

# Sustainability Report 2023

Working towards a **sustainable** future



australia  
group

# Acknowledgement 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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## A message from our Chief Executive Officer

It has been a remarkable 12 months for the Virgin Australia Group. The easing of global border restrictions restored Australia's air connectivity to the world and we saw strong demand for travel, with domestic capacity returning to 100% of pre-COVID levels by the second half of this financial year. The preparations we had made at the height of the pandemic, coupled with the resilience of our people, allowed us to fly more guests to more places, delivered by a solid domestic and international short-haul network.

This has also been a remarkable year for our sustainability journey. For the first time in the airline's history, we have a holistic sustainability strategy in place that includes our targets and ambitions across the environmental, social, and governance areas. Virgin Australia has committed to a target of 22 percent reduction in greenhouse gas emissions intensity by 2030<sup>1</sup> and zero waste to landfill by 2032. We are acutely aware of our responsibility towards the planet and how important it is to work together to contribute to a sustainable travel industry. Our Sustainability Report outlines our work over the year, and our strategic areas of focus as we look ahead.

We know that our industry is hard to decarbonise, and therefore we need to take a multi-faceted approach to decarbonisation. Fleet modernisation is one of the most powerful levers we can use to reduce our operational emissions in the short-to-medium term. We welcomed the first of 33 MAX family aircraft in June. These new aircraft are 15% more fuel efficient and 40% quieter compared to the 737-800 NG fleet, helping to support our decarbonisation targets whilst delivering an elevated experience for our guests.

Sustainability challenges require collaboration, and we are focused on opportunities to work together with our strategic partners to drive towards shared solutions. This year, we leveraged our long-standing relationship with The Boeing Company to sign a wide-ranging sustainability-related Memorandum of Understanding, which includes five focus areas - from addressing the high-profile challenge of sustainable aviation fuel, to promoting First Nations supply chains, careers for women in aviation, high quality carbon offsets and closer US-Australia clean energy cooperation.

Our team members have always been at the heart of Virgin Australia and maintaining our 'Virgin flair' is an essential part of our future. We know that investing in the development of our people helps them to deliver wonderful experiences for our guests. This year we have invested in developing our senior leaders through our Ignite leadership programs, brought our teams along on our transformation journey through our Destination Wonderful series of events, and continued to build a culture where our people can be their true selves at work through our Belonging initiatives.

The dedication, commitment, and flair of our teams in delivering excellent guest experiences was recognised when Virgin Australia was awarded Best Cabin Crew for the fifth time in a row in the AirlineRatings.com 2023 Airline Excellence Awards and named number seven in the Top 10 airlines category.

Whilst we have seen a rapid recovery in travel demand since the pandemic, we are conscious that aviation remains a complex business. Other issues that could have an impact on our business will continue to challenge us - from slowing economic growth and elevated energy prices, to persistently high inflation. Whatever challenges or opportunities the future may bring, we maintain our ambition to be Australia's most loved airline, with sustainability embedded at the core of our business.

I am pleased to share our sustainability efforts with you in our 2023 Sustainability Report, and welcome our guests, teams, shareholders, and community partners to join us on this ongoing journey.

**Jayne Hrdlicka**  
CEO and Managing Director, and Director  
of Virgin Australia Holdings Pty Ltd

<sup>1</sup> From a 2019 base year

# FY23 Highlights



Delivered 140 sessions of our culture program 'Destination Wonderful'



Launched our Sustainability strategy, with five areas of focus



Set ambition of 22% reduction in GHG emissions intensity by 2030 and zero general waste to landfill by 2032



Leadership development through 'Ignite' program

Rolled out 'Know our Third Party' Program

Established ESG SteerCo



Delivery of the first MAX family aircraft - Monkey Mia

Signed MoU with Boeing to accelerate sustainability outcomes

6% reduction on our emissions intensity (gCO<sub>2</sub>-e / RTK) compared to our baseline (2019)

# About Virgin Australia Group

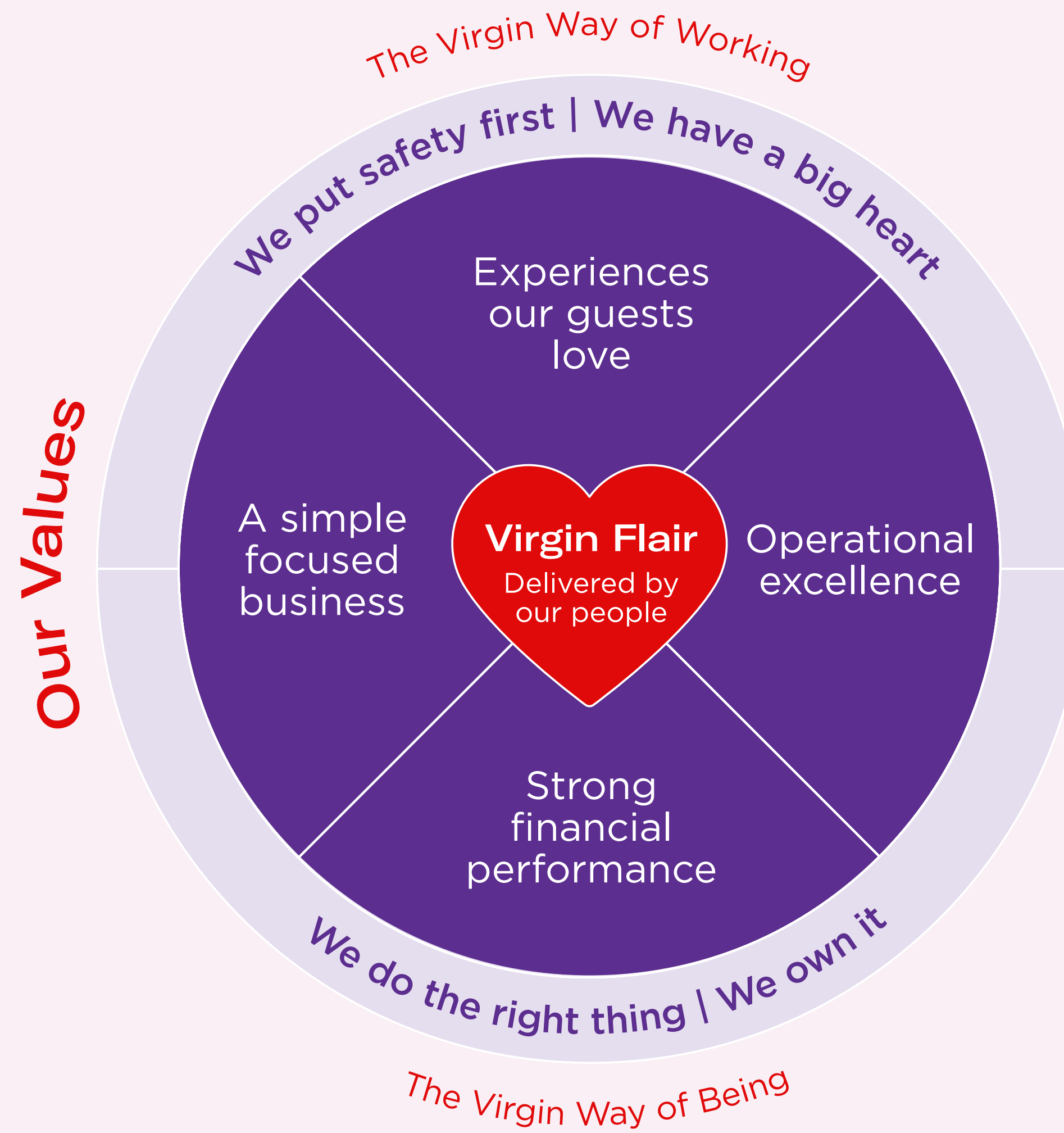
Virgin Australia Holdings Pty Ltd and its wholly owned subsidiaries (collectively the Group) is a Brisbane based, privately owned airline company, operating a domestic and short-haul international passenger airline Virgin Australia, charter and regional flying from our base in Western Australia through Virgin Australia Regional Airlines (VARA), Virgin Australia Cargo, and a loyalty program, Velocity Frequent Flyer (VFF).

The Group’s ambition is to be the most loved airline in Australia with a winning team that attracts the very best, generates extraordinary loyalty from our guests, and delivers outstanding returns.

This is guided by five key strategic pillars:

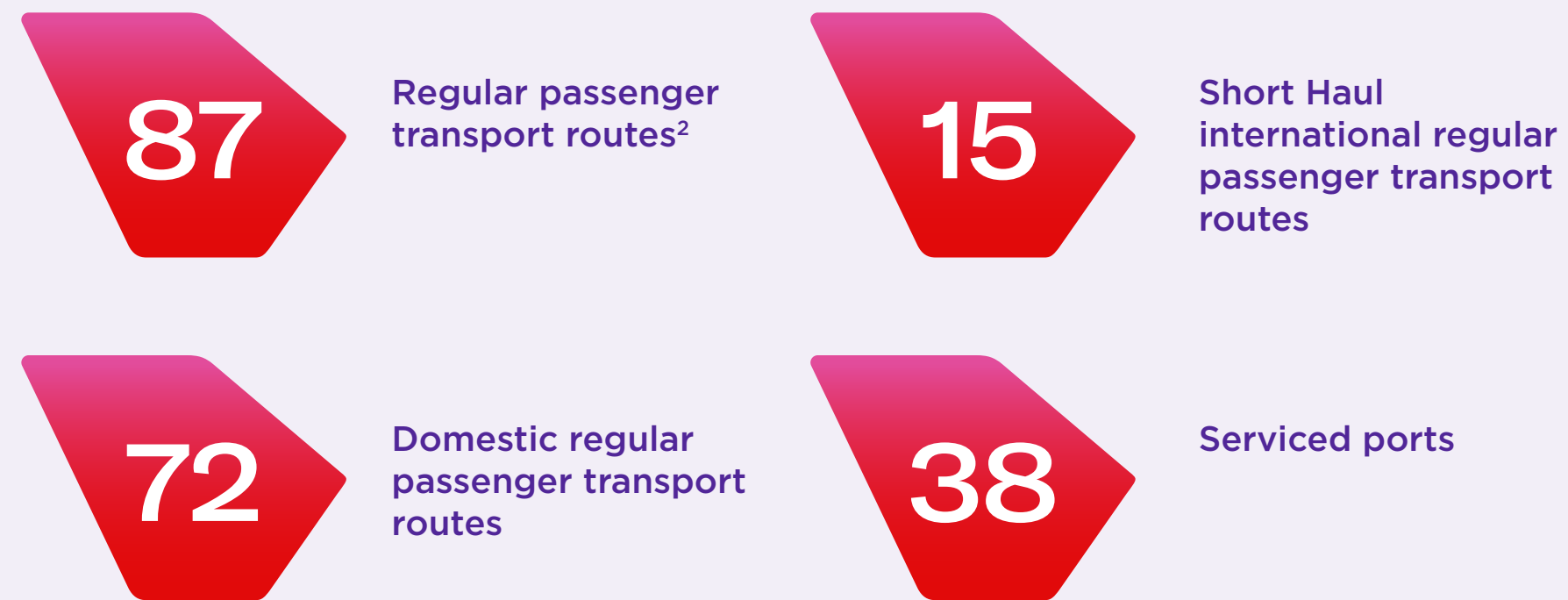
- Operational excellence;
- Experiences our guests love;
- A simple, focused business;
- Strong financial performance; and
- Virgin flair

In 2023, Virgin Australia continued to focus on delivering great value and choice to its core customer segments – premium leisure travellers, small and medium enterprises (SME), and value-conscious corporate travellers.

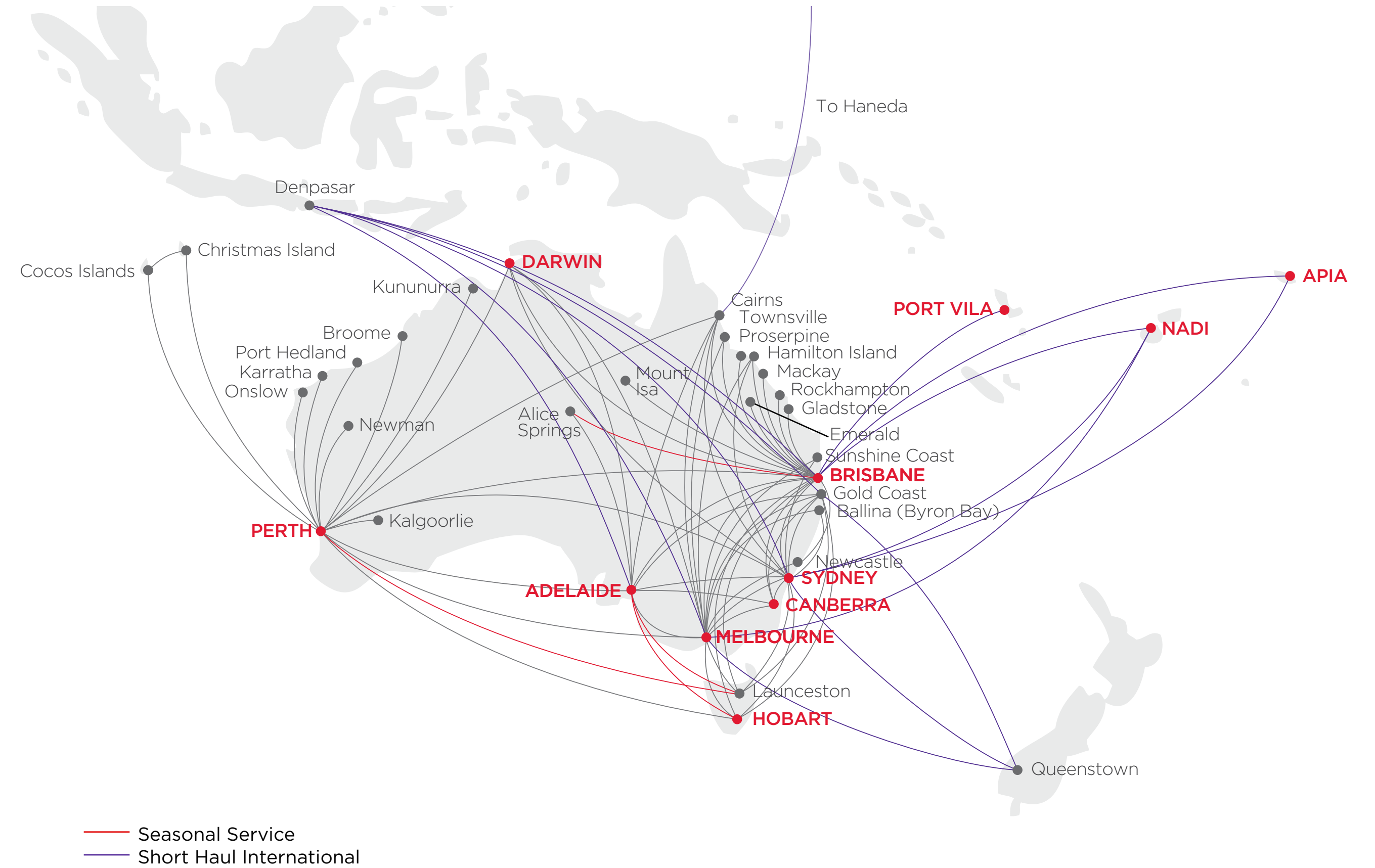


**Where we fly**

In FY23, our global network included 585 destinations through domestic and short-haul international operations, and through codeshare and redemption arrangements with international partner airlines. Virgin Australia serviced 38 ports and through our VFF partners and code share partners (UA, SQ, AC, HA, EY, VS, SA, QR) customers had the choice to fly to an additional 547 global destinations<sup>1</sup>.



**Domestic and International Network Routes**



<sup>1</sup> Note this refers to destinations available through VA selling channels  
<sup>2</sup> A general public flight service performed on a fixed schedule and specified air routes for specific fees

**Our codeshare and VFF redemption partners**



(VFF redemption and codeshare partner, activated in FY22)



(VFF redemption and codeshare partner, activated in September 2022)



(VFF redemption and codeshare partner, VA codeshare selling re-activated in May 2023)



(VFF redemption and codeshare partner, VA codeshare selling re-activated in October 2022)



(VFF redemption partner)



(VFF redemption partner)



(VFF redemption partner)



(VFF redemption partner)

**Number of passengers carried**

**> 19.3 million**

> 0.7 million charter

> 17.8 million domestic

> 0.8 million International short haul

**Volume of cargo carried<sup>1</sup>**

8,792 tonnes domestic

**Number of employees**

**7,628**

<sup>1</sup> IOT Cargo volume included in domestic, TOLL excluded, and COMMAT included

**Membership associations**

International Air Transport Association (IATA)

Centre for Aviation (CAPA)

Airlines for Australia and New Zealand (A4ANZ)

Bioenergy Australia through the Sustainable Aviation Fuel Alliance of Australia and New Zealand (SAFAANZ)

Carbon Market Institute (CMI)

Australian Packaging Covenant Organisation (APCO)

Climate Leaders Coalition (CLC)

Airline Customer Advocate

Airport Coordination Australia (ACA)

VA holds board membership at A4ANZ and CAPA. All other associations are member based.

**SICS classification**

Virgin Australia is classified under the Transportation Sector.





### Our supply chain

To give our customers a seamless experience, we require a variety of product and service inputs across our two business segments - airlines and loyalty.

Supply chain risk is mitigated through a Supplier Performance Management Framework, which consists of a Supplier Relationship Management (SRM) and a Contract Management Program. It is also supported by our broader contractual governance frameworks and systems, including the Virgin Australia Group Contract Policy, our Delegated Authorities Manual, our Contract Approval Request IT solution and our third party due diligence program (KO3P), which is discussed further in the Modern Slavery section.

The centrally managed SRM Program is limited to Virgin Australia's 24 largest strategic suppliers and is concerned with the holistic relationship with these commercially critical suppliers.

The decentralised Contract Management Program provides a governance and administrative framework to manage contractual risk. The program is concerned with all strategic contracts, where supplier failure will impact Virgin Australia's operations and any contracts deemed material by individual business units.

An overarching Business Continuity Program (BCP) analyses and mitigates critical risks associated with suppliers where failure will impact our ability to conduct day-to-day operations.

We employ a hybrid procurement operating model with a remit that spans the Source to Pay lifecycle governed by the Procurement and Purchasing frameworks.

High value, and/or high risk Source to Contract initiatives are managed by the Strategic Procurement Team while business users are empowered to manage low risk and low value engagements themselves.

The Procurement Operations team provides support across the Procure to Pay lifecycle, creating a seamless experience for end-users and suppliers alike.

The procurement and purchasing frameworks link upstream and downstream processes in the supply chain, producing better insights, a better internal customer experience, and meeting business goals while lowering supply chain risk.

We pay special attention to how we treat small business enterprises and have put procedures in place to provide a level playing field for this significant sector of the economy. In addition, during FY23 we deployed an Indigenous Procurement Strategy, aiming to enhance the participation of First Nations owned businesses in our supply chain.

Our supply chain | Airline Segment

**Airport Contracts**

Use of terminals and gate lounges, check-in and bag drop-off 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.

**Aircraft Purchase Contracts**

**Partner Airline Contracts**

**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, ground support equipment maintenance and repair services
- Supply of avionics equipment and software

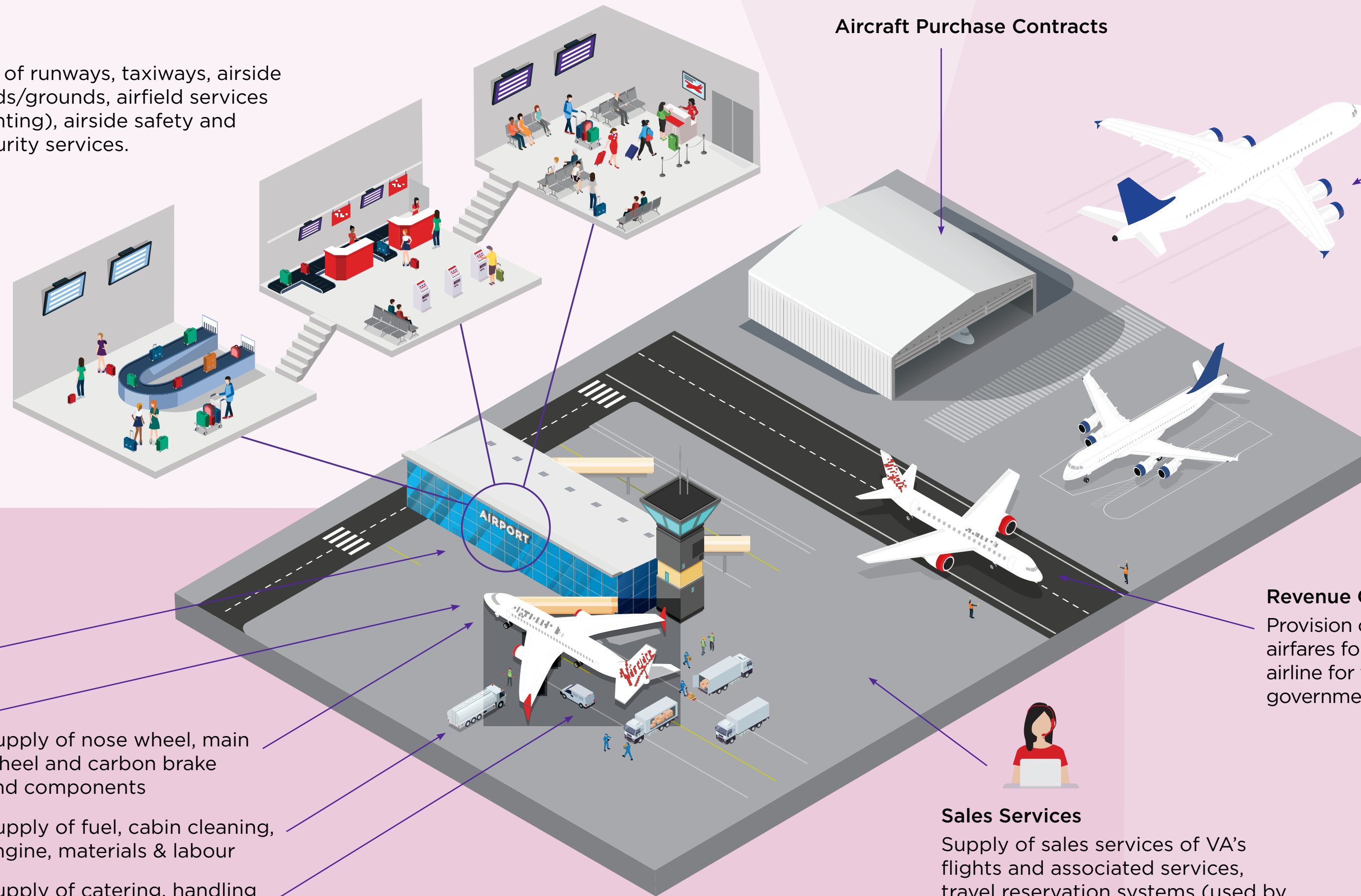
- Supply of nose wheel, main wheel and carbon brake and components
- Supply of fuel, cabin cleaning, engine, materials & labour
- Supply of catering, handling and retail on board services

**Revenue Contracts**

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

**Sales Services**

Supply of sales services of VA'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

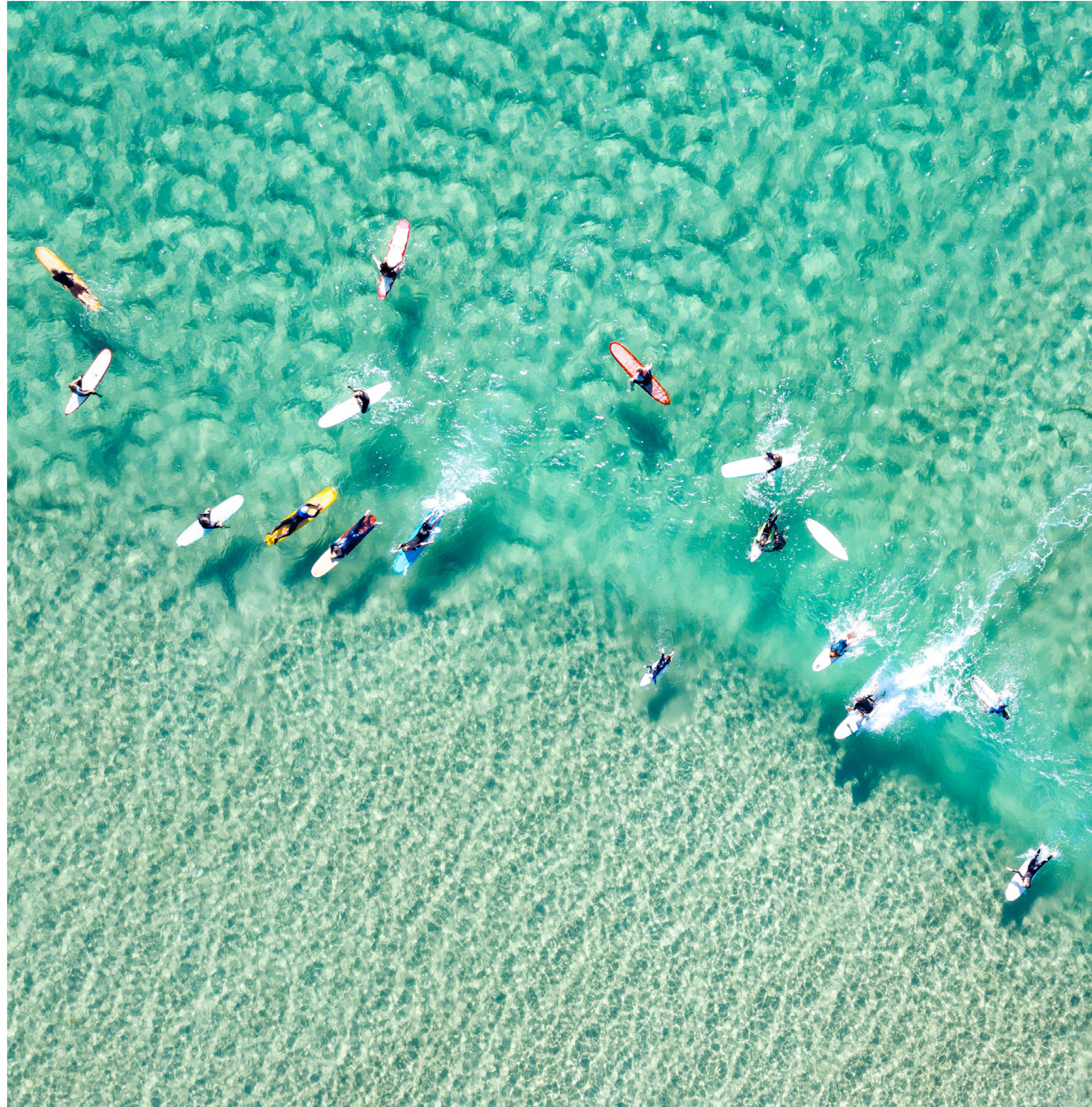
Earning Points

- Booking flights
- Flybuys
- Purchasing insurance
- Using co-branded and 3rd party credit cards

Redeeming Points

- Flights (VA and partner airlines)
- Shop at Velocity Rewards Store
- Shop at MYER
- Shop at Velocity Wine Store





## About this report

This is Virgin Australia's second annual sustainability report since relaunch in November 2020 following Voluntary Administration. The report reflects the period from 1 July 2022 to 30 June 2023, and is aligned with our financial reporting period. It covers only those business activities for which Virgin Australia has complete control or ownership and does not include facilities primarily controlled by others, such as airport terminal space, or outsourced or subcontracted facilities.

