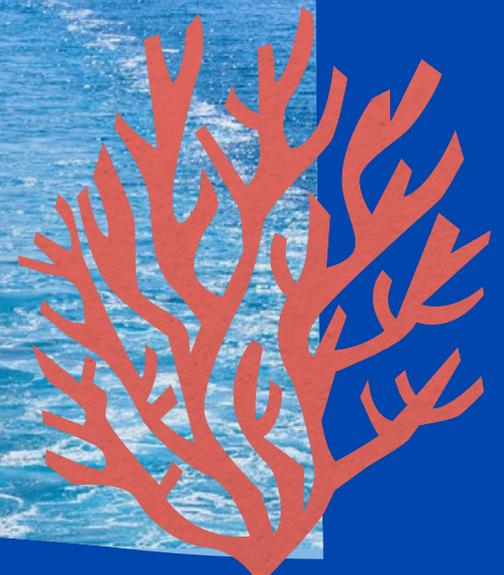


REPORT • 2021-2022 • ESG



# THIS SEA CHANGE IS REAL



## ABOUT THIS REPORT

This report is in alignment with the Sustainability Accounting Standards Board (SASB) standards for Cruise Lines. The reporting period is January 2021 - December 2021, unless otherwise stated. Questions about this report can be directed to the Senior Director of Sustainability and Social Impact at [impact@virginvoyages.com](mailto:impact@virginvoyages.com).

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# Welcome Aboard

## Letter from the CEO

Here at Virgin Voyages, we've set out to create what we call an **Epic Sea Change For All**, because sailing should feel and be transformative.

2021 was a year of exciting milestones for us, and we've never been more proud of what we were able to accomplish; **setting sail with our first ship, Scarlet Lady**, for the very first time and capturing the hearts of Sailors and critics alike. With **the most 5-star reviews on Tripadvisor** among cruise lines and receiving **Cruise Critic's 2021 New Cruise Ship award**, we're thrilled the world is just as enamored with what we've created as we are.

And despite the new challenges of navigating travel with COVID-19, we've made it our top priority to create a **healthy and safe environment** for our **Sailors, Crew, and Communities**.

2022 brings our latest ship, **Valiant Lady** into service with regular calls out of Barcelona and Miami, and excitement for two additional ships to come, **Resilient Lady** and **Brilliant Lady**.

This is our first impact report and while we have more work to do, we're proud of our progress and pleased to share our overall plans — to make Virgin Voyages the kind of place our people are proud to be a part of, our Sailors are proud to travel with, and our stakeholders can continue to believe in.



**Tom McAlpin**  
CEO, Virgin Voyages



# About Virgin Voyages



Rooted in our purpose to create An Epic Sea Change for All, Virgin Voyages aims to create experiences that connect our Sailors — to people, places, and paths they never thought to wander.



Cruise Critic's 2021

**Ship of the Year** and five Travel Weekly Magellan Awards



**Home ports**

in Miami, San Juan, Barcelona, Piraeus (Athens)



**First cruise**

set sail August 2021



Each ship has **capacity for 1,150 Crew and 2,770 Sailors**



**4 ships in service** by 2024



**20+ world-class eateries** with menus curated by Michelin-starred chefs



New **LEED Gold terminal** in Miami, FL



**Group fitness classes** included in voyage fare



**93% of cabins have ocean views**

# An Epic Sea Change For All

This is our company purpose. It drives all we do and the decisions we make.

In short, our purpose is about “changing sailing for good” and creating positive change for people and the planet.

## DEFINITION

**Epic** [epik] *adjective*

Awesome, grand, remarkable.

**Sea Change** [sē] *noun* | [cHānj] *verb*

A major transformation or change for the better that's brought on by the action of the sea.

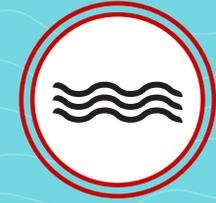
**For All** [fôr] *preposition* | [ôl] *noun*

To benefit the people and the planet.



## Our Sailors

Delivering transformational life experiences



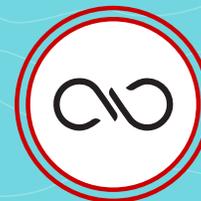
## Our Ocean

Securing a healthy future for our ocean



## Our Communities

Building positive entrepreneurial relationships



## Our Partners

Developing open and rewarding partnerships



## Our Crew

Providing a caring and generous place to work

# ESG Strategy

Using an environmental, social, and governance lens, we have defined key priorities that are essential to delivering on our purpose.

Our priorities represent a launching point to meet larger goals in the years ahead as we expand our operations and create more epic experiences for both our Sailors and the places we're so fortunate to visit.



4



## OUR PARTNERS

- Minimize supply chain risks and amplify impact through like-minded partnerships

3



## OUR COMMUNITIES

- Develop strong relationships in our communities
- Promote sustainable and responsible tourism
- Make a positive impact

5



## OUR CREW

- Ensure Crew safety and well-being
- Create a culture that reflects our Creeds and purpose
- Enhance crew mix and representation across nationalities and gender
- Develop and retain talent

1



## OUR SAILORS

- Ensure Sailor safety and well-being
- Embed sustainability into the Sailor experience and engage them in our commitments

2



## OUR OCEAN

- Minimize environmental impact of operations
- Advance a net-zero future
- Be a champion for ocean health

# Health and Safety



## Ensuring the health and safety of our Sailors and Crew is always our top priority.

We comply with the International Convention for the Safety of Life at Sea (SOLAS) and International Safety Management Code. The Vice President of Marine Operations and the Head of Compliance oversee all safety related matters, maintain and update policies in our Management System, and review safety incidents with the Senior Leadership Team (SLT) on a regular basis. Additionally, shipboard Crew are regularly trained to uphold safety requirements and ensure swift response in the event of an emergency.

### What we do:

- Our duty of care to our sailors, crew, and partners is our priority and we create safe conditions for work and play.
- We proactively identify and assess risks to health, safety, and the environment in our operations and we implement safe working practices and controls to minimize any risks and negative impacts from our operations.
- We act with honesty and integrity at all times. We lead with a spirit of accountability and care. We welcome questions, suggestions, and feedback.
- We handle genuine mistakes fairly and treat incidents and near-misses as important learning opportunities.
- We provide our crew and partners with the equipment and training that they need to do their jobs safely and minimize negative impacts on the environment.
- We comply with or exceed all legal and statutory, safety and environmental requirements.
- We are committed to continuous improvement. We set clear objectives and targets, then we measure, review and report our safety and environmental performance so that we can prioritize areas for improvement.
- We expect our partners and suppliers to work towards the same goals and promote industry best practices.

