transat

2024 Supplement

Climate-related Disclosure Report

In accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations

June 2025

Message from the President and Chief Executive Officer

In 2024, several factors beyond our control limited the impact of our efforts to reduce greenhouse gas (GHG) emissions. We faced delays in the delivery of new, more fuel-efficient aircraft intended to modernize and renew our fleet. These new aircraft, which offer improved energy efficiency, are a cornerstone of our decarbonization plan.

Moreover, several of these Airbus 321LRs had to be temporarily grounded due to preventive maintenance issues with their Pratt & Whitney GTF engines. As a result, we were forced to lease temporary replacement aircraft that were less efficient and more fuel-intensive to maintain our service offering. This situation impacted the emissions reductions related to the renewal of our fleet.

In addition, access to sustainable aviation fuel (SAF) – another of our four key decarbonization levers – remains largely insufficient for our needs and financially out of reach. According to recent IATA data, global SAF production reached one million tonnes in 2024. While this is double the previous year, it still represents only 0.3% of total aviation fuel supply (IATA, December 2024).

SAF production is increasing slowly but remains far behind demand, especially here in Canada, where we operate our two main airport hubs (YUL and YYZ). No significant progress has been made to support SAF production in Canada or to introduce affordability incentives. We therefore hope that the work of the Canadian Council for Sustainable Aviation Fuels (C-SAF) to catalyze a SAF ecosystem and mobilize efforts to accelerate commercial SAF production in Canada will bear fruit and encourage governments and producers to invest in this essential area for decarbonization.

In this context – where uncertainty and unpredictability are part of our daily reality – we are focusing on the key pillar of our decarbonization journey that we can directly control: operational and energy efficiency. We are investing in new initiatives and solutions to optimize our fuel management, some of which are already being deployed. This includes new ways to optimize fuel use during takeoff and in airport zones. We are also revising our climate action plan to adapt to external factors beyond our control that could influence our decarbonization efforts.

Finally, we are continuing to deepen our understanding of climate-related risks to enhance our climate adaptation strategy and inform our network planning accordingly.

Annick Guérard
President and Chief Executive Officer

About the 2024 Supplement

This new supplement follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).[1] It provides an update for the year 2024 and should be read alongside our 2022 Climate-related Disclosure Report. Our governance structure for environmental, social and governance (ESG) matters, as well as our decarbonization levers and other elements of our climate strategy, are unchanged. The same applies to the transition risks and opportunities associated with moving toward a low-carbon economy.

This 2024 supplement includes an update on risks stemming from climate change, based on the climate scenario analysis initiated in 2023. It also reiterates our decarbonization journey, previously outlined in our 2022–2023 Corporate Responsibility Report, which details our sustainability and corporate responsibility strategy.

The quantitative data in this supplement covers the period from January 1 to December 31, 2024, except for the carbon intensity section, which is based on the 2024 fiscal year (November 1,2023, to October 31, 2024).

[1] Although the TCFD was dissolved on December 15, 2023, its recommendations remain relevant. They are a central component of the work done by the Canadian Sustainability Standards Board.

