



Air Chathams Sustainability Strategy

2025



airchathams.co.nz

Contents:

Executive Summary	2
Air Chathams' Values	3
Environmental	4
Social	6
People & Culture	8
Governance	10



Executive Summary

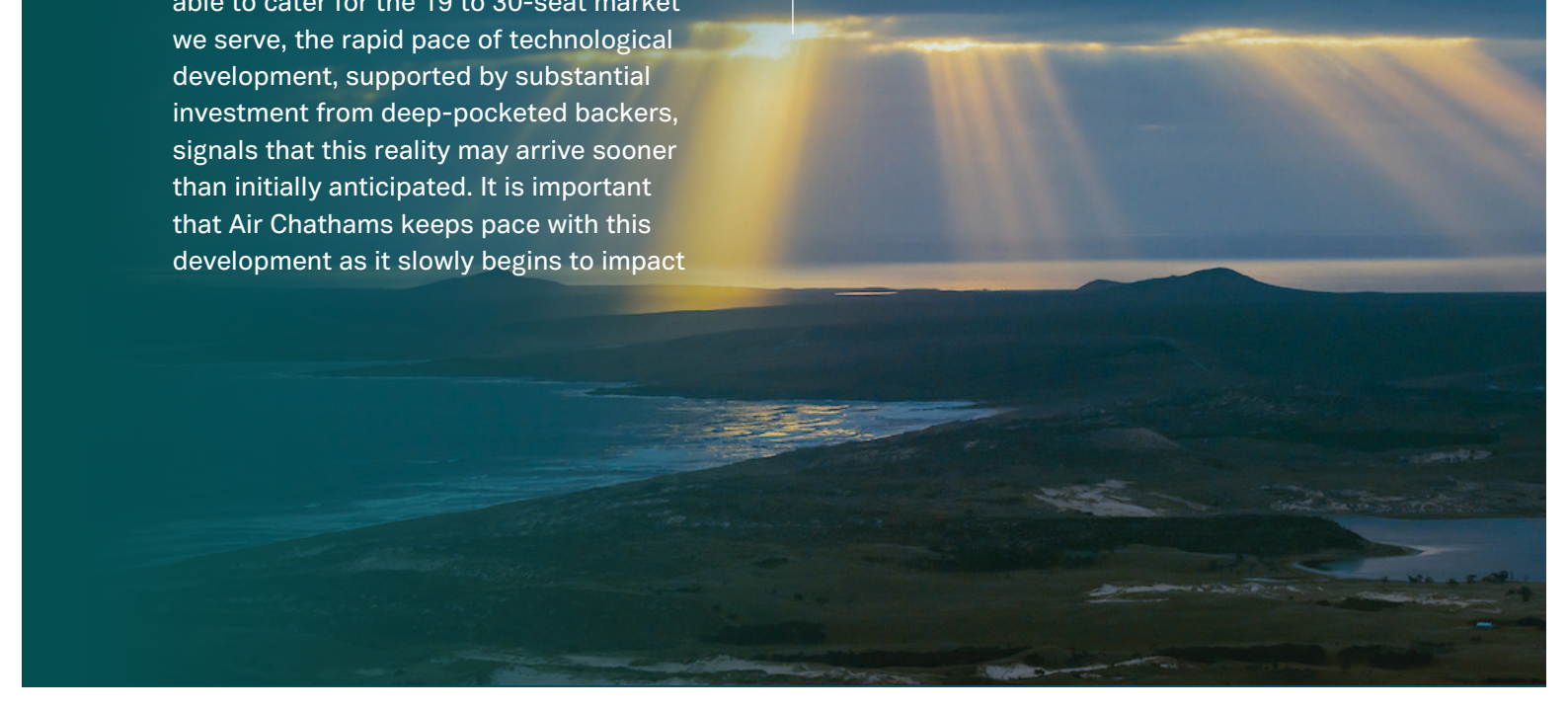
Air Chathams is at a pivotal stage of its development, navigating a transformative phase that emphasises defining a clear long-term strategy to guide annual plans and performance targets. This evolution is underpinned by vital input from the Board and Strategic Advisory Group, whose collaboration with the CEO and senior leadership team ensures that our strategic direction is both forward-thinking and grounded in pragmatic decision-making.