*Safely sea you soon!*

# Responding to COVID-19

Our Voyage Well initiative is our commitment to keeping our Sailors and Crew healthy and safe while sailing the high seas. Together with leading health experts, the Centers for Disease Control, and close industry coordination — we developed and implemented **stringent protocols to prevent the prevalence and spread of COVID-19 onboard**. Through these efforts, we successfully launched our first revenue sailings in August 2021. Our **new health and safety measures** included vaccination requirements, pre-voyage testing, enhanced air filtration systems, robust sanitation protocols, masking where applicable, and a variety of other initiatives. And as the world changes, we continue to review and refine our protocols to maintain a **safe environment for everyone**.



# OUR SAILORS

**Curating an epic experience for our Sailors is at the heart of every choice we make**

From the very moment our Sailors book with us to the point they disembark, we aim to create an irresistible and seamless vacation at sea. We've built ships and offshore experiences where everyone is welcome – celebrating individuality and inclusiveness. No matter who they are, where they come from, or how they like to vacation, we have plenty of ways to explore, relax and let go.

**>70% of Sailors** agree we take our **commitment to social and environmental responsibility** seriously

**>50% of Sailors** in a post-voyage survey say we **inspired them to live a more sustainable life**

**30,000 Sailors** hosted August - December 2021

**Over \$600 of value** is always included

**78% Customer Satisfaction** score

**Adult-by-design** sailings for 18+ traveler



# The Best Holiday at Sea



By building a midsize ship instead of a larger one, we've challenged what's currently out there by creating a boutique hotel experience at sea — an adults-only, relaxed version of luxury.

From ditching buffets for individual eateries and our jaw-dropping entertainment, to our late-stays and overnights in gorgeous destinations, we've designed an experience at sea unlike anything out there.

## Vitamin Sea

Vitamin Sea is an ideology inspired by the oceans and their importance in the health and well-being of our planet and our daily lives.

It's integrated across the Sailor experience with the wellness options available onboard to feed one's body and soul whether that's a high-intensity workout, seeking serenity through meditation, having a fresh juice and healthy brunch, or dancing the night away.



# Sustainability as a Brilliant Basic

Sustainability is a core part of the Sailor experience.

This comes to life in many ways, including through our focus on **reusable items** and efforts to serve **high-quality, ethically-sourced food and beverages**. We hope these endeavors inspire them to make a difference long after their voyage with us, whether that means adopting mindfulness, reducing their consumption of single-use plastics, or giving back to ocean conservation organizations.



**In our post-voyage survey, more than half of our Sailors said we inspired them to live more sustainably.**



## The Band

Upon boarding, each Sailor is given a wearable device, called “The Band.” This bracelet serves as access keys to the entire experience onboard. It allows you to unlock your cabin and pay for items onboard. Through our collaboration with **BIONIC Yarn**, the bracelet rope material is made from six grams of marine and coastal plastic, equivalent to one-half of a plastic water bottle, and **represents the removal of two pounds of plastic from the environment**. After the voyage, the magnetic piece of the band can be easily removed so the bracelet can be a post-journey keepsake.



# OUR OCEAN

## When it comes to our ocean, our ambition is to secure a healthy future

Taking action on climate change, minimizing the impacts of our operations, and doing our part to restore ocean health are all critical to our business. Our approach to protect the open seas is holistic — in each and every action, we aim to set a new standard for sailing.

The only tip we ask for onboard is a **tip for ocean conservation**

**Banned** unnecessary **single-use plastics** from the Sailor experience

**Reef-safe** sunscreen sold onboard

Source **sustainable fish** and **seafood**

Early adopter of **Climeon technology** for generating electricity

“

**There is nothing more important in this world than our oceans, and we're on a mission to protect them and set an example. Success needn't compromise sustainability.”**

SIR RICHARD BRANSON



# Navigating a Low-Carbon Future

Climate change is the biggest threat facing our ocean. To be a champion for ocean health means taking immediate action to be part of the solution while also planning for long-term improvements.



## Efficient Design

We designed our ships for optimal efficiency, featuring technologies to reduce fuel consumption. All of our ships have **fuel-efficient hulls** and **low-friction paint** to reduce drag, along with **state-of-the-art onboard technologies** to optimize energy performance. Additionally, our diesel engines were built with the capabilities to switch to cleaner-burning fuels as they become commercially viable and available.

## New Technology

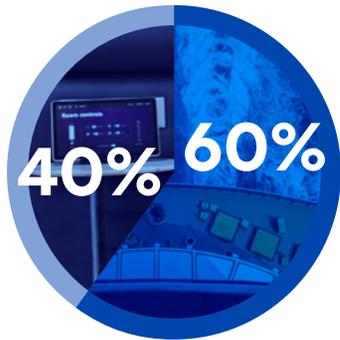
We are one of the first cruise lines to adopt onboard technology called Climeon, which uses heat from the ship's engines to generate electricity, thereby decreasing some of our fuel demand. Each of our ships have **six 150-kilowatt Climeon units onboard**.

As we learn more about the potential of the technology, there are still some obstacles to overcome to achieve optimal performance on our ships. While we anticipate these units will power only a small portion of our total energy demand, the output at any given moment may vary significantly based on a specific ship's voyage plan and how much waste heat the ship generates.

## Alternative Fuels

Ultimately, we must work across industries and with policy makers to advance solutions that will decarbonize our industry.

Today, low- and zero-carbon fuel sources are not commercially viable or available at the scale necessary to power our ships. However, we are currently **exploring alternative fuel** options and availability for our fleet. Further, alongside our industry peers, we support policies that advance transitioning to a lower-carbon future, such as implementing market-based mechanisms to support research and development for alternative fuels.



**Roughly 60% of our fuel consumption is for propulsion and 40% is for powering onboard operations.**



## Our Carbon Offset Strategy

We acknowledge that our carbon footprint will increase overall as each ship comes into operation through 2024. To take immediate action on climate change with the launch for our first ships, we **purchased carbon offsets equivalent to our direct emissions footprint** from Feb. 14, 2020 to Dec. 31, 2021. The offsets we purchased met high-quality, internally recognized standards, including the **Verified Carbon Standard and Gold Standard**, and were generated by wind and solar projects in regions we sail and where our crew call home.

Offsetting will always be part of a net-zero strategy for our industry since we are a hard to abate sector. However, for 2022 and looking ahead we are shifting our focus to support climate solutions where we can be more directly engaged in the projects and long-term outcomes. We will include updates on our approach in future reports.

# Roadmap to Net-Zero

As a Virgin company, **we're committed to achieving net-zero emissions by 2050**. While we are proud of the steps we have taken so far, we know there's plenty of work ahead.

We are committed to continuous improvement and identifying ways we can realize carbon reductions in our operations.

