

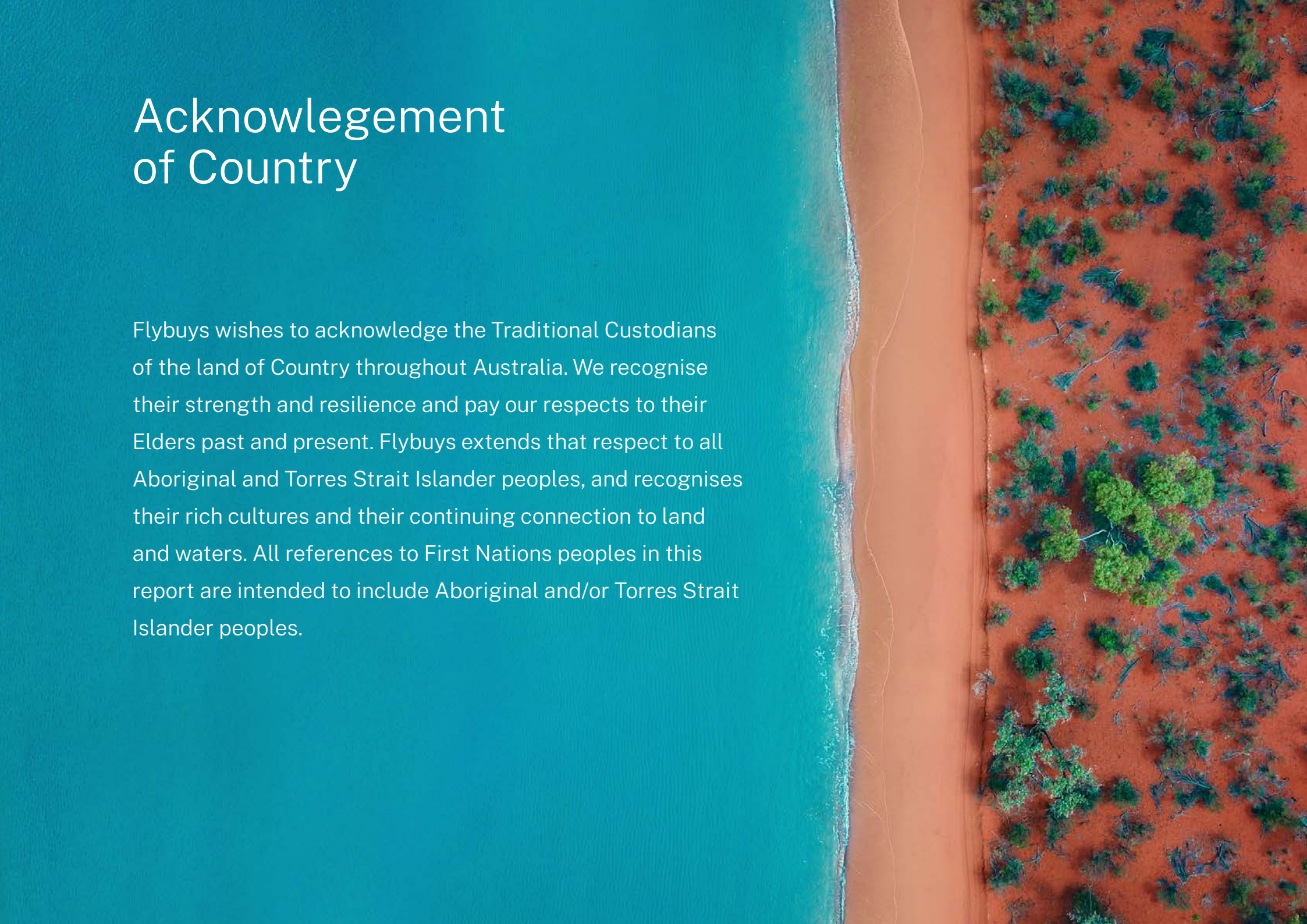


Flybuys Modern Slavery Statement

Financial Year 2024

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.



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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 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)*. This is a single entity Statement in accordance with section 13. The reporting entity is Loyalty Pacific Pty Ltd ABN 82057931334.

From the CEO of Flybuys

The Global Slavery Index published by Walk Free in 2023,¹ shows us that modern slavery is still very much a widespread, global issue, with almost 50 million people living in modern slavery, worldwide. It is a problem that is still all around us, often hidden in plain sight, and affects every country – including Australia.

One of the Flybuys company values is ‘Do The Right Thing’, and I am proud to share our Modern Slavery Statement for FY2024, which underscores our unwavering commitment to addressing modern slavery within our operations and supply chains. At Flybuys, and from myself on a personal level, we are acutely aware of our responsibility to increase transparency and accountability in relation to modern slavery risks within the communities in which we operate, and our contribution to the eradication of this grave injustice that still exists.

In the past year, we continued to mature our response to modern slavery by strengthening the way we work with our team members, our suppliers, and our network of partners, to help serve our more than 9.5 million members, by giving them more of what they value beyond the checkout.

We have enhanced our assessments and expanded our engagement with our suppliers, placing greater emphasis on consultation and information sharing, along with the ongoing training of our team in respect of modern slavery. These efforts are not merely about compliance; they are about fostering a deeper understanding and collaboration with those we work with to address risks of modern slavery within supply chains.

We acknowledge that our work in this area is ongoing, and that continuous improvement is essential. We are proud of the progress that we have made, but we need to remain focused and committed to further developing our understanding and continuing to take action in this space.

This journey is enduring, and we will approach it with a strong sense of responsibility as we unequivocally oppose modern slavery.