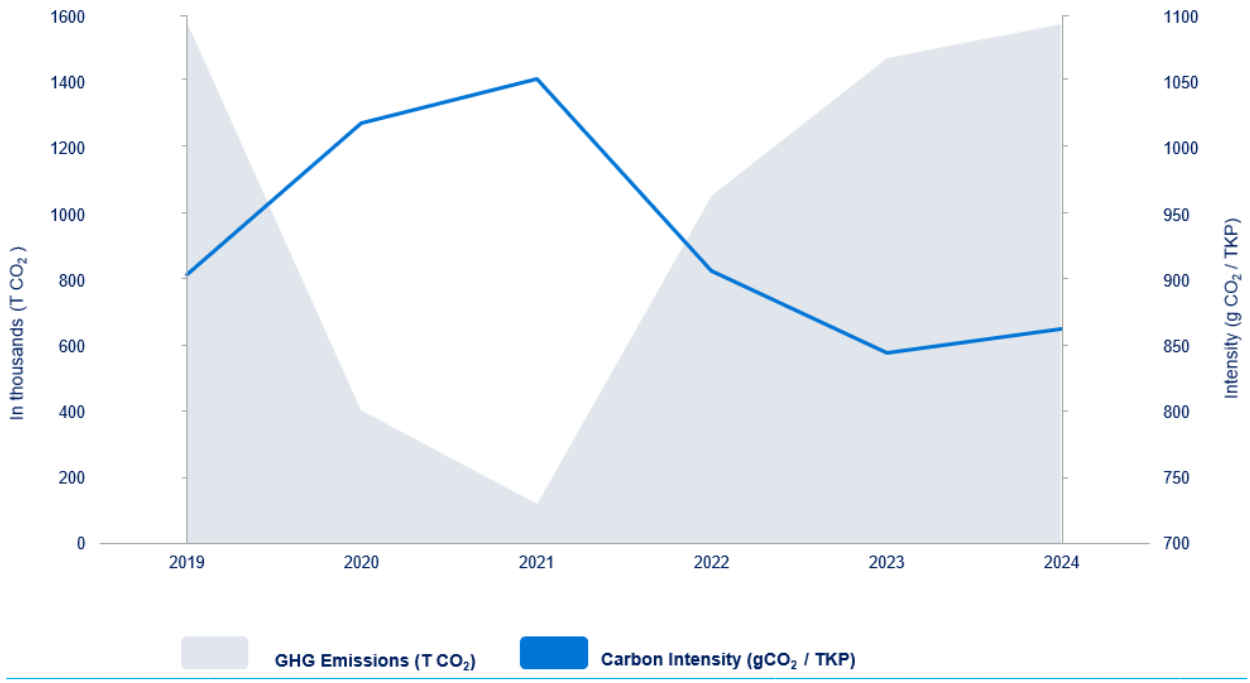
Climate-related Metrics

Greenhouse Gas (GHG) Emissions

GHG EMISSIONS (T CO_2)	2024	2023	2022	2019[1,2]
SCOPE 1 EMISSIONS				
International flights (CORSIA)[3]	1,572,685	1,428,740	1,006,369	N/A
Other flights	11,223	46,796	51,646	N/A
Total Scope 1 – Aviation fuel	**1,583,908**	**1,475,535**	**1,058,015**	**1,586,538**
Buildings and hangars	1,591	1,591	1,589	2,056
Ground vehicles	1,302	1,302	1,083	1,031
Total Scope 1 – Other[4]	**2,893**	**2,893**	**2,671**	**3,088**
SCOPE 2 EMISSIONS				
Total Scope 2 – Energy consumption[4]	**152**	**152**	**194**	**332**
TOTAL SCOPE 1 AND 2 EMISSIONS	**1,586,953**	**1,478,581**	**1,060,880**	**1,589,958**

[1] Baseline year.
[2] 2020 and 2021 are excluded due to COVID-19 pandemic-related operational shutdowns.
[3] CORSIA international flight emissions were verified by an independent third party (Normec-Verifavia).
[4] 2024 data is partial for these categories; 2023 results have been used due to the consistent historical trends observed in our energy consumption for these sources. Although these categories represent only 0.2% of our emissions, improving data granularity is important for future reporting and understanding climate risks and opportunities.

Carbon Intensity



Our Commitments

To guide our actions, we developed a carbon impact management plan in 2022. This plan aligns with the goals of the International Air Transport Association (IATA) and the International Civil Aviation Organization (ICAO) to reduce emissions and contribute meaningfully to global climate action.

Transat has committed to supporting the development of sustainable aviation fuel (SAF) and to achieving carbon neutrality by 2050.

Sustainable Aviation Fuel (SAF)

A critical resource that remains scarce and costly

Achieving the aviation industry's emissions reduction targets depends heavily on a factor largely beyond our control: access to SAF. Currently, SAF production is far from sufficient to meet growing demand, significantly hindering the industry's decarbonization efforts. In April 2025, IATA expressed concerns about the feasibility of meeting the industry's long-term targets, citing a lack of support from governments and producers that have been slow to scale up SAF supply despite previous commitments.[3]

For Transat, commercial SAF production in Canada is essential, as 50% of our aircraft refuelling takes place on Canadian soil. A coordinated and collaborative effort among all industry stakeholders and governments is therefore required to enable the decarbonization of commercial aviation.

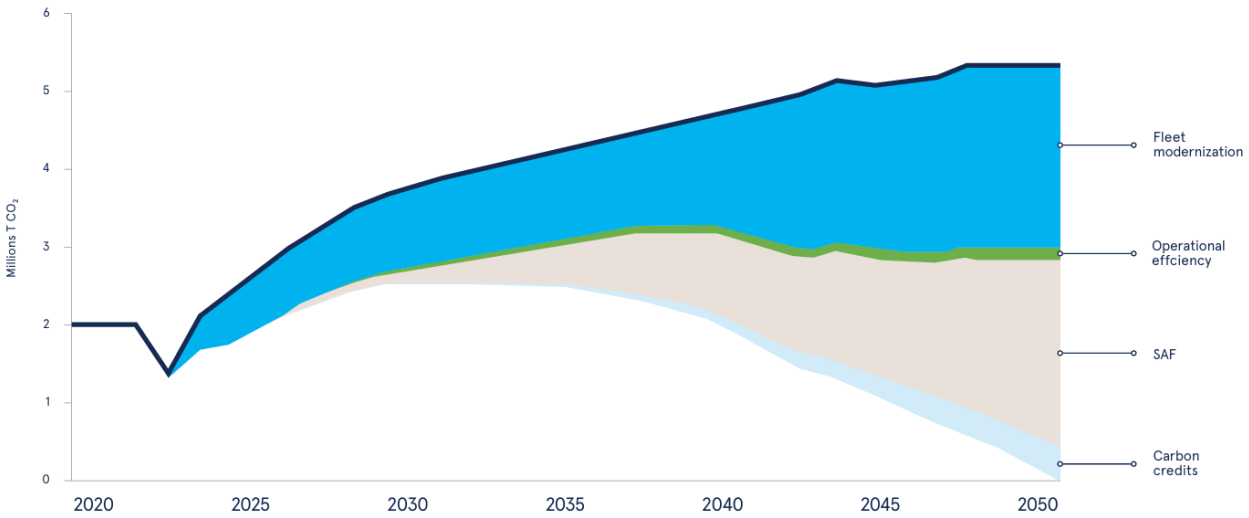
We are hopeful that the creation of the Canadian Council for Sustainable Aviation Fuels (C-SAF) in 2022 – a non-profit organization bringing together key players in Canada's aviation ecosystem, including Transat, suppliers, aircraft manufacturers, airports, financial institutions, and academia – will help accelerate SAF production in Canada and increase our access to it.

