....	15
1.0 Snapshot .....	5	3.2 Our Supply Chain .....	18
1.1 About This Statement .....	6	4.0 Actions .....	20
1.2 Our Commitment .....	6	4.1 Supplier Risk Assessment .....	21
1.3 Our FY23 Approach .....	7	4.2 Ethical Sourcing .....	23
2.0 Structure .....	8	4.3 Supplier Case Study .....	24
2.1 About Flybuys .....	9	4.4 Governance Controls & Internal Working Groups ..	24
2.2 How We Operate .....	9	4.5 Collaboration .....	25
2.3 Our Supply Chain .....	12	4.6 Materiality Review .....	25
		4.7 Recruitment of Team Members .....	26
		5.0 Assessment .....	27
		5.1 Progress Since First Reporting Period .....	29
		5.2 New, Ongoing and Planned Items .....	30

Loyalty Pacific Pty Ltd (Flybuys) opposes modern slavery in all forms. Flybuys is committed to the highest standards of conduct and ethical behaviour in our business activities and to promoting a culture of honest and ethical behaviour, corporate compliance, and good corporate governance. This statement is made in accordance with the Australian Modern Slavery Act 2018 (Cth).

# From the CEO of Flybuys

In 2019, we delivered our first Modern Slavery Statement, outlining our commitment to the highest standards of conduct and ethical behaviour in our business activities and to promoting a culture of honest and ethical behaviour, corporate compliance, and good corporate governance. This year, I'm proud to present our fourth Modern Slavery Statement which captures the steps we've taken in FY23 as we continue on our journey to make a meaningful and positive contribution to the communities in which we operate.

At Flybuys, doing the right thing is part of who we are and what we stand for. This means we're committed to being an organisation that cares for every person we come in contact with, extending beyond our 300+ team members to our over nine million members, our network of partners and our suppliers.

We unequivocally oppose modern slavery. Flybuys is committed to taking steps to eliminate modern slavery in our operations and supply chains.

Today, there are close to 50 million people forced into work or a marriage they did not consent to. Distressingly, that's 10 million more people since the last estimates five years ago. This is yet another reason why Flybuys, and other businesses like ours, must own the responsibility and take meaningful action towards ending these practices for good.

As our business grows, we are mindful the risk of exposure to modern slavery practices may increase, but we strive to maintain and strengthen our risk management processes and we will continue to do so with resilience. We recognise the potential exposure to our supply chain in particular and are committed to ensuring maximum transparency and diligence to address this challenge.

In FY23, we integrated more initiatives into our organisation to address modern slavery risks across our operations and supply chain. This included undertaking more detailed due diligence on tier 1 suppliers, greater collaboration with our key partners to identify risks within our supply chain and engaging with industry experts to deepen our understanding of modern slavery risks and ways to combat this serious issue.

We know that our work in this space will be enduring, but as we move forward, we do so with a collective sense of responsibility and purpose. Flybuys will stay committed to bringing value to everyday Aussies whilst ensuring we continue to respect and protect the fundamental human rights of the people within our business and across our operations and supply chain.



Anna Lee  
CEO



# 01

## Statement Snapshot

## 1.1 About This Statement

This is Loyalty Pacific Pty Ltd's (Flybuys) Modern Slavery Statement for the company's financial year ending 25 June 2023 (the Reporting Period), pursuant to its obligations under section 13 of the Modern Slavery Act 2018 (Cth). Flybuys is pleased to present this Modern Slavery Statement, outlining the steps that have been taken in the Reporting Period to identify, assess, and address modern slavery risks within our operations and across our supply chain.

This Statement also reports on the progress made against commitments Flybuys set out in our third Modern Slavery Statement for the financial year ending 26 June 2022 (the Third Reporting Period). Recognising that addressing modern slavery risks is a process of continuous improvement, this Statement also looks at Flybuys' plan for future action.

## 1.2 Our Commitment

Flybuys is continuing to demonstrate our commitment to respecting human rights, which is incredibly important to our organisation. Modern slavery is a serious global issue and one that requires an effective response from industry and business leaders that strengthens over time. We are doing this by expanding our knowledge, investment, and collaboration to reinforce our response to this important issue.

During this Reporting Period we have continued to develop and evolve our modern slavery risk measures and prevention practices across our operations and supply chain, including further developing our processes and controls to identify, mitigate and address any risks. We set out how we have assessed our risk areas, describe them in detail and continue to expand our efforts in three critical areas (risk identification, risk assessment and actions taken), together with robust planning for future improvements.



## 1.3 Our FY23 Approach

The below table outlines the progress of the commitments made in our FY22 Statement.

FY22 COMMITMENT	STATUS	COMMENT
Undertaking more detailed due diligence on the supply chains of any tier 1 suppliers who are classified as high risk on the initial risk assessment.	 COMPLETE	During this Reporting Period, we undertook a detailed risk mapping of our supply chain using our risk model.  Flybuys approached suppliers that make up 98% of our supply chain expenditure to complete a series of questions on their modern slavery processes and practices. This is a 10% increase from our previous reporting period.
Case study of engagement with a tier 1 supplier on modern slavery risks.	 ONGOING	Flybuys have commenced collaborative discussions with one of our tier 1 Reward partners. This was a commitment made in our Third Reporting Period. Over the next 12 months both parties will regularly meet to further discuss how we are managing our respective response to dealing with modern slavery and how we can work collaboratively to strengthen our impact in this space.
Continued exploration of technological solutions to assist with the management of modern slavery risks.	 ONGOING	We have seen demonstrations and trialled a product. We anticipate to procure a solution during the next reporting period.
Engagement with industry experts to deepen understanding of shared supply chain issues.	 COMPLETE	Throughout this Reporting Period, members of our modern slavery project team consulted and collaborated with numerous external parties and individuals. This included attending multiple webinars and conferences.
Refinement of current procurement policies and processes.	 ONGOING	Multiple workshops were held that included representatives from every department. Included was reviewing all go to market processes and associated templates. The Procurement team plans on developing or updating the following during the next reporting period: <ul style="list-style-type: none"> <li>• Procurement Policy (to be updated)</li> <li>• Ethical Sourcing Policy (to be updated)</li> <li>• Procurement Risk Framework (to be developed)</li> </ul>

# 02

## Our Structure and Operations

## 2.1 About Flybuys

Established in 1994, Flybuys is Australia's most popular loyalty program, rated as the top loyalty program in the country in the *2023 For Love or Money* report for its 11th year in a row. Flybuys is helping Australians to enjoy a wide range of rewards and benefits when they shop, is committed to delivering powerful, data-driven insights for its partners, and constantly serves its more than nine million active members with new and exciting ways to engage with the program.

