

# Modern Slavery Statement FY23



australia  
group



### Acknowledgment of Country

Virgin Australia is proud to acknowledge the Traditional Custodians of the land on which we walk, work, live and fly, and pay our respects to Elders past and present.

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Our structure, operations, and supply chain

Our modern slavery risks

Our actions to address modern slavery risks

Assessing the effectiveness of our actions

# Message from CEO

The 2023 Global Slavery Index indicates that an estimated 49.6 million people around the world are currently living in some form of modern slavery. As Australia's second largest airline group, Virgin Australia recognises the role we can play in combatting the increasing prevalence of modern slavery, both directly within our own sphere of influence and through our contribution to the broader global conversation. We use our Modern Slavery Framework to identify opportunities for improving how we manage modern slavery risks in our operations, and how we can leverage our influence to effect change through relationships with our suppliers, business partners, customers and the public sector.

This is our fourth statement under the Modern Slavery Act. During this reporting period, we continued to focus on strengthening our modern slavery response with targeted programs of work. We partnered with ELEVATE\*, to conduct a risk segmentation analysis of our suppliers, which identified where the highest modern slavery risks exist in our supply chain, and the extent of Virgin Australia's leverage with those high risk suppliers. We also continued our supplier deep dive program through a collaboration with a key IT services provider.

We have affirmed our commitment to respecting human rights which underpins our core value of 'do the right thing' through the creation of our first Human Rights Policy.

\*now known as LRQA.

Our engagement with industry participants continued, including attendance at the Australian Government's Modern Slavery conference, discussions with Anti-Slavery Australia and the Australian Federal Police. We have also continued to improve our awareness and understanding of modern slavery risks in our operations, including through the continuation of face-to-face training for key team members and by implementing changes to our systems and processes for how we collect and record information about our indirect workforce.

Strengthening transparency and oversight of modern slavery risks in our operations and supply chain will continue to be a key focus for Virgin Australia in FY24. Our priorities for this coming reporting period include:

- Enhancing our supplier due diligence program, using the risk segmentation work completed in this reporting period as the basis for further developing our internal capacity, methodology and processes for conducting supplier deep dives and audits;
- Increasing engagement with industry stakeholders to improve awareness of modern slavery risks within the aviation industry;
- Embedding our Human Rights Policy within the organisation by mapping our commitments in the policy to current business processes and procedures and identifying where updates or new processes may be required;

- Expanding our internal modern slavery awareness training program and enhancing how we communicate about modern slavery risks with our team members;
- Continuing to enhance our processes and controls for managing contingent workers to better address potential areas of risk; and
- Building our modern slavery incident response capacity.

We are confident that the foundations we continue to build in our Modern Slavery program will enable us to respond to the shifting regulatory landscape both in Australia and internationally and to increase our active participation in the broader conversation on addressing modern slavery risks. Combatting modern slavery requires collaboration, a commitment to doing the right thing and to taking action in an open and transparent way when modern slavery risks are identified. Virgin Australia recognises the magnitude of the task ahead but remains wholly committed to effecting meaningful change.



**Jayne Hrdlicka**

CEO and Managing Director,  
and Director of Virgin  
Australia Holdings Pty Ltd

7 December 2023



# About this Statement

## Statement on reporting entities

This joint Modern Slavery Statement ('Statement') has been published in accordance with the *Modern Slavery Act 2018* (Cth) (Act). It identifies the steps that Virgin Australia Holdings Pty Ltd ('VAH') and Virgin Australia International Holdings Pty Ltd ('VAIH') and each of the entities that they own and control (including the reporting entities listed in Annexure One) (together, for the purposes of this Statement, 'Virgin Australia Group', 'Virgin Australia' or 'Group') took to identify, assess, mitigate and remediate modern slavery risks in the Group's operations and supply chain during year ending June 2023 ('FY23'). This Statement is made by VAH and VAIH on their own behalf and on behalf of each of the reporting entities set out in Part A and Part B of Appendix One respectively. This report contains forward looking statements. Please read our disclaimer on page 31 for more information.

## Consultation and Approval

### Virgin Australia Group

The Virgin Australia Group is comprised of two separate corporate groups with different governing Boards:

- The Board of VAH is the principal governing Board of VAH and its subsidiaries; and
- The Board of VAIH is the principal governing Board of VAIH and its subsidiaries.

Although the two corporate groups have separate governing Boards, together VAH and VAIH's businesses are managed as an integrated

group with a centralised functional management structure and overarching policies, systems and processes that are applied consistently across their respective operations.

There are a number of owned and controlled entities in Virgin Australia Group, including a number of reporting entities which are listed in the Appendix One.

### Consultation with owned and controlled entities, including reporting entities

As the Virgin Australia Group has a centralised functional management structure, the consultation process included the reporting entities and their owned or controlled entities.

In order to prepare this Statement, the Virgin Australia Group engaged with each of the reporting entities covered by this statement and consulted the entities they own or control (a majority of which have Boards comprised of the same directors). This consultation occurred by the centralised functional management structure that applies to each reporting entity and each owned or controlled entity. The consultation was undertaken with Working Groups, with escalation to the Modern Slavery Steering Committee, which works across all Group entities to address the Group's response to modern slavery through the Modern Slavery Framework. The Modern Slavery Steering Committee is comprised of members from across the Commercial, Corporate Affairs, Sustainability, People and Culture, Ethics and Compliance, Legal, Procurement, and Risk and Audit teams.

## Approval

In accordance with the requirements of section 14(2)(d)(ii) of the Act, this statement was approved by:

- the Board of VAH as the parent entity of the reporting entities set out in Part A of Appendix One on 7 December 2023; and
- the Board of VAIH as the parent entity of the reporting entities set out in Part B of Appendix One on 19 December 2023.

This statement is signed by:

- Jayne Hrdlicka in her role as Chief Executive Officer and a Director of the Board of VAH on 7 December 2023; and
- Graham Bradley in his role as Chairman of the Board of VAIH on 19 December 2023.



**Jayne Hrdlicka**

CEO & Managing  
Director of VAH

7 December 2023



**Graham Bradley**

Chairman of the  
Board of VAIH

19 December 2023




# Review of FY23

## Progress on key commitments


Our current five-year Modern Slavery Road Map outlines the key commitments we made for this reporting period. In developing our annual plan for FY23, we created a series of targeted initiatives that considered both these commitments and the opportunities created by our FY22 actions.

We understand the importance of being able to track the effectiveness of our actions against longer term commitments, while balancing the need to shape and evolve our planning as the modern slavery landscape shifts and opportunities for deeper engagement present themselves.











We also understand the importance of continuous improvement and may expand our road map to include additional actions where appropriate. We describe our approach to further developing our Modern Slavery Road Map and tracking the effectiveness of actions on page 29.



**On track and ongoing**



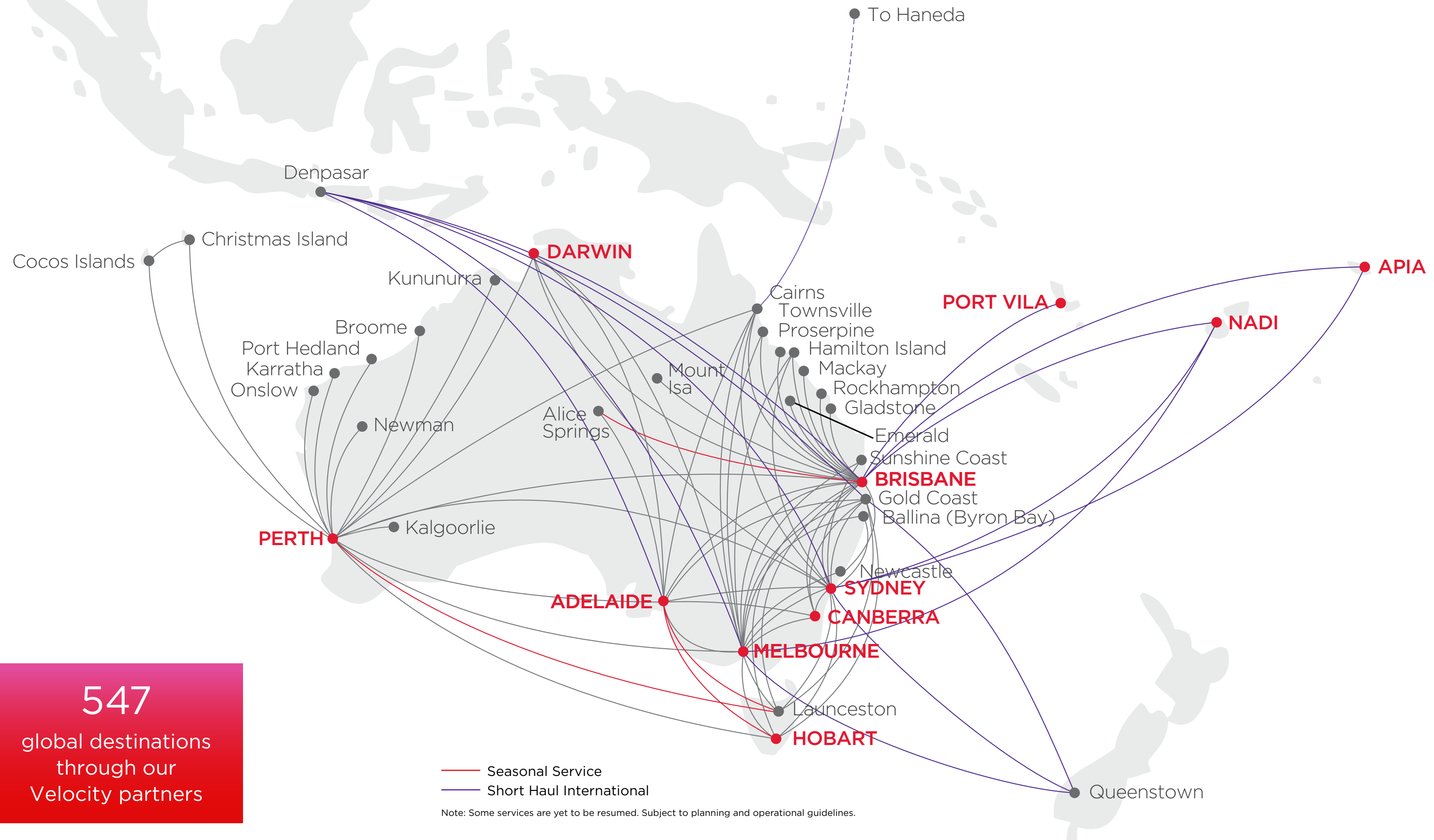
**Completed**

COMMITMENTS	STATUS	COMMENT
<b>MANAGING MODERN SLAVERY RISKS IN OUR OPERATIONS</b>		
Drive compliance with workplace rights across our extended workforce, including through enhanced due diligence and contractor management programs.		<b>Completed:</b> implemented changes to our systems to enable better data collection capability and tracking of our contingent workforce. We will continue to improve our data collection by developing systems to audit and improve reporting and classification of our contingent workforce.
Develop a process to review actions taken and develop KPIs to assess the effectiveness of the Modern Slavery Framework.		<b>Ongoing:</b> KPIs in place and reported on. We will look to develop a Modern Slavery Scorecard to enhance how we measure our performance and progress year on year.
Reinforce Virgin Australia's commitment to respecting human rights.		<b>Completed:</b> developed Virgin Australia's first Human Rights Policy. We will continue our work in this area by implementing a program to operationalise our Human Rights Policy.
Continued targeted awareness training for key stakeholders within the business.		<b>Completed:</b> delivered face to face training for key team members on identifying and managing modern slavery risks. We will look to expand our internal modern slavery awareness training program and enhance how we communicate modern slavery risks with our team members.
Deepen Virgin Australia's engagement with industry participants and identify opportunities for collaboration to manage modern slavery risks in the aviation industry.		<b>Ongoing:</b> planning underway to host a panel discussion on modern slavery risks in the aviation sector in collaboration with Anti-Slavery Australia and the Australia Federal Police (AFP) early next year. Initial meetings held with industry participants regarding potential areas for collaboration.
<b>MANAGING MODERN SLAVERY RISKS IN OUR SUPPLY CHAIN</b>		
Identify other third parties in our supply chain who may operate in or provide services that may be in high-risk areas of modern slavery including airline and Velocity partners.		<b>Completed:</b> phase 1 of the roll out of Virgin Australia's 'Know our Third-Party' due diligence program ( <b>KO3P</b> ).
		<b>Ongoing:</b> enhancing the modern slavery and human rights risk component of the KO3P program by creating a more targeted questionnaire and enhanced contractual controls for mitigating identified risks.
		<b>Completed:</b> conducted a risk segmentation activity with a global business risk and sustainability solutions provider to identify suppliers who have high risks of modern slavery and Virgin Australia's indicative level of leverage to influence change in supplier behaviour.
Engage with selected direct suppliers to identify potential modern slavery and broader labour exploitation risks involved in their provision of goods or services.		<b>Completed:</b> conducted a deep dive analysis of one key supplier in a higher-risk procurement category to identify opportunities for further engagement on modern slavery risks. Going forward, the risk segmentation work completed in this reporting period will be used as the basis to develop our internal capacity, methodology and processes for conducting supplier deep dives and audits.
		<b>Ongoing:</b> using the output of the completed supplier risk segmentation analysis to develop enhanced methodologies for conducting supplier deep dives.



