

# Our 2017 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 remain 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, 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 always 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 agree to our Responsible Supplier Policy, which clearly defines the standards we expect from them within their businesses and in dealing with their own suppliers. In 2017, we also continued our membership of Sedex (the Supplier Ethical Data Exchange), a scheme that helps companies to understand, assess, audit and share information to improve supplier labour practices, environmental performance and business ethics.

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 people involved in designing, buying and contracting with suppliers. In 2017, we successfully reviewed, refreshed and delivered a range of workshops designed to: raise awareness of the people, environmental and animal welfare issues that occur in our supply chains around the world; promote transparency; and encourage improved practices, especially where new contracting opportunities arise.

## Our business



As an airline 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, Inc (Delta), maximising opportunities with Virgin Holidays, as well as empowering our people with the right skills and tools to deliver that unique Virgin Atlantic experience.



**5.3m**  
Passengers flown this year



**NPS**  
Net promoter score improved by 5pts year on year



As a holiday company, we believe that ‘everyone can take on the world’, and at Virgin Holidays we give aspiring adventurers the confidence to make their holiday dreams real. Offering a differentiated experience and a brand that’s known and trusted as the consumer champion, Virgin Holidays is a leading tour operator to the US and Caribbean, as well as offering holidays to other popular long haul destinations.



**Customers**  
397,000 in 2017, 1.5% growth year on year



**NPS**  
Score increased by 3pts year on year reflecting higher customer satisfaction

## Our employment practices

In 2017, there were just over 9,800 people working at Virgin Atlantic, with 97% 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). The majority of our international staff are based in the USA, and 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 staff and customers, and 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, 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 both 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.

We’re continuing to develop and improve our codes of practice, procedures, requirements and monitoring that address issues of human rights. We’re continually reviewing our policies to make sure they remain up to date and fully compliant with modern slavery legislation.

## Sustainable procurement

Our airline buys products and services from around 3,500 suppliers in 90 countries worldwide. Typically, 62% of our external spend is concentrated in Europe, with 54% in the UK alone. A further 26% of spend is within North America, with the remaining 12% 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 holiday supply chain includes over 2,000 hotels, ground handlers and bed banks.

### 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, as well as to support practices that minimise damage to the environment and the world's natural resources, and to support animal welfare.

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 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 2017, we maintained our membership of Sedex (the Supplier Ethical Data Exchange). Sedex is a non profit membership scheme that helps companies understand, assess, audit, and share information to 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 human rights in factories around the world.

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 Fairtrade products, 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 programme's achievements have been recognised in 2018 by the World Travel and Tourism Council with an Innovation Award.

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). 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.



## 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, 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 standards.

### On human trafficking

In 2017, we refreshed our e-learning module on human trafficking, which is available to all our people on our web based Learning and Development. This module was developed by the UK Home Office specifically for the port and airport stakeholders and carriers, and covers all forms of modern slavery. Throughout 2017 we have also been liaising with partners in Border Force, the International Air Transport Association (IATA) and airports, to improve our practices and procedures as we continue introducing changes in the coming year.

### 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 teams in Virgin Atlantic Airways and Virgin Holidays. In 2017, we successfully reviewed and refreshed these workshops which 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. Through 2017, we hosted a series of workshops for our senior design, buying and contracting leads and overseas regional managers across a range of departments at Virgin Atlantic Airways and Virgin Holidays. The workshops attracted a high level of participation, discussion and support and helped to highlight and reinforce how we can help improve people's lives around the world by engaging our suppliers in the right way.

Throughout 2017 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 the IATA CSR working group; quarterly Supply Chain Sustainability meetings with colleagues from other Virgin companies; as well as industry conferences and workshops.

### Speaking up

We welcome and encourage our people to speak up with any concerns around unethical behaviour. Our whistle blowing policy is known as 'Call it Out' and throughout 2017, 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 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 established a Working Group on Tackling Slavery with representation from departments across Virgin Atlantic Airways and Virgin Holidays. The group met regularly throughout 2017, to discuss issues, agree priority activities, and review progress across the business.



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 2017, 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.



**Craig Kreeger**  
Chief Executive,  
Virgin Atlantic

June 2018

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