



2025 Supplement

# Climate-related Disclosure Report

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

June 2026

## Message from the President and Chief Executive Officer

In 2025, our climate performance evolved in a context marked by ongoing constraints, as the aviation industry continues to balance competitiveness with limited access to key decarbonization levers. Challenges related to Pratt & Whitney's GTF engines continued to affect our operations, with an average of five of our most fuel-efficient aircraft grounded throughout the year. This situation, combined with the lack of meaningful progress in access to sustainable aviation fuel in Canada, has limited the impact of our decarbonization efforts in recent months.

Despite this environment, Transat remains focused and committed. We continue to prioritize the levers within our control – first and foremost, energy efficiency. Fuel management is central to our approach, as it directly affects both our emissions and our operational performance. Every day, our teams work to optimize fuel use across all stages of our operations.

This approach reflects our commitment to moving forward in a pragmatic and disciplined way, while actively supporting the broader transition of our industry in a complex and evolving environment.



**Annick Guérard**

President and  
Chief Executive Officer

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## About the 2025 Supplement

Transat's disclosures relating to climate-related risks and opportunities continue to be guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)<sup>1</sup> until the Canadian Sustainability Disclosure Standards (CSDS) are adopted and come into force by the Canadian Securities Administrators (CSA). We actively monitor the evolving sustainability disclosure landscape in Canada and internationally and intend to maintain our climate disclosures in line with industry practices.

This supplement provides an update<sup>2</sup> on the factors that influenced our decarbonization plan in 2025, the impacts of climate-related physical and transition risks, as well as developments related to energy efficiency and energy sourcing opportunities.

All data presented in this supplement covers the period from January 1 to December 31, 2025, except for carbon intensity data, which is based on fiscal year 2025 data, from November 1, 2024 to October 31, 2025.

### Forward-looking Statements

This supplement contains forward-looking statements within the meaning of applicable securities laws. These statements include statements regarding Transat's decarbonization strategy, climate objectives, greenhouse gas (GHG) emissions reduction targets, and plans related to sustainable aviation fuel. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated, including the availability and cost of sustainable aviation fuel (SAF), market conditions, extreme weather events, geopolitical disruptions, changes in environmental regulations, and the availability of new aircraft. Transat does not undertake to update these forward-looking statements to reflect subsequent events or circumstances.

<sup>1</sup> Despite the dissolution of the TCFD on December 15, 2023, its recommendations remain highly relevant and continue to inform the work of the Canadian Sustainability Standards Board.

<sup>2</sup> The 2025 supplement should be read in conjunction with the [2022 Climate Disclosure Report](#) and the [2023](#) and [2024](#) supplements. The governance structures, decarbonization levers, and climate strategy outlined therein remain unchanged.

## 1. OUR DECARBONIZATION JOURNEY

To guide our actions, we developed a carbon impact management plan in 2022, aligned with the long-term ambitions of the International Air Transport Association (IATA) and the International Civil Aviation Organization (ICAO).

Our decarbonization plan is built on four key levers aimed at contributing to the aviation industry's climate action objectives.

Levers	Fleet Renewal	Sustainable Aviation Fuel	Carbon Credits	Operational Efficiency
Description	Replacing aging aircraft with the most fuel-efficient models in their category.	Procuring SAF with greenhouse gas emissions reduction potential.	Purchasing carbon credits.	Optimizing carbon efficiency through both flight and ground operations.
Decarbonization potential by 2050	45 %	45 %	7,4 %	2,6 %
Key initiatives	Transition to next-generation A321LR aircraft with lower fuel consumption.	Contribution to the C-SAF roadmap and sectoral discussion forums.	Volume of required credits to evolve based on SAF availability.	Fuel management program and deployment of the OptiClimb® tool.

Several stakeholders in the aviation sector, including IATA<sup>3,4</sup>, indicated in 2025 that the industry's medium-term decarbonization pathway involves a high degree of uncertainty due to constraints affecting the deployment of material solutions. As such, the full realization of the potential of our decarbonization levers remains contingent on a significant acceleration in both financing and technological development, particularly with respect to sustainable aviation fuel production.

