

SOUTHWEST AIRLINES ANNOUNCES NEW ENVIRONMENTAL SUSTAINABILITY GOALS ON ITS PATH TOWARD NET ZERO CARBON EMISSIONS BY 2050

Carrier updates sustainability strategy to focus on carbon, circularity, and collaboration

DALLAS, Nov. 15, 2023 /PRNewswire/ -- <u>Southwest Airlines Co.</u> (NYSE: LUV) today announced an updated sustainability strategy, Nonstop to Net Zero, which outlines the carrier's path toward its goal of achieving net zero carbon emissions by 2050 and supporting a more sustainable future for air travel. As part of the carrier's more holistic approach toward sustainability, it has established carbon, circularity¹, and collaboration as strategic pillars to guide its ongoing strategy.



Southwest's updated goals include:

- Electrifying 50% of eligible ground support equipment (GSE) system-wide by 2030². The carrier has electrified 33% of eligible GSE and plans to work with airports to evaluate electric infrastructure to support additional expansion.
- Saving 50 million incremental gallons of jet fuel by 2025, with a goal of saving 1.1 billion cumulative gallons by 2035³. In 2022, the carrier saved approximately 33 million gallons of fuel through fuel efficiency initiatives. To reach new fuel savings goals, Southwest is implementing planned and new fuel savings initiatives, including enhancements to flight planning software, expected to save at least 145,000 metric tons of CO₂e annually.

 Reducing single-use plastics from inflight service by 50% by weight by 2025 and eliminating single-use plastics from inflight service where feasible by 2030⁴.

"We're working toward our decarbonization goals by modernizing our fleet with more fuel-efficient aircraft and securing sustainable aviation fuel (SAF), while also furthering our sustainability initiatives in the near-term," said Helen Giles, Managing Director Environmental Sustainability at Southwest Airlines. "Our People and Customers care about our Planet, and we continue to take action to address aviation's impact on the environment, while collaborating with our suppliers, local and national government, and other organizations."

Southwest is also working to improve recycling through five key focus areas and collaborate with suppliers on sustainability, including utilizing EcoVadis to assess the environmental, social, and governance (ESG) performance of the Company's supply chain and ensure alignment with Southwest's Supplier Code of Conduct.

Southwest's new goals complement the carrier's existing sustainability plans of:

- Achieving net zero carbon emissions by 2050.
- Reducing carbon emissions intensity by 50% by 2035 in alignment with the goals of the Paris Agreement, with an interim target of 25% reduction by 2030⁵.
- Replacing 10% of total jet fuel consumption with SAF by 2030.
- Reducing energy utilization index at the Company's Dallas corporate headquarters by 50% by 2035⁶.

Charting Our Progress in 2023

"As we look ahead to the next phase of our sustainability journey as part of our Nonstop to Net Zero strategy, we're also proud of the progress we've made over the past year," Giles said.

- In October 2023, Southwest <u>signed</u> a 20-year agreement to purchase up to 680 million gallons of neat SAF from USA BioEnergy, LLC, which, once blended with conventional jet fuel, could produce the equivalent of 2.59 billion gallons of net zero fuel⁷ over the term.
- In August 2023, Southwest launched a tool allowing eligible corporate Customers the option to purchase Scope 3 SAF claims and/or carbon offsets directly within Southwest Business Assist™.
- In August 2023, Southwest <u>partnered</u> with General Electric (GE) Research to support a
 Department of Energy-funded grant for a GE system that is planned to combine
 detailed engine operational data, a hybrid physics and machine learning model, onairplane data, and real-time satellite observations to predict aviation-induced cirrus
 clouds that last more than five hours.
- In July 2023, The Boeing Company <u>announced</u> a collaboration with the National Aeronautics and Space Administration (NASA), Southwest, and other U.S. airlines to advise the Sustainable Flight Demonstrator project and development of the X-66 research aircraft.
- In the past year, Southwest was recognized by D CEO Magazine <u>2023 Nonprofit & Corporate Citizenship Awards</u> in the Sustainability Leadership category and the 2023 <u>Sustainability, Environmental Achievement, and Leadership (SEAL) Business Awards</u> in the Environmental Initiative category.

For more on the carrier's environmental sustainability plan, visit **southwest.com/planet**.

ABOUT SOUTHWEST AIRLINES CO.

Southwest Airlines Co. operates one of the world's most admired and awarded airlines, offering its one-of-a-kind value and Hospitality at 121 airports across 11 countries. Southwest took flight in 1971 to democratize the sky through friendly, reliable, and low-cost air travel and now carries more air travelers flying nonstop within the United States than any other airline⁸. Based in Dallas and famous for an Employee-first corporate Culture, Southwest maintains an unprecedented record of no involuntary furloughs or layoffs in its history. By empowering its more than 74,000⁹ People to deliver unparalleled Hospitality, the maverick airline cherishes a passionate loyalty among more than 126 million Customers carried in 2022. That formula for success brought industry-leading prosperity and 47 consecutive years ¹⁰ of profitability for Southwest Shareholders (NYSE: LUV). Southwest leverages a unique legacy and mission to serve communities around the world including harnessing the power of its People and Purpose to put communities at the Heart of its success. Learn more by visiting **Southwest.com/citizenship**. As the airline with Heart, Southwest has set a goal to work toward achieving net zero carbon emissions by 2050. Southwest has also set near-term targets and a three-pillar strategy to achieve its environmental goals. Learn more by visiting **Southwest.com/planet**.

¹ Circularity at Southwest means working toward reducing waste through maximizing the value of resources by keeping products and materials in circulation as long as possible. This can be through reusing, recycling, and considering what happens to a product at the end of its lifecycle from the time that sourcing begins.

² Includes baggage tugs, belt-loaders, and pushbacks.

³ Incremental is fuel saved in a year through fuel savings initiatives. Southwest's 2025 goal is compared to a 2019 baseline, and its 2035 cumulative goal is the sum of incremental gallons saved from 2019 to 2035.

⁴ Weight compared to a 2022 baseline and includes plastics for inflight service. Elimination goal is dependent on the availability of operationally and commercially feasible alternatives.

⁵ Compared against a 2019 baseline on a revenue ton kilometer basis [including Scope 1, Scope 2, and Scope 3 Category 3 emissions (upstream emissions of jet fuel)] and includes the use of SAF and excludes the use of carbon offsets.

⁶ Compared to a 2022 baseline.

⁷ Net zero is determined by a fuel with a carbon intensity of zero (0) gCO2e/MJ or lower on a lifecycle basis.

⁸ Based on U.S. Dept. Of Transportation quarterly Airline Origin & Destination Survey since Q1 2021

⁹ Fulltime-equivalent active Employees

¹⁰ 1973-2019 annual profitability



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