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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, 2022. 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 Air Group (AAG) is the parent company of Alaska Airlines and Horizon Air. With Horizon Air and its other regional partners, Alaska Airlines serves more than 120 destinations across the United States, Belize, Canada, Costa Rica and Mexico from its West Coast hubs. Together, we operate the fifth largest airline in the United States, offering unparalleled guest service, connectivity and schedules from our hub markets along the West Coast. Alaska is also a member of the one world® global alliance and partners with more than 20 global airline partners. We are proud to enable our guests the ability to earn and redeem miles and to be recognized for their loyalty while reaching more than 900 destinations around the world.

We have operated in a highly competitive and often challenging industry for more than 90 years. Together with our employees, our top priority is ensuring the safety of our guests and team. We are committed to being here for the long-term for all those who depend on us, with a resilient business model, sustainable growth plan, and stewardship of our impact on people, planet and community.

ABOUT OUR CARE REPORT

Our 2022 Care Report shares our approach to the environmental, social and governance (ESG) issues that are most important to our key stakeholders. The highlights of our progress in this report reflect our fiscal year January 1, 2022 to December 31, 2022 and reflects both Alaska Airlines and Horizon Air. The report aligns with the recommended disclosures of the Task Force on Climate-Related Financial Disclosures (TCFD) and the Airlines industry standards by the Sustainability Accounting Standards Board (SASB).
Welcome aboard! This Care Report is the annual snapshot of our journey to be better for our planet and the people who depend on us. In the pages ahead, you’ll see where we’ve made progress in our environmental and social impact, the areas where we have more work to do, and some of the things we’ve learned along the way. I hope this report gives you a sense of what matters to us—the core things we care most about.

Care has been in our DNA as long as we’ve been flying airplanes and it’s what separates us from the competition. You see it in the employees who live our values every day: Own safety. Do the right thing. Be kindhearted. Deliver performance. Be remarkable. You also see care in the way we take a balanced, long-term approach to running our business so that we are equipped with the strength to take care of everyone who depends on us—employees, guests, owners and communities. Despite many challenges during the past year, 2022 was a period of significant recovery and accomplishment for Alaska Air Group. Between Alaska and Horizon, we ran a safe and on-time operation among the best in the business, led the industry in profitability, signed five new labor deals with improved pay and quality-of-life provisions for our employees and are well on our way to fully executing our single fleet transition to Boeing MAX aircraft—which are 25% more efficient on a seat-by-seat basis than the aircraft they replace.

As we grow and bring new people into the companies—which hired nearly 8,000 employees in 2022—this is an opportunity to embed our values even deeper in our business and our culture. After a few tumultuous years in our industry and the world, we were inspired to launch our Care Retreat—a daylong experience to build connections and empower our people to prioritize care for themselves, care for their team and ultimately care for our guests. Care for people also means prioritizing our diversity, equity and inclusion goals.

With our long-term way of thinking, care also means making progress toward our goal for Alaska Airlines to be the most fuel-efficient US airline. We are on the path toward our ambitious goal of achieving a net-zero carbon footprint by 2040. This is challenging and important work. We know that connecting people through air travel is critical to businesses, families and communities and that aviation is a very difficult sector to decarbonize. Because much of the path forward relies on innovation, we launched Alaska Star Ventures LLC, an investment arm with a primary focus on identifying and supporting companies working on emerging technologies that can enable our path to net zero. We are proud that the sustainability efforts of our employees were recognized among the TIME100 Most Influential Companies in 2022 and contributed to Alaska Airlines being named the worldwide 2022 Airline of the Year by Air Transport World.

We’re using every lever in our toolbox and we’re holding ourselves accountable. Each of our employees participates in an annual bonus program that pays out based on our collective performance against critical goals that we have set for the business. These include safety, carbon emissions and guest experience along with financial performance—all necessary things to sustain Alaska Air Group for the long-term.

This is a journey that will take time and all of our collective efforts. But it is also exciting and critically important for our shared future, a future that Alaska and Horizon are committed to doing our part to realize.

To everyone who works at our airlines—thank you for your continued care for each other, and for the important work we do, for our communities and for our guests. I’m excited about where we’re going because of each of you.

Ben Minicucci, Alaska Air Group
A MESSAGE FROM DIANA BIRKETT RAKOW

2022 was a year of recovery and reconnection. It was the year we once again found joy in traveling to visit family and friends, conducting business in person and celebrating together in our communities. And after setting bold new goals in 2021 to steward our impact on people, our planet and the communities we serve, 2022 was a year of action and learning.

Ninety years ago, Alaska Airlines got its start flying in the Alaska wilderness. Today, while we also serve our nation’s largest cities, we haven’t forgotten the deep knowledge that aviation brings incredible value and opportunity to communities—that we’re all connected and dependent on each other and on the land, oceans and waterways that sustain us. We know that our ability to deliver performance, remarkable service, and value for many years to come depends on integrating care into everything we do, today and for the long haul.

In the pages ahead, we share how we measure and track our progress in taking care of our people, improving our environmental impact, and investing in our communities. We also outline the ways we hold ourselves accountable to these and other critical areas of running a balanced business for the long-term, including safety, responsible political engagement and more. You will see our drive to be both pragmatic and innovative, to make a real impact now while transforming aviation for the future. Here are some highlights:

Alaska’s number one value is safety—every day, for every person, and on every flight. In 2022, we began a new tradition with our first all-company Safety Day; taking the opportunity to pause in a coordinated moment across our operation to reconnect to what safety means to each of us in a personal, actionable, and authentic way.

Another value is to be kindhearted, which means being active members of the communities we serve. We were thrilled to get back to in-person connection and service in 2022, including bringing back our Week of Care, a coordinated week of volunteer events across the country. We celebrated fifteen years of service in Hawai’i by getting dirty to protect native plants, and flew students on our Commitment airplane for learning opportunities. We visited colleges and welcomed students back to our hangars in Seattle and Portland for Aviation Days (also in San Francisco in 2023), sharing our love of aviation and connecting young people with training programs and inspiration for pursuing aviation-connected careers.

OUR EVERGREEN JOURNEY

Driving performance is a bedrock of our culture. This extends to how we think about the work to address our climate impact. We refer to this work as our EverGreen journey—our commitment to keep the places we live and fly beautiful and thriving for the future. Our EverGreen initiatives combine daily actions and significant steps forward based on technology available now, with pragmatic innovation to enable new alternatives for the long term.

This year, we expanded use of our route-optimization software Flyways to more parts of our network. In 2022, Flyways helped us save 12,615 metric tons of CO₂ emissions, equivalent to 1.3 million gallons of jet fuel. We also began reviewing carbon intensity performance monthly among key operations metrics.

We’re continuing to invest in reducing the carbon intensity of our fleet. In October 2022, Alaska Airlines placed our largest order of Boeing aircraft in our history, enabling our growth trajectory with
airplanes that are built just down the street from our home hub in Seattle. We’re proud to support US-based manufacturing and local jobs with more fuel-efficient airplanes. By the end of first quarter 2023, we’ve taken delivery of 43 aircraft.

Finally, we’ve taken another big step forward in reducing waste from our inflight service, especially single-use plastics—restarting onboard recycling and moving toward a plastic-free water service with recyclable paper cups.

**MAKING FLYING MATTER FOR THE LONG HAUL**

Working to be the most fuel-efficient US airline, renewing our fleet with new aircraft, and eliminating waste from our operations—one item at a time—are the foundation of a broader journey to integrate sustainability into everything we do, today and for the next 90 years. We are committed to this journey but know that it is not without challenge. In 2021, we laid out a five-part path to our long-term goal of net-zero carbon emissions. In addition to operational efficiency and fleet renewal, we will need sustainable aviation fuel and other new technologies, as well as credible, high-quality carbon offsets and removals to close any remaining gap to our target (depending on how fast those other technologies mature).

Of those pieces, the next opportunity for a step-level change in the carbon intensity of our business can come from expanding the use of low-carbon sustainable aviation fuels (SAF). But right now, SAF only accounts for less than one percent of all aviation fuel and at too high a cost. Together with partners across the aviation fuel supply chain and beyond, we’re working to advance this market toward commercially viable scale and cost.

In the past year, we secured new agreements for future supply of SAF from producers Gevo and Aemetis. We launched a partnership with Twelve to understand the potential for sustainable e-fuels made from recaptured carbon dioxide and to move toward using them in our operations as supply allows. We launched a new collaboration with Shell Aviation to gain a deeper understanding of the barriers to scaling SAF and to work together to address them. Alaska teamed up with partners beyond the aviation industry, such as Microsoft, Boeing, Deloitte, Washington State University, Pacific Northwest National Laboratory and others to support the supply of SAF, particularly on the West Coast. Bringing SAF markets to scale is a daunting challenge, but we’re collectively better equipped to tackle it when we work together with strong partners.

We are proud of our progress and also know there is much work ahead to ensure we are here, innovating and advancing our industry, creating jobs and connecting communities for a long time to come.

Thank you for joining us on the journey.

*Diana Birkett Rakow*

*SVP, Public Affairs and Sustainability, Alaska Airlines*
PEOPLE

OUR CULTURE OF CARE

At our core, our culture is built around care.

During the pandemic, every aspect of our lives changed—including our work. What has not changed is our commitment to our values and to building a culture of engaged employees who have a sense of belonging and take pride in delivering remarkable service to our guests.

In 2022, we focused on supporting employee health and safety as the pandemic subsided and operations returned to full volumes, recruiting and training great new talent, continuing our journey of diversity, equity, and inclusion (DEI) and securing new labor contracts with updated pay and quality-of-life provisions for our people and their families.

Alaska and Horizon hired nearly 8,000 new employees in 2022 and plan to hire thousands more in 2023. We held our first all-company Safety Day, complementing our continuous focus on this number one value with a quarterly moment to pause and reflect together with our entire company.