## A Net-Zero Future

We believe a net-zero future will be possible through the following:



Smart **itinerary planning**



Maximizing the use of **Climeon technology**



Adopting **lower-carbon fuels**



**Offsetting** what we cannot reduce



Identifying **fuel and energy reduction** opportunities and setting improvement targets



Implementing new **energy saving technologies**



**Utilizing shore power** where it is available in ports-of-call



On a per-passenger basis, taking a five-night Caribbean Cruise on Scarlet Lady has an estimated fuel-based carbon footprint comparable to a passenger taking a round-trip, economy-class flight from Miami to Denver.\*

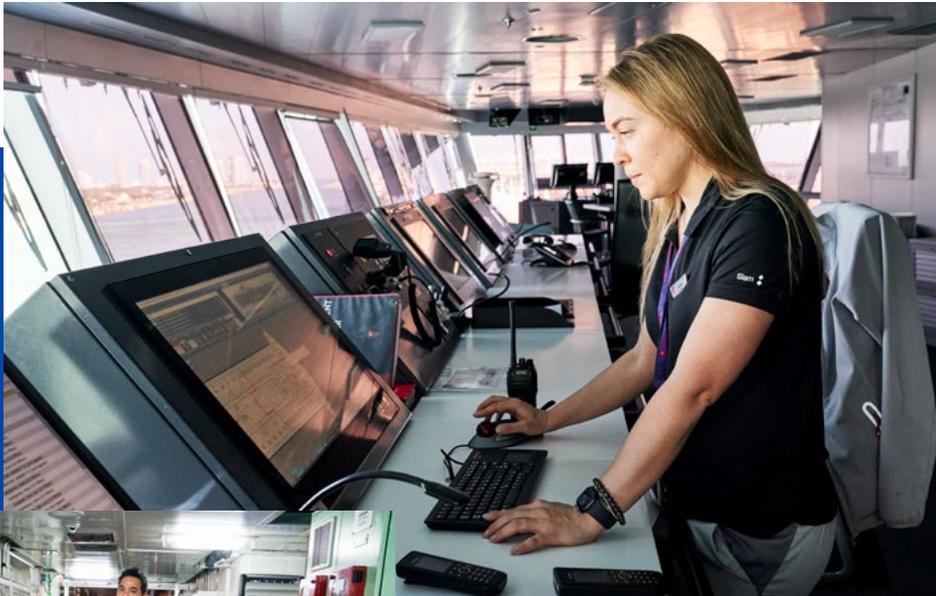
As a member of CLIA, Virgin Voyages supports a 40% reduction in the rate of carbon emissions across the global fleet by 2030, compared to 2008. This commitment is aligned with the IMO's GHG reduction targets.

We recognize achieving carbon reduction goals will require broad collaboration across not only our industry, but other industry sectors, fuel and technology suppliers, and governments.

\* Carbon calculations for flights based on Google Flights typical emissions. Typical emissions are the median carbon emissions for a searched route. Carbon calculation for passenger trip via cruise calculated based on estimated footprint per sailor at full capacity.

# Minimizing Operational Impacts

The cruise industry is one of the most regulated in the entire travel business, and we're committed to meeting and exceeding these mandates.



We abide by The International Convention for the Prevention of Pollution from Ships (MARPOL). In addition, we must navigate local requirements in each destination, adhering to local governance and mandates. We have developed robust environmental management policies and procedures to ensure **our operations meet and exceed what is legally required**. These policies and procedures are governed by our Head of Maritime Compliance and are reviewed and updated regularly.

## Emissions Control

The combustion of fossil fuels can result in poor air quality and health risks from sulfur dioxide and nitrogen oxide emissions and particulate matter. Two technologies onboard ensure we meet compliance with regulations: **exhaust gas cleaning systems** and **selective catalytic reduction systems**.

### EXHAUST GAS CLEANING SYSTEMS

To comply with the IMO 2020 Global Sulfur Cap, all of our ships are equipped with hybrid Wärtsilä Exhaust Gas Cleaning Systems (EGCS). We operate at the highest possible standard when EGCS (a.k.a. "scrubbers") are in use. These systems use seawater to dissolve sulfur and decrease the amount of particulates from entering the atmosphere.

**Scrubbers reduce sulfur emissions from fuel by more than 97% and allow us to operate at 0.1% sulfur content at all times**, whether we are in port or at sea. Our scrubbers are able to operate in both open- and closed-loop modes. Closed-loop allows washwater to be recirculated and held onboard for a period of time. Whether operating in closed- or open-loop, **EGCS washwater is treated before discharge** and the water quality is regularly monitored to ensure it's within the acceptable parameters for acidity, turbidity, and other contaminants. Our internal policy is to operate in closed-loop when we are within four nautical miles of shore.\* When the system is not in operation, we switch to compliant fuel.

\* Under non-emergency, normal operating conditions.

## SELECTIVE CATALYTIC REDUCTION SYSTEM

We use a selective catalytic reduction system to reduce nitrogen oxide emissions. This technology **reduces up to 75% of nitrogen oxide emissions** from fuel and is used when traveling through the North America Emission Control Area (ECA) (which is up to 200 nautical miles from U.S. and Canada shorelines) thereby allowing us to comply with MARPOL Annex VI Tier III standards for nitrogen oxide emissions.

## SHORE POWER

Looking ahead, one of the most significant ways to protect local air quality and reduce emissions from our operations is through the use of onshore power supplies in our ports of call. **All four of our ships are configured for shore power** and will have the technology installed as onshore power supply becomes available in our ports of call.



## Getting Smart About Energy

**We've implemented a number of ways to conserve energy throughout each ship:**

- Sensors in the cabins automatically close window curtains, turn off lighting and adjust air conditioning settings when unoccupied.
- Efficient cooking equipment such as induction technology cookstoves and M.A.R.V.E.L. on-demand ventilation in the galleys.
- Optimized HVAC systems, LED lighting, and real-time energy measurement technology.

We're currently analyzing a range of baseline data from these efforts to identify areas where we're succeeding in our energy conservation plans and where we need to improve.



## The best kind of waste is the kind that doesn't exist

From the start, we've considered how to minimize waste across all of our operations.

### 'SEE YA' SINGLE-USE PLASTICS

We've banned unnecessary single-use plastics from the Sailor experience. This includes straws, plastic water bottles, coffee cups, ketchup packets, cutlery, bags, coffee stirrers, and to-go containers. We estimate that eliminating bottled water alone prevents more than **2 million single-use plastic bottles** from entering the waste stream annually per ship.

### BANISHING THE BUFFET

Food onboard is **made-to-order**, saving an estimated 225 tons of annual food waste per ship.

### REUSABLES FIRST

We've reduced the use of disposable hospitality items by **more than 60%**, favoring refillable amenities and reusable containers wherever possible. This includes using reusable clamshells for our grab-and-go food and stackable containers for our food delivery service, "Ship Eats." When we do have to use disposables, we've selected **recyclable materials** or items sourced from **sustainable sources**.



