

Our 2019 Modern Slavery Statement

Forced and compulsory labour, child labour and human trafficking remain unacceptably common across many parts of the world. We know that it's a challenging issue to address and one we look to confront head on. Our policies and procedures aim to prevent all forms of slavery, across every aspect of our business and in our local, national and global supply chains meeting the highest standards and best practice according to the UK's Modern Slavery Act 2015. As part of this, we encourage our people to speak up, to raise any suspicion of practices akin to any form of slavery. Where concerns are raised, we commit to take action, to challenge behaviours and promote working practices based on inclusion, fairness and respect.

What we do, at a glance

Virgin Atlantic Ltd includes our airline operations (Virgin Atlantic Airways, passenger and cargo operations) and our holiday company (Virgin Holidays). All aspects of our business are run on our core Virgin values: excellent customer service, doing business for good and putting our people at the heart of what we do.

In terms of our employment practices, 97% of our permanent, UK based staff, are recruited through our own internal teams. Where we use outside temporary recruitment agencies, we make sure they go through the same procurement processes we do. Our companywide policies address bullying, anti-harassment and promote equality, inclusion, diversity and respect within our business. We do not tolerate prejudice or discrimination and we work hard to ensure all our people can bring their true selves to work, every day. We welcome and encourage our people to speak up about any unethical behaviour, wrongdoing or behaviour they think goes against our policies and values. Where concerns are raised, we take action.

Within our supply chains too, we aim to source goods and services in a way that treats the people we work with, directly and indirectly, with respect and dignity. We ask our suppliers to adhere to our Responsible Supplier Policy which clearly defines the standards we expect from them in their business operations with us as well as in dealing with their own suppliers. In 2019 we incorporated compliance with our policy into all our standard contracts. We continued our membership of EcoVadis who offer a collaborative service platform to assess and encourage suppliers' sustainability performance. The approach aligns well with our Responsible Supplier Policy and supports our efforts to better understand and tackle human rights and environmental risks in our supply chain.

A priority for 2019 was to implement human trafficking training for our cabin and flight crews. This classroom training was developed during 2018 to be part of our recurrent training programme. It was delivered throughout 2019 and we successfully trained all our flight and cabin crew.





Our brands

In 2019, we operated under two brands, Virgin Atlantic and Virgin Holidays. In 2020, we bring our airline and holiday company under one brand: Virgin Atlantic. Together, our vision is to be the most loved travel company with a unifying belief that everyone can take on the world.

We focus on being standout in our product offering and customer service, whilst removing the impediments that have historically prevented customers translating their preference for Virgin Atlantic into purchase. We are achieving this through our new \$13bn joint venture with Delta Air Lines and Air France-KLM, improving our loyalty programme and integrating our holidays and airline teams, whilst empowering our people with the right skills and tools to deliver the unique Virgin Atlantic experience.

Our employment practices

In 2019, there were just over 10,000 people working at Virgin Atlantic, with 96% of our employees based in the UK. Of that number, approximately half were cabin crew and around 1000 people worked at Virgin Holidays. We hire approximately 97% of our permanent workforce in the UK using our own internal teams. We mainly recruit people on a permanent basis with a small proportion of the overall workforce being on fixed term contracts. We use external agencies to recruit a small proportion of our permanent roles (about 3% of our overall UK recruitment). Most of our international employees are based in the USA. Our HR team in the US follows the same recruitment procedures and practices as in the UK. Across the board we recruit based on merit to ensure diversity of skills, perspectives and talent.

Our number one priority continues to be the safety and security of our people and customers. The nature of the airline industry means we undertake extremely thorough recruitment processes. The referencing standards we use meet, and in a number of areas exceed, the standards set by the UK Department for Transport. to ensure a diverse and talented workforce. Our pre-employment referencing process requires all new staff - whether they are contractors sourced via an agency or permanent staff - to provide details of their employment history for the last five years. We require a Basic Disclosure Certificate, known as a Criminal Record Check. We also ask to see original passports for all applicants. Working with recruitment agencies is governed by our procurement process and Responsible Supplier Policy.

