

Our 2018 Modern Slavery Statement

We know that forced and compulsory labour, child labour and human trafficking are still unacceptably common across many parts of the world today. While we know that it's a challenging issue to address, we remain fully committed to implementing policies and procedures that aim to prevent all forms of slavery in our business and supply chains, and to meeting the highest standards and best practice according to the UK's Modern Slavery Act 2015. As part of this, we welcome and openly encourage our people to speak up about any unethical behaviour and to raise concerns immediately if they have any knowledge or suspicions of malpractice, or any indication of slavery.



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 of excellent customer service, doing business for good and putting people at the heart of what we do.

In terms of our employment practices, we hire around 97% of our permanent people in the UK using our own internal teams, and we make sure any outside temporary recruitment agencies we use go through the same procurement processes we do. We have companywide policies that address bullying, anti-harassment, equality, diversity and respect within our business and these are thoroughly applied. We welcome and encourage our people to speak up about any unethical behaviour, wrongdoing or behaviour they think goes against our policies and values.

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. This clearly defines the standards we expect from them in their business operations with us as well as in dealing with their own

suppliers. In 2018 we successfully performed a complete review of this policy, strengthening our minimum requirements and clarifying certification schemes and practices we expect our suppliers to embrace. In 2018 we also became members 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.

In 2018 we focused on refreshing and promoting our procedures for reporting potential human trafficking incidences on our flights. We liaised with Border Force, International Air Transport Association (IATA), airports and peers to establish reporting procedures for both UK and USA bound flights. We used World Day against Trafficking in Persons to start a full week of awareness raising, using all of our business digital channels including WorkPlace, our business social media site. A priority for 2018 was to develop training for our cabin and flight crews and this has now been incorporated into their recurrent training timetable. This classroom training will be delivered throughout 2019.



Our business



Our purpose is to embrace the human spirit and let it fly. We have a simple goal. By being uniquely Virgin Atlantic we want to be the travel company most loved by our customers. We are achieving this through realising the full potential of our joint venture with Delta Air Lines, maximising opportunities with Virgin Holidays, as well as empowering our people with the right skills and tools to deliver that unique Virgin Atlantic experience.

Our international cargo division is committed to delivering unrivalled consistency and reliability for customers across the globe. The offering spans general freight, express courier, automotive, pets, perishables and pharmaceuticals to over 500 destinations.



Built on a belief that everyone can take on the world, Virgin Holidays gives aspiring adventurers the confidence to make their holiday dreams real.

By offering a differentiated experience and a brand that's known and trusted as the consumer champion, Virgin Holidays continues to be a leading tour operator to the US and Caribbean, as well as offering holidays to other popular long haul destinations.

Our employment practices

In 2018, 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 just over 1,100 people worked at Virgin Holidays. We hire approximately 97% of our permanent people 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.

Our number one priority continues to be the safety and security of our people and customers. The nature of the airline industry means we need to be very thorough in our recruitment processes. The referencing standards that we follow meet, and in a number of areas exceed, the standards set by the UK Department for Transport. 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 people 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, which are strictly applied.

We continue to develop and improve our codes of practice, procedures, requirements and monitoring processes to address issues of human rights. We regularly review our policies to make sure they remain up to date and fully compliant with modern slavery legislation.



Sustainable procurement

Context

We buy products and services from over 4,500 suppliers in 90 countries worldwide. Typically, 44% of our external spend is concentrated in Europe, with 38% in the UK alone. A further 40% of spend is in the Americas, with the remaining 16% split across Asia Pacific and Africa.

Our standards

Our Responsible Supplier Policy is based on international standards of basic human rights, such as those set by the International Labour Organisation (ILO) and the UN Universal Declaration of 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 2018 we performed a full review of our Responsible Supplier Policy, ensuring continuing alignment with the above international standards and our business needs. This included strengthening our minimum requirements, clarifying critical areas and promoting certification schemes. We also 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 from 2019.

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 employees.
- 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.
- 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 personnel 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 revised policy can be found [here](#).



The steps we're taking

We review the potential risks of modern slavery in our supply chains based on the following three key criteria. In this way, we can prioritise and concentrate our actions to best effect.

1. The top 80% of our suppliers based on the value of spend.
2. Geographic risk relating to where our suppliers are based.
3. Product risk relating to the suppliers of certain types of products and services considered to be a higher risk for slavery.

