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**Diversity Policy**

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Flight Centre Travel Group (FCTG)

## Diversity Policy

### Introduction

### Commitment to diversity

Flight Centre is committed to promoting diversity among employees, consultants and senior management throughout the Flight Centre Group and keeping shareholders informed of Flight Centre's progress towards implementing and achieving its diversity objectives.

### Purpose

The purpose of this policy is to outline Flight Centre's commitment to fostering a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management. The policy also provides a process for the Board to determine measurable objectives and procedures which Flight Centre will implement and report against to achieve its diversity goals.

### Diversity

This policy does not just apply at work. It also applies anytime that you are involved in work matters at other places, such as at a supplier's site. It also applies at work functions (including social functions) related to, or organised by, Flight Centre.

### What is diversity?

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

### Corporate Culture

Flight Centre aims to actively promote a corporate culture that supports diversity in the workplace, in the composition of its Board and senior management and throughout the Flight Centre Group as a whole.

A corporate culture that embraces diversity seeks to encourage and facilitate opportunities for the employment of women and people from different backgrounds, provide skills and career development initiatives, increase workforce participation and create an inclusive environment where employees feel they are valued. In building a corporate culture where diversity is encouraged, Flight Centre also recognises that employees at all levels have responsibilities outside of the workplace.

Flight Centre acknowledges the known corporate benefits that flow from advancing employee and Board diversity, in particular gender diversity, including identification and rectification of gaps in the skills and experience of employees, enhanced employee retention, greater innovation and maximisation of available talent to achieve corporate goals and better financial performance.

By focusing on diversity, Flight Centre aims to promote an environment that is conducive to the appointment of well-qualified employees, senior management and Board candidates so that there is appropriate diversity to maximise the corporate goals of the Flight Centre Group.

## Diversity commitments

In order to foster a corporate environment where employee and Board diversity are achievable and maintainable, Flight Centre will implement the following diversity commitments:

- a. the Board will review and determine, as frequently as required, strategies, programs and initiatives that will foster diversity and meet the particular needs of the Flight Centre Group, including identifying the skill and experience set for the Board and senior management necessary to effectively oversee its business and achieve its corporate goals;
- b. through the Remuneration and Nomination Committee, the Board will seek to ensure that diversity is a factor that is taken into account in the selection and appointment of qualified employees, senior management and Board candidates and will consider options in order to expand the pool of qualified candidates to select from, including through the use of a professional intermediary to assess candidates to promote appointments in accordance with the diversity profile; and
- c. the Board will seek to identify and consider programs and initiatives that:
  - i. assist in the development of a broader pool of skilled and experienced Board candidates, in particular women, including initiatives focused on skills development, such as executive mentoring programs or more targeted practices relating to career advancement including those that develop skills and experience that prepare employees for senior management or Board positions;
  - ii. assist with enhancing employee retention, in particular that of women from middle management, including programs that foster career development and personal skills and, where possible, initiatives that address competing demands between work and other obligations;
  - iii. assist with minimizing career disruption when employees take time out of the workplace to meet other obligations and attempt to re-enter the workforce,

and, where reasonable, possible and in line with the needs and objectives identified by the diversity profile, facilitate or permit employees to access such programs or initiatives.

While the key focus of this policy and the ASX recommendations is on promoting the role of women within organisations, Flight Centre recognises that other forms of diversity are also important and will seek to promote and facilitate a range of diversity initiatives throughout the Flight Centre Group.

## Implementing diversity commitments

The Board will aim to ensure that appropriate procedures and measures are introduced and responsibilities delegated to the Remuneration and Nomination Committee to ensure that Flight Centre's diversity commitments are implemented appropriately.

Measurable objectives

Setting measurable objectives

The Board, in consultation with the Remuneration and Nomination Committee, will set measurable objectives for achieving diversity, in particular gender diversity, in accordance with this policy and the diversity profile set by the Board and will review the effectiveness and relevance of these measurable objectives on an annual basis.

The measurable objectives should identify ways and, where applicable, specify benchmarks against which the achievement of diversity is measured, in order for the Board to assess and report annually on Flight Centre's progress towards achieving its diversity goals.

## **How will the measurable objectives be determined?**

In order to set meaningful objectives, the Board (in consultation with the Remuneration and Nomination Committee) will assess its current diversity levels and identify where gaps exist. Measurable objectives will then be developed which are tailored towards improving diversity in areas where most work is needed.

