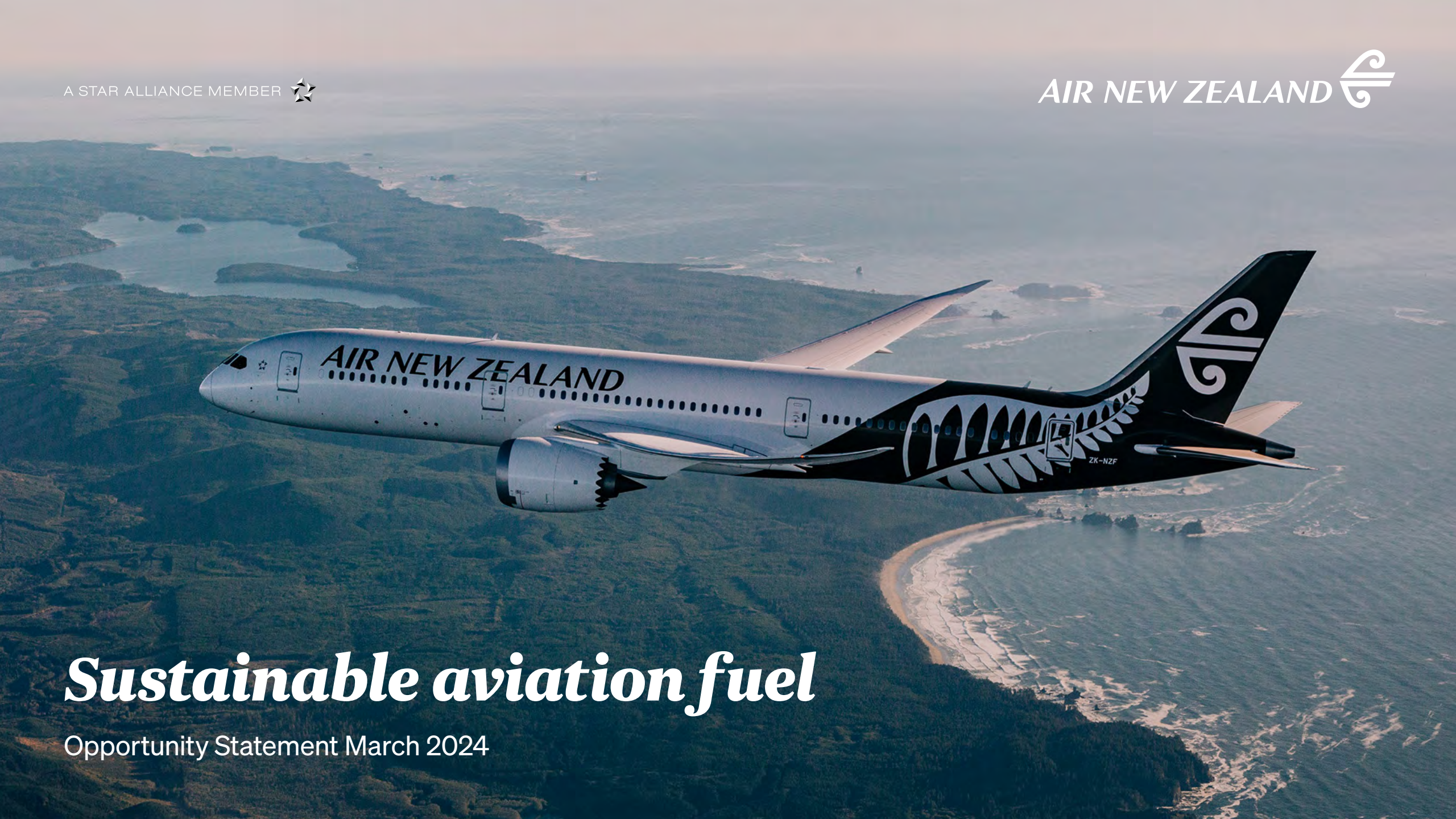
A STAR ALLIANCE MEMBER

AIR NEW ZEALAND



Sustainable aviation fuel

Opportunity Statement March 2024

Opportunity Statement

Air New Zealand wishes to enter into supply or offtake agreements with SAF producers to enable us to meet our sustainability and decarbonisation objectives.

This Opportunity Statement is seeking to clarify your capacity, capability and commercial offering for a potential supply of SAF to Air New Zealand from 2024 onwards, and to facilitate further conversations on that supply.

