

Our 2016 Modern Slavery Statement



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

What we do, at a glance

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

In terms of our employment practices, we hire around 95% of our permanent people in the UK using our own internal teams. We also make sure that our outside temporary recruitment agencies go through the same procurement processes we apply. 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 always speak up about any unethical behaviour, wrongdoing or behaviour they think goes against our standards.

With our supply chains, we 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 agree to our Responsible Supplier Policy, which clearly defines the standards we expect from them within their own businesses and in dealing with their suppliers. And we've joined Sedex (the Supplier Ethical Data Exchange), a scheme that helps companies to understand, assess, audit, share and improve supplier labour practices, environmental performance and business ethics.

We've also taken a deeper dive in a number of business areas. For example, our In Flight Services team has been working with leading food specialists, the Sustainable Restaurant Association (SRA), for a number of years, to improve the standards of our onboard food and drink. All our caterers worldwide are required to work towards our comprehensive product principles. You can read more on all of this over the next few pages.

Our business



At Virgin Atlantic Airways, we're focused on our purpose to 'embrace the human spirit and let it fly'. Which is exactly what our entrepreneurial founder Sir Richard Branson was aiming to do when he launched Virgin Atlantic in 1984 with a single aircraft. We now have a fleet of 39 aircraft and were awarded Europe's Leading Airline to North America for the third year running in the World Travel Awards.



Our Virgin Holidays' teams have been arranging holidays since 1985 and now offer holidays around the world, including in the USA, Far East, Indian Ocean and South Africa, as well as a well established ski programme. We were voted Best Large Holiday Company to the USA, Canada and the Caribbean for the sixth consecutive year at the British Travel Awards.

In 2016



341,000

We arranged 341,000 Virgin Holidays customer experiences in over 45 destinations



5.4 million

We flew 5.4 million customers to 26 destinations in the US, Caribbean, Africa and Asia



9,300

People employed across our airline and holiday company

Our employment practices

In 2016, there were just over 9,300 people working at Virgin Atlantic, 4,000 of those were flight and cabin crew and over 95% were based in the UK. We hire roughly 95% of our permanent people in the UK using our own internal teams. We also use outside agencies for some permanent roles (about 5% of our overall UK recruitment). Our number one priority is the safety and security of our staff and customers and the nature of the airline industry means we need to be very thorough in our recruitment process. 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 to provide details of their employment history for the last five years, as well as a Basic Disclosure Certificate, known as a Criminal Record Check and we check all original passports. Working with recruitment agencies is also governed by our own procurement process, including our 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 at Virgin Atlantic Airways and Virgin Holidays. We have companywide policies that address bullying, anti harassment, equality, diversity and respect within our business, which are strictly applied.

It's important that we keep developing and improving our codes of practice, procedures, requirements and monitoring that addresses issues of human rights. We're continually reviewing our policies to make sure they're up to date and fully in accordance with modern slavery legislation.

Sustainable procurement

Our airline buys products and services from over 4,000 suppliers in 90 countries worldwide. Typically 67% of our external spend is concentrated in Europe with 58% in the UK alone. A further 27% of spend is within North America, with the remaining 6% split across Asia, South America and Africa. Our holiday company sells holidays worldwide, with our most popular destinations being the USA and the Caribbean. Our supply chain includes over 2,000 accommodation suppliers, ground handlers and bed banks.

Our standards

In a cycle of continual improvement, in 2016 we reviewed and refreshed our Responsible Supplier Policy. Our 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, as well as to support practices that minimise damage to the environment and the world's natural resources.

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:

- Suppliers must not use child labour (defined as anyone under 15 years of age, or that agreed by local legislation, if this is higher);
- Suppliers must not use forced, bonded or compulsory labour;
- Employees should be free to choose to work for an employer and be free to leave after reasonable notice is served. Suppliers must not hold or retain employees passports or other identity/travel documents in an attempt to restrict freedom of movement;
- Employees should be paid a fair wage – if a minimum wage exists within the country, employees must as a minimum receive this, but ideally they should be paid a living wage, defined as one which meets the basic needs for an employee and their family, or as defined within the country of operation;
- Employees must be paid in money rather than through payment in kind.

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

The steps we're taking

We review the potential risks 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.

