Climate Statement 2026

Contents

This is Air New Zealand's third Climate Statement under the Aotearoa New Zealand Climate Standards (NZ CS), structured around the four mandatory sections of NZ CS 1. Prior to NZ CS, Air New Zealand voluntarily reported against the Task Force on Climate-Related Financial Disclosures (TCFD) for several years.

About this Climate Statement

1.1 Reporting entity

This Climate Statement is for the parent company Air New Zealand Limited (the Parent) and its subsidiaries (together referred to as 'Air New Zealand', 'the Group', or 'the airline') for the year ended 30 June 2026. The Parent is a Climate Reporting Entity under the Financial Markets Conduct Act 2013.

The scope of the reporting entity aligns with that used for the Group's 2026 Consolidated Financial Statements.

1.2 Statement of compliance

These climate-related disclosures comply with the Aotearoa New Zealand Climate Standards (NZ CS) 1, 2, and 3 issued by the External Reporting Board.

In preparing this Climate Statement in its third reporting year, the Group has elected to use the following adoption provision outlined in NZ CS 2:

- Adoption provision 2 - Anticipated financial impacts.

1.3 Forward-looking statements and the uncertainty inherent in climate change

This Climate Statement contains forward-looking statements, including climate-related metrics, climate scenarios, estimated climate projections, targets, assumptions, judgements, forecasts, and statements of the Group's future intentions. These forward-looking statements, as well as the judgements, assessments, methodologies and models the Group has used in relation to the airline's current understanding of climate-related matters, will continue to evolve as the Group's access to, and understanding of, climate-related information and data improves. The Group has sought to provide accurate disclosures as at publication and a reasonable basis for forward-looking statements but is constrained by the novel and developing nature of this subject matter and cautions reliance being placed on representations that are necessarily subject to significant risks, uncertainties, and/or assumptions.

Descriptions of the qualitative and quantitative current and anticipated impacts and financial impacts of climate change draw on and/or represent estimated figures only. This Climate Statement reflects the Group's current strategy, which remains subject to change in response to evolving market conditions, regulatory developments and financial circumstances. There are many factors that could cause Air New Zealand's actual results, performance, or achievement of climate-related metrics (including targets) to differ materially from that described, including economic and technological viability, as well as climatic, government, consumer, and market factors outside of Air New Zealand's control. Uncertainties and assumptions that relate specifically to Air New Zealand's targets are provided in section 3.1 of this Climate Statement.

The greenhouse gas (GHG) inventory included in this Climate Statement is based on estimates prepared using the methodologies, assumptions, emission factors and third-party data available at the reporting date. GHG accounting remains an evolving discipline, and these methodologies, assumptions, emission factors and data sources may change over time as standards develop and data quality improves.

To the maximum extent permitted by law, Air New Zealand and its subsidiaries, directors, officers, employees and contractors shall not be liable for any loss or damage arising in any way from or in connection with any information provided or omitted as part of this Climate Statement. The airline does not accept any liability whatsoever for any loss arising directly or indirectly from any use of the information contained in this Climate Statement.

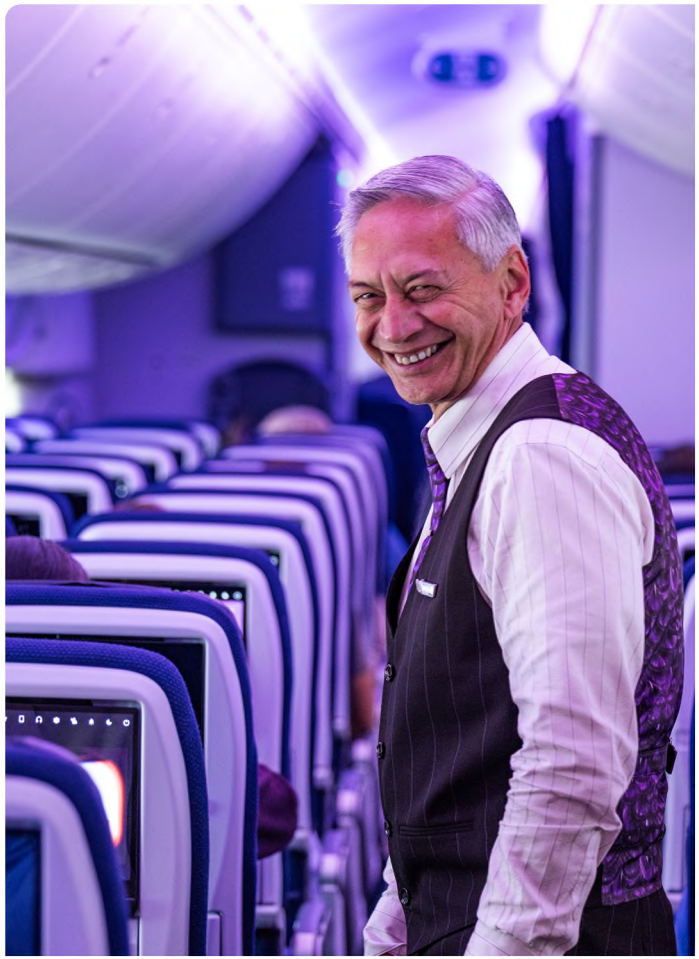
Readers should make their own assessments and take appropriate professional advice in considering this Climate Statement. Nothing in this Climate Statement should be interpreted as capital growth, earnings or any other legal, financial, tax or other advice or guidance. This Climate Statement is not an offer document and does not constitute an offer or invitation or investment recommendation to distribute or purchase securities, shares, or other interests. For detailed information on the airline's financial performance, please refer to our Annual Report.

Unless otherwise stated, all currency amounts are in New Zealand dollars.

1.4 Enquiries

If you have any questions or comments regarding this Climate Statement, please contact investor@airnz.co.nz.

This Climate Statement was approved by the Board of Directors of Air New Zealand (the Board) on 28 August 2026.



Dame Therese Walsh
Chair

Alison Gerry
Director and Chair of the Audit and Risk Committee

For and on behalf of Air New Zealand Limited and its subsidiaries.

Strategy

2.1 Transition Plan

Current business model and strategy

Air New Zealand's purpose is to enrich our country by connecting New Zealanders to each other and New Zealand to the world. The airline operates a global air passenger and cargo services network to, from and within New Zealand, generating revenue primarily through ticket sales, cargo, and ancillary services.

In the 2026 financial year, Air New Zealand underwent a strategy reset, launching *Te Pae Hou - Our Future*, a strategy built around three key pillars:

- **Customer First:** Delivering top tier reliability and punctuality with a relentless focus on priority segments;
- **Targeted Growth:** Growing a profitable network and building our presence in larger, resilient markets to generate returns and support New Zealand tourism; and
- **Resilient and Future Fit:** Transforming our cost base and applying rigorous capital allocation discipline.

The strategy also has four foundations, one of which *(Sustainable Ecosystems)* relates to sustainability by considering the environment and the communities the airline serves. For more information on *Te Pae Hou - Our Future*, please see page 15 of this year's Annual Report.

Air New Zealand's Sustainability Framework, guided by the vision, 'When New Zealand thrives, we thrive too', focuses on People *He tāngata*, Planet *Te Taiao* and Guardianship *Kaitiakitanga*, and includes a commitment to work towards net zero carbon emissions from jet fuel by 2050 (the 2050 Target).

Transition Plan aspects of the strategy

Like all airlines, Air New Zealand relies on fossil jet fuel and operates in a hard-to-abate sector. Air New Zealand's Transition Plan outlines potential pathways to reduce net carbon emissions from jet fuel over time, acknowledging the substantial industry-wide change required to achieve this.

The Transition Plan is organised around four key decarbonisation levers:

- Fleet and network;
- Sustainable Aviation Fuel (SAF);
- Operational efficiency; and
- Carbon credits.

The Transition Plan includes both short-term and long-term components, reflecting the greater degree of certainty the airline has over the decarbonisation levers available to address emissions in the short-term.

Short-term: 2030 Emissions Guidance

Air New Zealand expects to reduce its Well-to-Wake net GHG emissions from jet fuel by 25 to 30 percent by 2030, compared with a 2019 financial year baseline. This is a revision from the 20 to 25 percent range communicated in 2025[1]. For an explanation of the revised 2030 Emissions Guidance range, including the assumptions underpinning it, refer to section 3.1 on page 18.

In publishing its 2030 Emissions Guidance, the airline aims to provide a transparent annual update on the airline's expected net emissions reduction. The 2030 Emissions Guidance has not been developed with reference to an external target or methodology aligned to a particular global warming pathway. Despite this, the 2030 Emissions Guidance is a reference point for tracking near-term decarbonisation progress under the Transition Plan to the 2050 Target.

Long-term: The 2050 Target and an illustrative roadmap

Beyond 2030, Air New Zealand has committed to work towards net zero carbon emissions from jet fuel by 2050. The illustrative roadmap on page 5 shows the airline's long-term roadmap, a central case scenario for how Air New Zealand could potentially transition to meet its net zero 2050 Target.

Two overarching assumptions shape the illustrative roadmap:

- First, a long-term aviation sector growth rate of 2.54 percent per annum from 2031 to 2050, measured in Revenue Passenger Kilometres (RPK) and based on Boeing's Commercial Market Outlook for the regions in which Air New Zealand operates. This is represented as 'Potential business-as-usual carbon emissions' on Air New Zealand's illustrative roadmap, which shows what the airline's emissions could be if capacity and fuel use grew at this rate.
- Second, that Air New Zealand plans to adopt lower carbon technologies (such as fleet modernisation and SAF) when these options become feasible and when the airline is commercially able to do so.

Neither the 2030 Emissions Guidance nor the 2050 Target or illustrative roadmap are a guarantee or forecast of future performance. The pathway in the 2050 roadmap is illustrative, not predictive - other combinations of levers may emerge, and some assumptions (such as technology development or policy support) may not eventuate.

The 2050 illustrative roadmap does not guarantee future outcomes or the delivery of specific reductions from each lever. Some elements, such as Next Generation Aircraft (NGA), depend on technologies not yet commercialised or scaled so their contributions in the roadmap are highly uncertain. Air New Zealand intends to update the 2050 illustrative roadmap annually in its Climate Statement to reflect evolving data, developments, and assumptions.

1. The pathway to achieving the net emissions reductions required for the 2030 Emissions Guidance is not expected to be linear. Annual emissions may increase or decrease from year to year and it is possible that they fall outside the guidance range currently indicated.

Strategy (continued)

Table 1: Comparison of key elements of Air New Zealand's short- and long-term Transition Plan

	Short-term	Long-term
Time frame	To 2030	2031-2050
Elements of the Transition Plan	**2030 Emissions Guidance** The 2030 Emissions Guidance is an annual update on Air New Zealand's expected net GHG emissions reduction from jet fuel by 2030 from a 2019 baseline. The Guidance is underpinned by Air New Zealand's five-year fleet and network plan and the airline's planned emissions reduction initiatives.	**2050 Target and illustrative roadmap** The illustrative roadmap shows a central case scenario, representing the airline's view of one possible net zero pathway for carbon emissions from jet fuel from 2031 to 2050. The long-term outlook is inherently more uncertain as it is even more dependent on factors outside the airline's direct control (e.g. access to SAF at affordable prices, infrastructure development, technological advancements, carbon credit market maturity, and policy).
Type of measure	Air New Zealand's annual 2030 Emissions Guidance and 2050 Target both express net reductions (i.e. inclusive of net carbon emissions reduction measures such as carbon credits).	
Modelling approach	Short-term modelling reflects the airline's greater certainty over near-term variables and primarily uses internal assumptions (such as the airline's five-year fleet and network plan).	The modelling contains a greater reliance on external assumptions, including Boeing's Commercial Market Outlook for aviation sector growth. See page 3 for further detail.
Scope of emissions[2]	Carbon dioxide equivalent (CO_2e) emissions (including methane and nitrous oxide). Intentionally designed to cover a larger proportion of Air New Zealand's emissions from jet fuel.	CO_2 emissions only, in line with the narrower International Air Transport Association (IATA) 2050 net zero target scope.
Scope of jet fuel	Well-to-Wake emissions for fossil fuels and Well-to-Wake emissions for SAF.	Tank-to-Wake emissions for fossil fuel and Well-to-Wake emissions for SAF, hydrogen and electric propulsion (if applicable).
Level of uncertainty	**Moderate;** conveys an expected range of net emissions reductions by 2030 that represent the current view of possible outcomes.	**High;** illustrative example of Air New Zealand's current view of a potential path towards net zero, among many possible pathways.

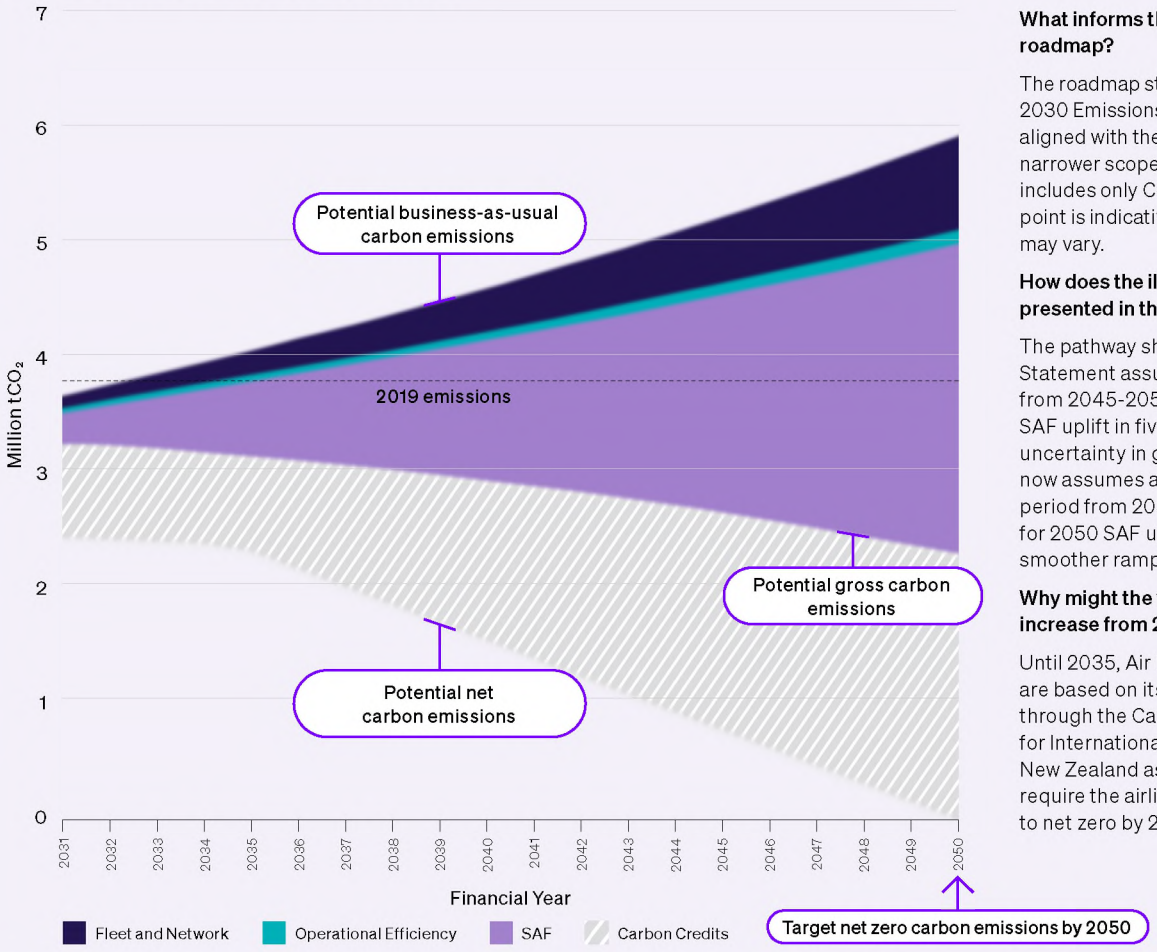
2. Non-CO_2 effects, i.e. impacts that arise from aircraft engine emissions of oxides of nitrogen (NOx), soot particles, oxidised sulphur species, and water vapour are excluded from both the 2030 Emissions Guidance and 2050 roadmap.

Strategy (continued)

Air New Zealand's illustrative roadmap to the 2050 Target (from 2031-2050)

Air New Zealand models three scenarios to understand a range of potential net zero pathways to 2050. The roadmap shown in Figure 1 illustrates a central case scenario, representing the airline's view of one possible net zero pathway for carbon emissions from jet fuel from 2031 to 2050. The airline also models a high case and a low case, with the potential contribution from these cases set out in Figure 2. The coloured segments in the roadmap (Figure 1) illustrate the potential contribution of each decarbonisation lever within the central case only. The central case does not necessarily represent the mid-point between the low and high cases for each decarbonisation lever. The roadmap to the 2050 Target is highly uncertain and significantly dependent on emissions savings becoming available from fleet and network changes, very substantial increases in the availability of SAF at commercially viable prices, and the development and operation of international carbon credit markets through to 2050. Figure 1 should be read alongside the dependencies and constraints detailed in section 3.1.

Figure 1: The central case to the 2050 Target



What informs the starting point of the illustrative roadmap?

The roadmap starts following the period covered by the 2030 Emissions Guidance. The starting point is broadly aligned with the 2030 Emissions Guidance but reflects the narrower scope of the IATA 2050 net zero target, which includes only CO_2 emissions. As a result, the 2031 starting point is indicative only, and actual emissions in that year may vary.

How does the illustrative pathway differ from the pathway presented in the 2025 financial year Climate Statement?

The pathway shown in the 2025 financial year Climate Statement assumed a rapid scale up of SAF in the period from 2045-2050 as part of an internal decision to model SAF uplift in five-year increments. However, due to uncertainty in global market developments the airline now assumes a linear increase in SAF use throughout the period from 2031-2050, relying on external assumptions[3] for 2050 SAF uplift scenarios. This has resulted in a smoother ramp-up of SAF through to 2050.

Why might the volume of carbon credit purchases increase from 2035?

Until 2035, Air New Zealand's carbon credit assumptions are based on its anticipated compliance obligation through the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). Beyond 2035, Air New Zealand assumes a replacement scheme will require the airline to phase down residual CO_2 emissions to net zero by 2050.

Figure 2: Indicative low and high cases[4]

Figure 1 shows the expected contribution of **Fleet and Network** to carbon emissions reductions under the central case. The airline also models low and high cases which indicate this lever could deliver anywhere within a range of 10 to 19 percent of the airline's emissions reductions in 2050.

Figure 1 shows the expected contribution of **Operational Efficiency** to carbon emissions reductions under the central case. This lever is currently expected to deliver around 2 percent of the emissions reduction in 2050 in all cases.

Figure 1 shows the expected contribution of **SAF** to carbon emissions reductions under the central case. The airline also models low and high cases which indicate this lever could deliver anywhere within a range of 40 to 67 percent of the airline's emissions reductions in 2050.

Figure 1 shows the expected volume of residual[5] carbon emissions to be addressed by **Carbon Credits** to support achievement of the remainder of the 2050 Target under the central case. The airline also models low and high cases which indicate this lever could address anywhere within a range of 11 to 48 percent of the airline's carbon emissions in 2050.

3. Air New Zealand's SAF uplift in 2050 is based on projections from the International Civil Aviation Organisation. 4. The actual combination of lever contributions may vary and it is possible that they will be outside the ranges indicated. The underlying modelling has been updated using revised assumptions. The outcome of this modelling is that the estimated contribution ranges for each decarbonisation lever remain consistent with those disclosed in the 2025 financial year. 5. Residual emissions refer to emissions that remain after other reductions have been accounted for and that cannot be addressed through other levers under the Transition Plan due to technological, cost or feasibility constraints.

Strategy (continued)

Fleet and network

Jet fuel use associated with flying is by far the most significant contributor to the airline's GHG emissions (see section 3.2). Air New Zealand's decisions about its fleet and network will significantly influence future emissions.

Potential aircraft technology developments can be grouped into three categories:

1. More fuel-efficient conventional-propulsion technologies, such as advances in aircraft engine design;
2. Innovations in airframe design and materials, which are more aerodynamic, reduce aircraft weight and/or drag; and
3. To a more limited extent, the emergence of novel propulsion technologies, which Air New Zealand considers NGA (see Evaluating the role of NGA on the right of this page).

Together, developments in these three technology categories are estimated to contribute around 10-19 percent of the carbon emissions reductions required to meet the airline's 2050 Target, compared to a baseline with no new fleet technology adoption. This contribution range is unchanged from the 2025 financial year. This estimate does not explicitly model future network optimisation, which may occur in response to a range of commercial and operational factors.

To assess the emissions impact of fleet-related decisions, Air New Zealand analyses future fleet scenarios, considering growth and fleet replacement timing.

Contribution to the short-term Transition Plan (to 2030)

In the short-term, the airline's fleet assumptions reflected in the 2030 Emissions Guidance align with its five-year fleet and network plan.

