

2017

Performance metrics.

Alaska[®]
Sustainability



As part of Alaska Air Group's commitment to disclose information about our sustainability performance, below is a compilation of environmental and social indicators including our greenhouse gas emissions, energy and water consumption, philanthropic activities, and employee numbers.

Unless otherwise noted, the data includes all of Alaska Air Group for 2017, and information prior to 2017 does not include Virgin America. For those metrics where Virgin America operations are not included, the percent coverage of Virgin America contribution to our total operation is equal to 20% of revenue passengers and 26% of revenue passenger miles (RPMs) and available seat miles (ASMs). Data for McGee Air Services is not covered, as it represents less than 1% of AAG 2017 revenues.

For specific information regarding our complete 2017 operational or financial data and/or performance, please refer to our investor relations website at: investor.alaskaair.com

Greenhouse gas emissions

The statement of greenhouse gas emissions was prepared based on a calendar reporting year that is the same as the Alaska Air Group (AAG or the Company) financial reporting period.

Scope 1 and 2 GHG emissions information was prepared by an independent 3rd party in accordance with the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition. These emissions have been verified according to ISO 14064-3: 2006, Specification with guidance for the validation and verification of greenhouse gas assertions.

Total GHG emissions by source (metric tons)

	2017	2016	2015	2014	2013
Gross Global Emissions (Scope 1)	7,493,569	5,087,097	4,840,491	4,503,254	4,337,569
Aircraft (Scope 1)	7,453,560	5,061,825	4,816,259	4,476,725	4,310,793
Vehicle (Scope 1)	10,369	7,874	8,733	8,223	7,963
Facility Heating (Scope 1)	5,733	4,862	4,981	5,471	5,872
Facility Electricity (Scope 2)	9,906	12,536	10,518	12,836	12,940

GHG emissions intensity per unit of operation—revenue passenger miles (RPM), available seat miles (ASM), and revenue ton miles (RTM).

Normalized emissions / emissions intensity

	INTENSITY METRIC	2017	2016*	2015*	2014*	2013*
All sources	Metric tons CO ₂ e per thousand RTM	1.458	1.456	1.485	1.495	1.518
All sources	kg CO ₂ e per thousand RPM	148	148	151	152	155
All sources	kg CO ₂ e per thousand ASM	125	125	126	128	130
All sources	Metric tons CO ₂ e per thousand RTM	1.458	1.456	1.485	1.495	1.518

** Years 2016 and earlier have been recalculated to take into account historic Virgin America emissions, to align with our intensity-based emission reduction goals.*

Other greenhouse gases

produced (metric tons)

	2017*	2016	2015	2014	2013
Methane (CH₄) *	28	24	47	44	42
Nitrous Oxide (N₂O)	228	155	155	145	139
Sulphur Oxide (SO_x)	355	265	225	211	204
Nitrogen Oxide (NO_x)	3,166	2,336	1,991	1,850	1,772

* It is understood by the industry that CH₄ emissions are not produced from cruising, but CH₄ emissions are produced during landing and takeoff.

Avoided emissions (metric tons of CO₂e)

estimated from improvements in emission intensity.

	UNIT	2017	2016	2015	2014
Total avoided emissions from 2009	Metric tons CO ₂ e	2,498,401	1,917,434	1,302,055	824,603
Year over year avoided emissions	Metric tons CO ₂ e	580,967	615,379	477,453	322,834
Total avoided fuel consumption from 2009	Gallons	244,665,117	188,137,814	127,843,368	80,950,752

These figures are estimated from improvements in emission and energy intensity per available seat mile (ASM). For calculation and comparison purposes, Virgin America consumption and emissions data was not included.

Carbon offsets

purchased by Alaska Air Group (Scope 2) and passengers (Scope 1)

	2017	2016*	2015*	2014*	2013*
Voluntary Carbon Offsets (Scope 2)	2,147	1,147	1,574	1,146	932
Voluntary Carbon Offsets: Passenger Purchased (Scope 1)	222	218	151	250	310
Total	2,369	1,406	1,725	1,396	1,242

* Virgin America offsets only.

Energy

Energy consumed and generated

by Alaska Air Group during normal operations.

	UNIT	2017	2016	2015	2014	2013
Aircraft Fuel (non-renewable)	Gallons	757,056,000	514,100,000	488,769,000	454,306,000	437,465,000
Aircraft Fuel (non-renewable)	GJ	107,653,363	73,105,020	69,502,952	64,602,313	62,207,523
Aircraft Fuel (renewable)	GJ	0	356	0	0	0
Vehicle Fuel (non-renewable)	GJ	163560	115663	NR	NR	NR
Facility Energy (non-renewable)	GJ	208,680	194,072	192,291	206,877	212,648
Total Energy Consumed	GJ	108,025,604	73,414,754	69,695,243	64,809,190	62,420,172
Total Energy Consumed	MWh	30,007,112	20,392,987	19,359,790	18,002,553	17,338,937
On-Site Renewable Energy Generated	MWh	4.3	15	NR	NR	NR

Energy intensity per unit of operation

revenue passenger miles (RPM), available seat miles (ASM), and revenue ton miles (RTM).