## **Types of measurable objectives**

Flight Centre acknowledges that there are a number of different types of measurable objectives which may be implemented to assist in meeting its diversity goals, including:

- a. procedural and structural objectives – for example, implementing internal review and reporting procedures or ensuring that candidates are interviewed by a diverse selection/interview panel;
- b. diversity targets – setting targets for the number of women throughout the Flight Centre Group or to increase the proportion of women within senior management positions and implementing timeframes for this to occur by; and
- c. initiatives and programs – for example, identifying appropriate initiatives and programs and determining how the initiative will operate, who will be responsible for implementing it and setting a timetable for its introduction.

## **Measurable objectives as key performance indicators**

The Board, in consultation with the Remuneration and Nomination Committee, will consider the extent to which the achievement of these measurable objectives should be tied to key performance indicators for the Board, the chief executive officer and other senior management.

## **Annual disclosure to shareholders**

### **Purpose of reporting**

Flight Centre acknowledges that reporting to shareholders on its diversity profile and diversity objectives facilitates greater transparency and accountability in relation to diversity matters and that such reporting and transparency has been endorsed by the Board.

It is anticipated that shareholders will have greater confidence in Flight Centre and the Board if they are fully informed of the policies and the measurable objectives which have been implemented to facilitate the performance of the Flight Centre Group.

### **What will be reported?**

As part of its annual reporting requirements to shareholders, Flight Centre will disclose the measurable objectives set by the Board for achieving diversity in accordance with the diversity profile and will report on its progress against those objectives. A copy of these measurable objectives may also be published on Flight Centre's website from time to time.

A component of Flight Centre's disclosure on diversity in its annual report should also include information about:

- a. the proportion of women employees in the Flight Centre Group;
- b. the number of women in senior executive positions; and
- c. the number of women on the Board.

The Board will determine the most appropriate method to present this information to ensure that it is accurate and does not falsely represent the participation of women and men within the Flight Centre Group.

Flight Centre Travel Group is a 'relevant employer' for the purposes of the Workplace Gender Equality Act and as such the Board will ensure that a report containing information relating to Flight Centre Travel Group and to the Gender Equality Indicators (as that term is defined in the Workplace Gender Equality Act) is made publicly available at the end of each reporting period.

## **Board selection process**

Flight Centre is also committed towards achieving greater transparency of the Board candidate selection and nomination process and may include in its annual report the information about the mix of skills and diversity which the Board is looking to achieve in membership of the Board as set out in the Remuneration and Nomination Committee charter.

## **Responsibility**

The Board may delegate these obligations to the Remuneration and Nomination Committee but the Board retains ultimate responsibility for ensuring that these reporting benchmarks are met.

## **Remuneration and Nomination Committee**

### **Role of the Remuneration and Nomination Committee**

The Remuneration and Nomination Committee will be responsible for implementing Flight Centre's diversity policy, profile and measurable objectives and for ensuring compliance with this policy. The Remuneration and Nomination Committee will report to the Board as necessary to facilitate compliance.

The Remuneration and Nomination Committee will also be responsible for reviewing and reporting to the Board, at least annually, the proportion of women and men in the workforce at all levels of the Flight Centre Group.

## **Internal review**

An internal review will be undertaken by the Remuneration and Nomination Committee as required to ensure that it remains relevant and appropriate to the Flight Centre Group, to determine the effectiveness of this policy and to recommend changes to correct any identified deficiencies.

## **Consequences of breach of this policy**



You must comply with this policy. If you breach this policy, disciplinary action may be taken against you.

Depending upon the circumstances, the disciplinary action may include termination of your employment with or without notice.

## Related charters, policies and procedures

Equal Employment Opportunity Policy

Remuneration and Nomination Committee Charter

Workplace Bullying and Harassment policy

Occupational Health and Safety policies

Performance Counselling, Discipline and Termination policy

## Definitions

In this policy:

Term	Definition
<b>ASX</b>	means the ASX Limited ACN 008 624 691.
<b>Board</b>	means the board of Directors of Flight Centre.
<b>Corporations Act</b>	means the Corporations Act 2001 (Cth).
<b>Director</b>	means a director of Flight Centre.
<b>Diversity</b>	has the meaning given to that term in paragraph 4
<b>Flight Centre or Company</b>	means Flight Centre Travel Group Limited ACN 003 377 188.
<b>Flight Centre Group</b>	means Flight Centre and any subsidiary or related body corporate.
<b>Remuneration and Nomination Committee</b>	means the remuneration and nomination committee established by the Board.
<b>Workplace Gender Equality Act</b>	means the <i>Workplace Gender Equality Act 2012</i> (Cth)

Interpretation

Concepts not defined in this policy which are given a meaning in the Corporations Act have the same meaning as in the Corporations Act.

This policy was adopted by the Board at the meeting of 17 October 2014.

**Policy Title:**

Diversity Policy

**Date:**

17 October 2014

**Approved:**

Graham Turner, Managing Director

David Smith, Company Secretary