

October 18, 2021



Southwest Airlines Announces 10-Year Environmental Sustainability Plan

Airline plans to reduce carbon emissions intensity by at least 20 percent by 2030 and maintain carbon neutral growth every year through the end of the decade

DALLAS, Oct. 18, 2021 /PRNewswire/ -- [Southwest Airlines Co.](#) (NYSE: LUV) today announced a series of near-term goals, actions, and initiatives in support of a 10-year plan to maintain carbon neutrality to 2019 levels while continuing to grow its operations.

The Company plans to achieve these objectives through the following actions:

- Reduce its carbon emissions per available seat mile (including scope 1 and scope 2 emissions) by at least 20 percent by 2030 through fleet modernization, route optimization, and other initiatives.
- Replace 10 percent of its total jet fuel consumption with sustainable aviation fuel (SAF) by 2030.
- Offset emissions by providing the first U.S.-based airline carbon offset offer with loyalty points and for every dollar contributed toward offsetting Southwest's carbon emissions, Southwest will match the contribution.*

"As a leading global citizen, we're building on prior efforts to address our environmental impact, and with today's announcement, we're setting goals to reduce our carbon emission intensity and increase SAF in our operations; and we're working to advance knowledge in the field of sustainability," said [Bob Jordan](#), Executive Vice President and Incoming CEO at Southwest Airlines.

*Taxes and fees will not be matched by Southwest or earn points. Southwest's contribution may be used to purchase offsets for Southwest from any carbon offset project of Southwest's choice. Rapid Rewards® Members can earn 10 Rapid Rewards bonus points per dollar contributed towards the purchase of offsets for Southwest up to a maximum of 500 Rapid Rewards bonus points per month. Points will only be awarded to the Rapid Rewards Member's Rapid Rewards account number entered at the time of the carbon offset transaction.

Southwest's 10-year plan to maintain carbon neutrality to 2019 levels while continuing to grow its operations includes plans to reduce, replace, and offset. In addition, the Company will continue to partner with organizations and nonprofits whose work complements its efforts to improve environmental sustainability and will invite Customers to join in this effort to show kindness to our planet.

The scope of Southwest's Sustainability efforts extends well beyond a ten-year time horizon. The ultimate objective is to achieve carbon neutrality by 2050, and there is significant work underway directed at this ultimate objective. An important step in that long-term plan is a tangible strategy and clear set of actions for the next ten years.

"Southwest is making sustainability a priority in order to continue connecting Customers to what's important in their lives while striving to achieve our carbon neutrality goals," said [Stacy Malphurs](#), Vice President of Supply Chain Management & Environmental Sustainability for Southwest. "Our goal to reduce, replace, offset, and partner are important next steps in the journey to build a holistic approach to improve our environmental sustainability."

Reduce

Southwest plans to continue reducing its carbon emissions intensity by:

- Modernizing its fleet with more fuel-efficient Boeing 737 MAX 7 and 8 aircraft. Southwest has extended its order book through 2031 with plans to accelerate 737-700 retirements and invest more than \$10 billion in new and existing firm aircraft orders to further improve fuel efficiency and reduce carbon emissions.
- Continuing to work with the Federal Aviation Administration's (FAA) NextGen program in an effort to modernize the U.S. air traffic control system by addressing limitations on air transportation capacity and making more efficient use of airspace.
- Electrifying eligible ground services equipment, increasing the current fleet of more than 1,400 electric-powered vehicles.
- Adding to the Company's more than \$630 million investment in fuel efficiency initiatives since 2002, implementing, as an example, new technology to monitor fleet utilization.

Replace

By 2030, Southwest plans to replace 10 percent of its total jet fuel consumption as sustainable aviation fuel by:

- Establishing a partnership with Neste for up to 5 million gallons of SAF through December 2023.
- Working with Marathon Petroleum Corporation and Phillips 66, furthering its announced memoranda of understanding, to facilitate the development and production of SAF at significant scale.
- Engaging with Deloitte, Siemens, and Zurich North America for SAF beta partnerships to help support Southwest's utilization of SAF in its operation.

Offset

As Southwest implements long-term plans and explores new technologies in the short-term, it also is taking steps to offset energy consumption and engage both individual and corporate Customers on opportunities by:

- Partnering with [Chooose](#)™ and Customers to offset Southwest's carbon emissions by providing the first U.S.-based airline carbon offset offer with loyalty points and for every dollar contributed toward offsetting Southwest's carbon emissions, Southwest will match the contribution.*
- Launching the Green Incentive Program, a Southwest Business performance-based incentive program that provides corporate Customers the opportunity to earn and use funds for their company's sustainability initiatives, which could include offsets or other initiatives.
- Sourcing 100 percent renewable electricity as of May 2021 for the carrier's Dallas corporate campus through the purchase of renewable energy certificates.

Partner

In addition to the goals announced above, partnerships will play a crucial role in Southwest's

sustainability efforts, along with government support and collaboration throughout the entire value chain, including:

- Making a \$10 million commitment to Yale's Center for Natural Carbon Capture to research technological advancements and find new solutions to reduce net greenhouse gas emissions and to Yale's School of the Environment to explore the current state of sustainability, strategy, policy, and economics.
- Continuing Repurpose with Purpose, a global sustainability initiative that upcycles items such as leather seat coverings and transforms them into new products. Through Repurpose with Purpose, Southwest Airlines supports communities by helping to provide employment, skills training, and donated products. In 2020, nearly 140,000 pounds of leather seat covers were repurposed, helping Southwest reduce the amount of waste sent to landfills while also generating social and economic opportunities for communities.
- Working with a variety of organizations and nonprofits, including Airlines for America (A4A), whose work complements our sustainability efforts, as well as government entities in supporting investments and incentives to help the industry meet its goals.