We also launched our Care Retreat, an experiential workshop designed for guest-facing frontline employees to learn about self-care, providing an opportunity to learn how to take care of each other and our guests.

In July 2022, Alaska celebrated its 90th anniversary. Because travel is at the core of our business, we recognized this milestone by giving each employee the gift of travel—90,000 miles to use across our system or to travel the world with our airline partners.

CARE IS MORE THAN OUR LEGACY. IT IS ALSO THE KEY TO OUR FUTURE.

In 2022 we launched the Care Retreat, a daylong employee experience. Nearly 13,000 employees completed 73 sessions, where the day was centered around self-care, team-care, and guest-care.
SUPPORTING OUR PEOPLE

MOVING IN THE RIGHT DIRECTION: OUR COMMITMENT TO DIVERSITY, EQUITY AND INCLUSION

To support a culture of opportunity, belonging and respect—and to carry those values into our communities—we continue to track progress against goals for representation, culture and public leadership. **Representation** to ensure the racial diversity of our leadership will reflect the diversity of our frontline employees. **Culture** to assess how we support employees to feel included and that they belong. **Public leadership** to cultivate opportunity and advance equity in our communities. To hold ourselves accountable, executive pay remains tied to advancing diverse representation in our leadership.

We know these changes take time and we will continue to measure and report our progress. One of our 2025 goals, and our greatest opportunity, is to increase the diversity of our leadership levels to at least 30%, thus reflecting the diversity of our broader employee population. In leadership representation, we have moved from 17% Black, Indigenous or People of Color (BIPOC) in 2021 to 18% at the end of 2022.

There is still a long way to go, but in 2022 we transformed our recruiting pipeline and approach to better support diverse talent development in the years ahead. Programs like our Leadership Academy, Developing Emerging Leaders, True North, and Ascend Pilot Academy are charting a course to support development and advancement of diverse talent and opportunity through aviation careers.

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**In 2022, Alaska launched a Disability Office, the first airline to do so. The goal of the office is to inform and consult with divisions across the organization to ensure Alaska becomes and remains a leader in disability inclusion. This is an office of change—to build the processes, resources and tools to drive awareness and create a solid framework to support our guests and employees.**

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![Image showing front line employees smiling and waving]

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**BIPOC REPRESENTATION IN LEADERSHIP AND ACROSS FRONTLINE EMPLOYEES**

- **2021**
  - 17% Senior leadership including directors and above
  - 18% Frontline and manager levels

- **2022**
  - 34% Senior leadership including directors and above
  - 38% Frontline and manager levels
OUR WORKFORCE PROFILES

We are proud to support a diverse workforce and recognize the continued journey to cultivate belonging and develop great talent. The following graphs depict 2022 Alaska and Horizon representation data across race and ethnicity and career level profiles, gender diversity, as well as representation of veteran status and individuals with disabilities.

RACE AND ETHNICITY

- Asian: 9.3%
- Black: 6.6%
- Hispanic: 12.1%
- Islander: 4.4%
- Multiple: 3.4%
- Native: 1.6%
- White / Caucasian: 62.6%

GENDER DIVERSITY

We strive to ensure balanced gender representation across all levels of the Company.

*The Equal Employment Opportunity Commission’s (EEOC) EEO-1 form does not include a third option for gender diversity.

- Female: 55.4%
- Male: 44.6%

DISABILITY AND VETERANS

We share an unwavering commitment to create more career opportunities for individuals with disabilities, as well as recognize and support veterans and active-duty service members in our workplace.

- Yes: 7%
- No / Not indicated: 93%

INDIVIDUAL W/ DISABILITIES

- Yes: 5.3%
- No / Not indicated: 94.7%
INVESTING IN OUR PEOPLE: PROVIDING STRONG CAREER FUTURES

Building a strong and sustaining culture requires developing an excellent pipeline of diverse talent and ensuring that our employees can have long rewarding careers with good benefits and career pathways.

OUR NEW LABOR CONTRACTS

Together with our union partners, Alaska Airlines and Horizon Air signed five new labor contracts in 2022—helping to secure a strong career future for Alaska and Horizon employees and reward their hard work and commitment to our culture of care. These new contracts reflect our support for our employees and their dedication to the highest standards in aviation.

In 2022, labor contracts were secured for:

- Alaska pilots represented by the Air Line Pilots Association (ALPA),
- Alaska employees represented by the International Association of Machinists and Aerospace Workers (IAM),
- Alaska dispatchers represented by the Transport Workers Union (TWU),
- Horizon mechanics represented by the Aircraft Mechanics Fraternal Association (AMFA) and
- Horizon pilots represented by the International Brotherhood of Teamsters (IBT) through a retention agreement.
DEVELOPING OUR LEADERS

The Developing Emerging Leaders (DEL) program is designed to prepare employees at Alaska and Horizon for future leadership opportunities. The longest standing development program since 2010, DEL is a competitive seven-month leadership development program for high-potential frontline employees and individual contributors who have demonstrated outstanding performance and values, and are interested in pursuing leadership roles. Since the launch, over 400 employees have graduated from DEL.

ASCEND PILOT ACADEMY

In March 2022, we launched the Ascend Pilot Academy in partnership with Hillsboro Aero Academy, a premier flight school in the Pacific Northwest. The Ascend Pilot Academy provides aspiring airline pilots with a streamlined, more financially accessible path to becoming a commercial pilot at Horizon and eventually Alaska. The Ascend Pilot Academy is one of the ways we are actively recruiting pilots at both Alaska and Horizon and helps position us for a bright future.

- 78 students participating in the Ascend Pilot Academy
- 27% BIPOC & 38% Female
- 21% current Alaska and Horizon employees

TRUE NORTH

True North is a recruitment program aimed at hiring pilots who are Black, Indigenous, and people of color with significant investments in our future aviation leaders. A first-of-its-kind program, it sets a new standard for diversity and inclusion in aviation.

The program focuses on college students, providing them with the necessary skills and confidence to pursue a career as commercial airline pilots. It offers financial assistance and mentorship throughout their journey. Initially launched with students from Delaware State University and University of Maryland-Eastern Shore, both Historically Black Colleges and Universities (HBCUs), True North plans to expand to other schools and broaden career opportunities within Alaska Airlines.

Q400 DONATION: PORTLAND COMMUNITY COLLEGE

Over the next 20 years, projected global demand for aircraft technicians is expected to exceed 600,000. To help us build the next generation of aircraft maintenance technicians, Horizon donated a retired Q400 turboprop aircraft to Portland Community College so students in the school’s Aviation Maintenance Technology and Aviation Science programs will gain hands-on experience working on a commercial aircraft.

“The hard work and time required to be successful in the program is a small price to pay for the lifetime of knowledge, skills, and success gained in your personal growth as a leader.”

—DEL Alum
BUSINESS RESOURCE GROUPS

Today, 3,000 employees are members of one or more of our business resource groups (BRGs). These groups provide spaces for employees to connect and champion the diverse workforce and cultures represented here at Alaska and Horizon. Their input is instrumental in key business decisions and helps to make an impact on our DEI commitments.

BRGS IN ACTION

In recognition of Asian American and Native Hawaiian, Pacific Islander (AANHPI) Heritage Month, leaders of Airgroup Pan Asians (AGPA) and Pacific Islander Alliance (PIA) flew to Washington D.C. to facilitate conversations among lawmakers to discuss matters close to their respective communities.

To celebrate Women’s History Month, Women in Tech (WiT) and Women’s Interactive Networking Group (WING) BRGs hosted a variety of events to celebrate: Wellness Forum on De-Stigmatizing Women’s Mental Health Concerns, Executive Women Panel Q&A, day of volunteering at the YWCA Angeline’s Center for Homeless Women and a virtual celebration of Women’s History Month.

Flight Attendants and Flight Operations, the winning workgroups of Green Team’s waste reduction challenge in Earth Month, selected the National Forest Foundation and The Nature Conservancy as donation recipients from the Green Team.

Our pride flies nonstop. Alaska sponsored pride parades across the West Coast and Hawaii throughout the year: San Francisco (above), Palm Springs, San Diego, Seattle, Portland, Boise and Honolulu. We continue to explore ways to foster an inclusive work environment and work closely with Alaska’s Pride Crew.
FLYING GREENER
OUR CLIMATE STRATEGY

For over 90 years, Alaska Airlines has worked to make air travel as accessible as possible to the communities we serve—to connect people, to create jobs, and to enable economies. As that work continues, we share a commitment across our industry to do so in a way that sustains and grows our positive impact while reducing our impact on the environment.

Alaska Airlines began public reporting on our climate impact in 2009. Today, we continue reporting our progress, including data points in the Appendix to this Report, and progress to goals for 2025 in the areas of carbon emissions, waste and water. Our 2025 goals reflect our focus on running an efficient operation, sustaining our industry-leading recycling program, eliminating the most significant sources of waste from our onboard service, and balancing our water use.

Longer-term, we have outlined a five-part path to net zero by 2040—beginning with those we can most directly manage in our operation today. Those five parts, represented on page 17, are (1) operational efficiency, (2) fleet renewal, (3) sustainable aviation fuels, (4) enabling new technologies including zero emissions aircraft for the future and (5) using credible carbon offsetting and removals technologies that fit our criteria, where needed to close gaps to target in future years.

Operational efficiency and fleet renewal are largely within our control, and progress in these areas is underway. Federal air traffic management system modernization is also necessary to more fully capture improvements in operational efficiency. However, the three remaining parts of the path (SAF, new technology, and carbon removals) will require continued focus from industry leaders, cross-sector collaboration, public policy and private capital investments. There is a significant gap to close to enable and scale the technologies that today are not available at the scope, scale or cost needed to reach our own or our industry’s long-term goals. To this end, we continue to collaborate across the industry as an active member of the one world® alliance, the International Air Transport Association (IATA), Airlines for America (A4A), and with other partners.