In an era marked by economic challenges, we are revisiting earlier ambitious sustainability goals, adopting a more measured approach to what is achievable in 2025. While we remain committed to building sustainable connected communities through the pillars of Environmental, Social, People and Culture, and Governance, the current economic climate necessitates a focus on balancing aspiration with operational realities.

Looking to the future, the introduction of next-generation aircraft over the next decade is a component of our strategic vision. Early prototypes of these technologies will begin entering the market in a trial phase as soon as next year, including here in New Zealand. While these innovations are not yet able to cater for the 19 to 30-seat market we serve, the rapid pace of technological development, supported by substantial investment from deep-pocketed backers, signals that this reality may arrive sooner than initially anticipated. It is important that Air Chathams keeps pace with this development as it slowly begins to impact

the aviation ecosystem we work within and presents future opportunity for new modes of travel such as increased point to point rather than hub and spoke, and at greater frequency supported by much lower direct operating cost of new generation aircraft.

As a crucial connector to the communities we serve, Air Chathams continues to take seriously its responsibility to foster sustainability and resilience across our network. Guided by our core company values, we remain committed to turning our strategic initiatives into actionable outcomes, ensuring we meet the needs of today while positioning ourselves for a progressive and innovative future in aviation.



Air Chathams' Values

Air Chathams Company Values were developed with our internal practices, people and culture space in mind. 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, prioritises safety and recognises and rewards for our staff. 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.



Safe Outcomes are our Priority

Air Chathams is committed to ensuring that all our activities are safe.

Safety is intertwined from start to finish - through effective project management, planning, communication and review processes. We always foster a strong reporting and just culture!



Great Service & Connected Communities

Air Chathams prides itself on going above and beyond for our customers wherever possible.

We recognise the power of 'positive word of mouth' on our future business success and airline reputation. Air Chathams acknowledges and respects the important role we play in keeping our communities connected and ensure our entire team respect this responsibility in our daily work.



We are Dynamic

Built with a pioneering and entrepreneurial spirit, by its founder Craig Emeny - Air Chathams heritage is unique as a large category airline.

The airline continues to be successful, by looking at new opportunities positively and pragmatically and identifying solutions which ensure the airline is resilient and sustainable while aiding community growth through air transport.



Our People Matter

Air Chathams relies on qualified, committed and caring people to be successful, compliant and to achieve our airline values.

We strive to create a safe and enjoyable work environment, that fosters open discussion to achieve continuous improvement in our work place and culture.

Environmental:

Air Chathams' environmental actions for 2025 focuses on continued improvements to our Carbon Offsetting Programme for our customers, and refining our commercial best practices for recycling of single-use compostable products used on our flights.

As an airline, we recognize that our industry results in significant carbon emissions, making our efforts to reduce our environmental impact in practical ways a strong focus.

Air Chathams' also strives to find ways to progress good environmental practices and projects on its home base on the Chathams Islands - where the unique wild life and nature-scapes and being revitalised with th help of local communities, government agencies and environmental experts.



Environmental:

Project / Initiative:	Completion Date:	Background tasks:
Update Cabin Crew's post-flight procedures and collaborate with 'Reclaim' to educate staff on the proper disposal of compostable products from the aircraft.	March, 2025.	<ul style="list-style-type: none"> - On-site educational speaker (RECLAIM) - Head of Flight Operations involved in implementation - Marketing and design to improve compost bin signage on-site
AC Charters - incorporate a 1% margin into all charter pricing, designated to support Taiko Trust on the Chatham Islands.	April, 2025.	<ul style="list-style-type: none"> - CCO to advise Charter Manager at AC Charters that 1% of total charter revenue through AC Charters brand to be donated to Chathams Islands Taiko Trust - Marketing to set up annual charity/- sponsorship contract with Taiko Trust - Marketing to create educational content to - be included in quote notifying customers of the conservation giveback to Taiko Trust.
Identify two Next Generation Aircraft designs most suitable to Air Chathams existing commuter operations	May, 2026.	<ul style="list-style-type: none"> - CEO and CCO to lead investigation into new environmental aviation technologies - with the goal of signing an EOI for at least one of two identified future aircraft tech companies.
Refine our carbon offsetting program in partnership with CarbonClick by allocating 80% of customer contributions to certified carbon offsetting projects globally and 20% to the Chatham Island community project.	May 2025.	<ul style="list-style-type: none"> - Engage CarbonClick to adjust our offering - Work with Zenith to adjust the presentation of the IBE to clearly show where the funds go - Air Chathams to engage a local Chatham Island Community Restoration Project ie. Chatham Islands Land Restoration Trust- related to the 20% apportionment for a local environmental sustainability project
Showcase the environmental projects on the Chatham Islands in a sponsored information brochure to accompany our AirChats in-flight magazine that goes out to circa 100,000 customers per annum.	May 2025.	<ul style="list-style-type: none"> - Marketing to engage on-island environmental projects to showcase - Design brochure to include the pathways/contacts for donating to these on-island projects.
Support green businesses to engage with the Chatham Islands community and educate local families and businesses about their products and services - such as renewable energy and aqua water filtering. This will help for the financial efficiency and environmental sustainability of the Chatham Islands.	Solar Energy – Dec, 2025.	<ul style="list-style-type: none"> -- Source x3 Solar Energy Businesses for quotes - around this Chatham Islands focused projects - Align this project with Chatham Island Council and Chatham Island enterprise trust - CCO to engage with Chatham Enterprise Trust and Chatham Shipping to try and facilitate improved freight rates for renewable energy equipment.

Social:

Investing in grass-roots projects and social initiatives in the neighborhoods we do business, makes Air Chathams unique at a Kiwi-community level.

We have a proud history of investing in sponsorship to support the communities where we operate and fly to.

In 2025 we will continue to play an active role in the communities we serve, and invest in local sponsorship to make a positive impact.

We look forward supporting important causes and organizations that are making a difference in the lives of people across New Zealand and beyond.



Social:

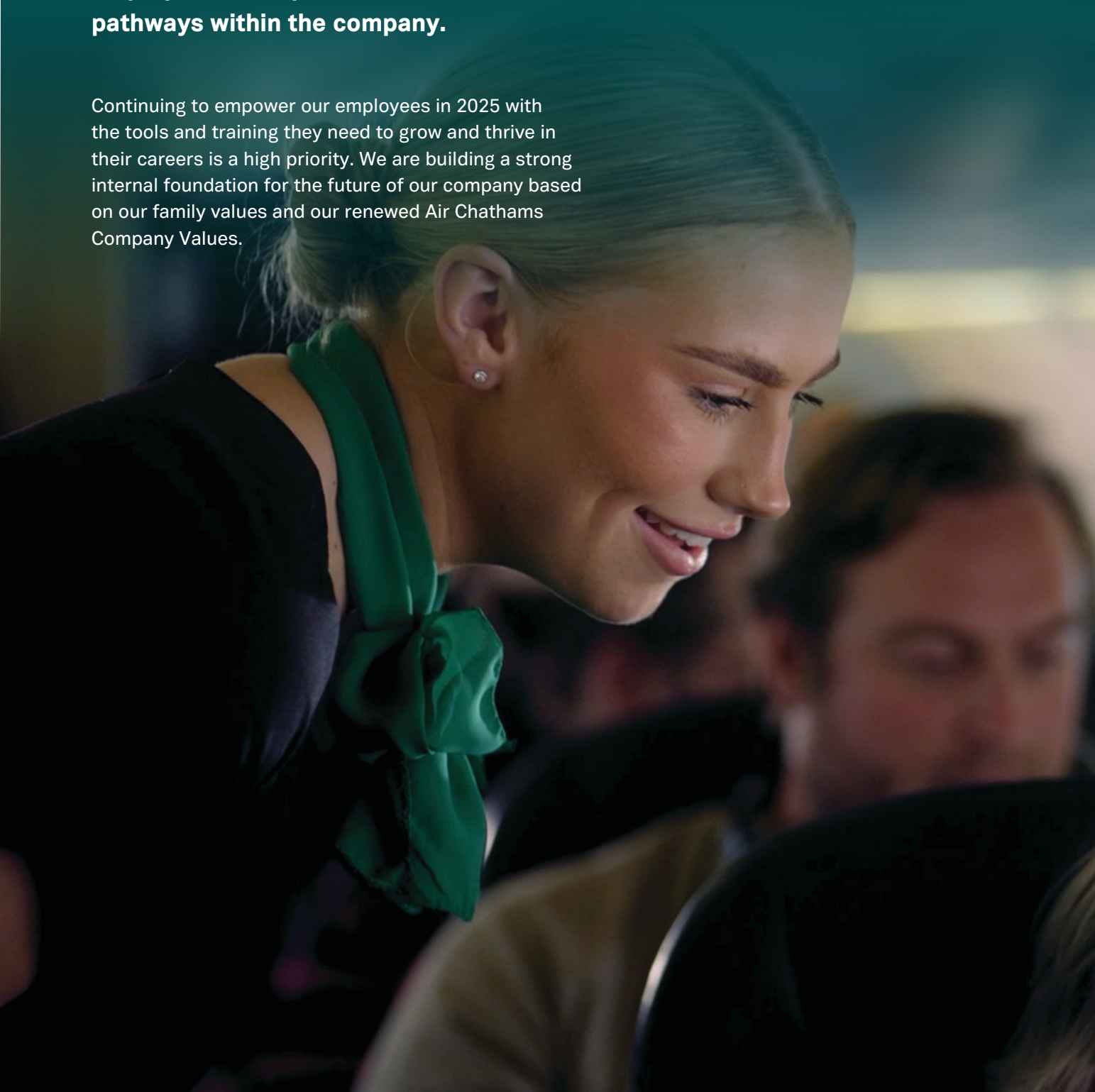
Project / Initiative:	Completion Date:	Background tasks:
Introduce staff giveback/ volunteer days across all Air Chathams ports. Three Air Chathams 'Group Giveback Days' per year for employees to be involved with.	March, 2026.	<ul style="list-style-type: none">- Announce to staff volunteer day initiative for 2025- Marketing team to put out information content to staff on accessing their local Group Giveback Days- Encourage all Air Chathams offices to engage a local environmental and community cause: Whakatane / Whanganui / Kapiti / Chathams Islands.
Introduce Moriori and Māori music on board Air Chathams aircraft to celebrate and honor the diverse cultures that form the airlines birthplace, the Chatham Islands.	April, 2025.	<ul style="list-style-type: none">- Create Air Chathams Spotify playlist of local Chatham Island Indigenous music and musicians.- Promote playlist through Marketing channels.
Continue with ongoing sponsorship of community initiatives and environmental projects within the destinations and neighborhoods we do business.	Ongoing commitment.	<ul style="list-style-type: none">- Align all sponsorship investment for 2025 with our company values.



People & Culture:

Air Chatham's wants to focus on fostering our key talent through professional growth and development. This will be achieved by providing comprehensive training programs that help employees to acquire new skills and advanced pathways within the company.

Continuing to empower our employees in 2025 with the tools and training they need to grow and thrive in their careers is a high priority. We are building a strong internal foundation for the future of our company based on our family values and our renewed Air Chatham's Company Values.



People & Culture:

Project / Initiative:	Completion Date:	Background tasks:
Establish and allocate a budget for staff training and professional development, ensuring alignment with organisational goals and individual growth.	April, 2025.	<ul style="list-style-type: none"> - Airline to identify key suppliers and training providers that will deliver best impact in up-skilling and supporting Air Chathams staff development.
Update Communications Plan for Internal Staff Engagement, including regular EDMs: <ul style="list-style-type: none"> - Monthly Chathambox - Safetychats - CEO Comms - Quarterly Snapshot 	April, 2025.	<ul style="list-style-type: none"> - Schedule in quarterly Air Chathams Board Update EDM - Create simple annual comms plan outlining Air Chathams internal communications channels timelines and internal audience - Content input from board members and senior management for updates - Set up of comms plan with EDMs and Webinar platform created by Marketing.
Staff webinars: Hosting informative webinars with staff to share insights and updates as well as allow a platform for staff to Q&A.	April, 2025.	<ul style="list-style-type: none"> - Webinars to be put in place for training/updates



Governance:

Our Air Chathams Governance Framework outlines how strategy flows into annual activity and outcomes to ensure the companies viability and future growth opportunities.

