



# Taking flight.

Highlights from our path to sustainability.

1932 – 2016

*Alaska*<sup>®</sup>  
AIRLINES



## We're all about the journey – to destinations around the world, and toward a more sustainable future.

We've come a long way in the 85 years we've been flying, and we're proud of our accomplishments so far. Through sound business decisions, dedicated employees, loyal customers, and respect for our planet we have weathered several storms in what can be a turbulent industry.

Today, we strive to be remarkable by driving sustainable innovation and performance. We understand how our business impacts our environment, and we are committed to paving the way for sustainability in the airline industry. By making thoughtful choices and reducing our environmental footprint, our customers can continue to explore our world's most amazing destinations for generations to come.

For us, it comes down to doing the right thing to make the world a better place for our people, our guests, and our communities. It's just how we do business.

# Focusing on people.

People are the heart of our business. We focus on keeping our employees safe and engaged, our customers satisfied, and giving back to the communities we serve. When we talk about doing the right thing, it's with these people in mind. After all, without them we would never have made it this far.

## A look ahead.

With the acquisition of Virgin America, our priority is bringing together the best parts of each airline to create a culture that will drive our continued success – a culture that is welcoming to our newest employees and builds on momentum from our internal initiatives that focus on safety, employee engagement, and diversity and inclusion.



## Safety first.

2011

### Won the Airline Technology Leadership Award

by Air Transport World, recognizing our extensive track record of innovation in flight safety and airport operations, ticket distribution, and marketing and customer technology.



2014

### Launched Ready, Safe, Go safety campaign

designed to increase safety awareness across the Air Group System.



2016

### Awarded almost \$250,000 to more than 648 employees

who have improved safety in their workplaces by reporting their concerns since 2014. (Alaska & Horizon Airlines)



2016

### 1<sup>st</sup> major airlines to have Safety Management Systems accepted by FAA

out of U.S. airlines. (Alaska & Horizon Airlines)

## Committed employees.

2010

### Strengthened focus on diversity and building a culture of inclusion

more than just increasing the diversity of our team, it's a mindset that our leaders must embrace and reflect in their actions.



2011

### Began measuring employee engagement and job satisfaction

to ensure employees feel valued, heard, and have opportunities to develop their careers. Our first engagement score was 66%; in 2016, our overall engagement score was 82%.



2016

### Received Secretary of Defense Employer Support Freedom Award

from the U.S. government for our support of National Guard & Reserve members.



2016

### Received 6<sup>th</sup> perfect score on the 2017 Corporate Equality Index

a national report on LGBTQ workplace equality.

## Giving back.

2011-2016

### Donated \$51,280,301 in cash or in-kind donations

over the past five years. More than 1,300 different organizations are supported annually.



2014

### Transported approximately 2,000 passengers to safety and flew 12 relief flights

to Los Cabos and Loreto, Mexico following Hurricane Odile.

2014-2016

### Improved education and economic opportunities

for 49,313 youth.



2016

### 27,000 volunteer hours worked

by employees in 2016.



2016

### Ranked in the top 100 socially just companies

in the U.S. by Forbes, and #2 in the transportation category. (Alaska Air Group)

# Sustaining our performance.

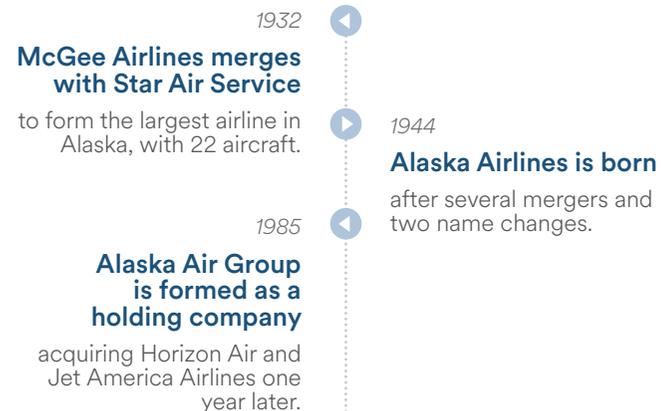
Sustainability isn't just about recycling and energy efficiency; for us, it's also about financial growth and providing exceptional service to our guests. Valuable investments in our sustainability efforts have helped us drive down costs and increase the efficiency of our operations, which in turn have allowed us to keep innovating for the industry, expanding into new markets, creating jobs, and always finding new and better ways to serve our customers.

## A look ahead.

Merging with Virgin America will increase our reach, providing exceptional service to new markets and new customers. As a highly recognizable brand with a loyal customer following, we are committed to maintaining the travel experience Virgin American customers have come to expect while following our commitment to continuous improvement across all our carriers.



