

Southwest®

# One Report 2024





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On the Cover: Joseph P., a Dallas-based Pilot, works on the Operational Quality Assurance and Risk Team to implement programs which support Southwest's compliance with Federal Aviation Administration (FAA) regulations.





# Citizenship

At Southwest Airlines®, we put our Hearts into doing the right thing by our People and with respect to our planet—all supported by an unwavering focus on driving performance which is enabled by strong corporate governance. Our Citizenship efforts begin with our Purpose to connect People to what's important in their lives through friendly, reliable, and low-cost air travel, and our Vision of being the world's most loved, most efficient, and most profitable airline. Since 2009, we've highlighted our Corporate Citizenship initiatives in the Southwest Airlines One Report, integrating financial, corporate social responsibility (CSR), and environmental, social, and corporate governance (ESG) reporting into one comprehensive document.





# From our President & CEO

At Southwest Airlines®, our Corporate Citizenship efforts are centered around our People, our planet, and an unwavering focus on driving performance, all supported by strong corporate governance. This all leads to our Purpose—to connect People to what’s important in their lives through friendly, reliable, and low-cost air travel, and our Vision to be the world’s most loved, most efficient, and most profitable airline. This has driven our unique Culture for more than 53 years.

2024 was a year of challenges, change, and opportunity, and you’ll see those themes across the pages of the One Report. I’ll begin with one change that was deeply felt—the passing of our President Emeritus, Colleen Barrett. Colleen is widely credited with giving Southwest Airlines its Heart and establishing our dynamic Culture—driven by our People. She encouraged all Employees to live by the Golden Rule and serve each other and our Customers by delivering Positively Outrageous Customer Service. Her legacy continues to shape our Company, and we are committed to carrying these qualities forward in her honor.

Throughout this report you will see Southwest’s commitment to recognizing areas of success, while also identifying areas for improvement. Key moments from 2024 include:

- We unveiled comprehensive transformational plans designed to elevate the Customer Experience on our flights, improve financial performance, and drive Shareholder value.
- We announced an enhancement to our Combating Human Trafficking Program by partnering with the Blue Lightning Initiative. Through this partnership, we are refocusing our efforts to address the evolving nature and complexity of the crime of human trafficking.
- Cheers! We introduced a new cup made with bamboo for inflight cold beverages and a 100% FSC<sup>1</sup>-certified birch wood stir stick as part of our efforts to reduce single-use plastics from inflight service by 50% by weight by 2025.<sup>2</sup>

- Our Board underwent an unprecedented refresh, and I’m immensely grateful for our current and past Board members.

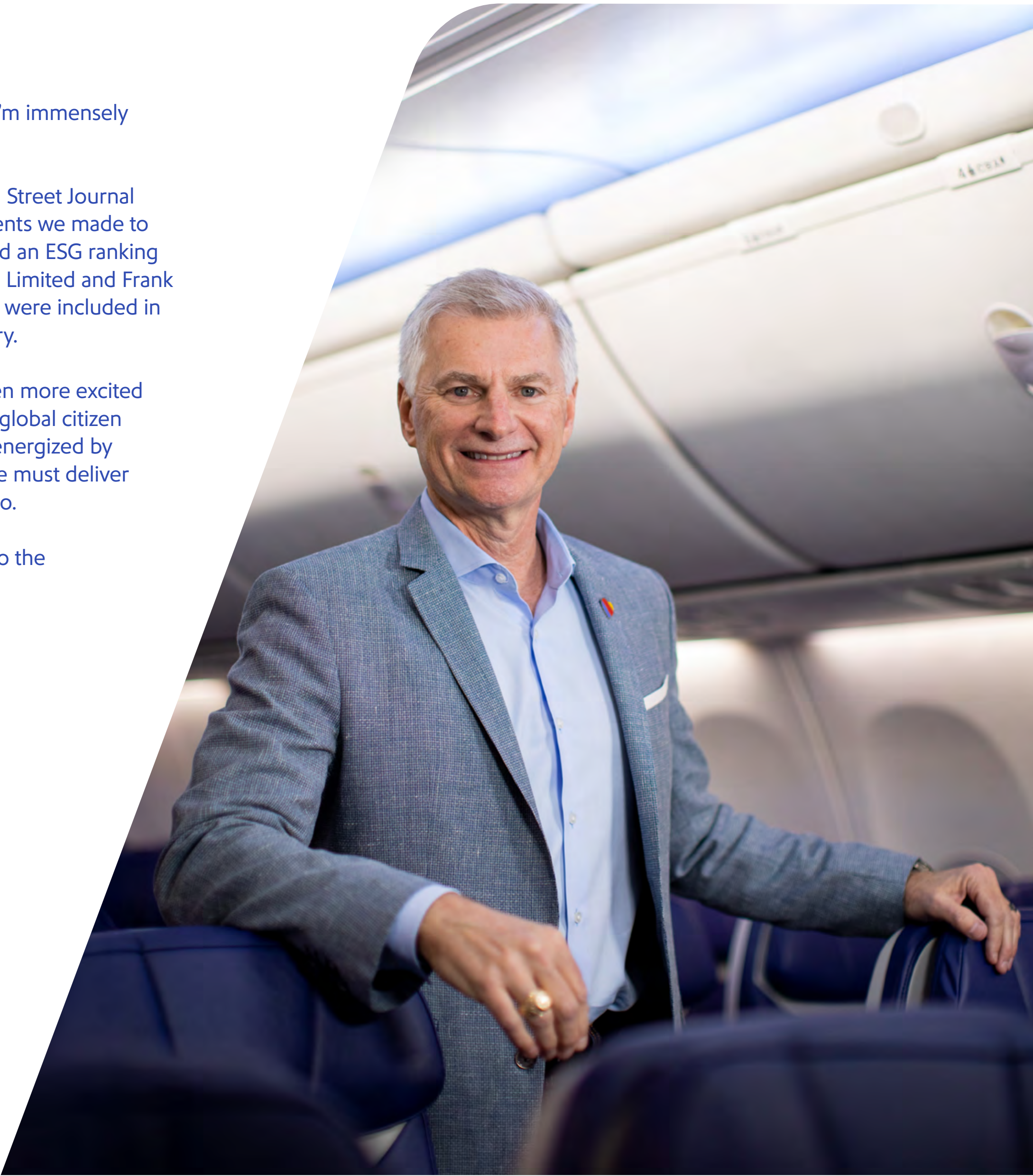
In 2024, we moved up to the number two spot in the Wall Street Journal Airline Scorecard<sup>3</sup>—a testament to the significant investments we made to strengthen our operational performance. We also received an ESG ranking from FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company). We ranked 4.3 out of 5 and, as a result, were included in the FTSE4Good Index Series for the first time in our history.

I’m proud of what we accomplished this past year, but even more excited about what lies ahead. Our commitment to being a good global citizen remains steadfast, and as we look ahead to 2025, we are energized by the continued execution of our transformational plans. We must deliver meaningful results, and I’m confident in our ability to do so.

Thank you for being a part of this journey, and welcome to the 2024 Southwest Airlines One Report!



**Bob Jordan**  
President & Chief Executive Officer





# 2024: A Year in Review



**Million+** revenue  
Passengers carried



**99.2%**  
completion  
factor



**78.6%**  
ontime  
performance



Launched  
**Flightkeys**  
our new global flight planning software

**10** years of  
Repurpose with  
Purpose program



Introduced a new cup  
**made with  
bamboo for inflight  
cold beverages**  
and a 100% FSC<sup>1</sup>-certified  
birch wood stir stick

Record  
operating  
revenues of **\$27.5B**

In 2024, signed a supply agreement<sup>19</sup> for up to  
**~12M gallons**

of neat sustainable aviation fuel (SAF) to be brought  
to Midway International Airport in 2025, and up  
to approximately 12 million additional gallons in 2026



**45,300+**  
Customer commendations



**78,239**  
total number of Employees



Announced a **multi-year  
transformational plan** to enhance  
our Customers' Experience



# Honoring Colleen

While our Founder Herb Kelleher was the visionary genius behind Southwest Airlines, Colleen Barrett was the creative force behind our Company's Culture. Affectionately known as our Queen of Hearts, our world changed with her passing in May 2024.

Colleen was led to the aviation industry by chance, but she devoted herself to the cause of Southwest Airlines by choice. As Herb's legal secretary at his San Antonio law firm, Colleen had an eye for detail, the ability to comprehend and organize an extraordinary amount of information, a relentless focus on effective communication, and a passion for service—all seemingly serendipitous complements to Herb's strategic and visionary strengths. Their partnership began in 1967 and would soon translate into what many consider the greatest experiment in the history of commercial aviation.

Colleen gave equal priority to the needs of the business and the needs of Employees (and, by extension, Customers). She believed the success of one could not happen at the expense of the other. She fought unapologetically to ensure that everyone had a seat at the proverbial table, whether debating policies, crafting processes, or casting a vision for the future. This passion for the People of Southwest Airlines was the driver not only of Southwest's one-of-a-kind Culture, but also the "do the right thing" approach to serving Customers. Guided by "The Golden Rule," Colleen encouraged Employees to lead with their Hearts as much as their heads when serving Customers, even in an industry as highly regulated as commercial aviation.

Colleen led by example. She personally corresponded with Customers, answering complaints, compliments, and an endless array of inquiries. Transparency, thoroughness and kindness were key to her communication style, which translated into intense Customer loyalty. She took that same approach in caring for her "Internal Customers"—Southwest

Employees. Colleen delighted in sending thousands of heartfelt notes, remembering birthdays, anniversaries, and life events, capitalizing on teaching moments and recognizing excellent performance or acts of kindness, heroism, and service. This passion for Employees led Colleen to create a Team dedicated to these efforts, which exists today as Southwest Coheart Care.

In the early 1990s, Colleen had the vision to start the Companywide Culture Committee with the purpose of inspiring Employees to own, strengthen, and promote the Culture. From its original 48 members, the initiative has since evolved to what is now the Culture Ambassador Program with 420 local Employees voluntarily supporting 120 locations, including our Stations, Network Operations Control, Leadership Education and Aircrew Development (LEAD) Center, and 13 international destinations.

Colleen's rise at Southwest was quick and merited. Her combination of exceptional administrative skills, intuition for understanding people, and a Heart for service led to her involvement in almost every aspect of the business, culminating in becoming the first woman president in the airline industry when she assumed the role in 2001. She met and mastered her most significant challenge in leading Southwest through the 9/11 terrorist attacks. Under her guidance, Southwest was the first passenger carrier to take to the skies three days after the event with a commercial message of hope, strength, and unity, which she personally delivered.

Colleen served as a member of the Board of Directors from 2001 to May 2008 and as Corporate Secretary from March 1978 to May 2008. She served as Vice President Administration from 1986 to 1990, Executive Vice President Customers from 1990 to 2001, President and COO from 2001 to 2004, and President from 2004 to July 2008. Throughout her career she was active in numerous civic

and charitable organizations, served on several business advisory boards and commissions, and received dozens of awards and accolades. Colleen also co-authored with Ken Blanchard the book *Lead with LUV: A Different Way to Create Success* (2010).

At the time of her passing, Colleen was President Emerita of Southwest. Her mark on the unique Culture of Southwest Airlines is indelible, and her influence is eternal. She is forever beloved by her Southwest Family.

Learn more about Colleen's extraordinary life at the [Colleen C. Barrett Institute for Cultural Excellence and Customer Service](#).





# Purpose, Vision, & The Southwest Way

At Southwest Airlines, our Purpose, Vision, and The Southwest Way (Company Promise, Employee Promise, and Values) guide our everyday actions and long-term business decisions. They come to life through our legendary Hospitality, Customer Service, and Employee Experience, which supports

our world-famous Culture promoted and preserved by our Employees. Living The Southwest Way unites us, giving us a Purpose for today and a Vision for tomorrow. We're a Company that takes care of our People, our communities, and respects our planet. Living out our Values helps us make progress every day.



## The Southwest® Way

### Our Purpose

Connect People to what's important in their lives through friendly, reliable, and low-cost air travel.

### Our Vision

To be the world's most loved, most efficient, and most profitable airline.

### Company Promise

Southwest will provide a stable work environment with equal opportunity for learning and personal growth. Employees will be provided the same concern, respect, and caring attitude within the organization that they are expected to share externally with every Southwest Customer.

### Employee Promise

I will demonstrate my Warrior Spirit by striving to be my best and never giving up.  
  
I will show my Servant's Heart by delivering Legendary Customer Service and treating others with respect.  
  
I will express my Fun-LUVing Attitude by not taking myself too seriously and embracing my Southwest Family.

## Values

Me How I Show Up	We How We Treat Each Other	Southwest How Southwest Succeeds
<b>Pride</b> Have a strong work ethic, take initiative, and be accountable	<b>Teamwork</b> Practice civility, embrace Team over self, and be inclusive	<b>Efficiency</b> Don't make the easy hard, keep costs low, and stay agile
<b>Integrity</b> Act like an owner, choose to do right, and be courageous	<b>Honesty</b> Speak up, be transparent, and tell the truth	<b>Discipline</b> Be safe, be focused, and be reliable
<b>Humility</b> Don't take yourself too seriously, keep perspective, and don't be a jerk	<b>Service with LUV</b> Practice Hospitality, live by The Golden Rule, and don't be rude	<b>Excellence</b> Get results, win the right way, and kick tail



# Laying the Foundation for a Bold New Chapter

2024 marked a transformative year for Southwest Airlines, laying the groundwork for a bold new chapter in our Company's journey.

Since launching our "Foundational Five" strategic priorities in 2022—focused on enhancing Reliability, modernizing the Customer experience, optimizing our network, strengthening our Culture, and driving financial performance—we have made significant strides.

Specifically, in 2024:

- We received recognition in the Wall Street Journal's 2024 annual airline rankings and improved on nearly every operational metric measured by the Wall Street Journal compared to 2023<sup>3</sup>—a testament to our outstanding People and the significant investments we have made in our operation.
- We ended the year with a near-record high Customer Net Promoter Score (NPS)—a key indicator of Customer satisfaction. We also made notable strides in our ongoing Customer Experience enhancements and service modernization—deliberate actions focused on making our already leading Customer experience even better.
- We evolved our marketing and distribution practices by partnering with meta search engines such as Google Flights, Kayak, and Skyscanner. In addition, we implemented key technology initiatives, including replacing our legacy flight planning system, leveraging artificial intelligence to expedite support and call resolution time for Customer Service agents, and added digital capabilities in the operation to help reduce turn times.
- Despite industry-wide challenges—including inflationary cost pressures, significantly higher wage rates, delayed aircraft deliveries, and shifting travel patterns—we achieved record-breaking operating revenues in 2024. In September 2024, we finalized our last open labor contract, and as of December 31, 2024, all 12 union-represented workgroups, covering approximately 82% of Employees, have ratified new agreements.



Our accomplishments and progress in 2024, along with the momentum and pace we've set, provide a great foundation for 2025. We stand committed to our goal of rapidly adapting to evolving Customer expectations, decreasing costs and increasing efficiency, and driving sustained Shareholder value—all while staying true to Southwest's unique and unmatched DNA—a Heart for service delivered by the best People in the business.

In 2025, we plan to close out the Foundational Five and continue to evolve Southwest Airlines for the future. Our plan focuses on three objectives. First, boost revenues and loyalty by offering our Customers the experience they want. Second,

maximize efficiencies and minimize costs. Third, make the most of our investments. Our plans include selling assigned and premium seating for flights in 2026, unveiling a new cabin experience, expanding our network with redeye flights and airline partnerships, and enhancing our distribution strategy. As we transform, we plan to leverage:

- Our rewarding loyalty program,
- Our comprehensive domestic network,
- Friendly and Customer-centric service,
- The best People; and
- Reliable service and operational excellence with a commitment to Safety.



We're inspired by our Vision, confident in our strategy, and committed to enhancing Southwest's value for Customers, Employees, and Shareholders alike.

## Corporate Citizenship Priorities

Southwest Airlines® is built on a legacy of focusing on our People and respecting our planet while keeping our performance and strong corporate governance at the center of all we do. This legacy and our Vision to be the world's most loved, most efficient, and most profitable airline have driven our citizenship ethos for more than 53 years. As we continue writing the next chapter of Southwest Airlines, we seek to run a safe and ontime operation while demonstrating exceptional Hospitality to our Customers.

For more information regarding our People priorities, please see our priorities and programs in the Company's Annual Report on [Form 10-K](#).

For more information regarding our Planet priorities, please see the [Planet section](#).

## 2024 Management Short-Term Incentive Scorecard

For information on the 2024 Management Incentive Scorecard, please see the Compensation of Executive Officers section of Southwest's [2025 Proxy Statement](#).



# 2024 Awards



## Ranked the #1 Airline for Economy Class Customer Satisfaction

in the J.D. Power 2024 North America Airline Satisfaction Study for the 3rd consecutive year.

For J.D. Power 2024 award information, visit [jdpower.com/awards](https://www.jdpower.com/awards)



## Ranked #39

on the 2024 *Fortune* World's Most Admired Companies™ list

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USA TODAY

2024

## America's Customer Service Champions



## America's Most Responsible Companies List



USA TODAY

## #1 Cabin Crew

in the 2024 10 Best Readers' Choice Awards



USA TODAY

## #1 Airline

in the 2024 10 Best Readers' Choice Awards



## Top Airline

on Forbes America's Best Employers for Veterans List



## Domestic Carrier of the Year

by the Airforwards Association



## The Wall Street Journal 2025 Best U.S. Airlines

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## Newsweek America's Best of the Best List



U.S. Chamber of Commerce Foundation

## Best Sustainability Program

category at the U.S. Chamber of Commerce Foundation Citizens Awards



# Reporting Scope

The 2024 Southwest Airlines One Report is an opportunity to highlight our Company’s Citizenship successes and is a snapshot of our Company’s People, Planet, Performance, and Governance initiatives. To evaluate the most relevant items for inclusion throughout the report and to inform our Citizenship strategy, we conducted a key topics assessment in 2022. Our key topics assessment is similar to what other companies may describe as a “materiality assessment,” which is not to be confused with materiality for financial reporting purposes. Our key topic assessment helped us to identify and prioritize the areas Stakeholders consider most significant for Southwest. The results of this assessment can be found in the Key Topics Assessment section.

The One Report includes our management approach to key topics, highlights for the past calendar year, relevant data tables, and disclosures in reference to the Global Reporting Initiative (GRI) and informed by the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB). The One Report reflects the period of January 1 to December 31, 2024 (unless otherwise noted).



A glossary of key terms is included as a guide for frequently used words and terminology with specialized meanings (e.g., circularity). Endnotes are also provided in specific cases where additional context is warranted.

The One Report covers only those business activities for which Southwest generally has complete control or ownership. It does not include facilities primarily controlled by others, such as airport terminal space, or outsourced or subcontracted facilities. We invite you to read more about our 2024 Citizenship activities and how we’re aligning our efforts with our Heart for People, respect for the Planet, and dedication to exceptional Performance on the following pages.

# Management Approach to Key Topics

## Key Topics Assessment

Identifying ESG impacts that are significant to our business and the environments in which we operate is core to our Citizenship efforts. Through regular key topics assessments, we continue to enhance our understanding of how our business efforts within the areas of People, Planet, Performance, and Governance impact Southwest as a Company, as well as the world around us.

Our most recent key topics assessment was completed in the fall of 2022 with a third-party consultant. Using the GRI Universal Standards (2021), we evaluated our business’s current and potential environmental, economic, and social impacts. In addition to external impacts, we also evaluated the internal impacts of key ESG topics on our business and how they may influence financial performance and how we effectively operate in the future.

Throughout the assessment, we engaged key Stakeholders and conducted peer benchmarking. Insights gathered through Stakeholder interviews and desktop research enabled Southwest to assess each topic based on the significance of its internal and external impacts.

Our approach to identifying and assessing key topics is informed by the GRI guidelines, which call for a systematic process for engaging Stakeholders and prioritizing feedback, including:

- Evaluating relevant CSR and ESG topics
- Identifying internal and external Stakeholders
- Assessing the organization’s impacts
- Evaluating the influence on the Stakeholder groups
- Prioritizing topics





## ESG Key Topics

The key topic list below outlines our key topics for ESG reporting and management. Each topic is a priority focus for our business as we think about our approach to management of ESG and our larger business strategy.

Through our 2022 key topics assessment, we identified ESG focus areas for our Citizenship strategy and reporting. For Southwest, Safety, ethics, and financial performance are

foundational to our business. These three topics necessitate management at the highest level and transparent reporting regardless of internal or external factors.

In this report, we share how our key topics are managed, who is responsible for the highest level of oversight, and the actions we take to mitigate potential negative impacts and promote the continuation of our positive impacts.

## ESG Key Topics

### Foundational Topics: Safety, Ethics, & Financial Performance

People	Planet	Performance	Governance
Employee Retention & Recruitment	Fuel, Energy & GHG Emissions	Fleet Management	Risk & Crisis Management
Employee Compensation & Benefits	Climate Risks & Impacts	Operational Performance	Board and Management Oversight of ESG
Employee Experience, Culture & Engagement	Environmental Compliance	Customer Satisfaction	Cybersecurity
Employee Training, Education & Career Development	Waste	Indirect Economic Impact	Data Privacy
	Facilities Energy Use	Network & Growth	Supply Chain Responsibility & Disruption
	Water Management		Public Policy, Regulation & Transparency
			Political Contributions
			Marketing & Ethical Branding
			Board Composition







# People

Looking back on 2024, we’re inspired by all the great things we can achieve when we lead with Heart and put People first. Throughout the year, we continued our focus on Employee wellbeing by introducing new enhancements to our comprehensive Total Rewards package. We supported Employees on their journey to achieve their full potential through expanded learning and professional development programs, and strengthened our Culture of Belonging. In support of our communities, we continued to invest in partnerships and programs that drive economic, social, and environmental impact.

### 2024 Highlights

- Merged our ProfitSharing and 401(k) plans into a single retirement plan renamed the Southwest Airlines Co. Retirement Savings Plan
- Received the Don Clifton Strengths-Based Culture Award from Gallup for the second consecutive year
- Developed a new Moments app to help Leaders welcome, care for, and appreciate Employees at key life and career moments

\$8M

invested to realign Noncontract Employee wages with changing market rates

38,025

tickets donated

12

new contract agreements reached for each of our union-represented workgroups within a two-year period (October 2022-September 2024)

14%

unique Employees volunteering

### People Section Framework Disclosures

GRI			
201-3	401-2	403-7	407-1
203-1	401-3	404-1	408-1
203-2	403-5	404-2	409-1
401-1	403-6	404-3	413-1

### Key Topics

Employee Retention & Recruitment	Freedom of Association & Collective Bargaining	Human Rights & Anti-Trafficking
Employee Compensation & Benefits	Fostering Belonging	Community Outreach
Employee Training, Education, & Career Development		



# Employee Retention & Recruitment

## 2024 Spotlight

- **Attended or sponsored more than 500 hiring and outreach events across 68 cities**
- **Completed more than 200 K-12 school or nonprofit visits, driving strong student engagement and developing our pipeline for full-time roles**
- **Celebrated the fifth anniversary of Destination 225° (D225)—our Pilot pathways program that supports aspiring aviators with the training and flight experience necessary to become a First Officer at Southwest**

We dedicate ourselves to inspiring individuals from all backgrounds to pursue meaningful careers at Southwest. Throughout the year, our Talent Acquisition Teams built strong talent pipelines through key initiatives, including outreach and hiring events, an Employee referral program, and improving the efficiency and transparency of our hiring experience.

### Outreach and Events

Our recruiting outreach spans from elementary school visits to campus recruiting and career fairs, all aimed at engaging current talent pools and developing future pipelines. Throughout 2024, Southwest Employees attended or sponsored more than 500 hiring and outreach events across 68 cities. Key 2024 events included Experimental Aircraft Association AirVenture and Women in Aviation International, which we've had a strong partnership with for more than 25 years. We also continued virtual quarterly job sessions in 2024 aimed at high school students, parents, and educators, bringing insights about Southwest career opportunities to classrooms nationwide.

- **K-12:** In 2024, we collaborated with Talent Acquisition Recruiters to strengthen our K-12 and graduating high school student recruiting initiatives. Throughout the year, we equipped Southwest Employees to complete more than 200 school visits, driving strong student engagement and developing our pipeline for full-time roles.
  - The year was full of new innovative approaches, such as the launch of K-12 Activity Boxes. These boxes, designed to inspire youth to consider careers in aviation, include a construction plane kit, fuzzy socks, a multi-pen, and a card with career resources for students to explore opportunities at Southwest.
  - We hosted 72 high school students and Interns at our two-day Southwest Summer Camp, an opportunity to introduce Southwest Employees' high school-aged dependents to learn more about careers in aviation. Campers' parents or guardians represented 17 departments across 22 cities. Additionally, Southwest's K-12 Team hosted 12 High School Interns and collaborated with Women In Aviation to support 12 Girls in Aviation Day events nationwide, featuring activities such as bracelet making and paper airplane crafting, which were a big hit among students.
- **College and Early Career:** College and early career outreach initiatives continue to strengthen our pipeline for full-time associate and entry-level roles. In 2024, our University Recruiting Teams engaged with more than 30,000 students across 192 events, resulting in the highest number of spring Intern applications in recent history. Throughout the year, we hosted 115 spring and summer Interns.
  - Interns filled 70% of our Direct College Hire (DCH) roles in 2024—an impressive achievement for our Campus Reach Internship Program! Focused outreach efforts like our Campus Reach Technology Internship Program continue to strengthen the pipeline for our DCH Program.

Additionally, our Junior Technology Associate Program, an 11-month program launched in 2022, continues to provide opportunities for Candidates with non-traditional educational backgrounds to launch their careers in our Technology Department.

Other key recruitment initiatives include:

- **Southwest Employee Referral Program:** Southwest Employees are an invaluable resource for recruiting individuals who share our Company Values and enrich our Culture. In 2024, Employee referrals accounted for nearly 18% of Southwest's New Hires. We continue to recognize that our Employees bring quality referrals that lead to successful hires who remain with Southwest for at least six months via our Southwest Airlines Gratitude (SWAG) platform.
- **Recruiting Outreach Kits:** Our Employees are often interested in connecting with local organizations, schools, and communities to teach them about soaring into an aviation career. To empower our Employees, the Talent Acquisition Team developed recruiting kits complete with decks, flyers, activities, and storytelling videos to connect with kindergarten through college-aged audiences and adult job seekers. Recruiting kits include information about our commitment to inclusion, such as our Employee Resource Groups (ERGs) and support for communities that Southwest serves.
- **Day-in-the-Life Videos:** Whether it's a Ramp Agent, Flight Attendant, Pilot, or Maintenance Technician, who better to teach you about the Heart and determination needed for the role than our Employees? In support of our recruitment efforts across Southwest workgroups and Stations, we developed day-in-the-life videos showcasing the opportunities, activities, and responsibilities of a role at Southwest. This initiative was sparked in 2023 and continued in 2024 with a Material Specialist video and a Pilot-First Officer video released, with more still to come!

- **Southwest Summer Camp:** This program offers high-school-aged dependents of Southwest Employees insight into the variety of careers at Southwest Airlines through hands-on activities, departmental interactions, and tours of our facilities like the LEAD Center and maintenance hangar. Since its inception, Southwest Summer Camp has attracted participants throughout our network, with many former campers becoming proud Southwest Employees.

## Celebrating Five Years of Destination 225°

In 2024, we celebrated the fifth anniversary of D225—our Pilot pathways program that supports aspiring aviators with the training and flight experience necessary to become a First Officer at Southwest. Since launch, 60 program graduates have successfully become First Officers, with 41 starting First Officer classes in 2024.

### The Southwest Hiring Experience

We strive to provide all Southwest Candidates with a great hiring experience. All Southwest job postings below Vice President (VP) display starting pay ranges, wage rates, and benefits information. Pay transparency efforts include providing specific wage scale steps for positions under collective bargaining agreements (CBAs) and salary ranges for Noncontract Employee positions.

Our Talent Acquisition Team consistently seeks opportunities to improve the Candidate and Employee Experiences by integrating new technology or enhancements in our HR technology. As we prepare for the next chapter of Southwest, we're focusing on new ways to create a branded experience for Candidates, place relevant resources at their fingertips, and align with our Commercial Transformation recruiting efforts through 2025.



We closely monitor applicant-to-hire ratios, time to hire, Candidate pipeline strength, and Employee turnover. Starting in 2023, we began tracking Candidate sentiment during the hiring process. We provide regular Stakeholder engagement across the organization, involving our People Department and internal Hiring Leaders in the decision-making process for future recruitment and retention initiatives.

Retention

Our retention strategy focuses on rewarding our great People with competitive pay, development opportunities, and an unrivaled Employee Experience.

Southwest’s compensation strategy rewards hardworking Employees and boosts our market competitiveness. Reflecting our commitment to current and prospective members of the Southwest Team, all hourly Employees covered by CBAs earn a starting rate of at least \$17 per hour.

Our Career Mobility Team is dedicated to empowering Employees to create their own careers that fit the goals and lifestyle they want. The Team proactively prepares Southwest Employees for internal career opportunities through services

like individual career advising sessions, interview preparation resources, and virtual information sessions. Career Mobility has grown consistently since its inception in 2020. In 2024, the Career Mobility Team booked 5,756 appointments (a new record), with the largest Customers being Operational Employees from our Ground Operations and Inflight Operations workgroups.

In 2024, the Career Mobility Team organized and hosted 190 virtual events, including information sessions and webinars, and introduced peer-to-peer learning initiatives focused on resume reviews and interview preparation. Throughout the year, these group sessions supported internal Flight Attendant recruitment efforts, allowing for the preparation of a larger pool of Candidates in a shorter timeframe. The Career Mobility Team also hit the road in 2024, visiting eight Stations across the network to engage with Operational Employees who support a smooth operation.

In partnership with GEDWorks™, Southwest also offers a start-to-finish GED program for Employees hired into operational roles without a GED or high school diploma. This program allows these Employees an opportunity to earn their GED free of charge, unlocking internal mobility and helping open new doors for them at Southwest.

Employee Compensation & Benefits

2024 Spotlight

- Invested nearly \$3 billion in Employee benefits, including Company contributions to the Southwest Airlines Co. Retirement Savings Plan
- Invested \$8 million to realign Noncontract Employee wages with changing market rates
- Prepared for the launch a new advocacy service that began in January 2025

Benefits

We care for our Employees through accessible and comprehensive health benefits including medical, prescription drug, dental, vision, and various voluntary benefits and health services. Starting in 2024, we expanded fertility benefits to better support our Employees’ families, and we enhanced the supplemental hospital and critical illness voluntary benefits, at no additional cost to Employees who enroll.

Southwest offers strong financial programs to help Employees prepare for retirement. While planning, saving, and investing for retirement can be complicated, we made it simpler for our Employees in 2024 by merging our ProfitSharing and 401(k) plans into a single retirement plan renamed the Southwest Airlines Co. Retirement Savings Plan. Consolidating these two retirement plans enables our Employees to see their entire retirement portfolio in one account and manage their savings and investments more efficiently while still receiving all the previous benefits from the two programs. Additionally, a single plan enables Southwest to administer program benefits as efficiently and cost-effectively as possible.

In 2024, we reconfigured the Company contribution schedule for select workgroups by introducing a 4% non-elective contribution (NEC) paired with a 5.3% Company match to help fund Employees’ retirement accounts. This change guarantees Employees receive a steady and reliable boost to their retirement savings while still rewarding them for their own retirement account investments. The total retirement contribution from Southwest remains robust at 9.3%, thanks to the combination of the 4% NEC and the 5.3% match. This allows our Employees to continue to benefit from substantial retirement support, making it easier for them to achieve their financial goals. Company match contributions are subject to terms specified by the Board-approved Plan as well as limits outlined by the Internal Revenue Code.

