Alaska AIRLINES

2023 Sustainability Report

Welcome

Welcome to the Alaska Airlines 2023 Sustainability Report, an overview of key sustainability topics during the fiscal year from January 1, 2023 to December 31, 2023.

Unless noted as Alaska Air Group (AAG), this report primarily focuses on the operations of Alaska Airlines (Alaska) and Horizon Air (Horizon). McGee Air Services is represented in the emissions inventory and in AAG consolidated metrics of the Appendix. We have developed the report in line with the Task Force on Climate-related Financial Disclosures (TCFD) and the Airlines industry standards by the Sustainability Accounting Standards Board (SASB), as per recommended disclosure practices.

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This report may contain forward-looking statements subject to the safe harbor protection provided by Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995. These statements relate to future events and involve known and unknown risks and uncertainties that may cause actual outcomes to be materially different from those indicated by our forward-looking statements, assumptions, or beliefs. For a comprehensive discussion of potential risk factors, see Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2023. Some of these risks include competition, labor costs, relations and availability, general economic conditions including those associated with pandemic recovery, increases in operating costs including fuel, inability to meet cost reduction, ESG and other strategic goals, seasonal fluctuations in demand and financial results, supply chain risks, events that negatively impact aviation safety and security, and changes in laws and regulations that impact our business.

All of the forward-looking statements are qualified in their entirety by reference to the risk factors discussed in our most recent Form 10-K and in our subsequent SEC filings. We operate in a continually changing business environment, and new risk factors emerge from time to time. Management cannot predict such new risk factors, nor can it assess the impact, if any, of such new risk factors on our business or events described in any forward-looking statements. We expressly disclaim any obligation to publicly update or revise any forward-looking statements made today to conform them to actual results. Over time, our actual results, performance, or achievements may differ from the anticipated results, performance, or achievements that are expressed or implied by our forward-looking statements, assumptions, or beliefs and such differences might be significant and materially adverse.

Who We Are

Alaska and Horizon care for all employees, guests, the communities in which we live and work, and the planet we all share

At our core, we are more than just an airline—we are a team of passionate individuals driven by a singular purpose: to create an airline people love. Central to this vision is our commitment to sustainability, which we are working to embed across everything we do.

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About Us

In 1932, Alaska Airlines began flying with just one airplane in Alaska, starting a legacy of connecting communities, people, and commerce. Over nine decades later, Alaska is the fifth largest airline in the U.S., offering unparalleled guest service, connectivity, and schedules from hub markets along the West Coast.

Established as a Washington corporation in 1981, Horizon was acquired by Alaska Air Group (AAG) in 1986. In 2016, AAG further expanded its portfolio by acquiring Virgin America, which was later merged into Alaska in 2018. AAG also operates an aviation services provider, McGee Air Services.

As of 2023, with regional partners, Alaska—a mainline airline—and Horizon—a regional airline—fly over 44 million guests to over 120 destinations spanning the U.S., Belize, Canada, Costa Rica, the Bahamas, and Mexico.

With our 30 oneworld® alliance and additional airline partners, Alaska Airlines provides our guests with global access to more than 900 destinations in 170 territories.

Metrics at a Glance

44M+
guests served

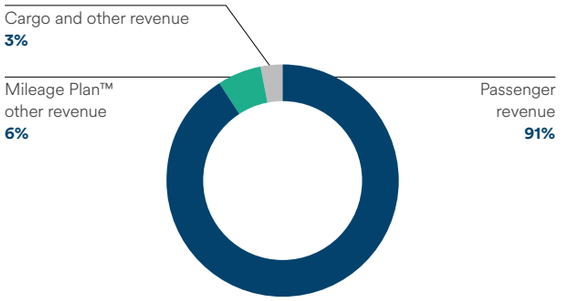
23,352
Alaska and Horizon employees

$10.4B
in revenue

68B+
available seat miles (ASMs)

414,254
departures

Revenue by Category



Our Values

Five core values guide our operations and the way we care for our guests, each other, and our communities. Above the rest is "own safety"—the most important thing we do every day and our number one priority.

- Own safety
- Do the right thing
- Be kindhearted
- Deliver performance
- Be remarkable

Awards and Recognition

- ***Forbes* America's Best Employers for Women 2023**
- ***Forbes* America's Best Employers for Diversity 2023**
- **Human Rights Campaign Foundation's 2023–2024 Corporate Equality Index**
- **NerdWallet's 2023 winner for Best Airline Rewards Program**
- ***Newsweek* America's Best Customer Service 2023**
- ***U.S. News* 2023–24 Best Airline Rewards Program**

A Message from CEO Ben Minicucci

In 2023, Alaska Air Group returned to our historical strengths with operational and financial results among the best in the industry. We are positioned for continued growth with best-in-class operations, deep loyalty, remarkable travel experiences for our expanding customer base, and great careers for our people.

The thread that connects all parts of our business is our culture, including a relentless focus on safety, empowered ownership, and taking good care of all those who depend on us.

In January 2024, the accident onboard Flight 1282 and subsequent grounding of the 737-9 MAX fleet presented a sobering reminder of why we must never stop looking for ways to improve—within our own company and beyond. While this event never should have occurred, I am proud of how our employees rallied together to demonstrate tremendous resilience, and we have seized the opportunity to learn from it—working with Boeing to ensure excellence in production quality and strengthening our own oversight.

Rooted in Our Values

The lessons from Flight 1282 reflect what we stand for: a profound commitment to safety and a responsibility to act.

When it comes to safety, we have worked over decades to embed this foundational value into everything we do: processes that keep us safe, reporting programs that enable employees across the system to surface any potential risks so they can be promptly addressed, and a commitment to transparency with one another and our regulators.

This report begins with safety, because it is our foundational value and our number one priority. And it reflects the breadth of our values and how we work to live them each day: Own safety. Do the right thing. Be kindhearted. Deliver performance. Be remarkable.

These values also guided our response to another event that we will never forget, the 2023 wildfires on Maui. I am grateful to our team for showing true compassion for the residents impacted by this tragedy—volunteering long hours, delivering aid, maintaining daily departures, and creating new flights to help people evacuate and supplies arrive. We will continue to support the community during their ongoing recovery.

Our Journey Ahead

Our values guide our long-term priorities and actions. We are committed to sustaining passenger and cargo service to air-travel-dependent communities. And we are investing in new technologies to make travel more accessible, enjoyable, and sustainable for our guests.

In late 2023, we announced our plans to combine with Hawaiian Airlines, bringing together two companies with remarkable histories, brands, and cultures to increase options for customers and opportunity for employees. While the combination is currently under regulatory review, we are optimistic about the unique chance to sustain and strengthen our two companies' commitments to people, community, and the environment by coming together and competing as one team.

We believe that creating long-term value requires us to hold ourselves accountable for our impact on people and the environment, and to innovate for a more sustainable future. In the pages ahead, you'll see where we've made progress, where we have more work to do, and some of what we've learned. I hope it gives you a sense of what we care about, what we're working hard to create, and how you can join us.

Thank you to all our employees for making our 2023 progress possible, and to setting us up for an exciting trajectory into the future. Thank you for helping make our continued journey possible.

Ben Minicucci
President and Chief Executive Officer
Alaska Air Group, Inc.

Q&A with SVP, Public Affairs and Sustainability Diana Birkett Rakow

Why does Alaska Airlines publish a sustainability report?

Aviation connects people and business, brings families together, contributes to local economies, and enables opportunity. It makes the world a little smaller and deepens our understanding of one another.

At Alaska Airlines, we take this opportunity and responsibility personally—and when we refer to sustainability, we mean keeping one another and our guests safe, managing our business in balance, and improving our impact on people, our communities, and the planet we share.

Since 2009, our sustainability reports have transparently tracked our progress on this journey. They evolve with time, feedback, and the areas of greatest interest to our stakeholders. But they always show how we're doing on our goals, include the data on our environmental impact, reflect our values, and describe what we're doing to move forward.

This report pushes us to reflect what we've learned, hold ourselves accountable where we need to do more, define areas of focus to achieve our long-term goals, and invite others to join us.

What role do Alaska's employees play in this journey?

The employees of Alaska Airlines and Horizon Air make us who we are. Together, they power our airlines, own safety, and live our values each day. This is an incredible group of people who take care of one another and our guests, give back to our communities, honor our veterans and fallen soldiers, create our culture, and make decisions every day to save fuel, recycle onboard, and advance new practices for operational efficiency or other solutions on the path to net zero.

In 2023, 16.8% of Alaska and Horizon employees contributed their time to support others, an increase of nearly 5% over the prior year. Through a national partnership with the Surfrider Foundation to protect coastal habitats and reduce plastic pollution, employees led beach cleanups and helped us increase education and spread the word on these important issues. With the leadership of our pilots, we expanded awareness of operating practices that can be used across the airline to reduce fuel consumption and emissions and continued to improve results. And it is a credit to the inclusive culture our employees create through respect and understanding of one another, as well as to the benefits provided to employees, that we were able to earn a score of 100 on the Human Rights Campaign Foundation's Corporate Equality Index.

We know that achieving long-term goals requires continuous improvement and innovation—and we know it will take all of us.

What were some of the biggest milestones and learnings for environmental sustainability and climate impact in 2023?

In 2023, we recognized even more clearly that achieving our short- and long-term climate goals requires both action today and investment in new solutions for the future, and it requires an all-in approach—coming at challenges and opportunities from all angles.

One example is our work on sustainable aviation fuel (SAF), a critical input to our net zero journey. For over a decade, we've worked with producers, aviation experts, researchers, and governments—and we use it today in our operation. But there's not enough of it available, and we must bring the cost down. In the last two years, we've begun engaging our customers—because the more people who understand and support this promising new technology, and the more it becomes a mainstream idea like solar and wind power, the better chance we have of making SAF operationally and commercially viable at scale.

In 2023, we expanded partnerships with companies looking to reduce the carbon impact of their business travel through shared investment in SAF. And, informed by customer input, we designed and piloted a first-of-its-kind option for individual guests to support SAF and earn elite-qualifying miles (EQMs). This program offered a sustainability-linked alternative to the year-end mileage run and supported over 515,000 gallons of SAF in just over a month (and a reduction of 4,334 metric tons of CO_2e). It inspired us to expand the opportunity to support SAF to all guests who purchase a ticket online—directly in the booking path, in addition to before or after their travel.

In the theme of working together with key partners, some additional highlights included:

- Becoming the first airline to deliver a plastic-free beverage service to guests onboard, swapping out plastic cups with responsibly sourced paper cups.
- Contributing an airplane from our fleet to ZeroAvia, a hydrogen-electric airplane manufacturer working to prove their zero-emissions technology on increasingly larger-capacity regional aircraft like this former Horizon Air Q400, and increasing our investment in this promising company.
- Joining the REGENT Hawai‘i Seaglider Initiative, a public-private collaborative exploring the promise of zero-emissions electric seagliders for sustainable transportation between the Hawaiian Islands.

What is the story behind Alaska’s specially painted aircraft liveries?

The Alaska livery is stunning, warm, and a symbol of adventures and of coming home. And with more than 300 aircraft flying all around North America, we’ve also been able to use some to share what’s important to us.

Honoring Those Who Serve is designed to honor those that have bravely served for our freedoms. It’s the only special design appearing on several of our aircraft. Xáat Kwáani (Salmon People in the Alaska Native Tlingit language) was introduced in May 2023. This incredible livery is a visual celebration of Alaska Native culture and traditional artforms, designed by Alaska Native artist Crystal Kaakeeyáa Rose Demientieff Worl, reflecting the interconnected significance of the salmon—environmentally, culturally, and economically. You will see its image in this report, and I hope you will see it in person; it is truly remarkable. The Our Commitment livery, launched in 2021 in partnership with United Negro College Fund with a theme of education and equity, continued to live its message this year by flying students from the West Coast to visit historically Black colleges and universities for connection to additional educational opportunities and support.

Our Sustainability Strategy

We are dedicated to long-term sustainability, prioritizing a resilient business model and responsible stewardship of our impact on people and the planet.

Our purpose is *creating an airline people love*. In managing our business, we are focused on providing value for our guests, our employees, our communities, and our owners. As such, we are relentless in the discipline we bring to prioritizing safety, operational reliability, and service—and to empowering employees, managing costs, and delivering industry-leading financial performance that can fuel our business for the long term.

Our all-employee performance-based pay (PBP) program reinforces the importance of this balanced approach, with goals for profitability, safety, guest experience, and environmental sustainability.

Key Strategic Focus Areas

Safety
- Safety Management System
- Employee Safety

Environment
- Climate
- Waste
- Ecosystems

People
- Diversity, Equity, and Inclusion
- Employee Experience
- Guest Experience

Communities
- Alaska Airlines Foundation
- Community Giving
- Making Flying Matter
- Employee Involvement and Volunteerism

Governance
- Board Management and Governance
- Ethics and Responsible Political Engagement
- Privacy and Data Security

Our 2025 Sustainability Goals and Progress

Measurable goals are key to driving continuous progress, tracking achievements, identifying improvement opportunities, and upholding accountability. We set these goals for 2025 in 2021, alongside our long-term ambition of net zero carbon emissions by 2040.

On track · Behind · No longer applicable

2025 SUSTAINABILITY GOAL	BASELINE (2019, UNLESS OTHERWISE NOTED)	2023 PROGRESS	
Safety			
Increase employee safety reporting by 10% or 2,095 safety reports/10,000 departures	1,904 safety reports/ 10,000 departures (2020)	2,252 safety reports/10,000 departures	On track
Maintain safety's high priority among employees	83% (2020)	85%, progress from baseline, and 9 percentage point increase from 2022.	On track
Sustain a robust process for best practice crisis response	Four drills annually	Completed seven emergency response communication drills in 2023.	On track
Environment			
Be the most fuel-efficient U.S. airline	1,465 kg CO_2/'000 RTM	1,333 kg CO_2/'000 RTM[1]; improved 9% over 2022. Goal previously tied to performance on ICCT[2] airline efficiency report; with this report no longer published, we developed a model using publicly reportable fuel and capacity data to track fuel efficiency across U.S. airlines.	On track
Reduce ground service equipment (GSE) fleet emissions average by 50% per unit	2020: 1.78 g/bhp-hr	1.52 g/bhp-hr and 14.6% improvement from baseline. Supply chain issues (i.e. unfulfilled and delayed orders) continued to remain a main challenge.	Behind
Carbon neutral growth through 2025	7.95 million $MtCO_2e$	7.54 million $MtCO_2e$. While we will continue to track and report our total annual carbon footprint, we have decided to sunset this goal to fully focus on driving the fuel efficiency of our operation and progress on our long-term ambition of net zero carbon emissions.	No longer applicable
Minimize and optimize packaging for five inflight food & beverage items	N/A	Two of five items minimized and optimized to date: 1) replaced plastic water bottles with Boxed Water™ and 2) eliminated plastic cups onboard with responsibly sourced paper cups. We continue working to assess and test additional alternative items.	Behind
Inflight recycling sorting performance at 2019 level	83%	63% of inflight recyclables sorted, 22 percentage point improvement from 2022 progress (41%).	On track
Balance 100% of our water consumption via local habitat restoration projects	2020: 15,609,803 gal water consumed	Balanced 100% of Alaska and Horizon water consumption for 2023 (18,141,896 gal) through supporting local habitat restoration projects in partnership with the Bonneville Environmental Foundation.	On track

[1] Revenue ton mile. Calculation for this goal is based on passenger and cargo RTM and does not incorporate baggage RTM.
[2] The International Council on Clean Transportation.

On track Behind No longer applicable

2025 SUSTAINABILITY GOAL	BASELINE (2019, UNLESS OTHERWISE NOTED)	2023 PROGRESS	
People			
Leadership representation: 30% BIPOC[3] representation for directors and above	16%	19.9% BIPOC representation for directors and above. We continue to learn about how best to advance leadership development, retention, and representation, and will continue to broaden our focus on overall leadership health—see discussion on page 37.	Behind
Inclusive culture: Improve performance as measured by inclusion index of metrics from all-employee survey by 10 points	59%	66%, 7 percentage point improvement from baseline, but 2 percentage point decrease from 2022.	On track
Maintain at least 85% Alaska and Horizon employees full-time v. part-time	N/A	88% of Alaska and Horizon employees full-time employed.	On track
Communities			
20% of Alaska and Horizon employees are engaged in the community	2021: 11%	16.8% of employees engaged in the community annually; increased engagement from 2022 by 4.8%.	On track
Impact at least 175,000 young people around career pathways with a focus on advancing racial equity	2021: 11,080[4]/175,000 young people reached	128,929 out of 175,000 young people engaged to date since tracking began in 2021.	On track
Governance			
Continue to execute against the Information Security roadmap for program maturation, including for aircraft cybersecurity requirements	N/A	On-track execution to Information Security roadmap. Governance programs continued to mature with solid progress toward a culture of continuous compliance.	On track
Publicly report political contributions consistent with our policy	N/A	Compliant with political contributions policy.	On track
Engage on policy related to sustainability priorities: climate change and racial equity	N/A	Continued advocacy on sustainable aviation fuel (SAF) policies to advance the market. Milestones included Treasury guidance on consistent carbon intensity calculation methodology for SAF, Alaska support for federal grant applications with multiple producer partners, and continued advocacy for workforce policies to reduce barriers to pilot and maintenance technician careers.	On track
Maintain our commitment to strong balance sheet and financial performance	N/A	Our balance sheet remained one of the strongest in the industry, with net leverage below our long-term target of 1.5x for the second year in a row.	On track
All employees receive annual privacy and data security training	N/A	99% of active employees, excluding those on leave, completed the 2023 Annual Compliance Training.	On track

[3] Black, Indigenous, and People of Color.
[4] In 2021, 11,080 young people were engaged, fewer than planned due to pandemic restrictions. Mitigations are in place to increase this engagement in the coming years to aim to achieve our goal by 2025.

Safety

Safety is our foundational value, our number one priority, and embedded in everything we do

Encouraging every employee to take ownership of safety is a core element of our culture. We support this with programs and processes designed to uphold safety in every facet of our operations.

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Our Approach

Owning safety is our number one foundational value. It starts with a well-structured, people-focused approach. At every level of our organization, our people are committed to and accountable for maintaining the safety of every employee, every guest, every flight, every day.

Owning Our Responsibility
We are committed to upholding the highest standards of safety for our guests and employees. We continually invest in rigorous training, advanced technology, and stringent protocols to maintain our standards.

