

Media release 15 September 2022

Air New Zealand to welcome first shipment of Sustainable Aviation Fuel into Aotearoa

Air New Zealand will reach its next stop on its Flight NZ0 journey and will next week welcome the first of many shipments of Sustainable Aviation Fuel (SAF) into Aotearoa ready to power the airline's fleet.

The 1.2 million litre import is equivalent to fueling around 400 return flights between Auckland and Wellington and in its neat form will reduce lifecycle carbon emissions by up to 80%* compared to fossil jet fuel.

Produced by the world's largest SAF supplier, Neste, and imported in partnership with Z Energy, this first shipment will be used to help test and set up the supply chain for importing SAF into New Zealand. The SAF is made from sustainably sourced, renewable waste and residue raw materials.

As SAF is a drop in fuel it will be put into the fuel system at Marsden Point upon arrival, where it will make its way down to Auckland airport and will be delivered to Air New Zealand through the regular jet fuel supply chain.

Air New Zealand Chief Executive Officer Greg Foran says the airline is incredibly committed to getting the Air New Zealand fleet up and running on SAF and this shipment marks the beginning of making regular imports a reality.

"This is a major milestone for us. We made a commitment when we announced Flight NZ0 earlier this year to find a more sustainable way to connect with the world. Air New Zealand is already one of the most fuel-efficient airlines in the world with our modern fleet, but the future of travel relies on low-carbon air transport.

"While we are starting out small, it will help us to test the supply chain and understand the true cost of importing SAF into New Zealand. Currently, SAF only makes up less than 1 percent of the global fuel supply and is around three to five times the cost of fossil jet fuel, so while sourcing it is a challenge, it's one we are tackling head on. By 2030, we expect our fleet to be fueled by 10 percent SAF."

Air New Zealand and the Ministry of Business, Innovation and Employment signed an MoU in September last year to scope the feasibility of a local SAF facility in New Zealand. Commercially producing SAF in New Zealand would not only help lower the country's emissions and provide enhanced fuel security and energy independence, it would also create jobs and economic development in the regions.

The airline continues to actively engage with the New Zealand Government to advocate for the policy and regulatory settings required to establish a SAF market and address the price premium SAF commands.

Research, Science and Innovation Minister Dr Ayesha Verrall says the Government is working with the aviation sector to explore ways of reducing carbon emissions.

"Air New Zealand has constantly led the way by embracing innovation, we need new solutions as we transition to a low-emissions economy. This is why it's encouraging to see the import of SAF. This complements our other work as the Government is currently investigating the feasibility of SAF production in New Zealand. Air New Zealand's work on SAF will also support the Government's Aerospace Strategy, recently released for consultation".

Sami Jauhiainen, Vice President APAC, Renewable Aviation at Neste says Neste is fully committed to supporting the decarbonization of aviation.

"Neste has been at the forefront of accelerating the production and use of SAF. Our Neste MY Sustainable Aviation Fuel is used across the globe by a growing number of airlines, and I am excited that our SAF will now also be supplied to Air New Zealand in cooperation with Z Energy.

"We are proud to support Air New Zealand and the New Zealand Government with the ambitious climate goals that show a great example for others to follow. With the expansion of our Singapore refinery nearing completion, and the ongoing modification of our Rotterdam refinery, we will be able to produce up to 1.5 million tons of SAF by the end of 2023, ready to support aviation globally and in the Asia-Pacific region."

Import partner Z Energy's Chief Executive Officer Mike Bennetts says Z is already investing in low-carbon revenue streams that are better for both their customers and the planet.

"We support and recognise the need for SAF to become the norm in Aotearoa and it is a key part of Z's roadmap to support our customers on their journey to a low-carbon future. We are pleased to work alongside Air New Zealand and Neste to bring this shipment of SAF into the country and recognise collaboration with others will be essential to help us decarbonise at the scale and pace needed to address climate change."

* Calculated with established life cycle assessment (LCA) methodologies, such as CORSIA methodology.

Ends

Imagery linked <u>here</u> and b-roll interview footage linked <u>here</u>.

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