



australia

# Supplier Modern Slavery Toolkit

## How to use this Toolkit

At Virgin Australia, part of our commitment to doing business responsibly and respecting human rights is managing modern slavery risks in our supply chain. We know that we cannot do this alone as our modern slavery risks encompass the procurement of goods and services throughout our extended, global supply chain. As our suppliers, this means that you play a crucial role in helping to identify, mitigate and manage these modern slavery risks.

We have developed this Toolkit to help communicate our modern slavery-related expectations to our suppliers. This Toolkit includes key information to support suppliers to identify modern slavery red flags within their own operations and supply chain, as well as to raise concerns safely and effectively. We encourage you to share this Toolkit within your organisation and also communicate our expectations to your own suppliers who support you to provide goods or services to us.

Should you have questions about the Toolkit or Virgin Australia's modern slavery risk management approach or wish to provide feedback on the Toolkit, please contact [ethicsandcompliance@virginaustralia.com](mailto:ethicsandcompliance@virginaustralia.com).

This document is for informational purposes only and does not constitute legal advice.

# Understanding modern slavery

- Modern slavery involves the most severe forms of labour exploitation.
- It involves exploitation of people for commercial or personal gain and involves serious crimes and grave human rights abuses.
- Modern slavery takes place on a continuum, where dangerous or substandard working conditions may be an indicator that modern slavery practices are taking place, or could take place.
- Modern slavery is an umbrella term used to describe eight different practices: human trafficking, slavery, forced labour, forced marriage, servitude, deceptive recruitment, debt bondage, and the worst forms of child labour. The following table explains the types of modern slavery that are likely to be most relevant to business.

## The Continuum of Exploitation



### MODERN SLAVERY

- Cannot refuse or cease work because of coercion, threats or deception.
- May also be deprived of personal freedom.

### DANGEROUS OR SUBSTANDARD WORKING CONDITIONS

- Can refuse or cease work but doing so may lead to detriment.
- Unfair pay.
- Recieves only some entitlements.
- May be required to work excessive hours.

### DECENT WORK

- Rights are respected.
- Free to refuse or cease work.
- Paid fairly (at least minimum wage).
- Workplace is safe.

Source: [Australian Government Guidance for Reporting Entities](#)

PRACTICE	DEFINITION
Forced labour	A person uses coercion such as manipulation, control or violence, threats or lies to make someone feel they cannot stop working or leave their place of work.
Deceptive recruitment	A person uses tricks or lies to recruit someone for a job involving exploitation.
Debt bondage	Someone is forced to work to repay an excessive debt that they might never be able to pay off. The debt may or may not be real.
Child labour	Children are in slavery or slavery-like practices such as forced labour, or do hazardous work. It is also when children are sexually exploited for profit or exploited in illegal activities.

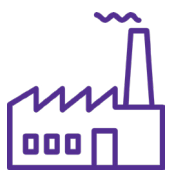
## The scale of modern slavery<sup>1</sup>



Modern slavery may take place in any sector, industry, geographic location, and in relation to any commodity. As a supplier, there are ways you can identify what areas of your business and supply chain could involve modern slavery risks. This could include through identifying the risk factors associated with specific industries and geographies you operate in or source from, and risks associated with specific goods or services.

Source: [Australian Government Guidance for Reporting Entities](#)

<sup>1</sup> [Walk Free, Global Slavery Index \(2023\); Global Estimates of Modern Slavery \(2022\).](#)



## INDUSTRY RISKS

Certain sectors and industries may have higher modern slavery risks due to the nature of their operations, supply chains and the types of goods and services they produce. Typically, if the industry is informal and unregulated, with little visibility over lower tier suppliers, it will be considered higher risk. Examples of industry risks relevant to the aviation sector could include, facility maintenance services, food and catering and textiles.



## GEOGRAPHIC RISKS

Some countries may have higher risks of modern slavery due to poor governance, limited rule of law, state failure to protect human rights, conflict, corruption, migration flows and socio-economic challenges such as poverty or widespread discrimination. You can use third party resources and reports to compare and learn more about these types of risks.



## COMMODITY RISKS

Certain goods may have high modern slavery risks because of the way they are extracted, produced, provided or used. Examples of commodity risks relevant to the aviation sector could include, cotton used in uniforms and aircraft soft furnishings, fuel or some aircraft components.

