

AIR NEW ZEALAND 

Modern Slavery Statement 2024

This report is made pursuant to the Australian Commonwealth's Modern Slavery Act 2018 (Cth), the United Kingdom's Modern Slavery Act 2015, and Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act for the reporting period 1 July 2023 – 30 June 2024.

A STAR ALLIANCE MEMBER 



Contents



Dame Therese Walsh
Air New Zealand Chair



Greg Foran
Air New Zealand Chief
Executive Officer

Kia ora koutou

Our purpose at Air New Zealand is to enrich our country by connecting New Zealanders with each other, and New Zealand with the world. We are committed to providing a workplace where our people feel included, supported, and able to thrive.

While the development of modern slavery legislation in Aotearoa New Zealand has paused for now, Air New Zealand remains firmly committed to playing our part in addressing modern slavery in all its forms. This includes continuing to report on our modern slavery risk management in other jurisdictions where we have a legal obligation to do so as part of doing business within those countries, namely Australia, the United Kingdom and for the first time, this year we also reported under the newly established Canadian modern slavery reporting legislation. The Board has provided clear guidance to the airline that it has an averse risk appetite to contributing towards global modern slavery and human trafficking.

The work to address modern slavery continues to be critical. The 2023 Global Slavery Index revealed that in 2021 an estimated 50 million people were living in modern slavery on any given day, an increase of 10 million people compared to global estimates in 2016. Further, ongoing global crises and conflicts, like the current armed conflicts in Ukraine and the Middle East, as well as environmental degradation and climate change, continue to heighten modern slavery risks. More people are migrating now than at any other point in the last five decades, with those fleeing conflict, natural disasters, or migrating for work particularly vulnerable to exploitation.

Air New Zealand continues to evolve its approach to addressing modern slavery in its operations and supply chains. In the last year, we:

- Reviewed our Human Trafficking training programme,
- Refreshed our Diversity, Equity and Inclusion strategy,
- Ratified 13 union agreements and continued to work with the five unions representing Air New Zealand employees to build a collaborative culture and sustainable jobs for our people,
- Partnered with Fair Supply to seek external expertise and guidance on modern slavery matters,
- Completed a supply chain risk assessment, which considered risks within our Tier 1 direct suppliers as well as indirect suppliers deeper in the supply chain down to Tier 10, and
- Reviewed our Supplier Code of Conduct to ensure it remains fit for purpose and clearly communicates our minimum human rights and labour rights expectations of suppliers, including the expectation that our suppliers are conducting their own due diligence of their supply chains.

These efforts are part of our commitment to respecting human rights, combating modern slavery, and working collaboratively with a wide range of stakeholders to drive positive change.

This Statement was approved by the Air New Zealand Board on 21 November 2024, on behalf of Air New Zealand Limited and its controlled entities.

Dame Therese Walsh
Air New Zealand Chair
21 November 2024

Greg Foran
Air New Zealand Chief Executive Officer
21 November 2024

Letter from the Chair and CEO



About this Statement and the Reporting Entity

This Modern Slavery Statement (Statement) is made on behalf of Air New Zealand Limited and its controlled entities (together referred to as the Group or Air New Zealand). The parent company, Air New Zealand Limited, is domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange (NZX) and Australian Securities Exchange (ASX).

This Statement is made pursuant to section 54(1) of the United Kingdom's Modern Slavery Act 2015, the Australian Commonwealth's Modern Slavery Act 2018 (Cth) and Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act for the financial year ending 30 June 2024 (referenced as 2024 throughout the Statement). It outlines the steps Air New Zealand Limited and its controlled entities took to identify, assess, mitigate and remediate modern slavery risks in its operations and supply chains during 2024. The information presented in this Statement is provided as a consolidated description for the Group.

For the purposes of the Australian Modern Slavery Act 2018 (Cth), Air New Zealand Limited is the only "reporting entity" within the Group. Its subsidiary companies are 100 percent owned by Air New Zealand Limited (Appendix 1). The Group's primary business is the transportation of passengers and cargo on scheduled airline services. Operational activities relating to this business is generally carried out through Air New Zealand Limited, including contracting with employees, suppliers, contractors and airport companies (although there are some legacy employment contracts under Mount Cook Airline Limited, Air Nelson Limited and Air New Zealand Regional Maintenance Limited, which the Group is aiming to transition to Air New Zealand Limited in due course). Directors and management of the subsidiary companies are employed by Air New Zealand Limited and Air New Zealand Limited has ensured that the subsidiary companies have had relevant engagement on modern slavery risks and the development of this Statement.



Air New Zealand primarily provides air passenger and cargo transport services within New Zealand, as well as to and from Australia, Asia, the Pacific Islands, and North America.

We operate one of the most comprehensive domestic and regional networks in the world, flying to 20 destinations across New Zealand, offering more than 400 flights every day. Internationally, our strategic focus and competitive advantage lie within the Pacific Rim where our network reach extends from New Zealand into Australia, the Pacific Islands, Asia and North America. Alongside key global alliance partners, we connect New Zealand to more than 600 destinations worldwide. Our network serves more than 16 million passengers a year and is operated by a fleet of 110 aircraft and around 11,700 fulltime employees. We have 75 offices located in New Zealand, Australia, America, Asia, and the Pacific Islands with employees and contractors providing commercial and support services.

You can learn more about our structure and operations in our 2024 Annual Report at:



Our Structure and Operations



400+
Flights every day



16m+
Passengers



75
Offices in
Asia Pacific
and America



110
Aircraft



600+
Destinations we
connect to with
our partners





12,274 workforce²
12,102 employees

84
 North America

1
 South America

2
 UK

180
 Asia

95
 Australia

113
 Pacific

11,799
 New Zealand

Air New Zealand is committed to providing a workplace where our people feel included, supported, and able to thrive. In 2024, the airline was named New Zealand's most attractive employer by Randstad for a second year in a row after being in the Randstad Hall of Fame multiple times, and while we missed our target employee engagement score of 79¹ (we achieved 70), we are continuing to see our engagement trend stay steady. The airline also won the Safeguard New Zealand Workplace Health & Safety Award for Engagement.

Working alongside and valuing the voices of Air New Zealanders with diverse perspectives and experiences makes us more innovative and supports better decision-making. The airline's refreshed Diversity, Equity and Inclusion (DE&I) strategy was developed in partnership with our diverse teams and we are working with them to bring the strategy to life.

There is a focus on recruitment practices that promote the attraction and retention of diverse talent, as well as a broad range of employee initiatives to reflect, support and develop the diversity we have across the airline. Air New Zealand's ten Employee Networks play a key role in supporting and advocating for employees and ensuring the success of the airline's DE&I strategy. In 2024, we launched a new engagement measure in our quarterly employee survey, "I feel a sense of belonging at Air New Zealand", to bring an outcomes-focused approach to our employee engagement and as a measure of progress for our DE&I work.