## Exponential growth.



2016

### Alaska Airlines merges with Virgin America

combining two airlines recognized for exceptional customer service and low fares.

## Record value.

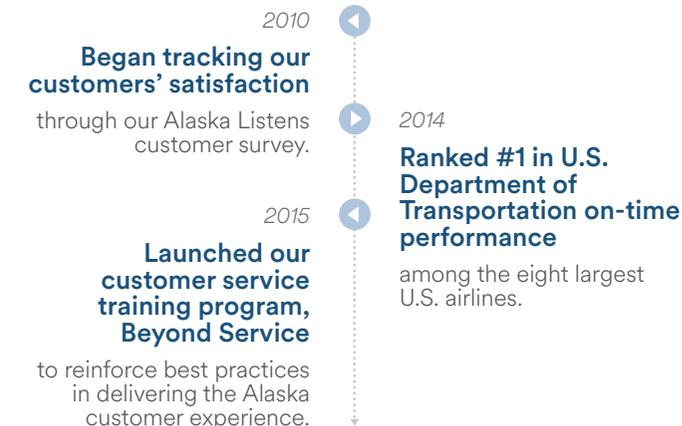


2016

### Alaska reports a record revenue of \$5.9 billion

and adjusted profits of \$911 million, while serving a record 34.3 million passengers.

## Satisfied customers.



2016

### Ranked highest in airline customer satisfaction among traditional carriers for the 10<sup>th</sup> consecutive year

in the J.D. Power 2008-2017 North America Airline Satisfaction Study.

# Reducing our impact.

We fly to some of the most beautiful places on the planet, and every day we come home to the breathtaking Pacific Northwest. True to our roots, we are committed to doing all we can to reduce our impact on the environment. From napkins to fuel, we seek out new ways to conserve and preserve the health of the communities in which we live and the destinations to which we fly.

## A look ahead.

In the years to come, we will be focused on bringing Virgin America on board with our sustainability efforts. This will include evaluating the best ways to incorporate sustainability into their business and operations, and redeveloping our own systems to effectively capture metrics.



## Fewer emissions.

- 2008 **Retired the last of our MD-80s and transitioned to an all Boeing 737 fleet** giving us one of the youngest, most fuel-efficient and environmentally friendly fleets among U.S. airlines.
- 2009 **Saved 188 million gallons of fuel** over business as usual since 2009 due to improvements in fleet and flying efficiencies.
- 2012 **Ordered 37 new 737-Max aircraft from Boeing** which are approximately 13% more fuel efficient than the most efficient aircraft in our mainline fleet.

2015  **Ranked as the most fuel efficient airline** in the country by ICCT for the 5<sup>th</sup> year in a row.

2016  **Saved 267,515 gallons of fuel** by completing new RNP approaches at four additional airports.

## New fuels.

- 2009 **Became 1<sup>st</sup> domestic carrier to join the Sustainable Aviation Fuel Users Group** pledging only to use biofuel that meets strict sustainability criteria.
- 2011 **Became 1<sup>st</sup> domestic carrier to use biofuel** on multiple (75) regularly scheduled commercial flights.

2016  **Flew the 1<sup>st</sup> biofuel flights in the world using the alcohol-to-jet conversion pathway** including the first flight made using fuel derived from post-harvest forest residues (wood).

2016  **Partnered with Boeing and Port of Seattle** to conduct a biofuel infrastructure feasibility study, a major step towards bringing biofuels to all air carriers at Sea-Tac Airport.

## Less waste.

- 1980'S **Started inflight recycling on regional aircraft** out of our hubs in Seattle and Portland, expanding to mainline operations in 2008.
- 2008 **Started transitioning to a paperless airline** by adopting technology-based alternatives such as paperless boarding passes, tablet communications, and hand-held devices. This has reduced consumption by 21% since 2012.
- 2015 **Began composting coffee grounds** on mainline flights.

2016  **Operate the most comprehensive recycling program of any U.S. airline** diverting roughly 10,000 tons of inflight waste (paper, cups, bottles and cans) from landfills since 2009.

