

Position Statement



Palm Oil Position Statement

1.0 Context

- 1.1 Palm oil is the most widely traded vegetable oil in the world and is used in many food, household and industrial products. Palm oil can be found in a small number of products that are purchased and used by Air New Zealand including, in some cases, products that are provided to customers.
- 1.2 Air New Zealand recognises that unsustainable cultivation of palm oil contributes to deforestation and resulting climate change, poor air and water quality, biodiversity loss and soil erosion. Air New Zealand also acknowledges that unsustainable cultivation of palm oil can be linked to human rights abuses of workers and local communities.
- 1.3 Air New Zealand is committed to supercharging New Zealand's success socially, economically and environmentally and is committed to the highest standards of environmental and social responsibility and ethical conduct. As a global company, Air New Zealand considers that its success can be achieved while also having due regard to the success of other economies, societies and environments. It is important to Air New Zealand that its sustainability commitments can positively influence its extended supply chain, and that Air New Zealand customers have confidence in the sustainability of Air New Zealand operations, products and services.
- 1.4 This Position Statement supports the Air New Zealand Sustainability Policy, Procurement Policy, and Supplier Code of Conduct, and defines the minimum requirements that will be complied with by Air New Zealand when sourcing and/or procuring products containing palm oil.

2.0 Position Statement

- 2.1 Air New Zealand considers that, when grown responsibly, palm oil can be a sustainable raw material. As palm oil is more land use efficient than alternative edible oils, avoiding palm oil altogether may lead to similar, or worse, environmental, social and economic outcomes for edible oil producing countries and communities.
- 2.2 Given this, Air New Zealand is committed to ensuring that the palm oil in products it sources and uses is grown and processed in a responsible and sustainable way, consistent with our sustainability aspirations.
- 2.3 As a purchaser and user that is not directly involved with the production of palm oil, to achieve our commitment, Air New Zealand will collaborate and engage with stakeholders, including direct suppliers, in order to ensure that sustainable palm oil is used in the products we source and use.

- 2.4 Air New Zealand supports the position on palm oil set out by the Roundtable on Sustainable Palm Oil (RSPO). Air New Zealand considers that RSPO provides the most widely accepted global approach to developing and enforcing harmonised sustainability standards in palm oil production and processing.
- 2.5 Air New Zealand's goal is to source 100 percent certified sustainable palm oil from RSPO certified segregated¹ sources and move towards full traceability to origin. In order to achieve this goal, Air New Zealand commits to working with its direct suppliers to ensure greater transparency over its supply chain, and achieve a transition to 100 percent certified sustainable palm oil from RSPO certified segregated sources in line with the timeframes set out in section 4.0. The RSPO principles for certification are set out below²:

Environmental	<ul style="list-style-type: none"> • Environmental responsibility and conservation of natural resources and biodiversity. • Responsible development of new plantings.
Social	<ul style="list-style-type: none"> • Responsible consideration of employees, and of individuals and communities affected by growers and mills.
Economic	<ul style="list-style-type: none"> • Commitment to transparency. • Compliance with applicable laws and regulations. • Commitment to long-term economic and financial viability. • Use of appropriate best practice by growers and millers. • Commitment to continuous improvement in key areas of activity.

- 2.6 Under current New Zealand regulations palm oil can be labelled using generic terms such as 'vegetable oil' in product ingredients listings. However, food manufacturers can voluntarily label palm oil, and Air New Zealand supports this, as well as the introduction of mandatory labelling.

3.0 Scope

This Position Statement applies to all Air New Zealand procurement of products and services that contain palm oil or its derivatives and are part of the following product and service categories:

- i. Food & Beverage
 - Food
 - Alcoholic Beverages
 - Non Alcoholic Beverages
 - Inflight Catering Services
 - Lounge Catering Services
 - Staff Catering
 - Catering Related Services
- ii. Facilities Maintenance
 - Cleaning Services
 - Cleaning Supplies
- iii. Inflight Consumables
- iv. Makeup and Hair
- v. Aircraft Maintenance
- vi. Gases, Fuels and Chemicals

¹ Sustainable palm oil from different certified sources is kept separate from ordinary palm oil throughout supply chain.