For Noncontract Employees and all other workgroups, other than Pilots, Southwest continued to provide a generous 9.3% Company matching contribution, subject to Plan and IRS limits, to help fund retirement accounts. For Pilots, the Company’s NEC increased to 17% of eligible earnings. Also, beginning in August 2024, Pilots now receive a 1% Company contribution to a market based cash balance plan, which provides the security of a qualified defined benefit plan with capital preservation protection.

In addition, Southwest may contribute a percentage of its eligible pre-tax profits, as a profit-sharing contribution, on an annual basis to the Southwest Airlines Co. Retirement Savings Plan.

For qualified Retirees, we also provide post-retirement benefits in the form of medical and dental coverage. Employees must meet service and age requirements as set forth by the Company, or as specified in CBAs with specific workgroups. Employees meeting these requirements, as defined, may use accrued unused sick time to pay for medical and dental premiums (or pay them in cash) from the age of retirement until age 65. All post-retirement





medical and dental benefits are unfunded, and Southwest pays benefits as they become due. Estimated future post-retirement benefit payments expected to be paid are \$16 million in 2025, \$17 million in 2026, \$18 million in 2027, \$20 million in 2028, \$21 million in 2029, and \$126 million for the next five years thereafter.

We regularly communicate to our Employees to make them aware of and give them access to these resources throughout the year. From healthy living and financial education sessions with retirement plan advisors to mental health webinars, we offer a diverse range of tools and resources to help our Employees thrive.

### Empowering Employee Financial Wellness

Southwest partners with Empower, our retirement plan administrator, to use the Lifetime Income Score—a metric that evaluates an Employee’s retirement readiness by estimating whether their savings and income sources are on track to replace at least 75% of their pre-retirement income, a benchmark widely recognized for maintaining one's standard of living in retirement. We’re proud that over half (53%) of our total Employee population has a Lifetime Income Score of 100% or more, indicating they are well-positioned to meet or exceed this income replacement goal.

Our retirement plan’s effectiveness is also measured by Empower’s robust evaluation framework, which measures key indicators such as savings sustainability, asset allocation, and preparedness for longevity risks. On a scale of 1-100, our plan scored an impressive 87, with an 80 being considered "best in class." This high score demonstrates the strength of our retirement plan design and the positive impact of the \$700 million contributed last year, reinforcing our commitment to helping our employees prepare for a financially secure retirement.

In 2024, Southwest also kicked off a comprehensive study using publicly available information from the three credit bureaus to gain valuable insights into our Employees' financial health. This study, performed on a workgroup basis and differentiated by dimensions such as age and gender, is designed to help Southwest identify the financial stressors—such as debt levels or emergency savings gaps—our Employees face. We expect these insights to help us collaborate with our retirement plan advisors to develop a tailored financial wellness strategy that addresses the diverse needs of our workforce, with the goal of improving Lifetime Income Scores and long-term retirement outcomes.

## Employee Benefits

### Company-provided Insurance

Including life insurance, accidental death and dismemberment insurance, as well as optional life and other voluntary benefits.

### Financial Benefits

Including a Retirement Savings Plan with Company contributions for 401(k) and profit sharing, as well as an Employee Stock Purchase Plan.

### Post Retirement Coverage

Medical and dental coverage for Employees meeting service and age requirements (or the requirements outlined in CBAs for designated workgroups) from the age of retirement until age 65.

### Health Coverage

Including medical, prescription drug, dental, and vision.

### Disability Coverage

Short-Term disability for Noncontract Employees and conventional long-term disability for all other Employees, except for Pilots, whose CBA provides loss of license disability.

### Paid Time Off

Including vacation time, personal time, sick time, disability, holidays, and paid parental leave for Noncontract Employees and other Employees as specified by their CBAs.

### Mental Health Services

Resources to support emotional health through an Employee Assistance Program and a dedicated Employee Assistance Professional.



Compensation

Southwest is focused on offering market-competitive pay for our People. Our compensation strategy recognizes and rewards performance, and positions Southwest to successfully retain our Employees. We put processes in place to routinely evaluate all compensation decisions for Noncontract Employees using five basic principles:

- Market data sourced from reputable third-party surveys
- Internal equity, which evaluates pay relative to the pay of other Employees performing similar work
- Position history of the individual Employee
- Performance of the Employee in their role
- Budget availability

Applying these basic principles reduces the risk of compensation decision bias for our Employees not already covered by CBAs.

As of December 31, 2024, approximately 82% of our total Employee population is covered under CBAs that prescribe compensation for all qualified Employees based generally on seniority.

We regularly review Noncontract Employee compensation through quarterly reports, an annual merit cycle, and independent surveys. These efforts help our pay rates remain competitive with the external market. In 2024, we invested a total of \$8 million to realign Noncontract Employee wages with changing market rates, while also reaching agreement on competitive wages for Employees in five different workgroups represented by CBAs.

Southwest has also implemented a pay equity tool designed to help us identify any inequities that should be addressed. We use this tool in conjunction with our HR Ops Team to perform regular reviews.

Our benchmarking approach is thoughtfully tailored for each workgroup, focusing on the total rewards offered by competing employers. For Employees covered by a CBA, we primarily compare rewards with those in the airline industry.

However, we also consider comparisons with employers in warehousing, hospitality, call center operations, and other sectors. In contrast, rewards for Noncontract Employees are benchmarked against a diverse group of employers, typically within the Fortune 500. This includes companies in technology, finance, professional services, and the airline industry.

To maintain competitive Noncontract salaries, we use external compensation surveys and quarterly Salary Competitiveness Ratio assessments to refine our compensation structure and align with market trends.

A stable and well-paid workforce can positively impact local economies in the communities where our Employees live and work. Southwest acknowledges the impact and importance of Employee wellbeing and is taking steps to enhance our Employee benefits in order to improve the health and wellbeing of our workforce.



Employee Training, Education, & Career Development

2024 Spotlight

- Launched the Southwest Airlines Learning Library in partnership with Skillsoft, giving Employees on-demand access to more than 24,000 pieces of elective development content
- Expanded development opportunities for Employees to continue their growth and prepare Southwest for the future
- Received the Don Clifton Strengths-Based Culture Award from Gallup for the second consecutive year

We strive to provide all Southwest Employees—from New Hires to seasoned Leaders—with support and resources to develop their careers and achieve their full potential. Development-focused Teams and departments, including Southwest Airlines University (SWAU), Talent & Leadership Development (T&LD), Flight Operations Training, Technical Operations Training, and more, are passionate about cultivating talent and offering programs that promote continuous learning.

Continuous Development

We significantly expanded our Employee development programs in 2024, including a broader range of courses and more accessible resources. Much of our new programming leans into values-based development, including core competency courses, a comprehensive on-demand learning library, fireside chats, and more.

New Hires participate in a thorough onboarding program at our Corporate Campus in Dallas, Texas, which includes a celebratory welcome, an all-day onboarding class, a campus tour, and extensive information on our Company Culture and benefits. Operational Employees receive additional training focused on Safety and operational proficiency before progressing to training aimed at upskilling.

Beyond onboarding, training and development for Southwest Employees can evolve throughout their careers. We’re proud to offer various optional learning opportunities for Employees to further their personal development. With different modalities, including classroom instruction, distance learning, on-the-job training, mentoring, and blended learning, Employees can shape their careers to fit their individual goals and lifestyles.

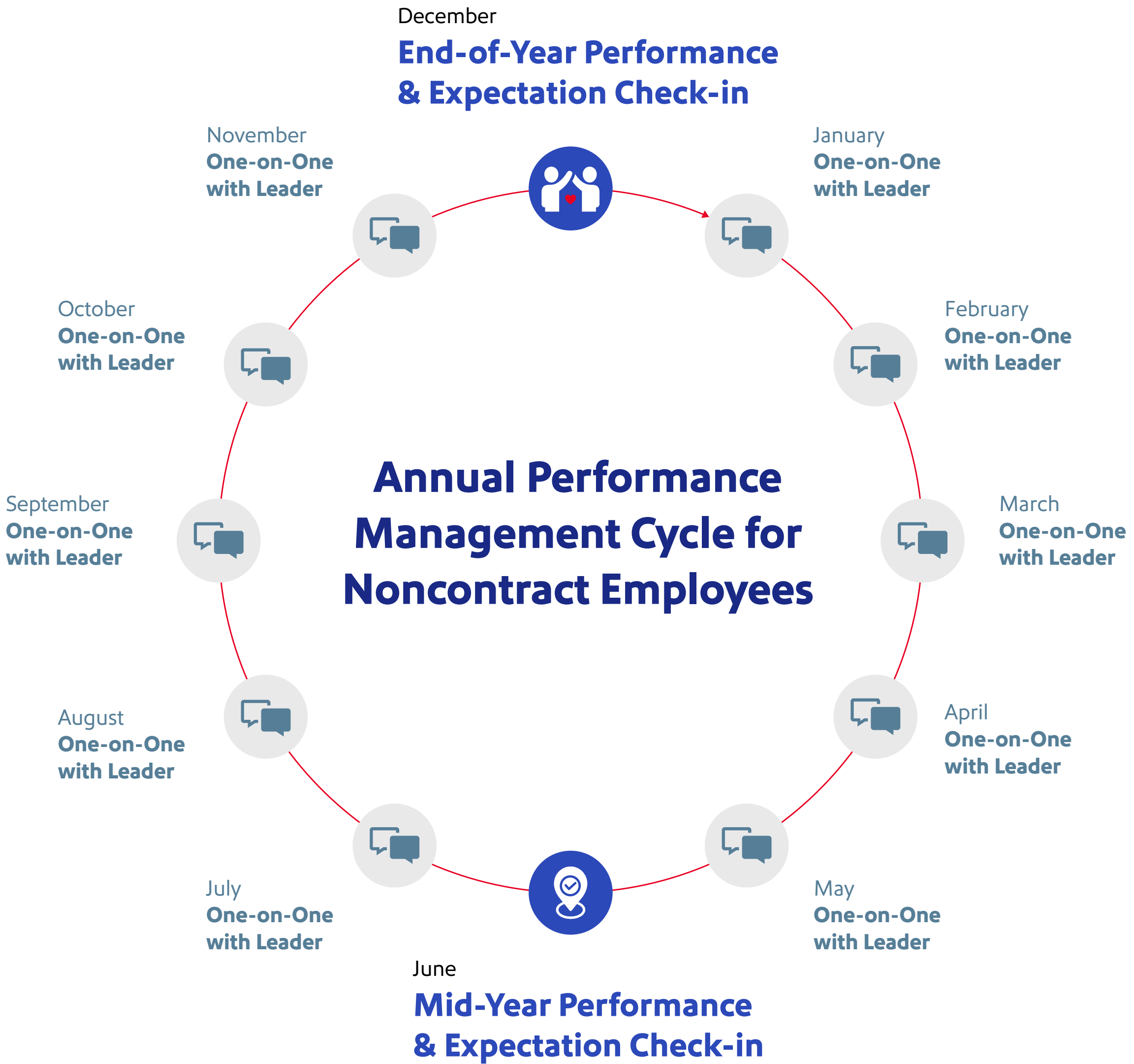
- **Southwest Airlines Learning Library:** In partnership with Skillsoft, this online library houses more than 24,000 pieces of professional development content across various modalities, accessible to Employees at any time. We encourage new and tenured Employees to take charge of their professional and personal development by exploring the content library, which includes quick learning opportunities such as videos, podcasts, and computer-based training.
- **Google Career Certificates Program:** Google Career Certificates are flexible, online training programs designed for Employees to develop high-demand, job-ready skills. Courses cover various topics, including data analytics, cybersecurity, project management, UX design, digital marketing, and more. In 2024, we issued licenses to more than 1,000 Employees, with our Employees logging more than 14,000 total learning hours.



- **Aspire:** We launched Aspire in 2024, a new set of courses designed to empower all Southwest Employees to take charge of their career development journeys. This three-part curriculum encourages Employees to discover, decide, and develop toward a path that aligns with their goals through self-paced, flexible learning opportunities. Whether Employees want to define their personal brand or explore People Leadership, Aspire can prepare them for potential career paths. Learning modalities include a computer-based course, a self-paced workbook, and instructor-led courses.
- **Performance Management:** Noncontract Employees at Southwest engage in ongoing one-on-one meetings with their Leader to support their professional development. These meetings are essential for Employees to receive feedback and discuss their performance, development, and career aspirations. Performance Check-ins for eligible Employees take place mid-year to review progress and at year-end to recognize contributions and set priorities for the following year. Check-ins evaluate the Employee's performance in alignment with our Company Values, competencies, and specific role priorities.
- **Data Analytics Upskilling Program:** Launched at the end of 2024 in partnership with Correlation One and Apprenti, this 16-week cohort-based program offered more than 90 Employees across Southwest the opportunity to advance their data analytics skills.

In 2024, we received the Don Clifton Strengths-based Culture Award for the second consecutive year! This award recognizes workplace cultures where the strengths of Leaders and Employees are at the center of their daily work and integrated into their development processes.

We plan to continue our journey to develop a Strengths-based Culture that engages our Employees in collaborating through enhanced self-awareness, a common language, and the celebration of cognitive differences. Most of our Noncontract Employees, including Frontline Leaders, completed their Strengths assessments and participated in Strengths learning and development activities.





Operational Employee Training Hours

2.6 M+

Total Training Hours



Leadership Development

We’re committed to cultivating the next generation of Southwest Leaders through various development programs. These programs are tailored to new and seasoned Leaders, equipping them with the tools and skills needed to lead effective Teams. Each initiative focuses on enhancing Leadership competencies, including business acumen and other critical Leadership skills.

- **Leadership Conference:** The Leadership Conference aims to inspire and develop Southwest Leaders through dynamic, engaging content. This annual two-day hybrid event includes 12 main stage and breakout development sessions for Supervisors and above. The 2024 Leadership Conference brought together thousands of Southwest Leaders, furthering our commitment to shaping a Culture of learning and development.
- **360° Leadership Development Feedback Program:** In 2024, Senior Management Committee (SMC) Leaders participated in the Southwest 360° Leadership Development Feedback Program. This program helps Leaders

identify and enhance their strengths, recognize areas for improvement, increase self-awareness, and establish development goals. Participants completed a Leader 360° survey to gather feedback from their Leader, direct reports, and peers. Each participant received a personalized feedback report analyzing their strengths and competencies. Additionally, participants scheduled a one-on-one coaching session with a certified Gallup coach.

- **High Impact Development Portfolio:** The High Impact Development programs—High Impact Leader I and High Impact Leader II—accelerate the development of our high-performing Leaders by combining educational, experiential, and reflective learning experiences with virtual, in-person, and self-paced learning. These programs are exclusively for high-performing Leaders who are ready for next-level Leadership and have direct reports. The 2024 cohort of the High Impact Leader I Program for Supervisors, Team Leaders, Assistant Managers, and Managers included 44 Leaders who represented a range of backgrounds and departments within Southwest. The 2024 High Impact II Program cohort included 35 Leaders, readying them for Director-level roles. Since both programs began in 2022, 195 Leaders graduated from High Impact I and II.





# Employee Experience, Culture, & Engagement

## 2024 Spotlight

- **Launched our new Customer Kick Tail™ recognition program, enabling our Customers to directly reward Southwest Employees who go above and beyond to deliver great Hospitality**
- **Developed a new Moments app to help Leaders welcome, care for, and appreciate Employees at key life and career moments**

Our award-winning Culture is about much more than making Southwest a great place to work. It's a big part of what sets us apart from the competition and drives our success as a Company. Our nine [Company Values](#) form the foundation of Southwest's Culture. They describe how we show up as individuals, how we treat each other, and how we work together for the success of Southwest.

Building great Culture starts with how Southwest shows up as a Company. We make a promise to our Employees to provide a stable work environment with equal opportunity for learning and personal growth. Employees are provided the same concern, respect, and caring attitude within the organization that they're expected to share with every Southwest Customer.

Our Values, combined with our Company Promise and Employee Promise, define The Southwest Way.

## Culture & Employee Engagement

Southwest Leadership actively supports our Company Culture. Our SMC is provided with clear goals and guidelines for conducting location visits and helping Leadership stay engaged with and attentive to Frontline Employees. Each year, SMC members who don't lead Frontline workgroups, including all VP-level Leaders and above, are assigned to specific Southwest Stations. They are expected to make a designated number of visits or touchpoints with these Stations annually and provide feedback on Employee morale and any follow-up actions needed. These visits and feedback are reported monthly to the CEO, serving as a measure of accountability for Leadership engagement.

Culture Ambassadors are another one of the many ways we invest in Southwest Culture. These Southwest Employees, present in every workgroup and location, lead and champion local Culture efforts throughout the year. They receive dedicated training, supplies, and access to internal digital platforms for sharing ideas and resources. Each workgroup is also provided with annual appreciation and meal budgets to help recognize Employees for their hard work during peak seasons and holidays.

Southwest has a rich history of investing in Employee programs and events that enable Employees to hear from Leadership, connect with each other, and celebrate accomplishments. In 2024, we continued to maximize these opportunities with events like Southwest Rallies (our version of town halls with in-person and virtual options), an annual Spirit Party, recognition events such as our Winning Spirit Award, Heroes of the Heart and President's Award celebrations, and our Service Anniversary party for milestone anniversary celebrants.

We always strive to improve our events and make them accessible and enjoyable for all. In 2024, we continued post-event satisfaction surveys, and we added new questions aimed at understanding how Employees feel celebrated or appreciated after attending a Company event.

## Recognition

Recognition is a big part of Southwest Culture, and the SWAG platform gives Employees the opportunity to recognize and thank each other with a Kick Tail™ or SWAG Points. Employees can redeem SWAG Points for merchandise, gift cards, experiences, charitable contributions, and Rapid Rewards® points. SWAG Points can be earned through the Company goals.

The 2024 Southwest Way Challenge rewarded Employees if the Company met or exceeded targets within three Company priorities for the year: Return on Invested Capital (ROIC), Ontime Trip Net Promoter Score (TNPS), and Completion Factor.

Additional opportunities for Employee recognition include:

- **Peer-to-Peer Program:** We have a strong peer-to-peer recognition program that enables Employees to send a Kick Tail™ (thank you) to their Cohearts. These are internal notes where one can show appreciation for how other Employees are making a positive impact.

- **President's Award:** Employees can nominate their Cohearts annually for the President's Award, which recognizes Employees who have consistently displayed the best qualities of the Company and contributed to their department's success during the previous year.
- **Customer-driven Program:** Launched in 2024, our new Customer Kick Tail™ program enables Customers to directly recognize and reward Southwest Employees who go above and beyond to deliver Southwest Hospitality. Select Rapid Rewards® Customers receive paper Kick Tails™ that can be given to Southwest Employees during travel or when contacting a Customer Representative.
- **Service Anniversary Recognition Program:** Celebrating a milestone service anniversary is a significant achievement. It reflects the valuable time and hard work our Employees contribute to Southwest Airlines' success. Our program recognizes Employees at several anniversary milestones with service anniversary pins and a gifting program.
- **Retiree Recognition:** In honor of an Employee's service to the Company, we created a unique gifting program in 2024 to celebrate qualified Employees on their retirement. Additionally, each Retiree receives a keepsake heart gift box they can use to store their service anniversary and other recognition pins received throughout their career.

## Improving the Moments that Matter

The Employee Experience Team at Southwest manages a comprehensive strategy to engage with Employees and understand their Southwest journey. This includes biannual Companywide surveys covering topics such as Teamwork, Inclusion, Company Direction, Support from Leaders, Communication, and even the impact of current events.

These insights generate an Employee Engagement score, derived from five key factors, an Employee Wellbeing score that assesses six aspects of wellbeing, and our new Inclusion score. The Inclusion score is a metric to help us understand how well we're fostering an environment where everyone feels valued and included. Together with focus groups that provide deeper qualitative insights, these scores offer a comprehensive view of Employee sentiment and progress.





Additionally, these insights inform department-level action plans, which are shared with Employees. We also review results based on attributes like generation, tenure, department, and location for a personalized view into how Employees are doing.

Southwest recently expanded our data collection efforts to include Journey Moment surveys, and our focus on key moments throughout 2024 continued to yield results. Using feedback from Employees and Leaders, we developed a new Moments app to help Leaders welcome, care for, and appreciate our Employees. The app integrates information from various Southwest systems, highlighting key life and career moments in an Employee's journey, and puts the

information at a Leader's fingertips. This initiative helps Southwest Leaders extend the same Hospitality to Employees that our Employees provide to Customers.

More informally, we maintain and monitor an internal-only Facebook group called SWACulture. Initially created to connect Employees and promote Southwest Culture, this group has grown into a valuable source of real-time sentiment and hot topics raised by our Employees. We incorporate SWACulture page metrics and posts with the highest engagement (both positive and negative) into our internal communications measurement scorecard weekly for our Executives. By the end of 2024, the site had 24,037 Employees and Retirees, with more than half actively participating.

## Different Ways Feedback is Heard at Southwest

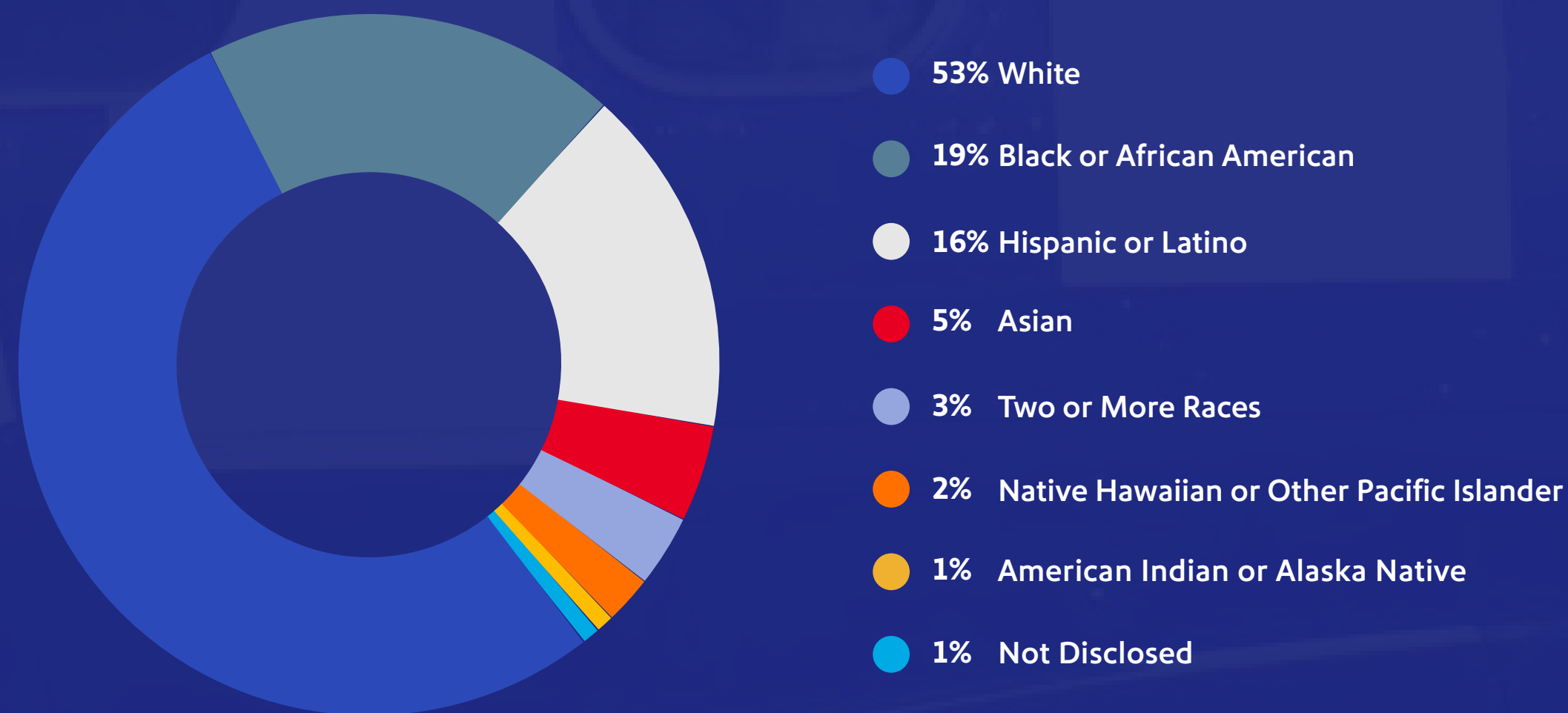
At Southwest, every voice matters. Feedback is vital to help Southwest Leadership better understand and improve the Employee Experience at Southwest Airlines.

- **Companywide Employee Survey:** Southwest conducts a Companywide Employee Survey to understand Employee engagement, overall sentiment, and improvement opportunities.
- **Voice of Employee Panel:** Open to all Employees who opt in to participate in these surveys, the Voice of Employee Panel uses short surveys to gather feedback, input, and suggestions on a variety of topics for the Company and working Teams.
- **Employee Focus Groups:** Employee focus groups obtain feedback directly from Frontline Employees via in-person or virtual guided discussions to more deeply understand moments that matter, identify key pain points, and gain frontline expertise on projects in progress.
- **Operational Department Channels:** Driven through each department's specified channel, Employees can voice concerns about day-to-day operational issues, submit reports, and provide feedback to help identify and resolve issues as they arise.
- **Frontline Forums:** Operational workgroups run forums to enable their Frontline Employees to share expertise, discuss concerns, and develop potential solutions [e.g. President's Council, Flight Attendant Strategic Team (FAST), Customer Support & Services (CS&S) Advisory Board, Technical Operations Council, Ground Operations, and Advisory Team].
- **Company Sponsored Events:** Company events such as Rally, Spirit Party, Chili Cookoff, and Halloween provide opportunities for Employees to connect to our unique Culture and share feedback directly with Leaders.
- **Employee Town Halls:** Led by department and Company Leaders, these forums allow Employees to hear directly from Leaders and participate in question and answer sessions.
- **Company Social Networks:** Social networks such as All Company Viva Engage and SWACulture Facebook enable Employees to share their voice and engage with Cohearts.
- **Journey Moment Survey:** Launched in 2023, these surveys offer Employees real-time feedback opportunities at significant points in their journey with Southwest, such as the candidate experience, onboarding and offboarding.

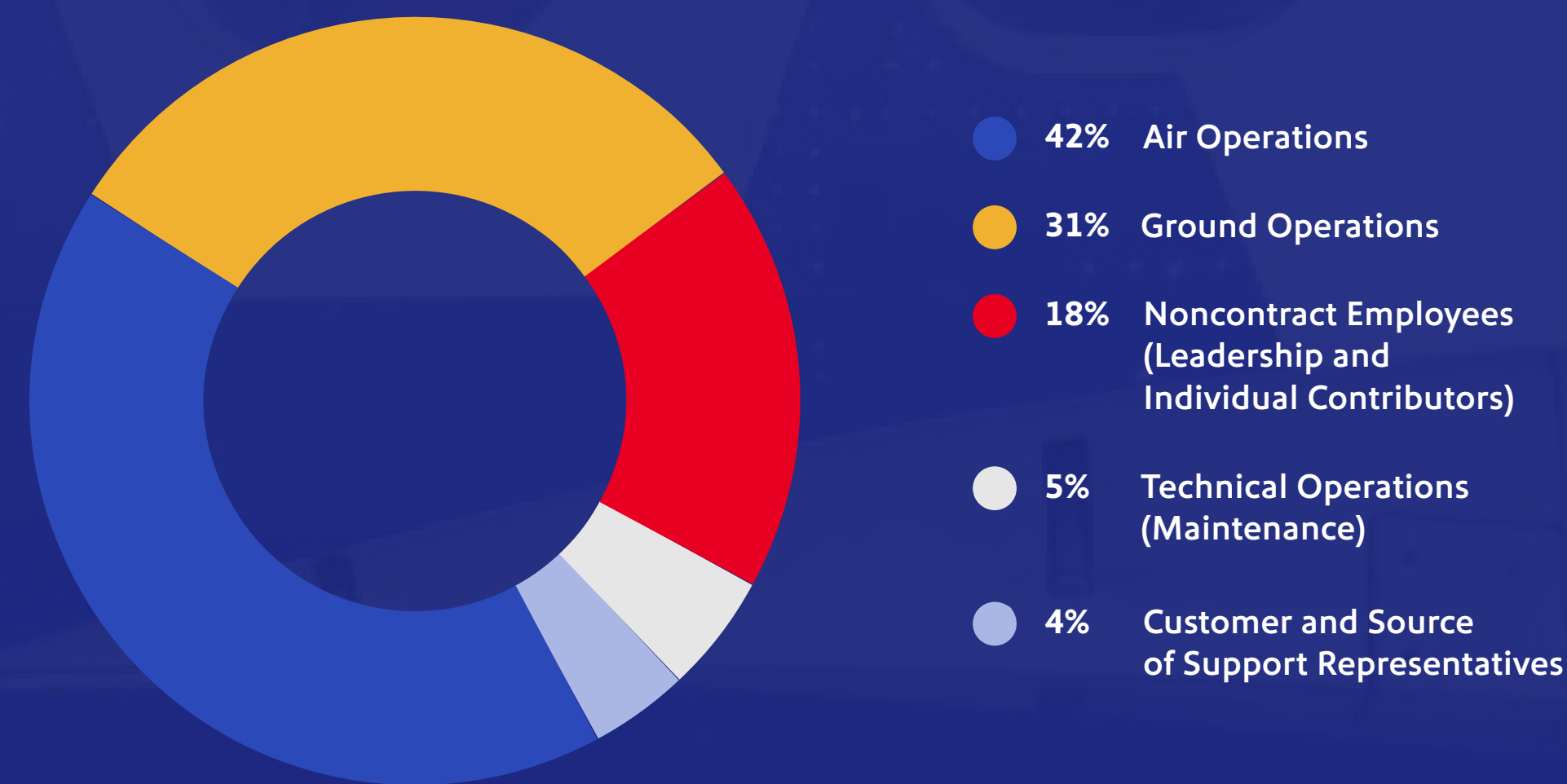


# Southwest Employee Snapshot 2024

By Ethnicity/Race:



By Workgroup:



 **78,239**  
Total Employees at Year-end

 **1,490,000+**  
Safety and Security Training Hours

 **240,000+**  
Employee Volunteer Hours

 **7.1%**  
Turnover Rate



# Freedom of Association & Collective Bargaining

## 2024 Spotlight

- Successfully reached new contract agreements for each of our 12 union-represented workgroups within a two-year period (October 2022-September 2024)
- Ratified new contract agreements with four workgroups in 2024—including Pilots; Flight Attendants; Ramp, Ops, Provisioning and Cargo Agents; and Flight Simulator Technicians

We respect the legal rights of our Employees, including the right to free association and collective bargaining. Approximately 82% of our workforce is represented by labor unions (as of December 31, 2024). In 2024, we ratified new contract agreements with our Pilots; Flight Attendants; Ramp, Ops, Provisioning, and Cargo Agents; as well as our Flight Simulator Technicians. Over the past two years (2022 through 2024) we've successfully reached agreements for each of our 12 union-represented workgroups.

The Railway Labor Act (RLA) establishes the right of our Employees to organize and bargain collectively. Our approach to collective bargaining focuses on negotiating agreements that achieve positive outcomes for our People and Southwest.

The RLA governs Airlines' CBAs. Under the RLA, a CBA does not expire, but instead becomes amendable on a certain date.

The RLA requires an airline and the union to negotiate and "exert every reasonable effort" to reach an agreement. If the parties are unable to reach an agreement, either one or both parties may request the National Mediation Board's (NMB's) mediation services. During this time, a long process must be followed before the parties can be released from mediation and consider "self-help," which could include strikes by labor or the implementation of management's proposals. Historically, Southwest has always reached an agreement with its unions when in mediation with the NMB, and nearly 99%



of all mediation cases brought before the NMB since 1980 have resulted in an agreement.

