Working towards a sustainable future

Virgin Australia Group | Sustainability Report 2024

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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.

About the Artist

Simone Atkinson joined Virgin Australia in 2009 as a member of our cabin crew and has been a strong advocate for employing Aboriginal and Torres Strait Islander peoples within the Virgin Australia Regional Airlines based in Perth. Simone's artwork was showcased to our staff and customers at the Perth Airport Lounge in celebration of NAIDOC 2019.

"A place we fly that is significant to me is Broome in Western Australia. This painting is inspired by the Kimberley region of my family tribal groups. The Nyikina Mangala on the Fitzroy River and Jabirr Jabirr on the coast of Willie Creek and Broome. The colours represent Broome's vibrant coastline, creeks, wildflowers and the rich pindan soil."

A Message from our Chief Executive Officer

The Virgin Australia Group delivered a strong performance – both in our operations and in progressing our sustainability goals – during the 2024 financial year.

Our primary focus continued to be on delivering great value and choice to our customers. The Group connected more than 19 million guests to 45 domestic and short-haul international destinations on nearly 400 daily flights, with total carried passengers increasing by 1.6% from the previous year.

Our more than 7,800 team members work hard to deliver wonderful experiences for our guests, and their dedication, commitment and famous 'Virgin Flair' was recognised with our sixth consecutive Best Cabin Crew award this year as part of the Airline Excellence Awards. In addition, pleasingly, this year our regional charter business Virgin Australia Regional Airlines was named Best Regional Airline.

As our business grows, we are committed to continuing to work on reducing our impact on the environment. We know that our industry is hard to decarbonise, and it will take a range of measures to deliver more sustainable travel experiences for our guests. This year, six new Boeing 737 MAX-8 aircraft were delivered, supporting fleet growth and renewal and bringing the total number of aircraft in the Group's fleet to 132 (excluding wet lease). These new aircraft – approximately 15% more fuel efficient than the older generation 737s – also support our 2030 target of achieving a 22% reduction in net greenhouse gas (GHG) emissions intensity across Scope 1 and Scope 2. This year, we achieved a GHG emissions intensity across Scope 1 and Scope 2 of 6% lower than our 2019 base year.

Collaboration across our industry will be critical to progressing the sustainability of aviation, and particularly to managing this challenging transition in a way that maintains affordability of air travel. We were pleased to take our place on the Australian Government's Jet Zero Council (JZC), which was formed this year to provide advice to the Government on aviation industry decarbonisation. As part of the JZC, our work with our partners at The Boeing Company on Sustainable Aviation Fuel (SAF) accounting has provided important context to the SAF policy discussion. We were pleased to trial a SAF Book and Claim purchase using Shell's Avelia platform to demonstrate this fuel accounting methodology and its benefits as a more affordable way for airlines to access the environmental attributes of lower carbon fuel as the SAF market continues to develop.

As part of Project Zero, a program designed to improve waste management in our operations, we are pleased to have launched inflight recycling on our A320 fleet within Western Australia.

The aviation ecosystem is complex, and we are committed to treating everyone that we work with – including our people, guests, suppliers and partners – with equality, dignity and respect. In recognition of this commitment, this year we launched Virgin Australia's first Human Rights Policy.

Another critical element of partnership is with our community partners. We are privileged to create impact with some wonderful organisations. In particular, we have been working with the Starlight Children's Foundation since 2010, and have proudly contributed to granting more than 3,000 travel wishes for sick children. I was personally able to join some Starlight children and their families for a very special Virgin experience this year, where they were able to join me behind the scenes of our business.

I am extremely proud of the work that is described in this, my final Sustainability Report leading Virgin Australia. The foundations have been built for an exciting future. Thank you to all of our wonderful team members for your contributions.

I am pleased to share our 2024 Sustainability Report.

Jayne Hrdlicka
CEO

About Virgin Australia Group

Virgin Australia's ambition is to be the most loved airline in the country; with a winning team that attracts the very best, generates extraordinary loyalty from our guests, and delivers outstanding returns to its owners.

Virgin Australia Holdings Pty Ltd and its wholly owned subsidiaries (collectively, Virgin Australia or the Group) is a Brisbane-based, privately owned airline company. The Group's primary business is operating a passenger airline, Virgin Australia, which offers domestic and short-haul international regular passenger transport (RPT), domestic cargo and charter services. The Group also operates the Velocity Frequent Flyer loyalty program (Velocity).

Our Supply Chain

Our Procurement and Purchasing Policy outlines the governance framework that applies across the Virgin Australia Group to the procurement and purchasing of goods and services. Sustainable procurement is a key pillar of the Virgin Australia Group Procurement Policy. Under this pillar, we consider cost, quality, environmental and social impacts, not just for Virgin Australia, but for the communities in which we operate. Where practical, buyers explore opportunities to engage Indigenous-owned businesses when sourcing goods or services.

We work with more than 1,000 suppliers worldwide, and in FY24, our total supplier spend was approximately $4.7 billion, about 78% of which is attributed to Australian suppliers. These suppliers provide a range of products and services to support our flight operations, including aircraft, fuel, airport contracts (e.g., use of terminals and gate lounges, check-in and bag drop-off counters, use of runways, and airside safety and security services), engineering and maintenance, labour and people services, ground operations, and communications and technology.

SICS Classification

Virgin Australia is classified under the Transportation Sector.

Our Purpose

To create uplifting experiences for all.

Our Values

We put safety first. We have a big heart. We do the right thing. We own it.

FY24 Highlights

Won

Best Cabin Crew

in the Airline Excellence Awards for 2024

Procured

10,000 US gallons

of Sustainable Aviation Fuel (SAF) through Shell Avelia Book and Claim trial

Joined the

United Nations Global Compact

4 out of 7

Virgin Australia lounges with organic waste separation

Reviewed

130+

of our customer products against our Sustainable Procurement Principles (SPP)

Launched

Virgin Australia's

First Human Rights Policy

Most Popular Airline

award in the 2023 National Travel Industry Awards

Achieved

estimated annual fuel savings of more than

200,000L

through fuel efficiency measures implemented in FY24

Co-leading the

SAF Accounting Workstream

in the Australian Government's Jet Zero Council in partnership with Boeing

About this Report

We're proud to deliver our ninth sustainability report at Virgin Australia.

This report reflects the period from 1 July, 2023 to 30 June, 2024, which is aligned with our financial reporting period. We have prepared this report with reference to the Global Reporting Initiative (GRI) Standards 2021, the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainable Accounting Standards Boards (SASB) Airlines Sustainability Accounting Standards (version 2023-06) and the UN Sustainable Development Goals.

It covers only those business activities for which Virgin Australia has complete control or ownership. For example, it 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 carbon offsets availability.

We continue to monitor the developments of the global sustainability reporting standards led by the International Sustainability Standard Board (ISSB) and, more importantly, to prepare for disclosure under the Corporations Act consistent with the new Australian Sustainability Reporting Standards. The year commencing 1 July, 2025 will be the airline's first year of mandatory reporting under the new requirements and standards.

Sustainability at Virgin Australia

Our Strategy

At Virgin Australia, sustainability means more than just environmental stewardship. It's our ability to thrive in the long-term through a holistic approach that considers our impact on people, the planet and communities.

Our sustainability strategy defines our key focus areas and helps direct financial and resource investments to be most impactful in achieving our sustainability goals. It is informed by international guidelines to ensure we are aligned with global aviation best practice.

Each year, we share the journey of our environmental and social impact through our sustainability reports, detailing data, progress, learnings and stories. We share where we're hitting our targets, areas for improvement and what we've learnt throughout the previous year. We know there will always be more work ahead – there is no finish line when it comes to our environmental and social impact. We'll keep pushing forward, with care, pragmatism, impact management, accountability, transparency and partnership, looking to maintain the long-term availability of affordable air travel for the Australian community.

1. 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.
2. General waste excludes quarantine, aeronautical, liquid and hazardous waste.

Protecting our Natural World

Climate change

> Targeting 22% reduction in net Scope 1 and Scope 2 GHG emissions intensity by 2030, from a 2019 base year
> Targeting net zero emissions by 2050

Waste

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

Caring for our People, Guests and Communities

Engaging and developing our people

> Our people and customers are at the core
> Flair is visible and celebrated
> Motivated and empowered teams with momentum to innovate

Safety and wellbeing

> Trusted, safe operations
> On track with safety targets and maintaining industry best practice

Maintaining Customer Trust

Cybersecurity and privacy

> Building a resilient, collaborative, compliant, security-minded culture
> Building a strong culture of privacy
> Responsible use of data
> Maintaining customer trust

Our ambition is to be Australia's most loved airline, with sustainability embedded at the core of our business

Stakeholder Engagement and Materiality

We periodically conduct sustainability-focused materiality assessment processes that serve as the foundation of our strategy and disclosures. We conducted our most recent process in early 2023, which we used to develop this year's report. Our process was to define Virgin Australia's key stakeholders, identify potential impacts, conduct a business relevance assessment, undertake stakeholder engagement and develop our final list of material topics.

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

Associated Sustainable Development Goals (SDGs)

Climate Change

Product Stewardship and Waste

Employee Engagement and Development

Safety and Wellbeing

Cybersecurity and Privacy

Inclusive and Diverse Workplace

Business Ethics and Risk Management

Stakeholder Engagement

Our People

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.

Shareholders

Virgin Australia is a privately held group. Shareholders have Board representation, ensuring they remain informed of the company's performance.

Our Guests

We engage and communicate with our guests directly through our crew, airport and guest care teams; electronic communication through email, our websites, text messages, media and our Virgin Australia mobile applications.

Communities

We support communities in urban and regional Australia to connect through our flights. We also partner with not-for-profit groups to accelerate our sustainability progress and initiatives for the broader community.

Suppliers and Partners

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.

Unions

We undertake regular engagement with those unions that represent our team members to build consensus and create positive working relationships.

Government

We engage with federal, state and territory governments, and local councils where relevant, on international and local issues.

Aviation and Tourism Industry Partners

We regularly engage with aviation, travel and tourism bodies, including national, state and territory, and international, to progress issues of importance to aviation.

Protecting our
Natural World

Reducing our Emissions

Given the rise in global temperatures due to greenhouse gases and the risk of permanent environmental damage, we acknowledge that appropriate action must be taken 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. A liveable and sustainable future for everyone demands significant transformation in various sectors, including aviation.

The aviation industry is committed to a goal of achieving net zero carbon emissions by 2050 to support the Paris Agreement's goal of keeping the rise in global surface temperature to well below 2°C. To reach net zero globally by 2050, modelling indicates that aviation emissions will need to decline to one-third of their pre-COVID levels, with the remainder required to be offset[3]. Delivering net zero by 2050 for the aviation sector is complex and costly, and will require a mix of actions, including advancements in aircraft technology, fleet and engine renewal, smarter ground vehicles, carbon offsets, transitioning to use of sustainable aviation fuel (SAF), and improved management of waste.

In line with the industry ambition, Virgin Australia is committed to targeting net zero carbon emissions by 2050. We have multiple emission reduction regulatory requirements to meet in the near-term, in addition to our voluntary targets.

3. https://www.iata.org/contentassets/8d19e716636a47c184e7221c77563c93/executive-summary---net-zero-roadmaps.pdf

4. The emissions intensity metric is measured in GHG emissions in grams of CO_2-e per revenue-tonne-kilometres (RTKs), where RTK is the total tonne kilometre load carried by the aircraft, including both the passenger and freight tonne kilometre.

Australia has legislated targets to reduce emissions by 43% below 2005 levels by 2030 and achieve net zero emissions by 2050. The Safeguard Mechanism was reformed in 2023 to require regulated entities to keep emissions below a declining production-adjusted baseline. Our domestic operations are subject to the Safeguard Mechanism. Meanwhile, our international operations are subject to the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), a global agreement led by the International Civil Aviation Organisation (ICAO) aimed at stabilising and reducing carbon emissions from international aviation.

Last year, we announced our near-term objective to achieve a 22% reduction in net emissions intensity for Scope 1 and 2 emissions by 2030, using 2019 as the base year. We expect about 85% of the net emissions intensity[4] reduction to come from fleet renewal and fuel efficiency improvements, while the remaining 15% is to be achieved through carbon offsets purchased through our voluntary carbon offsetting program.

In FY24, our net emissions intensity for Scope 1 and Scope 2 emissions is approximately 6% lower than the 2019 base year. Although we still expect to achieve our 22% emissions intensity reduction objective by 2030, delays in our fleet renewal program due to global manufacturing and supply chain issues will slow the introduction of newer, more fuel-efficient aircraft into the fleet.

On this basis, we expect a gradual reduction of emissions over the next three years, with a subsequent acceleration of the reduction rate as more efficient aircraft are incorporated in our fleet later in the decade.

Our Target

Our near-term objective is to achieve a

22% reduction

in net emissions intensity for Scope 1 and 2 emissions by 2030, using 2019 as the base year. We are also committed to targeting net zero emissions from our operations by 2050.

Our Progress

Our net emission intensity has

decreased by 6%

compared to our baseline (2019).

Scope 1, 2 and 3 Emissions Overview

Virgin Australia reports on Scope 1, 2 and 3 greenhouse gas emissions annually. We report our Scope 1 and 2 emissions in accordance with the Australian Government National Greenhouse and Energy Reporting Scheme. Indirect Scope 3 emissions from our value chain are monitored and reported using Climate Active guidance, informed by the Greenhouse Gas Protocol.

