



Signatory Name: Virgin Australia Airlines

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

Status: Complete

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

Yes

5. Industry sector (please select 1 only):

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

6. Industry type (please select 1 only):

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

7. Please indicate your organisation's reporting period:

- Financial Year: 1 July 2013 – 30 June 2014
- Calendar Year: 1 January 2014 – 31 December 2014

8. Please indicate the entire period your accepted APC Action Plan covers (e.g. 2011-2014)

Start Date:

End Date:

Goal 1: Design

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

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

Yes No

Provide details of policies and procedures

Virgin Australia Sustainable Procurement Policy.

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

30 %

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

Yes No

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

50 %

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

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

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

Significant changes have been made to on board and on ground product options as part of the airline's transformation. The pace of change has required ongoing focus by our procurement and product teams, and provided new opportunities to improve packaging.

Goal 2: Recycling

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

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

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

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

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Scope out on board recycling program for delivery within 18-24 months.	On-board recycling trials were undertaken and evaluated, and implementation plans commenced.

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

During the period Virgin Australia has continued to invest in new terminal and lounge facilities, which created additional waste streams and additional opportunities for recycling packaging. Improvements were made to the levels and volumes of recycling from lounges, terminals and offices, particularly glass and plastic bottles and paper products.

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

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

Yes No

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

Our tender processes require suppliers to provide information about the levels of recycled materials in the product or packaging being supplied. This allows our product and procurement teams to analyse the packaging options available and make a decision consistent with our Sustainable Procurement Policy.

19. Is this policy actively used?

Yes No

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

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

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

Since the 2014 financial year, further opportunities to work with our suppliers to improve packaging have been identified, and are being actioned as appropriate.

Goal 3: Product Stewardship

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

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

Yes No

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

Virgin Australia Services Agreement. Virgin Australia Sustainable Procurement Policy.

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

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Improve product packaging outcomes and recycling rates through collaboration with suppliers.	Virgin Australia works with suppliers to improve the environmental impacts of the packaging of the items that we purchase. We set our expectations through our tender processes and supply agreements as well as through our Sustainable Procurement Policy. We then work with our suppliers to look at the nature of the packaging supplied and seek to ensure that these materials can, where possible, be recycled.

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

KPI 7: % signatories showing other Product Stewardship outcomes.

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

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Virgin Australia has a broad range of environmental programs beyond the recycling of packaging.	<p>Virgin Australia's largest environmental impact relates to our emissions from jet fuel combustion (approximately 98%). For this reason we have a large focus on fuel efficiency programs and during the year undertook a range of projects to reduce fuel burn and improve operational efficiencies. We are also actively involved in projects to progress the development and commercialisation of advanced aviation biofuels.</p> <p>Virgin Australia seeks to recycle a range of products in addition to packaging (engine oils, greases and lubricants, used cooking oil, toner cartridges, paper etc). We also have programs designed to reduce our electricity and water use and have implemented solar power to support some of our ground service equipment fleet.</p>

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

Yes

No

If yes, please give examples of other product stewardship outcomes

We source a range of our products through sustainable sources (for example sustainable seafood products for our business class meals) and focus on products with other positive social benefits such as purchasing products from indigenous organisations.

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

There are a range of operational constraints on how we operate our aircraft that lead to additional environmental impacts (for example air traffic control requirements).

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

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

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

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

Virgin Australia does not control the waste contracts and recycling contracts at the majority of airport terminals in which we operate. This means we have to work with a number of different parties to implement recycling programs for waste from our aircraft and from within our lounges and terminals. Strict quarantine restrictions also impact the ability to recycle waste from our international operations.

Your Experiences

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

30. Key achievements or good news stories

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

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

Virgin Australia are continuing to work on an in-flight recycling solution across our domestic fleet. We have made considerable progress towards this outcome but due to a range of other in-flight changes, the program did not commence in FY 14.