We report our targets and progress on goals based on forward-looking information and statements of opinion, which may include statements regarding Virgin Australia's climate transition strategies, the impact of climate change on our business and other sustainability issues, climate scenarios, actions of third parties, and external contributors such as technology development and commercialisation, policy support, market support, and energy and offsets availability.

### Restatements

Restatements on safety performance are included in the report's Safety section. The changes are due to changes in calculation methodologies during the reporting year.

### Reporting frameworks

The Report has been prepared with reference to the Global Reporting Initiative (GRI) Standards 2021 and is informed by the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board's (SASB) Airlines Sustainability Accounting Standard (Version 2023-06).

### Internal review

The disclosures contained in this report have been reviewed by the company's Board. Disclosure procedures for the data covered by limited assurance are documented (including how the data should be gathered and analysed by the responsible parties with appropriate subject-matter expertise) and reviewed.

### Third-party assurance

This year we have engaged external consultants Point Advisory, an ERM Group company to perform an independent, limited assurance engagement on two performance indicators. For information on the scope of the assurance and its related statement, the limited assurance statement is available at the end of this report.

### Contact

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# Sustainability at Virgin Australia

Our ambition is to be the most loved airline in Australia with a winning team that attracts the very best, generates extraordinary loyalty from our guests and delivers strong financial returns. To help us achieve our ambition, we have applied an environmental, social and governance (ESG) lens to how we approach sustainability at Virgin Australia.

**Our Sustainability Ambition:**  
To embed sustainability at the core of our business. We will invest in areas that will have the greatest impact on initiatives that are most important to our stakeholders.

## Environment

Our guests, and the broader Australian population, are becoming more concerned with sustainability and the environmental footprint of business. Issues such as operational emissions from air travel and levels of

waste to landfill are important for the aviation industry to tackle. Maintaining operational resilience in response to a changing environment is crucial as Australia continues to suffer the effects of climate change, including through rising severity and frequency of floods and bushfires.

## Social

Our team members are core to our business and to delivering great experiences for customers. Optimal employee morale and engagement is critical to attracting and retaining talent. In support of our communities, we continued to invest in partnerships and programs that drive economic, social, and environmental impact.

## Governance

Delivery of our ESG strategy is underpinned and held to account by a strong governance model. This will support how we manage our environmental and social impacts and will help us to establish efficiencies throughout Virgin Australia and help us to achieve strong financial returns. Our ESG strategy is informed through multi-stakeholder engagement and existing and upcoming government ESG regulations that may impact our business and financial position.



### Engaging with our stakeholders

Each of our key stakeholder groups play a vital role in shaping the company’s trajectory, contributing to its success, and ensuring its long-term sustainability.

STAKEHOLDER GROUP	WHY THEY'RE IMPORTANT TO US	HOW WE ENGAGE
<b>Our people</b>	Our team members are the lifeblood of our company, driving innovation, productivity, safety and customer satisfaction. Engaging with them encourages a motivated and skilled workforce, fostering a positive workplace culture and enabling us to deliver exceptional products and services.	We communicate regularly with our team members through emails; updates on our internal intranet and our enterprise social-media channel, Workplace; frequent company, manager and executive updates through in-person and virtual town halls and team meetings; and special interest groups and networks.
<b>Shareholders</b>	Shareholders have a financial stake in our company’s performance and direction. Regular communication and reporting build transparency, trust, and accountability, crucial for maintaining investor confidence and attracting potential investors.	Virgin Australia is a privately held group, and shareholders have Board representation, ensuring that shareholders remain informed of the company’s performance.
<b>Our guests</b>	Direct communication with our guests provides a personalised and satisfactory travel experience. Engaging with them through various channels strengthens brand loyalty, helps address concerns promptly, and contributes to the enhancement of our services.	We engage and communicate with our guests directly through our crew, airport and guest care teams; electronic communication through email, our website, text messages, social media and our Virgin Australia mobile application.
<b>Communities</b>	Our operations have a significant impact on the communities we serve, both economically and socially. Engaging with communities demonstrates our commitment to responsible business practices, fosters positive relationships, and contributes to sustainable development.	We support communities in urban and regional Australia to connect through our flights. We also partner with not-for-profit groups to support our sustainability initiatives and the broader community.

STAKEHOLDER GROUP	WHY THEY'RE IMPORTANT TO US	HOW WE ENGAGE
<b>Suppliers and partners</b>	Collaboration with suppliers and partners is essential for achieving our sustainability goals and maintaining high-quality standards. Transparent communication and shared values create a cohesive supply chain, supporting ethical practices and efficient operations.	We engage and communicate with suppliers and partners to drive our sustainability initiatives and deliver effective governance controls. Our Supplier Code of Conduct, Supplier Commitments and Procurement Policy articulate our expectations of suppliers and impose obligations in relation to sustainability.
<b>Unions</b>	Engaging with unions fosters a harmonious labour environment and makes sure that the interests of our workforce are represented and addressed. Positive engagement helps prevent disputes, enhance employee satisfaction, and promote a productive work atmosphere.	We undertake regular engagement with those unions that represent our team members to build consensus and create positive working relationships. Virgin Australia recognises and supports the rights of freedom of association.
<b>Government</b>	Collaboration with government entities is crucial for navigating regulatory landscapes and advocating for industry-related policies. Engaging with governments demonstrates our commitment to responsible citizenship and facilitates the resolution of industry challenges.	We engage with federal, state and territory governments, and local councils where relevant, on industry and local issues.
<b>Aviation and tourism industry partners</b>	Regular engagement with industry bodies and partners helps us stay informed about industry trends, challenges, and opportunities. This collaboration allows us to contribute to the advancement of the aviation and tourism sectors.	We regularly engage with aviation, travel and tourism bodies including state, national and international, to progress issues of importance to aviation.

**Our material topics**

In FY23, we engaged an external consultant to conduct a materiality assessment to help with the development of our sustainability strategy and to guide disclosures for our sustainability reporting. Our process was to define Virgin Australia’s key stakeholders, identify a long list of potential material topics, conduct a business relevance assessment, undertake stakeholder engagement, and develop our final list of material topics.

Inputs into the materiality assessment included a dedicated company-wide sustainability survey. Other survey results were available, including from Velocity members, alongside interviews with various Virgin Australia’s stakeholder groups, such as management, investors and business partners (including lessors and airports), customer insights teams, and validation workshops. Publicly available Australian federal and state government policies were also an input into the assessment.

We identified our most material topics relevant to stakeholders and to our business as follows:

1. Climate change
2. Cybersecurity and privacy
3. Employee engagement and development
4. Product stewardship and waste
5. Safety and wellbeing
6. Inclusive and diverse workplace
7. Customer engagement and satisfaction

**We found that stakeholder groups believe that action by Virgin Australia on sustainability ranges in scale from important to critical. Our materiality assessment uncovered the following:**

<b>Customers</b>	Corporate customers are increasingly focusing on sustainability and emissions reduction in particular. Sustainability is becoming an important consideration in bid and contract renewals. While leisure customers still value pricing and schedule over sustainability when deciding on a carrier, ethical consumerism is growing. About 80% <sup>1</sup> of our general consumers view sustainability as important and 33% <sup>2</sup> say they are prepared to pay a price premium.
<b>Investors</b>	Sustainability credentials affect one in every two investment decisions. Maximising sustainability performance in a value accretive manner will be critical to ensuring optimal outcomes for our investors.
<b>Government</b>	The Australian Government has sharpened its focus on emissions reduction targets to achieve a 43% reduction (on 2005 levels) by 2030, and reach net zero by 2050. Key changes include the Safeguard Mechanism reform which may result in penalties if we are unable to comply. The Government has also committed to enhancing the Modern Slavery Act and improving working rights with the Fair Work Legislation Amendment (including gender equality, same job/same pay).
<b>Lenders</b>	The Net-Zero Banking Alliance (NZBA) represents over 40% of global banking assets and has committed to aligning their lending and investment portfolios with net zero emissions by 2050 <sup>3</sup> . Australian banks have set their own net zero targets and there is an increasing focus on sustainability performance of their customers.
<b>Management</b>	Our management team believe that a strong position on sustainability is important and increasingly becoming an expectation for all businesses. Our market positioning as a value carrier means sustainability action will need to be balanced with a level of investment that ensures actions are value accretive. Areas of focus that have been identified include carbon emissions reduction and employee engagement.
<b>Employees</b>	84% of survey respondents believe that it is very important that we have a strong and credible sustainability strategy. 65% say that sustainability contributes to their job satisfaction. The highest ranking material topics for team members are safety and wellbeing, cyber security and privacy, labour standards, product safety and quality, and employee engagement.
<b>Lessors/Airports</b>	Lessors are focused on managing their Scope 3 emissions and would like to support their clients with new technology and finding other ways to collaborate. Airports are outlining sustainability ambitions focusing heavily on emissions reductions, Sustainable Aviation Fuel (SAF) and ground electrification. They want to continue the dialogue with airlines to help accelerate their own sustainability targets.
<b>Suppliers</b>	We engage and communicate with suppliers to drive our sustainability initiatives, in particular to progress our Modern Slavery program and initiatives under the Reconciliation Action Plan.

<sup>1</sup> Velocity customer survey March 2022, <sup>2</sup> 2021 Global Sustainability Study, <sup>3</sup> ISS ESG Performance and Enterprise Value

### Our sustainability strategy

We care about driving positive environmental, community and people outcomes.

Our sustainability strategy, approved by our Board in March 2023, is our commitment to delivering on a significant body of work to address the areas in which our most material impacts occur. The strategy determined our focus areas and helps to direct financial and resource investments to where they matter the most. The strategy will also help us to inform our position on Virgin Australia's areas of focus for external reporting and to meet the information needs of our stakeholder groups, including investors. The strategy is holistic in nature, and encompasses targets and workstreams across environmental, social and governance areas.

The strategy has been informed by international guidelines and aviation industry best practice to create an appropriately scoped and credible strategy.

Prior to formalising our cohesive sustainability strategy, we had already implemented a number of environmental and social initiatives. We are proud of the progress achieved so far, however we are realistic about the amount of work that remains to be done, both in defining additional targets as well as developing additional supporting programs of work that will address our current and future sustainability impacts.

### Strategy development process

**Phase 1**  
Refreshed sustainability material topics

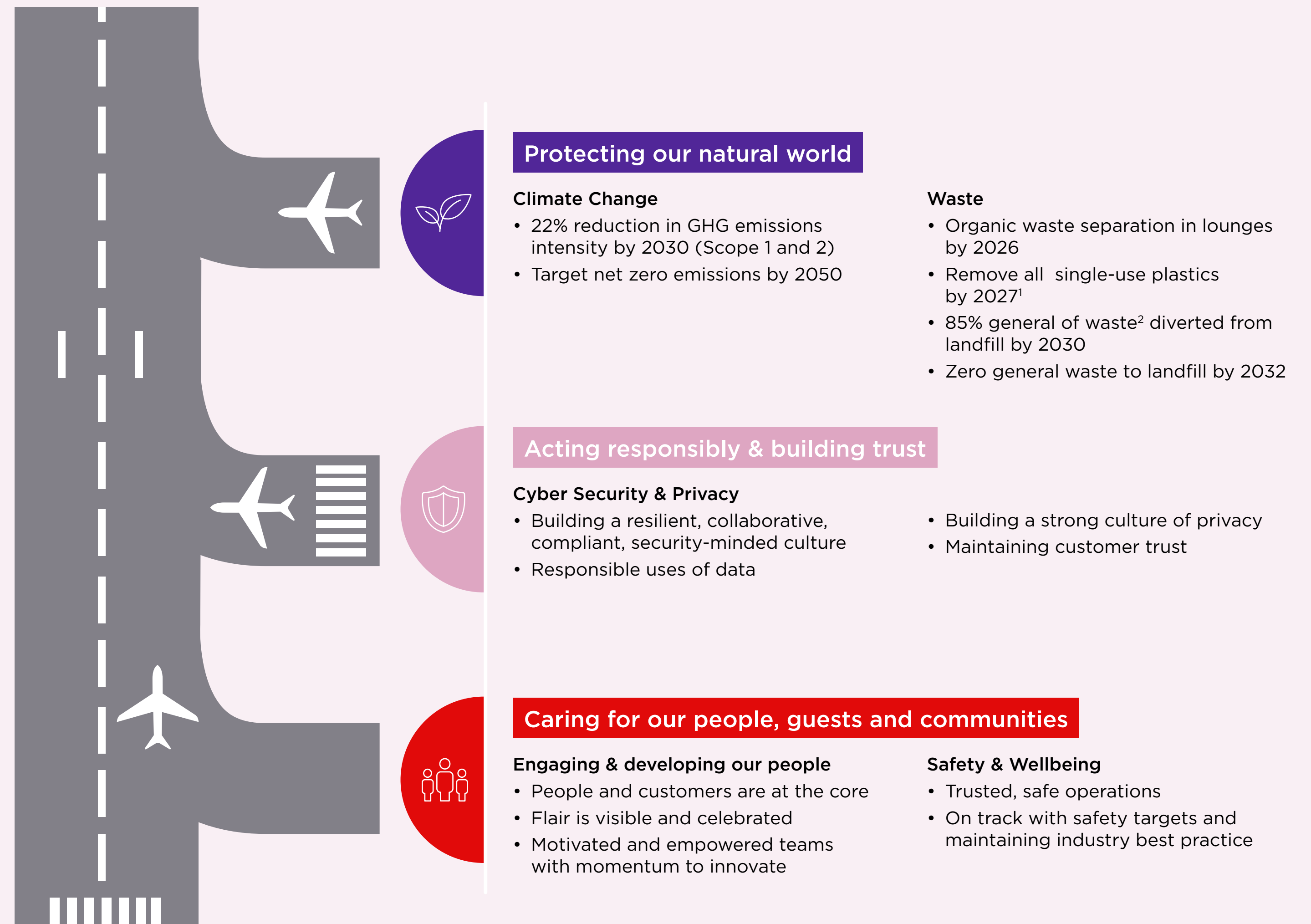
**Phase 2**  
Assessed Virgin Australia's current maturity against refreshed material topics

**Phase 3**  
Set ambitions and strategy

**Phase 4**  
Developed sustainability roadmap

**Phase 5**  
Executing and reporting

### Our Sustainability strategy



<sup>1</sup> This target includes all items banned by state governments, as well as problematic and unnecessary single-use plastics. It excludes items required for medical or health and safety reasons.  
<sup>2</sup> General waste excludes quarantine, aeronautical, liquid and hazardous waste



### Virgin Australia and Boeing join forces on sustainability

In June 2023, Virgin Australia signed a wide-ranging sustainability-related Memorandum of Understanding (MoU) with The Boeing Company ('Boeing'). The MoU recognises both Virgin Australia and Boeing's capacity to leverage their substantial Australian operational footprints to amplify and accelerate sustainability-related outcomes in the following areas:

- **Sustainable Fuels (SAF):** Boeing and Virgin Australia will prioritise joint advocacy for the development of an Australian SAF industry, supporting domestic policy and supply chain investment to accelerate SAF production.
- **Carbon Offsetting:** Boeing and Virgin Australia will partner to advance robust Australian carbon offsets that support regional development, particularly for First Nations people. Both companies will work to leverage existing networks to help raise public awareness about high-quality decarbonisation opportunities via market-based measures.
- **First Nations Engagement and Inclusion:** Boeing and Virgin Australia will work closely to identify areas of potential acceleration in this area, with a particular focus on procurement opportunities for First Nations suppliers.
- **Workforce development and inclusion:** As two major Australian employers, the companies will partner to identify opportunities to accelerate workforce inclusion efforts in areas such as gender and First Nations people's representation, internships and graduate opportunities, disability accessibility and broader capability uplift such as mentoring programs.
- **Australia-US bilateral clean energy cooperation:** Boeing and Virgin Australia agree to work closely together to advance the goals of the 2023 Australia-United States Climate, Critical Minerals and Clean Energy Transformation Compact, in recognition of their significant role in the Australia-US economic relationship. Specifically, its goal is to promote responsible renewable energy supply chains.



### Reporting our sustainability progress

Following the establishment of the International Sustainability Standards Board (ISSB) and its mission to establish a global baseline for sustainability-related disclosure standards, we are closely monitoring the rapid evolution of sustainability reporting. In 2024, Virgin Australia intends to review its strategy for sustainability reporting, with implementation to follow in FY25.

We intend to develop a holistic sustainability reporting framework and associated metrics for internal and external reporting, leveraging existing reporting metrics to monitor progress in our sustainability endeavour.

Periodic reports are shared with the Audit, Risk and Compliance Committee which has oversight responsibility for sustainability issues. In addition, we are reviewing how we can further develop and mature our control environment, including by leveraging automation to improve data extraction, validation, and internal controls pertaining to key data.



# Governance

**Delivery of Virgin Australia’s sustainability strategy is underpinned and held to account by a strong governance model.**

Sustainability starts at the top. Our Board is responsible for the overall operation and stewardship of the Company, and its key responsibilities are to:

- Provide strategic direction for the Group and effective oversight of the management of the Group
- Act in the best interests of the Company, its shareholder(s), team members, customers and the broader community, and
- Act in accordance with the Company’s constitution, the Code of Conduct, the Corporations Act 2001, the common law and any other relevant legislation.

Given the rapidly evolving nature of the broader market and regulatory changes to managing and reporting sustainability risk, our Board must be prepared and agile in its oversight of sustainability risk, and collaborate closely with the relevant committees to strengthen the Group’s response to material risks.

As sustainability issues affect nearly every aspect of our business, sustainability management is an integral part of our operations and functions. The Chief Corporate Affairs & Sustainability Officer at Virgin Australia is responsible for directing and coordinating our sustainability activities at the executive level, supported by a team of sustainability professionals.

We have established an Environment, Social, and Governance Steering Committee (ESG SteerCo), which is comprised of executive team representatives and delegates from across the business. The ESG

SteerCo oversees Virgin Australia’s efforts to achieve its sustainability targets, including climate change and waste reduction ambitions.

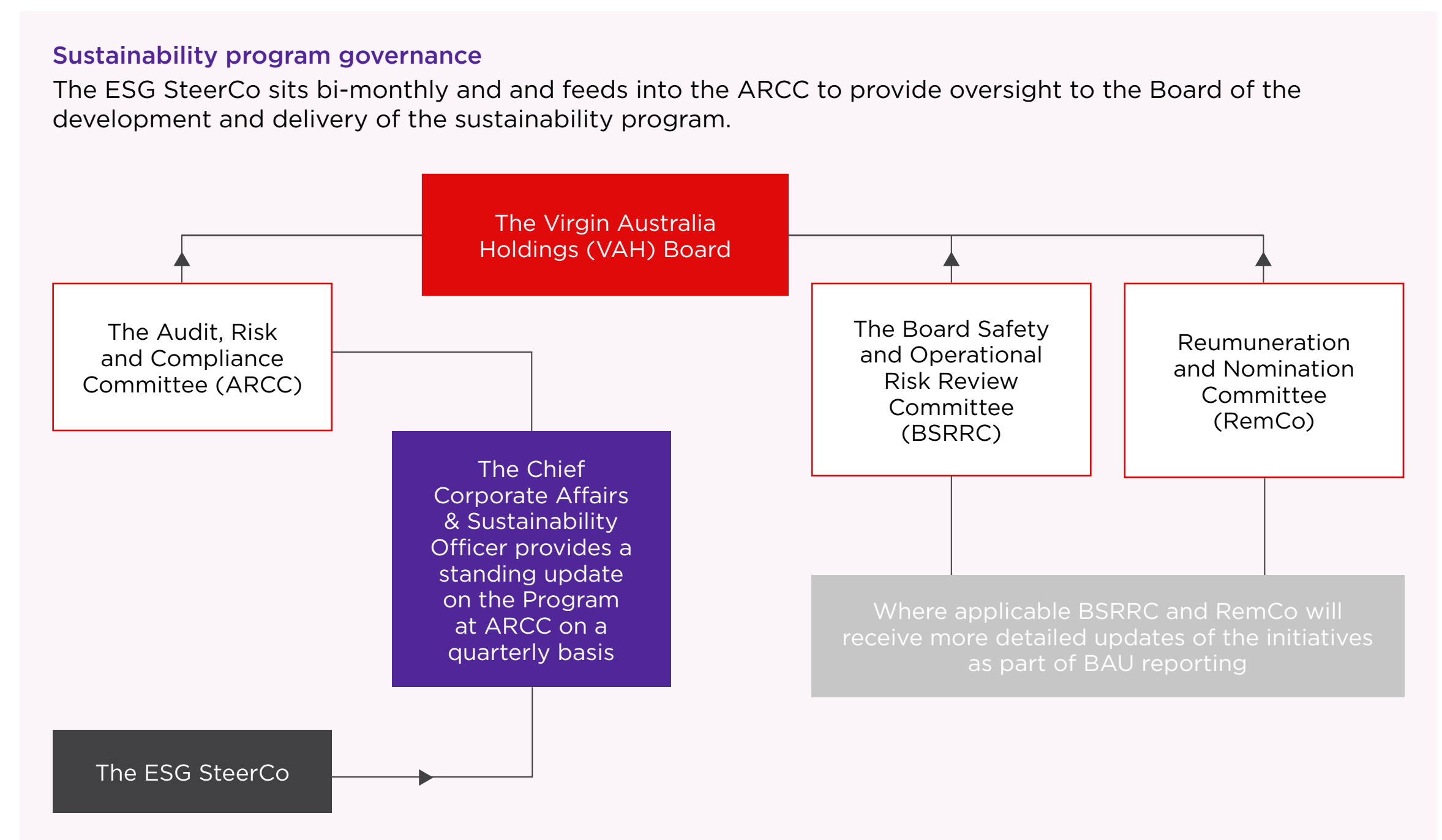
The Board has established three board sub-committees to assist in carrying out its oversight function: the Board Safety and Operational Risk Review Committee (BSRRC), the Audit, Risk and Compliance Committee (ARCC), and the Remuneration and Nomination Committee (RemCo). On the recommendation of the ARCC, the Board is responsible for approving our sustainability strategy and program. The Board Chair is a non-executive position.

The ARCC assists the Board with oversight of our risk culture, risk management system and reporting, financial reporting integrity, compliance framework, internal audit review, and selection of external auditors. The ARCC is primarily responsible for overseeing the majority of Virgin Australia’s sustainability efforts, such as climate change, and regularly updates the Board.

The BSRRC assists the Board with oversight and management of operational safety and health and security risks of the Group and is assisted by an expert external safety advisor.

The RemCo assists the Board with oversight of diversity and inclusion, Board performance, succession planning for directors and executives, director and executive appointments, performance, remuneration and incentives, and review of Virgin Australia’s scorecard.

Regulatory changes that may impact Virgin Australia’s sustainability strategy are regularly communicated to the Board through the Committees.



**Managing risk**

Effective risk management is critical to the success of Virgin Australia and is a crucial component of strong corporate governance. Risk management is incorporated into all areas of Virgin Australia’s operations and is the responsibility of all team members. Virgin Australia aims to undertake all activities within the Group’s risk appetite and in consideration of risk management guidelines, and with a sufficient level of independent oversight.

The Virgin Australia Board has ultimate responsibility for ensuring that risk management systems are in place and effective. To assist it in carrying out its obligations as they relate to risk management, the Board has established two sub-committees, the ARCC and BSRRRC, as detailed above.

A key component of the effective management of risk within Virgin Australia is the establishment of a positive, proactive and effective risk culture. The Board and ELT are committed to cultivating a culture that encourages sound risk taking by empowering team members and integrating risk management into its decision-making procedures.

The enterprise-wide Risk Management Framework (RMF), which is aligned to the Australian and International Standard on Risk Management (AS ISO 31000: 2018 Risk Management) – Guidelines has been developed to provide a structure for the identification and management of risk to support the achievement of business objectives, ensuring that Virgin Australia is being prudently and soundly

managed and fulfilling its corporate governance obligations. The RMF is reviewed annually to ensure it continues to remain sound having regard to the size, business mix and complexity of its operations.

**Ethical business**

At Virgin Australia, one of our four values – which represent the Virgin way of working and Virgin way of being – is doing the right thing.

**Policies on sustainable business conduct**

The Virgin Australia Code of Conduct (Code) outlines what we believe is the right way of doing business. The Code provides a practical guide to the expected behaviour of all team members in all business activities and when interacting with each other, customers, suppliers, and other external stakeholders.

It applies to all Virgin Australia team members, including directors, officers, team members, contractors, consultants, and third parties, and outlines the responsibilities and appropriate conduct of team members during the course of their employment or work with us.