Flybuys is an Australian proprietary company limited by shares. Following the demerger of Coles Group and Wesfarmers in 2018, Flybuys became the joint venture of the two, both holding a 50 percent stake in Flybuys. The business structure of Flybuys has not changed during the Reporting Period.

Headquartered in Melbourne, Victoria, with a registered office in Perth, Western Australia and a co-working space in Sydney, New South Wales, Flybuys' 300+ team members can take advantage of a flexible, hybrid working model.

Consistent with previous reporting periods, Flybuys does not have any owned or controlled entities.

# 300+

As at the end of the current reporting period, Flybuys has approximately 300+ employees.



## Flexible and Hybrid

Team members can take advantage of a flexible, hybrid working model.



## Co-working space in Sydney.



## Head office in Melbourne.



## 2.2 How We Operate

Flybuys' functions and operations can be separated into three main areas that all work together to drive the Flybuys business:

- Member Loyalty (Collect and Redeem)
- Unpacked by Flybuys
- Internal Operations

## 2.2.1 Member Loyalty

Member loyalty is at the core of our business. The Flybuys loyalty program is free to join and is capable of generating significant benefits for members through points collected from their everyday shopping activities.

### Collect



Members can collect points with 22 of Australia's largest retailers, some of which are shareholder-owned brands (e.g. Bunnings and Coles Supermarkets), as well as other leading Australian companies (e.g. Velocity Frequent Flyer) who provide members value across their shopping basket, both in-store and online. All of these companies are reporting entities themselves and prepare an annual Modern Slavery Statement.

Members can also collect points by completing surveys through the Flybuys website or app and via Flybuys financial, insurance and travel services partners. Flybuys enters into contractual agreements with each of its program participants.

### Redeem



Flybuys partners with over 30 redemption suppliers, offering members the opportunity to choose from over 3,000 rewards. Members can redeem their points for rewards in a range of different ways including:



#### Travel

Through Flybuys Travel, operated by Corporate Travel Management Group Pty Ltd (CTM), members have the option to redeem points for holiday deals and collect points when booking. Additionally, members can transfer their Flybuys points into Velocity Frequent Flyer points. The contract between Flybuys and CTM includes mutual obligations in relation to addressing modern slavery.



#### Flybuys Dollars

Members can redeem their points instantly by converting them into Flybuys Dollars. Members can use Flybuys Dollars in-store at participating redemption partners using their physical Flybuys card.



#### Instant In-store Redemption

Flybuys has been working with selected partners to give members the option to redeem \$10 off their shop instantly at participating stores.



#### Rewards Store

The Flybuys Rewards Store offers members the opportunity to redeem points (or part redeem points and pay) for thousands of items from a number of different suppliers. The Flybuys Rewards team seeks to ensure that there is a broad range of suppliers and products available for members to redeem. All rewards available on the Rewards Store are supplied by third parties. Flybuys enters into agreements with new rewards suppliers following a due diligence process (which includes a modern slavery risk assessment) and the standard rewards supply agreement includes mutual obligations in respect of managing modern slavery risks.

### 2.2.2 Unpacked

In addition to operating the Flybuys loyalty program, Flybuys also has a business-to-business data arm which operates under the registered business name 'Unpacked by Flybuys' and partners with media agencies and brands to help them better engage with key consumer segments by seeing the impact of their marketing at every step, using Flybuys' first-party data. The division uses Flybuys' aggregated audience segments based on members' de-identified transactional, behavioural and demographic data to offer end-to-end, highly customisable insights, activation and measurement solutions for brands and advertisers for the purpose of improving their online advertising spend. There is no supply of services back to Flybuys, however, Flybuys seeks to ensure that the contracts governing the Unpacked by Flybuys services contain our standard modern slavery clauses. During the Reporting Period, there has been no material change to the operation of the Unpacked business.



### 2.2.3 Internal Operations

The Flybuys workforce supports the loyalty and Unpacked by Flybuys operations of Flybuys across a number of different functions. In addition to the 300+ employees, our operations also include 60 contractors and consultants, some of whom work in New Zealand, all predominantly sitting in the professional services space. Supporting our loyalty program are a number of suppliers who are further detailed in our supply chain analysis, including the Flybuys Customer Contact Centre and suppliers of technology solutions. Being a predominantly digital business, our requirements to engage in the physical production of goods are minimal, and often only require small-scale production, these items include:

- In-store and external marketing merchandise and promotional materials;
- Flybuys loyalty cards (as societal focus on environmental impact continues to grow, more and more members are choosing their digital Flybuys card, reducing the number of physical cards ordered);
- Flybuys team member welcome packs; and
- Branded office supplies.

## 2.3 Our Supply Chain

During this Reporting Period, Flybuys procured goods and services from 216 tier 1 suppliers, with 58 new suppliers being onboarded (50 Australia based and 8 offshore). Whilst 90 percent of our expenditure is with Australia-based suppliers, our supply chain does include tier 1 suppliers outside of Australia located in Ireland, USA, Canada, India, New Zealand and the Philippines.