We're committed to respecting diversity and protecting our workforce from any discrimination or unfair treatment. Our people are aware of the high standards expected through our companywide policies that address bullying, anti-harassment, equality, diversity and respect within our business. Our Diversity and inclusion strategies target a 50/50 balance of men and women in leadership roles and 12% BAME (Black, Asian and Minority Ethnic) representation across our workforce by 2022. Through the Women in Aviation and Aerospace Charter, we seek to improve female representation in our pilot cadet scheme and in our recruitment shortlists for engineering and pilot roles. We regularly review our policies to make sure they remain up to date and fully compliant with both modern slavery legislation and the standards we set ourselves.

Sustainable procurement

Context

We buy products and services from over 4,500 suppliers in 103 countries worldwide. Typically, 45% of our external spend is concentrated in Europe, with 38% in the UK alone. A further 37% of spend is in the Americas, with the remaining 18% split across Asia Pacific and Africa.

Our standards

Our Responsible Supplier Policy is based on international standards of basic human rights, such as the International Labour Conventions and the UN Convention on Human Rights, as well as UK legislation in the form of the Modern Slavery Act 2015. It's also based on our values – to source goods and services in a way that treats the people we work with, directly and indirectly, with respect and dignity; to support practices that minimise damage to the environment and the world's natural resources; and to support animal welfare. In 2019 we updated our contracting templates and procedures so that all new contracts and amendments will include an ongoing obligation to comply with key Responsible Supplier Policy objectives.

We ask our suppliers to agree to our Responsible Supplier Policy or provide their own company's policy of the same or higher standard. As a minimum, these should meet national laws and include the following human rights principles:

- Suppliers should provide safe and fair working conditions for their workers.
- Suppliers must not use child labour defined as anyone under 15 years of age, or as stipulated in the International Labour Organisation (ILO) C138 Minimum Age Convention.
- There is no forced, bonded or compulsory labour.
- Workers are not required to lodge 'deposits' or their identity papers with their employer and are free to leave their employer after reasonable notice.
- The company shall respect the right of workers to a living wage and ensure that wages paid for a normal work week shall always meet at least legal or industry minimum standards and shall be sufficient to meet the basic needs of personnel and to provide some discretionary income.
- All workers shall be provided with written and understandable information about their employment conditions before they enter employment.
- Employees should be allowed freedom of association and the right to collective bargaining. Where the law restricts freedom of association and collective bargaining, employers should facilitate alternative means of representation by staff.

Our policy can be found [here](#).

The steps we're taking

We are members of EcoVadis who offer a collaborative platform and service to assess and encourage suppliers' sustainability performance. We have a particular focus on our critical third party suppliers, IT products and services, engineering and customer facing products. Suppliers submit questionnaires describing their policies and actions, together with supporting evidence. The analysis by EcoVadis creates a scorecard that allows us to understand performance and discuss areas for improvement with our suppliers, as well as recognise best practice. The approach aligns with our Responsible Supplier Policy and supports our efforts to better understand and tackle human rights and environmental risks in our supply chain. During 2019 we held a supplier day for key suppliers in Inflight Services which included a presentation on the requirements and benefits of EcoVadis in our supplier relationships.

During 2019 we also supported IATA and EcoVadis in the development of a risk mapping tool for airlines. The tool is intended to help prioritise high risk supplier categories based on sector classification, geography and procurement risk. During the development project we provided feedback and suggestions on usability and suitability of the tool. Going forwards this tool can help us and other airlines to better understand, prioritise and manage the risks in our supply chain.

For some supplier categories we have dedicated sustainability programmes. Since we partnered with the Sustainable Restaurant Association (SRA) in 2012, we've made considerable progress on the sustainability of our airline catering operations globally. Together, we've been asking our suppliers to meet a number of challenging criteria: sourcing fairly traded products and ensuring employment rights for workers, promoting higher animal welfare standards, and sourcing sustainably certified fish, seafood, beef, soy and palm oil (or finding better alternatives). All our caterers worldwide are required to work towards these detailed sustainability criteria, provide a statement of assurance that they meet these standards, and confirm compliance through an annual SRA audit. Our 2019 audits showed that 86% of our flights are served by caterers who met all of these criteria, and we're continuing to work each year to drive further improvements in this area.