## Structure and operations

Virgin Australia is a Brisbane based, privately owned airline group, operating a domestic and short-haul international passenger airline Virgin Australia, charter and regional flying from our base in Western Australia through Virgin Australia Regional Airlines, a cargo airline business, and a loyalty business, Velocity Frequent Flyer. Virgin Australia includes a number of subsidiaries, including the reporting entities listed in Annexure One.



### FY23 statistics as at 30 June 2023

**585**  
destinations on our global network

**38**  
destinations on our domestic and short-haul international network

**547**  
global destinations through our Velocity partners



During this reporting period, we maintained a strong focus on building resilience in our operations to withstand the ongoing high demand for travel and continued to expand our international footprint through the addition of new routes and international airline partners.

In FY23, our global network included 585 destinations. We serviced 38 of these destinations through our own domestic and short-haul international operations with customers having the choice of a further 547 global destinations available for redemption through our Velocity partners (United Airlines, Singapore Airlines, Virgin Atlantic, ANA, Air Canada, Etihad Airways, Qatar Airways, Hawaiian Airlines, South African Airways, Hainan Airlines, Hong Kong Airlines, Tianjin Airlines, Capital Airlines).

Demand for travel during FY23 remained very strong off the back of border re-openings domestically in the second half of FY22. As confidence returned for domestic travel, we continued to review our network, adding capacity into existing markets and launching new services where we saw the greatest need from our customers. Almost 19.5 million people travelled on the Virgin Australia network during this period.

From a domestic market perspective, capacity restoration ranged between 95-100% across the second half of FY23, recovering to 100% by June 2023. Growth was driven by additional aircraft deliveries which saw our B737 fleet grow to 85 planes, including the arrival of our first B737-8 aircraft at the end of June 2023. There was a strong focus from a planning perspective on optimising capacity during school holiday periods through the year where demand was at its highest.

While demand for international travel initially lagged domestic restoration by 3-6 months, demand continued to build through the year. During FY23, Virgin Australia recommenced operations on six short-haul international (SHI) routes and began operating on an additional three new SHI routes. This resulted in our total number of SHI routes more than doubling from the beginning of the year from six to fifteen. These services include:

- recommencing to Queenstown from Brisbane, Sydney and Melbourne in November 2022;
- recommencing to Apia, Samoa from Brisbane and Sydney;
- recommencing to Port Vila, Vanuatu from Brisbane in March 2023;
- launching a new service to Denpasar, Bali from Adelaide in December 2022;
- launching a new service to Denpasar Bali from Gold Coast in March 2023; and
- launching a new service to Haneda, Tokyo from Cairns in June 2023.

We continue to re-liven our virtual international network and implemented arrangements with three new airline partners during the reporting period. We review modern slavery risks of our partner airlines in accordance with our third-party due diligence program (KO3P), which is discussed further on page 20.

Our Velocity Frequent Flyer program now has over 11.5 million members, up from 10 million in FY22. During this reporting period, Velocity launched its refreshed brand and market proposition.

## Our customers

With an ambition of being Australia’s most loved airline, we continue to provide experiences our guests love with great value fares. Our customers include leisure, corporate, government and charter travellers, air freight customers, and members of our loyalty program Velocity Frequent Flyer.



### FY23 statistics as at 30 June 2023



# Our people

As of 30 June 2023, our workforce consisted of 7,628 direct employees and 5,598 contractors. Our indirect workforce provides support across key functions within the Virgin Australia Group operations, including information technology and other corporate roles, and for our ground handling operations both within Australia and at our international ports.

Our workforce is directly and indirectly employed across multiple locations, with 10,896 people in Australia, and others in countries including the Philippines, Fiji, Indonesia and New Zealand.

A high demand for travel and our ongoing focus on our transformation program saw our workforce continue to grow in FY23, with an employee net growth of 7% during this reporting period.

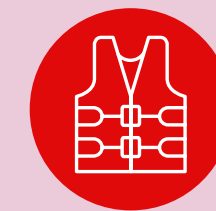
AS AT 30 JUNE 2023	COUNT	% TOTAL WORKFORCE
Employees	7628	57.67%
Male Workforce	3921	51.40%
Female Workforce	3707	48.60%
EBA Workforce	5875	77.02%
Full time employees	5538	72.60%
Part time employees	1869	24.50%
Contractors	5598	42.32%



# Our values

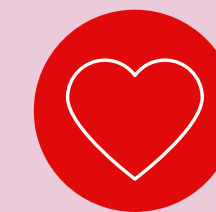
Virgin Australia’s efforts to address modern slavery risks reflects our commitment to living our core values, which represent our Virgin way of working and our Virgin way of being.

At Virgin Australia, one of our four values is doing the right thing. This guides Virgin Australia’s approach to conducting business in an ethical way, and our commitment to acting with integrity in all interactions internally and externally. All team members are expected to uphold Virgin Australia’s values and display behaviours that align with the values every day.



## We put safety first

We put the health and safety of our people, customers and communities above all else.



## We have a big heart

Our customers live at the centre of everything we do.



## We do the right thing

Everything we do for our people, our customers and our community - is done with absolute integrity, always.



## We own it

We’re different and that’s not going to change. We all, in our own way, embody Virgin’s flair and laid back, authentic spirit.





# Our supply chain

As part of our work to manage modern slavery risks, we seek to work with suppliers who do the right thing in order to facilitate our ambition to improve how we identify and manage modern slavery risks in our supply chain.

Over 1,600 suppliers provide Virgin Australia with a range of products, services and facilities both within and external to Australia to support our operations. We engage with our suppliers through varied types of arrangements; from one-off purchases subject to standard form terms and conditions (for example, where products and services are low risk and low value), through to multi-year, large value, strategic partnerships governed by master service agreements and statements of work (for example, with suppliers who provide engineering maintenance services and ground handling at airports).

Virgin Australia operates a hybrid procurement operating model that spans the Source to Pay lifecycle and which is supported by our Procurement and Purchasing frameworks. High value and high-risk Source to Contract initiatives are managed by our Strategic Procurement team. Business users are empowered to self-manage lower risk and lower value engagements utilising a tiered level of support comprising of tools and resources. The Procurement team supports relevant business units to identify procurement requirements, leads commercial negotiations and works with the Virgin Australia Legal function to identify and manage contractual risk in our supplier agreements.

## Data at a glance



The Procurement team seek to manage post execution contractual risk through its Supplier Performance Management Framework. This comprises of a Supplier Relationship Management (SRM) program which focuses on managing relationships with our most critical suppliers, and a broader Contract Management Program for all strategic contracts.

Our supply chain management structure is also supported by our broader contractual governance frameworks and systems, including the Virgin Australia Group Contract Policy, our Delegated Authorities Manual, our Procurement and Purchasing Policy, our Contract Approval Request IT solution and our third party due diligence program (KO3P), which are discussed further on pages 20 and 21.

During the reporting period, our total procurement spend was AU \$1.4 billion, with over 70% of our spend directly procured from suppliers in Australia. We engaged a total of 1,601 direct suppliers located in 37 different countries. Australian suppliers continue to be the largest source of goods and services for Virgin Australia, followed by the United States, Singapore, the United Kingdom and New Zealand. Location of data is based off a supplier’s country of registration and we understand they may be sourcing or operating elsewhere in order to provide us with goods and services

## Top 5 categories of procurement spend

- 
**26% Aircraft fuel**  
 Aviation fuel, oil & lubricants and handling equipment.
- 
**17% Aircraft leasing**  
 Fees payable to aircraft lessors.
- 
**15% Airport fees**  
 Fees payable to airports.
- 
**6% Engineering**  
 Aircraft engineering materials, equipment and consumables and engineering services (including maintenance).
- 
**3% Catering**  
 Food, catering and hospitality supplies and services including – meal preparation, delivery, cleaning and waste management services.



**Our supply chain | Airline Segment** - Virgin Australia procures a wide range of goods and services from third parties to support its end to end operations. The below diagram indicates some of our key third party arrangements, which cover IT systems used to accept bookings from customers, agreements for the purchase of aircraft and on the ground services from airports and ground handlers, agreements with our partner airlines and arrangements that support our inflight services, including catering, cabin fittings and inflight entertainment and connectivity.

**Airport Contracts**

Use of terminals and gate lounges, check-in and bag drop counters, public amenities, baggage reclaim belts, security services, apron areas for aircraft parking bays and flight information display systems.

Use of runways, taxiways, airside roads/grounds, airfield services (lighting), airside safety and security services.

**Supply Contracts**

- Supply of food and beverage services, general management, cleaning and related services to airport lounges
- Provision of engines, parts and related maintenance pursuant to lease agreements
- Supply of ground handling, group support equipment maintenance and repair services
- Supply of avionics equipment and software
- Supply of nose wheel, main wheel and carbon brake and components
- Supply of fuel, cabin cleaning, engine, materials & labour
- Supply of catering, handling and retail on board services

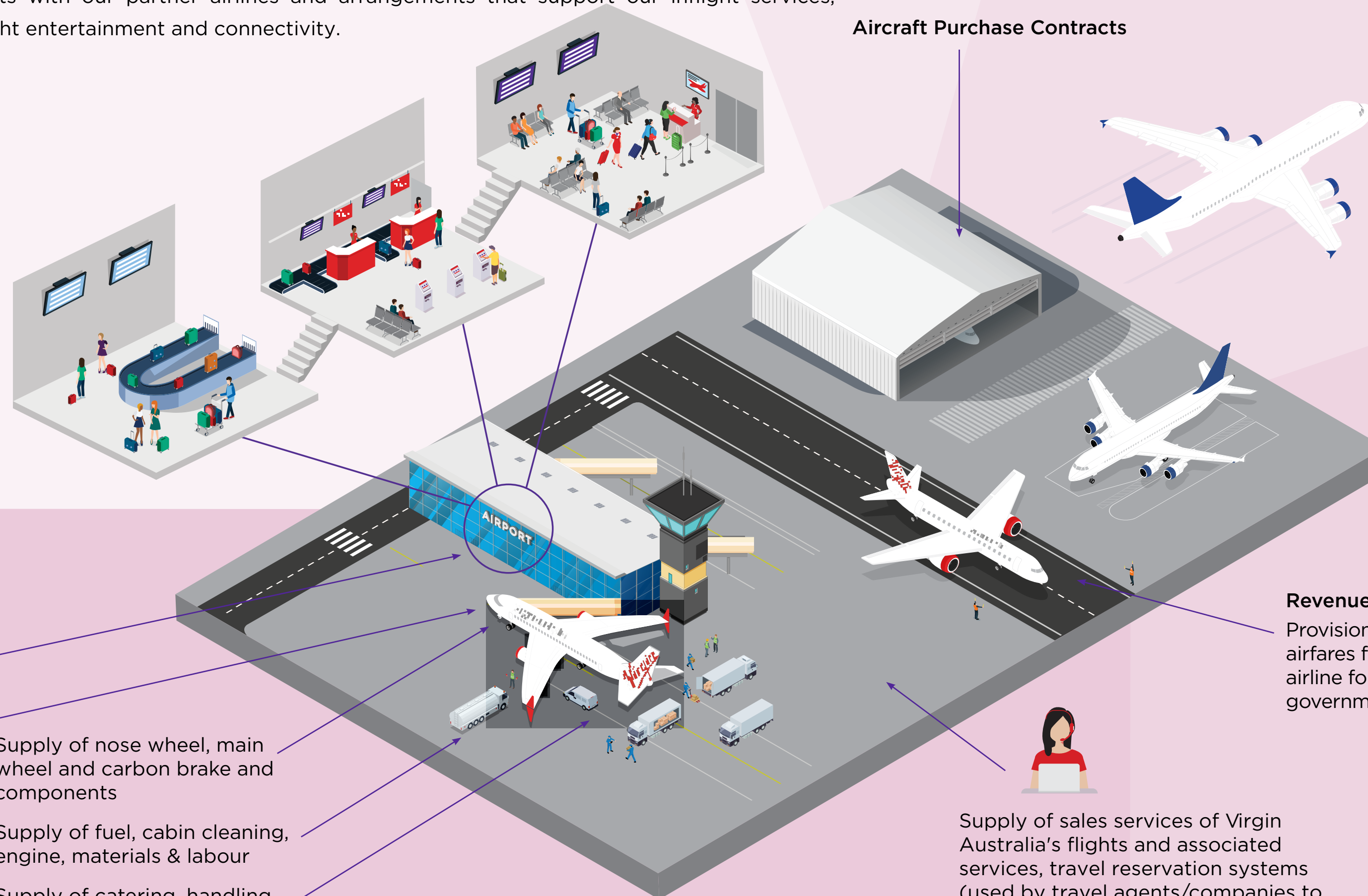
**Aircraft Purchase Contracts**

**Partner Airline Contracts**

**Revenue Contracts**

Provision of discount benefits of airfares for appointment as preferred airline for various companies and government entities.