On an annual basis, we track and report a breadth of energy and carbon metrics that represent our most material environmental impacts, including:

- Scope 1 emissions from leased/owned aircraft and vehicles
- Scope 2 emissions from energy consumption and facility heating
- Carbon intensity and aircraft energy intensity per seat and per passenger
- Sustainable aviation fuel consumption
WE SET A PATH TO NET ZERO BY 2040

1. Efficient operations
2. New 737-8, 737-9, and 737-10 aircraft
3. Sustainable Aviation Fuel at reasonable cost & scale
4. Electrified or hybrid fleet or other innovations
5. Credible carbon offsets and removals only as needed

Note: Sustainable aviation fuel 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 for SAF advances. Zero emissions aircraft are unlikely to make a significant impact in this path before 2040 but are an important component to enable for the future. Graphic of our five-part path to net zero by 2040 is for illustrative purposes. Contributions to each part may vary.
OUR FLIGHT PLAN TO NET ZERO BY 2040

OPERATIONAL EFFICIENCY
The foundation of our path is running an efficient operation. The impact of operational efficiency initiatives is very small relative to our overall journey to net zero (likely less than 5%), but important because we can impact it through individual actions now across our operations. Current initiatives include pilots taxiing through the airport with just one engine where conditions allow, improving the reliability of ground power and air with systems, process, and equipment improvements so pilots can turn off the auxiliary power unit, and implementing a new engine wash program. In 2021, Alaska was the first airline to use software called Flyways, which uses artificial intelligence and machine learning to help our dispatchers develop the most efficient routes, saving fuel and carbon emissions. In 2022, Flyways helped us save 12,615 metric tons of CO₂ emissions—equivalent to 1.3 million gallons of jet fuel—and we are continuing to expand its application and use. We continue to use Required Navigation Performance (RNP) for more efficient approaches on landing and continue working to enable these at more airports around the country. As we implement these initiatives, we will continue to identify and add additional initiatives and best practices. Air Traffic Control modernization will enable additional efficiencies in aviation operations for the country as a whole, but is dependent on further action and implementation by the federal government.

Another part of our 2025 goals as they relate to the impact of our operations is to cut climate emissions from our ground service equipment (GSE) in half on a per-unit basis through the acquisition and use of electrified and other lower-emissions equipment. Today, not all airports have the necessary infrastructure in place to support charging and use of these units to enable their full operational reliability, and we are actively working with our airport partners to enable this important option. Today, 35% of bag tractors, pushback tractors, service vehicles and other ground vehicles that we use to support our flights are electric powered.

For our Scope 2 emissions, we continue to improve energy efficiency and use of renewable energy in our buildings.

FLEET RENEWAL
Using the next generation of aircraft available today and transitioning to a single Boeing fleet for mainline operations are also near-term foundational steps to improve the fuel efficiency of our operation. Our mainline fleet’s average age is 10 years, one of the youngest in the industry. In 2022, we announced our largest order in history of Boeing 737 MAX aircraft and took delivery of 43 aircraft by end of first quarter 2023. Alaska also secured rights for 105 more planes through 2030. All new 737 MAX aircraft come with winglets, and due to their design, up-gauged capacity and engines, these new aircraft are between 15-25% more efficient on a seat-by-seat basis than the airplanes they replace. Additionally, these airplanes produce 50% lower NOx emissions than the levels required by current emissions regulations. We continue to work with Boeing, and our regional fleet partner Embraer, on ways to further improve aircraft efficiency over time.

SUSTAINABLE AVIATION FUEL (SAF)
SAF is the aviation industry’s most significant near- and medium-term opportunity to reduce carbon emissions. It is a safe, certified drop-in fuel that meets all jet fuel standards to reduce lifecycle carbon emissions by as much as 80%, or more. In 2022, Alaska Airlines continued using SAF from producer Neste in regular operations at San Francisco International Airport, and secured new agreements for the purchase of sustainable aviation fuel from producers Aemetis and Gevo, scheduled to commence in 2025 and 2026, respectively. We launched a new program—Fueled Up for the Future—to enable our business travel customers to invest in SAF to reduce the carbon emissions of their travel. And we will continue developing new partnerships to advance future supply, building a balanced portfolio of suppliers and partners across the spectrum of technologies and company maturity to deepen our understanding of this market and take action to advance it. We will also continue to leverage the expertise of non-producer partners like those at the Washington State University and Pacific Northwest National Labs Bioproducts Institute to inform our work.

In addition to using small amounts of SAF available today, we are working to explore and enable new technologies for the future. In 2022, Alaska Airlines launched a collaboration with Twelve and Microsoft to advance production and use of Twelve’s E-Jet®, a low carbon jet fuel produced by a power-to-liquids process leveraging carbon transformation technology, which uses only renewable energy, water, and CO₂ as inputs to transform CO₂ into a variety of critical chemicals and materials conventionally made from fossil fuels. As part of this work, we are working together toward the first commercial flight using E-Jet®.

Finally, we will continue working to advance public policy at the state and federal level to support scaling and maturing the market for SAF. Today, there is not enough SAF at a volume and price that is required to support the industry’s operational needs, and that
must change if we are to meet the goals we have set as an industry. Broader public and private investment and action are necessary to commercialize these technologies at the required scale.

**NEW TECHNOLOGIES**

Electric and hybrid-electric aircraft, including those using hydrogen, may be available for regional commercial air service within the next two decades. To identify and enable these and other technologies needed to accelerate our path to net zero carbon emissions, we established an investment arm in 2021, called Alaska Star Ventures. Through Alaska Star Ventures, we are partnering with ZeroAvia, a leading company developing hydrogen-electric powertrain technology for regional aircraft. In 2023, ZeroAvia will begin testing their zero-emissions hydrogen-electric propulsion technology to fly a retired Horizon Air Q400 turboprop aircraft. As this and other hybrid or zero-emissions technologies develop for regional or shorter-haul aircraft, we will continue seeking opportunities to enable this progress. As the pathway to certifying new technologies for commercial air travel is long, their total impact on our path to net zero is uncertain. But we believe it is important to enable and advance a diversity of technologies, while focusing on those we believe are most practical, viable and will contribute to creating a sustainable future for our industry.

**CARBON REMOVALS**

While our preference is for in-sector carbon reductions, the timeline for development and maturation of SAF markets and emerging aircraft technologies is difficult to predict, and we expect it is likely that both nature-based and engineered carbon removals will play some role in meeting industry goals. We are interested in ensuring that good options are available in this area, including options with locally relevant co-benefits in communities we serve. In 2022, we worked with an independent firm, Carbon Direct, to understand the carbon offsetting and carbon removals market. Alaska will continue to partner with third-party experts to source high-quality carbon solutions with a preference for projects that are durable, additional, verified, do no harm, and do not displace emissions to another project. In beginning to source carbon removal and offsets projects for investment, we will focus predominantly on nature-based projects local to our areas of service and to a more limited degree on engineered carbon removals to advance this necessary but nascent technology for the future. In the near-term, we also know we will need to use offsets to meet our obligations through the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), especially until CORSIA Certified SAF becomes common.
NAVIGATING THE TRANSITION

Aviation is one of the most difficult sectors to decarbonize, and much of the technology required to do so does not exist today at the scope, scale, or cost needed to achieve our long-term goals. This path will require cooperative work across industries and sectors to successfully commercialize new options like sustainable aviation fuels, new aircraft, and durable carbon removal technologies. We continue to engage government officials in developing public policy, public investment, and partnerships needed to enable a transition, while minimizing policies that add complexity, challenge, or cost without enabling new solutions.

In the medium term, incentives such as low carbon fuel standard regulations in some states and other incentive-based policies could enable further supply and procurement of SAF if they are sufficiently predictable and durable to drive investment in facilities and infrastructure for the next 5-10 years. Other policies such as permitting reform and enablement allow for facility development with additional economic benefits and job creation. We are actively engaged with industry and non-industry partners to advocate for policy to support alternative fuels and other needed technologies, and to encourage additional private sector financing to reduce cost and increase production. As we navigate this path, we will also continue seeking to understand our customers perspectives, and to engage them in the journey.

Our five-part path to net zero is designed with the goal to navigate this transition with a combination of immediate action and innovation to enable longer-term solutions. We will continue to assess and update our approach regularly to drive progress while adapting to the changing technology landscape and market conditions.
ACCELERATING THE SAF JOURNEY

Sustainable aviation fuel (SAF) is our best opportunity for a big leap forward in reducing aviation emissions over the next two decades. SAF is made from a variety of feedstocks, including waste materials like forestry residue, used cooking oil or carbon recaptured from the air. However, current SAF availability is less than one percent of total airline industry fuel demand, and the cost is three to five times more than conventional jet fuel. Working with partners across and beyond aviation, we are working toward greater supply and commercial viability for SAF including by demonstrating demand and removing barriers to production. Growing this market requires concurrent strategies to address every step in the production and implementation journey of SAF. The following next steps reflect Alaska Airlines’ view about what is required across airlines, industry groups, government, policy-makers and other parties to enable a future SAF market at scale.

1. FEEDSTOCK
Sustainable and scalable SAF feedstocks can come from many sources including waste streams from landfills, forestry and agricultural residues and eventually additional sources such as recaptured carbon dioxide.

Next Steps:
- Invest in feedstock availability, and recruit more feedstock sources through research such as that conducted at the WSU/PNNL Bioproducts Institute
- Update permitting to make waste sources available to produce SAF
- Ensure safety certifications and pathways for new SAF production technologies

2. PRODUCTION, REFINING, BLENDING
The infrastructure needed to produce SAF includes retrofitting or constructing new facilities close to feedstocks (i.e. municipal dumps) and facilities to blend larger volumes as they come online. This should be done with an eye to geographic equity and price parity, different from the current market for traditional jet fuel.

