



o céu é **Azul**

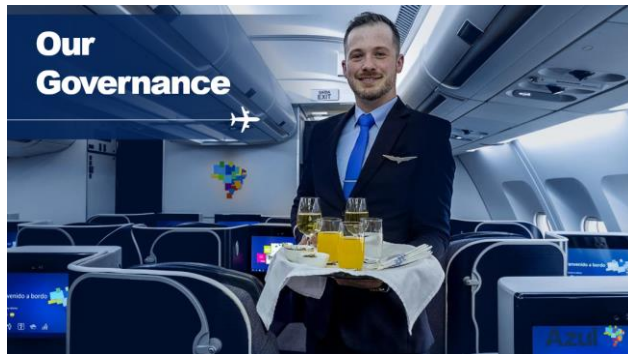


# Climate Report



February 2024

# Summary



# About this report

This report presents our climate strategy, in line with the TCFD recommendations for Governance, Strategy, Risk Management, and Climate Metrics and Targets.

Our strategy is structured in governance and risk management processes, market standards and regulations based on a process of continuous improvement.

Understanding risks, opportunities and impacts is the basis for defining our key goals, commitments and action plans, and has been considered at every stage the construction of decarbonization targets.

The implementation of our Net Zero 2045 strategy, five years ahead of the aviation industry's commitment, involves engaging stakeholders and the value chain for the climate transition and managing the risks, opportunities and impacts suffered or caused by our business and operations.

## Independent Assurance

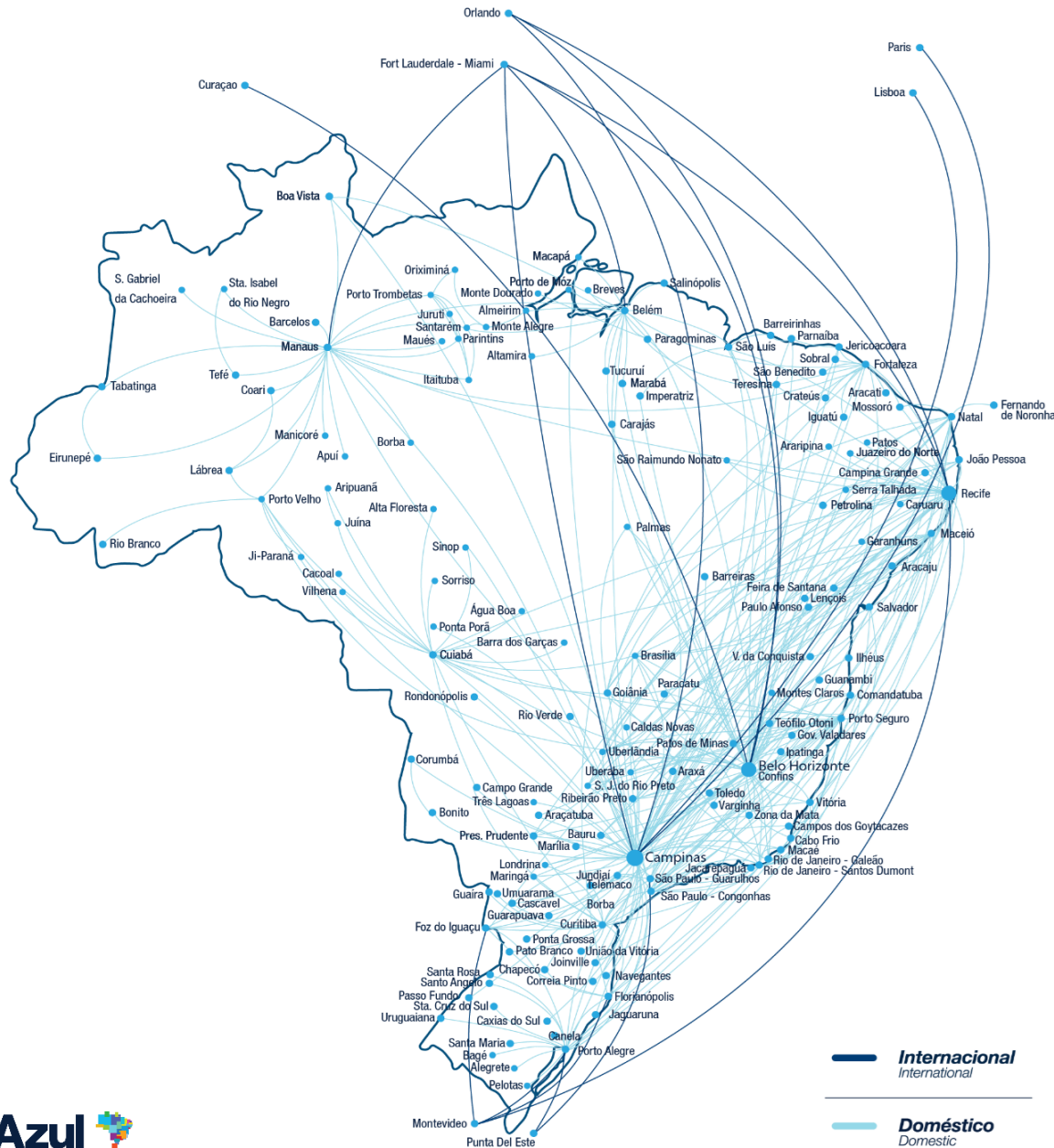
In this report, we present data regarding climate, emissions and eco-efficiency in general that have been ensured within the scope of our Annual Sustainability Report.

# About Azul



**Azul** 

# Connecting Brazil



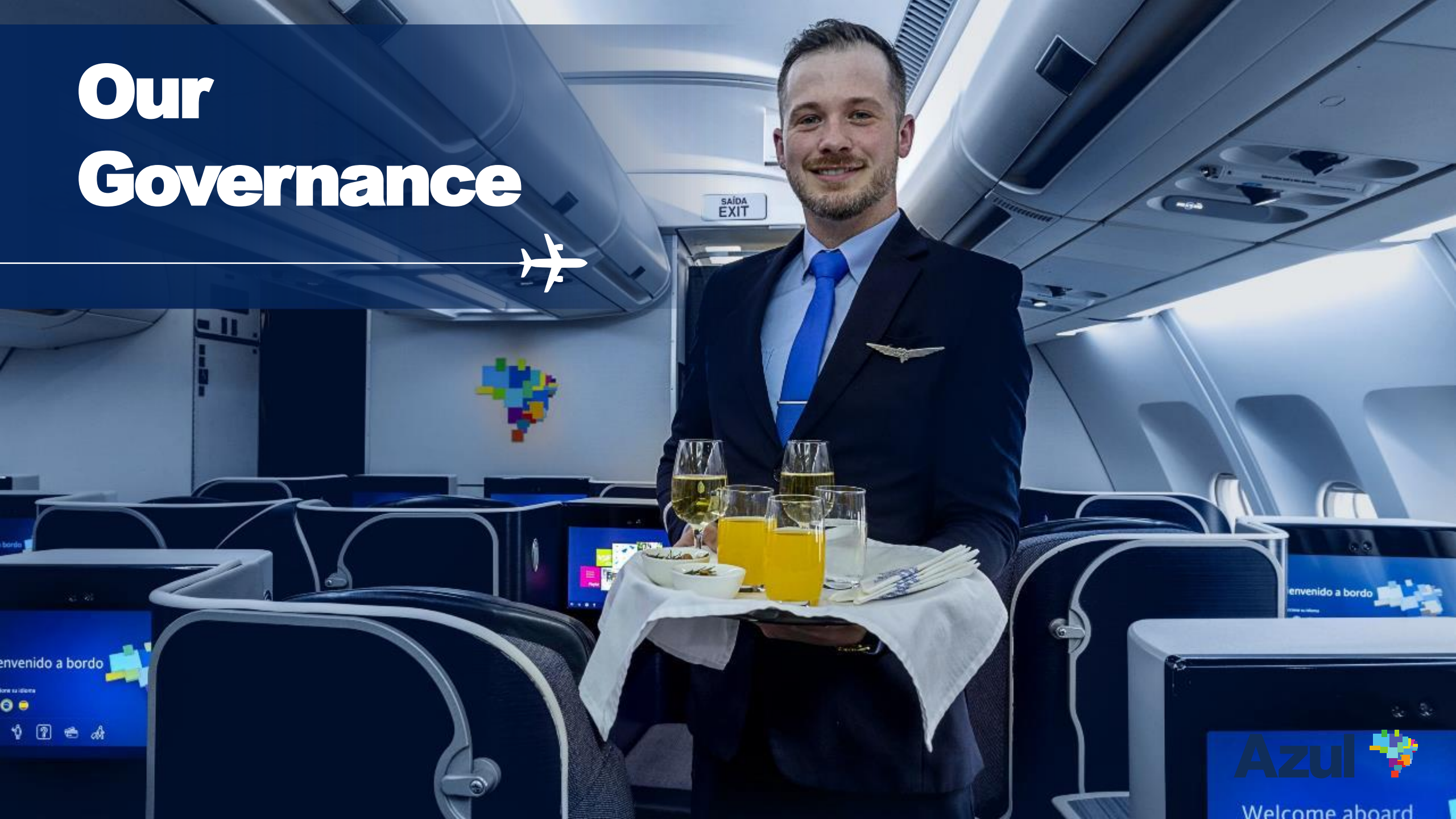
Azul S.A. is the largest airline in Brazil in terms of number of flights and cities served, with approximately 1,000 daily flights to approximately 167 destinations.

