SUSTAINABILITY STRATEGY 2024-2035

April 2024 | Version 1.0

Jet2.com | Jet2holidays

CONTENTS

All years are calendar year unless otherwise stated.


Jet2holidays
Jet2holidays

1 FOREWORD FROM STEVE

In 2021, *Jet2 plc* published its first Sustainability Strategy, with a commitment to produce a new iteration in 2024.

Since then, I am incredibly proud of what we have achieved In the Air, On the Ground and In Resort: from our second order of 71 new Airbus A320/A321neo aircraft in late 2022, to investing in Sustainable Aviation Fuel (SAF) production from household waste in the North of England, alongside launching a Certified Sustainable Hotels collection, and meeting our carbon intensity reduction targets to date. As a result, we have been recognised among the top 10 airlines globally for sustainability, according to the CAPA 2023 sustainability benchmark report.

We pride ourselves on doing the right thing for our colleagues and customers, as well as leading the way with our award-winning customer service. That's why we have been named Which? Travel Brand of the Year 2023 and Best Large Company to work for at the Best Workplaces in Travel awards. Our success is down to the hard work of our team and I would like to thank them for what they have achieved in the last three years.

This iteration of our Sustainability Strategy looks at our biggest environmental impacts, how we have addressed these in the past and how we will tackle them in future. It's bolder in ambition, outlining an emissions reduction pathway which will bring our 2035 carbon intensity in line with the Science Based Targets Initiative (SBTI) guidance.

As a business, we create memories by taking millions of people on their well-deserved holidays every year. We employ over 10,000 people and play a key role in the economic and industrial growth of the UK – particularly in the North.

Economically, socially and culturally, travel is a force for good and I am extremely proud of our impact in the UK and in communities around the world. However, it is also essential to recognise, and act on, the environmental impact associated with travel.

This is why we are committing to greater transparency through annual sustainability reports, in addition to our Annual Report & Accounts (ARA), and further reporting on our Scope 3 emissions and how we can generate value in the communities we operate.

Our emissions pathway is achievable and, importantly, it is based on available technologies and actions that we can take now. However, we also want to be honest about the challenges and opportunities we face as a sector, and how far and fast we can go.

The UK has the opportunity to become a leader in SAF, carbon capture and decarbonisation technologies. However, the pathway to realising this is not automatic, and there is strong global competition. We believe the aviation sector could decarbonise faster if we had the right government support and industry incentives in place.

This strategy sets out our vision to accelerate our sustainability journey while continuing to support our colleagues and the communities we operate in.

STEVE HEAPY
Chief Executive Officer

All years are calendar year unless otherwise stated.

2 EXECUTIVE SUMMARY

All years are calendar year unless otherwise stated.

OUR JOURNEY TO NET ZERO | IN THE AIR

SAF IN FUEL MIX

2021-2023 RESULT

SAF **FULCRUM INVESTMENT IN SAF**

2035 TARGET

15% SAF
IN THE FUEL MIX

☑ LESS CARBON EMISSIONS*

*Over the life cycle vs. conventional Jet A1.

WASTE ONBOARD AIRCRAFT

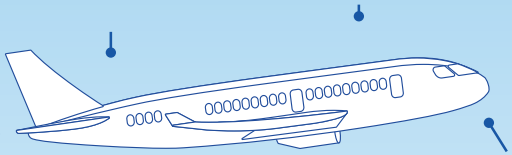
2021-2023 RESULT

SWITCHED 22M
SINGLE USE PLASTICS TO ALTERNATIVE MATERIALS

2035 TARGET

ZERO WASTE
TO LANDFILL FROM OFFICE WASTE

☑ REDUCED IMPACT FROM OFFICE WASTE



FUEL EFFICIENCY FROM NEW TECHNOLOGY AND WEIGHT REDUCTION MEASURES

2035 TARGET

1% TECHNOLOGY AND WEIGHT BASED FUEL REDUCTION

☑ LESS FUEL ☑ LESS CARBON

AIRSPACE MODERNISATION

2035 TARGET

8% FUEL REDUCTION
IN UK AND EU

☑ LESS FUEL ☑ LESS CARBON*

*This is a dependent on SESAR, NATS and UK, EU Governments cooperating to deliver airspace reform.

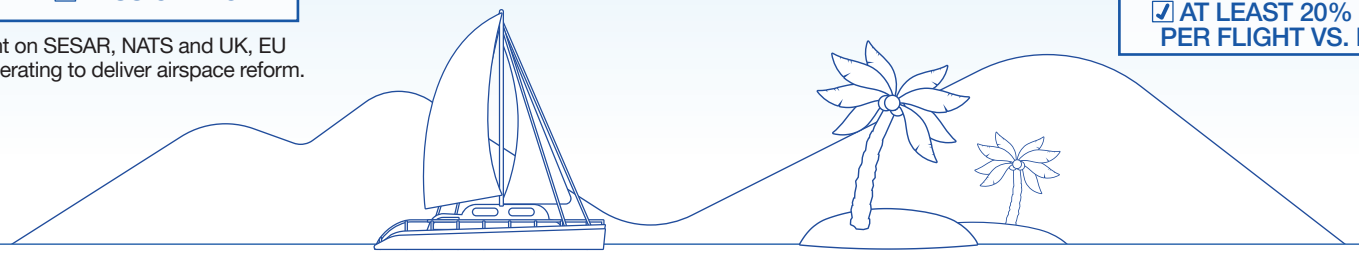
2021-2023 RESULT

NEW FLEET RECEIVED 5 IN 2023

2035 TARGET

146 AIRBUS ORDER

☑ AT LEAST 20% LESS FUEL USED PER FLIGHT VS. EXISTING FLEET



All years are calendar year unless otherwise stated.

OUR JOURNEY TO NET ZERO | ON THE GROUND

PROPERTY/BUILDINGS

2021-2023 RESULT

100% RENEWABLE TARIFF

2035 TARGET

NET ZERO OPERATIONAL BUILDINGS*

- ☑ REDUCED IMPACT FROM OUR ENERGY USE IN BUILDINGS
- ☑ ENERGY FROM RENEWABLES

*Of buildings within our operational control.

