



Signatory Name: Virgin Australia Airlines

The question numbers in this report refer to the numbers in the report template. Not all questions are displayed in this report.

Status: Complete

The content in this APC Annual Report is hereby endorsed by the Chief Executive Officer, or equivalent officer of the organisation.

Yes

5. Industry sector (please select 1 only):

- Brand Owner / Wholesaler / Retailer
- Packaging Manufacturer
- Waste Management
- Other - Commercial Organisation
- Community Group
- Industry Association
- Government
- Raw Material Supplier
- Other:

6. Industry type (please select 1 only):

- Food & Beverage
- Pharmaceutical / Personal Care / Medical
- Hardware
- Homewares
- Communications / Electronics
- Clothing / Footwear / Fashion
- Chemicals / Agriculture
- Fuel
- Large Retailer
- Tobacco
- Shipping Company
- Airline
- Other:

7. Please indicate your organisation's reporting period:

- Financial Year: 1 July 2014 – 30 June 2015
- Calendar Year: 1 January 2015 – 31 December 2015

Goal 1: Design

KPI 1: % of signatories with documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent.

9. Does your company have documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent?

Yes No

Provide details of policies and procedures

Virgin Australia Sustainable Procurement Policy

10. Of the types of packaging **existing at the beginning of the reporting period**, what percentage had been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting period?

40 %

11. Have any new types of packaging been introduced during the reporting period?

Yes No

12. If yes, of the **new types of packaging introduced during the reporting period**, what percentage have been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting

50 %

13. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 1

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Engage catering contractor in relation to the results of the packaging review to identify opportunities and improvements. Develop appropriate clauses for contracts that require contractors to apply the SPG.	Virgin Australia has continued to work with our key food and beverage suppliers to identify opportunities to make improvements to the packaging of our products in flight and in our lounges. As a result, we have reduced packaging on a number of catering and in-flight products.

14. Describe any constraints or opportunities that affected performance under this KPI

The ongoing review of our in-flight product offering has provided a number of opportunities to review packaging outcomes. Virgin Australia has also been focused on improving our recycling rates and as a result has been focusing on sourcing packaging that is compatible with our recycling processes.

Goal 2: Recycling

KPI 3: % signatories applying on-site recovery systems for used packaging.

15. Do you have on-site recovery systems for recycling used packaging?

- Yes at all facilities/ sites
- Yes at some, but not all facilities/ sites
- No

16. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 3

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Scope out on board recycling program for delivery within 18-24 months	On-board recycling commenced on our A330 planes for routes coming into Melbourne, Sydney, Brisbane and Perth. We are currently in the process of developing a recycling program for our 737 fleet. We have also introduced significant programs focused on reducing food waste through donations to Oz Harvest of surplus food items and amenity kits and pyjamas.

17. Describe any constraints or opportunities that affected performance under this KPI

Quarantine regulations in Perth slowed our re-designed recycling program, but we have been working with the airport on ways to update our processes to address identified issues. Continued dialogue with our service providers and airport authorities have opened opportunities for recycling at check-in desks and through innovative solutions including coffee grounds from our Sydney lounge to be used as compost.

KPI 4: Signatories implement formal policy of buying products made from recycled packaging.

18. Does your company have a formal policy of buying products made from recycled packaging?

- Yes No

Provide details of policies and procedures (including names of policies/ procedures)

Virgin Australia is developing a enhanced Sustainable Procurement Framework that will further embed our sustainability goals and commitments in our supply chain, including in the areas of packaging and materials.

19. Is this policy actively used?

- Yes No

20. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 4

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Insert 'buy recycled' preference in Virgin Australia procurement policies	The Services Agreements used by our Procurement Leads when dealing with new supply agreements include clauses that require compliance with our policies (including our Sustainable Procurement Policy) and also include the following statement: Virgin Australia is committed to minimising the negative impacts of its business on the environment. The Company must, in providing the Services, seek to minimise any negative impacts on the environment. The Company must comply with any sustainability and environmental policy notified by VA from time to time and must work with VA to identify and act on opportunities to minimise the negative impacts of business on the environment. The Company must only source natural products and materials, including leather and timber, from legal and sustainable sources adhering to recognised practices of humane treatment of animals and sustainable farming and forestry practices.

21. Describe any constraints or opportunities that affected performance under this KPI

We have continued to work with suppliers to improve packaging of any products that we buy.

Goal 3: Product Stewardship

KPI 6: % signatories with formal processes to work collaboratively on packaging design and / or recycling.

22. Does your company have formal processes in place for collaborating with other companies or organisations on improved packaging designs and/or recycling which aims to reduce or eliminate waste?

Yes No

Provide details of policies and procedures (including names of policies/ procedures)

Virgin Australia Services Agreement.
Virgin Australia Sustainable Procurement Policy.

23. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 6

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Improve product packaging outcomes and recycling rates through collaboration with suppliers.	Virgin Australia regularly meets with and discusses opportunities with suppliers, as product changes are required or new products are developed. We set our expectations through our tender processes and supply agreements as well as through our Sustainable Procurement Policy. We then work with our catering provider to look at the nature of the packaging supplied and seek to ensure that these materials can, where possible, be recycled. Our new Sustainable Procurement Policy will require suppliers to sign up to commitments to ensure they support and share concerns for the environment that VA has.

24. Describe any constraints or opportunities that affected performance under this KPI

Quarantine issues and lack of control of waste and recycling collection at smaller ports limits the amount that can be recycled outside of Melbourne, Sydney and Brisbane.

KPI 7: % signatories showing other Product Stewardship outcomes.

25. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 7

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Virgin Australia has a broad range of environmental programs beyond recycling and packaging.	This year, we have implemented fuel efficiency programs, including single engine taxi of planes to/ from the gates. We've also saved on energy costs by replacing lights with LEDs at the Brisbane hangar. Our recycling extends beyond traditional avenues as we donated unused or lightly used items to charity, including uniforms, amenity kits, business class pyjamas, packaged food and blankets to charities throughout Australia.

26. Since the beginning of the reporting period, has your company had any other outcomes related to product stewardship?

Yes

No

If yes, please give examples of other product stewardship outcomes

We source products from a range of sustainable sources (e.g. sustainable seafood products for business class meals) and focus on products with other positive social benefits such as products developed by Indigenous businesses, and opportunities for the disadvantaged.

27. Describe any constraints or opportunities that affected performance under this KPI

There are a range of operational constraints on how we operate our aircraft that lead to additional environmental impacts, the most significant being quarantine considerations for domestic and international flights.

KPI 8: Reductions in packaging items in the litter stream.

28. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 8

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Maintain annual support for Clean Up Australia day.	Virgin Australia continued to participate in Clean up Australia Day at a number of locations around our network. We also regularly undertake FOD (Foreign Objects & Debris) collection processes at airports around Australia to reduce waste and to avoid damage to aircraft.

29. Describe any constraints or opportunities that affected performance under this KPI

Your Experiences

This section lets you share with us any achievements, good news stories and areas of difficulties in making progress against your plan and the Covenant goals and KPIs.

30. Key achievements or good news stories

Virgin Australia has seen significant increases in the quantities of materials we have been recycling across the business from the previous financial year. Particular improvements have been made in recycling from our A330 planes, our check-in desks and throughout our terminals, lounges and offices.

31. Areas of difficulties in making progress against your plan, Covenant goals or KPIs

Virgin Australia are continuing to work on expanded in-flight recycling solutions across our entire fleet. We have made considerable progress towards this outcome but due to a range of other in-flight changes, only part of the program commenced in FY15.