It has the newest and most diversified fleet in the market, operating more than 180 aircraft, consolidating itself as the main regional aviation company in the country.

Azul was named by Cirium (a leading aviation data analytics company) as the most punctual airline in the world in 2022, and the second most punctual in the world in 2023.

Azul has the purpose of being the best airline in the world and for the world

# Our Governance



venido a bordo

venido a bordo

**Azul**

Welcome aboard

# Our Climate Governance

## Roles and responsibilities

### Board of Directors

It defines the general strategies regarding Azul's social and environmental responsibility, approves Azul's ESG strategy and policies, in addition to monitoring the company's action plans and sustainability indicators, the company's climate change and decarbonization strategy, as well as the strategy to promote biodiversity conservation and the promotion of the bioeconomy.

### ESG Committee

Statutory Committee of the Board of Directors. It carries out the continuous evaluation of the ESG plans and strategies instituted by Azul, as well as encourages the monitoring of trends in topics related to the sustainability of the business, proposing the inclusion of Azul in global, national or regional policies related to corporate sustainability. It analyzes the need to propose updates, changes and innovations to the Code of Ethics and Conduct, and may recommend our adherence to protocols, agreements, pacts, initiatives or treaties related to ESG topics.

### CEO

It defines priorities based on our materiality matrix, which guides Azul's projects and sustainability program. It ensures that the Company's long-term strategies consider the social and environmental impacts of the business. Establishes goals for the Company to ensure the process of continuous improvement in its sustainability program and projects.. Monitors the evolution of the Company's climate change and decarbonization strategy and monitors its performance indicators Monitor the evolution of the Company's biodiversity and bioeconomy strategy and monitor its performance indicators.

# Our Climate Governance

## Roles and responsibilities

### Vice President of People, Clients and ESG

Conducts processes to evaluate the effectiveness and effectiveness of sustainability strategy and actions.

Monitors projects related to the company's climate change and decarbonization strategy, addressing matters to the ESG Committee and the Board of Directors on a regular basis.

Monitors ESG performance indicators and emissions reduction linked to variable remuneration, when applicable.

Develops Azul's sustainability-aligned activities and projects and ensures that all Company leaders are aligned with Azul's ESG strategy.

It monitors the evolution of the biodiversity and bioeconomy strategy and monitors its performance indicators.

### ESG Management

It develops Azul's socio-environmental projects and plays the role of guardian of materiality. It seeks to mitigate social and environmental impacts and considers in its decisions the most efficient means to reduce social and environmental impact throughout the chain.

It ensures the strategic alignment of all areas with the Company's ESG strategy: the company's decarbonization strategy, selective collection, circular economy and upcycling. It promotes projects to protect conservation and biodiversity, combat deforestation, fostering the bioeconomy and local populations. It develops indicators and frameworks for the analysis of socio-environmental and climate risks to monitor the Corporate Risk Matrix and ensures that sustainability and ESG reports are carried out with transparency and excellence.

Other positions and responsibilities can be consulted in our [Política de Sustentabilidade](#)



# Our Governance: Our Other Committees and Policies

## Committees

- Azul's Safety Committee
- Culture and Social Responsibility Committee
- Ethics and Conduct Committee
- Compensation Committee
- Audit Committee

## Policies

- Sustainability Policy
- Environmental Policy
- Corporate Risk Management Policy
- Diversity Policy
- Stakeholder Relations Policy
- Supplier Approval Policy
- Operational Safety Policy
- Conflict of Interest Policy
- Variable Compensation Policy
- Securities Disclosure and Trading Policy
- Antitrust Policy
- Anti-Corruption Policy
- Extra Audit Services Policy
- Social Investment Policy
- Azul's Donation and Sponsorship Policy

All documents and descriptions can be accessed on our website [Relação com Investidores](#).

# Our Partnerships

In discussions on climate change and social impact, Azul recognizes its role in the aviation industry as a driver of innovation throughout the value chain. That is why our strategy is to involve aircraft manufacturers, engine manufacturers, biofuel production and distribution chains, airports, handling and catering activities, partnerships with regulatory agencies and commercial customers.

In recent years, we have signed technical partnerships to deepen discussions and joint efforts for the decarbonization of the sector.