Supply of sales services of Virgin Australia's flights and associated services, travel reservation systems (used by travel agents/companies to search, price, book flights etc.) and call centre services.



Our supply chain | Loyalty Segment



The UN Guiding Principles on Business and Human Rights (UNGP) expect businesses to respect human rights (including the right to freedom from slavery) through their business activities and business relationships across their value chain. The UNGPs are the authoritative global standard for preventing and addressing business-related human rights impacts, including modern slavery.

In line with the Australian Government's official guidance about the Act, we define modern slavery risks as the potential for an organisation to *cause, contribute or be directly linked* to occurrences of modern slavery. These terms are explained in the box opposite.

Eradicating modern slavery and advancing respect for human rights more broadly is a complex task that requires collaboration across a broad range of stakeholders. We recognise the importance of our role as an airline operating under the Virgin brand with international reach, and we remain committed to further improving our transparency, management and oversight of potential modern slavery risks in our operations and supply chain. We also recognise that modern slavery risks are not static, and it is important for us to continue to monitor risks across our supply

chain and monitor areas of evolving risk.

Our cross border focus and supply chain complexity present a unique set of challenges for identifying and responding to modern slavery risks. This section describes how modern slavery risks can arise, and the steps we've taken to understand the risks that may potentially exist in our own business. We will continue to monitor external reports for updated information around modern slavery risks in our industry and in countries we operate and source from. This includes monitoring global regulatory trends such as:

- The United States' Uyghur Forced Labor Prevention Act and Withhold Release Orders;
- The European Union Directive on Corporate Sustainability Due Diligence;
- The New Zealand Government's proposed Modern Slavery legislation; and
- The Australian Government's response to the three-year review of the Modern Slavery Act.

## Understanding the risks

The UNGPs outline the three ways in which a business can negatively impact human rights – by **causing, contributing to** or being **directly linked to adverse human rights impacts**. We acknowledge our responsibility to avoid causing or contributing to modern slavery and other adverse human rights impacts and to address any potential risks and incidents as they are identified. We also seek to prevent and mitigate adverse human rights impacts such as modern slavery that we identify we may be directly linked to through our business relationships.

### Cause

A business could cause modern slavery where its actions or omissions directly result in the modern slavery harm occurring.

For example, an airline could directly cause modern slavery if it subjects its workers to exploitive conditions that are below the minimum legal standards and meet the threshold for modern slavery.

### Contribute

A business could contribute to modern slavery where its actions or omissions (such as engagement with suppliers) significantly incentivise, enable or facilitate the modern slavery harm occurring.

For example, an airline could contribute to modern slavery if it knowingly imposes conditions such as costs reductions on a supplier which cannot be met by the supplier without exploiting its workers through modern slavery practices.

### Directly linked






A business could be directly linked to modern slavery if its operations, products or services are connected to modern slavery through the actions of another entity it has a business relationship with, such as a sub-supplier.

For example, an airline could be directly linked to modern slavery if it uses disposable cutlery on board its aircraft that is made by a supplier using materials procured from a sub-supplier using forced labour.



## Potential modern slavery risks in our supply chain

In FY22, we conducted a modern slavery risk profile analysis with a human rights specialist, which identified six key areas of concern where Virgin Australia had the potential to be linked to modern slavery. Using the output of this work, the Ethics and Compliance and Procurement teams worked closely to understand how we could improve the consistency with which Virgin Australia categorises products and services we procure, including through the use of standardised terms and definitions within our processes. In turn, we were then able to ensure that the way in which we categorised products and services is aligned to the rollout of our KO3P program, which is discussed further on pages 20 and 21. In addition, we updated our risk profiles to include two additional potential risks in our operations. We did not identify any instances of modern slavery in our supply chain during the reporting period.\* As previously noted, we acknowledge that the risks relevant to modern slavery are constantly evolving and therefore we continue to monitor these risks and our potential involvement.

SUPPLY CHAIN RISKS	RISK DESCRIPTION	POTENTIAL MODERN SLAVERY RISKS
 <p><b>Aircraft components</b></p>	Our aircraft components procurement category refers to the supply of individual parts that are utilised by our Engineering team to service our aircraft.	<p>Virgin Australia could be directly linked to modern slavery in this risk area, including if:</p> <ul style="list-style-type: none"> <li>• Suppliers or sub-suppliers were to use raw materials produced using modern slavery in the manufacturing of aircraft components.</li> <li>• Raw materials or finished components were transported or stored using logistics services provided by third parties with exploited labour.</li> <li>• Repairs and maintenance were to involve sub-contracting for low-skilled labour for some components or associated services such as cleaning and security at aircraft hangars and these workers are exploited.</li> <li>• Recycling of aircraft components for scrap involves the use of exploited labour.</li> </ul>
 <p><b>Fuel</b></p>	Fuel is critical to the supply of our services. We also require fuel-related products, such as oil and lubricants and equipment to load fuel onto aircraft to provide our services.	<p>Virgin Australia could be directly linked to modern slavery in this risk area, including if:</p> <ul style="list-style-type: none"> <li>• Suppliers and sub-suppliers of crude oil were to use exploited labour in sourcing raw materials.</li> <li>• Suppliers and sub-suppliers were to use exploited contract workers in the construction and maintenance of oil and fuel production facilities.</li> <li>• Suppliers and sub-suppliers were to use exploited workers in the transportation of jet fuel to on- and off-airport storage facilities.</li> </ul>
 <p><b>Facility, maintenance and security services</b></p>	Virgin Australia engages with one key supplier, who then subcontracts to several different suppliers for all facility services. These services include cleaning, general maintenance (e.g., electrical, plumbing, grounds, waste removal, fire systems), security and other services.	<p>Virgin Australia could be directly linked to modern slavery in this risk area, including if:</p> <ul style="list-style-type: none"> <li>• Primary contractors engaged by Virgin Australia or their sub-contractors were to use exploited labour to provide facilities management services.</li> <li>• Goods and materials used by primary contractors engaged by Virgin Australia or their subcontractors were produced using modern slavery.</li> <li>• Facilities management providers engaged through airports were to exploit their workers.</li> </ul>
 <p><b>Food and catering</b></p>	We use food and catering services in many different parts of our business: primarily on board our aircraft, but also in our corporate offices and in our Lounges. Our suppliers source fresh produce on our behalf, prepare and serve food and beverages to customers, and provide cleaning services related to food and catering. This procurement category also captures complementary services to the provision of food and catering – for example, the supply of cutlery, napkins and condiments.	<p>Virgin Australia could be directly linked to modern slavery in this risk area, including if:</p> <ul style="list-style-type: none"> <li>• Suppliers and sub-suppliers of fresh produce were to use exploited labour in the harvesting of fruit and vegetables.</li> <li>• Suppliers and sub-suppliers were to use exploited contract workers in the processing and preparation of food products.</li> <li>• Raw ingredients and processed foods were transported using logistics services provided by third parties who use exploited workers.</li> <li>• Manufacturing plants were to use cleaning and security services provided by third parties that use exploited labour.</li> </ul>
 <p><b>Clothing and personal protective equipment (PPE)</b></p>	Virgin Australia procures uniforms for frontline staff, branded merchandise for internal and external use, and personal protective equipment for all team members. The procurement of PPE has increased significantly during COVID-19 (specifically masks and gloves).	<p>Virgin Australia could be directly linked to modern slavery in this risk area, including if:</p> <ul style="list-style-type: none"> <li>• Suppliers or sub-suppliers were to use raw materials produced using modern slavery in the manufacture and production of textiles and garments.</li> <li>• Suppliers or sub-suppliers were to use manufacture textiles and garments using exploited labour.</li> <li>• Raw materials or manufactured textiles and garments were stored using warehousing services provided by third parties using exploited labour.</li> </ul>

\*We recognise that while we have not found instances of modern slavery during FY23, this does not mean that modern slavery has not occurred.



## Potential modern slavery risks in our operations

OPERATIONS RISKS	RISK DESCRIPTION	POTENTIAL MODERN SLAVERY RISKS
 <p><b>Indirect workforce - outsourcing to third-party providers</b></p>	<p>Over 82% of our direct and indirect workforce are based in Australia and New Zealand, resulting in a lowered risk of modern slavery occurring in our operations.</p> <p>However, we are aware that there is an increased risk of modern slavery occurrences for our workforce, which have indirect employment engagements, located in the Philippines, Indonesia and other South Pacific Islands.</p>	<p>Virgin Australia could be directly linked to modern slavery in this risk area, including if:</p> <ul style="list-style-type: none"> <li>• Providers were to engage low-skilled labour to provide cleaning, security or other services for their sites and these workers were exploited.</li> <li>• Providers used third party recruiters which subjected workers to modern slavery practices such as debt bonders.</li> </ul>
 <p><b>Human trafficking</b></p>	<p>Human trafficking is the physical movement of people across and within borders through deception, threats or coercion. Once trafficked, victims are subjected to ongoing exploitation once they reach their destination.</p>	<p>Virgin Australia could be directly linked to modern slavery in this risk area, including if our airline services are used without our knowledge to transport modern slavery victims domestically or internationally.</p> <p>We recognise that these risks are likely to increase as domestic and international travel recovers. We continue to work collaboratively with relevant agencies on this issue.</p>
 <p><b>Direct workforce</b></p>	<p>Our direct workforce is covered by individual employment contracts, modern awards and enterprise agreements, which confer at least minimum pay and entitlements and provide for consultation regarding significant operational changes where appropriate.</p> <p>We recognise the right of team members to negotiate collectively, with or without the involvement of third parties such as unions.</p>	<p>Virgin Australia could be directly linked to modern slavery in this risk area, including if Virgin Australia subjected its workers to exploitive conditions that are below the minimum legal standards and meet the threshold for modern slavery.</p> <p>We recognise that effective controls are necessary to reduce the risk of modern slavery. This is further detailed below under “Our employee and recruitment controls for managing modern slavery risk”.</p>

### Modern slavery risks relating to customers

One form of modern slavery is human trafficking, which refers to the recruitment, harbouring or movement of a person by means including coercion, threat, deception, fraud or abduction for the purpose of exploitation. Once trafficked, victims can be subject to ongoing exploitation, such as through slavery, forced labour, servitude debt bondage and forced labour.

As an operator of domestic and international airline services, Virgin Australia recognises the potential for airline services to be exploited by offenders for the purposes of facilitating human trafficking to, from and within Australia. We work with the Australian Federal Police, Australian Border Force and other relevant government agencies to minimise the risk of human trafficking and help ensure we have appropriate processes and responses in place to address any issues should they be identified.

Our targeted training and awareness program aims to equip frontline team members with the tools they need to recognise indicators of modern slavery, including human trafficking. During FY23, Virgin Australia received one report of a potential modern slavery risk from a Team Member in relation to a concern about a guest travelling on one of our services. In accordance with our Modern Slavery Incident Response Policy, the Team Member reported the concern to the AFP. We are aware that the guest was questioned by the AFP at the time of the incident and that no finding of modern slavery or human trafficking was made, and the guest continued with their travel. Reports of this nature provide an indication of the effectiveness of our Incident Response Policy and supporting processes, and demonstrates an ongoing awareness of the need to manage modern slavery risks in our operation.

We understand that we need to be vigilant as Virgin Australia continues to expand its international network. We are currently exploring opportunities for increased collaboration to address human trafficking and broader modern slavery risks with industry participants with our both our airline partners and other members of Airlines for Australia and New Zealand (**A4ANZ**).



# Our actions to assess and address modern slavery risks

We understand that identifying and addressing modern slavery risks requires a flexible, adaptive approach, underpinned by sound governance, policies and processes. During this reporting period, we continued taking a targeted approach to improving how we identify and address modern slavery risks. Our key focus was on improving our processes for identifying supply chain risks and operational risks and formalising our commitment to respect human rights by developing our Human Rights Policy.

We proactively seek to identify, assess and address modern slavery risks through a set of frameworks and foundational principles.

- **Risk Management Framework:** our enterprise-wide risk management framework guides our approach and sets principles for risk management at the enterprise-wide level.
- **Modern Slavery Framework:** provides direction and a structure for addressing modern slavery risks across our operations and our supply chain.
- **Core areas:** we develop our annual action plans to address our four core areas:
  - Policy and process;
  - Due diligence;
  - Training, awareness and capacity building; and
  - Grievance mechanisms.