	METRIC	2017	2016	2015	2014	2013
All sources	Metric tons CO ₂ e per thousand RTM	1.458	1.456	1.485	1.495	1.518
All sources	kg CO ₂ e per thousand RPM	148	148	151	152	155
All sources	kg CO ₂ e per thousand ASM	125	125	126	128	130
All sources	Metric tons CO ₂ e per thousand RTM	1.458	1.456	1.485	1.495	1.518
Aircraft energy intensity per seat	Fuel gallons per ASM	0.0126	0.0124	0.0126	0.0129	0.0132
Aircraft energy intensity per passenger	Fuel gallons per RPM	0.0150	0.0146	0.0150	0.0152	0.0154

Projects

Aircraft fuel-saving projects

initiated or finalized in 2017.

Completed split scimitar winglets on all eligible 737 aircraft (14 additional aircraft)	476,000
Deployed preconditioned air to additional Horizon hub locations	165,000
Retirement of 737-400 aircraft	334,000
New RNP approaches at Nome (OME) and Kotzebue (OTZ)	35,000

* Calculations do not include savings realized from ongoing projects.

Waste

Total solid waste (tons) disposed of

including the amount that was diverted from landfill (recycled).

	2017*	2016	2015	2014	2013
Solid Waste Disposed to Landfill (inflight)	3,090	3,839	3,057	4,173	2,451
Solid Waste Recycled** (inflight)	1,963	1,851	1,772	1,796	1,562
Plastic (#1 PETE)	509	NR	NR	NR	NR
Aluminum	231	NR	NR	NR	NR
Paper	399	NR	NR	NR	NR
Glass	825	NR	NR	NR	NR
Hazardous Waste (RCRA) Disposed	49.7	43.9	NR	NR	NR
Hazardous Waste (RCRA) Recycled	129.0	44.6	NR	NR	NR

* Does not include Virgin America operations.

** Inflight waste is a measure of the weight of all materials that are collected by flight attendants in garbage and recycling bags during inflight service on domestic flights. Total weight is estimated by sampling and weighing the contents of the garbage and recycling bags from a minimum of 30 flights per airline per year.

Other environmental metrics

Total volume of water used by Alaska Air Group

during normal operations.

	2017	2016	2015	2014	2013
Municipal Water Usage	63,349	68,204	82,807	70,431	65,278

Water usage is tracked where it is metered separately and where AAG has operational control of the facilities.

Company compliance

with applicable environmental laws and regulations.

	2017*	2016*
Reportable spills* (gallons)	10,715	25
Reportable spills* (number)	3	1
Environmental penalties (\$)	0	0
Environmental penalties (number)	0	0

** Chemical spills subject to local and state reporting requirements. Metrics do not include Virgin America operations.*

Employee snapshot

Total employees at Alaska Air Group companies (2017)*

including full-time, part-time, temporary, and contracted.

Total number of employees	21,250
U.S. employees	21,143
International employees	107
Self-employed or contract workers	0
Represented in trade union or collective bargaining agreement	18,320
Full-time employees	18,612
Part-time employees	2,638

** Does not include approximately 1,700 McGee Air Services employees.*

Philanthropic activities

Total funds and in-kind donations

distributed by Alaska Air Group.

	2017	2016	2015	2014	2013
Cash donations	\$6,675,790	\$5,311,898	\$3,859,170	\$2,594,842	\$1,610,972
Foundation Grants	\$286,500	\$307,500	\$250,000	\$172,000	\$141,500
In-kind giving (value)	\$7,801,080	\$7,602,378	\$7,161,443	\$6,623,538	\$6,634,510
Employee matching funds	\$464,759	\$400,570	\$449,076	\$299,799	\$207,997
Dollars for Doers	\$236,163	\$196,667	\$212,536	\$140,535	\$90,323
Charity miles (miles)	52,311,670	53,821,104	50,113,883	53,727,227	52,550,619
Charity miles (value)	\$1,438,571	\$1,480,080	\$1,378,132	\$1,477,499	\$1,445,142
Giving as a % of adjusted net income	1.87%	1.48%	1.39%	1.69%	2.23%
TOTAL	\$15,464,292	\$13,819,013	\$11,932,225	\$9,830,714	\$8,685,302

Number of tracked hours volunteered by employees

	2017	2016	2015	2014	2013
Employee volunteer hours	41,671	27,128	21,000	NR	NR

Employee safety

Total number of injuries reported by employees that occurred on the job, including those that resulted in personnel not being able to work as a result of their injury.

	Incidents per 200,000 hours worked (per 100 FTEs)		
	2017	2016	2015
Alaska Airlines – On the Job Injuries	5.14	5.81	5.53
Alaska Airlines – Lost Time Injuries	3.07	3.70	3.11
Horizon Air – On the Job Injuries	9.16	9.25	9.99
Horizon Air – Lost Time Injuries	4.28	2.65	3.68
Virgin America – On the Job Injuries	2.85	NR	NR
Virgin America – Lost Time Injuries	NR	NR	NR