Anna Lee
CEO, Flybuys



¹ cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf

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 30 June 2024 (the Reporting Period), pursuant to its obligations under section 13 of the Modern Slavery Act 2018 (Cth) (Modern Slavery Act). Flybuys is pleased to present this Modern Slavery Statement, outlining the steps we have 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 its fourth Modern Slavery Statement in the financial year ending 25 June 2023 (the fourth 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. As a process of continuous improvement, we have further expanded our knowledge, collaboration with suppliers and network of advisors, to reinforce our response and commitment to this issue.

We are committed to providing a remedy to any identified instances of modern slavery in our supply chain. As outlined in the Flybuys Modern Slavery Remediation Framework and Procedure, the nature of the remedy would be proportionate to our role in the instance, the circumstances, and the needs of the person or people affected.

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 and describe them in detail in this Statement. We 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 FY2024 approach

The below table outlines the progress against the commitments made in our FY2023 statement.





FY2023 COMMITMENT	STATUS	COMMENT
Continued exploration of technological solutions to assist with the management of modern slavery risks.	 COMPLETE	We used our third-party risk management software for part of our risk assessment process. Additionally, we saw demonstrations and trialled an alternative product. The trial has informed further scope refinements, with further assessment of solutions expected in the next reporting period.
Amend procurement procedures, processes and standards, as required, to promote continuous improvement.	 ONGOING	We updated our Procurement Policy, along with a review of our sourcing process. This will be launched in FY2025.
Develop a supplier risk reporting dashboard procurement target for areas including modern slavery risk.	 COMPLETE	We have developed a supplier risk reporting dashboard, which aggregates data and produces on-demand analysis about our supplier risks, including (but not limited to) location and product/service category. The dashboard will be launched in early FY2025 and will be used to monitor our tier one supplier modern slavery risk metrics.
Define an ongoing consultation framework to use for ongoing statement preparation.	 COMPLETE	An external consultant conducted a review of our internal processes during the Reporting Period. We are implementing its recommendations and continue to review and refine our consultation framework to support our risk assessment and statement preparation processes.

Table continues on page 8

1.3

Continued

FY2023 COMMITMENT	STATUS	COMMENT
Enhance our supplier database.	✓ COMPLETE	An update of our existing supplier database was completed for tier one suppliers.
Commence mapping out tier two supply base.	→ ONGOING	We are continuing to understand how to enhance visibility over our tier two suppliers through exploring technology solutions and collaboration with selected tier one suppliers.
Establish a Corporate Social Responsibility (CSR) framework with oversight of modern slavery risks.	→ ONGOING	Development of our CSR framework has commenced and will continue in the next reporting period.
Ongoing monitoring of regulatory changes relating to reporting requirements.	→ ONGOING	We continued to monitor regulatory developments regarding modern slavery during the Reporting Period. This will continue in the next reporting period as the Modern Slavery Act reforms develop.
Review and assess ongoing training requirements.	✓ COMPLETE	We conducted training for the Executive Leadership Team and all employees completed modern slavery training as part of our mandatory compliance training program.

02

Our structure, operations and supply chain.

2.1

About Flybuys

Established in 1994, Flybuys is one of Australia's most popular and longest standing loyalty programs, helping Australians get more of what they value beyond the checkout. Throughout the past three decades, Flybuys has revolutionised the shopping experience for millions of Australians, giving them more value on their everyday spend, while delivering data-driven insights for its partners to help deliver rewarding and personalised customer experiences. Since its inception, Flybuys has grown to more than 9.5 million members, and has been rated as the top loyalty program in the 'For Love or Money' report for the twelfth year in a row.

The business structure of Flybuys has not changed during the Reporting Period. As previously reported, Flybuys is an Australian proprietary company, limited by shares, and is a joint venture of Coles and Wesfarmers, with both holding a 50 per cent stake in Flybuys.

Headquartered in Melbourne, Victoria, with the registered office in Perth, Western Australia and a co-working space in Sydney, New South Wales, team members can take advantage of a flexible, hybrid working model. At the completion of the Reporting Period, Flybuys had approximately 340 team members.

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



2.2

How we operate

The operating structure of Flybuys did not change during the Reporting Period. Flybuys' functions and operations can be separated into three main areas that all work together to drive the Flybuys business:

1. Member loyalty (earn and redeem);
2. Unpacked by Flybuys; and
3. Internal operations.

2.2.1

Member loyalty

Member loyalty is at the core of our business.

The Flybuys loyalty program is free to join for anyone over the age of 16 and is capable of generating valuable benefits for members through points collected from their everyday spending activities.

Collect

Flybuys partners with 23 of Australia's largest household-name retailers, some of which are shareholder-owned brands (e.g. Bunnings Warehouse 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. During the Reporting Period, Flybuys has partnered with QuiteLike and Swaggle, offering members more opportunities to collect points (QuiteLike is a meal kit service and Swaggle is an online pet store). These entities fall under the Coles Group, which is a reporting entity from a modern slavery perspective.

In addition to retail partners, members can collect points in relation to everyday services such as financial services, insurance products and travel services. There is also an opportunity to collect points through the completion of surveys via the Flybuys survey partner. Flybuys enters into contractual agreements with each of its program participants in relation to the supply of loyalty program services.





2.2.2

Redeem

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

Rewards Store

The Flybuys Rewards Store offers members the opportunity to redeem points (or part-redeem points and pay) for thousands of items, from numerous different suppliers. The Flybuys Rewards team seek to ensure that there are 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 rewards suppliers following a due diligence process (which includes a modern slavery risk assessment) and the standard Rewards Supply Agreement that includes mutual obligations in respect of managing modern slavery risks. New rewards

suppliers in the Reporting Period include Bunnings Digital Gift Cards and FightMND.