UK GROUND SERVICE VEHICLES FUEL

2021-2023 RESULT

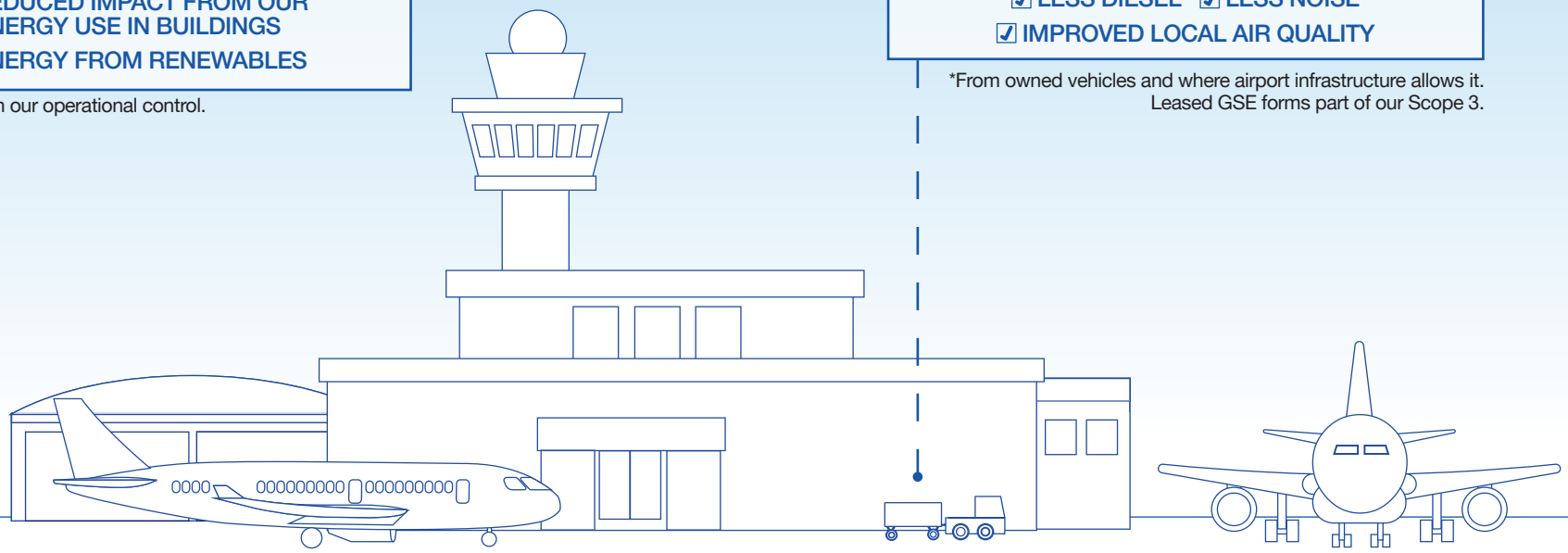
50% ELECTRIC*

2035 TARGET

99% EMISSION REDUCTION

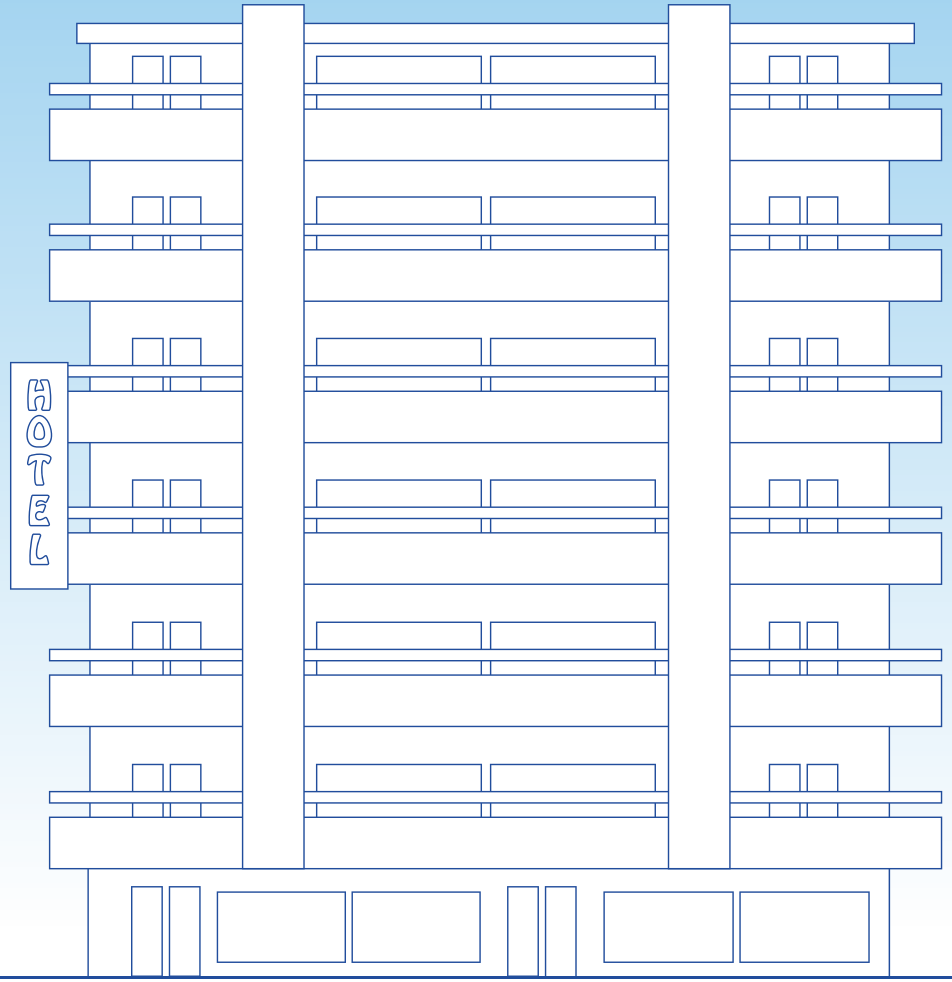
- ☑ LESS DIESEL
- ☑ LESS NOISE
- ☑ IMPROVED LOCAL AIR QUALITY

*From owned vehicles and where airport infrastructure allows it. Leased GSE forms part of our Scope 3.



All years are calendar year unless otherwise stated.

OUR JOURNEY TO NET ZERO | IN RESORT



GSTC MEMBER

GLOBAL SUSTAINABLE TOURISM COUNCIL MEMBER SINCE 2021

HOTELS

2021-2023 RESULT

950 CERTIFIED SUSTAINABLE HOTELS

2035 TARGET

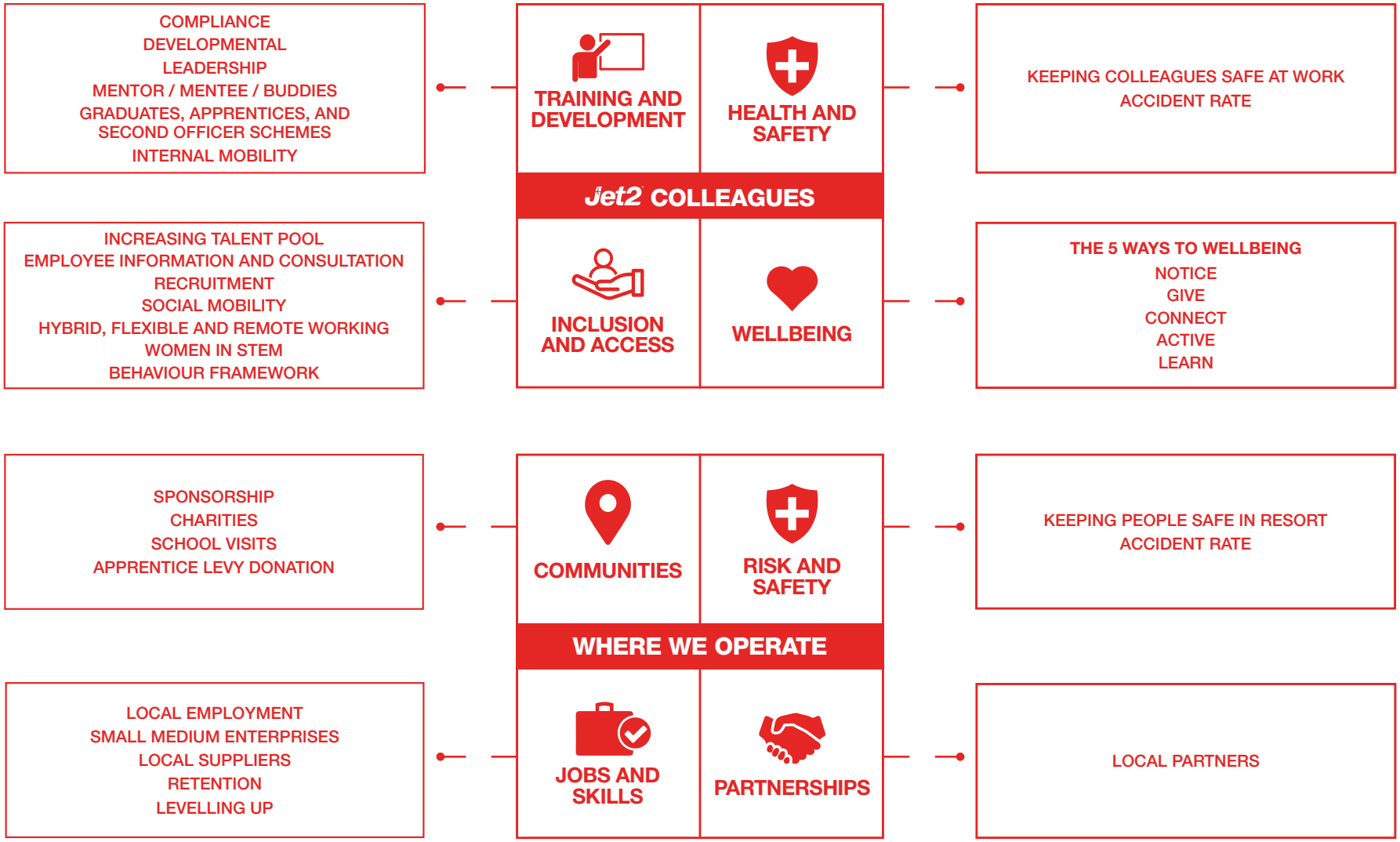
3,000

☑ MORE RESPONSIBLE ACCOMMODATION CHOICES

All years are calendar year unless otherwise stated.

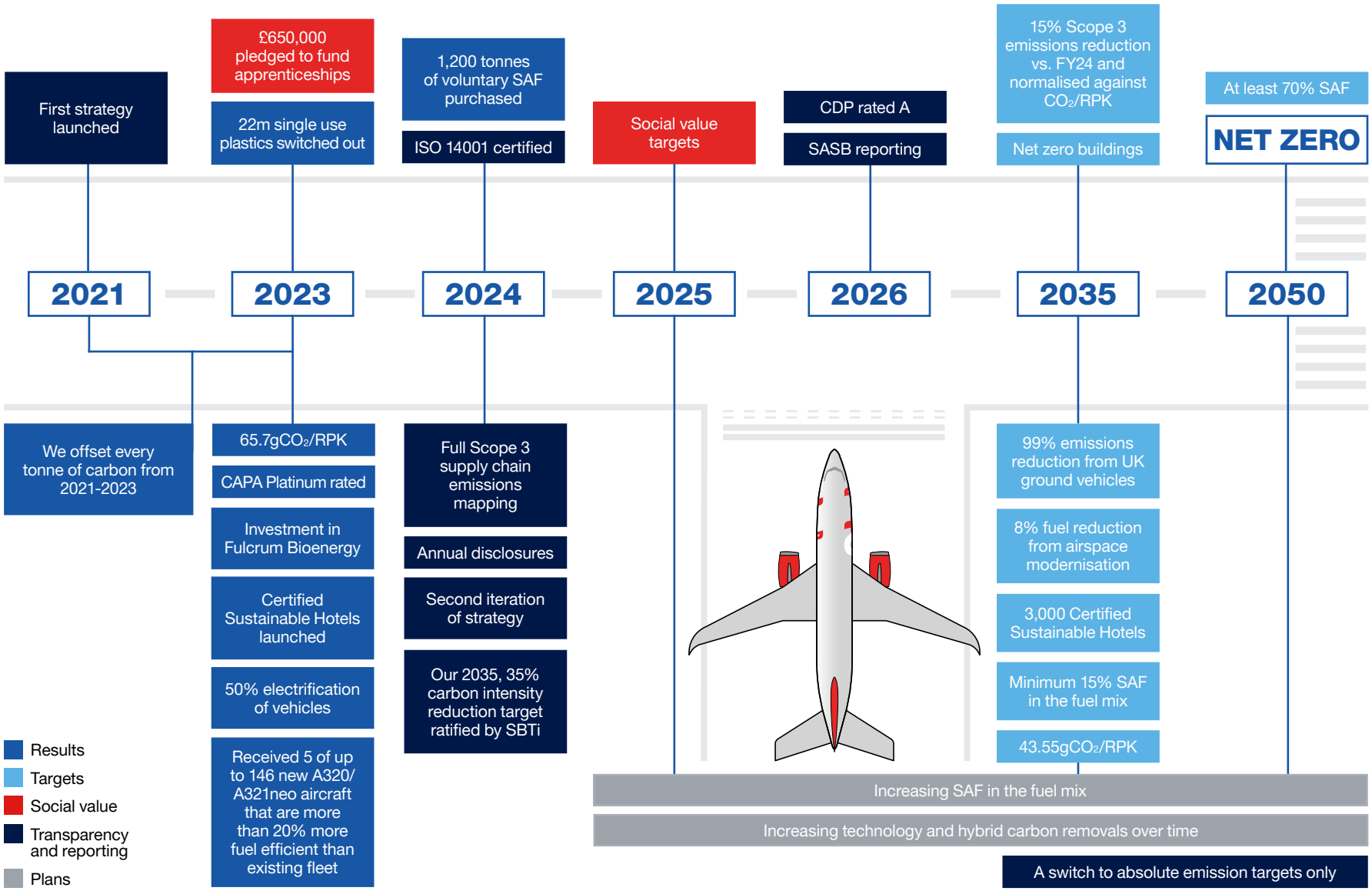
SOCIAL VALUE

Our social value framework will enable us to set quantifiable objectives and targets to support our colleagues and the communities where we operate.



