



QANTAS GROUP CLIMATE ACTION PLAN



NET
ZERO
BY 2050

31 MARCH 2022

DISCLAIMER

This Presentation and Climate Action Plan has been prepared for the purpose of providing investors in Qantas Airways Limited (Qantas) with information regarding our long-term planning with respect to climate change. It contains forward-looking statements and statements of opinion based on current market forecasts and are indicative only, noting that further analysis is required to be undertaken and that will be published at a later date by Qantas. These may include statements regarding climate change, transition scenarios, external enablers (including technology development and commercialisation, policy support, market support, and energy and offsets availability), and actions of third parties. Any such statements speak only at the date of this Presentation and Climate Action Plan. Readers are cautioned not to place undue reliance on such statements, particularly in light of the long-time horizon which this Presentation and Climate Action Plan discusses and the inherent uncertainty in possible policy, market and technological developments in the future.

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Protecting the
future of travel

Q-A-N-T-A-S LTD

Climate change is one of aviation's most pressing issues

Globally, the aviation sector wants to contribute to the global climate ambition of the **UN Paris Agreement to limit warming to well below 2°C above pre-industrial levels**.

However, it will not be easy to decarbonise aviation – **sustained co-operative** action with players across the value chain, governments and investors needed.

The COVID-19 pandemic has taught us that **supply chains are fragile** and critical to our survival as an industry and airline.

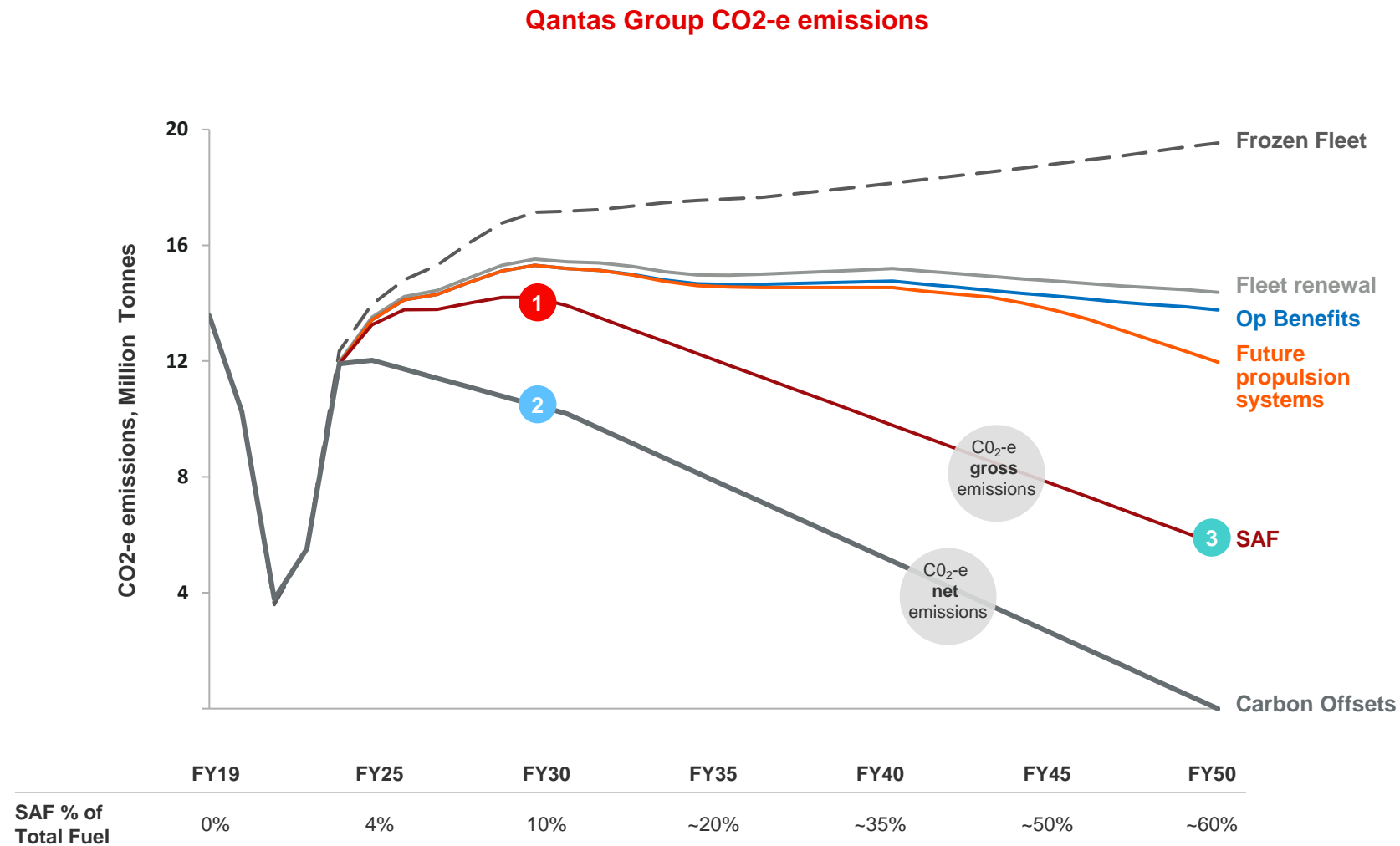
Qantas is committed to leading Australia into a more sustainable future

