AIR NEW ZEALAND

Our Supplier Code of Conduct

Updated September 2024 Version 2.

A STAR ALLIANCE MEMBER

I. Purpose

Air New Zealand is committed to the highest standards of social, environmental and ethical responsibility. Our objective is to maintain operational integrity and safety and to support New Zealand's success through social, environmental and economic sustainability.

Our Sustainability Framework and Sustainability Policy guide our approach, and our Annual Sustainability Report shares our priorities and progress.

We seek to engage and collaborate with suppliers who share our commitment and approach to conducting business in a responsible and sustainable way, particularly those that demonstrate a focus on the following issues:

- Greenhouse gas emissions reduction;
- Waste minimisation and developing circular economy solutions;
- Sustainable tourism and regional development;
- Sustainable supply chain;
- Supplier diversity;
- Addressing areas of potential modern slavery risk in supply chains and operations;
- Employee health and safety, equality, diversity and inclusion, and engagement; and
- Supporting te ao Māori including the principles of Kaitiakitanga, Whanaungatanga, and Manaakitanga (New Zealand only).

The Air New Zealand Supplier Code of Conduct (Code) supports the continued application of our commitment to advance social, environmental and ethical responsibility beyond our own operations to our supply chain. We expect Air New Zealand Suppliers to meet the minimum standards defined by this Code and fully comply with all laws and regulations applicable to their operations when conducting business with Air New Zealand.

This Code is intended to support a shared understanding and mutual trust between Air New Zealand and our Suppliers. We ask our Suppliers to maintain an open and honest dialogue with us. If issues arise, Air New Zealand will work constructively with Suppliers to resolve these.

II. Scope

This Code outlines minimum environmental, social and governance/sustainability-related standards and expectations applicable to all our direct Suppliers, including their parent, subsidiaries, affiliates, and subcontractors ("Suppliers") providing goods or services to Air New Zealand Limited and its subsidiaries (together referred as "Air New Zealand" or "Air New Zealand Group").

Suppliers will be responsible for all activities associated with disseminating this Code and educating its team, agents, subcontractors and suppliers on this Code, verifying compliance with this Code, and taking action in response to non-compliance.

III. Code Standards

Labour, Human Rights and Workplace Health and Safety

Air New Zealand respects and supports the protection of human rights and is guided by principles set out in the United Nations (UN) Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Convention on the Rights of the Child, the Children's Rights and Business

Principles, and the International Labour Organisation (ILO) Fundamental Conventions.

Creating an engaging environment for our team is crucial to achieving superior commercial outcomes and outstanding customer service. As set out in our Code of Conduct and Ethics, and our Diversity, Equality and Inclusion Policy, we recognise that to be a workplace where our people thrive, we need to be truly diverse at all levels. Keeping our people safe and well is paramount to the operation of Air New Zealand.

We expect our Suppliers to adhere to all applicable international standards relating to human and labour rights. Suppliers must respect the human and labour rights of their workers in the workplace and monitor human and labour rights within their supply chain.

Workers are defined in this Code as persons working for the Supplier irrespective of their contractual status.

Air New Zealand has, and expect our Suppliers to have, zero tolerance for modern slavery practices of any kind. We are committed to upholding the human rights and dignity of all workers in our operations and supply chains.

Modern slavery involves serious worker exploitation including forced labour, debt bondage, the worst forms of child labour (serious child exploitation, including through enslavement or exposure to dangerous work) and deceptive recruiting practices.

As a minimum, Suppliers must ensure:

- A policy framework is in place, and is actively being implemented, to respect and protect the human rights of all workers, proportionate to potential areas of elevated human rights risk in their business operations, and this framework is fit-for-purpose for use by workers (including appropriate grievance and remedial mechanisms).
- If a Supplier does not have a formal policy framework in place at the time of entering into a supplier contract with Air New Zealand, the Supplier must:
  - demonstrate to the reasonable satisfaction of Air New Zealand that it has systems in place to identify, mitigate and remedy human rights risks and impacts from their direct operations and supply chains;

    and
  - promptly take action to develop and implement an appropriate formal policy framework (in collaboration with Air New Zealand).
- Workers are treated with respect and dignity, and are not subjected to discrimination based on age, marital status, gender, religion, ethnic origin, ethical beliefs, colour, race, employment status, disability (including illness), sexual orientation, political opinion, family status and involvement or non-involvement in the activities of a union, or any other reason.
- They conduct due diligence on third-party recruitment partners or agencies to ensure worker recruitment practices meet these standards and all applicable laws, including in relation to ensuring workers do not pay recruitment fees, workers retain control of their original travel and identity documents, and are properly informed about their terms of employment. Save for exceptional circumstances, worker communications of key employment terms are to be in writing and provided in a language that the workers reasonably understand.
- Only workers who are legally authorised to work in their facilities are employed. Suppliers shall be responsible for validating their workers' eligibility to work through appropriate documentation.

