

CLIMATE RELATED DISCLOSURES

TCFD | Taskforce on Climate-Related
Financial Disclosures

2022

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CLIMATE-RELATED DISCLOSURES

Taskforce on Climate-related Financial Disclosures (TCFD)

The airline committed to supporting the TCFD in 2019. The following disclosures summarise how the airline aligns with the TCFD recommendations.



Governance of Climate-related Risks and Opportunities

TCFD Recommendation:

Board's oversight of climate-related risks and opportunities

The Board considers and provides direction on the airline's strategic consideration of the impacts of climate change. The Board is ultimately responsible for the airline's response to the risks and opportunities presented by climate-related issues. Board oversight is through its Audit and Risk Committee, which oversees key strategic risks including climate change.

This Committee meets quarterly and, amongst other things, considers updates on management of strategic risks biannually. The Board is updated following each Committee meeting. Matters meriting Board-level consideration are highlighted or dealt with as standalone Board agenda items.

Strategic climate-related risks are also considered by the Board as part of the airline's Group Risk Profile which is an output of the airline's Enterprise Risk Management Framework (ERMF).

The airline's external Sustainability Advisory Panel, consisting of subject matter experts, provides independent advice to the Board (and Management) on all aspects of the airline's sustainability strategy. This assists the airline to improve and develop its strategic response to the impacts of climate change.

TCFD Recommendation:

Management's role in assessing and managing climate-related risks and opportunities

Management has day-to-day responsibility for identifying and managing climate-related risks and opportunities.

Climate-related workstreams are the responsibility of the full Leadership Squad, operational management, and the Sustainability Centre of Excellence. Management focus is given to risk identification and ensuring that climate-related activities are adequately resourced (for example, programmes of work relating to Sustainable Aviation Fuel (SAF), zero emissions aircraft technologies (ZEAT), carbon offsetting, and regulatory compliance). Key issues are reported up to the Audit and Risk Committee as appropriate.

Sustainability is affirmed as a group policy and is reflected in the airline's Code of Conduct and Ethics and its Supplier Code of Conduct, which set expectations of employees and of those the airline does business with.



Strategy

TCFD Recommendation:

1. *Climate-related risks and opportunities identified over the short, medium, and long-term*
2. *Actual and potential impacts of climate-related risks and opportunities on the Company's strategy and financial planning*
3. *Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario*

In 2020 the airline set a goal to achieve net zero carbon emissions by 2050 and developed an updated decarbonisation strategy to meet this. The strategy includes investment in and advocacy to support the availability and commercial viability of SAF, investment in resource and capability to bring ZEAT to market, and ongoing engagement with stakeholders to achieve carbon emissions reductions across the network. The strategy was informed by the risks and opportunities which have been identified by the airline as part of its TCFD disclosure workstream.

In 2022, the airline launched Flight NZO™, its public campaign promoting its commitment to decarbonisation. Flight NZO™ is about acknowledging the impact of aviation on the climate and taking genuine action to decarbonise the operation. It is designed to provide transparency for customers as to the airline's decarbonisation goals and the concrete steps it is taking to meet these.

CLIMATE-RELATED DISCLOSURES (CONTINUED)



Strategy *(continued)*

Transition Risks and Opportunities

Transition risks and opportunities are those related to the transition to a lower carbon economy. These include the impact of policy, legal, technological, reputational or market measures associated with climate change and decarbonisation.

In 2022, the airline engaged third-party experts Ernst and Young (EY) to consider for the first time the transition risks and opportunities and the impact of these to the airline across three climate-related scenarios. The risks and opportunities were analysed over three different time horizons: short-term (2019-2030); medium-term (2031-2040); and long-term (2041-2050).

The three climate change scenarios, each representing different climate warming and transition trajectories, are outlined in **Figure 1** over page. These three trajectories were chosen to align with the TCFD recommendation to use a 2°C or lower scenario in addition to two or three other scenarios most relevant to the business's circumstances.

The three scenarios were developed using a combination of inputs from four leading scenario providers: the Network for Greening the Financial System (NGFS), the International Energy Agency (IEA), the Air Transport Action Group (ATAG) Waypoint 2050 Report, and the New Zealand Climate Change Commission's (NZCCC's) Energy and Emissions modelling.

