

An aerial photograph of Heathrow Airport at dusk. The main terminal building is illuminated from within, showing its glass facade and internal structure. The tarmac is filled with various aircraft, including a large white and red airplane in the foreground on the right. Ground service vehicles and equipment are visible on the tarmac. The sky is a mix of orange, pink, and blue, indicating sunset. The overall scene is a wide-angle shot of the airport's operations during the twilight hours.

HEATHROW AIRPORT SAF APPROACH

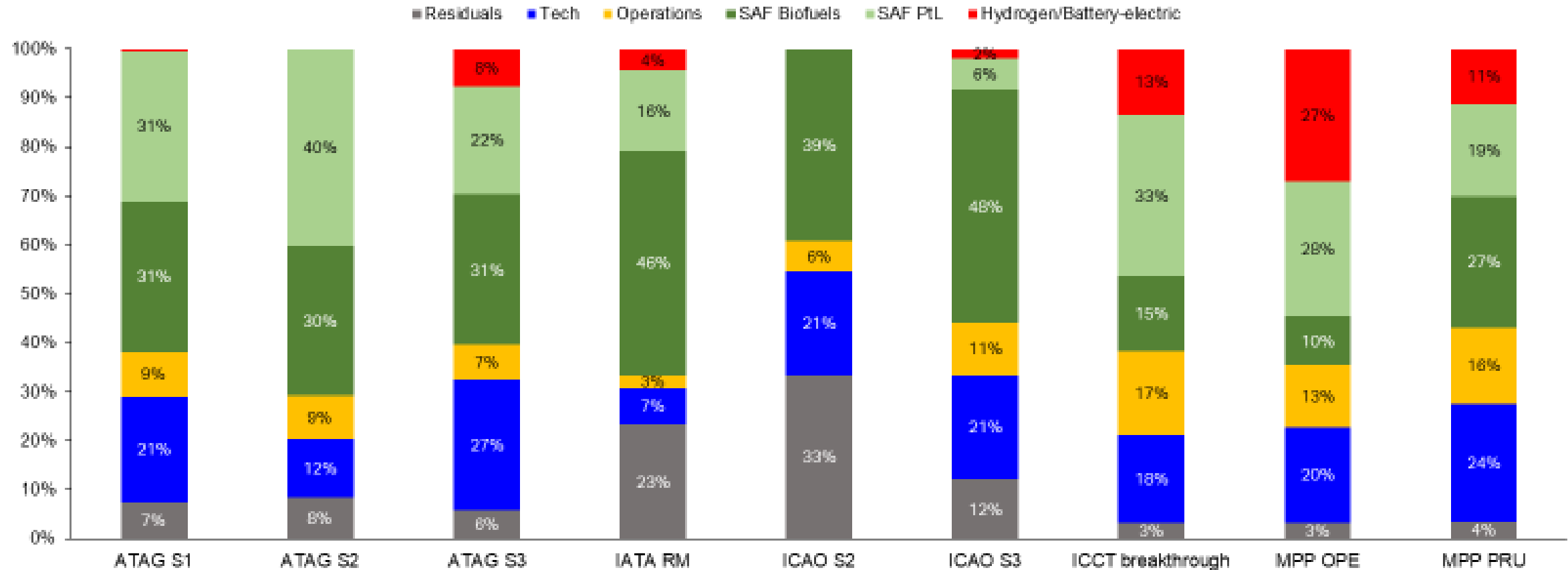
Heathrow

HEATHROW 2.0 SUSTAINABILITY STRATEGY - CONNECTING PEOPLE AND PLANET



OBJECTIVES AND GOALS

GLOBAL ROADMAPS ALIGN ON 3 KEY MEASURES: TECH/OPS EFFICIENCY, SAF & HYDROGEN. SAF THE BIGGEST: 40 – 70% OF SOLUTION IN 2050.