In addition to redeeming points for goods or services, members may also redeem points for a charitable donation where Flybuys then donates a monetary contribution to the selected charity. During the Reporting Period, the charities Flybuys partners with are: The Australian Red Cross, Second Bite, Guide Dogs Australia, Cancer Council Australia, Red Kite, and FightMND.

2.2.2

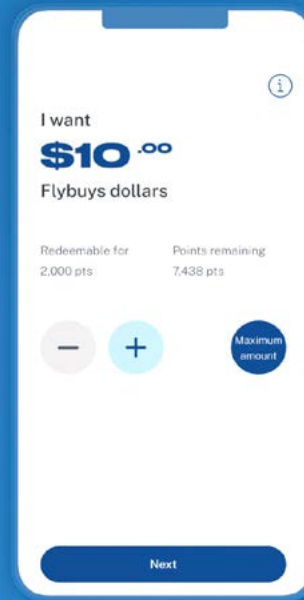
Continued

Instant in-store redemption

Members can redeem \$10 off their shop instantly at participating stores in Coles, Liquorland and Target.

**Flybuys Dollars**

Members can redeem their points instantly by converting them to Flybuys Dollars. Members can use Flybuys Dollars in-store at Coles, First Choice Liquor, Kmart, Liquorland, mycar, Officeworks, Coles Express and Target using their physical Flybuys card.

**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 to Velocity Frequent Flyer (Velocity) points. The contracts between Flybuys and CTM, and Flybuys and Velocity include mutual obligations in relation to addressing modern slavery, including a requirement to mitigate or reduce modern slavery risks in the parties' respective operations and supply chains and collaborate to share information that may be requested by either party. CTM is not part of the Flybuys corporate structure.



2.2.3

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'.

Unpacked partners with media agencies and brands to help them better engage with key consumer segments by seeing the impact of its marketing at every step, using Flybuys' first party data. Unpacked is a business unit operating under Loyalty Pacific Pty Ltd. While there is no supply of services back to Flybuys, Flybuys seek to ensure that the contracts governing the Unpacked services contain our standard modern slavery clauses which we seek to include in supply agreements.



2.2.4

Internal operations

The approximately 340 employees in the Flybuys workforce support the loyalty and Unpacked operations of Flybuys across several different functions. Team members are employed on a permanent or fixed-term basis; during the Reporting Period, we had no casual employees. Our People Experience function monitor employee wages, working hours and entitlements, such as overtime, to ensure we meet our legal obligations.

Our operations also include a small number of contractors and consultants, most of which are based within Australia. Supporting our loyalty program are a number of suppliers detailed in our supply chain analysis, including the Flybuys Member Service Center and suppliers of technology solutions.

Being a predominantly digital business, our requirements to engage in the physical production of goods is minimal, and often only requires small-scale production. There has been no change to this requirement in this Reporting Period. Items Flybuys has continued to procure include:

- In-store and external marketing merchandise and promotional materials.
- Flybuys loyalty cards.
- Flybuys team member welcome packs.
- Office supplies.

2.3

Our supply chain

During this Reporting Period, Flybuys procured goods and services from 221 tier one suppliers, with 52 new suppliers being onboarded (44 Australian based and eight offshore). While 94 per cent of our expenditure is with Australian-based suppliers, our supply chain does include tier one suppliers located in Ireland, USA, Canada, Germany, India, New Zealand, Norway, Singapore, England and the Philippines.



2.3

Continued

We continued to categorise our supply chain into six main procurement categories:

Program Rewards

Merchandise Products, Redemption Costs, Gift Cards, Donations
(90 per cent of supply expenditure).

Technology

Managed Services, Software, Telephony, Hardware, Labour Hire
(5.5 per cent of supply expenditure).

Marketing

Content Creation, Creative, Media Buying, Print, Sponsorship
(2 per cent of supply expenditure).

Professional Services

Audit, Member Service Centre, Consultancy, Insurance, Legal
(2 per cent of supply expenditure).

Property

Rent, Facilities, Utilities, Office Supplies
(0.3 per cent of supply expenditure).

People Experience

Events, Insurance, L&D, Merchandise, Payroll, Recruitment
(0.2 per cent of supply expenditure).

The majority of our new suppliers in this Reporting Period were for professional services, software, creative marketing services, 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 99 per cent of total supply chain expenditure is under contract. The largest areas of expenditure continue to be within our 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.

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



03

Risks of modern slavery practices in our operations and supply chains

3.1 Our operations

3.1.1

Loyalty

Collect and redeem

Program partners are key to the operation of the loyalty program. As identified in previous statements, Flybuys' program partners, due to their turnover, are required to lodge a modern slavery statement under the Act.

We have previously acknowledged that these partners operate in higher-risk industries from a modern slavery perspective. However, our assessment of partners (using the process outlined in section 4.1 of this Statement), continues to demonstrate that despite being in high-risk industries (such as the manufacture and sale of fresh produce, clothing items, homewares and electronics), all partners appear to be taking appropriate steps to manage and mitigate modern slavery risks in their operations and supply chains. These industries rely on intricate and multi-tiered supply chains, often involving numerous subcontractors and labour brokers. This complexity makes it difficult to monitor and enforce labour standards. Due to the global nature of the supply chain, there is often a lack of transparency and accountability. This makes it easier for forced-labour practices to go unnoticed and unaddressed. Each partner appears to be taking appropriate

steps to manage and mitigate modern slavery risks in its operations and supply chains.