Air New Zealand is a world-class airline with a strong customer proposition and modern fleet. Underpinned by digital innovation, driving improvements in customer experience and profitability through its refreshed Kia Mau strategy.

84 years

in operation

Airline of the year

2017, 2020 and 2023
awarded by airlineratings.com

#1

corporate reputation
in New Zealand for nine
consecutive years

16 million

passengers
carried in 2023

4.4 million

Airpoints™ loyalty
scheme members

Baa1 (stable)

investment grade
credit rating from
Moody's since 2016

2.2M litres

of SAF imported to Aotearoa New Zealand in 2022 and 2023, representing 0.1% per annum of annual fuel use

8.7 years

average fleet age on
a seat weighted basis

16 years

of consecutive profitability
before 2020

Pacific Rim

focused, with links into
North America, Asia, Australia
and the Pacific Islands

20 domestic

destinations

30 international

destinations

Our Sustainability Framework guides our actions:

Te whakakaha i te manaakitanga o te tangata, o te hapori, o te motu whānui me te ao hoki

Empowering care of our people, communities, country and planet

Our priorities	Caring for New Zealanders Te manaaki i ngā tāngata o Aotearoa	Genuine climate action He mahinga taiao tūturu	Driving towards a circular economy Te whai i te ōhanga whai hua	Sustainable tourism He Tāpoi Mau Roa
Our focus areas	• Care for Air New Zealanders and nurture a diverse, equitable and inclusive workplace • Care for our customers and communities • Support New Zealand's social and economic revival	• Decarbonisation target and roadmap • Customer education and engagement on climate action • Strong governance and climate-related disclosures • Support biodiversity and native forestry offsetting	• Design and procure with a circular mindset • Reduce single-use plastics • Support new infrastructure and innovation • Drive waste minimisation culture and awareness • Diversion from landfill	• Sustainable tourism thought leadership for New Zealand • Endorse Qualmark • Embrace Tiaki Promise and conservation in regions • Support regional and Māori tourism

Key levers in our roadmap to **decarbonisation**

Airlines have a small number of levers to pull to achieve net zero carbon emissions ***by 2050.***

Our success to deliver on the targets will require governments, customers, innovators and others to all play their part, alongside the airline.

Air New Zealand is focused on using its platform to influence and drive positive change in areas beyond its control. Advocacy forms a key component of the airline's decarbonisation strategy.

Levers **we control:**

Operational efficiency

Optimising carbon efficiency from flight and ground operations

Continued fleet renewal

Rollover of current fleet to new aircraft that achieve greater fuel efficiency

Levers that rely on **collaboration with industry and policy makers:**

Sustainable aviation fuel

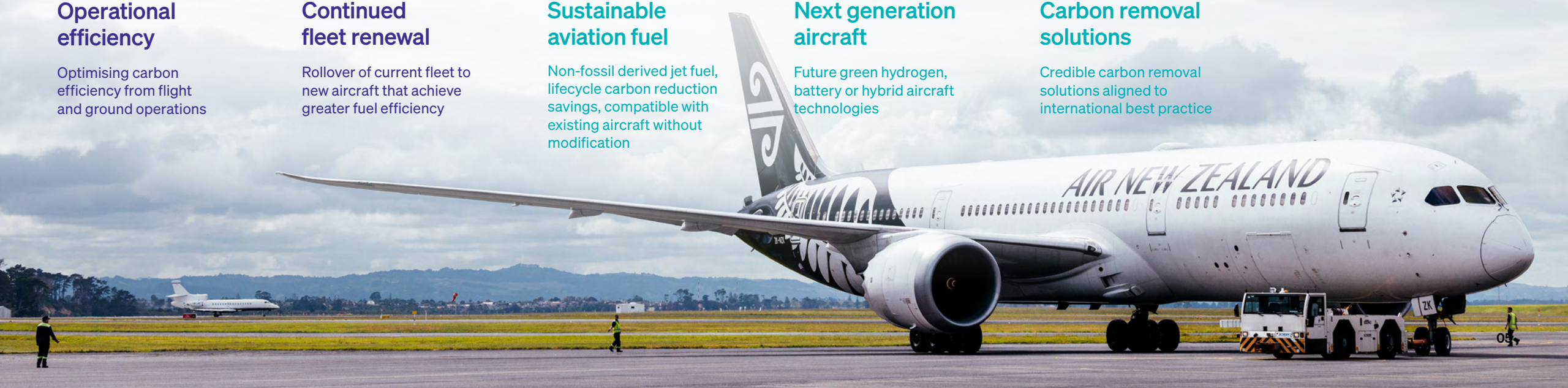
Non-fossil derived jet fuel, lifecycle carbon reduction savings, compatible with existing aircraft without modification

Next generation aircraft

Future green hydrogen, battery or hybrid aircraft technologies

Carbon removal solutions

Credible carbon removal solutions aligned to international best practice



Opportunity statement **background and intent**

We have recognised decarbonisation as a strategic priority and have made the following commitments:

In 2020

Net zero carbon emissions target by 2050.

