



Modern Slavery Statement

2018



Modern Slavery Statement

Sir Richard Branson and the Virgin Group support the global fight against labour abuse in supply chains and are vocal champions of supply chain transparency.

We have a zero-tolerance position towards slavery and human trafficking in all forms. Modern slavery is also wholly incompatible with our ethics and the general standards of integrity expected of all of our employees.

This statement sets out our approach as well as the steps we have taken during 2018 to prevent modern slavery in our business and supply chains.

Who we are and what we do

This statement is made by Virgin UK Holdings Limited (VUKH) whose ultimate parent company is Virgin Group Holdings Limited (a company incorporated in the British Virgin Islands which is wholly owned by Sir Richard Branson). This statement is made in relation to VUKH's supply chain, as well as (1) those of the following of its subsidiary undertakings: Virgin Management Limited (VML), Virgin Enterprises Limited (VEL), Virgin Holdings Limited (VHL) and VM Advisory Limited (together with VUKH, VML, VEL and VHL, the "Virgin Management Companies") and Virgin.com Limited, Virgin Start Up Limited and (2) The Virgin Foundation (altogether, "Virgin").

The Virgin Management Companies are the home of Virgin. We support the Branson family and the growth of the Virgin brand by developing and nurturing valuable Virgin businesses. We aspire to change business for good.

We support the Branson family's investments in the following sectors: travel & leisure, financial services, health & wellness and mobile, media & technology. We oversee both branded and unbranded investments and manage the portfolio of brand licensing agreements with all Virgin companies.

The Virgin Management Companies are headquartered in London alongside Virgin.com, which operates the Virgin website, social media and digital assets; Virgin Start Up, which provides government-backed loans and other support to entrepreneurs and The Virgin Foundation, known as Virgin Unite, our non-profit foundation uniting people and entrepreneurial ideas to create opportunities for a better world.

Understanding and risk assessing our supply chain

We are a circa 200 person investment and brand management business and our supply chain reflects this. The bulk of our procurement by spend continues to be on third party services to support our business, including legal firms, consultancies, brand and marketing agencies, IT support, HR services, facilities and travel. We also procure a limited selection of goods including office furniture, food and beverages for our offices and IT equipment. 96 per cent of our spend on goods and services is with suppliers in Europe, Australia and New Zealand and the United States of America.

We use the FRDM platform from Made in a Free World to periodically assess the risk of slavery and human trafficking throughout our entire supply chain involving an analysis of all our direct suppliers as well the inputs to create the goods and services which we procure from these suppliers.

Our latest analysis from 2018 confirms that over 95 per cent of our supply chain by spend has a low risk of slavery. However, we also know that there are a few areas of higher risk - for example, our IT equipment and mobile phones and also some of the occasional gifts and merchandise we procure such as t-shirts or food hampers. We acknowledge that, for example, whilst we might purchase a mobile telephone from a reputable UK supplier, the manufacture of components or sourcing of raw materials to create the telephone has a significantly increased risk of involving slavery. This information is being used to focus our ongoing monitoring of our supply chain and the effort of our anti-slavery work in the future.

Our policies to mitigate the risk of modern slavery

We have an **Anti-Slavery Policy**, which sets out our zero-tolerance stance on slavery and human trafficking, as well as providing our employees with guidance on how to identify and report slavery concerns, if necessary using the separate **Whistleblowing Policy**.

Our **Code of Conduct** sets out the labour, social and environmental standards that we expect of our suppliers and their sub-contractors, subsidiaries and own suppliers. This policy states that suppliers are required to ensure there is no slavery, forced labour or human trafficking in their business or at any stage of their supply chain and those suppliers who manufacture products should meet the provisions of the Ethical Trading Initiative (ETI) Base Code or similar standards. All new suppliers are requested to adhere to our Code of Conduct and, as set out below, we ask certain suppliers to report on this through the Code of Conduct Questionnaire, as part of our due diligence process.

In addition to managing our own supply chain, we have a dedicated internal team who work with the various Virgin branded companies worldwide. This involves supporting businesses to develop their ability to proactively manage material social and environmental risks in their supply chains, including risks relating to slavery and human trafficking. In 2018, this team facilitated three seminars for Virgin branded companies' teams to learn from experts and share knowledge on combatting slavery and other social and environmental risks in our respective supply chains. A further three sessions are planned for 2019, as well as interim engagement on emerging issues.