We categorise our supply chain into six main procurement categories, these include:

**Program Rewards** (Products, Redemption Costs, Gift Cards, Donations)

**Technology** (Managed Services, Software, Telephony, Hardware, Labour Hire)

**Marketing** (Content Creation, Creative, Media Buying, Print, Sponsorship)

**Professional Services** (Audit, Call Centre, Consultancy, Insurance, Legal)

**Property** (Rent, Facilities, Utilities, Office Supplies)

**People Experience** (Events, Insurance, Learning and Development, Merchandise, Payroll, Recruitment)

The majority of our new suppliers in this Reporting Period were for software, marketing services (eg. Media Buying) and specialist consultancy services. As part of our Flybuys supplier onboarding process, modern slavery compliance assessments were completed.

During this Reporting Period, Flybuys completed in-depth analysis to quantify that 97 percent of total supply chain expenditure is under contract. The largest areas of expenditure continue to be within our Program Rewards and Technology categories. We have also expanded our supply chain analysis to more than double the volume of suppliers from the previous reporting period.

In relation to modern slavery, the highest risk areas within the Flybuys supply chain continue to be Labour Hire, Products (for our Rewards Store), Customer Contact Centre services and IT Software. We outline how we assess, mitigate, and remediate these risks throughout this Statement.



Figure 1 shows the spread (by expenditure) of the products and services areas of the suppliers which make up Flybuys' supply chain for the current reporting period.



Figure 2 shows all identified locations of assessed suppliers that support Flybuys' operations. Whilst 90 percent of our expenditure is with Australian based suppliers, our supply chain does include tier 1 suppliers outside of Australia located in Ireland, USA, Canada, India, New Zealand and the Philippines.

# 03

## Risks of Modern Slavery Practices in our Operations and Supply Chains



## 3.1 Our Operations

### 3.1.1 Loyalty (Collect and Redeem)

In this Reporting Period, due to loyalty being one of our key business operations, we focused on building on previous assessments in relation to the modern slavery risks associated with our program partners (which includes a number of shareholder-owned entities).

Flybuys program partners are all large, household brands, who due to their size, are required to prepare a Modern Slavery Statement. The majority of our program partners operate in higher-risk industries (mostly in the retail space, which includes the manufacture and sale of fresh produce and apparel items) and were assessed by Flybuys as per the process outlined in section 4.1 of this Statement.

Based on our assessment, the findings were that despite some of our program partners operating in industries that are high risk for modern slavery, all program partners appear to be taking appropriate steps to manage and mitigate modern slavery risks in their operations and supply chains. During this Reporting Period meetings were held with stakeholders, including the Risk and Compliance team at Coles (who

are one of our program partners), to discuss the progress and ideas surrounding best practice in assessing and managing modern slavery risks.

### 3.1.2 Internal Operations (team members, Unpacked and contractors)

Flybuys is committed to ensuring compliance with all workplace health and safety requirements, including in any remote working environments. We recognise our responsibilities are to provide, so far as reasonably practicable, a working environment to our people without risks to health and wellbeing, in accordance with the applicable statutory requirements. Flybuys has strong governance and controls, including people-focused policies, initiatives and benefits to ensure we engage and support our team members appropriately. As a result, we assess the risk of modern slavery in our internal operations as low.

Examples of people-focused policies and support initiatives include:

- Flybuys team members are employed on a permanent, fixed term or casual basis through standard contracts of employment administered centrally by Flybuys' People Experience team.
- Flybuys adopts a fair and equitable approach when recruiting and onboarding talent and all remuneration complies with local laws and regulations.
- Flybuys supports its team members' mental and physical well-being through a variety of initiatives, including (but not limited to) training programs, well-being workshops, well-being leave entitlements and the provision of an employee assistance program.
- Flybuys offers supportive and flexible work policies and a workplace for those balancing families and other responsibilities with their careers, and strives to ensure our work environment is safe, family-friendly, environmentally-friendly, and culturally sensitive with equal opportunity for all.

# We care about...



## What works for everyone

At Flybuys, we measure productivity based on the quality and impact of work, not by the hours spent behind a desk. We know each of our team members has a unique schedule and our flexible working environment accommodates for our team members to work in a way that works for them and our business.



## Appreciating awesome work

We believe in recognising outstanding work, whether it be through achieving project goals or delivering solid work, day in and day out. So, when one of our team members has a win, acknowledging it and celebrating them is just part of what we do.



## Creating growth mindsets

We believe that as each of our team members grow, their current role will transform, and offer up new challenges and growth opportunities. We are committed to investing in building great leaders to ensure Flybuys is set up for future success.



## Taking care of our team

We recognise that the most innovative ideas often come from collaboration and trust in team members' abilities and strengths. That's why we've built a work environment that is supportive, respectful and emphasises teamwork.



## Making room for everyone

We believe there's power in having many voices in the room. That's why we make sure everyone's voice is heard and respected equally at Flybuys, regardless of background, position, ability or lifestyle.