32%

0%

68%

- ■ Scope 1 emissions
- ⬚ Scope 2 emissions
- ■ Scope 3 emissions
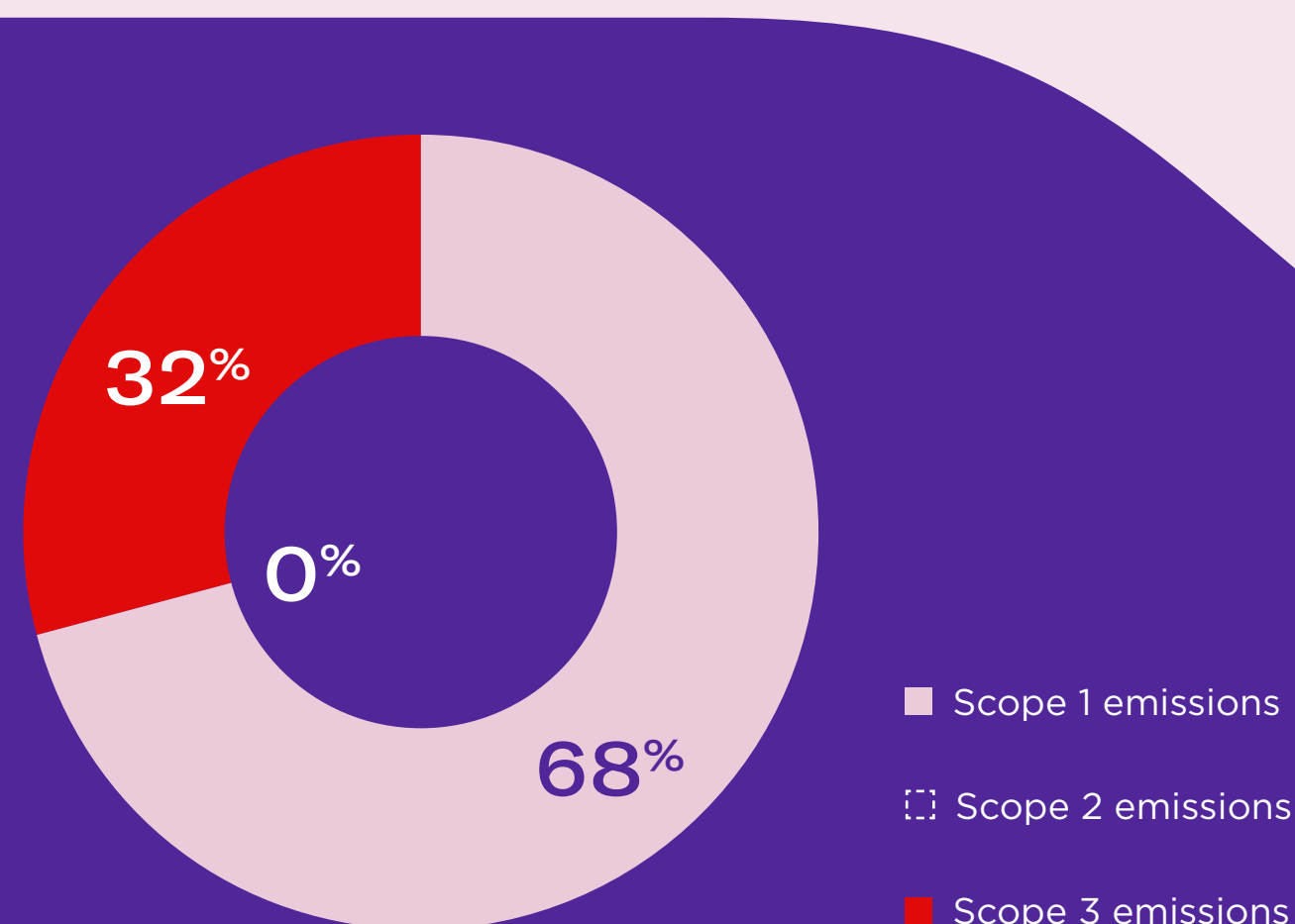
Scope 1 Emissions

The majority of our Scope 1 emissions - accounting for 99.9% - come from the combustion of aviation fuel used to transport our passengers, both domestically and internationally. The remaining 0.1% of Scope 1 emissions can be attributed to the combustion of petrol and diesel during the operation of our ground service equipment and combustion of aircraft engine oil. Absolute Scope 1 emissions increased over the past year due to an increase in flight frequency and passenger activity. Details about our approach to reducing our Scope 1 emissions through fleet renewal and efficient aircraft operations are outlined in the following section.

	FY19 (Base year)	FY23	FY24
Scope 1 Emissions (tCO$_2$e)[5]	2,628,259	2,268,986	2,480,837

Scope 2 Emissions

In FY24, we undertook an operational control assessment for all our leased facilities (including but not limited to, offices, airport lounges, cargo facilities, hangar facilities and training centres) to determine the appropriate categorisation and reporting of Scope 2 emissions related to purchased electricity. As a result, approximately 40 facilities are included in our Scope 2 emissions reporting boundaries compared to only five in the previous year. The electricity consumption data for the newly included facilities is not available for previous years and could not be restated.

This is also the first time we are reporting our Scope 2 emissions using both location-based and market-based methods, in accordance with the Australian Government National Greenhouse and Energy Reporting Scheme. The location-based formula estimates Scope 2 emissions by applying a grid-based emissions factor to the amount of electricity purchased from the main electricity grid. The market-based method of estimating Scope 2 emissions subtracts eligible renewable energy purchases from the total quantity of purchased electricity that is not considered renewable before applying an emissions factor to the residual electricity. The emissions factor for the market-based formula is the residual mix factor (RMF).

	Location-based method	Market-based method
Scope 2 Emissions (tCO$_2$e)[6]	7,703	7,087

Scope 3 Emissions

Scope 3 emissions, while critical, are more challenging as they extend beyond our direct operations and control. In FY24, we undertook an assessment of our Scope 3 emissions boundary to enhance our reporting with guidance from the GHG Protocol. The Scope 3 Standard defines 15 categories across upstream and downstream Scope 3 emissions sources. Our Scope 3 boundary was determined based on a review of emissions sources against the Scope 3 Standard criteria for identifying relevant Scope 3 categories. Approximately, 80% of our Scope 3 emissions are generated through the production of fuel and electricity (category 3). The remaining 20% are generated through relevant purchased goods and services (category 1), manufacturing of our aircraft (category 2), estimated waste sent to landfill (category 5), and business travel (category 6). Category 4 and 7 to 15 are deemed as not relevant to Virgin Australia.

	FY22	FY23	FY24
Scope 3 Emissions (tCO$_2$e)[7]	153,700	1,100,454	1,151,712

5. Total direct GHG emissions (Scope 1) include combustion of aviation fuel and other fuels from both domestic and international operations, calculated using the National Greenhouse and Energy Reporting (NGER) Measurement Determination factors and methodology. All emissions are reported as CO$_2$ equivalent (CO$_2$-e).

6. Total indirect GHG emissions (Scope 2) include indirect emissions from the consumption of purchased electricity. Both location-based and market-based Scope 2 emissions are calculated using the National Greenhouse and Energy Reporting (Measurement) Determination factors and methodology.

7. Total indirect GHG emissions resulting from value chain activities (Scope 3) have been calculated informed by the GHG Protocol Corporate Value Chain (Scope 3) Accounting & Reporting Standard.

Our Approach

Fleet Renewal

Fleet replacement is a key strategy for reducing our near-term carbon emissions. As of 30 June, 2024, the average age of Virgin Australia's mainline fleet is 11.8 years[8], closely aligning with the global average of 11.6 years[9]. It is projected that our fleet renewal program, combined with various fuel efficiency initiatives, will make up about 85% of the emissions reductions we need to achieve our 2030 ambition.

> In November 2023, VA announced it would increase its fleet of 737 MAX-8s by six, bringing the airline's total number of MAX-8s to 14 and total planned latest generation aircraft to 39. Delivery of these additional six aircraft was expected in the first half of FY25 but is now anticipated in the second half of FY25 due to production delays at Boeing. Up to 25 737 MAX-10s are expected to join the fleet from FY26.

> Virgin Australia Regional Airlines (VARA), the Group's WA-based regional and charter business, is seeking a replacement for the outgoing Fokker F100 to best service WA charter market routes. At the end of FY24, two aircraft types were being considered. A decision was made in early FY25 to replace the F100 fleet with Embraer E2 jets, with a firm order of eight aircraft with an option for a further eight. The E190-E2 is the most fuel-efficient aircraft in its segment and will reduce emissions by about 30 per cent compared to the outgoing F100[10].

Fleet renewal represents a significant financial investment in future emissions reductions of the fleet. We will continue to invest in new, fuel-efficient aircraft where commercially and financially feasible for the business.

Efficient Aircraft Operations

Maximising the efficiency of our fleet both in the air and on the ground is essential to achieving our decarbonisation objectives and goes hand in hand with fleet renewal plans.

We are exploring a variety of opportunities to reduce aircraft fuel consumption, including route optimisation, aircraft weight reduction, single engine taxiing and other initiatives. Collectively, these measures have the potential to save fuel and significantly cut associated emissions each year.

In FY24, we established a Fuel Optimisation Working Group to centralise and coordinate our effort. This group ensures effective cross-department collaboration and information sharing, manages strategic initiatives, and provides visibility into our progress through the Business Transformation program.

Additionally, in FY24, we estimated annual fuel savings of more than 200,000 litres. This was achieved through the implementation of several initiatives, including flying more direct routes, undertaking more efficient engine washes and removing unnecessary onboard items. We have several other initiatives in the pipeline that will deliver further fuel savings in FY25 and FY26.

Ground Operations and Facilities

We continue to transition motorised ground support equipment (GSE) fleet to alternate power sources, with a focus on electric-battery-powered units. This transition requires careful coordination with airport authorities to ensure the necessary electrical charging infrastructure is installed to support the expansion of the Virgin Australia electric GSE Fleet. By the end of FY24, 25% of our GSE was electric, primarily deployed at our mainline hubs where GSE utilisation rates are highest. In the years ahead, we intend to continue to electrify commercially available and operationally viable equipment, focusing on locations with established charging infrastructure and high equipment utilisation.

We also intend to continue exploring ways to reduce the environmental footprint of our buildings by adopting viable renewable energy sources under our Scope 2 and green building design. Our Sydney office has achieved a 6 Star NABERS[11] energy rating, our Brisbane office has achieved 5 Star energy rating, and our new Perth office hasa 5 Star NABERS energy rating.

Carbon Offsets

As we tackle the challenges associated with technological solutions, carbon offsets play an important role in Virgin Australia's decarbonisation strategy. Our voluntary program enables guests to purchase carbon credits that help offset some of the carbon emissions associated with their flights. The program has been certified by Climate Active, a collaborative initiative between the Australian Government and Australian businesses to drive voluntary climate action. Virgin Australia is committed to continuously improving this important program and is aiming to offset about 26,000 tonnes of carbon dioxide equivalent or CO_2-e in FY24 to meet Climate Active certification requirements[13].

While our primary focus is on reducing emissions within the sector, we recognise the important interim role of purchasing high integrity carbon offsets. This will be a component of our near-term strategy, while jet fuel alternatives and new technologies continue to develop.

8. Excludes our VARA charter aircraft and wet lease aircraft.
9. Air Passenger Market Analysis
10. Embraer based on comparison of F100 and E190-E2 fuel burn on same sector length using same assumptions.
11. Off Airways Route Planning ruleset is published by Airservices Australia and provides operators with the options/requirements for planning User Preferred Routes (UPRs) i.e. more efficient alternatives to fixed Air Traffic Service routes.
12. National Australian Built Environment Rating System
13. For further information on the voluntary carbon offsetting program and its Climate Active certification, refer to https://www.climateactive.org.au/buy-climate-active/certified-members/virgin-australia.

Case Study
User Preferred Routes (UPR) Initiative

From January 2024, we have been successful in driving reduced fuel consumption (c.110,000 L) through the implementation of the User Preferred Routes (UPR) initiative. The Flight Dispatch team is optimising the way we plan fuel loads, by being able to plan more efficient routes between destinations based on prevailing winds. This has been enabled through the updating of Virgin Australia's route structure to take advantage of changes to the Off Airways Route Planning ruleset[11], allowing airlines to fly the most cost-effective, fuel-efficient and timely routes. Future improvements for the UPR initiative are planned via new transcontinental route opportunities that pass over the Great Australian Bight. This is expected to reduce planned fuel consumption.

First Anniversary of Virgin Australia and Boeing's Joint Sustainability Initiatives

This year marked the first anniversary of Virgin Australia and Boeing's collaborative Memorandum of Understanding (MoU) focused on sustainability initiatives. The MoU recognised the ability of both Virgin Australia and Boeing to leverage their significant Australian operational footprints to amplify and accelerate sustainability-related outcomes. The areas of focus and ambition include

SAF, carbon offsetting, First Nations engagement and inclusion, workforce development and inclusion, and Australia-US bilateral clean energy cooperation. In its first year, the MoU has provided a range of opportunities for collaboration on key sustainability challenges and opportunities within the aviation sector. This work is covered in more detail in the **MOU Activities Report 2024**.

Sustainable Aviation Fuel

Key Facts About SAF

SAF can reduce emissions by up to 80% compared to traditional jet fuel[14]. The SAF currently available is produced from biogenic residues such as used cooking oil, biomass or waste-derived ethanol, agri-forestry residue or municipal solid waste. Next-generation SAF Power-to-Liquid (which are electricity-based "E-Fuels") are still in development toward industrial production. In 2024, SAF production is expected to triple to 1.875 billion litres, accounting for just 0.53% of aviation's fuel need. Despite the recent announcements on future SAF project development in Australia, there is presently no production of alternative jet fuel locally. The current supply of SAF is very limited. Where available, the approach being used by some airports is a blended mix of SAF and traditional fuel, which can be used by any airline. Where SAF is sought to be used by a specific airline, this may be able to be achieved through a Book and Claim system. Such a system is in early stages of development, as discussed further in this section.