# Our climate strategy



**Azul** 

# Climate change

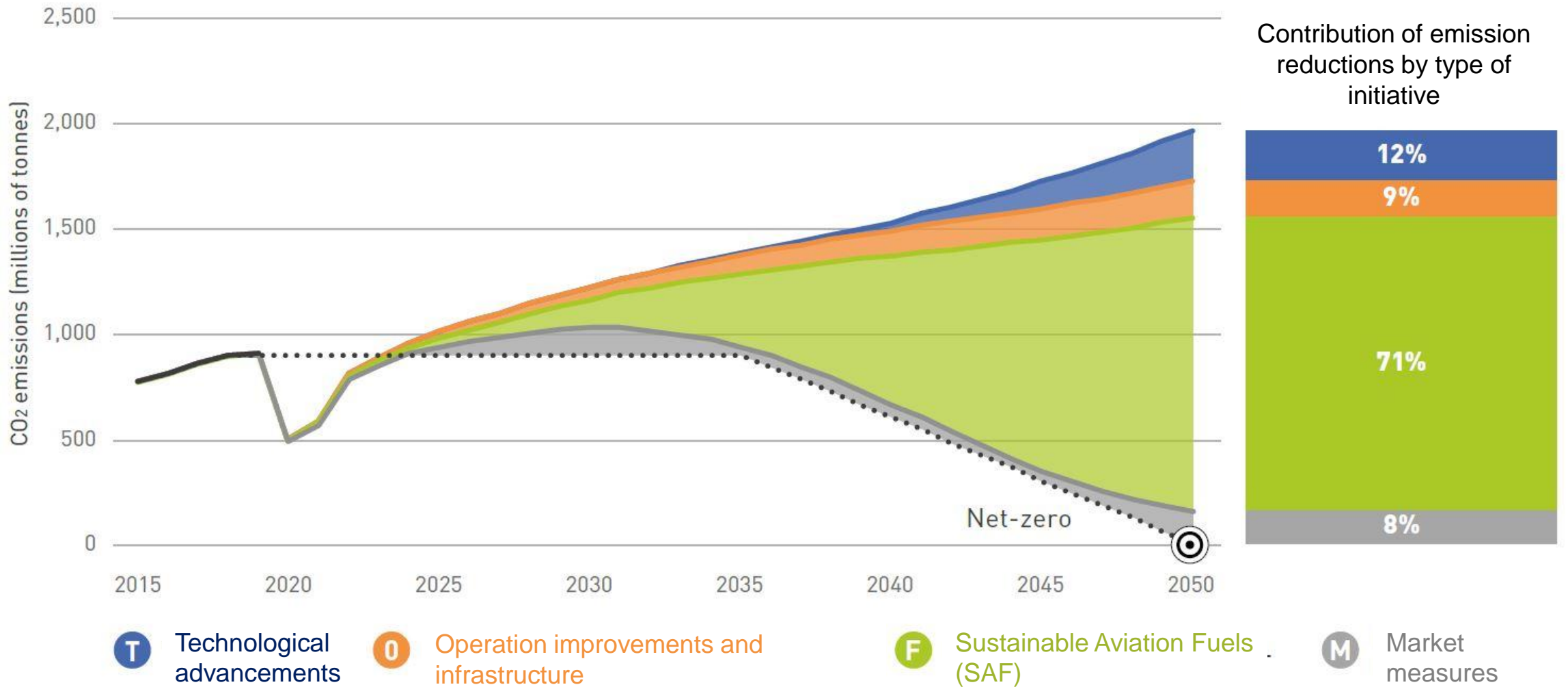
The Intergovernmental Panel on Climate Change (IPCC) has been monitoring the rising concentration of greenhouse gases (GHG) for decades. And scientists point to a strong correlation between direct and indirect human activities, since the Industrial Revolution, and the alteration of the composition of the atmosphere.

By 2022, the planet's temperature had already increased by 1.1°C compared to pre-industrial levels. The implications of transformations in the planet's climate and temperature patterns can last for the long term and cause significant impacts on our ecosystem, including:

- increasing the frequency of extreme weather events,
- the imbalance of the rainfall regime,
- imbalance of sea currents,
- reduction of marine photosynthesis with compromise of the food chain;
- sea level rise.

Although emissions from the aviation sector correspond to 2% of global emissions and 0.4% of national emissions, Azul has been mobilizing to look at the decarbonization process and build important opportunities for the country to stimulate low-carbon agriculture, the bioeconomy, biofuels and the conservation of our ecosystems.

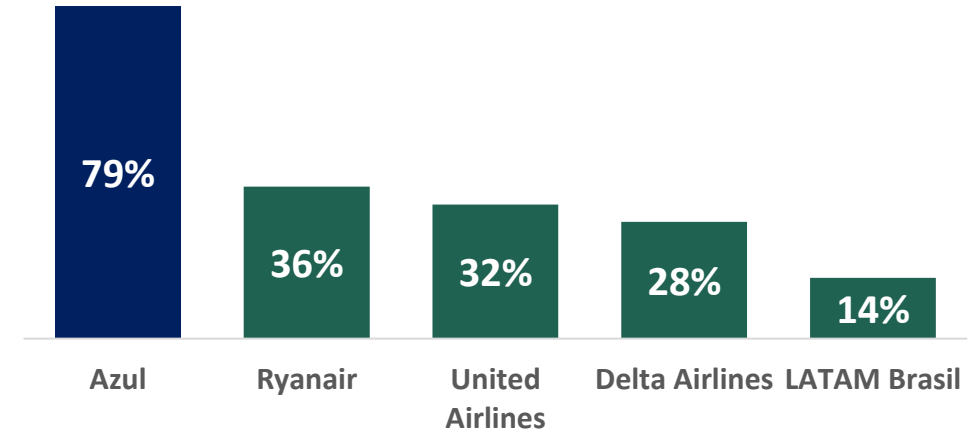
# Decarbonisation



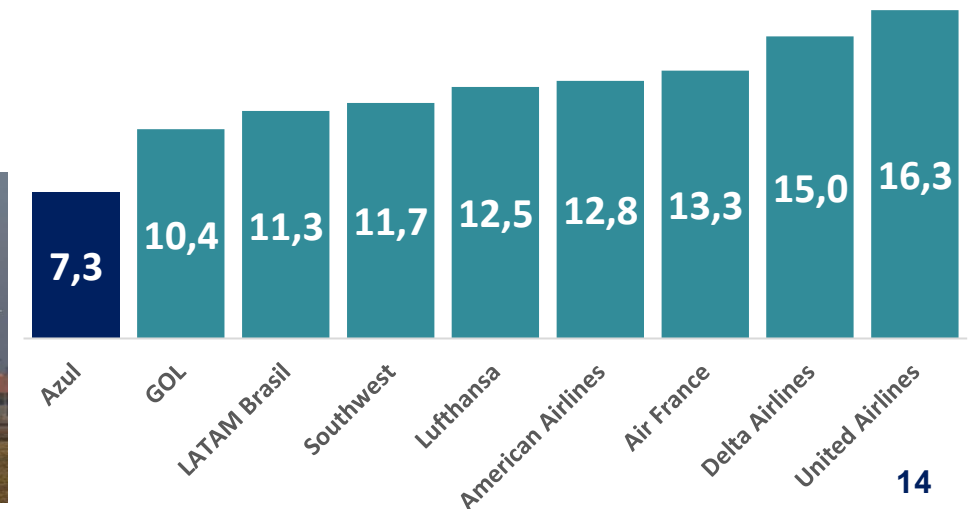
# Our New Generation Fleet: Economy and Efficiency

- Azul operates 4 different types of aircraft, offering 9 to 335 seats per flight, we guarantee the right aircraft on the right route.
  - Turboprops: Cessna Caravan and ATR-72
  - Regional jets: Embraer 195 and 195-E2
  - Narrowbodies: Airbus A320 and A321
  - Widebodies: A330 and A330Neo
- We have the youngest fleet compared to the world's leading airlines and the new generation aircraft burn 20% less fuel per passenger, which translates into lower carbon emissions.
- At Azul, 79% of the seat supply is made up of new generation aircraft and our expansion plan is to ensure the largest number of new generation aircraft.

