

# Modern Slavery Statement

Financial year 2020



# Contents

Introduction

Criteria 1: Reporting Entity

Criteria 2: Operations & Supply Chain

Criteria 3: Risk of Modern Slavery Practices

Criteria 5: Actions to Address Modern Slavery Risk

Criteria 6: Effectiveness of Actions

Criteria 5: Consultation

Criteria 7a: COVID-19 Impacts

Criteria 7b: Future Initiatives

Board Approval

## Reporting Entity

Fitness & Lifestyle Group Bidco Pty Ltd

## Australian Business Number

88 613 738 408

## Registered Address

176 Montague Road, South Brisbane QLD 4101, Australia

## Website

[www.fitlg.com](http://www.fitlg.com)





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

# Introduction

Modern slavery is a crime and a violation of fundamental human rights. Recent statistics demonstrate that more than 40 million men, women & children are exploited on a global scale.

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

FLG recognises the importance of addressing modern slavery risk within its operations and supply chain, acknowledging the severity of its impacts and committing to focus on increasing transparency and improving its responsible business practices.



## Criteria 1:

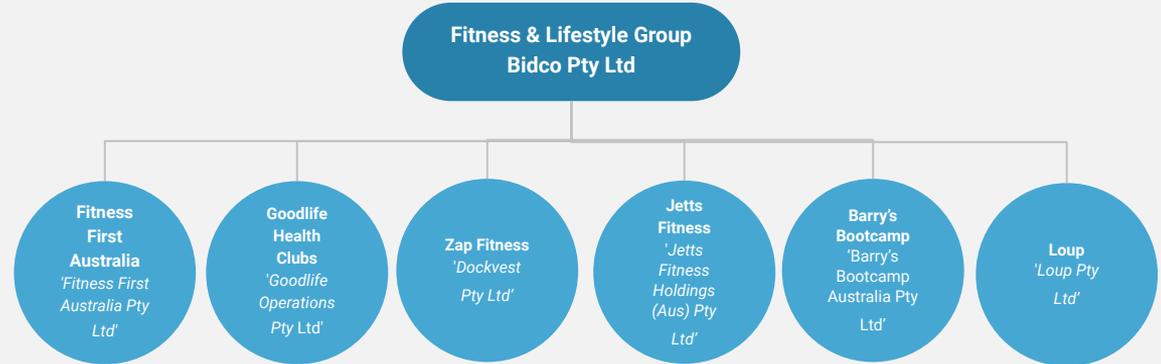
# Reporting Entity

This is the first Modern Slavery Statement (“**the Statement**”) issued by Fitness & Lifestyle Group Bidco Pty Ltd (“**FLG**”) and covers the period 1 July 2019 to 30 June 2020 (“**Reporting Period**”). The Statement has been prepared in accordance with the requirements of the Australian *Modern Slavery Act 2018 (Cth)* (**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
- Loup Pty Ltd trading as Loup

(collectively referred to herein as the “**FLG Reporting Entities**”)



## Criteria 2:

# Operations & Supply Chain

### Operations

FLG is Asia Pacific's leading health & wellness group, with headquarters in Australia and regional offices in New Zealand and across South East & 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, California Fitness & Yoga, California Centurion, Yoga Plus, and ERI International Clinic. 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 and Emily Skye Fit. With over 510 locations spreading across Australia, New Zealand and South-East Asia, FLG employs approximately 11,000 employees and helps over 800,000 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 2,088 tier one level suppliers. Of those suppliers, 98% were based in Australia, New Zealand and Ireland. Across the FLG Reporting Entities, the spend is predominantly in the categories of construction, property maintenance, cleaning services, fitness equipment, technology and marketing.

Many of FLG's supplier relationships have developed over several years and are a valued part of its operations. FLG Reporting Entities' are using engagement on modern slavery risks with our suppliers as a collaborative opportunity that aims to further strengthen the relationship.



### Criteria 3:

# Risks of Modern Slavery Practices

## Operations

FLG is committed to treating all employees with respect by providing a safe, fair and non-discriminatory workplace. FLG's workforce consists of 6,500 direct employees in Australia and 4,500 across New Zealand, Thailand, Vietnam and Singapore.

FLG Reporting Entities' engage employees via enterprise agreements, Modern Awards, and contracts underpinned by the Fair Work Act or National Employment Standards. The internal recruitment function is centralised for support office employees and decentralised for in-club roles. Reputable recruitment agencies are also used on an ad hoc basis. This allows FLG Reporting Entities' to maintain control and visibility of recruitment practices within the business to minimise the risk of modern slavery. To mitigate modern slavery risks further, FLG Reporting Entities' conduct regular audits on visa terms, visa holder working restrictions, as well as on working hours.