Our Annual Report on [Form 10-K](#) contains more information on the various unions representing our Employees. Southwest reviews its approach to collective bargaining on an ongoing basis, and as outlined in the Annual Report on Form 10-K, CBAs are reviewed and renegotiated periodically.

# Fostering Belonging

## 2024 Spotlight

- Grew Employee Resource Groups (ERGs) to more than 5,000 unique Members
- Introduced our Inclusion Council as a feedback channel for a diverse range of perspectives and a strategic asset for Senior Leaders
- More than 500 Southwest Employees participated in the Inclusion Summit 2024, themed “Building on Belonging”
- Incorporated “Foster Belonging” into our Core Competencies, the foundational set of behaviors for Employees

Southwest's iconic Heart emblem is more than a logo. It symbolizes who we are. We're a Company of People, each bringing their own talents, creativity, and individuality to work. And collectively, we make Southwest the incredible Company it is. Our People are the Heart of Southwest Airlines.

We're committed to being a place where Employees feel welcomed and encouraged to bring their whole selves to work without fear of hate, racism, discrimination, harassment, intolerance, disrespect, or injustice. We understand that in order for every Employee to thrive at Southwest, we must foster a positive environment where everyone feels respected and appreciated.

Southwest is committed to fostering a Culture of Belonging through the promotion of inclusion and meaningful connections among Employees. These commitments are grounded in four strategic areas to help us identify opportunities to meet our goals. These focus areas include:

- Culture and Values
- Talent
- Brand, Reputation, and Social Topics
- Communication and Reporting



## Culture and Values

We invest in a number of important initiatives that bring our inclusive Culture and Values to life. Through resources, events, recognition, and celebrations of culture, heritage, and pride, we continue to provide our Employees with educational tools and opportunities to celebrate their unique identities.

In 2024, we introduced our first Inclusion Council. The Inclusion Council's purpose is to provide a feedback channel representing a diverse range perspectives and serve as a strategic asset and advisory board to help Senior Leaders in their continued efforts to promote a Culture of Belonging.

The Inclusion Council includes 22 Members who are representative of Southwest's workgroups and reflect the diverse perspectives of our Employees, as well as the Chairs and Co-chairs of our seven ERGs. Inclusion Council objectives include providing insights, encouraging innovative thinking, enhancing reputation, and promoting a Culture of Belonging.

### Employee Resource Groups (ERGs)

Launched in 2023, ERGs have been a big success at Southwest, expanding to more than 5,000 members in 2024. ERGs play a crucial role in supporting the communities we serve, creating value through organized programs and events that acknowledge and celebrate the unique identities of our Cohearts. Currently, our seven ERGs include:

- Able@SWA
- Black Excellence Advancing Together@SWA (B.E.A.T.)
- Corazón@SWA
- Military@SWA
- Out & Proud@SWA
- Resilient Asian & Pacific Islander Descendants@SWA (R.A.P.I.D.S.)
- Women@SWA

Aligned with our Southwest Values, ERGs are Employee-led, with each group having two Executive Sponsors. ERGs are open to all Employees who support their missions. Since adding an Inclusion score to our Companywide Survey in 2023, we've been able to measure the positive impact ERGs have had on our Employees' sense of Belonging at Southwest.

Understanding the importance of community involvement, our Corporate Responsibility Team established a Community Grant program for our ERGs. Each group received a grant of \$5,000 to help support the organizations that matter most to them. The ERGs allocated the funds to one or two nonprofit organizations addressing the pressing issues affecting our communities. In total, 12 deserving nonprofit organizations received ERG Community Grants totaling \$35,000. ERG members also put their Heart in Action throughout the year by volunteering a total of 2,340 community service hours.

### ERGs hosted more than 30 events throughout 2024. A few highlights include:

- **B.E.A.T.@SWA:** Attracting nearly 600 in-person Employees, B.E.A.T. hosted their inaugural summit. The event began with a local Black-owned bakery, which not only shared their delicious treats, but also imparted valuable insights about pursuing one's passion with faith. The summit concluded with a powerful address by nationally recognized speaker Inky Johnson, who shared his inspiring story of overcoming adversity and emphasized the importance of remembering that "it is not just about you."
- **Corazón@SWA:** Mercadito 2024, hosted by Corazón, celebrated Hispanic Heritage Month with Southwest Employees who were able to experience new and familiar foods, shop with local vendors, engage with community nonprofits, and play games.
- **Out & Proud@SWA:** Out & Proud participated in the Dallas Pride parade, hosted in Dallas at Fair Park. In collaboration with Technical Operations, Marketing, and many individual Cohearts, they created an elaborate float. Additionally, 10,000 specialized discount flight codes were distributed during the event.
- **Military@SWA:** In 2024, we dedicated a new winglet memorial outside of the Wings building. Created by Technical Operations' own Jay B., this memorial offers a place for reflection and to honor those who have served.
- **Women@SWA:** In the spirit of giving back, our Out & Proud@SWA and Women@SWA ERGs hosted a Feminine Care Product Drive during Women's History Month in March. Throughout the month, Cohearts were encouraged to donate feminine products to support women's shelters across the United States. Donation boxes were placed at our Headquarters as well as our Dallas, Baltimore, and Los Angeles Stations. Employees also had the option to purchase items via an Amazon Wishlist. We received more than 18,000 items from Employees, including feminine products, toiletries, and socks. These items were donated to multiple women's organizations, including Austin Street Center, Union Rescue Mission, Shared Housing Center, Inc., and the USO. Our Provisioning Team provided boxes for the drive, as well as our vendor Bunzl USA, who donated more than 4,000 feminine products.
- **R.A.P.I.D.S.@SWA:** Alongside our Honolulu Employees, R.A.P.I.D.S. engaged in two inspiring events that uplifted the Hawaiian Culture and community. They kicked things off by putting their Heart in action supporting Meals on Wheels, with 21 dedicated volunteers delivering more than 100 meals to seniors in their homes. Additionally, they proudly participated in the Aloha Festivals Annual Floral Parade, the largest Hawaiian celebration in the U.S., which showcases the rich spirit of Aloha through music, dance, and community connection.
- **Able@SWA:** This ERG celebrated Autism Acceptance at our Dallas Station by handing out words of encouragement and treats, along with tips on how to best support Cohearts with Autism.



In addition to ERGs, our Employee-led Groups (ELGs) help create communities based on similar interests amongst Employees. ELGs are an Employee-driven, inclusive, and organic way to build connectedness and enhance a sense of Belonging. Our Employee-led Groups continued to grow in 2024, with Employees forming 11 new ELGs, including Working Moms, Christian LUV, LUV Real Estate, and Chaverim—bringing Southwest to a total of 21 groups.

Celebrating Cultural, Heritage, and Pride Months

Throughout 2024, we celebrated seven cultural, heritage, and pride months, as well as other culturally significant days. These commemorations honor the unique backgrounds and experiences of our Employees and the communities we serve. We celebrated the following nationally recognized months: Black History Month, Women’s History Month, Asian American & Pacific Islander Heritage Month, Military Appreciation Month, LGBTQ+ Pride Month, Disability Pride Month, and Hispanic Heritage Month.

With the support of our Culture Team, we created Celebrate with Heart Kits tied to our cultural, heritage, and pride months. This initiative is part of a larger program that helps to create fun and memorable experiences for Employees and Customers during signature moments and holidays. These kits include posters, photo frames and props, and table signs.

More than 500 Southwest Employees joined in person and virtually for Inclusion Summit 2024. Our Inclusion Summit is focused on making authentic connections and fostering inclusion in the workplace. This year’s theme was “Building on Belonging,” where we focused on equipping Employees with the topics, tools, and resources to create and maintain an accepting and inclusive work environment where everyone feels valued, appreciated, and respected.

Talent

Southwest is committed to cultivating an inclusive environment and a Culture of Belonging throughout the talent lifecycle. We introduced a Core Competency, Foster Belonging, for all Noncontract Employees and Leaders during the 2024 Performance Management process. Foster Belonging articulates the behaviors of welcoming and treating everyone in an open-minded and fair manner, and living up to The Southwest Way Values, thereby creating and maintaining a positive environment where everyone feels respected and appreciated. Our People value Belonging. With the behaviors of Belonging officially represented in our Southwest Competency Framework, Southwest brings consistent understanding and behavioral accountability to this value. This seventh Core Competency fosters an organizational environment where every Team Member knows and feels that they belong.

We evolved our training in 2024, including our Workplace of Belonging training, which is designed to further our Employees' understanding of how a sense of Belonging and wellbeing can help drive our shared success. Training includes several courses that help Employees define what Belonging is, how we can help build a workplace of Belonging, and effective stress management techniques that Employees can put into practice. In 2024, we also incorporated Workplace of Belonging training into our Now Onboarding programming for New Hires, at 30, 60, and 90-day milestones.



Brand, Reputation, and Social Topics

Over the years, our many efforts to foster a Culture of Belonging have helped weave meaningful connections among Employees into the fabric of Southwest’s brand and reputation. Through a variety of initiatives we demonstrate our commitment to a Culture of Belonging internally with our Employees and externally with our Customers and partners.

By partnering with nonprofit organizations, we strive to attract outstanding Candidates. Recruiting events such as the Women in Aviation and the Organization of Black Aerospace Professionals (OBAP), along with hosting tour days for programs like the OBAP Aerospace Career Education (ACE) Academy, exemplify our proactive approach. These efforts are not just about recruitment; they’re about building bridges and fostering an environment where everyone, regardless of their background, feels they belong and can thrive.

Established in 2015, Southwest’s Social Topics Committee is a cross-functional executive forum that reviews and proposes responses to current social topics and evaluates areas to take proactive actions.

Like many other companies, we’re on a journey. We recognize there’s always more we can do to make our work environment even better and even more accepting. In order to reach our goals and aspirations, we must allow for vulnerability, engage in courageous conversations, and listen to our Employees, Customers, and communities.

ERG Impacts





## Communication and Reporting

Effective communication and reporting are important to not only foster transparency, but also help guide our strategic decisions and actions.

Regular updates and open dialogues help us lead strong communication efforts, where all voices within Southwest are heard and valued. This approach enables us to assess how we are doing, and to provide consistent reporting to our Board of Directors and Executive Leaders.

We prioritize listening to our Stakeholders—Employees, Customers, communities, and Shareholders. Their feedback is instrumental in identifying our strengths and opportunities for growth.

To this end, we employ various methods to track our effectiveness:

- **Employee Surveys:** Conducted biannually, these surveys provide insight into the overall Employee Experience and perceptions of Belonging at Southwest.
- **Voice of Employee Panel:** This panel, open to all Employees who opt in, offers a platform for frequent feedback through brief monthly surveys.
- **Evaluation of Events:** We regularly assess the impact of our events, such as quarterly Town Halls and the Inclusion Summit, to gauge their effectiveness and gather Employee feedback.

## Stakeholder Engagement

Engaging with our Stakeholders is a key component of our strategy. Our Inclusion Council and ERG Sponsors play a crucial role in this process. Additionally, our Customer Accessibility Advisory Committee works closely with the disability community to shape policies and procedures to strengthen inclusivity in all aspects of our service.

Our Stations actively participate in cultural, heritage, and pride months, allowing our Customers to engage in our efforts. Additionally, our Station Employees are also actively involved in our ERGs and events like the Inclusion Summit, fostering a sense of community and shared commitment to fostering Belonging.

## 2024 Southwest Awards

- Forbes America’s Best Employers for Women 2024
- Forbes America's Best Employers for Veterans
- Latino Leaders Magazine 25 Best Companies for Latinos to Work 2024
- Disability Equality Index 2024 Best Places to Work
- Viqtory Military Friendly



# Human Rights & Anti-Trafficking

## 2024 Spotlight

- Revamped our Combating Human Trafficking program with updated policies, procedures, and training
- Collaborated with the Southwest Network Operations Control (NOC) and Ground Operations Team to support and provide extra Hospitality for 47 trafficking victims on their journey to restoration
- Recognized by New Friends New Life as a 2024 ProtectHER Award Recipient for our contributions to anti-trafficking and human rights efforts

Southwest Airlines is committed to protecting human rights in every aspect of our business, as outlined in our [Human Rights Policy Statement](#). We implement policies and procedures that support and respect the protection of human rights within our sphere of influence. By complying with applicable laws and establishing and upholding appropriate policies, we seek to guard against any potential human rights abuses.

Our approach to human rights is consistent with international standards, aligning with the U.N. Guiding Principles for Business and Human Rights, the International Bill of Human Rights, and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

We encourage all Employees to bring any questions or concerns regarding harassment, sexual harassment, discrimination, or retaliation to their Leaders or the Employee Relations Team. Inquiries are reviewed and addressed promptly, impartially, and discreetly under Southwest Airlines Policy Concerning Harassment, Sexual Harassment, Discrimination, & Retaliation.

## Anti-Trafficking

As part of our commitment to human rights, Southwest Airlines places a strong emphasis on combating human trafficking. We take steps to recognize and respond to human trafficking activities that may occur within our Company,



in our supply chain, on our aircraft, and in the airports we serve. Our Human Rights Policy Statement outlines our stance on labor issues, including human trafficking and forced labor, and we expect suppliers to adhere to the same standards and comply with applicable laws, including those regarding child and/or forced labor.

In 2024, Southwest undertook a major initiative to refocus our efforts on best practices for combating human trafficking. In partnership with the Blue Lighting Initiative (BLI) an element of the Blue Campaign, led by the Department of Transportation (DOT) and DHS Component Agency, U.S. Customs and Border Protection, we revamped our anti-trafficking program. These changes include important updates to policies, procedures, and training.

In collaboration with BLI on best practices, we've updated our procedures to include clearer indicators of human trafficking, guidance for interacting with self-identified victims, and response procedures tailored to workgroups. Updated training is available to all Employees across a variety of channels and is required for Customer-facing Employees, who must complete the updated human trafficking training by the end of 2025. Additionally, in line with guidance from BLI, we've streamlined our reporting procedures for suspected human trafficking incidents and have facilitated direct collaboration with the DHS to support their investigations and responses.

Our new partnership with BLI is a critical resource for Southwest to stay up to date on industry best practices and reinforces our commitment to anti-human trafficking priorities.

In 2024, we continued to support important partnerships in the fight against human trafficking. We highlighted Rescue America in an end-of-year holiday campaign, helping raise more than \$138,000 in monetary donations. More than 1.1 million Rapid Rewards® points were also donated by Customers and the Company to Rescue America to support its transportation needs for human trafficking survivors. We also maintained critical partnerships, including Repurpose with Purpose partner Re:Threaded and supported new organizations, including Shade Tree, Thistle Farms, The Center for the Women of New York, Love Never Fails, Arizona Legal Women and Youth Services, North County Lifeline, and The Spring of Tampa Bay.

Our ongoing efforts in combating human trafficking have been recognized by New Friends New Life, which named Southwest Airlines a 2024 ProtectHER Award Recipient. This award honors individuals, corporations, and agencies that support the protection and value of women and girls in the Dallas community, across the nation, and around the world.

# Community Outreach

## 2024 Spotlight

- Contributed more than \$22 million in total corporate giving to nonprofits and civic organizations
- Proudly joined Ronald McDonald House Charities in celebrating their 50th anniversary with a special \$100,000 donation, in addition to our annual contribution
- Provided \$5.2 million in round trip travel to 79 nonprofit hospitals and medical organizations across 26 states and 44 cities through the Medical Transportation Grant Program

Our Corporate Responsibility efforts are built on three principles: loving People, building resilience, and living responsibly. We bring these principles to life by supporting partnerships and programs that drive economic, social, and environmental impact in the communities we serve.

Southwest cultivates relationships with more than 400 national, state, and local organizations across the country. Whether it's doing our part in disaster response, providing access to education and career development, or promoting environmental sustainability, we help the communities where our Customers and Employees live, work, and thrive.

### Loving People: We're More Than an Airline, We're Your Neighbor

Our community outreach efforts continue to reflect our dedication to loving People and making a meaningful difference. Ronald McDonald House Charities (RMHC) was Southwest's first nonprofit partner, and in 2024, we proudly joined them in celebrating their 50th anniversary with a special \$100,000 donation, in addition to our annual contribution. Of this donation, \$50,000 was allocated to a special Heart in Action challenge, awarding \$5,000 to each of the top 10 RMHC Chapters where Southwest Employees logged the most volunteer hours throughout the year. This unique challenge amplified the impact of our Employees' volunteer efforts, making an even greater difference for families supported by RMHC Chapters nationwide.



Since 2010, Southwest has taken children's wishes to new heights through our partnership with the Make-A-Wish Foundation. This partnership has enabled Southwest to provide budget-relieving travel for thousands of wish experiences. In December 2024, Southwest supported Make-A-Wish with a special bonus points promotion as part of our signature ["Points for a Purpose"](#) program—a year-round initiative designed to engage Southwest Customers and Employees in donating Rapid Rewards® points to partner organizations. Customers were invited to make a monetary donation to Make-A-Wish, and in return, Southwest contributed Rapid Rewards® points to both Customers and Make-A-Wish. In total, Southwest donated \$174,000 and 1.7 million points to Make-A-Wish in 2024.<sup>4</sup>

Alongside focused outreach efforts like RMHC and Make-A-Wish, Southwest invests in signature annual programs to help make sure we're making an impact in communities year round.

- **Employees Catastrophic Assistance Charity:** In 2024, Southwest launched its inaugural Gift of Heart Employee giving campaign, raising nearly \$140,000 to further the Charity's mission. Since its founding in 1990, this independent 501(c)(3) organization has provided hope to Southwest Employees facing catastrophic events. Funded through Employee payroll deductions, private donations, honorariums, and fundraisers, the Charity has distributed more than \$22 million to assist and support our Southwest Family since its inception.



- **Medical Transportation Grant Program (MTGP):** MTGP has been a pillar of our community outreach efforts since its launch in 2007. This program offers essential transportation assistance to patients and their families needing specialized medical care. Over the past 17 years, we've provided more than \$56 million in free transportation to 121 nonprofit hospitals and medical organizations across 29 states, benefiting more than 100,000 patients and caregivers.

**Building Resilience:  
Empowering Communities to Thrive**

Our scholarships and workforce initiatives help build more resilient communities by supporting People seeking personal and professional growth. These programs provide students across the United States with opportunities to pursue their educational dreams, with a particular focus on the aviation industry.

- **The Southwest Airlines® Founders Scholarship:** Celebrating its 42nd year, this scholarship honors our founders by providing financial assistance to eligible dependents of Southwest Employees in their pursuit of higher education.
- **The Southwest Airlines® Community Scholarship:** Introduced in 2021, this scholarship aims to build a diverse talent pipeline and inspire future generations to consider careers in the airline industry. Financial support is provided to students nationwide, encouraging them to explore various roles in aviation.

Beyond scholarships, we collaborate with and/or support nonprofits and educational institutions on several workforce development initiatives designed to introduce students to the wide array of career opportunities in aviation.

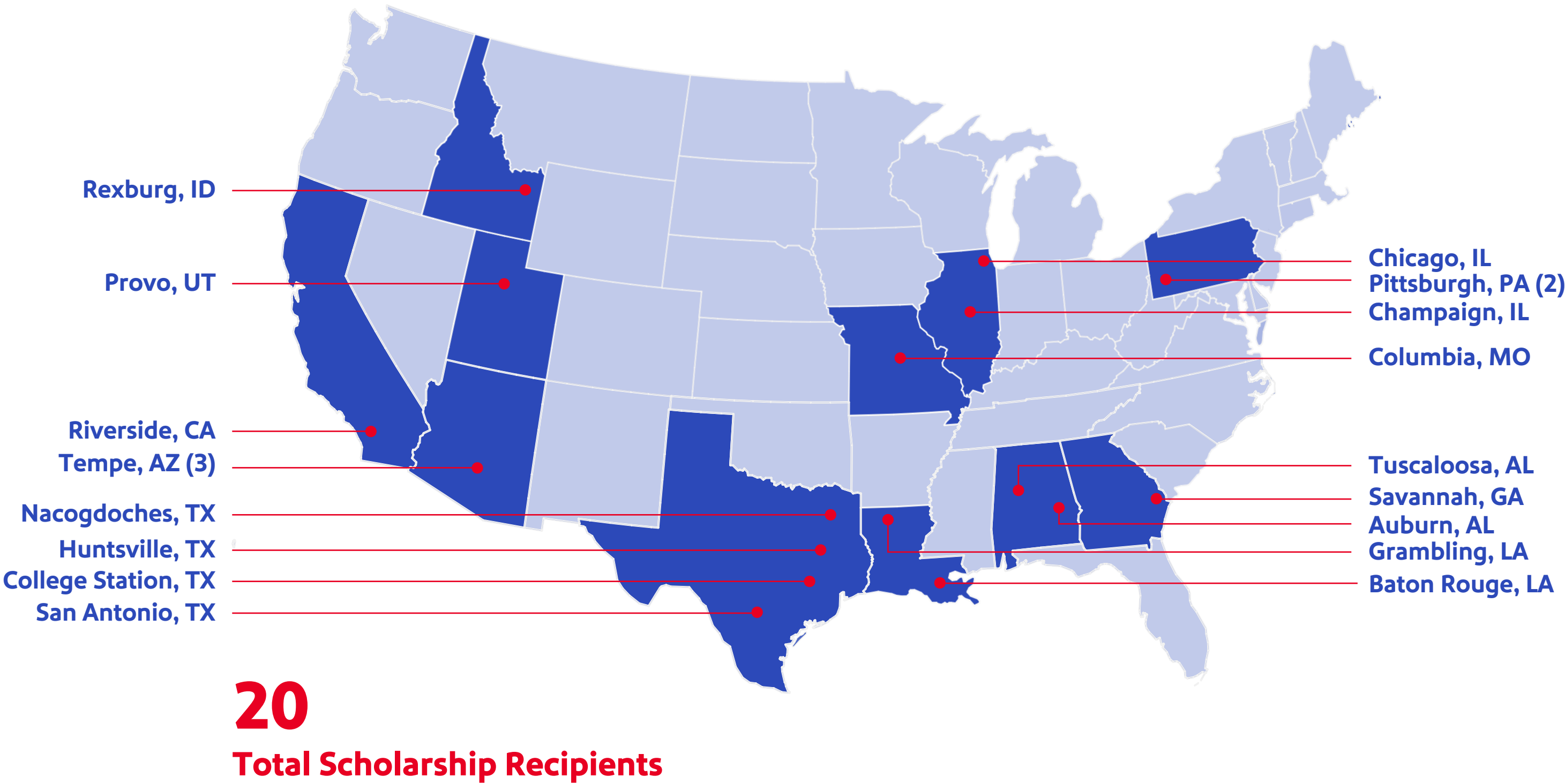
- **¡Lánzate!/Take Off! Travel Award Program:** Since 2004, this signature program by the Hispanic Association of Colleges and Universities has awarded Southwest Airlines tickets to students pursuing higher education (undergraduate or graduate) to help them stay connected with their families and communities while studying away from home. In 2024, 185 students from more than 90 institutions across the United States were awarded four round trip tickets each, valid between any Southwest domestic destinations.

- **D225 Pilot Pathways Program:** Launched in 2019, D225 trains aspiring Pilots for potential careers at Southwest. The program trains and empowers future Pilots through four different pathways to gain aviation experience, including Cadet, Military, University, and Employee routes, and has more than 700 participants.
- **Campus Reach Internships:** Through paid internships in various departments, students gain valuable experience and exposure to Southwest's unique Culture, further supporting their educational and professional development.

- **Adopt-A-Pilot® Program (AAP):** This program inspires fifth-grade students nationwide to explore careers in aviation. AAP brings Southwest Pilots directly into the classroom, where they offer students STEM-focused experiments and leadership activities. This program not only educates students about the aviation industry, but also teaches valuable leadership skills and sparks a lasting passion for aviation in young minds.

**Educating Students from Coast to Coast**

Recipients of the Southwest Airlines Founders Scholarship and the Southwest Airlines Community Scholarship are pursuing educational opportunities throughout the country





## Living Responsibly: Building Sustainable Communities

Since 2014, Repurpose with Purpose, our award-winning global sustainability initiative, has positively impacted countless communities. Through this program, we collaborate with nonprofits, foundations, schools, and social enterprises to upcycle aircraft seat leather and transform it into new products that benefit communities, provide employment, and offer skills training.

In 2024, we were honored to celebrate a decade of this transformative program and acknowledge its impact on communities across the United States and Costa Rica. We're proud of what this program has accomplished and the impactful way we celebrated to honor this milestone anniversary. We marked this achievement with fashion shows, partner visits, and a feature at Luck Reunion—an exclusive annual music festival on Willie Nelson's Ranch in Spicewood, Texas.

We also wanted to be sure all of our Customers had the chance to celebrate Repurpose with Purpose. And what better way to do that than to meet our Customers where they were—at the airport! In 2024, we featured pieces created

by Southwest Repurpose with Purpose partners at nine airports, with many exhibits open through 2025.

While we think Repurpose with Purpose is one of the best sustainability programs out there, it's exciting to see many others think so too! In 2024, the program won multiple awards, including:

- The Changemakers Award in the People & Community Category from the Skift IDEA Awards.
- The Best Sustainability Program category at the U.S. Chamber of Commerce Foundation Citizens Awards.
- Outstanding Achievement in Pursuit of Sustainability within the Aviation Industry by Airports Going Green®.
- We were honored to be named the Eco Innovator Runner-up in the Boston College Center for Corporate Citizenship Innovation Awards.

## Heart in Action: Employee Impact

Southwest Employees create community wherever they are by putting their Hearts in action through volunteerism and giving back. Southwest offers incentives to encourage Employees to log their volunteer hours, as well as a matching program where nonprofits earn airline tickets in-kind for Employee volunteer efforts.

Ahead of our 2024 Orlando Spirit Party, we collaborated with United Against Poverty Orlando and the Student Conservation Association to engage more than 150 Southwest Employees and their guests in putting their Heart in action. These Employees dedicated time to purposeful activities like packing 500 disaster relief kits, filling 100 sandbags to protect the community from future flooding and storms, and beautifying the local campus with refreshed flower beds and a stunning centerpiece mural.

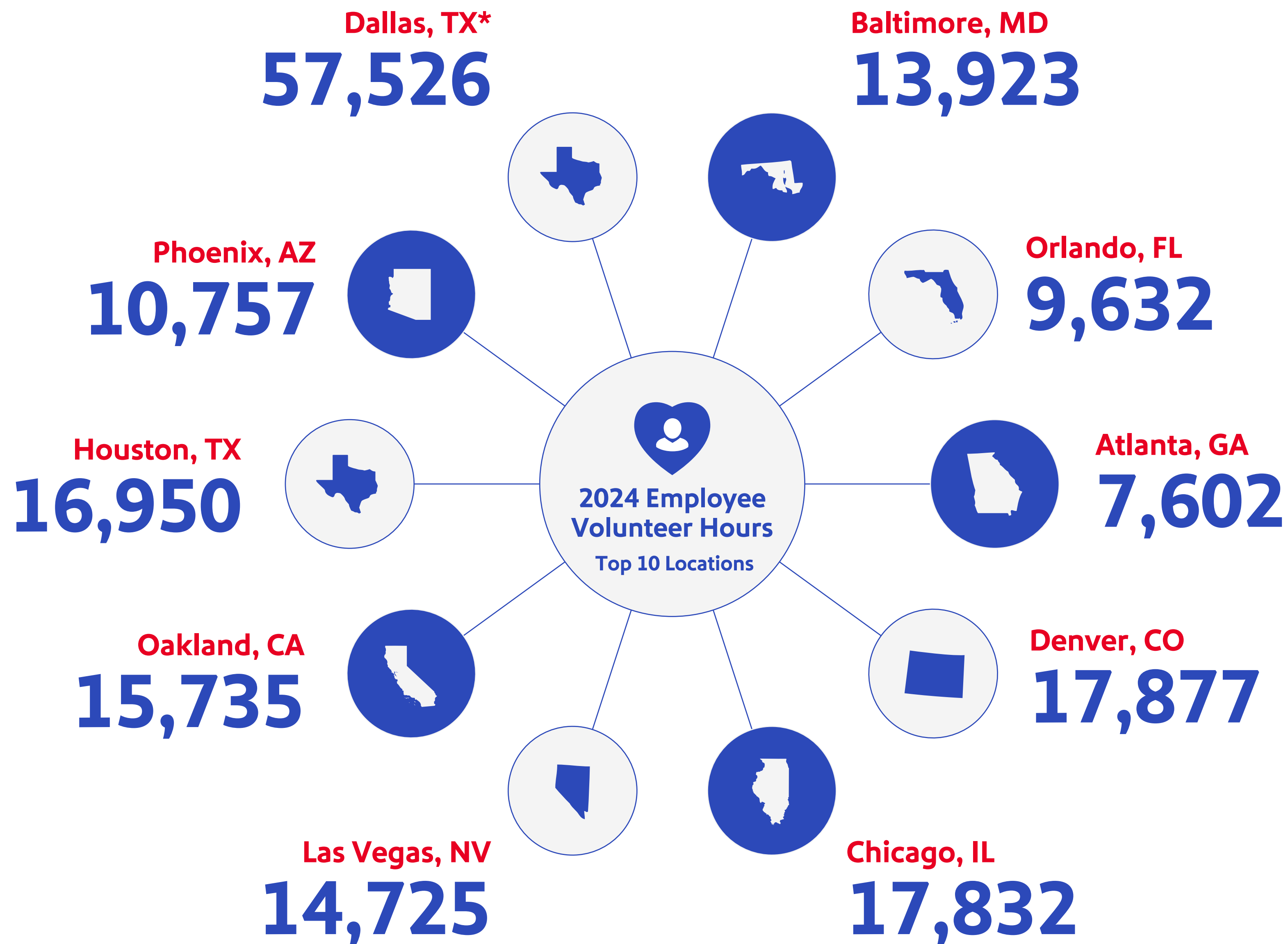
Read more about ways Southwest Employees put their Hearts into action every year below.

- **Volunteer Ambassadors:** Every year, hundreds of Southwest Employees go beyond their normal roles and responsibilities to serve as Volunteer Ambassadors. Through volunteer engagements such as supporting traveling Make-A-Wish® families, serving dinner at Ronald McDonald Houses® across the country, or supporting Earth Month, our Volunteer Ambassadors play a key role in championing the causes that matter most to our communities, Employees, and Company.
- **Companywide Volunteer Events:** Every year, Southwest hosts two months of service—Global Volunteer & Earth Month (April) and Heart in Action Month (November)—to allow Employees to come together and make a positive impact across the cities that Southwest serves.
- **Tickets for Time:** To honor and appreciate our Employee volunteers who give their time and talents to 501(c)(3) nonprofits and schools, Southwest donates one round trip ticket (up to six tickets per calendar year) for every 40 hours that Employees volunteer with that organization.

### Did you know? Repurpose with Purpose has:

- Rerouted more than 1.4 million pounds of leather to nonprofit partners that help provide employment, skills training, and workforce development programs since 2014.
- Donated more than \$2 million in grants to nonprofit partners across the globe and generated more than \$1 million in revenue for nonprofit partners from the sale of upcycled products since 2014.
- Collaborated with 12 global nonprofit partners to foster community solutions and expanded opportunities for thousands of individuals.
- Provided more than 1,600 elementary, middle, and high school students the opportunity to create upcycled art projects with Southwest aircraft seat leather through the Visual Arts Department at Metropolitan Nashville Public Schools.





\*Dallas, TX includes our Headquarters-based Employees, Dallas Station, and Dallas Maintenance Base.



### Management Approach

Many of our community outreach initiatives are funded by The Southwest Airlines Foundation. This corporate-advised fund serves as an extension of our commitment to social impact and community resilience. The Foundation's mission is to effect meaningful change by investing in transformational programs and initiatives that promote equity, prosperity, and sustainability. The Foundation creates a permanent trust where corporate charitable donations can be preserved and invested for future use.