## Recycling Program

We aim to **divert as much waste as possible** from the landfill. Onboard we collect metals, glass, plastics, and soft goods for offloading in our primary ports. Additionally, we take back the recycling from our beach club operation in Bimini, Bahamas for proper recycling in Miami, FL.

### PROPER DISPOSAL

Waste generated onboard includes non-hazardous dry garbage, recycling, cooking oil, food waste, and hazardous waste. Waste that cannot be recycled or donated is incinerated onboard when the ship is not in port. Food waste is either pulverized and discharged at sea, no less than 12 nautical miles from shore and at a speed greater than 6 knots, or offloaded ashore. Hazardous waste and any dry garbage that is not incinerated onboard is offloaded with approved vendors at our primary ports for proper treatment and disposal.



## Treating water like our life depends on it — because it does

Water matters — and we've optimized our operations for smart, responsible use wherever possible.

### FRESH WATER PRODUCTION

We're meeting nearly all of our freshwater needs through **on-board reverse osmosis desalination systems**, which is a fancy way of saying we remove a range of impurities from sea water

to create clean and fresh water for onboard use and consumption. This means we don't need to source water from land-based water supplies.

### SMART WATER USE

Low-flow water fixtures, water-efficient dishwashers, tunnel washers in the laundry, eco-friendly dry cleaning, and vacuum flush toilets ensure **responsible water use onboard**. Additionally an **upon-request linen change policy** and towel exchange policy reduces laundry energy and water waste.



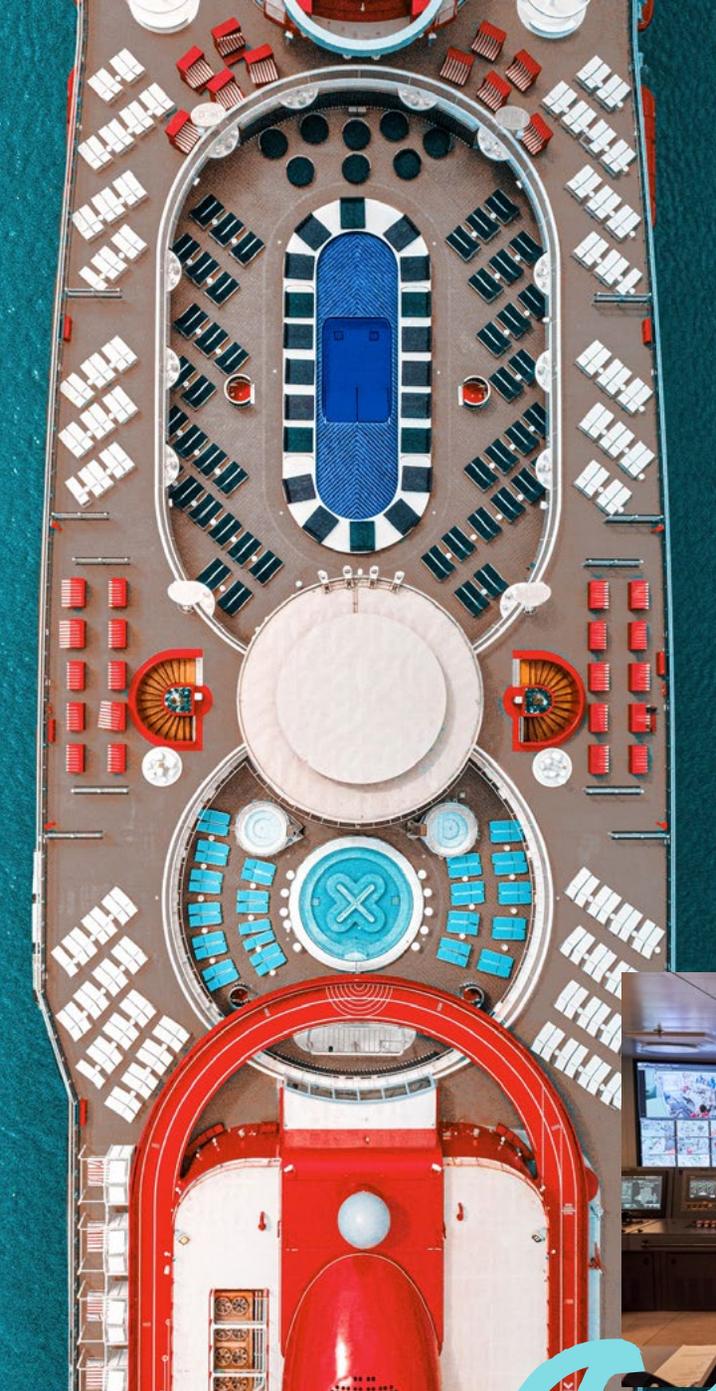
**The amount of water vacuum flush toilets use per flush, compared to conventional toilets, which use 4 liters.**

**WATER**

FOR ALL

We believe access to clean water is a basic human right. That's why we provide great tasting, complimentary still and sparkling water throughout the ship and deliver it fresh to each cabin, daily. Sailors also have access to onboard water bottle refill stations.





## Wastewater Streams

Our operations produce a variety of wastewater streams, and each is treated to meet stringent water quality standards under **MARPOL** and the **U.S. Clean Water Act**. This includes compliance with the **National Pollutant Discharge Elimination System** and **Vessel General Permit**, which are monitored by the **Environmental Protection Agency**.

### ADVANCED WASTEWATER TREATMENT PROCESS

Our Scanship advanced wastewater treatment system onboard processes all blackwater (toilets), greywater (sinks and showers), laundry water, galley greywater, and food waste reject water to comply with MARPOL special areas regulation\* and is designed to **HELCOM** standards for nitrogen and phosphorus removal and even **surpasses some land-based treatment facilities**.



As a matter of policy, **we regularly collect treated water samples** to ensure we meet specific performance standards. Processed effluent is discharged at distances greater than three nautical miles from shore and treated bio residuals are only discharged once the vessel is more than 12 nautical miles from shore.

### BILGE WATER

Bilge water is from the engine room and may be contaminated with oil. This water goes through a process which separates the oil from the water using **Marinefloc** technology. International MARPOL standards require the **purification of oil** from the water down to **15 parts per million (ppm)**, but our internal policy is to purify down to less than **5ppm**, and in most cases it is less than **1ppm**, before being discharged outside of **12 nautical miles** from shore. The oil that is separated from our bilge goes into our sludge tanks and is later landed onshore for proper treatment.

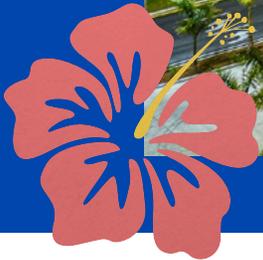
### BALLAST WATER

Ballast water is sea water that is held onboard to **maintain the ship's stability**. This water is typically held onboard for long periods of time and can unintentionally transfer animals or microorganisms from one part of the world to another. To ensure this doesn't happen, we comply with the **Ballast Water Management Convention** and the **United States' Ballast Water Management Regulations**.