Next Steps:
- Provide public grants and financing options for SAF facility construction
- Encourage private capital investment in SAF production and infrastructure
- Streamline permitting of SAF production and transport facilities

3. TRANSPORTATION & STORAGE
As a “drop-in fuel,” SAF is incorporated into existing jet fuel transportation and storage, but SAF production facilities need to be efficiently connected to existing infrastructure or new transport and storage capacity needs to be developed.

Next Steps:
- Update pipeline policies and capacity to allow for growing SAF volume
- Provide government financial and permitting support for transport and storage infrastructure

4. PRICING, PURCHASE, & ACCOUNTING
Partners across industries and around the globe are working, with NGO support, to clarify carbon accounting systems and transaction traceability that can encourage shared investment in SAF for concurrent Scope 1 and Scope 3 benefits. This work also enables demand signals, which can in turn de-risk private investment in SAF.

Next Steps:
- Ensure alignment on, and pilot, carbon accounting systems that encourage investment in SAF including book-and-claim
- Provide government tax incentives for SAF producers (state low carbon fuel standards, federal blenders tax credit) to reduce price and drive economies of scale

5. ENGINE INFRASTRUCTURE
While safe certification of SAF is clear for available technologies, SAF is currently only allowed to be used for up to 50% of total fuel in an engine.

Next Steps:
- Continue important research to identify the SAF compositions that can be used at 100%
- Aircraft and engine manufacturers have committed to updating their technology for SAF blends up to 100%

6. CUSTOMER DEMAND
SAF is a proven drop-in technology with lower lifecycle carbon emissions, but its benefits and the challenges to expanding supply are not widely understood by those outside the aviation industry.

Next Steps:
- Educate customers and the public about the benefits, safety, and sustainability of SAF
- Continue to expand coalitions of those working to advance the development and use of SAF
WHAT IS SAF?

- Aviation fuel made from materials like captured methane from landfills, used cooking oil, forestry waste and agricultural residues, rather than from fossil fuels.
- SAF is a “drop-in fuel” meaning it can be incorporated into existing jet fuel transportation and storage, such as at San Francisco International Airport (SFO), where blended fuel travels through a pipeline to airports to be used on aircraft.
- Safe, certified fuel that meets all jet fuel standards to reduce carbon emissions by as much as 80% on a lifecycle basis.

SUPPORTING SAF TOGETHER: oneworld® ALLIANCE

As part of the oneworld® alliance, we are working together to support the advancement of SAF. In 2021, oneworld® and its member airlines announced a collective goal of 10% SAF usage by 2030 as long as it is reasonably available at the required volumes. Last year, the alliance advanced that aspiration by announcing an intention to purchase up to 200 million gallons of SAF per year from Gevo. This progress builds toward the alliance’s plan to reach net zero emissions by 2050.

The oneworld® alliance includes 14 world-class member airlines, including Alaska Airlines, that work together to deliver a superior, seamless travel experience, with special privileges and rewards for frequent flyers, including earning and redeeming miles and points across the entire alliance network.

FUELING THE FUTURE

ALASKA’S SAF PROGRESS

Supply:

Alaska announced our largest SAF purchase yet in March of 2022—185 million gallons from sustainable fuel producer Gevo—to be delivered throughout the latter part of this decade—and an additional SAF purchase agreement with producer Aemetis. We also signed an MOU with an E-Jet® company in the Bay Area, Twelve. Twelve and Alaska are collaborating to execute the first commercial flight powered by E-Jet® fuel; fuel produced from recycled carbon, hydrogen and renewable electricity. Currently, there are supply constraints in the SAF market and expanding our use of SAF at the quantities necessary to reach our sustainability goals is dependent on its reliable availability.

Sustainable Aviation Fuels for Business Travel:

In 2022, we also invited those who fly for business travel to join us on this journey. For companies looking to reduce their Scope 3 emissions and reach their company’s climate goals, they can invest in SAF in partnership with Alaska Airlines. We appreciate the collaboration and commitment of companies who joined us to reduce the carbon impact of their business travel through SAF in 2022:

Partnering with others in the aviation value chain enables us to invest further in growing the nascent market for sustainable fuels. We need to expand participation in these programs to continue progress.

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HEALTHY ECOSYSTEMS

REDUCING WASTE

We remain proud of our history as the first airline to implement inflight recycling. After a temporary pause on inflight recycling due to the COVID-19 pandemic, we have resumed the program and are working to build back toward pre-pandemic levels of onboard recycling, working closely with our inflight and catering teams to enable and encourage onboard sorting, to understand and remove barriers, and to engage our guests.

In addition to recycling onboard, we are working on other approaches to reduce waste across the guest journey. We now require guests to pre-order their meals on our mobile app, which reduces food waste, and we encourage guests to bring their own water bottles and #fillbeforeyoufly. In July 2022, Alaska Airlines became the first U.S. airline to pioneer an innovative electronic bag tag program, modernizing the check-in process and which will enable us to avoid waste from bag tags in the future.

2025 GOAL: Minimize and optimize packaging for five inflight food and beverage items

- **Eliminating plastic cups:** At the end of 2022, Alaska Airlines fully transitioned to paper cups. We were the first U.S. airline to eliminate plastic cups from onboard service, replacing them with recyclable Forest Stewardship Council (FSC) certified paper cups. The change eliminates 55 million plastic cups every year.

- **Boxed Water:** Through our continued partnership with Boxed Water in 2022, we eliminated approximately 428,008 pounds of plastic.

**BALANCING OUR WATER FOOTPRINT**

As a West Coast based airline, we know the critical role that a healthy water supply plays in our ecosystems and our communities. Protecting our water goes beyond reducing waste and plastic pollution; it includes the availability of clean water itself. Working with the Bonneville Environmental Foundation, Alaska Airlines balances our water use from operations by supporting an equivalent volume of clean and healthy water through habitat restoration projects up and down the West Coast, including:

- **Quiet Sound:** hydrophone to detect underwater sound as part of a program designed to reduce the threat of underwater noise to orca in the Puget Sound.

- **California:** planting trees and supporting a forest fire resilience program to improve habitat on the Mattole River.

- **Washington:** reduced pollution in Edison Slough, improving water quality during periods of low flow in summer months.

By preordering through the Alaska app, our guests helped reduce food waste by approximately 50%, or a total of 350K meals for 2022.
In 2022, Alaska Airlines signed onto a commitment, developed by students in Hawai‘i, called the Pledge To Our Keiki. The Pledge, stewarded by Kanu Hawai‘i, translates into Hawaiian “the pledge to our children” and represents Hawai‘i’s efforts to mālama ‘āina (care for the land). It reads in part, “From our elders we have learned we are part of the environment, not above it. The life, lands, and waters are more than just our surroundings, they are our family. From our children we will learn that Hawai‘i is not inherited from our ancestors but borrowed from our future generations.”

As part of our commitment, Alaska is actively engaging our employees and guests in efforts that align with our pledge through valuable partnerships with travel2change, Kupu and The Nature Conservancy of Hawai‘i.
STRONG COMMUNITIES

After the pandemic required us to take a step back from in-person activities and events, 2022 allowed us to return to hands-on care in our communities. We continued connecting young people to career opportunities, investing in local nonprofits through grants from our foundation, and partnering with organizations around the country to make flying matter.

ALASKA AIRLINES FOUNDATION

At Alaska Airlines, we believe in strengthening and supporting the communities our employees, neighbors and guests call home. Alaska Airlines Foundation grants focus on young people in our major areas of operation, including Alaska, California, Hawaii, Oregon and Washington—especially those in underserved communities in these states. The Foundation works closely with community partners to support programs that inspire, empower, engage and equip young people to connect with career opportunities and imagine what is possible. Grants are focused on organizations with a clear vision for equipping the next generation of leaders with knowledge and skills and providing pathways for success.

2022 PHILANTHROPIC GIVING

$562,500 given in grants from the Alaska Airlines Foundation.

27,471 HRS employees volunteered across nonprofits in the communities we serve.

$14.5M Alaska's total 2022 Philanthropic Contributions.*

*2022 cash donations and in-kind giving.
INVESTING IN THE NEXT GENERATION

AVIATION DAY IS BACK!

Aviation Day is all about inspiring young people to pursue careers in the airline and aerospace industry. Our vision is to engage our youth by showcasing the varied careers available within the aviation field, providing opportunities to see people who look like them thriving in these roles.

After a pandemic hiatus, Aviation Day returned in 2022 with events in Seattle and Portland. Nearly 2,500 young people were in attendance, learning about aviation careers and getting hands-on experience with aircraft and the equipment that makes air travel possible. As this program continues to grow, a San Francisco Aviation Day is included in 2023.

CAREER CONNECTIONS

We are working to connect young people to aviation career opportunities in many different ways, with a particular focus on advancing education and equity through ongoing support and partnerships with educational focused nonprofits and schools.

In 2022, we provided roundtrip airfare for Texas Southern University students and faculty so they could attend the Monterey Jazz Festival, which we also helped sponsor. We brought aviation careers to the classroom in Cristo Rey De La Salle High School by having our pilots come to Career Day and share the path to a future in aviation.

Ronnell Norman is a first officer with Alaska and CEO of the Compton Airport flight school—the Fly Compton Aero Club. Fly Compton Aero Club invites anyone interested in aviation to learn, engage and share their love of flying with other students and aviation professionals—with a focus on giving Black youth the confidence and knowledge to pursue a career in flight. Currently, the youth club has about 30 students, ranging from ages eight to eighteen.

Together with Yuut Eilinnaurluit and Alaska EXCEL, regional learning centers in Alaska, we hosted students at our Anchorage Airport hangar to give them a hands-on introduction to aviation technology careers. Aviation is a critical industry for Alaska, and we are proud to help connect young people from around the state to a future in the field.
SUPPLIER DIVERSITY PROGRAM

Suppliers are an integral part of our operations. They help us to be safe, exceed our customer’s expectations and achieve our business goals. We rely on them for a wide variety of goods and services from airplanes and fuel to professional services and everything in-between.