We acknowledge that the modern slavery risks in respect of fresh produce are debt bondage or servitude (due to the nature of the work involved in production from processing and packaging, to transport), and the risks regarding clothing items, which include forced-labour, child labour, and debt bondage.

While Swaggle (pet products) and QuiteLike (fresh meal kits) were added as new partners to the Flybuys program during this Reporting Period, they are operated by Coles Group who are a reporting entity under the Modern Slavery Act. Swaggle and QuiteLike will form part of our supplier due diligence during the next reporting period given the higher-risk industries that these partners operate in.

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 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.

Our recruitment efforts are targeted in the Australian market, and all employees are professionals. Flybuys' recruitment processes and procedures comply with relevant regulations and standards, with team members employed on a permanent, fixed-term, or a casual basis, through standard contracts of employment, administered centrally by Flybuys' People Experience Team.

As a result, we assess the risk of modern slavery in our internal operations for this Reporting Period as remaining low.

3.1.2

Continued

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

Flybuys require 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 Flybuys' contracted labour-hire is sourced through augmentation services which remain located in Australia, with a small number based in India, who provide specialised data engineering and creative content services. 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 due to where the contractors were located.

Labour-hire based in Australia presents a lower modern slavery risk, because firms are required by Australian laws to provide safe working conditions and protect workers' rights under certain laws and regulations. However, it is recognised that modern slavery risks may exist in certain industries and in relation to certain roles (e.g. particularly those that regularly use lower-skilled migrant workers, or those on working visas). Given the nature of Flybuys' activities and the roles for which labour-hire is used (generally

skilled technology roles), Flybuys has determined the risk of modern slavery in its contracted labour-hires in Australia to be low risk.

However, Flybuys is aware that contracted labour located in India presents a 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.

The Global Slavery Index published by Walk Free estimated that India has the highest total number of people living in modern slavery from all G20 nations, with the most common instance being forced-labour exploitation, in particular, in relation to seasonal workers and manufacturing industries. Flybuys were unable to visit our data analytics suppliers located in India during the Reporting Period. While a site visit is not planned for the coming reporting period, Flybuys will consider whether it will undertake a site visit in the future, to inform our due diligence of suppliers in higher-risk industries and locations. Alternatively, if a site visit is not undertaken, we will explore other opportunities to engage with the suppliers to assess any potential risks.



3.2

Our supply chain

Flybuys is aware that some areas of our supply chain may pose higher risks of modern slavery and recognise that we could be associated with modern slavery through our supply chains. For example, we understand that even though we mitigate modern slavery risk through appropriate and proactive internal controls, there is a risk that:

- We could be linked to modern slavery if the goods and/or services we procure have been produced or undertaken using forced-labour.
- We could contribute to modern slavery if we place unreasonable expectations on suppliers that could only be met using exploited labour.

The highest risk areas within the Flybuys supply chain during this Reporting Period continue to be Labour Hire, Products and Merchandise (for our Rewards Store), Member Service Centre, and IT software. We outline how we mitigate risks within these specific supply areas in section 4.1 of this Statement.

We acknowledge modern slavery risks do not stop at our tier one suppliers, and this is why we plan to conduct deeper due diligence into our supply chains (e.g., tier two suppliers). This is because the manufacturing of products, and the supply of services procured by our tier one suppliers may take place outside of the identified lower-risk countries. Flybuys will continue working with our suppliers to build a comprehensive and transparent understanding of our supply chain.

3.2.1

Rewards Store products

All Flybuys' tier one Rewards Store suppliers are based in Australia and were assessed during this Reporting Period. Many of our suppliers that provide products for points redemption offer retail goods (electronics, home and hardware), apparel and general merchandise sourced from countries considered to be at higher-risk of modern slavery according to the Global Slavery Index, including Bangladesh, China and India. Manufactured goods from these countries present a higher risk due to the increased prevalence of forced-labour and low levels of government action, which lead to worker vulnerability. Consequently, we are engaging in particular with those suppliers through both personal contact and initial supplier questionnaires to further assess and mitigate those risks. In this Reporting Period, this included multiple detailed discussions with our largest supplier of rewards products. Further information on this can be found in section 4.3.

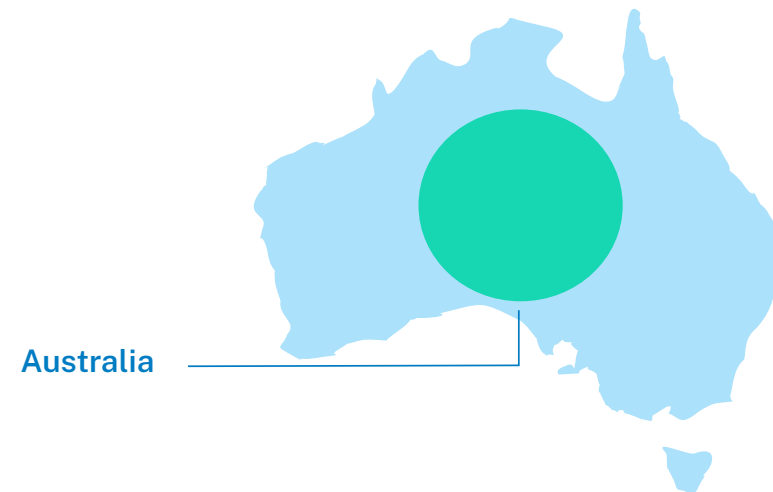
In addition to the redemption of points for products from the Rewards Store, members can donate points to charity partners. The nature of the activities carried out by charities generally may lend themselves to being higher-risk from a modern slavery perspective, e.g. there may be a higher volume of seasonal workers, or workers may be underpaid (as has been publicised in recent years).