In 2016, we maintained our membership of Sedex (the Supplier Ethical Data Exchange). Sedex is a non profit membership scheme that helps companies understand, assess, audit, share and improve supplier working practices, business ethics and environmental performance. Through Sedex suppliers are encouraged to submit information on their working conditions and independent audits straight into a central resource. This is then shared with buyers like us, providing insights on what they've done to protect people's human rights in factories around the world.

Several of our 'tier 1' suppliers who we dealt with directly in 2016 already used Sedex to help monitor their supply chains, including our onboard amenity kit and headset refurbisher and our group uniform supplier. Through Sedex, they can obtain independent onsite supplier audits, monitor performance and progress, and work with their suppliers on continuous improvement of their people standards. Sedex will help us gather evidence from more suppliers on the practices we demand in our Responsible Supplier Policy.

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 the 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). Following the updates to our Responsible Supplier Policy in 2016, 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.

In addition to a team of skilled and experienced resort managers in our destinations, we also have a very visible purchasing team at Virgin Holidays who travel frequently. We therefore have a regular presence in our top selling destinations and our people are well placed to observe and raise any concerns. As part of our due diligence procedures, our audit team reviewed Virgin Holidays ground operations throughout 2016 to make sure we were complying with legal and contractual requirements. Should issues be identified, further investigations are carried out and steps are put in place to address the situation.



Inflight services: our onboard food and drink

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. All our caterers worldwide are required to work towards our detailed sustainability people, environmental and animal welfare criteria (summarised below), provide a statement of assurance that they meet these standards, and confirm compliance through an annual SRA audit.

Our product sustainability criteria are:

- The farmers who grow the food we serve get fair terms of trade and good working conditions;
- The catering staff that cook and deliver the food we serve enjoy internationally recognised rights at work;
- The farming of the products we buy supports biodiversity and doesn't contribute towards deforestation;
- The fish and seafood we serve is from sustainable sources;
- The animal products we serve – meat, dairy, eggs or fish, come from livestock that has been treated humanely;
- The caterers that we work with are committed to a process of continuous sustainability improvement in their products and business operations.

Our caterers' progression is also measured by a star rating, which is a combination of their own business practices and assessment against the above product principles. In 2016, 57% of our flights were covered by caterers with a minimum one star rating. Gate Gourmet UK, who served more than 50% of our flights, were first to comply fully with our product standards and achieved a two star rating in 2016. All of our caterers also improved their product principle ratings in 2016, indicating real progress in our collaborative effort to enhance supply chain sustainability standards. And as there are a very limited number of airline caterers in the world, our efforts are also having a positive impact on the wider industry.

Raising awareness across the 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, whilst 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 sustainability standards.

On human trafficking

In 2016, our company training continued to incorporate web based Learning and Development which is available to all our people and includes a module on human trafficking. This was developed by the UK Border Agency specifically for the airline industry, and has been available since 2011. We're reviewing this course and others to make sure we promote uptake and best practice in preventing modern slavery.

On working with suppliers

Since 2012, our procurement and sustainability teams have worked closely together to develop special cross departmental training, materials and other resources on sustainable supply chains for our Virgin Atlantic teams. These resources have been available to anyone involved in designing and buying products and services across our different business areas. They've been designed to: raise awareness of the people, environmental and animal welfare issues that occur in supply chains around the world; promote transparency; and encourage improved practices, especially where new contracting opportunities arise. We're now reviewing and refreshing these resources, to highlight our business values and commitments to our teams, and to make sure that we further promote ownership, awareness and action on modern slavery issues.

Speaking up

We welcome and encourage our people to always speak up about any unethical behaviour. Our whistle blowing policy is known as 'Call it Out' and throughout 2016, it supported our people to raise concerns through a global, confidential helpdesk, email address and secure portal. Here, our people can report any wrongdoing or behaviour they think goes against our standards. We also make it easy for them to do this through their Manager. It continues to be important to us that our people feel able to raise concerns without fear of reprisal or victimisation.



This statement has been made in accordance with the Modern Slavery Act 2015. It constitutes the steps Virgin Atlantic (Virgin Atlantic Airways and Virgin Holidays) have taken, during the financial year 2016, 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 read 'Craig Kreeger'.

Craig Kreeger
Chief Executive,
Virgin Atlantic

June 2017