Qantas has always shown **leadership on issues important to Australia**, and climate change is no different.

We are committed to **protecting the future of travel** by continuing to value the planet, enabling our people and connecting our customers and communities.

The Qantas Group's **Climate Action Plan** outlines the targets and initiatives to hit net zero emissions by 2050.

Group Emissions Pathway



Pathway to Net Zero Emissions by 2050

- Increase our **operational and fuel efficiency** through continued fleet renewal
- Invest in domestic and international **Sustainable Aviation Fuels** as availability increases
- Supplement with **high-quality carbon removal and avoidance projects** across our network

KEY

- 1 FY30 SAF target: **10%**
- 2 FY30 net emissions to FY19: **-25%**
- 3 FY50 SAF target: **~60%**
(Paris carbon intensity target vs. FY19 : -71%)

Our interim 2030 targets set a strong trajectory for our path to net zero by 2050



25% reduction in
net emissions
from 2019 levels
by 2030



10% **Sustainable
Aviation Fuel
(SAF)** in fuel mix
by 2030



Average of
1.5% per year
**fuel efficiency
improvements**
to 2030



Zero **single-use
plastics** by 2027



Zero **general
waste** to landfill
by 2030

The Qantas climate action strategy provides a pathway towards net zero

AMBITION

Targets¹

Reduce carbon emissions by 25 per cent by 2030 (from 2019 levels) Reach net zero emissions by 2050

Decarbonisation pillars



Operational and Fleet Efficiency



Sustainable aviation fuels



Carbon offsets

Objectives

- Increase our operational and fuel efficiency by an average of 1.5 per cent p.a. to 2030²
- Zero single-use plastics by 2027
- Zero waste to landfill by 2030
- Work with industry on step change technology

Invest in SAF to enable:

- 10% SAF in fuel mix by 2030
- ~60% SAF by 2050

Invest in high quality carbon removal and avoidance projects across our network

Customer experience – developing sustainable options for customer products and service e.g. bamboo stirrers and compostable hot cup

ENABLERS

Institutionalising climate considerations across the Group

Governance

Capital allocation
(financial framework and internal carbon price)

Climate risk
and policies

Executive
remuneration

Empowering
employees

Transparent data
and reporting

Supply chain/
procurement

External levers

Customer engagement

Catalytic partnerships

Industry and government advocacy

Investor engagement

¹ Progress towards targets to be reviewed annually. ² 1.5 per cent per annum fuel efficiency improvement starting from 2023, baselined to 2019.

Fuel efficiency improvement will average 1.5% per annum to 2030

Jetstar's fleet renewal

- A321NEO-LR (which are ~15% more fuel efficient) will join from July 2022
- Over the next 10 years, Jetstar's narrowbody fleet will be replaced with NEO aircraft, further increasing efficiency

Project Winton

- Qantas narrow-body fleet being renewed with Airbus A220s and A320NEOs (pending Board approval), replacing Boeing 717s and 737s
- Last 747 replaced by more efficient 787 during COVID-19

Project Sunrise

- Direct East Coast to London & New York flights enabled by highly efficient A350 (pending Board approval)
- Flights will be 100% carbon neutral in line with emissions commitments

Future Technologies

- Work with other airlines, industry, and manufacturers on new technologies from battery-electric to hydrogen
- Future technologies play an important part in the long-term sustainability strategy & net-zero goal



Sustainable Aviation Fuel (SAF) is central to our interim and 2050 targets

What is sustainable aviation fuel?