We expect our suppliers and partners to reflect our communities and share our commitments to DEI by:

- Making DEI part of their corporate structure and goals, including working with suppliers who share in their commitment.
- Making a good-faith effort to develop internal diversity programs, including recruiting, retaining and promoting qualified women and people of color.
- Striving for a diverse and inclusive supply chain and using diverse subcontractors and business partners whenever possible.

We hold ourselves accountable by measuring and reporting our progress and as a member of Washington Employers for Racial Equity, we’re committed to building a future rooted in equity for all.

SUPPLIER DIVERSITY MISSION STATEMENT

Through our DEI strategy, we pride ourselves in our people, suppliers, and our customers in the communities we serve by encouraging different opinions and perspectives, adhering to clear and measurable goals aligned to business priorities and leading inclusively through our leadership principles and shared values.
MAKING FLYING MATTER

Flight is a powerful way to connect people and we believe it gives us an incredible opportunity to put care into action. In 2022, we were proud to use our unique ability of flight to honor and strengthen the communities we serve.

HONOR FLIGHT: HONORING THOSE WHO SERVE

We are a long-time partner of Honor Flight, which pays tribute to veterans around the country by providing trips to Washington, D.C. and the memorials for the wars in which they served. For many participants, it is their first opportunity to see the monuments built to honor their service. This year, we added Honor Flight’s Lone Eagle Program so that guests can donate miles as part of our Care Miles Program.

In November, we worked with Honor Flight to transport veterans of three wars—World War II, the Korean War and the Vietnam War—and their guardians on the inaugural Honor Flight from Honolulu. In total, more than 245,000 veterans around the country have been awarded with all-expenses-paid trips through the Honor Flight Network. It is a special privilege for us to pay tribute to the service and commitment of these veterans and provide them with world-class care on this very special memorial trip.

OUR COMMITMENT

The United Negro College Fund (UNCF) and Alaska have been in partnership for more than 15 years. We are proud to work with and support an organization whose mission is to build a robust and nationally recognized pipeline of under-represented students who become highly qualified college graduates through UNCF support.

Our Commitment aircraft and partnership with UNCF took flight in 2021 with plans to serve young people by flying them to philanthropic and educational destinations. In 2022, young people involved in programs through Community Network Council, Brooklyn to Alaska, Urban League of Metropolitan Seattle, C5 Los Angeles, and Cliff’s Crew boarded Our Commitment aircraft to travel to destinations where they learned more about their heritage and opportunities for the future. We look forward to hosting more students in 2023.

DISASTER RESPONSE

When disaster or difficulty hits, we partner with Airlink to provide people in need with flights to safety and recovery.

To support the communities that were affected by Typhoon Merbok in Nome, Alaska and the surrounding region, Alaska Air Cargo moved relief supplies to our stations as needed and coordinated with regional carriers to provide supplies to smaller villages outside of hubs like Nome, Kotzebue and Bethel. To aid in immediate financial recovery needs, we donated $25,000 in seed funding to support the Western Alaska Disaster Recovery Fund at the Alaska Community Foundation. The fund was used to provide essential needs like diapers, formula, water and non-perishables.
ACCOUNTABILITY & GOVERNANCE
ACCOUNTABILITY & GOVERNANCE

Through the ups and downs of recent years, our purpose has held strong: creating an airline people love. We do this by living our values: own safety, do the right thing, be kindhearted, deliver performance and be remarkable.

SAFETY

The safety and well-being of our employees and customers is the foundation of everything we do at Alaska Airlines and Horizon Air. It is the basis upon which our success rests. Each employee at every level of the organization is committed, accountable and has the authority to maintain the highest possible level of safety for every employee, every customer, every flight, every day.

MANAGEMENT AND GOVERNANCE OF SAFETY

Our Safety Management System (SMS) utilizes multiple levels of performance review to create visibility to hazards and safety risks as well as to ensure management accountability with mitigation controls and corrective action plans. The SMS uses multiple safety assurance systems to identify hazards and continuously evaluate the control environment to ensure the highest margins for repeatable safety performance. Safety risks and opportunities factor into key business decisions.

At the Board of Directors level, the Safety Committee of the AAG Board provides formal oversight of Air Group’s safety performance, risks and opportunities, including enterprise-wide safety goals that are integrated into employee pay structures. At the management level, our Executive Committee of senior management reviews safety trends and programs quarterly with the vice president (VP) of Safety and Security for Alaska Airlines and the VP of Safety of Horizon Air, as does the Executive Safety Review Board for each airline, made up of operational VPs and the chief operational officer for both Alaska Airlines and Horizon Air, respectively. These groups regularly analyze safety performance, determine and drive areas for continuous improvement in our safety culture and process.

Alaska has been a registered member of the International Air Transport Association’s Operational Safety Audit (IOSA) since 2005, applying this international standard to regularly assess and ensure the operational management and control systems of the airline.

At the national level, we are an actively engaged member of the Airlines for America (A4A) and the Safety Council, working alongside all other major U.S. airlines on strategies to ensure continuous improvement of safety management systems and collaboration with FAA and other aviation stakeholders. The Safety Council guides annual initiative targets to improve safety risks to include:

1. Cross-carrier collaboration on flight operations, cabin operations, ground operations and maintenance risk mitigation procedures
2. Ensuring active flight data monitoring and reporting systems of airline operations
3. Reducing injuries through improved procedures, training, and technology
4. Reducing aircraft ground damage through innovative ground service equipment technology, procedures, and training
5. Data sharing of safety risks across safety management systems

Maintaining safe operations—through adherence to well-defined processes and ensuring each employee is aware of their individual contribution to our operation—is also connected to on-time performance. While we clearly affirm that it is the first priority to stop the operation in the event of any safety question or concern, our regular processes are designed to support safety and the rigor we apply to running a safe operation has resulted in Alaska consistently being one of the top airlines in North America for on-time performance; and Horizon was recognized again as the leader in on-time performance among regional airlines.
OWNING SAFETY

We continue to refine the practices and operating procedures that preserve an active focus on our safety culture and owning safety as our number one value. Here are some of our current practices:

REPORT IT!

Report It!, our mobile safety reporting application, makes it easier for employees to file safety reports. Reporting is strongly encouraged as an effective way to engage everyone in safety practices and to identify and act on risks.

LINE OPERATIONS SAFETY AUDIT

In 2022, we launched our internal Line Operations Safety Audit (LOSA) led by Flight Operations, and we will be expanding this to other divisions throughout 2023. LOSA is a peer-to-peer audit using the Threat, Error, Management methodology to capture observations and support frontline employees staying safe in their daily work. LOSA includes:

- Measures to identify and address procedural drift away from standard operating procedures
- Using data to enhance evidence-based training programs and further contribute to our safety management system
- Identifying and providing a forum to address challenges faced by frontline employees with confidentiality and anonymity
- Providing fresh perspective to safety programs and stimulating innovation in service of safety

By 2023, LOSA will be fully implemented across all operating divisions.

READY SAFE GO!

Ready, SAFE, GO! is a commitment to keeping safety at the forefront of everything we do. Before we do anything, we stop to check whether everyone and everything is ready, we make sure we are safe and only then do we go. And if we are not ready, or it’s not safe, we don’t go.

SOAR AWARD

The Safe Operations Award & Recognition Program (SOAR) recognizes employees who have positively contributed to our culture of safety through innovation, going above and beyond regular job duties and expectations, or via exceptional safety reporting. Any employee, supervisor or manager can nominate a co-worker for a SOAR award.

117 employees received the SOAR Award in 2022.

SAFETY DAY

To reaffirm and reconnect to our commitment to safety across AAG, we held our first all-company Safety Day on October 25, 2022, with a coordinated pause across our operations for teams to talk about what safety means to us personally, and the specific behaviors in each area that keep each other and our guests safe. We will continue conducting Safety Day quarterly, with opportunities for employees to learn more about parts of the operation and maintenance hangar beyond their own workplace, underscoring how the safety of all teams is deeply connected.
**BOARD AND MANAGEMENT GOVERNANCE**

In addition to Board oversight of safety programs as described above, the company and the Alaska Air Group Board of Directors have prioritized sustainability and ESG in our strategy. The Board engages in regular discussions about this work, including regarding diversity, equity and inclusion, human capital and environmental initiatives.

The Governance, Nominating and Corporate Responsibility Committee of the Board of Directors is responsible for overseeing practices and reporting with respect to the breadth of ESG, including annual reporting of our voluntary ESG goals and disclosures, as well as our environmental and climate impacts. The Governance, Nominating and Corporate Responsibility Committee reviews ESG progress quarterly, including performance on enterprise-wide publicly reported sustainability goals and climate-related issues. These progress updates are also shared with the full Board as part of the regular business cycle.

In 2021, the Board created a dedicated Climate Working Group to engage with management on Alaska’s climate goals and strategy. This working group continues to provide insight on areas such as ESG disclosure and elements of the plan to achieve net zero carbon emissions. The Climate Working Group brings expertise in energy, aviation, finance and governance.

The Safety Committee receives regular updates on environmental risk, compliance, and policy, including but not limited to the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) and review of environmental regulatory risks through our environmental compliance program.

The Compensation and Leadership Development Committee engages with management in the work to advance DEI including through recruitment, hiring, retention, development, and culture – and the integration of safety, climate and DEI metrics into the Alaska and Horizon compensation programs.

Bringing a diversity of perspectives and experiences to this and all of their work, our Board reflects the communities in which we live and fly.

