Diversity & Inclusion Strategy to 2020

May 2018
Charlotte Downes
Diversity & Inclusion Manager
To create a diverse workforce, proudly representative of Aotearoa. A place where Air New Zealanders can be themselves and thrive.
Diversity is a broad concept that implies inclusion of the many characteristics that differentiate us from each other. Sometimes these characteristics affect our view of the world, our experiences, and our ways of relating to our surroundings and each other.

At Air New Zealand, we value the many perspectives that arise from having a variety of cultures, races, genders, religions, national origins, ages, physical and cognitive capabilities, sexual orientations, and other ways we identify ourselves. It’s our people and the diversity of our organisation that sets us apart and helps to drive innovation. This leads to a stronger connection with our customers and in turn creates better business results.

Inclusion is embracing and celebrating our unique differences and perspectives. It means bringing out the best in every Air New Zealander and creating a safe environment where people can bring their whole self to work. Inclusion is empowering every Air New Zealander to feel valued, respected and supported to have a voice and thrive.
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
<td>5</td>
</tr>
<tr>
<td>The business case for diversity and inclusion</td>
<td>7</td>
</tr>
<tr>
<td>Achievements to date</td>
<td>8</td>
</tr>
<tr>
<td>What we want to achieve</td>
<td>9</td>
</tr>
<tr>
<td>Summary of activity coming up</td>
<td>24</td>
</tr>
<tr>
<td>Targets</td>
<td>25</td>
</tr>
<tr>
<td>Employee Networks</td>
<td>26</td>
</tr>
<tr>
<td>Partners and Sponsors</td>
<td>31</td>
</tr>
</tbody>
</table>
As proud supporters of diversity and inclusion here at Air New Zealand, we have four key objectives aligned to our business strategy to supercharge New Zealand’s success.

The Executive and I are committed to promoting diversity at all levels of the organisation. I believe our people are our greatest asset and while everything else we do can theoretically be replicated by our competitors, it is our people that truly set us apart. Research shows a more inclusive workforce results in larger pools of talent, more expansive thinking and better decision-making and we have a number of initiatives to foster a diverse workplace.

Our Board and Executive are clear on our diversity commitments and we recognise the importance of measurement and collaboration to ensure we’re taking a best practice approach. Working with external organisations such as Global Women with its Champions for Change initiative has helped us to benchmark our diversity efforts – as well as providing learning, networking and growth opportunities for women at Air New Zealand.

We’re dedicated to creating an environment where our people feel connected and developed and we’re investing in internal networks to create a sense of belonging across the airline.

I’m proud of the work we’re doing to offer our people a more inclusive workplace at Air New Zealand.

Christopher Luxon, Chief Executive Officer
As an international airline and as an iconic brand, it’s important that we encourage and celebrate diversity in our workforce and create an inclusive culture which leverages our people’s unique backgrounds, qualities and contributions to allow us to be our very best.

Having strong Board and Executive backing is vital to making headway.

Our Board has been very clear on its commitment in this space. Our Chief Executive Officer has also been a big sponsor of this work — freeing up budget and resources and being a visible agitator for change in his leadership messages as well as his personal sponsorship and attendance at Employee Network events.

I look ahead with anticipation in the diversity and inclusion space here at Air New Zealand. We have outstanding people who are part of collaborative and diverse projects to help supercharge the success of our employees and wider New Zealand.

Jodie King, Chief People Officer

“He waka eke noa
A canoe that we are all on together”
What is the business case for Diversity & Inclusion?

Focusing on our people is not only ‘the right thing to do’, it also presents significant commercial benefits.

- Companies in the top quartile of gender diversity are 35% more likely to financially outperform their industry.
- Companies with high ethnic diversity are 33% more likely to have higher than average market share.
- Companies with female board members are 26% more profitable than companies with all male board members.
- Companies in the top quartile of gender diversity are 15% more likely to financially outperform their industry.

Mckinsey, 2015
We are proud of our achievements so far...