<sup>3</sup> IATA, Annual Review 2025, June 2025

<sup>4</sup> IATA, Press Release No: 57, December 2025

## 2. OUR PERFORMANCE IN 2025

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Overall, our emissions profile for 2025, as well as the carbon intensity of our operations, remained stable compared with 2024. This situation is explained by three main factors.

First, ongoing issues affecting Pratt & Whitney's GTF engines continued to impact our fleet for a third consecutive year. As at October 31, 2025, five of our A321LR aircraft – our most fuel-efficient units, consuming approximately 20% less fuel than previous-generation aircraft – remained grounded. This situation limited the efficiency gains expected from our fleet renewal, a cornerstone of our decarbonization journey.

Operational disruptions highlighting the impact of climate-related events on our activities also marked the year. In Jamaica, in particular, Hurricane Melissa required the activation of our crisis management protocols and the temporary suspension of flights.

In this context, we maintained our focus on fuel management and on embedding energy efficiency across our operations – our decarbonization lever over which we have the greatest level of control.

### Management of Climate-Related Risks and Opportunities

Our understanding of climate-related risks and opportunities is grounded in the analysis conducted in 2022, which continues to serve as the foundation of Transat's approach. In 2023, this analysis was further refined to better assess the physical risks likely to affect our operations, notably through climate scenario analyses and their potential impacts on our activities. Events observed throughout 2025 have confirmed the relevance of these findings.

In general, the time horizons for the materialization of climate-related risks established in 2022 were borne out during the 2025 fiscal year. Significant climate events, along with evolving regulatory frameworks and technologies, continued to place pressure on our operations, thereby constraining the medium-term decarbonization potential of our key levers.

## Physical Risks

Events affecting our operations during the 2025 fiscal year underscored the materiality of the risks identified in our climate scenario analysis.

The impact of Hurricane Melissa, which struck Jamaica in October 2025, underscores the material nature of the acute physical risks we had identified for the Caribbean region. This event led to the activation of our hurricane policy, triggering repatriation operations, temporary flight suspensions, hotel package refunds, and adjustments to our network planning, resulting in a significant financial impact.

Despite the strong resilience of our operating model, the financial impact observed, together with the risk of an increasing frequency of events of similar magnitude in the Caribbean, reinforces the need to further deepen our understanding of the financial implications of climate-related physical risks.

## Transition Risks Related to Evolving Regulatory and Technological Landscapes

The regulatory landscape governing aviation emissions is constantly evolving. In 2025, the Corporation was subject to several carbon pricing and offsetting regimes applicable to international flights, including:

- The Carbon Offsetting and Reduction Scheme for International Aviation (CORSA);
- The European Union Emissions Trading System (EU ETS);
- The United Kingdom Emissions Trading Scheme (UK ETS).

During the year, sustainable aviation fuel blending mandates also came into force in the European Union (2% under the ReFuelEU Aviation initiative) and in the United Kingdom (2% under the UK SAF Mandate). However, at this stage, the SAF volumes consumed by Air Transat to meet these obligations cannot be accounted for in our emissions inventory due to ongoing discussions regarding double certification rules between the CORSA scheme and the European Renewable Energy Directive (RED).

In addition, the implementation of Phase 1 of the CORSA scheme in 2024 led to the initial recognition of compliance costs in December 2025. Accordingly, 2025 was primarily focused on measuring, reporting, and verifying emissions from our international flights against the 2019 baseline, in order to determine compliance requirements for the first phase of the scheme.

Limited access to SAF, combined with challenges related to Pratt & Whitney's GTF engines, resulted in no material reduction in our absolute emissions during 2025. In this context, the publication by ICAO of the 2024 Sectoral Growth Factor (SGF), which proved higher than industry expectations, led IATA to revise its 2025 and 2026 projections upward. This resulted in higher CORSA compliance costs than initially anticipated.

The financial impact [reported in 2025](#) also reflects our significant exposure to the scheme, driven by the predominance of international flights within our network.

Under these conditions, and in the absence of sufficient short-term mitigation levers, Transat expects to rely more heavily on the purchase of carbon offset credits eligible under the CORSIA scheme (Eligible Emission Units, or EEU's) to meet its regulatory obligations. Such use constitutes a compliance requirement and does not, on its own, represent a structural solution to the decarbonization of air transport. Our ability to achieve sustained emissions reductions remains dependent on external factors, including the large-scale availability of competitively priced SAF, technological advancements, and the evolution of regulatory frameworks.