The airline does not rely on the emergence of NGA in this period.

As of 30 June 2026, Air New Zealand has an average seat-weighted fleet age of 10.3 years. In the 2026 financial year, the airline took delivery of one leased Airbus A321neo and one owned ATR72-600. There were no fleet retirements in the reporting period.

Contribution to the long-term Transition Plan (to 2050)

As all aircraft currently in operation will need to be replaced by 2050, future fleet-related decisions may increase or decrease the contribution this decarbonisation lever makes towards achieving the 2050 Target.

In the longer term, the airline has less certainty regarding the specific aircraft types that will be available and future fleet-related decisions will be shaped by several strategic considerations (of which fuel and emissions performance is one).

The estimated 10-19 percent contribution from fleet and network in 2050 to meet the 2050 Target reflects a modelled range of possible emissions reductions based on Air New Zealand's current fleet strategy assumptions. These assumptions will continue to evolve as aircraft technology, fleet planning, network requirements, and commercial considerations develop and evolve.

Conventional-propulsion aircraft

Renewal of the current fleet with more fuel-efficient conventional-propulsion aircraft creates an opportunity to reduce gross emissions.

The airline expects to introduce fuel-efficient conventional widebody and narrowbody aircraft. These aircraft are expected to partly replace some older, less fuel-efficient aircraft while also supporting future growth.

Delivery timing remains subject to change due to a number of external and internal factors, including aircraft and engine availability, supply chain challenges and the airline's financial performance. For example, two Boeing 787 aircraft deliveries originally expected in the 2026 financial year were delayed until the 2027 financial year.

The maintenance of existing fleet is also important for reducing the airline's emissions. Increased maintenance requirements and supply chain issues with Rolls-Royce engines for the airline's Boeing 787 Dreamliners and Pratt & Whitney engines for its Airbus A321neos mean that some of the most recent and most fuel-efficient fleet additions have been out of service, some over multiple financial years. While the Rolls-Royce issue has stabilised, there is still the potential for engine shortages on the airline's 787 fleet, and the Pratt & Whitney engine issue is likely to remain a challenge in the short-term, driven by parts shortages, long wait times for engine servicing, and the need for more frequent maintenance on those engines.

To meet network demand and provide sufficient resilience to the operation, the airline has leased some aircraft on a short-term basis to provide replacement capacity or continued to fly older, less fuel-efficient aircraft, such as Boeing 777-300ERs or Airbus A320ceos, longer than planned. The multi-year nature of the lease commitments means there will be a lag between the airline restoring all of its grounded Boeing 787 Dreamliners and A321s, and the exit of older, leased aircraft.

Innovations in airframe design and materials

Air New Zealand's modelling includes incremental airframe improvements reflected in new conventional aircraft, such as lighter composite materials in Boeing 787 Dreamliners. More significant innovations, such as blended wing body aircraft, have not been explicitly modelled.

Evaluating the role of NGA

NGA is the term Air New Zealand uses to describe aircraft powered by novel propulsion that could significantly reduce carbon emissions compared to existing technology. This could include hydrogen fuel cells, hydrogen combustion, batteries, or battery-hybrids used in combination with SAF and/or fossil jet fuel.

NGA are expected to contribute to achieving the 2050 Target. However, this contribution is currently expected to be more limited than some of the other decarbonisation levers because of the scope and timing of expected adoption.

NGA are expected to initially only be suitable for parts of Air New Zealand's domestic network through a partial replacement of some of the airline's turboprop fleet and the airline does not expect NGA to enter the airline's operating fleet until at least the late 2030s.

In the 2026 financial year, the airline conducted a four-month technology demonstrator programme with BETA Technologies, leasing and testing an early-production ALIA CX300 aircraft in New Zealand before it receives Federal Aviation Administration (FAA) type certification to operate commercially in the United States. The programme was intended to build practical understanding of the operational, infrastructure, training, certification, and other requirements associated with novel propulsion aircraft.

Neither the technology demonstrator nor any future commercial demonstrator programme will reduce Air New Zealand's carbon emissions. These programmes are intended as a demonstration only of potential uses for NGA, and understanding of the possibilities and challenges associated with NGA as technology matures.

Strategy (continued)

Sustainable Aviation Fuel

SAF is the global term used by the United Nations, nation states, and the aviation industry to refer to alternative jet fuel that is made from feedstocks other than fossil fuels and that produces lower lifecycle emissions than fossil jet fuel. Notably, SAF produces equivalent emissions to conventional jet fuel when combusted and may create other adverse impacts on the environment. SAF's emissions reductions come from the fuel's full lifecycle emissions profile.

Scan the QR code on the right for further information on SAF and how its emissions impact is measured.

Contribution to the short-term Transition Plan (to 2030)

In the short-term, the airline has set an ambition to uplift 10 percent of its jet fuel as SAF by 2030. While this is necessarily subject to a range of dependencies, including global SAF market developments and commercial conditions, achieving this ambition remains an assumption within the 2030 Emissions Guidance.

Air New Zealand uplifted 1.2 percent of its jet fuel as SAF in the 2026 financial year. This was a reduction from 1.7 percent in the 2025 financial year, driven by the airline's broader commercial environment and cost pressures, which have been exacerbated by higher fuel costs due to the Middle East conflict.

Contribution to the long-term Transition Plan (to 2050)

SAF is expected to play a critical role in the long-term Transition Plan. As of the end of the 2026 financial year, SAF is expected to contribute an estimated 40-67 percent of the carbon emissions reductions required in 2050 to meet the airline's 2050 Target. This contribution range has not changed from the 2025 financial year. To meet this net reduction, it is assumed that SAF comprises 60-95 percent of the airline's total jet fuel use in 2050.

High cost and uncertainty of SAF

The SAF production industry is nascent and SAF commands a price premium above fossil jet fuel. Global price premiums for SAF currently range between two to five times the cost of fossil jet fuel. Based on current and predicted pricing, SAF could add significant cost to Air New Zealand and other airlines, depending on how the market develops.

The airline's ability to achieve its decarbonisation goals depends on its ability to access the SAF volumes assumed in the Transition Plan at a commercially viable net cost.

Some of the key drivers that could impact the availability, access to, and the net cost of SAF include technology development, production and market scale-up, supportive policy (e.g. production incentives), implementation of SAF uplift requirements, international airport incentives, wider acceptance of Book and Claim[6] systems, airline customers decarbonising their air travel through the purchase of SAF Scope 3 'certificates' or 'credits', known as Scope 3 SAFc, lower production costs, and certification.

SAF 'certificate' / 'credit' (SAFc) programme

SAF use can give rise to two distinct emissions reduction claims by different parties:

1. Well-to-Wake emissions reductions, which are claimed by the airline through its purchase of SAF (primarily Scope 1 emissions); and
2. Scope 3 emissions reductions, which are claimed by customers through the purchase and allocation of Scope 3 SAFc to help address their air travel or air transport emissions.

Air New Zealand has continued to build its Scope 3 SAFc programme in the 2026 financial year. In addition to reducing the SAF price premium for the airline, supporting the airline's SAF uptake, and strengthening demand signals for SAF, the programme also helps customers to decarbonise.

The Scope 3 SAFc programme sits alongside a broader suite of customer emissions initiatives. These include emissions reporting platforms for corporate and cargo customers, and the Voluntary Emissions Contribution Programme (VECP) for retail customers booking through the airline's website. Together, these initiatives are intended to support understanding of travel-related emissions and evolving customer decarbonisation needs.

In the 2026 financial year, the airline achieved independent assurance of its internal SAFc processes and system and worked with Toitū Envirocare to enable emissions reductions from Air New Zealand's Scope 3 SAFc programme to be recognised under Toitū's Climate Impact Programme.

The airline also completed a number of Scope 3 SAFc sales to global and New Zealand organisations and added a SAF contribution to Air New Zealand's employee standby and business travel and the VECP.

Domestic and international supply

To date, all SAF that Air New Zealand has used has been uplifted internationally or imported to New Zealand. While New Zealand has the potential to produce SAF domestically, there are no SAF production facilities in operation in New Zealand.

Domestic SAF production has the potential to improve New Zealand's fuel security and support economic growth. To support potential future domestic supply, Air New Zealand contributed to two domestic SAF production projects in the 2026 financial year. However, domestic SAF production would need to be cost-competitive to represent a commercially viable option for the airline.

In that context, international supply is expected to play a continued and significant role in delivering the airline's Transition Plan.

Global SAF production comprised 0.3 percent of total global jet fuel in the 2024 calendar year, 0.6 percent in the 2025 calendar year and is expected to reach 0.8 percent in the 2026 calendar year[7]. Global SAF supply needs to scale significantly for the aviation industry to decarbonise. The airline continues to proactively engage with suppliers and invests in the United Airlines Ventures Sustainable Flight Fund to support SAF-related research, production and technology development.

Policy and engagement

Policy settings are expected to play an important role in scaling SAF availability and supporting Air New Zealand's ability to access SAF over time. A growing number of jurisdictions in which Air New Zealand operates are introducing, or considering, policy to support greater SAF production or use. Some jurisdictions require airlines to uplift SAF when departing from those markets, with the required volumes often increasing over time. Meeting these requirements will increasingly become part of the cost of operating international services.

Air New Zealand continues to engage with government and industry in New Zealand and offshore on policy settings that could support access to SAF, including through credible sustainability criteria and emissions accounting frameworks.

Air New Zealand is involved in several forums regionally and globally to support SAF sector development, including the World Economic Forum's Green Fuel Forward initiative, the New Zealand SAF Industry Roundtable and Bioenergy Australia.

6. Book and Claim refers to a system whereby airlines can purchase ('book') the life cycle benefits of SAF and credit ('claim') it against the emissions from their own use of conventional jet fuel, while another airline uses that SAF but is not able to claim the emissions reductions from SAF. The Book and Claim system, if adopted, is expected to increase demand, supply, and liquidity in the SAF market (see Appendix B: Glossary). 7. https://www.iata.org/en/pressroom/2026-releases/06-06-saf-production-volumes-still-disappointing/.

Strategy (continued)

Operational Efficiency

Operational efficiency refers to actions that reduce fuel burn from existing aircraft operations, both in the air and on the ground. Lower fuel burn directly reduces emissions.

Operational efficiency initiatives generally fall into three categories:

1. Technology developments, including flight planning and optimisation tools, and improved access to data to support behavioural shifts;
2. Operational practices, including changes to policy and procedures and training to support embedding fuel-efficient practices e.g. single engine taxiing; and
3. System-wide improvements, including airports, air traffic management and other supply chain partners e.g. use of gate infrastructure for ground-level reductions in fuel burn.

Contribution to the short-term Transition Plan (to 2030)

Operational efficiency initiatives are modelled to contribute less than one percent emissions reductions by 2030, recognised in the airline's 2030 Emissions Guidance.

Contribution to the long-term Transition Plan (to 2050)

Operational efficiency is estimated to contribute two percent of the airline's carbon emissions reductions required in 2050 to meet its 2050 Target. This contribution is unchanged from the 2025 financial year.

This estimate is based on an extrapolation of the expected emissions reductions by 2030 out to 2050, assuming continued adoption of operational efficiency initiatives over time. However, the airline acknowledges that additional reductions may depend on broader system-wide improvements across the aviation sector.

The 2050 Target does not assume emissions reductions from any efficiency improvements made by the Group's fossil jet fuel suppliers.

Recent developments

In the 2026 financial year, Air New Zealand established a cross-functional team to accelerate fuel initiatives across the airline. Areas of focus include fuel efficiency, fuel management, weight reduction and fuel security.

Examples of initiatives being progressed during the financial year include optimisation of alternate airport requirements in flight planning, seeking opportunities to increase the use of airport ground power and pre-conditioned air, and reviewing onboard water carriage requirements.

The impact of individual initiatives is difficult to isolate because fuel burn is influenced by many factors. As a result, attributing emissions reductions to specific initiatives is challenging.

Carbon credits

Carbon credits are an instrument issued to recognise projects that remove, avoid or reduce emissions. One carbon credit is equivalent to one tonne of CO_2e.

Air New Zealand counts both CORSIA compliance credits and voluntary carbon credits towards its net emissions[8]. CORSIA is the International Civil Aviation Organization's (ICAO) State-based Carbon Offsetting and Reduction Scheme for International Aviation (see Glossary in Appendix B for further detail). Under CORSIA, participating States require airlines to purchase and cancel eligible carbon credits (known as eligible emissions units (EEUs)) to meet compliance obligations.

Contribution to short-term Transition Plan (to 2030)

The airline's 2030 Emissions Guidance recognises:

1. Air New Zealand's anticipated CORSIA obligation in the 2030 financial year; and
2. A small volume (11,000 tonnes CO_2e) of high integrity voluntary nature-based and engineered carbon removals credits that are anticipated to address a portion of the airline's residual emissions in the 2030 financial year.

These credits make up the net component of the 2030 Emissions Guidance. The Guidance contains two key assumptions:

1. The ongoing operation of CORSIA through to 2030; and
2. Air New Zealand being able to access its required volume of credits.

Contribution to the long-term Transition Plan (to 2050)

Carbon credits are expected to address all of Air New Zealand's residual emissions in 2050. The airline currently estimates that carbon credits may be required to address between 11-48 percent of emissions in 2050. This contribution range is unchanged from the 2025 financial year. This reflects a range of potential outcomes and is highly dependent on adoption of more fuel-efficient fleet, the scale and pace of SAF uptake, and operational efficiency.

Air New Zealand assumes that after CORSIA finishes in 2035, a successor compliance obligation will require the airline to phase down residual emissions to meet net zero by 2050. If that does not occur, Air New Zealand intends to use carbon credits on a voluntary basis, to meet net zero carbon emissions in 2050.

The airline intends to only use carbon credits that are verified and/or certified in line with reputable external schemes or standards.

Developments

In the 2026 financial year, Air New Zealand made progress towards both its CORSIA compliance obligation, and the removals credits expected under the 2030 Emissions Guidance. This included:

- Undertaking the airline's first CORSIA EEU transaction;
- Signing a forward offtake agreement with My Native Forest for 8,000 tonnes of internationally verified New Zealand nature-based carbon removals by 2030 (including 5,000 tonnes in the 2030 financial year);
- Signing a term sheet with a second supplier for New Zealand nature-based removals for an additional 5,000 tonnes in the 2030 financial year; and
- Following the development of the airline's Voluntary Engineered Removals Position Statement, signing a term sheet with an international engineered removals provider for delivery of 1,000 tonnes of engineered removals in the 2030 financial year.

Together, these transactions do not significantly reduce Air New Zealand's net emissions. However, participating in both the compliance market, through CORSIA pilot transactions, and the voluntary carbon credit market enables the airline to build practical experience ahead of purchasing credits at scale.

This includes developing a better understanding of contracting and purchasing processes, supplier due diligence, pricing dynamics, delivery risks and other market challenges.

The airline expects that what is considered a high integrity carbon credit may evolve over time. This may be influenced by changes in policy and standards, public and investor acceptance, development and scale of engineered carbon removal technologies, and maturation of the high integrity carbon credits market.

8. The airline does not consider New Zealand Units (NZUs) purchased under the New Zealand Emissions Trading Scheme (NZ ETS) to contribute towards its net emissions.

Strategy (continued)

2.2 Current climate-related impacts

Table 2: The airline's material current climate-related impacts in the 2026 financial year

Impact		Financial Value ($million)	Commentary
Transition impacts	SAF	10.6	The figure disclosed represents Air New Zealand's net SAF premium in the 2026 financial year. These deliveries were fulfilled through offtake arrangements with SAF suppliers that were priced at around two times the historical fossil jet fuel price, before cost recovery[9]. In the 2026 financial year, 1.2 percent of Air New Zealand's jet fuel usage was SAF, uplifted from airports in Tokyo, Los Angeles, and San Francisco.
	Emissions Pricing: CORSIA	24.1	An expense of $24.1 million for CORSIA was recognised through the statement of financial performance for the year ended 30 June 2026. This expense relates to the 2026 financial year as well as revaluations of the estimated obligations for previous financial years. As at 30 June 2026 the Group has recognised an outstanding obligation of $33.6 million for CORSIA in respect of the 2024 calendar year through to the end of the 2026 financial year.
	Emissions Pricing: NZ ETS	33.3	An expense of $33.3 million was recognised through the Statement of Financial Performance for the financial year ended 30 June 2026. As the ETS compliance cycle operates on a calendar year basis, during the period, NZUs amounting to $35.9 million were surrendered in respect of the 2025 calendar year. As at 30 June 2026 the Group recognised an outstanding obligation of $16.0 million related to future surrender of NZUs for the first half of the 2026 calendar year.
Physical impacts	Disruptions, diversions, repairs and maintenance	N/A	Weather-related impacts are an inherent feature of aircraft operations, and Air New Zealand has developed strategies to minimise their effects on its customers, assets and employees, where possible. However, such impacts cannot be completely mitigated and typically arise in four major areas: • Disruptions: where a weather-related event (for example, strong winds, lightning, snow and ice) leads to delays and/or cancellations; • Diversions: where a weather-related event requires an aircraft to land at an airport other than the originally scheduled destination; • Repairs and maintenance: where a weather-related event (for example, heavy landings in strong winds, lightning strikes, hailstorms) causes aircraft damage; and • Assets: where a weather-related event causes damage to the airline's 'immovable' assets or where spend is required to improve the resilience of the airline's assets (for example, designing more climate-resilient buildings). Air New Zealand is unable to meaningfully calculate the current financial impacts of weather-related disruptions, diversions, or repairs and maintenance impacts. Please see Physical Impacts Explainer.

Physical Impacts Explainer

To enable primary users to understand how weather-related disruption may manifest in a financial impact in practice, the airline has produced two illustrative, high-level examples to demonstrate how two very similar disruptions could create distinctly different financial impacts and why these financial impacts are extremely complex to calculate accurately.

Example A

A delayed Queenstown–Auckland departure creates customer inconvenience but remains financially contained because the flight is recovered the same day.

Deteriorating weather at Queenstown delays the inbound aircraft by 90 minutes. However, the flight departs before limits on crew working hours or airfield movement constraints are exceeded. The flight was 60 percent full, and most customers are ending their journey in Auckland, meaning only a small number of domestic and international connections require rebooking. The aircraft also has sufficient time before its next scheduled service, enabling the delay to be contained to the original flight.

Costs are therefore limited to customer communications and a small number of passenger rebookings. The aircraft's subsequent services are not delayed, resulting in no significant network impact.

Example B

A similar Queenstown–Auckland flight experiences the same 90-minute delay, but with substantially different consequences.

The aircraft was 95 percent full and carries a larger number of customers with onward international connections in premium cabins. The delay occurs near the end of the day, resulting in limits on crew working hours being reached after arrival in Auckland.

The aircraft was due to operate to Wellington after the Queenstown–Auckland sector and end the day's flying there, but can no longer do so because the crew have reached limits on working hours. This results in the cancellation of the first Wellington departure the following morning and associated customer rebooking costs. In addition, some customers miss their onward international connections in Auckland and are accommodated overnight. The financial impact of this delay is therefore significantly higher than in Example A.

The high variability of financial impact for very similar disruptions, the indirect and distributed nature of associated costs, and the inter-relationship between causal factors make it currently commercially unworkable for the airline to either meaningfully disaggregate the cost of weather-related disruptions from other drivers, or calculate an accurate financial impact for disruption in totality.

The operational impact of weather events is reflected through non-financial metrics in Table 6 ('Assets or business activities vulnerable to physical risks' on pages 22 and 23), which includes the proportion of flights delayed or cancelled due to weather events.

9. Air New Zealand's SAF purchases were all made prior to the Middle East conflict and therefore the "around two times" premium represents a multiple to the historical (pre-conflict) jet fuel price. These purchases were contracted as an absolute price premium on top of a fossil jet fuel price index, so as the fossil jet fuel price increased following the conflict, the airline's absolute SAF premium stayed the same even though the premium as a multiple of the jet fuel price would have decreased.

Strategy (continued)

2.3 Material climate-related risks

This section outlines the airline's material climate-related physical and transition risks, anticipated impacts of those climate-related risks, and the management response.

Climate-related opportunities

Air New Zealand has not identified any climate-related opportunities (whether physical or transition), as defined by NZ CS 1.

Climate-related physical and transition risks

Air New Zealand has identified eight material climate-related risks, outlined below. These risks combine into one overarching 'climate change' risk in the airline's Group Risk Profile (GRP), described in section 5.1.

Materiality was reviewed in the 2026 financial year and it was determined that the Customer Behaviour and Fleet Transition risks are no longer considered material in the short-term. Customer demand is expected to continue to be driven primarily by broader economic and competitive factors over this period, while the airline's fleet plan through to 2031 is largely committed, limiting the extent to which climate-related uncertainties could affect near-term fleet decisions.

However, these risks remain material in the medium- and long-term, and are disclosed in this Climate Statement on that basis.