\* MEPC.227(64) reg 4.2

# Captaining Further Change

Our commitment to reducing our energy, waste, and water footprint extends to our land-based operations.



## PORTMIAMI LEED Gold Terminal V

Our flagship terminal at PortMiami opened on February 13, 2022 and is one of the first cruise terminals to be designed to **LEED Gold standards**. The terminal design celebrates Miami's iconic palm trees and welcomes Sailors in true Virgin spirit.

Additionally, we're proud to be a key partner in bringing **shore power** to the port with an anticipated delivery by fall 2023. This will help **reduce our direct emissions** by allowing us to power the ship from the **local electricity grid**.



## A Better Beach Club in The Bahamas

Our private beach club experience in Bimini, Bahamas is our signature island experience. Here, we continue our **ban on single-use plastics** alongside regular operations to minimize our environmental impact. The beach club features the use of **natural materials**, a **recycling takeback program**, and **low-flow water fixtures**.

# Partnerships to Advance Ocean Health



**When it comes to ocean stewardship, partnerships are key for scaling impact.**

Together with our ocean-focused suppliers and not-for-profit organizations we are committed to securing a healthy future for the ocean and protecting it for generations to come.

Current ocean-focused partnerships include upcycled ocean plastic retail items such as sunglasses from [Coral Eyewear](#), reef- and sea-safe sunscreen from [Stream 2 Sea](#), a coral reef restoration shore experience in Cozumel, Mexico, and our non-profit partnership with [PangeaSeed Foundation](#), among others.



Through various Virgin non-profit and conservation endeavors, Sir Richard Branson has played a prominent role in advocating for the adoption of a global target to protect 30% of the world's oceans by 2030.

## Tip the Ocean



The only tip we ask for onboard is a tip for the ocean. We invite our Sailors to join us in protecting our oceans by adding one or more dollars to their purchase at the Virgin Voyages brand store and through other select offerings. 100% of the funds collected go directly to our **not-for-profit partners**, who are advancing ocean health awareness and conservation programs. Through these efforts and future partnerships, we'll **accelerate mission-critical work** and support specific **destination stewardship initiatives** in the places where we sail.



# OUR COMMUNITIES

## We love making friendships that last a lifetime

We develop relationships with local communities, businesses, and governments in an effort to redefine and evolve the impact of our business. Our reputation is rooted not only in responsibility and sustainability, but in treating all of our host ports — and the people that call them home — how they want to be treated.

**\$1 per tour donated** to non-profit partners for each “Exclusive to Virgin Voyages” tour booked

**\$1.2M in-kind and cash donations** awarded to non-for-profit organization in 2021

**10 Caribbean Port Guides** encourage Sailors to explore local restaurants and local attractions

**65% of tours** under contract with operators that **meet standards for sustainable tourism\***

**500 impact hours donated** by the Virgin Voyages team to support **social and environmental causes** in our communities

**6 public murals commissioned** in Bimini, Bahamas to celebrate the island and **raise awareness of ocean health issues**

\* In accordance with Global Sustainable Tourism Council standards

# We want to be the ship the community loves to see in port



**Good relationships matter — especially with the governments, businesses, and residents in the communities where we sail.**

One of the most significant ways we can positively impact our communities is by supporting the local economy and **encouraging responsible tourism.**

**Port guides feature local attractions**

While we're in port, we encourage our Sailors, through our port guides, to explore the local destination, shop at local businesses, eat at local restaurants and **experience what makes each port of call unique.** We do not charge businesses or attractions to be featured in our guides.



**Tours designed to tread lightly**

Each tour operator must adhere to our Tour Operator Code of Conduct, which outlines our standards for environmental, labor and safety practices, including animal welfare standards. As a matter of policy, we will not promote tours featuring captive whales or dolphins, such as captive 'swim with' programs.

Our overall approach to shore excursions, what we call **"Shore Things,"** is to keep tour sizes small (average around 15 people) and to offer a wide variety of authentic experiences.

We work with several operators that have received third-party certification for meeting the **Global Sustainable Tourism Council (GSTC)** criteria. Currently 65% of the tours under contract are with an operator that meets this standard.

Additionally, we partner with local tour operators and entrepreneurs to curate experiences that are unique to Virgin Voyages. For each **"VV Exclusive"** shore excursion booked, we donate \$1 to our not-for-profit partners who are supporting important work in our destinations.

# Impact Projects

As a brand, we want to show up in our communities in a meaningful way.

We regularly organize **volunteering and giveback initiatives** to make a difference. In 2021, Virgin Voyages donated more than **\$1.2M** in in-kind and cash donations to non-profit organizations.

## Launching with Impact in the U.K.

In August 2021, Scarlet Lady left for her maiden voyage from Portsmouth, U.K. In her honor, we donated **£50,000** to the **Royal National Lifeboat Institution (RNLI)** to help Southsea East lifeguards and Selsey and Portsmouth lifeboat crew continue to save lives at sea in 2022.



Photo credit: Tré Packard, PangeaSeed Foundation 2021

## Crew Volunteering and impact hours

Giving back is just what we do. In 2021, the Virgin Voyages family contributed **500 impact hours** to support social and environmental causes in our communities. More than a dozen impact events were held from January to December.

In honor of Earth Month, nearly **100 Virgin Voyages Crew** celebrated by **plogging** in our communities from South Florida to Genoa, Italy. One event in the neighborhood of Wynwood in Miami, FL included some welcomed pit stops to say hello to our local business partners.

Several teams volunteered at **Feeding America** to help families in South Florida struggling with food insecurity during the COVID-19 pandemic.

Since 2019, Crew members and their families have volunteered with disaster-relief organization, **Global Empowerment Mission** to sort and organize kits that can be easily deployed around the world when a crisis strikes.



## Sea Walls Bimini

In October 2021, we resumed our first revenue sailings to our private beach club in Bimini. In celebration of this event and building strong relationships with the local community, we partnered with **PangeaSeed Foundation** to create **Sea Walls Bimini** — a series of public murals in Bimini which highlight Bimini's rich cultural and natural heritage and create awareness around ocean health issues such as plastic waste and biodiversity loss.

## Healthcare Heroes Seas the Holidays

In November 2021, in honor of Giving Tuesday, Virgin Voyages donated **500 Cruise Vacations** to healthcare workers employed at **Baptist Health Hospitals** to give them a much needed break over the holiday season.

# OUR PARTNERS



**700 trees saved** through our partnership with Emerald Brand in 2021

Balcony cabins feature **Yellow Leaf Hammocks** — a more **responsible way to relax**

Complimentary coffee onboard supports a **direct-trade** model

**Quality ingredients** guide our food philosophy and sets a roadmap for **responsible sourcing**

**25% of the retail brands** sold onboard have a **commitment to social and environmental responsibility**, including safe cosmetics and B Corps

Many **'first'** brands at sea

## To create a Sea Change, we know we can't do it alone

We rely on great partners who are like-minded and share our values. We're committed to working with suppliers, vendors, and tour operators who understand that in order for cruising to be transformative, they have to be just as open, transparent, and committed to progress as we are.