**% of newgen aircraft**



**Average fleet age (3Q23)**

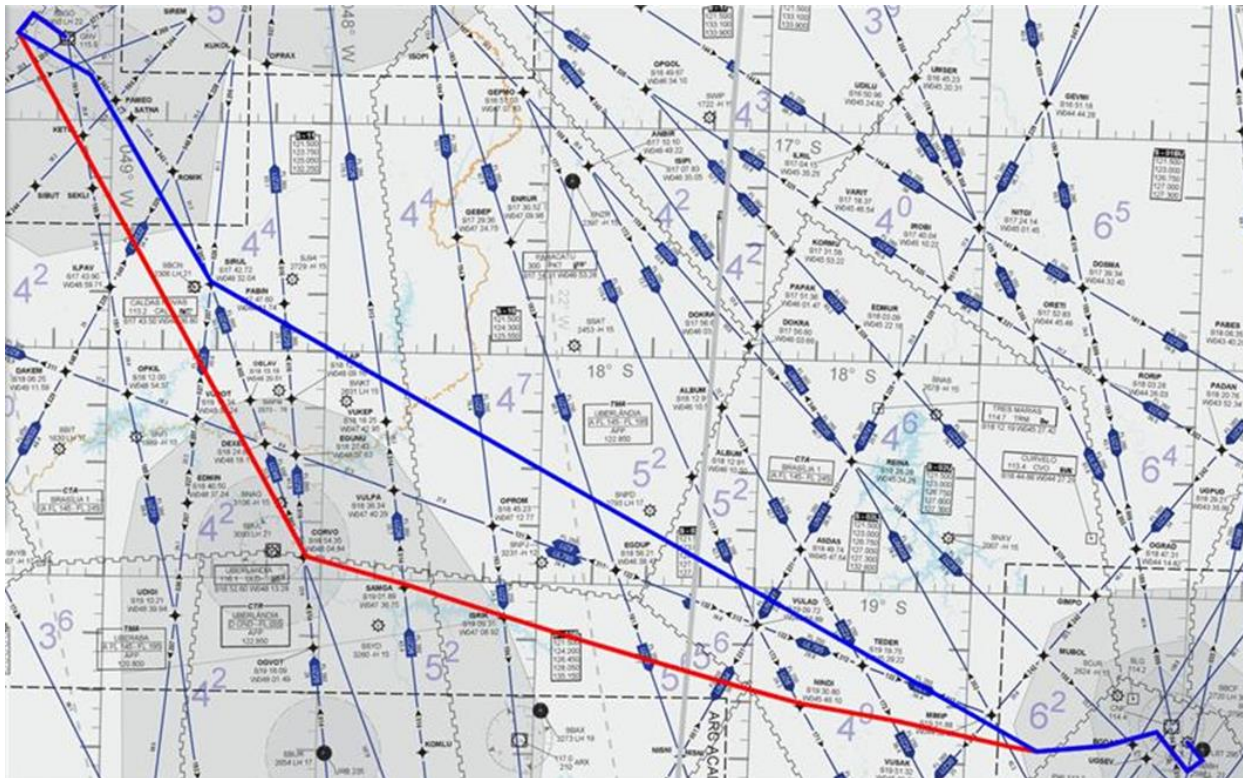


# Our Operational Improvements

- We have been developing the Fuel Efficiency Program (PEC) since 2016, as an important mechanism to reduce fossil fuel consumption and, consequently, to reduce emissions.
- The PEC is an umbrella of initiatives that involve before, during and after flight.

## 1) Flight planning

Proposal and discussions of route shortening for efficiency gains with DECEA



In red: original route  
In blue: proposed route

This change saved 180,000 liters of fuel in one year, reducing 455 tons of emissions.

The proposal sent by Azul was accepted and already benefits the entire Brazilian airspace.

# Our Operational Improvements

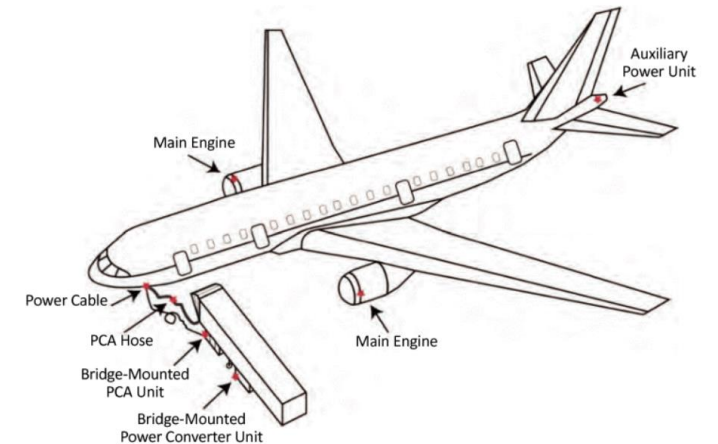
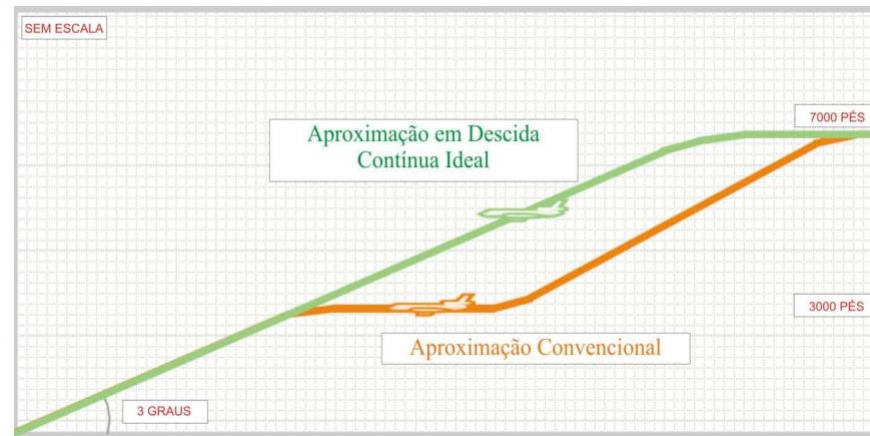
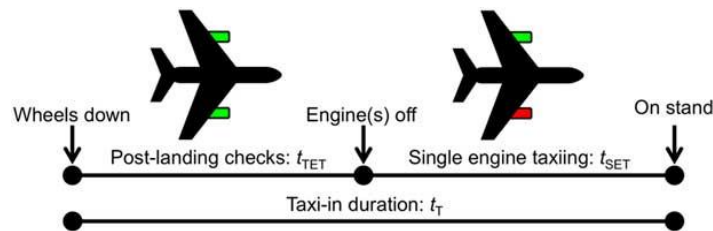
## 2) During the flight

SETI (tax in with one engine),

SETO (tax out with one engine),

DPO (Optimized Descent Profile),

APU Zero (use of ground generators that provide power to the aircraft during boarding and disembarking, preventing kerosene burning by the aircraft's "APU" auxiliary engine)





# Our Operational Improvements

## 3) Post Flight:

Follow-up of the % of adherence to procedures  
Monitoring of average fleet consumption



Azul's Fuel Committee monitors operational performance on a monthly basis through reports developed by the Fuel Efficiency Program (PEC) team.

# Our Operational Improvements

- We also have other initiatives to reduce the weight of the aircraft, always prioritizing operational safety.

## **1) Paperless Design;**

In 2022, Azul received authorization from ANAC to use the Electronic Flight Bag (EFB), equipment that provides electronic documents and manuals, software for performance, weight and balance calculations, and electronic charts for navigation, in addition to several other important functions in flight operations, facilitating the work of Crew members and completely dispensing with the use of printed materials. Azul was the first Brazilian company to operate the EFB.

## **2) Catering optimization;**

Optimal use of space for refreshments and snacks, ensuring that we can always offer the best experience on board

## **3) Optimization of water use on board;**

Improvements to the automatic shut-off of aircraft toilet taps

## **4) Modifications in the transport of oxygen cylinders and fire extinguishers;**

# SAF

- Sustainable Aviation Fuel (SAF) is the main term used by the aviation industry to describe an unconventional aviation fuel, i.e. fuel that comes from renewable resources such as vegetable oils, biomass, animal fat, waste gases, among others.
- The chemical and physical characteristics of SAF are almost identical to those of conventional fuels and can be blended with them to varying degrees, within the parameters indicated by the international safety committee.
- They are called "drop-in" when they do not need adaptation in the aircraft or engines. But to be sustainable fuels, they need to meet sustainability criteria, such as reducing life-cycle carbon emissions, limited freshwater needs, not competing with food production, and not generating deforestation.
- It is the main instrument for decarbonizing the sector.