Our teams conduct regular reviews to reinforce that the key elements of our safety culture are implemented and maintained at all levels of our operations. This includes continuous, transparent safety conversations and reporting, employees being empowered to speak up and spot the operation, and any identified risks being expediently addressed. Safety metrics are included in our performance-based pay program for all employees, and in individual employee goals, to emphasize this shared responsibility.

Our Safety Management System

Our approach to safety centers on the four pillars of our Safety Management System (SMS):

- **Safety Policy:** The founding documents of our SMS, which outline the rules and procedures by which we operate
- **Safety Assurance:** Our approach to monitoring operations to achieve effective Safety Risk Management
- **Safety Risk Management:** The process for resolving risks identified by Safety Assurance
- **Safety Promotion:** The programs and channels through which we share safety information across Alaska and Horizon

Employee Safety

We are committed to building a workplace that is both safe and productive, which we believe enables everyone to do their best work. Through comprehensive training and regular communication, we equip our workforce to identify and mitigate risks. Employees are encouraged to take ownership of safety protocols, which creates an environment where every individual feels empowered to prioritize safety.

Safety Oversight

The AAG Board of Directors' Safety Committee has oversight of AAG's safety performance, risks, and opportunities, including enterprise-wide safety goals that are integrated into employee bonus structures. For more information, refer to the Employee Safety section.

The Safety Committee reviews trends, programs, and improvement opportunities quarterly with the Vice President (VP) of Safety and Security for Alaska and the VP of Safety for Horizon. We also maintain an Executive Safety Review Board, comprising operational VPs. We are a member of Airlines for America (A4A) and the Safety Council, working alongside all other major U.S. airlines, the FAA, and other aviation stakeholders on continuous improvement of our SMS.

Safety Management System

We communicate with every employee about the importance of safety, fostering an open and transparent approach to safety reporting and processes through our SMS, data sharing, and continuous engagement with FAA safety programs.

Our SMS enables us to proactively identify issues and implement mitigation controls and corrective action plans.

AAG began developing its SMS in 2011 in collaboration with the FAA, which approved the SMS policies—applicable for both Alaska and Horizon—in 2016. The SMS integrates safety considerations into all aspects of our operations and encourages everyone, from the CEO to management to the frontline, to take shared responsibility for workplace safety.

Using multiple performance reviews, the SMS provides visibility of hazards and safety risks for consideration in key business decisions. During 2023, we introduced initial investigation training for all Safety team members and key employees from all divisions.

Safety Policy and SMS Manual

We consider our Safety Policy and the SMS Manual, as well as various policies and procedures, to be the founding safety documents for both Alaska and Horizon. Our Safety Policy sets out several principles our senior leadership team is committed to implementing so that safety is never compromised. This includes:

- Setting, measuring, and monitoring safety goals
- Identifying and minimizing risks
- Ensuring employees understand their role in maintaining safety standards
- Prioritizing safe customer transportation
- Maintaining a well-planned, prompt, and coordinated emergency response plan

Safety Assurance

The Safety Assurance process is in place to apply effective risk management through monitoring. For example, employee safety reports are significant inputs to our SMS, which can help identify whether risks are being addressed or if new risks are emerging. We actively encourage reporting, facilitated by our mobile application, “Report It!” Every report generated by employees undergoes thorough review to identify and address emerging risk points and trends.

Additionally, each operating division assesses safety incidents, trends, and employee safety reports. Safety-related risks and incidents are escalated within the review structure, which includes the AAG Board’s Safety Committee, for transparency and action.

Safety Risk Assessment

When a risk is identified, Safety Risk Management addresses it, convening Safety Risk Assessment (SRA) meetings for our trained personnel when new hazards arise or when existing procedures prove ineffective. SRAs may also occur with changes in processes, procedures, organization, products, or operational environments.

During SRAs, members review safety reports, audits, and existing procedures to identify action items, which are then documented and tracked electronically. The SRA team considers each hazard’s severity and frequency and, where necessary, sets corrective actions at different levels to complete implementation.

Employee Safety

Through Safety Promotion, we empower employees to prioritize safety, follow company processes, and stop operations if they have concerns. Our programs promote safety awareness and foster a culture of accountability, ensuring a secure and responsible workplace for all.

Progress Against Our 2025 Goals

GOAL
Increase employee safety reporting by 10% or 2,095 safety reports/10,000 departures

PROGRESS IN 2023
2,252 safety reports/10,000 departures

GOAL
Maintain safety's high priority among employees

PROGRESS IN 2023
85%, progress from baseline, and 9 percentage point increase from 2022.

GOAL
Sustain a robust process for best practice crisis response

PROGRESS IN 2023
Completed seven emergency response communication drills in 2023.

Inspiring Collective Safety Action

Our employees can report any potential issues via Report It!, which allows us to address concerns before they escalate. We also celebrate employees who demonstrate exemplary commitment to our safety culture through our Safe Operations Award and Recognition (SOAR) program. Additionally, our PBP program incentivizes employees to prioritize ongoing improvement in cross-organizational safety practices.

Safety Programs

Accelerating Workplace Safety: Ready, SAFE, GO!
Our "Ready, SAFE, GO!" safety program prescribes that we only proceed with operations once we are comfortable that we are adequately prepared and can execute them safely. The program gives each employee the authority to stop operations if they observe any potential risks and have any issues addressed quickly and efficiently.

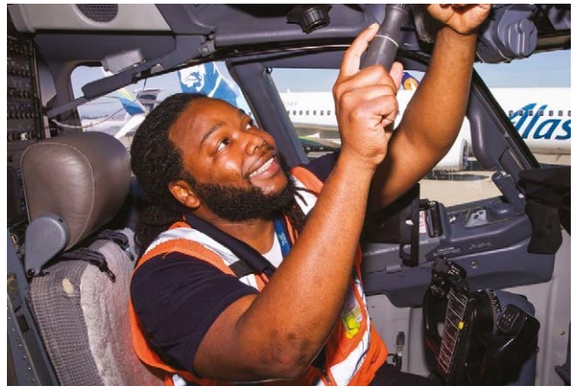
Making Safety Personal
In 2023, we launched our quarterly company-wide Safety Day initiative, creating a platform for all employees to explore why safety matters and the actions needed for safe and reliable operations. Each Safety Day, we encourage employees to share issues related to a preselected theme as it relates uniquely to their workgroup and area and to recommit to their safety focus and their personal "why" for owning safety.

Our last Safety Day in 2023 focused on mental wellness with a theme of "Ready, SAFE, GO! Starts with You." Leaders held discussions on three topics: caring for yourself, letting others care for you, and caring for others. These concepts were linked to how focusing on mental wellness can help prevent distractions in the workplace and operation. Related resources were permanently added to Team AAG, our intranet site.

Owning Safety Through Line Operations Safety Audit
The Line Operations Safety Audit (LOSA) Program, introduced in 2022, was initially designed for Flight Operations; it has since evolved into a peer-to-peer evaluation system across various operational functions. Employees are selected and trained to conduct audits within their specific operational areas.

The program now gathers insights from frontline staff, providing perspectives on compliance with standard operating procedures and identifying heightened risk factors. Through peer observations, we collect unfiltered data on "natural" behaviors and enhance observers' understanding of safety protocols, fostering more safety advocacy.

We have continued to build on the LOSA Program, having fully implemented it across all operating divisions by the end of 2023.



Environment

Our care includes being responsible for our impact on the climate and natural environment and working to ensure a more sustainable future for our industry

Through a combination of immediate actions and long-term investments, we are working to reduce carbon emissions, reduce waste, and protect local ecosystems. We continue to ensure compliance with environmental laws and requirements, and are preparing for compliance to new and emerging climate-related regulatory reporting requirements in the U.S.

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Our Approach

Aviation plays a crucial role in supporting local communities.

At Alaska Airlines, we are grateful to provide essential support to communities through safe, reliable passenger and cargo air service. Aviation enables economic vitality and opportunity, and we are committed to not only sustaining this critical service, but to improving its impact on the environment and contributing to a more sustainable future for our industry.

To develop and continually improve our approach, we focus on data to understand environmental impacts across our operations. We develop and prioritize initiatives annually to focus on the areas of greatest impact and opportunity for progress—combining pragmatic steps with innovative solutions to advance new technologies that can accelerate progress over the long term.

Our Environmental Sustainability Strategy

Our environmental objectives center on three core areas: carbon emissions reduction, waste management, and ecosystem preservation. We call this our EverGreen journey—the actions we take to make progress toward our goals and a more sustainable future.

Carbon Reduction

We have established a five part path to our long-term goal of net zero emissions by 2040: operational efficiency initiatives, fleet modernization, sustainable aviation fuel, new technologies including electrified aircraft, and high-quality carbon offsets and removals only as needed to close the gap to our target. We are most focused on taking immediate action in our operations on the first three steps—while investing in technology and partnerships that can accelerate progress across all five parts.

In 2023, our company-wide PBP program included a carbon intensity-reduction target for the third consecutive year, which was designed to align all employees around our goal of operational efficiency to progress toward net zero carbon emissions by 2040.

Waste Management

Our waste reduction strategy is centered around several key initiatives. We prioritize our onboard recycling program so that materials are properly sorted to minimize waste during operations. Additionally, we address food waste through pre-ordering and volume management, encouraging responsible consumption. We also recycle and compost in our corporate offices and continue to explore new waste reduction opportunities and to engage our suppliers to make more sustainable and recyclable products available.

Ecosystem Preservation

We recognize the deep interconnection between the health of natural ecosystems, communities, and the resources we all depend on. That is why we are acutely conscious of the need to steward resources wisely and to help preserve the ecosystems that sustain us. In support of this objective, we track our water usage and work to reduce consumption and promote efficient water use in our aircraft and facilities. We also balance 100% of our water usage by investing in the restoration of local water habitats through our partnership with the Bonneville Environmental Foundation.

HIGHLIGHTS

By using single-engine taxi procedures, we saved over 1.6 million gallons of jet fuel in 2023, equivalent to 15,650 Mt of CO_2 emissions.

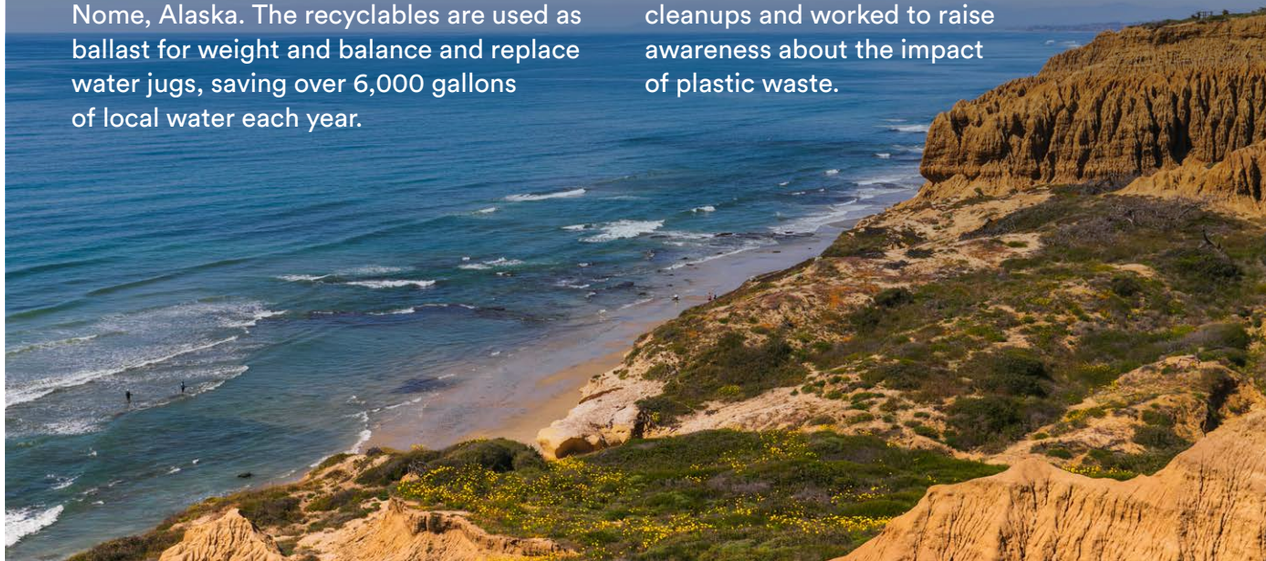
Optimized routes using Flyways saved over 1.2 million gallons of fuel in 2023, equivalent to 11,958 Mt of CO_2 emissions.

Allowing passengers to pre-order meals has resulted in a 61% reduction in our food waste in 2023 compared to 2019, equivalent to 460,000 meals.

By partnering with Boxed Water™ and switching to responsibly sourced paper cups, we've eliminated 2.2 million pounds of plastic cups and bottles, an equivalent weight of 24 Boeing 737 aircraft.

Alaska Air Cargo diverts up to 50,000 pounds (about twice the weight of a school bus) of recyclable waste annually from Nome, Alaska. The recyclables are used as ballast for weight and balance and replace water jugs, saving over 6,000 gallons of local water each year.

Through our partnership with the Surfrider Foundation, we conducted a series of West Coast beach cleanups and worked to raise awareness about the impact of plastic waste.



Our Emissions Inventory

We take a holistic approach to addressing the potential climate impact of our business, monitoring and addressing emissions throughout our value chain. Our aim is to reduce greenhouse gas (GHG) emissions in the short, medium, and long term, and we have transparently shared our progress.

We track emissions from jet fuel, sustainable aviation fuel (SAF), and other fuel use in our operations (Scope 1); facility electricity use (Scope 2); and indirect emissions that occur in our value chain (Scope 3).

For 2023, our Scope 1 emissions data is subject to third-party review that provides a reasonable level of assurance, while Scope 2 and biogenic emissions are subject to third-party reviews that provided a limited level of assurance. This year marks the first time we are disclosing biogenic emissions resulting from our use of SAF.

We are disclosing Scope 3 emissions for the first time in three categories: purchased goods and services, capital goods, and fuel- and energy-related activities.

Fuel- and energy-related activities are the most significant category of Scope 3 emissions. Flying performed by third-party carrier SkyWest under a capacity purchase agreement are reported as Scope 3 emissions, and these emissions have been reported in previous years under the fuel- and energy-related activities category. Purchased goods and services[6] represents our second-largest category of Scope 3 emissions.

Collaborating with Our Supply Chain to Enhance Sustainability

We seek to work with supply partners that share our commitment to emissions reductions. We maintain a Supplier Code of Conduct that outlines our expectations for suppliers.

To conduct business with Alaska or Horizon, suppliers, their employees, subcontractors, and agents must adhere to this code. We also expect suppliers to comply with environmental laws applicable to their business and in their operating jurisdictions and to implement policies and programs to minimize impacts, reduce waste, and contribute to local social and economic development.

In our requests for proposals (RFPs), we include a dedicated section on sustainability-related inquiries, in which suppliers provide details on how they meet the applicable legal requirements and our specific standards. Using a spend-based analysis, we are actively assessing and managing emissions across our supply chain.

Total GHG Emissions (metric tons of CO_2e)

SCOPE	CATEGORY	2022	2023
Scope 1	Aircraft (Scope 1)	6,910,637	7,536,154
	Vehicle (Scope 1)	14,518	12,313
	Facility heating (Scope 1)	7,398	6,748
Scope 2	Facility electricity (Scope 2) (location-based)	19,945	10,221
	Facility electricity (Scope 2) (market-based)	19,188	10,652
	Gross Scope 1 and 2[5] emissions	**6,951,741**	**7,565,867**

SCOPE	CATEGORY	2022	2023
Scope 3	Purchased goods and services[6] (Scope 3)	Not reported	468,802
	Capital goods (Scope 3)	Not reported	105,049
	Fuel- and energy-related activities (Scope 3) (well-to-tank)[7]	Not reported	1,532,102
	Fuel- and energy-related activities (Scope 3) (SkyWest flying)	542,269[8]	568,421
Other	Biogenic emissions	Not reported	5,578

For a more detailed breakdown of our emissions, see the Appendix.

5 Market-based.
6 "Purchased goods and services" refers to the emissions associated with products and services that are procured externally by an organization. We have mapped Alaska Airlines' internal expenses to the Environmental Protection Agency's (EPA) Environmentally Extended Input-Output (EEIO) model. This alignment allows organizations to accurately track and assess the emissions associated with the goods and services procured as part of their operations. This analysis focused on a spend-based methodology, which provides valuable insights into emission-intensive categories and potential hotspots; we will continue to familiarize and develop deeper relationships with suppliers to further refine Scope 3 emissions and disclosure.
7 The Defra WTT fuel conversion factors provide essential data for estimating GHG emissions associated with various activities. For more information, please access the methodology, as provided by the UK Department for Environment, Food & Rural Affairs (Defra). These factors play a crucial role in environmental assessments and policy formulation, aiding in informed decision-making toward sustainable practices.
8 Revised SkyWest emissions data.

Our Climate Strategy

Through a combination of immediate action and long-term investments, we continue driving progress toward our 2025 goals and long-term ambition of net zero carbon emissions.

Progress Against Our 2025 Goals

GOAL
Be the most fuel-efficient U.S. airline

PROGRESS IN 2023
1,333 kg CO_2/'000 RTM[9]; improved 9% over 2022. Goal previously tied to performance on ICCT[10] airline efficiency report; with this report no longer published, we developed a model using publicly reportable fuel and capacity data to track fuel efficiency across U.S. airlines.

GOAL
Reduce ground service equipment (GSE) fleet emissions average by 50% per unit

PROGRESS IN 2023
1.52 g/bhp-hr and 14.6% improvement from baseline. Supply chain issues (i.e. unfulfilled and delayed orders) continued to remain a main challenge.