**Number of independent directors based on gender identity:**

- Male: 6
- Female: 4

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

- Asian: 2
- Black or African American: 1
- White: 5 / 2
- Native American or Alaskan Native: 1
- Veteran: 1
- Native Hawaiian or Other Pacific Islander: 1

66% of Board leadership positions are held by female and/or racially or ethnically diverse directors

As of May 2023, see [2023 Proxy statement](#).
Alaska Airlines’ SVP for Public Affairs and Sustainability, who is a member of the Executive Committee, has formal responsibility for driving strategy, execution progress, and disclosure in Sustainability and ESG, reporting directly to the CEO. This work is developed and continually updated with input from employees, investors, governments, NGOs, reporting organizations, trade associations and key stakeholders within and outside of the aviation industry, as well as with regard to evolving frameworks and regulations in this area. The work is inherently cross-functional, and as such groups across AAG are leveraged to drive progress. For example, a Climate Steering Committee, made up of operational and supply chain leaders responsible for contributing to progress on our operational efficiency goals, was reconstituted in 2022 to meet quarterly, with an explicit focus on operational efficiency.

**CLIMATE-RELATED RISK MANAGEMENT**

Climate-related risks are called out in our Enterprise Risk Management (ERM) process. Through the ERM process, which is owned by Air Group’s internal audit program team, executive leaders are responsible for identifying, prioritizing, and managing risks. Each quarter, the audit team meets with leaders to track these risks and integrate them into the ERM. This integration process includes understanding and updating the potential impact of the risks, analyzing the trend and escalation factors of the risks, evaluating the mitigation strategy and monitoring metrics and KPIs of the risks.

Climate science indicates that physical risks due to unpredictable and extreme weather conditions may continue to increase across many geographies, including the Pacific Northwest and Alaska where much of our business takes place. Impact to our operations due to weather-related flight disruptions are managed through our irregular operations systems, which are continuously reviewed to minimize guest and employee impact wherever possible through training, procedures, and systems. Events such as wildfires, winter storms and heat waves also have the potential to impact our operations. We continue to track these trends, along with the potential impact of sea-level rise and flooding on coastal airports.

We take measures to improve the resiliency of our facilities and our operations on an ongoing basis. Examples include upgrading HVAC that support our critical systems, exploring alternative power sources for HVAC, conducting readiness exercises to prepare for significant snow and de-icing events, using Flyways software to optimize routes relative to weather conditions, and evaluating and updating our guidelines to deal with extreme heat and smoke during fire seasons. We also continue to develop and invest in our facilities to reduce energy consumption and have a multiyear airport investment plan for infrastructure in the state of Alaska.

**TRANSPARENCY AND DISCLOSURE**

Our 2025 goals and commitments were established in 2021 with input from stakeholders across Alaska Airlines, Horizon Air, and externally and cover areas of carbon, waste, water, racial equity, community involvement, labor practices, safety, crisis management, privacy and data security and responsible political engagement. Our scope 1 and 2 emissions are verified at the limited level of assurance. We began disclosing our GHG emissions for Alaska and Horizon in 2009, and the four previous years GHG emissions can be found in the Appendix.

**OUR GUEST COMMITMENT**

Our goal is to always provide safe, reliable transportation for a reasonable price, along with the caring, friendly and professional service that we are known for. Our customer service commitment can be found on our website and covers topics and policies such as refunds, care and choices in the case of a delay, baggage policy and more. At Alaska, we care for our guests and their families. Our family-friendly seating policy guarantees that children 13 and under will be seated next to at least one accompanying adult at no additional cost, including for Saver fares. Our employees are guided by our service framework to strive to make our guests’ travel experiences as smooth as possible.

**ETHICS**

Part of doing the right thing is ensuring everyone is encouraged to speak up when something is not right. Our Code of Conduct and Ethics is designed to help the employees, officers and the Alaska Air Group Board build and maintain a culture of open communication, trust and camaraderie with guests, suppliers, communities and each other.

We encourage our employees to speak up and report ethics or compliance concerns. Employees have various reporting channels available to them and can always report anonymously through our third-party Ethics and Compliance Hotline that is available 24/7. We pride ourselves on being a safe place to work. Anyone who reports a violation of our Code truthfully and in good faith is protected against retaliation.

We also have a Supplier Code of Conduct that describes our expectations of Suppliers. Suppliers, their employees, subcontractors, and agents must comply with the Supplier Code of Conduct to do business
with any of our companies. Our Suppliers must comply with all environmental laws in the applicable jurisdictions in which they operate and are required to have policies and programs designed to lessen their environmental impact, reduce waste, and foster social and economic development of communities in which they operate.

INFORMATION SECURITY
It is the policy of Alaska to foster a robust information security ecosystem that ensures the confidentiality, integrity and availability of data and information technology resources.

As part of our core business, we are required to collect, process, store and share our guests’ and employees’ personal and financial information. We ensure that our sensitive information is securely transmitted over public and private networks, but also continue to review policies and educate our people on cybersecurity to bolster awareness and encourage the use of proper policies and technical controls.

Our information security policies provide a framework for:

- Protecting the confidentiality, integrity and availability of Alaska data and information systems
- Protecting Alaska against improper use of information systems and data
- Ensuring compliance with regulatory and legal frameworks to which Alaska and Horizon are subject
- Serving as the primary information security reference point for Alaska and Horizon personnel
- Creating an Information Security Management Program based on industry standard frameworks

POLITICAL ACTIVITY AND POLICY ENGAGEMENT
With hubs in Seattle, San Francisco, Los Angeles, Portland, and Anchorage, along with operations across the country, the policy decisions of federal, state and local governments impact Alaska Airlines and Horizon Air, and their stakeholders. This includes changes to existing law, new laws and new policy initiatives affecting not only the business directly, but our employees, retirees and the communities we serve, as well as our shareholders. Accordingly, Alaska believes that it is appropriate and necessary to participate and engage in the policy making and political processes at the federal, state, and local levels.

As a highly regulated entity, it is in the best interests of our key stakeholders, including employees, guests and shareholders, for Alaska to advocate for policies in support of our business and a strong, competitive industry. This includes direct advocacy, indirect advocacy through participation in trade associations, public communications and media efforts and making political contributions where appropriate and permitted by law.

Alaska takes our role as a good corporate citizen seriously and complies with all federal, state and local laws and requirements associated with political engagement. To learn more, see our Policy on Political Contributions and Engagement.
## 2025 ESG Goals

<table>
<thead>
<tr>
<th>Category</th>
<th>2025 ESG Goal</th>
<th>Baseline (2019) Unless otherwise noted</th>
<th>2022 Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carbon</td>
<td>Be the most fuel-efficient domestic airline, as ranked by ICCT</td>
<td>#1 in ICCT ranking in 2016</td>
<td>Scope 1 emissions intensity: 1,233 kg CO₂e / '000 RTM; 5% improvement from 2019 baseline, and achieving annual carbon intensity target. ICCT did not publish rankings in 2022, additional method to assess relative performance for purposes of this goal</td>
</tr>
<tr>
<td></td>
<td>Reduce GSE fleet emissions average by 50% per unit</td>
<td>1.78 g/ bhp-hr</td>
<td>1.66 g/ bhp-hr and improvement of 6.74% from baseline. Supply chain constraints slowed new GSE deliveries in 2022</td>
</tr>
<tr>
<td></td>
<td>Carbon Neutral Growth through 2025</td>
<td>Flat to 2019 baseline: 7.95 million tons CO₂e</td>
<td>6.93 million tons CO₂e</td>
</tr>
<tr>
<td>Waste</td>
<td>Minimize &amp; optimize packaging for 5 inflight food &amp; beverage items</td>
<td>0 of 5 items</td>
<td>2 of 5 items minimized and optimized: 1) replaced plastic water bottles with Boxed Water™ and 2) eliminated plastic cups on board with responsibly-sourced paper cups</td>
</tr>
<tr>
<td></td>
<td>Inflight recycling sorting performance at 2019 level</td>
<td>83%</td>
<td>41%</td>
</tr>
<tr>
<td>Water</td>
<td>Balance 100% of our water consumption via local habitat restoration projects</td>
<td>15,609,803 gal</td>
<td>100% of consumed water gallons balanced. Balanced 100% of its water use for 2022 (19,479,070 gal) by purchasing BEF Water Restoration Certificates©</td>
</tr>
</tbody>
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<tr>
<th>Social</th>
<th>Leadership Perspectives</th>
<th>People</th>
<th>Flying Greener</th>
<th>Strong Communities</th>
<th>Accountability &amp; Governance</th>
<th>Appendix</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advancing Racial Equity</strong></td>
<td>Leadership representation: 30% BIPOC representation for Directors and above</td>
<td>16%</td>
<td>18% Director+ leaders identify as BIPOC, increase from baseline but improvement needed to meet target. Plan being actioned to strengthen internal development pipeline</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inclusive culture: Improve performance as measured by inclusion index of metrics from all-employee survey, by 10 points</td>
<td>59% favorable on inclusion index</td>
<td>68%, progress from baseline, flat from 2021</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Labor Practices</strong></td>
<td>Maintain at least 85% Alaska and Horizon employees full-time v. part-time</td>
<td>85%</td>
<td>89% of Alaska and Horizon employees full-time employed as of 2022</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Community Involvement</strong></td>
<td>20% of Alaska and Horizon employees are engaged in the community</td>
<td>11%</td>
<td>12% of employees engaged in the community annually; up from 2021 as we began to re-start in-person engagement opportunities which will further increase in 2023</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Impact at least 175,000 young people around career pathways with a focus on advancing racial equity</td>
<td>N/A</td>
<td>75,293 out of 175,000 young people engaged to-date since tracking began in 2021</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# 2025 ESG GOALS