# Working with Our Partners to Amplify Impact

Together with our partners and suppliers, we are creating a responsible supply chain and a network that is committed to continuous improvement.



## Responsible Sourcing

Our suppliers agree to our [Supplier Code of Conduct](#) which details our guidelines for working with vendors and upholding standards for ethics, labor, safety, and environmental practices.

Additionally, we've developed procurement guidelines, conducted reviews with individual

suppliers and have discussed future ambitions with our partners. Today, we continue this dialogue with the aim to **further our responsible supply chain efforts** and **minimize supply chain risks** across hotel operations, food and beverage, retail and spa, design and new builds.

## Hotel Operations

To support our hotel operations, we procure thousands of products for use onboard our ships including equipment, linens, cleaning supplies, and more. We've hand-selected several suppliers **who align with our values** and are offering more **sustainable solutions**.

Through our partnership with [Emerald Brand](#), our paper towel and tissue products and to-go coffee cups are made from sustainable materials, including agricultural by-products such as sugarcane and wheat stalks and Forest Stewardship-Certified (FSC) paper. Through this partnership, we saved more than **700 trees** in 2021.

## Thoughtful Design

Our onboard designs highlight unique and sustainable furniture pieces and artwork. For example, while ships traditionally use teak for hand railings we opted for **aluminum**.

Each balcony cabin on board includes a beautiful, handwoven hammock from **Yellow Leaf** — a social enterprise in rural Thailand that is breaking the cycle of poverty by providing artisans with a reliable source of income to support themselves and their families.





## Brands that are red hot on the outside and green on the inside

Our onboard retail and spa collection was curated with brands that reflect Virgin's ethos and values and included several brands that are a **first to be at sea**. Product selections include safe cosmetics such as **Elemis**, B Corps such as **Davines**, and brands like **Apolis** and **Sea Bags**. Overall, at least **25%** of the brands we sell onboard have a commitment to social or environmental impact.

## Our food sourcing philosophy

We worked with the Sustainable Restaurant Association to create a food philosophy and a roadmap for sourcing ingredients responsibly, such as animal products that uphold welfare standards.

### FOOD SHOULD NOT JUST TASTE GOOD, BUT DO GOOD

We believe that enjoying **good food is essential to our personal well-being** and that a **healthy food system is critical to the future of our planet**. We are committed to continuously evaluating our sourcing practices to provide the best quality products and we aim to support the following principles as we continue to expand our operations:

- **Full supply chain visibility** and knowing where our food comes from
- **Protecting our oceans** and sourcing sustainable fish and seafood
- **Sourcing local ingredients** where possible and developing local partnerships in our home ports of call
- **Procuring direct-trade coffee** and items that ensure workers are paid a fair wage
- **Offering vegetarian and vegan options** throughout our eateries onboard
- **Meeting humane welfare standards** with cage-free eggs and other animal products
- **Protecting our rainforests** from deforestation through responsibly-sourced palm oil, soybeans, and beef





## INTELLIGENTISIA COFFEE

Our complimentary and specialty coffee doesn't just brew strong, it has strong values, too. Intelligentsia has a direct trade model which pays workers **above a fair wage** and **provides education** to farmers on how to increase quality and yields. We worked



with the team at Intelligentsia to create our “Nauti Blend” using coffee beans from farms in both the Northern and Southern Hemisphere ensuring the brew is constantly fresh and aligned with the growing season.

## A TASTE OF SOUTH FLORIDA

With our flagship port in Miami, Florida, we've hand-selected partners to bring a taste of South Florida to Scarlet Lady.

Some local providers include:



Jojo Teas provide a range of incredible blends from around the world. Founder Michael Ortiz shares a passion for finding the best — just like us.



Harpke Family Farm is an urban farm near Fort Lauderdale that grows high-quality microgreens free from synthetic pesticides, herbicides, or fertilizers. Packed with flavor, these tasty greens are used throughout our eateries.



Wynwood Brewing created an exclusive brew just for us called, Stray the Course. Sailors can enjoy this ale at the Draught Haus on Deck 7.

# OUR CREW

## Our greatest strength is our people

We make it a point to celebrate everyone on our team, no matter where they came from. The root of a great Sailor experience lies within a fulfilled Crew, and we've gone to great lengths to ensure our hardy bunch feels right at home, even when out at sea.

1,900 new Crew welcomed between August and December 2021

32% female representation across shipboard positions

95 nationalities represented

90% of Crew feel connected to our purpose and believe their job contributes to delivering An Epic Sea Change for All

87% of Crew feel like they can be themselves at Virgin Voyages





of Crew feel connected to our purpose and believe their job contributes to delivering An Epic Sea Change for All

# The best gig ever

We want our Crew to love their job at Virgin Voyages. We work to foster an environment where one's passions and our Culture interact naturally.

## Culture is Everything

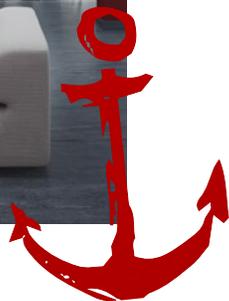
What's a ship without a top Crew? We are a **rapidly growing** team of both, Crew who have worked in the industry for years and those who are new — together, we are **shaping an industry-leading culture** that is built to **embrace those from all walks of life**. The building blocks of our culture are the values we live by — what we call our **Creeds**.

- 
**Family Love** - Our Caring Creed supports us to love and care for each other like family.
- 
**One For All** - Our Fairness Creed gives everyone a voice, even when a few own the decisions.
- 
**Oceans of Joy** - Our Happiness Creed empowers us to make the hard work fun.
- 
**Dive Into Different** - Our Diversity Creed says that our greatest strength is our ability to come together as unique individuals united as one.
- 
**A Crew's Ship** - Our Ownership Creed gives us pride in our work. We don't wait for anyone else to make things ship shape.

# Crew Well-being and Quality of Life

Looking after one's physical and mental well-being is a top priority for us.

Our Crew benefits model our Creeds and are intended to offer peace of mind so Crew can excel in their roles and provide our Sailors with their best vacation ever. For example, we offer competitive benefits and wages and do not rely on our Sailors to leave gratuities.



## How We Lead



Equal pay for equal work, regardless of nationality or gender.



Designer uniforms (no stripes onboard to denote rank!) so our Crew can feel and look their best.



Personalized coaching to support one's mental well-being. This virtual service is available to all Crew members free of charge.



Access to a variety of high-quality, healthy food options, gym facilities and Sailor spaces, regardless of position or title.