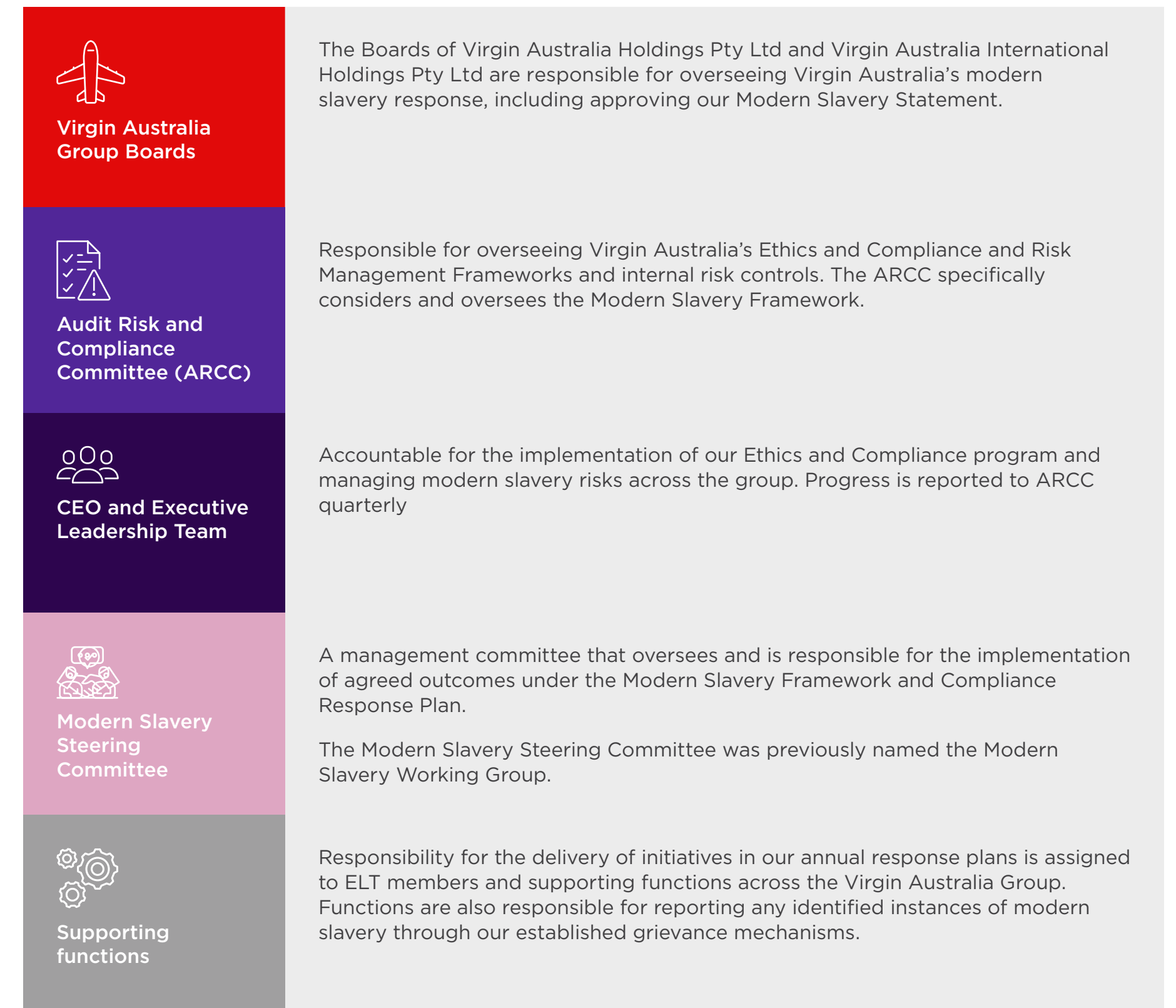
This section of the Statement outlines our governance framework and explains the actions we have taken across our four core areas during this reporting period.

## Governance and accountability

Our modern slavery response is managed through a clear governance framework that allows for an integrated approach to identifying and addressing risks.

Addressing modern slavery risks begins at the top. The Virgin Australia Boards have direct responsibility for the actions taken by Virgin Australia Group companies and our reporting obligations under the Modern Slavery Act, including the approval of our modern slavery framework and annual response plans through the Audit, Risk and Compliance Committee.

The development of our modern slavery response framework and the day-to-day management of our action plans is managed by our Ethics and Compliance team. Initiatives under our action plans are assigned to accountable Executive Leadership Team (ELT) members and supporting functions within their division, with ongoing oversight provided by our Modern Slavery Steering Committee. The Modern Slavery Steering Committee is comprised of our Chief Legal and Risk Officer and Chief Corporate Affairs and Sustainability Officer as well as senior members from our Ethics and Compliance, Legal, Security, Procurement, People, Sustainability and Public Affairs teams. During the reporting period, the Modern Slavery Steering Committee met to review and provide guidance on action items.



## Our Modern Slavery Framework

At the heart of our modern slavery response is our Modern Slavery Framework (see p16 of our FY22 Statement). Comprising of five key pillars, the framework underpins the delivery of our commitments under our five-year road map and the development of our annual response plans.

Each year, we use our risk assessment process to identify gaps in our modern slavery response and how we can address those gaps through the settings that are within our control. A 12-month action plan is then developed by the Ethics and Compliance team in collaboration with key internal stakeholders and is approved by our Modern Slavery Steering Committee.

## Development of our annual modern slavery response plans



### Policies

The Virgin Australia Group has a comprehensive set of policies which help us manage modern slavery and broader human rights risks in our operations and supply chain and set the standards of conduct we expect from our people, suppliers and other third parties we do business with.

Our policies apply across the organisation and are designed to ensure we provide a safe, diverse and inclusive workplace for our team members and third parties we do business with. A number of our policies extend beyond our own organisation and apply to our relevant suppliers and business partners (for example, the Supplier Code of Conduct, the Supplier Commitments and the Whistleblower Policy).

In FY22, we conducted a comprehensive update of our core conduct policies to include modern slavery operational and procedural considerations and controls. During this reporting period, we have worked to embed our updated policies across our Group companies, including by engaging in a targeted communications program across our workplace communication channels to promote awareness of the updated policies.

The UNGPs expect businesses to have in place policies and processes to manage human rights risks, which includes modern slavery risks. This includes making a policy commitment to meet their responsibility to respect human rights. We are very pleased to have developed Virgin Australia's first Human Rights Policy during this reporting period, which together with our

Modern Slavery Incident Response Policy, will form the basis of our commitment to respecting human rights, including responding to modern slavery risks in our business. Further information on the development of our Human Rights Policy is included on page 19.

During the coming reporting period, we will work to embed our Human Rights Policy into our business, including by mapping the commitments we make in our policy to current business processes and procedures and identifying where updates or new processes may be required.

## Our four core focus areas for FY23

During this reporting period, our actions have been focused on continuing to deepen our understanding of potential modern slavery risks in our operations and supply chain, enhancing our due diligence capabilities and strengthening our commitment to respect human rights.





POLICY/SUPPORTING CONTENT	HOW THIS POLICY IS RELEVANT TO MODERN SLAVERY	HOW WE IMPLEMENT THIS POLICY
<p><b>Human Rights Policy</b></p>	<p>Our Human Rights Policy communicates Virgin Australia’s commitment to respect human rights and the expectations we set internally and for third parties who work with us, including our suppliers and other business partners.</p>	<p>Our Human Rights Policy will be publicly available on our customer facing website and on our internal communication platforms. The Policy encourages reporting of any conduct which breaches or is suspected to breach the Policy or concerns relating to human rights.</p>
<p><b>Code of Conduct and supporting online training module</b></p>	<p>Our Code of Conduct sets out how we do business and outlines the standards of behaviour expected from our team members and leaders. The Code emphasises our commitment to operating ethically and with integrity and includes a section on modern slavery. The Code outlines our commitment to human rights and business practices that are fair and considerate of their workers, particularly in relation to the elimination of child labour. The Code also sets out our expectation that team members report any instances of human rights violations, which could include modern slavery. The Code of Conduct training module includes a modern slavery-specific component to encourage team members to consider how they can combat modern slavery risks in their role.</p>	<p>Our Code of Conducts is made available on our internal communications platforms. We provide training to Team Members on the Code of Conduct as part of our onboarding process and on an annual basis via our online education platform.</p> <p>Any breach or suspected breach of the Code of Conduct can be reported internally via our standard reporting channels (including our Ethics Hotline) or through our Whistleblower program.</p>
<p><b>Modern Slavery Incident Response Policy</b></p>	<p>Provides team members with high-level guidance on identifying and reporting actual or potential instances of modern slavery in our operations and supply chain.</p>	<p>Our Modern Slavery Incident Response Policy is published on our internal communication channels.</p> <p>Targeted modern slavery awareness training is provided to Team Members who are most likely to be exposed to incidents of modern slavery, including our front-line team members (Flight, Cabin and Ground Crew).</p>
<p><b>Belonging Policy</b></p>	<p>Outlines our commitment to our workforce feeling supported and respected in relation to their human rights.</p>	<p>We publish the Belonging Policy on our internal communications channels.</p> <p>Training is delivered in respect of this policy to Team Members during our onboarding process and annually via our online learning platform.</p> <p>We actively promote diversity and inclusion within the organisation, including through our Belonging strategy.</p>



POLICY/SUPPORTING CONTENT	HOW THIS POLICY IS RELEVANT TO MODERN SLAVERY	HOW WE IMPLEMENT THIS POLICY
<p><b>Procurement and Purchasing Policy</b></p>	<p>Outlines the expected standards of conduct for Virgin Australia’s procurement activities, including requirements for ethical and socially responsible sourcing . This includes consideration and compliance with VA’s legal and regulatory compliance including the Modern Slavery Act.</p>	<p>Our Procurement Policy is published in our internal communication platforms. The Procurement team deliver targeted training to Team Members within the Virgin Australia Group responsible for sourcing goods and services that support our operation.</p>
<p><b>Supplier Code of Conduct</b></p>	<p>Articulates Virgin Australia’s expectations of, and imposes obligations on, suppliers in relation to modern slavery, labour rights, and broader human rights. These include that Supplier’s must comply with all applicable Modern Slavery Laws and have in place controls to ensure that the Supplier and its suppliers uphold the ILO and do not engage in Modern Slavery.</p>	<p>Our Supplier Code of Conduct and Supplier Commitments are publicly available on our customer facing website and on our internal communication channels.</p>
<p><b>Supplier Commitments</b></p>	<p>A number of the obligations (including for anti-bribery and anti-corruption controls) also extend to the supplier’s subcontractors.</p>	<p>Virgin Australia’s template contracts with suppliers include a requirement for suppliers to commit to complying with the Supplier Code of Conduct and Supplier Commitments.</p> <p>Targeted training on contract drafting and negotiation, including with respect to the Supplier Code of Conduct and Supplier Commitments is delivered to Team Members in the business who are responsible for negotiating supplier contracts.</p>
<p><b>Whistleblower Policy and supporting Speak Up mechanisms</b></p>	<p>Our Whistleblower Policy outlines the processes in place to receive and manage reports regarding potential misconduct, which includes suspected or actual unethical, illegal, corrupt, fraudulent or undesirable conduct, as well as concerns that represent a potential breach of the Code of Conduct. This can include complaints relating to modern slavery.</p> <p>Speak Up mechanisms: We encourage people to report modern slavery and broader human rights concerns through a number of channels including our Ethics Hotline, a 24/7 confidential reporting hotline that is serviced by an independent provider, or via other options including our line leaders. We provide regular reports to our Audit, Risk and Compliance Committee on material business conduct concerns and material breaches of our Code, including data on Ethics Hotline reports.</p>	<p>Our Whistleblower Policy is publicly available on our customer facing website and on our internal communication channels.</p> <p>Speak Up mechanisms are promoted across our internal communication channels and are referenced in Virgin Australia conduct policies, including the Whistleblower Policy and our Code of Conduct.</p> <p>In FY23, we launched an internal campaign to promote our Speak Up mechanisms. The campaign, ‘See Something. Say Something.’ was promoted across internal communication channels including in-person announcements, email, desktop screensavers, in-premises posters and on the Virgin Australia intranet.</p>



## DEVELOPING OUR FIRST HUMAN RIGHTS POLICY

During the reporting period, we developed our first Human Rights Policy. We chose to develop our Human Rights Policy because we felt it was important that we formally express our commitment as a business to respecting human rights, including setting out our expectations for our suppliers and business partners.

As such, our Human Rights Policy marks a key step forward in our work to manage modern slavery and broader human rights risks.

Importantly, our Human Rights Policy underscores our commitment to respect all internationally recognised human rights and identifies key focus areas, including health and safety, modern slavery, team wellbeing, data privacy and the environment.

These focus areas recognise that we may impact a range of human rights beyond modern slavery and demonstrate the importance of us working to integrate our modern slavery response into wider human rights risk management actions.

We worked closely with an expert business and human rights advisory firm to develop the policy and align the contents with the UNGPs. In line with the UNGPs, our policy was also approved at Board level.

We are now working to progress the implementation of our Human Rights Policy. This includes taking steps to raise internal awareness around human rights, as well as communicating our expectations to our suppliers and other business partners. This work is being overseen by our Head of Ethics and Compliance.

We understand that our work to respect human rights needs to be embedded across our business and requires continuous improvement.

This is why we are currently working to assess how we may be able to further align our current processes and approaches with the commitments in our Human Rights Policy. We will report on this work and the implementation of our Human Rights Policy in more detail in our next statement.



Human Rights Policy

### 1. Purpose

**Virgin Australia is committed to respecting everyone's internationally recognised human rights.**

Human rights are the basic rights and freedoms that every human being is entitled to enjoy. Human rights apply to everyone, everywhere without distinction and respecting human rights helps to ensure everyone is treated with equality, dignity and respect.