The material risks disclosed in the 2026 financial year remain interrelated and correlated. They link to each other across categories and if one materialises it could change the likelihood and/or possible acceleration and magnitude of others.

Risk Table key

Most Material Scenario		Material Time Horizons	
WaS	Wait and See	SML	Short-term (0-5 years)
FW	Fragmented World	SML	Medium-term (5-18 years)
FfG	Fossil-fuelled Growth	SML	Long-term (18+ years)
GC	Global Cohesion		

Please refer to scenario summaries on pages 16 and 17 for scenario descriptions.

Air New Zealand's material climate-related risks, anticipated impacts, and management response

Material Risk	Anticipated Impact	Management Response
1. Operational and Asset Resilience Physical Risk SML FfG The airline's exposure to increasing severity and frequency of some acute weather events could cause operational challenges or directly impact Air New Zealand's assets, customers, people, and create supply chain disruption. *Air New Zealand considers acute weather events to be discrete, short-duration weather events, such as fog, high winds, heavy rainfall, storms, tropical cyclones, or extreme heat that can cause operational disruption, asset damage, supply chain interruption, or health and safety impacts. Chronic shifts in climate patterns, such as changes in regional temperature and precipitation patterns, are expected to increase the severity and frequency of some acute weather events.*	**Increase in operational disruption.** Increases in operational disruption such as delays, cancellations or diversions as a result of increased frequency and/or intensity of severe, acute weather events could reduce revenue, increase costs and impact the airline's reputation. *A 2024 financial year physical climate risk assessment of airports across the airline's network suggests domestic ports may see increased frequency of thunderstorms and rain, and decreased frequency of fog and ice events. International ports may face greater exposure to extreme heat, rainfall, thunderstorms and/or wind, with reduced cold- or visibility-related hazards.* **Damage to 'immovable' physical assets.** Damage to 'immovable' physical assets, such as hangars, as a result of an increased frequency or intensity of severe, acute weather events could increase costs or reduce revenue. Also see "Assets or business activities vulnerable to physical risks" on page 22 for information on the airline's exposure to hazards of river flooding, coastal inundation and/or coastal erosion at airports. **Increase in aircraft damage.** While aircraft can often be relocated ahead of severe, acute weather events, more frequent and/or severe storms may still result in damage through hazards such as hail, lightning strikes, or wind, both in flight and on the ground. This could increase maintenance requirements, operational disruption and associated costs, or reputation. **Supply chain disruption.** Physical climate hazards across Air New Zealand's value chain could impact the assets or operations of Air New Zealand's critical suppliers. For example, damage to critical infrastructure at Auckland Airport's precinct or disruption of supply from Channel Infrastructure New Zealand's fuel pipeline from Marsden Point to the Wiri terminal, could impact operations, even if their vulnerability is deemed low. **Occupational Health and Safety impacts for employees.** Increased intensity and/or severity of severe, acute weather events or chronic hazards like heat stress may require increased training, protective measures and investment to mitigate harm to employees that could increase costs or decrease employee wellbeing.	• Redesigning aircraft schedules to allow for greater operational resilience • Utilising tools to support customers during disruptions e.g. automatic passenger rebooking tool • Maintaining business continuity plans (including for critical suppliers and key operations) • Reviewing digital tools used by the Integrated Operations Centre to improve decision making in response to disruption • Enhancing event readiness planning for severe weather events • Optimising tail allocation to improve operational resilience • Maintaining procedures to manage severe weather events (e.g. lightning, wind) • Monitoring climate exposure of suppliers through supply chain platform • Maintaining property damage and business interruption insurance • Updating procedures for managing severe weather impact on people (e.g. turbulence)

Strategy (continued)

Risk	Anticipated Impact	Management Response
2. Network Resilience Physical Risk SML FfG Physical impacts of climate change may affect the desirability or viability of destinations across Air New Zealand's current and future network. *Rising temperatures, sea level rise, biodiversity loss, water scarcity, and the increasing frequency and/or intensity of some climate-related hazards could reduce the appeal of some tourism destinations or the safe and reliable operation of some airports.*	**Decreased demand for travel to or from ports within Air New Zealand's network.** This could be particularly impactful for destinations that are dependent to some extent on eco-tourism and/or those that are particularly sensitive to physical climate impacts such as warm water coral reefs, or ski fields. Changes in the appeal or viability of some destinations may necessitate the redeployment of aircraft to other locations, which may be less profitable. **Damage to or disruption of destination infrastructure.** Climate impacts could affect destination infrastructure such as airport runways, access to airports, and supporting utilities infrastructure (for example, electricity substations). This may create commercial and operational challenges in servicing some ports, which may reduce revenue or increase costs.	• Incorporating climate-related information into new route assessments, where appropriate • Completed climate risk assessments for existing ports (2024 financial year) • Maintaining network flexibility
3. Emissions Pricing Transition Risk SML GC Changes in the scope or price of emissions compliance obligations, or the adequate availability, eligibility, cost, or credibility of carbon credits, could lead to increased costs, and/or impact Air New Zealand's ability to meet its emissions compliance obligations or its 2050 Target.	**Insufficient supply of carbon credits.** Access to adequate supply of credible carbon credits is highly uncertain and dependent on external developments, including funding, technological advancement, maturity of corresponding adjustments, and supportive policy settings. Supply shortages and/or the failure of the market to scale could reduce availability and increase prices. This could lead to increasing costs, potential non-compliance with emissions pricing obligations, and/or impact delivery of the Transition Plan. **Changes in emissions pricing settings or scope.** Changes in emissions pricing scheme settings or coverage, including for compliance with CORSIA or the NZ ETS, may increase the volume or cost of units required. For example, if the CORSIA sectoral growth factor in a given year is higher than expected, this could increase the volume of EEUs required by all airlines, putting upward pressure on prices and therefore increasing compliance costs. Similarly, changes to the NZ ETS scope such as inclusion of non-CO_2 effects could increase costs of compliance. **Insufficient maturity of corresponding adjustment[10].** If the use of corresponding adjustment does not become more widespread, Air New Zealand's ability to acquire CORSIA eligible EEUs may be impacted. This could significantly impact supply of EEUs, increase costs, lead to non-compliance or an inability to deliver the Transition Plan. **Additional emissions pricing schemes.** Other countries in the airline's international network may introduce additional international aviation emissions pricing alongside the CORSIA compliance scheme, which could increase compliance obligations and associated costs, as well as lead to double counting of emissions reductions. **Lack of clear, harmonised carbon credit standards.** Clear external standards will be important to ensure the integrity of carbon credits and their credible use in net zero strategies. If this doesn't develop, the ability of the airline to use carbon credits towards its Transition Plan may be impacted.	• Maintaining and implementing Air New Zealand's Residual Emissions Strategy • Monitoring of CORSIA compliance market developments including supply/demand dynamics, pricing, global participation and penalties • Engaging with government, IATA, ICAO, industry groups, intermediaries and project developers on CORSIA • Undertaking pilot transactions for CORSIA to learn about procuring EEUs • Including voluntary carbon credits in the 2030 Emissions Guidance to support learning, industry scaling and to mitigate future supply risk • Developing Air New Zealand's Position Statements on nature-based and engineered removals • Monitoring the NZ ETS market and policy updates • Investing in Drylandcarbon One Limited Partnership to source NZUs
4. Funding, Insurance and Legal Transition Risk SML GC Changes in the pace of implementation of Air New Zealand's Transition Plan, and its exposure to climate-related risks and regulation, may affect its access to, and cost of, capital and insurance, and increase its litigation exposure and compliance costs.	**Constrained access to and/or cost of capital.** If investors, lenders and creditors increasingly factor climate-related considerations into their capital allocation decisions, Air New Zealand may face a higher cost of capital or its access to new capital may be constrained. **Decreased access to and/or increased cost of insurance.** Insurers may increase prices in response to both the airline's own exposure to climate-related impacts or from transmission of these impacts through the global insurance market. **Increased climate-related litigation and regulation exposure.** This may lead to increased compliance and legal costs, require additional management time and affect Air New Zealand's reputation.	• Implementing the airline's Transition Plan • Maintaining transparent engagement with investors and lenders • Diversifying financing approaches and sources to protect access to competitively priced capital • Monitoring international policy and regulatory developments related to climate-related disclosures

10. A corresponding adjustment is an accounting mechanism that prevents double counting of internationally transferred mitigation outcomes (such as carbon credits) by requiring the host country of the carbon credits to adjust its Nationally Determined Contribution (NDC) when credits are transferred internationally.

Strategy (continued)

Risk	Anticipated Impact	Management Response
5. Customer Behaviour[11] Transition Risk Customers' own climate commitments or obligations, a negative perception of aviation's progress towards tackling climate change, or changes in network desirability may decrease demand for Air New Zealand travel specifically, or aviation more generally. SML GC	**Reduced passenger and cargo demand.** Air New Zealand, or aviation more generally, could be perceived as insufficiently addressing climate change, impacting brand perception and potentially reducing passenger and cargo demand. Corporate, cargo, and government customers could also reduce travel or freight demand or prioritise lower-emission alternatives to meet their own decarbonisation targets. **Network planning challenges.** As a business operating in a geographically isolated part of the world relative to many competitors, changes in the perception of New Zealand or destinations within Air New Zealand's network (from an emissions impact or climate perspective) could affect demand patterns and/or create network planning challenges. **Increased customer expectations.** Responding to changing customer expectations may increase the need to provide emissions-related information, lower-emissions products or customer-facing decarbonisation options.	• Implementing the airline's Transition Plan • Ongoing research into sustainability preferences of customers • Monitoring passenger volumes • Developing the Scope 3 SAFc programme • Maintaining the Voluntary Emissions Contribution Programme that enables customers to voluntarily contribute to emissions reduction initiatives • Maintaining the corporate and cargo emissions platforms • Maintaining optionality in fleet procurement
6. SAF Transition Risk Potential developments in the SAF market could adversely affect Air New Zealand's ability to uplift adequate volumes of SAF at affordable prices, impacting the airline's competitiveness or ability to deliver its Transition Plan. *Because the SAF market is still growing, this risk could materialise in a variety of areas, such as global market dynamics, regulatory settings, technology development, certifications, standards, costs, policy support, lower uptake of SAF-related customer propositions, or ongoing stakeholder acceptance of SAF characteristics.* SML WaS	**Increased SAF procurement costs.** Many factors could increase SAF procurement costs. These include higher than expected global demand for SAF, slower than expected supply scale-up, constrained feedstock supply, certification bottlenecks, supplier failure to deliver, increased competition for limited volumes, lack of new policy support or removal of existing support, or long-term offtake contracts priced above future market levels. **Insufficient access to SAF volumes.** If SAF technology does not keep developing, if production scale-up is lower than current industry forecasts, or if supply is concentrated in jurisdictions with stronger policy support or local uplift requirements, Air New Zealand may be unable to access or uplift sufficient SAF. **Lower uptake of SAF-related customer propositions.** Customer participation in Scope 3 SAFc or other SAF-related decarbonisation programmes may be insufficient to support the SAF premium or may not develop at an adequate pace and scale, increasing costs and/or impacting delivery of the Transition Plan. **Reduced acceptability of SAF as a decarbonisation lever.** This could be driven by changing concerns about the potential impacts of SAF production on biodiversity, food systems, labour rights, water use and land use change, downward revisions to the carbon intensity or life cycle savings for specific feedstocks or technologies, or shifting public perception of biofuels due to an increased focus on fuel combustion emissions rather than life cycle emissions. If this were to occur, it may also result in higher SAF procurement costs, insufficient access to SAF volumes, lower uptake of SAF-related customer decarbonisation propositions, or reduced social licence to operate. **Increased scrutiny of social licence to operate.** If the SAF market does not scale affordably or credibly, aviation may not be able to reduce emissions in line with stakeholder, customer, investor or regulatory expectations. This could increase scrutiny of the aviation sector's ability to decarbonise and threaten the industry's overall social licence to operate, with associated reputational, regulatory or demand impacts for Air New Zealand. *Note: Differential SAF policy may advantage or disadvantage Air New Zealand relative to competitors and is discussed in more detail in the competitive distortion risk.*	Developing the airline's SAF strategy, which includes: • Launching a SAF-related customer proposition to enable Scope 3 SAFc sales to Domestic and International customers • Engaging in short- and long-term SAF procurement markets • Engaging in regional and global policy and industry conversations on SAF sector growth For further information, see page 7.

11. In the 2025 financial year, this risk was named Customer Sentiment. This risk has been renamed as Customer Behaviour to more accurately reflect the mechanism through which this risk would create an impact.

Strategy (continued)

Risk	Anticipated Impact	Management Response
7. Fleet Transition Transition Risk SML GC The ability of Air New Zealand to modernise its fleet in support of decarbonisation measures is dependent on a range of factors including the pace of technological development, speed of regulatory approvals, availability of supporting infrastructure, the supply chain's ability to deliver, and/or changes in public perception. Changes in one or more of these factors may limit Air New Zealand's ability to accurately plan for and modernise its fleet with lower-carbon alternatives and achieve emissions reductions.	**A constrained or delayed ability to take delivery of new aircraft could impact the pace, cost and feasibility of delivering the fleet aspects of Air New Zealand's Transition Plan and necessitate reliance on older, less efficient aircraft. This may be due to impacts such as:** • **Delayed technology development.** Delays in the expected time frame for the introduction of more fuel-efficient aircraft (including NGA) would increase reliance on other levers in the Transition Plan and require the use of older, less fuel-efficient aircraft for longer. This could increase operating, maintenance and compliance costs. • **Delays in regulatory approvals.** Delayed regulations or certifications could slow the pace of development and the use of new aircraft (including NGA), limiting the ability to operate these new aircraft, to the extent they are available. • **Higher than expected capital investment in new aircraft.** This may cause the airline to defer aircraft purchases and require longer reliance on older, less fuel-efficient aircraft, which would increase operating costs. • **Fleet replacement timing.** Fleet replacement decisions require commitments many years ahead of delivery, and aircraft are long-lived assets once introduced into service. If significantly more fuel efficient or lower-emission aircraft technology becomes available shortly after replacement commitments are made, the airline may have limited ability to adjust its fleet plan or access that technology. This may also adversely affect the residual value, useful life or competitiveness of recently committed aircraft. This risk may be more pronounced for airlines with smaller fleets such as Air New Zealand where introducing additional aircraft types or small sub-fleets can create disproportionate operational, maintenance, training and inventory complexity. **A constrained ability to operate new aircraft once they are in service. This would reduce the revenue generation capacity of aircraft, could increase costs relative to expectations and impact the pace of delivering the fleet aspect of the Transition Plan. This may be due to:** • **Insufficient airport infrastructure.** Lack of airport infrastructure, such as recharging and/or hydrogen storage facilities, may limit the network flown by NGA, reducing revenue. • **Access to, or cost of, energy.** Accessing sufficient power to run any NGA may be impacted by grid capacity constraints or competing demands for power, either from other sectors (for example, data centres) or from other airport users. This could increase costs or create stakeholder concerns and therefore reputational damage.	• Ongoing fleet strategy and fleet planning, including engagement with Original Equipment Manufacturers (OEMs) • Completing the NGA technical demonstrator programme, including engagement with partners • Engaging with airports in New Zealand regarding infrastructure and energy requirements for NGA • Supporting research into the development of novel propulsion technologies
8. Competitive Distortion Transition Risk SML FW Uneven international policy settings, regulatory requirements and market incentives could disadvantage Air New Zealand's cost base, competitive position or ability to deliver its Transition Plan relative to competitors.	**Policy distortion across markets.** The introduction or expansion of climate-related regulations that apply differently across markets may disproportionately affect Air New Zealand where it has greater exposure than competitors. For example, expanded emissions pricing obligations (see emissions pricing risk above), SAF uplift requirements or other aviation-related climate policies in key markets may increase Air New Zealand's operating costs, affect its competitiveness or reduce revenue relative to other airlines. **Higher SAF-related costs.** Continued policy support for SAF in other airlines' domestic markets but not in New Zealand may enable other airlines to access cheaper SAF and therefore have lower operating costs than Air New Zealand. In parallel, uneven rollout of uplift requirements or levies for SAF could require Air New Zealand to incur higher SAF-related costs than other airlines either because of the policy design itself or by imposing higher SAF costs than Air New Zealand might otherwise choose commercially. The location of SAF production and access to Scope 3 SAFc markets can also create cost differences for Air New Zealand relative to other airlines. **Increased carbon compliance costs.** Uneven participation in CORSIA from airlines globally, differing requirements or enforcement from respective States and/or non-compliance by airlines may lower other airlines' operating costs relative to Air New Zealand. **Slower or more expensive delivery of the Transition Plan.** Overall, uneven policy, market dynamics, and global supply chains may distort competition for Air New Zealand in a way that raises costs or slows implementation of the airline's Transition Plan more so than for other airlines.	• Engaging on policy and SAF supply • Developing the Scope 3 SAFc Programme • Monitoring CORSIA market developments including supply/demand dynamics, pricing, global participation and penalties • Engaging with government, IATA, ICAO, industry groups, intermediaries and project developers on CORSIA developments

Strategy (continued)

2.4 Capital deployment

Climate-related risks serve as an input to internal funding and capital deployment decision-making in two key ways:

Internal funding

Funding of climate-related strategic priorities and ongoing operations (including in relation to the Transition Plan) is considered through the airline's annual budgeting process and as part of the annual refresh of its five-year financial plan. For example, estimated gross and net costs for SAF, CORSIA compliance obligations, and fleet modernisation (based on current assumptions) are incorporated in the five-year financial plan. Annual operating budgets are reviewed and approved by the Board with reference to the airline's key strategic goals, including the Transition Plan.

In the 2026 financial year, the airline approved funding for SAF uplift and continued to operate the Climate and Nature Fund. This Fund contains the proceeds from the $20/tonne CO_2e internal carbon charge and, amongst other items, funded the airline's lease of the BETA ALIA CX300, replacement of gas and steam infrastructure and a range of SAF investments. In the 2026 financial year, the Climate and Nature Fund raised $7.4m. For further details of the internal carbon charge please see section 3.2 on page 24.

Investment decisions

Air New Zealand's internal investment governance tool requires all new business cases, including fleet-related decisions, to consider sustainability (including climate-related) implications where relevant. This helps senior decision-makers have visibility of relevant climate-related issues when making investment decisions.

The airline uses 'Guardrails' to guide decision-making and capital deployment across the business. These define which decisions employees can make independently, which require expert input, and which are reserved for specific roles. Sustainability Guardrails apply to decisions that could affect total fuel burn, carbon emissions, and exposure to climate-related risks, among other sustainability considerations.

Capital deployed toward climate-related risks and opportunities

Air New Zealand made financially material investments with climate-related considerations in the 2026 financial year, such as the commission of new aircraft.

In earlier Climate Statements, Air New Zealand only disclosed capital expenditure where its entire or primary purpose was to address climate-related risks and/or opportunities. In the 2026 financial year, the airline has chosen to disclose capital that contributes to the management of climate-related risks, or uptake of climate-related opportunities, even if its primary purpose is for business priorities that are not solely or primarily climate-related. The airline believes this approach provides a more meaningful disclosure of capital deployed.

As such, the airline has elected to disclose capital deployment for aircraft assets commissioned in the 2026 financial year that use more fuel-efficient conventional-propulsion technologies and/or materials. The scope of this figure comprises the capitalised value of aircraft and engines as well as the present value of the right-of-use assets for leased aircraft that were delivered in the financial year. As this represents a change from prior disclosures, comparative information has not been provided.

The airline also deployed capital towards electric and/or hybrid ground service equipment, infrastructure upgrades (e.g. capital expenditure towards Hangar 4), the SAF programme and resilience activity such as an automatic passenger rebooking tool to help support customers through disruption. However, none of these investments were separately financially material and, therefore, are not disclosed.

Table 3: Capital deployment towards climate-related risks and opportunities in the 2026 financial year

Asset type	Value ($m)	Notes
Commissioned Aircraft Assets	71.4	This includes the value of more fuel-efficient conventional propulsion aircraft delivered[12].

12. To avoid distortive impacts arising from the split between leased and purchased aircraft, the airline discloses either the capitalised value of purchased aircraft or engines, or the present value of lease costs, provided that Air New Zealand has taken delivery of the leased aircraft during the financial year. The airline's capital deployment is expected to fluctuate in line with the timing of aircraft deliveries.

Strategy (continued)

2.5 Scenario analysis

Air New Zealand continued to use four scenarios in the 2026 financial year (see pages 16 and 17 for scenario summaries).

Process and governance

Air New Zealand updated its scenario analysis process in the 2026 financial year by undertaking the following five steps:

1. Reconvened the Climate-related Disclosures (CRD) Steering Committee and working team;
2. Reviewed and updated scenario narratives;
3. Discussed and agreed changes with the CRD Steering Committee and the Audit and Risk Committee;
4. Tested whether the climate-related risks identified in the 2024 financial year and consolidated in the 2025 financial year were still relevant and discussed their materiality across time horizons; and
5. Assessed the resilience of the airline's emerging strategy.