Main Brazilian inputs*	Technological Routes
Sugar cane	ATJ
Corn	ATJ
Eucalyptus and wood waste	ATJ
Soy	HEFA
Macao oil	HEFA
Palm oil	HEFA
Beef tallow	HEFA
Used cooking oil	HEFA
Urban waste	FT

- Brazil has unique potential in the production of SAF worldwide, combining soil and climate conditions with historical expertise in the production of biofuels.
- There is great synergy between the geographical distribution of crops, potential plants and refineries producing SAF, the production flow system and proximity to the hubs of consuming airports.

\* Study developed by Unicamp in the SafMaps project

# SAF

- We are preparing for the consumption of SAF: our new generation aircraft are already able to receive SAF in the proportions recommended by the safety committee.
- We are enthusiastic about the use of SAF as the main decarbonization mechanism in the 2030s-50s and understand the crucial role that is in Brazil's DNA: the country has the potential to be one of the main players in the production and consumption of biofuel, given our agricultural vocation and expertise in biofuels since the 1970s.
- It is important to note that:
- In Brazil, SAF is not yet available;
  - We are establishing partnerships with study centers, universities and companies in the value chain to promote the production chain;
  - One of the main points of discussion for SAF involves Brazil's Tax Reform and the incidence of taxation, taxes and fiscal and financial incentives for this fuel, which directly reflects on the operating costs of airlines.

# Carbon Capture and Storage (CCS)

- *Carbon Capture and Storage is a technology that involves capturing carbon dioxide (CO<sub>2</sub>) emissions from industrial processes, such as steel and cement production, or from burning fossil fuels in energy production. This carbon is then transported from where it was produced, via ship or pipeline, and stored underground in geological formations.*
- Although it is a very promising technology for emissions mitigation, there are still many technical uncertainties surrounding the process.
- Azul is following the discussions on the technical feasibility of the CCS and also instigating discussions before regulators. Our position of using this instrument as emission mitigation awaits the technical understanding of the regulators (ICAO, ANAC, SBTi) on the acceptance of the CCS.

# Carbon Offsetting

- Voluntary carbon offsetting is a market-based instrument to balance carbon emissions that have not been reduced domestically.
- There are also some compulsory compensation programs and Azul participates, in accordance with international regulations:
  - European Union Emissions Trading Scheme (EU-ETS);
  - United Kingdom Emissions Trading Scheme (EU-UK);
  - CORSIA: we participate in MRV and compensation will begin in 2027, according to international regulations

We recognize the role of aviation in the sustainable development of the planet as a driving source of economic development and cultural enrichment through tourism.

As signatories to the NetZero Commitment, we believe that global efforts should focus on reducing emissions, and we are proud to be doing our part with fleet renewal, operational improvements and SAF readiness.

Thus, we understand that offsetting should be the last resort to be used to neutralize residual emissions, after all internal reduction efforts have been developed. Offsetting without reducing is a reckless move that delays global decarbonization.

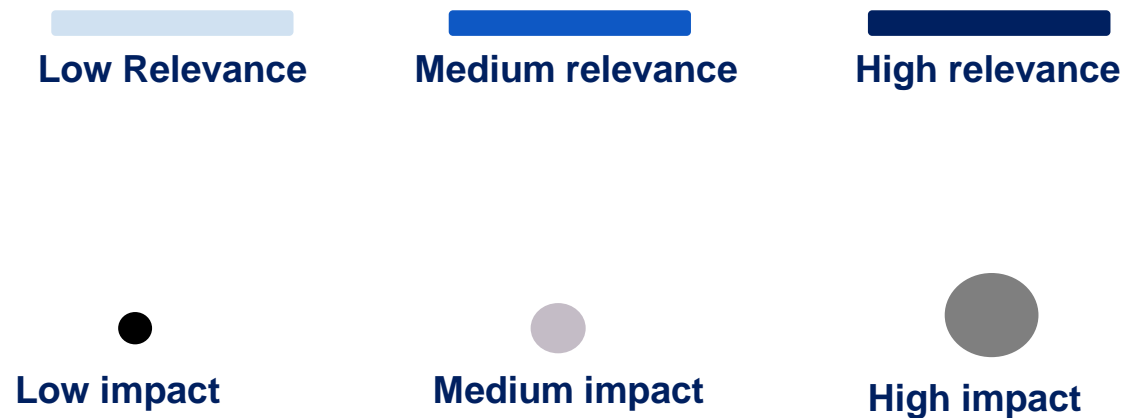
# Risks and Opportunities





# Risk and Opportunity Matrix

- Azul recognizes the importance of analyzing climate risks so that we can increasingly improve the sustainable development of our company. We use the TCFD methodology to map climate risks and opportunities.
- The risks and opportunities were classified according to their relevance of impact based on their chance of materialization
- The financial impacts were also ranked according to their relevance



**Transition risks**

<b>Transition risks</b>	<b>Carbon Market</b>	Carbon Offset Cost Increase (CORSIA)		
		Penalties and fines for non-compliance with regulations and laws		
		Increased cost of carbon taxation in national regulations		
	<b>Fleet Operations Infrastructure</b>	Cost increase with implementation of LEVs (Low Emissions Vehicles) - terrestrial		
		Increased cost with new generation / low-carbon technology (electric and green hydrogen) aircraft		
		Delay in the development of converting our fleet into LEVs and having new generation planes and also in the infrastructure of airports to receive this technology		
		Failure to develop low-carbon infrastructure and operational innovations		
	<b>SAF</b>	Shortages in the supply and supply of SAF due to delays in its development and manufacturing		
		Impact of revenue decline due to high cost on SAF price between 2030 and 2040		
		Financial Incentives and SAF Taxation in Brazil		
	<b>Demand</b>	Loss of market share and pressure from stakeholders for delay in responding to and solutions to climate change		
		Difficulty in raising investments due to delay in responding to climate change		
		Change in customer preference to opt for another transport model		

**Physical Risks**

**Fleet Operations  
Infra structure**

Increased operating and maintenance costs and damage to facilities and aircraft due to extreme weather events



Safety risk due to increased in-flight weather incidents



Decreased revenue due to disruption of flights to areas affected by extreme weather events



Loss of airport bases in coastal cities due to sea level rise, requiring relocation



Increased cost to adapt bases and airports to withstand incidences of high temperatures



Increase in electricity costs due to water scarcity



Increased cost to retrofit airport bases to withstand atypical winds and rainfall



**Demand**



























Negative impact on the airline industry caused by pandemics stemming from climate change and changes in ecosystems



Decrease in passengers due to flight interruption/cancellation caused by high temperatures, precipitation and changing weather patterns



**Opportunities**

<b>Carbon Market</b>	Internal Carbon Pricing		
	Carbon offsetting – cargo and Corporate clients		
<b>Fleet Operations Infrastructure</b>	Grid planning based on observation of climate data		
	Reduced fuel costs due to increased fleet efficiency		
	Partnerships with airports to improve infrastructure for climate adaptation and resilience		
	Reduction in annual energy costs with the implementation of renewable sources		
	Implementation of biofuels in ground equipment		
<b>SAF</b>	SAF supply		
	SAF partnerships – Corporate and cargo clients		
<b>Demand</b>	Expansion in hubs at lower risk to the adverse effects of climate change		
	Increase in customers seeking low-carbon services		
	Enhance brand value with proactive sustainability initiatives around climate change by attracting investment from ESG funds		
	Creation of new business and new revenue inputs based on a low-carbon economy		

# Azul



## Adapting to climate change



Azul 

# Adapting to climate change

- Adaptation is the set of initiatives and measures to reduce the vulnerability of natural and human systems to the current and expected effects of climate change.
- Planned adaptation strategies often focus on measures aimed at sharing the risk, assuming the risk and its associated loss, modifying or avoiding the effects of the event, or modifying the location, reducing or eliminating the exposure of some asset (including human lives) to a given climate risk.
- Thus, one approach to adaptation is to reduce risk by reducing a system's vulnerability and the system's exposure to climate change. It is also possible to think of adaptation strategies that increase the resilience of the system so that it copes/responds to the effects of climate change.
- The synergy between mitigation and adaptation actions increases cost-effectiveness, social benefits, and makes the socio-economic system less carbon-intensive and at the same time more resilient.