Our Purpose:

We are an essential link between the Chatham Islands and the rest of the world. Our purpose is to serve isolated communities by air - ensuring they are connected and enabled to thrive.

Our Vision:

To be the leading regional aviation provider throughout New Zealand!

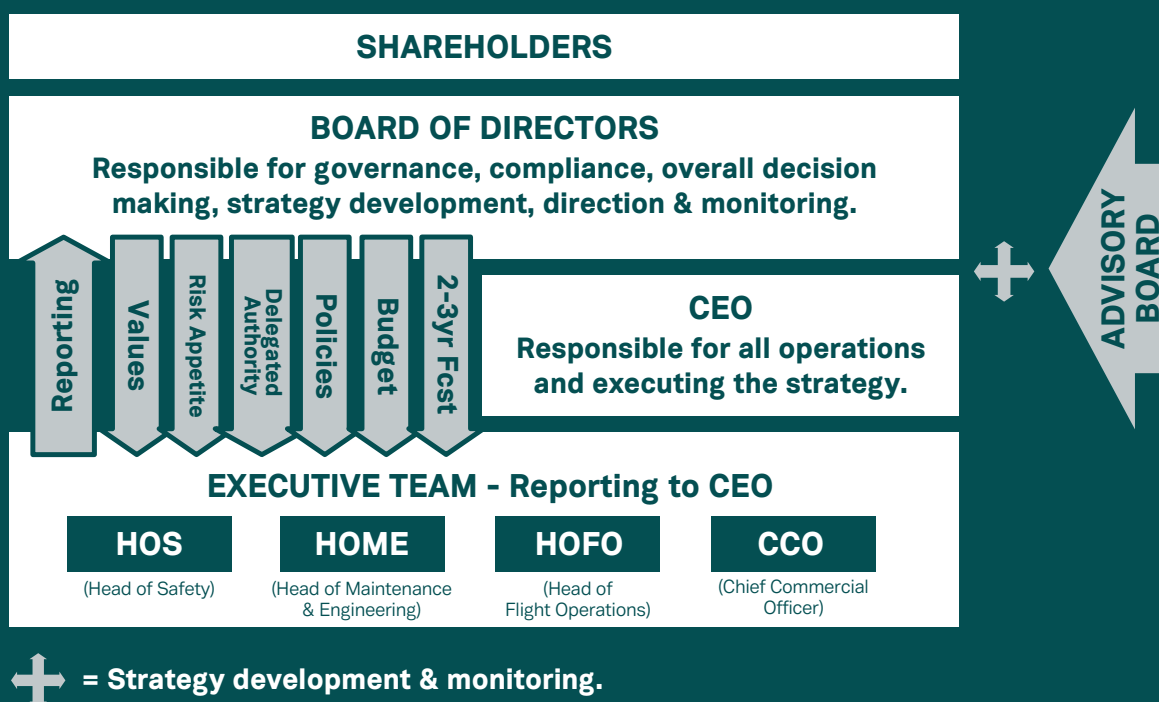


Governance:

Our Structure:

Air Chathams have an active Governance Board and Senior Leadership Team. The Leadership team works closely with the board to ensure that the organization's performance is monitored and strategic intent is effectively delivered.

Our Governance Structure is outlined below:



Our Strategic Goals:

Air Chathams sees the current economic and market challenges as an opportunity to consolidate and strengthen our business so we are in an optimal position when the market shifts. Our strategy guides our business choices and identifies our four key strategic priorities:

1. Committed & Caring People
2. Financial Resilience
3. Customer Loyalty
4. Regulatory Confidence

Governance:

Our Strategic & Performance Framework:

Air Chathams has a company-wide strategic and performance framework that links our purpose and values to our strategic priorities, plans and performance measures:



Key Governance Goals for 2025:

1. Airline Board meets with CEO to receive updates against Annual Plan & Strategy on a monthly basis.
2. Airline Strategic Board meets quarterly to analyze past performance, track progress against the annual strategy, and identify future opportunities.
3. Senior Leadership team send monthly reports to the airline board against agreed template to track agreed projects and metrics.



airchathams.co.nz