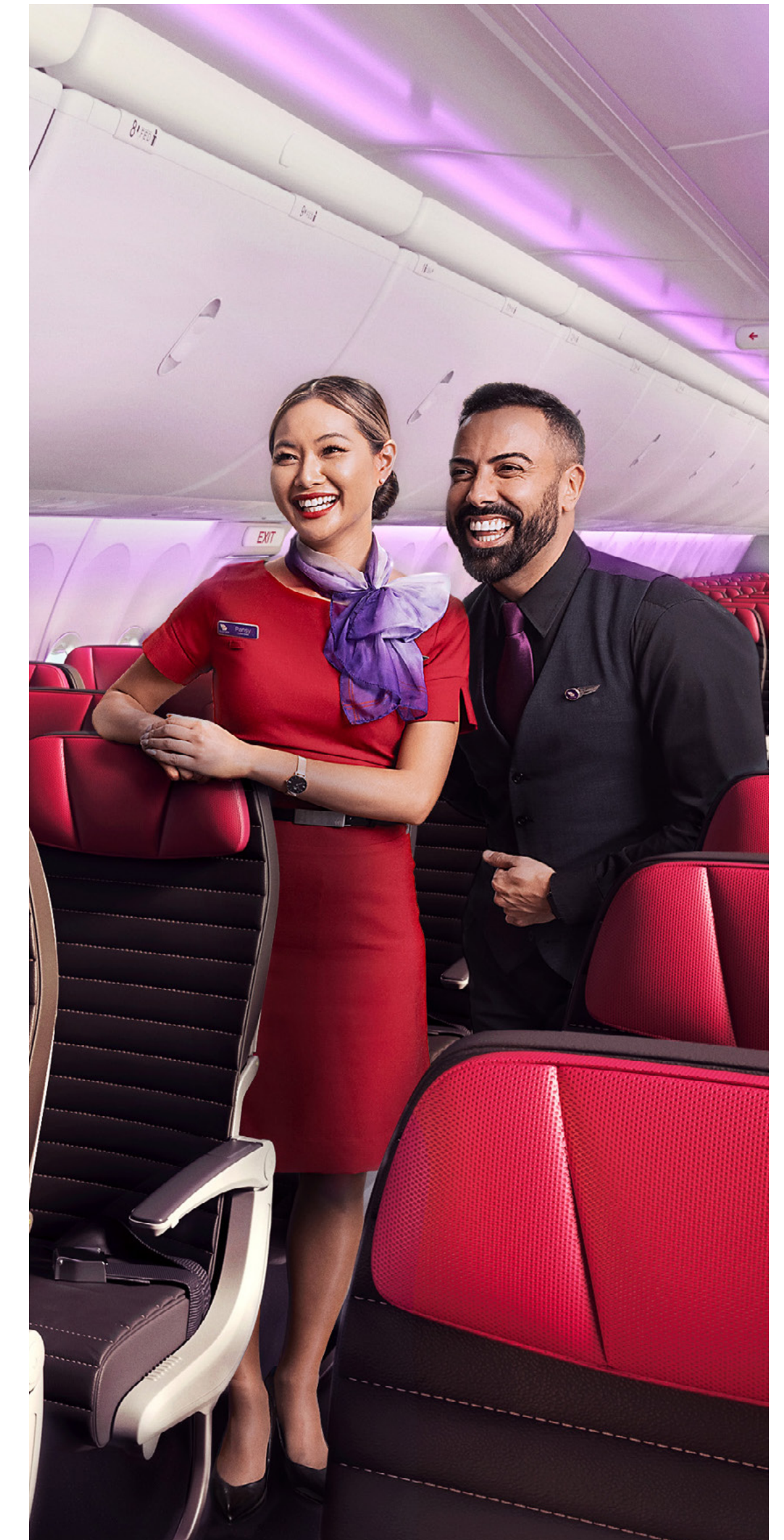
Our culture is supported through a number of governance documents and policies in addition to the Code, including:

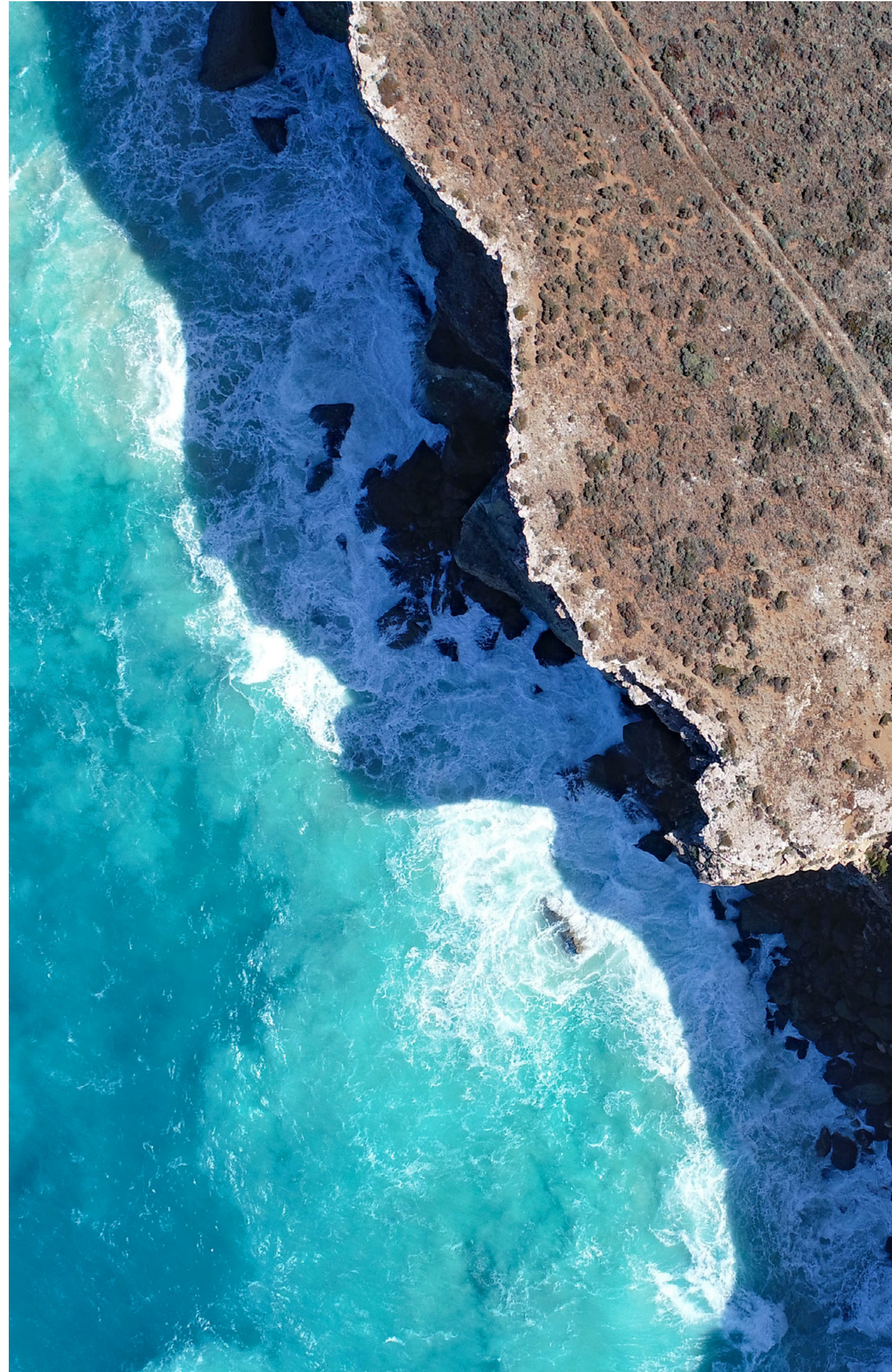
- Code of Conduct Guidance document
- Whistleblower Policy
- Modern Slavery Incident Response Policy
- Belonging Policy

- Mental Health and Wellbeing Policy
- Workplace Behaviours Policy
- Procurement Policy
- Sustainable Procurement Policy

The day-to-day responsibility for developing these policies and overseeing compliance is assigned to relevant departments including Ethics & Compliance, Legal, Security, People and Procurement.

Human rights is a key focus for us in FY24. We plan to embed a 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.





### Ethics and compliance cultural diagnostic overview

In November 2022, we engaged a behavioural economist to assist with Virgin Australia's cultural diagnostic program of work. The purpose of the program is to conduct an initial benchmarking of our culture with a particular emphasis on ethics, compliance and doing the right thing. The program covered how our team members experience this aspect of our culture including from an operational safety culture perspective all the way to how people make good and ethical decisions in our corporate offices.

This work involved four sequential activities:

1. A desktop review of protocols, prior survey results and policies to identify known risks and metrics to understand management intent to promote an ethical culture.
2. One-on-one interviews with leaders and cultural influencers in designated areas to identify their views on addressing critical risks and any unique contextual risks.
3. Five focus groups were conducted across both frontline and corporate head office groups.
4. All Virgin Australia staff were invited to complete an engagement survey which included 16 questions focused on ethical culture based on five themes:
  - Overall approach to managing ethical behaviour
  - Tone at the top
  - Accountability and support
  - Ethics in the practice
  - Reporting concerns

We received a survey response rate of 45%. We will use the outcomes of the survey to shape our future efforts in ethics and compliance.

### Conflicts of Interest Policy

Virgin Australia has a Conflicts of Interest Policy that is applicable to all team members, including employees and Directors. Additionally, Directors are subject to the conflicts of interest provisions of the Corporations Act. All team members and Directors are required to disclose all conflicts of interest. The Conflicts of Interest Policy provides detailed instructions on the nature of potential conflicts of interest and relevant course of action. Our Code of Conduct provides information on the nature of potential conflicts of interest and includes instructions on who to contact and how to submit a conflict review request.

### Communication of critical concerns

Critical concerns are communicated directly to either the Board or through Board Committees. This includes ethics and compliance reporting and risk register reporting.

**Mechanisms for seeking advice and raising concerns**

It is important that team members and those who work with us or who are associated with us feel safe and empowered to speak up. We encourage anyone to report conduct they reasonably believe may be illegal, unethical or inconsistent with our Code, and to do so without fear of retaliation. We have zero tolerance for any form of retaliation. We consider all forms of retaliation to be misconduct and grounds for disciplinary action, up to and including termination of employment.

Team members can raise their concerns through a number of channels, including through leaders. Anyone, including external stakeholders and the public, can lodge a concern, in the form of a report, or online through the ethics hotline. Reporters of misconduct concerns can choose to raise their concern anonymously and all reports of business conduct concerns must be treated with appropriate confidentiality.

Reports received are assigned by our Ethics & Compliance team to an investigator, leader or team for investigation or resolution as appropriate, in accordance with our internal processes. The reporting and investigation processes are transparent and accessible to all team members via our intranet.

We have a number of key policy and process documents to support a safe-to-speak up culture, including our Whistleblower Policy, updated in FY23, Anti-Bribery and Corruption Policy, Modern Slavery Incident Response Policy and Gifts and Entertainment Policy. We encourage individuals to speak up and report concerns about any conduct that is inconsistent with our Code of Conduct or internal requirements, or conduct that may be illegal or improper.

In addition, in FY23, we launched our See Something Say Something campaign which encourages team members to come forward and share their concerns. We also launched our Anti-Bribery and Corruption program which highlights for team members what to look out for and how to report their concerns.

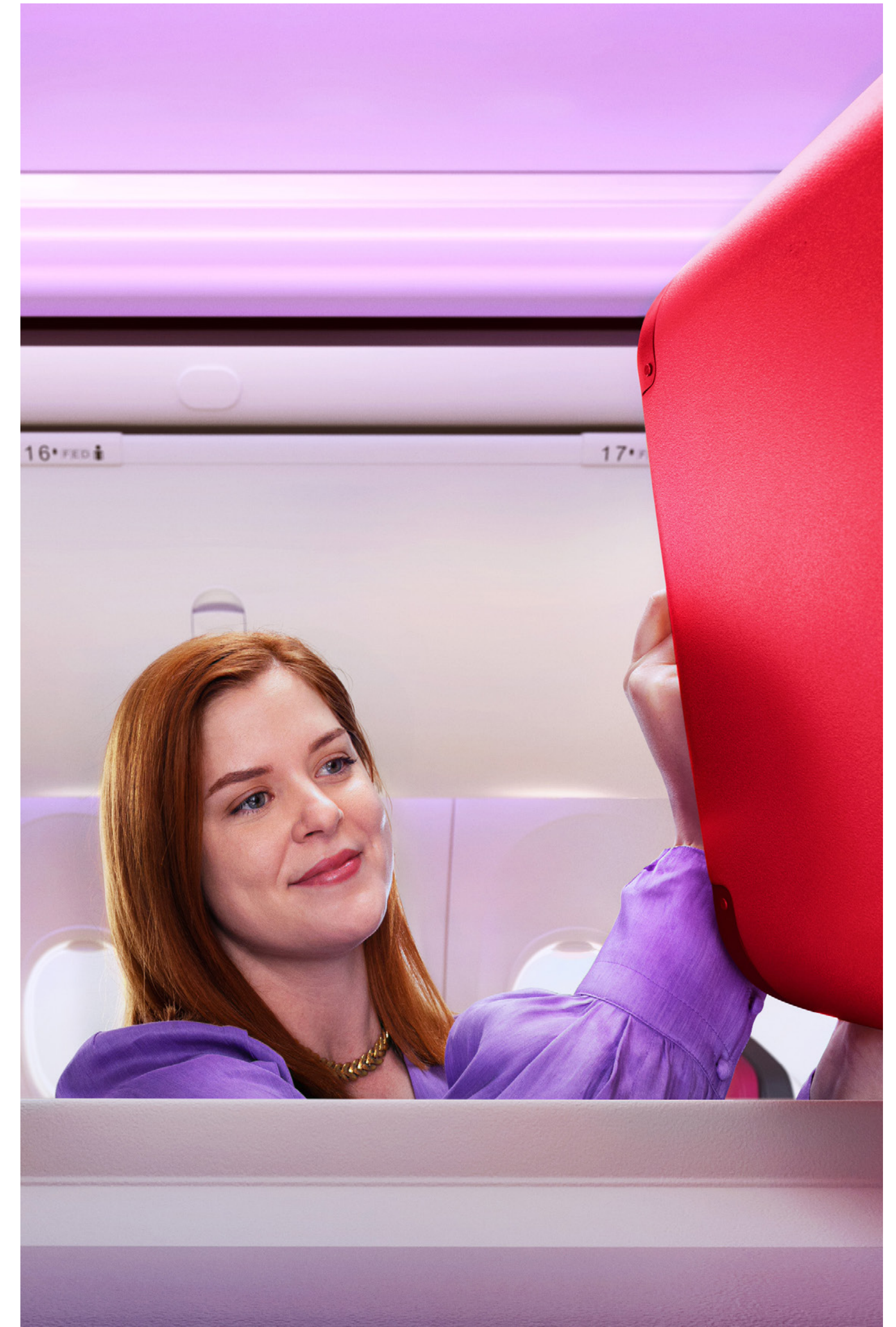
**Embedding policy commitments**

Virgin Australia's team members as well as consultants and contractors are expected to uphold both the letter and the spirit of the law, and the Code of Conduct. Mandatory completion of Code of Conduct training is required on VLearn each year by each team member.

Responsibilities for embedding policy commitments throughout Virgin Australia are based on role, for example, Executive, General Manager, Manager, All staff.

**Compliance with laws and regulations**

To ensure these risks are understood by all levels of the business, the Ethics and Compliance team regularly report to the CEO and ELT, and the Audit, Risk and Compliance Committee (which is responsible for overseeing Virgin Australia's Risk Management Framework) on current compliance or changing regulatory landscape related to the risks outlined in the Framework. As per the best of our knowledge, there have been zero significant instances of non-compliance with laws and regulations in FY23.



### Modern Slavery

We comply with Modern Slavery Statement reporting as required under the Modern Slavery Act (2018) and will publish our fourth Modern Slavery Statement in December 2023.

Virgin Australia is aware that all businesses, including its own, runs the risk of modern slavery in their operations and supply chains. We take an active role in identifying risks related to modern slavery, such as those that may be directly related to or caused by our operations and supply chain. In accordance with our core values, Virgin Australia is committed to respecting human rights and 'doing the right thing'. As the second-largest airline in Australia, we are aware of our duty to not only control the risks of modern slavery in our operations with more than 1,600 suppliers in our supply chain, but also to participate in the worldwide dialogue on human rights and combating slavery in all its forms.

#### Governance and accountability

The Virgin Australia Board has 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 response plans is managed by our Ethics and Compliance team. Initiatives under our response 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.

We take an agile and adaptable approach to identifying, evaluating, and addressing modern slavery and broader human rights risks. Our risk management framework, which also comprises our risk matrix, guides our approach and sets principles for risk management.

### Our FY23 actions to address modern slavery risks

In FY23, we undertook the following key activities as part of our modern slavery response plan:

#### Framework, policy and processes

- Developed and integrated a project plan for the delivery of our modern slavery framework and actions for this reporting period
- Scheduled and held Steering Committee meetings
- Continued embedding updates to our core conduct policies, which were refreshed in FY22
- Implemented updates to our payroll system to capture additional data points for our indirect workforce to assist us with identifying where modern slavery risks may arise.

#### Training, awareness and capacity building

- Delivered modern slavery training to key internal stakeholder groups
- Continued and deepened engagement with industry participants to identify opportunities for collaboration in respect of raising awareness of modern slavery risks in the aviation sector. Initial meetings held with industry participants regarding potential areas for collaboration.

#### Risk assessment and due diligence

- Completed the roll out of phase one of our Know Our Third Party Program
- Conducted a risk segmentation activity with a global business risk and sustainability solutions provider to identify suppliers who have high risks of modern slavery.
- Conducted a deep dive analysis of one key supplier in a higher-risk procurement category during FY23 to identify opportunities for further engagement on modern slavery risks.

### Strengthening our supply chain risk assessment

To better understand and prioritise risks within our supply chain, we partnered with ELEVATE, a global business risk and sustainability solutions provider. We conducted a risk segmentation analysis of our suppliers, which helped to identify suppliers that may present higher modern slavery risks and the degree to which Virgin has potential to influence suppliers and supply chain.



# Climate change

We are committed to targeting net zero emissions from our operations by 2050, in line with the ambition set by the global aviation industry in 2021.

Given the alarming rise in temperatures and the risk of permanent environmental damage from rising sea levels, we must take appropriate action to combat climate change. As emphasised by the Intergovernmental Panel on Climate Change (IPCC), to control global warming, it is essential to reduce greenhouse gas emissions urgently and substantially. Attaining a liveable and sustainable future for everyone demands significant transformation in various sectors, including aviation.

Aviation accounted for 2% of global energy-related CO<sub>2</sub> emissions in 2022, having grown faster than rail, road, and shipping over the previous decades. As international travel demand recovers in the aftermath of the Covid-19 pandemic, aviation emissions in 2022 reached nearly 800 Mt CO<sub>2</sub>, or approximately 80% of pre-pandemic levels.

The aviation industry made the significant commitment in 2021 to achieve net zero carbon dioxide (CO<sub>2</sub>) emissions by 2050. This commitment aligns the aviation industry with the goals of the Paris Agreement to limit global warming to well below 2°C. To be successful, it will require the coordinated efforts of the entire aviation industry (airlines, airports, air navigation service providers, and manufacturers), as well as substantial government support. In a hard to abate sector like aviation, every single action is critical.

Australia has committed to reducing its emissions to 43% below 2005 levels by 2030 and reaching net zero greenhouse gas emissions by 2050.

The Safeguard Mechanism is Australia’s primary instrument for controlling carbon emissions from large emitters, by setting emissions limits (or ‘baselines’).

Virgin Australia supports the Government’s reform to the Safeguard Mechanism. The development of policies and funding mechanisms that incentivise investment in SAF consistent with the reform of the Safeguard Mechanism will be vital. It will also be important that the Government keep an open mind to further reform to support the adoption of solutions consistent with the overarching aim of emissions reduction. Together, improvement in air traffic management and airports’ operational efficiencies are also relevant for airlines to complement its decarbonisation efforts.

We acknowledge that climate change will have an effect on our operations, and we continue to build our capacity to identify, assess, and manage the risks and opportunities it presents to our business. Our priority is to provide a safe, sustainable, and reliable air transport network – at an affordable price – and our ability to continue to do so will depend increasingly on how we manage the effects of climate change.

## Virgin Australia’s net zero ambition

We made a commitment to target net zero carbon emissions by 2050 in November 2021. To achieve and sustain success, we must utilise all commercially available levers now and in the future.

This year, we were pleased to announce our near-term objective of a 22% reduction in emissions intensity by 2030 (Scope 1 and 2) (2019 as the base year). This is a significant milestone on our sustainability journey, as it establishes a strong foundational plan that will guide our path to 2050.

## Efficient aircraft operations

Our efforts to operate our fleet as efficiently as possible, whether in the air or on the ground, are essential to achieving our decarbonisation objectives.

We are investigating a variety of opportunities to reduce aircraft fuel burn, including route optimisation, aircraft weight reduction, single engine taxiing, and other initiatives, that could collectively save millions of litres of fuel and associated emissions each year.

The combination of these initiatives is producing year-over-year fuel efficiency savings (FY23 versus FY22). In FY23, we implemented several fuel efficiency initiatives that resulted in annual fuel savings of over 90,000 litres.

## Fleet renewal

In the short-to-medium term, fleet replacement represents one of the largest opportunities to reduce carbon emissions. A critical advantage of newer 737-8 aircraft is that they are approximately 15% more fuel efficient compared to their earlier generation counterparts (737-800 NGs), resulting in lower emissions. We anticipate that our fleet renewal program, along with other fuel efficiency initiatives, will support some 80 percent of our 2030 ambition to reduce our carbon emission intensity by 22 per cent.

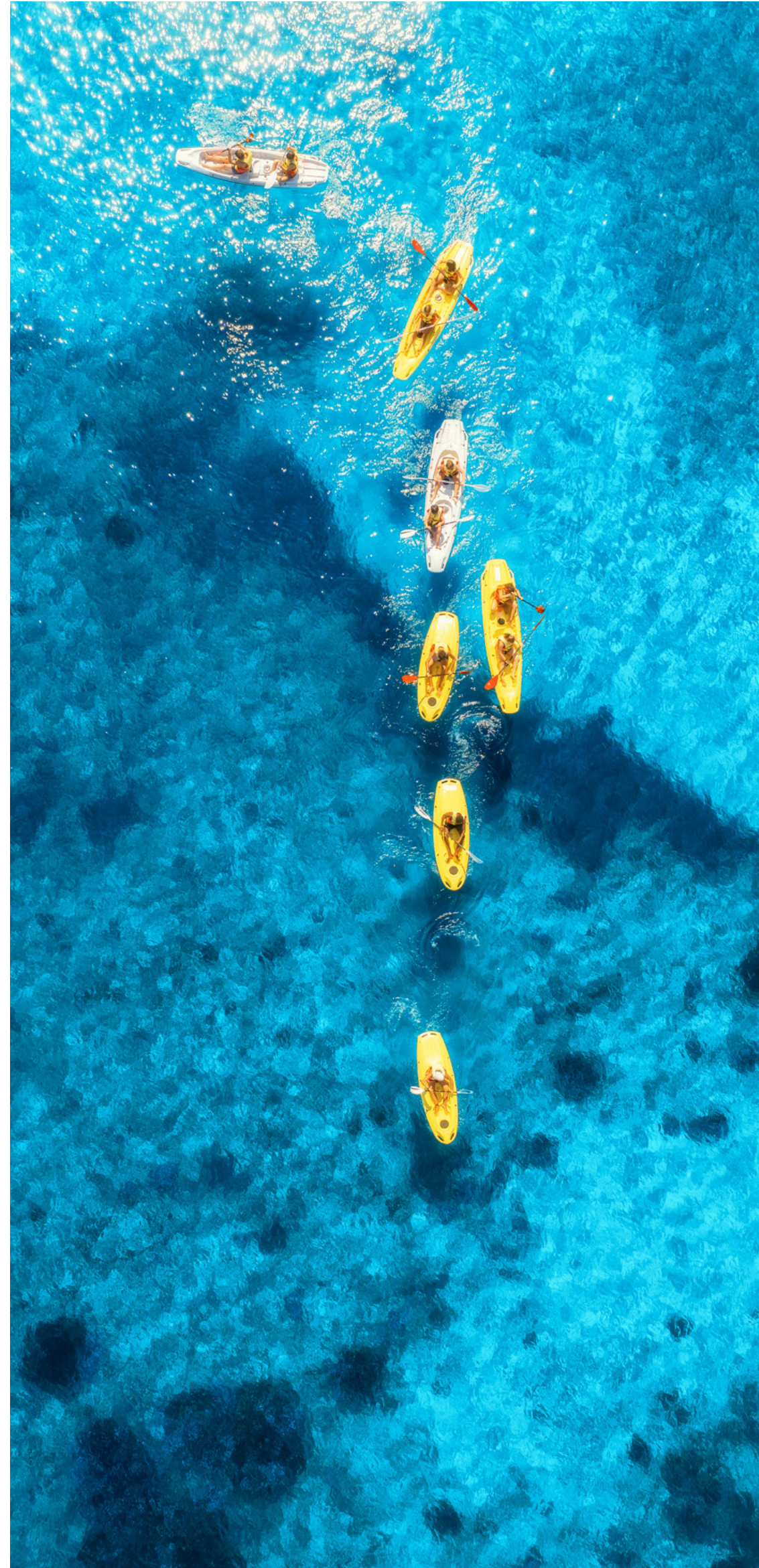
Our first 737-8 joined the Virgin Australia fleet in 2023. In addition to being more fuel-efficient, the 737-8 is approximately 40 per cent quieter than the current 737-800 NG. Marking the milestone, Virgin Australia ordered a fuel load blended with 30% Sustainable Aviation Fuel (SAF) for the first leg (Seattle to Hawaii) of the delivery flight to Brisbane.

We have ordered 33 new MAX family aircraft – eight 737-8s and 25 737-10s - that will progressively be delivered over the next five years. This represents a significant financial investment by Virgin Australia in the future emissions reductions of the fleet.

In FY22, we reported our plan to progressively replace the ageing F100 aircraft presently in use by Virgin Australia’s VARA division with significantly more fuel-efficient 737-700 aircraft. All 737-700 aircraft have now been delivered, and the F100 is in the final process of being phased out.







**Ground operations & facilities**

We look for opportunities to implement operational changes that reduce on the ground fuel use, such as using a single engine for taxiing to the gate after landing. We are also exploring the possibility of converting our ground support equipment (GSE) to electric power and we continue to work with the airports across the country to provide the infrastructure that supports the expansion of GSE. By the end of FY23, 23% of our GSE was electric.

We plan to continue electrifying equipment that is commercially available and operationally feasible. In addition, procedures exist to use electric ground power and preconditioned air for aircraft at the gate whenever available, which reduces the use of auxiliary power units (APU) and helps prevent additional emissions on the ground.

We continue to pursue opportunities to reduce the environmental impact of our facilities by investigating viable renewable energy sources and green building design. Our new Sydney office, for instance, has a 6 Star NABERS energy rating.

**Carbon offsets**

Certified carbon offsets continue to play a role in our decarbonisation strategy. While we recognise the importance of carbon offsets, we intend to use only a small portion of them to meet our 2030 ambition of reducing emissions intensity by 22%.

Virgin Australia remains focused in securing access to reasonable volumes of carbon credits for both compliance and voluntary needs.

The Safeguard reform and CORSIA requirements will play a pivotal role in boosting greater engagement from the aviation industry in carbon markets, with demand for carbon credits expected to increase.