- **2013**: Set target to achieve 40% of women on the Senior Leadership Team (SLT) from baseline of 16%.
- **2014**: Launch of the Women in Leadership programme.
  - Became principal sponsor for TupuToa programme, to get more Māori and Pasifika interns into corporate New Zealand.
  - Three TupuToa interns welcomed into Air New Zealand.
- **2016**: Appointed full-time Diversity & Inclusion Manager Leadership development programme.
  - Launch of Mahi Rangatira (Middle Manager programme).
  - Tripled intake of TupuToa interns.
  - Launch of WINGS (Women Inspiring the Next Generation of female pilots) and Women in Engineering & Maintenance groups.
- **2017**: Launch of partnership with Global Women.
  - Christopher Luxon takes on role with Champions for Change initiative.
  - Appointed full-time Diversity & Inclusion Manager Leadership development programme.
  - Launch of the Women in Leadership programme.
  - Won the Diversity Works, Empowerment Award for the work we are doing to empower women at Air New Zealand.
- **2018**: Women in Leadership Cohort 3 launched.
  - 32 women have been through the Women in Leadership programme since it launched in 2014, 42% have been promoted into the Senior Leadership team.
  - Reset target to achieve 50% of women on the Senior Leadership Team.
  - Appointed full-time Diversity & Inclusion Manager Leadership development programme.
  - Launch of the Women in Leadership programme.
  - Won the Diversity Works, Empowerment Award for the work we are doing to empower women at Air New Zealand.
  - Set target to collect a minimum of 70% ethnicity data.
  - Became principal sponsor for TupuToa programme, to get more Māori and Pasifika interns into corporate New Zealand.
  - Three TupuToa interns welcomed into Air New Zealand.
  - Launch of partnership with Global Women.
  - Christopher Luxon takes on role with Champions for Change initiative.

Launch of employee networks: Manu (Māori Pasifika) Young Professionals Women's network Pride.

Launch of partnership with Global Women. Christopher Luxon takes on role with Champions for Change initiative.

Appointed full-time Diversity & Inclusion Manager Leadership development programme.

Launch of Mahi Rangatira (Middle Manager programme).

Tripled intake of TupuToa interns.

Launch of WINGS (Women Inspiring the Next Generation of female pilots) and Women in Engineering & Maintenance groups.

Launch of the Asian Employee Network (KASIA).

Reset target to achieve 50% of women on the Senior Leadership Team.

Win the Diversity Works, Empowerment Award for the work we are doing to empower women at Air New Zealand.

Set target to collect a minimum of 70% ethnicity data.

Became principal sponsor for TupuToa programme, to get more Māori and Pasifika interns into corporate New Zealand.

Three TupuToa interns welcomed into Air New Zealand.

Women in Leadership Cohort 3 launched.

32 women have been through the Women in Leadership programme since it launched in 2014, 42% have been promoted into the Senior Leadership team.

Set target to achieve 40% of women on the Senior Leadership Team (SLT) from baseline of 16%.

Launch of employee networks: Manu (Māori Pasifika) Young Professionals Women’s network Pride.
What we want to achieve

We have had some success to date and are proud of how far we have come. We are still on the journey and will continue to drive our Diversity & Inclusion agenda throughout the organisation.

We have some ambitious plans to take us through to 2020. Our action plan aligns to our 4 core strategic pillars. These pillars underpin everything we do and ensure we stay on track to deliver our objectives.

We will report on our progress in both our Sustainability and Annual reports.

Attract and recruit diverse talent

Ensure our talent attraction and selection processes support diversity. We aim to become an employer of choice for diverse talent.

Develop our diverse workforce

Identify potential talent in underrepresented groups. Ensure talent development meets the needs of the diverse workforce. Ensure there is both gender and ethically diverse representation in the Senior Leadership team.

Create a culture where everybody thrives

Create a culturally savvy and open-minded leadership team. Understand the engagement drivers of underrepresented groups. Utilise our employee networks to create a sense of community and belonging. A vehicle to celebrate and share different cultures and agitate for change.

Future-proof (Retention and Transition)

Support employees through the transition into the future work environment. Support employees transitioning out of the workforce into retirement.
Getting the basics right

We want to ensure Diversity & Inclusion is weaved through all of our people processes and becomes part of our DNA in everything we do at Air New Zealand. Our goal is to ensure that D&I is front of mind when making decisions on how we attract and recruit, remunerate, manage performance and develop our workforce.

Data and reporting – We are committed to collecting gender and ethnicity data and tracking this data regularly. We are committed to reporting gender & ethnicity data through Global Women, Champions for Change. We will also report yearly via our Air New Zealand Sustainability and Annual reports.

Diversity & Inclusion allies – D&I isn’t a one person job, it’s everyone’s responsibility. To ensure our message is loud and clear we will launch a D&I Steering Group who will focus on bringing important topics to the forefront for Senior Leadership and the Executive. We will bring the leaders of the employee network groups together to create synergy and collaboration and ensure all work is connected to our D&I objectives and we will launch a D&I ambassador network to further support the D&I activity happening throughout the year.

Communication – We will introduce the D&I strategy and objectives to the Executive and Senior Leadership team and the wider business. Externally we will communicate diversity and inclusion priorities & targets – we want to share our story and bring everyone on the journey!
Data Targets


- 70% of ethnicity data recorded by end of 2018

Mature our talent attraction and selection processes to ensure we are an employer of choice to diverse talent

What do we want to achieve?

