



UNITED NATIONS GLOBAL COMPACT - COMMUNICATION ON PROGRESS

# MESSAGE FROM GRAHAM "SKROO" TURNER, CEO - FLIGHT CENTRE TRAVEL GROUP (FCTG)



During our first year as signatory to the United Nations Global Compact (UNGC) we have formally commenced our journey to make the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and playing our part in advancing the broader development goals of the United Nations.

We recognize that a key requirement for participation in the UN is the annual submission of a Communication on Progress that describes our company's efforts to implement the UNGC Ten Principles.

In compiling our inaugural Communication on Progress, we are encouraged by the fact that the philosophies that have been enshrined in the company's 45-year old foundations also embody many UNGC principles – they are simply the way we have always operated. Key activities and achievements that demonstrate our commitment to supporting the UNGC principles this year include:

- Establishing the Worldwise Committee to develop and implement our Responsible Travel Charter and commitments to the UNGC;
- Appointing a network of Worldwise ambassadors to assist in the education of our colleagues and customers throughout our retail and corporate businesses plus our head offices across Australia;
- Conducting an audit of over 10,000 of our suppliers to assess animal welfare practices in accordance with Association of British Travel Agents (ABTA) guidelines and implementing the recommendations of that audit;
- Partnering with ReThink Orphanages Network in the journey to remove orphanage visits from tourism;
- Furthering our efforts to support strong representation of women in senior leadership roles and continuing to advance diversity at all levels of the organisation;

- Establishing a working group to establish environmentally sustainable best practice across our organisation;
- Forming a strong partnership with an Indigenous group to help develop and promote Indigenous cultural tourism both domestically and internationally;
- Escorting the first Flight Centre Travel Group cohort with Cambodian Children's Trust (CCT) to increase awareness of the child protection issues of orphanage tourism;
- Further strengthening the Flight Centre Foundation's 5-year partnership with Australia's largest food relief organization, Foodbank, to help end hunger in Australia; and
- Continuing our active engagement with our charity partnerships around the world to drive real impact.

Flight Centre Travel Group's Corporate Social Impact commitment is to building brighter futures where we work, live and travel via our *Brighter Futures* program.

Brighter Futures is comprised of four elements:

- Flight Centre Foundation –
  Building Brighter Futures Through
  Empowered Giving, which is the
  philanthropic and community arm of
  the organisation;
- Responsible Travel Worldwise Committee – Building Brighter Futures Through Responsible Travel, which develops and implements our Responsible Travel Charter;

- Environmental Sustainability

   Building Brighter Futures
   Through Sustainable Practices, the element which develops and drives our environmental policies and practices; and
- FCTG People Building Brighter
  Futures through Egalitarianism
  and Unity, that implements our
  programs and polices that drive
  diversity and the wellbeing of
  our people.

Each of these four elements is linked and delivers on one or more of the UN Ten Principles, and it is on this basis that we have structured our first Communication on Progress.

In our first year we have already witnessed some remarkable progress on our Responsible Travel journey, among others, and we look forward next year to updating on our continued delivery of our UNGC commitments. We are proud to share with you our first Communication on Progress.

Yours sincerely,

Graham Turner
Flight Centre Travel Group CEO

# TO OPEN UP THE WORLD TO THOSE WHO WANT TO SEE

At the very core of our operations is a passion and drive to share the love of travel...

For our people this means opening up their world by helping them develop professionally and personally. For our customers it is by delivering amazing travel experiences. To our suppliers it is working together to provide amazing travel experiences...and for our global community it means building brighter futures where we work, live and travel.

### **OUR STORY SO FAR...**

Our journey began in the early 1970s when Graham 'Skroo' Turner and his friend Geoff 'Spy' Lomas created Top Deck from very basic building blocks – a sense of adventure, an eye on a growing business opportunity, and one double decker bus they called 'Argus'. The number of buses kept on increasing and by the early 80's Skroo returned to Australia as the Top Deck Travel director. Then the first Flight Centre shop opened in Sydney in 1982 and the business rocketed in the mid 1990s, with Flight Centre Limited (now Flight Centre Travel Group – FCTG) listing on the Australian Securities Exchange in December 1995, the first travel agency group to do so.

By this stage, the cornerstones of the company's future success were in place; a successful business model, and ten core philosophies that helped shape a global travel group that today is worth over \$20 billion with a family in excess of 20,000 people globally.

Today our Corporate Social Impact (CSI) Program – Brighter Futures - brings those philosophies to life in the global community.