We have continued with our ‘Fly Carbon Neutral’ program, which allows guests to offset the carbon emissions of their flights. Climate Active, an ongoing partnership between the Australian Government and Australian businesses to drive voluntary climate action, has certified the program. The Climate Active program represents Australia’s collective efforts to measure, reduce, and offset carbon emissions in order to reduce our negative environmental impacts.

Approximately 27,500 tonnes of carbon emissions will be offset through the guest program and employee travel to reflect VA’s FY23 requirements under Climate Active certification.

**The transition to Sustainable Aviation Fuel (SAF)**

We are acutely aware of SAF’s potential to contribute significantly to the reduction of Australia’s greenhouse gas emissions and to assist businesses including our own, in meeting net zero air travel emission targets.

There is presently no production of SAF in Australia. Globally, the cost of SAF is two to five times that of conventional jet fuel. We believe Australia is well-positioned to benefit from a more sustainable growth path, attracting new industries and employment, diversifying the economy, improving energy security, and reducing Australia’s vulnerability to external price shocks. Due to the volume and quality of our domestic SAF inputs (i.e. feedstocks and energy resources), Australia has the ability to produce SAF for both domestic consumption and export at a competitive advantage relative to international jurisdictions, subject to policy incentives.

To capitalise on this, Virgin Australia has collaborated with the broader value chain to facilitate the growth of an efficient and sustainable SAF industry.

Our strategy includes:

- **Collaborating** with industry groups by participating in the Government’s Jet Zero Council which was formed to provide advice to the Government in respect of aviation decarbonisation.
- **Membership and participation** in the Sustainability Aviation Fuel Alliance of Australia and New Zealand (SAFANZ), and
- **Engaging all levels of Government** to refine SAF’s resilience in Australia’s sustainability journey through policy advocacy.

Our Memorandum of Understanding with Boeing also allows us to prioritise joint advocacy for the development of an Australian SAF industry, supporting domestic policy and investment in the supply chain to accelerate SAF production.

**Task Force on Climate-related Financial Disclosures (TCFD)**

Specific climate-related risks are identified and continually monitored within Divisional Risk Profiles and are reported to the Executive Leadership Team (ELT), Audit, Risk and Compliance Committee (ARCC) and the Board bi-annually in the Group Risk Report. Each division is responsible for reviewing and updating their divisional risk profile on a regular basis so that any emerging trends or issues both within and outside the business that may affect current risk descriptions, risk ratings or treatment activities are considered.

The sustainability team at Virgin Australia is primarily responsible for identifying, assessing, and managing climate-related risks and opportunities. To effectively manage climate-related risks and opportunities, the team actively engages the business to discuss, raise awareness, and implement controls and mitigation measures. In FY23, we advanced our TCFD reporting, building on our initial assessment of climate-related risks and opportunities conducted in 2022, which focused on identifying and assessing physical and transition climate-related risks and opportunities.

In early 2023, we conducted a more comprehensive analysis of these hazards and opportunities over the short, medium, and long-term. This included incorporating scenarios into our short, medium, and long-term assessments.

**Physical climate scenarios**

Three publicly available climate scenarios were chosen to provide broad coverage of plausible futures. The Shared Socioeconomic Pathways (SSP)/ Representative Concentration Pathway (RCP) scenarios were selected because the Intergovernmental Panel on Climate Change (IPCC) developed the scenarios and models used to determine the physical hazards associated with them. These are the standard climate risk assessment scenarios used to assess physical climate risk.

**Transition and opportunity climate scenarios**

Three scenarios were again chosen to provide broad coverage across a range of plausible futures. 'High-level' scenarios were developed, with published scenarios such as the International Energy Agency's (IEA) World Energy Model (WEM) and other data used for analysis, where they were aligned. Given the scope of risks and opportunities evaluated, there was no published scenario 'family' containing all the necessary data and information to evaluate each one. To address this challenge, the scenarios used were derived from the scenarios, sources, and data sets described previously in order to assess Virgin Australia's climate-related risks and opportunities most accurately.

**Time horizons**

In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), short, medium, and long-term horizons were used to assess how the exposure to climate risks and opportunities is expected to evolve over time. The selected time horizons take into account Virgin Australia's proposed interim emissions ambition of 2030 and net zero ambition of 2050, as well as our desire to be transparent and communicate the impacts of climate risk over both the short and long term.

PHYSICAL CLIMATE SCENARIOS	TRANSITION & OPPORTUNITY CLIMATE SCENARIOS	TIME HORIZONS
IPCC's SSP1-2.6: Low emissions with temperature increase of <2°C	Net zero scenario: Low emissions with temperature increase of <2°C. A 'very stringent' scenario where emissions fall from present day, and includes rapid and far reaching policy changes.	Short-term: 2030
IPCC's SSP2-4.5: Intermediate emissions with temperature increase of 2-3°C	Moderate emission reduction scenario: Intermediate emissions with temperature increase of 2-3°C. Emissions peak around 2040 and current policies are enacted (similar to the IEA STEPS scenario <sup>4</sup> ).	Medium-term: 2040
IPCC's SSP5-8.5: Very high emissions with temperature increase of >4°C	Worst case scenario: Very high emissions with temperature increase of >4°C. Emissions continue to rise with limited intervention and current policies are not enacted as intended.	Long-term: 2050

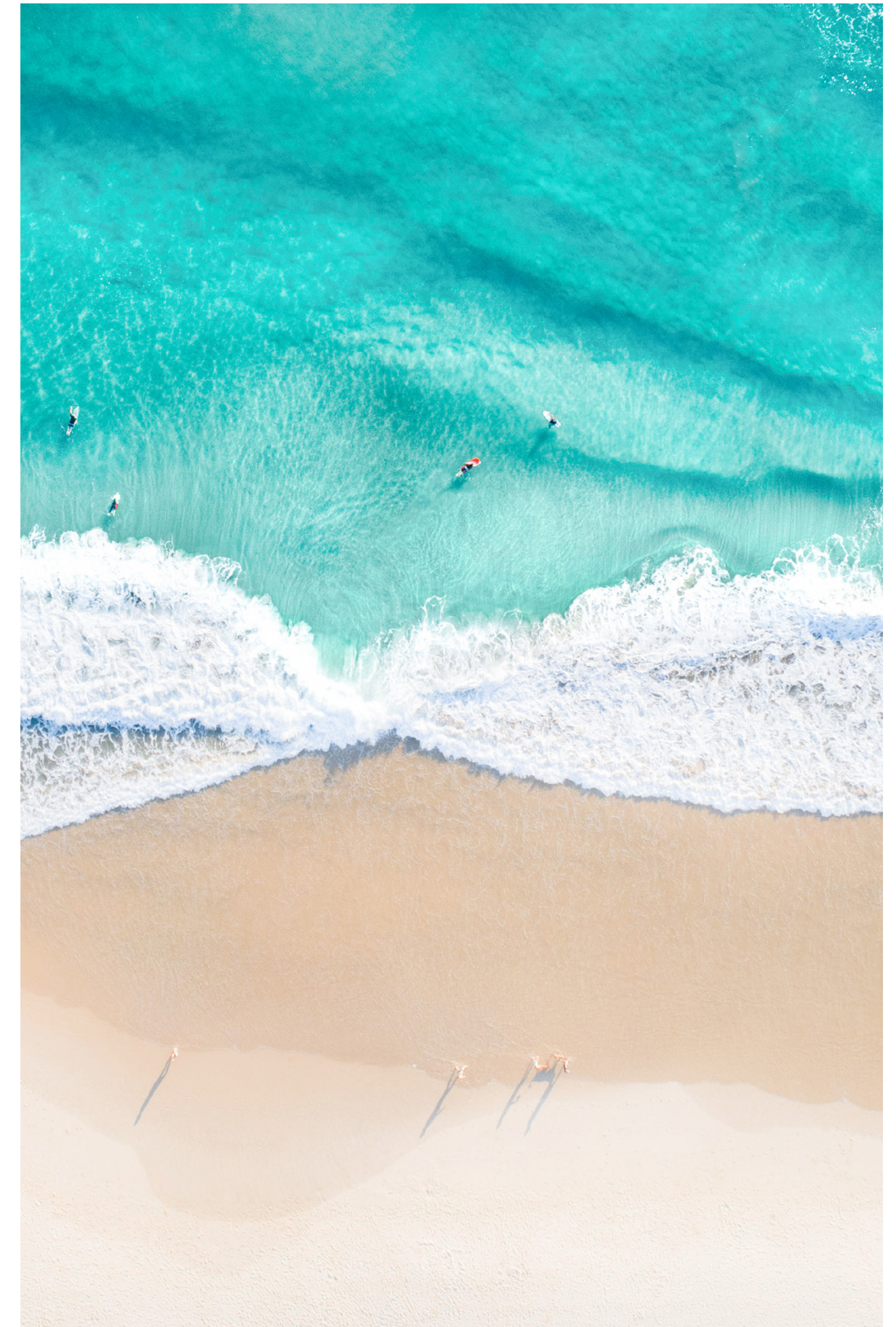
<sup>4</sup> The IEA STEPS scenario provides a more conservative benchmark for the future, as it does not take it for granted that governments will reach all announced goals.

## Analysis of climate-related risks and opportunities

### Physical risks

Physical risks arise from changes in the climate which lead to consequential changes to the severity and frequency of weather patterns and events, either chronic (changes over time) or acute (specific events such as severe storms or flooding).

	RISK DESCRIPTION	POTENTIAL IMPACTS	MITIGATION STRATEGY
Chronic - Long-term changes & increased variability in weather patterns	<b>Wind</b> - Changes in wind patterns and strength can impact runway utilisation (e.g., approach and departure procedures, reduced flight arrival and departure punctuality)		<ul style="list-style-type: none"> <li>Through network planning, we can avoid routing aircraft to areas that are more prone to takeoff load restrictions during the hottest times of the day</li> <li>Reflecting weather-related risks in our operational procedures - e.g. we adjust aircraft operations in events of extremely high winds that could affect takeoff and landing</li> <li>We have launched our Rapid Rebook tool, which gives guests a choice to rebook a flight that suits them online in the event of disruption</li> <li>We continue to work with aircraft manufacturers to evaluate and improve the safety of our aircraft, including under extreme weather conditions</li> <li>We partner with airports and airport authorities within our network to address contingency plans and preparedness</li> </ul>
	<b>Heat</b> - Aircraft can only operate effectively within certain temperatures, and fuel burn rates can be affected (as more power is needed to take off in extreme heat)	<ul style="list-style-type: none"> <li>Decreased or disrupted flying (flight delays and cancellations) which can impact revenue and operational expenditure</li> <li>Associated passenger inconvenience and reputational impacts</li> <li>Increased use of fuel</li> <li>Safety issues - e.g. increased turbulence, or health &amp; safety issues for ground crew from increased number of extreme heat days</li> <li>Network disruption and loss of access to airports, other aviation support facilities, critical infrastructure and supply chains</li> </ul>	
	<b>Sea level rise</b> - Rising sea levels could lead to the loss of airport capacity and cause network disruptions or airport closures. Surface transport links to airports could also be affected		
	<b>Drought</b> - Drought conditions can potentially lead to water restrictions, which can require water saving practices and technologies to be implemented		
Acute - Increased incidence and severity of weather events	<b>Flooding</b> - Flooding can impact the ability of flights to land, damage sites and infrastructure (including connecting transportation infrastructure e.g., roads, railways)		<ul style="list-style-type: none"> <li>Disruption of goods &amp; services to our operations (e.g. consumables)</li> <li>Potential aircraft damage, leading to increased aircraft maintenance or repair costs</li> <li>Increased insurance premiums</li> </ul>
	<b>Storms</b> - Aircraft are vulnerable to turbulence, wind and low visibility		
	<b>Bushfires</b> - Bushfires can lead to reduced visibility for taking off and landing, create unsafe conditions for ground staff to operate due to hazardous air quality, and potentially lead to site evacuations		



Transition risks

RISK TYPE	RISK DESCRIPTION	POTENTIAL FINANCIAL/OPERATIONAL IMPACTS <sup>5</sup>	MITIGATION STRATEGY
Technology	SAF Market	Sustainable Aviation Fuel (SAF) is the most viable alternative fuel to jet fuel to achieve low emissions flying based on the maturity of technology and the lower infrastructural requirements compared to other alternatives (e.g. hydrogen and battery-electric). There is currently no commercially viable supply of SAF in Australia. Internationally, there is increased availability (although current production is less than 1% of global annual jet fuel demand), though this is significantly more expensive than the current price of jet fuel. Demand pressures may increase prices as a result of the competitive landscape and any potential regulations or mandates for greater uptake. This is coupled with the supply challenges domestically and internationally - limited availability as well as land-use change issues associated with the bio-feedstocks.	Advocacy and engagement with industry groups (including Bioenergy Australia and the Sustainable Aviation Fuel Alliance Australia and New Zealand); and government through the Australian Jet Zero Council to support the supply and commercial viability of SAF in Australia.
Market	Consumer demand shifts	Air travel consumers concerned about climate change and carbon emissions may look to reduce their air travel consumption or opt for alternatives such as train, bus, or driving holidays. This also represents an opportunity for environmentally conscious carriers to attract the loyalty of these consumers.	In March 2023, we set near-term decarbonisation goals (2030) and are now actively implementing measures towards these goals through, for example, our fleet modernisation and fuel efficiency initiatives.
	Volatility in energy costs	As jet fuel represents a significant business cost, the aviation industry is vulnerable to changes in fuel prices. Jet fuel costs may increase over time if global fuel production decreases due to supply chain disruptions or increased regulations such as carbon pricing.	Virgin Australia manages the short-term risk of volatile jet fuel prices through over-the-counter fuel derivative instruments to hedge a portion of its future jet fuel purchases. In addition, we continue to make long-term investments, such as our fleet modernization program, which helps our operations be more fuel efficient.
Reputation	Claims of greenwashing	All climate-related disclosures, announcement and products are susceptible to greenwashing if adequate care is not taken in communicating them.	Our sustainability communications are reviewed in order to provide appropriate context and information regarding our strategy and initiatives, and we maintain information on these matters on the sustainability section of our website. Members of our ESG Steering Committee provide oversight of Virgin Australia's sustainability and climate disclosures.
	Offset price, supply & quality	Carbon offsets are an important part of the aviation industry's effort to address carbon emissions due to limited readily available decarbonisation levers and regulatory obligations such as the Safeguard Mechanism and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). As a result, the industry is exposed to changes in the price and supply of carbon offsets to meet requirements. There is also scrutiny around the carbon offsetting market and regulation in Australian and internationally including around offset integrity.	We partner with carbon market specialists to procure carbon credits, who provided a selection of projects that have passed external accreditation, monitoring and auditing. We also monitor emerging changes to regulations associated with project methodologies to understand potential risks and opportunities. Related to CORSIA and the Safeguard Mechanism, we continue to refine our understanding of potential impacts of the schemes and calibrate our decarbonisation and carbon offsetting strategies.
Policy and Legal	Climate-related reporting obligations	Climate-related reporting requirements are being strengthened by the current climate policy environment as evidenced by the recent announcements from Treasury in relation to climate-related reporting obligations under TCFD and the International Sustainability Standards Board (ISSB).	In 2023, we continue to adhere to best practices for climate-related disclosure and have aligned our reporting with the recommendations of the TCFD, assessing for the first time physical and transition climate-related risks and opportunities under different scenarios. We continue to monitor the Treasury consultation on the upcoming Australian Sustainability Reporting Standards (ASRS).

<sup>5</sup> The potential financial impacts to Virgin Australia described herein could result in decreased revenues or increased cost depending on the specific risk type. We are not able to reasonably predict the extent of such financial impact.



**Our performance**

METRIC <sup>1</sup>	UNITS	FY19 (BASELINE)	FY2022	FY2023
Scope 1 emissions <sup>2</sup>	tCO <sub>2</sub> -e	2,628,259	1,301,912	2,268,986
Scope 2 emissions	tCO <sub>2</sub> -e	4,881	2,831	2,286
Scope 3 emissions <sup>3</sup>	tCO <sub>2</sub> -e	Not Available	153,700	1,100,454
Emission intensity <sup>4</sup> (Aviation fuel combustion)	gCO <sub>2</sub> -e / RTK	942	1,071	889

METRIC	UNITS	FY19 (BASELINE)	FY2022	FY2023
Energy consumption from Scope 1 fuel sources	GJ	37,439,014	18,546,477	32,320,880
Energy consumption from purchased electricity	GJ	21,999	12,939	11,666
Energy Intensity ratio of aviation fuel <sup>3</sup>	L / RTK	0.36	0.41	0.34

METRIC	UNITS	FY19 (BASELINE)	FY2022	FY2023
ASK	'000 000	35,343	17,396	30,568
Load Factor	Percentage	78	69	83
RPK	'000 000	27,448	12,036	25,372
RTK <sup>3</sup>	'000 000	2,789	1,214	2,552
Number of departures	Number	161,461	91,442	138,367
Average age of fleet	Years	Not Available	Not Available	13.3

<sup>1</sup> The NGER factors and measurement approach were used to calculate the total Scope 1 and 2 emissions. Scope 1 emissions include aviation fuel and other fuels from both domestic and international operations.

<sup>2</sup> Scope 1 emissions from the combustion of jet fuel have been recalculated to remove Tiger Operations and the long haul international operations / routes.

<sup>3</sup> FY2023 Scope 3 emissions include Category 1 and Category 2 data which were not available for prior years.

<sup>4</sup> The RTK represents the payload mass of passengers and their luggage, and cargo freight by distance flown.

The majority (99.9%) of our Scope 1 emissions are derived from combustion of aviation fuel to fly our passengers to their destinations. In FY23, our absolute Scope 1 emissions increased by 74% compared to FY22 due to increased flight operations as we saw continued recovery in the aviation sector, with high demand for travel. However, our emission intensity decreased by 6% compared to our baseline, indicating progress toward our goal of reducing emission intensity by 22% by 2030.

# Product stewardship and waste

## Driving towards a circular economy

In FY23, Virgin Australia embarked on a journey to better understand its waste footprint. Following waste audits at 12 Virgin Australia sites, we have set an ambition for zero general waste to landfill by 2032<sup>1</sup>.

Airlines generate significant amounts of waste across operations, including in-flight services, cabin and lounge caterers, maintenance and ground operations. The negative effects of this waste can include environmental pollution, depletion of natural resources and greenhouse gas emissions.

We acknowledge the complexity and scale ahead of us but recognise the imperative to reduce waste and improve sustainability.

### Product stewardship and waste achievements

- Reduced the amount of food waste and unnecessary packaging in our onboard services (ongoing)
- Conducted a third-party waste audit and expanding the number of sites audited to build a waste baseline (2022-2023)
- Phasing out redundant and unnecessary single-use plastic packaging through design, innovation and introduction of alternatives (ongoing)
- Adjusted inflight catering volumes to minimise waste and provided unused food and beverages to OzHarvest (since 2015)
- Implemented Containers for Change at our Brisbane headquarters and the Virgin Australia Brisbane Airport lounge (2022)

## Our ambition

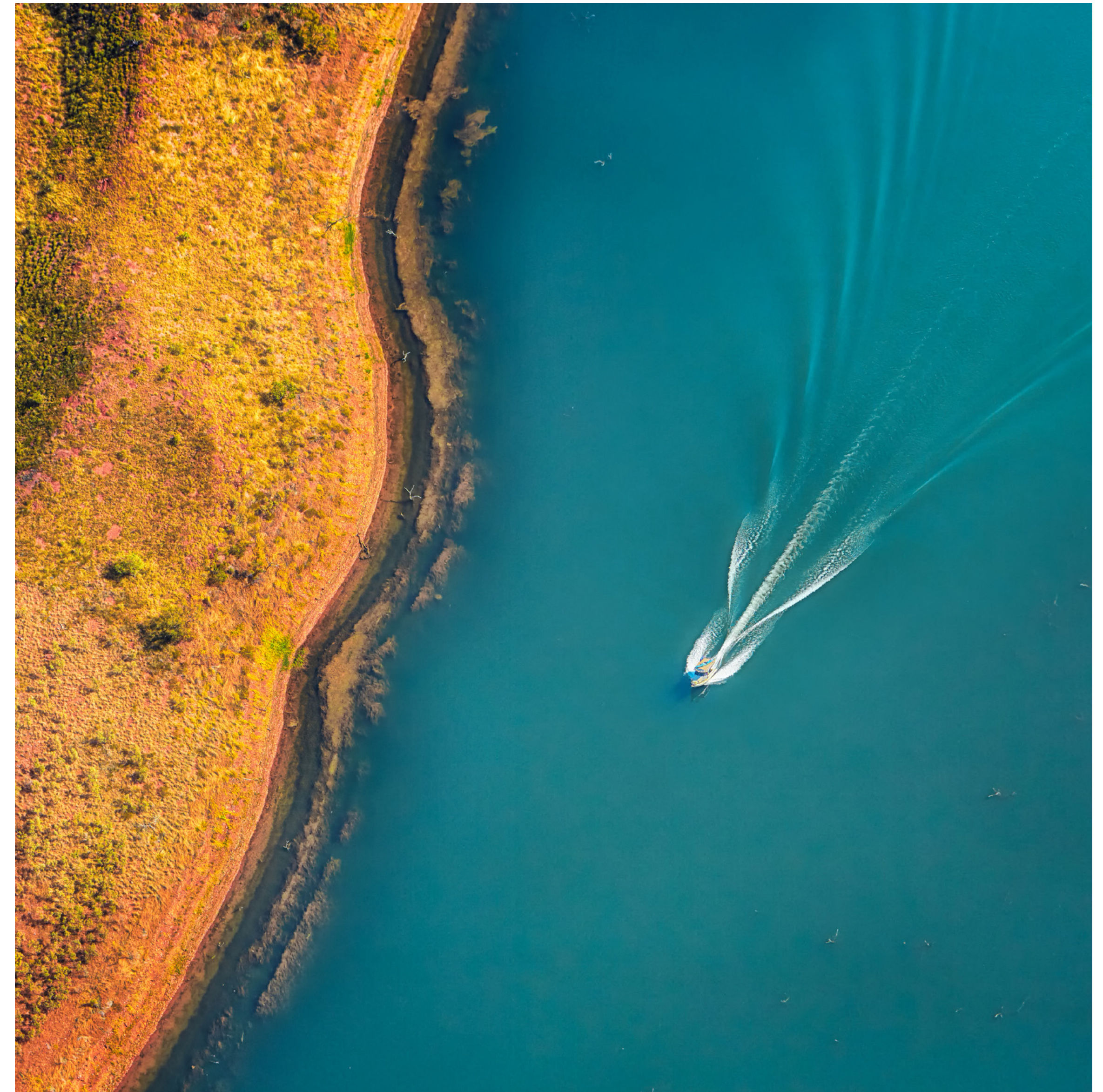
In FY23 we committed to four waste ambitions for Virgin Australia:

- Organic waste separation in lounges by 2026
- Remove all single-use plastics by 2027<sup>2</sup>
- 85% general waste<sup>1</sup> diverted from landfill by 2030
- Zero general waste<sup>1</sup> to landfill by 2032

## How we'll get there

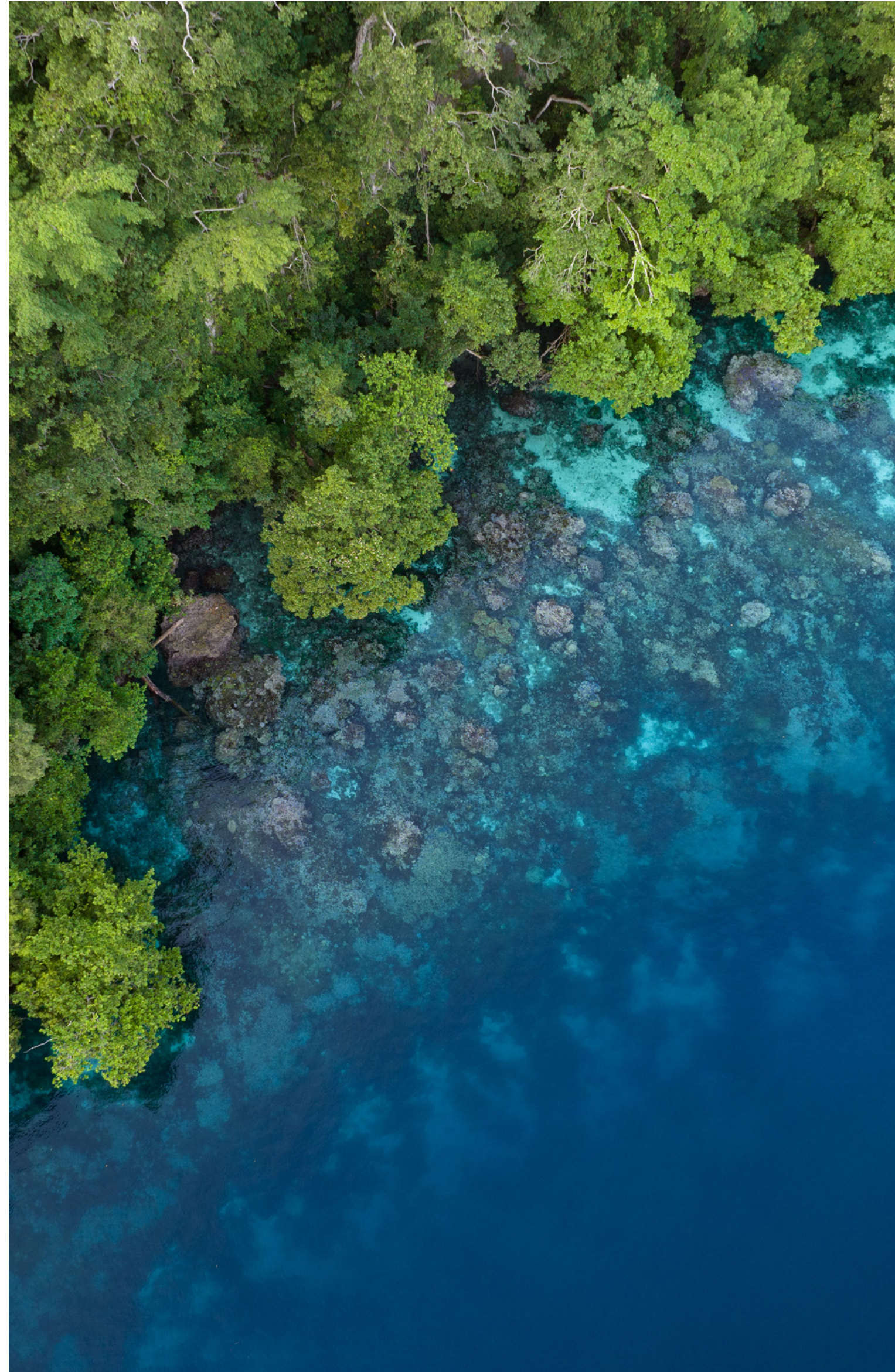
To achieve our waste ambitions and effectively manage the circular waste lifecycle, we have identified four key areas of focus:

1. **Design & procurement:** Move toward 100% compostable, recyclable or reusable products and packaging by removing or substituting problematic items
2. **Sorting & collection:** Design processes to ensure all waste is collected and sorted correctly into streams with minimal contamination, including organics, co-mingled recycling and residual
3. **Disposal:** Transport all waste streams to correct points of disposal, while maintaining transparency of waste destination
4. **Governance:** Designate responsibility and accountability to parties for each step in the waste lifecycle, and monitor and report on performance



<sup>1</sup> General waste excludes quarantine, aeronautical, liquid and hazardous waste

<sup>2</sup> This target includes all items banned by state governments, as well as problematic and unnecessary single-use plastics. It excludes items required for medical or health and safety reasons



### 1. Design & procurement

Our first focus is on eliminating problematic or unnecessary items from our operation and avoiding waste generation where possible. Some highlights include:

- **Redesign for recovery:** In FY23 we replaced the onboard recycled plastic cups for cold drinks with new compostable, paper cups. The new cups are lighter and lined with a bioplastic material making them fully compostable.
- **Eliminate Single Use Plastics:** In FY23 we introduced plastic-free business class soft products (pillows and comforters) on our international flights. While airlines typically wrap these items in plastic after laundering, we've implemented a 100% recycled paper belly band reducing single use plastic.
- **Introduce reusable items:** In FY23 we introduced reusable laundry bags for business class pillows and comforters on our international flights. This is projected to prevent more than 22,000 pieces of plastic from being produced each year.
- **Use recycled and/or renewable materials:** In FY23 we continued to use 100% recycled paper in our napkins as well as cutlery made from renewable birch wood in our economy class.

