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23

AIR CHATHAMS

# Sustainability Strategy 2023



**Your family  
in the sky**  
*to whanau i te rangi*

[airchathams.co.nz](https://airchathams.co.nz)



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# Executive Summary

As a crucial and exclusive connector to the regions we serve, Air Chathams assumes a significant responsibility in securing the sustainability of these communities, encompassing the three pillars of sustainability: environment, community, and finance. While Air Chathams is still in the early stages of its sustainability journey, it is committed to working with local organizations to adopt a community-focused and environmentally friendly approach to its operations. The goal is to support the preservation of Aotearoa's air, land, and water, while also enhancing economic benefits.

This sustainability strategy outlines Air Chathams' past accomplishments and proposes a set of actions that the company aims to execute in the next three years, with the intention of building sustainable communities for the future. Despite being a small airline, Air Chathams has always been dedicated to achieving remarkable things, and we are determined to follow through on all of the initiatives outlined in this strategy.

Under the environmental stewardship pillar, we have set ambitious targets to reduce our carbon footprint, increase our use of renewable energy, and minimize waste generation. We will also work to promote sustainable sourcing and ensure that our products and services are designed with sustainability in mind.

The people, culture, and community pillar focuses on promoting diversity, equity, and inclusion in our workforce, supporting community development initiatives, and ensuring ethical practices throughout our operations and supply chain.

Finally, the economic performance pillar is about creating long-term value for our stakeholders, including our shareholders, employees, customers, and communities. We will do this by adopting sustainable business practices, investing in innovation and research, and building strategic partnerships with stakeholders who share our commitment to sustainability.

To ensure the success of our sustainability strategy, we will establish a governance structure that includes clear accountability, performance measurement, and reporting mechanisms. We will also engage our employees, customers, and other stakeholders in the implementation of our strategy and regularly review and update our targets and objectives to reflect changing business and societal needs.

In conclusion, our sustainability strategy is a key driver of our long-term success and a reflection of our commitment to creating a more sustainable future. By embracing this strategy, we can build a more resilient and prosperous company that contributes to a healthier planet and a more equitable society.

# Key sustainability actions for 2023

1

## CARBON EMISSIONS AUDIT

To begin our sustainability efforts, we will conduct a comprehensive carbon emissions audit of Air Chathams' Auckland hangar. This facility is the hub of our logistics, resources, and activities, and therefore represents the largest source of our carbon emissions. We will engage an environmental service provider to conduct the audit, with the aim of identifying areas where we can reduce our carbon footprint. Once we have completed the audit and implemented the necessary changes, we will then look to replicate these carbon emissions reductions throughout our other business locations in the future. By taking this approach, we can prioritize our efforts where they will have the greatest impact and lay the foundation for a more sustainable future across our entire organization.

2

## WE WILL FURTHER DEVELOP OUR ONLINE CUSTOMER CARBON OFFSETTING

We will facilitate and launch our online carbon offsetting facility for customers in partnership with CarbonClick for both our individual and corporate customers to mitigate their carbon emissions. Through our platform, individual customers can easily offset their carbon footprint when booking flights, while our corporate clients gain access to a bespoke portal, enabling them to offset emissions for an entire year. By supporting certified carbon reduction projects worldwide, together we can make a positive impact on the environment.

3

## INTERNAL ONSITE WASTE REDUCTION INITIATIVES

We plan to introduce on-site community vegetable garden boxes and decomposable worm farms. These initiatives will serve a dual purpose of disposing of our on-site organic waste and providing our staff with access to fresh, nutritious produce that promotes cultural resilience.

4

## INTRODUCE A CONSERVATION CHARTER ON THE CHATHAM ISLANDS

In partnership with key stakeholders, we want to encourage environmental sustainability and best practice for tourism activities on the Chatham Islands - focusing on sustainable fishing, hunting, and diving. 'Leave only footprints' will be our motto.

5

## AUDIT OUR COLLECTIVE IMPACT ON WASTEWATER AND STORMWATER

We plan to commission Wilkinson Environmental Ltd to conduct an audit of Air Chathams' Auckland hangar to assess our wastewater and stormwater mitigation practices and identify areas for improvement. We will use the results of this audit to establish best practices for wastewater and stormwater management and replicate them across all of our locations.

6

## ONGOING COMMUNITY INVESTMENT

We are committed to supporting community-driven conservation projects at all of our destinations, and we will continue to invest in and elevate these initiatives. Our focus will be on supporting practical, transparent projects that have a tangible impact on the environment and local communities.

7

## INVEST IN OUR INTERNAL STAKEHOLDERS

To promote workplace well-being, we will establish a social committee and develop a social calendar. This committee will be responsible for organizing a variety of social events and activities throughout the year that promote team building, reduce stress, and foster a positive workplace culture. The social calendar will include a range of activities, such as team-building exercises, wellness initiatives, and social events that bring staff together outside of the workplace.