Industry roadmaps:

ATAG – Air Transport Action Group (represents whole global aviation sector)

IATA – International Air Transport Association (global airlines)

Government roadmaps:

ICAO – International Civil Aviation Organisation – the UN's specialised aviation agency

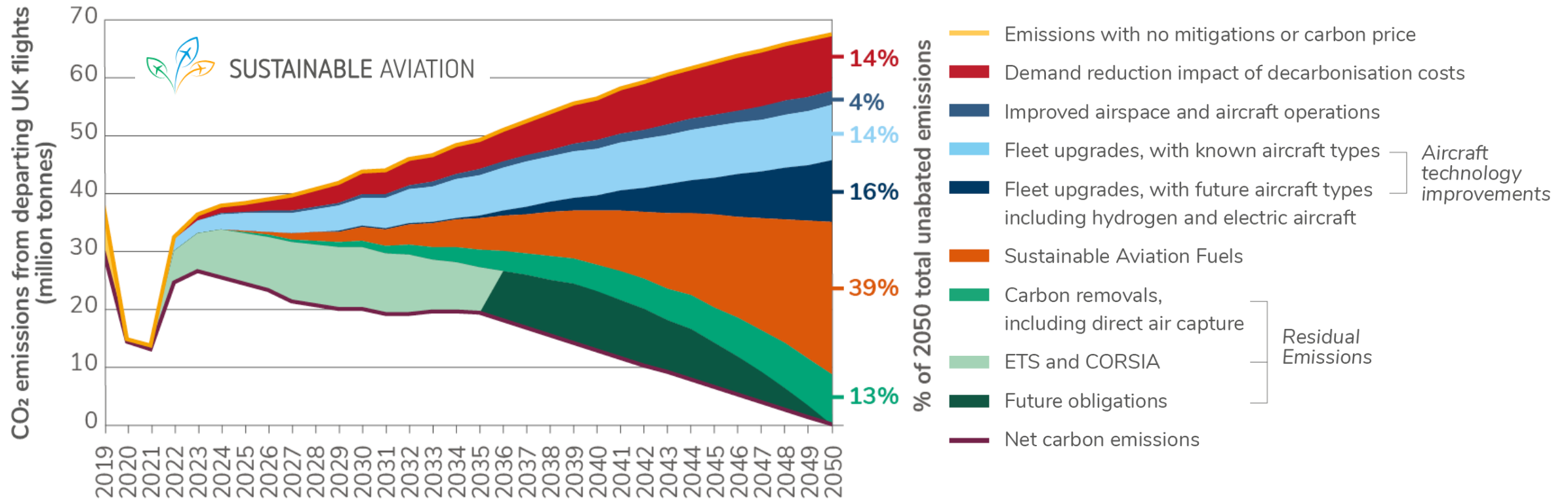
NGO roadmaps:

ICCT – International Council for Clean Transportation

MPP – Mission Possible Platform



LATEST TRANSITION PATHWAY FROM UK “SUSTAINABLE AVIATION” COALITION ALIGNS WITH GLOBAL APPROACH – SAF 40% OF SOLUTION



Three key messages from updated Net Zero Pathway, 2023:

- **SAF is the single biggest measure** – 40% of the journey to net zero
- Carbon pricing plus SAF “green premium” has **demand impact of c. 14%** (aligned with Heathrow view)
- **Zero carbon electricity vital** for aviation decarb: for hydrogen, carbon capture and to combine in e-fuels.

UK SAF POLICY



Supporting Demand & Supply

UK SAF Mandate

- 2% in 2025, rising to 10% by 2030. Final design to be set out by early 2024.
- “HEFA” CAP from 2027 reaching 71% by 2030
- PtL Sub-mandate starting in 2028 at 0.2% and reaching 0.5% in 2030
- Strict sustainability criteria
- Business case for 2G SAF

Revenue Certainty Mechanism

- Price support needed to de-risk investment
- Guaranteed Strike Price
- Mechanism funding under consultation (levy on fuel suppliers)
- Design under consultation in Autumn
 - Ensure price certainty while promoting fair competition
 - Reduce the cost of SAF
 - Kepp a level playing field