As a signatory to the Australian Packaging Covenant, we recognise we have more to do and will continue to work towards the 2025 goals.

In FY24 we plan to update the Virgin Australia Sustainable Procurement Guidelines and conduct product and packaging reviews against these. We plan to develop roadmaps to improve the sustainability of our items.

### 2. Sorting & collection

Virgin Australia will work with external suppliers, like cabin and lounge caterers, as well as internal teams to design processes to ensure all waste is collected and sorted into the correct streams. As a starting point, we have acquired the necessary in-flight waste carts to allow for in-flight recycling.

### 3. Disposal

In FY23 we engaged in a number of initiatives to divert waste from landfill across Virgin Australia. These programs also provide economic and social benefits.

#### OzHarvest Partnership

Since 2015, OzHarvest, Australia’s leading food rescue organisation, has collected Virgin Australia’s surplus food. In FY23, we rescued 1,374 kg of high-quality excess food from domestic airports for OzHarvest, which was then distributed to communities around the country. This equates to 2,748 meals provided.

In addition, \$5,000 was raised in FY23 through the Community CookOff fundraiser.

#### Containers for Change

In 2022, in accordance with our commitment to circularity, we implemented the Containers for Change program in our Brisbane headquarters and lounge, where containers covered by Container Deposit Legislation (CDL) are collected and recycled. We are presently conducting research to determine how to establish a national program. In FY23, we diverted 39,123 containers from landfill.

### 4. Governance and measuring our waste

Measuring the volume and impact of waste generated by Virgin Australia is a challenge due to the shared waste infrastructure at many sites, such as airports and catering facilities.

#### Waste audits

In FY23, we commissioned a series of waste audits to estimate the size, composition and diversion of Virgin Australia’s waste footprint. Waste from airport terminals, hangars, the main office, lounges, and onboard was audited.

The audits revealed that most of Virgin Australia’s waste (65%) comes from in-flight, followed by terminals<sup>3</sup> (16%) and lounges (9%). The largest waste stream is food and organic waste (36%), followed by paper and cardboard (16%) and glass (15%).

The audits showed that the majority of waste could be avoided or diverted from landfills through established recovery procedures. To achieve this, changes in procurement, collection and sorting, logistics and disposal, and governance will be needed.

The remaining non-recoverable waste includes disposable nappies and hygiene products, vinyl gloves, textiles and rags used for cleaning, condiment containers, UHT milk containers, and sticker backing and labels.

#### Governance

In FY23, Virgin Australia established an Environment Social and Governance (ESG) Steering Committee with waste as a key topic.

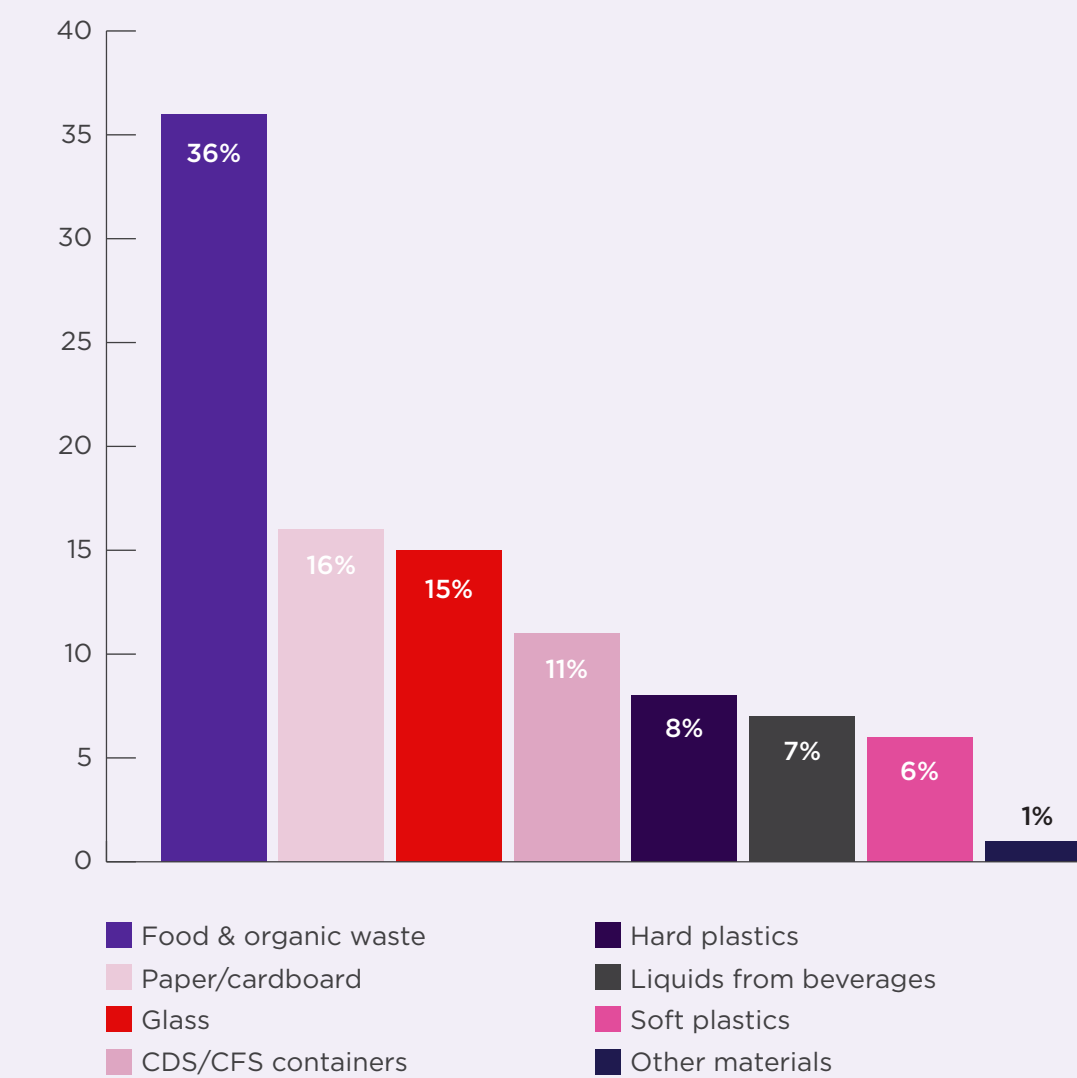
In FY24 we will continue to engage with our stakeholders, including airports, caterers and suppliers to build towards the 2032 zero general waste to landfill ambition. We will conduct further audits in the future to measure our progress towards targets.

#### Waste audits

~4,600 tonnes<sup>1</sup> generated each year

#### Composition of VA total waste<sup>2</sup>

% of total tonnage



<sup>1</sup> Domestic flights only, excluding quarantine waste, check-in waste and aeronautical waste (15% margin of error); <sup>2</sup> Limited clarity on diversion figure, subject to detailed investigation; <sup>3</sup> Terminals include BGIS ramp ops (engineering, ramp waste) and excludes inflight waste;



# Cyber Security and Privacy

Virgin Australia relies on data and technology to operate its businesses and understands the importance of cyber security and privacy to building and maintaining trust and achieving our strategic objectives.

Like many large organisations, Virgin Australia has been investing heavily in digital innovation and technology. The digital economy and technological advancements have produced numerous benefits for the economy and consumers including new products and services, optimisation of operational processes and innovative digital solutions that elevate our interactions and enable more effective communication and collaboration with customers.

However, Virgin Australia also recognises the ever-changing and increasingly complex cyber threat landscape, the significant harm cyber security incidents and data breaches can cause, and evolving expectations in relation to privacy.

We are focused on being a responsible custodian of customer and team member data and managing cyber security and privacy risks throughout our organisation.

## Privacy

Virgin Australia understands that privacy is important to our customers and team members, and we take our responsibility to manage privacy in accordance with applicable privacy laws seriously.

Our Group Privacy Policy and Privacy Statements describe how we collect, use, hold and share personal

information when our customers fly with us, take part in our loyalty programs, use our website and apps or otherwise interact with us. Our Group Code of Conduct sets out the responsibility and expectation of all team members in relation to the protection and security of personal information and confidential information they may receive, access, or create in the course of their employment. We also maintain relevant internal information security and privacy policies, procedures and standards which seek to ensure information technology assets and data are managed and protected, and any incidents are identified and reported without delay.

Virgin Australia's Privacy Management Program is managed by our privacy team which regularly reports to Virgin Australia's Audit Risk and Compliance Committee. This program has a particular focus on driving privacy awareness and embedding positive privacy practices throughout Virgin Australia. The program includes dedicated privacy resources, both electronic and in-person privacy awareness training, privacy complaint and incident handling and a Privacy Impact Assessment procedure to ensure that initiatives involving the collection and handling of personal information are designed with privacy in mind.

During FY23, we had a key focus on improving transparency, awareness and data breach readiness.

- We launched a new public facing privacy policy covering all companies within the Virgin Australia Group. We worked hard to simplify our privacy

policies by incorporating all interactions with the Virgin Australia Group into a single policy, using simple language and designing the digital experience to make the policy easy to navigate.

- We revamped our face-to-face privacy training for head office team members, tailoring training for key teams and spotlighting the principles of Privacy by Design.
- Commenced a major review of the Virgin Australia Group Data Breach Policy and Response Plan, which is anticipated to be implemented in FY24.

Virgin Australia is committed to continuous improvement and equipping our team members with the skills to manage privacy risks in a complex and dynamic regulatory and threat landscape.

## Privacy performance

In FY23, Virgin Australia experienced one privacy incident where notification to impacted individuals and the Office of the Australian Information Commissioner (OAIC) was required in accordance with the Privacy Act 1988.

This incident involved a cyber attack on an IT vendor of one of Virgin Australia's suppliers, affecting limited data related to approximately 237 Virgin Australia customers.

Virgin Australia worked with its supplier to ensure that affected customers were appropriately notified and supported.

### Cyber Security and Privacy Achievements

- Commenced work on a long-term cyber security program to strengthen awareness, improve controls, and expand cyber security capabilities (2020)
- Launch of the new Group Privacy Policy (2023)
- Onboarded a cyber team with active recruitment of security specialists (2021-2023)
- Targeted investment in risk reduction and infrastructure in preparation for certification against ISO 27001 (2023)
- Ongoing review and strengthening of the secure digital environment



### Cyber security

Protecting customer data and securing our own systems is crucial in today's digital age.

Virgin Australia's Information Security team focused on matters such as security operations, security architecture, governance, compliance, third party risk management and training and awareness. The team is guided by a comprehensive multi-year security uplift program that is delivering enhancements in culture, process, capability, tooling, and other mechanisms to manage cyber security and reduce the negative impacts of any future incident.

The security of our data is dependent on a network of suppliers and business partners with whom we share data in order to deliver and enhance the quality of our products and services and improve our operational efficiencies and resilience. Our framework for managing the information security risk posed by third parties allows these partners to understand and implement our requirements for information protection, and improves collaboration to mitigate the potential negative effects of cyber security incidents.

In FY23, we conducted internal and cross-industry cyber security exercises to assess and enhance our ability to respond to cyber security incidents. The information security and privacy departments collaborated towards ongoing risk management of cyber security.

We maintained our risk-based management system throughout the reporting year in order to identify and manage cyber risks and prioritise control investment. Through investments in people, process, and technology, the cyber security capability has been enhanced to reduce risk, and ongoing funding has been established for cyber investment.

In FY23, we prioritised network-based detection and response for suspicious activity in our IT networks; exercising our incident response capability, including its alignment with our crisis management framework; enhancing security awareness and training for sensitive roles; and improving and testing our infrastructure resilience, including disaster recovery. All of these activities will prepare us for certification against the ISO 27001 Information Security Management System standard and the SOC 2 System and Organisation Controls security framework, which is expected to commence in FY24.

In FY24, our cyber security program will also prioritise the training and awareness of our staff, enhancing identity management in core applications, our preparedness for cyber security incidents, and our operational maturity. In addition, we will continue collaborating with industry and government to strengthen the aviation sector against cyber threats.

We track the effectiveness of our cyber security efforts through:

- Assessing outcomes from regular training and awareness programs
- Participating in cyber security exercises to assess response capabilities
- Risk assessment and review as our security measures mature.

Lessons learned from our cyber security efforts include the significance of continuous improvement, customer transparency, and internal team collaboration. These teachings have been incorporated into operational approaches in an effort to strengthen cyber security and privacy practices.

# Safety and wellbeing

The safety and wellbeing of our team members and guests is our number one priority. We will continue to support our customers and team members, striving for optimal engagement and wellbeing.

We consider safety an integral part of our business and a critical aspect of everything we do. The safety of our flight operations and all supporting activities depends on our systems, our operating procedures, and, most importantly, the way we think and behave. We want people to return home safely.



### Safety governance and management

Safety management is an integral aspect of business strategy. In this regard, the Board of Directors has demonstrated commitment to an effective formal Safety Management System (SMS).

Our Safety Policy defines the approach and commitment to safety of Virgin Australia. The Board Safety and Risk Review Committee (BSRRC) assures governance oversight of safety, health, and security issues, whereas the Executive Safety and Risk Review Committee (ESRRC) provides assurance to top management and regulators regarding Virgin Australia's safety management. The following matters are documented and managed by this last Committee:

- Safety, health and security matters
- Safety Management System performance
- Operational hazard identification and risk management
- Compliance with legal and regulatory obligations pertaining to safety, health and security.

ESRRC meetings occur monthly or as deemed necessary by the Chief Operations Officer.

The divisional Management Safety and Risk Review Committees (MSRRCs) serve as the principal aviation safety body for each division of the Virgin Australia Operations Group. The following divisions establish and operate an MSRRC:

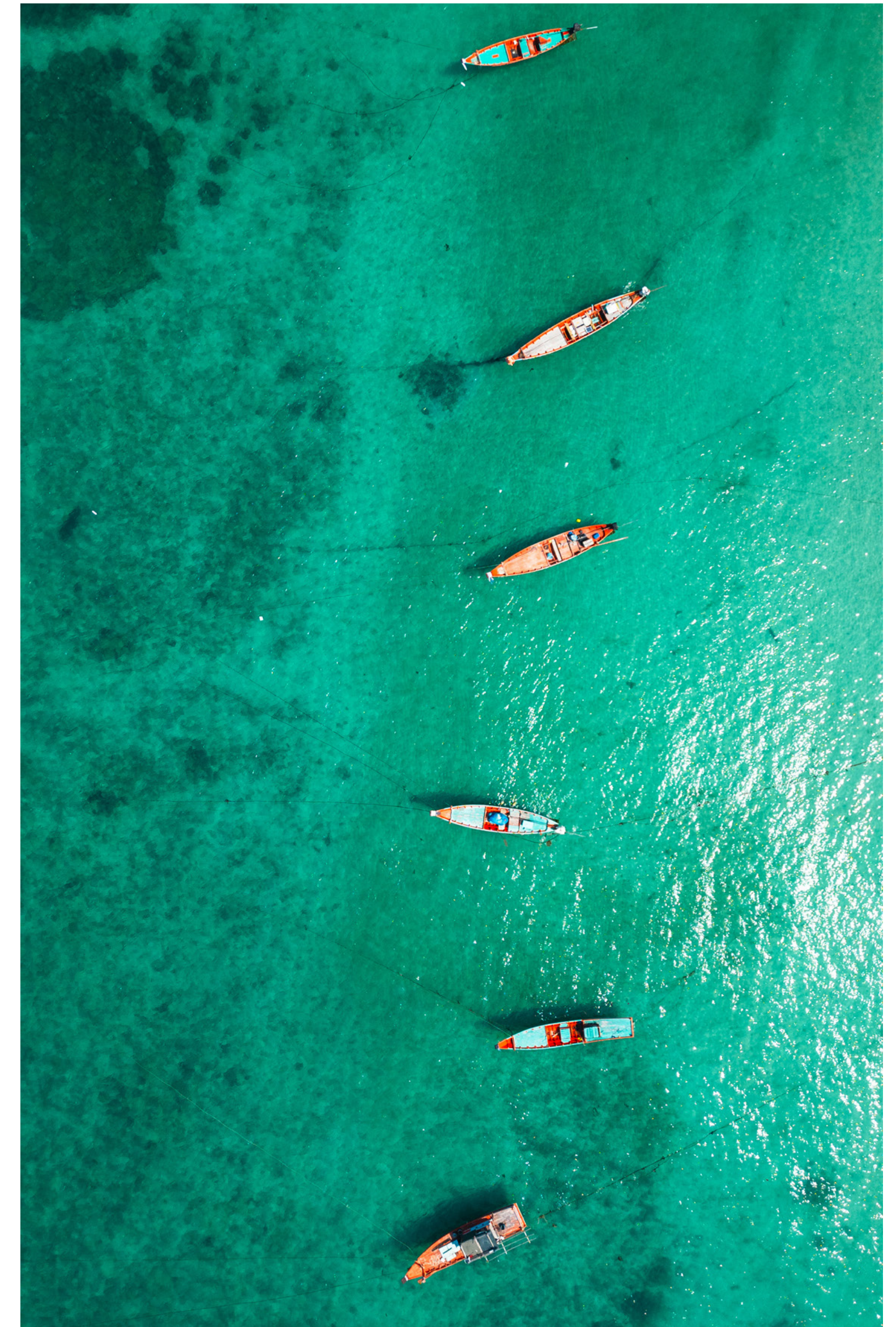
- Flight Operations
- Inflight Experience (including cabin)
- Cargo
- Airport Experience
- Engineering and Maintenance
- Ramp Operations
- Safety Systems and Operations Support.

Each MSRRC meeting is chaired by a divisional General Manager (or delegate) and our Safety Systems department has representation at all divisional MSRRC meetings. While our safety team manages safety procedures, each business unit has responsibility for safety.

Our comprehensive suite of safety management tools and activities include:

- **Safety assurance:** Processes to verify and validate the effectiveness of safety measures
- **Safety reporting:** System for reporting incidents, accidents, and errors
- **Safety action programs:** Initiatives aimed at addressing safety concerns and improving procedures
- **Learning and improvements:** Encouraging a culture of continuous learning and enhancement of safety practices
- **Safety Culture Policy:** Reinforcing safety values and practices throughout the organisation.
- **Safety shares in meetings:** Regular discussions on safety matters to promote awareness
- **Manuals for safety procedures:** Comprehensive guides detailing safety procedures for various scenarios
- **Safety performance indicators:** Metrics to assess safety performance and progress
- **Safety action plan:** A structured plan to address safety concerns and achieve targets
- **Health and wellbeing support pathways:** Initiatives like the Employee Assistance Program (EAP), CONNECT program, and Mental Health First Aiders (MHFA) to support our team members with their health and wellbeing
- **Reporting Incidents, Accidents, and Errors:** Encouraging transparent reporting to learn from incidents and prevent recurrence

Maintaining continuous communications with our suppliers, operators, contractors, other airlines, and quality management entities is essential to developing a robust safety approach across Virgin Australia's operations.





### Safety management system

Virgin Australia is committed to the proactive and systematic management of the safety-related risks associated with the airlines' operations. The Safety SMS is the primary mechanism by which the Board of Directors, through the Chief Executive Officer (CEO), manages, controls, and reduces operational risk within our company.

We strive to harmonise our workplace health and safety practices across the different states and territories in which the Virgin Australia Group operates. This includes ensuring safe work environments and practices, developing safety procedures, and implementing regular safety training programs. The SMS covers all business activities, such as flight operations, maintenance activities, ground handling operations, and customer service interactions, and it extends to all owned, managed, or controlled facilities, including offices, production sites, warehouses, and other workspaces.

We recognise that the presence of a positive safety culture significantly enhances the effectiveness of our SMS. A 'generative' safety culture can be attained through increased awareness and increased trust. Our message is, 'Safety is the way we conduct business here'. Safety is the responsibility of all personnel at Virgin Australia. A positive safety culture emanates from the principles communicated by senior management and results in all team members demonstrating a safety ethos that transcends divisional and departmental boundaries.

Multiple regulatory bodies, such as the Civil Aviation Safety Authority (CASA), the Australian Federal Government's Department of Home Affairs (DoHA), and numerous WHS regulators, have an influence on our SMS. Regular reviews of relevant legislation and its changes are conducted to assist us in meeting our legal responsibilities and compliance obligations.

All Virgin Australia team members are covered by the SMS and governed by a suite of work health and safety (WHS) documents that outline safety procedures and tasks with the intention of preventing and mitigating safety impacts. The WHS suite of documents seeks to align with the AS/NZ ISO 45001: Occupational Health and Safety Management Systems standard. In addition, the SMS applies to non-team members directly under the company's control, such as contractors, subcontractors, and temporary workers performing tasks on company premises or under direct supervision.

### Just Culture

The reporting of incidents, accidents, and errors is a critical element of Virgin Australia's safety culture. Every employee is encouraged to disclose such information without fear of retribution.

Virgin Australia's Just Culture is a component of our safety culture. The program ensures that operational errors will not result in disciplinary action; provides a defined process for dealing with breaches which will factor in both system and individual accountability and a team approach to resolve problems and prevent recurrences.

We encourage proactive worker self-removal from hazardous situations as part of our commitment to health and safety.

Just Culture forms an integral part of the airline's Safety Management System - it fosters a culture of mutual trust throughout Virgin Australia.

**Safety reporting**

At Virgin Australia we focus on improving safety performance by utilising our safety management system processes to enable that the data captured is reviewed for trending, including injury data, findings from audits and investigations, safety reporting hazards, risks and near misses. This then allows for programs of work to be developed with the divisions and the team members to improve safety performance overall.

Employee safety performance

- 225 audits
- 28,000 safety reports

Aviation safety performance

- Zero enforcement actions regarding aviation safety regulations
- Zero aviation accidents

	FY2021	FY2022	FY2023
TRIFR	19.60	17.8	12.37
LTIFR	10.28	11.13	8.69
Hours worked	5,151,408	7,185,329	10,190,002

Note: TRIFR and LTIFR calculated per 1,000,000 hours worked based on workers compensation claims. Data relates to Virgin Australia team members only, not contractors. We do not collect contractor data. There were no fatalities or high risk injuries.

As we have moved from a COVID landscape and returned to the new business as usual model, workload and flying has increased. This led to a huge focus on recruitment to get team member numbers back to required levels. There was also the requirement to build individual fitness for duty as the majority of the remaining workforce had been stood down from the workplace for extended periods of time.

The definitions used to determine LTIFR and TRIFR were updated in FY23 to be aligned with industry standards.

**Hazard identification, risk assessment, and incident investigation**

Virgin Australia recognises that the continued maintenance of a high level of safety depends on the collection of knowledge derived from occurrences, the identification of significant trends, and the visibility of safety performance within the organisation. These reporting mechanisms are essential to safety management because they enable the mitigation of risks. These safety reporting processes consist of corrective action monitoring, hazard and event reporting, safety analysis, safety management meetings, and safety performance reporting.

Safety Systems and Operations Support, along with our Internal Audit, Risk & Compliance department, are responsible for the Virgin Australia Risk Management Framework (RMF). This is a common framework applicable to the conduct of all risk management activities across the airline, including those conducted within the SMS. Our SMS is risk-driven, with risk management practices embedded at all levels.

The RMF consists of a Risk Management Policy, our Risk Management Framework - Policy and Standard, a document that defines the process steps for the conduct of risk management within Virgin Australia, and risk management tools, processes, and systems used to conduct risk management assessments.

**Managing health and safety impacts of third party parties**

Responsible managers requiring outsourced services have established controls and monitoring systems to assess on a regular basis whether our contractual, quality, and safety requirements are met in accordance with Virgin Australia’s requirements, CASA, and any other required and approved regulatory body.

In order to monitor the quality and safety performance of third-party suppliers of products and services to the airline, vendor registration and approvals must be recorded in a database. Suppliers must be evaluated to determine whether they pose a threat to the airworthiness or safety of airline operations.

In the event of a quality and/or safety risk in the procurement of outsourced services or products, the respective Safety and Quality Assurance Team is tasked with minimising the organisation’s risks.