- All workers meet the legal minimum working age set by the country where the work is performed. Child labour is strictly prohibited[1]. Suppliers are expected to have an age verification process.
- There are no workers employed during school hours who meet the age of mandatory schooling, as required by law.
- Adherence to local laws on employment of young workers (who are under the age of 18 and above the legal minimum working age). Young workers shall not engage in any hazardous work.
- Workers are voluntarily employed, and under no circumstances is any form of forced, coerced, bonded, indentured, or involuntary labour or otherwise used.
- Workers are not required to leave original copies of their identification documents (e.g. passports, visas) with their employer.
- Workers have the right to enter into or terminate their employment freely without fear of retaliation, threat of physical or mental coercion, or facing unlawful notice periods.
- Workers are provided written information in a language they understand about their employment conditions, including wages and benefits to which they are entitled to under applicable law.
- No worker pays for a job. That means that all costs related to recruitment must be borne by the employer.
- Workers are paid a proper and competitive wage which meets their basic needs and provides discretionary income and is no less than the standards specified by local laws, where applicable.
- There are no deductions from workers' wages as a disciplinary measure or any deductions from wages not provided for by law, without written consent from the worker.
- Time attendance and payroll documents are maintained for each worker and a reliable system is in place for keeping accurate and complete records.
- Workers are provided with all the necessary tools, personal protective equipment (PPE), and uniforms to perform their work, at no charge.
- Worker hours, including voluntary overtime work, and the granting of leave in any form, are in accordance with applicable local and/or national laws. Workers shall not work more hours in one week than allowed under local laws. Overtime is to be voluntary, compensated at a legal rate and must be provided under a safe and healthy working environment.
- Workers are not exploited or subjected to abuse of any kind, including psychological, physical, sexual, or verbal abuse. Intimidation, threat, or harassment is not tolerated.
- Workers' rights to freedom of movement are respected and protected.
- Workers' rights to freedom of association and collective bargaining are respected and protected. Where these rights are restricted by law, Suppliers will not hinder the development of alternative means of independent and free association and bargaining.
- All goods and services supplied to the Air New Zealand Group are manufactured or provided under a safe and healthy working environment.

[1] The ILO defines 'child labour' as work that deprives children (any person under 18) of their childhood, their potential, and their dignity, and that is harmful to their physical and/or mental development. It refers to work that is mentally, or morally dangerous and harmful to children; and/or interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; requiring them to attempt to combine school attendance with excessively long and heavy work.

- Integration of sound health and safety management policies, practices, and management systems into its workplaces. These systems must be designed to promote the general health of workers, reduce work-related injuries and illness, and ensure the safety and quality of all goods and services as specified in the supply agreement.
- The privacy rights of all workers will be respected whenever private information is gathered or monitoring practices are in place.
- Grievance mechanisms are provided to allow workers to raise grievances confidentially and anonymously, if they wish, and without fear of retaliation, intimidation, harassment, or discrimination. This might include, for example, confidential suggestion boxes, a confidential hotline or email service, or worker committees and representatives that meet with management. As a general principle, the only consideration that can override a complainant's desire to remain anonymous is if this cannot be maintained in complying with an applicable legal obligation.

Due Diligence Relating to Potential Modern Slavery Risks

In addition to ensuring that Suppliers have operations that are slavery free, we are continually striving to improve our overall supply chain transparency, and to more effectively assess and address potential risk areas. Meaningful partnership with our Suppliers is essential to achieving this goal.

Suppliers are to undertake supply chain due diligence, proportionate to potential areas of elevated risk, to ensure that they are not benefitting from, or complicit with, any kind of modern slavery practice, including deep within their supply chains.

Proportional action may include (but is not limited to):

- Comprehensive risk assessment of individual suppliers or industry categories;
- Ongoing due diligence activities such as onsite and desktop auditing; and
- Long-term collaborative supplier partnership with Air New Zealand to holistically address modern slavery risk.

In addition to the due diligence expectations under this section, Suppliers that are reporting entities in jurisdictions with Modern Slavery legislation are expected to fully meet their reporting obligations.

Suppliers are to treat due diligence relating to modern slavery risk as an ongoing process of continuous improvement.

Aligned with one of the overarching aims of this Code, the primary expectation of these due diligence requirements is that Suppliers act with transparency and cooperation when we engage with you on these matters.

Environmental Sustainability

Air New Zealand is committed to finding a more sustainable way to connect New Zealand with the world by:

- Committing to net zero carbon emissions by 2050;
- Minimising the impact of our operations on the environment, including minimising our use of finite resources;
- Supporting the conservation, restoration and protection of New Zealand's biodiversity and natural environment; and
- Assigning clear roles and responsibilities and allocating adequate resources and support to help our people achieve our environmental sustainability objectives.