# Adapting to climate change: Operation

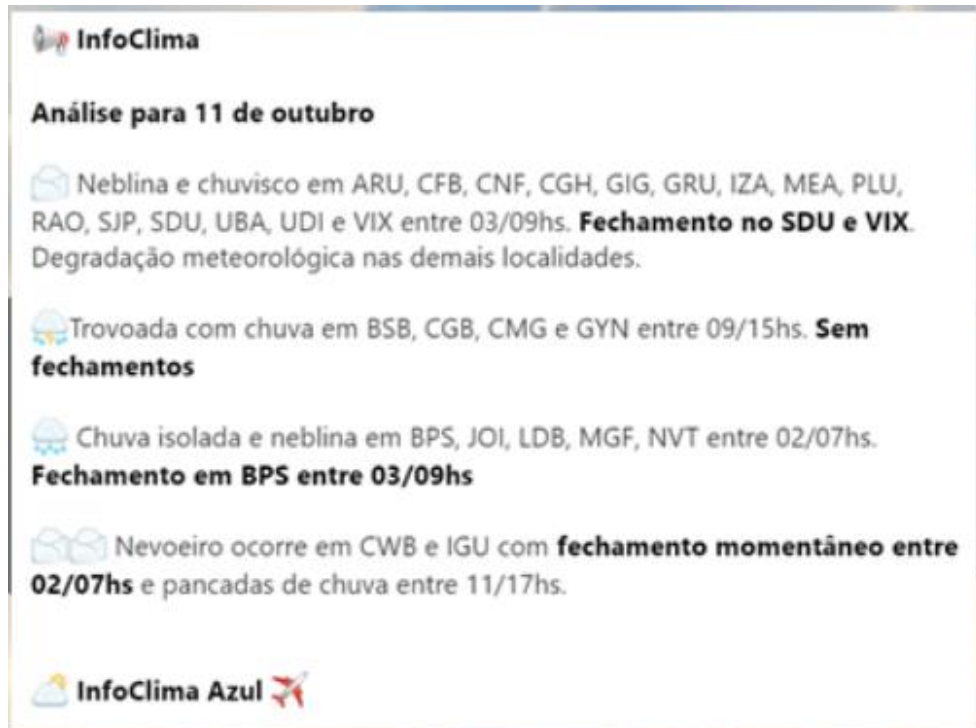


Azul has an InfoClima team, with meteorological specialists who perform analysis and prepare daily reports to assist in the planning of operations.

This team is located within our Operational Control Center (COO) and is responsible for initiating the company's response process to weather events. Thus, decisions to continue with the flight or cancel are made considering the **safety of the operation**.

The monitoring and accommodation of all passengers of cancelled flights are carried out within the rules and regulations of the sector, always offering the best Azul experience.

# Adapting to climate change: Operation



**InfoClima**

**Análise para 11 de outubro**

Neblina e chuvisco em ARU, CFB, CNF, CGH, GIG, GRU, IZA, MEA, PLU, RAO, SJP, SDU, UBA, UDI e VIX entre 03/09hs. **Fechamento no SDU e VIX.** Degradação meteorológica nas demais localidades.

Trovoada com chuva em BSB, CGB, CMG e GYN entre 09/15hs. **Sem fechamentos**

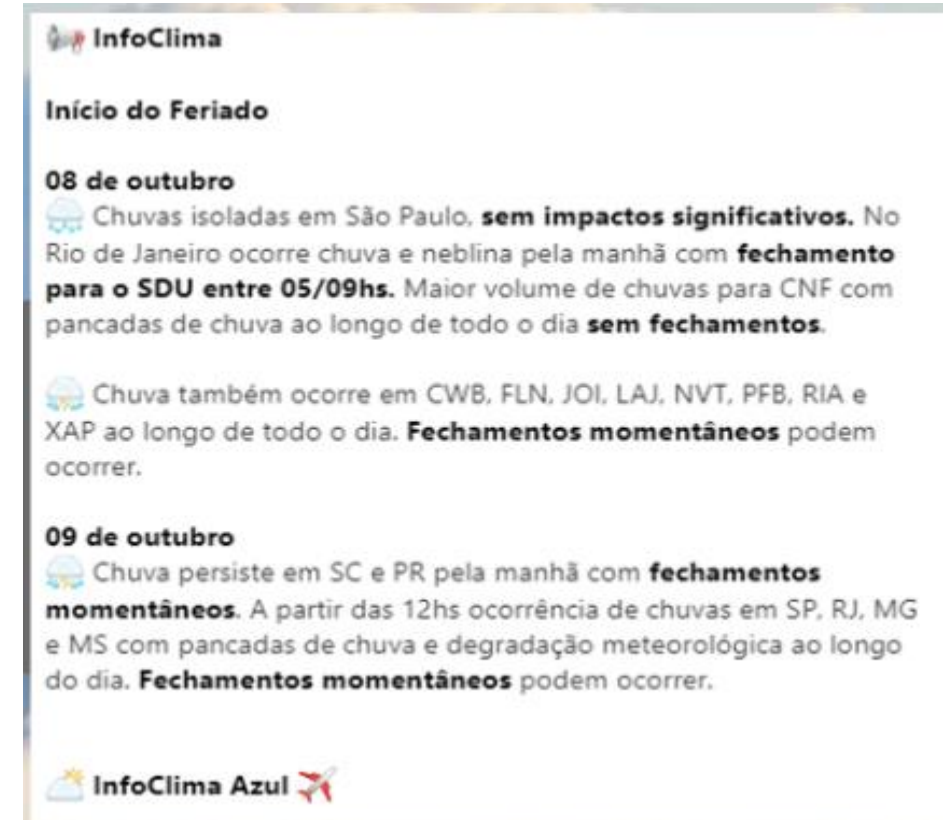
Chuva isolada e neblina em BPS, JOI, LDB, MGF, NVT entre 02/07hs. **Fechamento em BPS entre 03/09hs**

Nevoeiro ocorre em CWB e IGU com **fechamento momentâneo entre 02/07hs** e pancadas de chuva entre 11/17hs.

**InfoClima Azul**

## Daily Scans

- Issued twice a day
- Contains the type of phenomenon, bases impacted, time, and possibilities of airport closures



**InfoClima**

**Início do Feriado**

**08 de outubro**

Chuvas isoladas em São Paulo, **sem impactos significativos.** No Rio de Janeiro ocorre chuva e neblina pela manhã com **fechamento para o SDU entre 05/09hs.** Maior volume de chuvas para CNF com pancadas de chuva ao longo de todo o dia **sem fechamentos.**

Chuva também ocorre em CWB, FLN, JOI, LAJ, NVT, PFB, RIA e XAP ao longo de todo o dia. **Fechamentos momentâneos** podem ocorrer.

**09 de outubro**

Chuva persiste em SC e PR pela manhã com **fechamentos momentâneos.** A partir das 12hs ocorrência de chuvas em SP, RJ, MG e MS com pancadas de chuva e degradação meteorológica ao longo do dia. **Fechamentos momentâneos** podem ocorrer.