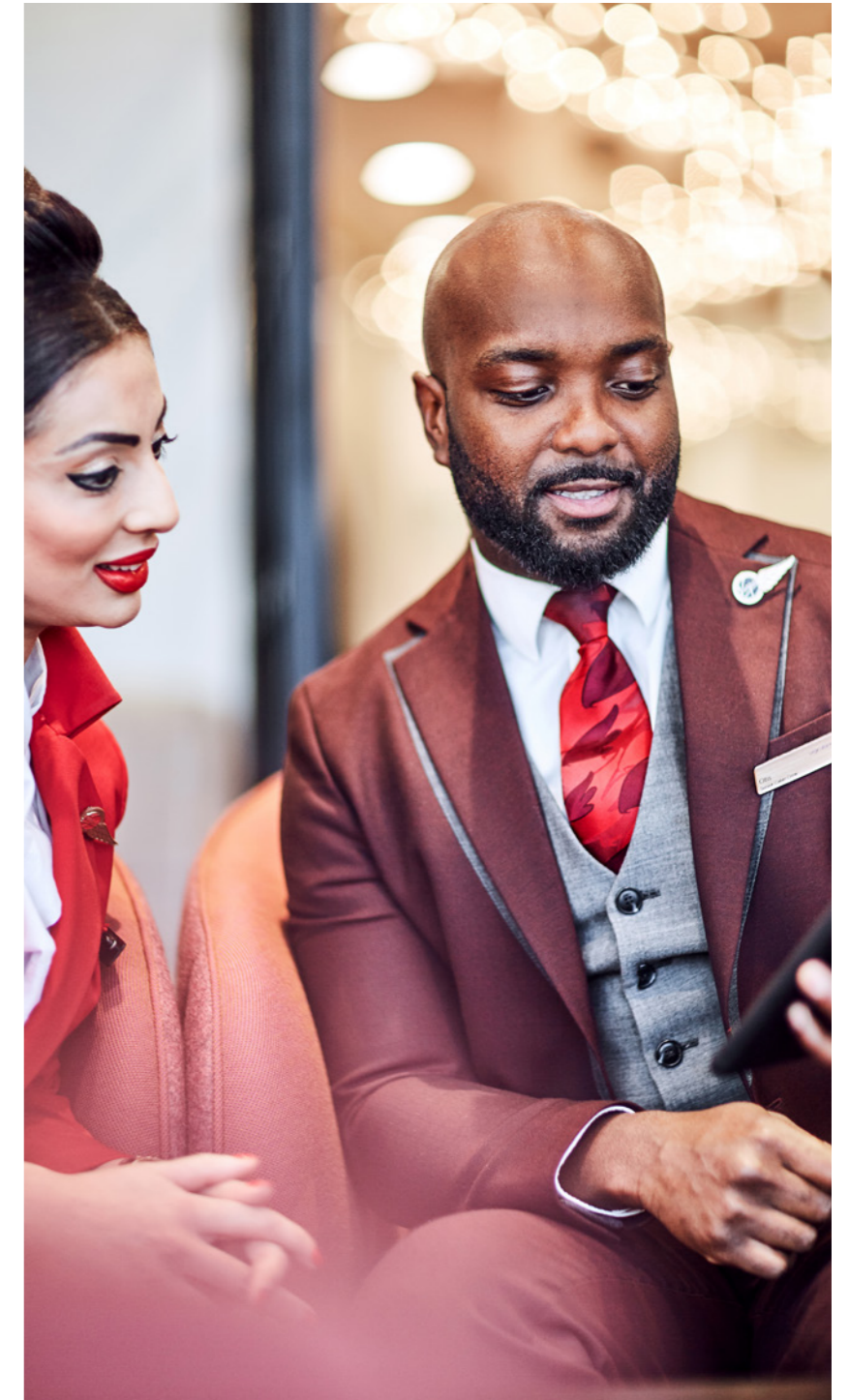
In our holiday company supply chains, the focus is on the hotels we partner with. Since 2005 we've contributed to the development and revision of the [Travelife](#) sustainability system for tourism accommodation. This includes sections on labour relations, staff management and human rights (as well as environmental impact). Our suppliers are encouraged to engage in social and environmental sustainability actions through the Travelife scheme or another independent sustainability certification scheme recognised by the [Global Sustainable Tourism Council](#) (GSTC).