# Responsibility

At Air Chathams, achieving the success of our sustainability strategy involves the collective efforts of all stakeholders, including customers, staff, and suppliers. To ensure that our sustainability journey is a success, we have created a small internal team comprising senior leaders from our operations, health and safety, and marketing departments. This team is responsible for overseeing the success of our stakeholders' engagement in our sustainability journey.

To support our internal team, we have engaged external advisors, such as the Sustainable Business Network, Qualmark, TIA Green Room, and Tiaki. These groups will provide expert guidance and support to help us achieve our sustainability goals. Despite the small size of our internal team, we are committed to making significant progress towards a sustainable future, and we believe that collaboration with our stakeholders and external experts will be critical to achieving this.



Air Chathams is proud to be an 'Investor for Impact' of the Sustainable Business Network.

As an Investor for Impact of the Sustainable Business Network, we are committed to:

1. Working together to empower business so people and nature prosper.
2. Investing in collective impact on climate, waste and water.
3. Supporting the restoration of New Zealand's waterways through our contribution to Million Metres.

For more information go to: [www.sustainable.org.nz](http://www.sustainable.org.nz)



Aligned with our Qualmark 'GOLD' certification and our Brand Values:  
**WE ARE WHĀNAU!**

Our shared family values extend to our own people and the communities we serve.

We are accountable to each other and put people over profits.

All staff follow set induction and training processes both company wide and role specific.

Ongoing training and development plans are mandatory for all staff, with many progressing through the business from ground handler to pilot.

Customer feedback is invited by post flight NPS surveys, and responses are closely monitored.



Aotearoa is precious, and everyone who lives and travels here has a responsibility to look after it.

The Tiaki Promise is Air Chatham's commitment to care for New Zealand, for now and for future generations.

This is our commitment to promoting and educating our customers to sustainable tourism practices throughout New Zealand.

To act as a guardian, protecting and preserving our home.



By partnering with Carbonclick Air Chathams is able to deliver simple, meaningful and transparent carbon offsetting options for our customers.

Offering high-quality, fully verified carbon offset projects (that resonate with passengers) empowers New Zealanders to select top reforestation and clean renewable energy projects that claim emission reductions, as these can effectively reduce greenhouse gas in the atmosphere.

Air Chathams is proud to be the first airline globally to incorporate Carbonclick's new fully integrated carbon offset technologies!



By giving back to our local environment through community conservation, 'here and now' Air Chathams is helping restore the natural environments of Aotearoa in a very grassroots and credible way.

The following are environmental and conservation groups we actively support in the locations we do business in:



# About Air Chathams

Air Chathams is proudly family owned and operated and is also proud to have been connecting Kiwis with friends and whānau for 35 years. We are also Aotearoa New Zealand's largest privately owned airline and we strive to go above and beyond in everything we do, from offering aviation solutions for a remote, isolated island community so they can further develop into the thriving economy we see today, to supporting regional New Zealand through regular air links. We are a customer-focused and solution-orientated organisation, who thrive on being innovative problem solvers and that delivers safe, efficient, and sustainable outcomes for the many communities throughout Aotearoa and the Pacific that we serve. We see our airline as our family, and we aim to be your family in the sky!



8  
PORTS ON  
SCHEDULE



11  
AIRCRAFT



120,000+  
PASSENGERS  
CARRIED PER YEAR



1000+  
TONNES OF CARGO  
CARRIED PER YEAR

# Air Chathams sustainability vision

At Air Chathams we recognise sustainability as a multifaceted concept that encompasses various dimensions including the environment, our people and culture, the wider community, and our financial resilience. To Air Chathams, sustainability is a critical aspect, as it pertains to the ability to operate without compromising our future generations' ability to meet their needs.





*The Pyramid / Tarakoikoia, a small island south of Pitt Island in the Chatham Islands. Image by Dave Shaw.*



## Environmental

At Air Chathams we embrace the holistic view around Kaitiakitanga (practicing guardianship of the natural world). As we address climate change and environmental challenges from an internal cultural perspective of mitigation and refining good aviation sustainability practice, we are invested in a nature-focused ethos at the very heart of our business and cultural DNA. By investing in and elevating present community-driven conservation projects (locally in a practical and transparent way) helping rehabilitate the environmental footprint of our awa (waterscapes), moana (oceans) and whenua (land) in the locations where Air Chathams connects Kiwis.