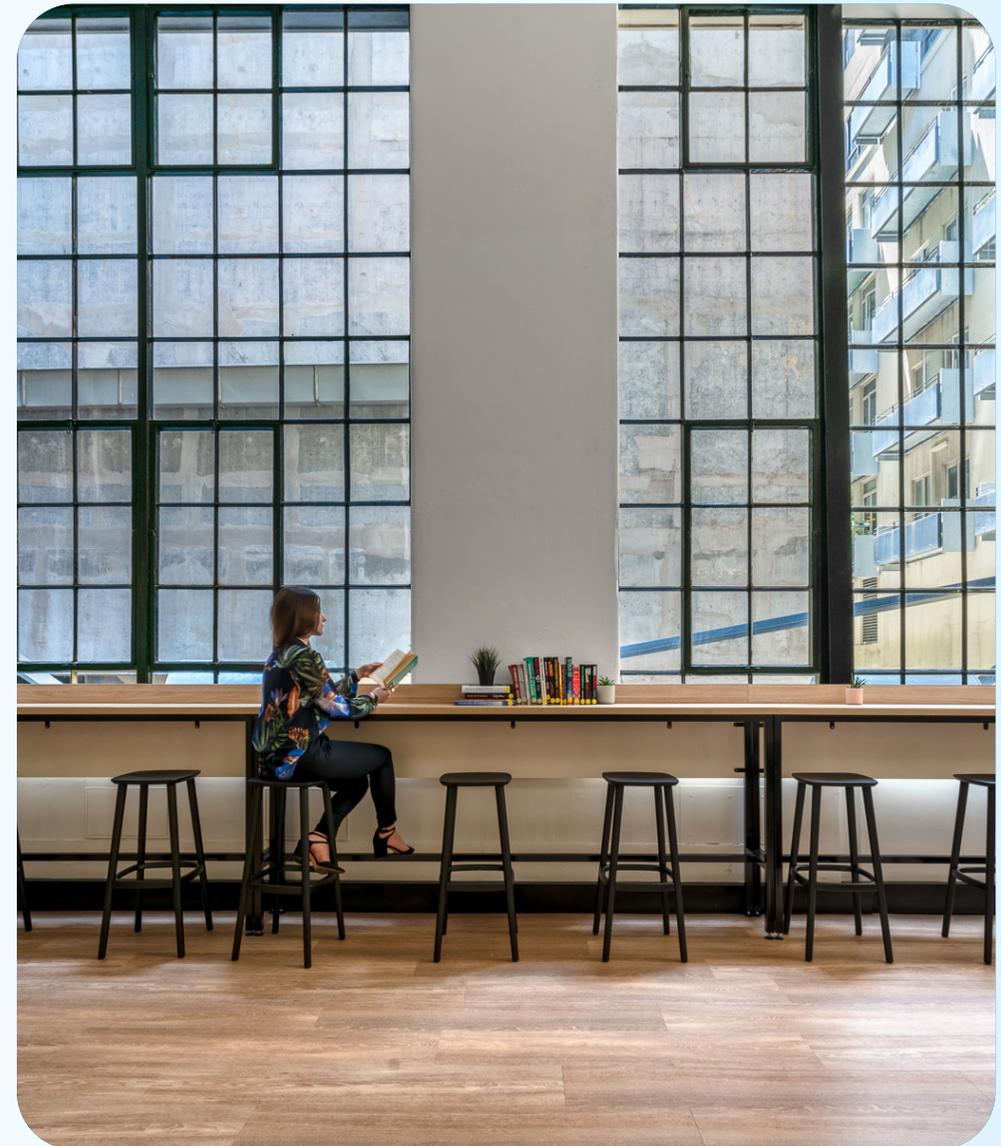
## As an employer and purchaser of contracted labour, Flybuys understands that the risk of modern slavery within these services can be higher, and we take our obligations to workers seriously.

Flybuys requires the labour-hire agencies that we engage to follow applicable laws regarding labour-hire licensing, workplace health and safety, right to work, fair pay and human rights. This is enforced through our contracting terms.

The majority of contracted labour-hire is sourced via augmentation services which remain located in Australia, with a small number based in India. All labour-hire suppliers were assessed during this Reporting Period using our process outlined in section 4.1, with some allocated a higher final rating.

Labour hire based in Australia presents a lower modern slavery risk because they are required by Australian law to provide safe working conditions and protect workers' rights under certain laws and regulations.

However, contracted labour located in India is higher risk because the legal requirements in that jurisdiction are less robust in terms of work, health and safety requirements and protection of workers' rights. Members of our Procurement team are planning a visit to India in FY24 to complete a site visit of our largest offshore staff augmentation supplier(s), further expanding our due diligence of suppliers in higher risk industries and locations.



## 3.2 Our Supply Chain

Flybuys is aware that there are areas of our supply chain that may pose higher risks of modern slavery. The highest risk areas within the Flybuys supply chain continue to be Labour-Hire, products (for our Rewards Store), Customer Contact Centre services and IT Software. We outline how we mitigate risks within these specific supply areas under section 4.1 of this Statement.

We acknowledge modern slavery risks do not stop at our tier 1 suppliers. This is because the manufacturing of products and supply of services procured by our tier 1 suppliers may take place outside of the identified countries. Flybuys will continue to work with our suppliers to build a comprehensive and transparent understanding of our supply chain. This includes key areas such as Program Rewards and information, communications and technology, which are areas that include complex global supply chains and can involve a wide range of materials, labour and other services. We intend to expand our work with our tier 1 suppliers to identify and manage modern slavery risks further down our supply chain.

### Reward Store Products

All Flybuys tier 1 Reward Store suppliers are based in Australia and were assessed for modern slavery risks in their supply chain during this Reporting Period. Many of our suppliers that provide products for points redemption obtain those products from countries considered at higher risk of modern slavery according to the Global Slavery Index, and we are particularly engaging with those suppliers, through both personal contact and initial supplier questionnaires to further assess and mitigate those risks. Although no apparent material risks were identified, the project team did conduct further consultation to better understand and discuss written responses.

This has led to a formalised 12-month planned collaborative project with our largest supplier of reward products. Further information on this can be found in section 4.3.

### Customer Contact Centre

These services are outsourced to a supplier primarily based in Australia with some contingent support provided by resources based in New Zealand and the Philippines. We note that labour outsourcing as a business model is high-risk for modern slavery and these risks are elevated where that labour is outsourced to high-risk jurisdictions for modern slavery. The Philippines is rated a high-risk jurisdiction for modern slavery by the Global Slavery Index. Our supplier for these services has demonstrated a strong commitment to anti-slavery which is reflected in various corporate policies which seek to prevent dishonest or unethical conduct and foster a culture of honesty and accountability. They also demonstrated strong controls to manage risks to their organisation and supply chain, by maintaining consistent risk mitigation processes to monitor for, and avoid modern slavery in all environments in which they operate. They advised that 100 percent of their suppliers were assessed in their supply chain for modern slavery risks and 100 percent of modern slavery training completion for employees involved directly in supply chains and procurement.