These regulatory requirements, particularly in transatlantic markets that account for a significant portion of our network, are generating additional costs in a context where SAF supply, despite some progress, remains limited and cost-prohibitive.

Transat continues to closely monitor these developments and actively participates – through the Canadian Council for Sustainable Aviation Fuels (C-SAF) and industry associations – in discussions related to the development of Canadian SAF policies.

## **Sustainable Aviation Fuel: An Opportunity for Decarbonization and Energy Resilience**

Achieving the aviation industry's emissions reduction targets depends to a large extent on a factor over which we have limited direct control: access to sustainable aviation fuel (SAF). At present, global SAF production remains significantly below demand. According to IATA, SAF production reached 1.9 million tonnes in 2025, representing approximately 0.6% of total global aviation fuel consumption<sup>5</sup>. While this marks an increase from the 1.0 million tonnes produced in 2024, the pace of growth remains well below anticipated needs. By comparison, global demand for SAF could reach between 15 and 17 million tonnes by 2030, based on regulatory mandate scenarios<sup>6</sup>.

Beyond supply constraints, the current cost of SAF remains a significant barrier to large-scale adoption. Persistent price differentials compared to conventional jet fuel limit its commercial viability and competitiveness, particularly in a context of sustained pressure on operating costs.

<sup>5</sup> IATA, Press Release No: 57, December 2025

<sup>6</sup> World Economic Forum (WEF), [Financing Sustainable Aviation Fuels: Case Studies and Implications for investment](#), February 2025

For Transat, the development of commercial SAF production in Canada is particularly important, as nearly 50% of our aircraft refuelling takes place domestically. In 2025, however, SAF supply in Canada remained insufficient to meet demand at competitive prices. Several projects have nonetheless been announced, representing a combined potential production capacity of at least 500 million litres by 2030<sup>7</sup>.

Over the longer term, the development of a sufficient and diversified SAF supply would not only support the decarbonization of the aviation sector but also strengthen the industry's resilience to energy shocks and crises – such as those observed in recent months – by reducing dependence on conventional fossil fuels.

In this context, Transat continues to support C-SAF's work, as well as that of the industry associations of which it is a member, with a view to advancing the development of commercial SAF production in Canada and mobilizing governments and producers around this critical issue for the future of the aviation sector.

## Energy Efficiency: A Daily Imperative

In a context marked by limited access to sustainable aviation fuel, we are focusing our efforts on emissions reduction levers that are directly within our control. Improving the energy efficiency of our flight operations is, in this regard, a day-to-day priority.

This approach takes on added importance in an environment characterized by energy market volatility and recent pressures on fuel supply. In a context of relative resource scarcity, any initiative aimed at optimizing fuel consumption contributes not only to emissions reduction, but also to the organization's operational and financial resilience.

It is with this objective in mind that OptiClimb®, a tool developed by SITA, was officially deployed in February 2025 following a pilot phase conducted with instructor pilots. Drawing on the analysis of historical flight data, weather forecasts, and flight plans, OptiClimb® enables the optimization of climb speeds and profiles without affecting flight duration or operational safety. The tool is now embedded in standard flight practices and stands as a cornerstone of our teams' daily efforts to integrate energy efficiency into our operational culture.

<sup>7</sup> [BC Chamber of Commerce, Sustainable Aviation Fuel Takes Flights, 2025](#)