You can learn more about our DE&I approach at:



In 2024, the majority (99 percent) of our workforce² were directly employed, either under an individual or collective agreement, so we have direct visibility and control of their employment terms and conditions to ensure these comply with current legislation. Seventy seven percent of employees work in roles covered by collective agreements, and 90 percent of these same employees are represented by a union. In 2024, there were 13 union agreements ratified.

¹ The 2024 target was based on the Glint Global Top 25% Engagement Index benchmark, which was 79 as at December 2023.

² Workforce includes employees and contingent workers as at 30 June 2024. It excludes employees on Parental Leave / Extended Leave without Pay, Persons of Interest, and Airport Contractors. The mapped figures represent both employees and contingent workers.

Our Team



Potential risks in our operations

As in previous years, the airline considers the risk of modern slavery in our directly recruited team (employees and contractors) to be low, given the policies, training, monitoring and controls in place.

The airline acknowledges there may be higher inherent risks in our indirectly recruited workforce (where workers are contracted through third parties). In 2024, the airline reviewed its controls to manage these inherent risks and is implementing identified improvements. This includes revising the internal Worker Type Matrix to ensure there is clear guidance provided to our teams on processes and requirements for vetting and onboarding third-party hired labour into our operations.

Like all global airlines, there is risk that airline services may also be used by third parties for human trafficking within and between countries. Our cabin crew and pilots are the roles most likely to encounter potential trafficking events, and therefore, we provide routine training to help them identify and report such events (see page 8).



Addressing potential risks in our operations

CODE OF CONDUCT AND ETHICS

The [Air New Zealand Code of Conduct and Ethics](#) sets out our business principles and the behaviour we expect from our employees. This Code makes it clear that the airline will not tolerate child labour and is committed to the elimination of all forms of forced and compulsory labour in our workforce and supply chains. Through the Code, we also commit to the application of social, ethical, and environmental considerations in our procurement and supply chain decisions.

All employees and contractors are required to abide by the Code, and complete annual refresher training on the Code's obligations. The Code is reviewed regularly to ensure it remains up to date and effective, and a refresh will be presented to our Board early in 2025.

Other relevant policies include:

- Health, Safety and Wellbeing Policy
- Workplace Bullying Policy
- Harassment and Sexual Harassment Policy
- Just Culture and Reporting Policy
- Equality, Diversity and Inclusion Policy
- Employee Privacy Statement
- Anti-bribery and Corruption Policy
- Disciplinary Policy
- Sustainability Policy

UNION STRATEGIC ENGAGEMENT CHARTER

In 2024, Air New Zealand and the unions representing Air New Zealand employees (Aviation and Marine Engineers' Association, E tū Incorporated, Federation of Air New Zealand Pilots, the Flight Attendants Association of New Zealand Incorporated and New Zealand Air Line Pilots' Association), formalised a new Strategic Engagement Charter. The Charter aims to establish a collaborative culture between the parties to ensure the success of Air New Zealand, its employees, and the unions.

The Charter recognises:

- Safety, Health and Wellbeing are paramount.
- Air New Zealand employees have meaningful, direct, and substantive involvement in problem solving, initiating improvements and the decision-making process using analytical tools and structured processes.
- A collaborative relationship should exist throughout the organisation – between unions, between the company and unions, between the unions collectively and the company, between employees and the unions, and between employees and the company.
- The parties prioritise interest-based problem-solving behaviours and methods for the resolution of disputes and disagreements rather than positional approaches.
- Manaakitanga, the uplifting of the mana of individuals or groups, and the inherent reciprocity of that action between the parties to the Charter.
- Air New Zealand respects and supports the role(s) of unions in the workplace.
- An environment of trust is based on open and honest communication.

A governance group has been established with key leaders from Air New Zealand and each of the participating unions meeting at least quarterly to provide oversight, direction, guidance, strategy, and decision-making to develop and support working together collaboratively to meet the objectives of the Charter.



TEAM TRAINING AND CAPABILITY BUILDING

All our employees and contractors are required to undergo training modules on an annual basis, including training on Air New Zealand Code of Conduct and Ethics (which includes a section on Speak Up). In 2024, 90 percent of our employees and contractors (excluding pilots and cabin crew who run on a separate rostered calendar, or team who had completed the Code of Conduct Onboarding module between 1 March – 13 June 2024) had completed their annual Code of Conduct training.

SPEAK UP

Air New Zealand's employees, contractors and suppliers are encouraged to raise concerns about potentially unethical or illegal conduct. To support this, the airline has mechanisms in place including a 'Speak Up' service where concerns can be raised confidentially and without fear of retaliation or harassment. This service is available 24 hours a day, 7 days a week by phone³, post or online and is operated by an independent third-party provider on behalf of Air New Zealand.

The Speak Up services are promoted to employees and contractors through training, posters and an annual promotional campaign. Awareness will be raised among suppliers in Financial Year 2025 (referenced as 2025 throughout the Statement) through inclusion in our refreshed Supplier Code of Conduct. Our Just Culture and Reporting Policy and procedures support a fair and confidential process to investigate and address issues in a responsible and appropriate manner.

In 2024, we received 21 Speak Up reports from either employees or contractors. All have been or are being investigated. Three reports raised in June remained open at the end of 2024, while all others had been closed. None of the reports related to modern slavery or human trafficking allegations.

HUMAN TRAFFICKING TRAINING AND REPORTING

As part of required training, all of Air New Zealand's customer facing team (such as front of house ground employees, airport managers, cabin crew and pilots) continue to receive education on human trafficking and how this may take place on the aircraft. This is delivered through a combination of an e-learning module through our learning management system and classroom-based discussions. This has helped our team attain a basic understanding of key concepts and indicators, and who to report their suspicions of human trafficking to.

In 2024, we had two cases of suspected human trafficking reported by crew, following protocols and based on several key indicators observed in the behaviour of passengers. Both cases were investigated but were not substantiated as human trafficking events. This is in line with our training and procedures, which include that key indicators are reported to the appropriate local law enforcement authorities who then conduct their investigations as appropriate.

Over the last year, Air New Zealand has reviewed our approach for monitoring potential human trafficking onboard our aircraft. We benchmarked our approach with other carriers, reviewed IATA guidelines, attended an Asian Pacific Cabin Safety Working Group Conference (where a keynote speaker from the Australian Federal Police spoke on the topic), met and had multiple discussions with New Zealand government agencies (predominantly the Ministry for Business Innovation and Employment), and consulted with our Legal and Privacy teams. This collaboration has helped inform, support, and improve our approach, including developing procedures for our operational manuals to guide our team on what to do when human trafficking is suspected. In 2025, we plan to update our e-learning module to reflect these procedures. Recognising the enormity and intricacies of human trafficking, we will continue to take proactive steps to enhance the protection of human rights of at-risk passengers, combat this exploitation, and work with others to prevent this heinous crime.

