

# Virgin atlantic csr report

Business



The pair met Richard Branson and, through negotiations, renamed the airline as Virgin Atlantic. Virgin Atlantic uses a mixed fleet of Airbus and Boeing wide-body Jets and operates between the United Kingdom, North America, the Caribbean, Africa, the Middle East, Asia, and Australia from its main base at Gatwick with secondary bases at London Heathrow and Manchester.

The airline has operated domestic flights within the United Kingdom since 31 March 2013. In 2012, Virgin Atlantic carried 5.4 million passengers, making it the seventh-largest UK airline in terms of passenger volume.

In the year to February 2013, the airline had an annual operating loss of £28.4 million. In January 1991, the I-JK opened Heathrow Airport to Virgin when it abolished the London Air Traffic Distribution Rules (TDRs) in response to pressure from the industry. The London TDRs had come into effect in 1978.

The rules state that airlines without an international scheduled service from Heathrow prior to 1 April 1977 would not be permitted operations there. According to industry insiders, Virgin Atlantic had increasing financial problems during this period.

This was primarily the result of a reduction in demand for travel caused by the recession of the early 1990s, as well as by public fear of travelling in the aftermath of the first Gulf war. **SOME MORE FACTS** Formed 25 years ago this year, Virgin Atlantic Airways, the infamous red-and-white liveried airline that challenged the hegemony of BA at British airports, must rank as the most successful of the many Virgin brands, and there are more than 40. It is

pleasing then that the airline “ believes in events”, and considers them even essential to the success of the brand.

And with this being its silver anniversary, a year in which it will be hard to avoid seeing glamorous, red-suited air stewardesses, it seems a more than apt time to examine the Virgin’s achievements across the event marketplace. SPONSORSHIP Most of 2009’s birthday celebration events are being kept tightly under wraps, with June to be the focal point. Expect plenty of buzz in the media and rivers of champagne at Heathrow airport as Virgin stokes public awareness of its festivities to a raging inferno. Unlike many brands in the current climate, Virgin wont be holding back.

Virgin Atlantic director of communications Paul Charles says the firm will set a balance of “ tone and appropriateness” in the credit crunch, but will still make a splash. In fact, the memorable retro advertising campaign currently running, which is fun look at how the brand made such a splash in the aviation industry, stands as a totem for the rest of the brand’s event marketing this year.

CSR Charles spoke to Event upon returning from a Hong Kong sojourn, in which the brand celebrated 1 5 years of flying to the destination.

Typically, it pulled out all the stops, converting a run-down arts centre into a Hong Kong version of Heathrow’s Virgin Clubhouse, even replicating the pool table and long bar (apparently the longest in any airport globally). CSR is a feature of Virgin Atlantic’s events. For the launch of its the most money for charity – to paint a school in the Kenyan capital. The programme also restored fresh running water and helped 1, 000 villagers. Naturally, this also <https://assignbuster.com/virgin-atlantic-csr-report/>

provided a great photo opportunity for Richard Branson and media coverage for the new route.

**SMALLER EVENTS** Not all events are expensive trips to far-flung new destinations.

On the press side, small road shows can be just as effective. Linking to the aforementioned Virgin Atlantic adverts currently doing the rounds, a group of stewardesses has been sent around the country handing out Virgin-branded diaries to newsrooms and shopping centres. Charles says the firm seeks to mix up its events, keeping them fresh and, above all, memorable. “ I have never worked in such an imaginative team,” he says, having been employed by both the BBC and Eurostar.

“ It’s an achievement to produce events that get through the clutter and negativity around at the moment.

You should be careful about being too brash or over the top, but you can be positive. ” Virgin Atlantic puts together up to 100 different events a year, which means variety is important. Often, small press events or customer-facing events at airports can go relatively unnoticed, but they are always targeted to a group, no matter how small. **STAR ATTRACTIONS** Occasionally, though, Virgin does push the boat out, often mining Richard Branson’s black book of contacts and a wealth of goodwill towards the Virgin brand in general, with the result that top celebrities are often roped in for events.

Branson's Virgin Group currently owns 51 per cent of Virgin Atlantic – the other 49 per cent is owned by Singapore Airlines – but it is Branson's baby, and he is still integral to its larger events.

In December 2007, Branson's friends the Spice Girls, with whom he has done many press events over the years, opened Virgin Atlantic's terminal at Heathrow airport. Thanks to the presence of the once-powerful girl band, thousands of fans attended the opening of the El bn facility, and a Virgin Atlantic Boeing 747 Jumbo Jet was renamed Spice One.