The scenario analysis was a standalone process; however, outputs informed the airline's climate-related risk assessment within its Enterprise Risk Management Process (see page 26).

The CRD Steering Committee was the primary governance body with oversight over the scenario analysis process, and it oversaw steps two through five. A working team facilitated the overall process, conducted the analysis and the initial assessment of the airline's resilience. This process included input and oversight from the Board and Executive team, including approval of the scenarios for analysis.

Development and description of scenarios

Air New Zealand's four climate scenarios draw on Intergovernmental Panel on Climate Change's (IPCC) Shared Socioeconomic Pathways (SSPs) which describe plausible future socioeconomic conditions. These are combined with Representative Concentration Pathways (RCPs), which indicate associated GHG emissions and resultant warming trajectories through to 2100. Additional narrative detail was also added with reference to global energy pathways, New Zealand-specific impacts and aviation-specific developments. The temperature outcomes in the Fragmented World and Wait and See scenarios are identical. However, these scenarios differ in that New Zealand is one of several countries taking a leading role in climate policy in the Fragmented World scenario and takes a more cautious approach in the Wait and See scenario.

A STEEP (Social, Technological, Environmental, Economic and Political) framework was used to identify key drivers of change.

The scenarios were used to assess the resilience of the airline's business model and strategy to climate-related risks and opportunities.

To assess the long-term physical risks, Air New Zealand used physical climate data from a study conducted in the 2024 financial year and which remains relevant in the 2026 financial year. This assessment analysed the future frequency and severity of acute weather events at the domestic and international airports in Air New Zealand's network. This included the frequency of severe heat, fog, wind, thunderstorms, rain, ice and snow that has occurred each year since 1990, and projected occurrences under SSP1-2.6 and SSP5-8.5[13] to 2100.

Air New Zealand's approach to transition risk remains largely qualitative in the 2026 financial year.

Workshops were conducted in the 2025 financial year with input from across the business to assess the airline's ability to respond to its material climate-related risks under the different scenarios, as well as consideration of the strategic implications of the climate-related transition and physical risks. In the 2026 financial year, in reviewing its material climate-related risks, the airline also ran a workshop with its Transition Plan Governance Forum to test the resilience of the emerging strategy within the four climate scenarios. The outputs of this workshop formed an input to the Board strategy days.

Further detail on the scenario inputs, assumptions and methodology can be found in Appendix A.

Time horizons

The time horizons used in the scenario analysis and risk assessment are aligned with the airline's strategic planning horizons and capital deployment plans, while also accommodating the longer time frames required to assess the potential physical impacts of climate change. See section 5.1 for an overview of the time horizons used.

The physical risk assessment has a longer time horizon (to 2100) than the transition risk analysis (to 2050) because physical climate risks are not projected to differ significantly across scenarios until the 2040s. The physical risk assessment was considered relevant and appropriate because it combined data from the latest global climate models and was broadly aligned with the warming pathways in the airline's scenario analysis.

13. The airline notes that the IPCC has formally stated that the SSP5-8.5 scenario is no longer considered plausible.

Strategy (continued)

Wait and See

Temperature[14] +2.7°C

Scenario Reference SSP2-4.5

New Zealand delays decisive climate action while others move faster, increasing transition costs, reputational pressure and the risk of falling behind.

Although this scenario has the same long-term global temperature outcome as the Fragmented World scenario, they differ in the assumed New Zealand policy response, resulting in different implications for Air New Zealand.

Today

Short-term (to 2030): While a significant number of countries are aligned on policy direction to decarbonise, New Zealand adopts a "wait-and-see" approach to climate change and implements minimal new policies towards achieving decarbonisation.

Globally, financing for fossil fuel-driven development is readily available with little preference given to low-emissions initiatives. Many large New Zealand corporations consider low carbon technology too expensive.

2031

Medium-term (2031–2043): International concern about climate impacts begins to drive action. As decarbonisation initiatives become more widely deployed, pressure from the public and investors in some corners mounts on organisations to keep pace.

Acute weather events gradually become more intense and/or frequent.

In New Zealand, addressing climate change remains a lower priority for most of the population than immediate economic, security, and social concerns, though a subset of the population grows increasingly hostile towards organisations perceived to be lagging.

Globally, renewables continue to account for energy demand growth but do not begin to offer a meaningful alternative to fossil fuels until around 2040. Barriers to development and implementation of low-emissions technology remain high in New Zealand.

New Zealand generally takes a cautious approach to the low-carbon transition, opting for proactive measures only when the costs of inaction are clear and immediate.

2043

Long-term (2043+): Sea levels continue to rise into the long-term and ecological impacts worsen. In New Zealand, scattered efforts to reverse ecological degradation are insufficient to mitigate severe impacts.

New Zealand faces increased risk of losing investment from offshore, losing favourable market access for exports to some countries, and facing steeper and more disruptive economic and technological changes closer to 2050.

New Zealand's wait-and-see approach to decarbonisation affects the national "clean, green" image, which has repercussions for investment and tourism. New Zealand's attractiveness as a tourism destination suffers as domestic policy decisions erode the country's reputation.

2050

Key challenges[15]

- Delaying decarbonisation makes it costlier and harder to achieve as the airline risks missing out on early lower cost SAF supply contracts
- Widely varying SAF uplift requirements and production incentives across countries complicate network planning and fuel procurement
- Demand impact due to New Zealand's damaged reputation and lack of access to export markets

Fragmented World

Temperature[14] +2.7°C

Scenario Reference SSP2-4.5

New Zealand moves ahead on climate action while global progress remains uneven, creating competitive, policy and technology complexity for Air New Zealand.

Although this scenario has the same long-term global temperature outcome as the Wait and See scenario, they differ in the assumed New Zealand policy response, resulting in different implications for Air New Zealand.

Today

Short-term (to 2030): While some countries are resistant to change and split into political blocs, a significant number of countries, including New Zealand, are aligned on policy direction to decarbonise. New Zealand implements strong climate policy, pulling multiple levers to achieve ambitious decarbonisation goals.

Globally, financing for fossil fuel-driven development is readily available with little preference given to low-emissions initiatives. New Zealand businesses begin shifting to green technology which requires substantial upfront investment and government spending, driving short-term inflation.

2031

Medium-term (2031–2043): International public concern about climate impacts begins to drive action. As low-emissions technologies become more widely deployed, pressure from the public and investors mounts on organisations to keep pace. New Zealanders take a leading role in progress towards decarbonisation, and high-emitting domestic corporations, including airlines, come under significant pressure to decarbonise.

Acute weather events gradually become more intense and/or frequent.

Concern about climate change is translated into ambitious policy in some countries, with others lagging. A heterogeneous landscape of international policies results in inconsistent carbon prices, strongly varying SAF uplift requirements and availability, and unclear direction of technological development for NGA.

Globally, renewables continue to account for energy demand growth but do not begin to offer a meaningful replacement to fossil fuels until around 2040.

New Zealand is among the frontrunners of nations adopting ambitious policies to decarbonise. This enables it to attract investment to decarbonise on favourable terms, shape regional policy frameworks, and retain widespread market access for its goods and services. New Zealand's action to decarbonise enhances the country's appeal as a tourism destination for those seeking a "clean, green" travel experience.

2043

Long-term (2043+): Global emissions remain largely flat until around 2040, when they begin to decline but net zero emissions are not achieved in this century.

Sea levels continue to rise into the long-term and ecological impacts worsen. In New Zealand, efforts to reverse ecological degradation play a role in helping to mitigate some severe impacts.

New Zealand's position as a net zero leader benefits the image of New Zealand businesses on the world stage, attracting investment, tourism, and demand for exported products. Early investment in new technology and innovative markets drive long-term economic growth.

2050

Key challenges[15]

- Higher compliance and transition costs than some competitors, particularly in the short-term
- Widely varying SAF uplift requirements and production incentives across countries complicate network planning and fuel procurement
- Long-term fleet investment decisions are challenging due to unclear direction of policy change and delayed technology development

14. Temperature rises indicated in 2100 throughout this report refer to the IPCC's best estimate global mean surface temperature rise in the period 2081-2100. 15. The key challenges are non-exhaustive and illustrate selected strategic pressures Air New Zealand could face under the conditions assumed in each scenario.

Strategy (continued)

Fossil-Fuelled Growth

Temperature[14] +3.6°C

Scenario Reference SSP3-7.0

Decarbonisation progress reverses globally, driving short-term growth but exposing aviation to worsening climate impacts, volatile fuel costs and long-term demand disruption.

Today

Short-term (to 2030): The Paris Agreement dissolves and international climate efforts falter. Many nations adopt protectionist trade policies amid a rise in nationalism and as concerns about energy security increase.

Efforts to implement coordinated global decarbonisation fail, leaving countries to pursue their own adaptation responses. New Zealand lacks supportive policy, market and technological developments to decarbonise.

Cheap fossil fuels continue to be relied upon, driving growth as new reserves are exploited internationally. New Zealand continues to import and invest in storage of fossil fuels to meet growing demand. Biofuels play a small role in delivering energy but remain expensive.

2031

Medium-term (2031–2043): Worsening trust across borders and in international organisations weakens the world's ability to solve collective problems such as climate change. Immediate economic, security and social concerns take precedence for many people.

Financing for fossil fuel-driven development is readily accessible, and green finance drops out of favour. Fossil fuel prices become more volatile over time as supply chains are increasingly disrupted.

Climate-related impacts harm New Zealand's biodiversity and tarnish its "clean, green" image, reducing New Zealand's desirability as a travel destination and source of goods and services. While New Zealand is adversely affected, it is not impacted as severely as many other countries.

2043

Long-term (2043+): Emissions continue to grow through the century, as do temperatures and physical climate impacts. Global warming exceeds 3°C and is still rising by 2100.

Globally and in New Zealand, warmer temperatures, harsher droughts and more intense storms are experienced. Climate impacts lead to worsening ecological declines and more vulnerable ecosystems. Sea levels continue to rise in the long term, exceeding 70 centimetres by 2100.

In the medium- to long-term, acute climate events cause significant damage to urban areas and businesses, resulting in economic shocks. As climate damage worsens, public outrage grows.

2050

Insurers retreat from covering high-risk areas, creating a strong reliance on government support in exposed locations. Parts of the Pacific Islands are no longer habitable, and many people seek refuge in New Zealand.

Key challenges[15]

- Lack of supportive policy, market signals and technology developments makes it harder to progress towards Air New Zealand's 2050 Target
- Price volatility in major commodities (for example, jet fuel)
- Supply chain disruption due to physical climate impacts
- Climate-related extreme weather events impact economic growth and New Zealand's attractiveness as a tourism destination, reducing demand for Air New Zealand's services and creating disruption within Air New Zealand's network

Global Cohesion

Temperature[14] +~1.5°C[16]

Scenario Reference SSP1-1.9

Rapid, coordinated decarbonisation limits warming to 1.5°C, but creates high transition costs, fast-moving technology choices and rising expectations for aviation to keep pace.

Today

Short-term (to 2030): In the short- to medium-term, the world shifts to a highly cooperative global order. All major national governments reach broad agreement on the necessity of decarbonising and take concrete actions to do so. New Zealand and other countries implement ambitious climate policy.

A highly cooperative global order aligns international policy priorities. New Zealand decarbonises in line with a 1.5°C trajectory, with strict policy measures such as demand-side regulation (which could lead to high carbon prices) and supply-side regulation (for example, SAF policy support) incentivising meaningful decarbonisation initiatives. These policy measures create high costs for businesses that are slow to decarbonise.

Increases in capital investment and government spending to accelerate the transition, and rising carbon prices, drive inflation in the short- to medium-term. Green finance is readily available from public and private investors, and meeting sustainability criteria becomes increasingly necessary to access finance.

2031

Medium-term (2031–2043): International trends in technology, policy and regulation move rapidly and in sync, and decarbonisation is achieved through embracing more sustainable technology solutions, including SAF and NGA.

In the face of rising climatic impacts, public sentiment shifts globally to support more ambitious action to decarbonise. Pressure on governments and businesses to take leading roles in the transition grows. Customers reward those organisations that actively decarbonise and avoid those that do not. Voluntarily adopting lower-emissions lifestyles, including avoiding flying or flying less, becomes more common for some parts of society.

Widespread ambition to decarbonise and rising carbon prices translate to increased investment in low-emissions technology. The rapid pace of change makes picking eventual winners challenging and some new technology quickly becomes outdated.

2043

Long-term (2043+): New Zealand sees warmer, but largely manageable, temperatures, and more frequent and severe droughts and storms. Conditions are more variable than present, but by mid-century most changes are levelling off, apart from still-rising sea levels threatening Pacific Islands and other low-lying areas.

2050

By the long-term, widespread adoption of lower-emissions technologies, together with sustained policy support and international coordination, has enabled significant decarbonisation across many sectors of the economy.

Key challenges[15]

- Stricter regulations and rapidly rising carbon prices
- Rapid pace of change as competitors are also decarbonising quickly, including non-aviation transport
- Higher expectations from customers and investors to decarbonise rapidly
- Lower demand as prices increase and customers adopt lower emissions lifestyles and/or business activities to meet emissions targets, particularly in the short- and medium-term

16. Air New Zealand acknowledges that calendar year 2024 was the first year that the 1.5°C threshold was passed on a yearly basis. However, as the 1.5°C target refers to the surpassing of this threshold on a 20-year average basis, it remains possible (but unlikely) that the temperature outcome in the Global Cohesion scenario is limited to 1.5°C, particularly with rapid emissions reductions through large-scale carbon removal.

Metrics and Targets

3.1 Targets used to manage climate-related risks and opportunities

Air New Zealand has a long-term commitment to work towards net zero carbon emissions from jet fuel by 2050 (the 2050 Target) that underpins the development of Air New Zealand's Transition Plan. The airline also has an ambition to use 10 percent SAF as a percentage of total jet fuel by 2030.

Air New Zealand is actively taking steps to implement its Transition Plan. However, the airline cannot reach these targets alone. A number of external interdependent factors outside the airline's direct control, as well as internal cost and commercial constraints, affect its ability to deliver its Transition Plan. These include:

- **Economic:** Implementing the Transition Plan is expected to increase costs. If these costs cannot be passed on to customers, profitability may be impacted; if passed on, higher prices may reduce demand and revenue;
- **Technological:** Progress depends on the scaling up of decarbonisation technologies and, in some cases, technology breakthroughs. The pace of these technological developments is unpredictable and is outside the control of any single entity, industry or government;
- **Policy:** Effective government policy frameworks are crucial to support emissions reductions, including incentives for low emission technologies and approval of methodologies such as Book and Claim; and
- **Capital management:** Delivery of the Transition Plan depends on the airline's financial performance; capital constraints may delay investment and achievement of the 2050 Target and ambition to use ten percent SAF by 2030.

The 2050 Target

Air New Zealand's 2050 Target is to achieve net zero carbon emissions from jet fuel by 2050.

The 2050 Target covers domestic and international flights, passenger and cargo flights, and revenue and non-revenue flights. The scope is limited to CO_2 emissions (other GHGs such as methane or nitrous oxide, and Non-CO_2 Effects, are excluded) relating to:

- Tank-to-Wake emissions for fossil jet fuel; and
- Well-to-Wake emissions for SAF, hydrogen and electric propulsion.

Achieving the 2050 Target will require both absolute reductions in total CO_2 emissions and the use of carbon credits. An estimated 11-48 percent is anticipated to be from carbon credits in 2050. There are no interim milestones for this target and there is no baseline year against which progress is measured.

The 2050 Target aligns with the aviation industry's collective 2050 target, agreed at the 77th IATA Annual General Meeting, as well as ICAO's long-term global aspirational goal, agreed by Member States (including New Zealand) at its 41st Assembly in 2022. Both IATA and ICAO have stated that these targets align with the Paris Agreement's temperature goal. Air New Zealand has adopted the criteria identified in the IATA resolution to achieve net zero carbon emissions from jet fuel by 2050; however, the 2050 Target has not been verified or validated by the airline or any external third party.

In the 2026 financial year, Air New Zealand's gross CO_2 emissions from these sources was 3.2 million tonnes CO_2. This is compared to the 2025 financial year where gross emissions were 3.1 million tonnes CO_2.

Confirmed net emissions will be available when Sectoral Growth Factors have been released for the entire 2026 financial year (expected in November 2027).

Air New Zealand's 2024 calendar year CORSIA compliance obligation has now been confirmed. As such, Air New Zealand's gross and net emissions for the 2024 financial year were 3.2 million tonnes CO_2 and 3.1 million tonnes CO_2 respectively. Given gross emissions are predicted to increase to around 6 million tonnes CO_2 by 2050 based on current assumptions, significant reductions in both gross and net emissions will be required by 2050 if Air New Zealand is to achieve the 2050 Target.

Ten percent SAF by 2030

Air New Zealand remains a signatory to the World Economic Forum's Clean Skies for Tomorrow 2030 Ambition Statement, which it signed in calendar year 2021. That Ambition Statement requires signatories to target using 10 percent SAF (as a percentage of their total jet fuel) by 2030. There are no interim milestones for this ambition and there is no baseline year against which progress is measured.

This ambition exists alongside the airline's 2050 Target. While this ambition is necessarily subject to a range of dependencies, including global SAF market developments and commercial conditions, the 2030 Emissions Guidance is consistent with Air New Zealand's expectation that it meets the Clean Skies for Tomorrow 2030 Ambition Statement.

As explained on page 9, in the 2026 financial year, the airline uplifted 1.2 percent SAF as a proportion of total jet fuel. In the 2025 financial year the airline uplifted 1.7 percent and, in the 2024 financial year, 0.4 percent. Significant increases in the uplift of SAF will be required by the 2030 financial year to meet Air New Zealand's 2030 ambition.

2030 Emissions Guidance

Air New Zealand issued its 2030 Emissions Guidance in May 2025 (see section 2.1). The Emissions Guidance is not a target but is updated annually in its Climate Statement to provide a regular and transparent assessment of its short-term decarbonisation outlook.

Air New Zealand expects to reduce its Well-to-Wake net GHG emissions from jet fuel by 25 to 30 percent by 2030, compared with a 2019 financial year baseline. This is a revision from the 20 to 25 percent range communicated in 2025 and reflects revised assumptions related to fleet and network, which reduce fuel use and gross emissions, and a higher anticipated CORSIA compliance obligation, which increases the volume of carbon credits the airline expects to purchase, thereby reducing net emissions.

In the 2026 financial year, Well-to-Wake gross emissions from jet fuel were 3.9 million tonnes CO_2e, an increase from 3.8 million tonnes CO_2e in the 2025 financial year. It is estimated that Well-to-Wake net emissions were 3.5 million tonnes CO_2e. The net emissions rely on IATA CORSIA Sectoral Growth Factor forecasts and are subject to revision.

Metrics and Targets (continued)

3.2 Metrics relevant to all entities

Greenhouse gas emissions

Air New Zealand has been calculating its GHG emissions in alignment with the GHG Protocol since the 2011 financial year, covering Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity), and selected Scope 3 (indirect emissions from the value chain) categories, where data availability and materiality considerations allow. The inventory is reviewed and updated as data availability, estimation methodologies and reporting practices evolve.

No changes were made to the boundary or core calculation approach of the GHG emissions inventory in this financial year. Updates during the financial year primarily related to:

- **Scope 3 – Category 1 (Purchased goods and services):** application of an internal inflation rate to spend data, reallocation of purchased goods and services to more representative spend-based emissions factors, and use of supplier-specific data, where available.
- **Scope 3 – Category 2 (Capital goods):** application of an internal inflation rate to spend data, reallocation of asset codes to more representative spend-based emissions factors, and substitute proxy data with supplier product-specific life cycle assessment (LCA) data where available.

Table 4: GHG emissions by Scope in tonnes of CO_2 equivalent (tCO_2e)

Scope	2026	2025	2024	2019
Scope 1	3,246,416	3,157,207	3,250,851	3,925,650
Scope 2 (location-based)	2,067	2,598	2,049	3,098
Scope 3	1,118,191	1,055,362[17]	1,026,989	787,948[18]
Total	**4,366,674**	**4,215,167**[17]	**4,279,889**	**4,716,696**

Analysis of trends in GHG emissions

In the 2026 financial year, Air New Zealand emitted 4.4 million tonnes of CO_2e across its direct and indirect emission sources (Scopes 1, 2 and 3). This is an increase of 3.6 percent from the 2025 financial year.

The most significant change is in Scope 1, relating to emissions from jet fuel, as described below. This is despite some consolidation of scheduled flights as a result of the commercial pressures driven by impacts of the Middle East conflict in the latter months of the financial year.

Jet fuel

Total Well-to-Wake emissions associated with jet fuel, which include jet-fuel-related emissions across all Scopes, increased by 2.7 percent compared to the 2025 financial year and decreased by 16.4 percent from the 2019 financial year.