## Environmental achievements

INITIATIVE	DESCRIPTION	OUTCOME
<b>Compost project</b>	Use of compostable products on board flights. Compostable Products on board: <ul style="list-style-type: none"> <li>• Hot Cups</li> <li>• Lids</li> <li>• Cold Cups</li> <li>• Wooden Stirrers</li> <li>• Paper Towels (White Hand Towels)</li> <li>• Napkins</li> </ul>	As a result of changing to compostable products on board flights, Air Chathams food waste bin has saved just under a tonne going to landfill over the last 12 months.
<b>Electric vehicles transition</b>	Air Chathams have converted five of its vehicles from petrol to electric run motor vehicles, three MGs and two Tesla's. Along with the installation of four charging stations at the Auckland hangar, with plans to expand the electric motor vehicle fleet.	Air Chathams have travelled 75,000 kms in electric vehicles which without them would have originally been trips taken in petrol cars. This works to be approximately 6,000 litres.
<b>Sustainable business network impact investor</b>	Air Chathams is an 'impact investor'- As an Investor for Impact of the Sustainable Business Network, Air Chathams are committed to: — Working together to empower business so people and nature prosper.	Investing in collective impact on climate, waste and water—Air Chathams has helped support the restoration of New Zealand's waterways through our contribution to Million Metres.



## Environmental actions for the next three years

Air Chathams' environmental action plan for 2023 places a high priority on conducting a carbon audit. This will serve as a baseline for tracking and managing our progress towards achieving the other environmental goals we have set for the next three years. As an airline, we recognize that our business model results in significant carbon emissions, making our efforts to reduce our environmental impact a top priority. We are committed to implementing measures that will help us achieve our goal of becoming a more sustainable and environmentally responsible airline.

MATERIAL TOPIC	OBJECTIVE	SPECIFIC ACTIONS	TIMEFRAME	GRI METRIC	RESPONSIBILITY
<b>Carbon offsetting</b>	To achieve at least 30% of our customers carbon-offsetting their purchased flights.	Further expand on the community carbon offset options that our CarbonClick basket offers.	May 2023 - carbon click implemented to booking system.  May 2025 - increase in 30% of our customers offsetting their carbon when purchasing flights.	Carbon emissions (Kiloton)	Marketing and reservations team + external team - CarbonClick
<b>Carbon Audit</b>	Measure Air Chathams' carbon footprint for the previous year of 2022 to allow a baseline for the years ahead.	The first action is to engage with 3 environmental service providers to provide an overview of services and quote.  Within these requests we will be requesting assistance for a full emissions audit at each of our locations and in our supply chains.	August 2023  December 2023	Carbon emissions (Kiloton)	Marketing and sustainability team + Accounts team + external team
<b>Onsite waste reduction</b>	Reduce the amount of disposable waste to landfill at each of Air Chathams locations, through all areas of the business.	Include recycling and compost bins in all workspaces across the country where Air Chathams is present to contain the amount of disposable waste. Starting with the Auckland hangar and adopting the same practice at all other locations.  Change of hard copy manuals to electronic manuals (eliminating a total of 220, 402 pages printed).	December 2024  May 2023	KG of waste	Marketing and sustainability team + wider team
<b>Commit to utilising Sustainable Aviation Fuel (SAF) at Air Chathams</b>	Commit to transitioning a minimum of 10% of our fuel to Sustainable Aviation Fuel.	The first action is to engage with fuel providers to provide an overview of products and quote.  At least a 10% transition of our aircraft fleet to sustainable aviation fuel.	December 2024  December 2026	Litres of fuel	Senior leadership team
<b>Fleet simplification and efficiencies</b>	Operate a more fuel-efficient fleet.	Our Metroliner aircraft will be retired and replaced by two Saab 340 aircraft, which are more fuel-efficient.  We will invest in transitioning a larger portion of our fleet to Saab 340 and ATR72-500 aircraft in order to reduce our carbon footprint.	December 2023  Ongoing (10 year plan)	Carbon emissions (Kiloton)	Senior leadership team



# A WORD FROM OUR CEO

## ON OUR CARBON MITIGATION ROADMAP



Over the next 10 years Air Chathams will be operating our 34 seat Saab340 and 68 seat ATR72-500 aircraft.

The 19 seat Metroliner aircraft will be retired before the end of 2024 and replaced by two Saab 340 aircraft over that time.

Currently emissions for the current ATR and Saab fleet are offset through the Emissions Trading System (ETS) at a cost of 20c per litre.

Life use of our fleet is in part subject to economic supply of fuel whether it is fossil or changes to biofuel (carbon neutral) based supply.

These fuels do not require aircraft modification or additional investment in our fleet.

It is the cost of fuel compared to other renewable fuel options that is likely to drive change that requires investment in replacement aircraft or modification of our current fleet.

The Saab and ATR type aircraft (34/68 seats) require high output powerplants (engines) of 1800 and 2800hp respectively to power these aircraft.

The electric powered option has too high a weight penalty (batteries) to store energy, provide range and power, is not available nor a viable option for large aircraft on regional or long-haul routes. Hydrogen is the fuel that is considered the better option. Hydrogen can be produced from zero carbon sources (hydro, solar, wind and thermal). Turbine engines can be modified to run from hydrogen fuel or in our size aircraft, hydrogen cell engines are being proposed as the most suitable power plant.