These four scenario providers were selected to achieve the granularity and aviation-specificity required for meaningful and decision-useful scenario analysis. This aligns with guidance from the New Zealand External Reporting Board (XRB) on using sector-specific scenarios and balances the need for aviation-specific data points with the required climate warming trajectories to sufficiently stress test the airline's strategy under different climate change scenarios.

EY used a proprietary transition risk model designed for the aviation sector to perform the modelling. This model calculates the greenhouse gas emissions profile and cost implications based on various data inputs out to 2050. These inputs were compiled from a combination of data from the airline and external data sources and assumptions.

The overarching conclusion from the modelling was that total incremental costs to the airline would be larger in the disorderly scenario due to delayed policy, investment, and emissions reductions, which increases technology costs and results in a higher carbon price.

The airline will continue to build on this scenario analysis to deepen its understanding of the impacts of climate change under different warming scenarios, the resilience of the company strategy in the face of these, and potential resulting material financial implications.

The airline plans to conduct physical risk analysis in the 2023 and 2024 financial years.



CLIMATE-RELATED DISCLOSURES (CONTINUED)



Strategy (continued)

Transition Risks and Opportunities (continued)

Figure 1.

The airline's climate scenarios for the consideration of transition risks¹

<p>Scenario – 1</p> <p>Orderly Scenario</p> <p>1.5°C</p>	<p>Scenario – 2</p> <p>Disorderly Scenario</p> <p>1.8°C</p>	<p>Scenario – 3</p> <p>Business as Usual Scenario</p> <p>2.5°C</p>
<ul style="list-style-type: none"> Emissions in the wider economy decline in a coherent and gradual fashion from now out to net zero emissions in 2050 The aviation sector lags the wider economy by 5-10 years with meaningful decarbonisation starting from 2030-2050 Global warming is limited to 1.5°C 	<ul style="list-style-type: none"> Emissions in the wider economy slowly rise until 2030, before an abrupt and steep transition to net zero by 2050 The aviation sector lags the wider economy, delaying implementation of decarbonisation strategies until 2035-2040 which requires a very sudden fleet turnover to reach net zero in 2050 Global warming is limited to 1.8°C 	<ul style="list-style-type: none"> Emissions in the wider economy continue to rise out to 2050 with minimal action by governments to address climate change beyond those already known and in place The airline's current decarbonisation strategy is considered sufficient to mitigate reputational risks The aviation sector does not implement any decarbonisation strategies unless it is economically preferable Global temperatures increase to 2.5°C
<p>Impact</p> <ul style="list-style-type: none"> Airline impacted by short, medium and long term transition risks due to regulatory action to decarbonise the economy in line with limiting global warming to 1.5°C This scenario has lower potential costs from transition impacts than the Disorderly Scenario 	<p>Impact</p> <ul style="list-style-type: none"> This scenario would see the most impact and cost on the airline from transition risks due to delayed action to decarbonise the economy, requiring rapid change from 2035-2050 	<p>Impact</p> <ul style="list-style-type: none"> Given Business as Usual assumes no further regulatory action, risks related to this would have less impact on the airline than under the other scenarios Physical risks likely to be the highest of the scenarios and significant but not modelled
<p>External scenarios</p> <ul style="list-style-type: none"> NGFS 2021: Net Zero 2050 IEA World Energy Outlook (WEO) 2021: Net Zero Emissions by 2050 Scenario ATAG Waypoint 2050: Scenario 1: pushing technology and operations NZCCC: Demonstration Path 	<p>External scenarios</p> <ul style="list-style-type: none"> NGFS 2021: Delayed transition A combination of Business as Usual / Reference and Orderly Scenario external scenario providers to 2030-2035 before linearly shifting to an end point slightly higher than the Orderly Scenario 	<p>External scenarios</p> <ul style="list-style-type: none"> NGFS 2021: NDCs IEA WEO 2021: Stated Policies Scenario ATAG Waypoint 2050: Scenario 0: Baseline / continuation of current trends NZCCC: Current Policy Reference

¹ The airline selected these three warming scenarios to consider transition risks, in accordance with TCFD and XRB recommendations at the time. For future scenario modeling exercises, including the modeling of physical risks planned for 2023, the airline will include consideration of a 3°C or greater climate-related scenario in accordance with the most recent XRB recommendations.

