

TITLE:	FCTG Environmental Sustainability Policy
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FCTG Environmental Sustainability Policy

Introduction

Our purpose at Flight Centre Travel Group is 'To open up the world for those who want to see'. As one of the world's largest travel retailers and corporate travel managers, we recognise our responsibility to preserve the places we love while enriching our people, destinations, and communities. The world is changing, and our industry must change with it. As part of our commitment to sustainability, we are focused on reducing the environmental impacts of travel while delivering unique travel experiences for generations to come.

We will leverage our platforms, people, and partnerships to facilitate informed choices, helping customers reduce their impact and ensuring our actions benefit our people, destinations, and communities. We will work with our suppliers and industry partners to influence lower carbon travel through the use of sustainability targets.

Purpose of Policy

This environmental sustainability policy confirms FCTG's commitment to reduce our environmental footprint incorporating the Greenhouse Gas (GHG) Protocols across scopes 1,2 and partial scope 3 (refer to appendix 1a and 1b).

This policy has been developed to help employees, suppliers, business partners and customers understand our guiding principles and key objectives and provide support in making the right decisions when it comes to environmental sustainability within FCTG. This policy communicates FCTG's minimum expectations of risk management and compliance with our sustainability obligations and describes the approach FCTG takes.

Policy Statement

Our purpose at Flight Centre Travel Group is 'To open up the world for those who want to see', and our sustainability vision is 'Preserving and enriching a world worth seeing'. As one of the world's largest travel retailers and corporate travel managers, we recognize our responsibility to preserve the places we love while enriching our people, destinations, and communities.

Scope of this policy

This policy extends to FCTG's equity businesses together with its subsidiaries, related bodies and includes board members, officers, employees, contractors, consultants, agents, representatives, licensees, independent contractors, franchisees, and suppliers (where relevant) and is subject to the local policies and applicable law as it applies to the local FCTG entity.

Policy

FCTG will work proactively to reduce the environmental impact of our operations and supply chains. With a commitment to the Science Based Target initiative and as a signatory to the United Nations Global Compact we take action to uphold the Global Compact's 10 principles and contribute to the advancement of a number of the United Nations Sustainable Development Goals. In line with the environmental principles in the Global Compact, we are committed to practicing and promoting environmental awareness and responsibility.

FCTG will comply with all applicable environmental legislation and regulations and strive for continuous improvement, set targets, and monitor and report on our performance and progress.

Action

FCTG recognises that our business has both a direct and indirect impact on the environment. We are focused on reducing the environmental impacts of travel while delivering unique travel experiences for generations to come. To address these impacts, we are focused on the following material issues:

Emission of greenhouse gases across all scope 1, 2 and partial scope 3

- Set emissions reduction targets in line with the Science Based Target initiative (refer to Appendix 1a & 1b)
- Development of products and tools for our customers to make more environmentally sustainable travel decisions to reduce the impact of their travel.

(Please note - emissions from our sold products (scope 3, category 11) will be reported however not included in FCTG science-based reduction targets – refer to appendix 1b)

- Transition to purchasing our office and retail store electricity through arrangements that support renewable energy
- Review our global business travel policy to reduce our own overall travel footprint

Waste and recycling

- Promote the efficient use of resources to minimise the generation of waste
- Promote the reuse and recycling of products through all our operational locations
- Promote responsible travel to all our customers including the reduction of waste in-destinations

Sustainable & ethical procurement

- Support our suppliers to set environmental standards and encourage positive environmental performance
- Seek opportunities to engage social enterprises and community-based travel opportunities
- Industry collaboration to promote a lower carbon travel industry

Annual environmental impact reporting

Annual sustainability reporting will be provided from FY2024 onwards outlining the FCTG environmental strategy, metrics and targets, risk management procedures, governance and any other matters required by law.

How FCTG manages climate related risk

FCTG has a Global Enterprise Risk Framework which uses practises that identify, manage, and mitigate risk in all jurisdictions where FCTG operates.

The FCTG Environmental Sustainability Program contains:

- FCTG Environmental Sustainability Policy (this policy)
- Governance (Roles, and responsibility)
- Training and awareness of environmental sustainability

Where FCTG becomes aware of a material climate or environment related risk, FCTG will ensure the matter is investigated and an appropriate response taken in accordance with the Enterprise Risk Framework and any other relevant policies.

Compliance protocol for ongoing review of sustainability related documents

To ensure the accuracy of our environmental sustainability commitments, steps are being taken to put in place a protocol under which anytime a sustainability related document is made publicly available, each statement is checked for accuracy, reasonable grounds and substantiation. This includes and is not limited to whitepapers, press releases and marketing collateral. To ensure compliance is achieved, all materials will need to go through our internal protocols including clear accountability from the author, legal review and final sign off from the Global Sustainability Officer.

Responsibilities for all those covered by this Policy

Everyone covered by this policy is obliged to read and understand this policy, identify any red flags that may arise and to escalate potential concerns related to environmental sustainability to the Global Sustainability Officer, relevant region's Risk Leader, In-House Legal Counsel or Enterprise Risk Leader.

FCTG expects all employees to be accountable and responsible for their own actions and ensure they support the FCTG environmental sustainability strategy.

Regional Managing Directors, Country Leaders, and Chief Financial Officers (CFOs) are responsible for ensuring compliance with this policy within their regions.

This policy is reviewed annually by the policy owner to ensure it is up to date and aligned to FCTG's values. This Policy is also reviewed and amended as required to address changes to applicable laws and regulations.

Appendix 1a.



Appendix 1b.

FCTG Pathway to Net Zero

Scope	The FCTG Net Zero target applies to the businesses within our 25 equity countries : Australia, Canada, China, Denmark, Finland, France, Germany, Hong Kong, India, Ireland, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, United Arab Emirates, United Kingdom, USA.
Compensation (offsetting) Strategy	Part of our net zero plan does involve compensating for our business travel program from 2020 onwards including flights and accommodation and then compensating the scope 1 and 2 emissions from our operations from 2026 onwards. The portfolio of offsetting projects is being developed and will cover a diverse portfolio with a focus on nature-based projects. Offsetting is only an interim measure; our overall goal is carbon reduction.
GHG Emissions Exclusions	Category 4 – Upstream transport and distribution of sold products (immaterial) Category 8 – Upstream leased assets (included within our scope 2) Category 9 – Transport and distribution of sold products (immaterial) Category 10 – Processing of sold products (immaterial) Category 11 – The Science Based Target initiative (SBTi) agreed that use of sold products will not be included within our scope 3 reduction targets. We will still include strategies for our customers to reduce the emissions from travel we sell and report on the emissions however this category is not included within our reduction target. Category 12 – End of life treatment of sold products (immaterial) Category 13 – Downstream leased assets (included within our scope 2)
Assumptions	Assumptions were made to calculate our carbon footprint from FY18/19 where clear data was not available. The environmental management system being created will negate the need for assumptions within our footprint from 2024 onwards.
SBTi	The validation process was started with the SBTi on 25 May 2023 and is expected to be complete by 31 August 2023.

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