Additionally, FLG Reporting Entities' have approximately 1,800 contracted personal trainers, as well as 136 Jetts Australia franchisees and 11 Hypoxi franchisees. 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 Reporting Entities' manage this risk with compliance reviews across business practices, pay rates, hours worked, together with dedicated whistleblower policies.



### Criteria 3:

# Risks of Modern Slavery Practices

## Supply Chain

Within the first tier level of FLG Reporting Entities' supply chain, FLG deems the risk of modern slavery relatively low. Geographically the majority of FLG Reporting Entities' supply is procured from low risk countries, with only 0.03% of spend deemed of higher risk.

In terms of product and sector risk, FLG Reporting Entities' acknowledge there are areas of our supply chain that may pose higher risks of modern slavery. These include suppliers of services pertaining to:

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

FLG acknowledges its suppliers often have many suppliers of their own, who in turn also depend on other suppliers. As such, FLG's Reporting Entities' recognise the depth and potential impact of its supply chain and endeavours to assess its risk management initiatives beyond tier level one.



## Criteria 4:

# Actions to Address Modern Slavery Risk

### Policy and Procedures

FLG has policies and procedures in place which govern and underpin the way we engage with suppliers. These include the Procurement Policy and our standard Contractual Terms and Conditions ("**Standard T&Cs**"). During the Reporting Period, these policies were reviewed and updated to outline FLG's expectations for supplier's compliance with the law in relation to modern slavery. An example of this is the inclusion of clause 13.2 of our Standard T&Cs which governs our relationship with suppliers and is provided to all suppliers who are engaged via purchase order prior to their engagement. Clause 13.2 expressly requires the supplier to be aware of, and take necessary steps to address modern slavery.

### Due Diligence

To assist with managing the risk of modern slavery in our third party suppliers, FLG requires an Employee Checklist be annexed to key Service Agreements particularly for the supply of higher risk services including property maintenance and cleaning services.

The Employee Checklist must be completed by contracting parties upon commencement of the Service Agreement and requires the contracting party to certify and provide true and correct information regarding their current employment/contracting practices. In particular, they must advise FLG on their compliance with the Fair Work Act and National Employment Standards.

The inclusion of this Employee Checklist and the standard compliance terms in our Service Agreements, serve as acknowledgement of our responsibility as a corporation to ensure that during the course of our business our contractor's employees are not exploited from the minimum requirements afforded to all employees.



## Criteria 5:

# Effectiveness of Actions

FLG recognises the value in measuring the effectiveness of actions in order to continuously develop and reduce the risk of modern slavery. Being the first statement released by FLG, this Statement will form the baseline of FLG's response to the Act. This Statement reflects FLG Reporting Entities' efforts to date, as well as planned future initiatives. Moving forward, FLG will continue to monitor and enhance their approach to assessing effectiveness.

## Criteria 6:

# Consultation

In the Reporting Period modern slavery initiatives were siloed. FLG aims to improve its internal consultation when addressing modern slavery risk in the next reporting period by taking a group approach. FLG intends to seek cross-functional engagement with overarching consultation with senior management. This will ensure FLG demonstrates a united stance on the eradication of modern slavery.

In addition, FLG intends to work more closely with franchisees and independent contractors particularly those who choose to engage/employ staff and contractors to ensure that their business practices are in line with our expectations regarding managing the risks of modern slavery. These expectations will be clearly set out in our agreements with them as well as any policies applicable to them.



## Criteria 7a:

# COVID-19 Impacts

Like many organisations, FLG was significantly impacted by the COVID-19 pandemic. FLG was affected by temporary closures during the Reporting Period, reduced operating capacity, social distancing and increased cleaning regimes. These impacts directly affected FLG suppliers.

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

The areas in which FLG operates have, while impacted, been some of the best regions in dealing with the public health crisis. As such, FLG have been able to efficiently reopen all sites, redeploy its workforce, and minimise the impact to supplier relationships.

## Criteria 7b:

# Future Initiatives

FLG is committed to further strengthening their modern slavery response. FLG will progress the following initiatives in the next reporting period:

- Form a cross-functional Modern Slavery Working Group
- Develop a Modern Slavery Framework
- Continue to review company policies & new contractual agreements for inclusion of modern slavery expectations
- Review practices of franchisees and independent contractors
- Establish clear grievance channels
- Conduct supplier risk assessments on high risk, tier one level suppliers
- Review supplier onboarding processes
- Explore collaboration opportunities within the health & fitness industry, other modern slavery reporting companies and Non-Government Organisations
- Investigate training programs for employees
- Improve internal communication regarding modern slavery risk

This statement was approved by  
the Board of Fitness & Lifestyle  
Group Bidco Pty Ltd on 1 March  
2021.



**Greg Oliver**  
Chief Executive Officer & Managing  
Director  
1 March 2021

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