## IT Software

Within our supply chain, the largest contingent of suppliers is within software, and Flybuys are aware of the high-risk nature of this sector. Australia's Modern Slavery Act has brought to light human rights violations hidden within the supply chains of big tech companies operating within the country. When procuring software, technology companies often have areas of their supply chain operating in countries associated with a higher risk for debt-bonded labour, such as countries with weak labour law enforcement, large populations of migrant workers, or well-documented cases of modern slavery<sup>1</sup>. Flybuys is aware of this and therefore, prior to contracting with software suppliers, often additional due diligence is conducted to ensure where possible, risks are identified. This would include a request to the prospective supplier to complete the Flybuys Supplier Modern Slavery Questionnaire and if available, a thorough analysis of the prospective supplier's Modern Slavery Statement along with ensuring our standard contractual term regarding modern slavery risk is included in any supply agreement.

## Marketing

Spend on marketing activities to support the Flybuys Loyalty Program also forms a large category of spend in the Flybuys supply chain. This includes services such as professional strategic and creative marketing services, content creation, media buying services, as well as physical print and promotional goods. Products and services such as print and promotional goods carry risks of modern slavery because the raw materials or manufacturing of these products may be sourced from higher-risk jurisdictions.

<sup>1</sup> Source: [informed365.com/modern-slavery-exposed-in-big-tech-supply-chains](https://www.informed365.com/modern-slavery-exposed-in-big-tech-supply-chains)



# 04

## Actions Taken by Flybuys to Assess and Address the Risks of Modern Slavery in our Supply Chain and Operations.

## 4.1 Supplier Risk Assessment

Flybuys has no appetite for establishing or maintaining relationships with suppliers who are not committed to implementing appropriate measures to prevent, mitigate, address, or remediate modern slavery related harm. Maximising visibility and control over our supply chains ensures greater oversight and knowledge of relevant risks by reducing the complexity of our supply chain. This can in turn encourage efficient use of resources and promote quicker responses to any problems that may arise.

### 4.1.1 Supplier Mapping

We recognise that the first and most important step is developing a better understanding of our supply chain and where those risks may materialise. During this Reporting Period, we undertook a detailed risk mapping of our supply chain using our standard risk model we developed during previous reporting periods (looking at key areas including spend, location, category of goods/services and subcategory and then attributing a score as part of the risk identification process further documented below).

### 4.1.2 Risk Identification

For this Reporting Period, the team again used the same risk identification methodology as per previous reporting periods. An initial risk rating was allocated based on the service/product provided, the supplier's industry, the service/product country of origin and the volume of expenditure with that supplier. **After the completion of our initial assessment, we categorised 2 suppliers as 'High Risk' and 14 suppliers as 'Medium Risk'.**

### Assessing Modern Slavery Risks

Our assessment of modern slavery risks in our supply chain is completed in four stages over a 12-month period.

1

#### Supplier Mapping

We map our suppliers and operational partners.

2

#### Risk Identification

We identify modern slavery risks through proactive research and detailed supply chain analytics.

3

#### Assessment

We assess risks, impacts and potential gaps in policy and processes to address modern slavery that we can influence and control.

4

#### Prioritisation

We prioritise our actions based on where modern slavery risks may be identified and the level of risk posed.



#### 4.1.3 Assessment

Following the risk identification process, a questionnaire was sent to selected suppliers for completion, including those identified as high or medium risk. Flybuys approached suppliers that make up 98 percent of our supply chain expenditure to complete a series of questions on their modern slavery processes and practices. This is a 10 percent increase from our previous reporting period. The questionnaire was structured to assess if there were any risks identified since the last assessment period, measures taken to map and protect against modern slavery in their operations and their supply chain and mechanisms to manage concerns, also if any corrective action plans had been issued. The final assessment criteria included factors such as the initial risk rating, questionnaire response and whether the supplier was a reporting entity under the Modern Slavery Act.

#### 4.1.4 Prioritisation

When reviewing the supplier questionnaire responses, if a response was vague or further information was required, the Flybuys assessment team conducted follow-up phone calls and meetings to assist with the review. After the assessment and consultation process, although there were no instances of modern slavery identified within our tier 1 supply chain, there were 10 suppliers that remained categorised as being 'Medium Risk'. This risk rating was applied primarily due to the nature of the goods/services offered and also based on Flybuys determining further information was required on an assessment of the questionnaire response. These suppliers operate in the following areas:

- Labour Hire
- Travel Industry
- Print Services
- Software as a Service (SaaS)
- Retail Goods

Through our analysis and consultation, we are continuing and prioritising discussions with these suppliers due to the insufficient or vague information provided through the consultation period to further understand and assess the materiality of any potential risks. We acknowledge that there are limitations with relying on responses to questionnaires which is why follow-up further consultation and continuous dialogue are extremely important. Although Flybuys doesn't expect that any risks are likely to exist within the respective supplier's operations and supply chains, at the conclusion of our continued consultation we will assess what actions by Flybuys, if any, are appropriate. Flybuys notes that these suppliers are committed to working with Flybuys on this important area which has been demonstrated through improved engagement.

## 4.2 Ethical Sourcing

At Flybuys, we are committed to sourcing our goods and services ethically and responsibly, and we expect all our partners and suppliers to meet our standards for business integrity, labour and human rights, health and safety, and the environment.

Flybuys' procurement policies and processes are designed to ensure we only partner with appropriate suppliers. Prior to formally contracting with any supplier, appropriate due diligence is conducted which includes an assessment of the supplier to identify potential risks of slavery and human trafficking in a supplier's operations and supply chain.

When new suppliers are engaged, the completion of our Supplier Modern Slavery Questionnaire is required, prior to any contracts being finalised. As part of the process of approving a new supplier, after they have provided responses to our questionnaire, further engagements with the supplier and its sourcing team may take place to ensure that we are comfortable with their modern slavery compliance practices. We also assess whether the agreement contains adequate contractual provisions in respect of modern

slavery compliance and risk management. Where possible we have continued to utilise our standard form contracts and documents, which contain modern slavery clauses. These impose contractual commitments on our suppliers to require them to meet minimum standards related to the prevention of modern slavery and ongoing due diligence in their supply chains.

