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The decade to make a difference

Climate change is an existential risk to Heathrow. We have set “plausible but bold” goals to cut carbon and make 2019 the year of peak carbon

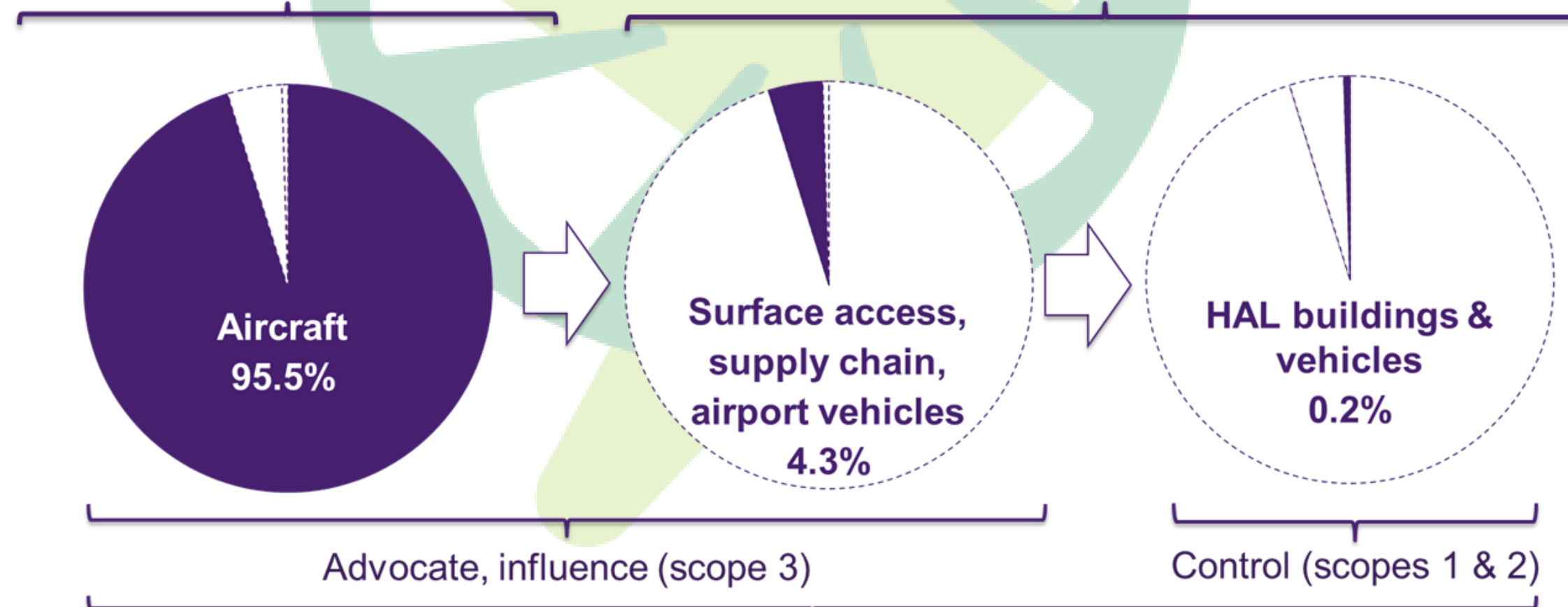
We directly control <1% of our footprint so our role, including on SAF, is influence and advocacy

NET ZERO IN THE AIR:

Up to 15% cut in carbon by 2030 compared to 2019

NET ZERO ON THE GROUND:

At least 45% cut in carbon by 2030 compared to 2019



Invest: >£300m 22 - 26

Heathrow's main lever to directly influence SAF uplift is our landing charge incentive



- The main challenge for SAF is economic
- Ultimately only governments can send the market signals to scale SAF
- Heathrow is using its landing charges as an incentive before UK Gov't policy kicks in
- Incentive started in 2022 at 0.5% of all fuel at Heathrow: over-subscribed
- 2023: 1.5% of fuel, over-subscribed again
- Airlines include: IAG, Virgin, United, Air France-KLM, Jet Blue
- Challenges include: forecasting market supply and price; standards for sustainable sourcing.

	% SAF 2023	1.5%, c 25k tonnes
	Incentive amount 2023	£38m
	Timeframe	To 2030?
	Main challenges	See main text

Heathrow is also playing an active role advocating the right UK Government policies to scale UK SAF production



- UK Government has set a strong ambition: 10% SAF by 2030, 5 UK plants under construction by 2025
- However without a “price support mechanism” alongside a mandate, the UK will be reliant on limited, expensive imports
- The combination of State and Federal credits in the US goes a long way to closing the price gap with kerosene
- The EU is providing the equivalent of Euro 2 bn in ETS allowances to support SAF purchase

Corporates can also send an early demand signal: 30% of corporate air travel emissions covered by SAF by 2030