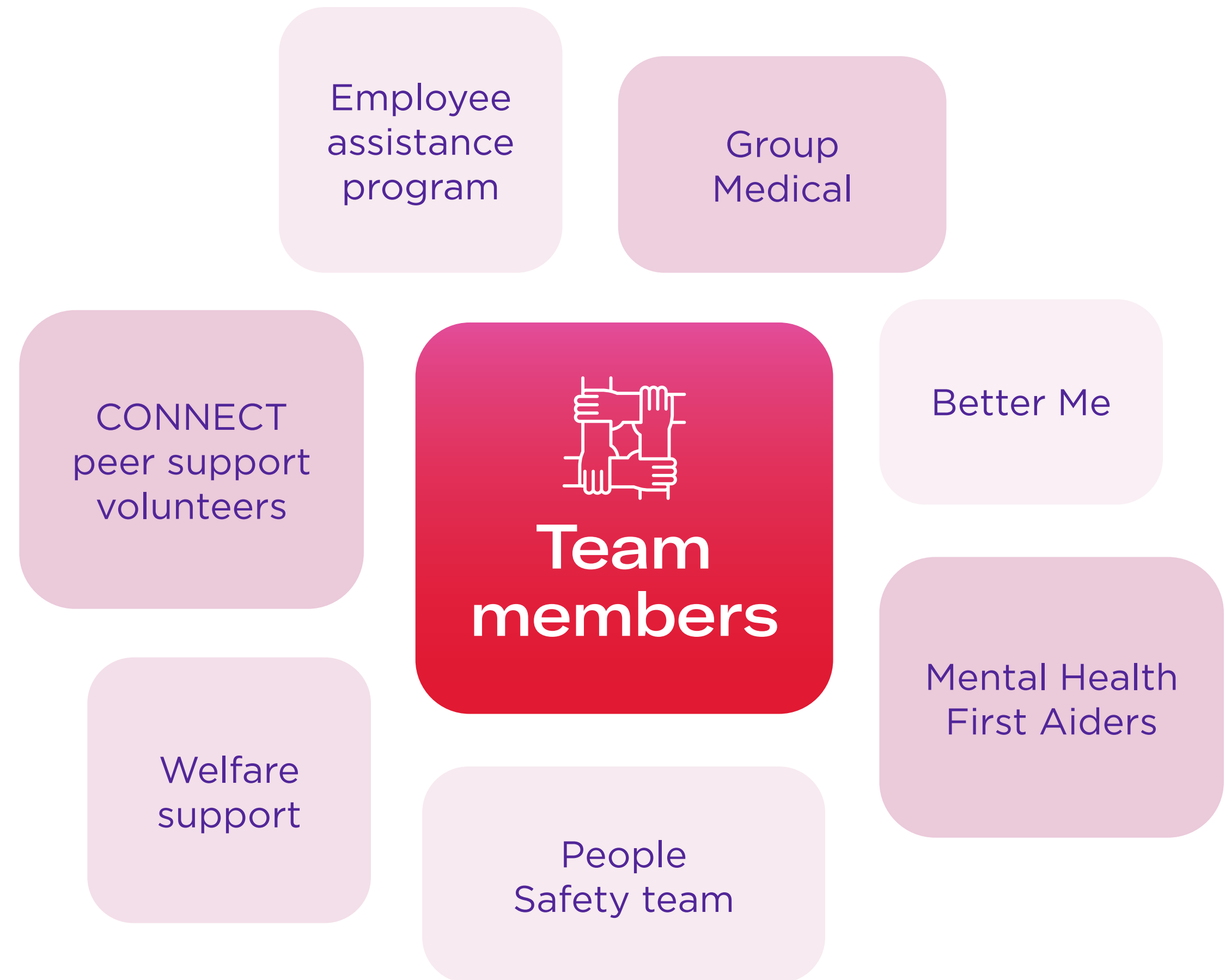
**Promotion of worker health**

We prioritise the health and safety of our team members both in and out of the workplace through a variety of initiatives. Our Mental Health and Wellness Policy is intended to promote a workplace culture that places a premium on the health and wellbeing of every team member. The policy seeks to provide team members with the knowledge required to recognise and effectively manage mental health. It provides guidance for a variety of situations, including managing leave, providing flexible work options, educating team members and leaders, and managing mental health issues. The policy aims to foster an environment where frank and constructive conversations about mental health are encouraged, stigma is minimised, and early help-seeking behaviour is supported.

Our team members are encouraged to maintain a healthy lifestyle that includes both physical and mental wellbeing. This includes communicating ways to improve health and wellbeing, such as regular exercise, balanced nutrition, sufficient sleep, minimising alcohol or substance dependence, cultivating positive habits, and seeking assistance when feeling stressed. We encourage participation in wellbeing events, mental health training, and R U OK? conversations to cultivate a culture of support. Through our Better Me program, we also provide free influenza vaccination vouchers and access to an on-site physiotherapist.

Additionally, our Employee Assistance Provider (EAP) is available 24 hours a day, seven days a week.

The illustration below shows all the streams of support offered to our team members for the promotion of their health.



**VA Care and AXIS**

By calling a 24/7 hotline, team members can report an injury and obtain medical advice and treatment. VA Care provides a triage health service in order to provide appropriate and timely care, treatment recommendations, and return-to-work support. The program emphasises safety and early intervention to promote team members’ recovery following illness or injury.

**Drug and Alcohol Management Program**

Ensuring our team members and contractors are ‘fit for work’ is essential to our obligation of ensuring work is conducted safely. Alcohol and other drugs impairment of a Virgin Australia employee or contractor represents a real risk to the safety of our people and guests, as well as to the safe operation and reputation of our airline.

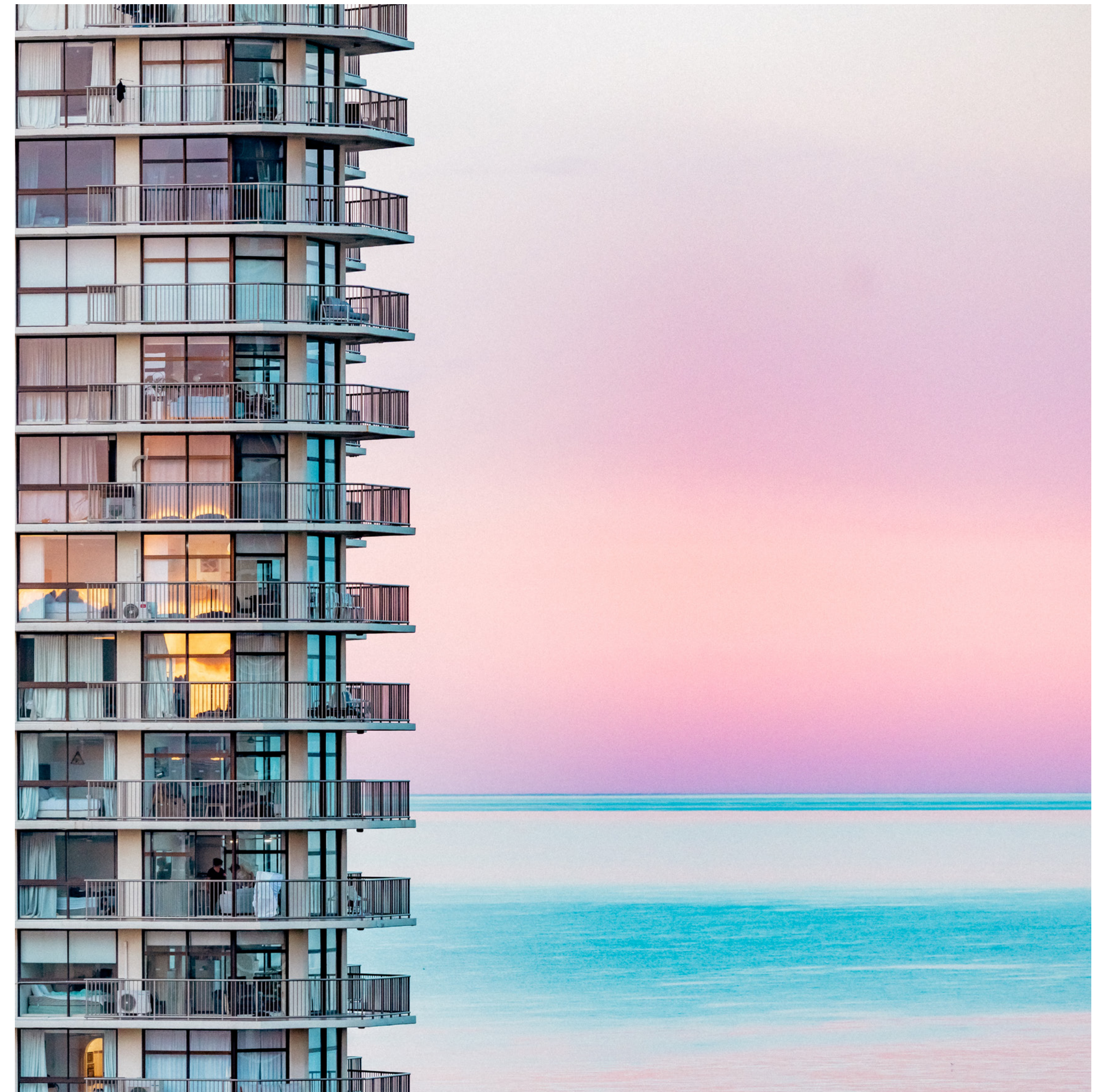
Our Drug and Alcohol Management Policy outlines Virgin Australia’s standards, testing and management approach. We require that team members and contractors comply with this policy and also maintain an understanding of the obligations and duties of team members and contractors and the risks associated with the presence of drugs and/or alcohol while performing work.

**Facilitating leave and flexible work practices**

Team members are encouraged to access various leave options and flexible work practices to address periods of illness or to care for family members. Team members can explore suitable options, which may include sick leave, carers leave, leave without pay, and adjustments to working hours.

**CONNECT peer support program**

CONNECT is a confidential Peer Support Program designed to provide initial support for team members facing challenges at work or in their personal lives. The program is coordinated by peers, for peers, with over 100 CONNECT Peer Support Volunteers available across Virgin Australia. The volunteers are trained to provide empathetic and nonjudgmental support, linking team members to internal and external resources.







### Worker participation and consultation

Health and Safety Committees play a vital leadership role within Virgin Australia and serve to champion workplace health and safety initiatives, act as catalysts for positive change and continuous improvement, and identify opportunities to enhance safety standards and practices. They act as proactive leaders and agents of change.

Health and Safety Committees are established to facilitate effective collaboration between management and workers to address safety matters. The committees include diverse representatives from different departments and job roles and serve to act as a forum for active participation and contribution to the safety decision-making process.

A safety culture survey is completed every 24 months or more frequently as required. The surveys comprehensively assess engagement, safety issues, adequacy of training, and resource provision, and survey outcomes are reviewed at divisional management meetings.

Areas of concern are escalated through (MSRRC) meetings to the (ESRRC).

### Safety communication

The aim of our safety communication strategy is to nurture a positive safety culture in which all personnel (team members and third party agencies) receive continual information relating to safety issues, safety metrics, specific hazards that exist in the work environment and initiatives to address known safety issues. The communications strategy provides a mechanism through which lessons learned from safety investigations and other SMS activities are communicated to all operational personnel.

Our suite of safety communications tools and channels include policies and procedures, committee charters, operational safety communication media and publications, such as newsletters, safety bulletins, town halls, divisional operational notices and presentations.

Communication around safety topics typically include past events or near misses, hazards or potential hazards identified through hazard analysis, observations from routine internal safety audits, and outcomes from senior management risk review committee meetings.

### Worker training on occupational health and safety

All Virgin Australia team members receive safety training commensurate with their role and responsibilities. Training includes information on their role interface within the SMS, concepts, processes and guidance to ensure they are competent to perform their duties.

Training content provides an opportunity to reinforce Virgin Australia's safety policy and establishes the expected attitudes and behaviours for all levels of staff within the organisation. This involves initial training as well as continued maintenance of competency standards.

The SMS Induction Program from direct or independent contractors, temporary staff, fixed term team members, casual or work experience team members must match Virgin Australia's team member training requirements. Furthermore, contractors may be requested to perform specific training requirements according to the services provided to Virgin Australia.

Our CONNECT Peer Support training has been rolled out and with 100 people trained throughout Virgin Australia in FY23. In addition, 130 people were trained or completed Mental Health First Aid Training (MHFA).



## Engaging and developing our people

Our ambition is to be the most loved airline in Australia with a winning team that attracts the very best, generates extraordinary loyalty from our guests and delivers strong financial returns.

To enable this, we require our people to be leaders every day, to collaborate, inspire and evolve through a growth mindset, teamwork and bringing their authentic self to work.

Virgin Australia emphasises rewards and recognition, innovation empowerment, and nurturing a culture of creativity, among other positive aspects. The concept of “Virgin Flair” symbolises our desire to maintain an engaged and enthusiastic workforce, which contributes to a thriving and productive work environment.

The satisfaction of specialised employees, such as pilots, has a significant impact on the overall effectiveness and efficiency of the organisation.

Policies such as the Workplace Behaviour Policy, Code of Conduct, Drug and Alcohol Management (DAMP) Policy, and Diversity & Inclusion Policy shape Virgin Australia’s people approach. Our Enterprise Bargaining Agreement (EBA) outlines working conditions and emphasises compliance and fairness. Our policies cover our team members, and third-party contractors

fall under our policies if their services are compensated by us, demonstrating a commitment to ensuring the wellbeing of those directly associated with Virgin Australia.

In FY24 we will release a new Organisational Development (OD) strategy to support the broader People strategy, with an emphasis on employee growth.

### Employee Engagement Achievements

- Supported employees through a period of industry volatility and administration (2020)
- Taken actions to reset organisation capability and deliver on our transformation imperatives and skills required for the future (2023)
- Identified (and continually redefining) our people’s ‘Moments that Matter’

### Engagement of our people

In the context of a people-driven airline business, employee satisfaction is essential to delivering a quality experience to both guests and team members.

We engage with our team members in many ways, through focused communication that reinforces positive behaviour such as our employee engagement survey, reward system demonstrated by Virgin Flair Awards, our safety communications, behavioral management and our comprehensive companywide training.

Our safety oriented SpeakUp and Respect to Work initiatives led to increased issue reporting, signifying improved transparency, as do regular meetings that address safety risks, workplace relations issues, and potential actions to remedy negative impacts.

We evaluate our engagement with internal stakeholders through regular consultative committees and extensive communication channels. In addition, regular Belonging Steering Committee meetings take place every six weeks and facilitate ongoing collaboration and strategic alignment.

Proposed changes for relevant stakeholders are communicated in a number of ways including email communications issued directly to team members, employee networks, workplace groups, union representatives and health and safety representatives, with the ability for workers to provide feedback.

Other mechanisms include the creation of FAQs which are sent either via email or through our internal Vine newsletter, town halls and in-person meetings. The CEO also hosts regular live Q&A sessions to ensure team members are well informed and engaged.

### Engagement survey

We conducted an engagement survey in May 2023 so that we could conduct a like-for-like analysis with our data from 2022. The engagement survey results will inform our new three-year people strategy, which will incorporate multiple focal points, including “Belonging” – a central aspect of the People strategy, addressing crucial issues such as gender equality, accessibility, and fostering a sense of pride.

A robust monitoring mechanism tracks annual changes in engagement scores relative to the prior year, demonstrating our commitment to continuous improvement.





### Developing our people

In order for our team members to be leaders and to be able to collaborate, inspire, and evolve, we provide comprehensive upskilling training programs to provide them with the skills and knowledge necessary to excel in their positions.

Through future-focused upskilling programs, regular training contributes to our team members' continued competitiveness and adaptability. The continued relevance of employee skills mitigates the risk of a workforce inadequately prepared for challenges.

To maintain employee engagement and allow our people to perform effectively, it is essential that we provide training that is both useful and rewarding. We offer a variety of internal development courses that serve as a platform for team members to share their experiences and contribute to ongoing enhancements across the business.

In addition to our focused programs, we have launched initiatives, such as our Learning Academy's training programs. Through our Sustainability MoU with Boeing, we established a new avenue to explore opportunities for collaboration, including mentoring programs, cultural awareness enhancement, and workforce skill development.

Aligning with our Belonging program, we also provide specialised training such as our Transformation Bootcamp to equip team members with change leadership skills.

Our commitment to employee wellbeing is reflected in the delivery of our Destination Wonderful and Ignite programs. Thousands of Virgin Australia team members have participated in these initiatives, which have fostered a culture of engagement and innovation.

### Destination Wonderful - Culture Program

Our Destination Wonderful program, which was implemented throughout FY23, aims to reconnect team members with the business by fostering a deeper understanding of the company's historical context and lessons learned.

Given many changes at our company since administration in 2020, we wanted our team members to feel heard and provide a comprehensive overview of what we have experienced and why our business has changed.

Run by external facilitators, our Executive Leadership Team, and Group Leadership Team, the sessions were delivered to the frontline and corporate teams in 140 sessions during off-peak periods. Approximately 6,500 team members have participated in the program.

We want our team members to feel excited and re-committed to the next chapter of Virgin Australia.

#### Destination Wonderful participant

"I thought the day was really positive.... I feel we have a long way to go but I think it's great that the company is investing in taking the time to invest in these kind of days for us to feel we have been heard and that we are valued as crew. We are what keep the Virgin experience going for our guests and unfortunately we have already lost so many incredible crew from our business. We need to ensure that we move forward so that we can continue to nurture that amazing culture we all love so much....I think it's beneficial to be able to have the freedom to speak out loud in a group about how we feel and that we felt today we have been listened to."



**Ignite Leadership Development program**

Our Ignite Leadership Development programs consist of a suite of leadership development programs that have been delivered to more than 1100 leaders at Virgin Australia. The program will conclude in December 2023, having launched in July 2022.

The objectives of the programs are to build leadership capability aligned to Virgin Australia’s Leadership Competency Framework, establish consistent application of leadership behaviours and to leverage leadership capability.

In addition, the programs enable emerging and established leaders to bring their authentic flair to their leadership roles by uplifting the behaviours of our people and enabling them to reach new heights. Participants share their experiences and are provided with relevant and applicable tools for leading their respective teams.

**Measuring our training outcomes**

The monitoring of training outcomes enables us to continuously evolve our training offerings and to invest resources in delivering an optimal training experience to our team members. Mandatory training modules on privacy, code of conduct, and other policy-related training programs are monitored for 100% completion via Vlearn, and we have an informal feedback loop for our Destination Wonderful and Ignite programs, allowing us to be responsive to employee training needs while ensuring transparency and accountability.

Monthly reporting to stakeholders provides insight into program outcomes and engagement metrics.

In FY24 we plan to revamp our training programs to enhance individualised learning.



## Team member performance, career development and remuneration

Tracking how our team members are feeling about working at Virgin Australia is extremely important as we need this feedback to improve how we deliver an optimal working environment. Feedback from our FY23 employee engagement survey showed that our team members are interested in more structured career development.

### Career development plans

The first of what will now be twice-yearly career development conversations began in FY23. During these discussions, team members agree on a career development plan that outlines both short and long-term career objectives. While the direct manager initiates the discussions and monitors the employee's progress, it is the employee's responsibility to consider where she or he wants to go, how they can help themselves get there, and to commit to being an active participant in these conversations.

### Achieve and develop cycle

At the beginning of each quarter, all non-enterprise bargaining agreement (EBA) team members establish individual 'Objectives and Key Results' (OKRs). A cascade process exists in which ELT members establish their own OKRs, which cascade to their direct reports, and so on. At the end of each quarter, executives and team members are expected to review how each team member performed relative to their quarterly OKRs. There is currently no formal protocol in place to monitor or record this.

Annually, in June, we conduct an annual review process in which team members meet with their leader to discuss their achievement against their OKRs over the previous four quarters of the financial year, as well as how they have demonstrated Virgin Australia's values and behaviours.

Leaders are then asked to submit an achievement rating for each of their team members, including a rating for 'what' they have delivered and another rating for 'how' they have behaved and demonstrated our values. A matrix is used to calculate an overall performance evaluation from the what and how ratings. We also run leader education sessions ahead of the annual review process commencing to ensure leaders understand the process and their role within it.

The annual remuneration review cycle incorporates performance assessments as one input for salary increase decisions. For team members at the manager level and above who are eligible to participate in the Short Term Incentive (STI) program, achievement ratings are used to determine the individual modifier that, along with company performance, determines the amount of a team member's STI payment.

### Transition Programs

Transition programs for departing Virgin Australia team members are administered by a third-party provider.

### Remuneration framework

Salary levels at Virgin Australia are determined with reference to Enterprise Agreements (EAs) for frontline workgroups, and a remuneration framework based on level and type of role for corporate workgroups.

The corporate remuneration framework is refreshed annually with reference to external market pay levels, informed by data from Korn Ferry's all industry remuneration survey. An annual remuneration review process is undertaken to ensure individual team member salaries are market competitive and reflective of contribution and capability. An annual gender pay review is also undertaken to ensure pay equity is maintained between male and female team members in comparable roles.

Both EA and corporate pay levels are reviewed in line with uplifts (usually once per annum) in minimum award rates, ensuring compliance with relevant modern awards is maintained.

In recent years a profit share program for all frontline and non-management team members has rewarded contribution to Virgin Australia's recovery following exit from voluntary administration. A separate annual incentive program exists for executives and senior management, ensuring a portion of pay for leaders in the organisation is aligned with company and individual performance.

## Employee benefits

Benefits provided to Virgin Australia's full time team members only include:

- Travel benefits
- Virgin Australia paid parental leave
- Purchased leave
- Special circumstances leave
- Emergency services leave
- Defence services leave
- Jury service leave
- Family and domestic violence leave
- Profit share payments (one-off)
- Service award
- Helping Hands<sup>1</sup>

<sup>1</sup> Virgin Australia understands there may be times when our team members experience exceptional life circumstances or an unforeseen tragedy. The Group has established the Helping Hand Fund to help team members in these circumstances.

### Embracing diversity

We recognise and celebrate the things that make each person unique at Virgin Australia. Our team is made up of people with diverse identities, backgrounds, perspectives, and life experiences — we know we work better together and perform better overall when we have a diverse workplace and we are free to be our authentic selves. Our differences are a valuable asset because they spark conversations and new ways of doing things.

This is what we call Virgin Flair, and it's at the heart of who we are and what we strive for. We aspire to be a force of good in our communities, and a big part of that is making sure we represent the communities in which we live, work and fly. Embracing diversity allows us to better understand and serve our employees' best interests.

Our Belonging Policy, which was published in FY23, replaced our previous Diversity and Inclusion Policy and outlines our strategic framework, including accountability, objectives, and governance structure, with a particular emphasis on six diversity pillars.

Sponsorships with organisations such as Women in Aviation/Aerospace Australia and membership in other groups that commemorate various aspects of diversity demonstrate Virgin Australia's commitment to promoting positive diversity change. We are continuing our work on the IATA 25by2025 initiative<sup>1</sup>. Our engagement with First Nations people across the country strengthened in FY23, bolstering our commitment to positively contribute to reconciliation. Initiatives such as the Pride Flight commemorate diversity milestones and foster an inclusive and supportive workplace and organisation.

We engage consistently with our sponsored partners and participate in government forums in order to expand the reach and influence of our diversity initiatives.

To promote fairness and equity, we have also conducted training on unconscious bias, particularly in the context of recruitment, promotion, and business decisions.

Our Belonging Strategy is enabled by six diversity pillars:

1. **Social Impact:** We aspire to make a positive difference in the communities where we operate together with our people & guests.
2. **Gender Equity:** A gender balanced workforce benefits everyone. We're committed to the Workplace Gender Equality Act. We critically examine our policies and processes, such as parental leave and flexible work, to make sure they are fair and equitable.
3. **Ability:** Inclusivity and accessibility go hand in hand. We strive to create a barrier free workplace by establishing disability inclusive culture and practices. All team members and guests should feel safe and able to engage with us.
4. **Cultures and Origins:** Cultural diversity deepens and broadens our perspective. By creating a culturally inclusive workplace, we can better understand and appreciate the communities we serve. We have zero tolerance towards racism and discrimination, and we're committed to making sure our media, communications, and workplace policies are inclusive of all cultures.
5. **Pride:** We all want to work somewhere we can bring our whole self to work. Championing LGBTQIA+ inclusion in the workplace means promoting and normalising visibility, being active allies, standing up against bullying and harassment, and making sure LGBTQIA+ team members and our guests feel safe to express themselves.
6. **Generations:** People have unique insights at all different stages of life. Promoting and supporting generational equity and diversity allows us to include people with wide-ranging experiences and long-lasting careers.

Each Pillar has its own yearly goals and actions, created and led by our Team Member Networks. All team members have the opportunity to join a Team Member Network they are passionate about and play a role in deciding what progress will look like for Virgin Australia.

#### Reconciliation Action Plan

We recognise there is a lot of important work to be done towards reconciliation, respect and equality for Aboriginal and/or Torres Strait Islander peoples and communities.

Our Reconciliation Action Plan outlines our commitment to building career opportunities for our Aboriginal and Torres Strait Islander team members, ensuring they feel supported and valued for their contributions, increasing our engagement with Aboriginal and Torres Strait Islander suppliers, and improving health, social, and economic outcomes for Aboriginal and Torres Strait Islander peoples in Australia.



<sup>1</sup> 25by2025 is global initiative led by IATA to change the gender balance within the aviation industry. By committing to this initiative, we are targeting to increase the number of women in senior positions and under-represented areas by 25%, or up to a minimum of 25% by 2025.

We invest in partnerships with organisations that align with our purpose and values while significantly contributing to our community. These investments can be in the form of time, through employee volunteering, monetary, through donations, or in-kind, through knowledge transfer and development. Specific activities that we were involved with in FY23 aligning with each of our six Belonging Pillars were:

SOCIAL IMPACT	GENDER EQUITY & GENERATIONS	ABILITY	CULTURES AND ORIGINS	PRIDE
Starlight Children's Charity - Virgin Australia is the official wish granting partner of the Starlight Children's Charity and have been proudly supporting the charity since 2010. We have helped facilitate over 3,000 travel wishes for sick kids travelling on their wishes right around Australia.	Women in Aviation/Aerospace Australia Sponsorship - contributing to gender representation across roles	Australia Network on Disability membership to support creating our Access and Inclusion Plan	First Nations Team member Network sessions in Sydney and Brisbane	Pride Flight services expanded, including the first international Pride Flight operated by partner United Airlines
	Industry partner with Aviation Australia FAME program	Inclusion Foundation Impact 21 program - Melbourne	Cultural Learning Strategy launch - SBS First Nations Inclusion Training, Black Card Cultural Capability training for leaders	Membership with Pride in Diversity - completed the Australia Workplace Equality Index survey
	Signatory to the IATA 25by2025 initiative	What Ability - Virgin Australia is a proud partner of What Ability, a NDIS-registered disability support service that provides people living with disability opportunities in the community. What Ability team members will travel on Virgin Australia flights around the country, helping the organisation deliver team training and experiences for participants.	Garma - Virgin Australia was an official sponsor of Garma Festival 2023, Australia's largest indigenous gathering and 4-day celebration of Yolngu life & culture held in the Northern Territory. We provided opportunities for our staff to volunteer at and take part in the 2023 festival as part of our RAP.	
			Black Bold and Beautiful event sponsor for International Women's Day NAIDOC 2023 celebrations and events sponsorship	
			National Reconciliation Week 2023 - launched cultural learning strategy	

The Belonging Steering Committee is comprised of representatives from throughout Virgin Australia, such as Team Member Network sponsors and chairs, the Executive Leadership team, and functional representatives. It is the responsibility of the Steering Committee to implement Belonging Strategy initiatives and measures. Data from engagement surveys, tracking progress against performance indicators, and membership in the Belonging SteerCo provides alignment with Virgin Australia's commitment to diversity and inclusion and promotes a culture of accountability.