FCTG'S CORPORATE SOCIAL IMPACT PROGRAM

### BUILDING BRIGHTER FUTURES WHERE WE WORK LIVE AND TRAVEL

We have categorised our sustainability projects and outcomes within the four elements of our Brighter Futures program in order to simplify and highlight how we have conducted our delivery of the Ten UNGC Principles. Our four CSI elements work together in the delivery of our commitment to the UNGC Principles.

### FLIGHT CENTRE **FOUNDATION**

### Building Brighter Futures Through **Empowered Giving**

The Flight Centre Foundation is the heart of the FCTG's corporate and social responsibility strategy. It embodies our cultural ethos of contributing as a corporate citizen by creating real impact in communities where we operate. The Foundation provides company employees with a means to support nominated charities through a range of workplace giving, volunteering in Brisbane to lead the way for our organisation and fundraising initiatives.













### **ENVIRONMENTAL SUSTAINABILITY**

### Building Brighter Futures Through Sustainable Practices

The protection of the environment is paramount both at home and in-destination with the very essence of tourism relying on resources that are fragile and to be protected. As a company, we actively manage and reduce the environmental impact of our business, and are modelling best environmental practices in our global headquarters across the globe.







### "WORLDWISE" OUR **RESPONSIBLE TRAVEL** CHARTER

### Building Brighter Futures Through Responsible Travel

A key goal for our first year as UNGC Signatory was the creation of the FCTG Responsible Travel Charter. To implement the Charter, the Worldwise Committee was formed with a focus on the promotion and sale of travel that respects human rights, the environment, and social equality. In 2017 we partnered with ReThink Orphanages Network and have removed visits to orphanages from all itineraries.





### FCTG PEOPLE

### Building Brighter Futures Through Egalitarianism and Unity

Equal privileges and rights are central to the way we operate. FCTG is committed to having a diverse workforce at all levels and believes that as a global player in the travel industry, we have the opportunity to lead the way and bring about change to this sector.

We have a very comprehensive Code of Conduct that enshrines the principles in the UNGC that each and every one of us is committed to deliver, each and every day.









### **UN GLOBAL COMPACT TEN PRINCIPLES**

The numbers opposite refer the to following Ten Principles of the United Nations Global Compact to illustrate our undertaking to operating in a responsible manner in the areas of human rights, labour, environment and anti-corruption.

### **HUMAN RIGHTS**

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- **Principle 2:** make sure that they are not complicit in human rights abuses.

#### **LABOUR**

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

### **ENVIRONMENT**

- Principle 7: Businesses should support a precautionary approach to environmental
- **Principle 8:** undertake initiatives to promote greater environmental responsibility; and
- **Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

### **ANTI-CORRUPTION**

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

### **OUR FLIGHT CENTRE FOUNDATION**

# BUILDING BRIGHTER FUTURES THROUGH EMPOWERED GIVING

The Flight Centre Foundation, which started in Australia in 2008, remains a key element in our overall CSI platform and has continued to expand its reach globally.

Since its inception, the Foundation in Australia has now donated \$11.4 million to its chosen charities and causes. The Foundation's workplace (payroll) giving program in Australia also continues to prove popular with our people, with one in three donating from their monthly pay packets (matched by FCTG). In Canada, more than 40% of employees are currently signed up to the Workplace Giving Program which is triple the national average (as per Charitable Impact Canada).

Strong partnerships are forged with select charities to effect change and, depending on the country framework, programs are run to directly assist beneficiaries. Where possible, we also use our network to advocate for charity partners' causes. Community giving around the world takes varied forms – from the traditional fundraising, payroll giving, sponsorship and in-kind donations, to volunteering of time and skills and expertise, advocacy and leveraging of FCTG networks. Activities include:



Our global giving footprint has grown in excess of 20% annually for the past three years, and in the financial year ended 30 June 2017 we collectively donated \$A2.9m to local charities around the world.







Canada's annual charity trips combine fundraising, volunteering and understanding the impacts of responsible travel decisions, visiting key destinations around the world.

Our first year saw 19 'Flighties' trek 60km in Iceland raising \$50,000 for the Make-A-Wish Foundation. Two years ago, a new group visited the Elephant Nature Park in Thailand and in 2017, 15 Flight Centre employees visited Project Somos in Guatemala, an eco-sustainable children's village centred on family preservation rather than adoption.