Strike price

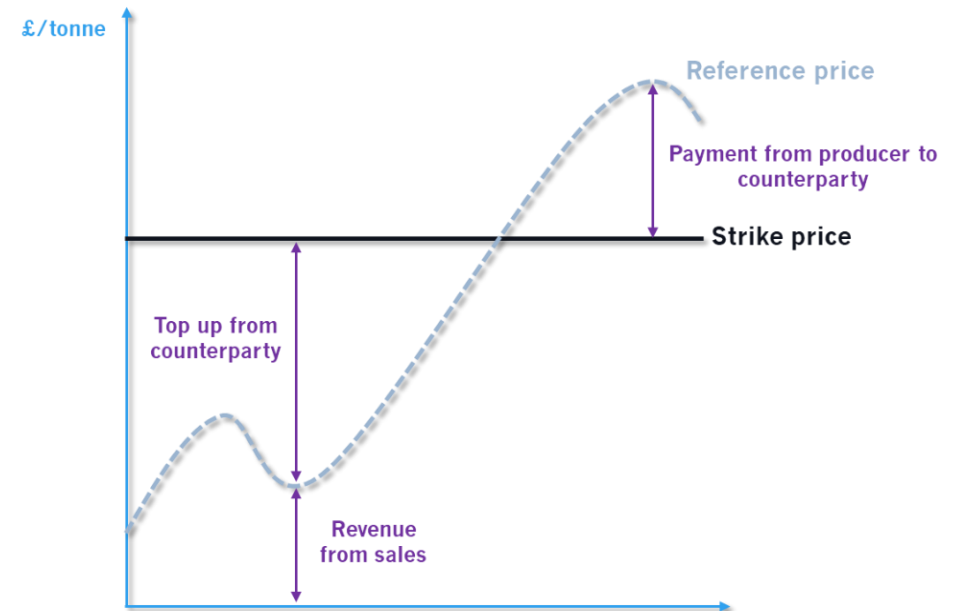
Determined through negotiations and later auctions (when market is more mature). Price reflects the cost of production

Reference price

Based on achieved sales price until market benchmarks emerge

When the reference price falls below the strike price, the counterparty will top up the payments to the producer to the strike price

When the reference price exceeds the strike price, the producer will pay this difference back to the counterparty



Keeping admin straightforward and maintaining standards

As the scheme evolves, we intend to remain aligned to Government policy mechanisms. This will help ensure that additional administrative requirements for airlines are minimised.



SAF Mandate

SAF qualifies if it meets UK Government requirements under the SAF Mandate. As legislation evolves, the intention is to remain aligned.



Anticipating new policy

As the UK SAF mandate started in 2025 and a 'Revenue Certainty Mechanism' is consulted on, Heathrow will set out its post-2025 scheme requirements to continue to add value to prevailing policy.



High sustainability standards

Much of the SAF delivered to date has been Used Cooking Oil. As the SAF market continues to develop we hope to see more "G and 3G SAF. Average lifecycle GHG emissions reductions in 2024 was 92%.

Heathrow SAF Incentive Scheme – How it works

The SAF incentive scheme collects monies through a supplement to the NOx charge and redistributes this fund back to airlines who deliver SAF to Heathrow Airport.



Incentive calculation aims to reduce the premium price gap between kerosene and SAF by 50%