GOAL
Carbon neutral growth through 2025

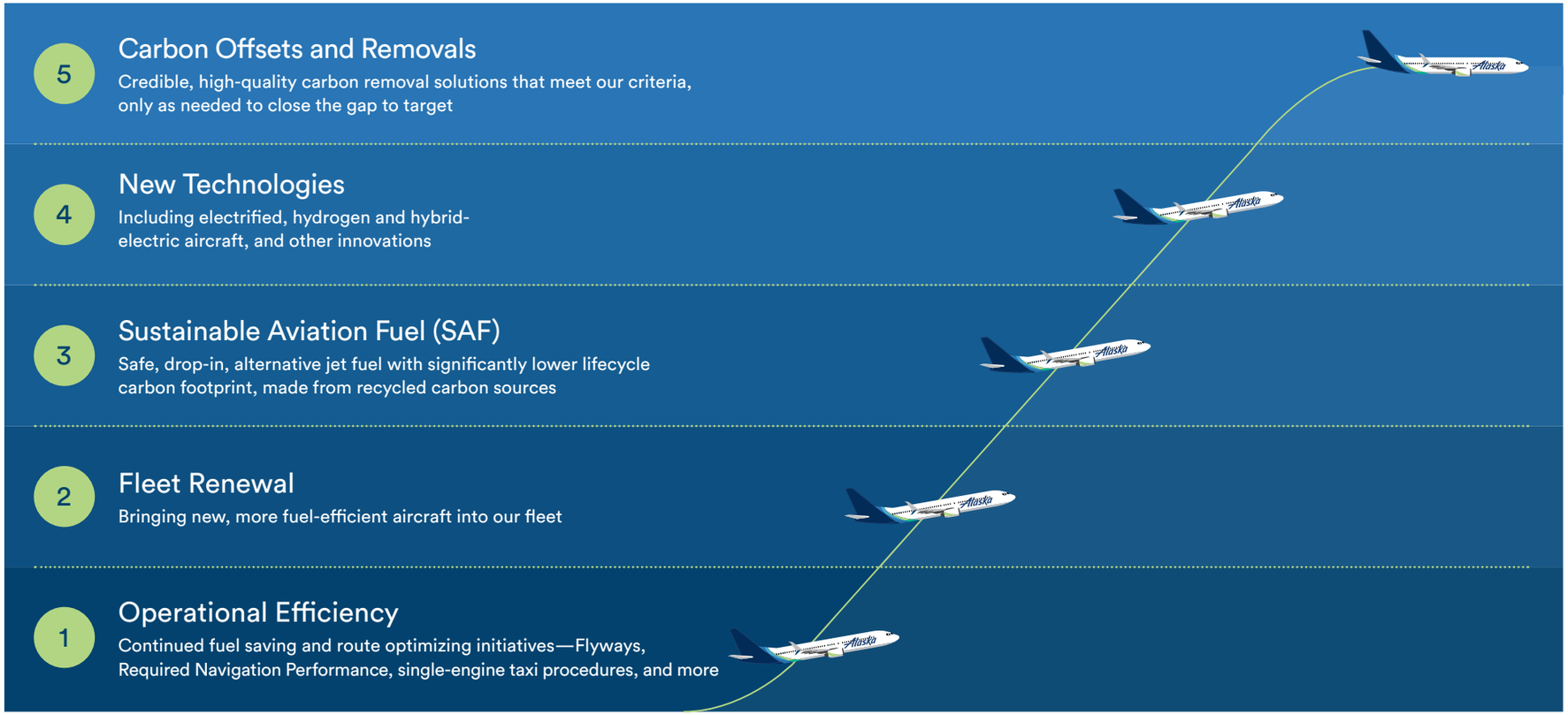
PROGRESS IN 2023
7.54 million $MtCO_2e$. While we will continue to track and report our total annual carbon footprint, we have decided to sunset this goal to fully focus on driving the fuel efficiency of our operation and progress on our long-term ambition of net zero carbon emissions.

[9] Revenue ton mile. Calculation for this goal is based on passenger and cargo RTM and does not incorporate baggage RTM.
[10] The International Council on Clean Transportation.

Five Part Path to Net Zero Carbon Emissions by 2040

Our five part path to achieve this long-term ambition aligns with science, combines action today with investments in critical technologies for the future, and is informed by our stakeholders. As we learn more, we continue to update the detailed approach behind each pillar.

Our ability to advance on this path continues to rely significantly on the development of technologies such as SAF and other new technologies that do not exist today at the scale or with the operational and commercial viability needed for the future. That is why we continue to address these issues from all angles, including with government stakeholders to advance public policy to help mature this market and de-risk private investment, through cross-industry coalitions, and with our customers to expand awareness and support.



Projected Roadmap to Net Zero

Combining our business plans and insights from our progress to date with data-informed assumptions about future technology availability, we developed a projected path for how the levers in our strategy may address emissions versus business as usual. This model will be updated at least annually as new information and data are available. This graphic shows a path to reach net zero carbon emissions by 2040 and forecasts for Alaska Airlines and Horizon exclusively. Please note that this model is subject to assumptions and uncertainties that are outside of our control, and further detailed in Climate-Related Risks and Opportunities and the Appendix.

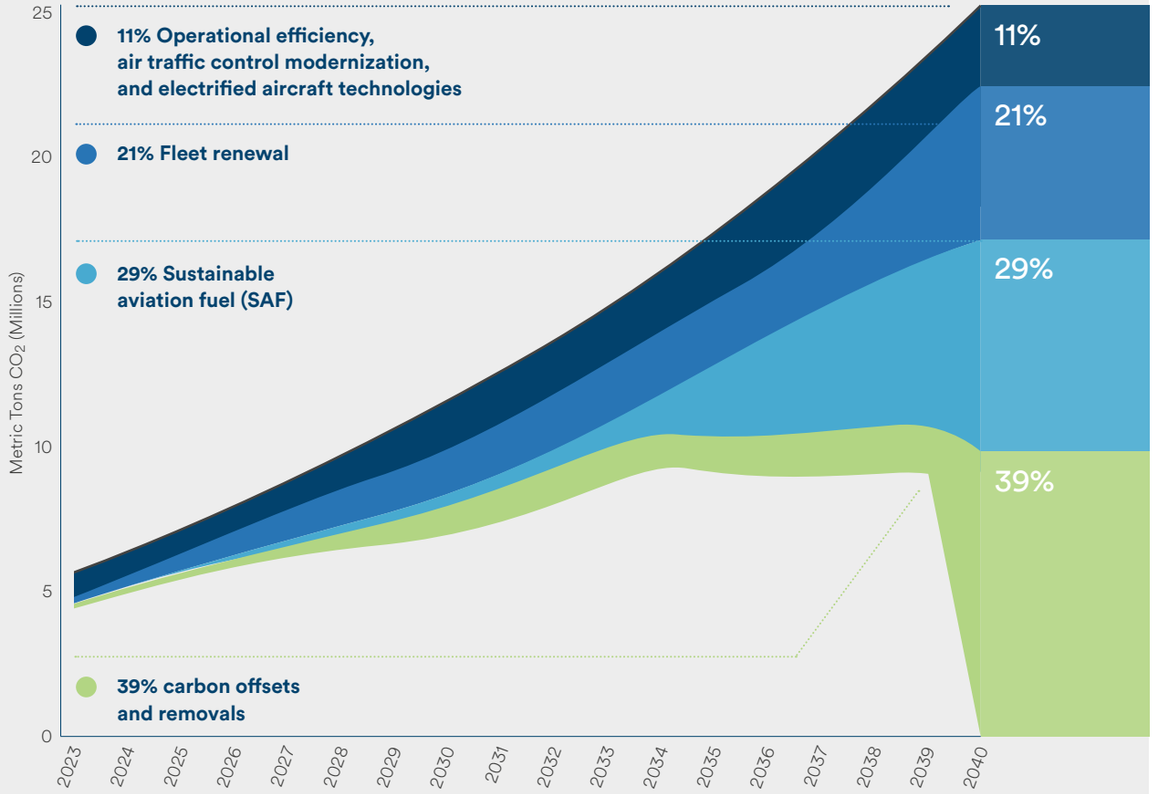
Operational Efficiency, Air Traffic Control Modernization, and Electrified Aircraft Technologies
We focus on operational efficiency and making immediate, tangible impacts across our operations. Some of this progress relies on the pace of advancement in U.S. air traffic control systems. These systems must adapt to handle increasing air traffic volumes while maintaining stringent safety standards, and modernize to enable more fuel-efficient routing and use of technology to support operational efficiency. Additionally, while typically considered a separate phase in our five part path, we have incorporated new electrified and hydrogen-electric aircraft technologies. Though impact on our roadmap may be limited before 2040, these technologies remain crucial for our long-term goals and the broader industry.

Fleet Renewal
Continuing to invest in the renewal of our fleet and the next generation of available aircraft is a crucial near-term step to enhancing the fuel efficiency of our operations. Our mainline fleet is one of the youngest in the industry, with an average aircraft age of 9.7 years.

Sustainable Aviation Fuel
SAF currently presents the greatest opportunity to make significant progress to net zero in this timeframe but is dependent on the pace at which supply and the commercial marketplace advances.

Carbon Offsets and Removals
As of 2023, we do not purchase carbon credits from carbon offsetting and removal projects. However, we recognize that this lever may be required to meet our goals, depending on the pace at which other critical technologies mature. We have developed criteria for sourcing high-quality carbon, prioritizing projects that are durable, additional, verified, avoid adverse impacts, and do not displace emissions to other areas. The ideal projects would meet those criteria with co-benefits for local ecosystems and communities in the regions we serve.

Projected Roadmap to Net Zero Carbon Emissions by 2040[11]



[11] These forecasts are for Alaska and Horizon only.

Operational Efficiency

Our emissions-reduction strategy starts with driving efficiency in how we operate aircraft and ground operations. Prioritizing operational efficiency through initiatives such as single-engine aircraft taxiing procedures, ground and air system enhancements, maintenance processes, and advanced route planning holds significant potential for reducing fuel consumption and emissions. We also continue working to optimize use of ground power and air when aircraft are parked at the gate, and to correspondingly reduce use of the onboard auxiliary power unit.

In 2021, Alaska was the first airline globally to use software called Flyways, which uses artificial intelligence (AI) and machine learning to help our dispatchers develop the most efficient routes to save fuel and reduce carbon emissions. In 2023, using Flyways to optimize routes saved over 1.2 million gallons of jet fuel, equivalent to 11,958 metric tons of CO_2. We are now expanding our use of Flyways to explore more efficient landing approaches.

Alaska also implemented single-engine taxiing as a fuel-saving measure, aiming to reduce both operational costs and carbon emissions. By instructing pilots to taxi with only one engine running, we effectively minimized fuel consumption during ground operations while maintaining safety standards. In 2023, single-engine taxiing procedures increased by 54.3%, which saved over 1.6 million gallons of jet fuel, equivalent to approximately 15,650 metric tons of CO_2.

Alaska Airlines pioneered the use of Required Navigation Performance (RNP) precision approach technology in 1996. RNP integrates advanced onboard navigation systems with the GPS satellite network, enabling aircraft to execute highly accurate landing trajectories. This innovation not only enhances safety, but also streamlines operations, resulting in reduced fuel consumption and shortened flight durations. In 2023 alone, it enabled us to mitigate 10,555 metric tons of CO_2 emissions, equivalent to conserving over 1 million gallons of jet fuel. Looking ahead, we are dedicated to expanding the implementation of RNP technology to more airports across the nation, further advancing aviation efficiency and sustainability.

METRIC TONS OF CO_2 SAVED

Flyways	11,958
Single-engine taxiing	15,650
RNP	10,555

Fleet Renewal

Our fleet includes 314 aircraft.[12] Operating each as efficiently as possible, maximizing utilization and loads for each airplane to use each asset as effectively as possible, and bringing new more fuel-efficient aircraft into our fleet all contribute to our progress toward our path to net zero carbon emissions by 2040. We have gradually begun integrating the 737 MAX into our fleet, each of which has 15–25% greater efficiency on a per-seat basis and 50% less NOx emissions compared to the aircraft they replace. The share of mainline RTMs attributed to 737 MAX aircraft increased from 23% to 32% from Q1 to Q4 2023.

As of December 31, 2023, Alaska has firm orders to purchase 80 Boeing 737 MAX aircraft with deliveries between 2024 and 2027; Horizon has commitments to purchase nine Embraer E175 aircraft with deliveries between 2024 and 2026.

OUR FLEET (AS OF DECEMBER 31, 2023)

Airline	Aircraft
Alaska Airlines	231
Horizon Air	41
Third-party regional carrier	42
Total	**314**

[12] This includes both leased and owned aircraft.

Sustainable Aviation Fuel

Sustainable Aviation Fuel (SAF) has the potential to make a significant impact on decarbonizing aviation, and it is perhaps the most significant lever in our long-term path to net zero carbon emissions. However, its impact will depend on our collective ability to scale supply of this technology, mature the market, and improve its commercial viability and the infrastructure needed for widespread operational use.

SAF is a safe, certified, drop-in fuel that is functionally equivalent to conventional jet fuel and meets all jet fuel standards. It is made from different source materials, and through different production approaches, SAF is capable of reducing lifecycle carbon emissions by up to 80%, or more.

Our focus is on scaling a commercially viable market for SAF, employing diverse strategies to support its widespread adoption. This includes addressing current volume and pricing challenges, exploring the breadth of technologies and feedstocks, supporting robust SAF accounting and certification systems, and leveraging the expertise of academic partners like Washington State University and Pacific Northwest National Laboratory Bioproducts Institute to inform our efforts and advance new technology solutions for the future.

Advancing SAF Supply with New Fuel Partnerships

Over recent years, Alaska has actively worked to expand the SAF market. We maintain our SAF procurement through offtake agreements with various producers. In California, we expanded our SAF supply by continuing to purchase from Neste and initiated a collaboration with Shell Aviation to procure SAF from their affiliated facility, Calumet, based in Montana.

We have also progressed our partnership with Twelve, a power-to-liquid SAF provider utilizing recaptured CO_2 as feedstock. Alaska, in partnership with Microsoft, committed to purchasing the initial output from Twelve's facility, allowing Twelve to commence construction of their first production site in Washington state.

In addition to procuring SAF, we are working to develop a portfolio of suppliers and partners across various technologies to further propel the SAF market forward. While we are only using a small amount of SAF in our operations today, we are also working to explore and enable new technologies for the future.

Advocating for Public Policy Support for SAF

We remain dedicated to advocating for public policies at state and federal levels to scale and mature the SAF market. In 2023, more states followed the lead of Washington, Oregon, and California by enacting policies that incentivize SAF use. With current SAF volume and pricing limiting the ability for widespread adoption, we need broader public and private investment and action to commercialize these technologies on the necessary scale.

Our efforts also include raising awareness among corporate clients to encourage larger investments in SAF for business travel. We are joined in this endeavor through collaborations with platforms like saf-now.org and organizations like the Global Business Travel Association (GBTA), the Sustainable Aviation Buyers Alliance (SABA), and the Roundtable on Sustainable Biomaterials (RSB).

Engaging Customers in Advancing SAF

Alaska partners with our business travelers to further grow the nascent market for sustainable fuels. In 2023, Alaska welcomed additional corporate customers into our program, which now includes participation from multiple forward-looking companies. We are working with partners like RSB and Microsoft to educate customers about how SAF reduces emissions and why corporate sector investment in this technology is necessary.

In late 2023, we provided new options for our guests to take action on their travel-related emissions by investing in SAF or nature-based climate projects, supported by climate tech company CHOOOSE.

Additionally, from November to December 2023, Alaska ran a sustainability-linked alternative to the year-end mileage run promotion for guests to earn 500 elite-qualifying miles (EQMs) for every $100 spent supporting SAF, with a maximum of 5,000 EQMs. Mileage Plan™ member spend contributed toward more than 500,000 gallons of SAF, with nearly 9% of guests who participated in this promotion maxing out their per-order contributions. Guests are able to learn about their flights' estimated emissions and support climate solutions at alaskaair.chooose.today.

CORPORATE SAF CUSTOMERS

AUTODESK
BANK OF AMERICA
Deloitte.
Meta
Microsoft
SKANSKA

Growing the SAF market

Enabling SAF Production

Alaska accelerator
Alaska supports the earliest stages of production by investing in Washington State University's (WSU) SAF research programs and participating in WSU SAF Coalition, which successfully passed critical SAF policy in the state legislature.

1

Research and development of additional methods to produce SAF is needed to increase SAF's supply.

2

Alaska advocates for policy to expand **SAF production and infrastructure** to reduce the green premium.

Producing SAF

Alaska accelerator
Alaska participates in multiple industry working groups focused on accelerating SAF production, including A4A's SAF Working Group. Alaska champions initiatives, grants, and research that will develop a robust feedstock supply chain.

3

SAF is made from **feedstocks** including used cooking oil, woody biomass, or even recycled carbon.

4

SAF needs to be **refined and blended** with up to 50% traditional jet fuel to meet approved specifications before delivery.

Transporting and Using SAF

Alaska accelerator
Alaska works with fuel providers to expand the SAF supply chain while partnering with guests and corporate customers to increase the use of SAF. At the end of 2023, Alaska delivered an industry-leading SAF program for guests, resulting in guests contributing more than 500,000 gallons of SAF.

5

Blended SAF is **transported** by truck, rail, barge, or pipeline and delivered to airports to be used in commercial aircraft.

6

Customers partner with Alaska to purchase SAF for their business travel, reducing their Scope 3 emissions.

New Technologies

Electrified aircraft, including hybrid-electric and hydrogen-powered technologies, offer the potential for low- to zero-emissions solutions. These innovations, alongside others, present further avenues for decarbonization in the foreseeable future. Alaska Star Ventures, our investment arm, is dedicated to pinpointing and supporting new technological solutions that can expedite our journey toward achieving net zero emissions.

Alaska Star Ventures
Recognizing that our path to net zero depends on technologies that do not exist today in the scope or scale required for us to meet our goals, we established Alaska Star Ventures in 2021. One of the investment arm's goals is to identify and enable companies with innovative new technologies that can accelerate the journey to net zero carbon emissions.

For its initial investments, Alaska Star Ventures partnered with UP.Partners—the leading venture capital fund in the mobility sector focused on moving people and goods cleaner, faster, safer—and The Westly Group, one of the premier venture funds focused on climate tech and energy.

Growing our portfolio, Alaska Star Ventures announced an investment in AI-enabled operational efficiency technology company Assaia in 2023 to support continued development of software to optimize aircraft turn times and improve on-time performance.

Investments in New Aircraft Technology
In 2023, we also announced further investment in hydrogen-electric powertrain manufacturer ZeroAvia. We joined the REGENT Hawai'i Seaglider Initiative, which is working across sectors to explore the potential for electric seaglider craft to provide additional travel solutions between the islands of Hawai'i and similar locations effectively and sustainably.

Electrified aircraft, including hybrid-electric and hydrogen-powered technologies, produce low to zero emissions and reduce dependence on fossil fuels. Electrification on its own is not viable for longer-distance, larger-scale flights due to the energy density of current battery technologies, but several other low- to zero-emissions technologies could be operational for regional commercial air services within the next two decades, depending on certification timelines and scalability of the related operating systems.

We are committed to advancing these technologies for the future, as they may have a more direct impact on the emissions of our operation over a longer timeframe.

Carbon Offsets and Removals

Carbon offsets and removal technologies represent a valuable tool for reducing the amount of emissions in the atmosphere. While our primary focus is reducing emissions from our operations, solutions like direct air capture and high-quality nature-based projects can also serve an important role in contributing to climate action and must also be further developed and advanced. We have not purchased credits or removals to date, but in 2023 we conducted a thorough assessment of the market to understand the maturity of carbon credit and removal solutions that are aligned with our criteria.