Our ongoing support of The Halberg
Disability Sport Foundation in New
Zealand and our annual partnership in
the Flight Centre Foundation Halberg
Water Sports Program means we are able
help physically disabled Kiwis around
the country have the opportunity to have
experiences they may otherwise have not
been able to.



The World's Biggest Hamper Pack Challenge saw our collaboration with Foodbank Australia help fight food insecurity. On 17 October 2017, 500 FCTG volunteers in capitals around Australia - Brisbane, Sydney, Melbourne, Hobart, Adelaide, Perth and Darwin - came together to set a world record for the most food relief hampers packed in a single day and break it they did with a record breaking 9,524 hampers, produced with funds raised from friends, families, clients, suppliers, and the broader community.

Education is the key to a brighter future in South Africa, with our Education Bursary program offering financial support, guidance and mentorship to children in grade 8 and 9, at university and special needs schools.

Our current group are developing every day, attending new schools, making new friends and gaining in confidence on tier learning journey.

"The Flight Centre Foundation changed my life by allowing me to study at a very wonderful school where academics is important"

– Melissa, Bursary Student



Our contribution to Australia's Bush Heritage supports their partnership with Warddeken Land Management to support the development and implementation of a plan of management for the Warddeken Indigenous Protected Area in the Northern Territory. The plan will ensure the sustainable management of the region for conservation, and the protection of important cultural sites under the direction of the Nawardekken Traditional Owners.

### **OUR RESPONSIBLE TRAVEL CHARTER**

# BUILDING BRIGHTER FUTURE THROUGH RESPONSIBLE TRAVEL

As a global travel business, FCTG is a stakeholder in all of the communities where we operate as well as the communities to which our customers travel.

We understand and accept that as a stakeholder we have a responsibility to respect the cultural and social wellbeing of these communities and that our unique position provides us with the ability to exert a positive influence on these communities.

In relation to UN Principles 1,2,4 and 5, FCTG embodies those within its CSI principles, where:

- We foster respect for local customs and cultures;
- We are an active stakeholder in the communities that we operate in as well as in the communities to which we send our travellers; and
- We work to prevent the exploitation of children in tourism.

In addition to our work with ReThink Orphanages Network, through the FCTG Worldwise Committee we have worked with local operators to remove cruel wildlife practices and promote wildlife experiences that feature animal behaviour found naturally in the wild. We are mindful of the social and economic impact that could ensure from the sudden removal of a local community's key business.

### WHAT WE ACHIEVED LAST YEAR

- Auditing over 10,000 suppliers to assess animal welfare practices
- Forming a partnership with an Indigenous group to promote Indigenous cultural tourism
- Escorting the first Flight Centre Travel Group to CCT and Project Somos increase awareness of the child protection issues of orphanage tourism
- Appointing a network of Worldwise ambassadors to help educate our colleagues and customers





### ADDRESSING ORPHANAGE TOURISM

Through the work of the Flight
Centre Foundation's charity partner
Cambodian Children's Trust (CCT), we
became aware of the issues around
orphanage tourism and joined the
ReThink Orphanages Network, an
Australian advocacy group, to help
address the root causes of this issue.
This partnership is committed to
work together to assist families to
stay together and prevent children
effectively being trafficked as part of
the orphanage tourism industry.

An estimated 80% of children in orphanages around the world actually have a living parent or family member who, under the right circumstances could be caring for them. Orphanage tourism is under the spotlight and the Australian government is considering

legislation to make it illegal as millions of children are trafficked to draw donations and gifts from tourists to line the pockets of unscrupulous operators.

A key priority is to continue our advocacy, educating our people and our customers about orphanage tourism. This year we will escort our second groups to visit CCT in Cambodia and Project Somos in Guatemala to continue our part of the movement to raise awareness of the orphanage tourism trade and the travel industry's well-intentioned and inadvertent part in fuelling it.

### WORKING WITH OUR TRAVEL PARTNERS

As a part of our Responsible Travel Charter implementation we have established our Supplier Advisory Board. The Board was inaugurated in September 2016 after researching our preferred partners' positions on Responsible Travel. This board consists of six of FCTG's preferred supplier partners who champion responsible travel throughout the industry (currently APT, Bench Africa, Buffalo Tours, Intrepid Group, Topdeck and Virgin Australia) plus FCTG representatives from our internal wholesale and distribution divisions.

Meeting quarterly, the group's primary focuses and advantages are:

- Communication with and education of suppliers, customers, the public (future customers) and employees of FCTG; and
- Direct lines of communication with ground operators in order to use our combined influence to end the practice of cruel animal attractions featuring in travel experiences.