CLIMATE-RELATED DISCLOSURES (CONTINUED)



Strategy (continued)

Transition Risks

The transition risks defined below have been informed by the climate-related scenario modelling outlined above.

S **Short-term**
2022 – 2030

M **Medium-term**
2031 – 2040

L **Long-term**
2041 – 2050

Risk	TCFD category and timeframe	Risk description	Potential financial impacts	Mitigation
Carbon pricing	Policy and legal S M L	<p>Increased carbon-related regulation in New Zealand and internationally.</p> <p>Current compliance obligations include the New Zealand Emissions Trading Scheme (NZETS) for emissions from domestic aviation fuel, and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) for growth in international emissions from a 2019 baseline.</p>	New or increased carbon taxes present risk to EBIT by increasing operating expenditure.	<ul style="list-style-type: none"> Future carbon pricing assumptions considered in operational and strategic planning. Implementation of the airline's decarbonisation strategy to achieve reductions in gross carbon emissions, including improvements to operational efficiency, ongoing fleet renewal, investment in and advocacy to accelerate the availability and commercial viability of SAF, and advocacy and planning for ZEAT. The airline is advocating for NZETS auction proceeds to be used to accelerate the development and deployment of technologies to enable aviation decarbonisation. The airline's compliance costs for the NZETS were \$14.4 million (calendar year 2021), \$14.5 million (calendar year 2020) and \$14.6 million (calendar year 2019). Monitoring international regulatory developments to understand risk and opportunities.
Government policy changes	Policy and legal S M L	<p>Implementation or expansion of domestic and international policy regulating carbon emitting activities. Examples include emissions trading schemes, carbon taxes, passenger levies, SAF mandates, or demand control measures.</p> <p>Differing international standards could also introduce compliance complexity, and risk distorting the competitive composition of the market.</p>	Increased operational and compliance costs present risk to EBIT.	<ul style="list-style-type: none"> The airline actively engages in government consultations on climate change policy with the goal of advancing aviation decarbonisation. This includes advocating for new policy measures to support the supply of SAF. Public submissions and advocacy documents can be found on the airline's website². Implementation of the airline's decarbonisation strategy to achieve reductions in gross carbon emissions, including improvements to operational efficiency, ongoing fleet renewal, investment in and advocacy to accelerate the availability and commercial viability of SAF, and advocacy and planning for ZEAT. Monitoring international regulatory developments to understand risk and opportunities.

² Air New Zealand Sustainability Reporting and communications www.airnewzealand.co.nz/sustainability-reporting-and-communication.



CLIMATE-RELATED DISCLOSURES (CONTINUED)



Strategy (continued)

Transition Risks (continued)