Southwest employs a strategic approach to manage and measure the effectiveness of our community outreach efforts. A dedicated Social Topics Committee also meets regularly to discuss pressing social topics like human trafficking awareness and mental health and wellbeing. These proactive discussions help guide our engagement strategies and maximize our impact in the communities we serve.

We review our partnerships and contributions quarterly and evaluate their effectiveness through impact reports and ongoing dialogues with key partners and Stakeholders. Impact metrics, ranging from program outcomes and impact stories, to fundraising amounts and event sponsorships help us track the tangible difference we make in each community. Budgets and partnerships are adjusted as needed to keep our community engagement efforts aligned with evolving community needs and Southwest's goals.



# People Data Table

Total Employees by Category and Race/Ethnicity as of December 31, 2024																		
	Not Disclosed		American Indian or Alaska Native		Asian		Black or African American		Hispanic or Latino		Native Hawaiian or Other Pacific Islander		Two or More Races		White		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Pilots	159	1.3%	63	0.6%	205	1.8%	166	1.5%	495	4.3%	20	0.2%	195	1.7%	10,132	88.6%	11,435	100%
Flight Attendants	132	0.5%	159	0.8%	613	3.0%	3,519	16.9%	2,924	14.1%	146	0.7%	665	3.2%	12,637	60.8%	20,795	100%
Dispatchers, Meteorologists, Simulator Technicians, and Flight Training Instructors	8	0.9%	5	0.6%	39	4.6%	38	4.5%	74	8.8%	2	0.2%	11	1.3%	668	79.1%	845	100%
Ground Operations	219	1.0%	154	0.6%	1,136	4.7%	7,241	30.1%	5,495	22.8%	1,306	5.4%	944	3.9%	7,599	31.5%	24,094	100%
Technical Operations (Maintenance)	29	0.8%	29	0.8%	197	5.1%	421	11.0%	738	19.2%	32	0.8%	82	2.1%	2,309	60.2%	3,837	100%
Customer and Source of Support Representatives	21	0.7%	25	0.8%	53	1.7%	1,015	32.3%	918	29.2%	46	1.5%	111	3.5%	951	30.3%	3,140	100%
Total Employees Under Collective Bargaining Agreement	568	0.9%	435	0.7%	2,243	3.5%	12,400	19.3%	10,644	16.6%	1,552	2.4%	2,008	3.1%	34,296	53.5%	64,146	100%
Noncontract Employees <sup>5</sup>																		
Executives	2	3.8%	0	—%	1	1.4%	3	4.2%	7	9.9%	0	—%	0	—%	58	80.3%	71	100%
Other Leaders	59	0.9%	32	0.5%	293	4.6%	1,264	19.7%	1,015	15.8%	176	2.7%	253	3.9%	3,334	51.9%	6,426	100%
Individual Contributors	103	1.3%	40	0.5%	1,054	13.9%	1,049	13.8%	999	13.2%	23	0.3%	233	3.1%	4,095	53.9%	7,596	100%
Total Noncontract Employees	164	1.3%	72	0.5%	1,348	9.6%	2,316	16.4%	2,021	14.3%	199	1.4%	486	3.4%	7,487	53.1%	14,093	100%
Total Employees <sup>6</sup>	732	0.9%	507	0.7%	3,591	4.6%	14,716	18.8%	12,665	16.2%	1,751	2.2%	2,494	3.2%	41,783	53.4%	78,239	100%



Total Employees by Category and Gender as of December 31, 2024						
	Female		Male		Total	
	#	%	#	%	#	%
Pilots	548	4.8%	10,887	95.2%	11,435	100%
Flight Attendants	16,161	77.7%	4,633	22.3%	20,794	100%
Dispatchers, Meteorologists, Simulator Technicians, and Flight Training Instructors	131	15.5%	714	84.5%	845	100%
Ground Operations	8,346	34.6%	15,748	65.4%	24,094	100%
Technical Operations (Maintenance)	182	4.7%	3,655	95.3%	3,837	100%
Customer and Source of Support Representatives	2,706	86.2%	434	13.8%	3,140	100%
Total Employees Under Collective Bargaining Agreement	28,074	43.8%	36,071	56.2%	64,145	100%
Noncontract Employees <sup>5</sup>						
Executives	17	23.9%	54	76.1%	71	100%
Other Leaders	2,303	35.8%	4,123	64.2%	6,426	100%
Individual Contributors	3,703	48.7%	3,893	51.3%	7,596	100%
Total Noncontract Employees	6,023	42.7%	8,070	57.3%	14,093	100%
Total Employees <sup>6</sup>	34,097	43.6%	44,141	56.4%	78,238	100%

Workforce	2024	2023	2022	2021	2020
Total Employees	78,239	79,519	71,496	59,643	59,720
Non-Employee Workers	222	317	316	346	Not Reported
Active, Full-Time Equivalent	72,450	74,806	66,656	55,093	56,537
Turnover Rate <sup>7</sup>	7.1%	9.7%	10.2%	6.5%	Not Reported
Total Employees by Workgroup and Percent of Company					
Air Operations	33,075	33,263	30,017	25,624	25,606
	42%	42%	42%	43%	43%
Ground Operations	24,094	24,963	21,945	18,174	18,562
	31%	31%	31%	30%	31%
Technical Operations (Maintenance)	3,837	3,810	3,544	3,185	3,074
	5%	5%	5%	5%	5%
Customer and Source of Support Representatives	3,140	3,468	3,502	2,754	2,828
	4%	4%	5%	5%	5%
Noncontract Employees (Leadership and Individual Contributors) <sup>5</sup>	14,093	14,015	12,488	9,906	9,650
	18%	18%	17%	17%	16%



Benefits	2024	2023	2022	2021	2020
Active and Inactive Employees Who Participate in Benefits Programs Excluding Retirement Savings Plan and Share-based Compensation <sup>8</sup>	More than 78,200	More than 79,500	More than 71,400	More than 59,600	More than 59,700
Company Contributions to Employee Benefit Programs Excluding Retirement Savings Plan and Share-based Compensation (Accrued) <sup>8</sup>	More than \$2.1 billion	More than \$1.7 billion	More than \$1.5 billion	More than \$1.1 billion	More than \$1.3 billion
Employees Contributing to the Retirement Savings Plan	92%	94%	92%	92%	92%
ProfitSharing Plan Participation <sup>9</sup>	All eligible Employees	All eligible Employees	All eligible Employees	All eligible Employees	All eligible Employees
Company Contributions to Retirement Plans	\$856 million	\$941 million	\$793 million	\$749 million	\$561 million
Total Number of Noncontract Employees That Were Eligible for Paid Parental Leave <sup>10</sup>	7,963 Male	6,994 Male	5,606 Male	5,511 Male	Not Reported
	6,021 Female	5,385 Female	4,242 Female	4,089 Female	Not Reported
Total Number of Noncontract Employees That Took Paid Parental Leave, by Gender <sup>10</sup>	296 Male	181 Male	169 Male	185 Male	Not Reported
	226 Female	136 Female	99 Female	105 Female	Not Reported
Total Number of Noncontract Employees That Returned to Work After Parental Leave Ended, by Gender <sup>10</sup>	295 Male	179 Male	166 Male	182 Male	Not Reported
	221 Female	132 Female	94 Female	105 Female	Not Reported
Total Number of Noncontract Employees That Returned to Work After Parental Leave Ended and Are Still Employed 12 Months After Their Return to Work, by Gender <sup>10,11</sup>	239 Male	165 Male	150 Male	167 Male	Not Reported
	177 Female	126 Female	83 Female	91 Female	Not Reported

Benefits	2024	2023	2022	2021	2020
Return to Work Rate of Noncontract Employees That Took Parental Leave, by Gender <sup>10,12</sup>	99.7% Male	98.9% Male	98.2% Male	98.4% Male	Not Reported
	97.8% Female	97.1% Female	94.9% Female	100% Female	Not Reported
Return to Work Retention Rate of Noncontract Employees That Took Parental Leave, by Gender <sup>10,13</sup>	95.6% Male	91.2% Male	88.8% Male	90.3% Male	Not Reported
	90.8% Female	92.6% Female	83.8% Female	86.7% Female	Not Reported
Workgroup Training Hours	2024	2023	2022	2021	2020
Flight Operations (Primarily Pilots)	638,222	1,187,013	849,145	378,722	252,030
Inflight Operations (Primarily Flight Attendants)	455,124	876,878	954,154	347,283	263,811
Ground Operations	1,120,523	1,537,085	1,478,013	775,770	507,164
Technical Operations (Maintenance)	362,518	365,307	363,375	276,937	185,148
Customer and Source of Support Representatives	76,001	177,114	342,462	117,382	63,841
Training Hours by Topic (All Employees)	2024	2023	2022	2021	2020
Safety and Security	More than 1,490,000	More than 1,230,000	More than 1,290,000	More than 650,000	More than 460,000
Cybersecurity	165,473	29,366	16,684	Not Reported	Not Reported
Data Privacy	137,600	2,694	2,848	Not Reported	Not Reported
Environmental	188,500	Not Reported	Not Reported	Not Reported	Not Reported
Human Rights	More than 261,000	More than 125,000	More than 136,000	More than 61,000	More than 61,000
Percent of Total Employees Trained on Human Rights	92%	71%	70%	50%	53%



Average Training Hours by Employee Classification	2024	2023	2022	2021	2020
Executives	14	15	17	12	Not Reported
Other Leaders	70	74	72	47	Not Reported
Individual Contributors (Contract & Noncontract)	33	53	57	32	Not Reported
Community Outreach	2024	2023	2022	2021	2020
Total Corporate Giving	\$22,472,556	\$18,034,290	\$13,737,023	\$21,805,603	\$10,190,071
Total Corporate Monetary Giving	\$7,200,184	\$4,633,470	\$3,792,088	\$11,627,907	\$707,672
Tickets Donated	38,025	33,369	24,774	28,632	20,008
Total Scholarship Funds Granted	\$220,000	\$117,500	\$95,000	\$110,000	Not Reported
Funds Raised Through Official Southwest Fundraising Efforts	\$670,000	\$330,000	\$180,000	\$110,000	\$1,300,000
Total Percent of Executive Leaders Serving on Nonprofit Boards	39%	40%	42%	Not Reported	Not Reported
Employee Volunteer Hours	More than 240,000	More than 207,000	More than 140,000	More than 75,000	Nearly 75,000
Value of Employee Volunteer Hours	Nearly \$8,000,000	Nearly \$6,600,000	More than \$4,200,000	More than \$2,200,000	More than \$2,200,000
Percent of Unique Employees Volunteering	14%	19%	Not Reported	Not Reported	Not Reported

Employee Engagement	2024	2023	2022	2021	2020
Employees Represented by Unions	Approximately 82%	Approximately 83%	Approximately 83%	Approximately 82%	Approximately 83%
Noncontract Employee Check-in Completion	98.6%	Not Reported	Not Reported	Not Reported	Not Reported

2024 Companywide Employee Survey	Participation Rate	Engagement Score	Wellbeing Score	Inclusion Score
Spring Employee Survey	40%	77%	76%	74%
Fall Employee Survey	42%	77%	77%	72%





# Performance

Delivering strong operational and financial performance, while keeping Safety a top priority, is critical to our Stakeholders and to the long-term success of Southwest Airlines. This section provides a holistic overview of Southwest’s 2024 performance across these key areas, as well as the growth of our network, our focus on Customer Satisfaction, and our indirect economic impact.

## 2024 Highlights

- Engaged with the International Air Transport Association (IATA) to successfully complete our Operational Safety Audit (IOSA) certification
- Achieved significant progress in our Paperless Turn program
- Received the Qurator designation from The Hawaii Tourism Authority (HTA), the State of Hawaii’s official mark of excellence for Hawaii-based and locally operating businesses
- Announced the launch of an industry-standard airline partnerships program and our Getaways by Southwest Vacations® product, both to be implemented in 2025

45,343

Customer commendations

99.2%

completion factor

\$27.5B

record operating revenues

140M+

revenue Passengers carried

### Performance Section Framework Disclosures

#### GRI

201-1	403-1	403-4	403-7	416-1
203-1	403-2	403-5	403-8	
203-2	403-3	403-6	413-1	

#### SASB

TR-AL-540a.1

### Key Topics

Financial Performance	Operational Performance
Fleet Management	Customer Satisfaction
Network & Growth	Indirect Economic Impact
Safety	



# Financial Performance

## 2024 Spotlight

- **Generated record full year operating revenues of \$27.5 billion**
- **Achieved a record number of revenue Passengers carried, at more than 140 million Passengers**
- **Maintained the strength of our investment-grade balance sheet**

In 2024, Southwest delivered record operating revenues of \$27.5 billion and reported full year net income of \$465 million. Excluding special items,<sup>41</sup> we achieved full year net income of \$597 million. Our performance was fueled by strong travel demand, which drove record Passenger volumes and ancillary revenue for the year.

Southwest's record revenue performance also reflects the successful execution of key initiatives, including improving core performance through network optimization, marketing and distribution evolution, and enhancing revenue management strategies, particularly in the second half of 2024.

Operational Reliability remained a priority, with Southwest achieving an industry-leading 99.2% completion factor for the full year. At the same time, we maintained the strength of our investment-grade balance sheet, which supports financial flexibility.

A major milestone in 2024 was the ratification of all outstanding labor contract agreements, which provides a higher degree of cost certainty over the next few years for our largest cost item.

While we're proud of our record operating revenue in 2024, we continued to face cost pressures throughout the year. Operating expenses for 2024 increased by 5% to \$27.2 billion compared with 2023. The majority of this increase was due to higher salaries, wages, and benefits expense, partially offset by lower fuel and oil prices.

Southwest is focused on restoring its financial strength and delivering long-term value to both Customers and Shareholders. To facilitate this, we have outlined a portfolio of initiatives designed to improve our core performance, monetize the Customer value proposition, and increase efficiency while lowering costs. These are expected to

help Southwest return to historical levels of financial performance in which our return on invested capital exceeds our weighted-average cost of capital in the future. We are adapting to evolving market dynamics, and believe Southwest is well-positioned to build a stronger, more resilient airline for the future.





# Performance at a Glance

(as of December 31, 2024)

## Revenue Passengers Carried

 **140M+**

## Active Full-time Equivalent Employees

 **72,450**

## Passenger Load Factor

 **80.4%**

## Ontime performance

 **78.6%**

## Mishandled Bag Rate

 **4.2 bags** per 1,000 enplaned bags

**\$597M**  
Annual net income  
excluding special items<sup>41</sup>

**\$8.7B**  
Year-end cash and cash  
equivalents and  
short-term investments

**\$462M**  
Net cash provided  
by operations

**\$27.5B**  
Record operating  
revenues

**803**  
Boeing 737 aircraft

**117**  
Airports served

**45,343**  
External Customer  
commendations

**2.4%**  
After-Tax ROIC<sup>41</sup>

**54.5**  
Net Promoter  
Score



# 10-Year Summary

Our 10-Year Summary shows consistent profitability prior to the COVID-19 pandemic. In the decade leading up to 2020, we strengthened our robust network, increased our capacity and fleet, and introduced near-international service. Our solid execution led to increased earnings per share and returns to Shareholders. We remain dedicated to delivering strong financial performance. We are focused on executing upon our portfolio of initiatives designed to improve our core performance, monetize the Customer value proposition, and increase efficiency while lowering costs.



Select Consolidated Financial Data	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Dollars in millions except per share amounts, unaudited										
Operating revenues										
Passenger	\$24,980	\$23,637	\$21,408	\$14,066	\$7,665	\$20,776	\$20,455	\$19,763	\$19,068	\$18,299
Freight	175	175	177	187	161	172	175	173	171	179
Special revenue adjustment	—	—	—	—	—	—	—	—	—	172
Other	2,328	2,279	2,229	1,537	1,222	1,480	1,335	1,210	1,050	1,170
Total operating revenues	27,483	26,091	23,814	15,790	9,048	22,428	21,965	21,146	20,289	19,820
Operating expenses	27,162	25,867	22,797	14,069	12,864	19,471	18,759	17,739	16,767	15,821
Operating income (loss)	321	224	1,017	1,721	(3,816)	2,957	3,206	3,407	3,522	3,999
Total other expenses (income)	(277)	(409)	289	396	440	—	42	142	72	520
Income (loss) before income taxes	598	633	728	1,325	(4,256)	2,957	3,164	3,265	3,450	3,479
Provision (benefit) for income taxes	133	168	189	348	(1,182)	657	699	(92)	1,267	1,298
Net income (loss)	\$465	\$465	\$539	\$977	\$(3,074)	\$2,300	\$2,465	\$3,357	\$2,183	\$2,181
Net income (loss) per share, basic	\$0.78	\$0.78	\$0.91	\$1.65	\$(5.44)	\$4.28	\$4.30	\$5.58	\$3.48	\$3.30
Net income (loss) per share, diluted	\$0.76	\$0.76	\$0.87	\$1.61	\$(5.44)	\$4.27	\$4.29	\$5.57	\$3.45	\$3.27
Cash dividends per common share <sup>42</sup>	\$0.720	\$0.720	\$0.180	\$0.000	\$0.180	\$0.700	\$0.605	\$0.475	\$0.375	\$0.285
Total assets	\$33,750	\$36,487	\$35,369	\$36,320	\$34,588	\$25,895	\$26,243	\$25,110	\$23,286	\$21,312
Long-term debt less current maturities	\$5,069	\$7,978	\$8,046	\$10,274	\$10,111	\$1,846	\$2,771	\$3,320	\$2,821	\$2,541
Stockholders' equity	\$10,350	\$10,515	\$10,687	\$10,414	\$8,876	\$9,832	\$9,853	\$9,641	\$7,784	\$7,358



Select Consolidated Financial Data	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Dollars in millions except per share amounts, unaudited										
Consolidated Financial Ratios										
Return on average total assets	1.3%	1.3%	1.5%	2.8%	(10.2)%	8.8%	9.6%	13.9%	9.8%	10.6%
Operating margin	1.2%	0.9%	4.3%	10.9%	(42.2)%	13.2%	14.6%	16.1%	17.4%	20.2%
Net margin	1.7%	1.8%	2.3%	6.2%	(34.0)%	10.3%	11.2%	15.9%	10.8%	11.0%
Revenue Passengers carried (in 000s)	140,023	137,279	126,586	99,111	54,088	134,056	134,890	130,256	124,720	118,171
Enplaned Passengers (in 000s)	175,466	171,817	156,982	123,264	67,785	162,681	163,606	157,677	151,740	144,575
RPMs (in millions)	142,515	136,256	123,843	103,562	54,221	131,345	133,322	129,041	124,798	117,500
ASMs (in millions)	177,250	170,323	148,467	132,006	103,456	157,254	159,795	153,811	148,522	140,501
Passenger load factor	80.4%	80.0%	83.4%	78.5%	52.4%	83.5%	83.4%	83.9%	84.0%	83.6%
Average length of Passenger haul (miles)	1,018	993	978	1,045	1,002	980	988	991	1,001	994
Average stage length (miles)	763	730	728	790	743	748	757	754	760	750
Aircraft utilization (hours and minutes per day)	10:40	10:45	10:31	9:52	8:52	11:10	11:10	11:11	11:08	11:13
Trips flown	1,443,866	1,459,427	1,298,219	1,066,934	897,540	1,367,727	1,375,030	1,347,893	1,311,149	1,267,358
Average Passenger fare	\$178.40	\$172.18	\$169.12	\$141.92	\$141.72	\$154.98	\$151.64	\$151.73	\$152.89	\$154.85
Passenger revenue yield per RPM	17.53¢	17.35¢	17.29¢	13.58¢	14.14¢	15.82¢	15.34¢	15.32¢	15.28¢	15.57¢
Operating revenue yield per ASM	15.51¢	15.32¢	16.04¢	11.96¢	8.75¢	14.26¢	13.75¢	13.75¢	13.66¢	13.98¢
Operating expenses per ASM	15.32¢	15.19¢	15.36¢	10.66¢	12.43¢	12.38¢	11.74¢	11.53¢	11.29¢	11.26¢
Operating expenses per ASM, excluding fuel	12.05¢	11.54¢	11.33¢	8.15¢	10.65¢	9.62¢	8.85¢	8.88¢	8.73¢	8.60¢
Fuel cost per gallon including tax	\$2.64	\$2.89	\$3.10	\$1.98	\$1.45	\$2.09	\$2.20	\$1.99	\$1.90	\$1.96
Fuel consumed, in gallons (millions)	2,194	2,143	1,922	1,668	1,273	2,077	2,094	2,045	1,996	1,901
Active, full-time equivalent Employees at year-end	72,450	74,806	66,656	55,093	56,537	60,767	58,803	56,110	53,536	49,583
Aircraft at year-end <sup>44</sup>	803	817	770	728	718	747	750	706	723	704
Average age of fleet (years)	12	11	12	13	12	12	11	11	12	12



Reconciliation of Reported Amounts to Non-GAAP Measures  
(Dollars in millions, unaudited)

Year ended December 31, 2024	
Net income, as reported	\$465
Add: Breakage revenue adjustment <sup>45</sup>	116
Add: Voluntary Employee programs	5
Add: Labor contract adjustment <sup>46</sup>	9
Deduct: Fuel hedge contracts settling in the current period, but for which gains were reclassified from AOCI <sup>47</sup>	(34)
Add: Mark-market impact from fuel contracts settling in current periods <sup>47</sup>	34
Add: Litigation settlements	7
Add: Professional advisory fees	37
Add: Transformation costs	5
Deduct: Net income tax impact of special items <sup>48</sup>	(47)
Net income, excluding special items	\$597

Non-GAAP Return on Invested Capital  
(Dollars in millions, unaudited)

Year ended December 31, 2024	
Operating income, as reported	\$321
Breakage revenue adjustment <sup>45</sup>	116
Voluntary Employee programs	5
Labor contract adjustments <sup>46</sup>	9
Net impact from fuel contracts <sup>47</sup>	(34)
Premium benefit of fuel contracts not designated as hedges	(9)
Professional advisory fees	37
Transformation costs	5
Litigation settlements	7
Operating income, non-GAAP	457
Net adjustment for aircraft leases <sup>49</sup>	134
Adjusted operating income, non-GAAP (A)	\$591
Non-GAAP tax rate <sup>50</sup> (B)	23.1%
Net operating profit after-tax (A*(1-B)=C)	\$454
Debt, including finance leases <sup>51</sup>	\$7,742
Equity <sup>51</sup>	10,388
Net present value of aircraft operating leases <sup>51</sup>	933
Average invested capital	\$19,063
Equity adjustment <sup>52</sup>	13
Adjusted average invested capital (D)	\$19,076
Non-GAAP ROIC, pre-tax (A/D)	3.1%
Non-GAAP ROIC, after-tax (C/D)	2.4%





# Fleet Management

Southwest exclusively operates Boeing 737 aircraft. Our single-type fleet strategy helps simplify scheduling across our point-to-point network and streamline operations, maintenance, and training.

Our approach to fleet planning emphasizes flexibility and modernization. As of December 31, 2024, Southwest has firm and optional orders for new 737 MAX 7 and 737 MAX 8 aircraft through 2031 to meet our fleet growth targets while also replacing older aircraft. New MAX aircraft come with upgraded WiFi, the latest-generation onboard USB-A and USB-C ports, adjustable headrests, lower-profile armrests, and improved cushion support. Starting in 2025, we'll begin receiving aircraft with new RECARO seats and extra legroom configurations. Additionally, these fuel-efficient, longer-range aircraft are essential in helping us meet our carbon emissions intensity goals.

Under the guidance of our CFO and VP of Fleet Management, our Fleet Management Team collaborates with Stakeholders across the organization to oversee aircraft acquisitions and retirements. We strive to optimize the total cost of ownership and improve efficiencies across the fleet, while meeting the needs of our Customers, Employees, and operations.

For comprehensive oversight and alignment regarding our fleet planning, we meet regularly with key Stakeholders and SMC members. This enhanced governance structure includes greater involvement and partnership from Technical Operations, Finance, Network, and Operational groups, fostering a collaborative environment where all impacted groups are considered in the decision-making process. Integrated fleet planning meetings inform and align our network planning and operational groups and help us address and plan for the future of our operations, particularly in light of service bulletins and airworthiness directives from the FAA that impact our fleet.

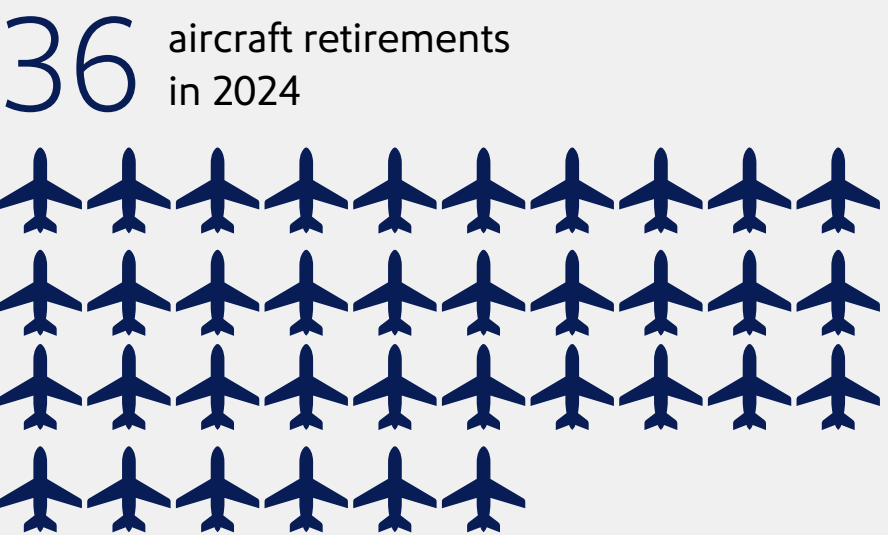
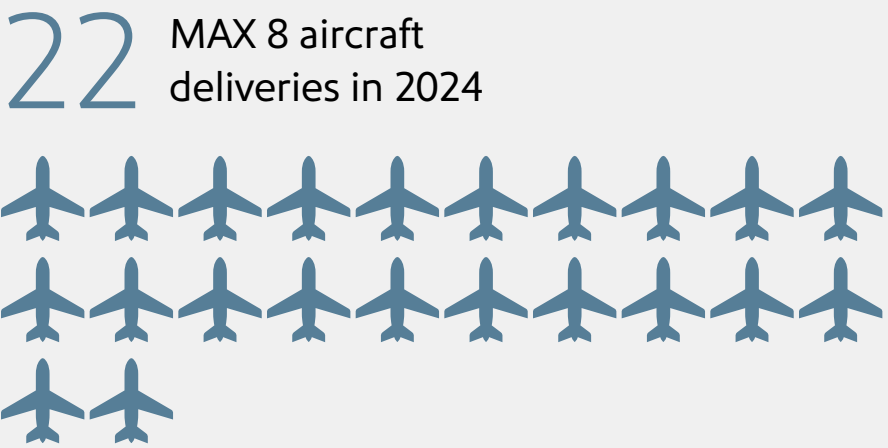
This collaborative approach has been crucial in navigating the challenges posed by external factors and maintaining the efficiency and effectiveness of our fleet management strategy.

## Fleet Composition<sup>44</sup>

(as of December 31, 2024)



## Fleet Management



# Network & Growth

## 2024 Spotlight

- Ended 2024 by offering nonstop service on more than 850 city pairs connecting 117 across the network
- Enhanced our schedule with a focus on point-to-point markets
- Continued investing in our Denver operations as well as operating record-high departures in Orlando and Phoenix

We build our network and flight schedules to connect our Customers to the important destinations in their lives at the right time while balancing cost, operational efficiency, and our long-term growth strategy. Our hybrid network strategy blends the convenience of nonstop routes and efficient connections to the top destinations Customers want to fly—all designed around the local demand in the communities we serve.

Our unique network, low fares, and famous Hospitality continue to make Southwest an attractive choice for Customers in cities across the U.S. and near-international destinations. Given the breadth of our network, our hybrid model allows us to leverage more than 50 cities as connection points—a strategic move that sets us apart from the competition which use only a few connection hubs.

Years of experience operating this model has established Southwest as a preferred carrier (No. 1 in market share) in 24 of the top 50 U.S. markets, and we have the No. 1 or No. 2 market share in 56 domestic cities.<sup>55</sup>

As of December 31, 2024, Southwest served more than 850 nonstop city pairs connecting 117 airports, resulting in nonstop service for approximately 74% of Southwest Customers.

Throughout 2024, we focused on aligning our schedule with Customer demand and reinforcing our presence in key Southwest markets. This involved increasing capacity in popular markets across our network and enhancing operational efficiency and resilience.

Looking ahead, our near-term strategy focuses on refining our network to align with the evolving travel trends of our Customers, while continuing to support our transformational work. This strategy includes various projects to better match supply with current demand patterns, support our focus on margin expansion, and further enhance network connectivity.

Our network initiatives in 2025 include:

- Increased flying in our core markets such as Nashville and Orlando
- Continuing to shift flights from lower-demand days to higher-demand days
- Addressing the lower-demand shoulder periods of the day by pulling in early-morning and late-night flights
- Introducing redeye flying to increase itinerary options and enhance connectivity

These changes are all part of our efforts to improve our network's revenue and itinerary generation and provide the exceptional scheduled service Southwest is known for to the destinations our Customers love.



System Map

(as of December 31, 2024)



117

Destinations Served

Top 10 Airports

Daily Departures (as of December 15, 2024)

<b>01 DEN:</b> 271 Denver	<b>06 MDW:</b> 187 Chicago (Midway)
<b>02 LAS:</b> 264 Las Vegas	<b>07 HOU:</b> 158 Houston (Hobby)
<b>03 PHX:</b> 218 Phoenix	<b>08 BNA:</b> 157 Nashville
<b>04 BWI:</b> 215 Baltimore-Washington	<b>09 MCO:</b> 131 Orlando
<b>05 DAL:</b> 208 Dallas (Love Field)	<b>10 AUS:</b> 118 Austin

Capacity by Region

(as of December 31, 2024)

●	21%	Desert Mountain
●	18%	West Coast
●	16%	Southeast
●	16%	South Central
●	15%	Midwest
●	12%	Northeast
●	2%	Puerto Rico & International



We ended 2024 seeing network and operational benefits from the schedule changes made throughout the year, including growth in key markets such as Nashville and Orlando. These strategic changes to our network allow for enhancements to connectivity and operational Reliability, supporting Southwest's financial goals.