Suppliers Analysed

1

Spend Coverage

1.58%



Australia

3.2.2

Member Service Centre

These services are outsourced to a supplier primarily based in Australia 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 has a vulnerability rating of 66 out of 100 for modern slavery. A higher score reflects greater vulnerability and a high-risk jurisdiction for modern slavery (by the Global Slavery Index), in particular, sectors such as agriculture, construction, domestic work and fishing. Our supplier has demonstrated a strong commitment to anti-slavery, which is reflected in various corporate policies that seek to prevent dishonest or unethical conduct, and foster a culture of honesty and accountability.

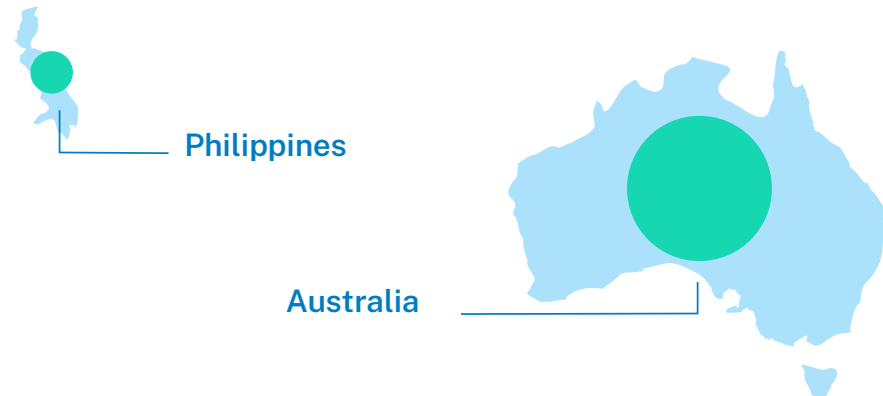
It also demonstrated strong controls to manage risks to its organisation and supply chain, by maintaining consistent risk-mitigation processes to monitor for and avoid modern slavery in all environments in which it operates. They invested in a centralised group risk compliance tool that will enable them to send out and track supplier modern slavery questionnaires and also facilitates real-time tracking, data analysis, and reporting.

Supplier Analysed

1

Spend Coverage

1.63%



3.2.3

IT software

Within our supply chain, the largest volume of suppliers is within software products, and Flybuys are aware of the high-risk nature of this sector. The IT software industry, like many others, faces significant risks related to modern slavery. These risks can manifest in various ways throughout the supply chain and operational processes. Many IT companies outsource software development and other services to countries with weaker labour protections. This can increase the risk of modern slavery, as workers in these regions may face exploitation.

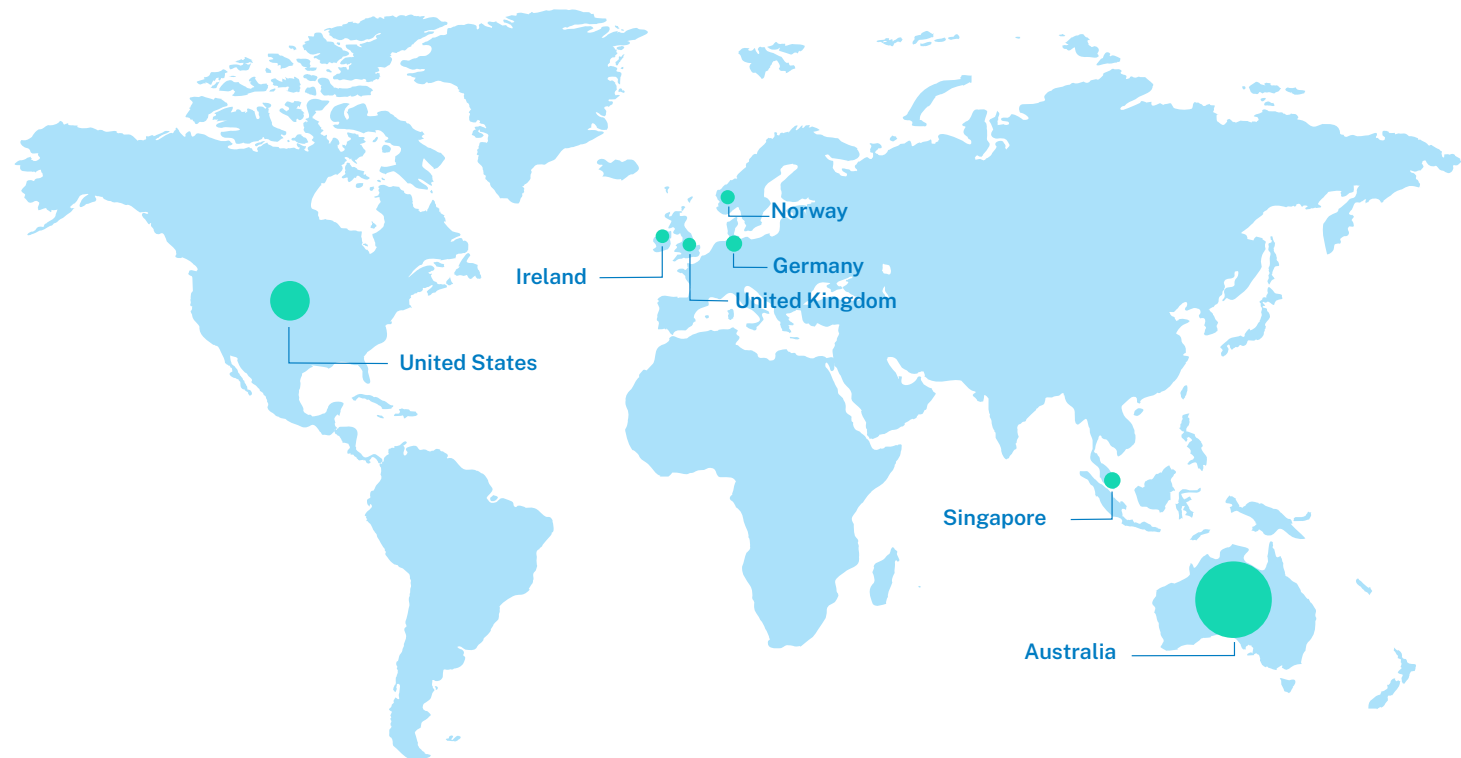
Prior to contracting with software suppliers, Flybuys often conduct additional due diligence to ensure risks are identified, where possible. This includes requesting prospective suppliers complete Flybuys' Modern Slavery Questionnaire, and a thorough analysis of the prospective suppliers' modern slavery statement, if available.

