

Protecting our Planet through Environmental Stewardship

Over the years, Southwest has proudly shown our Heart for the Planet by working to operate efficiently and protect the environment. Environmental sustainability is an ongoing priority for us and we have set a goal to achieve carbon neutrality by 2050. There is significant work underway, and we are excited to announce the launch of our 10-year Environmental Sustainability plan that works towards achieving our ultimate goal.

Through 2030, we plan to maintain carbon neutrality to 2019 levels, while continuing to grow our operations, and we plan to achieve these objectives through the following actions:

- Reduce our 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 our 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 towards offsetting Southwest's carbon emissions, Southwest will match the contribution.*

Our goal to reduce, replace, and offset are important next steps in the journey to build a holistic approach to improve our environmental sustainability, and we will continue to partner with different organizations and nonprofits whose work complements our efforts to improve environmental sustainability, as well as invite Customers to join in this effort to show kindness to our planet.

Reduce

Southwest will 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 FAA's 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 [Choose](#)TM and Customers to 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.*
- 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 and Yale's School of the Environment to research technological advancements and find new solutions to reduce net greenhouse gas emissions and 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.

Environmental Sustainability

Between now and 2030, our goal is to **maintain carbon neutral growth**.
Here's how we'll get there:

Reduce



Reduce our carbon emissions per available seat mile by at least **20%** by 2030

Replace



Replace **10%** of our total jet fuel consumption with sustainable aviation fuel by 2030

Offset through our Rapid Rewards program with a...

I'm proud that 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. We look forward to continuing our sustainability journey – and updating everyone on our progress along the way.

*Taxes and fees will not be matched by Southwest or earn points. 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. Allow up to eight weeks for bonus points to appear in the Rapid Rewards Account. All offsets will be retired in the name of Southwest Airlines Co. Terms and conditions apply.