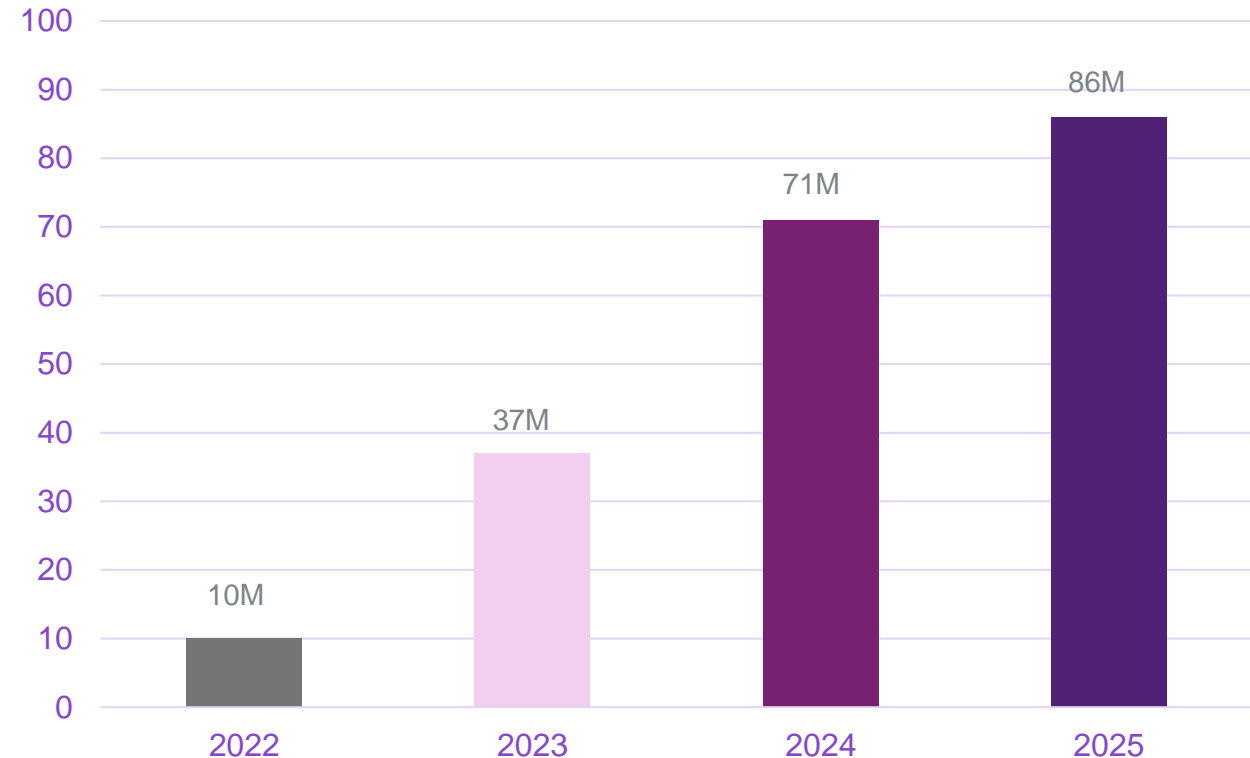


Separate pots for passenger and cargo operations exist, funded by additional revenue from passenger charges.



Allocation of incentive fund is based on airlines RPK for passenger operations and FTK for cargo operations