# Safety

## 2024 Spotlight

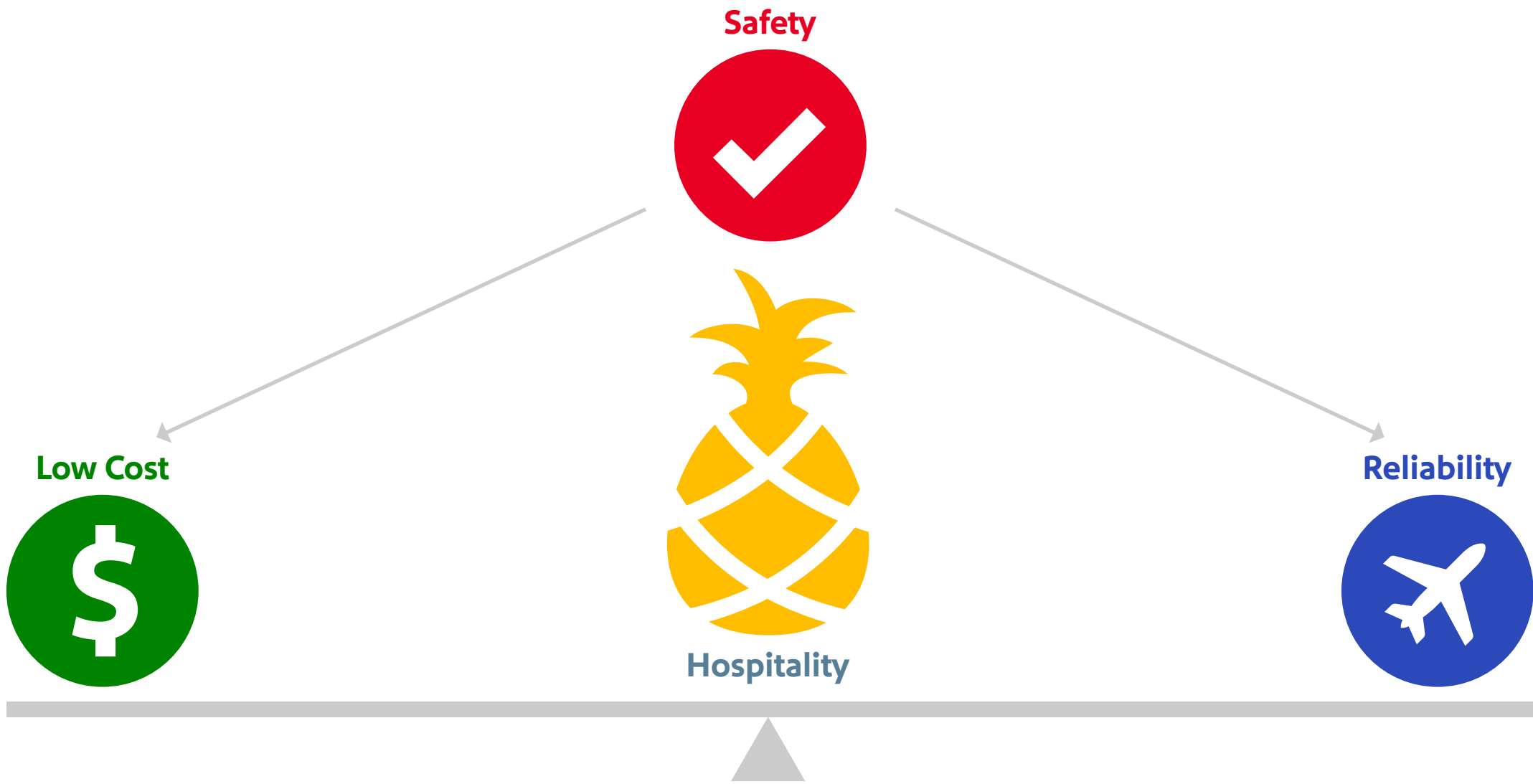
- Engaged with the International Air Transport Association (IATA) to successfully complete our Operational Safety Audit (IOSA) certification
- Implemented new cabin clean-up procedures to help prevent turbulence-related injuries during descent

A lot has changed about Southwest Airlines over the past five decades, and our evolution continues today with the great work we're doing on our transformational journey.

But throughout our history, one thing hasn't changed—and will never change. That's our commitment to the Safety and Security of our Employees and Customers. Southwest Airlines' Operational Philosophy puts Safety first, without compromise. All Employees are expected to follow Company policies and procedures designed to enable operations at an acceptable level of risk for Southwest, in compliance with regulatory requirements. Next, and only after operating safely, we balance being low-cost and reliable, all delivered with world-class Hospitality.

With every flight, every day, we're always working to strengthen our commitment to Safety. We've built a Culture where Safety isn't just a priority, it's a shared responsibility, both across Southwest and our partners.

## Operational Philosophy





2024 Safety Initiatives

Southwest’s Safety Management System (SMS) is designed to reduce injuries, damage, and risk in the operation. In 2024, we introduced several continuous improvement initiatives to support the SMS.

- **Ground Operations:** The Ground Operations Team maintained a strong focus on Safety through bi-weekly touchpoints with Station Leaders. Key initiatives included enhancing vehicle Safety and the development of vehicle telemetry, safety zone hazards and awareness, and reviewing opportunities to reduce injuries including changes to handles on baggage cart equipment.
  - Our progress in implementing vehicle telemetry is critical, as it showcases the incredible potential of advanced technologies to enhance Safety at Southwest. Vehicle telemetry is technology that remotely monitors and transmits data on the location, speed, and operational status of vehicles to improve Safety, compliance, and efficiency. For example, using telemetry, we’ll be able to slow down GSE to walking speeds when seatbelts aren’t buckled, and reduce the risk of accidents during aircraft servicing and other operations. Telemetry systems will start coming online at Southwest’s largest Stations throughout 2025.
- **Technical Operations:** In 2024, Operations Teams worked to reinforce positive behavior across Frontline Teams with the launch of Safety Compliance Mindset, an Employee-facing program that aligned key Frontline Safety metrics with new messaging. Leadership development remained a top priority, with more than 100 Technical Operations Leaders attending the Normalization of Excellence training conducted by Flight Operations. Technical Operations also introduced new Safety Performance Indicators and Targets (SPI & SPT) for injury and damage and laid the foundations for a new Fatigue Risk Management System.
- **Inflight Operations:** The Inflight Operations Team collaborated with Flight Operations to enhance turbulence safety procedures and improve communication between

the cabin and flight deck. The Team also partnered with Provisioning to strengthen controls around hot cans, helping mitigate injury risk from bursting beverage cans in high temperatures. Additional 2024 initiatives also included updating cabin evacuation commands and final walk-through procedures and enhancing Southwest’s Safety information card.

- **Flight Operations:** In 2024, our Flight Operations Flight Safety Audit Program received the Line Operations Safety Audit (LOSA) Report, which benchmarks Southwest Airlines against industry peers. The LOSA Report identified Southwest as one of the highest-performing carriers across numerous metrics. The Flight Operations Team also started work on 20 Targets for Enhancement to improve the policies and procedures our Pilots use daily on the flight deck.
- **Cargo & Provisioning:** Cargo & Provisioning maintained a strong focus on Safety promotion through regular briefings from Facility Leaders and monthly training for New Hires. Initiatives underway include the introduction of daily provisioning procedure audits, communicating forklift Safety and ergonomic best practices, reviewing opportunities to reduce injuries, and the introduction of refrigerated trucks in multiple locations.
- **Network Operations Control (NOC):** The NOC achieved several significant milestones in enhancing Safety, operational efficiency, and continuous improvement. Key accomplishments include:
  - **Enhanced Flight Planning:** The NOC successfully implemented a new flight planning system equipped with advanced Safety controls, driving a higher standard of operational Reliability.
  - **Data-Driven Insights:** The NOC developed and deployed an assurance database, accelerating the identification of trends and informed decision-making.
  - **Standardized Event Management:** The NOC created a comprehensive quick reference guide for reporting and escalating events, promoting awareness and

consistent handling across our Dispatchers, Network Superintendents, and Bridge Leadership.

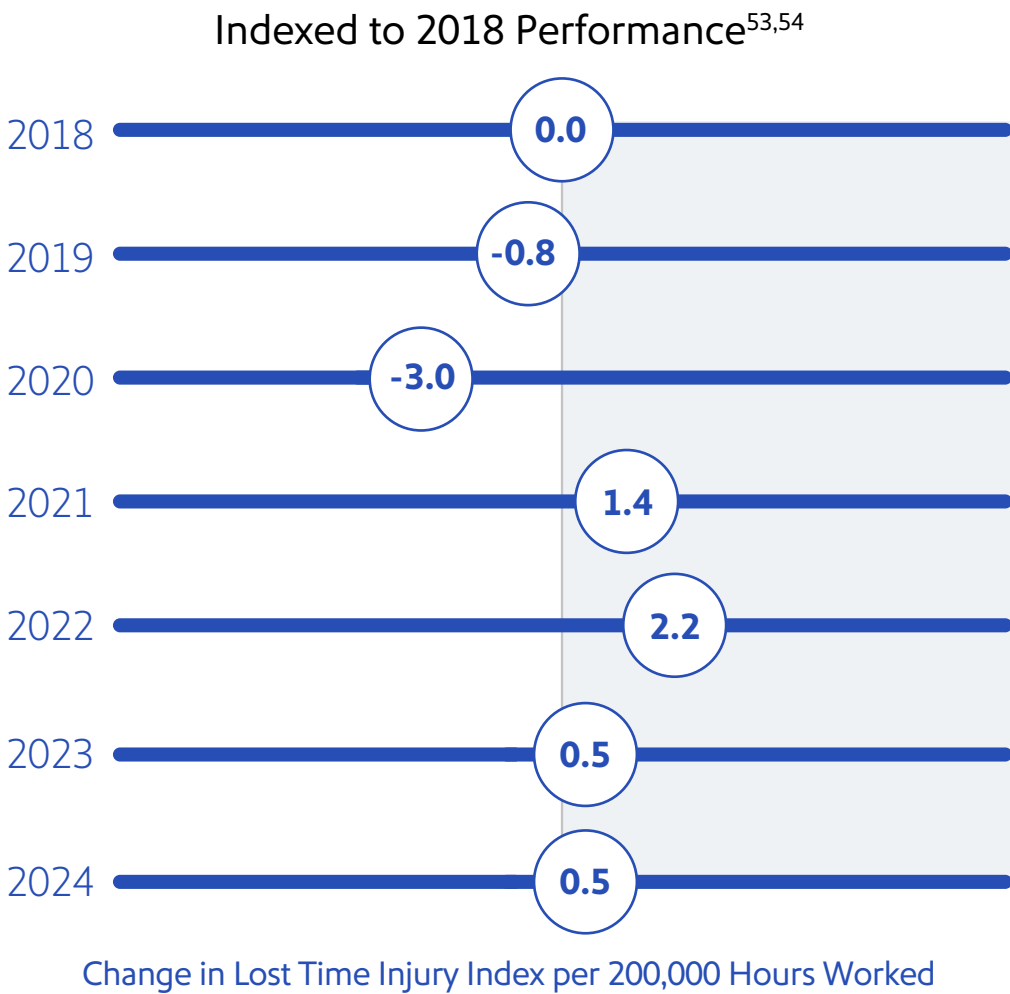
- **Process Optimization:** Our Team established a dedicated Process and Automation Team to drive continuous improvement, streamlining workflows and foster innovation.
- **Leadership in Training:** We hired a Director of Training and Standards to lead the development of industry-leading training programs to elevate skillsets and standards across the NOC.

The positive cross-functional Safety collaboration that took place throughout 2024 focused on the valuable feedback we received from the successful completion of external audits—including IATA’s IOSA and the FAA Certificate Holder Evaluation Process (CHEP). IOSA is a comprehensive evaluation system designed by IATA to assess the operational management and control systems of airlines, applying globally recognized safety standards to assess an airline’s operations. It involves a rigorous audit process covering various aspects of airline operations, including flight operations, maintenance, and Safety management. Ultimately, we received extremely positive feedback from both audits, as well as opportunities to enhance some of our processes. Now, we can proudly say Southwest Airlines is IOSA certified. Moving forward, we will complete this audit every two years for ongoing compliance and continuous improvement. Joining the IOSA registry is a significant milestone in our journey toward transforming Southwest and further strengthening our commitment to Safety.

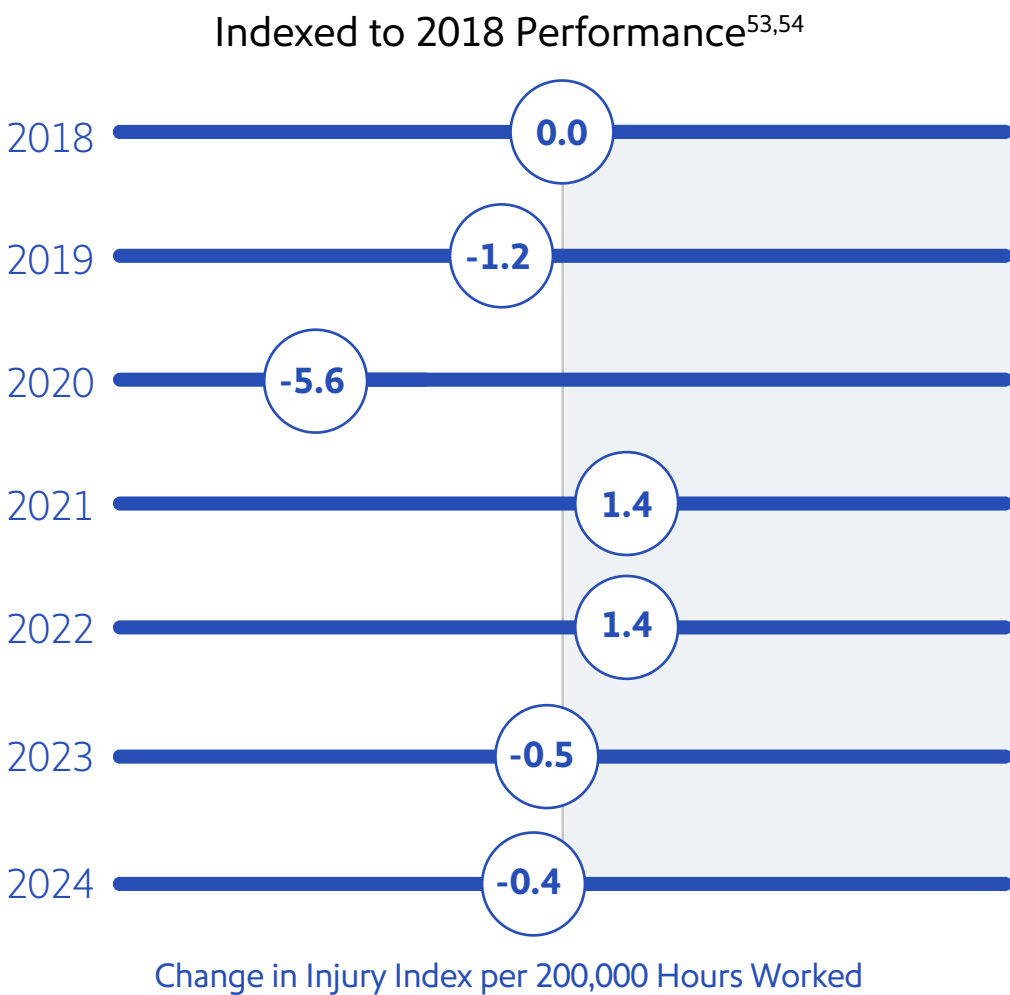
Committed to continuous improvement, Southwest established a new Operations Review Team (ORT) to support the many disciplines needed for research, development, and implementation within our robust SMS framework. The ORT comprises cross-functional SMEs, operational Leaders, and representatives from our Pilots’ Union (SWAPA) and the FAA.

Since its inception in the second quarter of 2024, the ORT has concentrated on enhancing our SMS processes by prioritizing specific Safety analyses and identifying further improvement

Lost Time Injury Claim Index



OSHA Recordable Injury Index





opportunities for Flight Operations and our Pilots. One example is the introduction of additional in-person Safety training for Pilots. New training provides Pilots with in-depth peer-to-peer discussions about specific events and emphasizes collaborative risk management as a Flight Crew. This initiative is a crucial part of our commitment to strengthening our operations and equipping our Teams with the necessary resources and support to keep Safety our top priority.

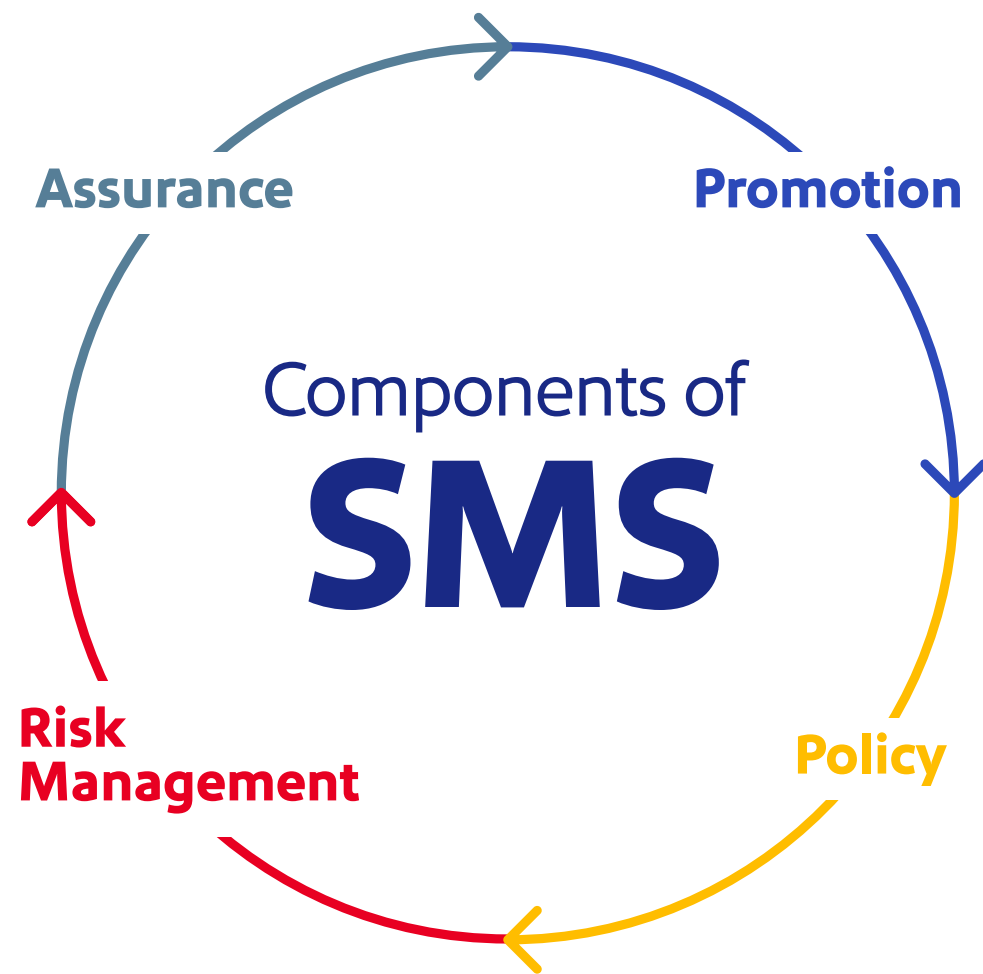
Southwest’s Safety Management System

Our commitment to Safety is embodied in our SMS, which creates the framework designed to reduce Safety risk to Southwest. Our systematic approach to managing Safety is based on FAA requirements and regulations, and we seek to comply with all FAA requirements for our Employees and operations.

The SMS framework is comprised of four components:

- Safety Policy
- Safety Risk Management
- Safety Assurance
- Safety Promotion

These components are seamlessly integrated into all of our processes, establishing a robust structure for Safety at Southwest.



Safety Policy

Southwest’s Safety Policy is reflected in our Safety and Security Commitment, a public pledge made by all Southwest Employees, including Senior Leadership, to promote the Safety and Security of our Customers and Employees. It establishes clear Company and Employee expectations for Safety and Security and holds our Employees accountable for meeting these expectations. Southwest’s Safety Policy also covers our Safety and Security Objectives,

including Safety Objectives specific to supporting Employees and reducing injuries. Southwest Employees are expected to demonstrate their commitment to Safety by:

- Following Company policies and procedures
- Identifying anything that could cause damage or injury
- Reporting hazards through Companywide reporting tools
- Knowing and understanding our Safety and Security Commitment





Other Safety and Security policies include our Guidelines for Employees, Safety/Security Management Manual, and our Drug and Alcohol Policy.

Our SMS encourages Employee engagement through hazard identification (anything that could cause injury or damage), and adherence and execution of our Safety program. For example, all Employees are expected to comply with Southwest Safety procedures and programs, including our Southwest Injury and Illness Prevention Program (I2P2). Our I2P2 Program covers all areas of health and safety, for example, heat and cold related programs such as our Heat-Related Illness Prevention Program, proper use of safety equipment, and proper hydration methods. We take the Safety of our Employees seriously, and our SMS is integral in the development and implementation of procedural changes, including those specific to mitigating hazards. Being accountable to the Safety and Security Commitment is yet another way that our Employees offer our Customers the Hospitality we're known for—through the lens of a safe operation.

### Safety Risk Management

The Safety Risk Management function of our SMS provides a proactive, systemic, and standardized process designed to identify hazards and risks to the operation and workplace before they become injuries, accidents, or incidents. It is designed to mitigate risk through the implementation of effective risk controls, including tools, technology, and training. Our SMS grants Employees and Contractors the opportunity to anonymously report Safety or Security related questions, concerns, or suggestions through our internal Safety/Security Reporting System (SRS).

### Safety Assurance

The Safety Assurance function of our SMS is data-driven, using analytics to consistently evaluate the efficacy of risk controls and our overall Safety performance. At Southwest, we monitor Safety using diverse data streams, including Employee reports, aircraft information, Safety investigations, fatigue management programs, and audits.

Audit data is used to proactively assess Safety risk controls. Whenever we implement new or updated policies or procedures, we actively search for any factors that could lead to injury or damage. Our monitoring extends beyond recent implementations; we consistently review controls that have been part of our system for a long duration.

Our assurance programs scrutinize the effectiveness of these controls across all operational areas. When we encounter unexpected indications, we undertake further analysis. We've established a formal system assessment process for documenting and addressing any issues when Safety performance doesn't meet our stringent standards.

Moreover, we analyze high-performing areas to extract lessons that can be applied to other projects. A prime example is our Extended-range Twin-engine Operations Performance Standards (ETOPS) program, which involved comprehensive Safety risk management. In developing this program, we preemptively identified hazards and developed risk controls, which allowed us to build strong assurance measures. This proactive approach meant we knew the necessary data for collection and could leverage automation for ongoing monitoring. Each monitored area has set metrics that are regularly reviewed and reported to the ETOPS Advisory Board.

Furthermore, we continually assess our performance against Safety Objectives, including reducing injuries and operational damage. Over recent years, amid significant operational shifts such as post-COVID-19 recovery and integrating thousands of new Employees, our data-driven evaluations helped verify the effectiveness of our risk controls and identify areas for enhanced performance. These efforts underline our Employees' dedication to Safety and Customer protection.

### Safety Promotion

All areas of the SMS receive Companywide and department-specific Safety Promotion support, which includes both training and communication related to Safety. We employ job-specific training grounded in rigorous standards to equip Employees with the essential skills for safe operations.

Upon joining Southwest, all mandated Employees and Contractors complete SMS training. Additionally, depending on their job function and group, Employees participate in recurrent required SMS training to enhance their skills and knowledge. We expect both Employees and Contractors to abide by designated Safety standards and believe training is a key component to managing risk.

Additionally, we have a dynamic engagement strategy to inform and educate Stakeholders about the Company's Safety and Security Commitment. This strategy involves enterprise-wide communication through various channels, messages tailored to Frontline Employees addressing Safety risks in their specific areas, and Leadership briefings that highlight trends and provide talking points to address concerns or spotlight improvements. Leaders can also review results pertinent to their locations and workgroups, guiding them to focus on areas for enhanced outcomes. The SMS is engineered to nurture a robust Safety Culture through knowledge and understanding. Our holistic strategy underscores our commitment to make Safety a top priority.

### Safety Governance

The Southwest Airlines Board of Directors, through its Safety and Operations Committee, monitors the Company's activities in areas of Safety and operational compliance, periodically assesses the Company's safety and operational compliance obligations, reviews relevant policies, and meets regularly with management of the Company to assess the Company's safety and operational compliance practices generally, including assessing the adequacy of the resources, training, communications, risk assessments, and auditing of operational processes directed towards supporting safety and operational compliance.

Furthermore, Southwest engages with independent third parties to conduct Safety reviews when the Board or management believe it's appropriate. In the last year, for example, the Company engaged a third-party vendor to assist the Company with the processes required to join the IATA Operational Safety Audit registry, including preparing for the IOSA certification.

Southwest's Security & Emergency Management System (SeMS) provides a structured, comprehensive approach to managing Security risks. It includes additional reporting and audit layers to identify and mitigate potential threats. All Employees are expected to contribute to and strengthen our Security Culture by being observant and having situational awareness of their surroundings, being compliant with our policies and procedures, and reporting Security risks in our new Security reporting system—just like they report Safety risks.

### Enhanced Emergency Medical Kits

Starting in 2024, Southwest Passengers now fly with the added Safety of enhanced Emergency Medical Kits (EMKs) onboard. Our new kits include critical medications such as Epinephrine auto-injectors (EpiPen) for severe allergic reactions and Narcan (Naloxone) for opioid overdoses. Additionally, the inclusion of Zofran (Ondansetron) for nausea and advanced diagnostic equipment like electronic blood pressure cuffs, glucometers, and pulse oximeters equip us to handle a wider range of potential medical emergencies.

Through valuable feedback from medical professionals and feedback loops from Employees through our SMS, we've equipped our EMKs with tools that enhance our emergency response capabilities. This important initiative reflects Southwest's unwavering dedication to the Safety of our Customers.





# Operational Performance

## 2024 Spotlight

- Achieved significant progress in our Paperless Aircraft Turn program
- Achieved an industry-leading 99.2% completion factor performance for full year 2024

Southwest is built on a legacy of operational excellence, and we are dedicated to efficiency and operational improvement. Our Teams work tirelessly to identify opportunities for new standards, procedures, and technologies that can enhance our operations.

Throughout 2024, we made great progress on our Paperless Turn program. The goal of this initiative is to digitize paper-based turn processes and provide our People with enhanced technology and tools to execute the turn more efficiently. This transition helps eliminate the need for printing on every flight, reduce physical document storage, cut down on duplicative data entry, enhance cross-operational Teamwork, and enable faster recovery during irregular operations. By implementing modern digital solutions, we're creating a safer, more streamlined process—allowing us to focus more on providing the legendary Hospitality we're known for.

Key 2024 initiatives also included the implementation of Flightkeys—a flight-planning technology that provides real-time data analysis and decision-making capabilities. This tool enables dynamic adjustments to flight paths and scheduling, ultimately enhancing our ability to manage flight operations and improve overall performance. Read more about Flightkeys in the [Planet Section](#).

### A Strong Performance

The incredible work of our People contributed to strong operational performance in 2024—particularly during busy peak seasons.

During Thanksgiving week (November 25 to December 1), we connected nearly three and half million Customers across more than 25,000 flights. We achieved the number one spot in ontime performance and had the fewest extreme delays (or delays greater than 45 minutes) among major U.S. mainland airlines, and we recorded only nine cancellations—marking our best completion factor over this period in five years. Additionally, we improved key metrics like early morning originators, turn compliance, and mishandled baggage ratio.

Beyond these peak times, our strong operational performance extended throughout the year. We led the industry in completion factor, with fewer than 0.8% of flights canceled. Our ontime performance climbed to fourth place, one spot up from 2023. We were third in extreme delays (delays greater than 45 minutes) and moved up two spots in involuntary bumping, placing us in fourth. We also ranked first in Customer Satisfaction among Economy Class Passengers in the J.D. Power 2024 North America Airline Satisfaction Study. In addition to our number one ranking, our Customers rated us number one in Digital Tools; Airline Staff; Value for Price Paid; and Level of Trust with Airline.

These achievements underscore the dedication and resilience of our Teams, who consistently rose to the occasion for the Safety of our People and Customers, even during challenges like Hurricane Milton. We're focused on building on this strong performance in 2025.

### Management Approach

Southwest's Operations Teams are dedicated to:

- Identifying operational challenges and opportunities
- Informing decision-making and productivity through diagnostic analysis

- Reporting on operational performance and forecasting the operational trends that inform our network design
- Assessing how we design, build, and operate a flight schedule with a focus on proper staffing and capacity planning, overseeing Station readiness and improvements, and strategically responding to unplanned events

To drive efficiency, our Operations Teams monitor the daily, monthly, and annual operational performance of our airline. This includes closely examining data points around annual performance goals, such as ontime performance and completion factor. Thousands of additional data points are used to forecast, trend, monitor, and adjust elements of our operation to achieve safe, reliable efficiencies from the time an aircraft arrives at the gate, deplanes, loads up again, and arrives at its next destination.

Our governance structure is clearly defined, streamlining the process for the evaluation, approval, management, and realization of strategic project outcomes within our operations portfolio. This structure is essential for the continuous enhancement of our operational capabilities. Our strategy is to be forward-thinking, concentrating on continuous improvement and integrating data science, automation, and the latest trends into our operational tools and processes.

This includes the regular development and trial of operational improvements in simulated and real-world settings. While we're proud of our operational heritage, our focus remains on planning for future operations. Our goal is to consistently offer our Employees and Customers a safe, reliable, efficient, and modern airline experience.



# Customer Satisfaction

## 2024 Spotlight

- Announced our multi-year transformational plan to enhance our Customers' Experience, including offering assigned seating with premium options
- Announced the launch of industry-standard airline partnerships and our Getaways by Southwest™ vacations product, both expected to be implemented in 2025
- Continued our cabin modernization efforts, which include a refreshed cabin design, faster WiFi, in-seat power, and larger overhead bins (and announced more comfortable RECARO seats to be added starting in 2025)

Southwest's commitment to Hospitality and an exceptional Customer Experience drives our success. By delivering quality service with unmatched Company Spirit, we've earned the loyalty that makes us #1 in 24 of the top 50 U.S. markets for passengers carried.<sup>55</sup>

Key initiatives announced, launched, or continued in 2024 are part of a broader strategic transformation designed to enhance optionality for current and future Customers, improve financial performance, and drive Shareholder value.

### A New Era of Southwest

Southwest has been known for our unique open seating model for more than 50 years. However, we recognize preferences are always evolving. Our research indicates that 80% of Southwest Customers, and 86% of potential Customers, would prefer an assigned seat. When Customers choose to stop flying with Southwest, open seating is cited as the primary reason.

To better serve our Customers, Southwest announced a plan in 2024 to transition to an assigned seating model. This marks an exciting new chapter for us—one we expect will enhance our appeal and encourage more travel from current and future Customers. The timing is ideal as we expand our network, launch redeye

flights, and connect Customers to farther destinations than ever, where seat assignments become even more valuable for added comfort on longer journeys.