In case of limited supply of SAF, or limitations on the eligibility of SAF to meet future obligations under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), we anticipate fulfilling these obligations with carbon offsets and removals. We will continue to track and support the evolution of this market and the development of both nature-based and engineered removal technologies, and to engage with projects that align with our standards, including those that are CORSIA certified.

ZEROAVIA'S ELECTRIC AIRCRAFT PARTNERSHIP

We are actively investing in promising new technologies such as ZeroAvia's hydrogen-electric powertrain designed for regional aircraft. In 2023, ZeroAvia unveiled its prototype for a new motor system, a crucial component in the development of commercially viable hydrogen fuel cell engines for larger aircraft.

In 2023, ZeroAvia's advancements paved the way for a potential test flight of a Q400, which was retired from Horizon's fleet, representing the next significant milestone in integrating this technology and expanding the reach of zero-emissions flight technology.

In 2024, ZeroAvia was named the top U.S. GreenTech company out of 4,600 companies researched by *TIME*.

Climate-Related Risks and Opportunities

We monitor climate-related risks that may impact our business while actively exploring opportunities for innovation and sustainable growth.

We use our Enterprise Risk Management (ERM) process to address risks across our business. Managed by our internal audit team, our ERM process engages business leaders in identifying, prioritizing, and managing risks–including those related to climate and sustainability–and ensuring visibility of these risks and associated mitigation strategies to the Board. We conduct quarterly meetings to track and integrate risks into our ERM process, understanding impacts, analyzing relevant trends, evaluating mitigation strategies, and monitoring metrics.

Identifying climate-related risks and their potential impacts on our business gives us a better understanding and opportunity to prepare for and assess climate-related risks as they arise.

In 2023, we identified climate-related risks and opportunities that could impact our business financially and strategically. We also identified a significant opportunity to curtail direct costs within our business operations through optimized fuel efficiency and reduced associated emissions.

RISK TYPE	RISK MANAGEMENT
Current regulation	We monitor—and, where appropriate, inform and advocate for—policies or incentives, including low-carbon fuel standard regulations, that could enable SAF procurement. However, a delay in government action on SAF policies and the short-term nature of some incentives could put the market and SAF supply at greater risk. Climate management discussions with key department managers incorporate risks related to existing regulations, for example, local air-quality regulations and standards in California as they relate to airports.
Emerging regulation	Climate risk assessments always consider emerging policies and regulations that might impact our business's short-, medium-, and long-term operational and financial performance.
Technology	We consider both current and emerging technologies that can enhance operational efficiencies and overall performance.
Legal	Due to pending regulations and heightened scrutiny surrounding climate and sustainability-related disclosures, we are aware of the high standard required for monitoring our statements and claims. We remain vigilant about increased reporting obligations in the short and medium terms.
Market	Our climate responsibility and commitment to fuel efficiency are increasingly key to meeting the needs and expectations of our customers. Additionally, managing fuel efficiency contributes to our overall commitment to effective cost discipline in our business.
Reputation	We factor our climate reputation into assessments, considering our standing in external ranking groups like CDP and the Dow Jones Sustainability Indices (DJSI). Additionally, we consider customer expectations regarding our potential climate impact and responsibility within communities.
Acute physical	We continue to track weather patterns and ensure preparedness for events like wildfires to protect the health of our employees and support our operation. Additionally, we support disaster response efforts in impacted communities and initiatives for adaptation and resilience in key regions.
Chronic physical	Alaska and Horizon consider the impact of long-term shifts in climate patterns in the assessment and management of climate responsibility. In 2024, the climate scenario analysis will entail a physical risk assessment, and we will share these findings in our 2024 Sustainability Report.

Waste Management

Waste, particularly plastic waste, has tangible and visible impacts on nature—especially in the places we fly and their ecosystems.

Our comprehensive waste management effort is built on the foundation of a long-standing, industry-leading recycling program first created by employees.

Progress Against Our 2025 Goals

GOAL
Minimize and optimize packaging for five inflight food & beverage items

PROGRESS IN 2023
Two of five items minimized and optimized to date: 1) replaced plastic water bottles with Boxed Water™ and 2) eliminated plastic cups onboard with responsibly sourced paper cups. We continue working to assess and test additional alternative items.

GOAL
Inflight recycling sorting performance at 2019 level

PROGRESS IN 2023
63% of inflight recyclables sorted, 22 percentage point improvement from 2022 progress (41%).

Reducing Food Waste

We are proud to celebrate local flavors through inflight meals and know this is an important part of taking great care of our guests. But we are also focused on ensuring that we provide the right amount of food onboard to meet the needs of our guests while mitigating the risk of waste. This requires developing a careful balance, enabled by our pre-order program for perishable inflight meals. Starting in 2020, we began requiring guests to pre-order fresh meals at least 20 hours before their flight time via our mobile app or online. This enables us to plan catering for each flight to more precisely meet the needs of our guests, and to significantly reduce waste. Since 2019, we have reduced food waste by 61%, saving an equivalent of 460,000 meals.

Eliminating Plastics for Inflight Beverages

Single-use plastics contribute to fossil fuel consumption, landfill overflow, ocean and waterway pollution, and threats to sea life. In 2023, Alaska became the first U.S. airline to eliminate plastic cups for inflight beverages. All inflight beverages are now served in Sustainable Forestry Initiative (SFI)-certified paper cups, or in First class, reusable glassware. This transition eliminates 55 million plastic cups annually. Previously, we switched from serving water from plastic water bottles to using Boxed Water™, which is served from 92% plant-based cartons.

Recycling Solutions

Inflight recycling is key to minimizing waste. By working to maintain the correct facilities onboard our aircrafts, our flight crew can effectively sort, manage, and recycle any waste generated during flights.

Our pre-pandemic inflight recycling rate stood at 83%; however, in response to health and safety concerns during the pandemic, we paused our efforts, resuming in November 2021. In 2022, we initiated quarterly inflight recycling audits with a third-party auditor. We also leaned into restoring recycling practices with employees through recycling Lunch and Learns and an updated Onboard Service Handbook to clarify recyclable items. As a result, our annual recycling rate increased from 41% in 2022 to 63% in 2023.

REDUCING WASTE AND SAVING WATER

We are continuously looking for ways to keep valuable materials in use, exploring innovative solutions for diverting waste from landfill.

For example, during 2023, an Alaska Airlines employee living in Nome, Alaska, came up with the idea to transport recyclable waste out of the community by repurposing it as ballast during flights. Rather than using containers of water as ballast, employees and community partners pack pallets with recyclable waste, including electronics, which are then loaded onto planes to help keep them balanced. Swapping out water containers with recyclable waste is estimated to save more than 6,000 gallons of water annually–equivalent to 20 days' water use in an average American household. Also, this initiative facilitates the transportation of recyclable waste via Alaska Airlines from Nome to locations capable of effectively recycling them. We anticipate that up to 50,000 pounds of recyclable waste annually can be transported through this program. This material, which is typically destined for landfills or waiting to be hauled on a barge for months, cannot be recycled locally. Not only does the initiative reduce unnecessary water use, it also supports cleanup efforts in Nome.

Alaska Ramp Agent Auk Tozier, left, and Anahma Shannon, environmental program director of Kawerak, Inc., right, have worked together on a program to backhaul electronic waste from rural Alaska as ballast on cargo freighters.

Ecosystems

Vibrant natural environments support the communities where we live and fly. We're committed to protecting ecosystems and investing in environmental resilience.

Progress Against Our 2025 Goals

GOAL
Balance 100% of our water consumption via local habitat restoration projects

PROGRESS IN 2023
Balanced 100% of Alaska and Horizon water consumption for 2023 (18,141,896 gal) through supporting local habitat restoration projects in partnership with the Bonneville Environmental Foundation.

Preserving Ecosystems

We come at ecosystem preservation through the lens of our operational water use and water impact, and are committed to both responsible water use and to balancing our impact through investment in clean water for local ecosystems.

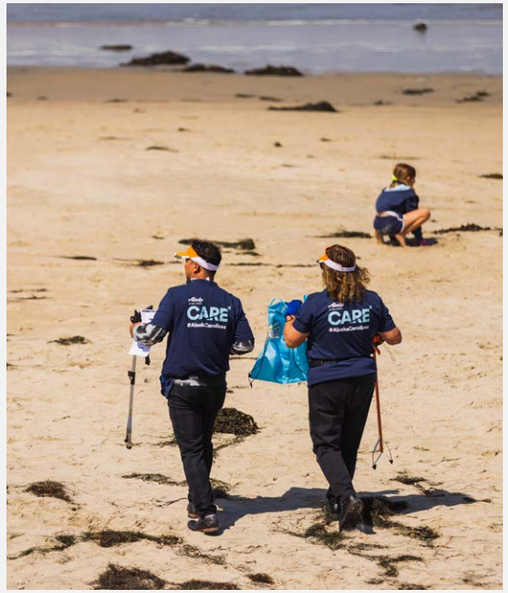
Through our partnership with the Bonneville Environmental Foundation to balance our annual water consumption, we directly supported these habitat and restoration projects: Edison Slough and Icicle Creek in Washington, Quiet Sound in the Puget Sound, and Mattole River in California.

Our direct support of these habitat and restoration projects:

- Benefits food sources of orcas, and endangered and threatened species like Chinook salmon, bull trout, and steelhead.
- Aims to reduce the threat of underwater noise to orcas in the Puget Sound.
- Supported the Mattole Restoration Council in developing a forest fire resilience program to improve habitat on 2,000 acres of forest along the Mattole River.

SAFEGUARDING COASTAL ENVIRONMENTS

During Earth Month 2023, we teamed up with the Surfrider Foundation to organize cleanup events for Alaska employees and members of West Coast communities, including California, Hawai'i, and the Pacific Northwest. The partnership also includes ongoing projects focused on restoration, education, and advocacy to promote the reduction of single-use plastics.



Environmental Compliance

A foundation of environmental compliance supports our sustainability initiatives and our operations.

We strive to consistently adhere to environmental standards, regulations, and best practices wherever we operate. Our Environmental Policy (right) reflects our principles for environmental compliance and sustainability. Alaska and Horizon had no penalties or fines issued for environmental compliance in 2023.

We also motivate employee environmental performance through awareness, recognition, and leadership development to achieve our environmental goals, emphasizing pollution prevention at its source.

Environmental Compliance Oversight

We have established a robust governance structure to oversee our environmental policies, actions, initiatives, and progress. Our compliance efforts are overseen by the Environmental Affairs team, with particular focus on stormwater protection, spill prevention, hazardous waste management, air emissions compliance, tank management, and aircraft drinking water standards. We engage internal teams as appropriate as a way to align our operations and procedures with local, state, and federal laws and regulation. Our company's own Environmental Policy reflects our principles for environmental compliance and sustainability.

Our leadership also focuses on compliance with national and international regulations. The Board of Directors' Safety Committee regularly receives updates on environmental risk, compliance, and policies. This includes information on initiatives like CORSIA, as well as reviews of environmental regulatory risks conducted through our environmental compliance program. To drive compliance on a wider scale, we work with external entities, including airports, A4A, and governmental and third-party regulatory bodies.

We also maintain clear channels of communication with key stakeholders, including government bodies, industry partners, and local communities.

Read more about how Board oversight of our sustainability strategy is incorporated into our wider governance approach.

Alaska Airlines & Horizon Air
Environmental Policy & Commitment

Alaska Airlines and Horizon Air take pride in delivering value to all those who depend on us—our customers, employees, communities, and owners. Doing so in a way that is durable and delivers long-term value includes being responsible for our environmental impact and helping to drive industry innovation in a way that makes aviation more sustainable for the long term.

We aim to continue building a culture at both Alaska and Horizon in which employees are committed to environmental compliance and to continuously improving our impact, as part of our core values to be safe, kindhearted, to deliver performance, and to be remarkable.

In accordance with our purpose and values, Alaska Airlines and Horizon Air are committed to:

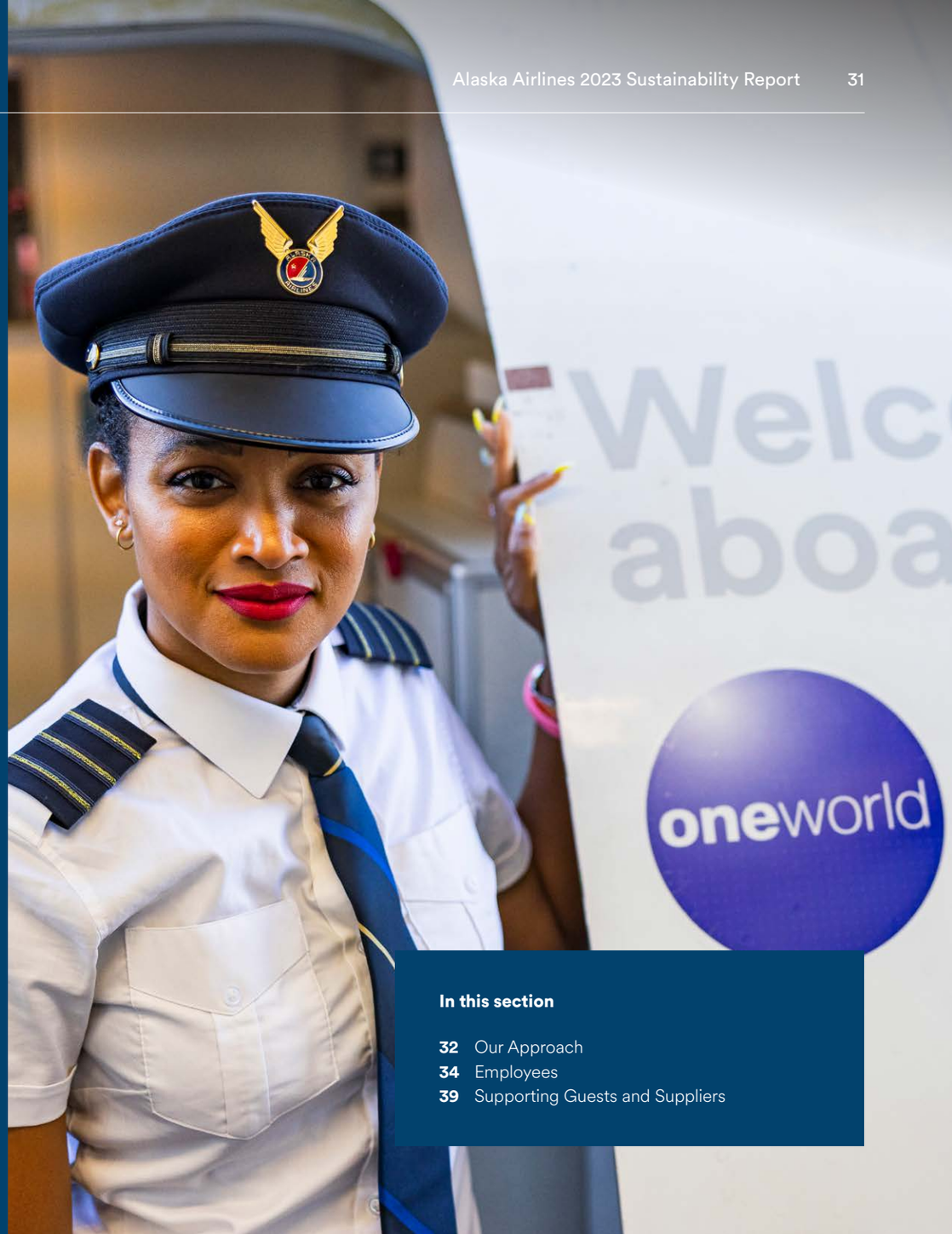
- Support environmental policies and programs that, at a minimum, ensure compliance with all environmental regulations;
- Monitor our performance through an internal environmental audit program;
- Measure and manage environmental impacts and continuously aim to improve our environmental performance;
- Collaborate with industry leaders, policy makers, and other stakeholders to embrace progressive approaches and technological advances to ensure environmental compliance and assurances;
- Continue to provide transparent and honest dialogue with our employees and stakeholders about our environmental performance;
- Provide the necessary tools and training to employees directly involved in affecting environmental compliance to ensure we continue to support our values;
- Motivate employee environmental performance through awareness, training, recognition, and leadership development that assists in pollution prevention at the source to achieve our environmental goals.

Ben Minicucci
Chief Executive Officer
Alaska Air Group, Inc.

People

Our company culture is grounded in care. That means we work together in support of our employees, guests, communities, and suppliers

We value diversity of experiences and perspectives, recognizing them as crucial for innovation, performance, and success. Cultivating a diversity of great talent enables us to excel operationally, deliver performance, and create value for all stakeholders.



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Our Approach

We are focused on enabling great experiences and an inclusive environment for our employees and guests.

Progress Against Our 2025 Goals

GOAL
Leadership representation: 30% BIPOC[13] representation for directors and above

PROGRESS IN 2023
We continue to learn about how best to advance leadership development, retention, and representation, and will continue to broaden our focus on overall leadership health—see discussion on page 37.

GOAL
Inclusive culture: Improve performance as measured by inclusion index of metrics from all-employee survey by 10 points

PROGRESS IN 2023
66%, 7 percentage point improvement from baseline, but 2 percentage point decrease from 2022.

GOAL
Maintain at least 85% Alaska and Horizon employees full-time v. part-time

PROGRESS IN 2023
88% of Alaska and Horizon employees full-time employed.

Diversity, Equity, and Inclusion

We believe inclusion is an important facet of our people approach and key to making Alaska an airline people love. Our Board of Directors' Compensation and Leadership Development Committee provides oversight for our talent strategies, including the role of diversity, equity, and inclusion (DEI). This consists of developing policies and practices that promote equitable and effective talent development at all levels.

In pursuit of our DEI objectives, we have adopted a comprehensive approach focusing on three key areas:

Representation: We continue working toward alignment of the racial diversity of our leadership with that of our frontline workforce.

Culture: Beyond numerical metrics, we aim for the cultivation of a culture in which all employees feel not only included, but also valued and respected.

Public Leadership: We acknowledge our role as corporate citizens and actively seek to advance equity and opportunity in the communities we serve.

We hold ourselves accountable to our goals, tracking and sharing our progress. We also adapt our approach where we face challenges and learn, as we have in the area of representation—evolving to a more holistic view and commitment to leadership development.

[13] Black, Indigenous, and People of Color.