### 3. CLIMATE-RELATED METRICS

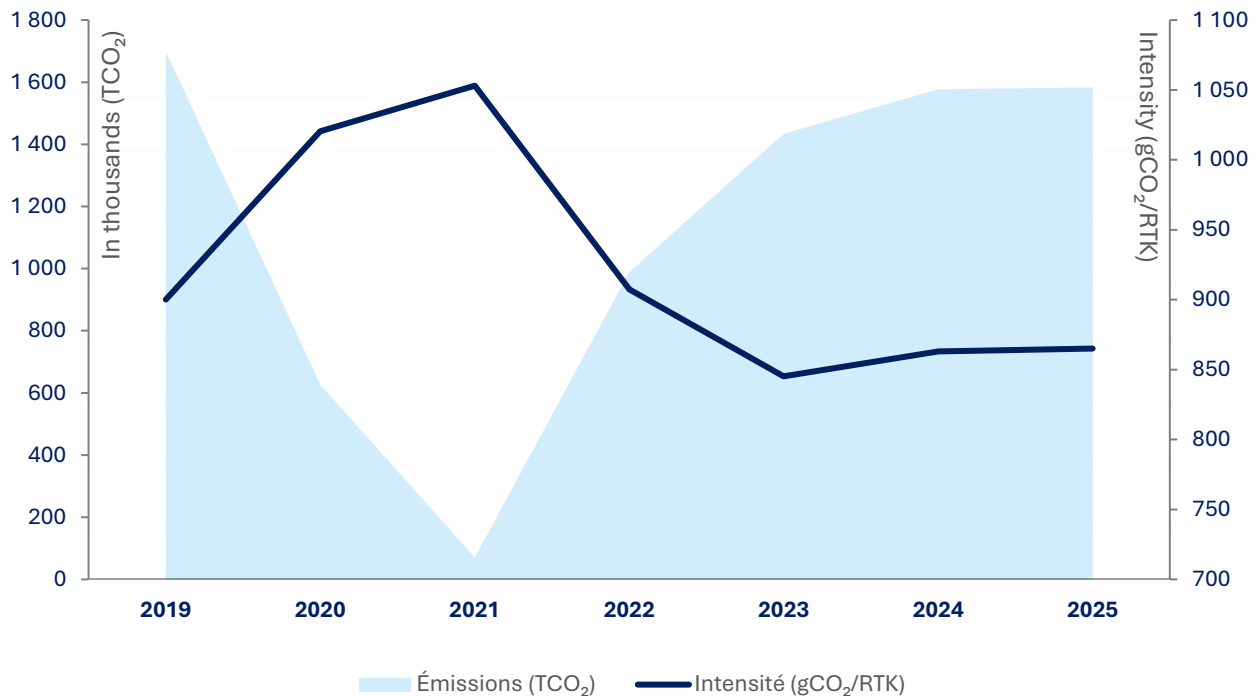
#### Greenhouse Gas (GHG) Emissions

GHG EMISSIONS (T CO <sub>2</sub> )	2025	2024	2023	2019 <sup>1</sup>
<b>SCOPE 1 EMISSIONS</b>				
International flights (CORSIA) <sup>2</sup>	1,569,943	1,572,685	1,428,740	N/A
Other flights	12,061	11,223	46,796	N/A
<b>Total Scope 1 – Aviation fuel</b>	<b>1,582,004</b>	<b>1,583,908</b>	<b>1,475,535</b>	<b>1,586,538</b>
Buildings and hangars	1,557	1,591	1,591	2,056
Ground vehicles	2,446	1,302	1,302	1,031
<b>Total Scope 1 – Other</b>	<b>4,003</b>	<b>2,893</b>	<b>2,893</b>	<b>3,088</b>
<b>SCOPE 2 EMISSIONS</b>				
<b>Total Scope 2 – Energy consumption</b>	<b>77</b>	<b>152</b>	<b>152</b>	<b>332</b>
<b>TOTAL SCOPE 1 AND 2 EMISSIONS</b>	<b>1,586,084</b>	<b>1,586,953</b>	<b>1,478,581</b>	<b>1,589,958</b>

<sup>1</sup> Baseline year.

<sup>2</sup> CORSIA international flight emissions were verified by an independent third party (Normec-Verifavia).

#### Carbon Intensity



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## 4. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

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Certain developments occurring after December 31, 2025 will be addressed in our next annual climate-related disclosure report.

Disruptions in the first half of 2026, driven by the global geopolitical context and its impact on fuel supply, resulted in an approximately 6% reduction in Air Transat's planned summer flight capacity to the United States, Europe, and the Caribbean. The resulting operational adjustments may affect the pace and trajectory of our decarbonization efforts in the near term.

These developments further highlight both our exposure to external energy market dynamics and the strategic importance of accelerating the development of sustainable aviation fuel. Over time, increased availability of SAF would support greater energy security and resilience, while enabling more sustained progress toward the decarbonization of the aviation sector.