Currently no hydrogen powerplants have been produced and tested suitable for application on our aircraft type. There are only two aircraft manufacturers (Air Bus (ATR) and Bombardier Q400) that make 50-70 seat propeller driven aircraft. I spoke to an ATR representative when he visited New Zealand last year to learn that they will not be developing a new hydrogen-based aircraft but are looking at modifying the existing airframe to replace the current engines with hydrogen cell powerplant. These aircraft could feature a hybrid design and are not expected to be available before 2030, more likely around 2035.

The above technology exists but has yet to be developed, and the process for certification is lengthy and highly regulated. The regulator (FAA/EASA) oversight is essential for passenger safety and failures in the past result in aircraft loss, resulting in high costs. This recently occurred with the Boeing 737 Max where FAA oversight had been relaxed. The change to the B737 Max was small in scale and complexity compared to redesigning power plants and the fuel that power them. 2035 is really an optimistic time scale to achieve the development and certification of this new technology.

Major airlines are currently investing in new conventionally power aircraft with small move to using biofuel. Air New Zealand has purchased 28 new ATR72-600 aircraft and have ordered Boeing 787-1000 seat long haul aircraft to replace their B777 fleet. The in-service life with first level airlines for these aircraft is 20-25years. It's clear that a change to hydrogen/renewable power aircraft is more than 15 years away.

Our ATR and Saab aircraft are modern designed and fuel efficient. The new ATR72-600 are the same airframe and engine arrangement as our ATR72-500 with identical fuel efficiently so Air Chathams investment is comparatively small.

In summary, The change to the use of renewable energy fuel to power the class of aircraft Air Chathams operates is yet to be designed, tested and certified. The first of these new aircraft could be in service between 12 to 15 years from today. The more likely change before that time is the greater use of biofuel that will operate in the present turboprop and turbofan aircraft in use today with no modifications to the power plants (engines). Air Chathams investment is low that further reduces the financial risks resulting from the move to zero carbon power plants. Other Major airlines are continuing to invest in new conventional fossil fuel powered aircraft with an investment recovery of 20 years or more. This supports the development time periods that have provided for the introduction of hydrogen power aircraft.

**Craig Emeny**  
Chief Executive Officer

# OUR CARBON MITIGATION MODEL

As mentioned by our CEO Craig Emeny, it may be some time before technological advancements in the aviation industry become available. So, giving back to our local environment in the 'here and now' to offset our carbon emissions is a major focus for the interim. Air Chathams are helping restore our natural carbon sinks (ocean, soil, trees, wetlands) through investing in certified community conservation and restoration projects instead of just looking to the horizon for technological solutions to today's very real environmental challenges. Investment in updating our fleet is also another approach we are taking to mitigate our carbon emissions. We are currently in the process of transitioning to more fuel-efficient ATR aircraft, which consume significantly less fuel than the previously used turbo-prop planes, such as the decommissioned Convair 580. Our Metroliner aircraft will also be retired and replaced by two Saab 340 aircraft before the end of the year, which are more fuel-efficient.



Investment in aircraft that maintain and grow capacity but completed in a more efficient and therefore environmentally friendly way.

Investment in tangible community environment restoration projects and the reaching of 30% customers contributing towards certified offset projects.

## People and culture

At Air Chathams we are taking our entire whānau on an educational waka, to both participate and learn about the large and small ways - both as an entity and individually – that we can help reduce carbon emissions, adopt environmental good practice internally and externally, and elevate community and resilience to climate change through every-day common-sense sustainable practices.

### People and culture achievements

Air Chathams has a proven track record of fostering internal staff growth and development by providing comprehensive training programmes that help employees to acquire new skills and advance to higher roles within the company. Our commitment to investing in our people has led to great success in the past, and we recognize that it is crucial to our future success as well. By empowering our employees with the tools and training they need to grow and thrive in their careers, we are building a strong foundation for the future of our company.

INITIATIVE	DESCRIPTION	OUTCOME
<b>Staff growth</b>	Ongoing training and development plans are mandatory for all staff, with many progressing through the business from ground handler to pilot.	From our efforts in staff development, we have produced the following results:  Ten staff members have moved into the flight deck from different areas of the business – we've given opportunities to people to fly airplanes who have done the hard work on the ground beforehand.
<b>Employment of a sustainability advisor</b>	This role focuses on identifying opportunities to reduce the company's environmental impact, promoting eco-friendly practices, and enhancing social responsibility efforts. The benefits of this role are numerous and include improving the company's reputation, reducing operating costs, attracting environmentally conscious customers and partners, and ensuring compliance with environmental regulations.	The sustainability advisor has made significant progress, in developing a sustainability strategy that outlines the initiatives Air Chathams intends to implement in the future. This strategy aims to create value for stakeholders while contributing to a more sustainable future and marks a notable achievement in the company's sustainability efforts. With the strategy established, the sustainability advisor will manage and carry out initiatives within the document.
<b>Staff reporting and communications</b>	AIRS reporting system is the latest improvement to our SMS which facilitates staff to report concerns easily through a phone app.	We receive various reports via this channel. There is a process to follow up concerns and take corrective actions as included in our current onboarding training for all staff members.