3. The phone service is operated by a 24/7 call centre that connects callers to a Speak Up operator who is available from 7am to 9pm NZT and can be available outside of these hours on a reasonable endeavours basis.





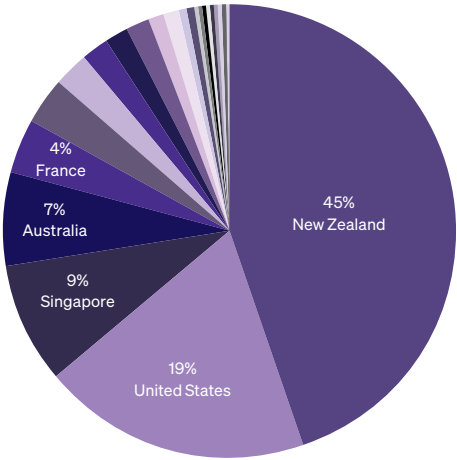
Air New Zealand’s supply chain is centralised. The airline sources goods and services from around the world including aircraft and aircraft parts, onboard products, catering, and corporate and digital solutions.

Given the international nature of our operations, there are suppliers operating within different geographical and regulatory environments.

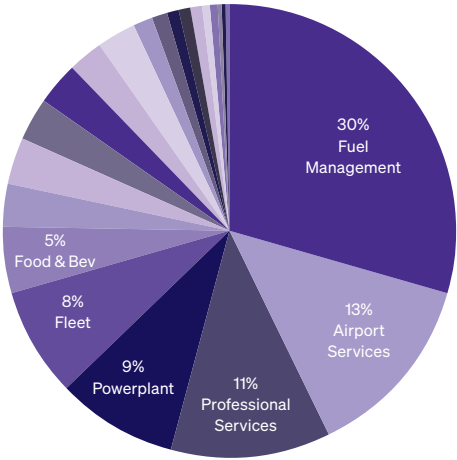
In 2024, we had 4,834 active Tier 1 (direct) suppliers from 47 countries⁴. Most of our Tier 1 suppliers are located in New Zealand. However, behind our Tier 1 suppliers sits a more complex and multilayered indirect supply chain in terms of where our direct suppliers are sourcing the goods and services used to supply us.

Our Supply Chain

TOP COUNTRY SPEND



TOP CATEGORY SPEND



\$5.6B

Supplier spend⁵

4,834

Number of direct suppliers

45%

Spend in Aotearoa New Zealand

4. Excludes suppliers of statutory fees and charges.
5. Spend excludes statutory fees and charges.



Potential risks in our supply chain

Air New Zealand's supply chain is large, complex, and global, which is why the airline uses a range of tools to assess risk which we use to inform our sourcing and risk management. Gaining visibility of the full scope of this multilayered supply chain is challenging. Similarly, the airline has less control, influence and engagement further down the supply chain. Despite these challenges, in 2024 the airline undertook a supply chain risk assessment using Fair Supply's digital platform, which included assessing modern slavery risks down to our tier 10 indirect suppliers. We will use the insights from this risk assessment to guide what level and form of due diligence (e.g., self-assessment questionnaires or audits) we require for specific categories or suppliers going forward. The airline will focus our attention on areas of elevated risk as a priority.

It's worth noting that aircraft leases and financing are managed outside of Air New Zealand's typical procurement process. These are managed by the airline's Fleet and Corporate Finance teams through Air New Zealand Aircraft Holdings Limited. There were five lessors that the airline had commercial agreements with in 2024, and all are considered low risk. Draft lease and financing agreements are reviewed through the Airline Commitment Quality Assurance (ACQA) Committee, which consists of technical experts from across the business, for example experts in risk, finance, tax, insurance, legal, privacy, information security, safety, procurement, and sustainability. The purpose of the ACQA Committee is to protect against high-risk decisions being made without consultation and to ensure risks have been identified and addressed. The Committee records its concerns or escalations, and these are shared with contract owners or initiative leads to address before a final commitment is made. There are also low value transactions that may be made by team using corporate credit card or manual cheques.

Addressing modern slavery is not just a compliance issue, it's a fundamental human right. That's why we're working collectively with suppliers to respect the dignity and rights of all workers.

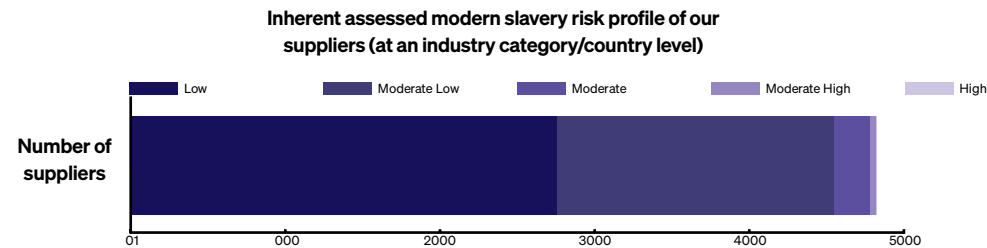
Sharleen Gargiulo, Sustainability Lead - Supply Chain & Circular Economy

SUPPLY CHAIN RISK ASSESSMENT

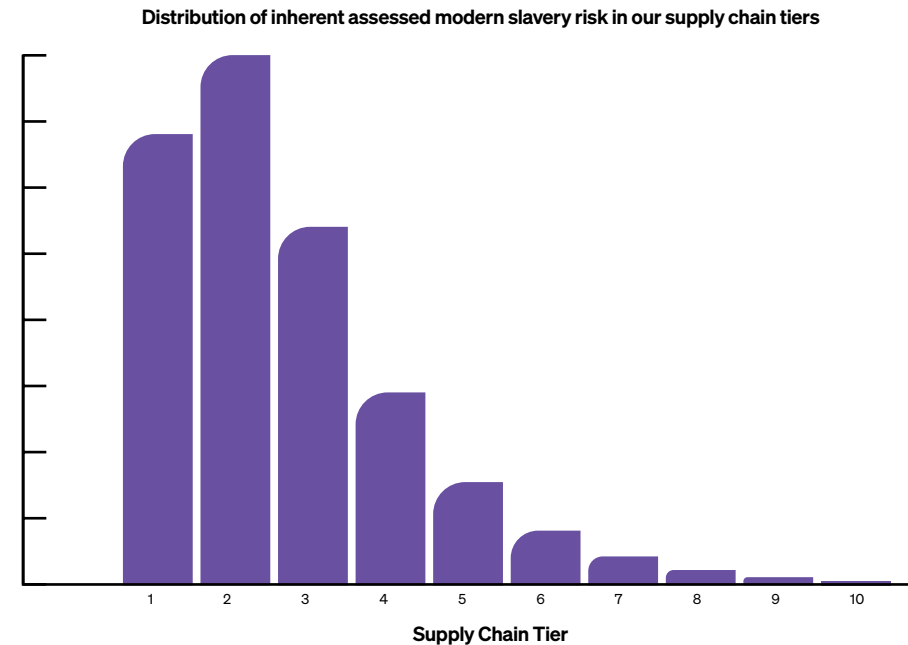
In 2024, Air New Zealand assessed its spend with 4,817 suppliers over the January 2023 – February 2024 period to evaluate the airline's exposure to inherent modern slavery risks in its supply chain. The risk assessment methodology uses proprietary technology to trace the economic inputs required to produce the products and services sourced from our direct suppliers. In performing this risk assessment, a balanced, global Multi-Regional Input-Output (MRIO) table drives supply chain mapping, which links data from 208 countries, and 37,318 unique industry/country combinations. The applied data universe comprises over 35,000 local industries categories, representing more than 98 percent of global GDP. While risk rating results are primarily grouped based on industry category/country pairings, the analysis also identifies what level of supply chain tiering (to the 10th tier) the areas of potential risk are most concentrated.