Supplier Analysed

33

Spend Coverage

2.98%



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 risk 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 of and control over our supply chains ensures greater oversight and knowledge of relevant risks, and can reduce supply chain complexity. This can in turn encourage efficient use of resources and promote quicker responses to any problems that may arise.

New Suppliers:

Our new supplier assessment process includes the following steps:

1. **Modern Slavery Questionnaire completion:** All new suppliers are required to complete this questionnaire as part of our pre-contract sourcing process.
2. **Assessment of questionnaire:** The Procurement Team will complete an assessment of suppliers' response using the Assessment Questionnaire Guidance document to support the review. Inherent risks of a potential supplier, including product/service, country of origin, operating location, and internal policies and procedures are assessed.
3. **Follow-up consultation (if required):** If gaps are found in the completion of the questionnaire process, or red flags are identified, we work with the potential supplier to receive further information and clarify any concerns before a final decision is made, to determine whether we are satisfied to proceed with a supply contract.

Existing Suppliers:

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 provide questionnaires to our existing suppliers to assess and identify any new risks within our supply chain.
4. **Prioritisation and remediation:** We prioritise our actions based on where modern slavery risks may be identified and the level of risk posed.

Our risk assessment approach is informed by external research and resources, primarily the Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities, the Modern Slavery Toolkit for Government Procurement Officers, and the Walk Free Foundation Global Slavery Index. We use these resources to inform our identification and assessment of modern slavery risks, as well as the weighting of risk factors determined in the assessment process.



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 detailed risk mapping of our supply chain using our standard risk model, developed during previous reporting periods. This mapping considered key areas, including, spend, location, and goods and services category/subcategories, followed by attributing a score as part of the risk identification process, further documented below.

4.1.2 Risk identification

For this Reporting Period, we continued using the risk identification methodology consistent with previous reporting periods to identify and gather data on relevant risk indicators. An initial risk rating was allocated to assessed suppliers based on the service/product provided, the supplier's industry, service/product country of origin and the volume of expenditure with that supplier.

After the completion of our initial assessment, we categorised one supplier as 'High Risk' and 19 suppliers as 'Medium Risk'. The 'High Risk' supplier provides professional services that are from a higher-risk offshore location in relation to modern slavery instances. 'Medium Risk' suppliers include supply chains that rely on manufactured goods procured from higher-risk, offshore locations.

4.1.3 Assessment

Following the risk identification stage, a questionnaire was sent to selected suppliers for completion, including those identified as 'High Risk' or 'Medium Risk'. During the Reporting Period, suppliers that make up 99 per cent of our supply chain expenditure were asked to complete a series of questions on its modern slavery processes and practices. Third-party risk management software was used for the first time to distribute and return assessment questionnaires, achieving a 70 per cent response rate from invited suppliers. For the suppliers that did not respond, and where a public modern slavery statement was not available, we will continue our efforts to undertake due diligence and consultation, provided we continue to engage the services of these suppliers.

The questionnaire is structured to assess if suppliers have identified any risks since the last assessment period, if it has taken measures to map and protect against modern slavery in its operations and supply chain, whether it has continued or commenced reporting under the Act, and if there are any new key activities introduced during FY2024 to mitigate the risk of modern slavery within its supply chains and operations. The final assessment criteria included factors such as the supplier's initial risk rating, questionnaire response, and if 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. We conducted numerous calls and meetings with suppliers during the Reporting Period. Actions that resulted from this follow-up included provision of additional information by suppliers and further discussion on relevant policies with them.

After the assessment and consultation process, although there were no instances of modern slavery identified within our tier one supply chain, there were 12 suppliers that remained categorised as 'Medium Risk'. This risk rating was applied primarily due to the nature of the goods/services offered and a determination made by Flybuys, and insufficient information being received from the supplier through its questionnaire response, or available via public information (e.g. published statements).

These suppliers operate in the following areas:

- Professional services
- Retail goods
- IT hardware
- Facilities services

We continue to prioritise discussions with these suppliers beyond the assessment process where insufficient or vague information was provided during consultation, to further understand and assess the materiality of any potential risks. We acknowledge that there are limitations relying on responses to questionnaires, which is why follow-up consultation and continuous dialogue is extremely important, and at the conclusion of our continued consultation we 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.

We target smaller companies with modern slavery risks higher up the supply chain in our supplier engagement efforts. This approach complements our collaborations with major retailers and ensures lessons can be shared across our supplier base.