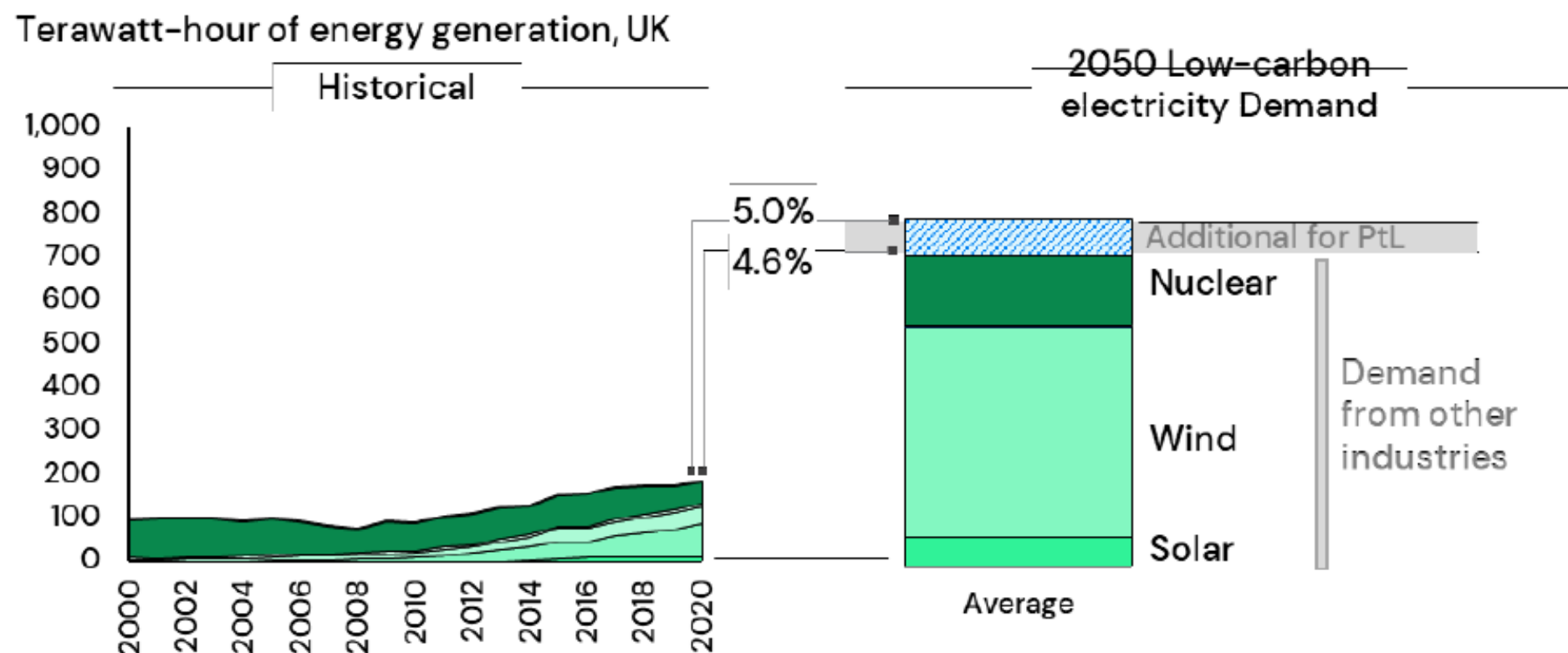
SAF pocket guide for Corporate Customers

- Corporates account for c. 10% of air travel emissions and can send a demand signal to support investment
- Heathrow leads Sustainable Markets Initiative “Aviation Taskforce”
- Pocket guide on SAF purchase published COP27
- Now promoting **30 by 30**: companies committing to 30% of emissions covered by SAF by 2030
- **Contact: 30by30@Heathrow.com**

Zero-carbon electricity is going to be key for aviation's transition: aviation leaders need to learn the currency of "Terrawatt hours"!

UK aviation may need up to c. 150 TWh zero carbon electricity in 2050
(for hydrogen, carbon capture & PTL), <20% of UK electricity

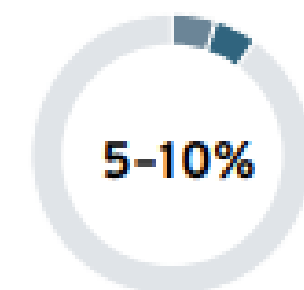
The scenarios for additional low-carbon electricity demand for aviation increase the required CAGR from 4.6% by up to 5.0%



Source: independent assessment for Sustainable Aviation by ICF, 2023

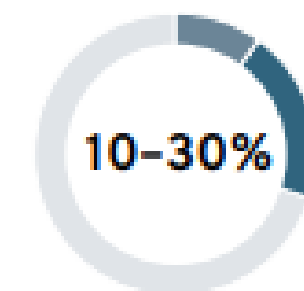
Resource requirements, share of global demand by 2050

Renewable electricity



6,000-9,000 TWh out of 90,000-130,000 TWh

Green hydrogen



100-160 Mt out of 500-800 Mt

Source: Aviation Transition Strategy, Mission Possible Platform, 2022

Thank You



ICAO

2023 STOCKTAKING