All years are calendar year unless otherwise stated.

OUR ROADMAP TO 2050



All years are calendar year unless otherwise stated.

SUSTAINABILITY STRATEGY

 All years are calendar year unless otherwise stated.

3 WHAT SUSTAINABILITY MEANS TO JET2

We know that holidays are amazing. We also know they need to be more sustainable, so that our customers can keep enjoying their well deserved trips for the long term. As the UK's largest tour operator and third-largest airline, sustainability at *Jet2* means taking our responsibilities for the environment and people seriously, and setting ambitious but pragmatic targets that align with our ethos and values. All our targets are based on known and operational technologies. Sustainability at *Jet2* includes:

1. **The environment -** Our net zero carbon 2050 commitment and our climate transition plan to 2035, split into actions we take across three pillars:
   a. **In the Air**;
   b. **On the Ground**; and
   c. **In Resort**.

2. **People** - How we enhance and enable them using our social value framework, across:
   a. ***Jet2*** colleagues; and
   b. The communities where we operate.

These are underpinned by our:

- Sustainability management system;
- Environmental performance metrics;
- Social value performance metrics (to be developed in 2024);
- Annual disclosures via the Annual Reports and Accounts (ARA) and approach to Environment Social Governance (ESG) (see **"Disclosure and ESG"** on page 15); and
- Work and support with our supply chain.

 All years are calendar year unless otherwise stated.

4 HOW WE MANAGE SUSTAINABILITY AT JET2

*Figure 1 - **Jet2 plc** sustainability governance structure.*

We take our sustainability impact very seriously, and we are committed to managing our performance in accordance with an ISO 14001:2015 certified management system. The ISO 14001:2015 standard provides the framework for:

- The strategy's design and implementation;
- Monitoring our performance against our targets and objectives; and
- Communicating this information to relevant stakeholders.

Through our management system, we apply multilevelled governance on sustainability. The ***Jet2 plc*** Board is accountable for the strategic direction and performance against the company's sustainability management system, including approving the targets and objectives outlined within this strategy. The Sustainability Steering Committee is assigned responsibility from the Board to oversee the delivery of the Sustainability Strategy and report back on the company's performance.

Outside the Sustainability Steering Committee meetings, our Directors receive regular updates on the company's sustainability approach. Each Director is responsible for delivering their own Departmental Sustainability Plans, and regular operational meetings take place between the Directors and Sustainability Team to monitor progress.

All ***Jet2*** colleagues have responsibility for supporting the company's Sustainability Strategy (see **"Every *Jet2* role is a sustainability role"** on page 40 for more information). To support continued engagement, we also have a colleague-led Sustainability Champion Network, who help shape our sustainability agenda.

OUR APPROACH TO SUSTAINABILTY

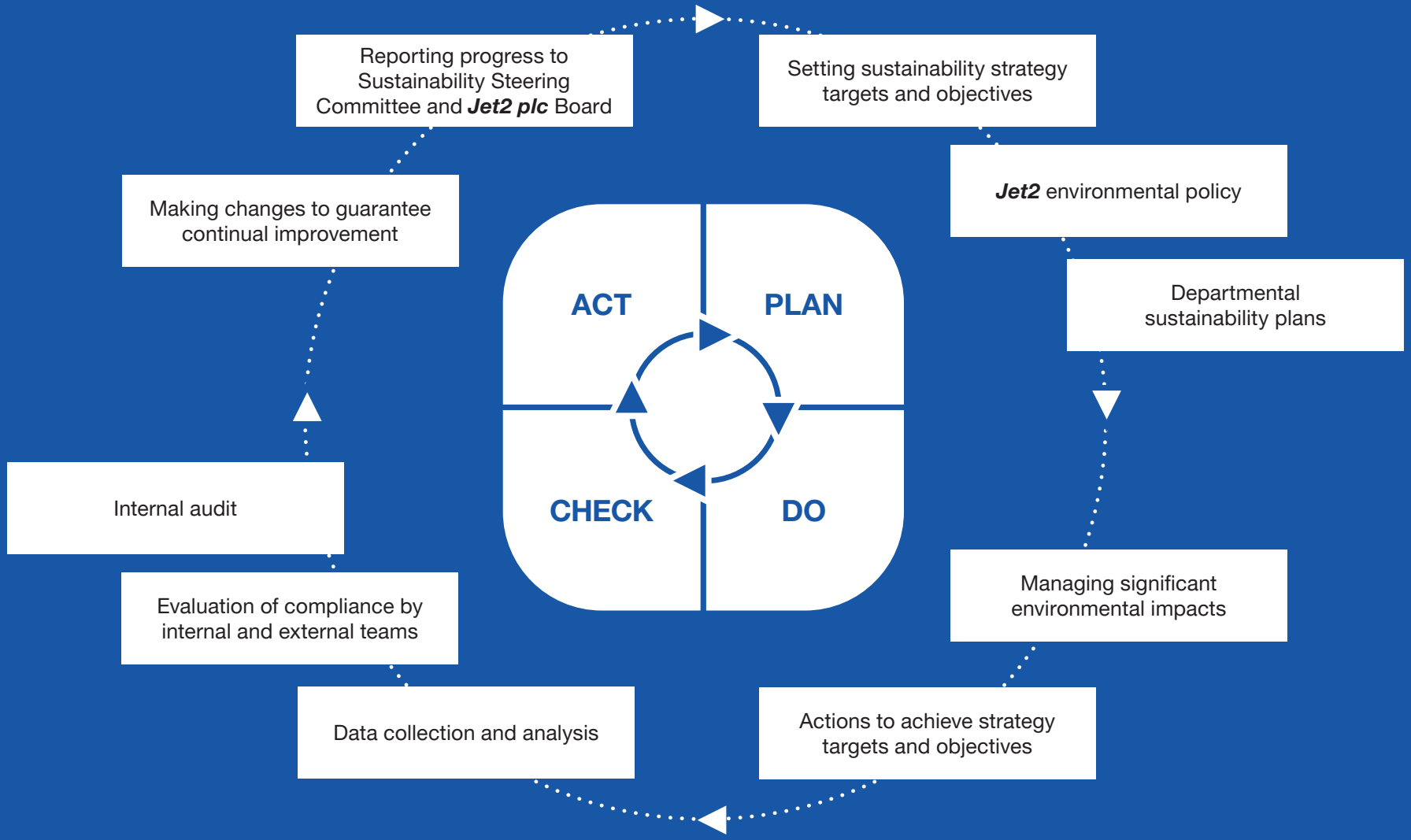


Figure 2 - Our sustainability management system underpinning everything we do.

All years are calendar year unless otherwise stated.

5 DISCLOSURE AND ESG

We have committed to reporting annually, via our ARA, on the progress we are making against these targets. This is to make sure we are being totally transparent in the actions we are taking to drive sustainability within our business and throughout our supply chain. We will report our corporate governance of climate risk and sustainability issues, progress against our targets, our Task Force on Climate-Related Financial Disclosures (TCFD) as well as against the Streamlined Energy and Carbon Reporting (SECR) regulations. In 2024, we also commit to:

- Signing up to Science-Based Targets initiative and having our 2035 35% intensity reduction target verified;
- Completing a Carbon Disclosure Project (CDP) questionnaire with the aim of achieving an A rating within a maximum of 2 years;
- Having our sustainability management system certified to ISO 14001:2015;
- Full disclosure of our Scope 3 emissions;
- Progress towards aligning our ARA section on sustainability with:
  - UK sustainability disclosure standards;
  - The IFRS S2 annual reporting guidelines and IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information;
  - The International Accounting Standards Board (IASB) and International Sustainability Standards Board (ISSB);
  - The SASB Transportation: Airlines standard;
- Producing an annual forward-facing summary document every year, that highlights what we will achieve; and
- Discussing Director remuneration in relation to this strategy as part of Remuneration Committee meetings.

Using the 2024-2035 strategy, and the FY24 ARA section on sustainability, external parties will be able to assess and understand our level of commitment.

 All years are calendar year unless otherwise stated.

6 2021-2023 STRATEGY RESULTS

All years are calendar year unless otherwise stated.