The MRIO is regularly updated and draws from the most comprehensive and credible global data inputs available, including the United Nations' (UN) System of National Accounts; UN COMTRADE databases; Eurostat databases; the Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and official statistical data from many national agencies worldwide, including the Australian Bureau of Statistics. The synthesis of global

economic supply chain data is overlaid, via a proprietary algorithm, with the leading research and estimates of modern slavery incidences at the national and industry levels, including the Walk Free Foundation's Global Slavery Index (last updated in May 2023); the International Labour Organisation's Global Estimates of Modern Slavery; official reports published by the United States on International Child Labour, Forced Labour and Human Trafficking, and our external consultant's internal database of modern slavery risk factors by country and sector.



The distribution of assessed potential risk suggests some notable concentration at Tier 2 of the supply chain. This warrants further engagement with our Tier 1 (direct) suppliers to confirm they have the right processes in place to mitigate the risks from deeper supply chain tiers.





The analysis of risk across industries identified several areas with potentially elevated risk, relative to other parts of our supply chain. These risks have been broadly categorised by industry as follows⁶:

— **Hotels and restaurant services:**

This category includes expenditure on hospitality services such as the purchase of food and beverages, catering, and accommodation from hotels and other providers.

Air New Zealand does not consider anything unique about its operations or procurement practices that has resulted in the identification of these supplier categories as having potentially elevated risks compared to other aspects of our supply chain. However, during regular business activities, our team and others may attend or represent Air New Zealand at events that involve the use of commercial hospitality and catering services, including the catering of our operations and the hotels where our team stays. The supply chains in these categories are considered higher risk, even within the Australian and New Zealand context.

The Walk Free Foundation's Global Slavery Index (GSI), updated in May 2023, highlights hospitality and agriculture (which is integral to food and beverage catering supply chains) as higher-risk sectors, particularly regarding forced labour practices. The 2023 GSI identifies several commonly used catering and restaurant products, including coffee, sugar, rice, seafood, and cocoa, as some of the highest-risk products imported by G20 countries.

— **Other business services:**

This broad category includes services that support Air New Zealand's operations, such as accounting, legal advice, outsourced labour, market research, cleaning, waste management, advertising, and consulting services.

While the operation of Air New Zealand's direct suppliers in these categories are typically low risk, certain industries providing professional services (e.g., accounting and legal) may have characteristics that create potential risks deeper within their supply chains, such as:

Reliance on higher-risk suppliers, such as professional cleaning services. For example, the 'Australian Businesses' category includes several office cleaning service providers, along with security guards

and facilities maintenance. According to the 2023 GSI, the professional cleaning services sector in Australia is identified as higher risk due to its heavy reliance on migrant workers on temporary visas⁷.

Many suppliers within these categories, like Air New Zealand, rely on advanced electronics and computer equipment, which the 2023 GSI recognises as higher risk. The report states:

*"As in the 2018 GSI, electronics from China and Malaysia remain the highest value at-risk product imported by G20 countries, while for 18 of the 19 G20 country members included in this analysis, electronics are among the top five at-risk products. In Malaysia, there are reported cases of forced labour and debt bondage in the electronics manufacturing industry, which is reliant on migrant labour from Bangladesh, Nepal, Myanmar, and Indonesia. In China, factories manufacturing electronics for global brands reportedly force Uyghurs to work under state-imposed forced labour."*⁸

— **Supporting and auxiliary transport services; travel agency services:**

This category includes expenditure on services that support the transportation sector, but not transportation itself. This includes freight brokerage services, packing and crating services, inspection and receiving services, and travel agencies.

— **Crude petroleum and services related to crude oil extraction, excluding surveying:**

This category includes raw oil materials extracted during drilling operations and the services that support those operations.

— **Kerosene Type Jet Fuel: fuel used in aircraft.**

In 2025, Air New Zealand will explore ways to bring greater visibility to these risks through enhanced supplier due diligence. We aim to move from a risk assessment based solely on inherent risks within our supply chain to one that also accounts for the specific practices our suppliers employ to manage these risks. The airline will prioritise deeper due diligence in areas identified as inherently higher risk.

6. The general industry categories summarised here are those used by Fair Supply for the sole purpose of risk assessment. This is not supplier-specific identification and does not factor in the adequacy of risk mitigation measures by individual suppliers (which is the subject of supplier-specific due diligence activities described later).

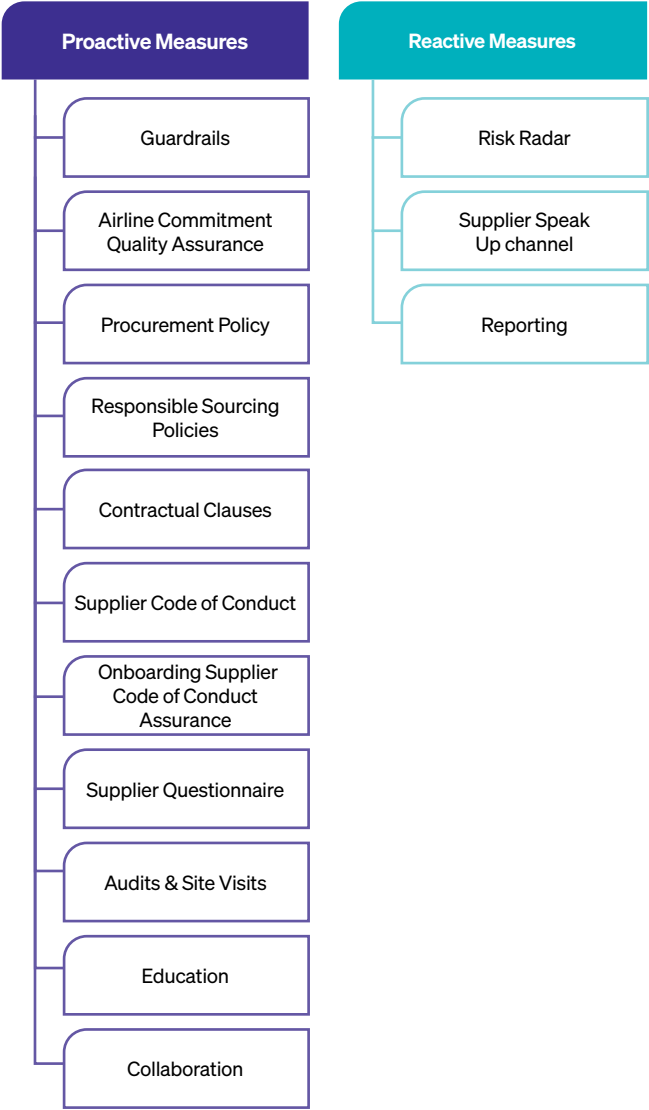
7. <https://www.walkfree.org/global-slavery-index/country-studies/australia/>