In 2021

10% SAF adoption by 2030 as a signatory to the *Clean Skies for Tomorrow Ambition Statement.*

In 2022

An interim science-based target to reduce carbon intensity by 28.9% by 2030, from a 2019 baseline, which will require approximately 20% of our total fuel procured to be SAF by 2030 alongside domestic and regional policy support.

The adoption of SAF is the cornerstone of our net zero commitment and sits alongside our other decarbonisation levers on *Slide 5*, including our pioneering work advancing next generation aircraft.

The opportunity

Air New Zealand wishes to enter into supply or offtake agreements with a small number of SAF producers to enable us to meet our sustainability and decarbonisation objectives.

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Operating fleet statistics

AS AT 31 OCT 2023

Boeing 777-300ER

Number: 7
Average Age: 11.2 years
Maximum Passengers: 342
Cruising Speed: 910 km/hr
Average Daily Utilisation: 12:58 hrs

Boeing 787-9 Dreamliner

Number: 14
Average Age: 6.8 years
Maximum Passengers: 302 or 275
Cruising Speed: 910 km/hr
Average Daily Utilisation: 13:47 hrs

Airbus A321neo

Number: 10
Average Age: Short-haul: 4.3 years
Domestic: 0.6 years
Maximum Passengers: Short-haul: 214
Domestic: 217
Cruising Speed: 850 km/hr
Average Daily Utilisation: Short-haul: 9:23 hrs
Average Daily Utilisation: Domestic: 5:28 hrs

Airbus A320neo

Number: 6
Average Age: 3.3 years
Maximum Passengers: 165
Cruising Speed: 850 km/hr
Average Daily Utilisation: 11:12 hrs

Airbus A320ceo

Number: 17
Average Age: 9.4 years
Maximum Passengers: 171
Cruising Speed: 850 km/hr
Average Daily Utilisation: 7:00 hrs

ATR 72-600

Number: 29
Average Age: 6.3 years
Maximum Passengers: 68
Cruising Speed: 518 km/hr
Average Daily Utilisation: 6:12 hrs

Bombardier Q300

Number: 23
Average Age: 16.4 years
Maximum Passengers: 50
Cruising Speed: 520 km/hr
Average Daily Utilisation: 5:53 hrs

Our network


Vancouver
New York
Chicago
San Francisco
Los Angeles
Houston
Honolulu
Seoul
Osaka
Tokyo
Shanghai
Taipei
Hong Kong
Singapore
Denpasar
Cairns
Fiji
Samoa
Rarotonga
Tahiti
Niue
Tonga
New Caledonia
Sunshine Coast
Brisbane
Gold Coast
Perth
Adelaide
Sydney
Melbourne
Auckland
Wellington
Christchurch
Hobart
Queenstown

Our history of SAF action

2008

Air New Zealand completed the 2nd ever commercial flight on a SAF blend

2016

Launched a local SAF RFP with Virgin Australia

2017

First of three Industry wide New Zealand SAF Consortium launched and feasibility work began on SAF in New Zealand

2021

- Air New Zealand signed MOU with the Ministry of Business, Innovation & Employment to work together on establishing feasibility of a NZ SAF Industry
- NZ SAF Consortium published the NZ SAF Whitepaper, a blueprint for a SAF industry in New Zealand feasibility of a NZ SAF Industry

2022

- Air New Zealand received a delivery of SAF into Auckland in partnership with Neste and Z Energy
- FEL1 studies completed for 2x SAF production facilities in NZ

2023

- Air New Zealand received its first international SAF delivery into Singapore in partnership with ExxonMobil
- FEL2 feasibility studies launched with Fulcrum Bioenergy and LanzaJet

