

Webjet Limited **Sustainability Statement** **FY20**

Webjet Limited (“Webjet” or “Company”) is a digital travel business spanning both consumer (through the Webjet OTA and Online Republic B2C businesses) and wholesale markets (through the WebBeds B2B business). It is primarily an on-line seller of products and services of third parties – namely flights, hotel rooms, car and motorhome rentals and travel insurance.

Webjet operates a geographically diverse business with operations in Australasia, Asia Pacific, Europe, Middle East, Africa and the Americas and the Company has a responsibility to operate in a sustainable manner in each region in which it operates.

Key business risks impacting the Company are outlined in the Directors’ Report. This Sustainability Statement provides further information as to how Webjet seeks to manage key Environmental Social and Governance (ESG) risks impacting its business namely:

Social

- Customer Privacy
- Data security
- Customer engagement
- Employees
 - » Workforce, diversity and inclusion
 - » Employee engagement
 - » Workplace practices, benefits and flexibility
 - » Workplace health and safety

Environment

- Minimising its own environmental impact
 - » Energy efficiency management, water use reduction; and waste reduction
- Promoting environmentally responsible and sustainable travel to customers where relevant
- Monitoring the Company’s suppliers

Governance

- Responsible business practices and policies

ESG reporting is an important and evolving area and Webjet plans to expand its reporting on key ESG areas going forward.

Customer privacy

In the course of its ordinary business, Webjet receives a range of personal and confidential information from its customers. This is necessary in order for the Company to carry on its business and provide its products and services to its customers.

Protecting the privacy and confidentiality of customer information is fundamental to the way Webjet does business. The Company takes great care to protect all customer personal information from misuse and loss including protection from unauthorised access, modification and disclosure (regardless of whether personal information is stored in hardcopy or electronically).

Webjet uses a range of methods to protect the privacy and security of customer information.

The Company’s Corporate Social Responsibility (“CSR”) Statement sets out active steps taken to protect customer personal information. These include provisions governing the storage, security, access, transmission and use of customer personal information. Staff are trained on data privacy and the Company has steps in place to ensure all organisations and persons who may receive the information understand its confidentiality and have similar protection and security measures in place.

The Company’s privacy policy is available on all customer websites and sets out how Webjet collects, uses and shares information about its customers. Customers can access and control their personal information by following the steps set out in the privacy policy. The privacy policy also sets out how the Company shares personal information with third parties to help the Company operate, provide, improve, integrate, customize, support and market its services. The Company does not sell or rent any customer personal information to a third party.

While protection of the privacy and confidentiality of sensitive personal data is vital, security breaches and/or loss of confidential or sensitive personal information can occur. If any such event does occur for any reason, Webjet will comply fully with its obligations under applicable privacy legislation including, as appropriate, the notification of all people affected by the breach. It is also committed to taking such action as appropriate to limit the impact on any customer of a security breach or unauthorised access to that customer’s personal non-public information.

The Company has in place a robust incident response plan in the event of a suspected privacy breach, which is regularly tested. During FY20, Webjet Limited did not have any reportable breaches regarding customer privacy under any relevant legislation.

Data security

Webjet is reliant on the security of its website, payment and data management systems and protection of personal information of its customers. Security and privacy breaches (whether through cyber attack or otherwise) have the potential to impact customer satisfaction and confidence. Webjet is highly focused on maintaining data security and constantly monitors and reviews its technology systems. The Company takes great care to secure its systems and all information from unauthorised use, viruses, data breaches and others risks. It uses highly sophisticated software applications and/or hardware to prevent unauthorised access to its network and databases.

For all information stored electronically (for example databases), Webjet maintains strict computer and network security. It uses firewalls and other security measures such as identification codes and passwords to control access to its network and systems. It continually maintains and monitors its online security systems to ensure they are secure and that customer personal information is appropriately protected.

The Company Board's Risk Committee has oversight of data security and Cyber Security is a standing Risk Committee agenda item. During the year, Webjet appointed a Global Program Manager for Security who is focused on ensuring security is a consistent and measured priority across all businesses.

Webjet continued to upgrade security initiatives across all businesses during FY20. Software and hardware systems were upgraded and security protocols, controls and processes were enhanced. Technical security assessments were undertaken and the system was tested, including through red teaming exercises with third parties, with all findings actioned. Security awareness training was further expanded throughout the business with training fully incorporated into the onboarding process and staff receiving targeted security training during the year. During FY20, the Company's staff moved to working from home following the onset of COVID-19. Security measures were further enhanced to protect Company data in this new work environment. During FY20, Webjet did not have any reportable data security breaches in any of its businesses.

Future Focus

As an online provider of products and services, governance around data privacy and cyber security remains a high priority for Webjet. We continue to develop and enhance our technical capabilities and platforms.