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>2025 ESG GOAL</th>
<th>BASELINE (2019) Unless otherwise noted</th>
<th>2022 PROGRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td>Increase Employee Safety Reporting by 10% or 2,095 safety reports / 10,000 departures</td>
<td>2020: 1,904 reports / 10,000 departures</td>
<td>2,149 Safety Reports / 10,000 Departures</td>
</tr>
<tr>
<td></td>
<td>Maintain safety’s high priority among employees</td>
<td>2020: 83%</td>
<td>76% of employees surveyed in May and September 2022 reported high confidence in public health and physical safety of the operation, a 4% increase over ’21. As health risk from COVID-19 pandemic is reduced, we are particularly focused on operational safety and training, with direct insights from this survey. We launched our first dedicated Safety Day on Oct 25, 2022, briefly stopping the operation to raise safety awareness</td>
</tr>
<tr>
<td></td>
<td>Maintain (90%) favorable perception of health &amp; safety among guests</td>
<td>90%</td>
<td>94.1% of guests reported feeling safe and confident in their flight, exceeding target. This goal was introduced during the COVID-19 pandemic to focus on the public health elements of safety, and will be sunset after this year</td>
</tr>
<tr>
<td>Crisis Management</td>
<td>Sustain a robust process for best practice crisis response</td>
<td>4 drills annually</td>
<td>Completed 6 emergency response communication drills in 2022</td>
</tr>
<tr>
<td>Privacy &amp; Data Security</td>
<td>All employees receive annual privacy and data security training</td>
<td>N/A</td>
<td>98% of employees completed training by 12/31/22. Some employees were on leave during this time; thus, this meets target</td>
</tr>
<tr>
<td></td>
<td>Continue to execute against the Information Security roadmap for program maturation, including for Aircraft Cybersecurity requirements</td>
<td>N/A</td>
<td>Most initiatives remain on track and focus of 2022 was to manage roadmap during team turnover impacts</td>
</tr>
<tr>
<td>Responsible Political Engagement</td>
<td>Publicly report political contributions consistent with our policy</td>
<td>N/A</td>
<td>Compliant with political contributions reporting policy</td>
</tr>
<tr>
<td></td>
<td>Engage on policy related to ESG priorities: climate change &amp; racial equity</td>
<td>N/A</td>
<td>Continued advocacy for policy solutions to advance technology to decarbonize aviation (particularly Sustainable Aviation Fuels), to support diverse talent accessing aviation careers including by breaking down systemic barriers to entry and expanding access to federal financial aid</td>
</tr>
<tr>
<td>Financial Management Principles</td>
<td>Maintain our commitment to low costs for low fares</td>
<td>N/A</td>
<td>Sustained strong balance sheet as COVID-19 pandemic subsided with commitment to relative cost outperformance</td>
</tr>
</tbody>
</table>
ADDITIONAL METRICS

In the pages ahead, you will find Alaska Airlines and Horizon Air data on additional metrics we track through the reporting year and publicly disclose in our Annual Care Report.

We remain committed to do the right thing and be transparent with sharing the metrics that matter beyond our 2025 ESG Goals.

TOTAL GHG EMISSIONS BY SOURCE

Metric tons of CO₂e

<table>
<thead>
<tr>
<th>Source</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Global Emissions (Scope 1)</td>
<td>6,932,553</td>
<td>5,936,459</td>
<td>4,345,173</td>
<td>7,950,795</td>
</tr>
<tr>
<td>Aircraft (Scope 1)</td>
<td>6,910,637</td>
<td>5,918,895</td>
<td>4,327,365</td>
<td>7,932,598</td>
</tr>
<tr>
<td>Vehicle (Scope 1)</td>
<td>14,518</td>
<td>10,036</td>
<td>9,761</td>
<td>11,859</td>
</tr>
<tr>
<td>Facility Heating (Scope 1)</td>
<td>7,398</td>
<td>6,558</td>
<td>8,027</td>
<td>6,338</td>
</tr>
<tr>
<td>Facility Electricity (Scope 2, Location-based)</td>
<td>19,945</td>
<td>17,405</td>
<td>20,279</td>
<td>25,330</td>
</tr>
<tr>
<td>Facility Electricity (Scope 2, Market-based)</td>
<td>19,188</td>
<td>16,790</td>
<td>19,703</td>
<td>24,523</td>
</tr>
<tr>
<td>Aircraft (Scope 3, Skywest flying)</td>
<td>625,810</td>
<td>533,517</td>
<td>411,014</td>
<td>633,944</td>
</tr>
</tbody>
</table>

*Revised total gross global scope 1 emissions.
**Revised due to data availability and updated methodology to calculate scope 2 emissions.

OTHER GREENHOUSE GASES EMISSIONS

Metric tons produced by gas, Scope 1 emissions

<table>
<thead>
<tr>
<th>Gas</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Methane (CH₄)</td>
<td>27</td>
<td>740</td>
<td>24</td>
<td>668</td>
</tr>
<tr>
<td>Nitrous Oxide (N₂O)</td>
<td>220</td>
<td>58,261</td>
<td>183</td>
<td>48,499</td>
</tr>
<tr>
<td>Nitrogen Oxide (NOₓ)**</td>
<td>1,273</td>
<td>N/A</td>
<td>2,383</td>
<td>N/A</td>
</tr>
<tr>
<td>Sulphur Oxide (SOₓ)**</td>
<td>241</td>
<td>N/A</td>
<td>277</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*It is understood by the industry that CH₄ emissions are not produced from cruising, but CH₄ emissions are produced during landing and takeoff.
**NOₓ and SOₓ emissions do not have GWP factor to apply.

NORMALIZED EMISSIONS

Emissions Intensity

<table>
<thead>
<tr>
<th>INTENSITY METRIC</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>All sources* kg CO₂e per thousand RTM</td>
<td>1,236</td>
<td>1,419</td>
<td>1,854</td>
<td>1,301</td>
</tr>
<tr>
<td>All sources** kg CO₂e per thousand RPM</td>
<td>135</td>
<td>154</td>
<td>203</td>
<td>142</td>
</tr>
<tr>
<td>All sources* kg CO₂e per thousand ASM</td>
<td>114</td>
<td>114</td>
<td>112</td>
<td>120</td>
</tr>
<tr>
<td>Aircraft energy intensity per seat** Fuel gallons per ASM</td>
<td>0.0116</td>
<td>0.0115</td>
<td>0.0113</td>
<td>0.0121</td>
</tr>
<tr>
<td>Aircraft energy intensity per passenger** Fuel gallons per RPM</td>
<td>0.0137</td>
<td>0.0156</td>
<td>0.0205</td>
<td>0.0144</td>
</tr>
</tbody>
</table>

*Intensity metrics revised with updated scope 2 emissions and operating statistics.
**Revised prior year figures based on operating statistics as reported in the Form 10-K.

ENERGY CONSUMED AND GENERATED

During normal operations

<table>
<thead>
<tr>
<th>UNIT</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska Air and Horizon Aircraft Fuel (non-renewable)* Gallons</td>
<td>702,234,000</td>
<td>601,797,000</td>
<td>419,636,000</td>
<td>806,540,000</td>
</tr>
<tr>
<td>Alaska Air and Horizon Aircraft Fuel (non-renewable)** GJ</td>
<td>92,761,387</td>
<td>79,494,192</td>
<td>55,431,690</td>
<td>106,539,657</td>
</tr>
<tr>
<td>Alaska Air and Horizon Aircraft Fuel (SAF: sustainable aviation fuel)* Gallons</td>
<td>287,057</td>
<td>261,977</td>
<td>66,632</td>
<td>0</td>
</tr>
<tr>
<td>Alaska Air and Horizon Aircraft Fuel (SAF: sustainable aviation fuel)* GJ</td>
<td>196,789</td>
<td>160,077</td>
<td>112,167</td>
<td>172,167</td>
</tr>
<tr>
<td>Total Energy Consumed MWh</td>
<td>25,917,402</td>
<td>22,210,729</td>
<td>15,538,778</td>
<td>29,747,379</td>
</tr>
<tr>
<td>Total Energy Consumed Metric tons</td>
<td>23,060,100</td>
<td>20,070,700</td>
<td>14,610,000</td>
<td>28,030,000</td>
</tr>
</tbody>
</table>

*Gallons purchased in 2022 for use by Alaska Airlines and Horizon Air.
**Recalculated with updated jet fuel energy intensity factor.
ADDITIONAL METRICS

WATER CONSUMPTION
Gallons

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Water Usage*</td>
<td>19,479,070</td>
<td>22,993,344</td>
<td>18,361,238</td>
<td>15,609,803</td>
</tr>
</tbody>
</table>

*Based on billed and tracked water consumption.

COMPANY COMPLIANCE
with applicable environmental laws and regulations

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reportable spills* (number)</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Environmental penalties ($)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Environmental penalties (number)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*Reported spills were mitigated appropriately per local regulations.

INFLIGHT WASTE
Sampling data

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid waste disposed to landfill (inflight)</td>
<td>Unknown*</td>
<td>Unknown**</td>
<td>Unknown**</td>
<td>3,370</td>
</tr>
<tr>
<td>Solid waste recycled (inflight)</td>
<td>Unknown*</td>
<td>Unknown**</td>
<td>Unknown**</td>
<td>1,992</td>
</tr>
</tbody>
</table>

* Although our inflight recycling program resumed in November 2021, our partners resumed recycling in their own operations throughout 2022; therefore, we have insufficient data for 2022. Waste audits resuming in 2023.

**Due to pandemic safety reasons, we stopped our inflight recycling and waste auditing in the spring of 2020 and unable to report metrics for 2020 to 2021.