We want to ensure all of our Talent Acquisition processes help us to attract and recruit diverse talent and are inclusive. We will ensure Managers have the tools to make the right decisions and our Recruiters are knowledgeable advocates for Diversity & Inclusion.

How will we do it?

• We will complete an A-Z review of Talent Acquisition processes to ensure they support diversity objectives
• We will ensure D&I is included in all Hiring Manager education which includes digital learning, workshops and access to the D&I playbook
• We will hold to account external search partners in the provision of gender diverse recruitment aligned with our Diversity and Inclusion Strategy
Tactical Steps

- No longer asking candidates for current salary
- No longer sharing historical salary data with Hiring Managers
- At least 1 female on every Senior Leadership Team shortlist
- Gender conscious interview panels
Increase the % of Women on the Senior Leadership team (SLT)

What do we want to achieve?
• Our goal is to have 50% representation of women on the Senior Leadership Team. To achieve this we will need to have strong representation of women in the pipeline to the Senior Leadership Team
• We will continue to develop, engage and support women as they progress through the organisation
• We need to ensure that our recruitment processes are inclusive and apply a two prong approach both to build and buy talent
• We want to achieve this authentically and ensure our message is clear that this target doesn't detract from the fact that the best person for the role will be successful

How will we do it?
• We will create a plan to ensure we have a pipeline of female talent coming through to the Senior Leadership Team
• We will continue to explore flexibility and opportunities to provide support to women returning from parental leave
• We will continue to build confidence and leadership skills in women through the Women in Leadership programme – we will run this programme annually
• Continue to monitor the gender pay gap and put a plan in place to keep gender equity pay gap at less than +/- 1% for either gender

When: By 2020.
Targets

Keep gender equity pay gap at less than +/- 1%

50% of Women on the Senior Leadership Team by 2020
What we want to achieve?

Our first step is to establish the baseline by collecting ethnicity data. Our second goal is to increase representation of under-represented minority groups into management roles.

We know that the population of New Zealand is changing. Statistics New Zealand predicts that by 2020, 50% of the population will identify as Māori, Asian or Pasifika. As an organisation we need to ensure that we are attracting and recruiting diverse talent and bringing diverse talent into management roles.

We know the benefits that diversity brings to organisations culturally and commercially and it is important that we represent the customers we serve.
Targets

In 2018 we will focus on the leadership capability of Māori and Pasifika

Once the baseline is established, set stretching ethnicity targets by 2018

Report ethnicity and gender data through Global Women in 2018, 2019 and 2020

In 2018 we will focus on the leadership capability of Māori and Pasifika

Once the baseline is established, set stretching ethnicity targets by 2018

Report ethnicity and gender data through Global Women in 2018, 2019 and 2020
Understand the experiences of Māori and Pasifika working at Air New Zealand

Listen to the voices:

Engagement data - We will utilise the engagement data to get a true picture of engagement across minority groups at Air New Zealand.

Focus groups - We will conduct internal focus groups to understand the unique differences, motivations and feelings of belonging for Māori and Pasifika.

We will ensure that the experiences of our employees are heard and any future activity is built from a place of understanding.

Development programme for under-represented groups - Based on the data we receive in the focus groups we will develop a programme or plan of work in partnership with the cultural development team and experts in organisational development. The aim will be to leverage the cultural values and leadership skills of Māori and Pasifika with the ultimate goal of getting greater representation into Management roles.

When: Focus groups will be conducted in 2018.
What do we want to achieve?

We are committed to creating opportunities for young Māori & Pasifika students to gain corporate experience at Air New Zealand.

How will we do it?

We will continue to promote TupuToa to the business, selling the benefits diversity brings to both team culture and innovation.

We will continue to work with TupuToa to connect with interns and continue to support, inspire and develop interns during their time with Air New Zealand.

When: By 2020.
Supporting people with disabilities

What do we want to achieve?

We want to ensure that our organisation is set up to support employees with disabilities. This includes ensuring digital technology is accessible and ensuring the building and surrounding spaces are inclusive for everyone. We also want to ensure managers are equipped with the tools and resources to support their teams to thrive.

How will we do it?

• We will review engagement data of the workforce who identify as having a disability and create an action plan to address any findings from the survey
• We will review our buildings and digital technology to ensure it is inclusive for everyone
• We will ensure that managers have access to advice (including access to health and wellbeing advice and programmes) and ongoing training and development where required
• We will continue to work in partnership with Altus, ensuring that the employees working with Air New Zealand products feel connected and valued by Air New Zealand

Deliver unconscious knowledge & bias programmes

What do we want to achieve?