## Virgin Australia's expectations of its suppliers

As a Virgin Australia Supplier, we expect you will commit to and act in accordance with our Code and clearly communicate these same expectations to your own employees (such as through training) and your suppliers.

In line with the Code, we expect our suppliers to take steps to identify, prevent and mitigate any actual or potential adverse human rights impacts (including those related to modern slavery) in their operations and supply chain. The following section explains key steps you can take to meet this expectation.

Additionally, we expect our Suppliers to:

- Ensure there is no use of forced, compulsory or child labour, human trafficking, slavery or servitude in their operations and that work activities are undertaken voluntarily, without threat of penalty or sanction and not based on deception.
- Comply with all applicable laws and regulations relating to discrimination and employment practices, including wages, work conditions, work hours and overtime.
- Strive to deliver working conditions that go beyond minimum requirements, with a demonstrable focus on employee health and wellbeing.

# Taking action to respond to modern slavery risks

Addressing modern slavery risks requires proactive and sustained action. This section outlines practical steps you can take to identify, prevent and respond to modern slavery risks in your organisation's operations and supply chains. The actions below are intended as high-level guidance. You should assess which measures are most appropriate for your organisation, taking into account your risk profile, size, structure and operating environment.



## 1. Make a public commitment to addressing modern slavery

Make a public commitment to addressing modern slavery risks in your operations and supply chains (e.g. through a Code of Conduct, Modern Slavery or Human Rights Policy).



## 2. Assign responsibility and raise awareness

Assign clear responsibility for managing your organisation's modern slavery risks (e.g. establishing a dedicated working group or assigning oversight to a specific role or team).



## 3. Understand modern slavery risks in your operations and supply chain

Conduct risk assessments to understand where modern slavery risks lie in both your global operations and supply chains.



## 4. Address modern slavery risks in your operations and supply chain

This may include improving working conditions and recruitment practices for your own operations, setting clear expectations for suppliers about how they treat their workers and source key materials (e.g. through contracts and codes of conduct), conducting supplier screening and audits for higher risk suppliers, engaging directly with suppliers to build capacity and/or collaborating with industry or multi-stakeholder initiatives to address industry wide risks.



## 5. Monitor your modern slavery risk management approach and communicate your actions

Establish processes to regularly monitor the effectiveness of your modern slavery risk management strategies. Where feasible, communicate about the approach taken and progress made through public reporting (e.g. annual modern slavery statements or sustainability reports).



## 6. Grievance channels

Provide your employees, contractors and other external stakeholders (e.g. community member or worker in your supply chain) with an accessible and trusted mechanism through which to report modern slavery-related concerns and grievances.

## Identifying red flags

Modern slavery risks can occur anywhere in the supply chain. When assessing these risks, it's important to recognise potential warning signs. These may include situations where a supplier or another business partner you work with to provide us with goods or services:

- ▶ Offers rates or pricing significantly below market rates
- ▶ Retains workers' personal documents, such as passports
- ▶ Has a history of phoenixing (i.e. liquidating a company to avoid debts and establishing a new entity to continue the same business activities)
- ▶ Requires workers to pay excessive recruitment fees to secure employment
- ▶ Relies heavily on subcontracting and outsourcing, particularly to high-risk countries
- ▶ Has been the subject of complaints or allegations related to working conditions and other labour rights issues
- ▶ Has a record of underpaying or mistreating workers, including neglecting health and safety standards or restricting freedom of association
- ▶ Is unwilling or refuses to disclose information about its workforce or supply chains.

## Speak up

Where you suspect something doesn't seem quite right, it is important to speak up and report concerns. We are committed to providing trusted and accessible channels to report modern slavery and broader human rights-related concerns. Should you suspect an actual or potential instance of modern slavery, you can make a report via any one of the following channels.

Refer to our **Whistleblower Policy** for information about our approach to whistleblowing, including protections available to whistleblowers.

Our **Ethics Hotline** is a 24/7 resource managed by a leading third-party reporting service. You have the option to remain anonymous.

Australia: 1800 829 466 (free call)

New Zealand: 0800 934 742 (free call)

International: +61 3 9278 1017

Text: +61 499 221 005