8. <https://www.walkfree.org/global-slavery-index/findings/importing-risk/>



Addressing potential risks in our supply chain

OUR SUPPLY CHAIN MODERN SLAVERY RISK MANAGEMENT CONTROLS:



SUPPLIER CODE OF CONDUCT & ASSURANCE

Air New Zealand is committed to the highest standards of social and environmental responsibility and ethical conduct. In 2015, the airline launched a [Supplier Code of Conduct](#) to ensure that our suppliers share this same commitment. The Supplier Code of Conduct outlines the standards the airline expects from suppliers, particularly around sustainability and improving supply chain transparency.

Through the Supplier Code of Conduct, suppliers are encouraged to embrace international standards relating to human rights. Suppliers must respect the labour rights of workers in the workplace and monitor human rights within their own supply chains. As a minimum, suppliers must ensure that workers engaged in the manufacture and supply of products and services are voluntarily employed, and under no circumstance is any form of forced, coerced, bonded, indentured or involuntary labour used.

During 2024, the airline started to review the Supplier Code of Conduct to incorporate any updates to our policies, new information or feedback from stakeholders. To support this process, Air New Zealand sought external feedback from modern slavery advisors, Fair Supply. This review identified opportunities to further enhance and clarify our modern slavery risk management expectations, which were incorporated into the revision. A new section was added to detail our expectations for direct suppliers to undertake their own supply chain due diligence. The updated Supplier Code of Conduct is scheduled to be launched with suppliers in 2025.

The Supplier Code of Conduct is generally embedded into our supplier contracts and the supplier’s acknowledgement registered in Ivalua, Air New Zealand’s procurement and supplier management system, as part of onboarding. Suppliers representing 42 percent of our total supplier base and 81 percent of our contestable spend in 2024 have provided positive assurances in our supplier portal that they accept and commit to the Supplier Code of Conduct. When we launch the refreshed Supplier of Conduct in 2025, we will use this as an opportunity to engage with suppliers who have yet to provide positive assurance and aim to increase these figures.

PROCUREMENT POLICY

Air New Zealand has a Procurement Policy that outlines the process for appointing new suppliers, conducting supplier due diligence, establishing supply arrangements, executing supply contracts, making purchases and placing orders, and monitoring compliance, including with respect to the Supplier Code of Conduct and our human rights expectations.

RESPONSIBLE SOURCING POLICIES

Air New Zealand has sourcing policies for [palm oil](#) and alternative aviation fuel (known in the industry as sustainable aviation fuel or SAF). Both have known sustainability risks in their supply chains, including beyond our Tier 1 direct suppliers and including with respect to labour practices. The airline has established sourcing criteria to mitigate these risks, such as requiring Roundtable on Sustainable Palm Oil (RSPO) certification.

In 2024, the airline engaged with all suppliers in scope of our Palm Oil Position Statement to assess their progress in meeting our commitment to either avoid palm oil or use RSPO-certified palm oil by 2025. For all products identified as containing non-compliant palm oil or its derivatives, we expect these to be transitioned to compliant sources in 2025. However, for some products, namely non-food products, it has proved challenging to gain an understanding of whether they contain palm oil or its derivatives due to a lack of understanding from suppliers, particularly distributors who may not have detailed information about the formulation of the products they sell. Air New Zealand continues to work with these suppliers to improve visibility.

In 2024, Air New Zealand purchased 1.2 million gallons of SAF made from used cooking oil or tallow. The SAF sourced was certified to International Sustainability & Carbon Certification (ISCC) to validate the sustainability credentials of the SAF purchased, including labour practices in the SAF supply chain.



CONTRACTUAL CLAUSES

Air New Zealand's standard supply contract templates used for the purchase of goods and services includes a contractual obligation for suppliers to comply with our Supplier Code of Conduct. Suppliers are required to report any non-compliance, implement remedial plans as appropriate, and, if remediation is not possible or not undertaken, the contract may be terminated. The airline regularly reviews these contractual clauses to ensure these remain fit for purpose and effective. The airline also endeavours to incorporate an obligation on the supplier to comply with our Supplier Code of Conduct when we use the supplier's paper.

SUPPLIER QUESTIONNAIRE

Air New Zealand's supplier onboarding workflow in Ivalua includes a Supplier Questionnaire designed to identify potential risks, including modern slavery and human rights risks. Responses are monitored and managed by the Procurement team to manage any risk indicators identified. In 2024, the airline explored ways to enhance this questionnaire to better understand suppliers' modern slavery risks and their capacity to manage these risks. The airline piloted the use of Fair Supply's Modern Slavery Self-Assessment Questionnaire and continue to test its suitability in terms of integrating with our systems and processes.

AUDITS AND SITE VISITS

Since starting direct sourcing with several manufacturing companies in China in 2013, the airline has conducted annual audits through its third-party audit provider, SGS, utilising their qualified social practice auditors. Our direct sourcing arrangements allow for Tier 1 (direct) suppliers to sub-contract specific services to their wider Tier 2 partners. The audit programme focuses on the manufacturing sites, whether Tier 1 or 2, where the highest risks are likely to exist, and it works in conjunction with the primary contracted supplier on all audits. The audit programme is designed to build awareness of modern slavery risks, practices, and standards with these manufacturing companies. It is aligned with international labour and human rights standard, and encourages organisations to develop, maintain, and apply socially acceptable workplace practices by assessing over 150 checkpoints.

The airline regularly monitors critical, major, and minor non-compliance incidents, and has processes to ensure that remedial plans are prepared and implemented when non-compliance occurs, with consideration for the severity of the issue.

In 2024, the airline audited nine manufacturing sites, with six suppliers graded a pass rate of C or higher. Three suppliers received a fail rate of E due to critical non-conformances, including not providing building safety and fire safety certificates, poor access to some fire exits, and hazardous chemicals not being stored safely. Corrective action plans have been put in place and follow-up audits are being scheduled.

This year, Air New Zealand also accepted Sedex SMETA audits, the world's most widely used social compliance audit, for the first time and continues to explore how we can mutually recognise other third-party social audit schemes that meet our standards. Mutual recognition of these schemes acknowledges that suppliers may have already

completed an audit for their own purposes or other customers, allowing Air New Zealand to avoid duplication by accepting these audits as part of our due diligence. In 2025, Air New Zealand plans to evolve its supplier due diligence framework and develop guidelines for both our team and suppliers. This will include listing which third-party schemes the airline will accept when a supplier is required to provide a valid site audit.