**InfoClima Azul**

## Events

- Holidays and amendments
- Contains the type of phenomenon, bases impacted, time, and possibilities of airport closures



# Adapting to climate change: Operation

The image displays three screenshots of the InfoClima alert system. The first screenshot, titled 'Alerta InfoClima', reports on Hurricane Sam, stating it has winds of 115kt and gusts of 140kt, moving westward. The second screenshot, also titled 'Alerta InfoClima', reports on strong winds (rajadas de vento) between 20 and 45kt, listing affected airports: BYO, CAC, CFB, CGR, CGB, CMG, CXJ, DOU, FLN, GIG, IGU, JIG, POA, SDU, and XAP. The third screenshot, titled 'Atualização InfoClima', reports on the La Palma volcano, noting that ash emissions have reached FL120 and are expected to persist until the morning of the 14th.

**Alerta InfoClima**

**Furacão Sam**

Com ventos de 115kt e rajadas de 140kt Sam se mantém um furacão de grandes proporções, e não há alertas de que ele irá atingir a costa da América Central. Deslocando-se para Noroeste, o Sam se movimenta ainda sem previsão de impactar as bases que operamos. Em rota poderemos efetuar o sobrevoos da Venezuela para evitar as áreas de mau tempo.

Mantemos o monitoramento. Novos alertas serão emitidos.

InfoClima Azul

10:44

**Alerta InfoClima**

**Rajadas de vento - 23/10**

Poderão ocorrer ao longo do dia, rajadas de vento entre **20 e 45kt**, as principais bases com previsão de impactos são:

BYO, CAC, CFB, CGR, CGB, CMG, CXJ, DOU, FLN, GIG, IGU, JIG, POA, SDU, XAP

**Fechamentos momentâneos e arremetidas poderão ocorrer.**

InfoClima Azul

**Atualização InfoClima**

**Vulcão LA PALMA**

As emissões de cinzas nas Ilhas Canárias atingem o FL120 e tem previsão de manter essa altitude até a madrugada do dia 14/10.

Ainda não há impacto para nossa operação. Mantemos nosso monitoramento.

InfoClima Azul

17:33

## Alerts of critical situations for the operation :

- Hurricanes, Volcanoes
- Strong winds
- Critical weather events such as intense storms

# Climate Change Adaptation: Partnerships with Airports

Azul has partnered with the main managers of the airports in our hubs to jointly deepen the understanding of the impacts of climate change on operations and carry out a survey of resilience points and infrastructure improvement gains.

It is important to highlight that during extreme weather events, airports suffer from greater damage to infrastructure: runway conditions that can deteriorate, physical infrastructure such as roof and roof conditions, energy supply and/or overload, among others.

In addition, Azul is a partner and has made available GHG emission data for some airports, especially the concessionaires Aena Brasil and Zurich Aeroportos.

This is an effort to ensure the engagement of the entire chain in MRV programs, even if voluntary: monitoring of emissions, preparation of reduction projects and periodic verification of information.

Climate adaptation can be an important driver for conducting airport infrastructure works and reinforcements, thus increasing the resilience of Brazil's airports.

# Adapting to Climate Change: New Airports

In order for the opening of new operational bases, there is a very important prior procedure for assessing the infrastructure conditions of the airport.

In this procedure, a specialized team from Azul goes to the base and checks the general conditions: size, length, width and conditions of the runway, fencing, vertical and horizontal signals, existence of security equipment (surveillance cameras, X-ray), weather stations, radio communication stations and approach and descent equipment (Precision Approach Path Indicator). In addition, the size of the waiting hall, quality of infrastructure, availability of rest and food areas are also evaluated.


From this visit, we prepared a report that is shared with the airport to understand and size Azul's operations. In this way, we are contributing to the improvement of the infrastructure of hundreds of operating bases throughout Brazil, bringing not only tourism and direct income generation when we open the bases, but also supporting resilience and adaptation to climate change with indication of necessary improvements for the operation of flights.

Thus, we identify the best equipment that suits each type of runway, infrastructure and demand, reinforcing our non-negotiable value with operational safety and our DNA of operating the right aircraft on the right route.

# Metrics & Goals



# Metrics: SBTi & Net Zero 2045



SCIENCE BASED TARGETS  
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

## APPROVED

### NEAR-TERM SCIENCE-BASED TARGETS

The Science Based Targets initiative has validated that the science-based greenhouse gas emissions reductions target(s) submitted by Azul Linhas Aéreas SA conform with the SBTi Criteria and Recommendations (Criteria version 5.1).

SBTi has classified your company's scope 1 and 2 target ambition as in line with a 1.5°C trajectory.

The official near-term science-based target language:




Azul Linhas Aéreas SA commits to reduce well-to-wake scope 1 and 3 jet fuel GHG emissions 46% per revenue tonne kilometer (RTK) by 2030 from a 2019 base year.\*\*\*

\*The target boundary includes land-related emissions and removals from bioenergy feedstocks.


\*\*Non-CO2e effects which may also contribute to aviation induced warming are not included in this target. Azul Linhas Aéreas SA commits to report publicly on its collaboration with stakeholders to improve understanding of opportunities to mitigate the non-CO2e impacts of aviation annually over its target timeframe.

DATE OF APPROVAL  
31 October 2023

Partner Organizations



In collaboration with



We are the first airline in Latin America and the 5th in the world to have a medium-term target approved by the SBTi in the 1.5°C protocol.

By 2030 we will reduce emissions by 46% compared to 2019 emission levels.

Our Net Zero 2045 target, which advances the aviation industry's commitment by 5 years, is being evaluated by the SBTi technical committee.

# Metrics

We carry out our inventory of greenhouse gas (GHG) emissions in accordance with the recommendations of the GHG Protocol.

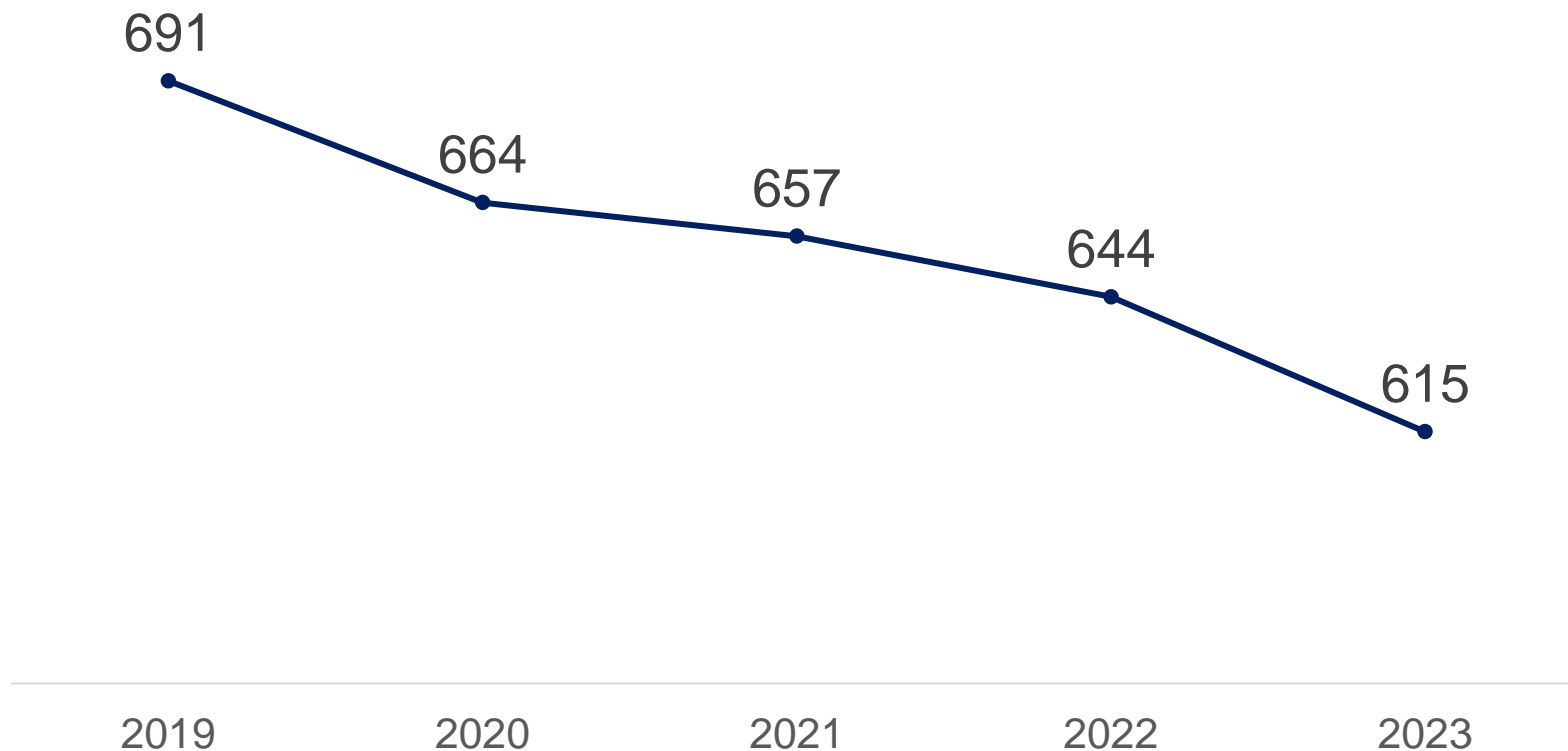
We account for Scope 1, Scope 2 (location and purchase choice) and Scope 3 emissions.