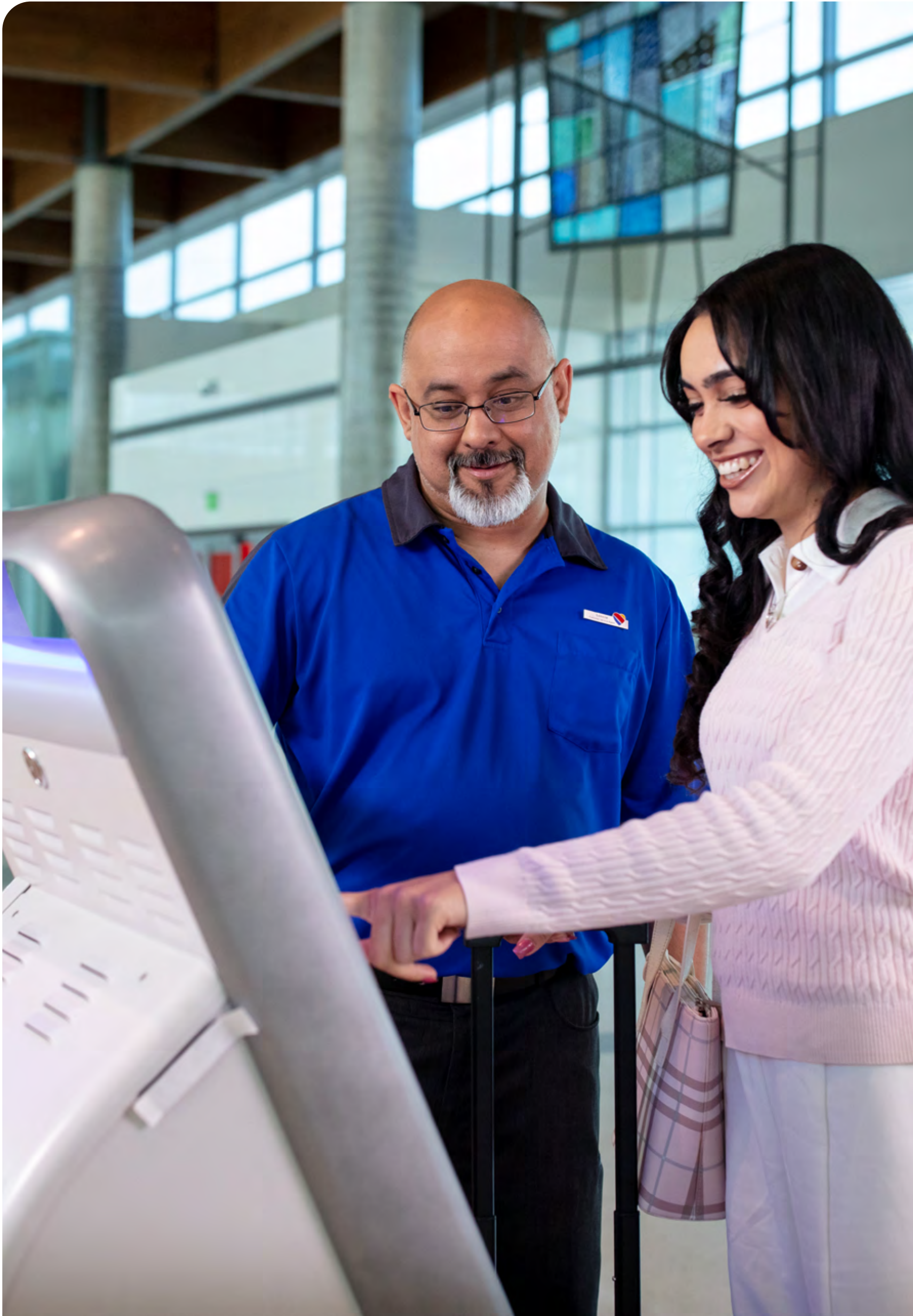
In addition to assigned seats, Southwest also will begin offering premium seating. As new cabin layout details are finalized and approved by regulatory agencies, we plan to offer extra legroom seat options with more legroom to stretch out, at the front of the cabin and near the exit rows, with up to five additional inches of extra legroom compared to Standard and Preferred seats.<sup>56</sup> We expect these products to strengthen both leisure and business demand and generate more revenue per passenger. The transformation underway will also bring new perks to Rapid Rewards® Members, introducing new seating benefit opportunities for A-List and A-List Preferred Members.

The move to assigned seating with premium options is a transformational change that cuts across almost all aspects of the Company. Our comprehensive plan balances managing operational preparedness with speed to market. This includes obtaining FAA approval, retrofitting aircraft, updating technology, and supporting our Employees with in-depth communication and training, and bringing our Customers along the journey. We plan to begin selling assigned seats in the third quarter of 2025, with the first flights expected to operate under the new model in the first quarter of 2026.

Seat assignments and new fare attributes and benefits will also translate to changes in our boarding process, but we remain focused on operational efficiency and improving the Customer Experience.

We're excited about the opportunities ahead as we embark on a transformative journey to reimagine our core product. We remain committed to Customer Service that's in a class of its own, a strong network with the most nonstop flights in the U.S.,<sup>57</sup> and a loyalty program that delivers value and flexibility to Rapid Rewards® Members.

Updates to our seating and boarding model align with a purposeful plan to modernize our cabin. During the past two years, we've enhanced onboard offerings with improvements such as faster WiFi, in-seat power, and larger overhead bins. And work is well underway on a refreshed cabin design, including new, more comfortable RECARO seats.





### Airline Partners & Getaways by Southwest™

In 2024, we announced several exciting initiatives aiming to bring even more value to our Customers, including work to formalize industry-standard global airline partnerships. Beginning with Icelandair as our first airline partner, we plan to form partnerships that expand our network and connect our Customers to new destinations around the world. We began connecting Customers and bags with Icelandair in February of 2025, using Baltimore-Washington International Airport as our first shared gateway, and we plan to connect Icelandair into our network through two additional gateways in Denver and Nashville, with future connection points planned at other airports where our networks overlap.

Airline partnerships are designed to globally expand our network, drive incremental passenger growth without the need for additional aircraft, and enhance the value of our Rapid Rewards® program. By integrating transoceanic connectivity, we aim to offer our Customers more destinations and seamless travel experiences. We plan to add at least one additional partner carrier in 2025.

We're also gearing up to launch Getaways by Southwest™ in 2025, a new vacation offering that intends to deliver flexible and friendly policies. These customizable vacation bundles are expected to feature Southwest's generous cancellation policy and flexibility with its no change fees for flights extending to hotels and other elements of packaged vacations.<sup>58</sup> The enhanced vacations product will leverage our strength in large leisure markets (e.g. Las Vegas, Orlando, Hawaii, Cancun), where a significant amount of vacation packages are purchased today, and it is designed to drive growth with leisure travelers and grow higher-margin revenues.

In 2024, Southwest also announced the introduction of overnight, redeye flights to offer more options to Customers, increase aircraft utilization, and support Southwest's financial position. The first overnight

flights landed on Valentine's Day 2025 in five initial nonstop markets, and we plan for additional markets to come online as part of a multi-year transformation to a 24-hour operation.

### Our Management Approach

We measure Customer Satisfaction through two primary metrics: NPS and the DOT complaint ratio. Both metrics are integral to our corporate goals, and we monitor them closely, along with our competitors' scores. NPS surveys are sent to Customers within 24 hours of the trip, covering about 10% of Customers flown each day. We measured a clear improvement in NPS in 2024 over 2023. This uptick was a testament to our dedicated Employees who worked tirelessly to deliver outstanding operational performance and Customer Service and reaffirm our position as an industry Leader.

We consistently seek Customer feedback through a variety of channels, and this information helps us understand where we may have gaps in delivering a seamless travel experience. It's important to us that improvements for Customers do not come at the cost of the Employee Experience, so we also regularly solicit feedback from our Employees on proposed Customer-facing changes.

We aim to provide ontime, reliable service, but we acknowledge that delays and cancellations can occur. Our [Customer Service Plan](#) (CSP) is designed to provide clear, transparent guidelines on Customer expense reimbursement and assistance during travel disruptions. Our CSP details what Customers can expect during significant flight delays and cancellations within our control, and is routinely updated in compliance with DOT requirements.

# Indirect Economic Impact

## 2024 Spotlight

- Received the Qurator designation from The Hawaii Tourism Authority (HTA), the State of Hawaii's official mark of excellence for Hawaii-based and locally operating businesses

Air travel is a powerful driver of economic vitality. By connecting cities and countries, we help make tourism and business travel possible, which in turn boosts

commerce, hospitality, and service industries. Southwest employs great People, and the jobs we create fuel jobs in related sectors, including airport operations, aircraft manufacturing, ground transportation, restaurants, and much more. Air travel is critical for the global movement of goods and drives investment in key infrastructure.

Internally, we measure our economic impact through factors such as Passenger and departure numbers, Employee counts, stimulated economic activities, gross domestic product (GDP) contributions, job creation, and Employee salaries, wages, and benefits.

### Making an Impact in Hawaii

Places like Hawaii are a strong example of the crucial role responsible tourism can play in economic development. The HTA estimates that every dollar spent by tourists generates \$26 in taxable revenue for the state. Since starting service to the Hawaiian Islands more than five years ago, we have strived to be a good community partner by collaborating with local businesses, civic and nonprofit organizations, including the HTA, the Hawaii Chamber of Commerce, and the Hawaii Visitors and Conventions Bureau.

The HTA recently recognized Southwest with its Qurator designation. Qurator is a program that recognizes businesses that contribute to Hawaii's economy, community, and environment. We're thrilled to have achieved the overall designation of "Honored" for all six Qurator categories: Environment, Cultural Support, Equity, Safety, Community, and Guest Experience.



# Corporate Responsibility Programs & Partnerships

We champion the local communities where our Customers and Employees live and work through strategic contributions to key programs and community partnerships. Our corporate responsibility programs empower communities, support education, and promote sustainability, helping create economic opportunities and stimulate local economies. Read more about Southwest's [Corporate Responsibility](#) approach and impact.

We want to be good stewards of our resources. This commitment is reflected in our systematic approach to evaluating the effectiveness of our charitable contributions, partnerships, and community initiatives.

This includes:

- Evaluating partnerships through annual impact reports to monitor whether partners are fulfilling their commitments within their partnership agreements. Impact reports track a range of metrics, including cash and in-kind investments, Employee volunteer hours, and tickets provided for volunteer work.
- Vetting new partners for alignment with our goals and Values.
- Reassessing impact focus areas regularly to monitor whether they align with Southwest's business objectives, the needs of our communities, and an evolving social and economic landscape.

Throughout 2024, we worked to transform our grant management platform with a focus on improved information capture to support data-driven decision making when we're investing in communities. Through these practices, we aim for our efforts to not only align with our corporate Values, but also contribute significantly to the growth and wellbeing of the communities we serve.

## Denver Impact

We're incredibly proud of our corporate responsibility work in Denver throughout 2024. Our efforts highlight how strategic investments in local partnerships and programs can drive meaningful change and support local growth. We capped off a great year in Denver by being recognized by the Denver Business Journal as a Partner in Philanthropy recipient for our community investments and volunteer hours.

Our notable partnerships in Denver include sponsoring the Denver Pride Festival, where we helped launch new sustainability initiatives for the festival's 50th anniversary in 2024.

We're also honored to be the Official Airline of the Denver Nuggets, Colorado Avalanche, and Colorado Rockies. In 2024, Southwest Airlines, in partnership with Minerva Consulting LLC, received a Silver Telly Award for our collaboration with the Colorado Avalanche and Minds Matter Colorado.

Other notable Denver partnerships include Denver Urban Gardens, Latin American Educational Foundation, Girls Inc. of Metro Denver, Longer Tables, Mile High United Way, Cleo Parker Robinson Dance, One Colorado, the Butterfly Pavilion, Rise 5280, Colorado Gives Foundation, and more.





# Performance Data Table

Operational Performance	2024	2023	2022	2021	2020
External Customer commendations	More than 45,300	More than 44,900	More than 44,000	More than 38,000	More than 34,000
Ratio of External Customer commendations to personnel complaints	2:1	3:1	2:1	5:1	3:1
Ontime Performance	78.6	77.3	73.2	75.8	86.0
Number of mishandled bags reported per 1,000 enplaned bags	4.21	4.50	5.40	3.73	2.68
Passengers denied boarding per 10,000 Passengers	0.08	0.15	0.56	0.33	0.06
Net Promoter Score	57.8	54.5	51.2	Not Reported	Not Reported
Completion factor	99.2%	99.0%	Not Reported	Not Reported	Not Reported
Extreme arrival delays (45 minutes or more)	8.7%	Not Reported	Not Reported	Not Reported	Not Reported
Tarmac delays (2 hours or more)	0.03%	Not Reported	Not Reported	Not Reported	Not Reported
J.D. Power Ranking	1st in Economy Class Segment	1st in Economy Class Segment	1st in Economy Class Segment	Not Reported	Not Reported





# Planet

In 2024, we continued making progress on our Nonstop to Net Zero by 2050<sup>15</sup> strategy, both in the air and on the ground. Accomplishments included the launch of a new cup made with bamboo for inflight cold beverages and a 100% FSC<sup>1</sup>-certified birch wood stir stick, along with announcing a sustainable aviation fuel (SAF) agreement with Valero to bring SAF to Illinois.<sup>19</sup> We also introduced Flightkeys, our new global flight planning software, which helps increase fuel efficiency and optimize routes—all while advancing our sustainability goals.

### 2024 Highlights:

- Launched Flightkeys, which optimizes flight paths and speeds to reduce flight time and improve fuel efficiency
- Updated our climate risk and opportunity analysis in reference to the TCFD framework, and in early 2025, performed a screening-level analysis informed by the Task Force for Nature-Related Financial Disclosures (TNFD)
- In 2024, we spent more than \$700 million on new MAX 8 aircraft,<sup>17</sup> which are approximately 14% more fuel-efficient than the 737-800<sup>26</sup>

39%

ground support equipment (GSE) electrified systemwide, including baggage tugs, beltloaders, and pushbacks

Up to

~12M

gallons of neat SAF to be brought to Midway International Airport in 2025, and up to approximately 12 million additional gallons in 2026<sup>19</sup>

27%

reduction in energy utilization index in our Dallas Headquarters against a 2019 baseline<sup>16</sup>

More than

1.5M

pounds of single-use plastics are estimated to be reduced annually<sup>22</sup> with the introduction of a new cold cup made with bamboo and 100% FSC<sup>1</sup>-certified birch wood stir stick

### Planet Section Framework Disclosures

#### GRI

201-2	302-3	305-1	305-4	306-3	413-1
302-1	302-4	305-2	305-5	306-4	
302-2	302-5	305-3	305-7	306-5	

#### TCFD

Governance Strategy	Risk Management Metrics & Targets
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#### SASB

TR-AL-110a.1
TR-AL-110a.2

### Key Topics

Carbon	Collaboration	Compliance
Circularity	Climate Risks & Impacts	



# Planet Goals

In 2024, we made progress toward our carbon and operational sustainability goals:

Goal	Progress <sup>14</sup>
<b>Carbon</b>	
 Achieve <b>net zero carbon emissions</b> by 2050 <sup>15</sup>	25,628,424 MT CO <sub>2</sub> e including Scopes 1, 2, and 3, Category 3 emissions
 Reduce our carbon emissions intensity <b>50% by 2035 with an interim goal of 25% by 2030</b> , both as compared with 2019 <sup>15</sup>	2% reduction in emissions intensity from our 2019 baseline
 <b>Replace 10% of our total jet fuel</b> consumption with SAF by 2030	See the Sustainable Aviation Fuel section under Carbon for more information on our progress towards this goal <sup>19</sup>
<b>Operational Initiatives</b>	
 <b>Save 100M</b> gallons of jet fuel from <b>fuel efficiency initiatives</b> between 2025 and 2030 <sup>20</sup>	We will report our progress toward this goal in the upcoming 2025 One Report
 <b>Reduce single-use plastics from inflight service 50%</b> by weight by 2025, and <b>70%</b> by weight by 2030 against a 2022 baseline <sup>2</sup>	6% by weight reduction in use of inflight single-use plastics
 <b>Electrify 50%</b> of eligible GSE systemwide by 2035 <sup>33</sup>	39% electric GSE systemwide
 Reduce energy utilization index (EUI) in our Dallas Headquarters by <b>50% by 2035</b> against a 2019 baseline <sup>16</sup>	27% reduction in EUI

Our ability to achieve our goals is subject to risks and uncertainties, including dependencies on the performance of third parties such as aircraft and engine manufacturers, federal and state governments, and SAF producers.<sup>19</sup> For example, to achieve our SAF goal, we need collaboration from numerous Stakeholders to implement policies such as tax incentives to scale cost-competitive SAF.<sup>19</sup>

## Planning our Path to Net Zero

Achieving our goal of net zero carbon emissions by 2050<sup>15</sup> requires a strategic mix of long-term planning and near-term action—particularly since we aim to achieve interim carbon emissions intensity reductions by 2030 and 2035. We’ve set mid- (i.e., 2035 carbon emissions intensity goal) and long-term (i.e., Net Zero by 2050<sup>15</sup> goal) science-based targets in alignment with the goals of the Paris Agreement to limit warming to well below 2°C and pursue efforts to limit it to 1.5°C. In late 2024, the [Transition Pathway Initiative](#) (TPI) conducted an independent assessment of Southwest and determined these 2035 and 2050 targets to be 1.5°C-aligned based on an industry-wide science-based pathway modeled by the International Energy Agency (IEA).

To reach our net zero goal, we’ve outlined a comprehensive pathway that integrates key initiatives

across several focus areas. These include modernizing our fleet, improving our operational efficiency, advocating for air traffic control (ATC) modernization, working to obtain SAF for our operations, and exploring carbon removal technologies.

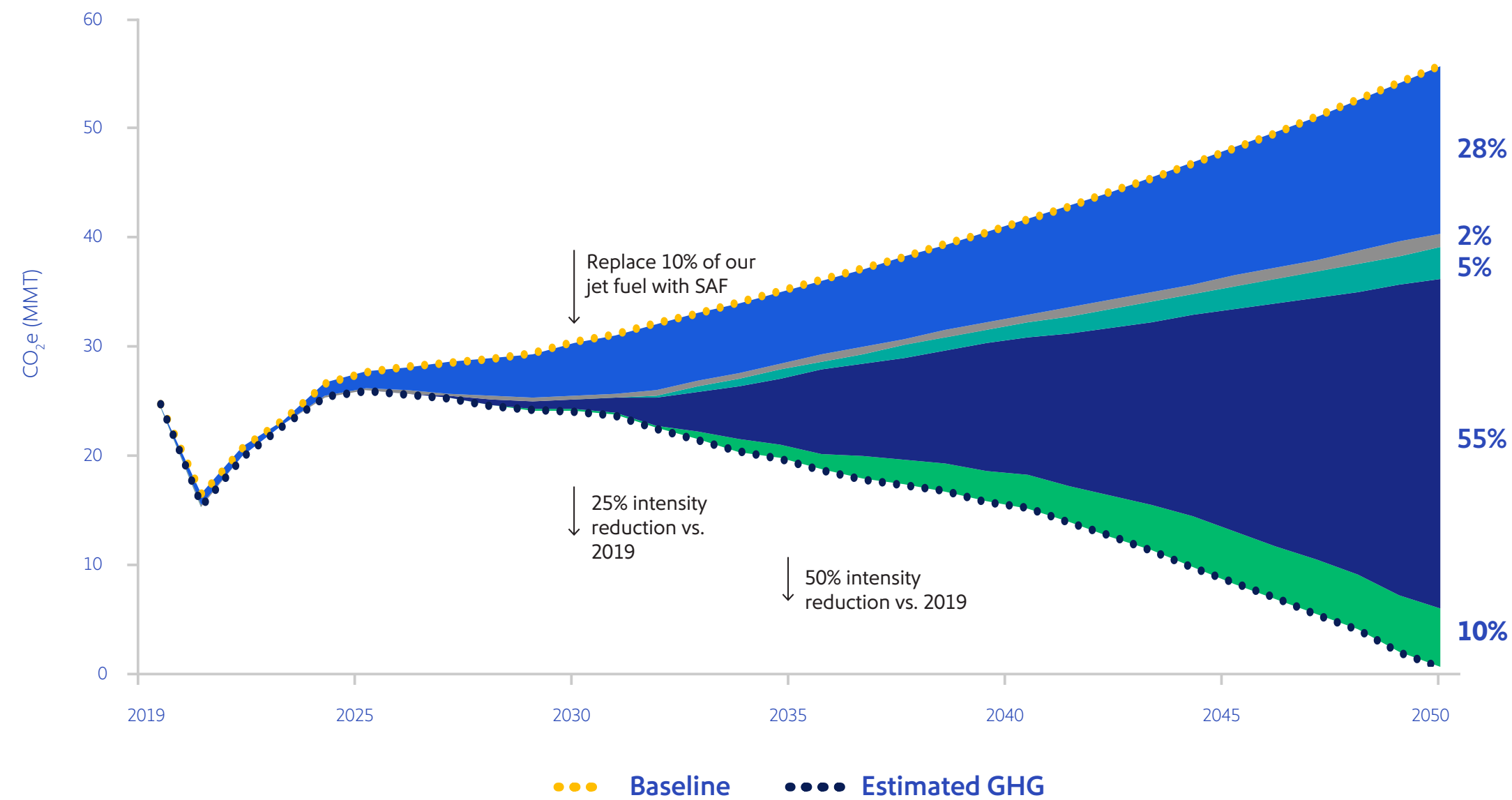
Our Path to Net Zero graphic represents one potential scenario for achieving these targets and is subject to assumptions, dependencies, and external uncertainties.<sup>17</sup> As our strategies, technologies, and partnerships evolve, we will update our model annually to incorporate new insights and adjust our approach as needed.

To support our transition, we expect our largest costs will be related to fleet modernization, and we’re focused on fiscal responsibility as we plan and execute our initiatives and work toward our goals.





## Path to Net Zero<sup>15</sup>



### Fleet Renewal<sup>17</sup>

Innovative technologies continue to create potential improvements to the fuel efficiency and emissions intensity of our aircraft. We plan to continue replacing older, less efficient aircraft, and our projected path relies on our fleet modernization plans. We are dependent on manufacturers to deliver new aircraft and future technologies to achieve these reductions.

### SAF<sup>17</sup>

SAF is the most critical lever in achieving our Net Zero goal.<sup>15</sup> We assume, among other things, that the SAF market will scale in alignment with the U.S. government's SAF Grand Challenge, which aims at making three billion gallons of SAF available by 2030 and 35 billion gallons (100% of projected U.S. aviation jet fuel use) available by 2050.<sup>18</sup> Additionally, we assume that SAF will reach an average carbon intensity (CI) of 15 gCO<sub>2</sub>e/MJ by 2050 given that the Clean Fuel Production Credit (CFPC) incentivizes lower carbon intensity SAF.

### Verified Offsets<sup>17,21</sup>

While offsets aren't part of our depicted Path to Net Zero<sup>15</sup>, they may play a role in contributing toward our 2050 net zero goal if any of the levers above are unable to provide currently anticipated reductions.

### Operational Efficiency<sup>17</sup>

Includes continued investment in internal fuel saving measures such as route optimization, single engine taxiing, engine washing, weight savings, and other initiatives.

### NextGen FAA<sup>17</sup>

Fuel efficiency improvements are anticipated over time due to ATC and other initiatives implemented by the FAA.

### Carbon Removals<sup>17</sup>

Captures carbon negative SAF (any SAF with reductions below a CI of 0 such as through the use of carbon capture and sequestration in the production process), that we may utilize. Additionally, includes potential removals through, for example, direct air capture (DAC) and other technologies that could become available or utilized by Southwest in the future.

### Alternative Propulsion<sup>17</sup>

We have engaged with companies working on novel aircraft and propulsion designs. We have found that most solutions are unlikely to replace large scale commercial aviation by 2050. We have not included these technologies in our depicted net zero transition plan.

## Working Towards Net Zero by 2050<sup>15</sup> Through Fleet Modernization<sup>17</sup> and Operational Alignment

### Fleet Modernization<sup>17</sup>

Fleet modernization offers the greatest opportunity to address our emissions intensity in the near-term. We continue to modernize our fleet with more fuel-efficient Boeing 737 aircraft. In 2024, we spent more than \$700 million on new MAX 8 aircraft.<sup>17</sup> This represents approximately 35% of our total gross CapEx 2024 budget invested in efforts that yield fuel savings and move us closer to our 2050 Net Zero goal.<sup>15</sup>

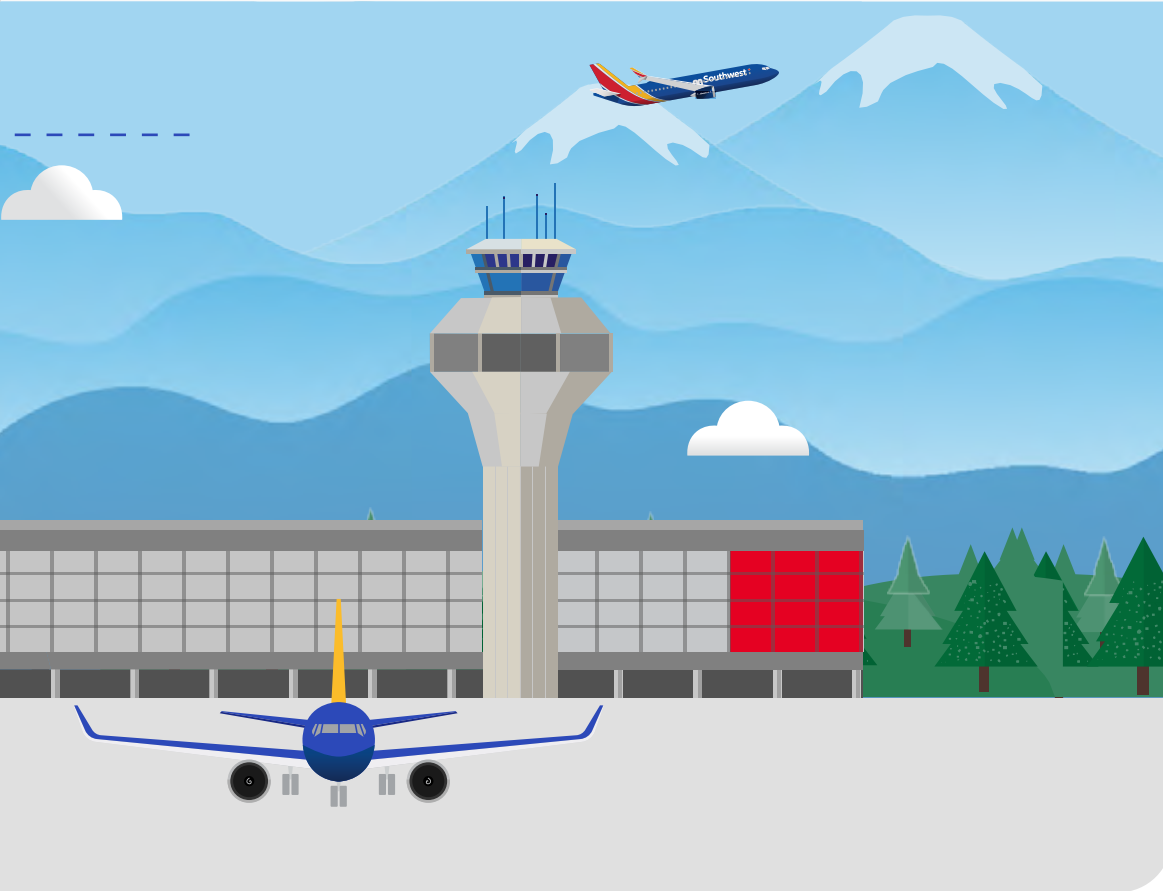


### Operational Efficiency<sup>17</sup>

Since 2002, Southwest has invested over \$658 million in fuel efficiency enhancements. Fuel saving initiatives include engine washing, weight reduction strategies, flight planning and route optimization, electrifying our GSE fleet, and more.

### Air Traffic Improvements<sup>17</sup>

We participate in Required Navigation Performance (RNP) operations as part of the FAA's Performance Based Navigation program, a key component of the Next Generation Transportation System. We've equipped 100% of our aircraft and Flight Crews to take advantage of these initiatives, which enhance fuel efficiency. There is significant potential for further improvements with NextGen, and we continue to collaborate with the FAA to develop and expand the use of RNP approaches, while also advancing ATC capabilities to support greater utilization.





# Carbon

## Sustainable Aviation Fuel

For Southwest, SAF plays an important role in our Path toward Net Zero by 2050.<sup>15</sup> SAF is fuel produced from non-fossil fuel sources that can result in lower greenhouse gas (GHG) emissions than conventional jet fuel on a lifecycle basis. When blended with conventional jet fuel in accordance with industry standards, SAF is compatible with existing jet fuel

infrastructure as a fully certified drop-in fuel. Because SAF has the potential to reduce lifecycle GHG emissions compared to conventional jet fuel and doesn’t require modifications to existing aircraft or engines, it’s a crucial lever to reach net zero carbon emissions by 2050.

While SAF remains our most impactful component of our Path to Net Zero by 2050,<sup>15</sup> progress is needed to increase supply

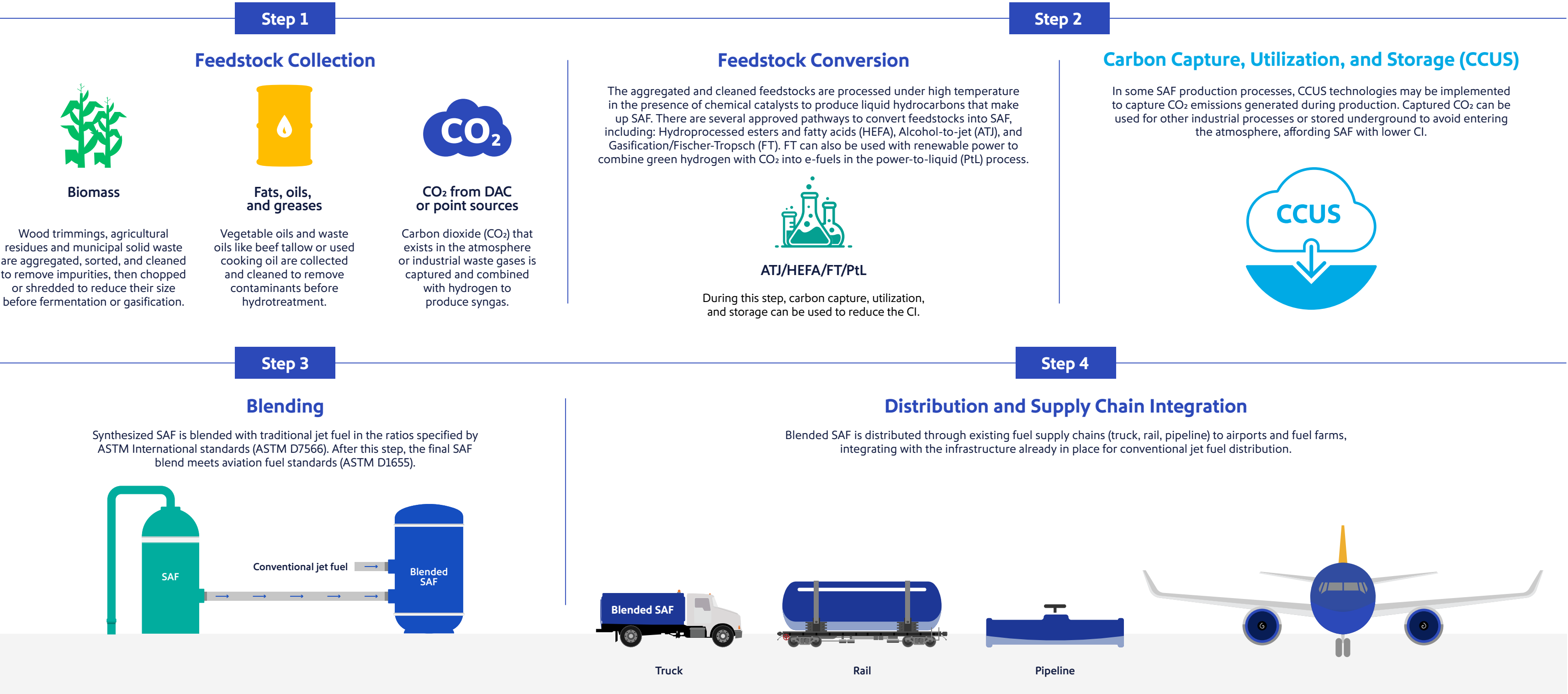
and reduce SAF costs, which requires government support and collaboration across the entire aviation and SAF value chain. Scaling SAF supply critically depends on several external factors, including durable long-term government incentives, proven technology at commercial scale, and the availability of SAF infrastructure.<sup>19</sup> For example, Southwest may be unable to purchase SAF in quantities needed to meet our sustainability goals due to the lack of sufficient government policies and

incentives to address SAF costs, as well as potential technical and/or project execution challenges in SAF production pathways that haven’t been demonstrated at commercial scale. Additionally, neat SAF has a limited distribution system and is subject to higher transportation risks than conventional jet fuel.