The combination of a must-see event with a powerful brand message – that the terminal had opened – is a classic Virgin tactic, and one that is set to repeat in the summer when the anniversary events launch. SPEND In general, Virgin Atlantic spends between E500, 000 and E1 m across its events each year. The biggest of those tend to be the route launches, of which there are two a year on average.

Orders for new aircraft and changes within terminals also require vents for a brand that is committed to its marketing strategy.

Charles runs a communications team of six, alongside an events team of three that is led by head of events Bill Gosbee. Between the nine of them they run all of Virgin Atlantic's events. Charles recalls a Virgin event he went to when he worked for the BBC, which was so impressive he “ didn't stop talking about it for weeks”. The ‘ talkability’ factor is central to Virgin Atlantic's marketing, as it is across all the Virgin brands. To keep strategy consistent across marketing, advertising, press and events, all disciplines sit on the same floor within Virgin's head offices, so the message is rarely lost.

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I was once told that for every member of the public who comes to an event that works, 12, 000 people will hear about it through word of mouth," says Charles. " We try to make each event as memorable as possible in order to achieve that target. I think that's a fantastic way to look at it. " Triple Bottom Line works on the assumption that the corporation is a member of the moral community, and this gives it social responsibilities. This theory focuses on sustainability, and requires that any company weigh its actions on three independent cales: economic sustainability, social sustainability, and environmental sustainability.

These three tabulations are all aimed at long-term sustainability. Economic sustainability must focus on the long term because this is the nature of a persistent company. A decision which creates an economic boon in the short-term (like theFordPinto), but causes long-term harm, would likely reduce this bottom line to such a degree that the action would be untenable. " Profit" is the economic value created by the organization after deducting the cost of all inputs, including the cost of the capital tied up. It therefore differs from traditional accounting definitions of profit.

In the original concept, within a sustainability framework, the " profit" aspect needs to be seen as the real economic benefit enjoyed by the host society. It is the real economic impact the organization has on its economic environment. This is often confused to be limited to the internal profit made by a company or organization (which nevertheless remains an essential starting point for the computation). Therefore, an original TBL approach cannot be interpreted as simply traditional corporate accounting profit plus

social and environmental impacts unless the “ profits” of other entities are included as a social benefit.

Social sustainability gives precedence on the balance of economic power in the society. Competition in the business arena is common, and encouraged, behavior, but maximizing the bottom line in social terms requires that a business foster an environment in which all can succeed.

This might seem counterintuitive, but in the big-picture it is better for a whole society to thrive than for one single corporation to thrive alone. This will allow the company to continue to exist, and it will foster good- ill between the company and the society that it exists in.

The PCB dumping alluded to in above created an environment in which that company could not exist, and it is no longer present in NC. “ People” pertains to fair and beneficial business practices toward labour and the community and region in which a corporation conducts its business. A TBL company conceives a reciprocal social structure in which the well- being of corporate, labour and other stakeholder interests are interdependent. A triple bottom line enterprise seeks to benefit many constituencies, not exploit or endanger any group of them.

The “ upstreaming” of a portion of profit from the marketing of finished goods back to the original producer of raw materials, for example, a farmer in fair trade agricultural practice, is a common feature. In concrete terms, a TBL business would not use child labour and monitor all contracted companies for child labour exploitation, would pay fair salaries to its workers,

would maintain a safe work environment and tolerable working hours, and would not otherwise exploit a community or its labour force.

A TBL business also typically seeks to “ give back” by contributing to the strength and growth of its community with such things as health care and education. Quantifying this bottom line is relatively new, problematic and often subjective. The Global Reporting Initiative (GRI) has developed guidelines to enable corporations and NGOs alike to comparably report on the social the recognition that resources are not infinite, and leads to the reasoning that too much degradation will worsen the lives of ourselves, our children and so on.

Members of the moral community ought not to cause undue harm to the people around them and the people who will come later, and so this bottom line values some protection of the environment.

The word “ some” in the previous statement introduces vagueness in the calculation, but it might be necessary because there is some risk of environmental degradation in many necessary business activities. The question of how much environmental degradation is acceptable is one that must be answered, but it need not be answered in this module.

Suffice it to say that this calculation must be made even if it is a rough calculation. Business cannot operate in a world which is poisoned or “ used up. ” Efforts should be made to renew some of the environments that have been harmed in the past, and these environmental harms and gains belong on this bottom line. Planet” refers to sustainable environmental practices.



A TBL company endeavors to benefit the natural order as much as possible or at the least do no harm and minimise environmental impact.