# WORKING WITH INDIGENOUS COMMUNITIES

Many of the world's indigenous people have suffered abuse, discrimination and marginalization. FCTG is working with an Indigenous group local to our global head office, the Quandamooka Traditional Owners to incorporate cultural heritage tourism products into our product range. We are also supporting their tourism enterprise to grow and expand through enabling engagement and collaboration with other Indigenous tourism groups.

# BUILDING BRIGHTER FUTURES THROUGH SUSTAINABLE PRACTICES

Our goal is to support tourism activities that promote environmental awareness, conserve and protect the environment and respect wildlife.

We are also modelling best environmental practices in our global headquarters in Brisbane to lead by way of example for our organisation across the globe eg. our new facility in Vancouver has similar standards.

#### **ENERGY CONSUMPTION**

FCTG is actively working to reduce energy usage by:

- Using sensor lighting in all head office locations;
- Installing energy efficient lighting in new tenancy areas, including open plan offices and meeting rooms;
- Minimising after hours air-conditioning use;
- Installing blinds to minimise cooling and heating costs;
- Installing multi-purpose devices to reduce the number of appliances in use;
- Having automatic switch off time clocks for all signage;
- Encouraging staff to switch off appliances and equipment when not in use; and
- Using energy efficient appliances.

### RECYCLING & WASTE REDUCTION

FCTG has taken significant steps to reduce its waste by:

- Ensuring recycling bins are available and accessible;
- Printing information only when necessary and moving towards double-sided copying;
- Reducing packaging;
- Sourcing and using recycled, unbleached, post-consumer paper for 80% of printed materials;
- Reducing the number of duplicate subscriptions to periodicals, trade journals and magazines and, where possible, making publications available online; and
- Maintaining an active e-waste practice that recycles old computers and mobile phones.

#### SHOP DESIGN

FCTG has initiated an Environmentally Sustainable Design program for its retail shops. This system imposes guidelines relating to:

- Fit-out materials, including timber usage;
- Recycling bins
- Lighting and signage;
- Equipment, including water fixtures and fittings; and
- Waste management.

### FCTG COMMUTING CULTURE

FCTG has a strong health and fitness culture and seeks to provide its people with facilities that allow them to walk, cycle or run to work. Where possible, the company installs bicycle racks, showers, change facilities and lockers in its head office properties. The company has introduced a new flexible workplace policy that allows some travel agents to work from home, to assist the reduction of commuting-related carbon emissions.

### OFFSETTING OUR TRAVEL

FCTG in the UK are modelling the way in offsetting the carbon footprint of our duty travel. Our total UK travel footprint of 1527 cO2e was offset via emissions reduction projects in Maharashtra, India.

The Wind Power Project delivers renewable electricity to the Southern region grid, increasing energy demands from the state with renewable sources. It also has seen investment in the rural sector of India, creating employment opportunities for both skilled and unskilled labour, increasing infrastructure for the local community and improving the quality of life.



### FCTG PEOPLE

## BUILDING BRIGHTER **FUTURES THROUGH EGALITARIANISM** AND UNITY

Our commitment to the UNGC ten principles is demonstrated in the key policies, particularly our Code of Conduct that sets out our commitment to the principles enshrined in the United Nations Global Compact.

These policies outline how:

- We treat people fairly, with dignity and will pursue equality of opportunity and inclusion for all employees;
- We recruit and develop our people on merit irrespective of age, race, colour, origin, gender, religious beliefs, disability, family or marital status, or sexual orientation;
- We take into account social, ethical and environmental considerations in our procurement and supply chain decision-making; and
- We work within the appropriate legal framework, with trade unions and other associations that our people choose to represent their interests.

#### **OUR PEOPLE ACHIEVEMENTS**

Our first year as Signatory to UNGC has seen a number of achievements in this space and include:

- Appointment of 14 Flexibility and Diversity Champions around Australia to drive programs locally;
- Establishing Parentwise, a forum to enable staff on parental leave to remain engaged with FCTG through quarterly gatherings and regular
- Continued drive to increase the number of women in senior leadership roles with unconscious bias training plus equal gender representation for all senior leadership interview panels; and
- Established the FCTG Parental Allowance in addition to Australian Government financial support to ease the financial strain for new parents.
- Parental support in excess of legislative requirements exists in many forms around the globe, including additional non-primary caregiver leave and unpaid leave options in Asia, pay level 'top-ups' in the UK and paid parental leave based on tenure in South Africa.
- We have achieved Broad-Based Black Economic Empowerment (BBBEE) Level 2 and 4 rankings for our operating entities in South Africa.