Pot size £

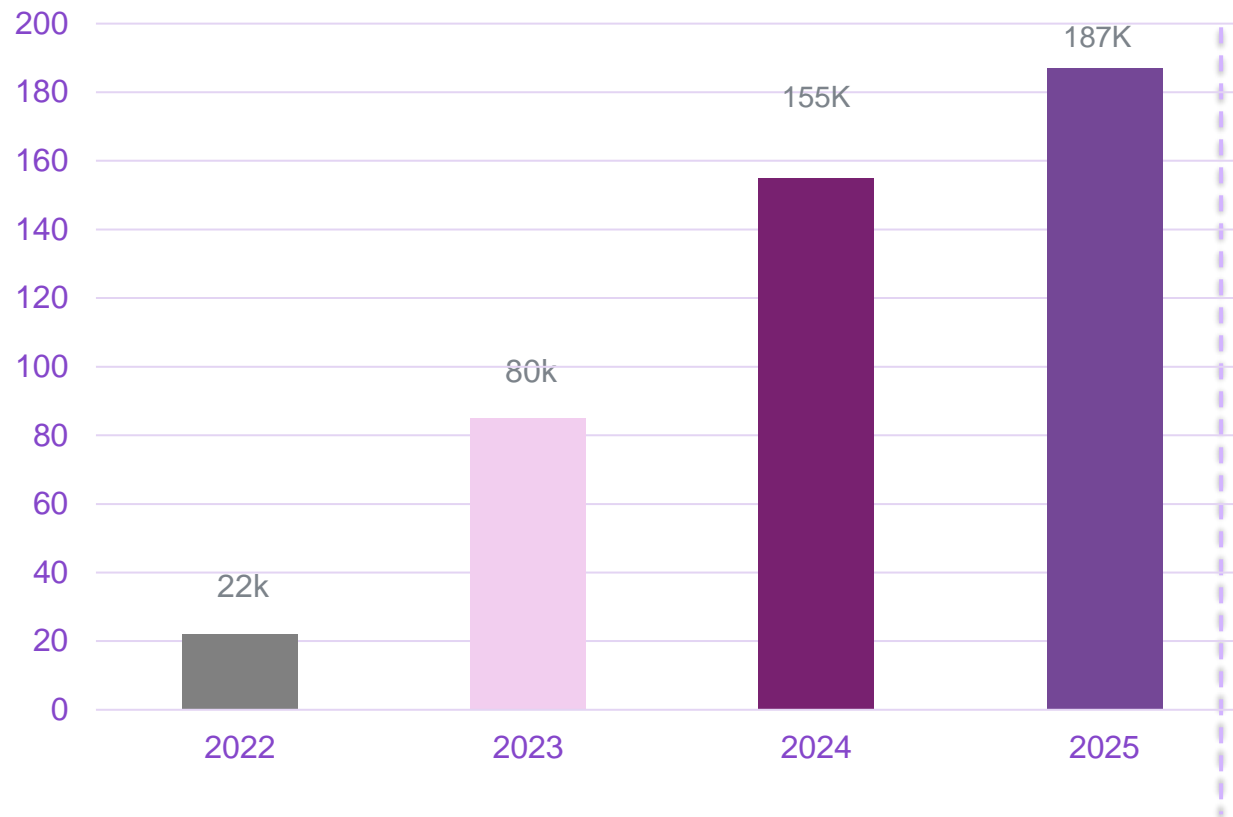


An increased number of participating airlines, a higher percentage of SAF in the fuel mix and nearly double the SAF subscription compared to the previous year.

Evolution of the Scheme



SAF Allocated Tonnage



The number of airlines participating in the scheme has risen from 14 in 2023 to 25 in 2025

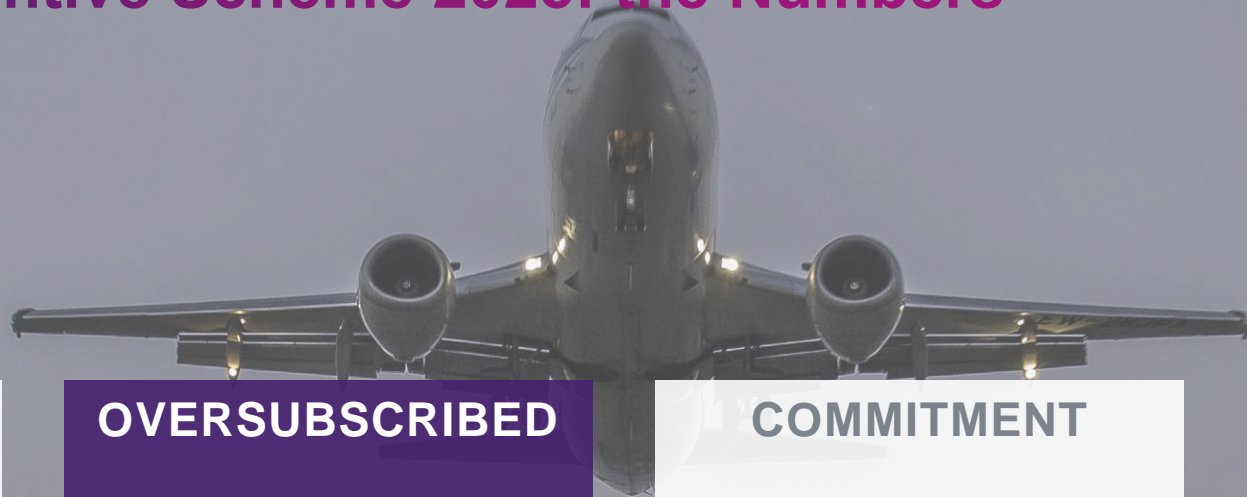


The percentage of SAF in the overall fuel mix has increased from 0.5% in 2022 to 3% in 2025, surpassing the UK government's plan to introduce a 2% mandate in 2025



Demand for SAF remains strong and supply is increasing, underlining the continued importance of this incentive scheme

Heathrow SAF Incentive Scheme 2025: the Numbers



ENGAGEMENT

26

The total number of airlines participating in this year's scheme.

OVERSUBSCRIBED

100%

The passenger and cargo SAF pots are fully subscribed.

COMMITMENT

187k

The total amount of SAF tonnes committed by airlines.

GROWTH

4

Entering it's fourth year, the scheme expands with increased SAF ambition.

LEADERSHIP & COLLABORATION

- UK Government SAF Task Force & Finish Groups
- UK Sustainable Aviation
- UK RISE Coalition
- SAF Dialogues
- ICAO's role
- Climate change is a global issue, aviation is international by nature, so we need a harmonised approach for SAF
- ACI SAF Task Force
- SAF Transition and Opportunities in Africa

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