Another crucial enabler for scaling the SAF market is the formal recognition by applicable industry groups and

## How SAF Works

SAF can be made from a variety of feedstocks, both biomass-based and non-biomass based, using different kinds of technologies known as pathways.





regulatory bodies of “Book and Claim” accounting for SAF, which allows for the separation of the environmental attributes from the physical fuel. Book and Claim enables a broader range of Stakeholders across the aviation value chain to collaborate and share in the costs and benefits of SAF. Through this chain of custody model, environmental attributes are tracked and assigned across the supply chain, helping provide transparency and allowing for the transfer of environmental attributes without requiring physical delivery of SAF to specific locations. Harmonizing sustainability certification standards and accounting protocols for SAF broadly and within the context of SAF Book and Claim is also needed. To that end, we partner with Stakeholders across the SAF ecosystem to advocate for and advance formal recognition of Book and Claim for SAF. For example, in 2024, Southwest supported an Airlines for America (A4A)

effort to improve clarity and consistency in this rapidly evolving space, which led to the release of the “U.S. Airline Principles on Use of Book and Claim in Sustainable Aviation Fuel Accounting.”

Book and Claim is an underlying concept for our Corporate SAF program, where eligible corporate Customers have played a key role in supporting the use of SAF in our operations. We have entered into agreements with corporate Customers that helped cover premiums for SAF deliveries that exceed the cost of conventional jet fuel, helping Southwest increase our SAF volumes from 2022 to 2024. This collaboration not only strengthens our efforts to scale SAF production, but also plays a vital role in helping us work towards achieving our sustainability goals and those of our corporate partners.

Consistent with domestic U.S. airline industry goals, we have set a goal to replace 10% of our total jet fuel consumption with SAF by 2030. In 2024, we continued to take action towards our SAF goals and utilized SAF in our operations.<sup>19</sup>

- **LanzaJet:** In early 2024, Southwest Airlines Renewable Ventures LLC, a wholly owned Company subsidiary, announced a \$30 million investment in LanzaJet, a SAF technology provider and producer known for its patented ethanol-to-SAF technology and the world’s first commercial ethanol-to-SAF plant.
- **Prime:** In early 2025, we entered into a 5-year offtake agreement with Prime Energy for 1.7 million gallons of SAF per year. Based on the contract volumes and expected carbon intensity score, the SAF could

avoid over 89 thousand MT of CO<sub>2</sub> over the term of the agreement.

- **Neste:** We continued using Neste MY Sustainable Aviation Fuel in our operations throughout 2024. According to Neste, their SAF is made from 100% renewable waste and residue raw materials, such as animal fat waste, and can reduce GHG emissions by up to 80% over the fuel's lifecycle compared with using conventional jet fuel.
- **Marathon Petroleum and Phillips 66:** We continue to work with Marathon Petroleum Corporation and Phillips 66 through our memoranda of understanding with these two leading energy companies, with the intention to facilitate the development and production of commercialized SAF.

### Introducing SAF at Midway International Airport

In late 2024, we also proudly announced a SAF supply agreement<sup>19</sup> with Valero Marketing and Supply Company (Valero) to bring SAF to Chicago Midway International Airport (MDW).

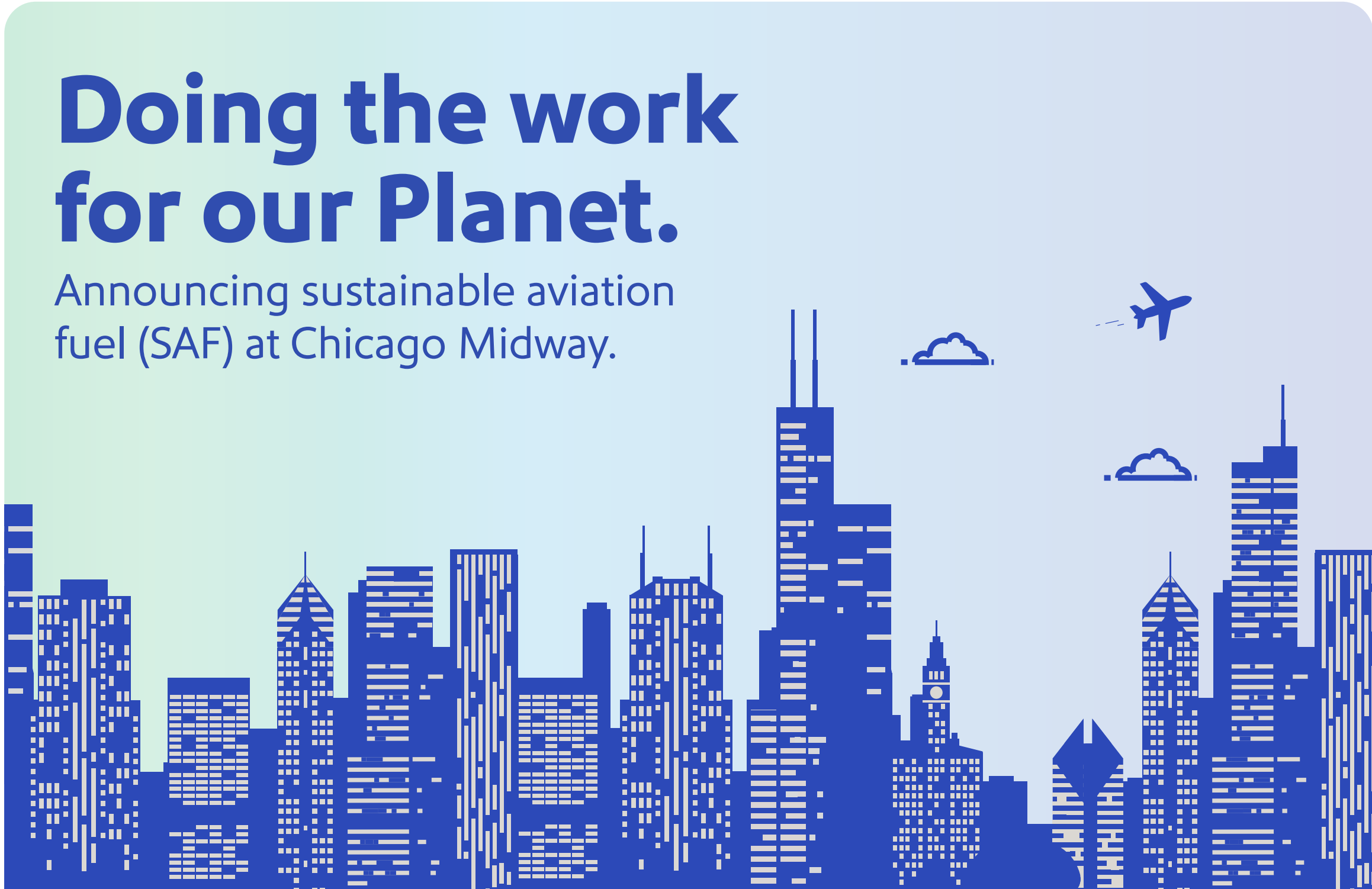
Under this two-year agreement, Southwest has the right to purchase up to approximately 12 million gallons of neat SAF (equivalent to approximately a maximum of 40 million gallons when blended with conventional jet fuel) for our operations in 2025 and up to approximately 12 million additional gallons in 2026.

The neat SAF feedstock allocation will be from waste-based feedstocks, including used cooking oil, animal tallow, and distiller's corn oil, and the neat SAF will be certified by International Sustainability & Carbon Certification (ISCC) or Roundtable on Sustainable Biomaterial (RSB), each a Carbon Offsetting and

Reduction Scheme for International Aviation (CORSIA)-approved Sustainability Certification Scheme (SCS) at the batch level, which will demonstrate that it meets or exceeds Southwest’s SAF policy requirements.

Neat SAF will be supplied by Diamond Green Diesel, a joint venture between an affiliate of Valero and Darling Ingredients Inc. It will be blended with Valero's conventional jet fuel and delivered through existing infrastructure, including the Explorer Pipeline and West Shore's Chicagoland pipeline network.

Scaling up SAF production requires collaboration across the entire value chain. This agreement was made possible by the Illinois Sustainable Aviation Fuel Purchase Credit and the support of our valued corporate Customers in Southwest’s Customer SAF Program.







SAF Policy

In 2024, we refined our SAF policy after several years of working on SAF offtakes and engaging with key Stakeholders. Our updated policy introduces adjustments that better align to industry standards and will help us focus more strategically on the right opportunities for Southwest’s portfolio. A key update emphasizes that achieving

conventional jet fuel parity pricing is an important driver, underscoring our focus on fiscal responsibility as we work towards our SAF goals. Additionally, we’ve streamlined certification and minimum GHG reduction requirements to increase consistency in the industry while encouraging greater flexibility and innovation in SAF production.

Economics

SAF must be affordable compared to conventional jet fuel, but today, SAF is significantly more expensive. When we evaluate opportunities, clear line of sight into parity of SAF to Jet A is a critical driver.

Lifecycle GHG Reduction

We require SAF to meet a minimum 50% GHG intensity reduction on a lifecycle basis compared to conventional jet fuel, aligning with industry standards.



Sustainability Certification

We require SAF to be certified by an independent third-party for lifecycle GHG reduction and supply chain traceability, prioritizing certification through a CORSIA-approved sustainability certification scheme, such as ISCC or RSB.

Exclusions & Feedstocks

We will not procure SAF that contains palm oil and its derivatives or by-products, such as palm fatty acid distillates. SAF must not contribute to deforestation or forest degradation in its production. We encourage the development of sustainable agriculture for crop-based feedstocks, prioritize waste and residue and energy or cover crop feedstocks, and engage in R&D with prospective producers and partners focused on PtL.



## Fuel Saving Initiatives

Operational fuel-saving measures are a top priority in our sustainability strategy. Increased fuel efficiency not only helps us address our operational costs, but also our carbon emissions from jet fuel. This dual impact—financial savings and environmental sustainability—underscores the important role fuel efficiency plays in supporting our long-term sustainability goals.

### In the Air

In October 2024, we fully launched Flightkeys, our new global flight planning software that replaced our legacy system across our entire network. Flightkeys represents a major leap forward in modernizing our operations, enabling us to increase our fuel efficiency, as well as improve overall efficiency. This tool gives our Dispatchers a dynamic platform to efficiently manage flight plans and optimize routes while supporting our sustainability goals.

Flightkeys enhances our ability to quickly compare flight plans by factoring in variables such as flight time, real-time weather, fuel burn, and costs. This is particularly valuable during weather disruptions or delays, allowing us to select the most fuel-efficient and cost-effective option in real-time.

By leveraging dynamic trajectory optimization and network cost optimization, Flightkeys refines flight paths and speeds to reduce flight time, which translates directly into fuel savings and more efficient aircraft utilization. In addition to optimizing flight planning, Flightkeys automates manual processes, enhances real-time alerting for Dispatchers, and improves operational safety.

Flightkeys is a key part of our goal to save 100 million gallons of jet fuel from fuel efficiency initiatives between 2025 and 2030.<sup>20</sup> Given that jet fuel accounts for more than 99% of our Scope 1 and 2 GHG emissions, increasing fuel efficiency is critical to both addressing costs and meeting our sustainability goals.

In addition to Flightkeys, we're taking a multi-pronged approach to increase fuel efficiency, including:

- Collaborating with the Federal Aviation Administration (FAA) to unlock more efficient flight routes
- Exploring aerodynamic improvements to aircraft, such as finlets for better fuel efficiency
- Refining flight planning to adjust speed and routes based on real-time conditions

These initiatives, combined with utilization of Flightkeys, form a robust strategy to optimize fuel efficiency across our operations.

Achieving our fuel savings goals requires cross-department collaboration. Experts from Flight Operations, Ground Operations, Network Operations Control, and Technical Operations are working together to track performance, assign accountability and responsibility, and make data-driven decisions. This unified approach helps us stay on track toward our fuel savings and sustainability goals.

### On the Ground

We focus on driving efficiency in our ground operations wherever possible. As part of this effort, we've established a goal to electrify 50% of eligible GSE systemwide by 2035, including baggage tugs, beltloaders, and pushbacks.<sup>33</sup> As of December 31, 2024, we've electrified 39% of eligible GSE across our network, and at 23 of our airports, we've reached the milestone of electrifying more than 70% of eligible GSE. We've electrified more than 99% of our eligible GSE at Harry Reid International Airport (LAS) and San Diego International Airport (SAN), and 100% at San Jose Mineta International Airport (SJC) and Salt Lake City International Airport (SLC).

In 2024, Southwest's GSE Engineering Team worked with a third party to develop an innovative device that allows electric GSE—such as bag tugs, beltloaders, and pushbacks to charge on a variety of chargers, regardless of the manufacturer or type of charging infrastructure available at airports. This breakthrough is a first in the industry and promises to significantly enhance the flexibility and efficiency of airport operations by enabling a more standardized approach to charging.

Since 2019, we've secured approximately \$13.4 million in grant funding to purchase electric GSE, including a notable grant at Philadelphia International Airport (PHL). In 2024, the Philadelphia Department of Aviation honored Southwest with an Earth Day award for our electrification efforts with the airport. This endeavor underscores our ongoing efforts to work with airports to advance our electrification strategy.

Throughout 2024, we continued our journey to transform our operations, including continuing our efforts toward a paperless turn and helping address fuel consumption during turnarounds by training Employees on our updated Ground Operations procedures. Connecting to ground power and utilizing preconditioned (PC) air are two of the key ways we saved fuel in 2024. As of December 2024, 95% of our gates were connected to ground power and 94% were connected to PC air, helping us save fuel. In 2024, we were recognized by the Port of Seattle with the 2024 Aviation Measurement-Based Award for the greatest use of PC air ground systems which helps address emissions and conserve power.





Facilities Energy Use

Southwest continues to identify opportunities to address our environmental impact at the facilities we own and operate. We continuously evaluate opportunities to embed sustainability into our operations, with a focus on tracking and addressing our Scope 1 natural gas and Scope 2 electricity emissions across our facilities. Our efforts include evaluating energy efficiency, water conservation, and construction practices, all while considering the broader environmental impact of our facilities.

As part of this ongoing effort, we've integrated sustainability considerations into our Facility standards, including an energy roadmap focused on reducing the EUI at our Dallas Headquarters by 50% by 2035, relative to a 2019 baseline.<sup>16</sup> In 2024, we achieved a 27% cumulative reduction toward our goal. This target supports our broader Company goal of achieving Net Zero carbon emissions by 2050.<sup>15</sup> In 2024, we completed an air handler upgrade on our technology services building, resulting in efficiency improvements by switching from natural gas heating to electric heating. Additionally, we

improved the mechanical and electrical controls of all our Dallas Headquarters buildings, which will be foundational for future energy efficiency projects.

In addition to these initiatives, we continue to explore efficient building practices and actively pursue Leadership in Energy and Environmental Design (LEED) certification for new construction projects when applicable. In 2024, we were proud to receive LEED Silver Certification for our Denver General Use Building.

LEED Certification Throughout Our System



PHX Technical Operations Maintenance Hangar - LEED Silver, 2023



DEN Technical Operations Maintenance Hangar - LEED Certified, 2022



Dallas Headquarters WINGS/LEAD Building - LEED Certified, 2017



Dallas Headquarters TOPS/NOC Building - LEED Silver, 2014



DAL General Use Building - LEED Silver, 2010





# Sustainability at Southwest

We look for opportunities to incorporate sustainability in the air, on the ground, and at our facilities.

## Air traffic performance

RNP saves fuel by finding shorter routes to airports and we've equipped 100% of our fleet to participate in RNP procedures.

## Paperless turn

We are digitizing our turn process to increase efficiency and reduce paper waste.

## Winglets

We've installed winglets on all aircraft in our fleet, reducing drag and increasing fuel efficiency.

## Flightkeys

We invested in new flight planning technology, which will save fuel by enhancing fuel and flight planning.

## Fuel planning / weight reduction onboard

We've engaged in several initiatives to reduce the weight carried onboard our aircraft including retrofitting aircraft cabin interiors and revising maximum landing fuel policies.

## Facilities and energy use

We've developed an energy roadmap with a goal to reduce our EUI at our Headquarters in Dallas by 50% by 2035 relative to a 2019 baseline. We continue to evaluate energy conservation and energy reduction opportunities.

## Real-time wind updates

We've provided our Flight Crews with improved up-to-date wind data linked to the aircraft that allows them to take advantage of real-time wind profiles to reduce fuel consumption per flight.

## Addressing single-use plastic

We introduced new cold cups made with bamboo and 100% FSC<sup>1</sup>-certified birch wood stir sticks.

## PC air / ground power

We've set procedures to use electric ground power and preconditioned air for aircraft at the gate whenever available, which reduces APU use and helps avoid additional emissions on the ground.

## Aircraft retirement

When replacing older planes with newer, more fuel-efficient models, we either sell the plane, return it to the lease holder, or disassemble the aircraft and reuse, resell, and recycle where possible.

## Electrifying GSE

We're working toward our goal of electrifying 50% of our belt-loaders, bag tugs, and pushbacks systemwide by 2035.

## Engine washing

Washing airplane engines reduces fuel burn by improving engine efficiency.

## Airport partnerships

We support airports on airport carbon accreditations, more sustainable buildings, and other initiatives.

## Single-engine taxi (SET)

Our SET procedures allow pilots to taxi to and from the gate on one engine, saving approximately 2 gallons of fuel every minute.

## SAF

We began using SAF in 2022 and have a goal to replace 10% of our total jet fuel consumption with SAF by 2030.

Blended SAF





# Circularity

We recognize that our environmental impact extends beyond just carbon emissions, which is why circularity is a critical component in our Nonstop to Net Zero by 2050<sup>15</sup> strategy. At Southwest, circularity means reducing waste by maximizing the value of resources and keeping products and materials in circulation for as long as possible. We strive to promote circularity across our operations by carefully considering the environmental impacts of what we source and how we manage the end of a product's lifecycle—whether it can be reused, repurposed, or recycled. Our circularity strategy is being implemented through sourcing, recycling, and upcycling.

## Sourcing

In 2023, we conducted a review of our inflight single-use plastics footprint and evaluated the sustainability, operational, and commercial considerations of available alternatives. We used these insights to establish guiding principles for our inflight single-use plastics initiatives and develop our 2025 goal and strategic roadmap to achieve it.

In 2024, we made progress by introducing a new cup made with bamboo for inflight cold beverages and a stir stick made of 100% FSC<sup>1</sup>-certified birch wood with Southwest's iconic Heart branding. The launch of these items will help us work toward our goal to reduce single-use plastics from inflight service by 50% by weight by the end of 2025.<sup>2</sup> Our use of the new cup and stir stick is estimated to reduce our inflight single-use plastics by more than 1.5 million pounds annually.<sup>2</sup>

- **Raising a Cold Cup:** The new cold cup is made from 93% non-plastic materials, with a pulp blend consisting of 75% bamboo and 25% paper and a polyethylene (PE) lining. The U.S. Green Building Council considers bamboo a “rapidly renewable material”<sup>24</sup> because it reaches maturity for harvest in three to five years.

- **Creating Quite a Stir:** The new stir stick is made from 100% FSC<sup>1</sup>-certified birch wood and maintains Southwest's iconic Heart branding.
- **Cleaning Up Napkins:** In July 2024, Southwest transitioned to a paper overwrap for its napkins made from 100% post-consumer recycled materials, fully eliminating plastic from this service item. The overwrap is made from FSC or PEFC-certified<sup>1</sup> materials.
- **Aloha, New Snack:** In November 2024, Southwest introduced a new select-a-snack offering on flights to and from Hawaii. This change is anticipated to decrease food waste and reduce single-use plastic packaging by at least 18,000 pounds annually.

# Cheers to Circularity!

*Circularity at Southwest means working toward reducing waste through maximizing the value of resources by keeping products and materials in circulation as long as possible.*

This change could **eliminate 22 million plastic stir sticks**—equivalent to the length of over 67,000 Boeing 737-800 aircraft!<sup>25</sup>

Our new stir stick maintains our **iconic Warm Red Heart** and is **made of 100% FSC<sup>1</sup>-certified birch wood**.

Bamboo is considered a “**rapidly renewable material**”<sup>24</sup> by the U.S. Green Building Council and **reaches maturity for harvest in 3 to 5 years**.

Made with bamboo, our new cup **could reduce our annual plastic use by more than 1.5 million pounds**.<sup>25</sup>

→ Using these items helps Southwest work towards our goal to **reduce single-use plastics from inflight service 50% by weight by 2025!**<sup>2</sup>



Recycling

In 2023, we outlined our intention to improve Southwest’s recycling program through five key focus areas, and we made progress in 2024. Waste management is about more than just recycling cardboard and cans—it’s a comprehensive, cross-departmental approach to sustainability across all areas of our operations. In 2024, we took steps to enhance our recycling and diversion efforts by establishing a multi-departmental Recycling Governance Team, launching specialized recycling programs for carbon fiber, metals and e-waste, and expanding educational initiatives for both Employees and Customers. We also worked closely with vendors to improve data collection and services, piloted new recycling strategies, and increased internal engagement to promote consistency in recycling practices both on the ground and in the air. We’ll continue to evaluate additional opportunities to enhance our recycling program across our operations.

Upcycling

A significant focus of our circularity efforts is on one of our largest assets—our fleet. Southwest employs innovative strategies for the end-of-service treatment of our aircraft to reuse, resell, recycle, and repurpose retired aircraft, which helps avoid landfill waste from our aircraft. On average, 39,000 lbs of scrap metal per aircraft are recovered from the airframe, and we have given some of our leather seat covers a new life through the Repurpose with Purpose program. In addition to our aircraft retirement program, we explored innovative recycling opportunities, including carbon fiber recycling. In 2024, we collected our first batch of material and sent it for testing through a partnership with Nandina REM.

Another innovative way we embed circularity into our aircraft retirement program is through repurposing. In 2024, we celebrated 10 years of Repurpose with Purpose,

our award-winning global environmental sustainability initiative that gives back to communities worldwide, all while helping Southwest show our Heart for the planet through upcycling. The leather seat covers for the program are sourced through aircraft retirements and our seat overhaul program. Through this initiative, we proudly partner with organizations both in the U.S. and abroad to reimagine leather aircraft seat covers (made from 57% recycled leather waste) into new, upcycled products. In 2024, we upcycled more than 74,000 lbs of leather through Repurpose with Purpose, which helps keep waste out of landfills. Read more about Repurpose with Purpose in [Community Outreach](#).

Recently, we expanded our repurposing efforts by donating aircraft parts to educational partners. Our Technical Operations Team has played a significant role in collaborating with Tarrant County College, the Aviation Institute of Maintenance, the Pittsburgh Institute of Aeronautics, Dallas Community College, and Middle Tennessee State University. Through these partnerships, we donate aircraft components such as engines, landing gear, and fan cowls, which are used as hands-on training tools for students. These parts help students connect maintenance manuals, illustrated parts catalogs, and actual components to practice real repairs.

These donations not only provide aviation maintenance technician (AMT) students with invaluable, hands-on experience, but also contribute to building the future pipeline for critical aviation maintenance jobs. By repurposing parts that would otherwise go to a landfill, we’re supporting circularity while also addressing community educational needs and fostering meaningful partnerships.

Waste Management Across Southwest Airlines





# Collaboration

Partnerships are essential to our sustainability initiatives. We collaborate with a diverse range of organizations, nonprofit groups, policymakers, airports, suppliers, Customers, and other cross-industry partners whose efforts align with ours to help us reach our goals and further our environmental sustainability efforts.

## Supply Chain

Our relationships with our suppliers go beyond the products, services, and equipment we use in the air, on the ground, and in our offices. In 2024, we advanced several important sustainability initiatives with suppliers, reinforcing our commitment to ethical business practices, responsibility, and transparency.

We continued working with EcoVadis, a sustainability ratings platform for global supply chains to assess certain suppliers through the EcoVadis ESG ratings platform. We also updated our Supplier Risk and Performance Policy and Request for Proposals (RFPs) to include language to encourage suppliers to participate in various rating and assessment frameworks that provide valuable insights. These assessment tools provide valuable insights into strength and improvement areas across a broad range of corporate social responsibility categories. Both Southwest and our suppliers benefit from the increased transparency as we all strive for continued development in our shared sustainability journey.

Learn more about our supply chain initiatives in [Supply Chain Responsibility & Disruption](#).

## Contrails Education

When an airplane flies through the sky, it sometimes produces a thin, white trail of clouds following in its wake. These are known as contrails, short for "condensation trails," which result from complex interactions between aircraft emissions and

the atmosphere. As observed when looking up at airplanes, contrails are not formed on every flight, but only under certain specific conditions. In some cases, in ice-supersaturated regions, contrails can evolve into persistent cirrus clouds, which can reflect sunlight during the day and trap heat at night, potentially contributing to a net warming effect.

Although the scientific community has made meaningful progress on contrail-related research in recent years, substantial uncertainty still exists across several critical areas. Southwest, along with the broader aviation community, is actively working to address these scientific challenges.

## Biodiversity & Nature

We understand the importance of biodiversity and fostering awareness in the communities we serve. In 2024, Southwest partnered with several groups dedicated to preserving and educating communities about our natural world through monetary and in-kind donations:

- **Butterfly Pavilion:** Butterfly Pavilion, in Denver, fosters an appreciation of invertebrates by educating the public about the need to protect and care for threatened habitats globally, while conducting research for solutions in invertebrate conservation.
- **Hawaii Land Trust (HILT):** HILT takes a uniquely Hawaiian and holistic approach to land conservation by conserving lands that enable Hawaii's long-term well-being, including the protection of coastlines, wahi kupuna (Hawaiian cultural landscapes), and lands that grow healthy food for Hawaii's people. HILT seeks to complement the stewardship others are providing for mountaintop watersheds by concentrating on the needs and opportunities for coastal and agricultural lands.
- **Ocean Discovery Institute:** A 501(c)(3) nonprofit in San Diego that uses science to empower young people from underserved urban communities to transform their lives, their community, and our world as scientific and conservation leaders.

## How Southwest is Supporting Contrails Research

Southwest has taken action to help address these challenges and advance scientific research. In 2022, we partnered with academic, technology, nonprofit, and airline leaders to launch the Contrail Impact Task Force, a cross-sector initiative focused on understanding and mitigating the climate effects of contrail formation. We hosted the first task force meeting at our Dallas Headquarters in October 2022, and since then, have made strides in advancing contrail research. Central to our progress are key collaborations with Google and GE.

- **Google:** In 2023, Southwest participated in a series of desktop trials using Google's contrail prediction model to identify flight routes that could help minimize contrail formation. In 2024, we were presented an executive update on contrails by the Google contrails team. We continue to actively collaborate with Google.
- **GE Research:** Southwest partnered with GE to support a Department of Energy ARPA-E funded grant for a cutting-edge GE system that combines detailed engine operational data, a hybrid physics and machine learning model, on-airplane data, and real-time and historical satellite observations. This system aims to predict contrails that persist for more than five hours, and the research is currently ongoing.

In addition to these initiatives, we've been actively involved in broader efforts on contrail management. In 2024, we contributed to several publications and initiatives, including engaging with the National Academies of Science, Engineering, and Medicine on their contrail research agenda, and provided input on industry contrail perspectives.





- **Pacific Whale Foundation:** With a mission to protect the ocean through science and advocacy and inspire environmental stewardship, this foundation conducts research, education, and conservation programs in the communities we serve in an effort to save vulnerable species of whales from extinction.
- **The Student Conservation Association:** A nonprofit group in the U.S. whose mission is to build the next generation of conservation leaders and inspire lifelong stewardship of the environment and communities. The association engages young people in hands-on service to the land through service opportunities, outdoor skills, and leadership training.
- **Yampa Valley Sustainability Council:** A nonprofit organization with a mission to serve as a leader, catalyst, and resource for building a sustainable and resilient Yampa Valley region.

Additionally, in 2024, we updated several Company policies to incorporate biodiversity considerations, including: updating our Cargo Contract of Carriage to prohibit any shipments containing endangered species and our [Environmental Policy](#) to include biodiversity issues.

To help us better understand our nature-related dependencies, impacts, risks, and opportunities, in early 2025, Southwest performed a screening-level analysis informed by the TNFD Locate, Evaluate, Assess, and Prepare (LEAP) approach for our operations. The TNFD LEAP approach is a structured, integrated, and science-based analysis guided by four stages:

- Locate the interface with nature.
- Evaluate the dependencies and impacts on nature.
- Assess nature-related risks and opportunities.
- Prepare to respond to nature-related risks and opportunities.

**Locate**

We performed the TNFD LEAP analysis for all 117 airports where we operate, focusing on sites where there may be opportunities to enhance our positive impact. For the location-specific analysis, we used the Integrated Biodiversity Assessment Tool (IBAT) to identify proximity to protected areas, threatened species, ecosystem integrity, and water risk across all airports. We then narrowed our analysis to several specific locations to conduct a more detailed analysis of potential biodiversity risk.

**Evaluate**

To better understand our dependencies and impacts on nature, we mapped impact drivers, analyzed environmental assets and ecosystem services, and assessed our reliance on natural capital across our operations.

**Assess**

Expanding on the results of the Evaluate stage, we considered potential reputational, regulatory, and financial risks both to nature and to Southwest’s operations for each impact and dependency.

**Prepare**

The final stage of the analysis is the transformation of the risks and opportunities identified in the Assess phase into strategy. Understanding the interconnections between environmental dependencies, impacts, risks and opportunities is important to defining our strategies for resilience with respect to biodiversity. We are continuing our efforts in this phase in 2025.

**Climate Advocacy**

Southwest consistently advocates for public policies focused on achieving our goal of net zero carbon emissions by 2050<sup>15</sup> and our interim carbon intensity reduction targets, which are in alignment with the goals of the Paris Agreement. Whether it's working through A4A or partnering with other Stakeholders who share our climate priorities, we advocate for government policies and programs that support our ability to fly more efficiently and use more SAF.

To achieve Net Zero by 2050,<sup>15</sup> we need government assistance to enable greater advances related to ATC modernization, new and more fuel-efficient aircraft, electric GSE, and the scaling-up and deployment of SAF. This includes implementing or extending policies and incentives to reduce the cost of SAF and incentivize its production.

Southwest actively supports government programs and opportunities to create additional tax incentives for SAF production at federal and state levels. We believe that government policies to address climate change in the aviation sector should strive for the following goals:

1. Transitioning the airline industry from fossil fuels through the development and scalable production of cost-effective SAF.

2. Transitioning to much more fuel-efficient fleets, including advanced aircraft and engine technologies that are beyond anything available in the marketplace today.
3. Implementing a modern and fully staffed ATC system that is both network-centric and relies on satellite-based technologies.

In 2024, we joined the Sustainable Aviation Fuel Coalition, a nonprofit, nonpartisan organization that unites Stakeholders from across the SAF value chain to advocate for the incentives and policies needed to strengthen U.S. economic competitiveness in the growing SAF market and rapidly scale investment in SAF production. Its members include airlines, aircraft operators, agricultural enterprises, manufacturers, airports, technology developers, labor unions, and biofuel producers. The Coalition works to expand the supply of commercially viable SAF, enhance U.S. competitiveness in the SAF marketplace, foster a robust market, and create jobs while boosting U.S. fuel production and innovation. Southwest is proud to be part of this Coalition, which shares our Vision of addressing aviation’s carbon emissions through SAF and the political support necessary to scale the market.

For more information on our climate advocacy efforts, please refer to our [Climate Advocacy statement](#).







# Climate Risks and Impacts

Assessing climate-related risk is an important component of strengthening organizational resilience in the face of climate change. In 2024, Southwest conducted a scenario analysis to gain deeper insights into both present and future physical climate risks, in reference to the TCFD framework.<sup>27</sup> Building on our 2022 physical risk assessment, our latest analysis incorporated a more detailed, site- and asset-specific evaluation, utilizing updated climate modeling and assumptions. These scenarios are subject to a number of assumptions and projections, and we cannot guarantee that our risk analysis will not change or that we will not experience increased short-term risks related to our operations. For more information, please see our detailed risk factors discussed under the heading “Risk Factors” in the Company’s Annual Report on [Form 10-K](#) for the fiscal year ended December 31, 2024, including those specific to climate change and extreme weather events. Given the estimates, assumptions, timelines, and nature of this qualitative analysis, at this time Southwest cannot accurately predict the impact of any potential losses or costs associated with the physical and transitional effects of climate change.

