



Signatory Name: Virgin Australia Airlines Pty Ltd

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

Status: In Progress

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 2015 – 30 June 2016
- Calendar Year: 1 January 2016 – 31 December 2016

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 Group Sustainable Procurement Policy and Virgin Australia Group Sustainable Procurement Supplier Commitments

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?

75 %

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

90 %

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.	Conduct a review of all suppliers - 100% by 2021	With the re-launch and update of the Sustainable Procurement policy there is a renewed awareness of the need to review suppliers. Since the policy was re-launched we have been working with certain areas of the business that will have the most suppliers and therefore the biggest impact, being procurement and our in-flight teams. So far we have reviewed approximately 15% of our suppliers.

2.	Obtain signed supplier sustainability commitments from all suppliers - 75% by 2018; 100% by 2021	<p>Our Sustainable Procurement Policy requires our suppliers to sign up to a series of commitments as follows:</p> <ul style="list-style-type: none"> • To commit to embracing the Sustainable Procurement Policy and these Supplier Commitments; • To assign a senior member of your business to actively promote compliance and to work with Virgin Australia on related activities; • To ensure an active monitoring process is in place to verify the Sustainable Procurement Policy and Supplier Commitments are being met; • To immediately report breach of the Sustainable Procurement Policy or these Supplier Commitments to Virgin Australia and to provide a process for corrective actions to be set up and followed through; • To provide any information or documentation that Virgin Australia, or its appointed representatives, may request to establish compliance with the Sustainable Procurement Policy and these Supplier Commitments; • To provide access to Virgin Australia, or its appointed representatives, to facilities, manufacturing plants or other sites as identified for the purposes of auditing compliance with the Sustainable Procurement Policy or these Supplier Commitments; • The Supplier's workforce (including those not directly employed by the Supplier i.e. agency staff, contractors and subcontractors), and any companies providing goods or services to the supplier, should be made aware of the Sustainable Procurement Policy and these Supplier Commitments <p>We have engaged with many of our suppliers on the above commitments and will continue to work with them to ensure our supply chain is in line with our values and broader commitments.</p>
3.	Provide catering contractor(s) with a copy of our APC Action Plan and undertake a review with the catering contractor to identify opportunities to minimise packaging - 100% by 2019	Our major catering contract is currently under review. The APC Action Plan as well as our Sustainable Procurement Policy & Supplier Commitments have been included as key areas of consideration through this review process.
4.	Promote product innovation through the Virgin Australia Ideas Lab and hold at least one competition every year to improve packaging outcomes - 5 ideas implemented by 2021	We ran an Ideas Lab competition to help with our uniform procurement and recycling. We are still working through the logistics of putting the new program in place.

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

Virgin Australia has over 9,000 suppliers. In order to minimise disruption to the business and to ensure we are targeting those suppliers with the largest impact, we have chosen to roll out the sustainable procurement policy and supplier commitments in stages based on different areas of the business, beginning with our In-flight Services team.

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.	Implement on-board recycling across domestic fleet - 80% by 2019; 100% by 2021	We have processes in place to recycle all relevant catering products off our A330 fleet and we are developing procedures to enable recycling off our shorter routes covered by our 737 aircraft. The development of these procedures has been in collaboration with all areas of the business involved, e.g. cabin crew, procurement, in-flight products, sustainability, facilities, catering, etc.
2.	Implement on-board recycling across international fleet - 50% of planes by 2019; 100% of planes by 2021	We currently recycle amenity kits and pyjamas from our long haul aircraft. We are in discussion with a number of airports across our network about the ability to commence recycling within the parameters of international quarantine regulations.
3.	Implement organic waste collection across key Virgin facilities - Virgin Village, Lounges and Catering Centres by 2018; All other locations by 2021	We are currently undergoing a re-design of our office spaces, which will incorporate improved recycling opportunities, including the introduction of organic waste. We are working with our catering providers for recycling solutions at their catering centres. We are recycling coffee grounds out of our lounges to reduce this waste stream. These are being used to grow mushrooms.
4.	Implement standard recycling (co-mingled) at all Virgin locations (Lounges, maintenance, pit crew, guest services, etc.) - All locations by 2019	We continue to add recycling options across the business. Currently approximately 80% of our employees have access to co-mingled recycling including all offices, check-in desks in major airports, catering, training centres, engineering at major airports and off our A330 aircraft.

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

Strict quarantine rules at all international airports in Australia restricts our ability to recycle any items off our aircraft.

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)

The Sustainable Procurement Policy has clear guidelines on what procurement should look for when choosing new products, including to maximise re-usable or recycled products.

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.	Ensure products (where possible) contain at least some recycled materials - 25% by 2018; 50% by 2021	The Sustainable Procurement policy was re-launched in FY16 and this is now being used as part of a complete re-design of our in-flight product suite. All new products coming into our fleet will have a strong sustainability focus. Particularly, we choose products that maximise re-usable or recycled products.
2.	Collaborate at the industry level to improve airline and airport supply chains - Ongoing improvement	We have regular meetings with major airports across Australia to find new opportunities to improve our supply chain processes.

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

As the procurement policy was re-launched in the reporting year, there hasn't been sufficient time to significantly impact our targets.

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 Sustainable Procurement Policy and Supplier Commitments.

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.	Engage stakeholders from other organisations within sustainability teams to build pathways to partnership across the broader business - Ongoing improvement	Through a variety of industry events and organisation we are members of, we have the opportunity to build relationships with many other like-minded organisations. We have established sustainability focused partnerships with a number of other businesses and are actively looking for ways to grow the impacts of these partnerships.

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

Often businesses have diverging strategic objectives and it is difficult to find common areas to collaborate on. The key decision makers are not always part of the process, making some initiatives difficult to get over the line.

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.	Continue to develop environmental partnerships, such as carbon offset projects and other relevant initiatives - Have at least 2 partnerships by 2018 & 5 by 2021	We have relationships with large corporations that will help facilitate the support of specific offset projects and other environmental organisations. Starting with our key partners across our business, we are finding common ground and ways to collaborate to achieve outcomes that are beneficial to both the businesses as well as the projects we support.
2.	Promote the benefits of reduced packaging and recycling through communication channels - 100% by 2020	Our current negotiations with our catering company has a strong emphasis on recycling and reduced packaging. Once we have refreshed our product suite in-flight, we will communicate through our in-flight announcements, in our in-flight entertainment as well as through our in-flight magazine.

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

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

Partnerships take time to develop and reach mutually beneficial outcomes.

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.	Update in-flight procedures and/ or communications (e.g. Voyeur) to ensure guests are aware of recycling options available after they disembark - 100% by 2018	As we develop our recycling procedures in-flight, we will update our communications through our in-flight announcements, entertainment system and magazine to ensure that our guests are aware of and become familiar with their recycling options.

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

Airports may not have sufficient signs that will assist our guests in finding recycling options once they depart our aircraft.

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

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

Ongoing changes in flying patterns for our aircraft and in flight food and beverage products have had impacts on our recycling rates off our domestic fleet.