The increase reflects higher overall jet fuel consumption during the year due to an increase in Available Seat Kilometres (ASKs). It was also influenced by a higher proportion of flying on less fuel-efficient Boeing 777 aircraft relative to Boeing 787 aircraft and, to a lesser extent, a lower proportion of SAF uplifted compared with the 2025 financial year, reducing the emissions benefit from SAF.

Jet fuel emissions have remained below pre-pandemic levels. Following a significant reduction in jet fuel emissions after the 2019 financial year due to lower demand for travel during the Covid-19 pandemic, emissions from international flights have increased steadily as demand and the network recovered between the 2020 and 2026 financial years.

Other Scope 1

Other fuel use emissions include other transport fuels and stationary fuels. These emissions have decreased slightly by 0.7 percent from the 2025 financial year, and 44.4 percent since the 2019 baseline year. This is due to reduced natural gas usage (33.7 percent and 70.6 percent, in the 2026 financial year compared to the 2025 and 2019 financial years respectively). These reductions are partially offset by an increase in diesel usage by 11.0 percent compared to the 2025 financial year, although diesel usage remained 26.9 percent lower than the 2019 baseline year.

Basis of Preparation Overview

Reporting Standard: Prepared in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol) and the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) (GHG Protocol Value Chain Standard).

Operational Boundary and consolidation approach: Includes the emissions of all operationally controlled Air New Zealand businesses or subsidiaries and emission sources in accordance with the operational control consolidation approach.

Reporting boundaries: Includes all material Scope 1, Scope 2 (location-based method) and relevant Scope 3 emission sources attributable to Air New Zealand operations. Minor individual and category exclusions are outlined in Appendix C.

Reporting year: Financial year ended 30 June 2026.

Baseline year: 2019 financial year for Scopes 1, 2 and Scope 3 Category 3; and 2024 financial year for other Scope 3 categories.

Calculation Methodology: Calculated using activity data multiplied by applicable emissions factors, with estimation methodologies applied where primary data is unavailable.

Emission factors and Global Warming Potential (GWP): Sourced from recognised international and domestic datasets, including New Zealand Ministry for the Environment (MfE) guidance, UK governmental conversion factors, Auckland Council consumption emission intensities and relevant aviation industry sources. GWPs are dataset specific, based on the IPCC Fourth, Fifth or Sixth Assessment Report (AR4/AR5/AR6) 100-year values. Refer to Appendix C for full reference list and applicable GWP values.

Uncertainty: Certain emissions sources incorporate estimation techniques, assumptions and judgement due to data limitations. Key estimation methodologies and uncertainty considerations are described in Appendix C.

Assurance: Air New Zealand's 2026 GHG emissions inventory has been independently assured by Deloitte Limited on behalf of the Auditor-General with reasonable assurance over Scope 1 and 2 emissions sources and limited assurance over Scope 3 emissions. Refer to the GHG emissions assurance report in section 7.1.

Further information on the preparation of the GHG emissions inventory is in Appendix C.

17. The 2025 financial year comparative values have been restated following an update to the spend-based methodology to remove the effect of supplier-specific price inflation relative to the 2024 financial year baseline. 18. Includes Scope 3 - Category 3 only. The baseline year for this Category is set to the 2019 financial year.

Metrics and Targets (continued)

Diesel is the largest proportion of other fuel use (59.2 percent in the 2026 financial year), and the increase is primarily due to an increase in diesel consumption by Ground Service Equipment (GSE).

Scope 2

Electricity emissions have decreased by 20.4 percent from the 2025 financial year, which is due only to higher renewable electricity generation in New Zealand. As a result, the emissions factor for electricity decreased by 22.2 percent on last year, whereas Air New Zealand's electricity consumption increased by 2.3 percent. Compared to the 2019 financial year, Scope 2 emissions reduced by 33.3 percent, continuing the downward trend from the 2024 financial year.

Scope 3

Scope 3 emissions increased by 6.0 percent compared to the 2025 financial year, and 8.9 percent compared to the 2024 financial year. The greatest contribution to this increase is the Well-to-Tank emissions associated with increased jet fuel consumption. Other Scope 3 categories (i.e. excluding Scope 3, Category 3) increased by 13.0 percent compared to the 2025 financial year, and 24.7 percent compared to the 2024 baseline year.

Purchased goods and services (Scope 3, Category 1) emissions have increased by 10.6 percent in the 2026 financial year compared to the 2025 financial year, primarily reflecting higher expenditure on maintenance, repair and overhaul, and supporting services for air transport (e.g. Air Navigation Services).

To improve comparability over time, Air New Zealand revised its spend-based methodology during the 2026 financial year by adjusting emission factors to remove the effect of supplier-specific price inflation relative to the 2024 baseline year. The comparative 2025 financial year has been restated on the same basis. Consequently, changes in purchased goods and services (Scope 3, Category 1) emissions are more representative of increases in procurement activity than increases in supplier prices.

Capital goods emissions (Scope 3, Category 2) have increased by 22.1 percent between the 2025 and 2026 financial years and 41.4 percent compared with the 2024 baseline year. The increase was primarily driven by the capitalisation of Hangar 4, investment in Boeing 787 cabin retrofits, engine maintenance and overhauls, and the delivery of one ATR aircraft.

Waste generated in operations (Scope 3, Category 5) has increased by 67.8 percent in the 2026 financial year compared to the 2025 financial year due to a combination of updated MfE emission factors and an increase in waste sent to landfill. Operationally, the volume of waste disposed to landfill increased by 3.8 percent, primarily due to higher volumes of international waste, which is subject to biosecurity requirements and therefore cannot generally be diverted from landfill.

Business travel-related emissions (Scope 3, Category 6) reduced in the 2026 financial year, down 15.1 percent compared to the 2025 financial year, reflecting lower levels of employee business travel as the airline continued to manage discretionary expenditure.

Figure 3: Well-to-Wake emissions from jet fuel over time in tCO_2e

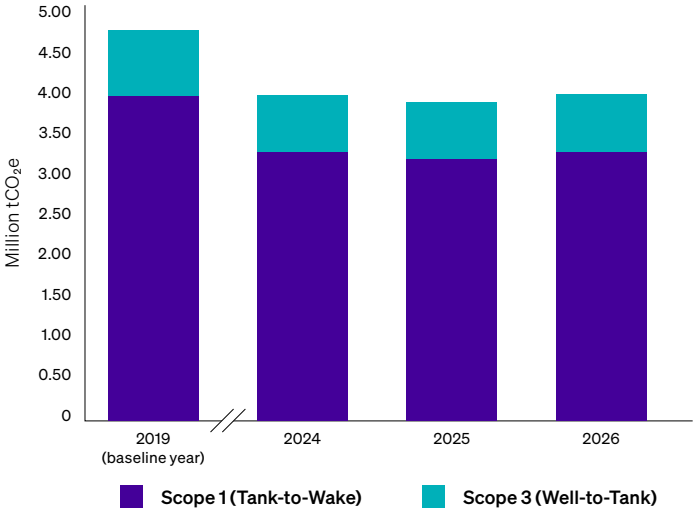
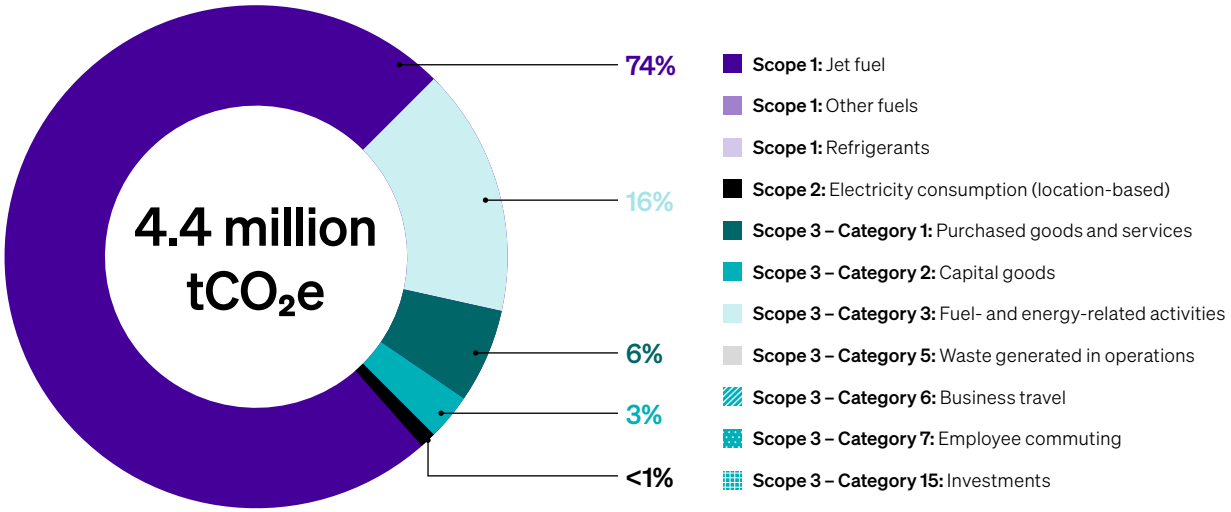


Figure 4: 2026 financial year emissions by Scope and Category



Metrics and Targets (continued)

GHG emissions intensity[19]

Air New Zealand uses aviation-specific GHG emissions intensity metrics to assess emissions relative to operational activity. These metrics show emissions generated for each available seat or tonne of payload flown. Seat capacity is measured using ASKs and payload carried is measured using Revenue Tonne Kilometre (RTK). Air New Zealand reports emissions intensity on both a Tank-to-Wake and Well-to-Wake basis. These terms are explained in Appendix B: Glossary.

Analysis of trends in GHG emissions intensity metrics

Tank-to-Wake emissions per ASK have increased slightly compared to the 2025 financial year driven by an increase in the number of ASKs flown on Boeing 777 aircraft and a reduction in ASKs flown on more-fuel-efficient Boeing 787 aircraft. This was due to the engine issues on these aircraft that are described in more detail in the fleet and network section in 2.1. In addition, emissions intensity has been impacted by a change in configuration of 787 aircraft as a result of the retrofit programme, which reduces the number of available seats.

Tank-to-Wake and Well-to-Wake emissions per RTK have increased by a larger factor in the 2026 financial year, primarily due to a reduction in the cargo load carried compared to the 2025 financial year. This lower cargo load reflects softer demand and broader network conditions across the Tasman and long-haul markets.

Table 5: GHG emissions intensity metrics[19]

Metric	2026	2025	2024	2019
Grams of Tank-to-Wake CO_2e per ASK[21]	79	78	77	85
Grams of Tank-to-Wake CO_2e per RTK[21]	730	710	734	762
Grams of Well-to-Wake CO_2e per RTK[22]	886	862	889	916

Amount or percentage of assets or business activities vulnerable to material climate-related risks

Air New Zealand uses a range of metrics to assess the amount of business activities vulnerable to either transition risks or physical risks (see Table 6).

Air New Zealand has not identified any material climate-related opportunities. As such, currently no material proportion of Air New Zealand's assets or business activities is specifically aligned with climate-related opportunities[20]. The airline does, however, have some assets and business activities focused on mitigating climate-related risks. These include:

- The Group's investment in the Drylandcarbon One Limited Partnership, which holds a portfolio of exotic forests for both timber and a supply of NZUs, and helps the airline meet compliance obligations under the NZ ETS (see section 2.2); and
- The Scope 3 SAFc programme supporting customer Scope 3 decarbonisation and reducing SAF price premiums (see section 2.1).

Aviation industry metrics and other Key Performance Indicators (KPIs)

Air New Zealand reports aviation-specific sustainability metrics from the Sustainability Accounting Standards Board (SASB) Standards. These are:

- Gross global Scope 1 emissions (see page 31);
- Fuel use metrics (see Table 6);
- Available Seat Kilometres, Passenger Load Factor, and Revenue Passenger Kilometres (see page 86 of the 2026 Annual Report);
- Revenue Tonne Kilometres and number of departures (see Table 6); and
- Average fleet age (see section 2.1).

In line with the SASB Standards, Air New Zealand also discloses its long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and performance against those targets (see sections 2.1 and 3.1, respectively).

Information on the airline's internal carbon charge and remuneration is detailed in Table 6. Information on capital deployment can be found in section 2.4.

19. Air New Zealand's GHG emissions intensity metrics include SAF emissions reductions allocated to customers and should not be used by customers for their own emissions reporting, as this may result in double counting. See section 5.7 of the IATA Sustainable Aviation Fuel Accounting & Reporting Methodology.
20. Air New Zealand has not disclosed a metric for climate-related opportunities in the 2024, 2025 or 2026 financial years. 21. Measured based on Scope 1 jet fuel emissions from flying activity (including fossil jet fuel and N_2O and CH_4 emissions from SAF). 22. Measured based on Scope 1 and 3 jet fuel emissions related to flying activity (including SAF and fossil jet fuel).

Metrics and Targets (continued)

Table 6: Metrics

Metric	Description	Unit	2026	2025	2024	Analysis
Assets or business activities vulnerable to transition risks[23]						
Proportion of revenue-generating operations currently reliant on fossil jet fuel	This includes revenue generated from all domestic and international routes on its network. Fossil fuel is used as a proxy for the airline's exposure to some of its transition risks and that exposure has been used as a proxy for vulnerability.	% of revenue	93%	93%	94%	The trend remains stable at a high level, reflecting the airline's continued reliance on conventional fossil jet fuel for its revenue-generating operations.
Proportion of revenue-generating operations that are currently estimated to generate emissions pricing obligations	This metric covers domestic routes subject to NZ ETS obligations through the 2026 financial year and forecast emissions pricing obligations under the CORSIA compliance obligation for the same period. CORSIA compliance obligations are estimated by using fuel use on routes to and from participating countries, multiplied by the midpoint of IATA's Sectoral Growth Factor forecasts.	% of revenue	39%	37%	34%	The increase compared to the 2025 and 2024 financial years is primarily driven by a higher forecast CORSIA obligation.
Assets or business activities vulnerable to physical risks						
Aircraft value as a proportion of total assets	Aircraft are a significant portion of the airline's asset base and may be exposed to risk of damage due to increased frequency and intensity of severe acute weather events. For example, aircraft may be susceptible to damage from lightning strikes, hail, and hard landings in high-wind conditions, which could lead to greater maintenance costs and aircraft being out of service. The airline has treated exposure as a proxy for vulnerability in this instance.	% of total asset value	47%	46%	45%	The increase was primarily driven by investment in Boeing 787-9 cabin interior upgrades and engine maintenance, which increased the carrying value of the aircraft fleet.
Proportion of assets, by value, that are 'immovable' and subject to increasing flooding and/or coastal erosion risk	In the 2024 financial year, the airline assessed the exposure of the ports within its network to flooding, coastal erosion and coastal inundation under SSP1-2.6, SSP2-4.5, and SSP5-8.5[24] scenarios over different time periods out to 2100. The physical risk analysis uses global climate simulations that have been downscaled and bias corrected for New Zealand. This was the most up-to-date information available at the time of the analysis. The airline has exposure data at the port level rather than for individual assets. As ground-level immovable assets cannot readily be relocated, the exposure of a port has therefore been used as a proxy for the vulnerability of those assets located within that port. A conservative approach was applied, with the total value of ground-level immovable assets at a port considered at risk where that port was deemed to have high exposure under any of the three scenarios or three hazards by 2100. The domestic ports of Auckland, Wellington, and Nelson were assessed as having high exposure and material values of ground-level immovable assets[25]. Accordingly, all ground-level immovable assets located at these ports were deemed vulnerable for the purposes of this metric. This metric does not factor in any mitigations or insurance that may protect the airline from the financial impacts associated with this vulnerability. The other locations assessed are excluded due to low or medium exposure and/or immaterial values of ground-level immovable assets at those airports or facilities.	% of total asset value	11%	11%	10%	There was little change in the proportion of assets that are immovable and therefore exposed to flooding and/or coastal erosion risk.

23. While these metrics do not capture all material transition risks identified in section 2.3, they remain useful because they show the extent of business activities vulnerable to transition risks, are expected to change over time as emissions pricing regimes and the airline's use of fossil jet fuel evolve, and can be calculated with a high degree of accuracy. 24. The airline notes that the IPCC has stated that the SSP5-8.5 scenario is no longer considered plausible. 25. The value of the lease at Air New Zealand's head office in central Auckland was also included within the immovable asset category. The airline notes that no specific exposure assessment has been conducted for the head office site but it was included within the assessment as it was subject to flood damage in 2023.

Metrics and Targets (continued)

Table 6: Metrics (continued)

Metric	Description	Unit	2026	2025	2024	Analysis
Assets or business activities vulnerable to physical risks (continued)						
Proportion of scheduled flights arriving late due to weather-related reasons[26]	These three metrics act as a proxy for the exposure of the airline's operations to disruption from increasingly intense and frequent weather events. Changes over time indicate shifts in both exposure and the airline's ability to manage disruptions caused by weather. However, these metrics have limitations: not all weather-related delays are driven by climate change, and not all physical climate-related events result in disruption. The delay metrics may underestimate the impact, as they capture only the initial affected flight; subsequent schedule disruptions are not included due to the difficulty of accurately attributing the delay time related to weather, particularly where multiple delay factors are involved.	% of scheduled flights	1.4%	1.2%	1.2%	There has been a slight increase in the number of delays on fewer scheduled flights, as compared with the 2025 financial year. This is due to an increase in weather-related disruptions, some of which was due to an increase in snow, ice and fog delays.
Average length of departure delay of flights arriving late due to weather-related reasons		Minutes	42	41	41	The average length of departure delays remains broadly consistent over the past three financial years.
Proportion of scheduled flights cancelled due to weather-related reasons[27]		% of scheduled flights	1.4%	1.0%	1.0%	The total number of cancellations related to weather has increased slightly in this financial year. This is mostly related to the turboprop fleet which is more susceptible to weather disruption.
SASB Aviation industry metrics						
Total jet fuel consumed[28]	This metric includes all jet fuel types including fossil jet fuel and alternative fuel types, e.g. SAF.	Gigajoules	44,225,130	43,229,065	43,958,911	The increase in fuel use in the 2026 financial year is primarily due to an increase in ASKs from 40.5 billion in the 2025 financial year to 41.0 billion in this financial year, as well as an increase in the emissions intensity of flying. This increase is despite some consolidation of scheduled flights as a result of the commercial pressures driven by the Middle East conflict.
Percentage of jet fuel consumed that was alternative fuel	Alternative fuels are those that are not traditional fossil fuels, for example, biofuels, synthetic fuels, and fuels produced from renewable energy sources. As SAF is a type of alternative fuel, and the only alternative fuel used by the airline in these periods, the reported percentages for these metrics are the same. This could change in the future.	% of total fuel	1.2%	1.7%	0.4%	Air New Zealand consumed less SAF as a proportion of total fuel in the 2026 financial year compared with the 2025 financial year, which was largely driven by a deterioration in the airline's financial performance. Similar to previous years, all the alternative jet fuel that Air New Zealand consumed was SAF.
Percentage of jet fuel consumed that was SAF		% of total fuel	1.2%	1.7%	0.4%	
Percentage of expected total 2030 jet fuel volume that has been contractually secured as SAF via approved offtake agreements	This metric includes the volume of SAF that has been firmly committed through approved, executed offtake agreements and is therefore actively secured under contract, rather than volumes that remain conditional, indicative, or subject to future approval, financing, or final investment decision.	% of total fuel	0.0%	0.0%	0.0%	Air New Zealand has not to date secured any 2030 fuel as SAF, though the airline continues to assess long-term SAF offtake options to support its Transition Plan.
Revenue Tonne Kilometre[29]	This metric measures the total transport output by multiplying revenue-generating passenger[30] and cargo load, expressed in tonnes by distance flown.	RTK in million	4,437	4,441	4,419	Passenger RPKs were slightly higher than the 2025 financial year, however this was more than offset by lower cargo loads reflecting softer demand and broader network conditions across the Tasman and northbound Pacific long-haul markets.

26. Relates to the first flight impacted by weather only. 27. Includes both the first flight impacted by weather and any later flights cancelled as a consequence. 28. This metric has been renamed for clarity to reflect that it relates specifically to jet fuel (including both fossil fuel and SAF), rather than all fuel types (such as petrol and diesel). The underlying calculation methodology has not changed. 29. In the 2024 Climate Statement, the RTK value disclosed referred to Air New Zealand's cargo operations only. Since the 2025 financial year, the metric also includes RPK to align with broader reporting practices across the aviation sector by including total transport output. The 2024 financial year figure has been restated accordingly. 30. To align with the ICAO recommendation, an average weight of 100 kilograms per passenger, including their luggage, is applied.