² <http://www.rspo.org/key-documents/certification/rspo-principles-and-criteria>

4.0 Action Plan – to December 2018

4.1 Engagement and collaboration

4.1.1 Air New Zealand will join the RSPO as a Supply Chain Associate member. Air New Zealand will support, promote and work towards the production, procurement and use of sustainable palm oil, in line with the RSPO Code of Conduct for Supply Chain Associates.

4.2 Traceability and certification

4.2.1 Map to palm oil mill and calculate the volume of palm oil in Air New Zealand's supply chain by December 2017.

4.2.2 Work with direct suppliers of products containing palm oil to ensure only certified sustainable palm oil that is sourced from credible organisations is used for or in the production of products supplied to Air New Zealand by December 2017.

4.2.3 Work with direct suppliers of products containing palm oil to ensure only RSPO fully segregated certified sustainable palm oil that is sourced from credible organisations is used for or in the production of products supplied to Air New Zealand by December 2018.

4.2.4 Work with direct suppliers of products containing palm oil to ensure documented traceability of their palm oil supplies back to mill by December 2018.

4.2.5 Until RSPO fully segregated certified sustainable palm oil supply is achieved, purchase RSPO credits³ to cover uncertified or unsegregated supply.

4.3 Monitoring and reporting

4.3.1 Communicate Air New Zealand's commitment to sustainable palm oil through open and transparent engagement throughout Air New Zealand, to customers, suppliers, sub-contractors and wider value chains where appropriate.

4.3.2 Disclose use of products containing palm oil when known, and report transparently on progress against this action plan on an annual basis.

4.3.3 Develop and publish an action plan from December 2018 that sets out additional requirements to encourage best practice in sustainable palm oil production, beyond the RSPO principles and criteria, and actions to support achieving full traceability to origin.

4.4 Third party expectations (of direct suppliers of products containing palm oil)

4.4.1 Air New Zealand will collaborate and engage with its direct suppliers to introduce these expectations over a reasonable timeframe in line with the timelines set out in section 4.2.

4.4.2 Suppliers of products containing palm oil are expected to meet the provisions of this Position Statement, in addition to ensuring compliance with the Air New Zealand Supplier Code of Conduct.

4.4.3 Suppliers of products containing palm oil are expected to comply with the provisions set out 4.2.2, 4.2.3 and 4.2.4.

4.4.4 Suppliers of products containing palm oil are expected to work purposefully towards achieving Air New Zealand's palm oil certification and traceability requirements.

4.4.5 Suppliers of products containing palm oil are expected to implement due diligence systems in order to actively monitor their own performance against Air New Zealand's palm oil certification and traceability requirements and communicate this to Air New Zealand as requested.

4.4.6 Suppliers of products containing palm oil are expected to actively communicate Air New Zealand's palm oil certification and traceability requirements to their subcontractors and monitor their compliance with the requirements.

³ RSPO credits is an RSPO supply chain system where the certified palm oil is not kept apart from ordinary palm oil, and suppliers sell credits to users so that claimed volumes are matched by the user.

4.4.7 Suppliers of products containing palm oil are expected to actively and continuously improve their practices with the aim of establishing best practices for the sustainable production and use of palm oil.

If a supplier of products containing palm oil is unable to meet the expectations outlined in this Position Statement, Air New Zealand will work with them to develop an action plan with time-bound commitments. Thereafter, if a supplier of palm oil products is still unable or unwilling to take the necessary actions to satisfy the expectations outlined in this Position Statement, Air New Zealand may consider terminating the business relationship with the supplier, if appropriate.

5.0 Related Documents

- Sustainability Policy (in development)
- [Supplier Code of Conduct](#)
- [Procurement Policy](#) (internal only)

6.0 Version History

Issue	Owner	Action	Approved by	Date
1.0	Sustainability	New policy to support commitment to certified sustainable palm oil.	Chief Strategy, Networks and Alliances Officer	December 2016