

# Heart for the Planet

For years, Southwest has shown our Heart for the Planet by taking action to operate efficiently and respecting the environment. Environmental sustainability remains an ongoing priority for our future, and we look forward to continuing our sustainability journey. By acting as a good global citizen, we can take meaningful steps to address our environmental impact and respect the Planet.

## Planet Goals

As discussed in our 2022 One Report, in early 2023, we refreshed our climate strategy, including replacing our carbon neutral growth goal<sup>1</sup> with two near-term carbon intensity reduction targets as stated below. Our new 2035 carbon intensity reduction target is based on scientific models<sup>2</sup> that are in alignment with the goals of the Paris Agreement to limit warming to well below 2 degrees Celsius and pursue efforts to limit it to 1.5 degrees Celsius.

Southwest Airlines is working to make progress across our four strategic pillars to help us achieve our near and long-term sustainability goals and beyond:

- **Reduce** our carbon emissions intensity 50% by 2035 with an interim goal of 25% by 2030 as compared with 2019.<sup>3</sup>
- **Replace** 10% of our total jet fuel consumption with sustainable aviation fuel (SAF) by 2030.
- **Offset** emissions<sup>4</sup> with certified offsets.<sup>5</sup>
- **Partner** with different organizations and nonprofits whose work complements our efforts to achieve our goals and advance environmental sustainability.

The table below outlines the Planet goals and our progress towards achieving them.

Goal	Progress Measurement Metric	2022 Performance <sup>5</sup>
50% reduction in carbon emissions intensity from 2019 baseline by 2035, with interim reduction of 25% by 2030	Percent reduction	1.9%
Replace 10% of our total jet fuel consumption with SAF by 2030	Percent SAF secured through offtake agreements in 2030	0.5%
Net zero emissions by 2050	Metric tons of carbon dioxide equivalent (including Scope 1, Scope 2, and Scope 3 Category 3)	22,415,018



## Reduce



## Replace



## Offset



## Partner

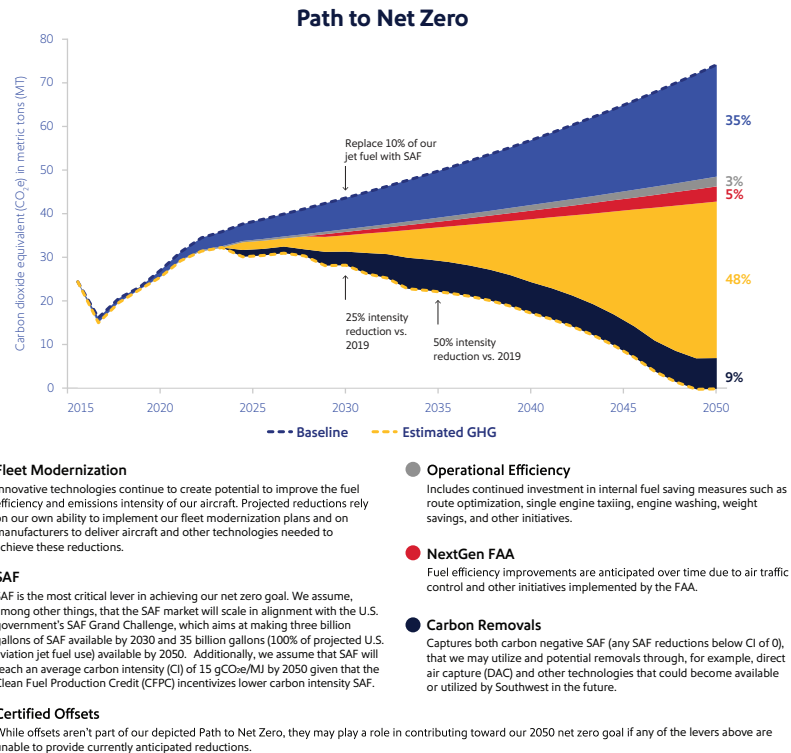


Offset your next trip!



## Planning Our Path to Net Zero

We've developed a path to achieve our net zero goal that requires an integrated approach across a number of important initiatives. These initiatives include improving our operational efficiency, investing in fleet modernization, advocating for air traffic control (ATC) modernization and other NextGen Federal Aviation Administration (FAA) initiatives, expanding our use of SAF, and leveraging carbon removal opportunities. The pathway depicted in our Path to Net Zero graphic models one potential pathway, but is subject to numerous assumptions, dependencies, and uncertainties outside of our control.<sup>4</sup> As our strategy, technology, cross-sector collaborations, and other initiatives evolve, we plan to review these assumptions and our model annually and, if necessary, update them to reflect any new information available at that time.



## Accomplishments as of December 31, 2022

- Performed a qualitative scenario analysis in reference to the Task Force on Climate-Related Financial Disclosures (TCFD) framework.
- Published a company-wide environmental policy and a robust SAF policy to help guide our SAF efforts.
- First commercial airline to bring SAF to Oakland International Airport (OAK).
- Invested in SAFFIRE Renewables, LLC (SAFFIRE), a first-of-its kind investment for Southwest.
- Purchased carbon offsets equivalent to the carbon emissions generated by our Employee business and charitable travel for 2021.<sup>6,7</sup>
- Matched 100% of our 2022 electricity consumption in our Texas operations with Renewable Energy Certificates (RECs).
- Awarded LEED Certification at our Denver International Airport (DEN) hangar.

## Factoids as of December 31, 2022

- In 2022, 33+ million gallons of jet fuel were saved through fuel efficiency initiatives, avoiding over 315,000 metric tons of CO<sub>2</sub>e.<sup>8</sup>
- 33% of our eligible ground support equipment is electrified.
- 126,000 pounds of seat covers donated during 2022.

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### Endnotes

<sup>1</sup> Our prior goal was to maintain carbon neutral growth to 2019 levels through 2030, as per our 2021 released 10-Year Plan.

<sup>2</sup> Based on the modeling of the International Energy Agency (IEA)'s Energy Technology Perspectives report.

<sup>3</sup> Our carbon emissions intensity reduction goals are compared against a 2019 baseline on a revenue ton kilometer (RTK) 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.

<sup>4</sup> Detailed risk factors, including those specific to extreme weather events and climate change, are discussed under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

<sup>5</sup> Representative of 2022 performance only, and prior performance does not guarantee that the Company will be able to meet its stated sustainability goals.

<sup>6</sup> Intensity reduction percentages represent reductions as of December 31, 2022. The SAF percentage is based on contracted gallons of SAF expected to be utilized in 2030 (as of December 31, 2022). Southwest is working to procure greater volumes of SAF, and to the extent applicable, those volumes will be captured in future reporting of this metric after the agreements for those volumes are executed by the parties.

<sup>7</sup> Company Nonrevenue Must Ride (NRRM) flights, inclusive of all Frontline and Corporate Campus-based Employees' work-related travel, including deadheading Employees. This excludes flights flown on other airlines.

<sup>8</sup> E-passes donated to national and local charitable partners and programs.

<sup>9</sup> Historically, fuel savings were shown in incremental gallons, conveying the difference in savings above the prior year. This year, we are reporting in nominal gallons, representing the estimated total gallons of consumption avoided in 2022.