Where Flybuys are made aware of issues in our supply chain, we endeavour to work with our suppliers to ensure the issue is remediated for affected parties. Flybuys will always treat suppliers fairly and with consideration of individual circumstances. However, human rights or environmental abuses in our supply chain will not be tolerated.

Flybuys' response to allegations of modern slavery will vary depending on the circumstances. Flybuys' Modern Slavery Remediation Procedure takes a flexible, catered approach and gives paramount consideration to the safeguarding of those impacted by modern slavery. Regardless of the method through which modern slavery is discovered or alleged, Flybuys would act quickly to document any identified risks of modern slavery and hold relevant information securely as required. Each step of the remediation process focuses on what is best for the individuals potentially impacted by the alleged modern slavery.

Throughout this Reporting Period, we have continued our exploration of cloud-based solutions to assist with the management of the environmental and social performance (including modern slavery risks) of our supply chain. We plan on finalising our selection process during our next reporting period for implementation in the near future.

The Flybuys Procurement Team are currently in the process of further developing a framework and roadmap that builds on existing ethical procurement mechanisms to further engage our suppliers and influence their supply chain to demonstrate ethically, socially, and environmentally responsible behaviours. This work will build on the procurement process reviews undertaken during this Reporting Period. The policies and processes that the team plans on developing or updating, as appropriate, into the next reporting period include the following:

- Procurement Policy (to be updated)
- Ethical Sourcing Policy (to be updated)
- Supplier Minimum Standards (to be updated)
- Sourcing Processes (to be updated)
- Procurement Risk Framework (to be developed)

4.3

## Supplier Case Study

Addressing modern slavery is a pre-competitive issue and Flybuys appreciates that industry sectors can enhance their impact if they work together.

During this Reporting Period, Flybuys commenced collaborative discussions with a tier 1 Rewards partner regarding a case study focusing on modern slavery risk mitigation. This was a commitment made in our Third Reporting Period. Over the next reporting period, discussions will continue and both parties will regularly meet to further discuss how we are managing our respective response to dealing with modern slavery and how we can work collaboratively to strengthen our impact in this space.

This will help Flybuys cascade our due diligence down our partners' supply chain and increase the likelihood of identifying risks. It will also build our partners' capability and capacity so that they can enhance and further undertake due diligence within their own supply chains.

4.4

## Governance Controls and Internal Working Groups

Doing the right thing is not something new to us at Flybuys, it's a value that underpins the decisions we make, and we've taken another step forward to enshrine this value in our Corporate Social Responsibility (CSR) Framework we are in the process of developing.

A more structured Modern Slavery Working Group will be established in 2023 as part of our modern slavery governance structure to oversee and support the management of modern slavery risks across our operations and supply chain for future reporting periods. This group will comprise more team members from key functions across Flybuys. This cross-functional approach will be essential for evolving our knowledge and understanding of our business and operations.

It will also ease the efforts involved in facilitating and coordinating actions to manage key risk areas. Importantly, the working group members will also become more knowledgeable on modern slavery within their own function (through

opportunities to consider enhanced training and guidance) and act as change champions within their respective departments. This will help to further integrate our modern slavery risk management into existing business processes and identify opportunities for further action.



4.5

## Collaboration

Throughout this Reporting Period, members of our modern slavery project team consulted and collaborated with numerous external parties and individuals.

This included attending multiple webinars and conferences. The conferences brought stakeholders together to bolster cross-sector collaboration on modern slavery responses. Members of the project team learnt how other organisations combat modern slavery where prominent speakers discussed a range of key themes. Areas that were explored include:

- The 2023 legal framework on modern slavery and how it impacts businesses.
- How technology can play a role in addressing the issue of modern slavery.
- Fair and ethical recruitment.
- Responsible sourcing and procurement.
- Remedies and remediation pathways.

During our next reporting period, Flybuys intends on engaging an industry expert to independently assess our current approach to tackling modern slavery and also to work collaboratively with our project team on future initiatives and the preparation of future statements. Flybuys has also closely monitored the progress of the statutory review of the Modern Slavery Act

undertaken by the Australian Government and will continue to monitor what changes, if any, are implemented. We will consider what actions we can take in the next reporting period in terms of governance and due diligence processes in line with the findings of the review.

4.6

## Materiality Review

During this Reporting Period, Flybuys commenced its first Materiality Assessment.

The purpose of the Materiality Assessment was to help the business understand the material issues that matter most to our internal and external stakeholders and our members base; how our economic, social and environmental impacts are perceived along our value chain; and how they translate today and in the future into associated risks and opportunities for our business when it comes to undertaking socially responsible initiatives in the corporate world.

There were 18 material issues identified, with modern slavery falling under the material issue, Service Delivery.

Flybuys team members were also asked which of the United Nations Sustainable Development

Goals (UNSDG) they feel are important for Flybuys to focus on, Good Health and Well-being, Gender Equality, Quality Education, Zero Hunger, Responsible Consumption and Production, Decent Work and Economic Growth and No Poverty all ranking highly.

The results of the survey serve to guide our Corporate Social Responsibility (CSR) Framework and shape the path that we take as we move forward in this space while continuing to be a trusted loyalty program delivering value to its more than nine million members.