HAZARDOUS WASTE AND REGULATED WASTE
Tons

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazardous Waste (RCRA) Disposed</td>
<td>47</td>
<td>36</td>
<td>40</td>
<td>52</td>
</tr>
<tr>
<td>Regulated Waste Recycled</td>
<td>68</td>
<td>73</td>
<td>37</td>
<td>51</td>
</tr>
</tbody>
</table>
**EMPLOYEE SAFETY**

Total number of injuries reported, incidents per 200,000 hours worked per 100 FTEs

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska Airlines: On-the-job Injuries</td>
<td>2.24</td>
<td>3.95</td>
<td>3.45</td>
<td>5.01</td>
</tr>
<tr>
<td>Alaska Airlines: Lost-time Injuries</td>
<td>165</td>
<td>2.48</td>
<td>2.07</td>
<td>3.06</td>
</tr>
<tr>
<td>Horizon Air: On-the-job Injuries</td>
<td>4.81</td>
<td>8.35</td>
<td>5.84</td>
<td>8.88</td>
</tr>
<tr>
<td>Horizon Air: Lost-time Injuries</td>
<td>2.33</td>
<td>4.52</td>
<td>1.92</td>
<td>3.55</td>
</tr>
</tbody>
</table>

**CASH DONATION AND IN-KIND GIVING**

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash donations</td>
<td>$6,934,013</td>
<td>$5,786,862</td>
<td>$4,884,583</td>
<td>$7,312,106</td>
</tr>
<tr>
<td>In-kind giving (value)</td>
<td>$7,549,710</td>
<td>$4,995,600</td>
<td>$4,394,250</td>
<td>$7,025,675</td>
</tr>
<tr>
<td>Total Philanthropic contribution</td>
<td>$14,483,723</td>
<td>$10,782,462</td>
<td>$9,278,833</td>
<td>$14,337,781</td>
</tr>
</tbody>
</table>

**PHILANTHROPIC ACTIVITIES**

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee matching programs</td>
<td>$756,361</td>
<td>$655,887</td>
<td>$630,042</td>
<td>$677,239</td>
</tr>
<tr>
<td>Employee volunteer rewards</td>
<td>$127,566</td>
<td>$128,796</td>
<td>$139,088</td>
<td>$248,239</td>
</tr>
<tr>
<td>Foundation Grants</td>
<td>$562,500</td>
<td>$755,000</td>
<td>$750,000</td>
<td>$365,575</td>
</tr>
<tr>
<td>Giving as a % of adjusted net income</td>
<td>2.60%</td>
<td>N/A*</td>
<td>N/A*</td>
<td>1.9%</td>
</tr>
<tr>
<td>Care miles (miles)</td>
<td>54,724,223</td>
<td>93,660,282</td>
<td>66,617,526</td>
<td>72,985,296</td>
</tr>
<tr>
<td>Tracked employee volunteer hours</td>
<td>27,471</td>
<td>21,460</td>
<td>17,336</td>
<td>41,000</td>
</tr>
</tbody>
</table>

*Due to a net loss position, giving as a % of adjusted net loss is not applicable.

**EMPLOYEE SNAPSHOT**

Total number of employees

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska Airlines</td>
<td>19,549</td>
<td>17,054</td>
<td>16,643</td>
<td>17,919</td>
</tr>
<tr>
<td>Labor union representation</td>
<td>86%</td>
<td>86%</td>
<td>86%</td>
<td>86%</td>
</tr>
<tr>
<td>Horizon Air</td>
<td>3,281</td>
<td>3,494</td>
<td>3,511</td>
<td>4,301</td>
</tr>
<tr>
<td>Labor union representation</td>
<td>44%</td>
<td>50%</td>
<td>51%</td>
<td>43%</td>
</tr>
<tr>
<td>Total number of Alaska and Horizon employees</td>
<td>22,830</td>
<td>20,548</td>
<td>20,154</td>
<td>22,220</td>
</tr>
</tbody>
</table>

Full-time and part-time breakdown*:

- Of those employees, 90% were full-time and 10% were part-time.
- Of those employees, 90% were full-time and 10% were part-time.
- Of those employees, 88% were full-time and 12% were part-time.
- 2019 AAG 10-K filing did not disclose full-time and part-time percentages.

*Full-time and part-time breakdown percentages disclosed at Alaska Air Group level in 10-K filings.
## SASB (SUSTAINABLE ACCOUNTING STANDARDS BOARD) INDEX

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>METRIC</th>
<th>CODE</th>
<th>UNIT OF MEASURE</th>
<th>CY2022 AAG RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross global Scope 1 emissions</td>
<td>TR-AL-110a.1</td>
<td>Metric tons CO₂e</td>
<td>6,932,553</td>
</tr>
<tr>
<td></td>
<td>Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets, and an analysis of performance against those targets</td>
<td>TR-AL-110a.2</td>
<td>N/A</td>
<td>Flying Greener section, pg. 17-19 Appendix, carbon goals of 2025 ESG Goals, pg. 37</td>
</tr>
<tr>
<td></td>
<td>(1) Total fuel consumed, (2) percentage alternative, (3) percentage sustainable</td>
<td>TR-AL-110a.3</td>
<td>Gigajoules (GJ), Percentage (%)</td>
<td>(1) 92,761,387; (2) 0%; (3) 0.04%</td>
</tr>
<tr>
<td><strong>Greenhouse Gas Emissions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Labor Practices</strong></td>
<td>Percentage of active workforce covered under collective bargaining agreements</td>
<td>TR-AL-310a.1</td>
<td>Percentage (%)</td>
<td>2022 10-K, pg. 13</td>
</tr>
<tr>
<td></td>
<td>(1) Number of work stoppages and (2) total days idle</td>
<td>TR-AL-310a.2</td>
<td>Number, Days idle</td>
<td>(1) 0; (2) 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Competitive Behavior</strong></td>
<td>Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations</td>
<td>TR-AL-520a.1</td>
<td>Reporting currency</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Accident &amp; Safety Management</strong></td>
<td>Description of implementation and outcomes of a Safety Management System</td>
<td>TR-AL-540a.1</td>
<td>N/A</td>
<td>Owning Safety section pg. 32</td>
</tr>
<tr>
<td></td>
<td>Number of aviation accidents</td>
<td>TR-AL-540a.2</td>
<td>Number</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Number of governmental enforcement actions of aviation safety regulations</td>
<td>TR-AL-540a.3</td>
<td>Number</td>
<td>0</td>
</tr>
<tr>
<td><strong>Activity Metrics</strong></td>
<td>Available seat kilometers (ASK)</td>
<td>TR-AL-000.A</td>
<td>ASK</td>
<td>97,804,472,795*</td>
</tr>
<tr>
<td></td>
<td>Passenger load factor</td>
<td>TR-AL-000.B</td>
<td>Rate</td>
<td>2022 10-K, pg. 34</td>
</tr>
<tr>
<td></td>
<td>Revenue passenger kilometer (RPK)</td>
<td>TR-AL-000.C</td>
<td>RPK</td>
<td>82,607,534,899*</td>
</tr>
<tr>
<td></td>
<td>Revenue ton kilometers (RTK)</td>
<td>TR-AL-000.D</td>
<td>RTK</td>
<td>9,049,640,474</td>
</tr>
<tr>
<td></td>
<td>Number of departures</td>
<td>TR-AL-000.E</td>
<td>Number</td>
<td>2022 10-K, pg. 34</td>
</tr>
<tr>
<td></td>
<td>Average age of fleet</td>
<td>TR-AL-000.F</td>
<td>Years</td>
<td>2022 10-K, pg. 28</td>
</tr>
</tbody>
</table>

*Converted operating statistic reported in the Form 10-K for the year ended December 31, 2022 from miles into kilometers
### TASKFORCE CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

<table>
<thead>
<tr>
<th>DISCLOSURE CATEGORY</th>
<th>RECOMMENDED DISCLOSURE</th>
<th>LOCATION IN CARE REPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governance</strong></td>
<td>Disclose the organization’s governance around climate-related risks and opportunities. Describe the board’s oversight of climate-related risks and opportunities. Describe management’s role in assessing and managing climate related risks and opportunities.</td>
<td>Accountability &amp; Governance section, pg. 33-34</td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td>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. 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.</td>
<td>Flying Greener section, pg. 17-22</td>
</tr>
<tr>
<td><strong>Risk Management</strong></td>
<td>Disclose how the organization identifies, assesses and manages climate-related risks. Describe the organization’s processes for identifying and assessing climate-related risks. 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.</td>
<td>Flying Greener section, pg. 20-22, 33-34</td>
</tr>
<tr>
<td><strong>Metrics and Targets</strong></td>
<td>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. 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.</td>
<td>Flying Greener section, pg. 17, 37; Additional Metrics: Carbon goals, pg. 37; and Total GHG Emissions by Source table, pg. 39</td>
</tr>
</tbody>
</table>
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.**
19500 International Blvd, Seattle, WA

**Reporting Period:** 01/01/2022 – 12/31/2022

**Geographic Boundary:** United States, Canada, Costa Rica

- Terminal Buildings, Hangars, Maintenance, Flight Operations, Training Center, Cargo Facilities, Offices, IT Data Center

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

**Boundary Method:** Operational Control

**GHG Gases:** CO2, CH4, N2O, HFCs

**Level of Assurance:** Limited

**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**

- The Investor CDP Information Request
- ISO 14064-3: 2019 Specification with guidance for the validation and verification of greenhouse gas 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 (Limited Assurance)** – No evidence was found that the GHG assertion was not prepared in all material respects with the reporting criteria.

**Verification Qualifications**

None

**Verified Emissions**

<table>
<thead>
<tr>
<th>Scope</th>
<th>CO2</th>
<th>CH4</th>
<th>N2O</th>
<th>Total (tCO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>6,873,552</td>
<td>740</td>
<td>58,261</td>
<td>6,932,553</td>
</tr>
<tr>
<td>Scope 2 - Location</td>
<td>19,146</td>
<td>19</td>
<td>23</td>
<td>19,198</td>
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<tr>
<td>Scope 2 - Market</td>
<td>19,834</td>
<td>48</td>
<td>63</td>
<td>19,945</td>
</tr>
</tbody>
</table>

**Lead Verifier**

Tavio Benetti, Senior Program Manager, GHG Footprint Verification Program
SCS Global Services, 2000 Powell Street, Suite 600, Emeryville, CA 94608 USA

DATE: 04-27-2023

**Independent Reviewer**

Gregory Sills, Technical Specialist II, GHG Footprint Verification Program
SCS Global Services, 2000 Powell Street, Suite 600, Emeryville, CA 94608 USA

DATE: 04-28-2023