Our SAF priorities over the next 12 months

- Continue to secure and sign term sheets for 2030 SAF supply
- Continue advocacy for supportive SAF policy in New Zealand and Asia Pacific
- Establish rateable supply into North American ports of Los Angeles (LAX), San Francisco (SFO) and Vancouver (YVR)
- Launch our customer buying programme for SAF
- Complete Feasibility Studies for New Zealand Domestic SAF production to Conceptual Engineering (FEL2) stage

Jet fuel uplift profile

(US Million Gallons per year)

NEW ZEALAND	216
Auckland	172
Wellington	18
Christchurch	18
Regional NZ	7

AUSTRALIA	29
Sydney	9
Melbourne	9
Brisbane	6
Perth	3
Coolangatta	1
Adelaide	1
Hobart	0.3
Cairns	0.3
Maroochydore	0.1

ASIA PACIFIC	43.0
Singapore	10
Narita	8
Hong Kong	7
Shanghai	7
Pacific Islands	4
Seoul	3
Taipai	3
Denpasar	1

US & CANADA	55
Los Angeles	17
Houston	15
San Francisco	11
New York	15
Chicago	5
Honolulu	3
Vancouver	8

How much SAF do we need?

To reach our 2030 science-based target to reduce carbon intensity by 28.9%, from a 2019 baseline, approximately 20% of the fuel we procure will need to be SAF by 2030. SAF policy, domestic and regional, will be critical to achieving this target.

This means we will need around 80 million gallons of neat SAF per year.

FAQs

Is there a preference for ports to uplift SAF?

Air New Zealand's SAF adoption across our network will be heavily influenced by the relative cost of SAF at each port. While North America is anticipated to be the most cost-effective region for SAF on our network, to meet our SBT we will need to uplift material volumes of SAF in Asia Pacific.

Is there a SAF adoption timeline?

While this process is focused on sourcing towards our 2030 SAF requirement, we are seeking supply from 2024 and expect our SAF demand will ramp up over the next 5-6 years with SAF continuing to scale in the years after that.

What is Air New Zealand's position on the SAF premium?

When we evaluate opportunities the affordability of SAF relative to jet fuel is an important driver, alongside our sustainability criteria.

How much SAF do we need?

Alongside domestic and regional policy support to meet our SBT we will require around 20% of our fuel to be SAF by 2030 (around 80M USG of neat SAF a year). Based on our long-term SAF ramp-up, we currently expect to be using around 300M USG of SAF a year in 2050.

What is Air New Zealand's Book & Claim position?

We are very supportive of book and claim as a methodology. However, because this approach is not currently recognised by the Science-Based Target initiative, funding supply outside our network is not currently a sourcing priority.

Do we prefer certain technologies?

Air NZ accepts current ASTM approved SAF technologies, with a strong preference for higher blend SAF technologies.

Do we prefer certain feedstocks?

We require feedstocks from supply chains which have been RSB or ISCC certified to ensure that their potential sustainability impacts – including land-use, biodiversity and labour impacts – have been holistically considered and are well-managed. We have analysed the sustainability impacts of over a dozen feedstocks and will not purchase mass-balanced SAF made from palm by-products or derivatives, or soy.

Do we have LCA/CI expectations?

Our minimum LCA saving is 60%, with a preference for LCAs of over 75%. We may consider lower LCA savings for first-of-a-kind SAF plants.

Do we have certification expectations?

Air NZ requires its SAF to be certified by an industry-accepted sustainability certification scheme (SCS), such as the Roundtable on Sustainable Biomaterials (RSB) and the International Sustainability and Carbon Certification (ISCC). We prefer CORSIA-eligible SAF to support the development of unified global standards, but accept ISCC EU or RSB EU.

Do we have traceability expectations?

Air NZ supports robust traceability in SAF supply chains as well as efforts to improve traceability.

Response instructions

This Opportunity Statement is seeking to clarify your capacity, capability and commercial offering for potential supply of SAF to Air New Zealand from 2024 onwards, and to facilitate further conversations on that supply.

We welcome any and all clarification questions throughout the response period.