To address the environmental challenges we all face requires a holistic and collaborative approach. We recognise the importance of working to address risks and impacts within our supply chain and in collaboration with our Suppliers.

We seek to conduct business with Suppliers who share this commitment and will proactively work with us to improve our environmental performance and meet our sustainability goals.

As a minimum, Suppliers must:

- Conduct their business in accordance with all applicable laws and regulations regarding the protection and conservation of the environment, including those relating to hazardous substances, air pollution and greenhouse gas emissions, energy efficiency, waste, water, biodiversity, and ecosystems.
- Have a sustainability and/or environmental policy in place that is proportionate to the environmental risk of their business operations, and this is understood and actively used by their workers. In the absence of a formal policy, the Supplier must have systems in place to identify, monitor and mitigate adverse environmental risks from their direct operations and supply chains, and to remedy any adverse impacts caused by their activities or business relationships.
- Operate within an environmental management system that measures, manages, minimises and where possible eliminates operational environmental impacts such as those pertaining to hazardous substances, air pollution and greenhouse gas emissions, energy efficiency, waste, water, biodiversity, and ecosystems.
- Make efforts to deliver net zero emissions in their operations by 2050, acknowledging the goals of the UN Paris Agreement. Suppliers are encouraged to assess their own climate-related risks and implement adaptation and resilience plans.
- Protect and restore natural habitats where possible and protect threatened and endangered species.
- Air New Zealand's Palm Oil Position Statement must be adhered to. This requires Suppliers to ensure palm oil and its derivatives are either avoided or responsibly sourced from RSPO certified sources for products used and supplied within those categories listed in the Statement.
- Support the humane treatment of animals, comply with all relevant animal welfare legislation, and respect the Five Freedoms of Animal Welfare.
- Consider the impact of product and packaging on the environment and ways to minimise waste to landfill and the use of single-use materials.
- Actively support our goal to establish transparency and traceability within all levels of our supply chain and be willing to share information on the origin and environmental credentials of products and any subcomponents.

Supplier Diversity

Air New Zealand's supplier diversity programme, Ka Rere, seeks to promote and increase the participation of diverse suppliers in our procurement process, and reflect the communities where we live, work and fly.

Air New Zealand does not have specific expectations from our Suppliers regarding supplier diversity. However, we do seek to engage with Suppliers that share our commitment to supplier diversity and take this into consideration when reviewing potential Suppliers.

Ethical Business

Air New Zealand is committed to meeting the highest ethical standards in the way we do business, as set out in our Code of Conduct and Ethics and our company policies related to anti-bribery, anti-trust, anti-money laundering, and competitive behaviour.

We have zero tolerance for any form of bribery, including improper offers of payments or gifts to or from workers and we will avoid any activity or contracts that may lead to, or suggest, a conflict of interest between personal activities and Air New Zealand.

Suppliers must adhere to high standards of moral and ethical conduct and refrain from engaging in any form of corrupt practices, including anti-competitive activity. Business dealings must be handled with integrity, transparency and honesty.

As a minimum, Suppliers must:

- Conduct their business in full compliance with all applicable competition and fair-trading laws and regulations at all times.
- Comply with 'insider trading' laws when in possession of information about the Air New Zealand Group or another company that is not available to the investing public and that could influence an investor's decision to buy or sell stock.
- Comply with anti-corruption and anti-bribery laws of the countries in which it does business, and not make any direct or indirect payments, including bribes, kickbacks or other promises of payments to foreign government officials or other third parties for the purpose of inducing the individual to misuse their position to obtain or retain business, receive improper benefits or other unfair or improper advantage.
- Maintain transparent and accurate financial and business records to demonstrate compliance with applicable laws and regulations, as well as generally accepted accounting principles. Such information must be disclosed without falsification or misrepresentation to appropriate parties as required.

Export and Sanctions

Suppliers must be aware of and comply with all applicable domestic and international laws and regulations, standards, and principles, including all export control, sanctions and customs, competition, and anti-money laundering laws in the jurisdictions in which they operate.

Security

Where applicable, Suppliers must be aware of and comply with all Air New Zealand security policies and regulatory security requirements.

When on any Air New Zealand Group premises and/or an aircraft, Supplier personnel must comply with all access, security and identification requirements and procedures specified by Air New Zealand.

Intellectual Property, Information Security and Privacy

Suppliers must comply with all applicable laws and regulations regarding the security and confidentiality of all Air New Zealand information, including personal information and data that is commercially sensitive or operationally critical.

Suppliers are required to comply with relevant privacy laws when personal information is being accessed, processed, or stored on behalf of Air New Zealand, this includes the NZ Privacy Act, GDPR, UK GDPR and/or other applicable privacy or data protection laws.