RISK RADAR

Another tool Air New Zealand uses to identify, assess and monitor potential risk areas in its supply chains is Sphera's Risk Radar, previously Risk Methods. Risk Radar leverages artificial intelligence to monitor our supplier community and reveal risks in real time. It uses hundreds of data sources and thousands of monitored news sites to assess a variety of risks, including financial risk, natural hazard risk, reputational risk, geopolitical risk, man-made risk and cyber risk, and human rights risks. Risk alerts are tracked in our supplier management system, triaged, and managed by our team. In 2024, there were around 50 suppliers with human rights risks flagged in Risk Radar. Air New Zealand is exploring how this information can be utilised in our supply chain risk assessment and to inform our enhanced due diligence framework.

EDUCATION

Air New Zealand supports its team in understanding the risks of modern slavery and human trafficking through training and awareness initiatives, including a formal online learning module on human trafficking available to all operational team. In 2024, 3,180 of our team in customer-facing roles completed the human trafficking module, including all cabin crew and a large portion of airport staff who are required to complete it within a 24-month period.

The airline also held a Sustainable Procurement workshop with our Sustainability and Procurement teams, along with other key internal stakeholders, to discuss our Sustainable Procurement Plan focus areas, why these are important, and progress to date, including our workstream and focus on modern slavery and human rights. Additionally, we continue to report on risks and best practice recommendations through team meetings and briefings as needed across the airline.





COLLABORATION

Air New Zealand acknowledges that collaboration is key to driving effective change. During 2024, Kiri Hannifin, our Chief Sustainability and Corporate Affairs Officer, was a member of the Modern Slavery Leadership Advisory Group convened by the New Zealand Government in 2021. This group brought together businesses, non-governmental organisations, unions and academics to work alongside a team from the Ministry for Business Innovation and Employment to advise the Government on modern slavery legislation proposals.

Progress had been made to form the basis of a bill. However, the Government has since deprioritised the development of modern slavery legislation and this group was disestablished in May 2024. Air New Zealand remains supportive of the development of modern slavery legislation in New Zealand. This is critical to accelerating efforts to address modern slavery by the New Zealand business community and to also level the playing field for businesses that are doing the right thing. Nonetheless, we continue to progress our own efforts to combat this important issue.

In 2024, Air New Zealand also supported the establishment of the Modern Slavery Aviation Forum with representatives from Qantas and Virgin Australia. The forum is a space to collaborate on industry challenges and share knowledge and learnings to address modern slavery risks.

SUPPLIER SPEAK UP

In 2024, Air New Zealand extended the availability of its 24/7 independent Speak Up service to suppliers and their workers. In this first year, Air New Zealand did not receive any reports from suppliers or their workers through this channel. However, this is likely in part because other than on our supplier portal login page, this channel has not yet been widely promoted to suppliers. Over the coming year, Air New Zealand will focus on raising awareness of the channel among suppliers and their workers, so they feel safe and supported in using this channel to raise issues when necessary.

The airline also plans to review and document its procedures for investigating and responding to incident reports raised by suppliers and their workers to ensure the process is supported with clear guidelines for our team and is trusted, timely, and handles sensitive situations with care as it does currently for internally raised reports. When investigating reports raised with us, Air New Zealand will be guided by what is in the best interests of the potentially affected workers.

CASE STUDY: SOLAR PANELS

The raw materials used in solar panels present a higher degree of modern slavery risk. For example, solar panels rely on polysilicon much of which is sourced from the Xinjiang Uyghur Autonomous Region of China. In 2024, we undertook due diligence on two solar power companies we were looking to partner with. All companies were cooperative in partnering with us to bring visibility to the supply chains they rely on, and we continue work with them to further strengthen this due diligence and partnership.

CASE STUDY: UNIFORMS

In 2024, Air New Zealand announced Kiwi designer Emilia Wickstead will be supporting us in redesigning our uniforms. The garment and textile industries are well-known for being higher-risk areas for human rights abuse, so this project has a strong focus on sourcing responsibly to manage these risks. Working alongside our uniform supplier, Deane Apparel, we have been thinking about how the sourcing of materials and manufacturing sites can ensure we are respecting the rights of workers within those supply chains. We have conducted due diligence on the certifications and audits Air New Zealand would accept to bring visibility and traceability to this supply chain, and look forward to sharing more details in our next statement as we move into the production stages.



Air New Zealand recognises that it operates in a complex global risk environment and while this environment cannot be devoid of risk, risks may be managed and mitigated.

In late 2022, the Board enhanced its approach to risk management by defining and communicating its Risk Appetite, which is formally reviewed and approved annually. This enables decision makers across the airline to understand the amount and types of risk that Air New Zealand is willing to accept.

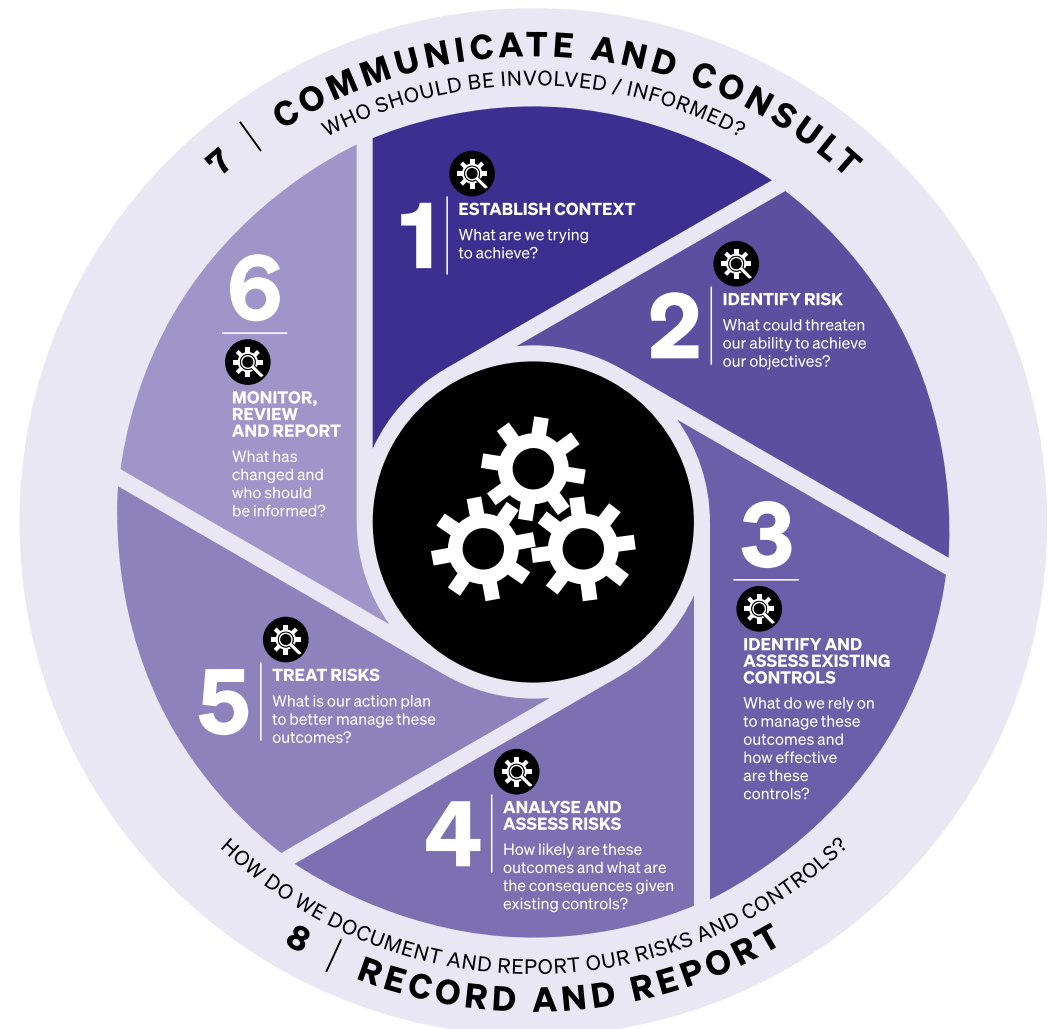
The Risk Appetite aligns to the Air New Zealand's top Strategic Risk areas. For modern slavery, which falls within the Supply Chain risk dimension, the Board has an averse risk appetite. This recognises our commitment to avoiding any contribution towards global modern slavery and human trafficking within our supply chain and operations.