# EMPLOYEE SUCCESS CASE STUDY

## ROY MACKERETH



"I did well in business at school and thought 'that was a bit of me', so started a commerce degree at Auckland University. And. . . absolutely hated it! After six months I packed up and went to flight school to learn how to fly planes. I've always loved planes and aviation, but I have no pilots in the family so I couldn't tell you where it comes from. I think my family were pretty surprised that I was pursuing flying - they were very proud for a member of the family to go to university!"

An admin job in aviation followed, but a contact passed on Roy's name and contact to Craig Emeny, the Air Chathams CEO.

"And just a few weeks later I was working for Air Chathams as a Flight Operations Assistant. Things kind of just took off from there: by the end of 2017, I became the Operations Control Manager, and as Covid hit in 2020 I took over the Customer Product department. Early this year I became the Airline General Manager. The best part is that while covering these roles I also get to fly!"

### WHAT ARE YOUR FAVOURITE AIRCRAFT?

I love flying the ATR, but if I tell any pilot that my first aeroplane out of flight school was a DC3 then they look at me with quite a lot of envy - and anger! It's the dream of most pilots; it's so majestic, so nostalgic, it helped win the Second World War

and it has absolutely no technology so it is proper aeroplane flying. I was recently out walking in Māngere in Auckland and the crew were flying the DC3 back from a day of scenic flights in Tauranga, and everyone just stopped where they were and stared at it as it flew over."

### YOU'VE HAD QUITE A CAREER TRAJECTORY - WHAT IS THE SECRET TO YOUR SUCCESS?

A big part of my success has been the support of the Air Chathams family, and the airline really is a family, not just the Emeny's who own it but everyone who works there. I had the drive and determination to do well and that fitted in perfectly with how the airline operates, and so their support was a perfect fit for me. As an airline we punch above our weight, and that is reflected in the people - we also strive to do things better and I love being a part of the culture there. Since I joined the airline it has doubled in size and it has been fantastic to have been a part of that.

As General Manager I'm essentially in charge of all things to ensure operational integrity - ensuring we have the people and resources in place to get flights out on time, with crew, with ground support, all while ensuring we remain commercially viable. It's about ensuring that we have all the pieces together to do a good job and I love the challenges and rewards of that.

### WHAT DO YOU THINK IS THE SECRET TO THE COMPANY'S GROWTH?

"The fact that our default answer to everything that comes our way isn't 'no' means we are determined to solve issues and do a good job. It's all about being able to pivot and take opportunities that will be of benefit to the community and grow the company. That can-do attitude is a really Kiwi thing - and it's in the DNA at Air Chathams. For example when COVID really kicked in we removed seats from the aeroplanes and started flying freight to keep communities around the country going, and that helped us as a company in addition to those communities.

The challenges for us at the moment are the same as for the industry worldwide - not so much resources as labour shortages. But it's been awesome to see tourism bouncing back so fast; it's been like a switch being flipped, with the tourism centres starting to pump again its fantastic to see. I've been able to fly into every airfield from Kaitaia to Invercargill and it is great to see so many smiles returning.

### SO WHERE TO NOW ROY?

Just keep doing what we're doing - connecting Kiwis and communities. Simple as that.

## People and culture actions for the next three years

Air Chathams is focused on advancing its internal practices in the people and culture space. As a family business, we extend our shared family values to the development and wellbeing of our employees. We are dedicated to creating a workplace culture that embraces diversity, encourages collaboration, and prioritizes recognition and rewards for our staff. Our aim is to establish an environment where employees can grow, thrive, and feel recognised. We see investing in people as crucial to our long-term success, and we are committed to making Air Chathams a great place to work.