We have a team of skilled and experienced resort managers in our destinations and a very visible purchasing team at Virgin Holidays who work with our partners to deliver best practice standards. This means we have a regular presence in our top selling destinations and our people are encouraged and empowered to raise any concerns.

Responding to concerns

Towards the end of 2019 we were alerted to concerns surrounding child labour and working conditions in mica mining in Madagascar and India. Internal enquiries revealed that mica is in use in some of our aircraft paints. In response, the Leadership Team established a cross business team to investigate further with our suppliers. These investigations are ongoing and we are working with our suppliers to ascertain where the mica is sourced from and what safeguards are in place to ensure human rights are protected. Going forwards we will employ the following principles for mica products:

- We will not specify mica paints in future aircraft design.
- Where there is a choice we will select products and suppliers who use synthetic mica.
- With existing products and suppliers we are seeking clarification on their knowledge and management of their mica supply chain and, where appropriate, we are encouraging steps be taken to improve worker conditions and practices.





Raising awareness across the business

Our teams pride themselves on our people-orientated approach to business. Our people engage with our customers and suppliers every day, so it's important that our teams recognise the signs of modern slavery and know how to report their concerns. Onboard our flights, the potential for human trafficking continues to be a concern and we are equipping our people with the knowledge and skills to identify this. In terms of our supply chains our contract managers, designers and buyers, resort managers and frontline staff are trained to uphold human rights standards.

On human trafficking

In 2019 we continued to promote our procedures for reporting potential human trafficking incidences on our flights. Posters and infographics that describe the signs to watch out for and the procedures to follow are displayed at our airport crew gatehouses. These infographics can be viewed in our 2018 Modern Slavery Statement on our sustainability [website](#).

A priority for 2019 was to implement human trafficking training for our cabin and flight crews. This classroom training was developed during 2018 to be part of our recurrent training programme. It was delivered throughout 2019 and we successfully trained all our flight and cabin crew. The course aims to give our crew the confidence to act when they have concerns about human trafficking, and to know how to report their observations quickly and effectively so appropriate action can be taken. We use the poster infographics we have developed on spotting the signs and reporting procedures, as well as awareness videos and real life stories to create an engaging and empowering session.

We used World Day against Trafficking in Persons (30th July 2019) to highlight our training, and the experiences and actions of some of our crew onboard, through our [Ruby Blog](#). The blog is available publicly and was also promoted to our people through our internal social media platform Workplace.

Speaking up

We welcome and encourage our people to speak up about any concerns around unethical behaviour. Our whistle blowing policy is known as 'Call it Out' and throughout 2018 it supported our people to raise concerns through a global, confidential helpdesk, email address and secure portal. Our people can report any wrongdoing or behaviour they think goes against our policies and values. We also encourage them to do this through their manager. It's important to us that our people feel able to speak up and raise concerns without fear of reprisal or victimisation.



Shai Weiss

CEO
2020

This statement has been made in accordance with the Modern Slavery Act 2015. It constitutes the steps Virgin Atlantic Ltd (Virgin Atlantic Airways and Virgin Holidays) have taken during the financial year 2019 within our business operations and supply chains to help prevent modern slavery and human trafficking.

This statement was approved by the Leadership Team of Virgin Atlantic Airways Limited and Virgin Holidays Limited.

Shai Weiss, Chief Executive Officer
June 2020