The purpose of this Policy is to communicate Virgin Australia's commitment to respect human rights and the expectations we set for third parties who work with us, including our suppliers and other business partners .

Our values underpin our commitment to respecting human rights across our business activities and value chain:

- **We put safety first** - we put the health and safety of our people, customers and communities above all else.
- **We have a big heart** - our customers live at the centre of everything we do.
- **We do the right thing** - everything we do for our people, our customers and our community - is done with absolute integrity, always.
- **We own it** - we're different and that's not going to change. We all, in our own way, embody Virgin's flair and laid back, authentic spirit.



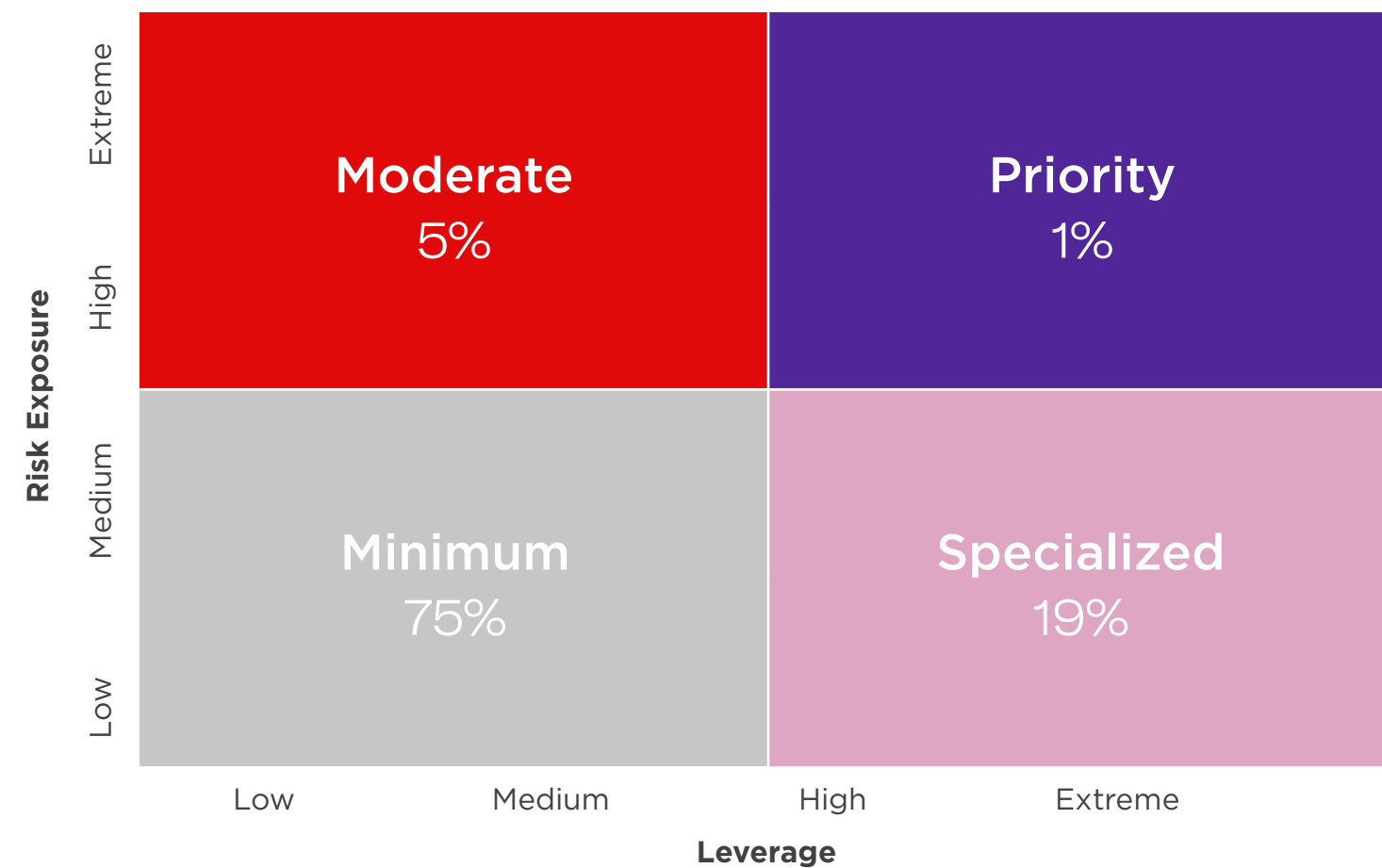
## Due diligence – Assessing our risks in the supply chain

As outlined in our risks section, we have identified five procurement categories that involve higher exposure to modern slavery risks. During the reporting period, we undertook a deeper analysis of suppliers within these categories to refine our understanding of Virgin Australia’s potential exposure to modern slavery risks.

We worked with ELEVATE, now known as LRQA, to assess selected suppliers in these categories through their EiQ supply chain intelligence platform. This analysis helped to identify which of our suppliers may present higher modern slavery risks, as well as how our level of leverage to influence supplier practices may differ across our supply chain.

The assessment involved the categorisation of our suppliers across the five procurement categories into four segments based on two dimensions:

1. Risk: the inherent risks associated with a supplier, including modern slavery and broader human rights risks.
2. Indicative Leverage: the degree to which Virgin Australia has potential to influence the supplier to effect change taking into account Virgin Australia’s expenditure with the supplier.



The results identified 1% of our suppliers as priority (those classified as high risk for modern slavery and where our leverage was assessed as high) across our key procurement categories including clothing, catering, and engineering and transport repair.

Higher risk suppliers (but where our existing leverage was lower) were also identified in procurement categories such as fuel, transport services and cleaning services. The majority of suppliers in the moderate category were fuel suppliers based in Australia and transport services suppliers based in the United States.

Going forward, we will use the outputs of this assessment in tandem with other data and information sources to:

- help inform which of our suppliers to approach for our supplier deep dive program;
- guide and facilitate engagement broader engagement with our suppliers on modern slavery risk management; and
- tailor further modern slavery training and awareness activity for our procurement and frontline teams.

## Supplier due diligence

We recognise the potential for modern slavery risks to exist in Virgin Australia’s supply chain due to the requirement to procure a wide range of goods and services to support our operations, including in some instances from countries or sectors that are categorised as being exposed to higher prevalence of modern slavery risk. This is why Virgin Australia is committed to doing business with suppliers, partners and corporate customers that share our values. In support of this ambition, we have developed our third-party assurance program (“Know Our Third Party” or “KO3P”), which became fully operational across the Group during this reporting period for contracts that are administered through the Group’s contract approval and execution system.

### Identification

Virgin Australia team members who are responsible for developing and implementing third-party contracts are now required to complete an initial KO3P questionnaire, so that key compliance and reputational risks (including modern slavery) can be identified and mitigated as part of Virgin Australia’s due diligence processes.

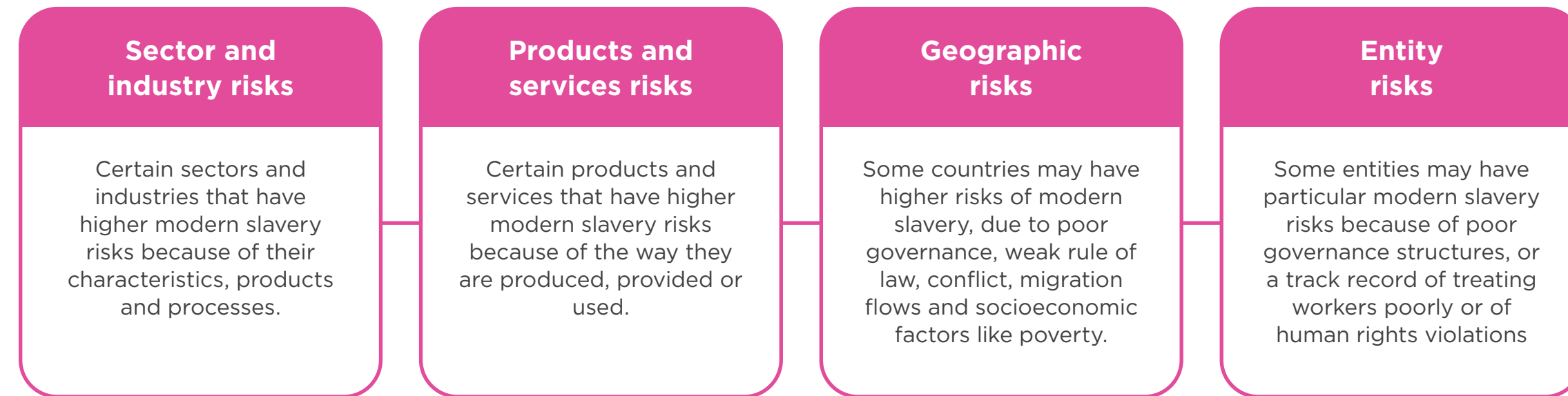
The program is supported by a platform that utilises technology to identify, assess and monitor a broad range of non-financial risks. In addition to improving the visibility of potential modern slavery risks across Virgin Australia’s third-party relationships, the platform also assists with identifying other non-financial risks including corruption, money laundering, sanctions and ethics and sustainability risks.



### Assessment

In relation to modern slavery, the platform and underlying methodology is risk based and designed to focus Virgin Australia’s efforts on higher risk engagements. KO3P involves automated and manual steps, as follows:

Initial assessment is automated based on business-user questionnaire responses, screening data, the ELEVATE risk segmentation analysis and a weighted equation and scoring methodology based on several inputs:



That assessment results in an initial high, medium, or low risk score. Based on the review above, the following further steps are taken based on level of risk:

- Medium and High-risk third parties are subject to an enhanced risk assessment which is undertaken by our Ethics and Compliance team. During the manual review stage, the reviewer will consider additional factors such as country of manufacture (if known), specific industry risks and adverse media, which may result in the supplier being re-graded to a high-risk rating (and sent for further Ethics & Compliance-led review) or low-risk rating. The third party may be required to answer more in-depth questions in respect of its operations and the site from where the product or service is manufactured or provided.
- Low-risk suppliers are not subject to further review.

### Mitigate

KO3P risk assessment results feed into mitigation measures such as contractual provisions, internal and external engagement (for example our Supplier deep dive program), and third party audits.

### Monitor

Once approved via the KO3P platform for onboarding, the third party is subjected to continuous monitoring regardless of risk rating. This enables us to review and, if necessary, undertake appropriate action with the third party in a timely manner. Enhanced desktop due diligence, which includes review of third parties’ public policies and disclosures, can be triggered at any stage on any new or existing third party that Ethics & Compliance considers may present elevated risks.

## Case study – Potential use of prison labour

As part of the KO3P process in 2023, a Virgin Australia team member reached out to the Ethics and Compliance team with a query regarding a prospective supplier’s potential use of prison labour in Australia to assemble certain products for Virgin Australia.

The Ethics and Compliance team worked to assess this situation in line with our KO3P approach. This included evaluating the potential modern slavery and broader human rights risks associated with the possible use of forced prison labour.

Prisoners continue to enjoy human rights except where these are necessarily limited by their incarceration (for example, freedom of movement). This includes the right to humane treatment in detention, freedom from modern slavery and other forms of labour exploitation and other relevant human rights.

While forced prison labour (where prisoners cannot freely choose to work or not to work) is a recognised form of human rights harm by international organisations including the International Labour Organization, Virgin Australia recognises other forms of prison labour could also involve human rights concerns.

For example, third party reports suggest Australian prison workers may receive low wages for work undertaken and prison workforces may disproportionately represent vulnerable groups in our community.

As part of the KO3P assessment, we developed a set of targeted enhanced due diligence questions to ask the supplier to better understand the situation. These included questions relating to the wages paid to prison workers in Australia, whether the work undertaken supported the prison workers to move into paid employment once released (for example, did it include a vocational training element); health and safety measures in place for the prison workers; and the extent to which prisoners were free to consent to work or not to work.