In 2018, the team developed an updated set of guidelines on broader supply chain management and addressing modern slavery in the supply chain. The guidance details how businesses can minimise risks, address potential human rights issues further down the chain (both inside and outside the UK) and an updated framework to help Virgin branded companies **respond to an incident of modern slavery** in a manner that is swift and effective for the victims' wellbeing and, where necessary, involves internal teams and external agencies that can provide support. Our commitment, should this situation arise, is to always identify and implement a resolution that seeks to produce a safe outcome for potential victims.

Due diligence

We continue to take a risk and materiality based approach to due diligence. When entering into an agreement with new suppliers or renewing contracts with existing suppliers we conduct a due diligence exercise and undertake a risk assessment of that supplier in a manner outlined by our **Know Your Partner Policy**. This helps us evaluate potential risks associated with a supplier, for example whether the supplier is located in a country known for labour abuses.

Alongside this, all suppliers that are either considered to be at high risk of slavery and human trafficking or where our spend is above a specified threshold (approximating the top 78 per cent of suppliers by spend) are requested to complete a **Code of Conduct Questionnaire**. The responses to this questionnaire help us establish whether a supplier satisfactorily meets our Code of Conduct and, where areas for improvement are identified, we share them with the supplier so they can continue to work towards this.

We actively look to impose contractual commitments on material suppliers requiring them both to comply with applicable law, specifically including the Modern Slavery Act, and to comply with our Code of Conduct Policy. In cases of material or persistent non-compliance, we would consider terminating the business relationship.

When purchasing goods for the business we support our employees to make sustainable and ethical procurement decisions. Electronics hardware manufacturers are evaluated for their sustainability, our on-site food and beverages contractor has been awarded three stars (the highest) from the Sustainable Restaurant Association and we proactively support individuals with ad-hoc purchases to reduce the risk of slavery or other supply chain issues.

Training

All employees can be responsible for purchasing goods and services for their respective departments - Virgin has no central procurement function. As such, we require that all employees receive training to raise awareness about the issues of modern slavery, about our Anti-Slavery Policy and supplier due diligence processes, as well as their own responsibilities when procuring goods and services.

In 2016 and 2017 this training took place in a 'town hall' format. In 2018 we developed a bespoke anti-slavery e-learning course, including a short test, that one hundred percent of our employees have completed and passed. In 2019, all new employees will be required to complete this training as part of their induction.

Key performance indicators for 2018

Risk Analysis	Over 95 per cent by spend of our supply chain has a low risk of slavery, and whilst we still look to require these suppliers to comply with our Code of Conduct, the focus for future efforts will be on the 5 per cent of higher risk suppliers.
Due diligence processes	The top 78 per cent of suppliers by spend and 100 per cent of all high risk suppliers were requested to complete a Code of Conduct Questionnaire in order to establish whether they meet our Code of Conduct.
Training	100% of all our employees have completed and passed an anti-slavery course and test. We also facilitated three knowledge and information sharing workshops for procurement and sustainability professionals from different Virgin branded companies which covered combating slavery risks.

This statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and constitutes Virgin's slavery and human trafficking statement for the financial year ending 31 December 2018.



Ian Woods

Director

Virgin UK Holdings Limited, Virgin Management Limited, Virgin Holdings Limited, Virgin.com Limited.

This statement was approved by the boards of these entities on 30th April 2019.



Peter Norris

Trustee The Virgin Unite Foundation

This statement was approved, insofar as is relevant, by the board of this entity on 13th June 2019.



Lisa Thomas

Director Virgin Enterprises Limited

This statement was approved by the board of this entity on 1st May 2019.



Lisa Thomas

Director Virgin Start Up Limited

This statement was approved by the board of this entity on 2nd May 2019.



Ian Woods

Director VM Advisory Limited

This statement was approved by the board of this entity on 23rd April 2019.

Virgin UK Holdings Limited, Virgin Management Limited, Virgin Enterprises Limited and Virgin Holdings Limited are required to report under the Modern Slavery Act 2015. The other entities who are reporting in this statement do so voluntarily. During the 2018 financial year, Virgin Red Limited was integrated into Virgin Group Loyalty Company Limited and ceased to be part of "Virgin"; unlike in previous financial years this report therefore does not include Virgin Red Limited. Should you wish to see the Modern Slavery Act statements for other relevant subsidiaries or Virgin branded companies which are not covered by this statement, please go to their respective websites.



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