The Board expects the Risk Appetite to be considered in all matters presented to it and will continue to review the Risk Appetite Statement to respond to changes in the airline's top strategic risks and the Board's appetite for risk. Air New Zealand's Enterprise Risk Management Framework provides a Group-wide approach to helping manage these risks and for assessing the effectiveness of our controls to manage these in line with our Risk Appetite.

Tracking the effectiveness of actions to address modern slavery and human trafficking is complex. Nevertheless, the airline will continue to regularly assess the effectiveness of our controls through our Enterprise Risk Management Framework. In 2024, we identified several priority actions to further enhance our approach, and progress on these is reported on page 16.

Assessing our effectiveness

AIR NEW ZEALAND'S RISK MANAGEMENT PROCESS





In our 2023 statement, Air New Zealand highlighted several key initiatives we sought to progress during 2024 to strengthen our approach to addressing modern slavery. Updates on the progress of these initiatives are provided in the following table.

Progress Against our Commitments

2024 Initiatives	Progress in 2024	Status
Review the Supplier Code of Conduct, as well as our supply agreement clauses, to ensure these remain fit for purpose and effective	Work was done in 2024 to refresh the Supplier Code of Conduct, and this is scheduled to be launched with suppliers in 2025 (see page 12). This update strengthens and clarifies our expectations on addressing modern slavery risks in the supply chain. The Supplier Code of Conduct and its requirements are embedded as a clause in our supply agreement templates.	
Review our Human Trafficking learning module for any updates or improvements, and develop a Supplier Code of Conduct learning module to support team awareness and training	A review of our Human Trafficking learning module was completed in 2024 (see page 8), which included seeking external feedback to ensure our crew procedures and training align with best practices. In 2025, we will update the learning module with the identified improvements. To launch the refreshed Supplier Code of Conduct, an internal and external communications plan has been prepared to raise awareness of the updates with our team and suppliers. This includes developing a new dedicated supplier webpage with FAQs that our team and suppliers can refer to. Supplier-facing teams will also receive training on the new Supplier Code of Conduct.	
Review our Supplier Questionnaire to assess if we can further enhance this to monitor modern slavery risks	In 2024, we engaged Fair Supply to pilot the use of their ESG risk platform as part of reviewing our supplier due diligence approach (see page 13). This included exploring how we might send Modern Slavery questionnaires to suppliers from their platform. In 2025, we will continue to review our approach and further test the Fair Supply platform to help us gain a deeper understanding of our suppliers' modern slavery risks and how they are addressing these.	
Promote and embed our Supplier Speak Up grievance channel and review our procedures for managing grievances to ensure these effectively report and remediate complaints	The refreshed Supplier Code of Conduct includes a section promoting the availability of the Supplier Speak Up to raise concerns (see page 14). In 2025, this will be further promoted in the email to suppliers launching the refreshed Supplier Code of Conduct and on the planned new Supplier webpage. In 2025, we plan to develop guidelines for our team on how to investigate reports in a timely, trusted, and sensitive manner.	
Undertake a supply chain risk assessment to prioritise which categories warrant further due diligence and monitoring	In 2024, we risk assessed our spend with 4,817 suppliers over the January 2023 – February 2024 period. We utilised the Fair Supply ESG risk platform, which enabled us to assess the inherent modern slavery risks of our supply chain, from Tier 1 direct suppliers to Tier 10 indirect suppliers (see page 13).	
Monitor and engage in the ongoing development of modern slavery legislation in New Zealand, including through our continued participation on the Government's Leadership Advisory Group	In 2024, Air New Zealand's Chief Sustainability and Corporate Affairs Officer continued her membership on the Modern Slavery Leadership Advisory Group (see page 14). However, this group was disestablished in May 2024, as development of New Zealand modern slavery legislation has been deprioritised by the New Zealand Government at present. Air New Zealand also reported for the first time under Canada's new modern slavery legislation, which came into effect on 1 January 2024. We continue to monitor developments in other jurisdictions.	
Assess where we can deepen our engagement with our team and suppliers on these risks and our approach to further build capacity and collaboration.	A number of initiatives were identified to deepen Air New Zealand's engagement with both team and suppliers in 2024, including a Sustainable Procurement workshop and the opportunity to re-engage stakeholders on our Supplier Code of Conduct expectations when the refreshed version is launched in 2025. Air New Zealand has also joined the newly established Modern Slavery Aviation Forum, where we collaborate with industry peers to share knowledge and learnings on addressing modern slavery risks. We continue to seek opportunities to build capacity and foster collaboration.	