MATERIAL TOPIC	OBJECTIVE	SPECIFIC ACTIONS	TIMEFRAME	RESPONSIBILITY
<b>Increased staff wellbeing</b>	Create practices within our workplace that will increase employee wellbeing.	Formalise a social group to allow for the planning and structure of social events at work.  We are investigating the production of onsite garden boxes to plant vegetables for employees (to be sustained by employees) in partnership with the Beautification Trust using recycled wood and materials from local Auckland building sites. This will provide our staff with access to fresh, nutritious produce that promotes cultural resilience.	July 2023  July 2023	Marketing and sustainability team + HR manager
<b>Team Building</b>	Create a collaborative culture.	Aligned with a current partner, Beautification Trust we want to organise a leadership team to be part of local community environmental clean-up days aligned with the holistic values of Māori environmental innovation and mātauranga Māori.	June 2023	Marketing and sustainability team + HR manager + Senior management team
<b>Diversity works accredited</b>	Have a commitment to creating a better workplace that is diverse for the people in it.	Become members of Diversity Works NZ so we can commit to improving our workplace and the people in it.  Employment or promotion of women in leadership roles.	April 2024  March 2026	Health and Safety + external team – Diversity works
<b>Employment of a human resource administrator role</b>	Establish human resource protocols.	Internal investment in a Human resource administrator.  Human resource administrator is establishing an employee onboarding process that is more personal. Plus refining ongoing Human resource practice and protocol.	March 2023  March 2024	Human resource administrator
<b>Integrating staff feedback into organisational strategy</b>	Including staff in organization decision making.	Air Chathams is collaborating with The People Project to enhance its people and culture initiatives. This is in response to the feedback provided by employees through online surveys, which showed an impressive 70% staff engagement rate. The focus is on improving communication among team members and fostering better relationships between colleagues. By partnering with The People Project, the organisation will establish a clear plan and timeline to incorporate staff feedback, with specific milestones to be achieved each month.	June 2024	Senior leadership team + external team – The People Project
<b>Integrating Staff Feedback into Organizational Strategy</b>	Upskilling leaders within our organization to support the professional growth of our entire staff.	Air Chathams will be engaging with the Centre of Vision Leadership consultancy to provide Senior Leadership Development Workshops. This strategic partnership aims to empower our organization by cultivating and equipping exceptional leaders who can, in turn, inspire and uplift the entire staff.	December 2023	Senior leadership team + external team – CVL

## Community

Investing in grass-roots sustainability projects and environmental initiatives in the neighbourhoods where we do business is what makes Air Chathams unique at a Kiwi-community level. We not only invest in a neighbourhood approach to support and elevate community-led groups in making the air, land, and water of Aotearoa a healthier place for us all, but are also creating an equal and more equitable future all throughout New Zealand.

### Community achievements

Air Chathams has a proud history of investing in sponsorship to support the communities where we operate and fly to. Over the years, we have provided support to numerous charities and organizations, and our contributions have helped to achieve phenomenal results. We are committed to playing an active role in the communities we serve, and we believe that investing in sponsorship is one way we can make a positive impact. We look forward to continuing to support important causes and organizations that are making a difference in the lives of people across New Zealand.

INITIATIVE	DESCRIPTION	OUTCOME
Community and Local Business	<b>AUCKLAND</b> <b>Te Pu-A-Nga Maara</b> investment in conservation infrastructure and education for local community group.	Air Chathams produced a mural for the community group onsite classroom used to educate and support rangatahi to pioneer in the space of Kaupapa Māori environmental innovation and enterprise in Rangi, Whenua and Moana.
	<b>WHANGANUI AND KĀPITI COAST</b> <b>Hello Comedy</b> – Whanganui’s first comedy club.	Sponsoring the comedy club in the small Whanganui community not only brought connectivity and positive laughter amongst the residents, but allows for local comedians to gain exposure.
	<b>The Masters Games 2022</b> – Discount flights for all athletes and officials, and endorsed and marketed the event through all channels and at each of Air Chathams’ destination check-ins.	Thanks to Air Chathams’ sponsorship, athletes were able to attend the games at a competitive rate, with convenient access. By supporting this initiative, Air Chathams played an important role in promoting physical and mental health, as well as encouraging participation in community sports.
	<b>Whanganui rugby union contra</b> – Discount Charter. Discounted flights to transport the rugby teams throughout New Zealand for games and tournaments, allowing players exposure to bigger city contacts.  <b>Horowhenua Kapiti rugby union contra</b> – Discount Charter. Discounted flights to transport the rugby teams throughout New Zealand for games and tournaments, allowing players exposure to bigger city contacts.	Air Chathams are a principal sponsor of both Horowhenua Kāpiti and Whanganui Rugby Unions in the Heartland Rugby division. As all players in the Heartland Division are semi-professional – Air Chathams strives to give these players immediate connectivity for their away games. This means these athletes can get home promptly post-match for important whānau time in the same weekend. On the national scene 50 percent are away games to all corners of New Zealand.
	<b>CHATHAM ISLANDS</b> <b>Taiko Trust</b> – Investment in the building blocks of the Trust who inspire and educate the next generation of kaitiakitanga and guardians of the Chathams and protect its endangered and unique wildlife.	Air Chathams has made an investment in the Trust, and this was used to sponsor the construction of toilet and shower facilities on the premises, there by transforming the education centre into a self-contained facility, allowing Chatham’s youth to attend multi-day camps focused on conservation. The centre will provide instruction on how to protect and regenerate the area’s unique and indigenous flora and fauna, creating an opportunity for the rangatahi of Chathams to learn and appreciate the importance of conservation efforts.
DC-3 flights	As passionate aviators Air Chathams has preserved and flown its majestic ‘queen of the fleet’ – the DC-3 Dakota - at multiple regional and community events to connect generations of Kiwis with an iconic piece of our aviation history. This is an investment in preserving living historical machines of the past, that have forged New Zealand’s transportation history.	Connecting communities with this historical piece of NZ aviation history promotes a deeper understanding and appreciation of history and preserves important cultural heritage for future generations. Overall, Air Chathams connecting communities with the DC-3 enriches lives, promotes cultural heritage, and generates economic and social benefits.