Our carbon information is audited by a third party at three times:

- GHG emissions inventory for the Public Emissions Registry
- Emissions from international flights to CORSIA
- Emissions from flights between countries in Europe (EU-ETS)

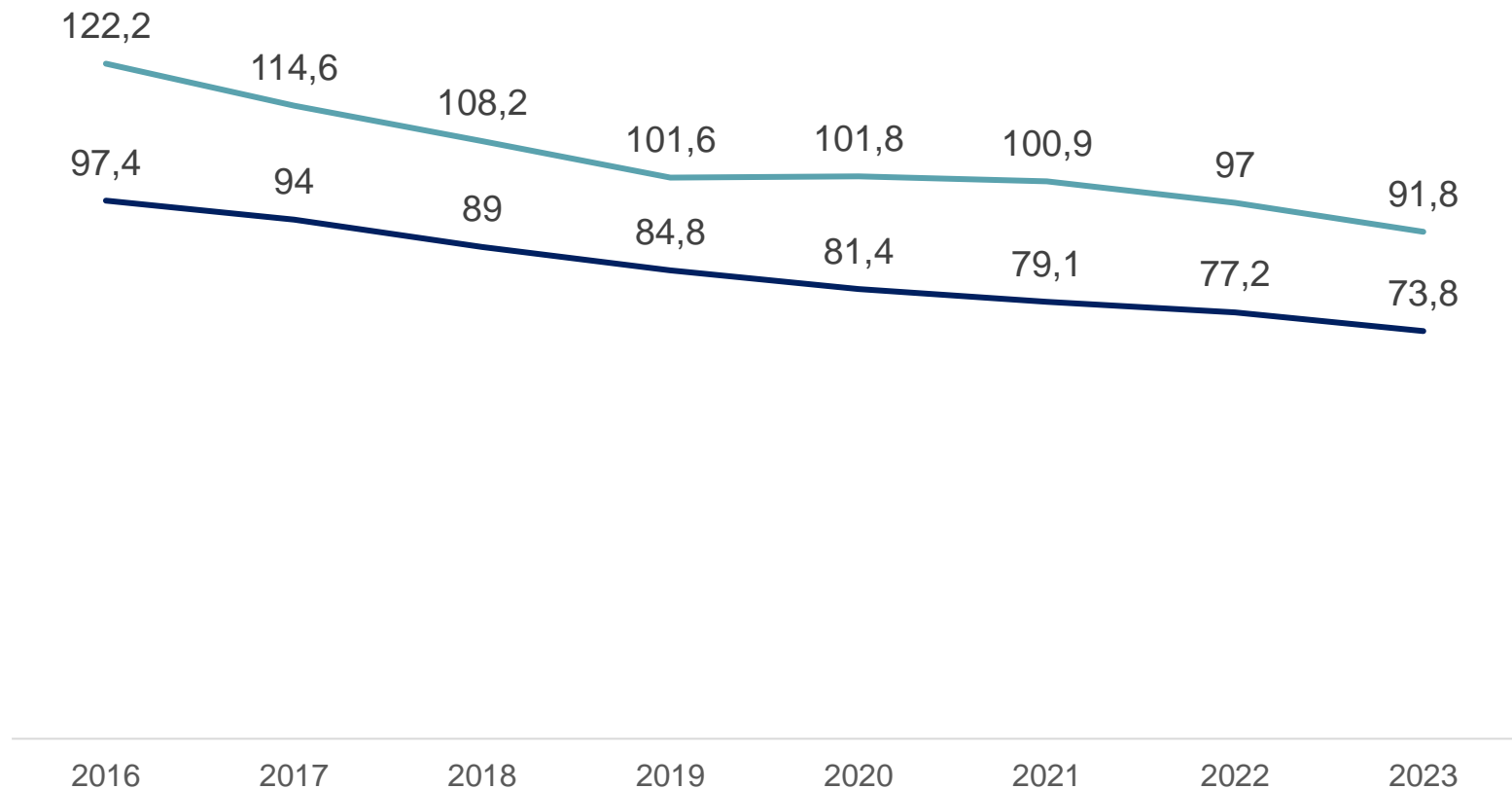
# Carbon intensity indicators

$\text{gCO}_2$  (Scope 1 + Scope 3 WTT kerosene) / RTK



This indicator is standardized for the aviation sector in the SBTi. It considers emissions from burning kerosene (Scope 1) and emissions related to kerosene production (WTT) in Scope 3 – category 3.

# Carbon intensity indicators



Considering that 99% of our emissions come from the burning of kerosene, only kerosene emissions (E1) are represented here.

—gCO2/ASK —gCO2/RPK



# A flight into the future



# Climate scenarios

Azul's climate transition plan is supported by climate scenario analysis that helped us identify and measure risks and opportunities, bringing a strategic vision of how we should act.

The main frameworks consulted were:

- IPCC: SSP 1 – 2.6; SSP 2 – 4.5, SSP 3 – 7.0, SSP 5 – 8.5
- IEA: Net Zero, National Pledges (NDCs), Current Policy Landscape
- Climate Modeling and Sectoral Vulnerabilities to Climate Change in Brazil (MCTI)

# Climate scenarios

## NET ZERO 2045\*

- SSP 1 – 2.6
- Decarbonization RoadMap
- MACC Curve
- Internal carbon pricing (considering the value of the carbon credit of the European Union Offset Scheme – EU ETS)

## NET ZERO 2050

- SSP 2 – 4.5
- Decarbonization RoadMap considers a delay in the development and accessibility (taxation and incentives) of SAF
- MACC Curve
- Internal Carbon Pricing

## NET ZERO 2060

- SSP 3 – 7.0
- Decarbonization RoadMap considers difficulties in SAF accessibility (taxation and incentives) and delay in technological disruptions in aircraft manufacturing
- MACC Curve
- Internal Carbon Pricing

\*Our Net Zero 2045 goal advances the commitment of the international industry by 5 years and is being evaluated by SBTi.

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**Thank you.**

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**Azul** 