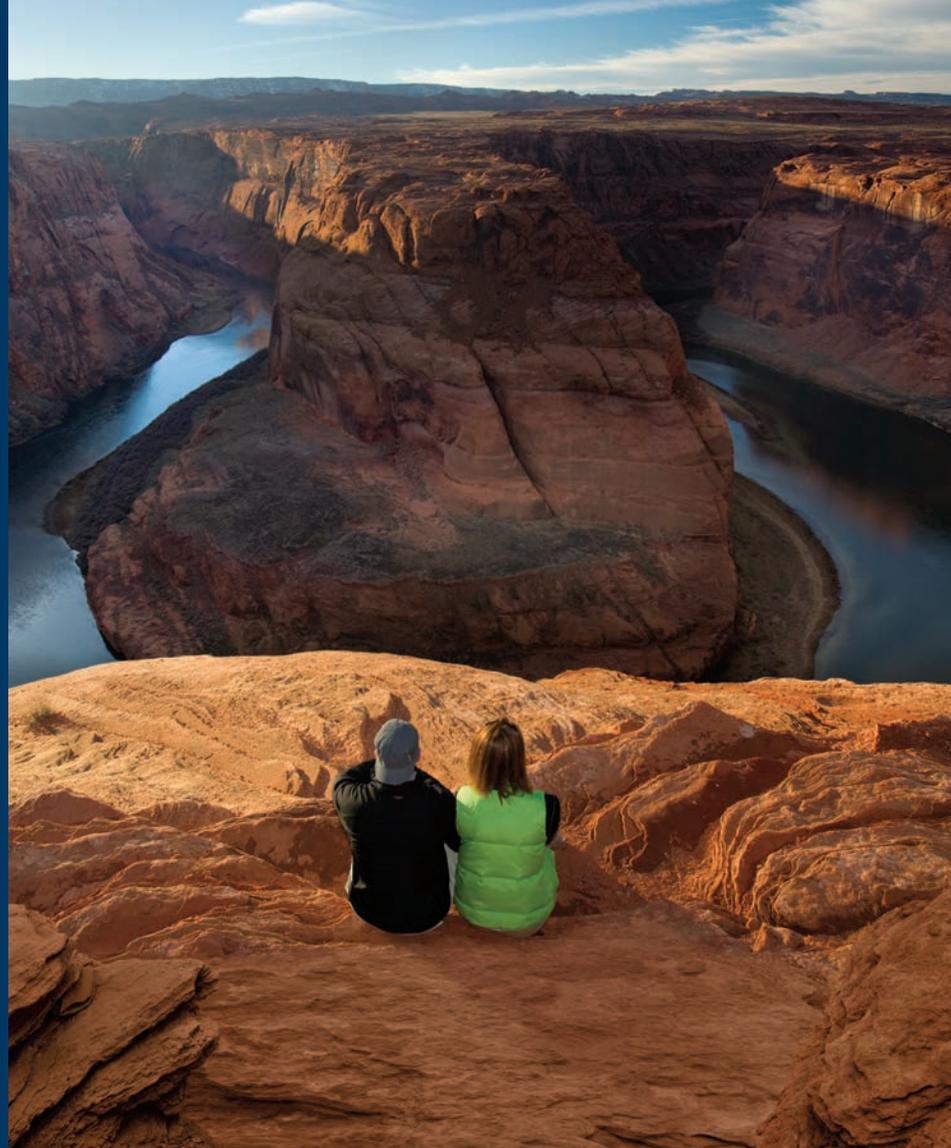
2016  **85% of our beer comes in aluminum instead of glass bottles** as cans are more easily recycled and weigh significantly less than glass bottles, reducing our fuel consumption and emissions.

# Be part of our journey.

Our sustainability efforts are built on hard work and dedication. We take great pride in caring for our customers, our communities, our planet and our airline. Your support, in ways both large and small, helps us reduce our environmental impact, provide great jobs and deliver stellar customer service across every community we touch.

## Contact us.

We'd love to hear from you! Whether you have questions, comments, suggestions, or just want to share a story, please contact us at [sustainability@alaskaair.com](mailto:sustainability@alaskaair.com).



## Donate.

Our charity miles program offers Mileage Plan™ members a unique and meaningful way to support important causes. Miles donated to this program help charities with business travel, accommodation of special organization requests and achievement of the organization's mission.

## Pack light.

Every pound of weight makes a difference. If all our customers packed five pounds less on all our mainline flights, it would save 10,000 gallons of fuel, decreasing emissions by over 200,000 lbs. of CO<sub>2</sub>e, each year.

## Recycle.

Our customers are key drivers of environmental change on our flights, and can make a big difference by making a few small changes. On your next trip, bring a refillable water bottle and sort your trash from your recyclables to help our flight attendants. Many airports now have recycling and compost bins and water bottle refill stations to make reducing waste even easier before you board.

## Read our 2016 Sustainability Report.

We've been hard at work over the past year. Read our 2016 Sustainability Report for more information about our goals, progress, and latest accomplishments at [www.alaskaair.com/sustainability](http://www.alaskaair.com/sustainability).

## Visit our website.

For more information about our history, our leadership in technology and innovation, fun facts about our airline (or to book a flight!), go to our website: [www.alaskaair.com](http://www.alaskaair.com).



100% post-consumer recycled content paper

[ALASKAAIR.COM/SUSTAINABILITY](https://alaskaair.com/sustainability)