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. Our sourcing process is supported by our procurement framework, including our Request for Proposal (RFP) documentation, Procurement Policy, Delegations of Authority Policy, Purchase Request form, Supplier Modern Slavery Questionnaire and Security Third-Party Risk Assessments. 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. The aim of this is to identify potential modern slavery red flags relating to suppliers, by comparing questionnaire responses against a list of satisfactory and unsatisfactory indicators. An unsatisfactory response to one or more questions

does not necessarily mean Flybuys is unable to work with the supplier but may indicate further engagement with the supplier and/or additional risk management steps are required.

Where possible, we have continued to use our standard form contracts and documents, which contain modern slavery clauses. In the instance that Flybuys agrees to contract under the suppliers terms, we seek to include modern slavery provisions and obligations. 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 its supply chains. They include having appropriate systems and processes to ensure modern slavery risks or instances are identified, assessed and addressed, conducting modern slavery training for employees, notifying Flybuys of actual or suspected instances of modern slavery in its supply chain and operations, and reporting progress to Flybuys annually.

Where Flybuys are made aware of modern slavery 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.

Regardless of the method through which modern slavery is discovered or alleged, Flybuys will act quickly to document any identified modern slavery risks 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, although we used our third-party risk management platform, we have continued to explore cloud-based solutions to assist with the management of the environmental and social performance (including modern slavery risks) of our supply chain. The solution will centralise our supplier database, provide greater data analysis and visualisation, and capture action plans and engagement activities. During the Reporting Period, we trialled the use of an existing Flybuys technology tool to support the distribution and collation of the supplier questionnaire. The pilot provided valuable insights into the scope required for the future cloud solution. In the next reporting period, we will refine the scope and advance the solution selection process.

4.3

Supplier collaboration

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

During this Reporting Period, we continued to collaborate with a tier one rewards partner on modern slavery risk-mitigation, and we delivered our internally-developed modern slavery training workshop to its executives. We also presented our supply chain assessment process, including the detailed evaluation criteria.

The workshop led to an open discussion of our procurement processes, the nuances of high-risk locations in our supply chains, and mitigation approaches. While the partner is not required to prepare a modern slavery statement, we learned that it is applying modern slavery considerations to its own supplier engagement decisions—in part due to the modern slavery requirements of our commercial relationship.

Following the success of this collaboration, we plan to expand our consultation with tier one suppliers to facilitate similar discussions over the next reporting period.

4.4

Governance controls and internal working groups

Our modern slavery working group has been in place for numerous years to oversee and support the management of modern slavery risks across our operations and supply chain for future reporting periods. We take a cross-functional approach, which is essential for evolving our knowledge and understanding of modern slavery risks across our business and operations, and streamline actions to manage key risk areas. The group is also responsible for ensuring we deliver on our modern slavery commitments.

As the working group is reformed in the coming reporting period, working group members will become more knowledgeable on modern slavery within their own function, 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.

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 safeguarding those impacted by modern slavery. The Modern Slavery Remediation Procedure outlines the steps

Flybuys will take when a modern slavery concern is identified, to ensure the affected person/s are safeguarded and their privacy respected, authorities are notified as appropriate, and the circumstances in which Flybuys will engage, respond, or collaborate, to address the concern with the supplier or stakeholder. It also sets out our approach to rehabilitation or compensation, and the implementation of preventative measures for the future.

Following the introduction of the *Modern Slavery Amendment (Australian Anti-Slavery Commissioner) Bill 2023 (the Bill)* on 30 November 2023, we have been monitoring the progress of the Bill and proposed reforms. The Bill passed the House of Representatives just prior to the end of the Reporting Period, in May 2024, and is awaiting royal assent to become law. Flybuys will continue to monitor updates in this space, and in particular, any outcomes following the appointment of the Anti-Slavery Commissioner in implementing the reforms. Establishing an Anti-Slavery Commissioner is a key development in addressing and effectively responding to modern slavery across the country.

4.5

Industry collaboration

Throughout this Reporting Period, members of our modern slavery working group continued to develop their knowledge in relation to modern slavery risk and reporting through attending Continuing Professional Development (CPD) sessions offered by law firms, to keep up to date with developments in the Environmental, Social and Governance (ESG) space.

We engaged an external expert to independently assess our current approach to tackling modern slavery, working collaboratively with our project team on future initiatives and to assist with the preparation of future statements. We have implemented several recommendations in this Statement, with further actions planned in the coming reporting period.

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

Recruitment and training 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.

Flybuys has strong governance and controls, including people-focused policies, initiatives, and benefits to ensure we engage and support our team members appropriately.

There are various avenues for employees to provide feedback, including employee surveys, and quarterly check-ins. Employee surveys can be completed anonymously, if desired. Flybuys has a Whistleblower Policy under which unethical and illegal activities associated with the company can be reported by current or former employees, officers, contractors, and associated individuals of Flybuys, via various channels, including an independently managed Whistleblower Hotline.

All employees are provided with communication and training on the Whistleblower Policy at induction and as part of the annual mandatory learning program. Employees also complete mandatory modern slavery training each year. The training explains what modern slavery is, the purpose of modern slavery statements, and the responsibilities of reporting entities and its employees.

The Executive Leadership Team completed an additional modern slavery workshop, which was developed internally, and delivered by our Procurement Manager and Senior Legal Counsel. The session covered the legislative requirements, facts regarding modern slavery in Australia, Flybuys' due diligence, Flybuys' mitigation controls and remediation framework, and likely future reforms. Following the workshop, our CEO provided all employees with an update on our modern slavery response and its importance to Flybuys.



05

Assessment

5.1

Measures to assess 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 using appropriate qualitative and quantitative indicators to determine whether policies are being implemented optimally, are effective, 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 to distinguish between effort and effect.