**Pride Flight**  
 More than 1,000 people partied for pride, with four Virgin Australia Pride Flight services, and one United Airlines service, touching down in Sydney. The airline launched its maiden Pride Flight services from Adelaide and Perth, which joined Pride Flight services from Melbourne and Brisbane, and the first ever Pride Flight from San Francisco, operated by United Airlines in partnership with Virgin Australia. \$30 from the sale of each ticket on Virgin Australia-operated Pride Flight services was donated to the Minus18 LGBTQIA+ youth charity. United Airlines donated \$25,000 USD to The Trevor Foundation.





### Workplace relations

We endeavour to build an inclusive, engaged and productive team culture at Virgin Australia.

The employment conditions of our team members are governed by a variety of documents, including employment contracts, enterprise agreements, and in some cases, modern awards. All team members enjoy the benefits of a modern employment law framework and a minimum safety net of employment entitlements and protections that are supported by state and federal employment laws.

### Enterprise agreements

The enterprise agreements (EAs) in place at Virgin Australia protect our employees' rights to freedom of association and enable team members to benefit from the collective bargaining of their terms and conditions of employment. EAs are workgroup specific and include provisions unique to the particular workgroup in relation to, for example, rostering and allowances. 70% of Virgin Australia's workforce was covered by an EA in FY23.

Team members who are not covered by an EA generally work in Head Office, for Velocity or perform a leadership role. The terms and conditions of some non-EA employees are underpinned by a Modern Award (most relevantly the Clerks Award and the Airline Operations Award 2020).

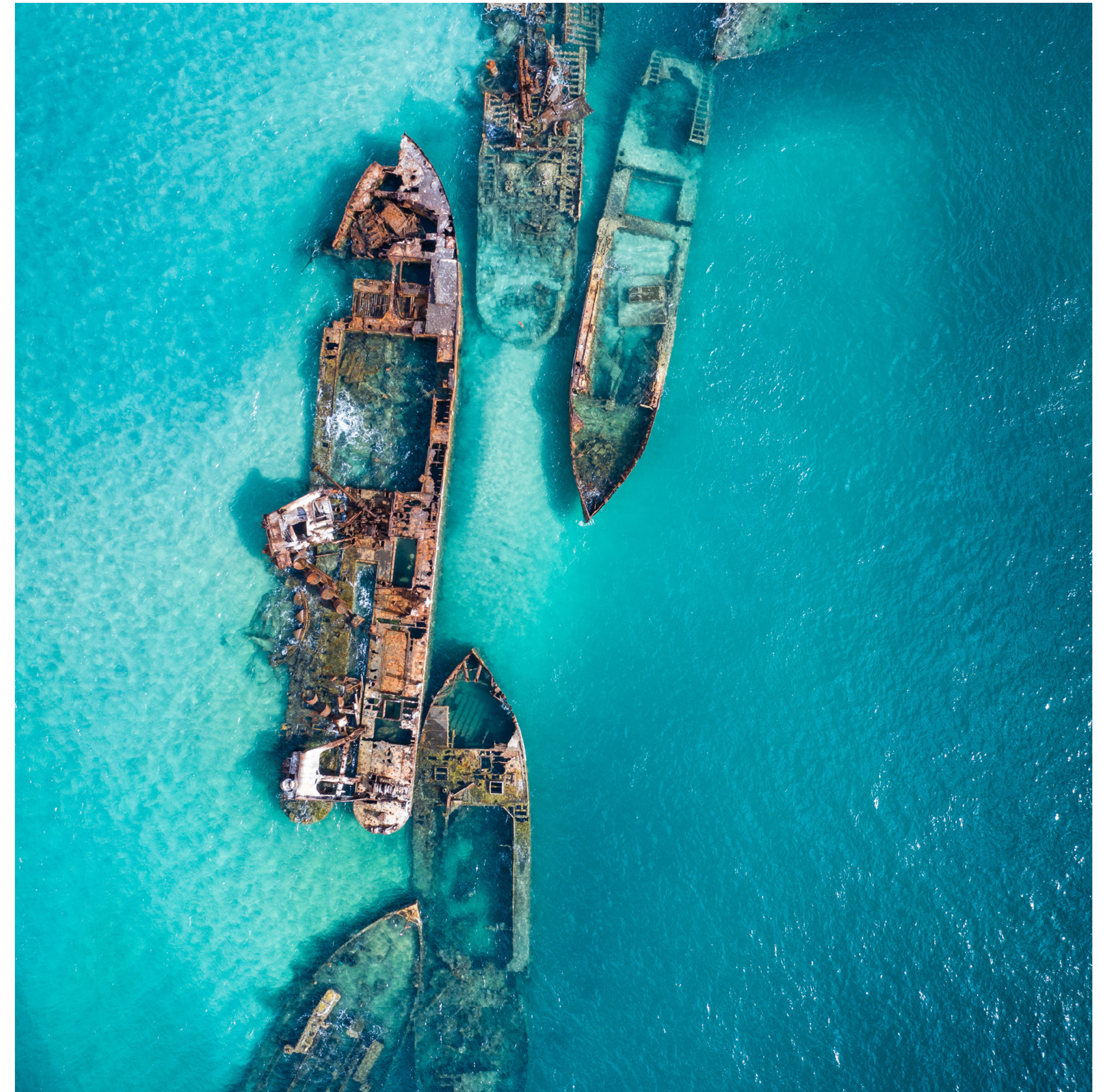
### Communicating operational changes

The amount of time given to team members and their representatives prior to implementing a major operational change varies based on the nature, impact, and complexity of the change. Occasionally, in an operational environment, it may be necessary to implement some changes quickly; however, a minimum of two to four weeks is typically provided to facilitate consultation with team members, union representatives, and health and safety representatives. For significant changes and projects with a longer timeframe for implementation, consultation may continue for an extended period of time.

The majority of EAs outline the framework and timelines for consultation and mandate that consultation begin as soon as practicable following the planning of a significant change. The majority of EAs stipulate a timeline for the renegotiation of replacement EAs prior to the nominal expiry date of the EA.

There are numerous consultative committees in existence, such as the National Consultative Committee (NCC) meetings held by Virgin Australia and Virgin Australia Regional Airlines every three months. Cabin Crew representatives also meet monthly with management as part of the Rostering Committee. In addition, a Workplace Consultative Committee is available to airside team members, and national and local consultative committees are available to Guest Services team members as a means of participation. Unions correspond with us via email, telephone, and committees.

The EA SteerCo of Virgin Australia aligns agreements and monitors workplace relations trends. Formal mechanisms, such as six-monthly EBA audits, guarantee compliance, productivity, and equitable compensation.



## Our people data

### Employee categories by age and gender

EMPLOYEE CATEGORY		FEMALE							
Level	18-24	25-34	35-44	45-54	55-64	65-74	75-84	FEMALE TOTAL	
1	7.61%	12.43%	10.52%	8.06%	3.36%	0.27%	-	42.27%	
2	0.03%	1.56%	2.04%	0.97%	0.28%	0.03%	-	4.94%	
3	-	0.15%	0.69%	0.30%	-	-	-	1.15%	
4	-	0.01%	0.09%	0.10%	0.03%	-	-	0.24%	
5	-	-	0.1%	0.01%	-	-	-	0.02%	
6	-	-	-	-	0.01%	-	-	0.01%	
<b>TOTAL</b>	<b>7.65%</b>	<b>14.15%</b>	<b>13.4%</b>	<b>9.5%</b>	<b>3.7%</b>	<b>0.3%</b>	<b>-</b>	<b>48.67%</b>	
EMPLOYEE CATEGORY		MALE							
Level	18-24	25-34	35-44	45-54	55-64	65-74	75-84	MALE TOTAL	
1	4.53%	7.17%	10.75%	13.78%	6.94%	0.77%	-	43.95%	
2	0.09%	1.08%	1.85%	1.25%	0.46%	0.07%	-	4.79%	
3	-	0.28%	0.77%	0.67%	0.34%	0.01%	-	2.07%	
4	-	-	0.13%	0.18%	0.09%	-	-	0.41%	
5	-	-	0.01%	0.08%	0.01%	-	-	0.11%	
6	-	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>4.62%</b>	<b>8.53%</b>	<b>13.52%</b>	<b>15.96%</b>	<b>7.85%</b>	<b>0.85%</b>	<b>-</b>	<b>51.33%</b>	
<b>GRAND TOTAL</b>	<b>12.28%</b>	<b>22.68%</b>	<b>26.90%</b>	<b>25.42%</b>	<b>11.55%</b>	<b>1.15%</b>	<b>-</b>		

Note: Employee categories are currently not divided into job functions. Employee categories are assigned to numbers with some nuances based on the size of the team. For example, in a small team Level 2 'Advanced Team Member' can play the role of Level 3 Leader/Supervisor. Level 1 = All staff; Level 2 = Advanced team members; Level 3 = Leaders & supervisors and Managers; Level 4 = General Managers and other Senior leadership positions; Level 5 = Group Executives, and Level 6 = CEO

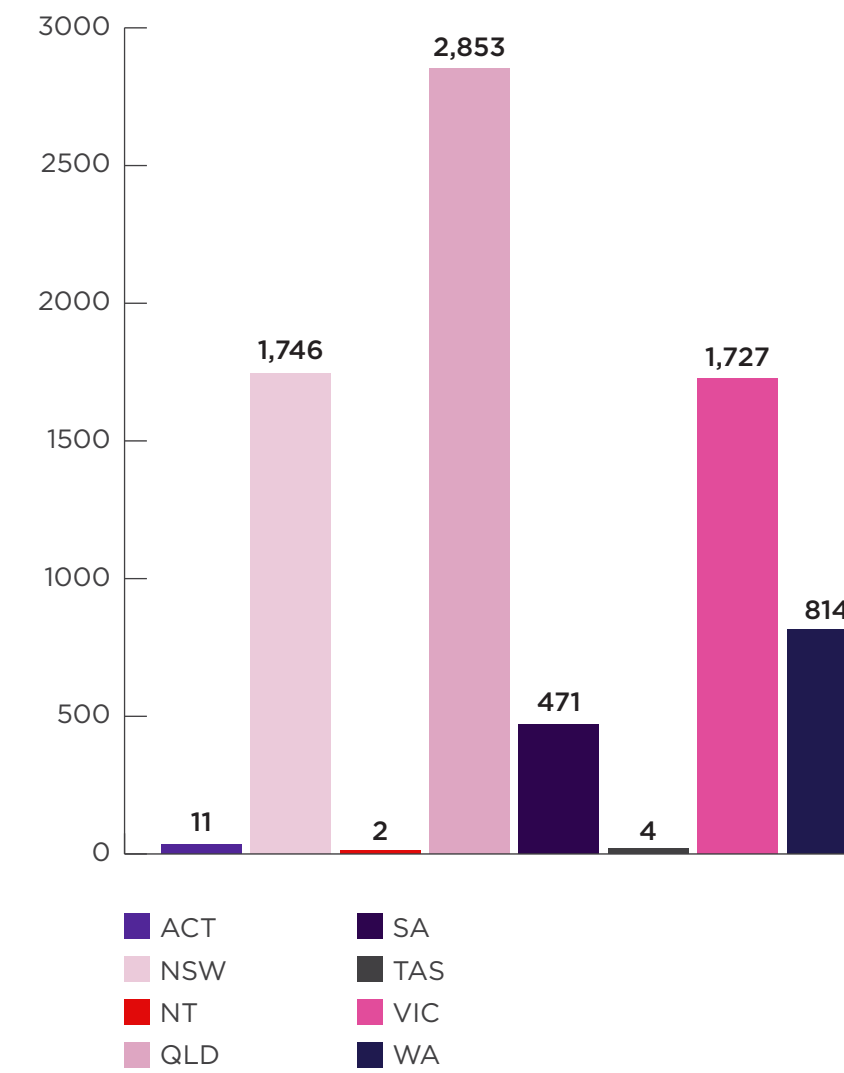


Team members by region and gender

Team members are Virgin Australia's permanent and non-permanent (fixed term contract and casual) employees

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
<b>Permanent</b>								
Female	2	834	0	1,353	220	0	735	402
Male	9	852	2	1,343	236	4	930	405
<b>Temporary</b>								
Female	0	38	0	84	10	0	27	2
Male	0	22	0	73	5	0	35	5
<b>Non-guaranteed hours</b>								
Female	0	29	9	28	10	0	26	1
Male	0	15	0	26	5	0	33	0
<b>Full-time</b>								
Female	2	563	0	977	136	0	466	339
Male	9	620	2	1,147	153	4	720	400
<b>Part-time</b>								
Female	0	260	0	423	84	0	256	64
Male	0	237	0	240	83	0	212	10

Number of employees by location



Number of team members by gender

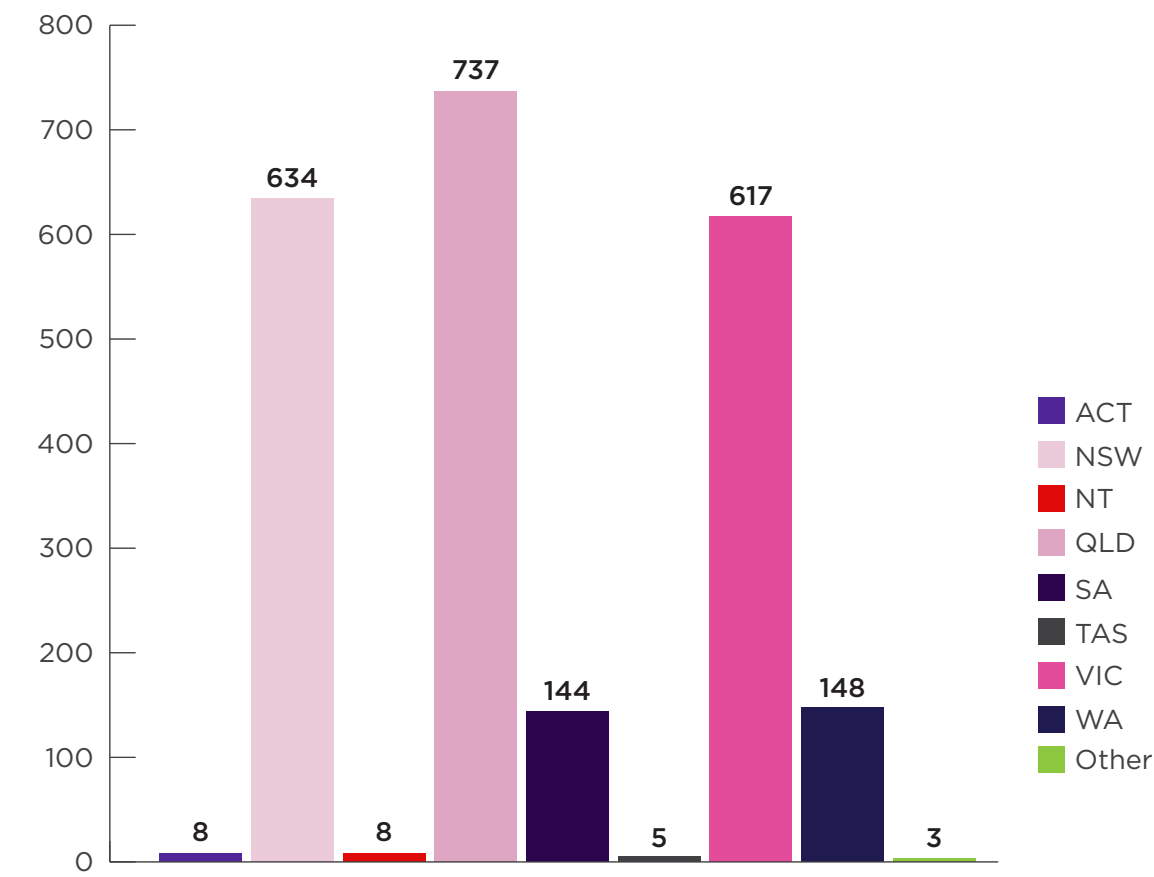
GENDER	NO.
Female	3,707
Male	3,921
Total	7,628



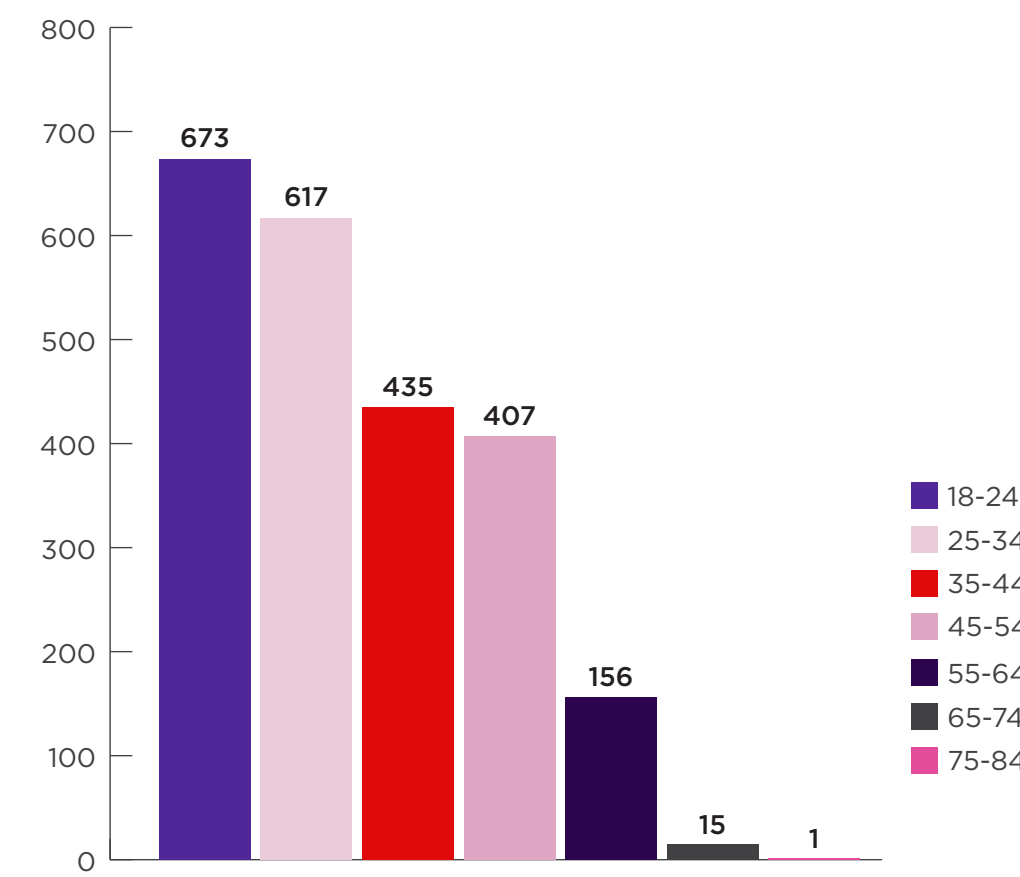
Contractors

CONTRACTORS	NO.
Managed Services	5,412
Professional Services	186
Total	5,598

Number of new starters



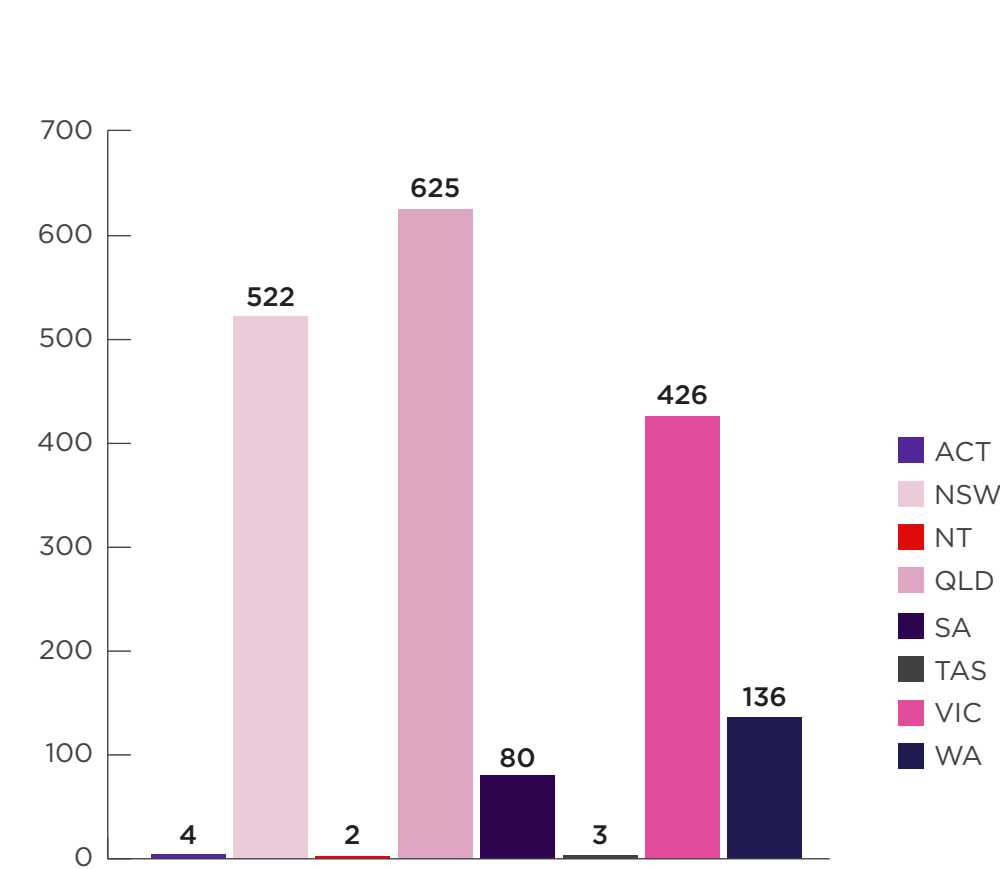
New starters by age



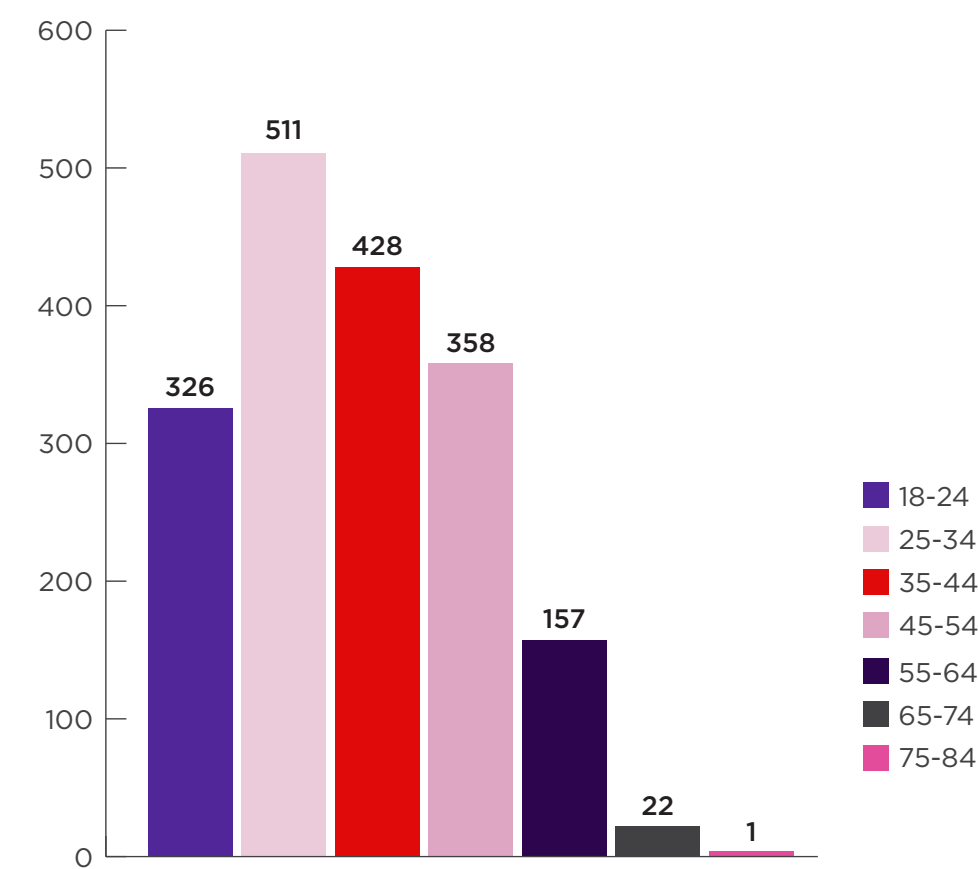
New starters by gender

GENDER	NO.
Female	1,188
Male	1,116
Total	2,304

Number of terminations



Terminations by age



Terminations by gender

GENDER	NO.
Female	970
Male	833
Total	1,803

Note: there were no significant fluctuations beyond normal turnover rates

Board diversity

FEMALE			MALE		
Age					
Under 30	30-50	Over 50	Under 30	30-50	Over 50
		17%		50%	33%

Parental leave

	MALE	FEMALE
Total number of team members entitled to parental leave*	4849	3783
Total number of team members that took parental leave	11	54
Total number of team members that returned to work after leave ended	10	54
Return to work rate of team members	91%	100%

\*All permanent employees with over 12 months continuous employment are entitled to parental leave. The total number of employees eligible for parental leave is higher than Virgin Australia's 7629 employees as at end of 30 June 2023 as the number includes those who left during the reporting period.





### Our customer experience

Since the launch of Virgin Blue in August 2000, we have competed as a challenger in the Australian aviation market, offering our customers choice and value. Today, Virgin Australia strives to lead the market in four areas: Value, Service, Experiences and Recognition & Rewards.

#### Approach

To ensure we are meeting customer needs and continually improving our offering, we listen to our customers through surveys, focus groups, community panels, staff feedback and social media.

We monitor our performance through the Net Promoter Score (NPS). Our NPS is captured throughout the customer experience including airport, onboard, contact centre, digital experience and the Velocity Frequent Flyer program.