To further develop and improve our existing supplier assessment practices, in 2018 we began working with a new partner EcoVadis who offers a collaborative platform and service to assess and encourage suppliers' sustainability performance. We used the above criteria to select suppliers for assessment, with a particular focus on 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 well with our Responsible Supplier Policy and supports our efforts to better understand and tackle human rights and environmental risks in our supply chain. We trained and supported our supplier managers for the selected suppliers on how to progress the EcoVadis assessment and recommendations in their supplier

meetings. We will continue working with EcoVadis through 2019 to engage with more suppliers and grow our understanding of our supply chain performance. As well as working with individual suppliers on improvement areas, we will also assess improvements that can be made within our supplier management approach and procedures.

Since we partnered with the Sustainable Restaurant Association (SRA) in 2012, we've also 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 2018 audits showed that 63% of our flights are served by caterers who met all of these criteria, and we're continuing to work each year to drive ongoing, further improvements in this area.

For our holiday company, our most material issue is supply chains, and in particular the hotels we contract. 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). In 2018, based on our assessment of publicly available information, we established that more than 25% of our hotels currently have GSTC recognised certification and we will use this baseline to actively improve this uptake each year from now on.

We have a team of skilled and experienced resort managers in our destinations and a very visible purchasing team at Virgin Holidays who travel frequently. This means we have a regular presence in our top selling destinations and our people are encouraged and empowered to observe and raise any particular concerns.

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 everyone can recognise the signs of modern slavery and know how to report their concerns. Onboard our flights, the potential for human trafficking is a concern, while in terms of our supply chains our contract managers, designers and buyers, resort managers and frontline staff need to understand how to uphold our human rights standards.

On human trafficking

In 2018 we focused on refreshing and promoting our procedures for reporting potential human trafficking incidences on our flights. We liaised with Border Force, IATA, airports and the Modern Slavery Helpline to establish reporting procedures for both UK and USA bound flights. We created infographics to describe the signs to watch out for and the procedures to follow. The infographics were used to make posters for our airport crew gatehouses and displayed on TV screens and computer wallpaper across the business. We used World Day against Trafficking in Persons to start a full week of awareness raising, using our business digital channels including WorkPlace, our business social media site. Posts throughout the week used different methods to engage our audience, including awareness films from IATA and other industry bodies; informative and challenging websites such as 'How many slaves work for you?'; and personal videos from Virgin Atlantic's CEO and Virgin Holidays' Managing Director.

A priority for 2018 was to develop training for our cabin and flight crews that would be incorporated into their recurrent training timetable. Our aim was 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 used the 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. This classroom training will be delivered throughout 2019. Initial feedback has been very positive on the content and importance of the sessions.

Potential signs of human trafficking



On working with suppliers

During 2018 we developed new training material to inform our people about modern slavery. We have refreshed our induction training, called First Date, which introduces our new joiners to our company, brand and values. This training includes an introduction to our sustainability programme Change is in the Air and the importance of tackling modern slavery. We also signpost to further information so that people can find out more.

Since all departments are involved in buying, our procurement and sustainability teams have worked closely together since 2012 to develop special cross departmental training, materials and other resources on sustainable supply chains for our business teams. These workshops are designed to: raise awareness of the human rights, environmental and animal welfare issues that occur in supply chains around the world; promote transparency; and encourage our teams to raise key issues and improve practices with our suppliers, especially where new contracting opportunities arise, as this is a good time to negotiate improvements. In 2018, we held a workshop for Virgin Holidays' destination managers to raise awareness of their role in identifying issues and how to manage and report them.

Throughout 2018 we have also consulted and collaborated with experts, colleagues and partners to understand the issues relevant to modern slavery, as well as different management approaches. This has included a leading role in the IATA CSR working group;

attending quarterly supply chain sustainability meetings with colleagues from other Virgin companies; and attending industry conferences and workshops.

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 raise concerns without fear of reprisal or victimisation.

Governance

We agreed priority work streams for 2018 with our Leadership Team and internal business leaders were assigned to sponsor the different activities. Vice Presidents were nominated to be responsible for delivering these work streams during 2018 with specialist guidance from the sustainability team.



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 2018 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.

A handwritten signature in black ink, appearing to be 'Shai Weiss'.

Shai Weiss, Chief Executive Officer

June 2019