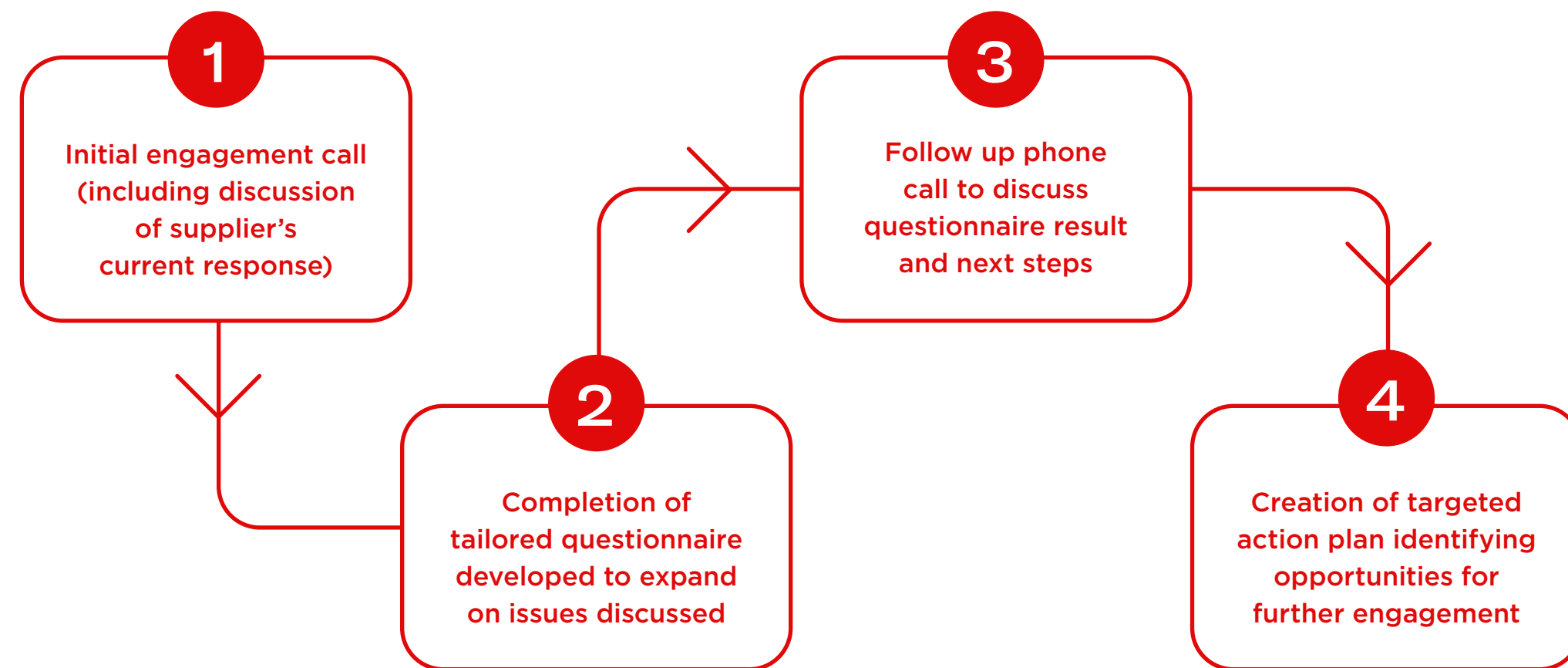
Australian based prison labour is used by companies in a number of sectors. However, after engaging with the supplier and assessing the responses to our questions, we chose not to use the prison labour services offered by the supplier.



## Supplier engagement: deep dive program

Our supplier deep dive program has enabled us to focus our attention on suppliers who provide goods and services in our high-risk procurement categories. Our deep dive methodology enables engagement with a key supplier in a collaborative and supportive setting to build our understanding of their modern slavery risks and controls and identify potential opportunities for further collaboration.

### Supplier deep dive methodology:



#### Benefits:

✈ Deeper insights into the selected supplier's operations and own supply chain, which may include key sourcing countries, procurement footprint and workforce composition.

✈ Greater understanding of the selected supplier's current modern slavery response framework, actions and supporting policies and processes, including potential strengths and challenges for the supplier's response.

✈ Identification of opportunities to improve the supplier's current modern slavery response and for collaboration on future actions.

### Case study - supplier deep dive

During this reporting period, we continued our supplier deep dive program to further our understanding of modern slavery risks in areas of our business.

We had identified through our work in FY22 that indirect workforce and outsourcing to third party providers presented a potential modern slavery risk in VA's operation and supply chain. This reflects a range of potential risk factors, including use of base skilled workers performing repetitive tasks, periods of high demand, requirements for delivery of services in short timeframes, and the potential location of some workers in geographies where modern slavery is reported to be comparatively more prevalent.

We selected a large IT outsourcing partner and a key member of Virgin Australia's supply chain to participate in our deep dive program for FY23. We selected this supplier because we had previously identified that outsourced service providers located in overseas jurisdictions generally present a high risk of modern slavery and because some of the services they provide to Virgin Australia are delivered from a country reported to have a higher risk of modern slavery.

In alignment with the methodology used for our previous supplier deep dive with Global C in FY22 and outlined in the visual on the left, we worked to build our understanding of key areas, including how workers are recruited and how the supplier would respond to a potential allegation of modern slavery in its supply chain.

#### THE OUTPUT

Throughout the deep dive process, we focused on four core topics to better understand potential modern slavery risks in their operations and supply chain and to identify future opportunities for improvement and collaboration. These core topics covered:

- The supplier's modern slavery risk profile - gaining a deeper understanding of their operations and supply chain, particular as relevant to the services it provides Virgin Australia.
- Controls in place to manage risks across its workforce - understand the strength and effectiveness of grievance mechanisms deployed by the supplier and supply chains.
- Controls in place to manage risks across suppliers - we were interested to learn how the supplier manages modern slavery risks in its supply chains, particularly those used to support its work with Virgin Australia.
- Future plans to refine its response - we asked the supplier how they will build on the work completed to date to address modern slavery risks in their operations and supply chains and where there may be scope for us to work collaboratively in the future.

Based on these discussions we identified a number of opportunities for further collaboration, which we are continuing to explore. These include joint engagement with a shared supplier; policy development; and access to grievance mechanisms.



## Virgin Australia is committed to doing business with third parties who share our values, including our commitment to respecting human rights.

We set these expectations clearly and from the outset of our engagements with suppliers, business partners and the community by publishing our core policies on the 'Working with us' page of our public facing website.

### Contractual governance

We work to ensure that modern slavery risks are appropriately managed in our relationships with third parties through the adoption of a series of contractual controls. These controls support our ambition to only do business with third parties who share our values and our commitment to respecting human rights and eradicating modern slavery.

<b>CONTRACT TEMPLATES:</b>	Our standard form contract templates include provisions that require our third party suppliers to be bound to our Supplier Code of Conduct and Supplier Commitments.
<b>SUPPLIER CODE OF CONDUCT:</b>	Articulates Virgin Australia's expectations of, and imposes obligations on, suppliers in relation to modern slavery, labour rights, and broader human rights.
<b>SUPPLIER COMMITMENTS:</b>	Imposes obligations on suppliers in relation to modern slavery, labour rights and broader human rights. These include that Supplier's must comply with all applicable Modern Slavery Laws and have in place controls to ensure that the Supplier and its suppliers uphold the ILO and do not engage in Modern Slavery.
<b>PURCHASE ORDER TERMS AND CONDITIONS:</b>	Core terms and conditions of supply that apply to all engagements where a long form contract does not exist between Virgin Australia and the third party. Includes an obligation on the supplier to comply with our Supplier Code of Conduct and Supplier Commitments.

During this reporting period, we continued embedding our technology solution for contract review, approval and execution which was implemented in FY22. This solution is an important element of Virgin Australia's contractual governance processes and supports compliance with key policies that have been developed to manage risks associated with our third-party contractual arrangements, including the Virgin Australia Group Contract Policy and our Delegated Authorities Manual. The platform, together with our KO3P program helps to ensure that both commercial and compliance risks are considered, and contractual controls are applied appropriately.

The solution utilises a workflow that allows for tracking of required contract due diligence activities and supports our teams in ensuring that mitigation requirements identified by the KO3P program (including in relation to modern slavery) are being captured in our third-party contracts. It also helps to ensure we are taking a consistent approach to contingent labour contractual controls and mitigate the risk of modern slavery indicators in our supply chain.



# Training, awareness and capacity building

We undertook a range of activities during this reporting period to continue to improve awareness of modern slavery risks in our supply chain and operations and to support team members to be able identify, manage and report these risks as they may arise.

We know that a robust training and awareness program for our people enable us to address modern slavery risks more effectively. We provide training and tools to team members which are relevant to their roles and responsibilities and enables them to identify and respond to modern slavery risks that may arise in their daily activities.

## Whole of business training and awareness

During this reporting period, we used a variety of means to build awareness of modern slavery risks and incident and risk reporting across the organisation. This included online training across the organisation, targeted training for cabin crew and flight crew and targeted training for our corporate head office roles.

All Virgin Australia team members are required to complete our online Security module on an annual basis. 1,100 team members completed this training during FY23. This online training is designed to support our ambition of raising modern slavery awareness across

our whole organisation, both within our operations and in our supply chain. It provides team members with a basic understanding of what modern slavery is, how to identify modern slavery and the internal reporting mechanisms to use when risks are identified or suspected incidents occur.

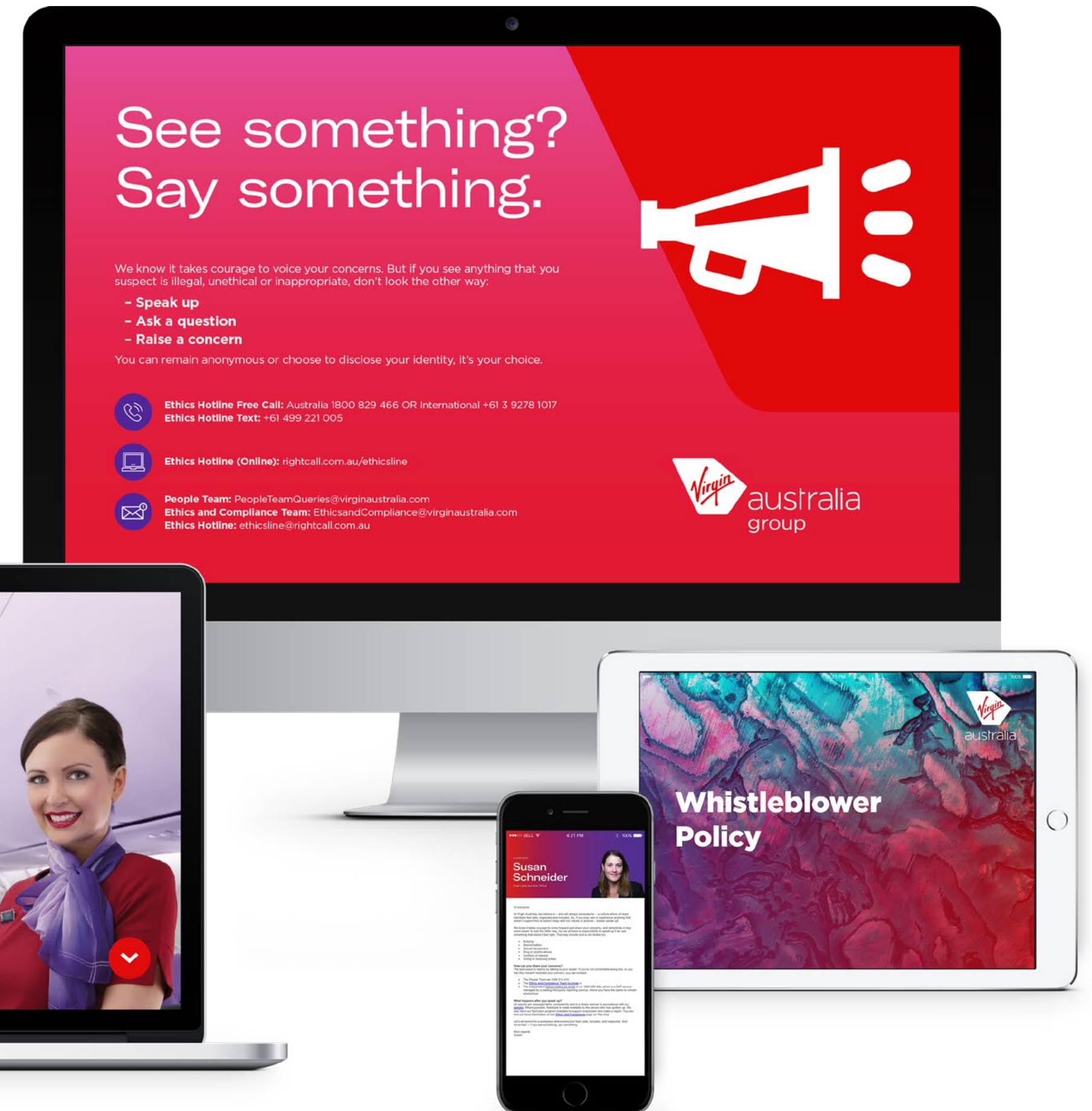
## Targeted training and tools

In addition to our efforts to raise awareness of modern slavery risks at the organisational level, we have also continued to provide in-depth training to team members who are more likely to be required to identify, manage and report modern slavery risks or incidents.

We recognise that our flight crew, cabin crew and ground crew will have the most exposure to potential trafficking situations, so we provide tools and guidance on how to identify and report incidences.

In FY23, 3,740 flight crew, cabin crew and ground crew completed human trafficking training as part of their in-person Aviation Security Training course (in addition to the online Security training). This training focuses on recognising signs of human trafficking and what action to take if human trafficking is suspected.

We understand key members within our corporate head office roles may also be exposed to modern slavery risks in their dealings with our third-party suppliers and business partners. This year, we continued our in-person training program for team member in the Procurement, Sales, Velocity, Information Technology and People teams. This training covered topics including an overview of Modern Slavery, the Virgin Australia Group's response to modern slavery and practical tips relevant to the teams for dealing with modern slavery risks and is designed to ensure relevant team members have the requisite understanding of how to identify, manage and report modern slavery risks that may arise in their roles.