Building the Foundation for an Affordable Transition to Sustainable Aviation Fuel

SAF is essential to the energy transition in the aviation industry. Despite its importance, SAF faces significant challenges, including limited global supply and high costs (which are currently two to five times greater than conventional jet fuel, depending on the country). With aviation fuel typically representing up to 30% of an airline's cost base, even small increases in fuel costs can have substantial impacts, both commercially and for our guests.

14. **IATA**

15. For further information refer to **https://www.infrastructure.gov.au/sites/default/files/documents/agp2023-submission-c223-virgin-australia.pdf**

Supportive government policy will be critical for making SAF economically viable and accelerating the aviation industry's transition to low- and zero-emission technologies. This transition requires collaboration across the whole value chain, including airlines, suppliers, customers, banks and institutional investors.

We believe Australia is well-positioned to benefit from a more sustainable growth path for SAF, attracting new industries and employment, diversifying the economy, improving energy security, and reducing Australia's vulnerability to external price shocks. Australia has abundant and high-quality domestic SAF feedstocks and energy resources, which gives the country a competitive advantage in producing SAF for both domestic use and export.

However, Australia requires the right policy mechanisms so as to ensure aviation is not at a disadvantage relative to other industries or challenge the long-term availability of affordable air travel for the Australian community.

Collaborating with Industry Groups

Virgin Australia is an inaugural member of the Australian Jet Zero Council (JZC), which advises the government on a long-term vision to decarbonise the aviation industry and encourage development of a local SAF industry.

As members of the Sustainability Aviation Fuel Alliance of Australia and New Zealand (SAFAANZ), we also collaborate with the broader industry to advance this goal. Virgin Australia and Boeing co-lead the SAF accounting workstream, and have co-authored two discussion papers. The first paper presented to the JZC highlights the significance of robust SAF accounting mechanisms, outlining the chain

of custody methods employed globally and presenting a rationale for adopting the 'Book and Claim' system as a suitable option for the Australian context. The second (also developed with consulting firm Pollination) explores the practical application of this approach within Australia's existing framework for emissions reduction.

Virgin Australia supports an incentive-based approach to environmental management as it provides greatest flexibility and uptake. We believe that any mandate or legislated targets need to be accompanied by a suite of other incentives and measures to drive an economically viable outcome. Virgin Australia is committed to developing cost-effective solutions for emissions abatement. The National Greenhouse and Energy Reporting (NGER) Act should be expanded to include SAF procured and consumed under a robust 'Book and Claim' system (with international reach). 'Book and Claim' is the most efficient and cost-effective way for airlines to access SAF, especially given the significant cost differential between SAF and conventional jet fuel.

Given SAF is expected to be the major contributor to emissions reduction by the sector and there is currently no domestic supply, we believe that in consultation with the JZC, the Government should progress policy measures to incentivise the establishment of a domestic SAF industry while being cognisant of the affordability and accessibility of air travel for Australians. The Australian Government's AU$1.7 billion investment in the 2024-2025 budget to accelerate the development of a domestic low carbon liquid fuels is a welcome and critical step to sector decarbonisation. However, priority should be given to policy development and initiatives that can bridge the supply gap in the interim as the local SAF industry scales up, such as SAF accounting (e.g. Book and Claim). This will support SAF procurement and access to its environmental benefits by airlines and their customers without geographical constraints.

We are also in discussions with the International Air Transport Association (IATA) to promote the advancement of a Sustainable Aviation Fuel (SAF) Book and Claim system. IATA is working to create clear industry standards and certification mechanisms for the SAF Book and Claim process, ensuring that the system is transparent, credible and aligned with emissions reporting guidelines.

In FY24, we submitted our response to the Federal Government's Aviation Green Paper[15], which will shape the Aviation White Paper outlining Low Carbon Liquid Fuels and SAF policy directions through 2050. On 26 August, 2024 the Government released the Aviation White Paper.

Virgin Australia recognises that the use of SAF is one part of the energy transition for the aviation industry and must be accompanied by other emissions reductions across aircraft technology, energy infrastructure and operations. Virgin Australia acknowledges that the supply of SAF globally remains low and while actively taking steps to support the development of a local SAF industry, continues to pursue other opportunities for reducing emissions and improving energy efficiency throughout its operations, as set out in this Report.

In the coming years, we are committed to targeting a reduction in direct emissions from our operations, primarily through the introduction of more fuel-efficient aircraft. Maximising aircraft utilisation and load factors will be key to using each asset as effectively as possible. Additionally, we will continue to collaborate with industry partners to scale SAF production and use both globally and in Australia.

What is Book and Claim?

Book and Claim (B&C) is a SAF accounting methodology designed to efficiently scale up SAF deployment by allowing companies, including airlines, to purchase SAF without having to be physically connected to a SAF supply site. It is a system that allows the decoupling of specific attributes from the physical product, such as reduced GHG emissions, and transfers them separately to another party via a dedicated registry.
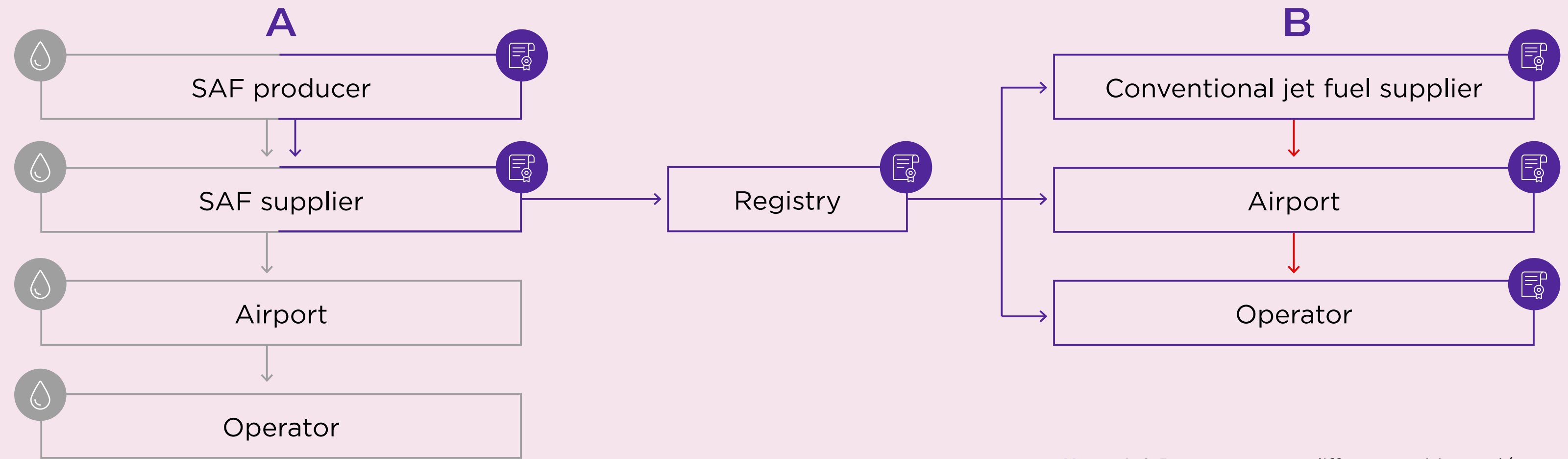
By providing a global market for SAF, the use of Book and Claim can enable SAF production where it is most efficient, minimise logistics costs, help avoid additional emissions from transport, and promote competition. It would be possible to clearly distinguish SAF types based on their feedstocks, technologies, and greenhouse gas (GHG) impact, creating clear supply and demand signals for different types of SAF. Consequently, the use of B&C would accelerate SAF production and deployment.

A B&C system is currently being considered for application internationally and domestically, however, it has not yet been formally implemented as a means to invest in and account for the use of SAF.

Australia could support a B&C system, which would leverage the scale of the global SAF market and procure high quality SAF at a lower cost.

Book and Claim Model

The administrative record flow does not necessarily connect to the physical flow of material throughout the supply chain.

A

SAF producer

SAF supplier

Airport

Operator

Registry

B

Conventional jet fuel supplier

Airport

Operator

Note: A & B can represent different entities and/or geographic locations. Generic representations of supply chains may not represent all supply chain cases.

Sustainable Aviation Fuel (SAF)

Fossil jet

Sustainability certificate
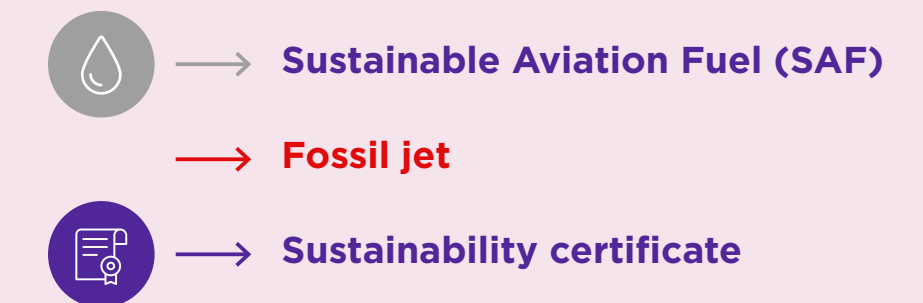
Case Study
Virgin Australia and Shell Avelia Book and Claim Trial

As part of our work assessing the environmental benefits of SAF, this year we purchased SAF through Shell's B&C solution Avelia. In April 2024, VA joined Shell's Avelia program and procured environmental attributes associated to 10,000 US gallons of neat SAF. VA's total SAF purchase will be delivered in batches over 12 months. The first batch of SAF was produced with used cooking oil, which was delivered into the fuel system at Changi Airport, Singapore, booked into Avelia, and purchased and claimed by VA in Australia.

Avelia decouples SAF's environmental attributes from its physical form and uses blockchain technology to provide clear and transparent tracking of both the physical SAF and its environmental attributes to enable a credible Book and Claim chain of custody.

Climate Risks and Opportunities

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.

See our **climate risks table** in the appendix to see how we are addressing these risks, including the potential impacts on the business and the mitigation strategies we are implementing to prevent these risks from materialising. We will continue to understand and monitor climate-related risks that may impact our business while exploring opportunities for innovation.

Assessing and Managing Climate-Related Risks

Physical risks

Risk Group: Chronic - Long-Term Changes and Increased Variability in Weather Patterns

Wind
Changes in wind patterns and strength can impact runway utilisation (e.g., approach and departure procedures, reduced flight arrival and departure punctuality).

Heat
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).

Sea level rise
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.

Drought
Drought conditions can potentially lead to water restrictions, which can require water-saving practices and technologies to be implemented.

Risk Group: Acute - Increased Incidence and Severity of Weather Events

Flooding
Flooding can impact the ability of flights to land, damage sites and infrastructure (including connecting transportation).

Storms
Potential for more frequent and intense thunderstorms, sudden changes in wind direction or speed and turbulence.

Bushfires
Bushfires can deteriorate visibility and can adversely affect air travel. Employees working in outdoor locations may be exposed to harmful air quality conditions in the event of a nearby bushfire.

Transition

Risk Description	
Technology	SAF Market
Market	Consumer demand shifts
	Volatility in energy costs
Reputation	Claims of greenwashing
	Offset price, supply and quality
Policy and Legal	Climate-related reporting obligations

Case Study
Tropical Cyclone Jasper

In December 2023, Tropical Cycle Jasper brought significant disruption to Cairns and the surrounding regions. The cyclone, which was initially a Category 4 system[16], caused widespread flooding, particularly after making landfall near Wujal Wujal. Cairns itself experienced some of the worst flooding in more than a century, as the Barron River overflowed with 600mm of rain in just 12 hours, flooding the city and causing extensive damage across the area.

Cairns Airport was also significantly impacted with Virgin Australia's flights suspended for several days. The airport first closed on 12 December, 2023, with a brief reopening two days later, but further flooding impacting the airport and its operational infrastructure forced a second closure on 17 December, 2023. During these closures, several aircraft were stranded due to water levels around the airfield, including Virgin Australia's aircraft.

In preparation for this severe weather event, Virgin Australia managed its operations through a dedicated disruption management team with stakeholders involved across the business. This team continuously assessed the risks associated with flying during this event, taking inputs from our in-house meteorologists to provide the safest experience for our people and guests. Despite efforts to maintain steady and safe operations, Cyclone Jasper had a significant impact on our Cairns operations, resulting in the cancellation of more than 32 flights.

The cyclone's overall economic impact to Cairns has been estimated at more than $300 million. Although cyclones are common events to this region, shifting weather patterns and frequent extreme weather events continually remind us about the impacts of climate change.

16. Category 4 the second-highest classification on the Australian tropical cyclone intensity scale which is used to classify tropical cyclones, that have 10-minute sustained winds of at least wind speeds of 86–107 knots (159–198 km/h; 99–123 mph).

Waste

Virgin Australia is committed to reducing the environmental footprint of our waste through embracing the principles of responsible waste management.

We understand that our environmental impacts go beyond carbon emissions. Waste, particularly plastic waste, can have tangible and visible impacts on nature and effects on people. 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. We currently generate ~4,600 tonnes[17] per annum of waste through our operations at airport terminals, hangars, offices, lounges and inflight waste. The waste audits commissioned in the previous year show most of Virgin Australia's waste (65%) comes from inflight, followed by terminals[18] (16%) and lounges (9%). The largest waste stream is food and organic waste (36%), followed by paper and cardboard (16%) and glass (15%).

Our operations, encompassing cabin and lounge catering, generate the majority of our waste. This waste has the potential to harm the environment through pollution, resource depletion and greenhouse gas emissions. We are working to reduce our environmental impact through waste management practices such as waste reduction at the source, maximising resource recovery through reuse and recycling, and ensuring responsible disposal of any remaining waste streams.