When working with Air New Zealand, you need to obtain our written permission before sharing any confidential or personal information with others (including any subcontractors). Any non-public and proprietary information shared must be kept secure and used only for what Air New Zealand has agreed to by contractual agreement.

Air New Zealand's brand is globally recognised and is of the utmost significance and value to its business, its team and its customers. Suppliers must protect Air New Zealand's brand and intellectual property from being stolen or misused, including ensuring that their own brand does not appear to be in any way associated with, endorsed or licensed by or otherwise linked to Air New Zealand's brand or any other intellectual property except with explicit written permission from Air New Zealand.

Emergency Management

Suppliers shall identify and assess potential emergency situations and develop appropriate risk management controls, including business continuity and emergency response plans to ensure they can continue to supply their goods or services to Air New Zealand when a disruptive event occurs. Air New Zealand may request evidence of such plans.

For any major disruption, emergency or potential emergency affecting Air New Zealand people, reputation, assets, facilities, or continued operations, Suppliers must contact Air New Zealand immediately.

IV. Application of this Code

Supplier written acknowledgement of this Code is a prerequisite in Air New Zealand's supply agreements. Suppliers must also affirm commitment to this Code when completing onboarding to our Supplier portal (Ivalua). The standards of this Code are in addition to, and not in lieu of, provisions of any legal agreement or contract between Suppliers and Air New Zealand.

Where a Supplier has adopted their own Code of Conduct and sustainability policies and Air New Zealand (in its sole discretion) agrees these are aligned with these principles and standards, we may apply mutual recognition and accept the Supplier's Code or policies as the standard governing the commercial relationship with Air New Zealand.

Air New Zealand recognises that achieving these standards will require a dynamic process. We recognise that different businesses will be at different stages of their sustainability journey, and simply ask for transparency and cooperation when we engage with you on these matters. We take a risk-based approach to our supplier due diligence and prioritise areas of higher risk.

We are committed to working constructively with Suppliers to develop plans that will ensure timely compliance where non-compliance is identified. Working with Suppliers to address issues identified is our preferred course of action. However, if a Supplier is unable or unwilling to demonstrate compliance with this Code Air New Zealand reserves the right to exercise termination rights.

Suppliers must:

- Be able to provide Air New Zealand with documentation which demonstrates compliance with this Code on request.
- Respond to information requests from Air New Zealand in a timely manner.
- Not subcontract or assign without prior written permission from Air New Zealand.

- Communicate the standards set out in this Code with their workers engaged in providing goods or services to Air New Zealand.
- Meet the standards set out in this Code, or, where any standards are not met, establish clear goals toward meeting the standards within an agreed time, and actively review, monitor, and modify their management processes and business operations to ensure they facilitate continuous improvement. This includes management systems to monitor their own suppliers and subcontractors involved in producing or supplying Air New Zealand with goods or services adhere to these standards.
- Notify Air New Zealand in writing immediately of any significant breaches of applicable laws or regulations and any significant non-compliance with any of the obligations set out in this Code.

Air New Zealand reserves the right to:

- Monitor that milestones have been set and management systems have been put in place to ensure that the principles set out in this Code have been met.
- Verify compliance with this Code through site and facility audits, as specified in the general audit right in the contract for supply where applicable.
- Take action, in accordance with the contract terms (if any), including suspension or termination of contracts, in the event of severe or repeated non-compliance of this Code and failure to demonstrate necessary improvements to comply with this Code.

Air New Zealand recognises the importance of, and is committed to observing the standards and behaviours described in this Code when conducting business, and ensuring its people and practices support the purpose and content of this Code.

V. Updates to this Code

This Code has been approved by the Chief Executive Officer of Air New Zealand and is scheduled for review at least every two years. Air New Zealand may update or replace this Code at any time by publishing a revised version on our website and supplier portal. Any updates will be communicated to Suppliers.

VI. Feedback, Questions or Concerns

Air New Zealand's Responsible and Sustainable Sourcing team administer this Code, in collaboration with the Procurement team. To provide feedback or ask any questions about this Code, you can contact responsiblesourcing@airnz.co.nz.

We encourage Suppliers to report any actual or suspected breaches of this Code through the confidential Speak Up service. Concerns can be raised confidentially.

- Online form: www.whistleblowers.co.nz/airnz (password: airnz)
- Phone: 0800 477 325 (New Zealand) or +64 3 546 2307 (all other locations)

VII. Related Policies

This Code should be read in conjunction with the following related policies found here:

- Anti-Bribery and Corruption Policy
- Code of Conduct and Ethics
- Diversity, Equality and Inclusion Policy
- Palm Oil Position Statement
- Sustainability Policy