Metrics and Targets (continued)

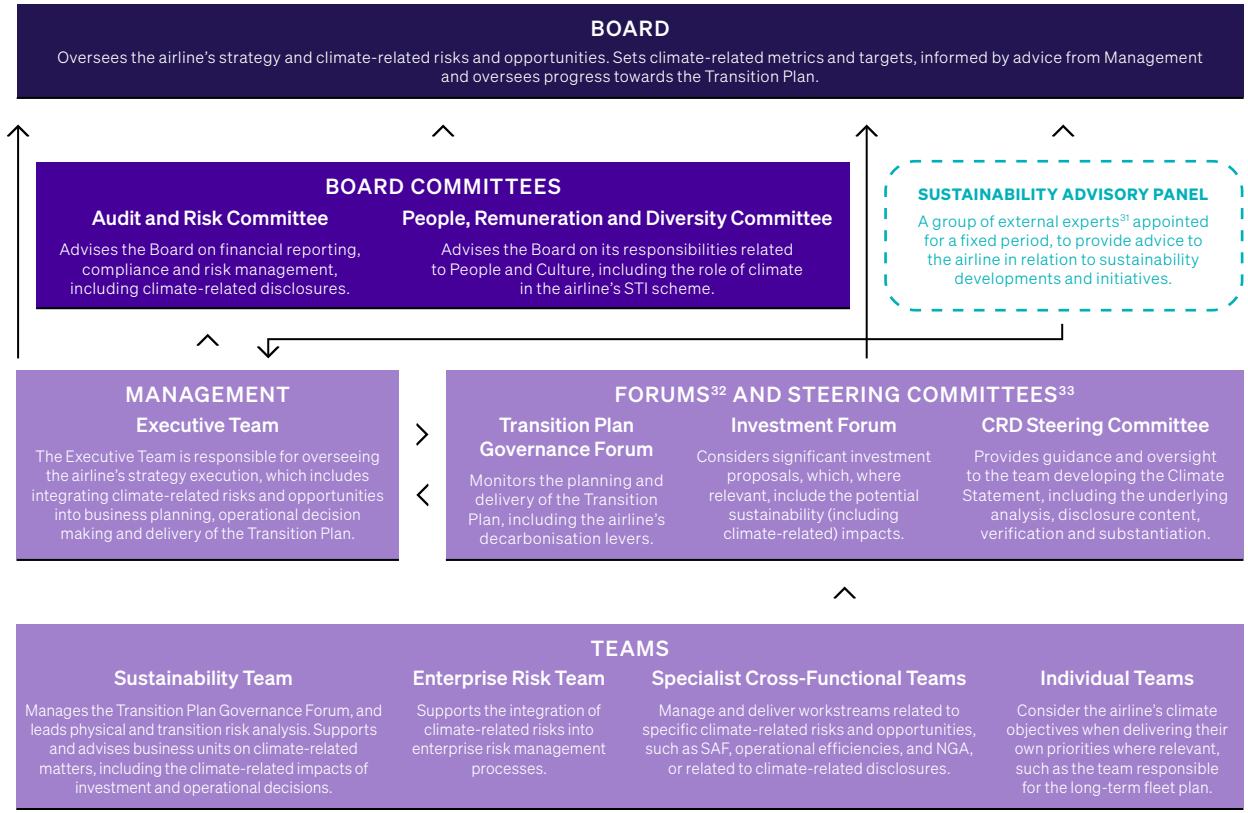
Table 6: Metrics (continued)

Metric	Description	Unit	2026	2025	2024	Analysis
SASB Aviation industry metrics (continued)						
Number of departures	This metric includes both domestic and international departures, shown alongside the total number of scheduled departures.	Number of flights	163,762 (of a scheduled 169,364)	167,621 (of a scheduled 173,668)	173,002 (of a scheduled 179,372)	The number of departures decreased as the airline consolidated services in response to elevated jet fuel prices, reducing capacity on selected routes to help manage higher fuel costs.
Other metrics and other KPIs						
Internal carbon charge	Air New Zealand applies a $20/tCO$_2$e internal carbon charge on its long-haul routes between Auckland and New York, and Auckland and Houston. This charge creates a ringfenced funding stream that is allocated to the Climate and Nature Fund, which also includes any profits from the airline's loyalty partnership with Z Energy. The Fund supports decarbonisation and sustainability initiatives such as renewable energy and SAF (see section 2.4). In the 2026 financial year, the Climate and Nature Fund raised $7.4 million.	Dollars per tCO$_2$e	$20/tCO$_2$e	$20/tCO$_2$e	$20/tCO$_2$e	The internal carbon charge remains the same. In the 2024 financial year, the internal carbon charge was also applied to the Auckland to Chicago route. This route was not operated in the 2025 and 2026 financial years.
Shadow carbon price	Air New Zealand uses this metric to communicate to decision-makers the hypothetical emissions abatement cost or cost savings associated with business decisions that have the potential to impact the airline's emissions. It is not a price charged to business units or used to generate internal revenue.	USD per tonne of Well-to-Wake emissions	USD83	USD83	-	The shadow price was piloted in the 2025 financial year and implemented in the 2026 financial year. A revised shadow price will be calculated for the 2027 financial year.
Remuneration	Air New Zealand's Short-Term Incentive (STI) scheme applies to employees on individual employment agreements, including all executives and senior leaders (approximately 20 percent of employees). The STI includes a climate-related component worth 15 percent of the total STI opportunity. In the 2026 and 2025 financial years, this comprised two separately assessed measures: one emissions-related component and the other relating to landfill waste. Each measure is assessed independently and vests only if its respective minimum milestones are achieved. There is no climate-related component in the Long-Term Incentive Plan.	Climate-related component as a percentage of the total STI.	15% (Well-to-Wake emissions 10% and landfill waste 5%)	15% (Well-to-Wake emissions intensity 10% and landfill waste 5%)	15% (Well-to-Wake emissions intensity)	The climate-related components of the STI have remained steady at 15 percent. In the 2025 financial year, a landfill waste metric was introduced, and in the 2026 financial year the Well-to-Wake emissions intensity metric was replaced by a total Well-to-Wake emissions metric to better align with the 2030 Emissions Guidance.

Governance

4.1 Role of Board and Management

The Board sets climate-related metrics and targets, informed by advice from Management. The Board reviews progress against both the 2050 Target and 2030 Emissions Guidance through twice-yearly Transition Plan updates, and as otherwise required. A range of climate metrics are reported to the Board as part of the CFO's monthly update. See Remuneration in section 3.2 for incorporation of climate-related performance measures into the airline's remuneration policies.



BOARD

- Reviews the airline's progress against its Transition Plan and receives updates on carbon compliance obligations, bi-annually.
- Reviews the airline's top strategic risks, including climate change as a top risk and its associated Risk Appetite Statement, annually.
- Reviews the airline's material climate-related risks and opportunities, annually[34].
- Meets with the airline's Sustainability Advisory Panel, annually.
- Reviews the airline's progress against the sustainability-related component of the annual STI scheme, monthly as part of the CFO report.
- Receives standalone climate-related updates and/or information from time to time. In the 2026 financial year, the Board undertook a strategy reset and received information on climate-related considerations as part of strategy development.
- Considers sustainability (including climate-related) impacts of proposals, where relevant, alongside other factors in approval decisions.
- Receives updates on the sustainability component of other Board agenda items e.g. fleet investment decisions.

BOARD SUB-COMMITTEES

Audit and Risk Committee (ARC)

- Reviews material climate-related risks and opportunities and the airline's top strategic risks, annually.
- Reviews the GHG emissions inventory and Climate Statement, annually, and recommends their approval to the Board.
- Receives updates on the Climate Statement (including GHG disclosures) process and content.

People, Remuneration and Diversity Committee

- Reviews and approves, annually, the Sustainability-related component of the Short-Term Incentive.

MANAGEMENT

- Monitors the airline's progress against its Transition Plan as part of the Transition Plan Governance Forum, convened four times a year. An update is provided to the Board bi-annually.
- Monitors the airline's top strategic risks, including climate change as a top risk, and the associated Risk Appetite Statement, twice-yearly[35], and reviews the materiality of the airline's climate-related risks and opportunities, annually.
- Considers sustainability (including climate-related) impacts of proposals and investments, where relevant, at the Investment Forum, convened monthly. Proposals over the CEO's delegated authority are elevated to the Board.
- Designs and executes strategy and monitors progress (including against sustainability-related priorities) as part of the quarterly business review process. For example, in the 2026 financial year, progress against certain sustainability KPIs was tracked as part of the quarterly business review process.
- Oversees the development of climate-related disclosures, as part of the CRD Steering Committee, which meets as required[36]. The Executive co-sponsors report progress to the ARC and Board.
- The CEO meets with the Sustainability Advisory Panel, annually.

4.2 Board skills and competencies

The Board seeks to ensure that directors have, or have access to, appropriate climate-related skills and competencies to provide oversight of climate-related risks. Sustainability is one of nine skills areas assessed through the airline's Board skills matrix. This assesses whether directors have experience overseeing sustainability initiatives and programmes relating to climate change, emissions reduction, innovations and responsible sourcing. For further detail, refer to the Board skills and diversity table on page 91 of the Annual Report.

4.3 Board oversight of climate-related metrics and targets

The Board sets climate-related metrics and targets, informed by advice from Management. This includes the assumptions underpinning the 2030 Emissions Guidance and progress against the 2050 Target. Both aspects are monitored through the bi-annual update on the airline's progress against its Transition Plan. A range of climate metrics are also reported to the Board as part of the CFO's monthly update. See Remuneration in Table 6 for incorporation of climate-related performance measures into the airline's remuneration policies.

31. Professor Tim Jackson stepped down from the Sustainability Advisory Panel during the 2026 financial year. Matteo Mirolo's term concluded at the end of the 2026 financial year. The airline intends to broaden membership of the Panel in the 2027 financial year. 32. The Transition Plan Governance Forum is comprised of the Executive team, other senior leaders from Fleet, Network Strategy, Finance, Supply Chain, Cargo and Legal and facilitated by the Sustainability team. The Investment Forum is comprised of the CEO, CFO and other leaders where relevant. The Executive team members have a standing invitation. 33. The CRD Steering Committee is comprised of the CFO, Chief Sustainability and Corporate Affairs Officer (CSCAO), and senior leaders from Legal, Finance, Risk, and Sustainability, and is supported by a cross-functional working group. The group convenes on an ad hoc basis, as required. 34. In the 2026 financial year, Air New Zealand did not have any material climate-related opportunities. 35. Due to the airline's strategy reset the delivery of the Group Risk Profile (GRP) was paused. The airline's top strategic risks as presented via the GRP were only reviewed once in the 2026 financial year. 36. In the 2026 financial year, the CRD Steering Committee convened in July, August, October, February, April and June.

Risk Management

5.1 Air New Zealand's Enterprise Risk Management Process

Processes for identifying, assessing, managing and prioritising climate-related risks

Climate-related risks are identified through both top-down and bottom-up processes:

1. **Top-down:** Climate-related risks are identified and assessed through dedicated climate-risk analysis projects led by the Sustainability team, in collaboration with Business Unit leads and subject matter experts via workshops. These serve as inputs to the airline's wider enterprise risk management process, facilitated by the Enterprise Risk team, including incorporating climate-related risks and opportunities into relevant Business Unit Risk Registers and/or the Climate Risk Register (the Risk Registers). The scenario analysis projects conducted in the 2024 and 2025 financial years, and the risks identified, were confirmed to remain relevant in the 2026 financial year. A physical risk assessment of airports in the airline's network was conducted in the 2024 financial year and this assessment may be updated as new data, methodologies, or scientific understanding emerges (see section 2.3).
2. **Bottom-up:** Senior business leaders identify risks throughout the year, at least twice-yearly. Any climate-related risks and opportunities identified through this process are incorporated into the relevant Risk Registers.

Climate-related risks are assessed with reference to the consequence ratings from the airline's Group Risk Matrix. Additional consideration is given to short-, medium- and long-term time horizons and the scenario in which the risk is 'most material'.

Climate-related risks are incorporated and managed through the airline's Enterprise Risk Management Process. In this process:

- The climate-related risks identified through the processes described above are incorporated into the Risk Registers, as appropriate.
- Climate-related risks are then managed through the airline's standard Enterprise Risk Management Process, shown on this page. In this process, climate-related risks are managed and prioritised consistently with all other risks.

- The Enterprise Risk team analyses the risks on the Risk Registers and elevates the most significant risks to the relevant Divisional Risk Profile.
- Each Executive team member reviews and validates their Divisional Risk Profile at least twice-yearly.
- The Enterprise Risk team synthesises the most material outcomes from the Divisional Risk Profiles into draft updates to the GRP. The GRP contains an assessment of each strategic risk, any changes to this assessment, the inherent outlook of each risk and the Risk Owner.
  - The Executive team members review and validate the risks that they own and collectively discuss and align on the top risks in the draft GRP. This includes discussion on the risks, the assessment of risks, and the ranking order (prioritisation of the risk in the GRP based on risk rating).
    - The Chief Safety and Risk Officer and the CFO twice-yearly (and annually by the CEO) review and approve the GRP for submission to the ARC and the Board.
    - The Board and ARC (once each per financial year) review the GRP. All climate-related physical and transition risks identified on Risk Registers and Divisional Risk Profiles are consolidated into a 'climate change' risk in the GRP. This risk in the GRP is currently rated 'Very High', and is one of the highest rated risks on the GRP. The Executive team as a whole is the owner of climate change risk, reflecting collective accountability for managing and monitoring this risk.

In addition, the material climate-related risks and opportunities for disclosure are reviewed annually by the Executive team, ARC and Board. In the 2026 financial year it was determined that materiality of some risks changed for the short-term time horizon (see page 10).

No parts of Air New Zealand's value chain are excluded from the risk identification, assessment or management process.

Risk Management (continued)

Air New Zealand's time horizons

The time horizons below are applicable to the assessment, management, identification and prioritisation of climate-related risks and opportunities and align with those used for the scenario analysis (see page 10).

Tools for assessing risk

Several risk identification, assessment and management tools are used by Management to guide their qualitative assessment of risks. These tools, which collectively make up the airline's Enterprise Risk Management Framework (ERMF), include the Group Risk Matrix[37], Risk Control Effectiveness (RCE) Scale, and Risk Appetite Statements. Scenario analysis (explained further in section 2.5) is also a key tool used to identify and assess climate risk and the resulting climate-related risks identified form part of the ERMF. As described in more detail above, the airline's processes for identifying, assessing, and managing climate-related risks are integrated into its overall Enterprise Risk Management Process.

The Group Risk Matrix is used to assess the likelihood and consequence of potential risks. The RCE Scale guides the assessment of the effectiveness of existing key controls and mitigations for identified risks. Risk Appetite Statements provide guidance to employees about how much risk or opportunity, as identified in the GRP, the business is willing to accept or target, respectively, in the pursuit of its strategy.

Time horizon	Period	Rationale
Short-term	0-5 years	Aligns with strategic and network planning time horizons for the airline's five-year financial plan, including capital deployment plans.
Medium-term	5-18 years	Aligns with decisions about fleet planning and aircraft lease and purchase, and generally represents the airline's capital deployment horizons, excluding property.
Long-term	18+ years	Includes the airline's 2050 Target and is also the period over which the airline expects the greatest physical impacts of climate change to occur.

Note: These time horizons align with those used in the climate scenario analysis.

37. Because the Group Risk Matrix does not accommodate the fact that climate-related risks are scenario-specific and eventuate on time-horizons that are longer-term than those in the ERMF (from one month to ten years), climate-related risks are assessed on the time horizons used in the scenario analysis (see section 2.5). Accordingly, judgement from business leaders is required when comparing the time horizons over which climate-related risks might occur and when considering other risks.

Appendices

6.1 Appendix A: Details of scenario analysis

The climate scenario analysis was developed using the emissions reduction pathways described in section 2.5 based on assumptions over a range of variables that are summarised below.

Data sources for the development of the scenarios are the IPCC's RCP-SSPs from the 6th Assessment Report (2021), Network for Greening the Financial System Scenarios for central banks and supervisors, the scenarios contained within the International Energy Agency's World Energy Outlook, and the Climate Change Commission scenarios. In addition to this, key assumptions on the evolution of variables that are highly specific to Air New Zealand and, therefore, not covered in depth by the global scenarios mentioned above, were developed and tested with internal experts across the business.

- **Technology pathways:** Scenario narratives were devised with reference to both external sources and internal perspectives, including, for example, new propulsion technology, aircraft design innovations, SAF technology development and carbon removal solutions;
- **Government policy:** Government policy assumptions were based on the barriers to, and government support for, technology development, and restrictions on certain emissions categories. Changes in policy are represented through adjustments in carbon pricing regimes such as the NZ ETS and CORSIA, or through direct support of emerging technologies that will enable Air New Zealand to decarbonise (for example, NGA or SAF), both globally and in New Zealand;
- **Socioeconomic pathways:** To ensure consistency in the scenarios, the starting point for the socioeconomic pathways was the assumptions contained within the SSPs, however, additional narrative surrounding New Zealand-specific evolution of socioeconomic parameters was developed internally with reference to the marker SSPs;
- **Energy pathways:** Energy pathway assumptions included considering the supply and cost of renewable electricity, and SAF. Energy pathway assumptions are highly dependent on technological development and as such are reflective of the pace of the technology pathways described above;
- **Carbon sequestration from afforestation and nature-based solutions and negative emissions technology:** Carbon sequestration from afforestation and nature-based solutions, and negative emissions technology, are not defined. They only feature in the scenario analysis insofar as they address 'residual' emissions to achieve the airline's 2050 Target;
- **Global climate impacts:** Global climate impact data is derived from IPCC (2022), Sixth Assessment Report for SSPs. Muñoz-Sabater et al. (2019) ERA5 and ERA5-Land reanalysis, European Centre for Medium Range Weather Forecasting (ECMWF). Canadian Centre for Climate Modelling and Analysis (2019), The Canadian Earth System Model version 5 (CanESM5). Döscher et al. (2022), The EC-Earth3 Earth system model for the CMIP6, EC-Earth Consortium. Shiogama et al. (2019), MIROC6 model output prepared for CMIP6 ScenarioMIP, MIROC Team; and
- **New Zealand physical and climate impacts:** These are based on the same sources as the global climate and socioeconomic impacts above: MfE (2018), Climate Change Projections for New Zealand.

The SSP1-2.6 and SSP5-8.5 scenarios under which the physical risk assessment was undertaken in the 2024 financial year differ from the SSP1-1.9 and SSP3-7.0 scenarios, respectively, used as the basis for the Global Cohesion and Fossil-Fuelled Growth scenarios in the 2026 financial year. The airline plans to further align the modelling in future, with a particular focus on SSP3-7.0.