17. Domestic flights only, excluding quarantine waste, check in waste and aeronautical waste (15% margin of error).
18. Terminals include BGIS ramp operations (engineering, ramp waste) and excludes inflight waste.
19. 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.
20. General waste excludes quarantine, aeronautical, liquid and hazardous waste.

Our Approach

Project Zero

Following the establishment of our goal in FY23 to become a zero general waste to landfill[20] organisation by 2032, this year marks a significant milestone with the implementation of Project Zero, a program designed to help us achieve our goal. To achieve the goal, we are focusing on three key areas:

Reduce and Redesign
We will prioritise eliminating waste at the source. This means working towards all onboard and lounge items – from packaging to utensils – are reusable, recyclable or compostable.

Separate and Handle
Empowering our teams to properly sort waste into designated bins is crucial. Inflight recycling programs and dedicated organic separation in lounges are vital steps in effective waste management.

Dispose Responsibly
Our commitment extends beyond simply separating waste. We will work toward ensuring separated waste streams are recycled, composted or disposed of responsibly.

Our established governance structure, including the ESG Steering Committee (ESG SteerCo), Australian Packaging Covenant Organisation (APCO) working group, and dedicated inflight recycling workgroup, provides strategic direction, and fosters continuous improvement within Project Zero.

Reduce and Redesign

Sustainable Procurement Checklist (SPC)
In FY24, we implemented the SPC, a comprehensive framework based on our Sustainable Procurement Principles (SPP). We have reviewed more than 130 of our customer products against the checklist. As an APCO signatory, the SPC helps Virgin work towards the APCO 2025 targets, including 100% recoverable or reusable packaging, an average of 50% recycled content and the phasing out of unnecessary and problematic plastics.

Recycled Plastic Bags
Virgin Australia successfully implemented a program to use 100% recycled plastic bags in waste bins for lavatories on VA aircraft in FY24. A rigorous testing program at Brisbane Airport ensured the recycled bags matched the same high standards for strength and durability as the previously used plastic bags.

Hand Soap Recycled Plastic Bottles
We are proud to partner with Callington to introduce a new recycled plastic hand wash bottles. Features include:

> 100% recycled plastic bottles, minimising reliance on new plastic.

> Larger capacity bottles (18% increase) to reduce the overall number of bottles used onboard.

> Keeping the wellbeing of both guests and crew front of mind, this handwash uses palm oil-free, paraben-free ingredients and is dermatologically tested, biodegradable, and free of formaldehyde and EDTA.

Recycled Cabin Spray Bottles
To comply with biosecurity regulations and ensure passenger safety, all aircraft entering Australia and New Zealand are disinfected according to approved procedures (Schedule of Aircraft Disinsection Procedures for Flights into Australia and New Zealand V5.3). Virgin Australia utilises disinfectant cabin sprays between flights and successfully transitioned to using recycled plastic for cabin spray bottles during this procedure. Both "Wild Yang'' and "Dreamliner" cabin spray bottles are now manufactured entirely from recycled plastic.

Our Targets

100%
of lounges with organic waste separation by 2026

Remove all single-use plastics[19] by **2027**

Divert **85%** of general waste[20] from landfill by 2030

Zero general waste[20] to landfill by 2032

Separate and Handle

Inflight Recycling
In FY24, we launched inflight recycling on our A320 fleet within WA. We have worked with our cabin catering partners, Food Folk, in Perth to ensure the recyclable items separated by our cabin crew onboard are sent for recycling. We have also trialled inflight recycling on 55 B737 flights arriving into Melbourne and Perth. We continue to ramp up this initiative in FY25, working with airports, waste providers and our crew members to ensure a successful rollout.

Lounge Organics Separation
In FY24, we established organic waste separation in four of our seven Virgin Australia lounges. This initiative has resulted in 51% of organic waste being diverted from landfill in the Sydney lounge alone. In FY25, we will work towards rolling out organics separation in the remaining three lounges. Organic waste in our lounges includes coffee grounds, kitchen waste and guests' plate waste. In FY24, we participated in a project with End Food Waste Australia to better understand how the catering sector can measure and reduce food waste. This project, funded by NSW EPA, included interviews with our Food and Beverage staff, organic waste audit and culminated in the catering sector Toolkit.

Dispose Responsibly

Containers for Change
In FY24, we diverted 97,618 containers[21] from landfill and raised approximately $9,760 to donate to OzHarvest. This equates to 26,390 meals donated to OzHarvest through our Containers for Change donations.

OzHarvest
In FY24, we donated 6,850 meals to OzHarvest. OzHarvest have collected from Virgin domestic flights and lounges in Australia and through Dnata and Gate Gourmet, food that would otherwise have been destined for landfill.

Greenbox and Virgin Australia Partnership
In FY24, Greenbox partnered with Virgin Australia and undertook several key initiatives, including, securely decommissioning outdated IT assets, repurposing and redeploying IT assets, ensuring secure data destruction and significantly reducing e-waste through various sustainability measures. These initiatives have led to measurable outcomes, including:

Materials Recycled	4,299 kg
Toxic Metals Reduced	124 kg
CO_2 Emissions Reduced	5,990 kg
CO_2 Saved Through Resold Assets	176,223 kg (from 1,221 assets)
Valuable and Precious Metals Recovered	278 kg

Through their buyback program to reduce e-waste and promote reuse, Greenbox provided a total rebate of AU$31,000 for used IT assets in FY24.

In the coming years, our focus will be on scaling up waste initiatives such as inflight recycling and lounge organics separation. We are actively improving our data collection and analysis capabilities. This will allow us to better measure progress, identify areas for improvement, and refine our approach to waste reduction and diversion. We are also planning for further waste audits in FY25 to continue advancing our waste management efforts.

21. Mostly aluminium, glass, plastic, steel and liquid paperboard beverage
     containers between 150ml and 3L eligible for a 10-cent refund.

Environmental Protection

Virgin Australia is dedicated to environmental protection by raising awareness of the impact of its practices and implementing mechanisms to minimise environmental harm.

Through Virgin Australia's Environmental Management System (EMS), we have taken steps to actively reduce our environmental impact in FY24. Aligned with ISO:14001 standards, the EMS covers our environmental policies, processes, training and monitoring programs. The EMS is designed to enable compliance with environmental regulations and risk management.

As a sub-lessee operating at various Australian airports, Virgin Australia adheres to the Airports Act 1996 (Cth) and relevant State legislation through its contractual agreements with these airports. This includes developing, maintaining and complying with Operational Environmental Management Plans (OEMPs) where required. We are also subject to environmental regulation under local, state, territory and international jurisdictions.

Environmental risks and incidents are regularly reviewed. Management reports are presented at monthly safety and risk review committees across various divisions (Safety, Engineering, Operations, Airport Experience) and at the executive level, and to the Board quarterly. Based on the information provided and inquiries made, the Board is not aware of any material non-compliances during this reporting period.

Communication regarding environmental management uses channels such as safety first articles, safety bulletins and committee meetings (safety and risk review committees at all levels). Additionally, in FY24, an "EMS101 Environmental Management System Awareness" course was launched for all staff (excluding VARA). More specialised training is planned for leaders in FY25. Its aim is to enhance the confidence and capability of managers and leaders in terms of day-to-day environmental risks within their remit.

Virgin Australia demonstrates its commitment to continuous improvement through ongoing internal audits and risk assessments. Internal EMS audits were conducted at key locations such as the Gold Coast Airport and Brisbane facilities. One outcome involved revised procedures for liquid waste storage to minimise the risk of leaks. Additionally, EMS investigations prompted communication efforts to address leaks and safety concerns during aircraft dispatch.

Aircraft Noise

Virgin Australia is committed to working with airports, governments, communities and aviation stakeholders to responsibly manage aircraft noise.

All our aircraft comply with noise standards and recommended practices set out under the Convention on International Civil Aviation. Our fleet of aircraft are also certified by Airservices Australia and meet the noise management conditions set out in the Air Navigation (Aircraft Noise) Regulations 2018. We understand the impact that aircraft noise can have on the communities in which we operate. Our noise management approach seeks to strike the right balance between the social, economic and environmental needs of communities and the efficient operations of airports.

To further minimise noise, we are investing in advanced technology. Our new-generation 737-8 aircraft are 40% quieter than the 737-800 NG fleet. Furthermore, we adopt operational procedures designed to reduce noise during take-off, landing and inflight, such as continuous flight descents.

In FY24, we submitted our response to the Federal Government's Aviation Green Paper a precursor to the Aviation White Paper outlining policy directions through 2050. Our response included three key recommendations for noise management:

> Transferring the Noise Complaint and Information Service from Airservices Australia to CASA or the Department of Infrastructure and Transport to enhance its independence.

> Relocating the Aircraft Noise Ombudsman from Airservices Australia to the Department of Infrastructure and Transport to ensure impartiality.

> Increase public awareness of aviation to improve community receptiveness to flight paths changes and address noise concerns.

Looking ahead, in FY25, we will continue to work on our commitment to responsible aviation by implementing noise abatement practices and collaborating with industry stakeholders.

Caring for our People, Guests and Communities

Engaging and Developing our People

We aim to be the most loved airline in Australia with a winning team that attracts the very best.

Virgin Australia's people strategy has undergone significant evolution in recent years. Emerging from administration, an initial focus on rightsizing the business to ensure cost competitiveness led to a substantial reduction in headcount. This period also presented an opportunity to reassess and rebuild capabilities. As the aviation industry recovered, Virgin Australia embarked on a cultural revitalisation journey, introducing new values and behaviours, and reconnecting with team members through targeted initiatives. This strategic focus on people culminated in a renewed commitment to placing both customers and team members at the heart of the business, fostering a culture of innovation and empowerment. By considering the evolving nature of work, Virgin Australia has positioned itself for future success and ensures Virgin Flair is visible and celebrated.

Our People Brands

Simple, Smart, Productive

Institute of Wonderful

Cookie Jar

Our Ingredients

We're remaining productive today...

> Collaborative ways of working

> Purposeful and ethical policies and processes

> SMART work guidelines

... while building tomorrow

> Innovation mindset

> Nimble use of existing and emerging technology

> Evolving organisation design

We embrace our pursuit of Wonderful through:

> Values-driven leaders and leadership programs

> Sustainable practices

> Authentic people

> Our Belonging Strategy

> Measuring and prioritising engagement focus areas

> Guest centricity

Adaptive learning and growth opportunities in three key areas:

> This is Virgin

> Your job

> Your career

We provide our team with a compelling suite of package elements, including:

> Reward and recognition

> Virgin Flair employee recognition program

> Personalised benefits

> Industry discounts

> Unique and memorable opportunities

> Velocity rewards for our team members

Our Approach

Employee Engagement Survey

We have been measuring engagement in its current form for three years and acting on the insights we get through our company-wide engagement surveys. This year, we had record participation rates and we are pleased that we met our target engagement score.

After our last survey, we found five overarching areas where we have continued to channel our focus to address the feedback we received:

Rewards and Recognition
We continue to champion Virgin Flair in everything we do, while enhancing the rewards and benefits we provide our people.

Connection
Social connection opportunities have continued to be a focus with off-sites, office visits, increased senior leadership presence at ports, and the continued Guest Ambassador Program.

Communication
We continue to foster a culture of information-sharing across the Group through live and recorded town halls, newsletters, video messages, competitions and activations.

Career Development
For our corporate teams, we have enhanced the Objectives and Key Results (OKRs) format to ensure clear job roles and management of priorities. Development plans and career conversations have been encouraged.

Ways of Working
For those on rosters, we've increased part-time and flexible work options and new ways to apply for leave within some departments, such as the new 'The Leave Planner' process introduced in Airport Experience.

We want to continue to build on this momentum and to ensure we are focused on the right actions and that our culture is strong. To enhance our understanding of what is required to best support our teams, we are adding a culture survey in FY25. Engagement and culture surveys are distinct measures yet intrinsically connected and both important.

The engagement score is an outcome measure, indicating how our teams feel about our current culture. The culture survey will help us understand if the current culture is the right one to deliver on business outcomes. Our June Employee Engagement Survey and October Culture Survey will provide a comprehensive assessment of the current company culture. These results will be used to inform the development of targeted cultural initiatives.

Gender Equity

Virgin Australia believes that a gender-balanced workforce benefits everyone. Pay equity is an important component of gender equity, and remuneration at Virgin Australia is determined independently of gender or any other personal characteristic. We are committed to ensuring everyone is equally valued and rewarded for the role they do.

We have a diverse workforce, with the majority of our people employed under an Enterprise Agreement (EA), also known as Enterprise Bargaining Agreement (EBA). Each frontline workgroup has its own EA with prescribed pay rates by role type and seniority level. This ensures that all our team members are paid equally for doing the same role. Remuneration for the other 21% of our workforce, our corporate team members, is determined with reference to a grading framework and external market pay rates. Pay equity reviews are performed annually and corrective adjustments are made as part of our annual remuneration review process.

Our 2023 median gender pay gap calculated by the Workplace Gender Equality Agency (WGEA) of 41.7% is driven by the demographic profile of our organisation. This reflects the larger proportion of men occupying higher paying roles, such as pilots and aircraft engineering roles. We are dedicated to improving gender representation in these roles through gender-representation targets and initiatives across our frontline and corporate workgroups.

Developing Our People

We are committed to building inclusive development programs that support career growth.

Virgin Australia launched a new virtual learning initiative this year: Learning Masterclasses. Led by Virgin Australia's Executive Team, these 90-minute sessions offered a unique opportunity for all team members to learn directly from the company's leadership team on topics relevant to their professional development. This series will be continued in FY25. We also completed our Ignite Leadership Program to connect our leaders to our refreshed values and ensure we have a consistent leadership capability across the business. As we evolve, we're focusing on personalised development, peer learning and implementing formal programs. This includes external partnership programs, such as Chief Executive Women (CEW), designed to help support women in leadership roles.