Everyone has unconscious bias. It’s our bias that has a strong influence on everyday judgments, decisions and behaviour which can lead to biased responses and which negatively impacts decision making.

We are committed to ensuring that Leaders and key decision makers within the organisation have the tools to mitigate the effects of unconscious bias both at an individual and corporate level to make better decisions that will drive improved performance.

This will ensure we remove any possible bias, hindering progress against our diversity and inclusion objectives with the ultimate aim of creating a culture where everyone thrives.

How will we do it?

Partnering with an external organisation we will implement an unconscious knowledge and bias programme across all levels of the organisation. These will be face to face workshops as well as an online offering to educate as many people as possible about the tendencies of unconscious knowledge and bias.

We will track and measure the impact of the programme to ensure the programme supports us in delivering our D&I objectives and has a positive impact on people.

Ensure the aging workforce get access to the tools they need to thrive

What do we want to achieve?

We are committed to developing a deeper understanding of the needs of the aging workforce.

Based on these findings, we commit to ensuring the organisation provides an empowering and engaging environment for aging workers and that we become an age friendly employer of choice.

How will we do it?

• We will identify the business risks in retention and knowledge continuity across the organisation
• We will explore the needs of the aging workforce and ensure that they have the tools, support and advice to thrive
• We will identify opportunities for manager training in leading multi-generational teams and ensure our mature aged workers are engaged and empowered throughout the employee lifecycle
• We will review brand messaging and content to ensure it speaks to a multi-generational audience

When: By 2020.
How the Diversity & Inclusion strategy connects to Air New Zealand’s Māori strategy

200 fluent Te Reo speakers by 2020

80% of Senior Leadership Team experience a Te Pūkenga (DoC) marae stay and workshop by 2020

80% of Senior Leadership Team participate in Mahi Rangatira middle manager programme by 2020
Summary of the activity taking place in 2018

- **January**: Weave D&I through all processes
  - Communication launch to collect 70% of ethnicity data

- **March/May**: Focus groups with Māori employees
  - Launch of D&I Steering Group

- **May/June**: Focus groups with Pasifika employees
  - Externally report on ethnicity data via Global Women
  - Women in Leadership Cohort 3

- **June/July**: Externally report on data via Global Women
  - Understand the engagement drivers of under-represented groups within the organisation: focus on Māori, Pasifika and Asian

- **August/September**: Roll out of Unconscious Knowledge and Bias programme
  - Report on progress in Annual report
  - Research the needs of the aging workforce and create action plan

- **October/December**: Creation of leadership development programme for under-represented minority groups
  - Research the needs of employees with disabilities and create action plan
  - TupuToa interns arrival—Cohort 3
  - Report progress in Sustainability Report
### Reminder of the Diversity & Inclusion targets to be achieved by 2020

<table>
<thead>
<tr>
<th>Strategic</th>
<th>Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment targets—gender balanced recruitment practices</td>
<td>Ensuring a female candidate is interviewed for every Senior Leadership Team role, and all Senior Leadership Team interview panels contain at least one woman.</td>
</tr>
<tr>
<td>Creating pathways for Māori and Pasifika through TupuToa programme</td>
<td>25 interns over 3 years</td>
</tr>
<tr>
<td>Increase the % of Māori and Pasifika in management roles</td>
<td>Baseline to be confirmed and reported on via Sustainability Report</td>
</tr>
<tr>
<td>Increase the % of women on the Senior Leadership team</td>
<td>50%</td>
</tr>
<tr>
<td>Senior Leadership team &amp; targeted leaders attended Unconscious knowledge workshops</td>
<td>80%</td>
</tr>
<tr>
<td>Senior Leadership Team attended Wānanga Marae experiences (aligned to Māori Strategy)</td>
<td>80%</td>
</tr>
<tr>
<td>Gender &amp; Ethnicity data received in Workday</td>
<td>70%</td>
</tr>
<tr>
<td>Monitor gender equity pay gap (Male &amp; Female)</td>
<td>+/- 1%</td>
</tr>
</tbody>
</table>
Our employee networks are a key enabler to helping us deliver against our Diversity & Inclusion objectives. A key objective within our strategy is to create a sense of community and belonging and a vehicle to celebrate and share different cultures and agitate for change. We wish to create an organisation that has a high performance, high engagement culture and enables every single Air New Zealander to thrive regardless of background.
PRIDE Network

Network purpose

Our mission is to create an open, supportive and inclusive Air New Zealand, in which our people can share their ideas and proudly be themselves. PRIDE welcome all Air New Zealanders, friends and whānau who want to celebrate our rainbow community. We provide welfare and wellbeing support, provide a voice within the business and aim to be a role model for New Zealand’s wider community.