Customer engagement

Webjet businesses are customer service businesses and are, in part, dependent on customer satisfaction and loyalty. As well as being able to attract new customers, having strong repeat business is important. Tracking customer satisfaction is therefore a key priority for the Company. Webjet seeks and encourages feedback about its business and services, particularly from customers. The Company regularly surveys customers to ascertain if it is delivering on their expectations and if not, how the Company can improve its service.

Webjet OTA – The Company's ongoing focus on measuring customer service has helped the Webjet OTA remain a leader in industry wide customer service benchmarking studies over the past 10 years. Webjet OTA uses a combination of external and internal surveys, as well as feedback calls to track customer satisfaction. All feedback is reviewed and shared with the relevant business group and fed into training programs aimed at improving customer service. The Company actively tracks NPS (Net Promotor Scores) in order to better improve customer service.

Following the impact of COVID-19 on the global travel market, our customer service centres experienced unprecedented demand due to the significant increase in volume of customer enquiries and change requests. At the same time, customer service staffing levels were severely reduced due to government-imposed travel restrictions in the countries where our call centres were located. Our teams worked tirelessly to address queries as quickly as possible and the Company took steps to try and mitigate the reduction in staffing levels. Steps taken included hiring more temporary staff in the Australian office to meet demand, increasing overtime and introducing automation where possible, however inevitable delays occurred. We are currently reviewing existing business continuity plans in order to be well prepared for any similar future event.

Prior to the onset of COVID-19, NPS scores were constant compared to FY19, however the arrival of COVID-19 and subsequent servicing challenges due to the increased volume of calls led to a fall in NPS scores. Customer engagement scores also fell as a result of the initial impact of COVID-19 but have started to recover since May 2020.

Online Republic – Online Republic tracks customer satisfaction through the Trust Pilot platform. In FY20, the Online Republic businesses continued to have very high Trust Pilot ratings.

WebBeds – Customer loyalty in the B2B business remained high during FY20. New customer numbers continued to increase while at the same time business from existing customers remained constant.

Future Focus

As a customer-focused business, Webjet is focused on tracking customer satisfaction and customer loyalty so as to continually improve its product offering. We are currently reviewing business continuity plans for our customer service centres.

Employees

Webjet's people are its number one priority and their future, privileges and rights are central to the way the Company operates. Being able to attract and retain high performing talent across all business areas is important to delivering on the Company's strategy.

Webjet believes the culture of an organisation is critically important. Webjet is committed to creating a workplace where its employees at all levels are valued, have an opportunity to actively participate in the business and take on leadership roles. The creation of a culture where everyone is welcome and treated with respect is key to business success.

Workforce, diversity and inclusion

As at 30 June 2020, the Company employed around 1800 people, the vast majority of whom were full time employees. In order to reduce operating costs to mitigate the impact of COVID-19, 515 roles (22%) were made redundant in 2H20.

Webjet OTA and Online Republic employees are based in Australia and New Zealand, as well as call centre staff in the Philippines and India. WebBeds employees work in more than 50 office locations around the world. Locations with more than 100 employees include Dubai, Egypt, the Philippines, Romania, Spain and the UK.

Webjet Limited is proud of its diverse workforce. The Company believes that embracing diversity enhances work culture and drives business success. It is the diversity of experiences and perspectives that creates a culture of empowerment and fosters innovation, economic growth and new ideas.

The Company employs more than 50 different nationalities and people come from a wide range of ages, experience and qualifications. All of the Company's business leadership teams have significant diversity by nationality.

The Company is committed to having women comprise at least 25% of its board and senior management.

Gender diversity

	% Women		
	FY20	FY19	FY18
Webjet Board	33%	33%	29%
Senior Management (direct report to MD)	30%	30%	30%
Executive management (direct report to Head of Business)	32%	25%	N/A
All employees	53%	53%	55%

Gender diversity at board and senior management levels remained stable in FY20 as no changes were made during the year. While wholesale travel (B2B) and technology industries do not traditionally have high levels of female participation, the Company has a range of strategies, policies and practices in place to drive representation of women and minorities in the workforce. During the year, a number of women were appointed to executive management roles.

Employee engagement

Webjet is focused on ensuring a motivated, engaged workforce and carries out regular employee satisfaction surveys across all its businesses. Surveys are run by external parties and results are shared with staff and changes made to work environments as required. FY20 results again indicate the Company has a high performing culture with a highly engaged employee base, with engagement in several areas increasing compared to FY19.

Excluding redundancies made due to the impact of COVID-19, voluntary turnover was again low and the same as for FY19.

During FY20, the Company supported employees in all businesses to participate in a range of philanthropic initiatives.