Recognition Virgin Flair Award
Virgin Australia maintained its commitment to recognising outstanding team members this year through the continuation of the Virgin Flair Awards program. Launched in October 2021, these awards celebrate the diversity and values that define Virgin Australia, acknowledging those who consistently go the extra mile and embody the company's core values.

The nomination process was open to all team members, providing an opportunity to recognise colleagues who exemplify any of Virgin Australia's four key values:

- We put safety first
- We have a big heart
- We do the right thing
- We own it

All nominees received recognition at quarterly award ceremonies, with finalists then invited to a prestigious annual dinner hosted by the CEO and Executive Leadership Team (ELT).

Team Member Performance and Remuneration

In response to our employee engagement survey results highlighting a desire for more structured career development, we implemented biannual career development conversations, beginning in FY23.

These discussions focused on establishing short- and long-term career goals, with team members taking an active role in defining their development path. While managers initiate and monitored progress, the emphasis was on employee ownership and commitment to their professional growth.

A system of Objectives and Key Results (OKRs) was put in place for non-EBA team members. It is a cascading process to align teams and individual goals, with quarterly reviews assessing progress against established objectives. To further solidify performance we implemented management practices, formal annual reviews and evaluated performance against established OKRs and alignment with Virgin Australia's values and behaviours. Standardised rating systems and leader training sessions are in place for consistency and effectiveness in the review process. Performance assessments played a role in annual remuneration reviews and Short Term Incentive (STI) program eligibility for managers and above.

We also have transition programs for departing Virgin Australia team members which are administered by a third-party provider.

Benefits provided to all Virgin Australia's full-time team members 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
- ☑ Gender affirmation leave

Workplace Relations

Enterprise agreements (EAs) safeguard team members' rights to join unions and bargain collectively for improved working conditions. These agreements are tailored to specific workgroups, addressing unique needs such as rostering and allowances. Up to 79% of Virgin Australia's workforce was covered by an EA in FY24.

EA-covered team members have career progression pathways outlined in their applicable EAs, with clear requirements set out so team members are aware of their next steps and how to get there. The employment of non-EA covered team members is governed by employment contracts that are underpinned by the National Employment Standards and any relevant applicable modern awards.

EA / Modern Award Compliance

The EA SteerCo ensured alignment between agreements and monitored workplace relations trends. Regular audits (every six months) safeguard compliance, productivity and fair compensation.

EA Bargaining

FY24 Timeline For EAs Approved:

Virgin Australia
Integrated Operations Centre
Enterprise Agreement 2023

Aug 2023

Virgin Tech Enterprise
Agreement 2023

Jan 2024

Virgin Australia Cabin Crew
Agreement 2023

Virgin Tech (Stores)
Enterprise Agreement 2024

May 2024

Nov 2023

Virgin Australia, Australian
Services Union (ASU) Guest
Services and Guest Contact
Centre Agreement 2023

Mar 2024

Virgin Australia and
Transport Workers' Union
(TWU) Pit Crew Enterprise
Agreement 2023

Workplace Change and Consultation

The timeframe for pre-change consultation varied depending on the complexity of the change being implemented. For major changes, consultation typically lasted two to four weeks, with the possibility of extended periods for significant projects. Most EAs mandate consultation to begin as soon as practical after change planning commenced.

Virgin Australia facilitated communication through various committees. These included the National Consultative Committee (NCC) meetings, Rostering Committees for cabin crew, and Workplace Consultative Committees for airside and Guest Services teams. Unions communicated with Virgin Australia through email, phone calls and committee meetings.

Gender Affirmation Policy

In FY24, Virgin Australia took a significant step towards inclusivity with the launch of its Gender Affirmation Policy and Guidelines. This policy demonstrates our commitment to fostering a safe and supportive environment for trans and gender diverse team members on their journey of self-discovery and affirmation.

Accompanying the policy are detailed guidelines, providing a clear roadmap and resources for transgender team members, leaders and colleagues. The policy acknowledges the progress made for Australia's LGBTQIA+ community while recognising the continued need for creation of a society where everyone feels comfortable living authentically.

Virgin Australia has a range of other policies in place to guide ethical decision-making, build a safe and inclusive culture, and put our values into practice. Relevant policies include:

> **Code of Conduct Policy**

> Workplace Behaviour Policy

> **Whistleblower Policy**

> Recruitment Policy

> Flexible Work Policy

Safety and Wellbeing

PROTECT

Put safety first Safety is our compass.

Report all hazards Keep us informed for a safer environment.

Only begin a task if it is 100% safe Zero compromises.

Take extreme care at heights Safety in every dimension.

Ensure safe vehicle usage Responsible driving is key.

Cultivate safe behaviours Encourage safe practices daily.

Take ownership We all play a part in safety.

To get our people and passengers safely to their destination.

At Virgin Australia, the safety and wellbeing of our team members and guests is paramount. Our value: *We put safety first* is embedded as a behaviour and mindset to ensure we are protecting our people, guests, contractors and assets. Ensuring a safe and healthy environment goes beyond simply following protocols and procedures: it fosters a trusted culture where safety is a shared responsibility, where everyone feels empowered to speak up and prioritise risk mitigation. We encourage proactive worker self-removal from hazardous situations as part of our commitment to maintaining health and safety best practices.

Our Approach

Virgin Australia is committed to the proactive and systematic management of the safety-related risks associated with the airlines' operations. Our Safety Policy defines our approach and commitment to safety. The Board Safety and Risk Review Committee (BSRRC) is responsible for oversight of safety, health and security issues, whereas the Executive Safety and Risk Review Committee (ESRRC) provides assurance to the Leadership team and regulators regarding Virgin Australia's safety management.

Safety Management System

The Safety Management System (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. 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, warehouses and other workspaces.

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 documents 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.

Operational Safety

Our commitment to operational safety manifests in a multi-layered approach. First, we have established a robust framework of policies and procedures, adhering to the highest international standards. These guidelines are constantly reviewed and updated to reflect best practices and regulatory changes. Second, our team members – pilots, cabin crew, ground crew, and maintenance personnel – undergo rigorous training programs that equip them with the knowledge and skills to perform their duties safely and effectively. This training is ongoing, ensuring everyone stays up-to-date on the latest safety protocols. Finally, and perhaps most importantly, we foster a strong culture of safety at Virgin Australia. Open communication is encouraged, and team members are empowered to report any safety concerns they may have. This collaborative spirit ensures everyone is actively involved in maintaining the highest standards of safety.

Virgin Australia's commitment to operational safety is a continuous journey. We actively participate in industry safety initiatives and collaborate with regulatory bodies to ensure we remain at the forefront of safety practices. We are constantly evaluating and refining our policies, procedures and training programs to adapt to an ever-evolving environment. By prioritising operational safety at every level, Virgin Australia builds a strong foundation for a successful future. We are confident that through vigilance and continuous improvement, we can continue to provide our guests with a safe, secure and enjoyable travel experience.

National Safe Work Month

In October 2023, we observed National Safe Work Week and Mental Health and Wellbeing Week, emphasising the significance of both physical and psychosocial safety. This year's theme was 'For everyone's safety, work safely' and we focused on daily spotlights covering various safety topics, from risk management and mental health protection to support pathways.

We also launched the PROTECT Safety Campaign. This campaign aligns with Virgin Australia's 'Just Culture' philosophy, which emphasises open communication, learning from mistakes, and empowering all team members to prioritise safety.

Enhancements to the Drug and Alcohol Program (DAMP)

Virgin Australia is required under Part 99 of the Civil Aviation Safety Regulations (CASR) to undertake a Drug and Alcohol Management (DAMP) testing program. Improvements to our Drug and Alcohol Management Program (DAMP) came into effect in July 2023. We revamped our random testing process to be more streamlined, which aligns us with industry best practice, following the lead of Civil Aviation Safety Authority (CASA) and other sectors.

Line Operations Safety Audit (LOSA)

In September 2023, we kicked off our Line Operations Safety Audit (LOSA). LOSA offers a data-driven approach to aviation safety by employing inflight observations to proactively pinpoint and address potential risks within airline operations. LOSA is an integral part of our safety management system, offering a systematic approach to collecting, analysing and reporting data related to Threat and Error Management (TEM) within our line flight operations. By harnessing LOSA, we gain valuable insights into our organisation's resilience to threats, operational risks and frontline personnel errors. This data-driven approach empowers us to prioritise and implement actions that address safety concerns, thus raising our safety standards.

Unaccompanied Minor Policy (UNMR)

In FY24, we undertook a comprehensive review of our Unaccompanied Minor (UMNR) policy to ensure the utmost safety and wellbeing of children travelling unaccompanied. We have introduced new inflight care procedures for unaccompanied minors that will enhance the overall experience for UNMRs and address any specific needs they may have during the flight. These policy changes align us with the best practices adopted by other carriers worldwide, providing a secure and comfortable travel experience for young passengers, and giving parents and guardians peace of mind when their children fly unaccompanied with Virgin Australia.

New Training Course – Managing Psychosocial Hazards

Psychosocial hazards, while not always visible, can significantly impact mental health, workplace wellbeing and productivity. These hazards encompass factors such as organisational culture, workload, interpersonal relationships and job content, all of which can contribute to stress, anxiety and other mental health issues if not managed effectively. In February 2024, we launched a new internal training course: Managing Psychosocial Hazards. This course is tailored to equip our leaders and managers with the tools to navigate their roles effectively, and to foster a deep understanding of responsibilities, legislative requirements, and the identification and management of psychosocial risks.

Food Safety

At Virgin Australia, the safety and wellbeing of our guests is our top priority. This extends beyond simply getting passengers to their destination; it encompasses every aspect of their travel experience, including the food they enjoy on board. We are committed to maintaining the highest standards in food safety, from farm to fork.

All our catering facilities have a Food Safety Management System (FSMS) that is externally certified to either ISO 22000 or international HACCP standards. Dedicated food safety experts at these facilities go beyond certification, conducting regular audits of raw material suppliers. These audits ensure that the ingredients we use meet our stringent quality and safety standards. Furthermore, they conduct in-depth laboratory analysis of surface swabs, ingredients, and final meals, providing an additional layer of reassurance.

Our in-house catering team is another vital link in the food safety chain. They conduct extensive on-site audits of all our catering facilities. This commitment to continuous improvement ensures consistent adherence to the highest food safety standards across our entire network.

Support Pathways

Psychological safety is important to the Virgin Australia Group, and we are committed to delivering a network of accessible support pathways for all team members, leaders and managers.
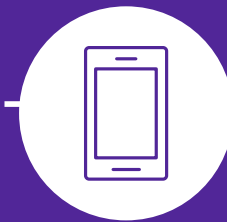
Health and Wellbeing App

Converge provides our health and wellbeing platform that features a range of initiatives, events, resources and content across five pillars of wellbeing: physical, emotional, social, career and financial.
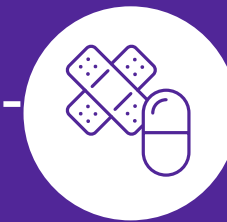
People Safety/Group Medical

Our People Safety and Group Medical team have extensive experience and specialisation in allied health and WHS within aviation and other high-risk industries. They provide information and support to help team members, leaders and managers navigate and access appropriate assistance to be physically and psychologically safe at work.

CONNECT Peer Support Volunteers

CONNECT is a confidential Peer Support Program, for all Virgin Australia Group team members that is coordinated by peers, for peers. Team members who are experiencing issues at work or at home can use this program to connect with other internal or external support pathways.
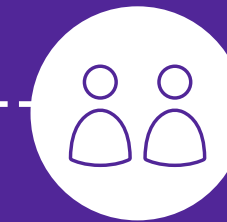
Employee Assistance Program

Our Employee Assistance Program (EAP) consists of employee assistance, trauma management services, critical incident response and engagement to promote early-support seeking. The program is available to all Virgin Australia Group team members and immediate families who are seeking support for personal and work-related concerns, including managing stress, mental health symptoms, family or relationship difficulties, and workplace incidents.
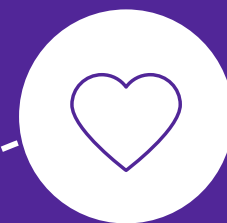
Mental Health First Aiders

Mental Health First Aid is evidence-based and accredited training that teaches leaders, managers and employees how to offer initial and early support to adults who are experiencing mental health concerns or challenges until appropriate professional help is received or the crisis resolves.

Better Me

Our Better Me program includes our social media communication where we promote wellbeing updates and monthly themes, supports, resources, events and initiatives. We encourage engagement with our team members.

Welfare Support

Our leaders and managers within divisions, in conjunction with People Safety Group Medical and the People (HR) Team, are accessible to all team members after workplace incidents, and to provide assistance to access support pathways for personal, work-related or mental health concerns.

Critical Incident Response

A variety of critical incident response support options including but not limited to EAP Critical Response, Non-Normal Event Support Sessions (i.e., structured welfare/health support process facilitated by Group Medical or People Safety Team) and other guidance material (i.e. Mental Health First Response Factsheet) to support our leaders and team members.

Caring for our Communities

Building a brighter future together – our commitment to community engagement reflects our belief that sustainable growth and shared prosperity create stronger, more resilient societies.

Our Approach

Our Belonging Strategy and Program – *You Belong, We Include* – reflects the company's commitment to recognising and celebrating the things that make each person unique. Having a culture where everyone feels that they belong and are included has been a cornerstone of our history and remains vital to our future.

Our Belonging Program is enabled by our diversity pillars: Reconciliation, Gender, Ability and Pride.

