

Modern Slavery Statement

Financial Year 2022



FITNESS &
LIFESTYLE
GROUP

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Board Approval

Reporting Entity

Fitness & Lifestyle Group Bidco Pty Ltd

Australian Business Number

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Registered Address

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***Empower our
global community
to live stronger and
happier lives***



**FITNESS &
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Introduction

Modern slavery is a crime and a violation of fundamental human rights.

Fitness and Lifestyle Group (FLG) provides their full support and endorsement of the Modern Slavery Act 2018 and has a zero tolerance policy for practices related to modern slavery.

FLG understands that it is crucial to address the risk of modern slavery in its operations and supply chain due to the significant harm it causes.

We are committed to enhancing transparency and improving our responsible business practices in order to address this issue.



Criteria 1:

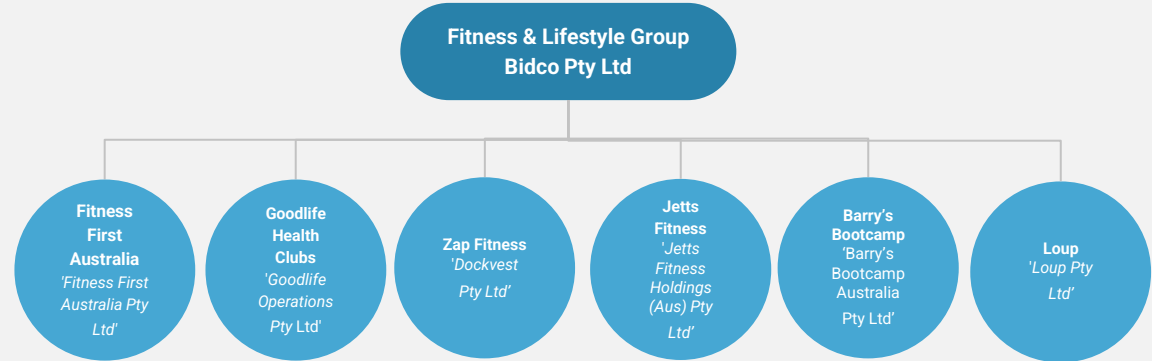
Reporting Entity

This is the third Modern Slavery Statement (“**the Statement**”) issued by Fitness & Lifestyle Group Bidco Pty Ltd (“**FLG**”) and covers the period 1 July 2021 to 30 June 2022 (“**Reporting Period**”). The Statement has been prepared in accordance with the requirements of the Australian *Modern Slavery Act 2018 (Cth)* (“**the Act**”).

This is a joint statement which has been prepared in consultation with FLG’s wholly owned Australian based subsidiaries including:

- Fitness First Australia Pty Ltd trading as Fitness First
- Goodlife Operations Pty Ltd trading as Goodlife Health Clubs
- Dockvest Pty Ltd trading as Zap Fitness
- Jetts Fitness Holdings (Aus) Pty Ltd trading as Jetts Fitness
- Barry’s Bootcamp Australia Pty Ltd trading as Barry’s Bootcamp
- Hypoxi Australia Pty Ltd trading as Hypoxi
- Loup Pty Ltd trading as Loup (Divested during the Reporting Period)

(collectively referred to herein as “**FLG Reporting Entities**” or “**we**”, “**us**”, “**our**”).



Criteria 2:

Operations & Supply Chain

Operations

FLG is Asia Pacific's leading health & wellness group, with headquarters in Australia, as well as regional offices in New Zealand and across South East Asia. FLG exists to make a meaningful, positive impact in people's lives through innovative and diversified health and wellness offerings across physical and digital platforms.

FLG's portfolio of globally recognised brands includes Fitness First Australia, Goodlife Health Clubs Australia, Barry's Bootcamp Asia-Pacific, Jetts Fitness, Zap Fitness, and California Fitness & Yoga. In addition to its physical health clubs, FLG is also a global leader in on-demand digital health and fitness programs via its Loup business including Centr (which was divested 1st April 2022). With over 385 locations spreading across Australia, New Zealand and South-East Asia, FLG helps over 650,000 members live healthier and more active lives.

