Environment & Sustainability Briefing

78th AGM and World Air Transport Summit
Doha, Qatar   21 June 2022
NET ZERO CARBON EMISSIONS BY 2050

- 8 months after this monumental decision, airlines are more committed than ever
- There is momentum on SAF production but effective policy support from governments needed to reach tipping point
- CORSIA agreement at risk
- ICAO Assembly must adopt long term climate goal aligned with industry commitment
- Comprehensive sustainability approach, with SUP reduction high on the agenda
Net Zero by 2050

Net Zero 2050 is achievable through:

Combination of measures
- Sustainable Aviation Fuel,
- new technologies (electric, hydrogen)
- operational and infrastructure improvements,
- and offsetting/carbon capture.

Collective effort
of the entire industry together with governments, oil producers and investors.

1.8 Gigatons CO₂ to abate by 2050
Sustainable Aviation Fuel – a Tipping Point

SAF production must be backed by effective incentives

Production needs to go from 100+ million liters in 2021 to at least 449 billion liters in 2050.

Contrast of approaches US vs EU:

• 11 billion liters in the US by 2030
• SAF mandate in the EU not most efficient & can dilute environmental benefits

By 2030, with effective government incentives, similar to renewable energies, 30 billion liters tipping point can be reached

SAF could represent up to 65% of emission reductions by 2050
Momentum on SAF

New capacity is coming online by 2025

- **2025**: 10+ plants with a capacity of 5 billion liters annually—a 50x increase compared to what was available on the market last year.
- **2030**: Production could reach 30 billion liters with right policies.
- Geographical disparity shows the importance of book & claim system.

**2025 (estimates):**
- $30+ billion in forward purchase agreement ($17bn in 2022)
- 2 million flights used SAF (vs 450,000 in 2022)
- 11 technical pathways are approved for SAF production (7 in 2022)
Need for offsetting & carbon capture

**Offsets** are a gap filler & will play a diminishing role in the industry strategy as other technologies develop.

**CCUS*** removes carbon from the atmosphere and could be used for SAF production.

Offsetting and Carbon Capture can contribute **up to 19%** of the emissions reductions needed in 2050.

*Carbon Capture, Utilization and Storage
CORSIA at Risk

- CORSIA is a cooperative, global offsetting scheme to stabilize aviation’s net CO2 emissions from 2020.

- CORSIA is now at risk.
  - Governments are in disagreement.
  - Concern with EU Fit for 55 ETS proposal
  - Will weaken and potentially dismantle CORSIA agreement
  - Would also threaten adoption of LTAG at ICAO
Long Term Aspirational Goal

IATA calls on governments to adopt a “Long Term Aspirational Goal” to decarbonize aviation, aligned with industry commitments.

The energy transition must be supported by a long-term holistic government policy framework.

Governments must align with the industry which is has committed to achieving net zero by 2050.
Ongoing Challenge: Single Use Plastics

- **Conflicting regulations** on plastics & on cabin waste around the world.
- Alternatives must meet **strict security, safety and hygiene criteria** and be **lightweight**.

- Earlier this year, the United Nations Environmental Assembly endorsed a resolution to develop a legally binding treaty by **2024**, addressing the full life cycle of plastic, from production to disposal.

- **The treaty can help the aviation sector** in its goal of reducing single use plastics and replacing them with sustainable alternatives.