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. The Belonging Steering Committee comprises representatives from across Virgin Australia, including Team Member Network sponsors and chairs, some of the Executive Leadership Team and other functional areas.

This Committee oversees the implementation of the Belonging Strategy and is tasked with ensuring the successful execution of our initiatives and measuring their impact.

In support of the Belonging Strategy, education and capability building remains a priority. We have continued to facilitate the NeuroLeadership Institute (NLI) DECIDE – Breaking Bias training for leaders and their teams to better enable equity across our business practices and decisions.

Further to the launch of our cultural learning strategy during National Reconciliation Week in 2023, the SBS First Nations Course (online) has been made available to all Virgin Australia team members in addition to cultural capability workshops for leaders facilitated by Mundanara Bayles and the team at BlackCard.

Starlight Children's Foundation

Since 2010, Virgin Australia has proudly partnered with Starlight and their wish-granting program, granting more than 3,000 Starlight Travel Wishes and providing flight support for Starlight Wishes. In June 2024, we welcomed six seriously ill children and their families for a special experience – 'Stars of the Future' – at the Virgin Australia Training Centre and Brisbane Airport. The Starlight children, all with a passion for aviation, received special uniforms and took part in a range of activities from guest check-in, baggage handling, air traffic control and even "flying a plane" in the flight simulator. The day finished with a party in the Virgin Australia lounge where the children were awarded their certified wings. We remain committed to delivering uplifting experiences for many more sick children around the country.

AFL

Virgin Australia has been the official airline partner of the Australian Football League (AFL) and AFL Women (AFLW) since 2011, transporting players, coaches, league officials and support staff. Through our AFL partnerships, we also support groups travelling to and from AFL Cape York House, a Cairns-based boarding house providing educational, employment and training opportunities for young Indigenous men from across Far North Queensland.

Gender

International Women's Day

Virgin Australia marked International Women's Day (IWD) in FY24 with a special all-female flight (VA313) from Melbourne to Brisbane. This event, now in its second consecutive year, celebrated women in aviation by showcasing their roles across the industry. Captain Deborah Lawrie, a trailblazer who paved the way for female pilots in Australia, led the flight, joined by more than 30 women across various roles, from pilots and cabin crew to ground staff, air traffic controllers and refuelling personnel. The initiative was a true industry collaboration between Virgin Australia, Melbourne Airport, Brisbane Airport Corporation and Airservices Australia. After the flight, the crew connected with more than 50 female aviation students at an IWD networking event, sharing their experiences and inspiring the next generation.

Women in Aviation / Aerospace Australia (WA/AA) Summit

In June, our General Manager People Operations, Samantha Carlton, spoke at the Women in Aviation/Aerospace Australia (WA/AA) Summit in Brisbane.

The theme of this event was conversations that can no longer be taboo in the workplace. Alongside other panellists, Samantha discussed removing the barriers and glass ceilings between women in middle management and the executive level, and how organisations are engaging with their people around menopause, return to work and parental leave.

Ability

Impact21

Virgin Australia partnered with Inclusion Foundation's Impact21 initiative in FY24. This program provides meaningful and matched employment for young adults with an intellectual disability. Through this collaboration, we created a role at Melbourne Airport that includes guest ambassador and office administration duties. The program involves classroom learning, on-site visits and a work experience period, with the goal of employing a participant for 15 hours per week. This initiative not only benefits the program participants but also allows Virgin Australia to build its skills as an inclusive employer.

Shift 20

Virgin Australia proudly joined Shift 20 as a foundation partner in FY24. This industry-wide initiative, co-founded by wheelchair tennis champion Dylan Alcott and the Dylan Alcott Foundation, aims to increase disability representation in Australian advertising. Recognising the lack of on-screen visibility for people with disabilities (only 1%, compared to the national average of one in five), Shift 20 seeks to bridge this gap and promote inclusivity. We actively participated by featuring individuals with disabilities in our Boeing 737-8 cabin and business traveller marketing materials.

What Ability

Virgin Australia is a proud partner of What Ability, an NDIS-registered disability support service that provides people living with disability uplifting experiences. We fly support workers around the country and also work collaboratively to educate our staff on creating inclusive and accessible experiences for our guests. On 1 December, 2023 to recognise the International Day of People with Disability, we hosted an internal learning session open to all staff. Throughout 2023 and 2024, we have also been supporting the What Ability community fun days at sports stadiums nationwide, with Virgin Australia staff volunteering their time and providing gifts for the participants.

Reconciliation

Reconciliation Action Plan (RAP)

Since the launch of our first Reconciliation Action Plan (RAP) in 2022, we have continued to take action towards reconciliation with Aboriginal and Torres Strait Islander peoples and communities while maintaining a commitment to fostering inclusivity and cultural awareness across the business. Recognising the importance of continuing our journey, we are currently in the process of developing our second Innovate RAP to be released during the coming year, which will continue to guide our reconciliation efforts into the future.

National Reconciliation Week (NRW)

The 2024 NRW theme Now More Than Ever is an important reminder of the unfinished business of reconciliation, and how we all have a role to play. As part of our reflections in the 2024 National Reconciliation Week, we hosted an event in partnership with Flight Centre at our office in Brisbane. The event hosted inspirational guest speakers discussing how we can close the gap needed to achieve reconciliation.

NAIDOC Week

In recognition of NAIDOC Week 2024, which celebrates the history, culture and achievements of Aboriginal and Torres Strait Islander peoples in Australia, Virgin Australia proudly incorporated First Nations-inspired menu items across all lounges. These delicious offerings were sourced from Dreamtime Tuka, a majority-owned Aboriginal company and certified member of Supply Nation, Australia's leading Indigenous business database. Dreamtime Tuka, led by CEO Herb Smith, a proud Wiradjuri man from New South Wales, also catered special morning teas for Virgin Australia crew rooms. Virgin Australia also sponsored the Musgrave Park Family Fun Day, hosting a marquee with activities, and started the day's celebrations with a NAIDOC breakfast held at the South Brisbane headquarters.

Garma Festival

In FY24, Virgin Australia proudly participated in the Garma Festival for the first time as a silver sponsor, as part of our reconciliation journey. Five Virgin Australia representatives attended the four-day festival, while another five team members volunteered for the 12-day setup and pack down period alongside more than 100 others.

The Garma Festival is Australia's largest Indigenous gathering, a four-day celebration of Yolngu life and culture held in remote northeast Arnhem Land.

CTM and Virgin Australia Joint Sponsorship of Yalari Scholarship Program

Virgin Australia was pleased to partner with Corporate Travel Management (CTM) in a joint sponsorship deal with Yalari, a non-for-profit organisation that works with Indigenous children from regional and remote communities. The CTM and Virgin Australia Yalari Sponsorship will provide financial support for Yalari to achieve its mission to be one of Australia's great enduring educational and leadership foundations empowering Indigenous people. The $50,000 investment will make a meaningful difference to Yalari's cohort of 248 students as they attend some of Australia's leading boarding schools. The Yalari scholarships also provide students with a robust support network for educational, personal and cultural purposes, with access to dedicated Student Support Officers.

Pride

Pride Flight

In FY24, Virgin Australia hosted its fourth annual Pride Flight, a celebration coinciding with Sydney's major LGBTQIA+ festivity. More than 500 guests joined on flights departing Melbourne and Brisbane, all arriving in Sydney. The flights, hosted by *RuPaul's Drag Race Down Under* stars, offered festive experiences both on ground and in air. Passengers enjoyed parties with entertainment from local LGBTQIA+ venues, celebrity appearances, DJ sets and merchandise giveaways. Proceeds from ticket sales were used to support the charity Minus18, Australia's charity improving the lives of LGBTQIA+ youth through events, workshops and peer support.

Acting Responsibly and Building Trust

Business Ethics and Risk Management

Virgin Australia's commitment to "doing the right thing" is embodied in one of our four core values.

This value translates into practical guidance through the Virgin Australia Code of Conduct (Code), which defines our expectations for all team members – directors, officers, contractors and anyone else associated with Virgin Australia – across all business activities and interactions. It outlines proper conduct when dealing with each other, customers, suppliers and external stakeholders.

In FY24, Virgin Australia received the top spot at LearnX 2023 for best Ethical Training in the Best Learning and Talent Development category. The VLearn training program on the Code, a mandatory annual completion for all team members, secured the platinum-level award, the highest distinction offered by LearnX (7 stars). It's a testament to the dedication and expertise of the team at Virgin Australia.

Policy

Virgin Australia continued to foster a "speak-up" culture in FY24, empowering team members to report potential misconduct. We have zero tolerance for retaliation and offer multiple avenues for raising concerns, including through leaders, anonymously via the ethics hotline or online. All reports are handled confidentially and assigned for investigation or resolution by our Ethics and Compliance team. Transparency in reporting is a priority, with clear processes accessible on the intranet. We promote a safe-to-speak-up environment through various policies including the updated Whistleblower Policy, Anti-Bribery and Corruption Policy, Modern Slavery Incident Response Policy, Code of Conduct, and Gifts and Entertainment Policy.

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, responsible for overseeing Virgin Australia's Risk Management Framework, on current compliance or changing regulatory landscape related to the risks outlined in the Framework. We have comprehensive processes in place to report fines and non-monetary sanctions under laws and regulations which are significant to our business. To the best of our knowledge, there have been no such instances in FY24.

Conflict of Interest

Virgin Australia has a Conflicts of Interest Policy that is applicable to all team members, including 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.

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.

Privacy

Virgin Australia relies on data, technology and third parties to operate our businesses and recognises that continuing to enhance our privacy and cybersecurity frameworks and protections is essential to ensuring compliance with privacy laws, and maintaining trust and achieving our strategic objectives.

Our Approach

Virgin Australia collects and handles our customers' personal information when they fly with us, take part in our loyalty programs, use our website and apps, or otherwise interact with us. We acknowledge the responsibility that comes with handling this type of information and strive to be transparent with our customers about how we collect, use, share and store their personal information through our Group Privacy Policy and Privacy Statements.

Given the nature of our business, our team members may receive, access and use personal information when performing their duties. Our Code of Conduct communicates our expectations of all team members in relation to respecting privacy rights and empowers them to make good privacy decisions. We further support our team members through regular privacy awareness and training activities, and our internal privacy and information security policies, procedures and standards.

Virgin Australia recognises the importance of being a responsible custodian of personal information in the context of evolving customer expectations and an ever-changing and complex cyber threat landscape. In FY24, we had a key focus on improving our complaints handling and Privacy Impact Assessment processes, and data breach readiness.

> We launched a new Data Breach Policy and completed a review of our Data Breach Response Plans.

> Tested our data breach response capability through a series of cross-functional cyber response exercises.

> Implemented a new incident and complaint management solution to enhance our internal monitoring and reporting capability.

> Made enhancements to our Privacy Impact Assessment templates to support our teams to embed Privacy by Design and pro-actively manage privacy risks.

Virgin Australia experienced one privacy incident that required notification to the Office of the Australian Information Commissioner during FY24. The incident impacted a small number of individuals and was the result of a cyber attack on one of Virgin Australia's legal services providers.

In FY25, we will closely monitor anticipated privacy reforms and have a focus on the privacy impacts associated with new and emerging technology.

Cybersecurity

Protecting customer data and securing our own systems is crucial in today's digital age. Our information security function supports the continuing growth and success of the business.

Virgin Australia uses a framework called the Information Security Management System (ISMS) to manage information security. This framework includes policies, standards and procedures that help VA identify and address security risks, while also complying with relevant laws.

Virgin Australia continues to invest in capabilities to mature our defences to keep ahead of sophisticated threats, and to deliver against our business-aligned Cybersecurity Strategy and Information Security Uplift Program.

Cyber Awareness Campaign

Virgin Australia recognises cybersecurity awareness as a critical risk mitigation strategy. A new initiative, the Launching Cyber Awareness program, was established in 2024 aimed to safeguard our brand, customers and employees from evolving cyber threats such as data breaches and ransomware attacks, which can have significant operational, financial and reputational consequences.

The awareness program Launching Cyber Awareness took a multi-pronged approach to enhance cybersecurity knowledge and best practice across the organisation. Information Security was rebranded at the enterprise level to better align with Virgin Australia's overall values and communication style, making cybersecurity messaging more relatable and engaging for employees. The rebrand serves as a foundation for future educational initiatives and enhances long-term employee recall of key cybersecurity principles. The program provided easily understandable and actionable security measures for staff to remain secure in their daily work and at home.

Cyber Readiness

Virgin Australia continued to strengthen response preparedness through regular simulation exercises, testing and refining our response to cyber threats facing the aviation sector.

Modern Slavery

Human Rights Policy and UN Global Compact Signatory

We are proud to have launched Virgin Australia's first Human Rights Policy in FY24, a reflection of our commitment to treat our people, customers and suppliers with equality, dignity and respect. Our Human Rights Policy outlines our commitments to respect and recognise human rights throughout our business activities and relationships, including by setting expectations for our suppliers and other business partners. We focus our effort on five key areas, where human rights are critical to the way we operate and where we have identified the risks are highest for potential impact on human rights:

- **Health and Safety**
- **Team Member Wellbeing**
- **Environmental Issues impacting Human Rights**
- **Human Trafficking and Modern Slavery**
- **Data Privacy**

The policy also sets out how we plan to implement our human rights commitments, and our expectation for all team members to speak up and report any human rights concerns.

We recognise that human rights challenges can be complex and require engagement with a diverse group of stakeholders to develop innovative solutions.