A TBL endeavor reduces its ecological footprint by, among other things, carefully managing its consumption of energy and non-renewables and reducing manufacturing waste as well as rendering waste less toxic before disposing of it in a safe and legal manner. “ Cradle to Grave” is uppermost in the thoughts of TBL manufacturing businesses, which typically conduct a life cycle assessment of products to determine what the true environmental cost is from the growth and harvesting of raw materials to manufacture to distribution to eventual disposal by the end user.

A triple bottom line company does not produce harmful or destructive products such as weapons, toxic chemicals or batteries containing dangerous heavy metals, for example. Currently, the cost of disposing of non-degradable or toxic products is borne financially by governments and environmentally by the residents near the disposal site and elsewhere.

In TBL thinking, an enterprise which produces and markets a product which will create a waste problem should not be given a free ride by society.

It would be more equitable for the business which manufactures and sells a problematic product to bear part of the cost of its ultimate disposal.

Ecologically destructive practices, such as overfishing or other endangering depletions of resources are avoided by TBL companies. Often environmental sustainability is the more profitable course for a business in the long run.

Arguments that it costs more to be environmentally sound are often specious when the course of the business is analyzed over a period of time.

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Generally, sustainability reporting metrics are better quantified and standardized for environmental issues than for social ones.

A number of respected reporting institutes and registries exist including the Global Reporting Initiative, CERES, Institute 4 Sustainability and others. The reasoning behind this tripartite theory is that if businesses calculate their gains and losses in this way they will be more likely to take actions which are to the benefit of both the business and the community.

It is easy, when the numbers are large enough, to ignore the social and environmental dimensions of a business decision. This is because the average business decision is made by comparing the expected costs and benefits in terms of dollars and, only then, considering the other dimensions of that decision. In order to decision be composed of all of these elements from the beginning. When the data shows each of these dimensions along the same line, and measured with the same metric, it will be much easier to see the impact of a decision and to judge the fittingness of that decision.

Virgin Atlantic Tripple Bottom Line Social: On 12th November 2013, Virgin Atlantic employees along with their friends and family accompanied by a representative of Free The Children (FTC) a team of 42 people started their Journey on Indian cycles from Jodhpur till the small village called Kalthana a remote village located 280 Km from Jodhpur. The team after reaching the place visited local high schools and gifted the cycles to the school children.

This initiative will encourage more children to reach their high schools and gain education for themselves. Virgin atlantic from this initiative not only complete their social responsibility towards people of India , more

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importantly it reached the most remote place of Indian village and did its own publicity in a way advertise itself to the rural India. Since more than 75% of the Indian population lives in rural India this kind of initiative was indeed a very successful event for Virgin Atlantic for their future business opportunities in India.

Environmental: A Virgin Atlantic passenger Jet has flown from London to Amsterdam with one of its fuel tanks filled with a fuel blend including biofuel made from nuts picked in the Amazon rainforests. The Jet was a trial run, according to Virgin founder Richard Branson. Future commercial exploitation of alternative fuels will almost certainly not be based upon the babassu nut source used in this case, since the wild growing nuts would not be a scalable and sustainable source.

Virgin has committed all of the profits from its transport-related businesses to developing environmentally sustainable alternatives.

It has committed that biofuels will not be drawn from sources which provide competition to food crops in terms of land use. The fuel blend used contained 20 percent biofuel and 80 percent ordinary Jet fuel. In 2008 Virgin Atlantic operated a pioneering biofuel demonstration with Boeing and engine manufacturer GE Aviation on a 747 between London and Amsterdam. This was the world's first flight using biofuel by a commercial airline.

Virgin Atlantic has also ordered 15 of the 787-9 Dreamliners which burn around 27% less fuel per passenger than the A340-300, the aircraft it will replace in the Virgin Atlantic fleet. With these innovative steps Virgin Atlantic has taken an important step towards sustainable environmental growth.

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What exactly is waste-gas based Fuel? It is a fuel that is given off as a by-product of industrial steel production.

Until now, it had been released into the atmosphere, so using it to displace new Jet fuel is clearly a net improvement, especially if it can be efficiently converted to aviation fuel.

This would definitely fall in to the category of low-hanging fruit. The technology was developed in partnership with New Zealand-based Lanza Tech, a company that specializes in the exploitation of industrial waste gases. According to their website, “ LanzaTech’s commercial plants will effectively convert a variety of nonfood, low value gas feed stocks into clean bioethanol and platform chemicals. Our process is able to utilise gases from industry, including steel mill, oil refinery and coal manufacturing waste gases, all with minimal conditioning.

