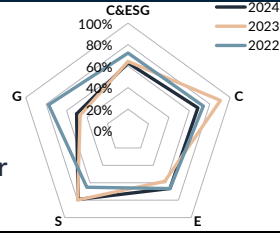


Company ticker:

AIR

B+

Fast Follower



	Grade	Score	Industrials Average	New Zealand Average	Industrials Sector Weights
Carbon	A-	68%	61%	61%	20%
Environmental	B+	67%	55%	52%	20%
Social	A+	79%	59%	61%	20%
Governance	C+	50%	54%	59%	40%
Total	B+	63%	56%	59%	

Forsyth Barr Commentary

Daring Manoeuvre: Air New Zealand's (AIR) score in the Carbon section was a solid A- (A+ in 2023), but its Carbon rank slipped from 4th to 29th. This is principally due to AIR's withdrawal from the Science Based Targets Initiative (SBTi). While this has lowered its score, we acknowledge that it was a brave move for AIR to publicly front up to the withdrawal, avoid greenwashing, and ensure that its targets are realistic. AIR's best section was Social, where its product quality and accessibility, as well as its diversity metrics reporting, were particular strengths. Governance was AIR's weakest section, where it is held back by its long auditor tenure (acknowledging its auditor is appointed by the Auditor General), and the 51% shareholding from the NZ government (considered a blocking shareholder). Overall, AIR remains firmly planted in the Fast Follower category this year.

Carbon	Metric	Data	Score	Weight	Group Score	Group Wgt	
Climate Reporting	C1.1	Is the company a Climate Reporting Entity, required to prepare climate-related disclosures in accordance with the Aotearoa NZ Climate Disclosure Standards?	Yes				
	C1.2	Has the company filed its first mandatory climate-related disclosures and/or voluntarily reported in accordance with the Standards?	Yes				
GHG Emissions	C2.1	For how long have scope 1 and 2 CO2e (tonnes) been tracked, measured and publicly reported by the company?	≥ 5 years	1.00	20.00%		
	C2.2	If at least five years of scope 1+2 emissions data, are scope 1+2 emissions decreasing, stable, or increasing over the last five years?	+35.00%	0.00	20.00%		
	C2.3	If at least five years of scope 1+2 emissions data, is carbon intensity decreasing, stable, or increasing?	-21.65%	1.00	20.00%	72.00%	33.33%
	C2.4	Has the company identified and publicly disclosed its most material scope 3 emission sources?	Yes	1.00	20.00%		
	C2.5	For how long have scope 3 CO2e (tonnes) been tracked, measured and publicly reported by the company?	3 years	0.60	20.00%		
Emissions Management	C3.1	Does the company have an emissions reduction target or net zero commitment in place?	Yes	1.00	16.67%		
	C3.2	If a target is in place, is the target based on an absolute emissions and/or an emissions intensity measure?	Absolute	1.00	16.67%		
	C3.3	If a target is in place, is the target aligned with and/or verified by the SBTi (or similar) as a science-based target?	No	0.00	16.67%	66.67%	33.33%
	C3.4	Is there a clearly defined climate transition plan in place outlining the strategy to meet emissions reduction targets?	Yes	1.00	16.67%		
	C3.5	Is the company already operating at net zero and if so, how are offsets used to help meet targets?	No	0.00	16.67%		
	C3.6	Has the company introduced the concept of a 'just transition' into its climate ambitions?	Yes	1.00	16.67%		
Risk & Opportunity Management	C4.1	Has the company outlined how its assessment of climate-related risks and opportunities serves as an input to capital deployment and funding decisions?	Yes	1.00	33.33%		
	C4.2	Has the company publicly announced any new projects or partnerships (over the last 12 months) that will amount in significant (<-10%) emissions reductions?	No	0.00	33.33%	66.67%	33.33%
	C4.3	Does the company own any proven or probable fossil fuel reserves?	No	1.00	33.33%		
C - Total						A- (68.44%)	

Environmental	Metric	Data	Score	Weight	Group Score	Group Wgt	
Environmental Management Systems	E1.1	Does the company have ISO 14001, EMS, Toitū Envirocare carbonzero or equivalent certification on all applicable sites?	Yes	1.00	33.33%		
	E1.2	Has the company made commitments to new build or retrofit to meet level 4, 5 or 6 of the Green Star (or equivalent Homestar if relevant) standard in owned or leased buildings?	Green Star 5	1.00	33.33%	66.67%	33.33%
	E1.3	Has there been an environmental fine or breach (including any resource consent discharge breaches such as nutrient or harmful substances discharges) in the last three years?	Breach	0.00	33.33%		
Waste & Water	E2.1	Is there a commitment to reduce waste in place?	Yes	1.00	50.00%		
	E2.2	If there is five years of waste management data, is total waste to landfill decreasing, stable, or increasing?	< 5y data	0.00	50.00%		
	E2.3	Is water consumption material to the company's business operations and/or supply chain?	No	0.00	0.00%		
	E2.4	If water consumption is considered material to the company's operations, is the company currently implementing any water stewardship practices to reduce water usage or improve water efficiency?	Not material	0.00	0.00%	50.00%	33.33%
	E2.5	If water consumption is considered material to the company's operations, and if there is five years of water data, is total water use decreasing, stable, or increasing?	Not material	0.00	0.00%		
Biodiversity & Circular Economy	E3.1	Is there a commitment by the company to preserve and protect biodiversity and/or natural ecosystems?	Yes	1.00	33.33%		
	E3.2	Does the company voluntarily report against the TNFD framework?	No but committed	0.50	33.33%	83.33%	33.33%
	E3.3	Is the company actively engaged in implementing circular economy principles into its business model?	Yes	1.00	33.33%		
E - Total						B+ (66.67%)	