Workplace practices, benefits and flexibility

Webjet employees work in a range of countries and the Company complies with all local labour practices in the countries in which it operates. Webjet is committed to paying appropriate remuneration and complying with local standards around pay and benefits. All employees are paid relevant statutory entitlements such as superannuation, pension and leave entitlements. Depending on location, employees receive a range of other benefits including insurance, transport and travel benefits.

As a highly automated business, the majority of Webjet employees are highly skilled. As such they are engaged under individual contracts aimed at attracting and retaining high performing talent. Webjet benchmarks remuneration in order to attract, motivate and retain employees across all geographies. Employees are not restricted in their entitlement to freedom of association.

Webjet believes in investing in its people for the long term. It offers employees a range of formal and informal ways in which to learn, develop and grow. Employees are supported and encouraged to undertake personal and professional development.

With operations in many countries around the world, flexibility is critical to implementing the Company's business strategy. It is also important in attracting and retaining talented employees and in facilitating productivity across the business. Webjet believes achieving its business objectives are more important than strict formality in the way that it conducts business. Webjet seeks to be agile in the way that it works and therefore flexibility in formal and informal work practices is important as is recognising that rigid working patterns may not always suit customers, staff and circumstances.

Depending on the role, Webjet offers a range of flexible work options including flexible work location and hours, job sharing, ad hoc arrangements, part time work, flexible start and finish times and different types of personal leave.

Various technological advancements were introduced during the year to enable greater flexibility. This flexibility helped the Company quickly adjust to working from home required as a result of COVID-19. Following government-imposed lockdown measures around the world, staff in 27 offices were supported in moving their operations from office to working from home, including for roles that had never previously been considered for work-from-home arrangements. In less than 2 weeks, all roles had moved to working from home, with minimal impact on customers, clients or suppliers.

Workplace Health and Safety

Webjet is committed to ensuring the health and safety of its employees at work and conducting its business in accordance with all workplace health and safety laws, standard and codes of practice. The Company has a range of strategies, policies and practices in place to support a safe work environment. Webjet offers employees access to professional counselling services through an employee assistance program. Following the onset of COVID-19, the Company undertook a Health and Wellness survey to support employees in the transition to a work from home environment as well as understand stresses caused by the uncertainty and how to best support them.

Webjet continued to maintain a strong safety record in FY20 with no reported lost time from injuries or work cover claims.

Future Outlook

Webjet has made a number of acquisitions in recent years which has involved integrating a range of different HR policies and processes. In line with its culture of agility, Webjet operates a decentralised HR function that facilitates each business managing its own staff. The Company is examining ways to standardise HR reporting to help improve visibility of key metrics driving performance.

Environment

The direct impact of the environment on Webjet's businesses and, conversely, the impact of those businesses (and the manner in which they carry on their activities) on the environment, is very limited by reason of Webjet being primarily an on-line seller of products and services of third parties.

At present, given the limited impact of climate-related financial risks on Webjet's financial performance, the Company believes that disclosure (beyond this report) would not assist shareholders, the market or the investment community in understanding the material financial risks it faces. Webjet does regularly review the likely impact of such risks on its businesses and will report on these risks (and their potential impact) as necessary in the future. In doing so, it will have regard to the voluntary framework for companies to disclose the material impacts of climate change on their financial performance.

Webjet approaches its environmental responsibility in the following ways:

- minimising its own environmental impact;
- promoting environmentally responsible and sustainable travel to customers where relevant; and
- monitoring its suppliers

Minimising its own environmental impact

In the daily conduct of its business, Webjet seeks to create a work environment where sustainability, energy efficiency and waste reduction are encouraged.

Key sustainability initiatives implemented across all Webjet businesses include:

- **Energy efficient initiatives** – Installation of energy efficient lighting and use of sensor lighting; minimizing after-hours air-conditioning use; installation of blinds to minimize cooling and heating costs; automatic switch off devices on appliances and equipment when not in use
- **Water reduction initiatives** – installation of low flow water fixtures and the use of water and energy efficient appliances

- **Waste reduction initiatives** – Reducing paper usage and encouraging recycling where possible through use of recycling points throughout offices; printing information only when necessary and initiatives to use recycled paper for printing where possible; overseeing appropriate disposal of old computers and cell phones (including donating to charities for re-use)

Each Webjet office undertakes a range of initiatives to reduce its energy, water and waste consumption. Key initiatives implemented in FY20 included:

- **WebBeds**
 - » Singapore Office's Harbourfront Centre was awarded the Green Mark Platinum Award from the Building and Construction Authority (BCA) for its efforts in delivering 50% increase in air conditioning efficiency and 30% reduction in electricity costs.
 - » Romania customer service centre – heating and electricity costs reduced approximately 15% during the year and stationary costs (including paper procurement) reduced 20%.
 - » Philippines customer service centre – HR processes moved online helping reduce paper procurement costs by 40% during 2H20.
- **Webjet OTA** – Since 2014, key functions of Webjet OTA have operated in the cloud providing greater flexibility regarding energy usage than an on-premises data centre due to the ability to scale down services based on demand. With the retirement during the year of the last on-premises service, Webjet OTA's cloud-based operations (managed through Microsoft Azure) enabled 66% reduction in overall carbon emissions by June 2020 compared to our peak in January 2020.
- **Online Republic** – Promotion of sustainability initiatives through monthly Values newsletters.

Promoting environmentally responsible and sustainable travel to customers where relevant

Webjet is conscious that some of its customers are becoming more environmentally focused. In looking to promote environmentally responsible and sustainable travel to its customers, during the year the Company introduced carbon offsets for all customers booking flights through the Webjet OTA.

Monitoring the Company's Suppliers

Webjet is cognisant that its product suppliers and other participants in the travel industry face the prospect, whether now or in the future, of climate-related financial risks. These risks may lead to changes in consumers' travel habits and preferences. While Webjet's financial performance to date has not been materially (if at all) affected by climate-related risks, the Webjet Board is conscious of the need to regularly review such risks, where appropriate to take action to address them, and to report accordingly to the market.

Future Focus

The Company continues to work towards delivering carbon neutrality in the WebBeds Europe business and will look for opportunities to expand this program to other WebBeds businesses. In FY21, all Company businesses plan to increase their focus on sustainability measures. Webjet is cognisant of growing global concerns for the environment and climate change. Going forward, the Company will look at ways to measure and disclose energy consumption and greenhouse gas emissions associated with its activities.

Governance

Responsible business practices

Webjet is committed to maintaining ethical standards in the conduct of its business activities and strongly believes that its reputation as an ethical business organisation is important in its ongoing success. The Company has established various policies and procedures that set out its values and expectation as to how the Company and its employees will work and behave towards each other.

The Webjet Board has initiated the process of approving the Company's statement of values and senior management will be responsible for embedding the values across the Company during FY21.

Code of Conduct

Webjet has a Group Code of Conduct for all employees, as well as a Code of Conduct for Directors and Senior Executives.

The Webjet Group Code of Conduct is required to be signed by all employees prior to commencing work. Webjet is committed to operating to the highest standards of ethical behaviour and honesty and with full regard for the safety and health of its staff members, customers, the wider community and the environment. Webjet employees must act with integrity and honesty in the day to day performance of their jobs and in any situation where their conduct and behaviour could influence respect for the Company. The Company has adopted policies which commit it to meeting its responsibilities in areas where ethical or legal issues arise.

In addition, the Code of Conduct for Directors and Senior Executives represents a commitment by all Directors and senior management to uphold ethical business practices and meet or exceed applicable legal requirements. It sets the standard for behaviour and provides guidance which in turn assists in building trusting relationships with suppliers, business partners, customers and shareholders.

Failure to comply with the Code of Conduct is viewed as a serious matter, which may lead to disciplinary action, including dismissal and/or legal action. All instances of alleged breach of conduct during FY20 were thoroughly investigated and appropriately actioned.

Whistleblower Policy

Webjet encourages all employees to report any allegations of misconduct by any employee and/or failures by Webjet to honour its obligations, both legal and ethical, or to comply with its values. Employees are able to use a separate third party website to ensure confidentiality of reporting. During FY20, no allegations of misconduct were reported.

Anti-bribery and Corruption Policy

Information regarding Webjet's commitment to conducting its business fairly, honestly and efficiently is set out in the Webjet Corporate Social Responsibility (CSR) Statement. Key policies on business conduct are also set out in the Webjet Group Code of Conduct.

Modern Slavery

Webjet respects human rights and workplace rights. It is committed to conducting its business in a manner that protects these rights and prohibits and opposes all forms of modern slavery, servitude, forced labour and human trafficking. The Company adopts a continuous improvement approach to its performance in this area. As a business it continues to review, develop and promote its policies and practices to identify and mitigate risk areas for modern slavery and human trafficking in its business and supply chains. Information regarding Webjet's commitment to human rights is set out in the Webjet Corporate Social Responsibility (CSR) Statement. Webjet is currently preparing its first Modern Slavery Statement in compliance with the Modern Slavery Act 2018 (Cth).

The Company's Corporate Governance Statement, Corporate Social Responsibility (CSR) Statement and the various Corporate Governance charters and policies that instil a culture of acting lawfully, ethically and responsibly are available at webjetlimited.com.