

Virgin Red Modern Slavery Statement  
Financial Year End 2022

# **Modern Slavery Statement**

## **2022**

## Introduction

This transparency statement has been published in accordance with the Modern Slavery Act 2015 ("Modern Slavery Act") for the 2022 financial year end and provides information about the business and supply chains of Virgin Red Limited.

The Virgin Group support the global fight against labour abuse and modern slavery in business operations and supply chains and are vocal champions of supply chain transparency.

The Modern Slavery Act 2015 defines "slavery and human trafficking" as the offences of "slavery, servitude and forced or compulsory labour" and "human trafficking", which together constitute "modern slavery" for the purposes of this transparency statement. However, given modern slavery is one of the worst forms of human rights abuses in supply chains, for this transparency statement, the term should be taken in its widest context to include wider human rights abuse that can create environments where modern slavery can thrive, such as other forms of labour and worker exploitation.

Virgin Red has a zero-tolerance position towards modern slavery and human trafficking in all forms. Modern slavery is wholly incompatible with our ethics and the general standards of integrity expected of all our partners, suppliers, and employees. This statement sets out our approach as well as the steps we have taken to prevent modern slavery in our business and supply chains.

## About Virgin Red

Virgin Red is part of the Virgin Group, and is headquartered in London, United Kingdom. Virgin Red operates a loyalty programme offering exclusive offers and rewards from Virgin companies and other partners. Virgin Red's existing platform comprises a website and mobile app, via which anyone eligible can join Virgin Red to access offers and rewards. Our partners operate in a variety of sectors, including travel, leisure, finance and other services and consumer goods.

We work with numerous suppliers, most prominently in connection with the operation of our loyalty platforms. Virgin Red is also a supplier to other Virgin companies and partners of loyalty-related services.

## Understanding and risk assessing our supply chain

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As a technology business, we outsource services in relation to our platforms to third party suppliers. We are firm in our commitment to using ethical suppliers and taking steps to mitigate the risk of use of inhumane and illegal practices in our supply chain.

We use supplier monitoring tools and risk assessment software to better understand our suppliers. We consider each supplier individually and measure the risks of slavery and human trafficking occurring within these suppliers continuously.

The bulk of our procurement by spend is on third party services to support our business, including information technology services and technology development. We also procure some other services including legal support, consultancies, brand and marketing agencies, facilities, and travel, as well as a limited selection of goods including office furniture, food and beverages for our offices and IT equipment.

The majority of our spend is on goods and services provided by suppliers in Europe or the USA. Our Procurement Director oversees all our purchasing contracts, and assesses the risks posed by the relevant supply chain.

## **Due Diligence and Risk Mitigation**

Due diligence is undertaken to ensure compliance with our policies detailed below. Further assurance is provided (as part of the approval process for all new suppliers) from both the department head and our Procurement Director. Our general supply chain response applies to all suppliers, regardless of jurisdiction or location of operation. In addition, those identified as at higher risk of modern slavery (whether through procurement category, country of operation or volume of spend) are subject to further due diligence and remediation action plans.

## **Our policies to mitigate the risk of modern slavery**

We work to the highest possible standards of ethical conduct and expect the same from our people and the people and companies we work with to ensure that we are a responsible business. Our ways of working and ethics are reflected in our organisation policies and procedures.

In 2022, we updated our 'Purpose Filter' and Supplier Code of Conduct with additional guidance. These help to support our policies and reflect how we work with supply chains, protect those who work for us, and we work with and the

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environment.

Our **Anti-Slavery Policy** sets out our zero-tolerance stance on modern slavery and human trafficking. The policy provides our employees with guidance on how to identify and report slavery concerns, if necessary, using our separate Whistleblowing Policy.

Our **Know Your Partner Policy** sets out how we risk assess and conduct due diligence on new suppliers. This helps us evaluate potential risks associated with a supplier, for example whether the supplier (or a substantial part of their upstream supply chain) is in a country known for labour abuses.

Our **Supplier Code of Conduct** sets out the labour, social and environmental standards that we expect of our suppliers and their subcontractors, subsidiaries and own suppliers to adhere to. The Supplier Code of Conduct states that suppliers are required to ensure there is no slavery, forced labour or human trafficking in their business or at any stage of their supply chain and those suppliers who manufacture products should meet the provisions of the Ethical Trading Initiative Base Code or similar standards.

We continue to incorporate evolving best practices and ensure our anti-modern slavery approach remains consistent with government guidance and market practice.

## General Supply Chain Response

All new suppliers are issued with our Supplier Code of Conduct as part of our supplier onboarding process.

When entering into an agreement with new suppliers we conduct a due diligence exercise and undertake a risk assessment of that supplier in a manner outlined by our Know Your Partner Policy.

We actively look to impose contractual commitments on material suppliers requiring them both to comply with applicable law, specifically including the Modern Slavery Act, and to comply with our Supplier Code of Conduct.

## Our employees

All Virgin Red employees and staff are expected to complete and pass our anti-slavery course and test upon joining Virgin Red. We provide our employees with

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guidance on how to identify and report slavery concerns, if necessary, using the separate Virgin Red Whistleblowing Policy and/or Anti-Slavery Policy.

Employees are also required to complete a refresher anti-slavery course as part of their employment with Virgin Red. The refresher course will be completed by all employees in 2023.

Where employees are directly involved in procurement processes, we ensure that relevant members receive additional, separate and specific training on ethical procurement of suppliers in order prevent use of slavery and human trafficking from the very start of our working relationship with individuals and organisations. Our people are our priority, and our employees are encouraged to report any concerns that they may have with suppliers, partners or any other third party.

## Priorities for the future

In our 2022 shared objectives – we highlight the need to ensure every strategic and business decision is made in accordance with our Vision and purpose pillars and outlined our plan to introduce a purpose decision making filter into the business. In 2023, we will embed the purpose filter into our business practices.

We will create a dedicated Sustainability Policy and we will continue to develop and improve our policies, procedures, codes of practice, requirements and monitoring processes to address issues of human rights.

We continue to incorporate evolving good practices and ensure our anti-modern slavery approach remains consistent with government guidance and market practice.

## Approval

Virgin Red is providing this statement pursuant to section 54(1) of the Modern Slavery Act 2015 for the financial year ending 31 December 2022.

DocuSigned by:  
  
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Andrew Swaffield  
CEO

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This statement is signed by the CEO of Virgin Red, Andrew Swaffield and was approved by the Virgin Red Board of Directors on 30 June 2023.