We are also members of organizations like Washington Employers for Racial Equity, Organization of Black Aerospace Professionals, Sisters of the Skies, and more, to stay aligned with the best practices in our field. Being part of this coalition allows us to compare our practices with others and learn from each other, ultimately contributing to talent retention and growth.

Equal Opportunity Commitment

Alaska and Horizon are equal-opportunity employers, and we make decisions about hiring, promotions, and pay for similar roles requiring similar qualifications without regard to:

- Race
- Color
- Creed
- Religion
- National origin, alienage, or citizenship status
- Age
- Sex/gender, sexual orientation, gender identity, or gender expression
- Marital status
- Pregnancy
- Familial status
- Physical or mental disability
- Protected military or veteran status
- Genetic information
- Any other basis protected by applicable law

HIGHLIGHTS

Achieved a score of 100 on the Human Rights Campaign Foundation's 2023–2024 Corporate Equality Index—an improvement from the previous score of 90 we maintained for four years.

Received a top-score of 100 for the second year in a row in Disability:IN's Disability Equality Index and recognized as a "Best Place to Work for Disability Inclusion."

Our Board of Directors was recognized as a finalist in the 2023 DE&I Awards by the National Association of Corporate Directors.

Over 100 families have participated in disability practice flight sessions for children with autism to experience the airport and airplane with their families.

Exceeded projections for our Education Assistance Program funding, which supported a diverse group of employees (62% female and 52% BIPOC).

728 employees participated in our Leader Academy program.

Employees

We offer comprehensive training, development opportunities, and support for our employees. In addition, we promote inclusivity and equity in our efforts to attract, engage, develop, and retain talent, dedicated to creating a workplace where everyone can succeed.

Representation

We are working to effectively engage diverse talent across our workforce, including at every leadership level. To work toward our people-related 2025 sustainability goals, we are focusing on process improvements, education, leader engagement, our promotion approach, and diverse talent-bench development.

As well as being committed to advancing racial and ethnic diversity among leaders, we strive to empower more women to pursue senior leadership opportunities. In 2023, we entered a partnership with Women Leading Travel & Hospitality, a community for female executives to network and pursue professional growth. Through our sponsorship, 15 women from the director level and above from across our company will have access to the program.

Attract

We look to attract and develop the best industry talent. This includes diversifying our talent pipeline by actively promoting equitable practices in recruitment and hiring to tap into a wider candidate pool. We are expanding our sourcing partnerships to reach more candidates and promoting our job openings through various channels and communities.

Supporting Diverse Talent in Accessing Aviation Careers
We offer programs to engage diverse talent looking to advance their career in the aviation sector. Three examples of programs to attract great talent are our True North Pilot Development Program, Ascend Pilot Academy, and Pilot Pathways Program.

True North Pilot Development Program is a first-of-its-kind recruitment program guiding BIPOC students toward careers as commercial airline pilots, offering financial assistance and mentorship. This program serves students from Delaware State University and University of Maryland-Eastern Shore, both Historically Black Colleges and Universities (HBCUs). In 2023, we expanded the program by adding a third university: California Baptist University.

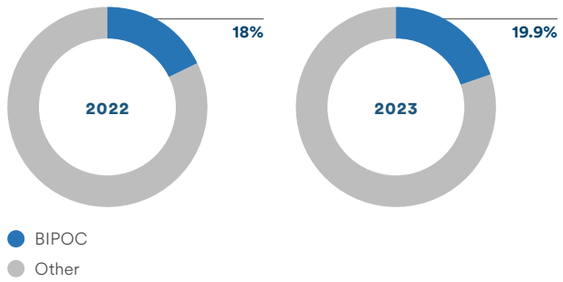
Ascend Pilot Academy is a partnership with Hillsboro Aero Academy and provides aspiring airline pilots with a streamlined, more financially accessible path to becoming a commercial pilot at Horizon and eventually at Alaska. As of 2023, there are 209 students participating in the Ascend Pilot Academy, of which 31% identify as BIPOC, 44% identify as female, and 19% are current Alaska and Horizon employees.

Pilot Pathways Program provides regional Horizon pilots with a direct path to becoming a mainline Alaska pilot. Since launching in 2018, 400 pilots have advanced through the program.

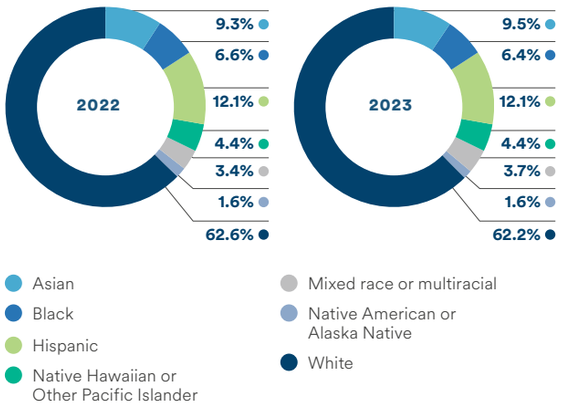
Also, internships at Alaska and Horizon offer undergraduate students the chance to engage in real-world projects with direct impact on our guests, operations, and airlines. In 2023, 51 students participated in internships at Alaska and Horizon, with 60% identifying as BIPOC, marking our most diverse intern class to date. These interns hailed from 28 different colleges and universities nationwide. The internship program also acts as a potential pathway for full-time employment, with the conversion rate to full-time positions more than doubling from 2019 to 2023. In 2023, 60% of eligible interns received full-time offers, with 65% of those identifying as BIPOC.

Race and Ethnicity

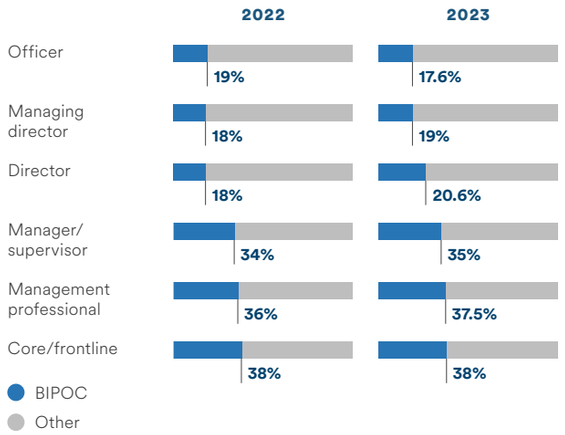
Racial Diversity in Senior Leaders (director and above)



Workforce Profile for Race/Ethnicity

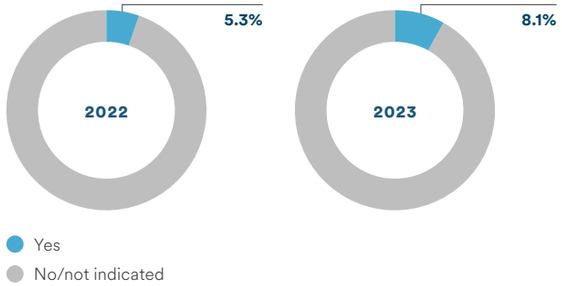


BIPOC Representation in Workforce Breakdown



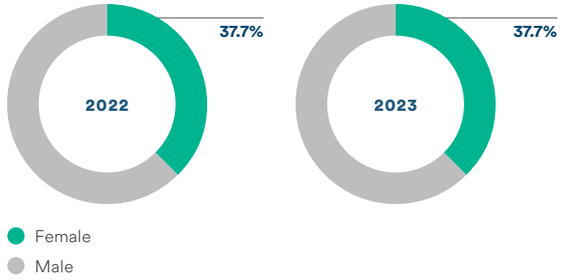
Veterans

Veteran Representation

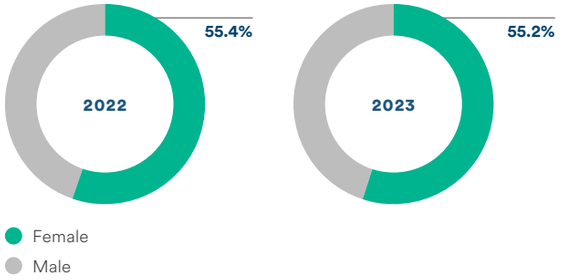


Gender Diversity

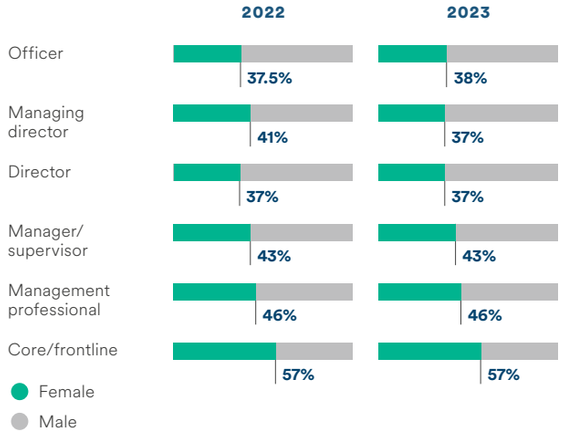
Female Representation in Senior Leaders (director and above)



Female Representation in Workforce (total)

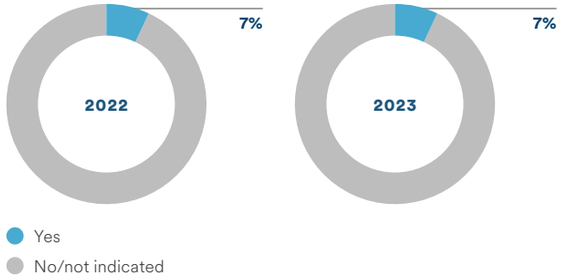


Female Representation in Workforce Breakdown



Disability

Disability Representation



Engage

Recognizing the importance of nurturing leadership within our Business Resource Groups (BRGs), we have established a specialized BRG Development Program. This program aims to empower BRG leaders to catalyze positive change within our organization and beyond.

In 2023, we introduced a new BRG: Young Airgroup Professionals—taking the total to 13. This new group was launched for young professionals to strengthen feelings of connection and provide growth opportunities for early- and mid-career employees.

- **ABEA:** Airgroup Black Employees, Advocates & Allies
- **ACCESS:** Accessibility-focused group
- **AGPA:** Airgroup Pan Asians
- **AMG:** AAG Military, Veterans & Allies
- **GREEN TEAM:** Environmental stewardship and sustainability group
- **LCRG:** Latin Culture Resource Group
- **NEN:** Native Employee Network
- **PIA:** Pacific Islander Alliance
- **PRIDE CREW:** LGBTQ+ group
- **THRIVE:** Mental health and wellness group
- **WING:** Women's Interactive Networking Group
- **WIT:** Women in Tech
- **YAP:** Young Airgroup Professionals

CELEBRATING DIVERSITY IN 2023

We are proud of the diversity represented in our workplaces and want to help our employees take time to celebrate their unique cultures and experiences. During 2023, members of our Airgroup Pan Asians (AGPA) BRG took Lunar New Year as an opportunity to share what makes this time of year special to them. Additionally, for the third consecutive year, Alaska was the title sponsor of San Francisco's Chinese New Year Festival and Parade, the largest Lunar New Year parade outside of Asia.

Throughout the year, other BRGs also hosted events to celebrate diversity. For example, across the U.S., our PRIDE CREW took various opportunities to recognize LGBTQ+ inclusion. Year-round, the BRGs participated in Pride celebrations in Washington, New York, California, Oregon, Idaho, Nevada, Alaska, and Hawai'i.

Finally, to help more employees learn about the importance of disability inclusion, our ACCESS BRG teamed up with our Disability Inclusion Office to launch the first All ACCESS Disability Inclusion Expo. Held in Seattle, the event provided employees with resources, information, and opportunities to volunteer with local disability and accessibility organizations.

Develop

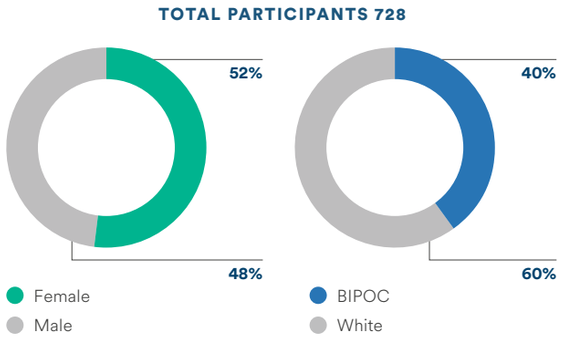
We are committed to building inclusive development programs that support career growth. Our education assistance programs and mentorship opportunities, such as the WeFly Mentorship Program, offer valuable support to employees at all levels.

While we have made significant strides to drive representation within our management level, we recognize progress may not be immediately evident. Developing talent is a process that requires time and commitment. Consequently, we are actively enhancing our succession planning and reviewing our internal promotions process to prioritize fairness and equal opportunity as part of our ongoing efforts. We believe that with continued dedication, we will see the outcomes of our efforts materialize over time.

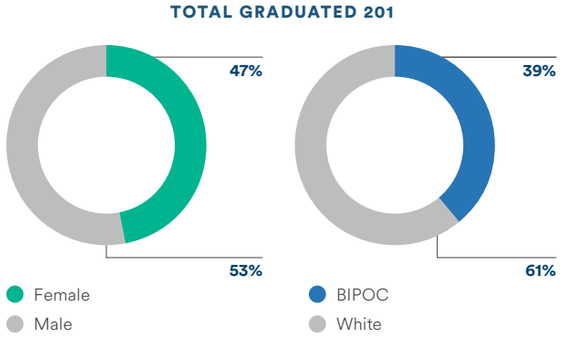
Leader Academy

As well as maintaining programs with a track record of success, we invest in new initiatives that address gaps in employee development. For example, our Leader Academy, launched in 2022, is a series of leadership development programs designed to build capabilities and readiness for our leadership pipeline. As of 2023, over 700 leaders[14] participated in our leadership development programs to build skills related to communication, managing change, ownership and execution, self-leadership, and managing others. Participants continue to make progress through and graduate from the program.

Employee Participation in Leader Academy Since 2022[15]



Employees Who Graduated[14] Leader Academy in 2023



Elevating Skills Through Training

We have developed resources designed to help employees advance in their careers at Alaska. This includes a range of ongoing development programs, such as:

- **Supervisor/Manager Development Program:** A six-module program to support people leaders in developing their skills to inspire, unite, and motivate their teams and build an engaged and empowered ownership culture
- **Leadership Accelerator:** A seven-month program to accelerate capabilities among supervisors and managers to prepare them for senior leadership roles, including an action learning project, access to executive coaching, and hands-on experiential learning
- **Developing Emerging Leaders:** A seven-month program to prepare emerging leadership talent at Alaska and Horizon employees for future leadership opportunities

Improving DEI Education

During 2023, we expanded our allyship learning series, The Remarkables, to enhance employee understanding of key topics. The series covers a range of issues, including generational, accessibility, LGBTQ+, gender, and race.

We continue to invest in learning programs to help employees engage in DEI topics—from new-hire orientation to training classes and continuous learning.

Pilot Training Technology

We are continually investing in cutting-edge technology to develop the safest and best-trained pilots. In 2023, we partnered with VRPilot, a Danish technology company, to create virtual reality Boeing 737 cockpit environments for basic procedures training. This next-generation technology allows our pilots to maximize training potential in a fully immersive environment and optimizes the use of our full flight simulator resources.

We have also invested in expanding physical training capabilities, deploying two new fixed-base simulators and three new full-motion simulators in 2023. With all units ready to be fully operational by the end of 2024, this expansion will bring our total to 18 fixed-base and full-motion simulators.

[14] All new supervisors and managers are required to attend Leader Academy training.
[15] This data reflects currently active employees.

Retain

Our people are our most valuable asset. In addition to attracting qualified, engaged employees, it is important to retain them. We continuously track turnover rates, gather insights through employee engagement surveys and benchmarking, proactively address concerns, implement targeted retention measures, and promote a supportive culture to increase retention. To foster long-term loyalty and retention, we offer comprehensive total rewards, including health and retirement benefits, competitive base pay and incentive plans, and an employee travel program.

Inclusive Employee Benefits

We believe that providing a robust total rewards package that encourages physical, emotional, and financial well-being is key to retention. We offer comprehensive medical, dental, and vision coverage; retirement programs with generous employer contributions; and travel privileges that make it possible to see the world.

During 2023, two of the ways we increased the care we show to our employees were to roll out an enhanced mental wellness benefits suite, and we took steps to better support our LGBTQ+ employees. For our LGBTQ+ employees, we introduced two employee toolkits: one on benefits inclusive to LGBTQ+ communities and another on facilitating gender affirmation in the workplace.

We invested in a new partner, Lyra, to modernize mental health services for employees and their families. Lyra's flexible approach allows most employees to access help when they need it most.

Our benefits were also adjusted to fully meet WPATH (World Professional Association for Transgender Health) standards and requirements.

To deliver greater travel flexibility, we allow employees to designate up to two people to share employee travel privileges, expanding beyond parents to include adult children, in-laws, friends, and siblings. In the program's first year, 43% of our workforce leveraged this option.

Equitable Pay Practices

We believe that equitable pay is core to our culture and to retaining our people. We are committed to pay equity, which addresses the fairness of compensation regardless of gender, race, or other legally protected categories. In 2023, 85% of Alaska employees and 41% of Horizon employees were covered by a collective bargaining agreement that naturally supports pay equity through set pay scales. Our pay equity review is focused on the remaining U.S.-based non-contract employee groups.

Our objective is that employees performing comparable tasks are paid similarly, with any differences in pay explained by legitimate job-related factors. To do this work, we partnered with Trusaic, a workplace equity technology and services provider, to conduct a pay equity review. Our review incorporates relevant job-related factors, including location, function, and job level, while also considering individual experiences, expertise, and education.

In addition to an annual review, we believe that the compensation processes we use to hire, promote, and reward our people are critical to progressing pay equity and retaining talent. We will continue to review and refine our compensation processes and procedures regularly, understanding that it is key to long-term success.

While pay equity remains a key focus, we understand it is not the only piece of the puzzle. We are committed to fostering equity across the employee journey to make sure every team member feels valued and empowered for success.

Employment Accessibility

With 7% of our workforce identifying as people with disabilities, we are committed to making our sites as accessible as possible. In 2022, we established our Disability Office—the first of its kind for an airline—to serve as a central hub for coordinating all areas of disability advocacy for employees and guests. From enhancing accessibility in our facilities to implementing tailored services for guests with diverse needs, the Disability Office helps deliver on our commitment of being a leader in providing inclusive, accommodating experiences.

Throughout 2023, we took several other actions to update the accessibility of our workplaces, for example, launching a series of Accessible Workplace Handbooks. We also introduced Autism and Neurodiversity Awareness Workshops for our employees, driving shared responsibility for greater accessibility.

