QANTAS GROUP CLIMATE ACTION PLAN

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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
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

**Qantas Group CO2-e emissions**

- **Frozen Fleet**
- **Fleet renewal**
- **Op Benefits**
- **Future propulsion systems**
- **Carbon Offsets**

**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

**Targets¹**

**Decarbonisation pillars**

- 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

**Operational and Fleet Efficiency**

**Sustainable aviation fuels**

- Invest in SAF to enable:
  - 10% SAF in fuel mix by 2030
  - ~60% SAF by 2050

**Carbon offsets**

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

**Objectives**

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

**AMBITION**

**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

**ENABLERS**

- Customer engagement
- Catalytic partnerships
- Industry and government advocacy
- Investor engagement

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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

**Biofuel flight proving**
Qantas partners with Agrisoma to embark on the world’s first dedicated biofuel flight between Australia and the US

**Domestic SAF investment**
Qantas becomes the first Australian airline to commit funds towards SAF, with an initial **$50 million commitment** towards viable domestic SAF opportunities

**London SAF purchase**
Qantas continues to lead the Australian market by agreeing to purchase and uplift up to 10ML of neat SAF per year out of London Heathrow (LHR) on an ongoing basis, comprising 15% of Group LHR fuel uplift

**Secure Australia’s domestic fuel security** – removing reliance on imported liquid aviation fuel

**California SAF purchase**
Qantas secures further SAF supply by agreeing to purchase nearly 20ML of blended SAF per year produced in California, to be uplifted from LAX and SFO from 2025

Contribute an additional **$2.8B in GDP per year by 2030**, and up to **$7.6B per year in 2050**

Create more than **7,400 jobs by 2030**, and up to **15,600 jobs by 2050** – most in regional areas

1. Frontier Economics analysis on SAF – Prepared for A4ANZ.
3. Frontier Economics analysis on SAF – Prepared for A4ANZ.
Carbon Offsetting

Sourcing Strategy

**PROCUREMENT**
Buying from Market

- 100% in 2022
- <80% in 2030

**PROJECT ORIGINATION**
Investing in Projects

- 0% in 2022
- >20% in 2030

**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

**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)
- 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 offices

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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 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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