The Women’s Network

Network purpose

The Women’s Network was created in 2014 to connect, grow and inspire women across the company. By providing education and development opportunities, as well as connecting to share information, ideas and inspiration, we can help each other develop and grow. We also want to help create a more sustainable future by harnessing diversity of thought through the opinions and ideas of people within the company, around New Zealand and globally.
Network purpose

The purpose of the Kiwi Asia Network is to connect Asian populations in Air New Zealand and support the interaction of Air New Zealand employees who are interested in Asia across the business. We strive to leverage in-house knowledge and cultural intelligence and contribute to the success of Air New Zealand in Asia markets as well as in New Zealand.

Network purpose

The purpose of the Kiwi Asian Network is to connect Asian populations in Air New Zealand and support the interaction of Air New Zealand employees who are interested in Asia across the business. We strive to leverage in-house knowledge and cultural intelligence and contribute to the success of Air New Zealand in Asia markets as well as in New Zealand.

The purpose of the Young Professionals Network is designed to support the capability of Air New Zealanders from right across the business who are in the earlier stages of their career and actively motivated to seek out development opportunities while getting to know their counterparts. We want to supercharge the careers of young Air New Zealanders.

Network purpose

The purpose of the Manu Network is to create an inclusive, diverse and culturally aware organisation where our people can showcase and celebrate Pasifika cultures within Air New Zealand. We provide support for our community to learn, be inspired and grow. You do not have to be of Māori or Pacific Island descent to join the network, we welcome all supporters and whānau who would like to learn about and celebrate our cultures.
WINGS
(Women Inspiring the Next Generation of Female Pilots)

Network purpose

WINGS is a network of female pilots focused on improving pilot gender diversity within Air New Zealand. Using our passion and experience, we initiate and support activities that promote an inclusive, supportive pilot culture and an equal opportunity workplace inspiring more females into aviation as a career. 7% of our pilots across the regional and jet fleets are female – one of our goals is to increase this through attracting more women into flying. We are also focused on supporting and developing our existing female pilots, and increasing the opportunities for female pilots to take on leadership roles.

BUSINESS LED INITIATIVES

Supporting future talent into Engineering & Maintenance

We have a Women in Engineering & Maintenance network launching in 2018.

Below are the ways we support our future talent:

**Gateway Programme** - Providing work experience in the Hangar for Year 12/13 High School Students who have an interest in becoming an Aeronautical Engineer in both our Auckland and Christchurch hangars.

**Summer Intern Programme** - The internship offers paid employment over a three month period. Our interns will be exposed to the commercial side of aviation operations, learning about fleet technical management, repair design as well as maintenance.

**Graduate Programme** - We provide a structured development programme that builds professional engineering skills, develops commercial acumen and promote diverse thinking in a fast-paced, supportive and dynamic environment.

**High Altitude Programme** - An Internal programme within Engineering & Maintenance created to help us identify our emerging leaders and provide a focus on them to ensure this talent is nurtured and stretched, helping us to raise the leadership bar across the organisation.
D&I isn't a one person job, it's everyone's responsibility. Which is why we have launched three employee groups who focus on being ambassadors and bring the Diversity & Inclusion Strategy to life.

Future-proof: Diversity & Inclusion Allies

Diversity Steering Group:
To ensure our message is loud and clear we will launch a Diversity and Inclusion Steering Group who focus on bringing important topics to the forefront for the Senior Leadership team and Executive. The Steering Group consists of people from different parts of the organisation from Corporate to Operations, ensuring we have diversity of thought around the table is key in making fair decisions about how we tackle Diversity and Inclusion at Air New Zealand.

Employee Network Leaders group:
We bring the leaders of the employee networks groups together to create synergy and collaboration and ensure all work is truly connected to our Diversity & Inclusion objectives.

Diversity Ambassadors:
The D&I ambassador network are a bunch of passionate Air New Zealanders who are motivated to make a difference. They support ad-hoc Diversity and Inclusion activity throughout the year and are role models and ambassadors for Diversity & Inclusion at the airline.
Partners and Sponsorship

We wouldn’t be where we are without our partners. Our partners provide industry knowledge and thought leadership.

Air New Zealand are a Principal Sponsor of Global Women, Champions for Change.

- Diversity Works
- Professional
- Sponsor of Attitude Awards
Watch carefully, the magic that occurs when you give a person, just enough comfort, to be themselves.

Atticus