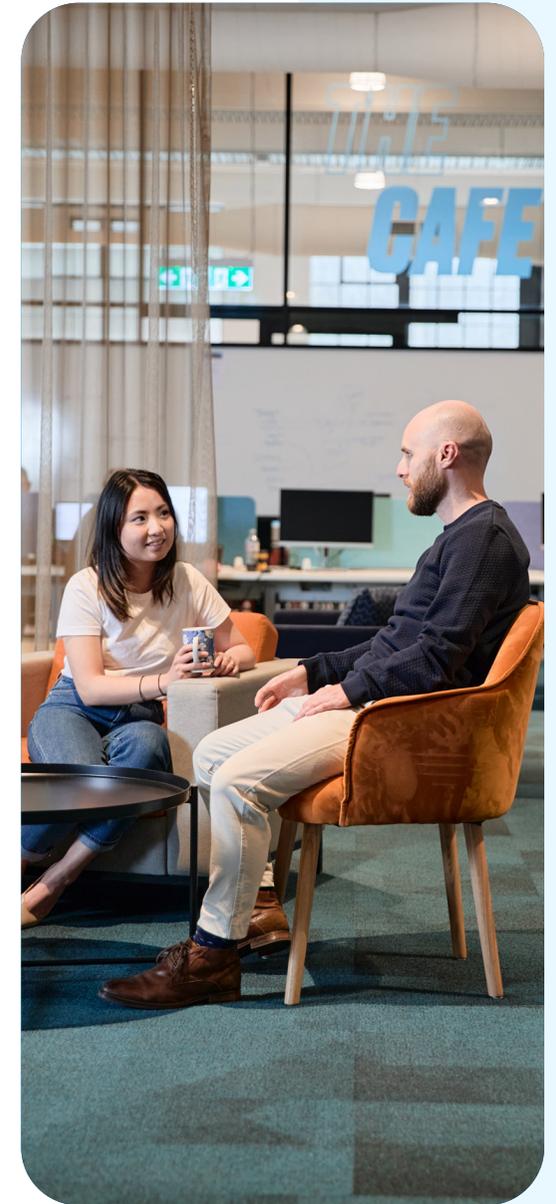
The results of the materiality assessment confirmed that our strategic priorities align with the most significant issues and interests of our stakeholders, reaffirming that we are focusing on the right things to drive sustainable success.

However, with an ever-changing environmental and social landscape, we endeavour to be agile in this area and continue to understand, and place focus on, the issues most important to the people our business impacts.

4.7

## Recruitment of Team Members

Further to what has been outlined in section 3.1, the nature of Flybuys' business means that it has been assessed that there is low modern slavery risk in its operations from a human resources perspective. Our recruitment efforts are targeted at the Australian market, and all team members are professionals. Flybuys recruitment processes and procedures comply with relevant regulations and standards with team members employed on a permanent, fixed term or casual basis through standard contracts of employment administered centrally by Flybuys' People Experience team. There are various avenues for team members to provide feedback, including team member surveys and quarterly check-ins. Flybuys has a Whistleblower Policy under which unethical and illegal activities associated with the company can be reported. All team members are provided communication and training on this policy during their induction into our business and annually and it forms part of the mandatory learning program.



# 05

## Assessing the Effectiveness of our Actions

The UN Guiding Principles (UNGP) on Business and Human Rights state that businesses should track the effectiveness of their human rights responses on the basis of appropriate qualitative and quantitative indicators to determine whether policies are being implemented optimally, ascertain effectiveness, and drive continuous improvement. Impact measurement is a vital aspect of human rights due diligence because it incentivises and guides real change by helping businesses distinguish between effort and effect.

The Procurement team takes the lead in monitoring the effectiveness of our modern slavery approach and is committed to continuous improvement. The team uses a centralised database to log any supply issues and risks and works closely with internal contract managers to address those issues. This is a 'living' document and is tracked on an ongoing basis. As outlined in this Statement, the Procurement team has continued to facilitate the modern slavery risk assessment of its supply chains which has improved and matured as a result of higher participation by tier 1 suppliers and the refinement of the rating processes in the current Reporting Period. Using the supplier engagement and consultation process, which now covers 98 percent (this is a 10 percent increase from the Third Reporting Period, meaning we have a greater insight into our supply chain) of supply chain expenditure, we have gained comfort that inherent risks identified for our high-risk suppliers are being managed effectively by those suppliers, which resulted in the

downgrading of some suppliers' initial risk ratings. Flybuys, where possible, seeks to procure from suppliers with whom we have a contractual agreement, incorporating a modern slavery clause. As stated in this Statement, Flybuys' standard modern slavery clause requires suppliers to meet minimum standards related to the prevention of modern slavery and ongoing due diligence in their supply chains and providing Flybuys with contractual rights to obtain certain information relating to its suppliers' modern slavery risks and their policies and processes to manage those risks. During the reporting period, Flybuys quantified our total supply spend under contract to 97 percent.

The Procurement team have also commenced the development of a supplier risk reporting dashboard. This will aggregate data from our various sourcing and supplier management process activities and produce on-demand analysis about our supplier risks, including modern slavery risks, in their operations or supply chains. We will then assess and benchmark our performance using relevant tools from industry and anti-slavery organisations. Using this dashboard, we intend to produce reports that include the metrics to monitor modern slavery risks in our tier 1 suppliers, the actions we have taken to address risks and the effectiveness of those actions. This is an action we will take into the next reporting period.

To currently measure the effectiveness of our actions, we track our progress against the commitments and activities set out in previous statements (see the below table). By placing an increased emphasis on impact, we will continue to assess the effectiveness of our actions to prevent, mitigate, and address modern slavery related harm over time.