Complete



In progress



Not progressed

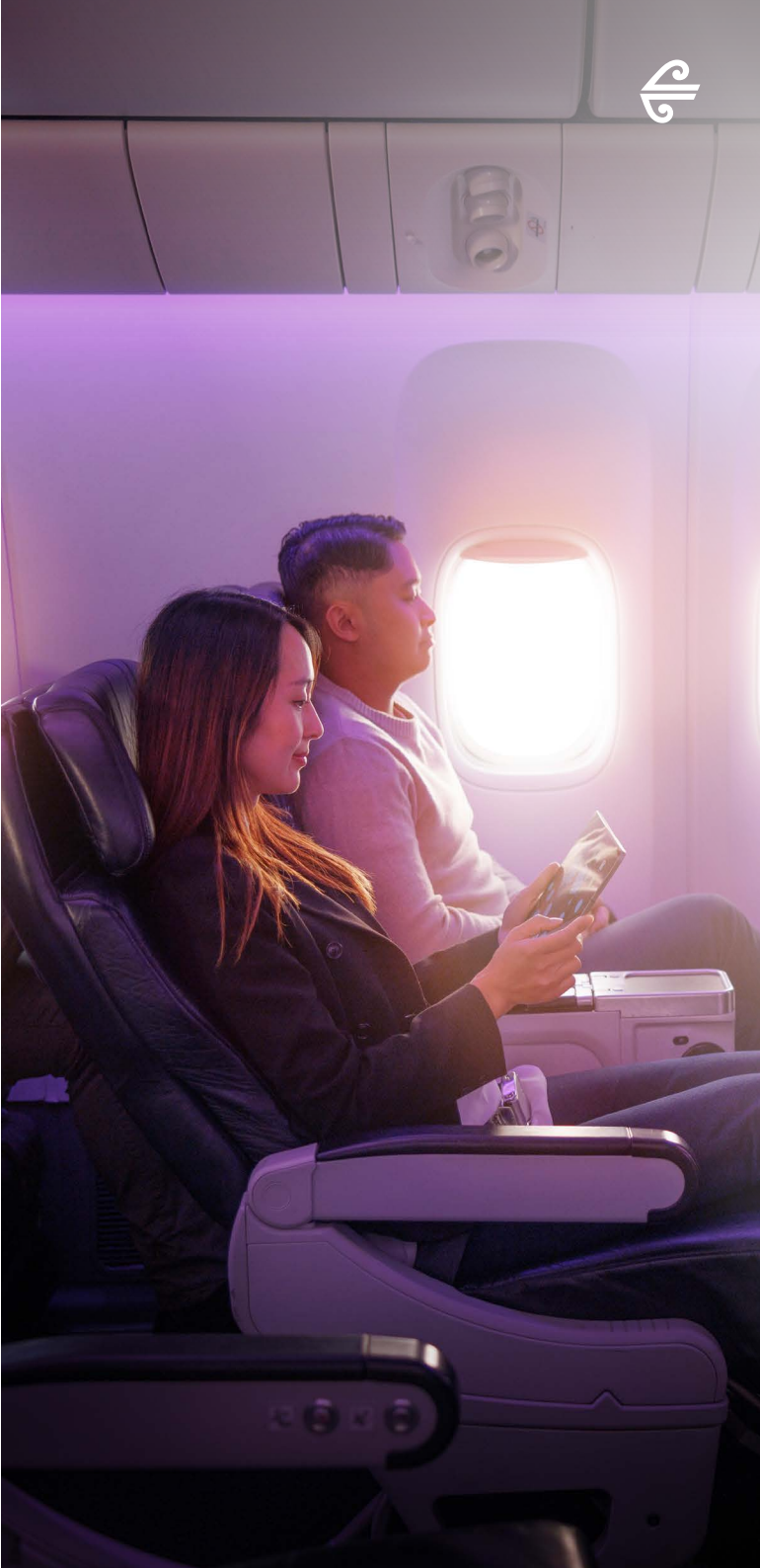


As part of Air New Zealand’s learning culture, the airline seeks to continuously improve on its modern slavery approach year-on-year. In 2025, the following key initiatives have been identified as planned focus areas for the Group.

2025 Initiatives	KPIs
Establish a Modern Slavery Working Group that meets at least quarterly to oversee the implementation and continuous improvement of our modern slavery strategy	<ul style="list-style-type: none">– Working Group established– Number of meetings
Develop an enhanced modern slavery supplier due diligence framework, including assessing the acceptance of third-party social practice schemes as part of our approach	<ul style="list-style-type: none">– Enhanced modern slavery due diligence framework completed
Design and roll-out due diligence for all existing high-risk suppliers, including moving from an inherent risk assessment score to a supplier-specific risk assessment score	<ul style="list-style-type: none">– Due diligence approach agreed– All high-risk suppliers completed requested due diligence
Develop training for high-risk category teams on modern slavery risks	<ul style="list-style-type: none">– Training developed– Training completed for each team
Develop clear grievance and investigation procedures to guide our team in their response to issues raised with us	<ul style="list-style-type: none">– Grievance and investigation procedure completed
Participate in the Modern Slavery Aviation Forum to collaborate with peers in addressing modern slavery	<ul style="list-style-type: none">– Number of meetings

The above summary table, and references throughout other parts of this Statement relating to planned measures for the next reporting period (i.e. our 2025 Financial Year), constitute future or forward-looking statements. Please refer to our disclaimer in Appendix 2 for important disclaimers about such forward-looking statements.

Looking Ahead to 2025





The drafting of this Statement was led by the Sustainability team in consultation with key business functions that provided input into the Statement including Supply Chain, Procurement, Legal, Enterprise Risk, Resilience and People teams.

These teams work collectively throughout the year as part of our Group-wide modern slavery and human trafficking risk management.

Prior to Board approval, this Statement was reviewed by Air New Zealand's General Counsel and Company Secretary, Chief Sustainability and Corporate Affairs Officer, Chief People Officer, Chief Operating Officer, and the directors of Air New Zealand Limited's controlled and owned entities. It was subsequently endorsed by the Chief Executive Officer, approved by the Air New Zealand Board on behalf of Air New Zealand Group on 21 November 2024, and signed by the CEO and the Chair of Air New Zealand Limited.

Consultation
across the
Group and with
its Entities



Please feel free to contact us at sustainability@airnz.co.nz with any comments, queries or suggestions regarding our Statement. We welcome a dialogue on this important topic.



Appendix 1: Air New Zealand Subsidiaries

SIGNIFICANT SUBSIDIARIES COMPRISE:

Name	Principle activity	Country of incorporation
Air Nelson Limited	Aviation services	New Zealand
Air New Zealand Aircraft Holdings Limited	Aircraft leasing and financing	New Zealand
Air New Zealand Associated Companies Limited	Investment	New Zealand
Air New Zealand Regional Maintenance Limited	Engineering services	New Zealand
Mount Cook Airline Limited	Aviation services	New Zealand
TEAL Insurance Limited	Captive insurer	New Zealand

All subsidiary entities above have a balance date of 30 June and are 100% owned.

Appendix 2: Forward Looking Statements Disclaimer

Any forward-looking statements in this Statement represent Air New Zealand's current intentions and reasonable expectations held at the date of this Statement. While Air New Zealand is committed to implementing the key initiatives we have identified in our future-looking statements, we acknowledge that circumstances may change, and our strategies may be adjusted accordingly.

Appendix

AIR NEW ZEALAND 

A STAR ALLIANCE MEMBER 