Within a challenging, hard-to-decarbonise sector, we have been recognised as an industry leader in reducing our carbon intensity emissions, achieving a platinum rating for airline sustainability in the CAPA 2023 sustainability benchmark report. This means we are among the top 10 airlines globally for sustainability performance and ranked 4th out of 100 in carbon emitted per revenue passenger kilometre (gCO_2/RPK). We launched our initial Sustainability Strategy in 2021 and, since then, have delivered tangible results against all our 2021-2023 targets, including:

IN THE AIR

- Reducing our 2023 calendar year intensity emissions to approximately 65.7g of CO_2 per revenue paying passenger kilometre (gCO_2/RPK), meaning we are on track to meet our 2025 target (of 65gCO_2/RPK):
  - Receiving 5 new aircraft from our order of up to 146 new Airbus A320/A321neo aircraft; and
  - Ordering 34 sets (plus options on 24 more) split scimitar winglets for installing on our aircraft, which we expect will reduce their fuel burn by around 1.8%.
- Announcing our investment in the Fulcrum NorthPoint Facility, being developed by Fulcrum Bioenergy Ltd, thus securing direct Sustainable Aviation fuels (SAF) supply from their UK plant from 2028. Through our investment, we expect to receive more than 200 million litres of SAF over a 15-year period, which would be one of the longest SAF supply agreements currently. This facility will be a Waste-to-Fuels plant which will be in Ellesmere Port, Cheshire. Production of SAF is expected to commence at the plant in 2028. When at full capacity, 600,000 tonnes of non-recyclable household waste, which would otherwise have been destined for incineration or landfill, will be converted into around 100 million litres of SAF annually;
- We have entered into an agreement with International Water-Guard Industries, Inc. (IWG) to install the patented ‘Pre-Select’ Intelligent Water Quantity System on 52 Boeing B737-800 NG aircraft, making us the first airline in Europe to use the product. Pre-select reduces aircraft weight as much as 180kg on each flight; and
- We are working on a new process with DEFRA and Animal and Plant Health Agency to manage onboard waste more effectively in the UK.

SO, WHAT IS SAF?

Sustainable Aviation Fuels are a drop-in fuel, meaning they can be used in existing aircraft (currently up to a 50% mix) as they’re chemically identical to fossil-based jet fuel when blended. However, SAF is far less carbon intensive over its life cycle, including its production and use. We aim to use SAFs that achieve, on average, an 80% reduction in carbon emissions when compared to fossil-based jet fuel on a life cycle basis. SAF can be made from several feedstocks, for example used cooking oil, municipal waste, or recycled waste industrial gasses, which are processed via several approved production methods.

All years are calendar year unless otherwise stated.

ON THE GROUND

- Replacing diesel vehicles and electrifying over 50% of ***Jet2.com***-owned ground service vehicles;
- Switching all our offices under our operational control to renewable energy tariffs;
- Switching around 22 million single-use plastic items to an alternative material (which is 83% of ***Jet2.com*** catering cups, cup lids, drink tumblers, disposable cutlery and stirrers' products purchased in 2023); and
- Between 2021-2023, we offset every tonne of carbon we emitted from our flights that wasn't covered by government compliance schemes such as the UK and EU emissions trading scheme including our free allowances, using renewable energy credits purchased on the voluntary carbon market.

IN RESORT

- Launched our Certified Sustainable Hotels collection and Sustainable Hotels Charter in December 2023, with over 950 hotels already included in this new collection; and
- Signed up to the Mallorca Tourism Organisation Sustainability Pledge.

RESULTS FROM EARLY 2024

- Purchasing just over 200 tonnes of Sustainable Aviation Fuel (SAF) for our 2024 fuel use at Malaga, Spain airport, making up 1% of our fuel mix at this airport, one year before the introduction of the EU SAF mandate; and
- Purchasing just under 1,000 tonnes of Sustainable Aviation Fuel (SAF) for our 2024 fuel use at Bristol and London Stansted airports, making up 1% of our fuel mix at these airports one year before the introduction of the UK SAF mandate.

 All years are calendar year unless otherwise stated.

7 OUR CLIMATE TRANSITION PLAN

All years are calendar year unless otherwise stated.

NET ZERO CARBON APPROACH

We are proud of the progress we have made so far, and we want to keep going. To do that, we need to take further action to reduce our environmental impact. We are committed to net zero carbon emissions by 2050 but aspire to bring this date forward. This section outlines our plan to achieve that.

Although only accounting for around 2-3% of annual global carbon emissions, the aviation industry is difficult to decarbonise as solutions for our biggest impacts are currently limited.

Our decarbonisation flight path covers all our Scope 1 direct emissions such as jet fuel (In the Air), building heating oil and gas, and diesel use from vehicles (On the Ground), Scope 2 emissions from purchased energy in buildings and electric vehicle infrastructure (On the Ground), Scope 3 supply chain emissions across our business operation, as well as our approach to tackling residual emissions. For each emission category, we have set measurable key performance indicators (KPIs) and commitments up to 2035.

SCOPE 1 AND 2 EMISSIONS

In Figure 4, we have shown Scope 1 and 2 emissions in absolute (total) terms, as well as our emissions intensity calculated as carbon emitted per revenue passenger kilometre (gCO_2/RPK) in Figure 3. In 2035, we will move to only absolute emissions reporting and targets. In FY24, our total absolute emissions are *forecast* to be:

- 99% or ~2.8 million tonnes of CO_2 from Jet A1 fuel
- Less than 1% from building gas and oil heating - ~1,100 tCO_2; ground service equipment - ~1,600 tCO_2; Scope 2 electricity use - ~1,500 tCO_2

Therefore, the acceleration of our decarbonisation flightpath is inherently tied to jet fuel. To decarbonise fuel, the industry is reliant on the availability of lower carbon or Sustainable Aviation Fuels (SAF).

The adoption of SAF is at a crucial stage in decarbonising the aviation sector. The UK SAF mandate will be introduced from 2025 and will require a minimum of 2% SAF in the aviation fuel mix, increasing in annual increments of 1.6% to 10% by 2030. The European Union has also introduced a mandate for SAFs, requiring a minimum of 2% in the fuel mix by 2025 increasing to 6% by 2030. As well as meeting UK targets for lower carbon aviation fuel use, investing in UK SAF production has the potential to positively impact UK GDP, and create new jobs. SAF can support the decarbonisation of the aviation sector immediately. We have laid out in this strategy document what we need to do to ensure that we realise the potential of SAF to achieve significant emissions reductions in the aviation industry as soon as possible. However, we also need support from Government (see **“What we need to succeed: Government asks”** on page 46).

In our 2035 climate transition plan, you will see our investments have delivered (and will continue to deliver) results to significantly cut the intensity of our emissions up to 2035, which will see our emissions reduce from 67gCO_2/RPK in 2019 to 43.55gCO_2/RPK in 2035.

CLIMATE TRANSITION PLAN 2024-2035

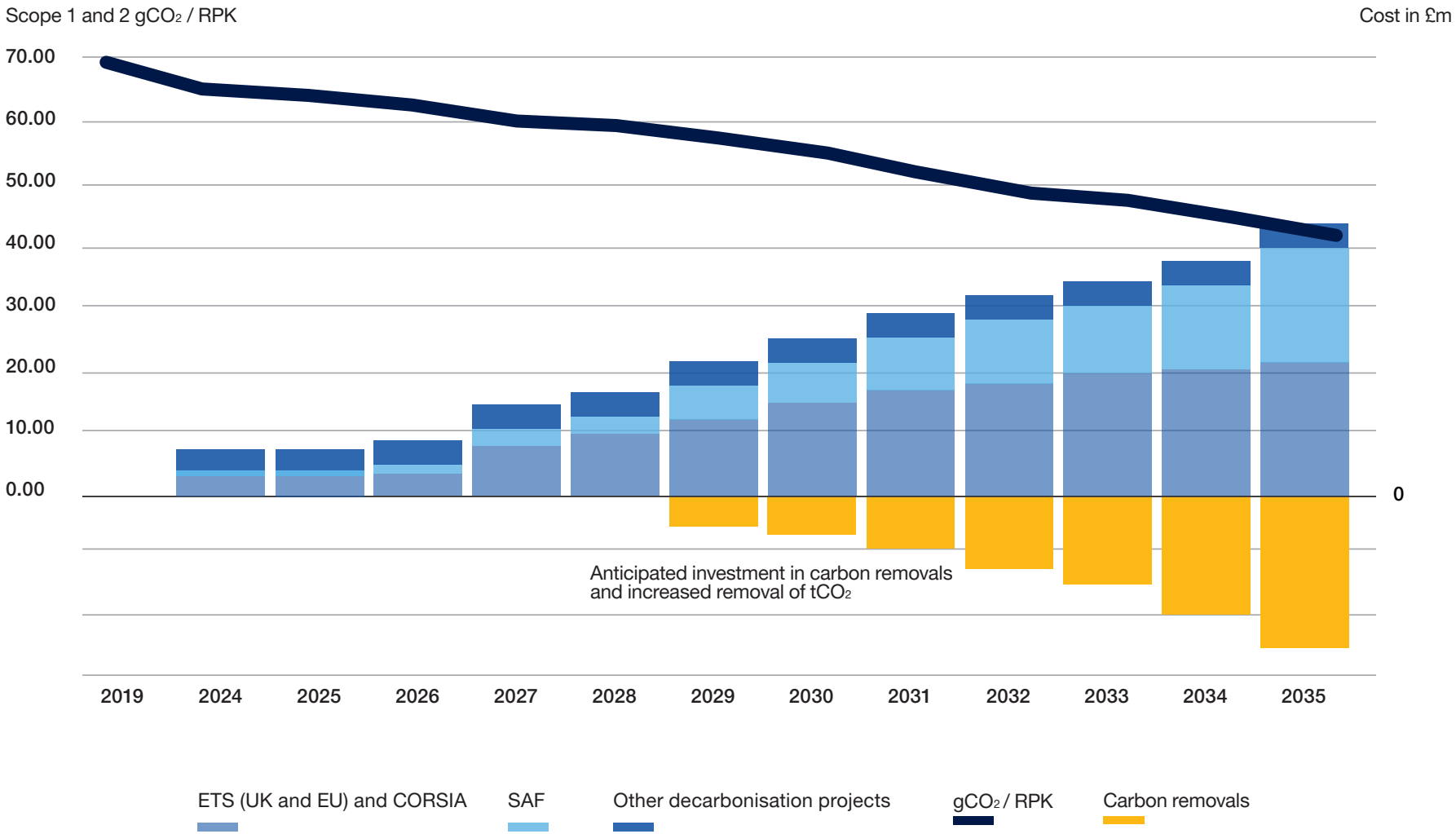


Figure 3 - 2024-2035 climate transition.