6.2 Appendix B: Glossary

- **'2030 Emissions Guidance'** means Air New Zealand's current expectation that it will reduce its 'Well-to-Wake' net GHG emissions by 25 to 30 percent by 2030, compared with a 2019 baseline. This guidance will be updated on an annual basis, as part of the Climate Statement;
- **'2050 Target'** means Air New Zealand's long-term target of achieving net zero carbon emissions for jet fuel in 2050, as agreed by IATA member airlines at the 77th IATA Annual General Meeting in October 2021;
- **'ASK'** means Available Seat Kilometres, which is measured by the available seats operated multiplied by the distance flown (capacity);
- **'Book and Claim'** refers to a system whereby airlines can purchase ('book') the life cycle benefits of SAF and credit ('claim') it against the emissions from their own use of conventional jet fuel, while another airline uses that SAF but is not able to claim the SAF's low-carbon credentials. The Book and Claim system, if adopted, is expected to increase demand, supply, and liquidity in the SAF market, ultimately increasing the global uptake of SAF;
- **'Clean Skies for Tomorrow 2030 Ambition Statement'** means a World Economic Forum initiative with industry and state leader signatories aiming to "put the global aviation sector on the path to net zero emissions by 2050 by accelerating the supply and use of SAF technologies to reach 10% of global jet aviation fuel supply by 2030";
- **'CORSIA'** means the Carbon Offsetting and Reduction Scheme for International Aviation developed by the International Civil Aviation Organization (ICAO). Under CORSIA, Air New Zealand faces an obligation for growth in CO_2 emissions above a baseline, calculated with reference to an annual Sectoral Growth Factor. Air New Zealand must acquire and cancel EEUs to meet its obligation;
- **'Eligible Emissions Unit (EEU)'** refers to a tradable carbon credit that meets the criteria set by ICAO for use under the CORSIA scheme;
- **'Engineered carbon removals'** refers to technological solutions that directly capture and store CO_2 from the atmosphere;
- **'IATA'** refers to the International Air Transport Association, the global industry body that represents around 350 airlines;
- **'ICAO'** refers to the International Civil Aviation Organization, the United Nations agency tasked with achieving sustainable growth of the global civil aviation system;
- **'IPCC'** refers to the Intergovernmental Panel on Climate Change, which is the United Nations body responsible for assessing the science related to climate change;
- **'Load Factor'** means revenue passenger kilometres (RPKs) as a percentage of ASKs;
- **'Nature-based removals'** refers to projects that leverage natural processes such as photosynthesis or soil carbon sequestration to remove and store CO_2e from the atmosphere within natural ecosystems;

Appendices (continued)

- **'NGA'** or **'Next Generation Aircraft'** refers to aircraft powered by alternative propulsion that enables a significant reduction in carbon emissions compared to existing technology. This could include hydrogen fuel cells, hydrogen combustion, batteries, or battery hybrids that are used in combination with SAF and/or fossil jet fuel;
- **'Non-CO_2 Effects'** means impacts that arise from aircraft engine emissions of oxides of nitrogen (NOx), soot particles, oxidised sulphur species, and water vapour. These impacts are in addition to CO_2e;
- **'NZ ETS'** means the New Zealand Emissions Trading Scheme. Air New Zealand is a participant in the NZ ETS and has an obligation to report greenhouse gas emissions generated from fuel use on all domestic flights and then purchase and surrender to the Government an equal number of New Zealand Units to match those emissions;
- **'NZU'** means New Zealand Unit, the official emissions allowance issued under the NZ ETS;
- **'RPK'** or **'Revenue Passenger Kilometres'** is a measure of the number of revenue passengers carried multiplied by the distance flown (demand);
- **'RTK'** or **'Revenue Tonne Kilometres'** is a measure of the weight that has been transported on the aircraft (freight and passengers) multiplied by the number of kilometres transported. To align with the international standard, an average weight of 100 kilograms per passenger, including their luggage, is applied;
- **'SAF'** or **'Sustainable Aviation Fuel'** is the industry term given to alternative jet fuel that is made from feedstocks other than fossil fuels, and which seeks to produce lower life cycle emissions than fossil jet fuel. The term is used by the United Nations, national governments, and the aviation industry. Air New Zealand follows this convention when describing alternative jet fuel for consistency with the industry, but in doing so acknowledges that SAF still produces emissions over its life cycle, including equivalent emissions to conventional jet fuel when combusted, and may create other adverse impacts on the environment;
- **'Sectoral Growth Factor'** refers to the international aviation sector's percentage growth over the CORSIA baseline in a given year;
- **'Tank-to-Wake'** or **'TTW'** means the direct emissions from using fuel after it is already in the aircraft's or vessel's tank. In aviation, that means emissions from jet fuel burned during taxi, take-off, climb, cruise, descent and landing;
- **'Transition Plan'** means Air New Zealand's strategy and actions for its transition towards a low-emissions, climate-resilient future. This includes the 2050 Target and the steps taken in seeking to achieve that target;
- **'USD'** refers to United States dollar;
- **'Well-to-Tank'** or **'WTT'** refers to emissions generated from the extraction or production of fuel or feedstocks, and from fuel processing and distribution before the fuel is loaded into an aircraft; and
- **'Well-to-Wake'** or **'WTW'** refers to emissions from the airline's activities and accompanying emissions across the entire value chain of jet fuel. It comprises: 'Well-to-Tank' emissions from fossil fuel extraction or feedstock sourcing, processing and transportation to fuel production and distribution (measured as Scope 3, Category 3 emissions); and 'Tank-to-Wake' emissions from the combustion of fuel (measured as Scope 1 emissions).

Appendices (continued)

6.3 Appendix C: Greenhouse gas emissions inventory

This GHG inventory forms part of this Climate Statement and should be read together with the disclaimer in section 1.3. The GHG inventory has been prepared using the methodologies and assumptions described in this Appendix.

Greenhouse gas emissions

Calculation approach

The inventory has been prepared in accordance with the Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard[38] (GHG Protocol) and the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard[39] (GHG Protocol Value Chain Standard).

Air New Zealand calculates emissions by multiplying activity data with appropriate emissions factors, with estimation methodologies applied where primary data is unavailable. The calculation methods, sources of emission factors and global warming potential (GWP) values used are included in Table 10 on pages 32 to 34. All emissions disclosed in the GHG emissions inventory are expressed in total tonnes of carbon dioxide equivalent (tCO_2e). The time horizon in all cases is 100 years.

Reporting period covered

This GHG emissions inventory covers the financial year 1 July 2025 to 30 June 2026 (2026 financial year). Throughout this report all mentions of years refer to the respective financial year period, 1 July to 30 June.

Analysis of the current year's results are included on pages 19 to 21.

Baseline year

Air New Zealand has been calculating its GHG emissions on an annual basis since 2011. The baseline year for Scope 1 and 2, and Scope 3: Category 3 (upstream emissions and transmission and distribution losses related to purchased energy) emissions is 2019, aligning with the Group's 2030 Emissions Guidance baseline year, which includes upstream Well-to-Tank emissions from jet fuel reported under Category 3.

For all other Scope 3 categories, the baseline year is 2024, being the first year that all material emissions categories were included in the inventory.

Baseline year recalculation

Air New Zealand's recalculation policy requires the baseline years to be recalculated where structural changes to the Group, methodology changes, or identified omissions cumulatively result in a change that meets a 5 percent significance threshold. The 2019 baseline year emissions were recalculated in 2025 to include Scope 3, Category 3 emissions for the first time.

Assurance

Deloitte Limited, on behalf of the Auditor-General, has been appointed as the third-party independent assurance provider for this 2026 GHG emissions inventory, and selected GHG Disclosures in the Climate Statement (pages 19 to 20). A reasonable level of assurance has been obtained over Scope 1 and 2 emissions, and a limited level of assurance has been obtained over Scope 3 emissions disclosed in this report. The assurance report can be found on pages 36 to 39.

Consolidation approach and organisational boundaries

Air New Zealand applies an operational control approach to determine the boundary of its GHG emissions inventory, recognising 100 percent of the emissions from operations it controls. Emissions associated with investments that fall outside the operational control boundary are assessed for inclusion in Scope 3 Category 15 (Investments) based on their relevance, materiality and the availability of reliable information.

Table 7 provides an overview of the significant subsidiaries and associates considered in determining the organisational boundary as at 30 June 2026, and their treatment for GHG accounting purposes.

Table 7: Organisational boundaries

Company name	Principal activity	Interest held	Treatment for GHG emissions inventory
Air New Zealand Limited	Parent company	100%	Operational control (100% for Air New Zealand's Scope 1, 2, 3).
Air Nelson Limited	Aviation labour services	100%	Operational control (100% for Air New Zealand's Scope 1, 2, 3) – included under Air New Zealand. Dormant from May 2025, no emissions thereafter.
Air New Zealand Associated Companies Limited	Investment	100%	Non-operating holding company, therefore, no emissions.
Air New Zealand Aircraft Holdings Limited	Aircraft leasing and financing	100%	No emissions from operations in 2026.
Mount Cook Airline Limited	Aviation labour services	100%	Operational control (100% for Air New Zealand's Scope 1, 2, 3) – included under Air New Zealand. Dormant from May 2025, no emissions thereafter.
TEAL Insurance Limited	Captive insurer	100%	No emissions from operations.
Air New Zealand (Australia) Pty Limited	Holding company	100%	Non-operating holding company, therefore, no emissions.
Air New Zealand Express Limited	Holding company	100%	Non-operating holding company, therefore, no emissions.
Air New Zealand Regional Maintenance Limited	Engineering services	100%	No longer a registered company. The company was amalgamated with Air New Zealand Associated Companies Limited on 3 November 2025. Prior to this the company was dormant from October 2024, no emissions.
ANNZES Engines Christchurch Limited	Holding company	100%	Non-operating holding company, therefore, no emissions.
Pratt & Whitney Air New Zealand Services Partnership (trading as the Christchurch Engine Centre)	Engineering services	49%	No operational control. Proportional (49%) of Scope 1 and 2 emissions included under Scope 3 - Category 15.
Drylandcarbon One Limited Partnership	Forestry and carbon credit generation	20.7%	No operational control. No direct emissions to include under Scope 3.

38. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), available at: https://ghgprotocol.org/corporate-standard. 39. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), Corporate Value Chain (Scope 3) Accounting and Reporting Standard, available at: https://ghgprotocol.org/standards/scope-3-standard.

Appendices (continued)

Operational boundaries

In accordance with the GHG Protocol, Air New Zealand classifies its GHG emissions inventory into three Scopes:

- Scope 1: Direct emissions from owned or controlled sources, most notably the combustion of fossil jet fuel on domestic and international flights.
- Scope 2: Indirect emissions from the generation of purchased electricity consumed at Air New Zealand-operated facilities.
- Scope 3: All other indirect emissions across Air New Zealand's value chain, both upstream and downstream.

In addition to the three Scopes, the airline calculates biogenic emissions from SAF[40] combusted during flights and the burning of wood pellets for heating.

Air New Zealand strives to comprehensively report all Scope 1 and 2 emissions, reflecting the Group's operational control and influence over these sources. Limited immaterial exclusions apply where the effort and difficulty of obtaining accurate data outweigh the benefits, for example, where emissions are small and/or Air New Zealand's ability to influence emissions reductions is limited (see page 35).

For Scope 3, a structured assessment is applied to determine which categories are included in the inventory. This assessment considers:

- A quantitative materiality threshold of ≥1 percent of total Scope 3 emissions per category
- GHG Protocol Value Chain Standard criteria, including:
  - relevance to stakeholders
  - ability to influence emission outcomes
  - sector-specific guidance
- Data availability and quality

An overview of all included emission sources, methodologies, key assumptions, and uncertainties is provided in Table 10 (pages 32 to 34).

Emissions sources and categories not currently included in the inventory are reviewed annually and may be included in future disclosures if they become material or applicable.

Table 8: GHG emissions inventory by Scope and category in tCO_2e

Emissions source	2026	2025	2024	2019
Scope 1	**3,246,416**	**3,157,207**	**3,250,851**	**3,925,650**
Jet fuel – domestic	564,677	580,291	604,348	629,876
Jet fuel – international	2,676,599	2,571,440	2,639,807	3,286,502
Jet fuel – ground	28	25	255	941
SAF[41]	292	406	87	-
Other fuels[42]	4,636	4,670	6,336	8,331
Fugitive refrigerants[43]	184	375	18	-
Scope 2	**2,067**	**2,598**	**2,049**	**3,098**
Electricity consumption (location-based)	2,067	2,598	2,049	3,098
Scope 3	**1,118,191**	**1,055,362[44]**	**1,026,989**	**787,948**
Category 1: Purchased goods and services	280,627	253,653[44]	239,391	-
Category 2: Capital goods	118,849	97,324[44]	84,043	-
Category 3: Fuel- and energy-related activities	692,552	678,742	685,745	787,948
Category 5: Waste generated in operations	2,859	1,704	665	-
Category 6: Business travel	4,880	5,749	6,354	-
Category 7: Employee commuting	17,299	17,091	9,952	-
Category 15: Investments	1,125	1,099	839	-
Total reported Scope 1, 2, 3 emissions	**4,366,674**	**4,215,167[44]**	**4,279,889**	**4,716,696**
Biogenic emissions[40, 45]	40,503	55,455	13,487	725

Table 9: Total 2026 Scope 1 and Scope 2 emissions by greenhouse gas in tCO_2e[46]

Scope	CO_2	CH_4	N_2O	HFC	Total tCO_2e
Scope 1	3,221,239	804	24,189	184	3,246,416
Scope 2	2,001	63	3	-	2,067
Total	**3,223,240**	**867**	**24,192**	**184**	**3,248,483**

40. SAF is chemically similar to fossil jet fuel and generates comparable combustion emissions. However, the carbon dioxide emitted from SAF combustion is considered biogenic, meaning it equates to the CO_2 absorbed by the feedstock before SAF production. As a result, the CO_2 emissions from the combustion of SAF are treated as carbon neutral and for transparency are reported separately in the GHG emissions inventory. 41. Methane (CH_4) and nitrous oxide (N_2O) only. 42. Other fuel combustion includes diesel use in ground service equipment (mobile and stationary), diesel and petrol use in vehicle fleet, LPG and natural gas used for heating as well as engine oil used on aircraft. This also includes emissions from wood pellets, which were listed separately prior to 2024. 43. Newly included in 2024, therefore no comparative data for the 2019 financial year. 44. The 2025 financial year comparative values have been restated following an update to the spend-based methodology to remove the effect of supplier-specific price inflation relative to the 2024 financial year baseline. 45. Includes direct biogenic emissions from the combustion of SAF and the burning of wood pellets. 46. SF_6, PFCs and NF_3 are not listed here as there have been no emissions relevant to Air New Zealand's activities.

Appendices (continued)

Table 10: Emission calculation methods, assumptions and uncertainty

Scope / category	Activity	Calculation method	Activity data source	Emission factor and GWP source	Assumptions / estimations	Level of uncertainty	Emissions calculated using primary data provided by value chain partners
Scope 1							
Jet fuel (domestic and international)	Fuel used to operate aircraft	Fuel-based method	Supplier invoices reconciled with internal systems	MfE (2026): Aviation fuel (kerosene); AR5		Low uncertainty.	99.9%
Jet fuel (ground)	Fuel used for ground engine testing	Fuel-based method	Actual use records reconciled with supplier invoices	MfE (2026): Aviation fuel (kerosene); AR5		Low uncertainty.	100%
Sustainable Aviation Fuel (SAF)	SAF purchased by Air New Zealand	Fuel-based method	Supplier certificates reconciled with supplier invoices	MfE (2026): Aviation fuel (kerosene) – CH_4 and N_2O only; AR5	Assumes CH_4 and N_2O emissions that occur from the combustion of SAF are comparable to those from the combustion of fossil jet fuel.	Some emission factor uncertainty that is considered acceptable as there is currently no more accurate data available, and emissions are immaterial.	100%
LPG	LPG combusted for heating in Christchurch and Nelson	Fuel-based method	Supplier invoices	MfE (2026): LPG (industrial); AR5		Low uncertainty.	100%
Natural gas	Natural gas combusted for heating in Auckland	Fuel-based method	Supplier invoices	MfE (2026): Natural gas (industrial); AR5		Low uncertainty.	100%
Diesel	Diesel combusted in Ground Service Equipment (GSE) and vehicle fleet *Exclusion: Fuel use by offshore GSE and vehicle fleet*	Fuel-based method	Supplier invoices	MfE (2026): Diesel (Transport fuel); AR5	Assumes that all diesel from tanks is combusted for mobile use, as it is not possible to differentiate fuel use by GSE type.	Low uncertainty.	100%
Petrol	Petrol combusted in vehicle fleet	Fuel-based method	Supplier invoices	MfE (2026): Petrol / premium petrol (Transport fuel); AR5		Low uncertainty.	100%
Engine oil	Engine oil used to ensure engine system operates effectively and safely	Fuel-based method	SAP transactions	MfE (2026): Heavy fuel oil (Transport fuel); AR5	Assumes all uplifted oil is burnt.	Moderate uncertainty in activity data as some oil might not be burnt, therefore emissions are slightly overestimated. As engine oil emissions are small this is considered negligible.	100%
HFC	Fugitive HFC losses from HVAC systems or chillers	Top-up method	Service provider reports	MfE (2026): R-134a / R32 / R410a / R-290 / 404a; AR5		Low uncertainty.	100%
Wood pellets	Wood pellets burned for heating in Christchurch	Fuel-based method	Supplier invoices	MfE (2026): Wood (commercial pellets) - CH_4 and N_2O only; AR5	Assumes all purchased wood pellets are burned.	Some emission factor uncertainty as disclosed by MfE that is considered adequate as the emissions source is immaterial.	100%
Scope 2							
Electricity	Electricity consumed at Air New Zealand operated sites, including to charge electric GSE *Exclusion: Offsite electricity used to charge EV fleet*	Location-based method	Supplier invoices reconciled with meter data from energy efficiency system	MfE (2026): Electricity (annual average); AR5		Low uncertainty.	100%

Appendices (continued)

Table 10: Emission calculation methods, assumptions and uncertainty (continued)

Scope / category	Activity	Calculation method	Activity data source	Emission factor and GWP source	Assumptions / estimations	Level of uncertainty	Emissions calculated using primary data provided by value chain partners
Scope 3							
Category 1 – Purchased goods and services	Extraction, production, and transportation of goods and services purchased, not otherwise included in Categories 2 - 8	Supplier-specific data where available[47]; Spend-based method across remaining purchases	General Ledger	Auckland Council Consumption Emissions (2023): 26 categories; AR4 (adjusted for inflation) The top six spend categories use internal observed inflation to more accurately reflect changes to price structures[48]	Categorisation of activity data is high level. Emission factors applied refer to high level commodity groups.	High uncertainty from emission factors used and high-level categorisation of purchased products and services. This is a priority category to further reduce uncertainty.	<1%
Category 2 – Capital goods	Extraction, production, and transportation of capital goods (including aircraft and engines) acquired	Average-product method for newly acquired aircraft[49]; spend-based method across remaining assets	Fixed Asset Register	Auckland Council Consumption Emissions (2023): 15 categories; AR4 (adjusted for inflation)[47] Ecoinvent via SimaPro (accessed July 2026): very short haul passenger aircraft / long haul passenger aircraft; AR6 ATR Product Lifecycle Assessment	Proxy emissions data used to calculate upstream emissions from non-ATR aircraft acquired[48]. Emission factors used for spend-based method refer to high level commodity groups.	High uncertainty from emission factors used and high-level categorisation of purchased assets, especially where using spend-based factors. This is a priority category to further reduce uncertainty.	1.2%
Category 3 – Fuel- and energy-related activities	Extraction, production, and transportation of fuels and energy purchased, not already accounted in Scope 1 and 2	Average-data method	Same as Scope 1 and 2 fuel and energy data	DESNZ (2026): WTT Liquid Fuels – Aviation Turbine / Fuel oil / Diesel / Petrol, WTT gaseous fuel – LPG / Natural Gas; AR5 MfE (2026): Natural Gas – T&D losses / Electricity T&D losses; AR5 Agrilink (2023): WTT NZ Electricity; AR6 SAF supplier certificates (2026); AR5		Some uncertainty from the use of average emission factors, including for SAF as the supplier uses default values published by ICAO. This is considered adequate as it uses the best data currently available. Conversations with suppliers are ongoing to obtain supplier-specific data relevant to upstream emissions.	100%
Category 5 – Waste generated in operations	Landfill and organic waste disposed of by Air New Zealand employees, customers, and contractors Inflight food and other waste from international flights returning to Auckland *Exclusion: Wastewater and Waste from some smaller leased sites*	Waste-type specific method	Supplier reports on weight of waste picked up, by waste stream per site	MfE (2026): Waste (unknown composition) – Office waste to landfill with gas recovery / Waste (unknown composition) – General waste to landfill / Biological treatment of waste – composting / Waste (known composition) – Food waste to landfill with gas recovery; AR5	Assumes landfills with gas recovery and commercial composting facilities are used. Assumes waste collected and reported by service providers belongs to Air New Zealand only and is not from a shared waste station. Assumes waste at leased sites where the lessor holds the waste contract is captured by the contract owner and therefore not included by Air New Zealand.	Moderate uncertainty over activity data as waste data is not separated into more specific waste streams. Minor uncertainty from emission factors as they represent a New Zealand average rather than being site specific. This is considered adequate as the emissions source is immaterial.	100%

47. In 2026, Air New Zealand sourced supplier-specific data from Amazon Web Services. While the impact on the GHG emissions inventory (Scope 3, Category 1) was immaterial, this improves data accuracy and reduces uncertainty, and supports supplier decarbonisation and reporting efforts. 48. Previously, Air New Zealand reported on the influence of inflation and internally observed price increases on the spend-based calculation approach used for Scope 3, Categories 1 and 2. Spend-based emission factors are based on 2020 prices and adjusted using the Consumer Prices Index (CPI) to align with the airline's 2024 baseline year. In 2026, Air New Zealand applied an annual internal inflation adjustment to the six highest spend categories, representing more than 80 percent of spend, to remove the observed impact of supplier price increases. The internal adjustment was applied only to years subsequent to the 2024 baseline year, improving comparability by ensuring reported emissions reflect changes in underlying activity rather than price volatility, particularly where supplier inflation significantly exceeds CPI. 49. In 2026, Air New Zealand sourced product-specific Life Cycle Assessment data from ATR for specific ATR aircraft purchases under Scope 3, Category 2 (Capital Goods), replacing proxy emission factors previously used. Aircraft from other manufacturers continue to use proxy data. No ATR aircraft were purchased in the 2024 baseline year.