Risk	TCFD category and timeframe	Risk description	Potential financial impacts	Mitigation
Cost and supply of Sustainable Aviation Fuel (SAF)	Technology S M L	Cost of SAF is around 2 to 5 times the cost of jet fuel. SAF supply is limited: current SAF production is equivalent to less than 1% of the jet fuel that is consumed globally. In addition, supply is geographically constrained, with production based in jurisdictions with supporting policy: there is currently no SAF produced in the Asia-Pacific region.	SAF cost presents a risk to EBIT by increasing operating expenditure and compliance costs. SAF supply limitations present a risk to EBIT from increased compliance costs and reputational damage.	<ul style="list-style-type: none"> Continuing advocacy³ for new policy measures to support the supply and commercial viability of SAF in New Zealand, including advocating for a SAF-specific mandate, and SAF-specific policies to support the establishment of import supply chains and domestic production. Partnership⁴ with the New Zealand Government to explore domestic SAF production in New Zealand, to secure local supply and improve fuel security. Membership in World Economic Forum Clean Skies for Tomorrow Coalition⁵. Collaboration with partner airlines on developing global SAF supply, including Star Alliance members.
Rapid fleet renewal	Technology M L	Rapid fleet renewal to mitigate emissions. Risk that technology does not develop sufficiently to meet emissions reduction goals.	Acquiring ZEAT represents an upfront cost increasing capital and operating expenditures. Technology lag presents a risk to EBIT from increased compliance costs and reputational damage.	<ul style="list-style-type: none"> Engaging with aircraft designers to support the development of these aircraft, including providing the airline's own specifications⁶ for ZEAT. Partnership⁷ with Airbus to explore the deployment of hydrogen-powered aircraft in New Zealand. Continuing advocacy for new policy and regulatory measures to support the deployment of ZEAT in New Zealand, including through new infrastructure and energy supply. Partnership⁷ with ATR to explore hybrid and zero emissions aircraft technology. Partnership⁷ with Wisk Aero exploring how electric vertical take-off and landing (eVTOL) aircraft could potentially enable zero emissions short-range domestic flights.
Reduced travel demand due to changes in consumer preferences, and damage to brand value	Reputation / Market S M L	Increasingly climate conscious customers – leisure and business travellers seeking to reduce their own emissions footprint may reduce air travel consumption.	Reduced air travel demand and eroded brand value presents risk to EBIT by reducing revenue.	<ul style="list-style-type: none"> Building on current carbon reporting provided to corporate customers, providing Air New Zealand-specific carbon data to better inform customers as to their emissions footprints from travel. Developing a corporate and cargo SAF purchasing programme, to enable emissions reductions in-line with the Science Based Targets initiative guidelines. Flight NZO⁸ to inform customers as to the actions the airline is taking to decarbonise, and further plans for decarbonisation as the technology matures in the medium to long-term.

³ Air New Zealand Sustainability Reporting and communications www.airnewzealand.co.nz/sustainability-reporting-and-communication.

⁴ Air New Zealand Flight NZO™ Sustainable aviation fuel www.flightnz0.airnewzealand.co.nz/#saf.

⁵ World Economic Forum Clean Skies for Tomorrow Coalition www.weforum.org/projects/clean-skies-for-tomorrow-coalition.

⁶ Air New Zealand Zero Emissions Aircraft Product Requirements Document www.flightnz0.airnewzealand.co.nz/initiatives/zero-emissions-aircraft-technology.

⁷ Air New Zealand Flight NZO™ Zero emissions aircraft technology www.flightnz0.airnewzealand.co.nz/initiatives/zero-emissions-aircraft-technology.

⁸ Air New Zealand Flight NZO™ www.flightnz0.airnewzealand.co.nz.

CLIMATE-RELATED DISCLOSURES (CONTINUED)



Strategy *(continued)*

Transition Opportunity

Opportunity	TCFD category and timeframe	Description	Potential financial impacts	Mitigation
Increased demand for net zero emissions flying	Products and services S M L	Increasing market share and potential price premiums from business and leisure customers seeking net zero emissions flying.	Increased revenue through demand for lower emission air travel. Better competitive position resulting in increased revenue. Improved access to decarbonisation technologies. Continued access to capital.	<ul style="list-style-type: none"> Continue to implement decarbonisation roadmap and to identify new opportunities to decarbonise. Continue to engage with stakeholders through Flight NZO™⁹, as outlined on previous page. Engage with corporate and cargo customers to develop SAF purchasing programme and provide airline-specific carbon emissions data, as outlined on previous page.



Physical Risks

Physical risks are risks arising from changes in the regional and global climate and the consequential impacts and events. These may include acute physical damage from variations in weather patterns (for example severe storms, coastal/tidal flooding, drought) or chronic impacts (for example sea level rise and temperature increase).