Read more about our work to enhance accessibility for guests.

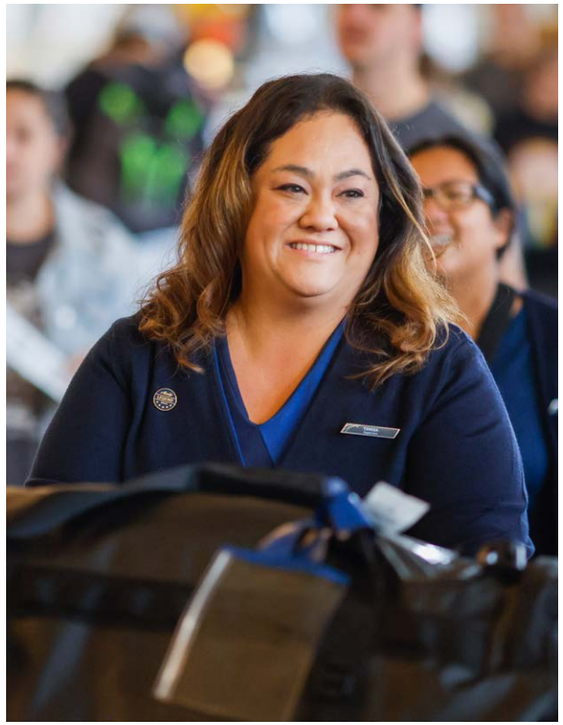
CONTROLLED PAY GAP NUMBERS BY GENDER AND RACE/ETHNICITY AS OF DECEMBER 2023[16]

$1.000 Men	$0.995 Women
$1.000 White	$0.994 BIPOC

[16] Excludes executives.

Supporting Guests and Suppliers

We're focused on creating an inclusive environment for our guests and enabling remarkable travel experiences.



Guest Experience

Just as we strive for every employee to be respected and able to do their best work, we are committed to supporting and respecting the diversity of our guests throughout their journey with us. This means providing safe, reliable transportation for a reasonable price, along with the caring, friendly, and professional service we are known for.

Improving the Guest Experience

We measure guest satisfaction through a robust feedback system that processes over 1 million surveys annually. We analyze feedback from diverse touchpoints, encompassing flights, call center interactions, Lounge experiences, and online interactions, to gain comprehensive insights into guest experiences.

Our leadership team conducts regular reviews and in-depth analyses of guest experience metrics to identify areas for improvement and drive strategic initiatives. This proactive approach helps inform us so that our services continually evolve to meet the changing needs and expectations of our guests.

Our closed-loop system enables us to promptly address any concerns raised by guests. In addition, establishment of the Alaska Insights Lab (our new flyer community) allows us to collaborate closely with our guests, leveraging their feedback to shape future enhancements and innovations.

In response to guest feedback, we have expanded and enhanced our Lounges over the past five years, investing $30 million to upgrade the Lounge experience for our members and guests. Recently, in Seattle, the D Concourse Lounge has undergone an extensive five-month makeover—the site's first comprehensive renovation in nearly two decades. The revamped space boasts a 50% increase in seating capacity. Additionally, a newly installed barista station lets members and guests grab a hand-crafted espresso beverage or brewed coffee on the go, fulfilling a frequent request from travelers en route to their gates. We have also increased the availability of vegetarian, vegan, and gluten-free onboard meal options.

Accessibility

We are continually embedding accessibility throughout the guest experience, starting with booking options that let passengers easily request accommodations online or through our guest service. Trained team members are ready to assist with boarding and disembarking, helping make them a smooth process for individuals with mobility challenges.

Our flight crews are trained to assist passengers with special needs, and we offer accessible seating options. Additionally, we deliver support for guests with visual or hearing impairments, including safety information in alternative formats. In 2023, we took this further, adding audio descriptions to select inflight entertainment and subtitles to our menus.

Gender-Inclusive Flying

In 2023, we introduced a new option to enable guests to select from two non-binary options—Unspecified (X) and Undisclosed (U) when they book.[17] We have also updated inflight language and plane greetings to be gender-neutral, making sure everyone feels valued and respected.

[17] The gender selected must match what appears on the passenger's government-issued identification.

HELPING CHILDREN WITH AUTISM FLY

To support guests on the autism spectrum, we conduct special practice sessions aimed at reducing travel-related stress. Partnering with local airports, volunteers, and autism-focused nonprofits, Alaska and Horizon have hosted 15 disability practice flight sessions nationwide.

To date, more than 300 people from over 100 families have taken advantage of the sessions, during which they can practice navigating airports, obtaining boarding passes, going through security, and boarding an airplane. They even get to try out a simulated taxi on the tarmac for a flight-like experience without leaving the ground.

Alaska Airlines Mileage Plan™
Alaska Airlines Mileage Plan™ provides members with a comprehensive suite of frequent flyer benefits. Members can earn miles by flying on our airline, which are awarded based on distance traveled. Awarding based on distance, not spend, is unique over other airlines' programs. Miles can also be earned by flying with one of our partner airlines, by using the co-branded credit card, or through other non-airline partners.

Once earned, miles can be redeemed for various benefits, including flights to over 900 destinations worldwide, seat upgrades, and hotel stays. Miles never expire, giving our members the flexibility to save them for future trips.

Our Alaska Airlines Mileage Plan™ also offers elite status tiers, starting with MVP, which provides perks like faster miles earning and complimentary checked bags.

MCBRIDE SISTERS WINES

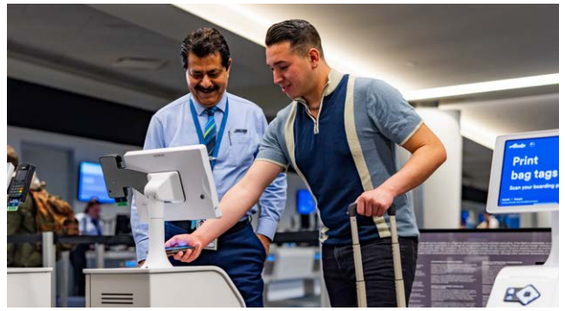
McBride Sisters Wine Company, the largest Black-owned winery in the U.S., was founded by sisters Robin and Andréa in 2005. From February to March 2023, we were honored to share the McBride Sisters' exquisite Collection Chardonnay and Red Blend with our First-Class passengers. We are eagerly planning to collaborate with this partner again in the future, building on our already successful relationship.

Supplier Diversity

We believe in creating more equitable opportunities for supply partners, and supporting more diverse businesses while strengthening the resiliency of our supply chain. In 2023, we increased diverse supplier spend by 17% to over $300 million. To continue building on this, we are partnering with certification agencies while hosting and attending engagement events to meet and interact with diverse suppliers.

In 2022, we officially launched our Supplier Diversity program; in 2023, we advanced it by identifying potential new suppliers through a Diverse Supplier Network event. We collaborated with our Information Technology Services and Ecommerce departments to host an event aimed at engaging diverse suppliers capable of supporting 2024 projects in these areas, while also creating a pipeline for future sourcing opportunities.

Several Alaska team members also attended the 2023 Reservation Economic Summit—held by the National Center for American Indian Enterprise Development—to engage Native American suppliers on upcoming sourcing opportunities.



External Partnerships
Alaska holds active corporate memberships with various external organizations committed to advancing opportunities for certified minority business enterprises. These include:

- National Minority Supplier Development Council (NMSDC)
- Women's Business Enterprise National Council (WBENC)
- Disability:IN
- Tabor100

We also serve on the Northwest Mountain Minority Supplier Development Council supplier certification committee and continue partnering with the Greater Seattle Business Association to invest more than $300,000 in expanding opportunities for LGBTQ+ business owners.

FLIGHT-READY SUSTAINABLE BEVERAGE CHOICES

When flying at 30,000 feet, altitude causes taste buds to react differently to foods and drinks, meaning they taste different from how they would on land. This is caused by a combination of cabin pressure, drier air, and increased background noise. In December 2023, we introduced a new, custom-roasted organic medium-roast coffee on all flights. Created in collaboration with Stumptown Coffee Roasters, a certified B Corporation, the blend is specially designed to be enjoyed at 30,000 feet.

As well as being expert roasters, Stumptown is committed to sustainability, with plans to reduce energy and water consumption and achieve zero landfill-bound waste in manufacturing operations by 2025.

Communities

Flying through an Alaska mountain pass 91 years ago to deliver people and supplies to a remote community set the foundation for Alaska Airlines today

We have a deep responsibility and connection to the people and places we serve. Whether it is supporting educational programs or career connections for young people, contributing to environmental conservation efforts, or fostering economic development, our approach is tailored to address the distinct priorities and opportunities in many of the places we fly.

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Our Approach

We invest in fostering strong communities. We also partner with community-based organizations on initiatives and advocacy. Additionally, we collaborate closely with community partners to support critical social issues and advocate for positive change.

Our partnerships focus on education and economy opportunity, particularly for youth, and environmental sustainability. By addressing these priorities, we strive to create tangible, lasting positive change for the communities we serve. Through the Alaska Airlines Foundation, we provide grants to nonprofit organizations working to support young people, particularly in underserved communities.

Flight is a powerful way to connect people, and we believe it gives us an incredible opportunity to put care into action, using travel to overcome geographical limitations and assist those in need. This involves delivering essential supplies to remote locations, providing an avenue for guests to donate miles while flying with Alaska or select partners to various charitable organizations through our CARE Miles program, and organizing volunteer initiatives worldwide.

HIGHLIGHTS

Alaska employees volunteered 42,282 hours in their communities over the course of the year.

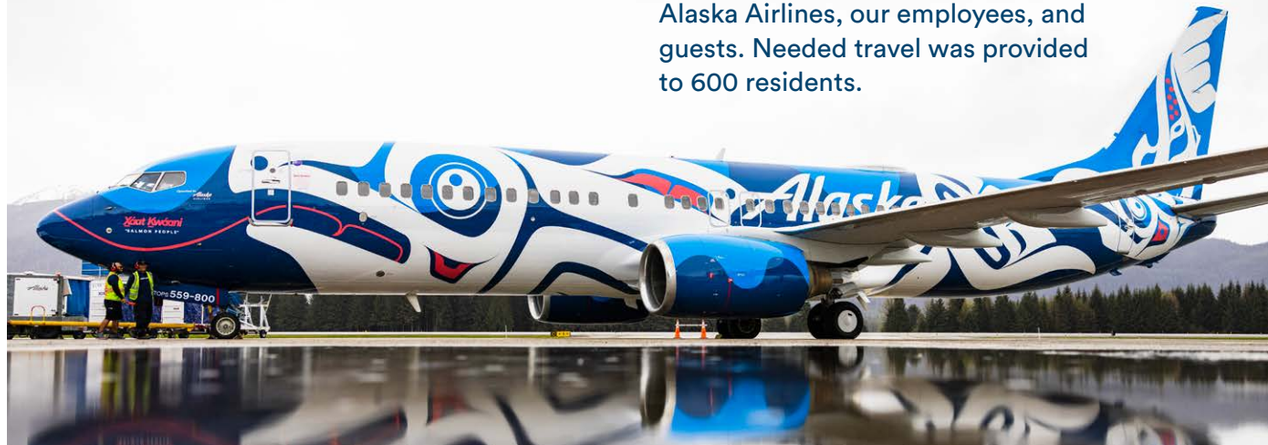
Unveiled Xáat Kwáani (Salmon People in the Alaska Native Tlingit language), our aircraft designed by Alaska Native artist Crystal Kaakeeyáa Rose Demientieff Worl. Through our work with Crystal, we learned of a way to use the image of salmon on our plane for good—to financially support and highlight the Yukon River Drainage Fisheries Association and their mission to protect and promote all wild fisheries and traditional cultures.

We flew 43 high school juniors in the Our Commitment aircraft to tour historically Black colleges and universities.

Donated over $16 million in philanthropic contributions of cash and in-kind to multiple nonprofit partners and community projects.

Awarded $580K in grants through the Alaska Airlines Foundation to organizations focused on young people pursuing career opportunities.

As part of our Maui Fire relief efforts, 32 million miles were donated between Alaska Airlines, our employees, and guests. Needed travel was provided to 600 residents.



Alaska Airlines Foundation

At Alaska, we believe in strengthening and supporting the communities our employees, neighbors, and guests call home. Alaska Airlines Foundation grants are focused on young people in our major areas of operation, including Alaska, California, Hawai‘i, Oregon, and Washington—especially those in underserved communities.

The Foundation works closely with community partners to support programs that empower, engage, and equip young people with the skills they need to pursue career opportunities. Grants are focused on organizations looking to provide career exploration and career-connected learning experiences, mentorships, soft skills development, or advanced education and trainings. In 2023, we awarded $580,000 in grants through the Alaska Airlines Foundation.

Inspiring Advanced Education with ClimbHI

Hawai‘i-based career development organization ClimbHI seeks to inspire students to finish high school and proceed to post-secondary education or employment. They do this by educating young people on future career paths and the process necessary to achieve those goals.

Through the Alaska Airlines Foundation, we are supporting ClimbHI’s program that enables students to pick areas of interest and visit organizations in that field. This gives them guided, real-life experiences of the industry, the opportunities available, and the requirements needed for pursuing a career in the sector.

Alaska EXCEL

Alaska EXCEL exists to supplement career and technical education curricula in rural Alaska school districts. Through unique educational opportunities, students can explore different careers, starting in 7th grade and continuing all the way to the summer following high school graduation.

Focusing on careers relevant to their regions, participants can explore areas such as healthcare, construction, heavy equipment operating, aviation, culinary arts, and maritime sciences. This is supported by foundational sessions on topics like leadership, healthy living, and employability skills.

The Washington Girl Scouts Aviation Program

During 2023, the Foundation funded the Washington Girl Scouts Aviation Program: “Sky’s the Limit—Discover Aviation and Aerospace.” Designed to empower young women, girls, and gender-expansive youth to pursue STEM education and careers, the program offers skill-building opportunities, experiential activities, exposure to industry women and mentors, and insights into aviation and aerospace career paths.

Throughout the year, the Washington Girl Scouts Aviation Program exceeded its goal by serving 27% more middle- and high-school-aged Girl Scouts than anticipated. Of those, 30% were BIPOC, with 95% identifying as female and 5% non-binary; 28% self-identified as LGBTQIA+, and approximately 25% attended Title 1 schools and participated in the free and reduced lunch program.

Sonoma County Agriculture

The Sonoma County Fundación de la Voz de los Viñedos’ Leadership Academy is believed to be the nation’s sole program designed to cultivate future leaders within the vineyard workforce and its surrounding community. Instead of focusing on new agricultural skills, the Academy prioritizes the development and refinement of critical leadership abilities essential for vineyard workers to ascend as leaders in the wine industry and local sphere.

Alaska Airlines provided flights from San Francisco to Washington, D.C., for all Academy participants, enabling them to attend a reception. For many of these individuals, this will mark their first experience flying, visiting Washington, and engaging with congressional members to convey their narratives about grape cultivation and their roles in Sonoma County agriculture.

Partnerships Across Our Communities

We support nonprofit organizations with both financial and in-kind donations that enable opportunity and address issues that are important to local communities. In 2023, we donated over $16 million in cash and in-kind donations to various nonprofit partners and community projects. Here are a few examples from 2023:

Museum of Flight

Our partnership with the Museum of Flight in Seattle has been in place for years. In 2023, we provided support for several key educational programs including the Michael P. Anderson Aerospace Program, which inspires curiosity among middle school students, with an emphasis on those underrepresented in aerospace careers.

Anchorage Museum

In 2023, Alaska partnered with the Anchorage Museum to provide a day of free entrance to mark Indigenous Peoples' Day. In the largest and longest loan made by the Smithsonian Institution, the Anchorage Museum is currently home to the *Living Our Cultures* exhibition, which brings over 600 Alaska Native cultural heritage pieces back to their homelands, providing access for hands-on study by Alaska Native elders, artists, educators, and scholars.

These cultural and historical treasures are exhibited for visitors in the Smithsonian Arctic Studies Center gallery at the Anchorage Museum. Beyond this exhibition, the museum is host to over 26,000 objects—including ethnographic pieces dating back to the Russian-American period—and contemporary artworks, including by Indigenous artists of the North.

The Leukemia & Lymphoma Society: Student Visionaries of the Year Campaign

The Student Visionaries of the Year Campaign is a philanthropic leadership development program through which highly motivated high school leaders embark on a journey of professional growth, fostering professional skills such as entrepreneurship, marketing, and project management all while working to fundraise for the Leukemia & Lymphoma Society (LLS) in honor of blood cancer survivors, many younger than 20 years old.

Alaska Airlines, in partnership with the LLS San Diego Campaign, helped support three-person teams from nine San Diego-area high schools in the seven-week competition to raise as much as possible, in addition to raising awareness about research, patient support, and advocacy.

Blue Planet Foundation

In 2019, Blue Planet Foundation launched the Climate Crew program to empower and prepare young people in Hawai'i for the climate future. Through providing access to local expertise, professional development training, and hands-on learning, the Foundation helps students enhance their understanding of climate challenges. Alaska sponsored the fifth cohort: 25 passionate high school students that represent the next generation of climate leaders in Hawai'i.

Junior Achievement of Oregon

In November 2023, we provided an Alaska Airlines storefront at the Junior Achievement (JA) of Oregon & SW Washington's new Discovery Center in Hillsboro, Oregon. JA is the national leader in youth financial literacy and business education, and this new JA Discovery Center marks the organization's 44th site in the U.S.

The center—which can serve 12,000 students every year—includes 17 interactive areas or "businesses" that represent different real-world organizations, including Alaska.

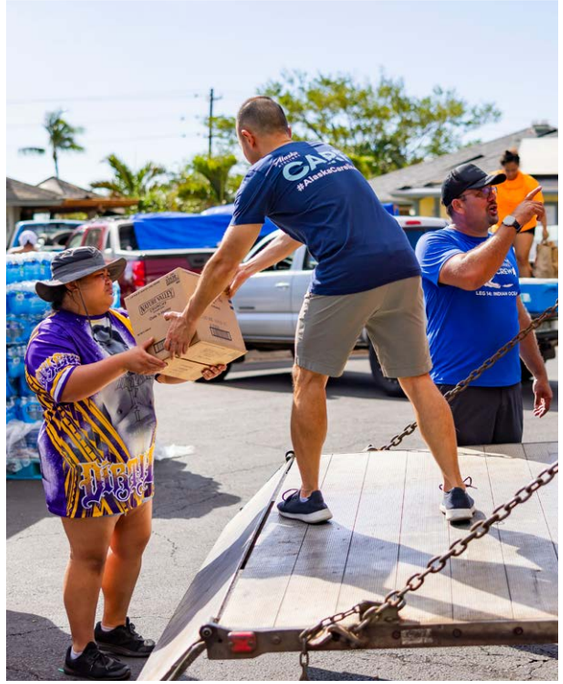
Bringing Light Back to Chinatown

In 2023, San Francisco Chinatown's iconic lanterns were destroyed by severe weather conditions, including hail, heavy rain, and strong winds. The community raised $25,000, while Alaska Airlines contributed an additional $20,000, totaling $45,000 for their replacement. These lanterns not only add to the neighborhood's aesthetic appeal, but also contribute to safety measures, illuminating the streets for residents and visitors. Their restoration reflects the resilience and cooperative spirit of Chinatown's community.