Appendices (continued)

Table 10: Emission calculation methods, assumptions and uncertainty (continued)

Scope / category	Activity	Calculation method	Activity data source	Emission factor and GWP source	Assumptions / estimations	Level of uncertainty	Emissions calculated using primary data provided by value chain partners
Scope 3 (continued)							
Category 6 – Business travel	Air travel on other airlines, hotel stays, travel in rental cars, taxis or employees' own vehicles where this was reimbursed by the Group	Distance-based method for all except taxi travel and employee mileage, where the spend-based method is applied.	Supplier reports for crew and pilot travel, and rental car trips. Internal booking systems' reports for other employees' business travel. General ledger for spend on taxis and mileage claims.	MfE (2026): Accommodation (relevant countries and nearby country factors for countries not available in MfE factors) / International air travel with radiative forcing / Taxi Travel Regular – dollars spent / Vehicle type km (2015 – 2020 Fleet); AR5 DESNZ (2026): Regular Taxi – km; AR5	Assumes that employees use preferred booking methods for duty travel. Assumes taxis are petrol vehicles and the most direct route per trip is used. Hotel stays are calculated using country-specific factors, but are not specific to the type of accommodation.	Moderate uncertainty as some activity data relies on conservative assumptions, and most emission factors are averages. This is considered adequate as the emissions source is relatively small, there is a high level of control over key booking systems, and difficulty obtaining more accurate data.	92.9%
Category 7 – Employee commuting (including emissions associated with working from home)	Employee commute, and energy use associated with working from home	Distance-based method	HR reports for staff per location and business unit, and anonymised location data for return distance to work. Wynyard Quarter Transport Management (WQTMA) survey results for Auckland head office staff. Supplier records for crew transport to airports. Workride and Extraordinary[50] uptake records. Sum of annual work starts for crew and pilot commuting. Swipe card data for average attendance by employee group.	MfE (2026): Private petrol car / Working from home / bus / taxi (default); AR5 DESNZ (2026): Average car km petrol / Homeworking; AR5	Commuting data for Auckland head office employees is based on survey results from October 2025. The number of days commuted by pilots and cabin crews is based on actual work starts. For all other employee groups, the number of days commuted is based on anonymised internal data, as are the distances travelled. Employees are assumed to commute for 46 weeks per year. Other than Auckland head office employees, all employees are assumed to commute by petrol vehicle.	High uncertainty. The calculation method applied relies on employee participation in a survey or conservative assumptions on the mode of transport use. Despite improvements to the calculation in 2025, uncertainty remains relatively high as emissions are based on multiple assumptions. This is considered adequate due to difficulties in tracking accurate data, but the category remains a focus area to further reduce uncertainty.	5.6%
Category 15 – Investments	Fuel and electricity use by Christchurch Engine Centre *Exclusion: Vehicles operated by Christchurch Engine Centre*	Investment-specific method	Supplier invoices for Christchurch Engine Centre facilities	MfE (2026): Aviation fuel (kerosene) / LPG (industrial) / Electricity (annual average); AR5		Low uncertainty.	100%
Other							
Biogenic emissions	SAF and wood pellets combusted by Air New Zealand	Fuel-based method	Supplier certificates and invoices	MfE (2026): Aviation fuel (kerosene) – CO_2 only / Wood – Pellets (Commercial use) – Biogenic CO_2e/unit; AR5	Assumes the carbon emissions created from the combustion of SAF are the same as from the combustion of fossil jet fuel, however, they are biogenic and considered to be neutral and therefore accounted for separately.	Low uncertainty.	100%

50. In 2026, Air New Zealand implemented the Workride and Extraordinary programmes to encourage active and public transport among eligible NZ-based employees. Participation in these programmes has been incorporated into the Scope 3, Category 7 (Employee Commuting) calculation.

Appendices (continued)

Exclusions

Individual Source Exclusions

The individual emission source exclusions listed in Table 10 are excluded from the GHG emissions inventory due to immateriality and difficulty obtaining data.

Category Exclusions

Five Scope 3 categories are excluded as they are outside minimum disclosure boundaries, immaterial or difficult to obtain data for:

- **Category 4: Upstream transportation and distribution.** For most purchased products, transport is covered by Category 1 and 2 as it is included in the overall purchase price. Where freight is split out, the resulting transport- and distribution-related emissions are immaterial.
- **Category 8: Upstream leased assets.** Most emissions from the operation of leased assets are covered in Scope 1 and 2. Energy use and refrigerant leaks at offshore locations and some regional airports is difficult to track, but immaterial.
- **Category 9: Downstream transportation and distribution.** This could include optional emission sources, such as passenger transport to and from airports. Air New Zealand has elected not to include this category due to the difficulty in obtaining activity data;
- **Category 11: Use of sold products.** For Air New Zealand, the key product sold is air transportation. Whether for passengers or cargo, these emissions are already reported in the inventory through Well-to-Wake jet fuel emissions; and
- **Category 12: End-of-life treatment of sold products.** Optional disclosure could cover the end-of-life treatment of products sold via the Airpoints™ store. These emissions have been excluded as they are considered immaterial, and it is difficult to obtain accurate data or influence emissions reductions.

Three categories were identified as not applicable:

- **Category 10:** Processing of sold products;
- **Category 13:** Downstream leased assets; and
- **Category 14:** Franchises.

Methods, assumptions and uncertainties

Air New Zealand's GHG emissions inventory covers all material emission sources and has generally adopted the most specific calculation methods that its data currently allows.

GHG emissions accounting inherently relies on assumptions and estimates that lead to estimation uncertainty. The effect of this uncertainty is that emissions might be over- or understated. Therefore, the corresponding categories' emissions data should be interpreted accordingly. An overview of the emission sources covered by Air New Zealand's GHG emissions inventory, including calculation methods, assumptions made, and an assessment of the uncertainty for each emissions source is provided in Table 10 on pages 32 to 34.

Air New Zealand uses a qualitative assessment of uncertainty as a measure of data quality, with a focus on parameter uncertainty. Uncertainty is highest where data limitations require the airline to adopt the spend-based method, because product- or supplier-specific data are not currently available. This method multiplies the value of purchased goods or services by an emissions intensity for the commodity per dollar of expenditure. Emissions calculated using the spend-based method currently make up 9.1 percent of the airline's overall GHG emissions inventory.

While the GHG Protocol Value Chain Standard highlights that higher uncertainty for Scope 3 emissions is acceptable[51], the spend-based method has limitations: the activity data used are allocated into purchasing categories rather than organised by individual product and service type; and, similarly, emission intensities refer to high level commodity groups and are calculated using underlying assumptions that might not be applicable to the actual purchases by the airline.

Air New Zealand continues to make improvements across its GHG emissions inventory to reduce uncertainties. The airline is committed to continuing this work by engaging with suppliers and improving data quality where possible. Changes made in the 2026 financial year are documented in Table 10.

Sources for the emission factors and GWP rates used:

MfE (2026): Ministry for the Environment (NZ) 'Measuring Emissions Catalogue 2026: Emission Factors', via https://measuringemissionsguide.environment.govt.nz/

DESNZ (2026): Department for Energy Security and Net Zero (UK) 'Greenhouse gas reporting: conversion factors 2026: full set', via https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2026

Auckland Council (2023): 'Consumption Emissions Modelling', via https://www.knowledgeauckland.org.nz/media/2593/consumption-emissions-modelling-market-economics-march-2023.pdf

ATR (2026): 'ATR72-600 Life Cycle Analysis', internal document supplied by ATR on 8 May 2026

Ecoinvent: 'aircraft production, passenger aircraft, long haul', via https://ecoquery.ecoinvent.org/3.11/cutoff/dataset/19708/documentation and 'aircraft production, passenger aircraft, very short haul', via https://ecoquery.ecoinvent.org/3.11/cutoff/dataset/21236/documentation (values accessed via SimaPro)

Agrilink (2023): 'New Zealand fuel and electricity total primary energy and life cycle greenhouse gas emissions factors 2023', via https://agrilink.co.nz/wp-content/uploads/2024/03/Fuel-LCA-emission-factors-2023-2.pdf

AR5: Intergovernmental Panel on Climate Change (IPCC) 'Climate Change 2013: The Physical Science Basis', via https://www.ipcc.ch/report/ar5/wg1/

AR4: IPCC 'Climate Change 2007: The Physical Science Basis', via https://www.ipcc.ch/report/ar4/wg1/

AR6: IPCC 'Climate Change 2021: The Physical Science Basis', via https://www.ipcc.ch/report/sixth-assessment-report-working-group-i/

51. See page 75 of the GHG Protocol Value Chain Standard.

Assurance

7.1 Assurance report

The Audit Office
Te Mana Arotake

Independent Assurance Report

To the shareholders of Air New Zealand Limited on the GHG Emissions Disclosures in the Group Climate Statement for the year ended 30 June 2026

Under section 461ZH(3) of the Financial Markets Conduct Act 2013 ('the Act'), the Auditor-General is the assurance practitioner of Air New Zealand Limited (the 'Company') and its subsidiaries (the 'Group'). The Auditor-General has appointed me, Jason Stachurski, using the staff and resources of Deloitte Limited, to carry out an assurance engagement, on his behalf, on:

- the Selected Greenhouse Gas ('GHG') Emissions disclosed in the Group Climate Statement for the year ended 30 June 2026, prepared in accordance with Aotearoa New Zealand Climate Standards that is required to be the subject of an assurance engagement under section 461ZH(1) of the Act (the 'mandatory GHG disclosures'); and
- the Greenhouse Gas Inventory Report, included in Appendix C to the Climate Statement (the 'additional GHG disclosures') for the year ended 30 June 2026, prepared in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) (the 'Applicable Criteria'). For Scope 3 emissions the Applicable Criteria includes the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

Collectively the subject matter of our assurance engagement is referred to as the Group's GHG disclosures (the 'GHG disclosures').

Scope of the engagement and level of assurance

The additional GHG disclosures are based on historical information and provide further disclosures about the GHG emissions of the Group for the year ended 30 June 2026 to meet the requirements of the Applicable Criteria, in addition to the minimum disclosure requirements of the Aotearoa New Zealand Climate Standards.

As part of our assurance engagement over the Group's GHG disclosures, we have undertaken a reasonable assurance engagement in relation to the Selected Scope 1 and 2 GHG emissions disclosures and a limited assurance engagement in relation to the Selected Scope 3 GHG emissions disclosures, as set out below.

Reasonable assurance	Reference
Subject matter: Selected Scope 1 and 2 mandatory GHG disclosures	
GHG emissions: gross emissions in metric tonnes of Carbon dioxide equivalent ('CO_2e') classified as: • Scope 1 • Scope 2 (calculated using the location-based method)	Pages 19 to 20 and Appendix C
Additional requirements for the disclosures of gross GHG emissions per paragraph 24 (a) to (d) of Aotearoa New Zealand Climate Standard 1: *Climate-related Disclosures* ('NZ CS 1'), being: • The statement describing that the Group's GHG emissions have been measured in accordance with the requirements of the Applicable Criteria, to the extent this pertains to Scope 1 and 2 GHG emissions; • The statement that the GHG emissions consolidation approach used is operational control, to the extent this pertains to Scope 1 and 2 GHG emissions; • Sources of Scope 1 and 2 GHG emission factors and the global warming potential ('GWP') rates used or a reference to the GWP source; and • The summary of specific exclusions of Scope 1 and 2 GHG emissions sources (if applicable), including facilities, operations or assets with a justification for their exclusion.	Pages 19 to 20 and Appendix C
Disclosures relating to Scope 1 and 2 GHG emissions methods, assumptions and estimation uncertainty per paragraphs 52 to 54 of Aotearoa New Zealand Climate Standard 3: *General Requirements for Climate-related Disclosures* ('NZ CS 3'): • Description of the methods and assumptions used to calculate or estimate Scope 1 and 2 GHG emissions, and the limitations of those methods. • Description of uncertainties relevant to the Group's quantification of its Scope 1 and 2 GHG emissions, including the effects of these uncertainties on the GHG emissions disclosures.	Appendix C
Subject matter: Scope 1 and 2 additional GHG disclosures	**Reference**
Scope 1 and 2 GHG emissions and related disclosures, comprising the emissions inventory and explanatory notes prepared in accordance with the requirements of the Applicable Criteria.	Appendix C

Assurance (continued)

7.1 **Assurance report** (continued)

Limited assurance	Reference
Subject matter: Selected Scope 3 mandatory GHG disclosures	
GHG emissions: gross emissions in metric tonnes of CO_2e classified as: • Scope 3	Pages 19 to 20 and Appendix C
Additional requirements for the disclosures of gross GHG emissions per paragraph 24 (a) to (d) of NZ CS 1, being: • The statement describing that the Group's GHG emissions have been measured in accordance with the requirements of the Applicable Criteria, to the extent this pertains to Scope 3 GHG emissions; • The statement that the GHG emissions consolidation approach used is operational control, to the extent this pertains to Scope 3 GHG emissions; • Sources of Scope 3 GHG emission factors and the GWP rates used or a reference to the GWP source; and • The summary of specific exclusions of sources of Scope 3 GHG emissions, including facilities, operations or assets with a justification for their exclusion.	Pages 19 to 20 and Appendix C
Disclosures relating to Scope 3 GHG emissions methods, assumptions and estimation uncertainty per paragraphs 52 to 54 of NZ CS 3: • Description of the methods and assumptions used to calculate or estimate Scope 3 GHG emissions, and the limitations of those methods. • Description of uncertainties relevant to the Group's quantification of its Scope 3 GHG emissions, including the effects of these uncertainties on the GHG emissions disclosures.	Appendix C
Subject matter: Scope 3 additional GHG disclosures	
Scope 3 GHG emissions and related disclosures, comprising the emissions inventory and explanatory notes prepared in accordance with the requirements of the Applicable Criteria.	Appendix C

Conclusion

Reasonable assurance opinion

In our opinion the Group's (Selected) Scope 1 and 2:

- mandatory GHG disclosures within the scope of our reasonable assurance engagement for the year ended 30 June 2026, are fairly presented and prepared, in all material respects, in accordance with Aotearoa New Zealand Climate Standards, issued by the External Reporting Board; and
- additional GHG disclosures within the scope of our reasonable assurance engagement for the year ended 30 June 2026, have been prepared, in all material respects, in accordance with the requirements of the Applicable Criteria.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Group's (Selected) Scope 3:

- mandatory GHG disclosures within the scope of our limited assurance engagement for the year ended 30 June 2026, are not fairly presented and not prepared, in all material respects, in accordance with Aotearoa New Zealand Climate Standards, issued by the External Reporting Board; and
- additional GHG disclosures within the scope of our limited assurance engagement for the year ended 30 June 2026, have not been prepared, in all material respects, in accordance with the requirements of the Applicable Criteria.

Other matter – comparative information

The comparative mandatory GHG disclosures for 2024 on pages 19 to 20 and Appendix C was assured by Deloitte Limited in the firm's own capacity under New Zealand Standard on Assurance Engagements 1: *Assurance Engagements over Greenhouse Gas Emissions Disclosures* ('NZ SAE 1'). As such, these disclosures are not covered by our assurance conclusion. The comparative mandatory GHG disclosures for 2025 on pages 19 to 20 and Appendix C was assured by Deloitte Limited on behalf of the Auditor-General.

The comparative information, being the Group's additional GHG disclosures for 2025, 2024 and 2019 in Appendix C was assured by Deloitte Limited in the firm's own capacity under International Standard on Assurance Engagements (NZ) 3410: *Assurance Engagements on Greenhouse Gas Statements* ('ISAE (NZ) 3410'). Deloitte Limited expressed unmodified reports dated 28 August 2025, 29 August 2024 and 13 September 2019 respectively.

The Board of Directors' responsibilities

Subparts 2 to 4 of Part 7A of the Financial Markets Conduct Act 2013 set out requirements for a climate reporting entity in preparing a Climate Statement, which includes proper record keeping, compliance with the climate-related disclosure framework and subjecting it to assurance.

The Aotearoa New Zealand Climate Standards have been issued by the External Reporting Board as the framework that applies for preparing and presenting a climate statement or group climate statement. The Board of Directors of the Group is therefore responsible for preparing and fairly presenting the Group Climate Statement for the year ended 30 June 2026, in accordance with those standards. In addition, the Board of Directors are responsible for the

Assurance (continued)

7.1 **Assurance report** (continued)

preparation of the additional GHG Disclosures included as Appendix C to the Group Climate Statement in accordance with the requirements of the Applicable Criteria.

The Board of Directors is also responsible for the design, implementation, and maintenance of internal control relevant to preparing the Group's Climate Statement that is free from material misstatement, whether due to fraud or error.

Our responsibilities

Section 461ZH of the Financial Markets Conduct Act 2013, requires the mandatory GHG disclosures included in the Group Climate Statement to be the subject of an assurance engagement.

NZ CS 1, paragraph 25 requires such an assurance engagement at a minimum to be a limited assurance engagement, and paragraph 26 specifies the scope of the mandatory assurance engagement on GHG disclosures. We agreed to provide reasonable assurance on the Selected Scope 1 and 2 mandatory GHG disclosures, and limited assurance over the Selected Scope 3 mandatory GHG disclosures. We also agreed to provide similar mixed assurance on the additional GHG disclosures in accordance with our letter of engagement.

To meet these responsibilities, we planned and performed procedures (as summarised below), to provide the level of assurance specified. We conducted our assurance engagement in accordance with NZ SAE 1 for the mandatory GHG disclosures and ISAE (NZ) 3410, issued by the New Zealand Auditing and Assurance Standards Board, for both the mandatory and the additional GHG disclosures.

Summary of Work Performed

Reasonable assurance

A reasonable assurance engagement involves performing procedures to obtain evidence about the quantification of emissions and related information in the Group's Selected Scope 1 and 2 GHG disclosures. The nature, timing and extent of procedures selected depend on the assurance practitioner's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error, in the Selected Scope 1 and 2 GHG disclosures.

In making those risk assessments, we considered internal controls relevant to the Group's preparation of the Selected Scope 1 and 2 GHG disclosures. A reasonable assurance engagement also includes:

- Assessing the suitability in the circumstances of the Group's use of Aotearoa New Zealand Climate Standards and the Applicable Criteria as the basis for the preparation of the Selected Scope 1 and 2 mandatory GHG disclosures and Scope 1 and 2 additional GHG disclosures, respectively;
- Evaluating the appropriateness of quantification methods and reporting policies used, and the reasonableness of estimates made by the Group; and
- Evaluating the overall presentation of the Group's Selected Scope 1 and 2 GHG disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Limited assurance

A limited assurance engagement involves assessing the suitability in the circumstances of the Group's use of Aotearoa New Zealand Climate Standards and the Applicable Criteria as the basis for the preparation of the Selected Scope 3 mandatory GHG disclosures and Scope 3 additional GHG disclosures respectively, assessing the risks of material misstatement of the Selected Scope 3 GHG disclosures whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Selected Scope 3 GHG disclosures.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included enquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. In undertaking our limited assurance engagement on the Group's Selected Scope 3 GHG disclosures, we:

- Obtained, through enquiries, an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Selected Scope 3 GHG disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation.
- Evaluated whether the Group's methods for developing estimates are appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group's estimates.
- Performed analytical procedures on particular emission categories by comparing the expected GHGs emitted to actual GHGs emitted and made inquiries of management to obtain explanations for any significant differences we identified.
- Evaluated the appropriateness of emission factors applied.
- Evaluated the presentation and disclosure of the Group's Selected Scope 3 GHG disclosures.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Inherent limitations

Non-financial information, such as that included in the Group's GHG disclosures, is subject to more inherent limitations than financial information, given both its nature and the methods used and assumptions applied in determining, calculating, and sampling or estimating such information. As outlined in Appendix C, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud or error may occur and not be detected.

Assurance (continued)

7.1 **Assurance report** (continued)

Other information

The Group Climate Statement contains information other than the Group's GHG disclosures and the assurance report thereon. The Board of Directors is responsible for the other information.

Our assurance engagement does not extend to any other information included, or referred to, in the Group Climate Statement on pages 1 to 18 and 21 to 29, and appendices, and therefore, no conclusion is expressed thereon, apart from our opinion on the financial statements. We read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Group's GHG disclosures, or our knowledge obtained in the assurance engagement, or otherwise appears to be materially misstated.

Where such an inconsistency or misstatement is identified, we are required to discuss it with the Board of Directors and take appropriate action under the circumstances, to resolve the matter. There are no inconsistencies or misstatements to report.

Independence and quality management

We complied with the Auditor-General's independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* as applicable for audits of public interest entities ('PES 1') issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. These principles for example, do not permit us to be involved in the preparation of the current year's GHG information as doing so would compromise our independence.

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* ('PES 3') and Professional and Ethical Standard 4 *Engagement Quality Reviews* ('PES 4') issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. PES 4 deals with an engagement quality reviewer's appointment, eligibility, and responsibilities.

In addition to this engagement, our firm is the statutory auditor of the financial statements (on behalf of the Auditor-General) and also carries out other assignments for the Group which include the review of the interim financial statements, and assurance services relating to passenger facility charges, and compliance with student fee protection rules. In addition, we also provide non-assurance services in the form of services to the Corporate Taxpayers Group for which Air New Zealand is a member, along with a number of other organisations. These services have not impaired our independence as assurance practitioner for this engagement. In addition to this, partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. Other than these engagements and trading activities, we have no other relationship with, or interest in, the Group or any of its subsidiaries.

Jason Stachurski
Partner
for Deloitte Limited
On behalf of the Auditor-General
Auckland, New Zealand
28 August 2026

STAR ALLIANCE

AIR NEW ZEALAND