# CASE STUDY TAIKO TRUST

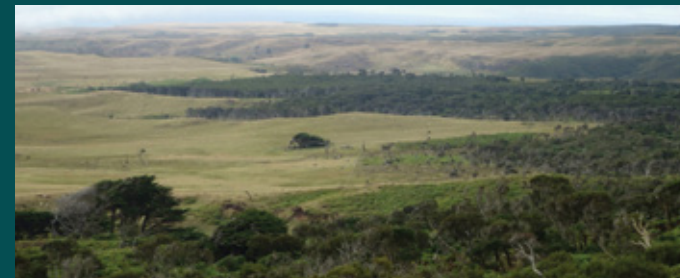


The Chatham Island's Taiko Trust is a local community conservation group striving to protect the threatened endemic wildlife of these remote islands.

Although officially formed in 2006, the Trust's roots go back to the 1970's when local land owners Manuel and Evelyn Tuanui teamed up with visiting ornithologist David Crockett to rediscover taiko in the south west corner of Main Chatham.

Surrounded by sea, the Trust has a strong focus on seabird conservation and reforestation, with key projects currently focused on saving some of the world's most endangered seabird species and their habitat's fauna.

A large part of the trust's investment is in local school and community education through the on-site Taiko Camp. The camp allows visitors and students to stay onsite at the Awatotara Bush Coastal area and observe and learn about the vital habitat being restored by the Trust.



So student groups can stay for longer periods of time in this remote and wild conservation haven, basic infrastructure is needed (yet costly) including running water, washing facilities and toilets.

This is where Air Chathams has invested in the very building-blocks of the Taiko Trust by helping sponsor this very vital infrastructure - on the way to inspiring and educating the next generation of kaitiakitanga and guardians of the Chatham Islands and protecting its endangered and unique wildlife.

## Community actions for the next three years

At Air Chathams, we recognize that we can't solve all the world's problems at once, but we are committed to making a positive impact, one step at a time. To start, we are focusing on supporting the communities where we operate, and by doing so, we hope to create a ripple effect that benefits all of New Zealand. By investing in grass-roots sustainability projects and environmental initiatives in the areas where we do business, we are proud to play a unique role in supporting Kiwi communities. This is an essential part of our commitment to building a sustainable future for New Zealand, and we look forward to continuing to make a positive impact, one community at a time.

MATERIAL TOPIC	OBJECTIVE	SPECIFIC ACTIONS	TIMEFRAME	GRI METRIC	RESPONSIBILITY
Local Sponsorships	Ensuring the effectiveness of our sponsorships and seeking any new ones that align with Air Chathams' ethos.	1. Further Investment in Te Pu-A-Nga Maara conservation infrastructure and education for local community group.	June 2023	Stakeholder NPS	Sustainability Team
		2. Further investment in Taiko Trust to provide additional sponsorship.	September 2023		
		3. Future investment in Hokotehi Moriori Trust for indigenous reforestation and cultural revival.	January 2024		
		4. Continued diligent screening of possible community investment in the communities and towns we connect with.	Ongoing		
New flight destination added	Connecting communities to the rest of New Zealand.	Introducing a new flight to our routes will not only increase revenue, but also enable Air Chathams to connect another community to the rest of the country, opening up new sponsorship opportunities.	March 2025		Senior leadership team

## Governance and financial

Air Chatham is structured in a financially resilient way as to keep our sustainability good-practices, mitigations and community investment growing year by year and at the forefront of every decision made, both financial and non-financial.

### Governance and financial achievements

Air Chatham has established robust business systems and has prioritized long-term financial stability and resilience. The focus has extended beyond internal financial performance to include the economies in which it operates. The success of both internal and external economic growth is important to the success of Air Chatham overall sustainability efforts.