As a proud participant of the United Nations Global Compact, the world's largest initiative for sustainable and responsible corporate governance, Virgin Australia commits to aligning its corporate actions with 10 universally accepted principles relating to human rights, labour, environment and anti-corruption, and to report its progress on these efforts annually. Virgin Australia will benefit from access to the UN Global Compact Australian network's platform for dialogue with businesses, and government on specific issues such as modern slavery, as well as extensive tools and resources to guide practical implementation efforts within the Australian context. We are integrating the Ten Principles of the UN Global Compact into our company strategy, culture and daily operations. Additionally, we look forward to collaborating on projects that support the broader UN development goals, particularly the Sustainable Development Goals.

Modern Slavery Statement

We recognise the potential for modern slavery risks to exist in Virgin Australia's supply chain due to the requirement to procure a wide range of goods and services, some of which may come from countries or sectors with higher prevalence of modern slavery risk. That's why Virgin Australia is committed to doing business with suppliers, partners and corporate customers that share our values.

In support of this ambition, the following key activities were actioned as part of our FY24 modern slavery response plan:

> Established a Human Rights performance framework to better track and monitor the effectiveness of our actions.

> Reviewed our grievance mechanism from a human rights perspective.

> Continuation of our Supplier Deep Dive Program by conducting two deep dives with key suppliers in our clothing and aircraft component portfolios.

> Established the Modern Slavery Aviation Forum (MSAF) with representatives from Virgin Australia, Qantas and Air New Zealand. The aim is to provide a forum to collaborate with peers to address industry challenges and share key tools and learnings to address modern slavery risks.

> Collaborated with the Australian Federal Police (AFP) to raise awareness on modern slavery and human trafficking, equipping our team members with the tools to spot signs of potential slavery and how to respond.

You can find out more about our Modern Slavery program in **here**.

Governance of Sustainability

The delivery of Virgin Australia's sustainability strategy is underpinned by a governance model, designed to deliver accountability and effective oversight. It creates a system of rules and practices that determines how we operate and how it aligns with the interest of our stakeholders.

Board Responsibilities

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 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.

Sustainability Management

Affecting nearly every aspect of our business, sustainability is integral to our operations and functions. The Chief Corporate Affairs and 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), comprised of executive team representatives and relevant domain expertise from across the business. The ESG SteerCo oversees Virgin Australia's efforts to achieve its sustainability targets, including climate change and waste-reduction ambitions.

Board Sub-Committees

The Board has established three board sub-committees to assist in carrying out its oversight function:

1. Board Safety and Operational Risk Review Committee (BSRRC):

> Assists with oversight and management of operational safety and health and security risks of the Group

> Supported by an expert external safety adviser

2. Audit, Risk and Compliance Committee (ARCC):

> Assists with oversight of risk culture, risk management system and reporting, financial reporting integrity, compliance framework, internal audit review, and selection of external auditors

> Primarily responsible for overseeing most of Virgin Australia's sustainability efforts, such as climate change, and regularly updates the Board

3. Remuneration and Nomination Committee (RemCo):

> Assists 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

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.

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

Appendix

Reporting Verification and Assurance

Internal Review

The disclosures contained in this report have been reviewed by the company's Board. Disclosure procedures for the data covered by 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 auditors KPMG to perform an independent, assurance engagement on two metrics being Scope 1 and 2 greenhouse gas emissions for the year ended 30 June, 2024. KPMG's independent assurance report is on page 39 of this report.

Restatement

There are no restatements in this report. Please refer to commentary on Scope 2 emissions on page 12 for further details regarding restatements.

Independent Assurance Report to the Directors of Virgin Australia Holdings Pty Limited

Reasonable assurance opinion

In our opinion, the amount for Scope 1 Greenhouse gas emissions for the year ended 30 June 2024 in the Virgin Australia Group Sustainability Report 2024 as specified below in the Information Subject to Assurance, has been prepared by Virgin Australia Holdings Pty Limited (Virgin Australia), in all material respects, in accordance with the Criteria.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the amounts for Scope 2 Greenhouse gas emissions for the year ended 30 June 2024 in the Virgin Australia Group Sustainability Report 2024 as specified below in the Information Subject to Assurance, have not been prepared by Virgin Australia, in all material respects, in accordance with the Criteria.

Information Subject to Assurance and Criteria Used as the Basis of Reporting

We have performed an assurance engagement on the following Information Subject to Assurance in the Virgin Australia Group Sustainability Report 2024 (the Sustainability Report) for the year ended 30 June 2024:

Information subject to assurance	Level of assurance	Amount assured for the year ended 30 June 2024 (t CO$_2$-e)	Page number in the Sustainability Report	Applicable criteria
Scope 1 Greenhouse Gas (GHG) emissions	Reasonable assurance	2,480,837	12 and 41	The *National Greenhouse and Energy Reporting Act 2007* and *National Greenhouse and Energy Reporting (Measurement) Determination 2008* (together NGERs) and the footnotes in the data tables located on page 12 and 41.
Scope 2 Greenhouse Gas (GHG) emissions	Limited assurance	7,703 (Location-based method) 7,087 (Market-based method)	12 and 41	NGERs and the footnotes in the data tables located on page 12 and 41.

For the purposes of the remainder of our assurance report:

- "Assured Sustainability Information" refers to all information subject to assurance (both reasonable assurance and limited assurance); and
- "Criteria" refers to the criteria relevant to the information subject to assurance as identified above.

Basis for our Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements* (the Standards). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with the Standards we have:

- used our professional judgement to assess the risk of material misstatement and plan and perform the engagement to obtain reasonable assurance that the Scope 1 GHG emissions are free from material misstatement, whether due to fraud or error;
- used our professional judgement to plan and perform the engagement to obtain limited assurance such that we are not aware of any material misstatements in the Scope 2 GHG emissions whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possesses the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

Our assurance conclusion is based on the evidence obtained from performing the following procedures:

Reasonable assurance – Scope 1 GHG emissions

- enquiries with management to understand the key systems, processes, and controls for collecting and reporting data for Scope 1 GHG emissions;
- walkthrough of key processes and analytical procedures;
- evaluating the appropriateness of the Criteria used by management;
- assessment of reporting boundaries;
- tests of detail including obtaining reconciliations of data related to Scope 1 GHG emissions to source systems and agreeing activity data to underlying sources on a sample basis;
- assessing emission factors and re-performing emission factor calculations; and
- reviewing the Sustainability Report in its entirety to ensure it is consistent with our overall knowledge of the assurance engagement.

Limited assurance – Scope 2 GHG emissions

- enquiries with management to understand the key systems, processes, and controls for collecting and reporting data for Scope 2 GHG emissions;
- walkthroughs of key processes;

- evaluating the appropriateness of the Criteria used by management;
- assessment of reporting boundaries;
- analytical procedures over the data including trend analysis;
- assessing emission factors and re-performing emission factor calculations; and
- reviewing the Sustainability Report in its entirety to ensure it is consistent with our overall knowledge of the assurance engagement.

How the Standard Defines Reasonable Assurance, Limited Assurance and Material Misstatement

Reasonable assurance is a high level of assurance but is not a guarantee that it will always detect a material misstatement when it exists.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than, for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion on the Scope 2 GHG emissions.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Virgin Australia.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the Assured Sustainability Information may occur and not be detected. An assurance engagement is not designed to detect all misstatements, as an assurance engagement is not performed continuously throughout the period that is the subject of the engagement and the procedures performed on a test basis. The conclusions expressed in this report have been formed on the above basis.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

Greenhouse Gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Use of this Assurance Report

This report has been prepared for the Directors of Virgin Australia for the purpose of providing an assurance conclusion on the Assured Sustainability Information and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Virgin Australia or for any other purpose than that for which it was prepared.

Management's Responsibility

Management are responsible for:
- determining that the Criteria is appropriate to meet their needs and the needs of the Directors;
- preparing and presenting the Assured Sustainability Information in accordance with the Criteria; and
- establishing and maintaining systems, processes and internal controls that enable the preparation and presentation of the Assured Sustainability Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform the reasonable and limited assurance engagements over the Assured Sustainability Information as presented in the table above for the year ended 30 June 2024, and to issue an assurance report that includes our conclusions based on the procedures we have performed and evidence we have obtained.

Our Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the *Accounting Professional and Ethical Standards Board* and complied with the applicable requirements of *Auditing Standard on Quality Management 1* to design, implement and operate a system of quality management.

KPMG

KPMG

Jason Adams
Partner

Brisbane, 5 December 2024

Emissions Data

Metric	Units	FY19 (Baseline)	FY22	FY23	FY24
Emissions					
Scope 1 Emissions[22]	tCO_2-e	2,628,259	1,301,912	2,268,986	2,480,837
Scope 2 Emissions (location-based)[23]	tCO_2-e	4,881	2,831	2,286	7,703
Scope 3 Emissions[24]	tCO_2-e	Not available	153,700	1,100,454	1,151,712
Emission Intensity (Aviation fuel combustion)[25]	gCO_2-e / RTK	942	1,071	889	916
Energy					
Energy consumption from Scope 1 fuel sources[22]	GJ	37,439,014	18,546,477	32,320,880	35,338,721
Energy consumption from purchased electricity[23]	GJ	21,999	12,939	11,666	40,082
Energy Intensity ratio of aviation fuel[26]	L / RTK	0.36	0.41	0.34	0.35

22. Scope 1 emissions and energy consumption include combustion of aviation fuel and other fuels from both domestic and international operations, calculated using the National Greenhouse and Energy Reporting (Measurement) Determination factors and methodology.

23. Scope 2 emissions (location-based) and energy consumption include consumption of purchased electricity, calculated using the National Greenhouse and Energy Reporting (Measurement) Determination factors and methodology.

24. Total indirect GHG emissions resulting from value chain activities (Scope 3) have been informed by the GHG Protocol Corporate Value Chain (Scope 3) Accounting & Reporting Standard. FY2024 Scope 3 emissions have reduced slightly due to changes in methodology.

25. Aviation fuel emissions intensity measured in grams of CO2-e per revenue-tonne-kilometres (RTKs) converted to CO2-e tonnes by the National Greenhouse and Energy Reporting (Measurement) Determination factors. Scope: All flights operated by Virgin Australia Holdings Limited.

26. Aviation fuel energy intensity measured in litres per revenue-tonne-kilometres (RTKs). Scope: All flights operated by Virgin Australia Holdings Limited.

Risks Data Tables

Risk Description	Potential Impacts	Mitigation Strategy
Chronic – Long-term changes and increased variability in weather patterns		
Wind – Changes in wind patterns and strength can impact runway utilisation (e.g., approach and departure procedures, reduced flight arrival and departure punctuality)	> Decreased or disrupted flying (flight delays and cancellations) that can impact revenue and operational expenditure	> 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
Heat – 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)	> Associated passenger inconvenience and reputational impacts	> 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
	> Increased use of fuel	
	> Safety issues – e.g. increased turbulence, or health and safety issues for ground crew from increased number of extreme heat days	> 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
Sea level rise – 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	> Network disruption and loss of access to airports, other aviation support facilities, critical infrastructure and supply chains	> We continue to work with aircraft
	> Disruption of goods and services to our operations (e.g. consumables)	> Manufacturers to evaluate and improve the safety of our aircraft, including under extreme weather conditions
Drought – Drought conditions can potentially lead to water restrictions, which can require water saving practices and technologies to be implemented	> Potential aircraft damage, leading to increased aircraft maintenance or repair costs	> We partner with airports and airport authorities within our network to address contingency plans and preparedness
	> Increased insurance premiums	
Acute – Increased incidence and severity of weather events		
Flooding – Flooding can impact the ability of flights to land, damage sites and infrastructure (including connecting transportation	> Decreased or disrupted flying (flight delays and cancellations) that can impact revenue and operational expenditure	> Virgin's Corporate Emergency Response Plan (CERP) guides our operational response to mitigate potential business disruptions, including the risks of acute weather events
	> Associated passenger inconvenience and reputational impacts	
	> Increased use of fuel	> We will continue to work to incorporate and refine the projected impacts of climate into design standards for physical assets, capital improvement plans, disaster management, emergency response and scheduling
Storms – Potential for more frequent and intense thunderstorms, sudden changes in wind direction or speed and turbulence	> Safety issues – e.g. increased turbulence, or health and safety issues for ground crew from increased number of extreme heat days	
	> Network disruption and loss of access to airports, other aviation support facilities, critical infrastructure and supply chains	
Bushfires – Bushfires can deteriorate visibility and can adversely affect air travel. Employees working in outdoor locations may be exposed to harmful air quality conditions in the event of a nearby bushfire	> Disruption of goods and services to our operations (e.g. consumables)	
	> Potential aircraft damage, leading to increased aircraft maintenance or repair costs	
	> Increased insurance premiums	

Risks Data Tables (Transition)

Risk Description	Potential Impacts (Financial/Operations)	Mitigation Strategy
Technology		
SAF Market	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. Advocating for the use of SAF Book & Claim accounting system in Australia. Book & Claim leverage production where it is most efficient, minimise logistics costs, help avoid additional emissions from transport, and promote competition.
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.	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 modernisation program, which helps our operations be more fuel-efficient.
Reputation		
Claims of greenwashing	All sustainability and climate-related disclosures, announcement and products must be communicated factually to avoid greenwashing.	Our sustainability communications are reviewed 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 and 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 internationally and domestically, following the issuance of the climate-related reporting obligations under the TCFD and the International Sustainability Standards Board (ISSB).	In 2024, 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. VA has developed a high-level gap analysis and is developing a roadmap for adherence with the Corporations Act reporting requirements and Australian Sustainability Reporting Standards (ASRS Standards), in particular the ASRS 2 Climate-related Financial Disclosures.