## Case study – orphanage tourism

Orphanage trafficking occurs when children are recruited into orphanages for the purpose of exploitation and profit. The demand for orphanage trafficking is often driven by vast amounts of funding that flows to orphanages, and profit made from orphanage tourism, where people pay or donate to volunteer and visit orphanages.

There are up to 8 million children living in orphanages internationally and it is estimated that 80% of those children have biological family they could live with if supported appropriately. Many of these children reside in developing nations where child protection systems are vastly under-regulated and/or under-resourced.

Taking advantage of this context, the business of orphanages has emerged as a lucrative industry in the last decade. This is, in part, driven by the demand of people from countries like Australia who want to visit or volunteer with orphans. Large numbers of orphanages are established in popular tourist destinations to facilitate this ‘orphanage tourism’.

Where there is a demand for orphanage tourism in developing nations, children are recruited from their families into orphanages to pose as ‘orphans’. These children are known as ‘paper orphans’ as they are orphans by virtue of fraudulent documentation only.

Once in the orphanage, children are often kept in poor conditions, malnourished and without proper healthcare or schooling, in order to elicit donations and further funding from volunteers and visitors.

Other forms of exploitation in orphanages occur where children are forced to perform shows, sent out to beg, forced into labour, or sexually exploited.

In 2018, Australia became the first country to recognise orphanage trafficking as a form of modern slavery.

### WHAT HAPPENED?

An NGO contacted Virgin Australia to ask if we had considered the issue and whether Virgin Australia could unknowingly via any of our travel products/partnerships be supporting this issue given our network into Asia Pacific.

### WHAT DID WE DO?

We conducted a desk-top review to assess the potential for our travel products/offers including via our partners to be inadvertently supporting orphanage tourism. Whilst Virgin Australia did not find any activities of concern, we recognise the potential for this to occur and updated our risk assessment process accordingly.

### WHAT NEXT?

Safeguarding children in the context of orphanage tourism requires a collective effort from governments, NGOs and those involved in the travel and tourism industry. In FY24 Virgin Australia will partner with relevant external stakeholders on training content, including red flag indicators to raise awareness of this issue for our partnerships team members e.g. sponsorship and partnership team, Velocity (travel and retail) partners team and marketing teams.

## External engagement and collaboration

Building collaboration opportunities and pathways with government agencies, industry partners, and non-government organisations is an important part of our program. We recognise there is an opportunity to learn from our peers, sharing our own experiences and identifying opportunities to work together.

During the reporting period, our external engagement and collaboration activities focused on opportunities to address potential for our flights to be used by third parties to facilitate human trafficking. We continued to work closely with relevant authorities, governments and the airports in which we operate to ensure that any suspected human trafficking on our flights would be reported and dealt with appropriately. We held initial discussions with airline partners regarding potential opportunities for collaboration in this area. We also engaged with Anti-Slavery Australian and AFP to plan to host a panel discussion on modern slavery risks in the aviation sector. We continue to respond to due diligence enquiries and requests from our customers and, increasingly, our partners and suppliers.

More broadly, we welcomed the review of the Australian Modern Slavery Act and reviewed Professor MacMillan’s recommendations and look forward to contributing with interest. We also attended the 2023 Modern Slavery Conference held by the Attorney-General’s Department in June 2023. In addition to learnings from the formal sessions, this conference also provided opportunities to informally share learnings with peers from diverse sectors at similar stages of maturity in their modern slavery response. We continue our engagement with:

<b>CIVIL SOCIETY</b>	<ul style="list-style-type: none"> <li>• Anti-Slavery Australia</li> <li>• UN Global Compact Modern Slavery Community of Practice</li> </ul>
<b>GOVERNMENT</b>	<p>We work with governments and national enforcement agencies such as:</p> <ul style="list-style-type: none"> <li>• Department of Infrastructure on Australia’s progress on the adoption of the Comprehensive Strategy to Combat Human Trafficking</li> <li>• Australian Centre to Counter Child Exploitation and AFP</li> </ul>
<b>INDUSTRY AND CORPORATES</b>	<ul style="list-style-type: none"> <li>• Virgin Australia is a member of the International Air Transport Association (IATA) which recognises the important role that the airline has to play in preventing human trafficking. As a member of IATA, Virgin Australia supported the Resolution Against Trafficking in Persons</li> <li>• Airlines for Australia and New Zealand (A4ANZ)</li> <li>• Other airlines</li> <li>• Suppliers</li> <li>• Transport industry participants</li> </ul>



## Our employee and recruitment controls for managing modern slavery risk

### Direct workforce controls

EMPLOYMENT CONDITIONS:	Our direct workforce is covered by individual employment contracts, modern awards and enterprise agreements, which confer at least minimum pay and entitlements and provide for consultation regarding significant operational changes where appropriate. We recognise the right of team members to negotiate collectively, with or without the involvement of third parties such as unions.
EMPLOYMENT CONTRACTS:	Our employment contracts reflect the employment standards relevant to workers (including minimum pay and other entitlements to leave and maximum weekly hours) and include a clause which reflects Virgin Australia's commitment to respecting our workforce's human rights.
ENGAGEMENT WITH RECRUITMENT AGENCIES:	We ensure that when we engage with recruitment agencies, these agencies are bound by our Supplier Commitments, which require them to comply with all applicable modern slavery laws and upholding the United Nations' International Labor Organisation's Declaration on Fundamental Principles and Rights at work.

Virgin Australia has a range of controls in place to manage modern slavery risks within our workforce and through our recruitment practices.

### Increasing visibility and strengthening our internal controls for our indirect workforce

As outlined above, our indirect workforce may be at risk of modern slavery in some circumstances. For example, outsourcing business functions and operational tasks to third-party providers can create a range of risks, including where providers engage low-skilled labour to provide cleaning, security or other services for their sites.

These services may also be provided in locations where there are higher reported modern slavery risks and in contexts where third party recruiters may charge recruitment fees which could result in workers being subjected to modern slavery practices such as debt bondage.

Our ability to improve how we manage and address these risks relies on the systems and processes we use to collect data about our indirect workforce. In previous reporting periods, we have identified a lack of consistency in how and what information we capture in relation to our indirect workforce.

To address this gap, we updated our payroll platform during the reporting period. We use this platform to hold records for all team members (including contractors). The updates capture additional data points that can assist us with identifying where modern slavery risks may arise with our indirect workforce. Specifically, when indirect workers are onboarded into our system, there are now specific categories for our contingent workforce to ensure we are identifying the type of services being provided.

These categories are:

- **Contractor** – are engaged due to their specialised skillset which is not available, or to meet seasonal demands, and work with staff to deliver services. For example, this may include a lawyer who supports the legal team on a specific project for a set period of time.
- **Consultant** – provide expert knowledge to analyse information, draw conclusions. Work is not directly supervised by Virgin Australia and is deliverable-based. For example, this may include consultants working with us to enhance our IT platforms.
- **Managed Service Provider** – an external supplier who provides business processes or services that could either be new or were previously carried out in-house by the organisation. For example, this may include an IT company that provides testing and configuration support for Virgin Australia.

As part of this work, we also updated our supporting policies and guides to require responsible managers to input the correct data. Together with the systems changes, we anticipate this will improve the integrity of the data we hold on our indirect workforce.

In the coming reporting period, we will engage in a targeted training program for team members who are responsible for contingent workers with the aim of improving the integrity of data that is included and embedding our updated process and policies. We also intend continue developing our systems and processes to improve how we document and classify worker locations (which may influence risk) and to enhance our existing audit and reporting processes.



### Grievance mechanisms

We have established reporting procedures and mechanisms so that team members, and third parties can report any concerns regarding unethical or illegal conduct, including in relation to modern slavery. In FY22 we updated our Modern Slavery Incident Response policy to streamline our reporting lines and providing more visibility over reports to the Ethics and Compliance team. The Policy provides targeted guidance for our team members in operational and corporate settings on how to identify and report modern slavery risks, and actual or potential modern slavery incidents.

On becoming aware of an incident involving modern slavery within our operations or supply chains, we take steps to promptly investigate and undertake remediation actions that are appropriate. Our procedures include:

- Assessing and documenting suspected or known modern slavery incidents received via our reporting lines and escalate as required.
- Engaging with internal and external experts in the event of a modern slavery incident.
- Take steps to review the incident and take action to remediate and prevent future modern slavery incidents.

Virgin Australia will seek to assess and address the root causes of any incidents.

The Policy and reporting process that supports it was informed by the UNGPs (Principle 31) and the UN Global Compact Best Practice Guidance.

In this reporting period we focused on raising awareness of this policy and the processes in place for team members and third parties to raise concerns. This included our "See Something. Say Something Campaign".

## Modern Slavery Incident Review Procedure







## Virgin Australia understands the importance of assessing the effectiveness of our actions to manage modern slavery risks.

Having an effective modern slavery program means that we are able to identify, assess and mitigate modern slavery risks in our operations and supply chain in a transparent, collaborative way, and using our leverage to effect positive change in the communities within which we work and fly.

Tracking our effectiveness is also a key aspect of broader human rights due diligence, as set out in the UNGPs and our Human Rights Policy.

Our assessment of the effectiveness of our actions against our indicators is set out below:

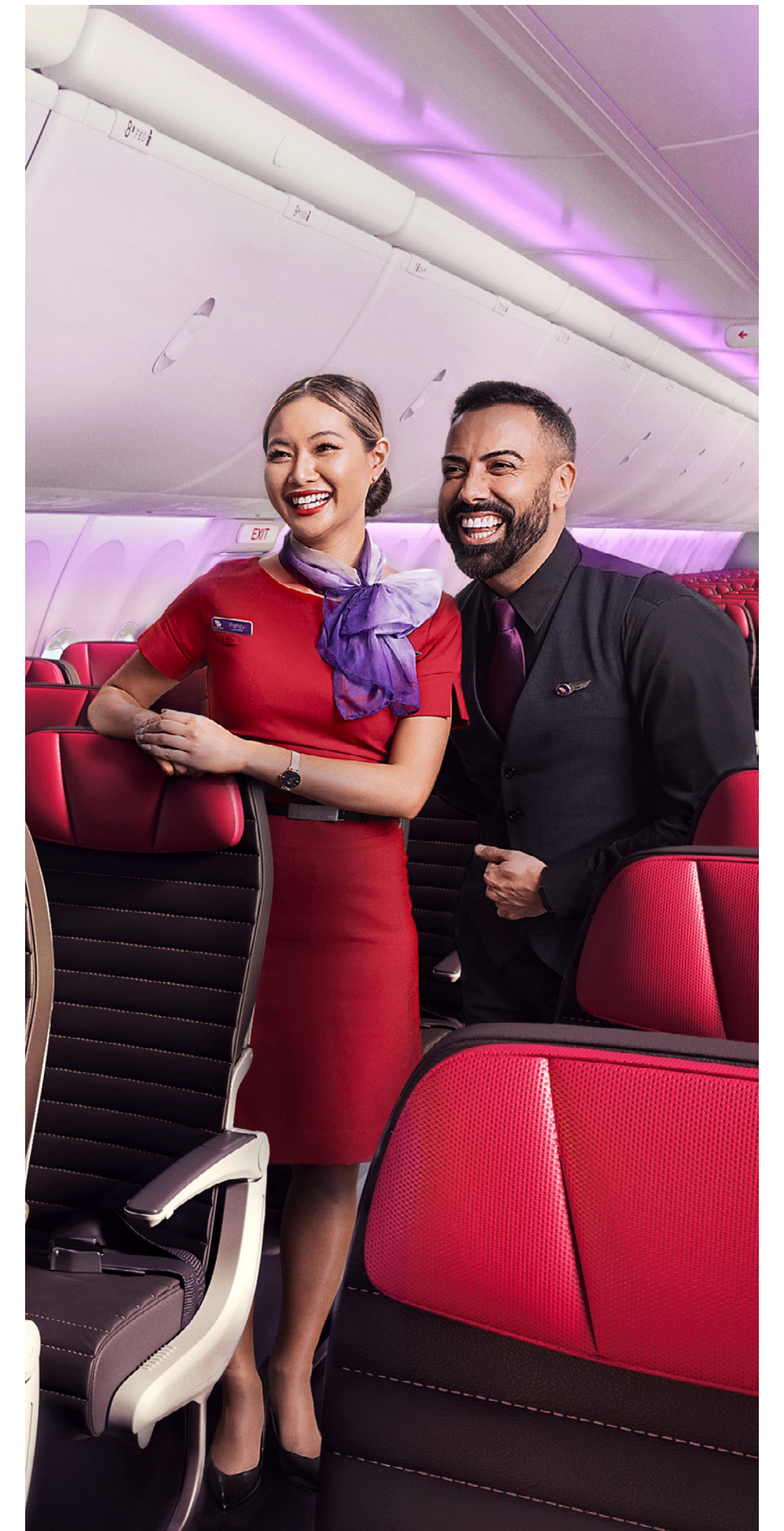
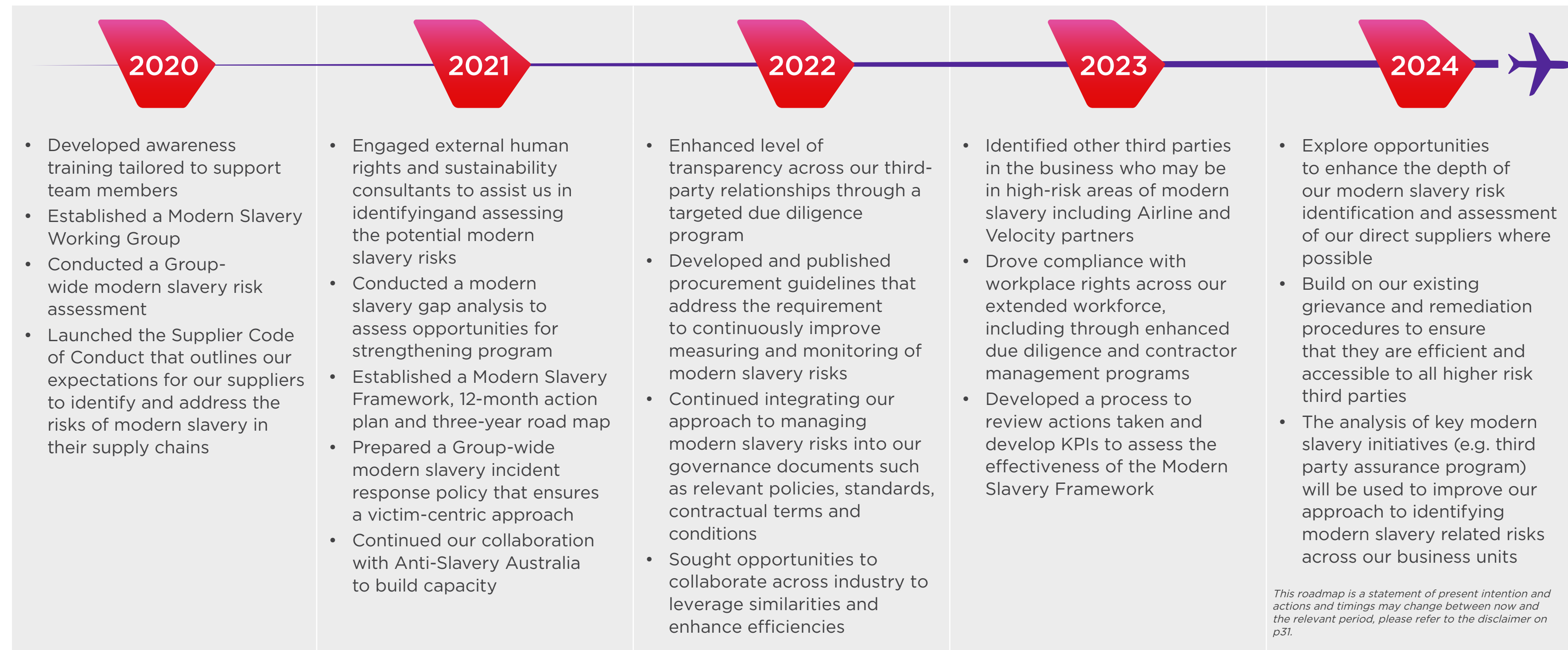
OUR FRAMEWORK	HOW WE MEASURE	FY23 ASSESSMENT
 <p><b>Leadership</b> Commit   Guide</p>	<ul style="list-style-type: none"> <li>Ensuring relevant frameworks, policies, procedures and standards include references to modern slavery or broader human rights considerations where appropriate.</li> <li>Reporting on progress to the Audit, Risk and Compliance Committee against the five-year road map prepared by the Modern Slavery Steering Committee and provided to the Executive Leadership Team and Board.</li> </ul>	<ul style="list-style-type: none"> <li>Developed our first Human Rights Policy.</li> <li>We continued embedding our updated core conduct policies into the business, including by finalising the implementation of our refreshed Code of Conduct.</li> <li>The progress of the Modern Slavery Framework was reported to the Audit, Risk and Compliance Committee three times during the reporting period. These reports included in-depth updates on the actions and initiatives undertaken, as well as updates on the development of this Statement.</li> </ul>
 <p><b>Promotion</b> Train   Communicate   Collaboration</p>	<ul style="list-style-type: none"> <li>Monitoring completion rates for modern slavery awareness training (in person and through VLearn) and feedback from participants to test the impact of training and help identify remaining knowledge gaps.</li> <li>Delivering communication and awareness program of core conduct policies which outline commitment to respect human rights.</li> </ul>	<ul style="list-style-type: none"> <li>We have monitored completion rates of this training throughout the reporting period (page 24). We will update our training content for the next reporting period based on feedback received through these sessions and with the aim to keep the content relevant.</li> <li>We engaged in a targeted communication and awareness program of Virgin Australia's 'speak up' culture and available reporting mechanisms and support channel.</li> <li>We completed the launch of the refreshed Code of Conduct and supporting online training module.</li> </ul>
 <p><b>Management</b> Process   Control</p>	<ul style="list-style-type: none"> <li>Tracking the total number of modern slavery-related complaints reported through our grievance mechanisms, including our Ethics Hotline to help us understand whether our grievance mechanisms are fit for purpose.</li> <li>Monitoring availability of grievance mechanisms to roles within the operation through which potential or actual modern slavery risks can be raised.</li> </ul>	<ul style="list-style-type: none"> <li>We have received one report of a potential modern slavery occurrence throughout the period (see page 14 for details). This was received through our reporting mechanism for frontline team members, which is separate from our Ethics Hotline.</li> <li>Grievance mechanisms have been available throughout the reporting period to our workforce (direct and indirect), our supply chain and the general public.</li> </ul>
 <p><b>Assurance</b> Assess   Engage</p>	<ul style="list-style-type: none"> <li>Maintaining partnerships with third parties focused on modern slavery, which helps us share information and learn from others' experiences.</li> <li>Engaging with key or high-risk suppliers to conduct supply chain review (e.g. table-top audits, site visit) and undertaking a modern slavery deep dive with a selected supplier to test our understanding of supply chain risks.</li> </ul>	<ul style="list-style-type: none"> <li>We engaged with two independent human rights specialists throughout the reporting period to deepen our understanding of modern slavery and human rights developments, best practice trends and to assist with various initiatives in our action plan, including the development of our Human Rights Policy.</li> <li>We conducted a risk segmentation analysis of third parties in our supply chain to build our understanding of potential for risks and where we may have leverage to effect change.</li> <li>We engaged with airline partners and other industry participants to share ideas and knowledge about identifying and managing modern slavery risks in the transportation industry.</li> <li>We continued our supplier deep dive program through a collaboration with an IT supplier to deepen our understanding of supply chain risks in a high risk procurement categories and identify opportunities for future collaboration on modern slavery initiatives.</li> </ul>



## Our road map

We developed our five-year road map in 2020 to support the delivery of initiatives under our Modern Slavery Framework. The road map provides guidance for key commitments across each of the reporting periods and forms the basis of our considerations in developing our 12-month action plans.

As part of our commitment to continuous improvement, we will use this coming year, to conduct a review of our modern slavery approach, as part of the implementation of our Human Rights Policy and shaping the further development of our road map. The scope of the review will include a gap analysis of our approach against the UNGPs, the mandatory criteria of the Act, the Guidelines for Reporting Entities from the Australian Government and the Australian Government’s recommendations for changes to the Modern Slavery Act.



## Annexure One

### Overview of reporting entities

The following table provides an overview of the reporting entities covered by this Statement, each of which are incorporated in Australia.

PART A		
REPORTING ENTITY	PRINCIPAL ACTIVITIES	BRANDS
<a href="#">Virgin Australia Holdings Pty Ltd (ABN 54 100 686 226)</a>	Virgin Australia Holdings Pty Ltd is the parent entity of the reporting entities set out in Part A of Appendix One. The principal activities of the Group were the provision of domestic airline services, charter services and a frequent flyer loyalty program, as well as managing the provision of short haul international services.	Virgin Australia, Virgin Australia Regional Airlines, Virgin Australia Cargo, Velocity Frequent Flyer
<a href="#">VBNC5 Pty Ltd (ABN 16 119 691 502)</a>	The principal activity of the company was that of a holding company.	Virgin Australia, Virgin Australia Regional Airlines, Virgin Australia Cargo, Velocity Frequent Flyer
<a href="#">VB PDP 2010-11 Pty Ltd (ABN 88 140 818 266)</a>	The principal activity of the company was that of a holding company.	Virgin Australia, Virgin Australia Regional Airlines, Virgin Australia Cargo, Velocity Frequent Flyer
<a href="#">BC Hart Company Pty Ltd (ABN 65 645 265 514)</a>	The principal activity of the company was that of debt financing and a holding company.	Virgin Australia, Virgin Australia Regional Airlines, Virgin Australia Cargo, Velocity Frequent Flyer
<a href="#">Virgin Australia Airlines Holdings Pty Ltd (ABN 19 093 924 675)</a>	The principal activity of the company was that of a holding company.	Virgin Australia, Virgin Australia Regional Airlines, Virgin Australia Cargo, Velocity Frequent Flyer
<a href="#">Virgin Australia Airlines Pty Ltd (ABN 36 090 670 965)</a>	The principal activity of the company was to provide domestic passenger air transportation services.	Virgin Australia
<a href="#">Virgin Australia Regional Airlines Pty Ltd (ABN 76 008 997 662)</a>	The principal activity of the company was the provision of aviation charter services in Australia.	Virgin Australia Regional Airlines
<a href="#">Velocity Frequent Flyer Holdco Pty Ltd (ABN 44 169 684 093)</a>	The principal activity of the company was that of a holding company.	Velocity Frequent Flyer
<a href="#">Velocity Frequent Flyer 1 Pty Ltd (ABN 50 601 273 072)</a>	The principal activity of the company was that of a holding company.	Velocity Frequent Flyer
<a href="#">Velocity Frequent Flyer 2 Pty Ltd (ABN 54 601 273 527)</a>	The principal activity of the company was that of a holding company.	Velocity Frequent Flyer
<a href="#">Velocity Frequent Flyer Pty Ltd (ABN 60 601 408 824)</a>	The principal activity of the company was to manage and operate our frequent flyer loyalty program.	Velocity Frequent Flyer
PART B		
REPORTING ENTITY	PRINCIPAL ACTIVITIES	BRANDS
<a href="#">Virgin Australia International Holdings Pty Ltd (ABN 23 155 860 021)</a>	Virgin Australia Holdings International Pty Ltd is the parent entity of the reporting entities set out in Part B of Appendix One.  The principal activity of the company was that of a holding company.	Virgin Australia International
<a href="#">Virgin Australia International Airlines Pty Ltd (ABN 63 125 580 823)</a>	The principal activity of the company was to provide international short haul passenger air transportation services.	Virgin Australia International



Our actions to address modern slavery risks

Assessing the effectiveness of our actions

Consultation and approval

Annexures

## Annexure Two

### Mandatory reporting criteria

This Statement was prepared to meet the mandatory reporting criteria set out under the Modern Slavery Act 2018 (Cth). The table below identifies where each criterion of the Act is disclosed within sections of this Statement.

MODERN SLAVERY ACT MANDATORY CRITERIA	REFERENCE IN THIS STATEMENT
Identify the reporting criteria	Pages 4 and 31
Describe the reporting entity's structure, operations and supply chain entity	Pages 6 - 11
Describe the risks of modern slavery practices in the operations and supply chain of the reporting entity, and any entities that the reporting entity owns or controls	Pages 12 - 14
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	Pages 15 - 27
Describe how the reporting entity assesses the effectiveness of such actions	Page 28
Describe the process of consultation with any entities that the reporting entity owns or controls	Page 4 and 30
Any other information that the reporting entity considers relevant	Page 3 (Message from CEO) Page 29 (Road Map)

### Disclaimer and forward-looking statements

Forward-looking statements may include statements regarding the future progress of Virgin Australia's modern slavery program; our commitment to modern slavery reporting, frameworks, standards and initiatives; and our commitments to achieve certain targets and outcomes with respect to modern slavery and compliance issues.

Forward-looking statements may also refer to the actions of third parties, and external contributors such as technology development and commercialisation, policy support, market support, and energy and offsets availability.

Forward looking statements may be identified by the use of terminology including, but not limited to, 'intend', 'aim', 'ambition', 'aspiration', 'goal', 'target', 'project', 'see', 'anticipate', 'estimate', 'plan', 'objective', 'believe', 'expect', 'commit', 'may', 'should', 'need', 'must', 'will', 'would', 'continue', 'forecast', 'guidance', 'trend' or similar words. These statements discuss future expectations concerning performance, or provide other forward-looking information.

The forward-looking statements in this report are based on management's current expectations and reflect judgements, assumptions, estimates and other information available as at the date of this plan, report and/or the date of Virgin Australia's planning processes or scenario analysis processes. These statements do not represent guarantees or predictions of future financial or operational performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond Virgin Australia's control and which may cause actual results and performance to differ materially from those expressed in the statements contained in this report. Virgin Australia cautions against reliance on any forward-looking statements or guidance contained in this statement. Virgin Australia further disclaims any duty or undertaking, except to the extent required by law, to release publicly any updates to any forward-looking statement



Our actions to address modern slavery risks

Assessing the effectiveness of our actions

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