Chinatown Merchants Association

Making Flying Matter

We use the gift of travel to support community need and disaster response, and to enable nonprofit partners to deliver on their mission.



CARE Miles Program

Giving miles, through our CARE Miles program, is another way we can help nonprofit organizations achieve their mission. Last year, we contributed 5.8 million miles to organizations like Make-A-Wish, UNCF, and disaster relief efforts.

Additionally, our CARE Miles program provides Alaska Airlines Mileage Plan™ members the opportunity to join us by donating miles they earn by flying with Alaska to their choice of select partners to various charitable organizations. Every mile donated through CARE Miles makes a meaningful impact. In 2023, Mileage Plan™ members donated more than 100 million miles through Alaska's CARE Miles Program.

Maui Disaster Relief

Amid the devastating impacts of the Maui wildfires in August 2023, Alaska remained committed to maintaining daily departures from the island to help evacuate residents and visitors. Despite not operating interisland flights in Hawai'i, we initiated flights between Kahului and Honolulu to facilitate the delivery of critical supplies to the island. Together with our guests and employees, we donated 32 million miles through CARE Miles to provide travel support for 600 residents affected by the Maui wildfires.

From the onset of the fires, we were proactive, launching rescue flights from our Seattle cargo facility to deliver essential relief items such as water, non-perishable food, bedding, and baby supplies. Additionally, collaborating with other cargo stations, we extended our ability to support and, between August and September, Alaska Airlines Cargo transported more than 220,000 pounds of relief supplies to people in need. Recognizing the need to limit the number of personnel present, especially at the request of local officials, relief efforts were coordinated from our Seattle cargo facility.

In addition to delivering essential relief items, employees from Seattle flew in to offer on-the-ground support on Maui, further enhancing our ability to provide timely assistance to those affected by the fires.

Celebrating Alaska's Indigenous Culture and Values

Our airplanes connect people and enable positive impact, and may also be used to celebrate and share things that are important to us.

In 2023, we partnered with Alaska Native artist Crystal Kaakeeyáa Rose Demientieff Worl to bring Indigenous language and art to life on an Alaska aircraft. Crystal unveiled her latest masterpiece, X̱áat K̲wáani (Salmon People in the Alaska Native Tlingit language), on one of our Boeing 737-800 aircraft. The design, using traditional formline techniques, depicts a male and female sockeye salmon—a tribute to Alaska's cultural legacy, Crystal's Alaska Native Tlingit heritage, and the spiritual link between people and the beloved salmon.

Through her art, Crystal aims to bring attention to Indigenous culture and pass on ancestral values to a new generation. During the design process, Crystal worked with people close to her while Alaska shared the design with employees from our Native Employee Network (NEN) BRG, as well as community leaders across Alaska and the Lower 48. Crystal even redesigned the NEN logo with a fresh take on formline art, also featuring the beloved salmon.

Throughout the year, with Salmon People as the inspiration, Alaska continued finding ways to support Alaska communities. For example, we made a donation to the Yukon River Drainage Fisheries Association to support healthy wild fisheries and preserve local culture.

Commitment to Education and Equity

In 2021, in collaboration with the United Negro College Fund (UNCF), we unveiled the Our Commitment aircraft. Designed in partnership with our Airgroup Black Employees, Advocates & Allies (ABEA) BRG, this aircraft is a testament to our dedication to education and equity. It features profiles of the children, grandchildren, and mentees of Alaska's employees as well as quotes from Dr. Martin Luther King Jr. and Nelson Mandela.

Two years later, in 2023, 43 high school juniors from Seattle and Portland school districts took flights on the plane to tour five historically Black colleges and universities (HBCUs) in Atlanta. Across a week, students learned about the history and significance of HBCUs and the unique college experiences these institutions deliver for Black students. The students engaged in conversations with campus leaders, administrators, and current college students, gaining valuable information about the application process for admission and scholarships.

Gift of Travel

We believe in leveraging our business to support people through our Gift of Travel initiative, bringing joy to those facing personal, financial, or other obstacles that prevent them from traveling. For example, when Amanda Bjyrd, a U.S. Navy corpsman battling cancer, couldn't travel during the holidays, Alaska flew her cousin, Heather Nysted, from Milwaukee to San Diego to surprise her.

Similarly, we extended the Gift of Travel to two dozen veterans supported by the Warrior Foundation Freedom Station providing roundtrip flights from San Diego to their hometowns or cities of choice for the holidays.

As well as driving our initiative internally, we look to external partners that can help us support more people through the Gift of Travel. Since 2003, Alaska has partnered with Angel Flight West, donating $500,000 annually to help passengers—especially those traveling from Alaska to the Lower 48—reach life-saving care. To date, our partnership has helped more than 15,000 patients fly to needed care via Alaska, along with 8,900 caregivers and companions; in the past five years alone, Alaska has donated over $3.7 million worth of free transportation.

Alaska supports many Honor Flight chapters on the West Coast. In 2023, we helped The Last Frontier Honor Flight celebrate their 10th anniversary of helping transport military veterans to Washington, D.C., to view memorials. Throughout the year, Alaska provided travel for World War II, Korean War, and Vietnam War veterans and their guardians. The 10-year celebration was just our latest contribution to The Last Frontier Honor Flight, as we have supported the program since its very first trip.

SUPPORTING MAUI WILDFIRE FAMILIES: THE GIFT OF TRAVEL

Following the wildfires, we took action to uplift three impacted Lahaina families through our Gift of Travel initiative. This involved sponsoring their visit to the Disneyland Resort, reflecting our commitment to supporting communities in times of need and underscoring our belief in the power of corporate citizenship to make a positive impact on people's lives.

Employee Involvement and Volunteerism

Kindness is a guiding principle within our organization. Our employees are encouraged to donate to, and volunteer with, causes they care about, amplifying Alaska's community efforts.

To support our employees, Alaska and Horizon match up to $1,000 for every eligible employee donation to a 501(c)(3) nonprofit. We also give $10 for every eligible hour an employee volunteers, up to $1,000 a year, which can then be donated to a qualifying nonprofit. Through these avenues of employee giving, Alaska and Horizon employees donated nearly $1.1 million dollars in employee matching and volunteer rewards to various nonprofit organizations. We also provide various routes for employees to get involved, including our Week of Care, Pack the Plane initiative, and annual Aviation Day events.

Week of Care

Every October, we host a Week of Care to give employees the opportunity to engage in local community efforts. In 2023, we once again held the event with over 450 Alaska employees volunteering on more than 20 projects in seven states. Their efforts included cooking meals in Seattle, volunteering at a shelter in Boise, and restoring beaches in Hawai'i, among other activities.

Progress Against Our 2025 Goals

GOAL
20% of Alaska and Horizon employees are engaged in the community

PROGRESS IN 2023
16.8% of employees engaged in the community annually; increased engagement from 2022 by 4.8%.

GOAL
Impact at least 175,000 young people around career pathways with a focus on advancing racial equity

PROGRESS IN 2023
128,929 out of 175,000 young people engaged to date since tracking began in 2021.

Pack the Plane

Back in 2009, we launched Pack the Plane, an annual holiday food drive to support food banks across the country. In 2023, we once again rolled out the initiative, with employees packing the equivalent of 46 cargo planes with food items—the largest number of virtual planes we have ever filled in a single drive. This effort raised over $227,000, with employees donating approximately 520 hours and 5,700 pounds of food to 115 organizations.

Over the last 10 years, our people have helped raise over $1 million through the initiative and donated approximately 86,000 pounds of food—the equivalent of filling 226 Boeing 737s.

Opening Our Doors to Young People on Aviation Day

In 2023, we celebrated the 15th year of our Aviation Day, an annual event that draws thousands of young people to explore careers at Alaska and Horizon. The aim of Aviation Day is to inspire the next generation of aviation employees and to show them what is needed to enable safe, reliable operations. Throughout the event, attendees have the chance to meet pilots, flight attendants, engineers, technicians, air traffic controllers, and first responders, as well as explore various aircraft up close.

During 2023, nearly 3,000 teens attended Aviation Day events in Seattle, Portland, and San Francisco. Additionally, we welcomed students from the California School for the Deaf for the very first time, showing them that when it comes to our industry, there are career options for everyone.

42,282 hours volunteered in 2023 by Alaska and Horizon employees

Governance

Managing our business well is part of our responsibility and our values

This includes strong governance oversight, practicing ethics and integrity in all facets of our operations, adherence to compliance requirements, and continuous improvement in service of data privacy and cybersecurity.

We believe that a strong governance foundation is central to achieving progress against our sustainability goals, enabling us to remain transparent and accountable. Working in collaboration with our Board of Directors, we establish strategic frameworks and policies that drive comprehensive oversight of our sustainability programs.

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51 Board Management and Governance
52 Ethics and Responsible Political Engagement
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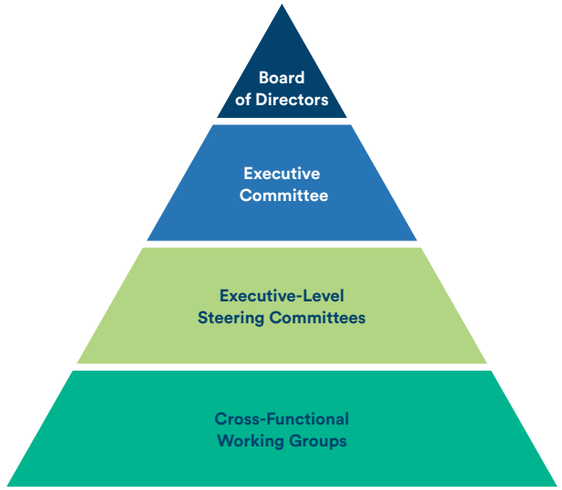
Our Approach

Our commitment to responsible governance is embedded throughout Alaska, driven from the top by AAG's Board of Directors.

Our Governance Structure

Guided by our values, the Board of Directors (or the "Board") exercises oversight over all aspects of our business, including safety and sustainability. This includes identifying and evaluating risks and opportunities, as well as the approval of certain goals and metrics to guide our organizational objectives.

We also maintain a network of an executive committee, steering committees, and cross-functional working groups that help drive company-wide progress against our goals and strategic priorities.



Board Management and Governance

The Board of Directors provides guidance on key business decisions, including those related to sustainability. This includes maintaining regular communications on DEI, human capital, safety, and environmental initiatives.

Running a sustainable company for the long run requires financial durability, using our resources wisely, and delivering value to all stakeholders. Board oversight is critical for maintaining this balanced, long-term oriented approach.

Progress Against Our 2025 Goals

GOAL
Maintain our commitment to strong balance sheet and financial performance

PROGRESS IN 2023
Our balance sheet remained one of the strongest in the industry, with net leverage below our long-term target of 1.5x for the second year in a row.

Our Board and Committees

- **Board of Directors**
  - **Audit Committee**
  - **Compensation and Leadership Development Committee**
  - **Governance, Nominating, and Corporate Responsibility Committee**
  - **Innovation Committee**
  - **Safety Committee**

Board committee members and additional information can be found in our 2024 Proxy Statement.

Sustainability Oversight

The Board of Directors' Governance, Nominating, and Corporate Responsibility Committee is responsible for overseeing various environmental sustainability initiatives and disclosures. This includes annual reporting of voluntary goals and evaluation of environmental and climate impacts. On a quarterly basis, the committee reviews environmental sustainability progress, including performance on enterprise-wide publicly reported sustainability goals and climate-related issues.

This work is supported by our Audit Committee, which, among other areas, assesses our compliance with legal, regulatory, and ethical requirements, as well as risk management. Both the Audit Committee and the Governance, Nominating, and Corporate Responsibility Committee are informed of any new, pertinent climate regulations that come into effect.

Further, climate-related risks are identified through our Enterprise Risk Management (ERM) process, owned by AAG's internal audit team. These items are tracked quarterly, and executive leaders are responsible for identifying, prioritizing, and managing identified risks, as well as integrating them into the ERM.

In 2021, the Board created a dedicated Climate Working Group to engage with management on Alaska's climate goals and strategy. The Climate Working Group is responsible for providing expert guidance on, and oversight for, our work to achieve net zero carbon emissions and other climate-related goals and strategy. Alaska's Senior Vice President of Public Affairs and Sustainability is responsible for driving sustainability strategy, execution progress, and environmental sustainability disclosure, reporting directly to the CEO. This work is developed and continually updated with input from employees, investors, governments, non-governmental organizations (NGOs), reporting organizations, trade associations, and other key stakeholders. Our climate-related goals and strategy are also regularly reviewed to remain in line with evolving frameworks and regulations.

The Board's Safety Committee is responsible for monitoring environmental risk, compliance, and policy and for reviewing regulatory risks through our environmental compliance program. The Board's Compensation and Leadership Development Committee has similar oversight responsibilities for DEI progress, including hiring, retention, development, and culture. It is responsible for aligning compensation programs with shareholder interests while also promoting progress on our initiatives.

Board Diversity

66%

of Board leadership positions are held by female and/or racially/ethnically diverse directors

Number of independent directors who identify in any of the following categories:

- **1** Asian
- **1** Black or African American
- **7** White
- **1** Native American or Alaska Native
- **1** Veteran
- **1** Native Hawaiian or Other Pacific Islander
- **1** Mixed Race or Multiracial

Ethics and Responsible Political Engagement

Being a trustworthy airline is about guaranteeing a safe and reliable travel experience and generating long-term value to sustain and continue to grow the business. It is also about operating in a way that delivers value for all our stakeholders. We maintain a variety of policies, procedures, and resources that embed these considerations into everything we do.

Progress Against Our 2025 Goals

GOAL
Publicly report political contributions consistent with our policy

PROGRESS IN 2023
Compliant with political contributions policy.

GOAL
Engage on policy related to sustainability priorities: climate change and racial equity

PROGRESS IN 2023
Continued advocacy on sustainable aviation fuel (SAF) policies to advance the market. Milestones included Treasury guidance on consistent carbon intensity calculation methodology for SAF, Alaska support for federal grant applications with multiple producer partners, and continued advocacy for workforce policies to reduce barriers to pilot and maintenance technician careers.

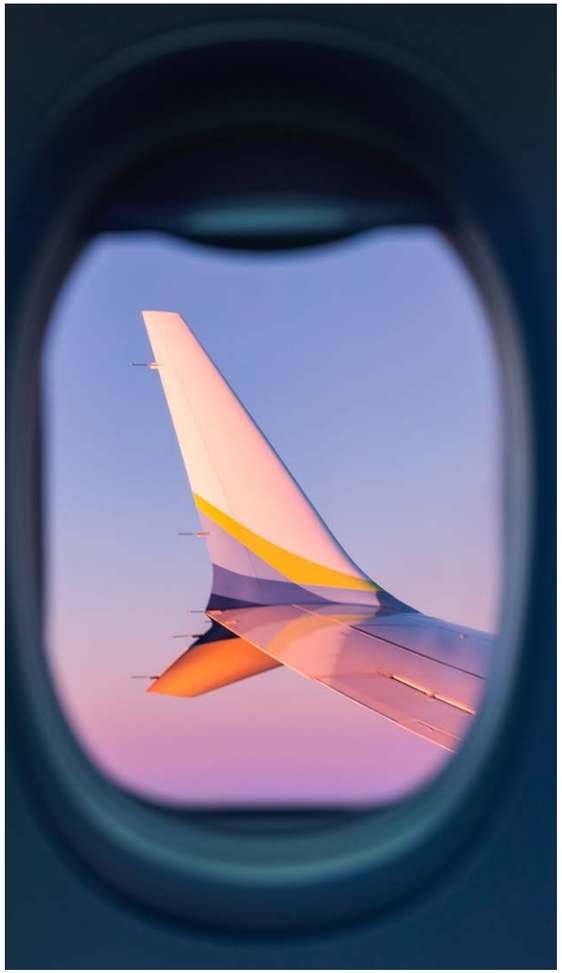
Code of Conduct

Our Code of Conduct and Ethics is designed to foster a culture of open communication between our employees, creating trust and camaraderie with guests, suppliers, communities, and among ourselves. It details our expectations for ethical conduct and, to support ongoing alignment, we require that all employees, officers, and directors acknowledge their commitment to adhere to our Code of Conduct annually.

We anticipate that every individual falling under the purview of our Code will thoroughly read, comprehend, and apply it by:

- Executing job responsibilities with honesty, safety, professionalism, and courtesy, in accordance with all relevant laws, regulations, and policies
- Treating guests, suppliers, and colleagues with dignity and respect
- Steering clear of situations in which personal interests may clash with the interests of the Companies

Additionally, we have a Supplier Code of Conduct, which outlines our expectations for suppliers, including compliance with environmental laws and the promotion of social and economic development in the communities where they operate.



Human Rights

Upholding human rights is a fundamental aspect of responsible, ethical business. We leverage relevant regulations as a framework for our operations to align with universally recognized principles of human dignity, fairness, and equality.

Our approach to human rights is grounded in ethical business practices and regulatory compliance, mitigating risks, and fostering a positive corporate culture. Through policies encompassing fair labor practices, nondiscrimination, DEI, and freedom of association, we promote stakeholder trust and employee morale.

Alaska and Horizon empowers workers and employers to organize freely, negotiate terms with management, and advocate for occupational interests. Upheld through rigorous monitoring, supplier vetting, and comprehensive training, we take a proactive stance against human trafficking, fostering compliance and social dialogue within our supply chain.

Inspiring a Speak Up Culture

We foster an environment of transparency and accountability, encouraging our employees to voice any ethical or compliance-related concerns they may have. To facilitate this, we offer multiple reporting channels, including a confidential third-party Ethics and Compliance Hotline that operates 24/7.

Noncompliance with the Code or other policies may lead to disciplinary action or, in severe cases, termination of employment or supplier contracts.