Sustainability Framework Index

Ref	Description	FY2024	Units
SASB			
TR-AL-110a.1	Gross global Scope 1 emissions	2,480,837	tCo2e
TR-AL-110a.2	Decarb Strategy and Performance	See pages 11-14	n/a
TR-AL-110a.3	Total fuel consumed	35,338,721	GJ
TR-AL-110a.3	% alternative	0	%
TR-AL-110a.3	% sustainable	0	%
TR-AL-310a.1	% of active workforce covered by EBA	79%	%
TR-AL-310a.2	Number of work stoppages	1,413	#
TR-AL-310a.2	Total days ideal	120	#
TR-AL-110a.2	Description, impact, corrective action	> Reason for work stoppage: New Enterprise Agreement > Impact on operations and corrective actions taken: Using overtime to cover stoppages, costing a significant amount to the business.	n/a
TR-AL-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	$0	$AUD
TR-AL-520a.1	Nature, context, corrective action	N/A	n/a
TR-AL-540a.1	Description of SMS	See pages 26-27	n/a
TR-AL-540a.2	Number of aviation accidents	0	#
TR-AL-540a.3	Number of governmental enforcement actions of aviation safety regulations	0	#
TR-AL-000.A	Available Seat Kilometres (ASK)	32,743,769,385	#
TR-AL-000.B	Passenger Load Factor	82%	%
TR-AL-000.C	Revenue passenger kilometres (RPK)	26,922,549,408	#
TR-AL-000.D	Revenue tonne kilometres (RTK)	2,706,549,163	#
TR-AL-000.E	Number of departures	140,824	#
TR-AL-000.F	Average age of fleet	13	years

TCFD Disclosures

Disclosure	Reference/Response
Governance: Disclose the organisation's governance around climate-related risks and opportunities	
Describe the board's oversight of climate-related risks and opportunities	p.36
Describe the management's role in assessing and managing climate-related risks and opportunities	p.36
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	
Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	pp. 15, 42, 43
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	pp. 15, 42, 43
Describe the resilience of the organisation's strategy, taking its consideration different climate-related scenarios, including a 2°C or lower scenario	pp. 15, 42, 43
Risk Management: Disclose how the organisation identifies, assesses and manages climate-related risks	
Describe the organisation's processes for identifying and assessing climate-related risks	pp. 15, 42, 43
Describe the organisation's processes for managing climate-related risks	pp. 15, 42, 43
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	pp. 15, 42, 43
Metrics and Targets	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	pp. 11-15
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	pp. 12, 41
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	pp. 11-15

Ref	Description	FY2024
GRI 403-9		
403-9 (a) (i)	Number of fatalities as a result of work-related injury	0
403-9 (a) (i)	Rate of fatalities as a result of work-related injury	0
403-9 (a) (ii)	Number of high consequence work-related injuries (excluding fatalities)	0
403-9 (a) (ii)	Rate high consequence work-related injuries (excluding fatalities)	0
403-9 (a) (iii)	Number of recordable work-related injuries	180
403-9 (a) (iii)	Rate of recordable work-related injuries	15.49
403-9 (a) (iv)	Main types of work-related injuries	Musculoskeletal
403-9 (a) (v)	Number of hours worked	11,618,212
	Lost Time Injury frequency rate (LTIFR)	10.85
403-9 (c) (i)	How are the hazards that pose a risk of high-consequence injury determined?	Risk Management Process
403-9 (c) (ii)	Which of these hazards have caused or contributed to high-consequence injuries during the reporting period?	N/A

Ref	Description	FY2024
403-9 (c) (iii)	Actions taken or underway to eliminate these hazards and minimise risks using the hierarchy of controls.	The hierarchy of controls analysis looks at how the risk control impacts the risk. It ranks the risk control from the highest level of protection and effectiveness through to the lowest and least effective protection. The aim of the hierarchy of controls is to use the higher level of protection that is practicably able to be achieved.
403-9 (d)	Any actions taken or underway to eliminate other work-related hazards and minimise risks using the hierarchy of controls.	Musculoskeletal and other work-related injuries can be minimised by prioritising elimination and reduction of hazards through ergonomic design, task rotation and training programs. Administrative controls such as warm-up routines and rest breaks are incorporated to further mitigate risk of an injury. Personal protective equipment is included, when necessary, but as a last line of defence. By following this hierarchy, Virgin Australia creates a safe and healthy work environment for all employees.
403-9 (e)	Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked.	1,000,000
403-9 (f)	Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.	N/A

	FY2024	FY2023
GRI 2-7 (a)		
(i) Gender		
Female	3,723	3,707
Male	4,107	3,921
TOTAL	**7,830**	**7,628**
(ii) Region		
ACT	8	11
NSW	1,848	1,746
NT	2	2
QLD	2,906	2,853
SA	466	471
TAS	4	4
VIC	1,753	1,727
WA	843	814
TOTAL	**7,830**	**7,628**

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
GRI 2-7 (b)								
Permanent								
Female	1	888	0	1,359	204	0	733	392
Male	7	907	2	1,411	249	4	967	441
Temporary								
Female	0	35	0	74	9	0	26	2
Male	0	18	0	62	4	0	27	8
Non-guaranteed hours								
Female	0	27	0	30	9	0	25	1
Male	0	17	0	29	4	0	27	2
Full-time								
Female	1	621	0	983	126	0	465	331
Male	7	650	2	1,196	164	4	705	440
Part-time								
Female	0	275	0	420	78	0	269	62
Male	0	258	0	248	85	0	262	7

GRI 2-7 (c)

The numbers are reported in head count as at the end of the reporting period.

	FY2024	FY2023
GRI 2-8 (a)		
Managed Services	3,780	5,412
Professional Services	1,251	186
TOTAL	**5,031**	**5,598**

GRI 2-8 (b)

The numbers are reported in head count as at the end of the reporting period.

GRI 2-8 (c)

Fluctuation in Professional Services contractors due to increase in data quality checks and reviews correctly classifying contractors.

Ref	Description	FY2024
GRI 2-30		
GRI 2-30 (a)	Report the percentage of total employees covered by collective bargaining agreements;	79%
GRI 2-30 (b)	For employees not covered by collective bargaining agreements, report whether the organisation determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organisations.	Team members who are not covered by an EA generally work in Head Office, for Velocity or perform a leadership role.

Total number of new employee hires (GRI 401-1)

	FY2024	FY2023
(i) By age group		
0-17	1	0
18 - 24	401	673
25 - 34	431	617
35 - 44	264	435
45 - 54	239	407
55 - 64	108	156
65 - 74	4	15
75 - 84	0	1
TOTAL	**1,448**	**2304**
(ii) By gender		
Female	704	1,188
Male	744	1,116
TOTAL	**1,448**	**2,304**
(iii) By region		
ACT	1	8
NSW	399	634
NT	0	8
QLD	502	737
SA	55	144
TAS	0	5
VIC	346	617
WA	145	148
Other	0	3
TOTAL	**1,448**	**2,304**

Total number of employee turnover (GRI 401-1)

	FY2024	FY2023
(i) By age group		
18 - 24	271	
25 - 34	341	
35 - 44	273	
45 - 54	222	
55 - 64	119	
65 - 74	19	
75 - 84	0	
TOTAL	**1,245**	
(ii) By gender		
Female	691	
Male	554	
TOTAL	**1,245**	
(ii) By region		
ACT	3	
NSW	292	
NT	0	
QLD	466	
SA	60	
TAS	0	
VIC	302	
WA	122	
Other	0	
TOTAL	**1,245**	

Turnover Rate = 15.9%

Total number of employees entitled to parental leave (GRI 401-3)

	FY2024	FY2023
Male	3,787	4,849
Female	3,526	3,783
TOTAL	**7,313**	**8,632**

Total number of employees who took parental leave (GRI 401-3)

	FY2024	FY2023
Male	11	10
Female	28	52
TOTAL	**39**	**62**

Total number of employees who returned to work after parental leave ended (GRI 401-3)

	FY2024	FY2023
Male	11	10
Female	28	52
TOTAL	**39**	**62**

Return to work rates (GRI 401-3)

	FY2024	FY2023
Male	100%	100%
Female	100%	100%
TOTAL	**100%**	**100%**

GRI 401-3 (e) – Retention rates

	FY2024	FY2023
Male	91%	100%
Female	96%	94%
TOTAL	**95%**	**95%**

VAH Board Diversity (GRI 405-1)

	FY2024	FY2023
Male		
Under 30		
30 - 50		50%
Over 50		33%
Female		
Under 30		
30 - 50		
Over 50		17%

	18-24	25-34	35-44	45-54	55-64	65-74	75-84	TOTAL
GRI 405-1 (b)								
Female								
EBA	7%	11%	9%	7%	3%	0%	0%	**37%**
Non-EBA	0%	3%	4%	3%	1%	0%	0%	**11%**
Male								
EBA	4%	7%	10%	12%	7%	1%	0%	**42%**
Non-EBA	0%	2%	4%	3%	1%	0%	0%	**11%**

GRI Content Index

This index identifies selected disclosures contained within the Global Reporting Initiative (GRI) Standards 2021 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, 2023 to 30 June, 2024.

GRI Standard/Other source	Disclosure	Page/Reference/Notes
GRI 2: General Disclosures 2021		
The organisation and its reporting practices		
2-1: Organisational details	p.4	
2-2: Entities included in the organisation's sustainability reporting	p.4	
2-3: Reporting period, frequency and contact point	pp. 6, 54	
2-4: Restatements of information	p.38	
2-5: External assurance	pp. 39-40	
Activities and workers		
2-6: Activities, value chain and other business relationships	p.4	
2-7: Employees	p.47	
2-8: Workers who are not employees	p.48	
Governance		
2-9: Governance structure and composition	p.36	
2-11: Chair of the highest governance body	p.36	
2-12: Role of the highest governance body in overseeing the management of impacts	p.36	
2-13: Delegation of responsibility for managing impacts	p.36	
2-14: Role of the highest governance body in sustainability reporting	p.36	
2-15: Conflicts of interest	p.32	
2-16: Communication of critical concerns	p.32	

GRI Standard/Other source	Disclosure	Page/Reference/Notes
Strategy, policies and practices		
2-22: Statement on sustainable development strategy	p.3	
2-23: Policy commitments	p.32	
2-24: Embedding policy commitments	p.32	
2-25: Processes to remediate negative impacts	p.32	
2-26: Mechanisms for seeking advice and raising concerns	p.32	
2-27: Compliance with laws and regulations	p.32	
Stakeholder engagement		
2-29: Approach to stakeholder engagement	p.9	
2-30: Collective bargaining agreements	p.24	
Material topics		
GRI 3: Material Topics 2021		
3-1: Process to determine material topics	p.9	
3-2: List of material topics	p.9	

GRI Standard/Other source	Disclosure	Page/Reference/Notes
Climate change		
GRI 3: Material Topics 2021		
3-3: Management of material topics	pp. 11-16	
GRI 302: Energy 2016		
302-1: Energy consumption within the organisation	p.41	
302-2: Energy consumption outside the organisation	p.41	
302-3: Energy intensity	p.41	
302-4: Reductions of energy consumption	pp. 11-15	
302-5: Reductions in energy requirements of products and services	pp. 11-15	
GRI 305: Emissions 2016		
305-1: Direct (Scope 1) GHG emissions	p.41	
305-2: Energy indirect (Scope 2) GHG emissions	p.41	
305-3: Other indirect (Scope 3) GHG emissions	p.41	
305-4: GHG emissions intensity	p.41	
305-5: Reduction of GHG emissions	pp. 11-15	

GRI Standard/Other source	Disclosure	Page/Reference/Notes
Waste		
GRI 3: Material Topics 2021		
3-3: Management of material topics	pp. 17-18	
GRI 306: Waste 2020		
306-1: Waste generation and significant waste-related impacts	pp. 17-18	
306-2: Management of significant waste-related impacts	pp. 17-18	
306-3: Waste generated	pp. 17-18	
Safety and Wellbeing		
GRI 3: Material Topics 2021		
3-3: Management of material topics	pp. 25-27	
GRI 403: Occupational Health and Safety 2018		
403-1: Occupational health and safety management system	pp. 25-27	
403-2: Hazard identification, risk assessment and incident investigation	pp. 25-27	
403-3: Occupational health services	pp. 25-27	
403-4: Worker participation, consultation and communication on occupational health and safety	pp. 25-27	
403-5: Worker training on occupational health and safety	pp. 25-27	
403-6: Promotion of worker health	pp. 25-27	
403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pp. 25-27	
403-8 Workers covered by an occupational health and safety management system	pp. 25-27	
403-9: Work-related injuries	p.46	

GRI Standard/Other source	Disclosure	Page/Reference/Notes
Employee Engagement and Development		
GRI 3: Material Topics 2021		
3-3: Management of material topics		pp. 21-24
GRI 401: Employment		
401-1: New employee hires and employee turnover		p.49
401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees		p.49
401-3: Parental leave		p.49
GRI 402: Labour/Management Relations		
402-1: Minimum notice periods regarding operational changes		p.24
GRI 404: Training and Education 2016		
404-2: Programs for upgrading employee skills and transition assistance programs		p.22
404-3: Percentage of employees receiving regular performance and career development reviews		p.23
Cybersecurity and Privacy		
GRI 3: Material Topics 2021		
3-3: Management of material topics		pp. 33-34
GRI 418: Customer Privacy 2016		
418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data		pp. 33

GRI Standard/Other source	Disclosure	Page/Reference/Notes
Inclusive and Diverse Workplace		
GRI 3: Material Topics 2021		
3-3: Management of material topics		pp. 21-30
GRI 405: Diversity and Equal Opportunity 2016		
405-1: Diversity of governance bodies and employees		pp. 49
405-2: Ratio of basic salary and remuneration of women to men		p.22
Business Ethics and Risk Management		
GRI 3: Material Topics 2021		
3-3: Management of material topics		pp. 32
GRI 204: Procurement Practices 2016		
204-1: Proportion of spending on local suppliers		p.4

Legal 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. Forwardlooking 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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