All years are calendar year unless otherwise stated.

Our absolute Scope 1 and 2 emissions will not significantly decrease until the benefit of increased SAF is more than the impact of passenger growth, reiterating the importance of a viable and abundant SAF market to speed up decarbonisation. We are aware of this challenge and we are working with governments and trade bodies to accelerate SAF supply and the support required to scale its production up.

We are confident that, as SAF forms a greater percentage of the fuel mix, our absolute emissions will reduce, and in 2035, we will move to absolute emissions reduction targets and not intensity targets. By 2050, we forecast that our total absolute emissions will be between 500,000 tCO_2 and 1M tCO_2.

We have mapped out an emissions reduction pathway which will bring our 2035 Scope 1 and 2 carbon emissions intensity in line with the Science Based Targets Initiative (SBTI) Aviation guide recommendation vs. a 2019 baseline. We will be seeking SBTi validation of this emissions intensity reduction target in 2024, and the actions that will facilitate this reduction pathway will be led by three main initiatives from our In the Air pillar:

- Our purchase of up to 146 new Airbus A321/320neo aircraft that are more than 20% more fuel efficient than older aircraft;
- Increasing use of SAF in our total fuel mix to a minimum of 15% by 2035. This is made up from the SAF mandate in the UK and EU as well as global voluntarily commitments. We expect that our SAF mix % will be closer to 20% but we need an abundant SAF market to ensure this happens; and
- The UK's Airspace Modernisation Strategy and the Single European Sky initiative of the European Union, which are expected to deliver at least 8% reduction in fuel use across our network by 2035.

These core elements will be supported by multiple projects from our In the Air, On the Ground and In Resort pillars, and our supply chain, including:

- Continuation of new fuel saving technologies and weight reduction initiatives, both on the aircraft itself and the weight of onboard assets;
- Further electrification of our ground service equipment (where the technology and airport charging infrastructure is available);
- Reducing the energy use intensity of our buildings and introduction of on-site renewables as well as decreasing the embodied carbon of new-build and retrofitted properties;

 All years are calendar year unless otherwise stated.

- Exploring solutions to reduce energy use across our supply chain where we can inspire positive change, such as within ***Jet2holidays*** hotels, our data centres and influencing our home workers to help reduce their energy bills, for example, creating a relationship with a renewable energy and electric vehicle supplier;
- Working with our supply chain to lower the embodied carbon of products we purchase by making better material choices; and
- Reusing our resources and minimising waste.

In our climate transition plan to 2035, we have also mapped the costs and investments we will make. These will be:

- The incremental cost of SAF as part of the fuel mix, including:
  - A SAF fuel premium charge between 2 to 5 times more than conventional fuel;
  - Medium and long-term offtake agreements; and
  - Direct investment, for example, in Fulcrum Bioenergy Ltd.
- UK and EU ETS allowance purchases;
- UK and EU Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA);
- Other decarbonisation projects:
  - Capital investment into the wholly electric ground operations fleet;
  - Solar panels on our buildings and infrastructure;
  - Electric vehicle charging infrastructure;
  - New systems, for example StorkJet, and technology; and
  - Our gradual investment in technology based carbon removals as they progress. Please see our **"Residual emissions"** section on page 28 for more details.

Our climate transition plan does not include our $18bn purchase (list price) of up to 146 new Airbus A320 and A321neo aircraft, business cases for new projects agreed on an annual basis, the assumed cost impact of the Energy Tax Directive in Europe, or the annual sustainability team budget.

TOTAL SCOPE 1 AND 2 EMISSIONS

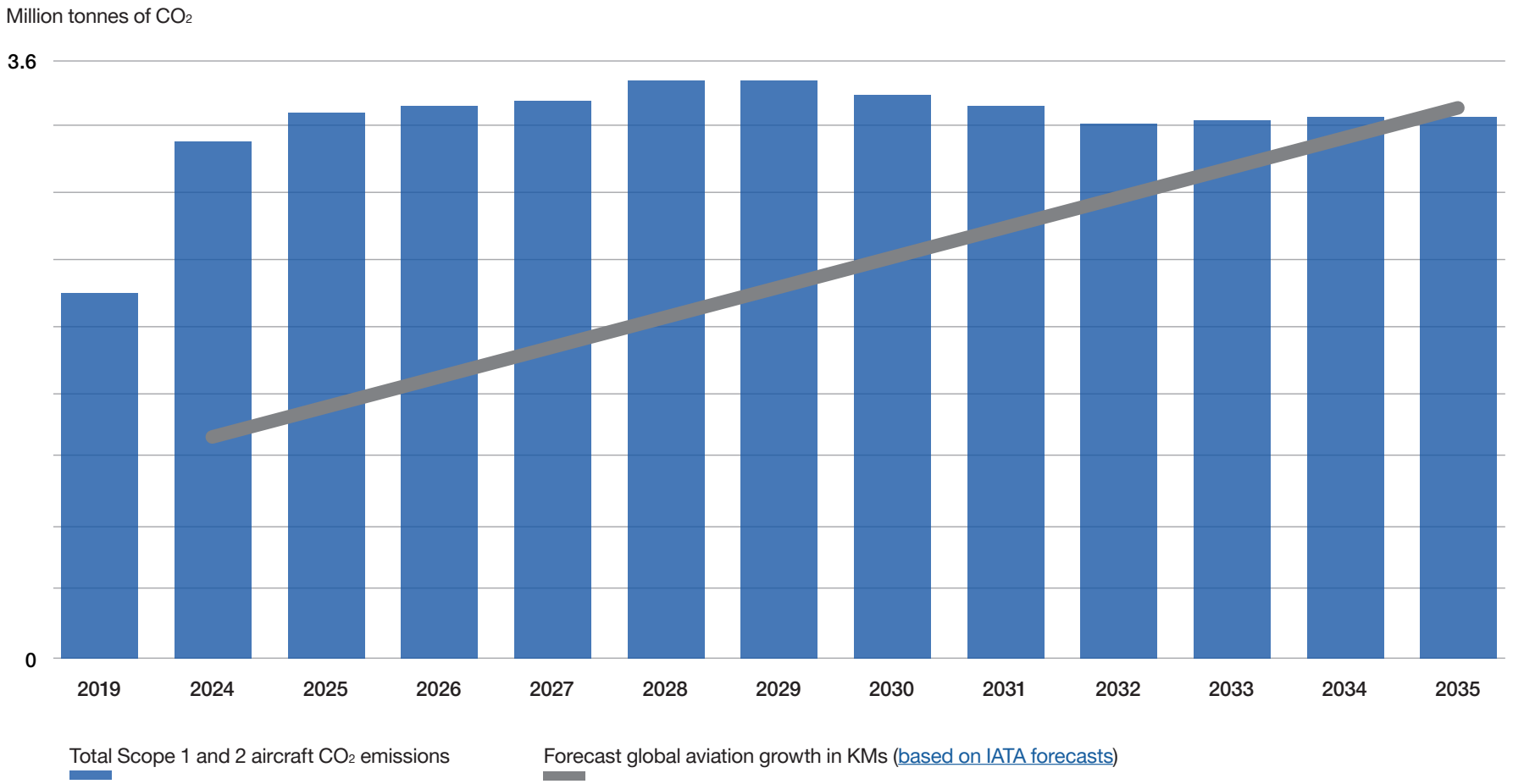


Figure 4 - Absolute Scope 1 and 2 emissions and aviation predicted flown passenger KMs.

All years are calendar year unless otherwise stated.

SCOPE 3 EMISSIONS

The reliance on an abundant SAF supply and its relationship to government policy, is one of the reasons we have added in our full Scope 3 emissions to the strategy – to demonstrate across our whole operation, we are acting now to reduce all of our emissions.

Scope 3 emissions are emissions associated with our supply chain across ***Jet2.com***, ***Jet2holidays*** and ***Jet2 plc***. This includes areas such as well to tank, our hotels' energy use, business travel, delivery of parts, goods, materials, customer travel and airport transfers to and from hotels in resort. We have made the decision to use FY24 as the baseline year for our Scope 3 emissions.

Measuring, baselining and acting on Scope 3 helps us understand the life cycle impacts, costs of products and our total impact. It also allows us to identify where in our supply chain the most carbon is emitted – creating a heat map to prioritise resources. This may be in the form of encouraging reuse of materials/products (for non-aviation safety related products), more responsible distribution of products and assessing ways to reduce the emissions associated with the full life cycle of a product. By working alongside our supply chain partners, we can facilitate the overall reduction of emissions and support our partners in achieving their goals. As our understanding of our Scope 3 emissions evolves, we will continue to increase the accuracy and granularity of our Scope 3 emissions reporting and data collection method, explore ways to reduce emissions associated with our supply chain and work alongside our partners to measure impacts.