Risk	TCFD category and timeframe	Description	Potential financial impacts	Mitigation
Extreme weather events	Acute Physical S M L	Increasing frequency of extreme weather events resulting in greater disruption to flights and the wider network.	Decrease in flying presents risk to EBIT by reducing revenue. Damage to infrastructure presents risk of increasing capital costs. Increased insurance premiums and potential for reduced availability of insurance on assets in "high risk" locations.	<ul style="list-style-type: none"> Implementation of flight planning software using advanced data analytics to optimise flight paths both in planning and dynamically once aircraft are airborne. Investment in advanced operations control thunderstorm detection in Auckland enabling proactive direct-to-aircraft-crew notification. The airline is a member of New Zealand's New Southern Sky Programme which has been established to future proof New Zealand's airspace with the deployment of advanced technology adoption.
Sea level rise and coastal intrusion	Chronic Physical M L	Sea level rise and coastal intrusion causing network disruption and loss of access to airports, other aviation support facilities, critical infrastructure and supply chains.	Decrease in flying presents risk to EBIT by reducing revenue. Damage to infrastructure presents risk of increasing capital costs. Increased insurance premiums and potential for reduced availability of insurance on assets in "high risk" locations.	<ul style="list-style-type: none"> Spatial master planning process identifies infrastructure risks and these are reflected in master planning. Ensuring maintenance is fit for purpose and current to legislation and regulation for building resilience.

⁹ Air New Zealand Flight NZO™ www.flightnz0.airnewzealand.co.nz.



CLIMATE-RELATED DISCLOSURES (CONTINUED)



Risk Management

TCFD Recommendation :

1. *Processes for identifying and assessing climate-related risks*
2. *Processes for managing climate-related risks*
3. *Processes for identifying, assessing and managing climate-related risks and integrating them into overall risk management*

Risks are identified at various levels of the organisation, including a “bottom up” review involving the identification of key risks by business units and a review of top divisional risks by each Executive in respect of their portfolio of functions.

These processes are supplemented with specialist input from functional experts, including from the Sustainability, Corporate Finance, Legal and Risk teams, to promote consistency and completeness. Key climate-related risks and opportunities are also identified, assessed, and managed by each business unit in accordance with this process.

Risks identified through this process are analysed and consolidated by the Enterprise Risk team to inform the Group Risk Profile, representing the top strategic risks for the airline.

Periodic workshops are held with the Board to gain insights and input, including into risk identification, assessment, and management.

Key risks identified are entered into Risk Registers and a formal assessment process determines the materiality of the risk. Risks are assigned to a responsible manager. Key mitigations for identified risks are determined and assessed for effectiveness and action plans developed where required to reduce the risks to an acceptable level.

Significant climate-related risks are brought to the attention of the Leadership Squad and/or the Audit and Risk Committee as part of the process of reporting to those bodies, and where appropriate are escalated to the Board.



Metrics and Targets

TCFD Recommendation:

1. *Metrics used by the organisation to assess climate-related risks and opportunities in-line with its strategy and risk management process*
2. *Reporting greenhouse gas emissions*
3. *Targets used by the organisation to manage climate-related risks and opportunities and performance against targets*

The airline uses a range of carbon metrics in its internal reporting, strategy formation and decision making. This includes metrics related to assessing the impact of gross carbon emissions, emissions intensity values and the value of New Zealand’s carbon compliance obligations. Key metrics are reported below.

The impact of Covid-19 has had a significant impact on the airline’s operations and network as well as the key metrics that the airline reports on. As a consequence, it is difficult to meaningfully compare the key metrics with prior years.

CLIMATE-RELATED DISCLOSURES (CONTINUED)



Metrics and Targets *(continued)*

Carbon Emissions Data (Tonnes CO ₂ -e) ¹	2020	2021	2022
Scope 1 – International network emissions (Jet Fuel)	2,649,922	817,078	1,040,786
Scope 1 – Domestic network emissions (Jet Fuel)	518,607	508,737	465,303
Scope 1 – Other emissions ²	8,106	7,376	6,796
Total Scope 1 emissions	3,176,635	1,333,191	1,512,885
Scope 2 – Emissions (Electricity)	2,832	2,720	2,736
Scope 3, Category 3 (Upstream emissions of purchased fuels) ³	-	-	307,335
Total Scope 1, Scope 2 and Scope 3 (category 3) emissions	-	-	1,822,956

¹ The airline discloses its emissions within its Greenhouse Gas (GHG) Inventory report. Full definitions of emission scopes can be found within that report; extracts from that report are duplicated here within. Deloitte was engaged to provide reasonable assurance over the scope 1 and scope 2 components over the GHG Inventory Report, and limited assurance over the scope 3, category 3 components. Refer to the reporting and communications page on Air New Zealand's website for the full GHG Inventory and Assurance Report. Gases included in the carbon dioxide equivalents (CO₂-e) factor are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O).