Protecting Whistleblowers
We prioritize creating a supportive working environment, allowing anyone to report a violation of our Code truthfully and in good faith. We maintain a zero-tolerance policy to retaliation and, where feasible, treat any concerns and reports confidentially.

Responsible Political Engagement

AAG participates in lobbying activities across the U.S., spanning federal, state, and local levels. To guide this effort, we maintain a dedicated Government Affairs team, an internal group that collaborates with, and receives support from, a range of internal and external subject matter experts.[18]

While we maintain a focus on advancing our efforts internally, we also look to inspire wider industry change and more sustainable airline practices. That is why we actively and responsibly engage in strategic lobbying and advocacy, working to promote public policy developments that align with our business and stakeholder priorities.

In the spirit of ongoing transparency and compliance with federal requirements, we submit quarterly reports to the Secretary of the U.S. Senate and the Clerk of the U.S. House of Representatives. These publicly available reports share details of our latest advocacy efforts, including lobbying expenditure, relevant issues addressed, and any actions taken or legislation discussed with covered officials. The reports identify both in-house and third-party lobbyists who are officially registered to advocate on our behalf.

Complying with relevant state and local requirements, we also file publicly available reports for any lobbying activities conducted at state or local levels.

Advancing Technology and Decarbonization Through Advocacy
We strongly advocate for SAF as the most promising avenue for decarbonizing aviation. Despite its potential, challenges related to scope, scale, and cost hinder its widespread adoption. Alongside other strategies, our advocacy aims to address these obstacles and facilitate the broader implementation of SAF in the aviation industry.

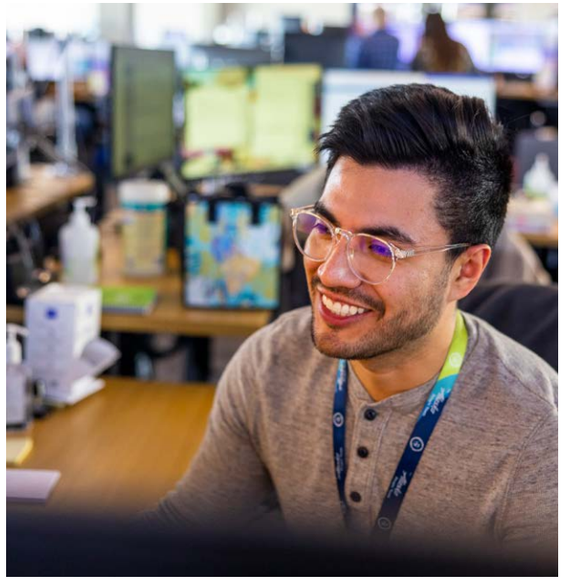
We work with policymakers, industry leaders, and environmental organizations to develop understanding of the technology and frameworks to enable its effective use, and to inform public policy that will enable the development of supply. Essential, supportive public policy includes tax incentives for production and use; permitting reform to ease physical plant development; infrastructure investment to facilitate the supply chain without reducing the environmental benefits of the fuel; clear accounting methodologies; and mechanisms to mature the market and ensure fair and equitable access to SAF supply.

For more information on our SAF work, please visit Sustainable Aviation Fuel.

[18] The Group's lobbying activities are compliant with U.S. state and federal requirements, and Alaska Air Group is a registered entity under the Lobbying Disclosure Act.

Privacy and Data Security

Alaska is committed to maintaining a robust information security ecosystem that upholds the confidentiality, integrity, and availability of data and information technology resources.



Progress Against Our 2025 Goals

GOAL
Continue to execute against the Information Security roadmap for program maturation, including for aircraft cybersecurity requirements

PROGRESS IN 2023
On-track execution to Information Security roadmap. Governance programs continued to mature with solid progress toward a culture of continuous compliance.

GOAL
All employees receive annual privacy and data security training

PROGRESS IN 2023
99% of active employees, excluding those on leave, completed the 2023 Annual Compliance Training.

Collecting and Protecting Information

We want to deliver the best, most tailored guest and employee experiences. To do so, we rely on relevant personal information that we collect via a range of in-person and online methods, including airport ticket counters, kiosks, and boarding gates; websites, apps, and inflight entertainment systems; and call centers. We also collect data via relevant third parties that are involved at different stages of the travel experience and those that provide key demographic information.

Whenever we collect, process, store, or share personal information, we have an obligation to do so responsibly. We take measures to securely transmit sensitive information over both public and private networks. Moreover, we consistently review policies and educate relevant employees on cybersecurity to enhance awareness and promote adherence to proper policies and technical controls.

Our information security policies serve as a comprehensive framework for:

- Safeguarding the confidentiality, integrity, and availability of Alaska's data and information systems
- Shielding Alaska against the improper use of information systems and data
- Ensuring compliance with the regulatory and legal frameworks applicable to Alaska and Horizon
- Functioning as the primary reference point for information security for Alaska and Horizon personnel
- Establishing an Information Security Management Program based on industry-standard frameworks

We work with policymakers, industry leaders, and environmental organizations to develop understanding of the technology and frameworks to enable its effective use, and to inform public policy that will enable the development of supply. Essential, supportive public policy includes tax incentives for production and use; permitting reform to ease physical plant development; infrastructure investment to facilitate the supply chain without reducing the environmental benefits of the fuel, clear accounting methodologies; and mechanisms to mature the market and ensure fair and equitable access to SAF supply.

To foster a security-conscious culture, we provide governance and risk management training to employees, covering topics such as recognizing security threats and adhering to policies. Using data analytics in training programs enhances evidence-based approaches, allowing us to track metrics, identify areas for improvement, and adapt training content to address evolving cybersecurity challenges.

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60 Task Force on Climate-related Financial Disclosures Index
61 2023 Greenhouse Gas Emissions Verification Statement

Additional Metrics

	DATA BY TOPIC		UNIT	2023	2022	2021	2020	2019
Safety	Employee Safety	Alaska Airlines: on-the-job injuries	Total number of injuries reported, incidents per 200,000 hours worked per 100 FTEs	3.72	2.24	3.95	3.45	5.01
		Alaska Airlines: lost-time injuries		2.69	1.65	2.48	2.07	3.06
		Horizon Air: on-the-job injuries		7.94	4.81	8.35	5.84	8.88
		Horizon Air: lost-time injuries		3.52	2.33	4.52	1.92	3.55
Environment	Total GHG Emissions By Source	Total Scope 1 and 2[1] emissions	Metric tons CO_2e	7,565,867	6,951,741	5,953,249	4,145,173	7,950,795
		Aircraft (Scope 1)		7,536,154	6,910,637	5,918,895	4,127,365	7,932,598
		Vehicle (Scope 1)		12,313	14,518	1,006	9,781	11,859
		Facility heating (Scope 1)		6,748	7,398	6,558	8,027	6,338
		Facility electricity (Scope 2, location-based)		10,221	19,945	17,405	20,279	25,330
		Facility electricity (Scope 2, market-based)		10,652	19,188	16,790	19,703	24,523
		Total Scope 3 emissions		2,674,374	Not reported	Not reported	Not reported	Not reported
		Purchased goods and services (Scope 3)		468,802	Not reported	Not reported	Not reported	Not reported
		Capital goods (Scope 3)		105,049	Not reported	Not reported	Not reported	Not reported
		Fuel- and energy-related activities (Scope 3, well-to-tank)[2]		1,532,102	Not reported	Not reported	Not reported	Not reported
		Fuel- and energy-related activities (Scope 3, SkyWest flying)		568,421	542,269[3]	533,517	411,014	633,944
		Biogenic emissions		5,578	Not reported	Not reported	Not reported	Not reported

1 Market-based.
2 The Defra WTT fuel conversion factors provide essential data for estimating GHG emissions associated with various activities. For more information, please access the methodology, as provided by the UK Department for Environment, Food & Rural Affairs (Defra). These factors play a crucial role in environmental assessments and policy formulation, aiding in informed decision-making toward sustainable practices.
3 2022 emissions from SkyWest flying revised from 2022 Care Report.

	DATA BY TOPIC		UNIT	2023	2022	2021	2020	2019
Environment	Other GHG Emissions by Source	Methane (CH_4)	Metric tons	24	27	24	19	30
		Nitrous oxide (N_2O)		237	220	183	129	244
		Nitrogen oxide (NOx)		1,699	1,273	2,383	1,784	3,205
		Sulphur oxide (SOx)		263	241	277	206	373
	Normalized Emissions	Emissions intensity	kg CO_2e per thousand RTM[4]	1,205	1,236	1,419	1,854	1,301
			kg CO_2e per thousand RPM	132	135	154	203	142
			kg CO_2e per thousand ASM	110	114	114	112	120
		Aircraft energy intensity per seat	Fuel gallons per ASM	0.0120	0.0116	0.0115	0.0113	0.0121
		Aircraft energy intensity per passenger	Fuel gallons per RPM	0.0144	0.0137	0.0156	0.0205	0.0144
	Energy Consumed and Generated	Total Energy Consumed	Gigajoules (GJ)	109,248,297	93,302,573	79,958,560	55,939,556	107,090,478
			Megawatt-hours (MWh)	30,346,749	25,917,381	22,210,711	15,538,778	29,747,379
		Alaska and Horizon aircraft fuel (non-renewable)	Gigajoules (GJ)	108,945,392	92,761,387	79,494,192	55,431,690	106,539,657
		Vehicle fuel (non-renewable)		179,328	196,789	160,077	142,362	172,167
		Facility energy (non-renewable)		123,577	344,397	304,291	365,504	378,654
		Alaska and Horizon aircraft fuel (non-renewable)[5]	Gallons	766,142,000	702,234,000	601,797,000	419,636,000	806,540,000
		Alaska and Horizon aircraft fuel (SAF: sustainable aviation fuel)[5]	Gallons	572,133	287,057	261,977	66,632	0
	Water Consumption	Total water consumed[6]	Gallons	18,141,896	19,479,070	22,993,344	18,361,238	15,609,803
	Environmental Compliance	Reportable spills	Number	13[7]	5	1	0	2
		Environmental penalties	USD	$0	$0	$0	$0	$0
			Number	0	0	0	0	0

4 Revenue ton mile. Calculation for this metric is based on passenger, cargo, and baggage RTM. Therefore, metric will differ compared to 2025 goal.
5 Gallons purchased in 2023 for use by Alaska and Horizon.
6 Alaska and Horizon facilities with available water consumption bills.
7 Spike from reporting deicing fluid spills. All spills were properly addressed.

	DATA BY TOPIC		UNIT	2023	2022	2021	2020	2019
Environment	Hazardous Waste	Hazardous waste disposed (RCRA)	Metric tons	54	47	36	40	52
		Regulated waste recycled	Metric tons	52	68	73	37	51
People	Employee Snapshot	Total number of Alaska employees	Number	20,144	19,549	17,054	16,643	17,919
		Labor union representation of Alaska employees	Percentage (%)	85%	86%	86%	86%	86%
		Total number of Horizon employees	Number	3,208	3,281	3,494	3,511	4,301
		Labor union representation of Horizon employees	Percentage (%)	41%	44%	50%	51%	43%
		Total number of Alaska and Horizon employees	Number	23,352	22,830	20,548	20,154	22,220
		Full-time and part-time breakdown[8]	Description	89% are full-time and 11% are part-time.	90% were full-time and 10% were part-time.	90% were full-time and 10% were part-time.	88% were full-time and 12% were part-time.	2019 AAG 10-K filing did not disclose full-time and part-time percentages.
Communities	Philanthropic Contribution	Cash donations	USD	$7,644,578	$6,934,013	$5,786,862	$4,884,583	$7,312,106
		In-kind giving (value)		$8,434,035	$7,549,710	$4,995,600	$4,394,250	$7,025,675
		Total		$16,078,613	$14,483,723	$10,782,462	$9,278,833	$14,337,781
	Philanthropic Activities	Employee matching programs	USD	$780,952	$756,361	$655,887	$630,042	$677,239
		Employee volunteer rewards		$264,774	$127,566	$128,796	$139,088	$248,239
		Foundation grants		$580,000	$562,500	$755,000	$750,000	$365,575
		Giving as a % of adjusted net income	Percentage (%)	2.8%	2.6%	Not reported[9]	Not reported[9]	1.9%
		CARE Miles	Miles	102,112,707	54,724,223	93,660,282	66,617,526	72,985,296
		Tracked Alaska and Horizon employee volunteering	Number of hours	42,282	27,471	21,460	17,336	41,000

8 Full-time and part-time breakdown percentages disclosed at AAG level in 10-K filings.
9 Due to a net loss position, giving as a % of adjusted net income is not applicable.

Sustainability Accounting Standards Board Index

TOPIC	METRIC	CODE	UNIT OF MEASURE	2023
Greenhouse Gas Emissions	Gross global Scope 1 emissions	TR-AL-110a.1	Metric tons CO_2e	7,555,215
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TR-AL-110a.2	N/A	Who We Are, Our 2025 Sustainability Goals and Progress, pg. 9 Environment, Our Emissions Inventory, pg. 18 Appendix, Additional Metrics, Environment, pg. 57–59
	(1) Total fuel consumed, (2) percentage alternative, (3) percentage sustainable	TR-AL-110a.3	Gigajoules (GJ), Percentage (%)	(1) 108,945,392; (2) 0%; (3) 0.07%
Labor Practices	Percentage of active workforce covered under collective bargaining agreements	TR-AL-310a.1	Percentage (%)	2023 10-K, pg. 14
	(1) Number of work stoppages	TR-AL-310a.2	Number, days idle	0
	(2) Total days idle		Number, days idle	0
Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TR-AL-520a.1	Reporting currency	0
Accident & Safety Management	Description of implementation and outcomes of a Safety Management System	TR-AL-540a.1	N/A	Safety, Our Approach, Our Safety Management System, pg. 12 Safety, Safety Management System, pg. 13
	Number of aviation accidents	TR-AL-540a.2	Number	1
	Number of governmental enforcement actions of aviation safety regulations	TR-AL-540a.3	Number	0
Activity Metric[10]	Available seat kilometers (ASK)	TR-AL-000.A	ASK	110,278,566,222
	Passenger load factor	TR-AL-000.B	Rate	2023 10-K, pg. 38
	Revenue passenger kilometer (RPK)	TR-AL-000.C	RPK	92,314,410,266
	Revenue ton kilometers (RTK)	TR-AL-000.D	RTK	10,101,855,413
	Number of departures	TR-AL-000.E	Number	2023 10-K, pg. 38
	Average age of fleet	TR-AL-000.F	Years	2023 10-K, pg. 25

[10] Calculations and references based on AAG consolidated metrics.

Task Force on Climate-related Financial Disclosures Index

DISCLOSURE CATEGORY		RECOMMENDED DISCLOSURE	LOCATION IN SUSTAINABILITY REPORT
Governance	**Disclose the organization's governance around climate-related risks and opportunities.**	Describe the board's oversight of climate-related risks and opportunities.	Environment, Our Approach, pg. 17 Governance, Board Management and Governance, pg. 52
		Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	**Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.**	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Environment, Our Approach, Our Environmental Sustainability Strategy, pg. 17 Environment, Climate-Related Risks and Opportunities, pg. 27
		Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	
		Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
Risk Management	**Disclose how the organization identifies, assesses and manages climate-related risks.**	Describe the organization's processes for identifying and assessing climate-related risks.	Environment, Climate-Related Risks and Opportunities, pg. 27
		Describe the organization's processes for managing climate-related risks.	
		Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets	**Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.**	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Environment, Our Emissions Inventory, pg. 18 Appendix, Additional Metrics, Environment, pg. 57–58
		Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks.	
		Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	

2023 Greenhouse Gas Emissions Verification Statement

The SCS Greenhouse Gas Footprint Verification Program has conducted a verification of GHG emissions based upon the following Scope, Objectives, and Criteria:

Verification Scope

Alaska Air Group, Inc.

19300 International Boulevard, Seattle, Washington 98188

Reporting Period: 01/01/2023 – 12/31/2023

Geographic Boundary: United States, Canada, Costa Rica and Mexico

Facilities, physical infrastructure, activities, technologies, and processes:
Terminal Buildings, Hangars, Maintenance, Flight Operations, Training Center, Cargo Facilities, Offices, IT Data Center. Aircraft Operations including flights, ground support equipment, terminals, maintenance, baggage, cargo, training, offices, and data center

GHG Sources, Sinks, and/or Reservoirs:
Scope 1 - jet fuel, natural gas, fuel oil, LPG, diesel, gasoline
Scope 2 - electricity, steam/heat
Biogenic – SAF jet fuel

Boundary Method: Operational Control

GHG Gases: CO_2, CH_4, N_2O

Level of Assurance: Reasonable (Scope 1); Limited (Scope 2 & Biogenic)

Materiality: +/-5% quantitative, qualitative based upon requirements specified within verification criteria

Verification Objectives

- Evaluate the organization's GHG inventory for material discrepancies based upon the specified level of assurance
- Evaluate the organization's GHG inventory is in conformance with the specified verification criteria

Verification Criteria

- World Resources Institute/World Business Council for Sustainable Development's "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)" dated March 2004
- World Resources Institute/World Business Council for Sustainable Development's "Scope 2 Guidance Document: An Amendment to the GHG Protocol Corporate Standard" dated 2015
- The Investor CDP Information Request
- ISO 14064-3: 2019 Specification with guidance for the validation and verification of GHG assertions

Verification Opinion

This Verification Statement documents that SCS Global Services has conducted verification activities in conformance with ISO 14064-3: 2019, Specification with guidance for the validation and verification of greenhouse gas assertions. Based upon the reporting scope, criteria, objectives, and agreed upon level of assurance, SCS has issued the following verification opinion:

☒ Positive Verification (Reasonable Assurance) – Scope 1 GHG assertion prepared in all material respects with the reporting criteria
☒ Positive Verification (Limited Assurance) – No evidence was found that the Scope 2 and biogenic GHG assertion was not prepared in all material respects with the reporting criteria

Verification Qualifications

– None

Verified Emissions

Emissions Summary – Tonnes CO_2e	
Scope	Total (tCO_2e)
Scope 1	7,555,215
Scope 2 - Location	10,221
Scope 2 - Market	10,652
Biogenic	5,578

Lead Verifier

Tavio Benetti DATE: 05-02-2024

Tavio Benetti, *Lead Verifier, SCS Climate Services*
Environmental Certification Services
SCS Global Services, 2000 Powell Street, Suite 600,
Emeryville, CA 94608 USA

Independent Reviewer

DATE: 05-08-2024

Melodie Chen-Glasser, *Technical Specialist*
Climate Division
SCS Global Services, 2000 Powell Street, Suite 600,
Emeryville, CA 94608 USA

Alaska
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