Examples of customer feedback include:

- **Post flight surveys:** We received more than 100,000 post-flight survey completions in FY23
- **Rate My Flight:** Launched in FY23, a new survey available in the Virgin Australia app to make it easier and faster for guests to have their say
- **Market Pulse:** Every month we survey cohorts of Australian flyers to measure our value and service when compared to competitors

## Our Customer Value Proposition

In FY23 we have focused on leading the Australian market in the four areas of our Customer Value Proposition, our achievements include:



### Value

That empowers through choice and delight

- **Best value for money:** Throughout FY23 Virgin Australia has led the Australian aviation market with the most fliers agreeing Virgin Australia represents Value for Money.
- **Affordability:** We strive to make air travel affordable with more than 8 million fares under \$200 sold by Virgin Australia in FY23.



### Service

Powered by authentic humanity

- **Best cabin crew:** In May 2023, Virgin Australia won the AirlineRatings.com Best Cabin Crew award for the fifth consecutive year in the Airline Excellence Awards.
- **Contact Centre Service:** More than 90% of customer enquiries to the Virgin Australia guest contact centre were answered in less than three minutes in FY23.
- **Rapid Rebook digital innovation:** Virgin Australia has introduced an automated passenger recovery tool to allow guests to rebook in case of a disruption.



### Experiences

Alive with remarkable personality

- **Middle Seat Lottery:** In FY23 we ran the Middle Seat Lottery, transforming middle seats from the least favourite to the most fun and wonderful. Guests who sit in the middle seat had the chance to win one of the extraordinary prizes on offer, with a new prize and winner every week from October 2022-July 2023.
- **Baggage tracking notifications:** In May 2023, Virgin Australia piloted the nation's first ever airline baggage tracking tool which has since been expanded to almost 70 per cent of domestic flights.
- **Pride flights:** In February 2023 Virgin Australia launched its maiden Pride Flight services from Adelaide and Perth, which joined Pride Flight services from Melbourne and Brisbane, and the first ever Pride Flight from San Francisco, operated by United Airlines in partnership with Virgin Australia.



### Recognition & rewards

That truly see you

- **11 million members:** Our Velocity Frequent Flyer programme reached 11 million members in December 2022, the equivalent of one member in every Australian household.
- **New Velocity partners:** In FY23 we expanded and introduced new partnerships, including Qatar Airlines, Singapore Airlines and Luxury Escapes.
- **Switch-a-roo:** We invited Australian frequent flyers to trial the Velocity program. The offer made it possible for travellers to enjoy many of the rewards of Velocity Gold status while flying with a modern and vibrant airline.

## Glossary

### AC

Air Canada

### Airline Customer Advocate (ACA)

An organisation that provides a free and independent service to eligible customers of major Australian airlines by facilitating the resolution of current unresolved complaints about airline services

### Airport Coordination Australia (ACA)

An organisation that provides airport coordination services

### Airlines for Australia and New Zealand (A4ANZ)

An industry group established as a voice to represent airlines based in Australia and New Zealand

### Australian Packaging Covenant Organisation (APCO)

A not for profit organisation leading the development of a circular economy for packaging in Australia

### Australian Network on Disability

A not for profit organisation that helps organisation to create a disability inclusive workplace.

### Australia Workplace Equality Index

Australia's definitive national benchmark on LGBTQ workplace inclusion.

### Available Seat Kilometers (ASK)

A measure of passenger carrying capacity

### Aviation/Aerospace Australia

A not for profit national association that is committed to sustainability of the aviation, aerospace, and space sectors in Australia

### Bioenergy Australia through the Sustainable Aviation Fuel Alliance of Australia and New Zealand (SAFAANZ)

A working group developed by Bioenergy Australia to provide a collaborative environment to advance sustainable aviation fuel production, policy, education and marketing in Australia and New Zealand

### Civil Aviation Safety Authority (CASA)

A government body that regulates Australian aviation safety

### Centre for Aviation (CAPA)

A global network of aviation researchers and analysts located across Europe, North America, Asia and Australia

### Carbon Market Institute (CMI)

An independent, member-based institute accelerating the transition to net zero emissions

### Climate Leaders Coalition (CLC)

A group of cross-sectoral Australian corporate CEOs supporting the Paris Agreement commitments and setting and implementing public decarbonisation targets

### Climate Active

An ongoing partnership between the Australian Government and Australian businesses to drive voluntary climate action

### Containers for Change

A recycling scheme operating in Queensland and Western Australia

### Container Deposit Legislation (CDL)

Also known as a container deposit scheme (CDS), a scheme that encourages individuals and organisations to return recyclable containers in exchange for a monetary refund.

### Department of Home Affairs (DoHA)

An Australian Federal Government Department responsible for central coordination, and strategy and policy leadership in relation to cyber and critical infrastructure resilience and security; immigration; border security and management; counter-terrorism; the protection of Australia's sovereignty and citizenship and social cohesion.

### EY

Etihad Airways

### Federal Aviation Administration (FAA)

An operating mode of the United States' Department of Transportation

### International Civil Aviation Organization (ICAO)

A United Nations agency, established to help countries share their skies to their mutual benefit

### Inclusion Foundation

A not for profit organisation that aims to provide people with Down syndrome and intellectual disability opportunities to build their independence and to explore their interests

### International Air Transport Association (IATA)

A trade association for the world's airlines that provides support in many areas of aviation activity and helps formulate industry policy on critical aviation issues

### International Energy Agency (IEA)

A Paris-based autonomous intergovernmental organisation that provides policy recommendations, analysis and data on the entire global energy sector

### NAIDOC

National Aborigines and Islanders Day Observance Committee. National NAIDOC Week celebrations are held across Australia in the first week of July each year to celebrate and recognise the history, culture and achievements of Aboriginal and Torres Strait Islander peoples.

### National Reconciliation Week

A week long Australia wide event held by Reconciliation Australia that aims to share First Nations histories, cultures, and achievements, and to explore how everyone can contribute to achieving reconciliation in Australia.

### National Waste Policy Action Plan

An Australian Federal Government plan that presents targets and actions to implement Australia's 2018 National Waste Policy.

### Net Promoter Score (NPS)

A measure used to gauge customer loyalty, satisfaction, and enthusiasm with a company

### Net-Zero Banking Alliance

An industry led group of leading global banks committed to financing ambitious climate action to transition the real economy to net-zero greenhouse gas emissions by 2020, convened by the United Nations Environment Programme Finance Initiative

### Office the Australian Information Commissioner

Australia's independent national regulator for privacy and freedom of information

### QR

Qatar Airways

### Revenue Passenger Kilometers (RPK)

An indication of the number of kilometers traveled by paying passengers

### Revenue Tonne Kilometre (RTK)

A metric tonne of revenue load carried in one kilometre

### SA

South African Airways

### SICS

A Sustainable Industry Classification System® (SICS®) devised by the Sustainability Accounting Standards Board (SASB) to group companies based on shared sustainability risks and opportunities.



## Glossary

### SQ

Singapore Airlines

### Sustainable aviation fuel (SAF)

Renewable or waste-derived aviation fuels that meets sustainability criteria defined by Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)

### Task Force on Climate-related Financial Disclosures (TCFD)

A framework that organisations can use to publicly disclose the climate-related risks and opportunities to their businesses.

### UA

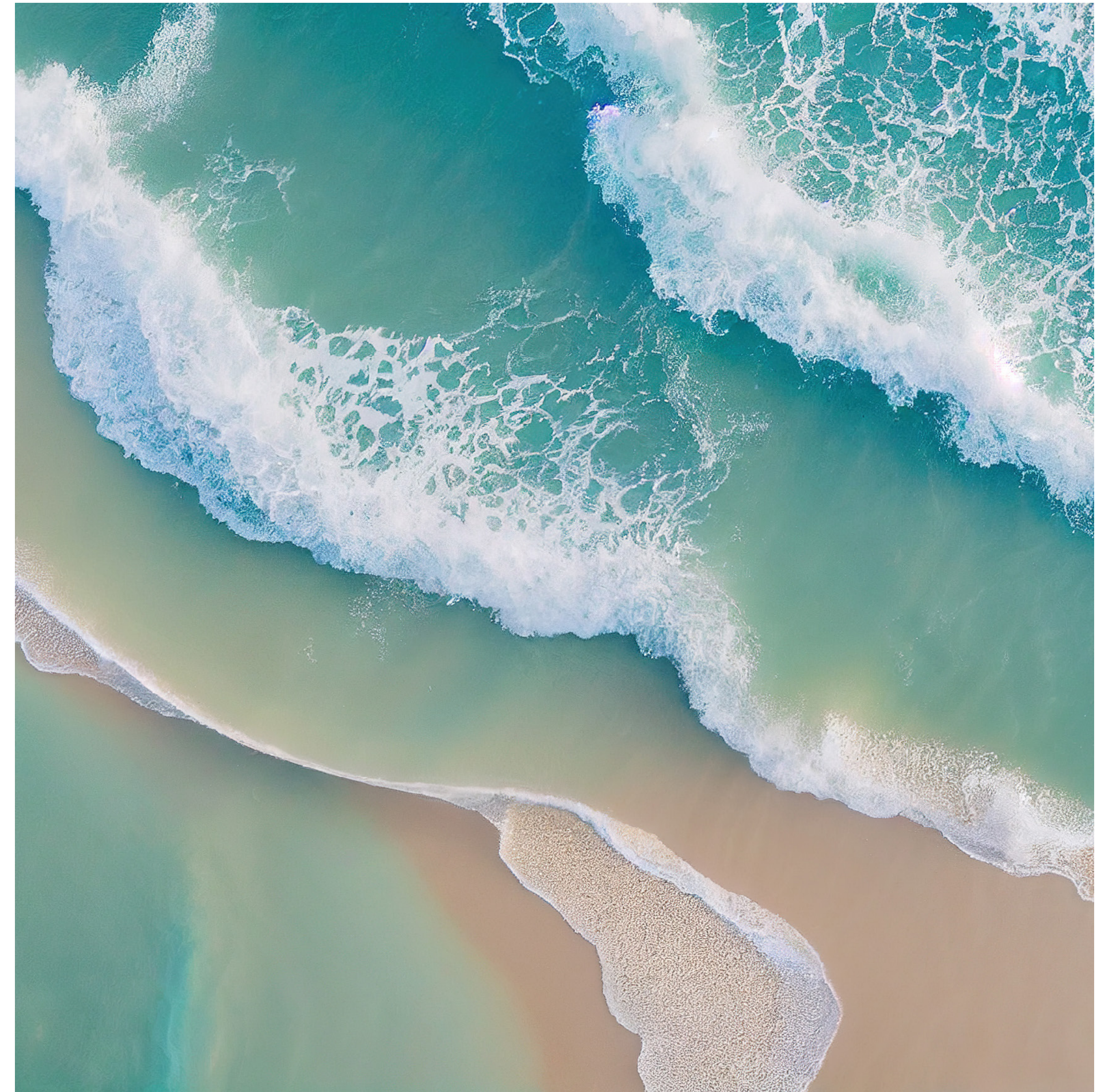
United Airlines

### VS

Virgin Atlantic

### Women in Aviation

A national platform that represents all facets of the aviation and aerospace industry is dedicated to the encouragement and advancement of women in all aviation and aerospace career fields and interests. It is the Australian Chapter of Women in Aviation International (WAI)



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## Independent Assurance Statement to Virgin Australia Holdings Limited

### Assurance conclusion

We, Point Advisory Pty Ltd ('Point Advisory'), performed a limited assurance engagement over selected metrics presented in Virgin Australia Holdings Limited ('Virgin's') Sustainability Report ('the Report') for the reporting year ended 30 June 2023.

Based on the scope of our independent limited assurance engagement, nothing has come to our attention to suggest that the selected metrics presented in Virgin Australia's Sustainability Report 2023 have not been prepared and presented fairly in accordance with the Criteria defined below.

### Subject Matter

The Subject Matter covered as part of this limited assurance engagement is listed below.

- Scope 1 greenhouse gas emissions: 2,268,986 tCO<sub>2</sub>-e
- Scope 2 greenhouse gas emissions: 2,286 tCO<sub>2</sub>-e
- Waste generated: 4583 tonnes

### Criteria

The criteria used in relation to the selected sustainability metrics are Virgin's management measurement methodologies, as disclosed in the Report.

### Respective responsibilities

Virgin's management is responsible for the preparation and fair presentation of the selected metrics in accordance with the Criteria, and related information within the Report. Virgin's management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, adequate records and making assumptions that are reasonable in the circumstances.

Point Advisory's responsibility, in accordance with the terms of our engagement letter with Virgin dated 17 July 2023, is to express a limited assurance conclusion about whether the selected metrics have been prepared in accordance with the Criteria. Our assurance engagement has been planned and performed in accordance with the Australian Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ASAE 3000) and the Australian Standard on Assurance Engagements ASAE (ASAE 3410) Assurance Engagements on Greenhouse Gas Statements.

Our team has the required qualifications and experience to effectively apply ASAE 3000 and ASAE 3410. We are not aware of any issues that could impair our independence or objectivity for this assurance engagement. Point Advisory's independence policy and supporting measures apply to management and professional staff. This policy also prohibits our team from having any financial interests in our clients that could impair our independence, either in fact or in appearance.

### Our Methodology

The assurance procedures we performed were based on our professional judgement and included:

- Interviewing a selection of Virgin staff and reviewing information to understand Virgin's corporate structure and boundary covered by the Report.
- Assessing the processes for how data is collected, calculated, and aggregated, and checking any assumptions or estimations that were made.
- Performing analytical tests and limited detailed testing to source documentation for selected metrics and related qualitative information.
- Checking the accuracy of calculations performed and the reasonableness of assumptions used.
- Reviewing the presentation of the selected metrics and related disclosures in the Report to check that the metrics are fairly reported.

### Inherent limitations

Our evidence-gathering procedures were designed to obtain a 'limited level' of assurance (as set out in ASAE 3000) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement and therefore a lower level of assurance is provided.

### Use of our assurance statement

We do not accept any responsibility for any reliance on this assurance statement by any other person(s) or organisation(s) other than Virgin Management. Other stakeholders should do their own due diligence before taking any action as a result of this statement.

On behalf of the assurance team.



**Christopher Bray**  
Partner  
7 December 2023



TCFD Disclosures

DISCLOSURE	REFERENCE/RESPONSE
<b>Governance: Disclose the organisation’s governance around climate-related risks and opportunities</b>	
a) Describe the board’s oversight of climate related risks and opportunities	p.26
b) Describe the management’s role in assessing and managing climate related risks and opportunities	p.26
<b>Strategy: Disclose the actual and potential impacts of climate related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material</b>	
a) Describe the climate related risks and opportunities the organisation has identified over the short, medium and long term	pp. 26, 27
b) Describe the impact of climate related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	pp. 26, 27
c) Describe the resilience of the organisation’s strategy, taking its consideration different climate related scenarios, including a 2oC or lower scenario	p.26 Virgin Australia will develop resilience of its climate strategy further in FY24.
<b>Risk Management: Disclose how the organisation identifies, assesses, and manages climate related risks</b>	
a) Describe the organisation’s processes for identifying and assessing climate related risks	pp. 26, 27
b) Describe the organisation’s processes for managing climate related risks	pp. 4, 17, 24-27
c) Describe how processes for identifying, assessing and managing climate related risks are integrated into the organisation’s overall risk management	p.26
<b>Metrics and Targets</b>	
a) Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process	p.29
b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	p.29
c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets	pp. 5, 16, 24, 25, 29



## GRI Content Index and SASB Disclosures

This index identifies selected disclosures contained within the Global Reporting Initiative (GRI) Standards 2021 and SASB Airlines Sustainability Accounting Standard (Industry Standard Version 2023-06) relevant to the Virgin Australia Group. Where partial reporting against a disclosure has occurred, the disclosure has been included.

STATEMENT OF USE: VIRGIN AUSTRALIA GROUP HAS REPORTED WITH REFERENCE WITH THE GRI STANDARDS FOR THE PERIOD 1 JULY 2022 TO 30 JUNE, 2023	
GRI 1 Standard used: GRI 1: Foundation 2021	
GRI STANDARD/OTHER SOURCE	PAGE/REFERENCE/EXPLANATORY NOTES
<b>General Disclosures</b>	
<b>GRI 2: General Disclosures 2021</b>	
<b>The organisation and its reporting practices</b>	
2-1: Organisational details	p.6
2-2: Entities included in the organisation's sustainability reporting	p.12
2-3: Reporting period, frequency and contact point	p.12
2-4: Restatements of information	pp. 12, 38
2-5: External assurance	pp. 12, 59
<b>Activities and workers</b>	
2-6: Activities, value chain and other business relationships	pp. 6-11
2-7: Employees	pp. 8, 50-53
2-8: Workers who are not employees	p.51
<b>Governance</b>	
2-11: Chair of the highest governance body	p.19
2-12: Role of the highest governance body in overseeing the management of impacts	pp. 19, 20
2-13: Delegation of responsibility for managing impacts	p.19
2-14: Role of the highest governance body in sustainability reporting	p.12
2-17: Collective knowledge of the highest governance body	p.19
<b>Strategy, policies and practices</b>	
2-22: Statement on sustainable development strategy	p.4
2-23: Policy commitments	pp. 9, 14, 20-23, 33, 36, 38-40, 42, 47

2-24: Embedding policy commitments	pp. 14, 20, 22, 23, 25, 33, 45
2-25: Processes to remediate negative impacts	pp. 21-25, 27, 28, 30-34, 36-45
2-26: Mechanisms for seeking advice and raising concerns	p.22
2-27: Compliance with laws and regulations	p.22
2-28: Membership associations	p.8
<b>Stakeholder engagement</b>	
2-29: Approach to stakeholder engagement	pp. 14, 15
2-30: Collective bargaining agreements	p.49
<b>MATERIAL TOPICS</b>	
<b>GRI 3: Material Topics 2021</b>	
3-1: Process to determine material topics	p.15
3-2: List of material topics	p.15
<b>CLIMATE CHANGE</b>	
<b>GRI 3: Material Topics 2021</b>	
3-3: Management of material topics	pp. 24-28
<b>GRI 302: Energy 2016</b>	
302-1: Energy consumption within the organisation	p.29
302-2: Energy Consumption outside the organisation	p.29
302-3: Energy intensity	p.29
302-4: Reductions of energy consumption	pp. 5, 24, 25
302-5: Reductions in energy requirements of products and services	pp. 5, 24, 25
<b>GRI 305: Emissions 2016</b>	
305-1: Direct (Scope 1) GHG emissions	p.29
305-2: Energy indirect (Scope 2) GHG emissions	p.29
305-3: Other indirect (Scope 3) GHG emissions	p.29
305-4: GHG emissions intensity	p.29
305-5: Reduction of GHG emissions	pp. 5, 24, 25

<b>SASB Standards – Airlines</b>	
TR-AL-110a.1: Gross global Scope 1 emissions	p.29
TR-AL-110a.2: Discussion of long and short term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	pp. 24-29
TR-AL-110a.3: (1) Total fuel consumed, (2) percentage alternative and (3) percentage sustainable	pp. 24, 29
<b>WASTE</b>	
<b>GRI 3: Material Topics 2021</b>	
3-3: Management of material topics	pp. 30-32
<b>GRI 306: Waste 2020</b>	
306-1: Waste generation and significant waste-related impacts	pp. 30-32
306-2: Management of significant waste related impacts	pp. 30-32
306-3: Waste generated	p.32
306-4: Waste diverted from disposal	p.32
<b>SAFETY AND WELLBEING</b>	
<b>GRI 3: Material Topics 2021</b>	
3-3: Management of material topics	pp. 35-41
<b>GRI 403: Occupational Health and Safety 2018</b>	
403-1: Occupational health and safety management system	p.37
403-2: Hazard identification, risk assessment, and incident investigation	p.38
403-3: Occupational health services	pp. 39, 40
403-4: Worker participation, consultation, and communication on occupational health and safety	p.41
403-5: Worker training on occupational health and safety	p.41
403-6: Promotion of worker health	pp. 39, 40
403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.38
403-8 Workers covered by an occupational health and safety management system	p.37
403-9: Work-related injuries	p.38
<b>GRI 416: Customer Health and Safety 2016</b>	
416-1: Assessment of the health and safety impacts of product and service categories	p.36

416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	p.38
<b>GRI 414: Supplier Social Assessment 2016</b>	
414-1: New Suppliers that were screened using social criteria	p.23
414-2: Negative social impacts in the supply chain and actions taken	p.23
<b>SASB Standards – Airlines</b>	
TR-AL-540a.1: Description of implementation and outcomes of a Safety Management System	p.37
TR-AL-540a.2: Number of aviation accidents	p.38
TR-AL-540a.3: Number of governmental enforcement actions of aviation safety regulations	p.38
<b>EMPLOYEE ENGAGEMENT AND DEVELOPMENT</b>	
<b>GRI 3: Material Topics 2021</b>	
3-3: Management of material topics	pp. 42-49
<b>GRI 401: Employment</b>	
401-1: New employee hires and employee turnover	p.52
401-2: Benefits provided to full time employees that are not provided to temporary or part-time employees	p.46
401-3: Parental leave	p.53
<b>GRI 402: Labour/Management Relations</b>	
402-1: Minimum notice periods regarding operational changes	p.49
<b>GRI 404: Training and Education 2016</b>	
404-2: Programs for upgrading employee skills and transition assistance programs	pp. 44, 45
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	
407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p.49
<b>SASB Standards – Airlines</b>	
TR-AL-310a.1: Percentage of active workforce covered under collective bargaining agreements	p.49
<b>CYBER SECURITY AND PRIVACY</b>	
<b>GRI 3: Material Topics 2021</b>	
3-3: Management of material topics	pp. 33, 34
<b>GRI 418: Customer Privacy 2016</b>	

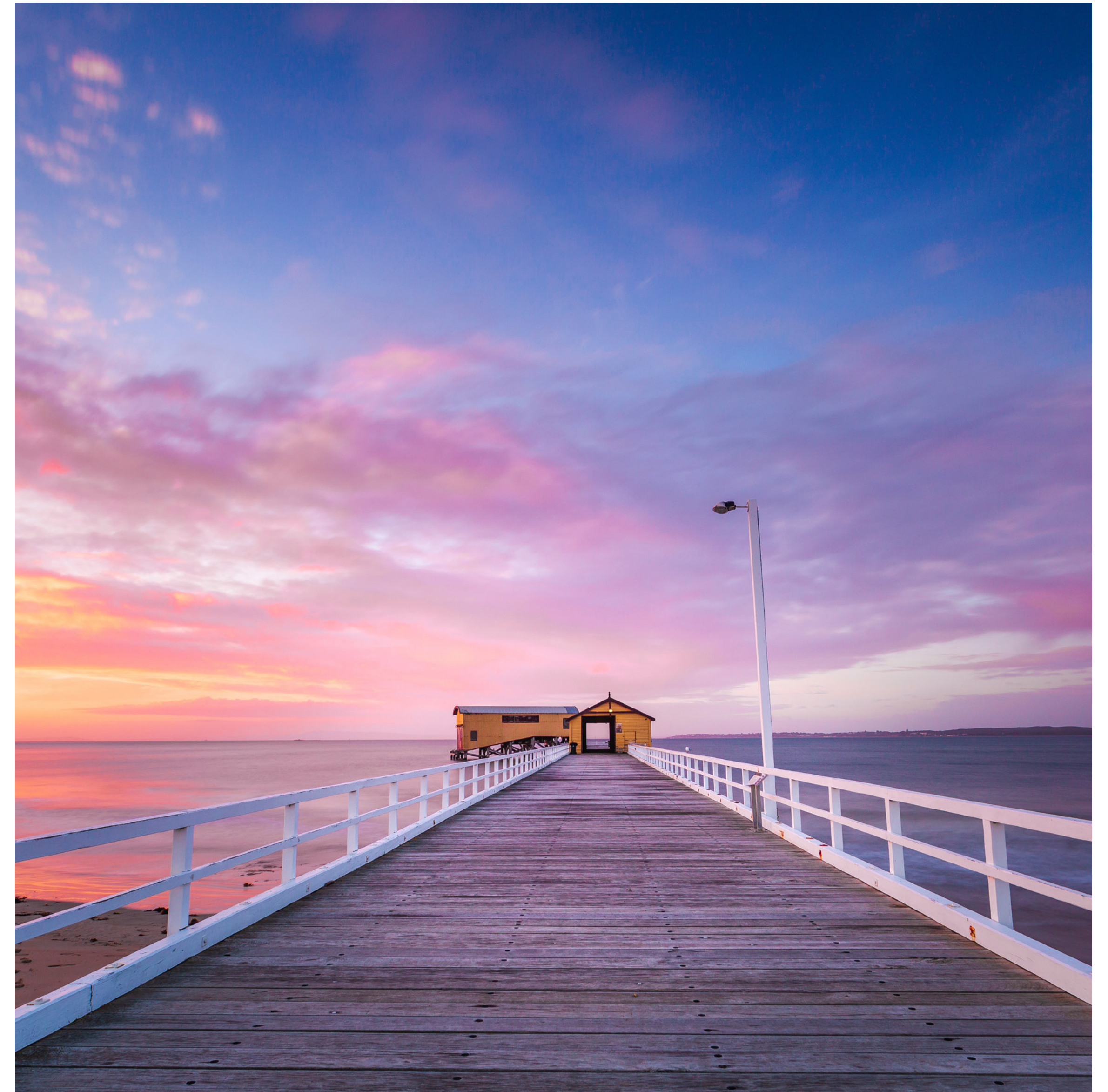


418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	p.33
<b>INCLUSIVE AND DIVERSE WORKPLACE</b>	
<b>GRI 3: Material Topics 2021</b>	
3-3: Management of material topics	pp. 47, 48
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	
405-1: Diversity of governance bodies and employees	p.47
<b>CUSTOMER ENGAGEMENT AND SATISFACTION</b>	
<b>GRI 3: Material Topics 2021</b>	
3-3: Management of material topics	pp. 54, 55
<b>SASB Standards – Airlines</b>	
Activity metrics	p.29
TR-AL-000.A: Available seat kilometres (ASK)	p.29
TR-AL-000.B: Passenger load factor	p.29
TR-AL-000.C: Revenue passenger kilometres (RPK)	p.29
TR-AL-000.D: Revenue ton kilometres (RTK)	p.29
TR-AL-000.E: Number of departures	p.29

### Disclaimer

Forward-looking statements may include statements regarding Virgin Australia's climate transition strategies and climate scenarios; the impact of climate change on Virgin Australia's business; our commitment to sustainability reporting, frameworks, standards and initiatives; our commitments to achieve certain health and safety targets and outcomes; our commitments to achieve certain inclusion, and diversity targets, aspirations and outcomes; our commitments to achieve certain targets and outcomes with respect to Indigenous peoples and the communities in which we operate; and other sustainability 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 report. 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 contained herein to reflect changes to relevant risks, uncertainties or other factors, and/or Virgin Australia's understanding of them.





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