We cover employment-related flights, necessary job training, and uniforms.



We're working on a range of leadership and growth opportunities in an effort to help Crew succeed.



40% of Crew cabins are single-occupancy (the most in the industry) and there are no more than two Crew to a room.



Free wifi for our shipboard Crew to stay connected to their friends and family back home.

# Dive into Different

We take pride in our ability to come together as unique global individuals.

At Virgin Voyages, **everyone is welcome to come as they are** — with diverse hopes, experiences, and backgrounds — and be the best version of themselves.

Our Crew are from **95 nationalities** (and counting!) and we believe we have one of the most diverse Crew at sea, both overall and across departments.

Additionally, **we're on track to have some of the highest female representation in the industry.**

Currently females make up **32%** of our Crew population, which is above the industry average at just over **20%**.

As we grow, we're taking a number of steps to create a diverse and inclusive environment where our Crew can see themselves in every corner of the company.

### In the near term we are looking to:



Achieve 50/50 gender balance by the end of 2023 in key departments and roles.



Reflect the human geographies of where we work and sail.



Balance the mix of nationalities across teams and leadership levels.

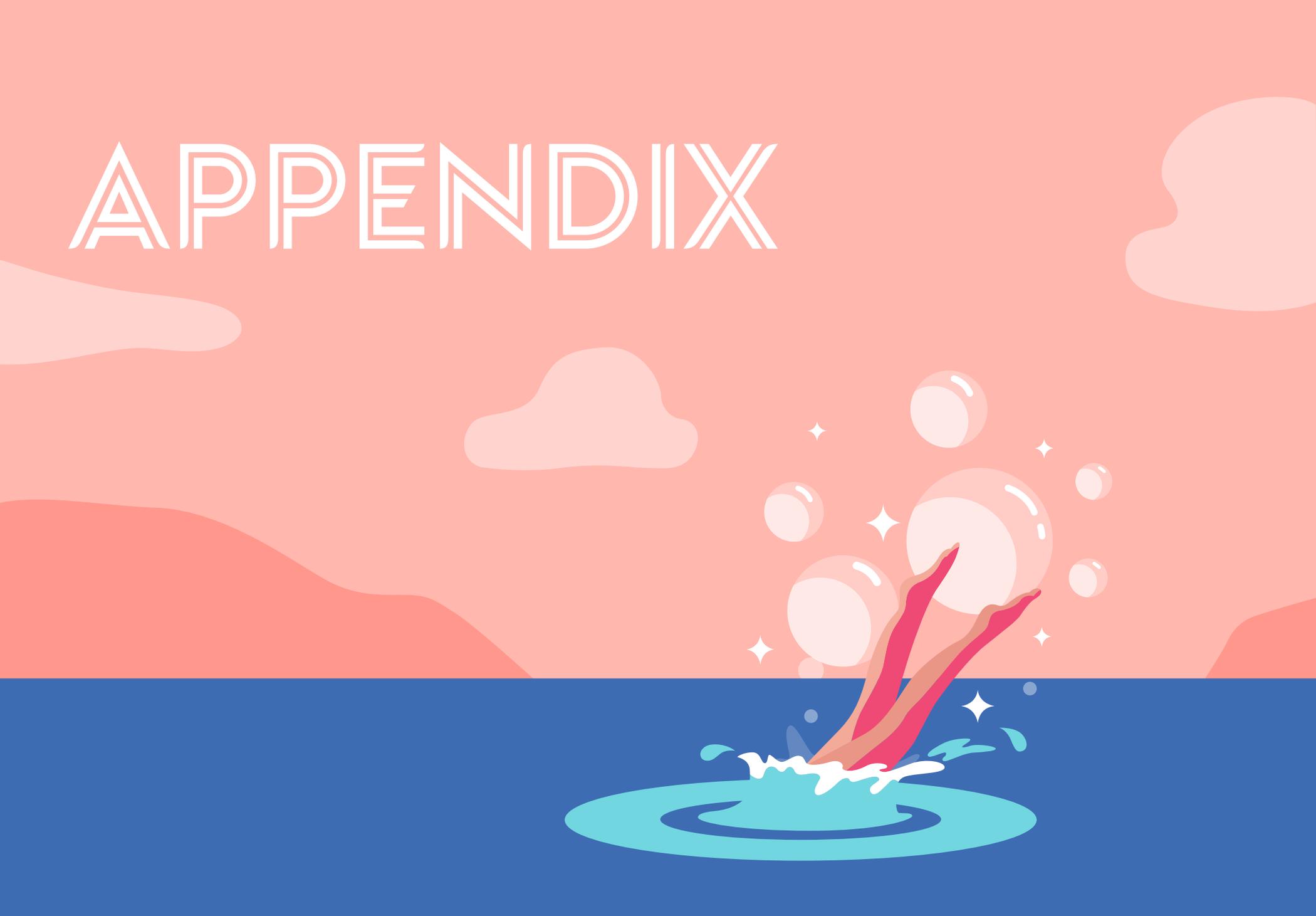


## Scarlet Squad

Virgin Voyages' Scarlet Squad Program is an initiative that focuses on balancing the gender gap in leadership positions and in Crew roles and placement. The Program is dedicated to recruiting, supporting and mentoring female talent — especially in ship roles in marine, technical and hotel management. We will work towards an environment where everyone has an equal opportunity to reach their full potential.



# APPENDIX



# Stakeholder Engagement and Materiality

In 2019, we conducted a materiality assessment to identify our most important **ESG-related risks and opportunities**. As part of this effort, we identified an initial list of material ESG issues of importance to our stakeholders and business success. We then engaged with internal and external stakeholders to understand their priorities and expectations around these issues. We chose to focus on material issues that go beyond compliance, are most **fundamental to our own transformation**, and support our company's overall purpose: to create **An Epic Sea Change For All**.

## Stakeholders

- Customers
- Investors
- Employees
- Regulatory Agencies
- Industry Associations
- NGOs
- Suppliers
- Travel Agents
- Local Government & Communities



## Material issues

Through our 2019 materiality assessment, we identified our most important issues that go beyond compliance. We continue to monitor risks and opportunities that impact our business in the future.

- Emissions / Fuel
- Crew Well-being
- Sustainable Tourism
- Health & Safety
- Waste
- Sailor Experience & Programming
- Responsible Sourcing
- Protect & Restore Ocean Health
- Workplace Culture
- Government & Community Relations
- Crew Training & Development
- Local Economic Development
- Local Hiring & Skills Development
- Diversity, Equity & Inclusion
- Reporting Transparency & Governance

# ESG Governance

The implementation of our ESG strategy is a collaborative effort that begins with our Senior Leadership Team (SLT), and touches each part of our organization through cross-functional teamwork and regular reporting to the board of directors.

Our ESG priorities are included in our annual corporate objectives and are largely driven by the Senior Director of Sustainability and Social Impact. This role defines our ESG strategy and how we bring it to life across the entire company.



