

# Change is in the Air

That's because for us, sustainability means changing things for the better by working to improve the lives of people around the world, in the areas where we can have the most impact. This includes our environmental and supply chain activities and our non-profit partnerships.

While our Leadership Team is responsible for driving our Change is in the Air programme, it is not a top down strategy. People join our Company because of Virgin Atlantic's people driven approach. And our people love to make a contribution. From making key business decisions to reduce our emissions, to working with suppliers on responsible supply chain practices, through to the simple act of stepping up to help a community, an ethos of trying to do the right thing flows through our whole business – with our values lying at its heart.

## A decade of improvement

Established in 2007, our Change is in the Air programme has made many real, measurable improvements to our business and our impacts. In 2016, we recorded our highest single-year carbon reductions, helping us to achieve a further improved CDP rating of A- (Leadership) in 2017.

Although it is what we do day in and day out that really counts, it's a great reflection on our team and their approach that in 2017, we were shortlisted for four industry awards: Carbon Management, and Employee Engagement and Behaviour Change at the edie Sustainability Leaders Awards; Best Corporate Social Responsibility Programme at the Business Travel Awards; and the World Travel and Tourism Council's Tourism for Tomorrow award for our sustainable onboard food and drink programme. Our collaborative partnership with LanzaTech, on the development of low carbon aviation fuel, was also recognised at the beginning of 2017, when we won the edie Sustainability Leaders Award for Sustainable Transport and Travel.

## A clear focus

The focus of our programme is on areas where we think we can have the biggest effect overall. With the airline, we're clear that fuel and carbon efficiency is our number one environmental priority. But it doesn't stop there. We work across many other areas that are important to our customers and our people, like considering the people, animal and environmental impacts of our supply chains – what we buy and how it's designed – along with delivering more efficient ground operations, waste reduction and recycling, and working with communities around the world to make changes for good.

We want to share our successes and where we can do even better, so we'll be publishing our annual Change is in the Air sustainability report shortly. Before then, here are some of our 2017 programme highlights. You can keep up to date with our reports and news on our website too: [www.virginatlantic.com/changeisintheair](http://www.virginatlantic.com/changeisintheair).

## Addressing our biggest impact

Aircraft fuel use accounts for more than 99% of our operational (Scope 1 and 2) carbon emissions. If we consider both airline and holidays' supply chains (Scope 3) too, aircraft fuel still accounts for more than 80% of our carbon footprint. It's also the single biggest cost to our business, so it's a clear double win to address it.

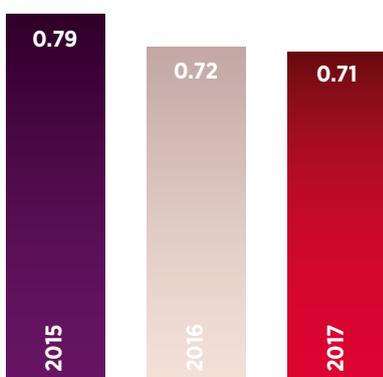
The biggest difference we can make right now is through the aircraft themselves. We've continued to upgrade our fleet, bringing new, more efficient aircraft into service and retiring older, less-efficient ones. In 2017, we brought another Boeing 787 into service, taking our total to 14. Over the next four years, we plan to switch in three more 787s and 12 A350s. And through a combination of aircraft and engine efficiencies and network planning to optimise passenger numbers and cargo loads, each aircraft is around 30% more fuel efficient per trip than the aircraft it is replacing.

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### CO<sub>2</sub> (kg) per revenue tonne kilometre



In 2007, we set a target to reduce our CO<sub>2</sub> per revenue tonne kilometre (CO<sub>2</sub>/RTK) by 30% by 2020. CO<sub>2</sub>/RTK is an efficiency measure which accounts for the amount of CO<sub>2</sub> emitted in relation to the people, luggage and cargo we carry. Thanks to our new aircraft, we're working our way towards this target. Our efficiency improved again in 2017, with an in-year reduction of 1.8% in our CO<sub>2</sub>/RTK and an 18.2% reduction overall since our 2007 baseline.

2017 also saw a continuing reduction in total CO<sub>2</sub> emissions from our fleet. The chart shows total CO<sub>2</sub> emissions of 3.94m tonnes, a 2.5% reduction since 2016, and a 23.7% reduction since 2007. We also reduced CO<sub>2</sub> per passenger km by 0.9% to 78.2g (down by 22.7% since 2007).

### Slimming for success

Operational issues affect how much fuel we use in flight. For example, throughout 2017 we've been reviewing what we carry onboard using crew feedback and trend analysis. We've made some changes and have reduced overstocking for night flights, when most of our passengers are snoozing, not supping. On average we've reduced the weight of each aircraft by 75kg, which will save around 1,100 tonnes of CO<sub>2</sub> and £170,000 in fuel per annum across the fleet.

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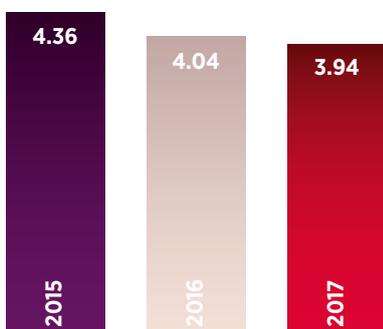
## 18.2%

Reduction in CO<sub>2</sub> emissions per revenue tonne km since 2007

## 22.4%

Per passenger kilometre reduction in CO<sub>2</sub> since 2007

### Total aircraft CO<sub>2</sub> emissions (tonnes) (m)





Sir Richard Branson with LanzaTech CEO Dr. Jennifer Holmgren

## Fuelled by innovation

The next big opportunity to reduce aircraft carbon emissions will come from sustainable aviation fuels (SAF). We've been working with the cleantech company LanzaTech since 2011, actively supporting the scale up of their process to convert industrial waste gases into various low carbon products, including jet fuel. Following production of their first significant batch of SAF in 2016 (4,000 US gallons), we're going all out to secure the necessary permissions to fly with this advanced new fuel, as well as lock in government policy support to build the world's first LanzaTech, low-carbon, commercially viable jet fuel plant in the UK. Talks are going well and there's been encouraging progress, but we're now at a tipping point where we're critically dependent on government help to get this huge breakthrough over the line.