Therefore, we have set a 15% reduction target by 2035, split across all categories, and normalised against RPK with a FY24 baseline of 1.27M tCO_2.

Although we have presented our Scope 3 emissions in the absolute sense, we will measure our targets against an intensity metric (RPK). This is so we can understand the impact of actions outside of factors not in our control, for example, well to tank emissions are dependent on the decarbonisation of the national fuel mix (and associated Department for Energy Security and Net Zero emissions factors).

All years are calendar year unless otherwise stated.

To reduce our Scope 3 emissions, we are focusing on:

- Supporting our hoteliers to decarbonise, by providing a partnership with Green Key (a leading standard for environmental responsibility and sustainable operation within the tourism and sustainable hotel certification industry) and guidance on achieving net zero carbon;
- Working with our destination partners on their sustainability goals, including our transportation partners;
- Reducing well to tank emissions by reducing fuel use and purchasing SAF;
- Improving data and switching from estimates and proxy data sources to actual supply chain data;
- Solutions for our IT-related emissions, for example, making sure the data centres we use are powered by renewable energy; and
- Helping our supply chain to lower the embodied carbon of the products we buy through making better material choices.

Some of our Scope 3 data sets are based on logical assumptions, proxies or industry averages. We will work with our supply chain to improve this data over time. For example, we currently do not have any data on:

- Embodied carbon of new aircraft; and
- Embodied carbon of engineering products and tools.

Please note that our Scope 3, category 8, upstream leased aircraft emissions, are included in our Scope 1 fuel use.

SCOPE 3 EMISSIONS BASELINE

GREENHOUSE GAS SCOPE 3 CATEGORY	SCOPE 3 DESCRIPTION	tCO_2	%
1	Our ***Jet2*** staff uniform purchases	780	0.1%
1	In-flight retail purchased goods	60,570	4.8%
1	IT equipment	3,150	0.2%
1	Operation and maintenance of properties	60	0.0%
1	Well to tank emissions from fuel use	604,030	47.6%
3	Home working energy use	2,230	0.2%
3	Ground handling equipment – non-handling pushbacks	7,810	0.6%
3	IT infrastructure (Data Centre energy use)	27,950	2.2%
3	Transmission and distribution losses from national grid	140	0.0%
4	Customer journeys (UK residence to UK airport)	36,910	2.9%
4	Transfers (destination airport to place of stay)	22,920	1.8%
4	Engineering parts delivery	8,790	0.7%
5	Waste	1,900	0.1%
6	Business travel	3,440	0.3%
6	Other business travel (hotel stays and events reported outside the travel system)	230	0.0%
7	Commuting to work	5,860	0.5%
11	Hotel energy use	482,310	38.0%
	TOTAL	1,269,080	

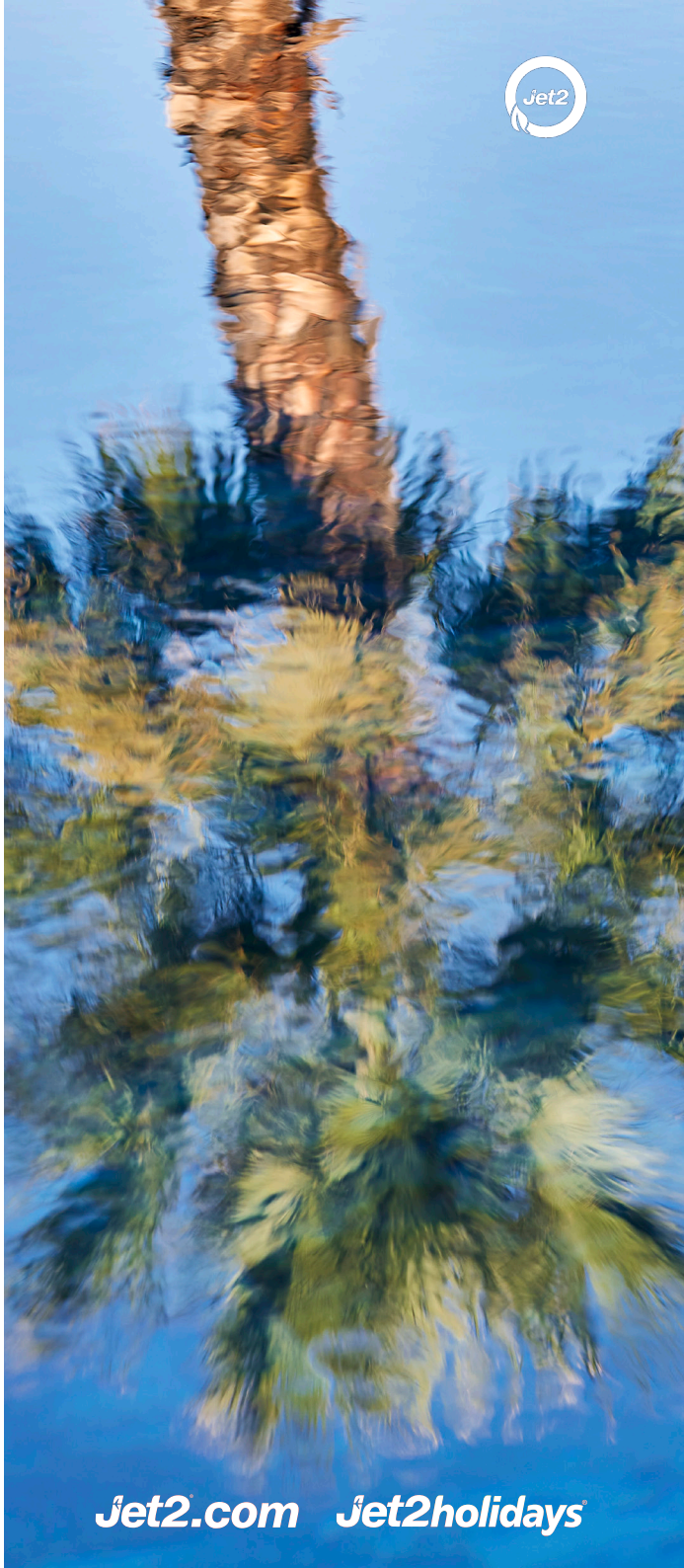
Table 1 - Scope 3 emissions from FY24 using actual emissions data, data based on spend, and industry averages.

All years are calendar year unless otherwise stated.

RESIDUAL EMISSIONS

From 2021-2023, we offset our residual carbon emissions, that were not covered by mandatory government compliance schemes (the UK and EU ETS and CORSIA), including all free allowances, with purchases of carbon credits via the voluntary carbon market, spending ~£8.2m over 3 years. In 2023, these were Renewable Energy Certificates to Gold Standard, or Verra standards. In 2024, we have updated this approach because:

- Investment in mitigations, for example, voluntary SAF and fuel efficiency technology of our aircraft, is more important than investing in further renewable energy credits;
- The understanding of the science around what constitutes a viable carbon removal has evolved over time, with a recent update to the Oxford principles for Net Zero Aligned Carbon Offsetting (Revised 2024);
- We already pay at least once for most of our carbon emissions, so we are already financially incentivised to reduce carbon:
  - In 2024, we will have 90% of our Scope 1 emissions managed by the UK and EU ETS, meaning, each year, we pay between 40-85 euros per tonne of carbon we emit to these schemes (a total of ~£125m in 2024);
  - Jet A1 fuel accounts for more than 99% of our total Scope 1 emissions;
  - We have a low total UK and EU ETS free allowance allocation compared to our peers, and in 2023, our free allowances were only 18% of our total Scope 1 emissions;
  - These free allowances on the UK and EU ETS will be phased out by 2026; and
  - Phase 1 of Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) 2024-2026 has begun. This means we will buy CORSIA eligible credits to offset international aviation's emissions growth (growth is defined as any flights and emissions over 85% of the 2019 baseline). This results in us offsetting ~900,000 tCO_2 via CORSIA eligible units to comply with phase 1.
- Technology carbon removals such as Direct Air Carbon Capture (DACC) and Bio Energy Carbon Capture (BECC) are an emerging technology to support residual emissions management in hard-to-decarbonise sectors, such as aviation. Technology removals can support the industry at scale. We will use 2024 to understand the trajectory of these technologies with a view to future investment and will increase our use of removals over time, and our removals will match or exceed our residual emissions by 2050. We are committed to working with partners to understand this evolving landscape. We will annually report on the status of our carbon removals approach in the sustainability section of the ARA.



NON-CO_2 IMPACTS

This strategy is centred on how we will manage our CO_2 impacts using known technologies and solutions. We are aware of the potential impacts of non-CO_2 (Contrails) emissions on climate change and have partnered with The University of Leeds to support their work to measure this. We support the research that is needed to better understand and monitor non-CO_2 emissions. In the meantime, our current action is focused on absolute CO_2 emissions. Please see Airlines for Europe paper and UK's first non-CO_2 technologies road map published by Aerospace Technology Institute for more information.

The focus of this strategy is on net zero carbon and our highest carbon emitter, fuel. However, we also recognsie the importance of:

- Biodiversity in resort;
- Waste in resort;
- Water in resort; and
- UK noise impacts.

We have included these impacts as part of our Scope 3 emissions. For example, we will address the embodied carbon of purchased products, which includes waste and water. We will also work with the GSTC, hotel partners and Green Key to understand how best to support future action in resort. When it comes to noise, we have already taken the most significant action for reducing this, and that is the purchase of our new aircraft, which can be up to 50% lower on noise pollution for passengers and airports vs. our existing fleet.