## 5.1 The following table outlines our progress since our first reporting period.

<div data-bbox="174 368 277 469">FY 20</div> <div data-bbox="163 512 405 539">First reporting period</div> <ul data-bbox="152 576 492 884" style="list-style-type: none"> <li>Risk assessment framework design</li> <li>Establishment of Modern Slavery Working Group</li> <li>Implementation of internal controls and an external due diligence process</li> <li>Preliminary assessment of supply chain</li> </ul>	<div data-bbox="584 368 687 469">FY 21</div> <div data-bbox="560 512 831 539">Second reporting period</div> <ul data-bbox="548 568 889 847" style="list-style-type: none"> <li>Implementation of internal policies and minimum standards for external suppliers</li> <li>Improvement of internal controls and processes</li> <li>Assessment of supply chain</li> <li>Provision of training to all employees</li> </ul>	<div data-bbox="999 368 1102 469">FY 22</div> <div data-bbox="954 512 1202 539">Third reporting period</div> <ul data-bbox="952 568 1283 1110" style="list-style-type: none"> <li>Risk assessment framework review and enhancement to demonstrate maturity in approach</li> <li>Expanded scope of risk assessment</li> <li>Commenced deeper supplier engagement</li> <li>Remediation framework implementation and training</li> <li>Upskilling of key employees</li> <li>Initial exploration of technology solutions to assist with the management of modern slavery risks (e.g. to undertake supply chain risk analysis)</li> </ul>	<div data-bbox="1379 368 1482 469">FY 23</div> <div data-bbox="1357 512 1637 539">Current reporting period</div> <ul data-bbox="1355 568 1695 1222" style="list-style-type: none"> <li>Undertaking more detailed due diligence on the supply chains of any tier 1 suppliers who are classified as high risk on the initial risk assessment</li> <li>Case study of engagement with a tier 1 supplier on modern slavery risks (ongoing)</li> <li>Continued exploration of technological solutions to assist with the management of modern slavery risks (e.g. to undertake supply chain risk analysis) (ongoing)</li> <li>Engagement with industry experts to deepen understanding of shared supply chain issues</li> <li>Refinement of current procurement policies and processes (ongoing)</li> </ul>	<div data-bbox="1783 368 1886 469">FY 24</div> <div data-bbox="1758 512 2038 539">Planned reporting period</div> <ul data-bbox="1756 568 2096 1398" style="list-style-type: none"> <li>Continued exploration of technological solutions to assist with the management of modern slavery risks</li> <li>Amend procurement procedures, processes and standards as required to promote continuous improvement</li> <li>Develop a supplier risk reporting dashboard procurement target for areas including modern slavery risk</li> <li>Define an ongoing consultation framework to utilise for ongoing statement preparation</li> <li>Commence mapping our tier 2 supply base</li> <li>Establish a CSR Framework with oversight of modern slavery risks</li> <li>Ongoing monitoring of regulatory changes relating to reporting requirements</li> <li>Review and assess ongoing training requirements</li> </ul>
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- 5.2 As we move into FY24 we will continue to evolve our modern slavery risk management measures across our operations and supply chain. The following table sets out some new, ongoing, planned and completed items that Flybuys will be focusing on over the next 12 months.

### Governance and Controls

ACTION	STATUS	COMMENT
Explore opportunities for the development of a Corporate Social Responsibility Statement or other relevant policy changes to frame modern slavery across the whole of the business.	 IN PROGRESS	To reflect UNGP's best practices, we will engage internally in the development of a policy position focusing on human rights.
Review existing grievance mechanisms considering UNGP guidance.	 ONGOING	We will continue to review available Flybuys contact lines as appropriate grievance mechanisms, against the recommendations of the UNGP guidance.
Establish a CSR Framework with oversight of modern slavery risks.	 ONGOING	The working group will monitor the progress of the FY24 Modern Slavery plan and review any relevant modern slavery activities.
Annual training for all team members on Modern Slavery and our responsibilities to comply with the Act.	 ONGOING	We provide organisational-wide training for all team members to equip them to identify and respond to modern slavery. Training includes annual general awareness raising and/or specific training depending on new areas of responsibility.
Implementation of Modern Slavery Remediation Plan and Process.	 COMPLETED	This has been implemented and training provided to relevant stakeholders.

## Risk Assessment

ACTION	STATUS	COMMENT
Continued exploration of technological solutions to assist with the management of modern slavery risks (e.g. to undertake supply chain risk analysis).	 IN PROGRESS	We have seen demonstrations and trialled multiple products over the last 12 months. We anticipate to procure a solution during the next reporting period.
Expand our assessment to higher risk tier 2 suppliers.	 PLANNED	Commence mapping our tier 2 supply base.
Case study of engagement with a tier 1 supplier on modern slavery risks.	 IN PROGRESS	Flybuys have commenced collaborative discussions with one of our tier one Reward partners. This was a commitment made in our Third Reporting Period. Over the next 12 months both parties will regularly meet to further discuss how we are managing our respective response to dealing with modern slavery and how we can work collaboratively to strengthen our impact in this space.

## Monitoring and Mitigation

ACTION	STATUS	COMMENT
Amend procurement procedures, processes and standards as required to promote continuous improvement. Define 'risk' clearly within the procurement policy and ensure team members are aware of the products and services that constitute 'high risk'.	 IN PROGRESS	<p>The Procurement team are currently in the process of reviewing all go-to-market processes and associated templates.</p> <p>The Procurement team plan on developing (and/or updating) the following:</p> <ul style="list-style-type: none"> <li>• Procurement Policy (to be updated)</li> <li>• Ethical Sourcing Policy (to be updated), including Framework and Roadmap.</li> </ul>
Develop a Supplier Code of Conduct to communicate and guide expectations for ethical conduct and sustainability.	 NEW	The Supplier Code of Conduct is currently being drafted and is undergoing internal consultation.

## Monitoring and Mitigation continued...

Develop a supplier risk reporting dashboard procurement target for areas including modern slavery risk.

Set sustainable procurement targets for areas including modern slavery risk.

 IN PROGRESS

This is in development. Formal targets are currently being set across a range of procurement areas.

## Consultation

## ACTION

## STATUS

## COMMENT

Engage independent expertise(s) to assist with our modern slavery planning and risk assessment.

 PLANNED

Independent experts will be engaged to review our internal processes including human rights and modern slavery governance, risk assessment process.

Define an ongoing consultation framework to utilise for ongoing statement preparation.

 NEW

This process will be defined to guide consultation for risk assessment and statement preparation in ongoing reporting years. Key internal stakeholders will be identified.

Monitoring of the Australian Government review of the Modern Slavery Act.

 NEW

This is ongoing and will continue into the FY24 reporting period as we expect further communications regarding any proposed amendments to the legislative requirements.

# Approval

Flybuys makes this statement in accordance with section 13 of the Modern Slavery Act 2018 (Cth) and constitutes Flybuys' modern slavery statement for its financial year ending 25 June 2023. This statement was approved by the Flybuys Board on 18 October 2023.

## Signed by

Rob Scott

Chairman, Loyalty Pacific Pty Ltd

## Signature

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**Date** 15-Dec-2023

# flybuys