Supply Chain

FLG has a diverse supply chain and procures a range of goods and services from both domestic and international markets. During the Reporting Period, FLG Reporting Entities engaged directly with 1,433 tier one level suppliers. FLG Reporting Entities mainly procure in the sectors of construction, property maintenance, cleaning services, fitness equipment, technology and marketing.

The geographical locations of these suppliers includes:

- 97% from Australia;
- 1.5% from United States of America.
- The remaining 1.5% of goods and services were procured from a further 13 countries.

Noting the improvement since FLG's last Modern Slavery Report from 90% to 97% of suppliers now located in Australia.



Criteria 3:

Risks of Modern Slavery Practices

Operations

FLG recognises modern slavery can occur within its supply chain, as well as in its own operations. In the Reporting Period, FLG directly employed just over 5,500 employees in Australia and approximately 2,000 contracted personal trainers. Additionally, Jetts Fitness included 135 franchised clubs and Hypoxi included 28 franchised clubs. Franchisee networks and contractors have been identified as an area of potential modern slavery risk due to the limited control and visibility of operations.

FLG's focus is to tackle identified categories of highest risk of modern slavery and progressively working our way through identified lower risk issues in the spirit of continuous improvement. FLG employs various measures to manage the risk of modern slavery within its workforce, franchisee network, and contractor population. We engage employees through enterprise agreements, Modern Awards, and contracts based on the Fair Work Act or National Employment Standards.

FLG has a centralised internal recruitment process for support office employees and a decentralised process for in-club roles. We also use reputable recruitment agencies on an as-needed basis to help ensure the integrity of our recruitment practices and minimise the risk of modern slavery. In addition, FLG conducts regular audits to ensure that visa terms, visa holder working restrictions, and working hours are all in compliance in order to further mitigate the risk of modern slavery.



Criteria 3:

Risks of Modern Slavery Practices

Supply Chain

FLG assess supply chain risk based on geographical location, industry risk, and product risk.

Within the first-tier level of FLG Reporting Entities' supply chain, only 3% of goods and services are sourced from international regions. FLG acknowledges that international supply can pose a higher risk of modern slavery, however the majority of goods and services sourced by FLG Reporting Entities are from countries which present a lower inherent risk of modern slavery.

In terms of product and industry risk, FLG Reporting Entities' have identified areas of its supply chain that may pose a higher risk of modern slavery. These include goods and services pertaining to:

- technology;
- construction;
- food and beverage products;
- property maintenance;
- cleaning services;
- fitness equipment;
- marketing, including branded merchandise; and
- garments including uniforms.

FLG's Reporting Entities recognise the depth and potential impact of its direct and indirect supply chain. FLG Reporting Entities' endeavour to improve its ability to implement its risk management initiatives beyond tier level one.



Criteria 4:

Actions to Address Modern Slavery Risk

FLG Reporting Entities took various steps in the 2022 financial year to assess and address the risk of modern slavery in its operations and supply chain.

Organisational Structure

A significant change in Organisational structure occurred during the reporting year that reduced the Modern Slavery risk for FLG. A strategic decision to divest both our online operations (Loup) and franchise business units (Jetts Fitness and Hypoxi), which had previously been identified as higher risk operations was a positive outcome for our Modern Slavery objectives. FLG now includes only company-owned health clubs.

Policies & Procedures

FLG has policies and procedures in place to guide our internal operations and interactions with suppliers. During the reporting period, we continued to review and update our key policies to ensure compliance with the Act. These policies include:

- Whistleblower Policy
- Employee Code of Conduct
- Workplace Bullying, Discrimination and Harassment Policy

As such, employees, contractors and suppliers have clearer grievance mechanisms related to modern slavery concerns.

Procurement Processes & Contractual Arrangements

FLG Reporting Entities' have embedded modern slavery requirements and obligations into tender documents, supplier onboarding processes including the Supplier Assessment Questionnaire expanded on in the next slide, and contract agreements. The expectations are outlined in the Purchase Order Terms and Conditions for each respective entity. When an entity issues a purchase order to a supplier, it serves as authorisation for the provision of specified goods and services at a stated specification, price and quantity. To further reinforce our commitment, FLG's Standard Terms and Conditions also include commitments related to preventing modern slavery and ensuring that suppliers adopt best practices to prevent modern slavery within its employee and contractor arrangements of their business.