These are in addition to our existing, extensive global programs that care for our employee's physical and financial wellbeing - Healthwise and Moneywise have been part of our people's lives for over 20 years. Moneywise improves financial literacy and helps thousands of our people achieve their personal financial goals. And each month, 50% of our employees globally access Healthwise services – fitness consults, personal training and classes, challenges and events. That's 9,500 people regularly progressing on their health and wellbeing journey.



### FCTG POLICIES AND GUIDELINES RELEVANT TO BRIGHTER FUTURES AND OUR UNGC COMMITMENT

### **Responsible Travel Charter**

Our Responsible Travel Charter was created from our commitment to the UNGC. Our Charter establishes the four pillars or areas where we believe our company has the best opportunity to create positive change. It is through the economic, social, environmental health, and the welfare of wildlife in the communities where we work, live and travel, that we believe we can deliver the greatest benefit.

We believe that all wildlife should be able to live their most natural lives, and we are committed to doing our part to make this a reality within our Wildlife Pillar.

The protection of the environment is paramount and we are committed to actively manage and reduce the environmental impact of our business and our global footprint.

We believe that as a stakeholder we have a responsibility to respect and support the cultural and social wellbeing of the communities where we work, live and travel.

As a global organisation we have the opportunity to make a positive contribution to the economic wellbeing of the communities where we work, live and travel.

#### **Code of Conduct**

We are committed to conducting all of our business with honesty, integrity and to the highest standards of personal and professional ethical behaviour.

Acting ethically and responsibly goes well beyond compliance with our legal obligations. It involves acting with honesty, integrity and in a manner that is consistent with the expectations of our customers, suppliers, shareholders, other external stakeholders, our board and senior leadership team and the broader community and also acting in accordance with the spirit as well as the letter of the law. It also means being, and being seen to be, a 'good corporate citizen'.



### **Equal Employment Opportunity Policy**

We recognizes that we are all different and our differences can include our age, marital status, parental status, family responsibilities, pregnancy, race, religion, disability or impairment, political belief, gender, sexual preferences and sexual identity and physical features. We must respect these differences and not treat people unfairly because of these differences and are committed to ensuring our workplace is an enjoyable place to work for all.

### **Diversity Policy**

FCTG is committed to promoting diversity among employees, consultants and senior management throughout the company. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

### Volunteer Leave Policy

To support and encourage our people to be involved in community projects and charities, FCTG provides employees with an opportunity to contribute their time, or their skills and expertise, directly to the Flight

Centre Foundation nominated charities and other eligible not-for-profit or charity organisations.

### Global Mobility Policy

We encourage out people to broaden their horizons through travel and to take advantage of the many opportunities available to work with FCTG related entities overseas. We recognise that our greatest asset is our people and we have a vast and skilful resource of employees throughout the world. In addition, moving internationally with Flight Centre offers an incredible opportunity for staff to experience different cultures, challenges and career opportunities within our business.

### **OH&S Commitment**

FCTG recognises its legal and moral obligations are to ensure the safety and health of its employees by taking every step to provide and maintain a workplace without risks to safety and health.

### Workplace Bullying and Harassment Policy

FCTG strives to provide all employees with a workplace that is an enjoyable and safe place to work. To achieve

all members must ensure that their workplace behaviour is not offensive or dangerous to others. We must treat each other with honesty, integrity and, above all, respect.

### **Anti-Bribery and Corruption Policy**

FCTG takes a zero tolerance approach to bribery and corruption and is committed to conducting its business with honesty and integrity and the highest standards of personal and professional ethical behaviour.

### Anti-Fraud policy

FCTG is committed to the prevention, detection, management and reporting of fraud, and in co-operating with other organisations to reduce opportunities for fraud. FCTG conducts its business in a legal and ethical manner and operates a zero-tolerance attitude to fraud.

### Whistleblowing Policy

FCTG is committed to developing a culture where all staff are encouraged to raise concerns about poor or unacceptable practices, misconduct or anything improper, and can do so safely.

# KEY PRIORITIES FOR THE FORTHCOMING YEAR



Assessing our gender and flexibility initiatives to accurately reflect our progress; and

EGALITARIANISM AND UNITY



Continuing our active engagement and communication with our people in this space.





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