

Position Statement



Palm Oil Position Statement

1.0 Context

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

2.0 Position Statement

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

2.4 Air New Zealand supports the position on palm oil set out by the Roundtable on Sustainable Palm Oil (RSPO). Air New Zealand considers that RSPO provides the most widely accepted global approach to developing and enforcing harmonised sustainability standards in palm oil production and processing. The RSPO principles for certification are set out below¹:

Planet	<ul style="list-style-type: none"> • Protect, conserve, and enhance ecosystems and the environment
People	<ul style="list-style-type: none"> • Respect workers’ rights and conditions • Respect community and human rights and deliver benefits • Support smallholder inclusion
Prosperity	<ul style="list-style-type: none"> • Optimise productivity, efficiency, positive impacts, and resilience • Operate legally and respect rights • Behave ethically and transparently

2.5 Air New Zealand’s goal is to source 100 percent certified sustainable palm oil from RSPO certified sources. To achieve this goal, Air New Zealand is committed to working with its direct suppliers to ensure greater transparency over its supply chain and achieve a transition to 100 percent certified sustainable palm oil from RSPO certified sources by 2025.

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

3.0 Scope

3.1 This Position Statement applies to all Air New Zealand procured products and materials that contain palm oil and are part of the following product and service categories:

- i. Food & Beverage
- ii. Facilities Cleaning Maintenance
- iii. Inflight Consumables
- iv. Aircraft Maintenance

3.2 For clarity, this Position Statement does not apply to sustainable aviation fuel (SAF). Air New Zealand has a separate SAF sustainability position.

4.0 Action Plan

4.1 Engagement and collaboration

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

4.2 Traceability and certification

Food and Beverage supply chain

4.2.1 In 2022 and 2023, the Action Plan shall focus on generating greater transparency and understanding as to the existence of palm oil in the Food & Beverage category of Air New Zealand’s supply chain.

¹ <https://www.rspo.org/resources/certification/rspo-principles-criteria-certification>

- 4.2.2 To achieve this, Air New Zealand shall engage with its direct Inflight and Lounge Caterers and general food suppliers to identify and map products sourced on behalf of Air New Zealand that contain palm oil in their supply chain. Air New Zealand will work with each Food and Beverage category supplier to achieve the following milestones:
- i. By Dec 2022: Individual palm oil audit plans in place for each supplier
 - ii. By Dec 2023: Individual audits completed to identify palm oil in each supplier's supply chain in accordance with that supplier's individual audit plan, by the end of CY 2023

Other supply chains

- 4.2.3 At the conclusion of this work program and on the revision of this Position Statement, Air New Zealand will look to:
- i. Develop a programme of work across other service category suppliers who source products and materials on behalf of Air New Zealand and/or as part of their managed services to map palm oil, ensuring only certified sustainable palm oil is sourced from credible organisations
 - ii. Work with direct suppliers of products and materials containing palm oil to ensure only RSPO fully certified sustainable palm oil that is sourced from credible organisations is used for or in the production of products supplied to Air New Zealand, in line with the airline's 2025 goal set out at clause 2.5
- 4.2.4 In 2022, Air New Zealand undertakes to investigate the opportunity to purchase RSPO credits² to cover uncertified or unsegregated palm oil supply identified in its supply chain.

4.3 Monitoring and reporting

- 4.3.1 Air New Zealand shall continue to communicate its commitment to sourcing sustainable palm oil through open and transparent engagement to customers, suppliers, sub-contractors, and wider value chains where appropriate.
- 4.3.2 Air New Zealand shall report on progress against this action plan on an annual basis.

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

- 4.4.1 Air New Zealand continues to engage with its suppliers to introduce the expectations outlined in this Position Statement, and to create joint action plans to deliver on these. It is standard practice for all new supplier contracts to contain a Palm Oil Schedule, reflecting the provisions and requirements of this Position Statement. In the case of existing contracted suppliers, it is common practice for the Palm Oil Schedule to be included at the time of any contract amendments.
- 4.4.2 Suppliers of products containing palm oil are expected to meet the provisions of this Position Statement, in addition to ensuring compliance with the Air New Zealand Supplier Code of Conduct.
- 4.4.3 Suppliers of products containing palm oil are expected to work purposefully towards achieving Air New Zealand's palm oil certification and traceability requirements.
- 4.4.4 If a supplier of products containing palm oil is unable to meet the expectations outlined in this Position Statement, Air New Zealand will work with them to develop an action plan with time-bound commitments.

5.0 Related Documents

- [Supplier Code of Conduct](#)

6.0 Version History

² An RSPO Credit is proof that one ton of certified palm oil was produced by an RSPO certified company or independent producer and has entered the global palm oil supply chain. By purchasing credits, buyers encourage the production of certified sustainable palm oil.

Issue	Owner	Action	Approved by	Date
2.0	Sustainability	New policy to support commitment to certified sustainable palm oil.	General Manager of Supply Chain	December 2019
3.0	Supply Chain	Update to policy to define work program for CY2022 & CY2023	General Manager of Supply Chain	December 2021