## Board of Directors

Approves corporate strategy and leads oversight of ESG Risks & Opportunities.



## Senior Leadership Team (SLT)

Manages Corporate Strategy, ESG Risks & Opportunities, and ensuring we're mindful of our 'sea change' ethos in every decision.



## Senior Director of Sustainability & Social Impact

Develops ESG strategy, programs and leads cross-functional taskforce. Progress is tracked through quarterly updates alongside internal and external communications.



## Cross-Functional ESG Taskforce

Implements approved objectives with a focus on specific material issues as assigned to each department team. Each team has an executive sponsor at the SLT level to provide further support and guidance.

# SASB Performance Table

The table below references SASB's Cruise Line Standard, version 2018-10. Data provided is for calendar year 2021, and covers Scarlet Lady only, as this was the only vessel to carry passengers during this time period. Future SASB disclosures will report on our other vessels in operation.

SASB TOPIC/ CODE	ACCOUNTING METRIC	2021 DISCLOSURE <small>(Scarlet Lady Only, Jan. 1, 2021 - Dec. 31, 2021)</small>	NOTES
<b>Greenhouse Gas Emissions</b>			
TR-CL-110a.1	Gross global Scope 1 emissions	65,662 metric tons of CO <sub>2</sub> e	Scope 1 emissions are calculated in accordance with the types of fuels we use on our ship for the IMO DCS.
TR-CL-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Virgin Voyages is committed to Net Zero carbon emissions by 2050. In the near term we have designed our ships to the latest efficiency standards and with state-of-the-art technologies to optimize fuel and energy performance. Each ship has six, 150 kilowatt Climeon units, which use waste heat from the engines to generate electricity, thereby reducing some of our fuel demand. All ships are configured for shore power, and Scarlet Lady will have shore power installed once the onshore power supply is available at PortMiami. We have also purchased third party verified offsets equivalent to our Scope 1 footprint from Feb. 2020-Dec. 2021. Looking ahead we are identifying fuel and energy reduction opportunities, exploring lower-carbon fuels and near term reduction targets.	See pages <a href="#">13 - 17</a> for more information.
TR-CL-110a.3	1) Total energy consumed, 2) percentage heavy fuel oil, 3) percentage onshore power supply (OPS), 4) percentage renewable	1) 847,322 Gigajoules 2) 87% 3) 0% 4) 0%	
TR-CL-110a.4	Average Energy Efficiency Design Index (EEDI) for new ships	10.8 grams of CO <sub>2</sub> /tonne-nautical mile	

SASB TOPIC/ CODE	ACCOUNTING METRIC	2021 DISCLOSURE <small>(Scarlet Lady Only, Jan. 1, 2021 - Dec. 31, 2021)</small>	NOTES
<b>Air Quality</b>			
TR-CL-120a.1	Air emissions of the following pollutants: 1) NOx (excluding N <sub>2</sub> O), 2) SOx, and 3) particulate matter (PM10)	Information not currently disclosed.	For more information on emissions control see pages <a href="#">16 - 17</a> .
<b>Discharge Management &amp; Ecological Impacts</b>			
TR-CL-160a.1	Total amount of ship waste discharged to the environment, percentage treated prior to discharge	Total combined: 120,335 cubic meters  Percentage treated prior to discharge: 100%	Waste includes grey and blackwater, bioresiduals, food waste discharged, ballast water, bilge water and soild waste incinerated onboard. For more information see pages <a href="#">18 - 20</a> .
TR-CL-160a.2	Percentage of fleet implementing ballast water 1) exchange and 2) treatment	1) 0% 2) 100% of our ballast water was treated	Ballast water exchange is our backup method. In 2021 we had no ballast water treatment failures. For more information see page <a href="#">20</a> .
TR-CL-160a.3	Cruise duration in marine protected areas and areas of protected conservation status	Currently we do not have a way to track this information but are exploring possible applications for the future.	
TR-CL-160a.4	Number of notices of violations received for dumping	No notices of violations received.	

SASB TOPIC/ CODE	ACCOUNTING METRIC	2021 DISCLOSURE <small>(Scarlet Lady Only, Jan. 1, 2021 - Dec. 31, 2021)</small>	NOTES
<b>Customer Health &amp; Safety</b>			
TR-CL-250a.1	Number of alleged crime incidents involving passengers or employees	1	Crimes are reported using the CVSSA definition for reportable crimes for all Virgin Voyages vessels, regardless of the jurisdiction in which the ship was sailing or crime occurred. In 2021 we had one reportable incident.
TR-CL-250a.2	Fleet average CDC Vessel Sanitation Program inspection score, percentage of inspections failed	CDC suspended its Vessel Sanitation Program through 2021 due to the COVID Emergency Plan activation.	
TR-CL-250a.3	1) Serious injuries per million passengers and 2) number of voyages with a gastrointestinal illness count exceeding 2%	1) We did not have any serious injuries. 2) 0 voyages exceeding 2%	
<b>Labor Practices</b>			
TR-CL-310a.1	Average hourly wage for seafarers, by region	Our shipboard teams have competitive compensation, substantially above international requirements, and adhere to our collective bargaining agreements.	
TR-CL-310a.2	Percentage of seafarers working maximum hours	We follow the Maritime Labor Convention (MLC), an international standard which sets seafarers' rights to minimum working and living conditions.	
TR-CL-310a.3	Percentage of seafarers paid for overtime	We are in full compliance with the Maritime Labor Convention (MLC) and our Collective Bargaining Agreements.	
TR-CL-310a.4	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	None	

SASB TOPIC/ CODE	ACCOUNTING METRIC	2021 DISCLOSURE (Scarlet Lady Only, Jan. 1, 2021 - Dec. 31, 2021)	NOTES
<b>Employee Health &amp; Safety</b>			
TR-CL-320a.1	Seafarer lost time incident rate (LTIR)	Information not currently disclosed	
<b>Accident Management</b>			
TR-CL-540a.1	Number of Conditions of Class or Recommendations	None	
TR-CL-540a.2	Number of port state control 1) deficiencies and 2) detentions	1) 5 minor Port State Control deficiencies 2) 0 detentions	
TR-CL-540a.3	Number of marine casualties, percentage classified as very serious	0	
<b>Accident Management</b>			
TR-CL-000.A	Available Lower Berth kilometers (ALB-KM)	138,546,272	Metric reflects revenue sailings.
TR-CL-000.B	Available Passenger Cruise Days (APCD)	307,470	Metric reflects revenue sailings.
TR-CL-000.C	Shipboard employees	1,102	As of Dec. 2021
TR-CL-000.D	Cruise guests	27,282	Metric reflects revenue sailings.
TR-CL-000.E	Number of vessel port calls	64	Metric reflects revenue sailings.



VOYAGES