Aviation fuel made from **sustainable biological sources** such as used cooking oil, council waste, plant oils, agricultural residues & **non-biological sources** (i.e. hydrogen and carbon dioxide)



Lowers lifecycle carbon emissions by up to 80% compared to regular jet fuel and **up to 90%** (in some cases more) for non-biological SAF



Reduces particulate matter by up to 90% and sulphur by 100% compared to regular jet fuel



Used interchangeably in planes as a 'drop-in' fuel within existing aircraft and airport refueling infrastructure without modification



Qantas SAF commitment will rapidly increase

10%
2030 Group
SAF usage



~60%
2050 Group
SAF usage

With **long-haul routes** accounting for a significant part of the Group's emissions profile, **SAF is currently the only viable technology/decarbonisation option** available across all our operations

Qantas has made initial steps towards use of SAF but action is needed for widespread adoption



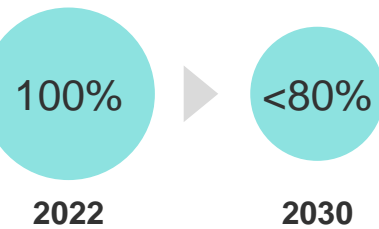
1. Frontier Economics analysis on SAF – Prepared for A4ANZ.
 2. ARENA. 2021. Australia's Bioenergy Roadmap Report.
 3. Frontier Economics analysis on SAF – Prepared for A4ANZ.

Carbon Offsetting

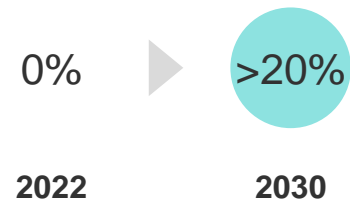
Sourcing Strategy



PROCUREMENT
Buying from Market



PROJECT ORIGATION
Investing in Projects



Price and supply risks management

Direct investments into offsets projects provide mitigation to strong negative movement in price and supply.

Portfolio shift from Renewable energy offsets

Registries shifting standards as additionality compromised.

Carbon Offset Integrity

Industry Leaders

Independent Audit / Science-based verification



High Integrity

Due Diligence performed on invested projects

Baseline

Issued from accredited Registries

Project Wheatbelt MOU

The Project is designed to support the opportunity for landowners to benefit from:

- More **drought resilient cash crops** — which will support the **diversification of current income**
- The opportunity to **reduce volatility of existing farm incomes**
- Allow farmers the opportunity to gain direct **exposure to new rapidly growing carbon** and **renewable biofuels** markets



Our waste reduction roadmap will be actioned over three main horizons

REDUCING OUR WASTE

**30,000
TONNES**

of total waste generated
by the **50 million people**
we carry each year

**100
MILLION**

single use plastic items
will be **removed from**
Qantas flights by 2023

LOOKING FORWARD



HORIZON 1
Innovate & implement
(2022-2027)

- Access innovative products through suppliers
- Group-wide training and waste change management program



HORIZON 2
Zero single-use plastic
(2027)

- Zero single-use plastics by 2027 (all Qantas & Jetstar flights using compostable or recyclable packaging)¹
- Review single-use plastics across our supply chain and work with suppliers to remove plastics from operations



HORIZON 3
Zero waste
(2030)

- By 2030, all our onshore operations will be completely general waste free. This includes our flights, lounges offices²

¹ Excludes some health & safety items. ² Excludes quarantine waste, a highly regulated and specialised waste stream with limited diversion pathways. All waste associated with international ports (inbound and outbound) is treated as quarantine waste.

Looking forward: Our next steps over the coming 12 months

We will be implementing enhanced governance measures across the Group:



Adapting the Group's
Financial Framework



Linking executive
remuneration to our
sustainability targets



Further progress our SAF &
offset strategies

Executing market leading SAF
& offset opportunities



Commitment to transparency
and integrity on our targets and
progress



Continuing to update our
scenario analysis



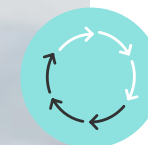
Developing a ground transport
strategy to reduce emissions
as part of long-term electricity
strategy



Focus on advocacy in
establishing domestic SAF
market and integrity in
Australian carbon markets