INITIATIVE	DESCRIPTION	OUTCOME
<b>Creating partnerships for sustainability actions</b>	Collaborating with RTOs, specifically Chatham Island Tourism to develop new ideas to attract visitors, such as flight/accommodation/activity packages.	Increase in visitors contributing to the local economy.
<b>Zenith reservation software upgrade + ancillary revenue</b>	In pursuit of enhancing our customer experience, we have upgraded our flight booking software to TTI Zenith.	The upgraded booking software has resulted in improved exposure and increased return business for Air Chatham. The newly implemented Zenith software has enabled the addition of ancillary items to bookings, including extra baggage and carbon offsetting options, leading to a boost in revenue.
<b>Aviator Revenue Management system</b>	The Aviator Revenue Management system functions as a robust database tool, gathering comprehensive historical data on our past flight bookings. This resource provides our team with historical booking data to enable forecasting of future performance and revenue optimisation of the fare structure for flights on sale, thereby better meeting market demand while strategically maximizing revenue for our airline.	Since its implementation in July 2022, the system has enabled our team to draw on a robust data set in order to determine flight pricing for future months, a capability we previously lacked. As a result, we have been able to strategically set fares based on demand on all routes according to date and time of travel, enabling revenue generation to be maximised while opening up cheaper fares on flights at lower-demand times enabling a better use of available capacity. As more data is progressively added to the database through the passage of time, we have been able to further optimise our revenue generation.
<b>Governance advisory</b>	Air Chatham has a Governance Advisory Board, comprising of highly experienced aviation and business professionals who convene quarterly to deliberate on opportunities and growth prospects.	The Board provides valuable insights and guidance to the business strategy, helping to steer the airline in the right direction with a clear focus.
<b>Strong ASB relationship</b>	Air Chatham has developed a strong relationship with our financier ASB Bank since 2015.	Strong personal relationship formed with ASB and our key account manager, Matt Allen. We trust each other and deliver on our forecasts year on year. ASB understand our business and our industry and supported us exceptionally well through some very challenging times.



## Governance and financial actions for the next three years

For the long term, Air Chathams has planned many sustainability initiatives while supporting these with solid financial plans. The airline will collaborate with partners and stakeholders to develop solutions that will further enhance the sustainability of our service. Overall, the airline's financial strategy for the next three years demonstrates its strong commitment to sustainability and responsible business practices.

MATERIAL TOPIC	OBJECTIVE	SPECIFIC ACTIONS	TIMEFRAME	RESPONSIBILITY
<b>Reporting on sustainability goals and metrics</b>	Ensure stakeholders have a comprehensive understanding of our sustainability efforts and progress toward a more sustainable future.	Integrate sustainability goals and metrics into annual reporting, such as carbon emissions, resource management, and community engagement to clearly demonstrate how we prioritize sustainability and take responsibility for our environmental and social impact.	April 2025	Accounts and senior leadership team
<b>Interline development</b>	To increase route and regional visibility globally via an interline partnership with Air New Zealand.	Air Chathams intends to establish a commercial partnership with Air New Zealand, aimed at creating an interline relationship that would lead to increased business generation, revenue growth and improved overall performance for the company. The interline partnership will also allow for global visibility for regional destinations on the Air Chathams route network which no longer exists after they withdrew flight services to key communities in the North Island.	December 2024	Senior leadership team and external team - Air New Zealand
<b>Fleet renewal</b>	Economic growth and revenue.	With \$56 million being spent upgrading the runway at Tuuta Airport, we are looking to invest in a Boeing airplane to service the remote neighbourhoods of the archipelago. As part of our five-year growth plan, this brings both the economic and social benefits of a safer, more reliable, and larger capacity air connection to this valuable part of New Zealand. It will further connect vital supply lines, commerce, tourism and prosperity to New Zealand's most isolated communities.	December 2024	Senior leadership team

# Timeline

## SUSTAINABILITY PLANNED ACTIONS TIMEFRAME - 2023

MAY - JUNE	JULY - AUGUST	SEPTEMBER - OCTOBER	NOVEMBER - DECEMBER	2024
CarbonClick LIVE to booking process	Continued sponsorship of Whanganui and Horowhenua rugby union	Taiko Trust sponsorship investment	Further sponsorship of Million Metres	Fleet renewal
Lead sponsor of Whanganui Comedy club gala	Formalised social group + onsite garden boxes at Auckland hangar	Stormwater and wastewater audit at Auckland hangar	Stormwater and wastewater audit at all Air Chathams mainland offices	Onboarding process implemented
Sponsoring the Whanganui Kaihub	Sponsorship of the Hokotehi Moriori forest regeneration on the Chatham Islands	Introduction of worm farms and planter boxes at our Whanganui hangar	Carbon emissions audit	Engagement with the people project
TPNM sponsorship investment	Introduction of worm farms and planter boxes at our Auckland hangar	Internal onsite waste reduction initiatives	Retirement of the Metroliner aircraft	Onsite waste reduction at all locations
Team building clean-up day with TPNM			CVL collaboration and staff feedback implemented into organisational strategy	Diversity works accredited
				Interline development







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