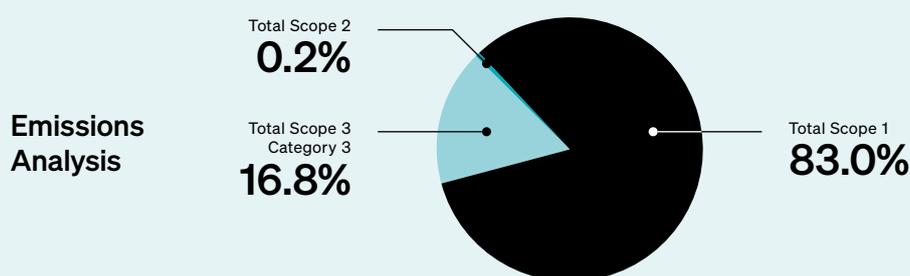
² Scope 1 other emissions include the combustion of jet fuel from ground operations, LPG, natural gas, diesel, petrol, and wood pellets.

³ Scope 3, category 3 emissions include emissions generated in the extraction, production, and transportation of fuels consumed by the airline. 2022 is the first year that Scope 3 (Category 3) emissions have been reported.

Commentary on Carbon Emissions Data

Total Scope 1 and 2 emissions increased by 13% in 2022. This increase was due to the increase in Scope 1 emissions resulting from greater network capacity as New Zealand's Covid-19 restrictions eased through 2022. These emission levels remain significantly lower than pre-Covid-19 levels.

In 2022 the airline disclosed its scope 3, category 3 emissions for the first time. Category 3 emissions are the airline's predominant source of scope 3 emissions.





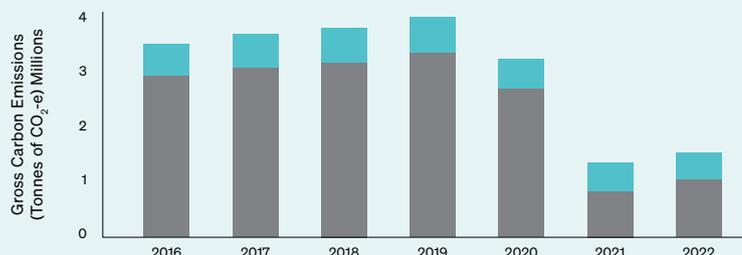
CLIMATE-RELATED DISCLOSURES (CONTINUED)



Metrics and Targets *(continued)*

Gross Carbon Emissions (CO₂-e)

■ International
■ Domestic



Carbon Intensity Data

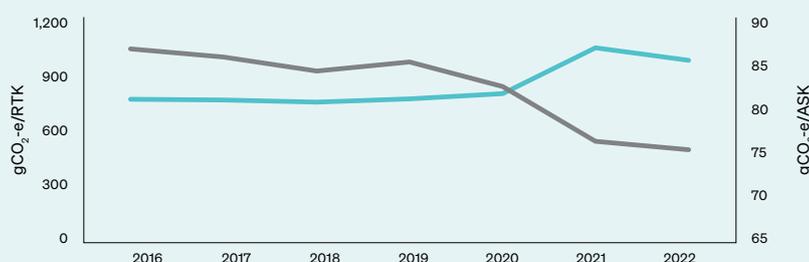
Carbon intensity data below provides a measure of emissions generated for each kilogram of payload flown and each available seat. Payload carriage is expressed as Revenue Tonne Kilometre (RTK)⁴ and seat availability is measured in Available Seat Kilometre (ASK)⁵.

These are both prominent metrics for benchmarking airline carbon intensity. The airline aims to improve carbon intensity by reducing emissions from flight operations and maximising total payload carriage.