It's clear that international aviation will also need to take further steps to limit carbon growth from our sector. For this reason, we've been a longtime supporter of an industry-wide market-based measure and were pleased when the new UN-led Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) was agreed in October 2016. In 2017, we've been mapping out what this means in terms of costs and opportunities, and the carbon reduction projects we can support to best global effect.

### Coming together

At the end of 2016, we completed our move to our new office, The VHQ. Because it was designed from the ground up with efficiency in mind, we're already seeing impressive energy savings. Compared to last year, our energy emissions from our main buildings have reduced by an impressive 28% to -6,000 tonnes.

We're also moving to a fully hybrid and electric car fleet. We're 47% through this replacement programme with 44 petrol-electric hybrids and two fully electric vehicles.

## Supply chain engagement

Together, Virgin Atlantic and Virgin Holidays have thousands of suppliers worldwide. Our goal is to work with them to improve the people, environment and animal welfare standards of the products and services we design, buy and contract. Our comprehensive Responsible Supplier Policy emphasises these expectations to our suppliers, and is based on international standards of basic human rights, as well as the UK's Modern Slavery Act. In 2017 we published our first statement under this Act, which can be viewed on our website. We've continued working on this important issue throughout 2017 and will publish a new statement in the spring.

Our commitment is based on ensuring our teams understand our responsible supply chain goals and are given practical ways to ensure we fulfil them. For example, to embed sustainable design and buying practices, this year we held a series of cross-departmental workshops for our senior design, buying and contracting leads and regional managers. We used these workshops to highlight key human rights, environmental and animal welfare issues and to work together on improving our principles and practices. We'll be working with key departments to develop further tools, training and resources in 2018.

## Refining our focus

To increase our positive impacts, we've been taking steps to sharpen our focus, for example:

- Since partnering with the Sustainable Restaurant Association (SRA) in 2012, we've made considerable progress on the sustainability of our onboard food and drink. Together, we've been asking our suppliers to meet a number of challenging criteria: sourcing fair trade products, ensuring employment rights for workers, promoting higher animal welfare standards, and sourcing sustainable certified fish, seafood, beef, soy and palm oil (or finding better alternatives). All our caterers worldwide are required to work towards these criteria and confirm compliance through an annual statement of assurance and an SRA audit.
- Animal welfare is an important issue for our customers and our people. We introduced a new commitment in 2017: we won't sign up any new attractions that feature captive cetaceans for human entertainment purposes; to audit existing facilities against recognised animal welfare standards and promote best practice; to support the creation of sanctuaries for animals currently in captivity; and to support the development of more responsible wild whale and dolphin watching experiences.

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## Our non-profit work

We have a number of much-loved charity and other non-profit partnerships which support and enhance our Change is in the Air programme. In 2017, we distributed a total equivalent to £1,562,426 in our people's time, money and other things to charity.

Through the Virgin Atlantic Foundation, we continued our longstanding airline partnership with WE, a charity that seeks to bring people together and give them the tools to change the world. In addition, our business also supported a number of other charities close to our people's hearts. And through our onboard Change for Children appeal, our generous customers raised a total of £680,000. Through staff fundraising, we were also able to donate an additional £169,849, £100,000 of which will now be invested into a WE community in rural China to support teachers and school children, with the remaining funds for other charities and WE projects.

For more than a decade, £1 per adult and 50p per child has been included in every holiday sold by Virgin Holidays to raise money for our non-profit partners. With these funds, in 2017 we contributed £200,000 to the Caribbean Branson Centre for Entrepreneurship. By providing networking, training and mentoring, the Centre empowers young entrepreneurs to develop and scale their businesses and ultimately create jobs. We also supported sustainable tourism projects in different parts of the world with a £48,000 contribution to the Travel Foundation and sponsored The World Whale Conference in South Africa to promote responsible whale and dolphin watching tours.

## Emergency support and appeals

During times of humanitarian crisis, onboard our flights we run emergency Change for Children appeals to support Save The Children relief efforts.

In March 2017 we raised £9,323 to support their East Africa Food Crisis appeal. In September, Hurricane Irma ripped through the Caribbean causing unprecedented damage, including to a number of Virgin Atlantic and Virgin Holidays destinations. This time our onboard emergency appeal raised £23,114 for Save the Children. We also arranged relief flights, transported in excess of eight tonnes worth of aid, building materials, blankets and bottled water, and provided travel for aid workers.

## Empowering the change

Through the Virgin Atlantic Foundation, we primarily support two main programmes with WE.

- In the UK, we fund the 'Be The Change' WE Schools programme which provides free educational resources and support to approximately 4,500 students aged 7 to 18 years, empowering them to discover, and take action in, the causes they care about.
- Outside the UK, we support WE Villages (WE's international development programme), which focuses on delivering long-term change to communities in poor, remote and rural areas – empowering these communities to be self-sustaining.

## Rewarding the change

In 2017 we launched a new Change is in the Air award, inviting UK pupils to share their project ideas for making their local or global communities more sustainable, with the five winning applicants awarded up to £1,200 towards developing their sustainability initiative.

Our five winners included:

- a tree planting project
- a river clean up campaign
- a social enterprise selling marula soap and oil (local to a village in Botswana) in Scotland, and reinvesting the profits back into Botswana.

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