[3] Willie Walsh, IATA General Director, report to the 81st IATA AGM.

Our Decarbonization Journey

Our decarbonization strategy is built around four key levers designed to meet the aviation industry's climate action goals:

Levers	Fleet Renewal	Operational Efficiency	Sustainable Aviation Fuel (SAF)	Carbon Credits
Description	Replacing aging aircraft with the most fuel-efficient models in their category.	Optimizing carbon efficiency through both flight and ground operations.	Procuring SAF with carbon reduction potential.	Purchasing carbon credits.
Decarbonization potential by 2050	**45%**	**2.6%**	**45%**	**7.4%**
Key Initiative	Transition to next-generation A321LR aircraft with lower fuel consumption.	Fuel management program and initiatives to optimize fuel use during key flight phases.	Contribution to the C-SAF roadmap and development of our SAF procurement plan.	Volume of credits required to evolve based on SAF availability.



Our Performance in 2024

Overall, our emissions and carbon intensity grew in 2024. This outcome is primarily due to three key factors.

First, in 2024 we increased our available capacity across all markets by 10.1% compared to 2023, in response to strong anticipated demand. This resulted in a 7.6% increase in traffic measured in revenue passenger kilometres (RPKs), also compared to the previous fiscal year.

Although we received the final A321LR aircraft we had been expecting, we were particularly affected by inefficiencies stemming from durability issues with Pratt & Whitney's GTF engines. As a result, between four and six of these aircraft – recognized as the most fuel-efficient in their class and the top performers in our fleet – were grounded for several months in 2024. This forced us to temporarily lease replacement aircraft that were less suited to our needs and more fuel-intensive.

Finally, SAF production and supply continue to fall short of the levels required to meet our needs, and prices remain beyond our means. As a result, our access to this fuel – which would allow us to reduce our emissions – is very limited. In 2024, the only SAF consumed by our aircraft was in France, where regulations require distributors to supply 1.5% SAF. However, since traceability documentation is not made available to airlines, we are unable to account for the emissions reductions associated with this SAF use in our inventory.

At present, we are therefore focusing on operational efficiency – the lever over which we have the most control. During the year, we announced the implementation of **OptiClimb®**, a new tool to optimize aircraft climb phases, which improves fuel efficiency and reduces CO_2 emissions during this energy-intensive phase of a flight.

OptiClimb®:

An innovative solution to reduce our fuel consumption

In 2024, we announced the implementation of a new onboard tool: **OptiClimb®**, a technology developed by SITA. This solution uses a variety of data sources – including past flight data, weather forecasts and flight plans – to calculate optimal speeds and altitudes that reduce fuel consumption during the climb phase of a flight, without affecting flight duration.

We estimate that this tool could help us save up to 70 kg of fuel per A320 flight and up to 150 kg per A330 flight. Following a trial phase with a group of instructor pilots, the official launch took place in February 2025.

The tool continues to be refined since its deployment and is expected to help us improve in-flight efficiency while reducing both fuel consumption and environmental impact.

Climate Risk Management

In our 2022 Climate-related Disclosure Report, we identified climate scenario analysis as a potential mitigation measure for chronic physical risks related to Transat's operations. Building on that, our teams, in close collaboration with a specialized firm, conducted a forward-looking analysis of risks stemming from the physical impacts of climate change. This analysis remains relevant, as our operating model has gone largely unchanged since 2022, and it continues to inform our business strategy. We also use it, as needed, to adjust our governance and risk management processes.

While climate-related physical risks do not pose immediate threats to our operations, they provide a framework for the years ahead and encourage us to deepen our understanding of the financial implications of climate-related risks.

As for transition risks associated with moving toward a low-carbon economy and the mitigation measures involved, they remain unchanged from those detailed in our 2022 Climate-related Disclosure Report.

Physical Risks: Climate Scenario Analysis Findings

To better understand the potential impacts of climate-related physical risks on our company strategy, our climate scenario analysis focused on the physical risks to which we are exposed. To carry out this work, we partnered with Clearsum, a firm specializing in climate risk management, which used global climate models (GCMs) from Phase 6 of the Coupled Model Intercomparison Project (CMIP6).

Exposure to six types of climate-related events was assessed over two time horizons: medium term (2030) and long term (2050). A summary of the main risks and their potential impacts is presented in the 2023 Supplement for each of the two scenarios. Since Transat's network is concentrated in southern and European destinations, the results are presented for these two major regions.

.