Carbon Intensity Metrics	2020	2021	2022
Grams of CO ₂ -e per Available Seat Kilometre (ASK)	82	76	75
Grams of CO ₂ -e per Revenue Tonne Kilometre (RTK)	789	1,039	971
Well-to-Wake Grams of CO ₂ -e per Revenue Tonne Kilometre (RTK) ⁶	-	-	1,165

Carbon Intensity Analysis

■ gCO₂-e/ASK
■ gCO₂-e/RTK



Commentary on Carbon Intensity Metrics

The airline's carbon intensity (measured in gCO₂-e/RTK) decreased 7% compared to 2021. This improvement was largely due to easing New Zealand border restrictions leading to higher load factors on the network. However, this metric still remains elevated when compared to pre-Covid-19 levels due to the national lockdowns and border restrictions in place at varying times throughout the 2022 financial year.

While the airline's carbon intensity (measured in gCO₂-e/RTK) has trended upwards through the Covid-19 impacted period, carbon intensity (measured in gCO₂-e/ASK) has continued a downward trend, decreasing 12% between 2019 to 2022. This reduction has been a result of the improved efficiency achieved through the retirement of the Boeing 777-200ER fleet and continued efforts to improve operational efficiency.

⁴ Revenue Tonne Kilometre (RTK) is a measure of the weight that has been paid for on the aircraft (freight and passengers) multiplied by the number of kilometres transported. Freight values are from the airline's records, and passenger weights are estimated at 100kg per passenger (including checked and carry-on baggage) as recommended by IATA for generating a fuel-efficiency target. CO₂-e emissions are from the airline's use of aviation fuel over the same time period.

⁵ Available Seat Kilometre (ASK) is measured by the available seats for sale multiplied by the number of kilometres transported. The airline has participated in the Maintaining International Air Connectivity scheme using passenger aircraft to fly cargo-only flights. The equivalent ASK's from these flights has been included in the total ASK number.

⁶ Well-to-Wake (WTW) emissions cover the activities and accompanying emissions across the value chain of jet fuel in the aviation sector. WTW emissions can be split into two components: Well-to-Tank (WTT) which encompasses emissions from feedstock sourcing, processing and transportation to fuel production and distribution (measured as scope 3, category 3 emissions); and Tank-to-Wake (TTW) includes emissions from the combustion of fuel (measured as scope 1 emissions).

CLIMATE-RELATED DISCLOSURES (CONTINUED)



Metrics and Targets *(continued)*

Targets

The airline has set a 2030 science-based target (as outlined below), validated by the Science Based Targets initiative. The target includes a carbon intensity reduction component and an associated gross emissions reduction component. The target is aligned to a 'well below 2°C' pathway⁷ and requires an absolute reduction in carbon emissions, with no provision for carbon offsets. Each component of the target should be considered side-by-side for a balanced view of performance against the target.

The airline's science-based carbon reduction target



Air New Zealand commits to reduce Well-to-Wake GHG emissions related to jet fuel by 28.9% per Revenue Tonne Kilometre from owned operations, equivalent to a 16.3% absolute reduction, by 2030 from a 2019 base year⁸

Summary of Climate Targets

- Commitment to net zero carbon emissions by 2050.
- Validated 2030 science-based carbon reduction target (as outlined above).
- The airline has signed the Clean Skies for Tomorrow 2030 Ambition Statement, pledging support for SAF and committing to help accelerate the supply and use of SAF to reach 10% of global jet aviation fuel supply by 2030.
- A cap on net CO₂ emissions from international aviation from 2020. Achieved through the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

⁷ The Science Based Targets initiative does not provide a 1.5°C aligned pathway for the aviation industry.

⁸ Non-CO₂-e effects which may also contribute to aviation induced warming are not included in this target. The airline commits to report publicly on its collaboration with stakeholders to improve understanding of opportunities to mitigate the non-CO₂-e impacts of aviation annually over its target timeframe. The target boundary includes biogenic emissions and removals from bioenergy feedstocks.



Next steps for the airline's TCFD work plan

- Use and build on transition risk scenario modelling that has been undertaken to deepen understanding of the impacts of climate change under different warming scenarios, the resilience of the airline strategy in the face of these, and potential resulting material financial implications.
- Conduct physical risk scenario modeling, including analysis of a 3°C or greater climate-related scenario and consideration of possible adaptation measures required.
- Contribute to sector wide scenario modelling as applicable.
- Progress towards full compliance with New Zealand's Climate-related risk disclosure standards.

AIR NEW ZEALAND 