

Responsible Supplier Policy

Background

Virgin Atlantic and Virgin Holidays work together through our Sustainability Centre of Excellence to deliver our Change is in the Air sustainability programme. We have a strong emphasis on reducing our environmental impact, better managing our supply chains, and otherwise improving lives around the world. Learn more about our full programme here www.virginatlantic.com/changeisintheair.

The products and services we buy are an essential part of our objective to do business for good. In a cycle of continual improvement:

- We source goods and services in a way that treats the people we work with (directly and indirectly) with respect and dignity.
- We support practices that minimise damage to the environment and natural resources on which we all depend.
- We promote positive animal welfare standards.

To do this, we ask our suppliers to comply with our Responsible Supplier Policy and practices. This policy lays out the standards that we expect from our suppliers. These are in line with meeting international standards on basic human rights, such as the International Labour Conventions and the UN Convention on Human Rights, and legislation against human enslavement, such as the UK Modern Slavery Act, as well as addressing key environmental and animal welfare challenges.

Our Commitment

The people in our business with responsibility for procurement and supplier management are provided with training and support in sustainable procurement practices. The sustainability criteria outlined in this policy are built into our procurement process, from sourcing and selection, to contract award and ongoing contract management. Over time these will increasingly become a pre-requisite for all our suppliers. We encourage all suppliers to proactively work to improve practices in relation to these principles, in order to secure new and ongoing contracts with us. We know it's not always straightforward, but we do expect openness and transparency in our relationships with our suppliers. We support continuous improvement with suppliers who need help in any area of this policy. Ultimate responsibility for this policy is held by our Vice President of Procurement with full endorsement by our Chief Executive Officer.

Your commitment

We ask our suppliers to commit to the following:

- To embrace the policy and assign a senior member of the business to promote skills and compliance.
- To set up a documented monitoring process to verify standards are met and continually reviewed to ensure compliance, with a process for corrective actions to be set up and followed through.
- To look to impose a policy of similar or higher standards on their own supply chains, including any sub-contractors they work with. The expectation is that each supplier in the supply chain will monitor their own compliance with a view that Virgin Atlantic or Virgin Holidays will be able to meaningfully audit any tier in the chain if this is required.
- To make their workforce (including those not directly employed by the Supplier i.e. agency staff, contractors and subcontractors) aware of the policy or the supplier's own policy, if this is to a higher standard, and provide them with the appropriate training and skills to continually improve the supply chain.

Minimum requirements

We expect all suppliers to meet all requirements in this section. For some suppliers, certain certifications or standards may be minimum requirements (see following sections) and these would be communicated by the supplier manager.

People

- Suppliers should provide safe and fair working conditions for their employees. Standards should, at a minimum, meet national laws.
- 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.¹
- 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 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.
- Employees working hours should comply with national laws and industry standards at a minimum. They should have at least 1 day off in 7 on average, and overtime should be voluntary and comply with local working law legislation. Employees should also be given regular breaks.
- Working conditions must be safe and hygienic (bearing in mind any hazards specific to that industry), with access to clean toilets and water for drinking and washing. There should also be access to medical care when needed.
- Employees should receive regular health and safety training and guidance, with clear health and safety procedures for all staff in the workplace, including those specific to their role. A senior representative should hold responsibility for the health and safety of all staff, including emergency procedures, and all accidents should be logged.
- Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- Employees should not be submitted to harsh or inhumane treatment and all disciplinary procedures should be held on record.
- Employees should not suffer discrimination in employment on any grounds including but not limited to: gender, race, age, disability, religion, political affiliation, sexual orientation, medical condition or freedom of association.

Environment

- Suppliers should comply with local and national environmental legislation.
- Suppliers should monitor and reduce the environmental impacts of their business including:
 - Reducing fossil energy and fuel use, electricity use, and associated greenhouse gas emissions.
 - Reducing and recycling waste.

- Ensuring responsible water management, including water saving measures and protection of supply of clean water to communities where these are affected by supplier operations.
- Minimising the use of environmentally damaging chemicals, and ensuring responsible disposal to prevent pollution of land and water sources.
- Preventing negative business impacts on forests, land use, biodiversity and wild life, and ensuring high-value native eco-systems are maintained.

Animal Welfare

- Suppliers of tourist attractions or hotels featuring animals should avoid any form of animal neglect or cruelty and fully adhere to the minimum standards set out in the ABTA Global Guidelines for Animal Welfare.²
- Suppliers of tourist attractions or hotels featuring captive whales and/or dolphins should adhere to the conditions laid out in Virgin Holidays' position on cetaceans and The Virgin Pledge on sea mammals.³

Business Ethics

We have a strict anti-bribery policy and expect our suppliers to uphold high standards of integrity, transparency and governance. At a minimum we expect suppliers:

- To comply with all relevant local laws and regulations.
- Not to be associated with any group that supports acts of violence or terrorism.
- Not to offer, promise, give or receive any bribe or kickback and/or other improper advantage to or from any person, customer or supplier.
- Not to make nor offer, directly or indirectly, any payment, gift or other advantage to a Foreign Public Official with the intention of influencing them and obtaining or retaining an advantage in the conduct of business.
- To adhere to our anti-facilitation of tax evasion policy and not engage in any activity, practice or conduct which would cause an offence to be committed relating to the prevention of tax evasion and/or the facilitation of tax evasion under the Criminal Finances Act 2017.