Criteria 4:

Actions to Address Modern Slavery Risk

Training

During the Reporting Period, FLG successfully implemented a new Learning Management System. Our aim is to roll out modern slavery training to increase awareness of risk factors amongst employees and improve our ability to address instances or concerns of modern slavery.

Supplier Due Diligence

In the Reporting Period, FLG Reporting Entities utilised our new Supplier Assessment Questionnaire (SAQ) to better identify modern slavery risk factors, and supply chain risk management practices. The key focus for initial roll out of the SAQ has been high inherent risk industries such as cleaning etc. FLG Reporting Entities are endeavouring to focus on increasing completion rates moving forward.

Collaboration



Given the impact of COVID-19 on FLG as well as the many structural changes that occurred in the Reporting Period, progress was minimal on our collaboration initiatives. FLG Reporting Entities had initial conversations with an industry association and are focused to revisit this in the future.



Criteria 5:

Effectiveness of Actions

In the previous reporting period, FLG Reporting Entities planned several key initiatives in response to the Act. FLG Reporting Entities completed the following:

Governance	<ul style="list-style-type: none">● Review outcomes from FY21 and improve/change the Modern Slavery Framework as required.● Update policy & code of conduct documents to incorporate modern slavery procedures● Explore other risk management controls including supplier site audits● Review recruitment practices to manage modern slavery risks.● Continue to ensure modern slavery expectations are included in new contracts & RFx documents.● Consider creating a Supplier Code of Conduct.	
Supply Chain Transparency	<ul style="list-style-type: none">● Continue to risk assess tier 1 suppliers identified with a high inherent risk of modern slavery (geographic, industry & product risk).● Explore other risk management controls including supplier site audits.● Create a template of standard responses to risk assessment questionnaires requested of FLG, as a supplier.	
Collaboration	<ul style="list-style-type: none">● Explore opportunities to collaborate with Non-Government Organisations (NGO's), as well as industry peers (i.e., Fitness Australia, other health & fitness companies, and/or other reporting companies) where beneficial to FLG's response.	FY23
Awareness	<ul style="list-style-type: none">● Implement initiatives to raise awareness of modern slavery internally (i.e., FairTrade supporting Workplace).● Create factsheet on modern slavery for staff reference.● Upload updated statement to FLG intranet & external website.	FY23

Criteria 6:

Consultation

The Modern Slavery Working Group continued to represent FLG in relation to FLG's modern slavery response. Consisting of representatives from Procurement, People & Culture, and Legal with overarching endorsement from the FLG Executive Committee and Board, The Working Group meet to table initiatives and discuss progress in our response to the Act.

FLG Reporting Entities continued to engage more closely with franchisees and independent contractors particularly those who choose to engage/employ staff, to ensure that their business practices are in line with our expectations regarding managing the risks of modern slavery.

Criteria 7a:

COVID-19 Impact

FLG continued to be impacted by the COVID-19 pandemic. In the Reporting Period, government mandated closures impacted a number of FLG businesses. Our Fitness First brand in NSW was closed for approximately 3 months. These impacts directly affected FLG employees and suppliers.

FLG continued to work constructively with its employees and suppliers on COVID-19 issues related to health, safety, supply chains and procurement.



Criteria 7b:

Future Initiatives

FLG is committed to strengthening its modern slavery response. FLG will progress the following initiatives in the 2023 financial year reporting period:

- Review and if required, update FLG's Modern Slavery Framework
- Continue to review company policies including our Recruitment Policy to ensure Modern Slavery objectives are referenced
- Develop an assessment criteria to enable identification of modern slavery risk in our tier 2 supply base
- Improve internal communication and awareness of modern slavery risk and implement training for all employees
- Continue to work collaboratively with our vendors, seeking to understand their approach to managing modern slavery risks
- Explore collaboration opportunities within the health & fitness industry, other modern slavery reporting companies and Non-Government Organisations
- Consider creating a Supplier Code of Conduct

**This statement was approved by
the Board of Fitness & Lifestyle
Group Bidco Pty Ltd**



**Greg Oliver
Chief Executive Officer &
Managing Director**

*All enquiries or feedback in relation to this statement should be
directed to FLG's Procurement team via email:
procurement@fitlg.com*





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