Working with our people to
embed sustainability
considerations across the
Group



Ensuring emissions and waste
across our supply chains are
reduced

Protecting the future of travel



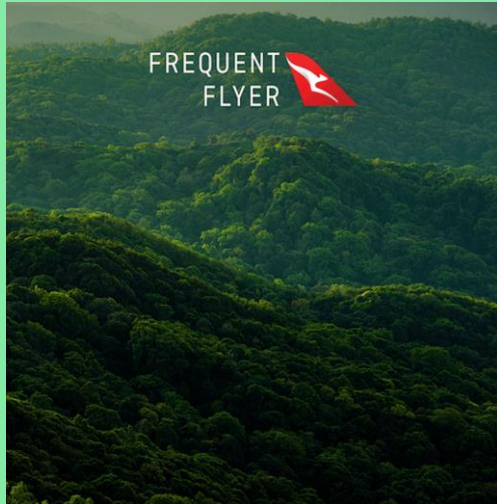
Green tier

OLIVIA WIRTH



Our Vision

Use the Loyalty Program to make it easy for members to be more sustainable in their daily lives. Inspire and incentivise them to achieve their goals.



Green tier was born of research among members and our desire to do more for them

Priorities and future member experience

1

OFFSET MY FLYING

- I can offset my flying easily anytime
- I can participate in the future of Green travel (through SAF)

2

GO BEYOND MY FLYING

- I can easily reduce my carbon impact outside of flying
- I can easily make a positive impact to the environment

3

EDUCATE & RECOGNISE ME

- I get recognised and rewarded for making smart choices
- I understand what I can do



Green tier – construct and recognition

Complete actions in 5 out of 6 categories



Offset Flying

Offset a flight booked on Qantas.com
Contribute to sustainable aviation fuel



Sustainable Travel

Stay in an eco hotel



Sustainable Lifestyle

Offset your Home and Car Purchase
Purchase solar panels



Choose Sustainable

Purchase wine from an eco vineyard
Make your Qantas Wine or Rewards
Store delivery climate positive



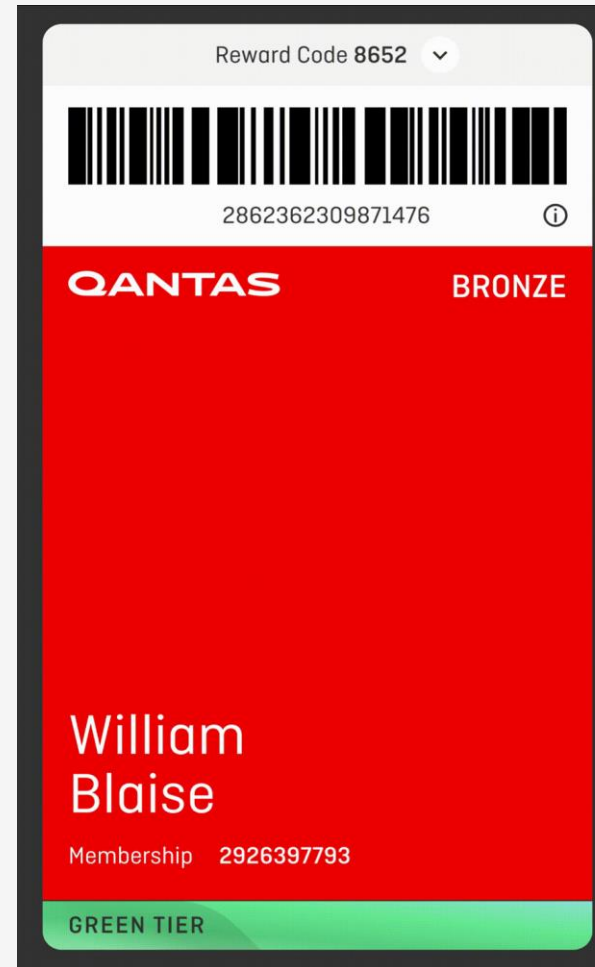
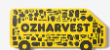
Reduce Your Impact

Take our impact quiz to learn how



Give Back

Contribute to a sustainability
organisation or project



Unlocks rewards and recognition



Choose Your Reward

On attainment of Green tier choice of:
10,000 Bonus Qantas Points
50 Status Credits
Qantas purchases 3 tonnes
of carbon offset on your behalf



Bonus Qantas Points

Earned when:
Purchase eligible sustainable
products or experiences



Exclusive Events

Invites to special events such as:
Sustainability events and experiences



Digital Recognition

Including:
Unique digital card
Visual recognition in My Account
and in the Qantas app



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