Cautionary Statement Regarding Forward-Looking Statements

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Specific forward-looking statements include, without limitation, statements related (i) to the Company's carbon neutrality goals, plans, and initiatives, including with respect to reducing carbon emissions intensity, maintaining carbon neutral growth, replacing conventional jet fuel with sustainable aviation jet fuel, offsetting carbon emissions, engaging with third parties, and improving fuel efficiency; (ii) the Company's goal to grow its operations; (iii) the Company's fleet plans, expectations, and initiatives; and (iv) the Company's plans, estimates, and assumptions related to capital spending. Forward-looking statements involve risks, uncertainties, assumptions, and other factors that are difficult to predict and that could cause actual results to vary materially from those expressed in or indicated by them. Factors include, among others, (i) any negative developments related to the COVID-19 pandemic, including, for example, with respect to the duration, spread, severity, or any recurrence of the COVID-19 pandemic; any new variant strains of the underlying virus; the effectiveness, availability, and usage of vaccines; the duration and scope of governmental orders and restrictions related to the COVID-19 pandemic; the extent of the impact of the COVID-19 pandemic on overall demand for air travel and the Company's related business plans and decisions; the impact of the COVID-19 pandemic on the Company's ability to retain key Employees; and the impact of the COVID-19 pandemic on the Company's access to capital; (ii) the impact of legislative and regulatory activity related to carbon emissions, in particular with respect to sustainable aviation fuel tax credits and compliance requirements; (iii) the Company's dependence on Boeing with respect to the Company's fleet delivery schedule and related fleet modernization; (iv) the Company's dependence on the FAA with respect to the NextGen program; (v) the Company's dependence on other third parties, in particular with respect to the production, transport, storage, and distribution of sustainable aviation fuel, and the impact on the Company's goals and plans of any third party delays or non-performance; (vi) the Company's ability to timely and effectively implement and maintain the necessary processes to support the utilization of sustainable aviation fuel; (vii) the impact of economic conditions, governmental actions, climate-related conditions and weather events, fuel prices, actions of competitors, socio-demographic trends, consumer perception, and other factors beyond the Company's control, on the Company's business decisions, plans, strategies, and goals; (viii)

the Company's and Boeing's dependence on other third-party providers to perform in accordance with expectations in connection with the manufacture and delivery of aircraft; and (ix) other factors, as described in the Company's filings with the Securities and Exchange Commission, including the detailed factors discussed under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, and in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2021. Caution should be taken not to place undue reliance on the Company's forward-looking statements, which represent the Company's views only as of the date this release. The Company undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

ABOUT SOUTHWEST AIRLINES CO.

In its 51st year of service, Dallas-based [Southwest Airlines Co.](#) continues to differentiate itself from other air carriers with Customer Service delivered by more than 54,000 Employees to a Customer base that topped 130 million Passengers in 2019. Southwest has a robust network of point-to-point service with a strong presence across top leisure and business markets. In peak travel seasons during 2019, Southwest operated more than 4,000 weekday departures among a network of 101 destinations in the United States and 10 additional countries. In 2020, the carrier added service to Hilo, Hawaii; Cozumel, Mexico; Miami; Palm Springs, Calif.; Steamboat Springs; and Montrose (Telluride), Colo. Thus far in 2021, Southwest has initiated service to Chicago (O'Hare) and Sarasota/Bradenton both on Feb. 14; Savannah/Hilton Head and Colorado Springs both on March 11; Houston (Bush) and Santa Barbara, Calif. both on April 12; Fresno, Calif. on April 25; Destin/Fort Walton Beach on May 6; Myrtle Beach, S.C. on May 23; Bozeman, Mont. on May 27; Jackson, Miss. on June 6; and Eugene, Ore. on Aug. 29. The carrier will begin service to Bellingham, Wash. on Nov. 7; and Syracuse on Nov. 14.

The carrier issued its [Southwest[®] Promise](#) in May 2020 to highlight new and round-the-clock efforts to support its Customers and Employees well-being and comfort. Among the changes are enhanced cleaning efforts at airports and onboard aircraft, along with a federal mandate requiring every person to wear a mask at all times throughout each flight. Additional details about the Southwest Promise are available at [Southwest.com/Promise](#).

Southwest coined [Transfarency[®]](#) to describe its purposed philosophy of treating Customers honestly and fairly, and low fares actually staying low. Southwest is the only major U.S. airline to offer bags fly free to everyone (first and second checked pieces of luggage, size and weight limits apply, some carriers offer free checked bags on select routes or in qualified circumstances). Southwest does not charge change fees, though fare differences might apply.

Southwest is one of the most honored airlines in the world, known for a triple bottom line approach that contributes to the carrier's performance and productivity, the importance of its People and the communities they serve, and an overall commitment to efficiency and the planet. Learn more about how the carrier gives back to communities across the world by visiting [Southwest.com/citizenship](#).

Book Southwest Airlines' low fares online at [Southwest.com](#) or by phone at 800-I-FLY-SWA[®].

View original content:<https://www.prnewswire.com/news-releases/southwest-airlines-announces-10-year-environmental-sustainability-plan-301402670.html>

SOURCE Southwest Airlines Co.