ENVIRONMENTAL PERFORMANCE METRICS

To achieve our overarching ambitions, we have set more specific performance metrics.

Emissions	Pillar	Objective	2035 Target	KPI
Scope 1-2	In the Air and On the Ground	Reduce carbon	35% intensity reduction vs. 2019 43.55gCO_2/RPK by 2035	gCO_2/RPK
Scope 3	Supply chain	Reduce carbon	15% reduction in CO_2/RPK vs. FY24 by 2035 split across categories	gCO_2/RPK
Residual emissions	Residual emissions	The right choice of removal	To invest in the right engineered carbon removal with increasing investment up to 2035	Quantity of CO_2 removed

Table 2 - Overarching targets.

Emissions	Pillar	Objective	2035 Target	KPI
Scope 1	In the Air	Reduce fuel use	At least 1% of fuel reduced per flight from technology, systems and weight based interventions	tCO_2 from fuel use
	In the Air	More direct flying via UK Airspace modernisation and Single European Sky	8% fuel reduction	tCO_2 from fuel use
	In the Air	New fleet and optimisation of flying programme	A minimum of 20% efficiency of the new fleet and flying optimisation vs. existing fleet prior to 2023	tCO_2 from fuel use
	In the Air	Increase SAF in total fuel mix	Minimum 15% of the total mix by 2035 to be SAF Assumed an average of 80% carbon intensity reduction vs. traditional fuel	tCO_2 from fuel use
	On the Ground	Net zero buildings (in our operational control): electrify, increase renewables, improve energy efficiency, and reduce reliance on gas and oil heating	Reduce energy use intensity kWh/m^2 aligned with LETI targets	KWh/m^2
	On the Ground	Electrify the ground operations fleet (directly owned and where the infrastructure and technology are available)	At least 99% emissions reduction by 2035	Diesel litres consumption

All years are calendar year unless otherwise stated.

Emissions	Pillar	Objective	2035 Target	KPI
Scope 2	On the Ground	Net zero buildings (in our operational control): electrify, increase renewables, improve energy efficiency	Reduce energy use intensity kWh/m^2 aligned with LETI targets	KWh/m^2

Emissions	Pillar	Objective	Ongoing objectives to support headline target	KPI
Scope 3	Supply chain	• Well to tank • Hotel energy use • Purchasing products – capital goods • Business travel • IT infrastructure • Employee commuting • Waste (office and airline) • Net zero buildings – construction, retrofit projects • Destination transfers	**Overarching target - 15% reduction gCO_2/RPK vs. FY24 by 2035** **Objectives:** • Supporting our ~6,000 hotels on the net zero carbon journey and becoming certified to a GSTC recognised certification standard; • Net zero buildings; • Reduce embodied carbon of purchased products; and • Improve circularity and reduce waste	• gCO_2/RPK • Hotels Scope 1 and 2 • Products life cycle $kgCO_2$/unit • KWh/m^2 • Tonnes of waste • Scope 1 and 2 of data centres used

Table 3 - Detailed metrics across Scope 1-3.

OVERARCHING ASSUMPTIONS

To achieve our climate transition and full Scope 3 mapping, we have assumed:

- An aviation growth factor;
- A cost of EU and UK ETS allowances using our own cost model; and
- That the EU and UK will achieve its national energy renewable targets.

2035-2050: HOW WE SEE THE REST OF THE JOURNEY

As there is still much uncertainty beyond 2035 about which new technologies will be available, there is less detail in our climate transition plan beyond this date. We have focused on providing detail around our next 11 years, with achievable and pragmatic targets based on current available technologies, because this is the extent to which we have dependable data to create our climate model. To achieve a full net zero approach by 2050, we expect our path from 2035 to 2050 will include:

- In 2035, we will switch to absolute emissions targets for Scopes 1 and 2;
- SAF will be at least 70% of fuel mix and reduce carbon by at least 80% compared to traditional Jet A1;
- We believe 100% SAF will be in the market long before 2050 and will contribute to reducing our residual emissions even further;
- Currently, we are limited by regulations on percentage blend of SAF we can use. The highest blend that can currently be used for commercial flights is 50% SAF and 50% conventional fuel. In the future, it's likely there will be SAF that does not need blending, meaning we would be able to fly on 100% Sustainable Aviation Fuel;
- That UK and EU Airspace modernisation will have achieved its goals;
- More fuel efficiency technologies will have entered the marketplace, such as lighter, more fuel-efficient aircraft and parts; and
- A maximum of 1 million tonnes of residual emissions in 2050 (we anticipate this as worst case) that we will offset by high quality, technology-based and hybrid carbon removals – likely BECCS or DACCS. The UK Business Models for engineered greenhouse gas removals consultation states there will be a requirement for 75-81M tCO_2 of engineered removals by 2050 to reach the UK's net zero target.

For more information on what the industry believe the 2035-2050 journey will involve, please see below:

Jet zero roadmap
Sustainable Aviation Roadmap
Long term global aspirational goal (LTAG) for international aviation

All years are calendar year unless otherwise stated.

8 SOCIAL VALUE FRAMEWORK AND PLAN

All years are calendar year unless otherwise stated.

The key to our long-term success is people. That means a talented workforce from a broad range of backgrounds, plus well-supported communities in the places we operate here in the UK and in the destinations we fly to. Through our social value framework, we will continue to support our colleagues and local communities by adding positive value through the opportunities we create. Our social value framework focuses on eight topic areas within and outside of *Jet2*:

JET2 COLLEAGUES

- Training and development;
- Wellbeing;
- Inclusion and access; and
- Health and safety.

WHERE WE OPERATE

- Jobs and skills;
- Communities;
- Partnerships and ethics; and
- Risk and safety.

By the end of 2024, we will establish our baseline social value in these eight topic areas and begin to set targets and objectives in this area.

All years are calendar year unless otherwise stated.

SOCIAL VALUE PERFORMANCE METRICS

	AREA	TOPIC	KPI
JET2 COLLEAGUES	**TRAINING AND DEVELOPMENT**	• Compliance training • Developmental training • Mentor/mentee/buddies • Graduate roles • Apprenticeships • Future second officers • Internal mobility	• E-learning training hours • Hours of external and internal training • Number of mentee/mentors and buddies • Graduate numbers taken each year • Apprentice numbers taken each year and at what education level • How many future second officers pass the programme • How many roles out of total advertised are filled internally
	WELLBEING	• Take notice • Give time • Connect with people and colleagues • Be active • Continue to learn	• Number of colleague wellbeing activities that are organised and colleagues taking part
	INCLUSION AND ACCESS	• Increasing the talent pool by continually improving our recruitment practices • Support networks • Social mobility • Behaviour framework • Hybrid, flexible and remote working • Women in STEM	• Hours and number of information, consultation employee (ICE) groups • % of workers who are office, hybrid, remote
	HEALTH AND SAFETY	• Keeping colleagues safe at work • Assessing and reducing risk as low as reasonably practicable • Continual improvement	• Accident and lost time incident rate

All years are calendar year unless otherwise stated.

SOCIAL VALUE PERFORMANCE METRICS

	AREA	TOPIC	KPI
WHERE WE OPERATE	**JOBS AND SKILLS**	• Local employment • Small medium enterprises • Local suppliers • Retention	• Average number of miles from contracted place of work • Employee numbers of organisations in the supply chain • Miles from supplier HQ to ***Jet2*** place of work • % of leavers vs. total colleagues per year
	COMMUNITIES	• Sponsorship • Charities • School visits • Apprentice levy donation	• Hours and £ and material donated • £ donated to charities • Number of visits x children engaged in schools to promote employment opportunities • £ of apprentice levy pledged
	PARTNERSHIPS AND ETHICS	• Partnerships in key areas • Promptly paying our suppliers • Tackling modern slavery • Code of conduct • Whistle-blowing • Bribery and corruption	• Number of partnerships • Average number of days to pay suppliers • Compliance with the company's code of conduct and relevant legislation
	RISK AND SAFETY	• Accident and safety management	• Accident and lost time incident rate

All years are calendar year unless otherwise stated.

OUR PARTNERSHIPS

From our big investments in more efficient aircraft and SAF to working with emerging talent and our annual donations to charitable organisations of over £500,000 per annum, we team up with lots of important partners to achieve our sustainability goals.

For example, we provided almost £650,000 of apprenticeship funding to support independent travel agent partners in developing the next generation of talent in their stores. After a phenomenal response to our Appoint an Apprentice scheme, we approved apprenticeship levy funds totalling almost £500,000 to be transferred across approximately 50 different companies. This funded almost 100 new apprentices in total, meaning travel agents can bring in new talent while retaining and developing a highly skilled workforce. As part of the scheme, we also provided £150,000 to help fund the salaries of new apprentices for one year across more than 30 independent travel agencies across the UK.

AIRBUS

UNIVERSITY OF LEEDS

ABTA
Travel with confidence

BOEING

LBU LEEDS BECKETT UNIVERSITY

Green Key

SUSTAINABLE AVIATION

Fulcrum BIOENERGY

GSTC MEMBER

AIRLINES UK
THE ASSOCIATION OF UK AIRLINES

Aviation Services UK
KEEPING THE UK FLYING

JetZero

PLANET PATROL

TREES FOR CITIES

NSPCC

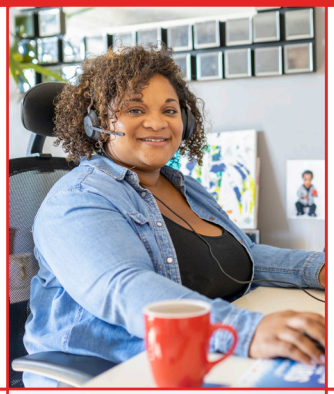
MACMILLAN CANCER SUPPORT


Jet2holidays

EVERY JET2 ROLE IS A SUSTAINABILITY ROLE

Whichever part of our business we are looking at, whether it's signing contracts or flying aircraft, everyone has a part to play in our sustainability story. That even goes for at home and out and about in everyday life. Even small decisions can make a big impact, so every role is a sustainability role.