The Procurement Team leads our monitoring of the effectiveness of our modern slavery approach and is committed to continuous improvement. The team works closely with internal contract managers to address any supply issues and risks. This database is a 'living' document and tracked on an ongoing basis. As outlined in this Statement, the Procurement Team facilitates the modern slavery risk assessment of its supply chains, and the database records the process outputs. During the Reporting Period, we enhanced the database's structure, and improved connectivity with supporting documents.

Using the supplier engagement and consultation process, we have greater insight into our supply chain and have increased comfort that inherent risks identified for our 'High Risk' suppliers are being managed effectively by those suppliers, which has resulted in downgrading some suppliers' initial risk ratings.

Flybuys, where possible, seek to procure from suppliers with whom we have a contractual agreement incorporating a modern slavery clause. As stated in section 4.2 of this Statement, Flybuys' standard modern slavery clause requires suppliers to meet minimum standards related to prevention of modern slavery and ongoing due diligence in its supply chains, and provides Flybuys with contractual rights to obtain certain information relating to its suppliers' modern slavery risks and its policies and processes to manage those risks. During the Reporting Period, Flybuys quantified our total supply-spend under contract to 99 per cent.

The Procurement Team has developed a supplier risk reporting dashboard. This aggregates data from our sourcing and supplier management process activities and produces on-demand analysis about our supplier risks, including modern slavery risks in its operations or supply chains. We can then assess and benchmark our performance using relevant tools from industry and anti-slavery organisations. When the dashboard is launched in early FY2025, we will produce reports which include the metrics to monitor modern slavery risks in our tier one suppliers, the actions we have taken to address risks and the effectiveness of those actions.

To currently measure the effectiveness of our actions, we track our progress against the commitments and activities set out in previous statements (see in section 5.2). 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.




5.2

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

FY 20	FY 21	FY 22	FY 23	FY 24
<ul style="list-style-type: none"> Established a risk assessment framework design. Established a modern slavery working group. Implemented internal control and external due diligence process. Conducted preliminary 	<ul style="list-style-type: none"> Implemented internal policies and minimum standards for external suppliers. Improved internal controls and processes. Assessed supply chain. Provided training to all employees. 	<ul style="list-style-type: none"> Reviewed and enhanced risk assessment framework to demonstrate maturity in approach. Expanded scope of risk assessment. Commenced deeper supplier engagement. Implemented remediation framework and training. Upskilled key employees. Initial exploration of technology solutions conducted to assist with the management of modern slavery risks (e.g. to undertake supply chain risk analysis). 	<ul style="list-style-type: none"> Undertook more detailed due diligence on the supply chains of any tier one suppliers who are classified as 'High Risk' on the initial risk assessment. Case study of engagement with a tier one supplier on modern slavery risks (ongoing). Continued exploration of technological solutions to assist with the management of modern slavery risks (e.g. to undertake supply chain risk analysis) (ongoing). Engaged with industry experts to deepen understanding of shared supply chain issues. Refined current procurement policies and processes (ongoing). 	<ul style="list-style-type: none"> Continued exploration of technological solutions to assist with the management of modern slavery risks. Amended procurement procedures, processes and standards as required to promote continuous improvement. Developed a supplier risk reporting dashboard procurement target for areas including modern slavery risk. Enhanced our supplier database. Defined an ongoing consultation framework to use for ongoing statement preparation. Commenced mapping our tier two supply base. Established a CSR framework with oversight of modern slavery risks, informed by a materiality assessment. Monitored regulatory changes relating to reporting requirements.

- 5.3 As we move into FY2025 we will continue to evolve our modern slavery risk management measures across our operations and supply chain. The following table set outs some new, ongoing and planned 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 CSR framework, with oversight of modern slavery risks.	 PLANNED	To reflect UNGP best practice, the modern slavery working group to contribute to the CSR framework as it develops, to ensure modern slavery risks and initiatives are incorporated.
Further expand the modern slavery working group to include additional internal stakeholders.	 PLANNED	Expand this group that oversees and is responsible for the implementation of agreed outcomes and commitments and the preparation of our annual Modern Slavery Statement.
Annual training of all team members on modern slavery and our responsibilities to comply with the Act.	 ONGOING	<p>We provide organisational-wide training for all team members annually, to equip them to identify and respond to modern slavery. Training includes general awareness raising and/or specific training, depending on areas of responsibility.</p> <p>We will consider developing modern slavery training for contract managers to complement existing training.</p>



5.3

Continued

Supply Chain

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 procuring a solution during the next reporting period.
Enhance visibility in relation to tier two suppliers.	 PLANNED	Through greater collaboration with some larger tier one suppliers.
Amend procurement procedures, processes and standards, as required, to promote continuous improvement.	 IN PROGRESS	The Procurement Team have reviewed and updated key policies and processes, including the Procurement Policy and sourcing process, to be launched in FY2025.

Compliance and Mitigation

ACTION	STATUS	COMMENT
Define an ongoing consultation framework to use for ongoing statement preparation.	 IN PROGRESS	We have identified key internal stakeholders and defined a process to guide consultation for risk assessment and statement preparation in future reporting years. This will be refined to implement recommendations from the external consultant review (framework referred to in section 1.3 and 5.2 above)
Monitoring of the Australian Government review of the Modern Slavery Act.	 IN PROGRESS	This ongoing item will continue into the FY2025 reporting period, as reforms to the Modern Slavery Act develop and are expected to be finalised in FY2025.

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 ended 30 June 2024.

This Statement was approved by the Loyalty Pacific Pty Ltd (Flybuys) Board on 23rd October 2024.

Signed by Leah Weckert, Chairman

Signature 

Date 16 December 2024