Priority working practices

As part of our relationship with our suppliers there are priority areas of improvement that we want our suppliers to incorporate in support of doing ongoing business together.

People

- Suppliers should take responsibility for the local community they operate in, maximising social and economic benefits to the local community and minimising negative impacts.
- Where medical conditions such as HIV / AIDS, malaria, hepatitis B etc. are a significant issue, employers should raise awareness to their employees on the risks of these medical conditions and assist in providing access to education, treatment and medication where possible. Employers should not subject employees to mandatory testing or ask employees to disclose their medical status.
- Employers should not subject employees to mandatory pregnancy or virginity testing or questioning.

Environment

- Suppliers should have an environmental management system in place, whereby relevant, material environmental impacts are monitored and steps are taken to significantly reduce these.
- For all onboard products, suppliers should help us to minimise fuel use and carbon emissions by providing us with lightweight products and packaging (without detriment to the safety or security of that product).
- Suppliers should consider the full life cycle of products during design and packaging by aiming to (in order):
 - Reduce material, to reduce both weight and waste
 - Source all materials from sustainable, renewable or recycled sources.
 - Provide durable products that allow for re-use wherever possible
 - Ensure material can be recycled (providing clear labelling to show the recycling route)
- Suppliers should remove or reduce all single use items wherever possible (including, but not limited to plastics), and where alternative materials are used they should come from recycled or otherwise verified sustainable sources.
- Suppliers are required to ensure products associated with high rainforest destruction risk (i.e., made from, or consisting of, beef, leather, paper, wood, soy, palm oil or biofuels) are responsibly sourced through transparent supply chains with the appropriate independent certification.
- All goods and services should be as resource efficient as possible, e.g. energy efficient lighting and appliances, fuel efficient cars, renewable electricity or low water use appliances.
- Suppliers should help us reduce the carbon footprint of our products through effective management and reduction of their own carbon footprint through:
 - Utilising efficient manufacturing processes, and by using materials which do not require excessive energy to extract or produce.
 - Using local suppliers and running efficient logistical systems that reduce transport of our customers, staff and products as far as possible, to reduce both carbon emissions and local air pollution.
 - Responsible waste reductions and recycling within their business

Towards independently verified practices and standards

We value third party verified assessment and certification schemes, standards or equivalent which address the above issues. For some suppliers this may be a minimum requirement, and in all cases we want our suppliers to aspire towards the recognised independent assessments, standards and best practices relevant to their business, such as:

- SA8000 is an auditable certification standard that encourages organizations to develop, maintain, and apply socially acceptable practices in the workplace <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=1689>.
- Ethical Trading Initiative (ETI) Base Code is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practices <https://www.ethicaltrade.org/eti-base-code>.
- Fairly traded certifications for high-volume products such as coffee, tea, sugar and cocoa and include FairTrade www.fairtrade.org.uk, Rainforest Alliance www.rainforest-alliance.org and UTZ www.utz.org.
- Accommodation providers should work towards a certification of a sustainability standard recognised by the Global Sustainable Tourism Council (GSTC) or equivalent www.gstccouncil.org.

- Certification for products associated with avoidance of rainforest destruction include Certified Sustainable Palm Oil (CSPO) www.rspo.org and Roundtable for Responsible Soy (RTRS) www.responsiblesoy.org and the Roundtable on Sustainable Biomaterials: <https://rsb.org>.
- All paper / wood products should be either made from recycled or other sustainability-certified source, i.e. Forest Stewardship Council (FSC) www.fsc-uk.org.
- Farmed fish should be sourced from Aquaculture Stewardship Council (ASC) www.asc-aqua.org, Best Aquaculture Practices (BAP) certification or equivalent www.bapcertification.org.
- Wild caught fish should be sourced from Marine Stewardship Council certification or equivalent www.msc.org.
- For all farmed meat, poultry and fish, suppliers should aim for equivalence with the UK's RSPCA Freedom Food Standards www.berspcaassured.org.uk/rspca-welfare-standards.
- As participants of CDP (formally called the Carbon Disclosure Project) we encourage suppliers to report to the CDP www.cdp.net.
- We may require some of our suppliers to provide us with annual information on their sustainability performance associated with the products and services they supply to us, either directly or through a third party assessment provider.

Additional information

The documents below can be used to add additional context and detail to the requirements in this policy:

1. ILO declaration of fundamental principles and rights at work https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_467653.pdf
2. ABTA Global Guidelines for Animal Welfare www.abta.com/industry-zone/raising-standards-in-the-industry/animals-in-tourism.
3. Virgin Holidays' current position on cetaceans www.virginholidays.co.uk/cetaceans and the initial Virgin Pledge made in 2014 www.virgin.com/virgin-unite/leadership-and-advocacy/the-virgin-pledge-on-sea-mammals.

We reserve the right to modify this policy. It is the suppliers' responsibility to check for any updates. We will post notice of modification at <https://www.virginatlantic.com/gb/en/sustainability/resources.html>