

Announcement made by LATAM group in “Wings of Change” Event:

LATAM Seeks to Reach 5% Sustainable Fuel Use by 2030, Favoring Producers Throughout South America

- *The CEO of the airline group, Roberto Alvo, advocated public-private collaboration to promote production within the region.*
- *The continent has optimal conditions in terms of availability of resources and raw materials to develop this type of sustainable fuel (SAF).*
- *This type of fuel is central to LATAM's sustainability strategy, which aims to neutralize 50% of domestic emissions by 2030 and achieve carbon neutrality by 2050.*

Santiago (Chile), April 6, 2022. - With the intention of accelerating efforts that generate the necessary conditions for a more sustainable commercial aviation, the CEO of LATAM Airlines Group, Roberto Alvo, announced the group's hopes to incorporate sustainable aviation fuel (SAF) in its operation, thus favoring production generated in South America. This effort is part of the group's sustainability strategy, which aims to be a zero waste-to-landfill group by 2027, offset 50% of domestic emissions by 2030 and achieve carbon neutrality by 2050.

“South America has the potential to be a world leader in the production of sustainable fuels and thereby make a very significant contribution to climate action. For this to happen, public and private actors, including LATAM, need to collaborate, play their role and lead the energy transition that we need to make the world a better place. With this announcement, the group is giving a clear call to action to the market and highlighting our interest in buying SAF fuels in the region”, said Roberto Alvo, CEO of LATAM Airlines Group at the “Wings of Change” event, organized by the International Air Transport Association (IATA) on April 6 and 7 in Santiago, Chile.

The executive highlighted the potential for the development of SAF in the region due to its natural resources and wealth of renewable energies. However, Alvo noted it is currently an undeveloped market with limited supply, as it does not yet have the enabling conditions to develop its potential in the region. It still requires specific regulatory schemes, promotion of technology and innovation, support for production and logistics chain, among other factors.

Currently, the high production costs and the immaturity of the market pose great challenges for the massification of the use of this type of fuel. In this sense, LATAM's CEO made a call to government authorities, private companies, academia and the other players in the airline industry to collaborate and generate incentives to expand the production, use and massification of SAF in South America, thus finding solutions to the current climate emergency.

What is SAF?

SAF is a non-conventional type of fuel, produced from renewable raw materials or derived from waste that meet sustainability criteria. The variety of raw materials is wide and can range from cooking oils and fats to municipal waste and agricultural waste, among others. There are other alternatives such as green hydrogen, which is the most abundant substance in the universe and is highly efficient in generating energy and reducing emissions. This can also be used to produce PBS, although - for the moment - it is not ideal for this purpose due to its high cost and low production volume.



According to data from the International Air Transport Association (IATA), PBS offers a reduction in emissions of up to 80% compared to traditional fuels, and is the most immediate tool to contribute to sustainable mass transportation.

The continent has unsurpassed conditions in terms of availability of resources and sustainable raw materials to develop this type of sustainable fuel. For example, according to WWF data, Brazil has the potential to produce up to 9 billion liters of FFS, from different sources such as waste from agriculture and the timber industry. Additionally, by 2030 the world supply will be 6.5 billion gallons, 2.3 billion gallons (35%) of which will come from the South American country.

In the long term, it is expected to be able to propel aircraft using green hydrogen as a direct energy source; however, this technology is still under development and will require modifications to existing aircraft.

LATAM and its sustainability strategy

In May 2021, LATAM group presented its sustainability strategy based on three fronts: Climate Change, Circular Economy and Shared Value. The group highlighted its commitment to the protection of South America's strategic ecosystems by becoming a zero waste to landfill group by 2027, in addition to offsetting 50% of domestic emissions by 2030 and achieving carbon neutrality by 2050.

The strategy's lines of action were designed collaboratively with environmental experts and organizations throughout the region.

For more information, please visit <https://www.latamairlines.com/us/en/sustainability>.

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ABOUT LATAM AIRLINES GROUP

LATAM Airlines Group S.A. and its affiliates are the main group of airlines in Latin America with presence in five domestic markets in the region: Brazil, Chile, Colombia, Ecuador and Peru, in addition to international operations inside Latin America and between it and Europe, the United States, and the Caribbean.

The group has a fleet of Boeing 767, 777, 787, Airbus A321, A320, A320neo and A319 aircraft.

LATAM Cargo Chile, LATAM Cargo Colombia, and LATAM Cargo Brazil are the LATAM Airlines freight subsidiaries. In addition to having access to the passenger cargo holds of LATAM Airlines Group, they have a fleet of 13 freighters, which will gradually increase to a total of up to 21 freighters by 2023.

They operate on the LATAM Airlines Group network, as well as international routes that are solely used for shipping. They offer modern Infrastructure, a wide variety of services and protection options to meet all customer needs.

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