WHERE?		WHO?	HOW?
Low Fare Finder House		Engineering Flight Operations Compliance Ground Operations Operational Control Centre Flight Deck and Cabin Crew	• Sustainability criteria when buying • Weight and fuel efficiency • Re-use of equipment • Provide CO_2 and non-CO_2 data • Support with legal compliance • Operational control of buildings and infrastructure • Buying, leasing, and replacing diesel with electric • Systems factoring in cost of CO_2 and non-CO_2 • In-flight recycling
Holiday House		Procurement Revenue Product Trade HR IT Property Audit Finance Flight Planning Marketing and Digital Contracting Legal	• Buy SAF • Responsibly sourced products • Buy reused, local, reusable, biodegradable or recyclable • Organise fundraising and wellbeing events • Employee benefits: electric car, green energy tariff, etc. • Insight into our impact • Build in decarbonisation plans into buildings • Climate change controls in the corporate risk register • Cost and carbon models • Tackle greenwashing and understand customer insights • Encourage GSTC certificates for hotels • Sustainability criteria in contracts

WHERE?		WHO?	IDEAS FOR EVERYONE
At Home		Everyone	Please see some potential ideas for your own sustainability journey. These ideas are just that, suggestions to support your own approach at home... • Electric heat source • Renewables on your roof • Green energy tariff • Insulate windows, doors and floors • Switch to an electric vehicle • Buy reused, local, reusable, biodegradable, or recyclable
Everywhere		Everyone	• Ask: do I need it? • No single-use plastics • Go digital • Volunteer • Organise wellbeing events • Fundraise for charity • Recycle • Walk, cycle, train, car share


Jet2.com
Ben
Jet2.com
Anne Marie
Jet2.com
Friendly low fares

PEOPLE PROFILES

JO PRITCHARD
Regional Manager
Bulgaria and Turkey

WHAT ACTION DID YOU TAKE AND WHY?

I wanted to get involved in sustainability and help my overseas colleagues find ways to support. I knew a lot of them were already involved in animal charities, local food banks and charity organisations, and wanted to make a change, but their contributions were not well-known. I'm not an eco-warrior, but I believe we can all help to make the future more sustainable. So, I started to get them on board with the business' strategy and share their stories so we could all do even more.

HOW DID IT SUPPORT THE SUSTAINABILITY STRATEGY?

I raised awareness about sustainability by delivering a presentation at the Destination Managers' conference and adding detail in our newsletter. I also encouraged teams to share easy ways to make a difference (from the 3Rs: Reduce, Reuse and Recycle to more environmentally friendly ways to commute). Our Team Leaders are also passionate about sustainability and acted through cleaning beaches in Marmaris, planting trees, rescuing endangered species, and collecting blue bottle tops to be recycled into wheelchairs. We are also planning to join an organisation called TEMU, who ask for volunteers to help with sapling planting and nature walks. In addition, I have a champion in the team who's campaigning for colleagues to car share, use reusable coffee cups and there's even an extra day offered for whoever collects the most bottle tops!

WHAT ACTION DID YOU TAKE AND WHY?

I manage the data collection (fuel burn and emission data), systems and processes required to complete the company's EU ETS, UK ETS, and CORSIA submissions. As a Fuel Efficiency Systems Manager, it's my role to take the lead on identifying, monitoring, and reporting fuel efficiency savings to achieve our sustainability targets. I recently supported the business case for a new fuel efficiency data system, which now helps the company monitor the efficacy of the ***Jet2.com*** operation, using data to support decisions regarding the company's efficient flying programme.

LUKE TOWLER
Fuel Efficiency
Systems Manager

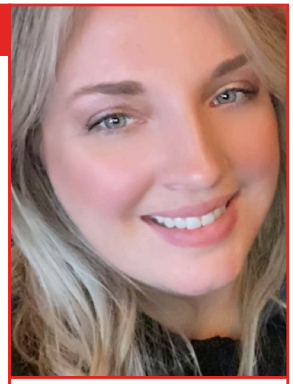
HOW DID IT SUPPORT THE SUSTAINABILITY STRATEGY?

The data collected by this system on ***Jet2.com*** flights is used to support the company's carbon transition plan by understanding and quantifying the impact of measures to reduce fuel burn across the fleet. Using this data, we know that 200g of extra weight carried onboard our aircraft (the weight of an average smartphone) costs us around £2,000 over the year in fuel and carbon costs. This data supports the business case for further weight reduction measures to achieve our decarbonisation goals and save the company money too.

PEOPLE PROFILES

WHAT ACTION DID YOU TAKE AND WHY?

I'm passionate about communication and engagement with all our colleagues across the business, as this is a huge part of feeling connected at work. The HR team engages with colleagues regularly through things like newsletter articles to hosting events and activities such as Mental Health Awareness Week. But even the smallest of gestures go a long way. That's why we created the Zen room at Holiday House, so colleagues can have some privacy to pray, express milk or be mindful if they need a quiet place to take a break.



SARAH MARSHALL

HR Business Partner, Head Office and the ROC

HOW DID IT SUPPORT THE SUSTAINABILITY STRATEGY?

Having resources like the Zen room means that colleagues can feel their wellbeing is prioritised and supported in the workplace. We also have regular and consistent communications around mental health and mindfulness especially, to encourage everyone to reach out for support if they need it. Even raising awareness around topics like finance, legal advice or anything close to our colleagues' hearts can help their wellbeing. And I'm really excited about the year ahead and the things we have planned for 2024!

PAUL DOWNS

Procurement Manager

WHAT ACTION DID YOU TAKE AND WHY?

I procured the SAF at Bristol and London Stansted airports, continued to procure SAF in France and have been involved in discussions with fuel producers to make sure we have adequate supply of SAF in the EU and UK. I work alongside Ground Operations to make sure we have access to electric Ground Service Equipment. This facilitated our achievement of the 50% electric GSE by 2023 and the continued evolution of our GSE to becoming 100% electric, where supply permits, by 2035.

HOW DID IT SUPPORT THE SUSTAINABILITY STRATEGY?

This has meant continued and greater access for fuels with low carbon intensity, compared to conventional aviation fuel. In addition, it facilitates the sustainability strategy through reducing emissions associated with flying and allowing for emissions reduction claims on the EU and UK ETS. All this helps take ***Jet2*** on its journey to achieving its 2035 carbon intensity of 43.55gCO_2/RPK and reducing its residual emissions to 1MT of carbon emissions by 2050. We've also procured ten new electric passenger buses for three of our Spanish bases, due for delivery before the Summer 2024 season starts, which will help reduce the emissions associated with our activities in those destinations.


Jet2holidays
Customer Helper
Daniela
HAVE A LOVELY HOLIDAY!

8 WHAT WE NEED TO SUCCEED: GOVERNMENT ASKS

With a clear focus on reducing emissions from our business, we have put in place a strategy which uses all current options available to us to tackle our carbon emissions. But to tackle climate change faster and more effectively, and without passing on costs to customers, concerted action from governments, citizens and businesses is also needed. The aviation industry relies on governments creating the right policy frameworks to be able to decarbonise and to incentivise the increase in lower carbon (SAF) fuels. Our Sustainability Strategy sets out what we will do, but certainty over the future direction of EU and UK environmental legislation is vital to make sure we can plan for the long term.

Aviation is a hard sector to decarbonise, and as such, governments need to move quicker to make sure legislation does not overlap, create unnecessary carbon leakage, administrative burdens and costs, and guarantee cohesive policy interaction to enable the sector to make serious progress towards net zero emissions. As such, ***Jet2.com*** and ***Jet2holidays*** is calling on both the UK Government and the EU to:

1. **Upscale the UK Government's investment in SAF, which will help seize a global opportunity to turbocharge the creation of new jobs, technologies and supply chains that are connected to this industry of the future. Many of these opportunities will be in former industrial areas. As part of this call, we want the UK government to:**
   a. Deliver the revenue certainty mechanism for SAF. Either an interim and/or permanent solution before 2025; and
   b. Deliver on Levelling Up by utilising the opportunities in former industrial areas for SAF, carbon capture and green skills.
2. **Ring-fence annual UK Emissions Trading Scheme revenues to:**
   a. Incentivise decarbonisation, especially reducing the SAF premium costs; and
   b. Support the development of greenhouse gas removal technologies like direct air capture.
3. Work multilaterally with governments across Europe to implement Air Traffic Management reforms, removing the current system inefficiencies which could immediately realise 8% carbon emissions reduction;
4. We want to make holidays and flying accessible to all. We don't want to increase costs to consumers, and we want to reduce carbon emissions at pace. Lower carbon air travel can be achieved via a vibrant SAF industry. We need to make sure flying is not just for the wealthy – 83% of ***Jet2*** customers fly with us once a year. Also, 50% of our customers earn the mean national household average or less; and
5. Support airport operators and detangle the challenges around upgrades to electrical infrastructure.

If the UK government and the EU put in place the right policy frameworks and make the changes we have called for in this document and in our Flying for Our Future pledge, then ***Jet2*** and the rest of the aviation sector will be able to continue and accelerate the road to net zero. All while creating and safeguarding jobs and building a more sustainable aviation sector that everyone can benefit from.


Jet2.com | Jet2holidays