In a statement made to the press at the announcement, LanzaTech’s CEO, Dr. Jennifer Holmgren said, “ This technology will enable airlines to dramatically reduce their carbon footprint by reusing gases that would otherwise have been emitted directly into the atmosphere. It promotes sustainable industrial growth, as the process enables manufacturing plants to recycle their waste carbon emissions. ” If all goes well with pilot studies in New Zealand and China, Virgin is prepared to go worldwide with this fuel.

According to Branson, “ With oil running out, it is important that new fuel solutions are sustainable, and with the steel industry alone able to deliver over 15 billion gallons of Jet fuel annually, the potential is very exciting. This

new technology is scalable, sustainable and can be commercially produced at a cost comparable to conventional Jet fuel.

” Virgin has already pledged to reduce carbon emissions per passenger 30 percent by 2020. Other steps it has taken beyond renewable fuels include investing in more fuel-efficient aircraft and advocating for global carbon cap and trade.

This new technology is said to overcome the many land use issues generally associated with biofuels, while cutting lifecycle carbon emissions in half. Some might not consider this new fuel truly sustainable since it depends entirely on fossil fuel-based steel production for its feedstock. It might be more appropriate to put it in the “ do less harm” category, as something that can be used to buy some time until a more sustainable solution, like lighter-than-air, or hydrogen-powered planes can be found.

But still, this is good news for all of us who need to fly and care about the impact on the planet.

Economical Virgin Atlantic took this initiative to reduce the weight of its aircraft. The company introduced the first four of 10 new airplanes which are 9 percent and 15 percent more efficient on a per-seat basis than the models they replaced. The interior of the new airplanes are being fitted with lighter airframe monuments, seats and galleys which reduce overall weight by 1.3 tons per airplane. The company is also reducing the amount of potable water carried on the airplanes by 25 percent which helps reduce weight.

ompany's target to reduce energy use is 10 percent by 2012 and 20 percent by 2021. It has already reduced energy use by 10.85 percent since the 2008/2009 base year. There are several ways that the energy target for 2012 has been met, including changing 138 lights to an LED fitting, which uses 95 percent less energy. Another way is through installing next generation Energy Star-compliant server hardware that is about 30 percent energy efficient. The target for waste reduction is 50 percent by 2012 from 2008 levels.

So far, Virgin Atlantic has reduced waste 29 percent.

It will not meet its target by the end of this year, so it set a new target of meeting the goal by 2015. However, the company did recycle 68 percent of its waste in 2011, so it is on track to meet its target of recycling 75 percent of its waste by the end of 2012. Virgin Atlantic has implemented several initiatives to reduce paper use: Changed to coreless toilet rolls, which saves almost 86,000 toilet rolls a year. Introduced an electronic invoicing system for its 750 suppliers, and so far 38 percent have implemented it.

Once all the suppliers make the switch, the new system will save about 66,000 pieces of paper, equivalent of 24 trees.

Reused 2,071 pieces of stationery. Virgin Atlantic diverted almost 30 tons of food waste from winding up in a landfill in 2011, more than twice the 2010 amount, which saves almost 17 tons of greenhouse gas emissions. The food waste goes to a combined heat and power plant, producing enough electricity to power 128 40-watt bulbs for eight hours a day for a year. It also composted 14 tons of green waste in 2011.

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Reduction in all the above factors, in turn resulted in good amount of profits too for Virgin Atlantic in 2012. SIR RICHARD BRANSON Richard Branson is the founder of United Kingdom-based Virgin Group, which consists of more than 400 companies around the world including the airlines Virgin Atlantic and Virgin America, wireless company Virgin Mobile and international health club Virgin Active.

Branson started his first business when he was 16 and in 1972, opened a chain of record stores that kick-started his Virgin brand.

His business ventures have ranged from a vodka line to financial services to a private 74-acre island for rent to space tourism. He is the author of six books including his latest, *Like a Virgin: Secrets They Won't Teach You at Business School* (Portfolio Trade, 2012). Branson is the 4th richest citizen of the United Kingdom, according to the Forbes 2012 list of billionaires, with an estimated net worth of US\$4.6 billion “ Sometimes, in order to get that great business idea off the ground, you need someone to believe in you to give you the confidence to take it forward.

years ago it was my mum who gave me the push I needed to start-up for myself – and she's been my best supporter and source of advice ever since. ” – Sir Richard Branson stated on the launch of [virginstartup.org](http://virginstartup.org). This site will help new entrepreneurs with the finances as well as with one-to-one mentorship – Just like he got from his mother. (launched on 27th November 2013) With this in mind he has asked the team at Virgin Startup, which is not-for-profit organisation to support young entrepreneurs in England. This will help new aspiring entrepreneurs achieve their dreams.

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