If you would like to respond to this opportunity, please send your response to: sustainableaviationfuel@airnz.co.nz

You may provide a response to this Opportunity Statement in whatever format is most suitable however you must use the Microsoft Office Suite

Response Requirements

Please respond to the questions in the following sections:

1. Company Summary
2. Project Pipeline

Key dates and information

19 March 2024:	Opportunity Statement Released
17 April 2024 (3:00pm NZST):	Deadline for responses
1-15 May 2024:	Air New Zealand provides feedback to suppliers

Supporting Documentation

Air New Zealand Sustainability Report 2023

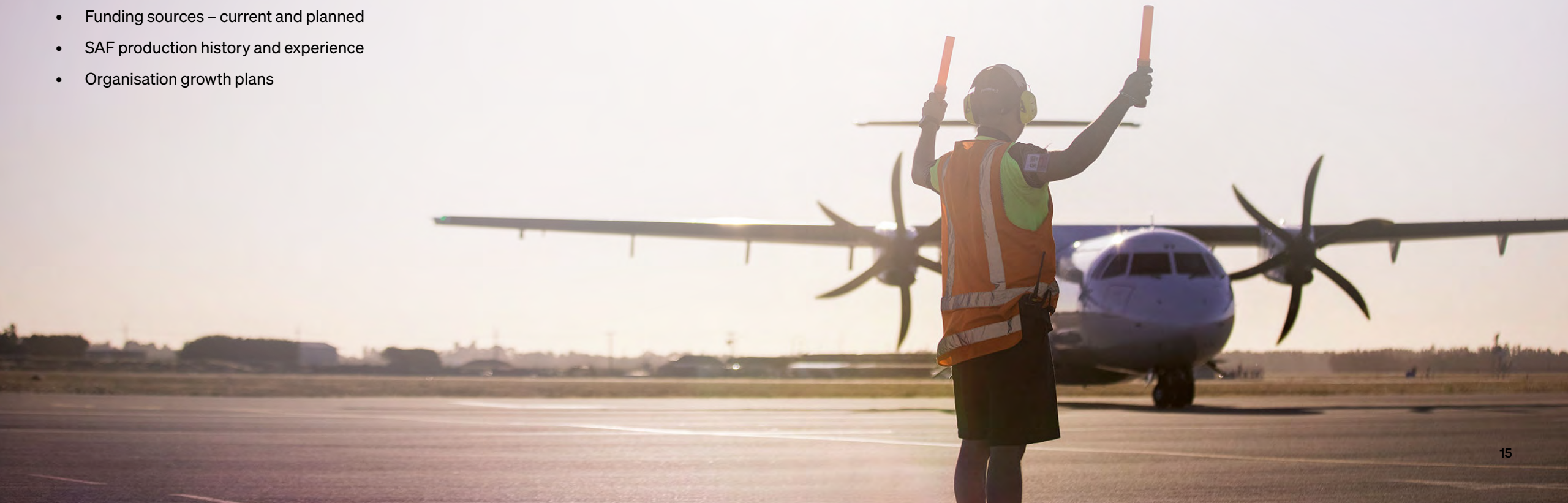
Air New Zealand Supplier Code of Conduct

About Air New Zealand

Company summary

1.1 Provide a summary of the organisation that will deliver the SAF supply

- Organisation structure
- Leadership Team experience, track record
- Shareholding structure
- Key Partners organisations and roles
- Funding sources – current and planned
- SAF production history and experience
- Organisation growth plans



Project pipeline

For each production facility provide the following detail:

2.1 Facility Pipeline

- Facility location(s)
- FID timing
- Commissioning date for plant(s)
- Technologies utilised
- Product mix and volumes (e.g. SAF, Diesel, Naphtha, Gas)
- SAF Production volumes available from 2024 onwards
- Current offtake customers and committed volume
- Technical standard compliance (e.g. ASTM + any others)

2.2 Supply Chain

- Feedstock processing and biorefining location(s)
- Raw and processed feedstock transportation and logistics
- Storage and distribution infrastructure
- Neat SAF delivery location(s)

2.3 Feedstock

- Feedstock type(s) and ratios
- Country of origin
- Detail on material sustainability impacts of feedstock, and your plans to manage these

2.4 Life Cycle Assessment/Carbon Intensity

- Provide an estimate of the LCA/CI score for the SAF using an established calculation methodology

2.5 3rd party sustainability certification

- Provide details on the 3rd party sustainability certification(s) achieved or the certification plan e.g. RSB, ISCC

2.6 Commercial proposal

- Forecast SAF price in USD/USG (ex-works price)
- Suggested pricing model
- Proposed SAF offtake term
- Cost drivers that impact the level of confidence on pricing
- Identify relevant government incentives, subsidies, credits etc

AIR NEW ZEALAND

A STAR ALLIANCE MEMBER