Effectively identifying and mitigating risks is important to enhancing resilience for our Customers, Employees, and overall business operations. Southwest builds enterprise-level risk management (ERM) into our everyday business operations using a tiered, cross-functional Team of Risk Champions, Risk Owners, and an Executive Risk Committee who all work collectively with our ERM Team, as needed, to identify and manage risks. We have worked to identify climate-related risks and integrate them into this Companywide multi-disciplinary ERM process, which means they receive similar treatment as any other Company risk.

## Qualitative Physical Risk Assessment

Our climate scenario analysis considered physical climate-related risks at twenty locations, as applicable, where Southwest operates, including our largest airports and additional airports for regional representation, as well as our Corporate Headquarters. Our methodology involved identifying relevant climate hazards; gathering appropriate forward-looking scenarios, time horizons, data sources, and climate indicators; determining each location’s exposure to climate hazards; and evaluating potential asset vulnerabilities. This culminated in the calculation of a qualitative risk score.<sup>28</sup> To evaluate our potential present and future exposure to physical climate-related risks and opportunities, we selected scenarios from the Shared Socioeconomic Pathways (SSPs) from the Intergovernmental Panel on Climate Change’s (IPCC) Sixth Assessment Report - “Climate Change 2023”. We applied an intermediate GHG emissions scenario (SSP2-4.5) and a very high GHG emissions scenario (SSP5-8.5). The application of these two scenarios provided a strategic approach for exploring a range of possible future climate conditions, which helps inform the assessment and provide decision-useful information.

To assess physical risks across these scenarios and time horizons, we assigned each climate hazard a risk rating from 1 to 25, with 25 representing the highest level of risk. For this report, we calculated the average scores across the locations assessed, as applicable, providing a comprehensive enterprise-wide risk rating for each hazard across different time horizons. We have chosen to present the results from the SSP2-4.5 scenario.

The results from our physical risk assessment helped us identify the potential exposure and implications of potential climate hazards in the short (present day, 2025), mid- (2035), and long- (2050) term.

Scenario	SSP2-4.5 (Intermediate Emissions Scenario)	SSP5-8.5 (Very High Emissions Scenario)
Global Warming by 2100	+2.7°C	+4.4°C
Description	Social, economic, and technological trends do not shift markedly from historical patterns and the scenario represents a future with decreasing GHG emissions after mid-century and lesser physical impacts.	A very high GHG emissions future with increasing GHG emissions through 2100 and greater physical impacts from climate change.
Key Parameters and Assumptions	CO <sub>2</sub> emissions remain around current levels until middle of the 21st Century. >50% probability of limiting global warming to 3°C by 2100.	CO <sub>2</sub> emissions roughly double from current levels by 2050. >50% probability of global warming exceeding 4°C by 2100.



Physical Risk Mitigation

Preparing for future weather events is a significant part of our physical risk mitigation strategy. We have established procedures and tiered response programs based on event severity to help manage weather-related disruptions effectively.

We engage teams across our organization to prepare for, respond to, and attempt to mitigate the impact of significant

weather events. Recognizing the importance of weather-related planning, we have expanded our meteorology staff over the past several years and invested in advanced meteorology and network impact analysis. We collaborate with key Stakeholders, including the FAA and airports, to refine capacity and planning processes, leveraging diverse knowledge bases, expanding data sources, and adopting

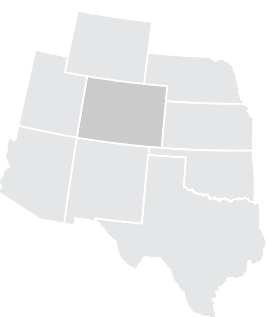




innovative air traffic management methods. These efforts help equip us to respond more proactively to inclement weather, equipment outages, and other disruptions that could lead to flight delays and cancellations. Additionally, we evaluate and adjust flight schedules regularly throughout the year, which gives us greater flexibility to meet the needs of our Customers and adapt to changing conditions.

By engaging in hazard-specific risk reduction strategies and investing in infrastructure, Employee safety, and operational efficiency, we can strengthen our ability to navigate climate-related challenges and meet the needs of our Customers. See the Climate-Related Physical Risks table below for additional detail.

Site-Level Physical Climate Hazard Impact Analysis<sup>28</sup>

Projections of Physical Climate Hazards Impact at Select Southwest Operated Airports for 2035 and 2050

● Higher Impact   ● Medium Impact   ● Lower Impact   — Not Applicable

	DEN		LAS		BWI		DAL		MDW	
										
Hazards	2035	2050	2035	2050	2035	2050	2035	2050	2035	2050
Drought	●	●	●	●	●	●	●	●	●	●
Extreme Heat	●	●	●	●	●	●	●	●	●	●
Fluvial Flood	●	●	●	●	●	●	●	●	●	●
Pluvial Flood	●	●	●	●	●	●	●	●	●	●
Heavy Snowfall	●	●	—	—	●	●	●	●	●	●
Rising Air Temperature	●	●	●	●	●	●	●	●	●	●
Tropical Cyclones <sup>43</sup>	—	—	●	●	●	●	●	●	●	●
Wildfire	●	●	●	●	●	●	●	●	●	●
Extreme Cold	●	●	●	●	●	●	●	●	●	●
Extreme Precipitation	●	●	●	●	●	●	●	●	●	●

All risk scores displayed in this table are based on SSP2-4.5





Climate Related Physical Risks

Potential Hazard Impacts: <sup>28</sup>		Low Short-Term 2025	Med Mid-Term 2035	High Long-Term 2050
Risk Reduction Strategies				
Acute	Extreme Heat	●	●	●
	Extreme heat may intensify over time, and significant regional differences could emerge by 2035. Under an intermediate emissions scenario, northern regions could face greater risks, whereas a very high emissions scenario could shift more risk to Southern regions. Higher temperatures could result in operational slowdowns, limited passenger capacity, and increased infrastructure strain at high-traffic airports. Rising temperatures may also drive higher cooling demands for terminals, place additional stress on jet bridges and baggage systems, and increase the risk of heat exhaustion for ground crews working on the tarmac for extended periods. Prolonged heat waves may impact labor productivity, increase maintenance and cooling costs, and affect aircraft performance. Sustained exposure to high temperatures can accelerate infrastructure wear, while reduced air density may require greater thrust for takeoff, increasing fuel consumption and limiting payload capacity. In the long-term, capital investments in heat-resilient aircraft and infrastructure may be necessary to maintain operational efficiency.	We closely track temperatures at airports vulnerable to acute heat risk and implement measures to mitigate the potential impacts of rising temperatures on our Employees. To mitigate risks to our Employees, we provide appropriate personal protective equipment and resources, and bring in additional staff at affected airports to account for increased work/rest periods. We have implemented health and Safety procedures and policies, and we monitor compliance with such policies and evaluate them for relevance in such events. For more information about our Safety program, please refer to the management approach to Safety.		
	Extreme Cold	●	●	●
	Winter storms can pose challenges to airline operations, including aircraft safety, deicing activities, increased operating costs, and disruptions to flights and ground transportation. Cancellations and schedule disruptions in affected areas can result in lost revenue and systemwide delays, while extreme winter storms may also damage equipment, disrupt supply chains, and impact transportation infrastructure. Increased operating costs may arise from premium pay, employee rerouting, and higher maintenance expenses, particularly for aircraft exposed to hail or extreme cold, which may require accelerated depreciation and reduce residual asset value. To mitigate these risks, capital investments in weather resilience measures may be necessary. Disruptions due to extreme cold and snow are projected to decline over time under both intermediate and very high emission scenarios. Under the intermediate emissions scenario, the Central U.S. may see fewer extreme cold events, though key hubs in the Midwest could still experience widespread flight cancellations, operational delays, disrupted deicing operations, increased maintenance needs, and higher costs to ensure passenger and crew safety due to extreme cold and snow.	To mitigate extreme cold-related risks to our Employees, we provide appropriate personal protective equipment and resources, and bring in additional staff at affected airports to account for increased work/rest periods. We have implemented health and Safety procedures and policies, and we monitor compliance with such policies and evaluate them for relevance in such events. For more information about our Safety program, please refer to the management approach to Safety. See also the risk reduction strategy for heavy snowfall.		

Potential Hazard Impacts: <sup>28</sup>		Low Short-Term 2025	Med Mid-Term 2035	High Long-Term 2050
Risk Reduction Strategies				
Acute	Heavy Snowfall	●	●	●
	The risk of heavy snowfall is projected to decline over time under both emissions scenarios at the Southwest's sites evaluated, with potentially a more pronounced decrease in the Midwest and Southern regions. However, key Northern and Midwest hubs could face prolonged flight disruptions and operational slowdowns due to heavy snowfall. Accumulated snowfall may lead to runway closures, delays in deicing processes, disruptions to ground crew operations, an increased risk of aircraft skidding incidents, and higher airport maintenance costs.	In response to winter weather, we have increased the number of available deicing trucks and ground equipment, procured additional deicing pads, and expanded glycol capacity at key locations. We have also implemented new weather applications to enhance deicing holdover times, purchased and deployed additional engine covers and heaters, and expanded winter operations training while augmenting winter staffing levels.		
	Pluvial Flooding (rainfall induced flooding)	●	●	●
	Flood-prone airports may experience significant disruptions to flight operations, ground activities, and infrastructure. Intense rainfall could overwhelm drainage systems, leading to water pooling on runways and taxiways, as well as flooding of access roads and parking lots. Prolonged water exposure may also damage electrical systems, baggage handling operations, and other critical airport infrastructure.	We continue to work alongside airports and local airport authorities within our network to address contingency planning and flood preparedness. We integrate resiliency into our building design plans for owned ancillary buildings, including hangars, incorporating considerations of the 100-year flood, large hailstorms, and lightning into the design process. Storm systems are designed for 100-year flood and buildings are typically set at a higher elevation to help prevent flooding.		
	Fluvial Flooding (stream or river induced flooding)	●	●	●
	The risk of fluvial flooding may remain low across all time horizons under both emissions scenarios at the Southwest sites evaluated. Both the airport and Southwest's Headquarters in Dallas may remain at minimal risk of fluvial flooding under both emissions scenarios used for the evaluation. However, at flood-prone airports, heavy river flooding could disrupt airport access, ground operations, and essential infrastructure by inundating runways and taxiways. Additionally, prolonged water exposure may lead to increased maintenance costs due to water damage and erosion of critical airport systems.	We continue to work alongside airports and local airport authorities within our network to address contingency planning and flood preparedness. We integrate resiliency into our building design plans for owned ancillary buildings, including hangars, incorporating considerations of the 100-year flood, large hailstorms, and lightning into the design process. Storm systems are designed for 100-year flood and buildings are typically set at a higher elevation to help prevent flooding.		



Potential Hazard Impacts: <sup>28</sup>		<div>Low</div> Short-Term 2025	<div>Med</div> Mid-Term 2035	<div>High</div> Long-Term 2050
Risk Reduction Strategies				
Acute	Coastal Flooding			
	<p>Large-scale coastal flooding has the potential to disrupt transportation infrastructure, including roads and railways, which could impact fuel supply chains and hinder Customers and Employees from reaching the airport. These disruptions may also lead to higher operating expenses, including increased maintenance and repair costs, rising insurance premiums, airport fees for infrastructure repairs, and capital expenditures to replace water-damaged assets. Smaller, less-developed airports in flood-prone coastal areas may face greater challenges in adapting to more frequent and severe flooding events. While the overall risk of coastal flooding may remain low across most evaluated coastal regions, low-lying coastal airports could face a high risk under both emissions scenarios and emissions pathways. These airports may be vulnerable to rising sea levels and storm surges, which could damage runways, disrupt fuel storage areas, and compromise ground transportation access. Such impacts could result in costly infrastructure repairs, flight disruptions, and heightened operational risks, posing potentially significant challenges to long-term airport resilience and functionality.</p>	<p>We continue to work alongside airports and local airport authorities within our network to address contingency planning and flood preparedness. We integrate resiliency into our building design plans for owned ancillary buildings, including hangars, incorporating considerations of the 100-year flood, large hailstorms, and lightning into the design process. Storm systems are designed for 100-year flood and buildings are typically set at a higher elevation to help prevent flooding.</p>		
	Drought			
	<p>The risk of drought averages out to low under both emissions scenarios across all time periods for the 20 sites evaluated. Airports with more medium risk may face higher water-use fees or infrastructure upgrade requirements under lease agreements aimed at enhancing water conservation. Additionally, long-term shifts in tourism patterns could affect revenues if destinations reliant on winter snowfall, such as ski resorts, become less attractive due to lack of snowfall caused by drought. Airports in arid regions may face greater strain on water intensive operations, potentially impacting cooling systems, fire suppression, and ground activities. This could lead to higher water costs, increased fire risks, and potential limitations on airport expansion or maintenance projects.</p>	<p>At Southwest, we understand the importance of water conservation. Although water consumption is a small part of our operations, it's an important natural resource, and we strive to take measures to conserve water in our facilities and landscaping. The majority of our water consumption comes from domestic use by our Employees, and we have implemented projects to target conservation in this area to preserve this natural resource. Please see our <a href="#">Water Management section</a> for more detail.</p>		

Potential Hazard Impacts: <sup>28</sup>		<div>Low</div> Short-Term 2025	<div>Med</div> Mid-Term 2035	<div>High</div> Long-Term 2050
Risk Reduction Strategies				
Acute	Wildfire			
	<p>Extreme wildfires have the potential to rapidly alter conditions such as visibility and wind speeds, potentially affecting air travel. Depending on the severity, flights may be delayed, rerouted, or canceled, potentially leading to lost revenue and cascading disruptions across the system. Employees at outdoor locations may also face harmful air quality, potentially posing health risks and further impacting operations. Wildfires can drive up operating expenses through increased aircraft maintenance costs due to smoke and ash exposure, as well as higher fuel costs from rerouting flights around affected areas. Aircraft exposed to severe smoke or ash may require accelerated depreciation, reducing earnings in the year of recognition and lowering residual asset values. Wildfire exposure risk may remain moderate to high across all time horizons under both emissions scenarios for the Southwest sites evaluated, particularly for coastal and island locations, driven by regional climate trends, land cover, and fuel availability.</p>	<p>In wildfire-prone regions, we have established monitoring procedures requiring outdoor personnel in certain states to be provided masks when wildfire smoke reaches hazardous levels, based on a parts per million threshold. Those values are monitored locally by ground operations personnel with assistance and support from the Meteorology Team. Monitoring occurs across 100+ stations including a focus on California and Western states.</p>		
	Tropical Cyclones <sup>43</sup>			
	<p>Our assessment evaluated historical tropical cyclone exposure within 60 miles of each of the twenty facilities evaluated, focusing on wind speed intensity due to its potential for severe damage. Given the spatial resolution limitations of climate models, future tropical cyclone risks could not be projected for 2035 or 2050, thus exposure risk scores for tropical cyclones were held constant over time and across emissions scenarios. Tropical cyclones can potentially ground aircraft for extended periods, possibly exacerbating fuel supply disruptions and causing lost revenue from cancellations and scheduling disruptions. These storms could also drive up operating costs, including higher fuel consumption for diversions, increased maintenance expenses, and rising airport fees for storm recovery efforts. If storm severity intensifies, insurance premiums may increase or provide less coverage, potentially adding further financial strain. Additionally, extreme weather events may necessitate capital investments to repair or replace damaged assets, including aircraft, and may also impact employee availability and increase the demand for support initiatives.</p>	<p>Given the mobility of our aircraft, we can plan ahead and reposition assets to avoid storm impacts, helping address the risk of physical damage to our fleet. To mitigate fuel related disruptions from weather events such as floods and hurricanes, we closely monitor potential fuel supply interruptions, and conduct annual strategic reserve evaluations before hurricane season. Additionally, our efforts to diversify fuel sources—such as increasing SAF adoption—are designed to further enhance fuel supply resilience in the long-term.</p>		



Potential Hazard Impacts: <sup>28</sup>		<div>Low</div> Short-Term 2025	<div>Med</div> Mid-Term 2035	<div>High</div> Long-Term 2050
Risk Reduction Strategies				
Chronic	<b>Rising Air Temperature</b>	<div></div>	<div></div>	<div></div>
	As annual average temperatures may increase over time across the U.S., cooling costs at airports could increase. In some locations, takeoff weight restrictions due to hotter, less dense air could become a persistent challenge, potentially limiting Southwest’s ability to transport passengers and cargo. This potential reduction in available seat miles and load factors could negatively impact revenues, while higher fuel consumption may be required to generate sufficient lift in extreme heat conditions. Additionally, airport fees may rise as infrastructure is adapted to withstand chronic heat stress, such as runway extensions and heat-resilient upgrades. Over the long-term, capital expenditures may grow if investments are needed to replace or reinforce ground assets vulnerable to extreme heat, including heat-resistant materials and components better suited for higher temperatures. Air temperatures may rise across the Southwest sites evaluated, with regional differences potentially emerging by 2035. Under a very high emissions scenario, the Eastern and Southeastern regions could face heightened risks earlier on due to accelerating temperature increases, while an intermediate emissions scenario potentially places greater risk in the North over time. Increasing temperatures may lead to more frequent aircraft weight restrictions, particularly at airports with shorter runways, potentially reducing passenger and cargo capacity, increasing flight delays, and driving up fuel consumption.	Through network planning, we can avoid routing aircraft to areas that are more prone to takeoff load restrictions during the hottest times of the day. This provides an opportunity to mitigate such takeoff restrictions through planning efforts in the long-term. Additionally, we can consider changed climate conditions in long-term travel demand forecasts.		
Chronic	<b>Extreme Precipitation</b>	<div></div>	<div></div>	<div></div>
	The Southwest sites evaluated may face a medium risk of extreme precipitation across all time horizons and emissions scenarios evaluated in this analysis, with similar exposure levels across locations. However, low-lying, flood-prone airports may be vulnerable to runway and taxiway flooding, with the potential for operational disruptions and delays. Intense rainfall could overwhelm airport drainage systems, flood access roads, and disrupt baggage handling and refueling operations, potentially placing additional strain on airport infrastructure and overall efficiency. Increasing extreme precipitation could also impact Customers and Employees’ ability to commute and travel to and from the airport and could also contribute to more frequent flight delays. Prolonged exposure to intense rainfall may also pose risks to hard assets not designed to withstand sustained heavy precipitation, potentially leading to higher insurance premiums, increased investments in flood defenses, and rising airport fees to fund resilience upgrades.	We continue to work alongside the airports and local airport authorities within our network to address contingency plans and flood preparedness. We integrate resiliency into our building design plans for owned ancillary buildings, including hangars, incorporating considerations of the 100-year flood, large hailstorms, and lightning into the design process. Storm systems are designed for 100-year flood and buildings are typically set at a higher elevation to help prevent flooding.		

Qualitative Transition Risk Assessment

Southwest also conducted a TCFD-aligned qualitative scenario analysis of climate-related transition risks and opportunities at an enterprise level, using three future Network for Greening the Financial System (NGFS) climate change scenarios and three time horizons (2025, 2035, and 2050).<sup>27</sup> This analysis builds upon our 2022 transition scenario assessment, incorporating an enhanced five-step process and utilizing updated data sources for scenario analysis. We began by prioritizing risks and opportunities through peer benchmarking and internal input. Next, we assessed our sensitivity to these risks and opportunities in alignment with our ERM risk framework. Based on this analysis, we developed

an exposure scoring system using scenario data from the NGFS, supplemented with insights from the IEA. While IEA scenarios provided supplemental insights, they were not factored into final scoring.

To assess risk and opportunities across these scenarios and time horizons, we assigned each risk or opportunity a score from 1 to 10, with 10 representing the highest level of risk or opportunity. For the purposes of this report, we have chosen to present the score results from the Delayed Transition scenario.

The findings highlight transition risks and opportunities for Southwest.

Climate Scenarios		
	Scenario & Pathway	Details
Transition Risks	Delayed Transition Data Source: Network for Greening the Financial System	Assumes minimal global annual emissions reductions until 2030, necessitating aggressive policies thereafter to limit warming to below 2°C.  This scenario results in a temporary overshoot of the carbon budget, with carbon prices rising significantly before emissions begin to decline.
	Fragmented World Data Source: Network for Greening the Financial System	Assumes uneven and inconsistent climate policies across regions, leading to heightened physical and transition risks and creating disparities in progress toward net zero targets amongst regions.
	Net Zero 2050 Data Source: Network for Greening the Financial System	This scenario assumes a cap of global warming to 1.5°C through immediate and stringent climate policies while minimizing reliance on carbon dioxide removal. Although this scenario significantly reduces physical climate risks, it introduces substantial transition risks due to rapid regulatory and economic shifts.



Climate-Related Transition Risks

Potential Hazard Impacts: <sup>29</sup>		<div>Low</div> <div>Short-Term</div> <div>2025</div>	<div>Med</div> <div>Mid-Term</div> <div>2035</div>	<div>High</div> <div>Long-Term</div> <div>2050</div>
Risk Reduction Strategies				
Policy & Legal	Mandates on and regulation of existing products and service	●	●	●
	The Company is subject to federal, state, local, and international laws and regulations relating to the protection of the environment. Federal, state, local, and international legislative and regulatory bodies are generally focused on climate change and reducing GHG emissions, including CO <sub>2</sub> emissions. For example, the United Nations' ICAO implemented its CORSIA program, which seeks to cap carbon emissions from international civil aviation at 85% of 2019 levels from 2024-2035. Future policy, legal, regulatory, or other market developments could require Southwest to reduce its emissions, modify its supply chain practices or aspects of its operations, make capital investments to purchase specific types of equipment, software, or technologies to meet reporting requirements, secure carbon offset credits or SAF due to increased obligations, or otherwise incur additional costs related to climate objectives, such as increased reporting and regulatory requirements resulting in increased labor and professional services fees.	We actively monitor emerging regulations and analyze the risks to our business, including engaging with regulators and industry associations such as A4A and ICAO to advocate for reasonable and responsible climate policy. As part of CORSIA, we monitor our international emissions for reporting purposes. We seek to mitigate these obligations through initiatives such as fuel-saving programs and efforts to increase our supply of SAF. We report our Scope 1, Scope 2, and certain Scope 3 emissions and progress toward our climate goals in our One Report. We engage with regulators and industry associations such as A4A and ICAO to advocate for reasonable and responsible climate policy. Our Governmental Affairs Department works to stay on top of proposed statutory and regulatory changes to educate a wide range of policymakers and Stakeholder groups directly.		
	Under a lower emissions reduction scenario, Southwest could face increasing regulatory risk. Please see the the “Environmental Regulation” section of the Company’s Annual Report on <a href="#">Form 10-K</a> for the fiscal year ended December 31, 2024 for more information.			
	Greenwashing claims / litigation	●	●	●
	The Company’s statements or initiatives with respect to ESG matters are increasingly subject to heightened scrutiny from the public and governmental authorities, as well as other parties, due to the risk of potential “greenwashing,” i.e., the process of conveying misleading information or making false claims that overstate potential ESG benefits. Certain regulators, such as the SEC and various state agencies, as well as nongovernmental organizations and other private actors have filed lawsuits under various securities and consumer protection laws alleging that certain ESG statements, goals, or standards were misleading, false, or otherwise deceptive. Any alleged claims of greenwashing against the Company or others in the aviation industry may lead to negative sentiment or perception of the Company, its brand, or the industry. To the extent that the Company is unable to respond timely and appropriately to negative publicity related to its ESG efforts, the Company’s reputation and brand can be harmed. Damage to the Company’s overall reputation and brand could have a negative impact on its financial results and require additional resources for the Company to rebuild its reputation.	Southwest seeks to operate in compliance with applicable laws and regulations, including laws that govern advertising and Customer communications. As part of our vetting process for communications, key Stakeholders such as our Sustainability and Legal Teams review our communications on sustainability matters.		

Potential Hazard Impacts: <sup>29</sup>		<div>Low</div> <div>Short-Term</div> <div>2025</div>	<div>Med</div> <div>Mid-Term</div> <div>2035</div>	<div>High</div> <div>Long-Term</div> <div>2050</div>
Risk Reduction Strategies				
Policy & Legal	Policy / regulation related to carbon pricing	●	●	●
	Under all the scenarios utilized as part of this evaluation, Southwest could face increasing risks of carbon pricing. IEA data indicates that the rate of risk increase may vary by jurisdiction, depending on factors such as local carbon pricing baselines and emissions reduction commitments. Potential financial impacts may include higher operating costs from carbon taxes, increased fuel costs, potential offsetting requirements, and compliance with regulations. Furthermore, to the extent that the Company may seek to achieve any mandatory climate obligations through the use of carbon offsets, it may be exposed to additional costs associated with the procurement of offsets or limited supply in the carbon offsets market. The Company may seek to meet any mandatory obligations through the use of SAF, but supplies of SAF are limited and may not be developed in sufficient quantities to support the Company’s business. The cost to transition to SAF could be prohibitively expensive without appropriate government support, policies, and incentives in place (including tax credits).	We have established goals to achieve Net Zero Carbon emissions by 2050, <sup>15</sup> address our carbon emissions intensity, save jet fuel, and replace 10% of our total jet fuel consumption with SAF by 2030. <sup>19</sup> We have set a goal to save 100 million gallons of jet fuel from fuel efficiency initiatives between 2025 and 2030. <sup>20</sup> Additionally, our fleet modernization efforts may help increase fuel efficiency and address our carbon emissions. These efforts can help mitigate exposure to impacts from any carbon pricing regulations.		
Market Risk	Shift in customer preferences	●	●	●
	Concern among consumers of the impacts of climate change may mean some customers choose to fly less frequently or fly on an airline they perceive as operating in a manner that is more sustainable to the climate, and customers may choose to use alternatives to travel, such as virtual meetings and workspaces. Greater development of high-speed rail in markets now served by short-haul flights could provide passengers with lower-carbon alternatives to flying. Longer-term changes in weather patterns could adversely impact any of the Company’s destination cities and, as a result, alter Customers’ travel behavior. The Company’s collateral to secure loans, including in the form of aircraft, could lose value as customer demand shifts and economies move to lower-carbon alternatives, which may increase the Company’s financing costs.	We recognize the importance for the aviation industry to address its environmental impact. As a hard to abate sector, we know there are challenges in achieving this goal. A truly collaborative journey lies ahead, and Southwest remains focused on doing its part. In 2023, we launched our updated sustainability strategy, Nonstop to Net Zero, which outlines our path to achieve our goal of net zero carbon emissions by 2050. <sup>15</sup> To stay informed of Customer expectations, we routinely leverage trip net promoter surveys, reevaluate and adjust network plans, and provide products and services to adjust more rapidly to leisure and business travel demand.		



Potential Hazard Impacts: <sup>29</sup>		<div>Low</div> Short-Term 2025	<div>Med</div> Mid-Term 2035	<div>High</div> Long-Term 2050
Risk Reduction Strategies				
Market Risk	Increased cost and uncertain supply of raw materials	●	●	●
	Operating costs, such as fossil fuel, may be high or increase over time if global fuel production decreases due to supply chain disruptions or increased regulations such as carbon pricing. The Company is dependent on third-party vendors and service providers, and the failure of such third parties to timely provide adequate products or services, or otherwise fulfill their commitments to the Company (whether because of supply chain disruptions or otherwise), could materially adversely affect the Company's operations.	Southwest is focused on increasing its fuel efficiency. We continue to make long-term investments, such as our fleet modernization program, which helps our operations be more fuel efficient. Additionally, we are working to diversify our fuel supply to include SAF, which could reduce financial exposure to fossil fuel cost increases or volatility, assuming SAF is cost-competitive and less volatile in comparison. For additional information on our Supply Chain, please see the <a href="#">Supply Chain Responsibility and Disruption section</a> .		
Technology	SAF value chain and inadequate development of policy to support aviation transition	●	●	●
	As Southwest's climate goals are dependent on the scaling of the SAF market, we're inherently reliant on numerous factors to achieve these goals, including: the implementation or extension of SAF government incentives and the performance of third party SAF producers. Any non-performance of such third parties or lack of appropriate incentives and infrastructure for SAF could cause the Company not to achieve its sustainability goals, increase the Company's costs associated with meeting such goals, or adversely impact the Company's reputation or brand.	SAF is a critical component of our Path to Net Zero by 2050. <sup>15</sup> By 2030, we aim to replace 10% of our total jet fuel consumption with SAF; however, we cannot guarantee that these efforts will fully succeed in meeting our target. <sup>19</sup> To support this transition, we are actively engaged in policy advocacy, working to advance federal and state programs that provide additional tax incentives for SAF production. We have also secured contracts with SAF producers. Additionally, our diversified sourcing strategy reduces reliance on a single supplier by partnering with multiple SAF producers.		

Potential Hazard Impacts: <sup>29</sup>		<div>Low</div> Short-Term 2025	<div>Med</div> Mid-Term 2035	<div>High</div> Long-Term 2050
Risk Reduction Strategies				
Technology	Costs to transition to lower emissions technology	●	●	●
	Southwest is currently dependent on Boeing as the sole manufacturer of our aircraft, and Southwest relies on Boeing's MAX aircraft deliveries to meet our climate goals. If the MAX aircraft were to become unavailable for our operations, or if we were to continue to experience prolonged delivery delays of MAX aircraft, our business plans, strategies, and results of operations could be materially and adversely affected. If new aircraft technologies become available, there could be increased operating expenses to adopt such technologies.	We plan to continue to modernize our fleet with more fuel-efficient Boeing 737 MAX aircraft. <sup>26</sup> Powered by CFM International LEAP-1B engines, the 737 MAX features advanced design elements such as Boeing's Advanced Technology winglet, which reduces drag and enhances performance, particularly on longer-range flights. As SAF is currently recognized as the most critical factor in addressing the aviation sector's carbon emissions, our strategy remains focused on SAF adoption. As a certified drop in fuel when blended with conventional jet fuel, SAF is compatible with existing infrastructure, making it a lower infrastructure risk alternative compared to emerging propulsion technologies. To support our sustainability efforts, we actively engage in policy advocacy, working to advance governmental policies that promote fuel-efficient technologies and SAF adoption. Our fleet modernization strategy includes updating our aircraft with more fuel-efficient models, such as the Boeing 737 MAX 8, which, according to Boeing, offers a 14% lower fuel burn than the 737-800.		



Climate-Related Opportunities

Potential Hazard Impacts: <sup>29</sup>		Low Short-Term 2025	Med Mid-Term 2035	High Long-Term 2050
Risk Reduction Strategies				
Energy Source	Use of SAF and industry transition from traditional fossil fuels	●	●	●
	Diversifying our fuel supply sources to include SAF could reduce financial exposure to fossil fuel cost increases or volatility, assuming SAF is cost-competitive and less volatile in comparison. We have seen potential opportunities such as with low carbon intensity SAF, that benefits from government incentives that reward such lower CI scores (such as the CFPC and the Low Carbon Fuel Standard). Participation in the SAF marketplace may additionally reduce financial exposure to potential carbon pricing schemes.	In early 2024, SARV, a wholly owned subsidiary of Southwest, announced a \$30 million investment in LanzaJet, a leading SAF technology provider known for its patented ethanol-to-SAF technology and for operating the world's first commercial ethanol-to-SAF plant. <sup>19</sup> As part of our net zero plans, we have set a goal to replace 10% of total jet fuel consumption with SAF by 2030. In addition, we have signed a two-year agreement with Valero for up to approximately 24 million gallons of SAF at Chicago Midway. <sup>19</sup> We also support Book and Claim, where corporate customers play a key role in supporting SAF adoption. In 2024, we entered into agreements with corporate partners to help offset SAF premiums, helping us address the cost difference between SAF and conventional jet fuel. By engaging across the value chain, we are working to drive SAF market expansion and help accelerate the aviation industry's transition to increased use of SAF. <sup>19</sup>		
Products and Services	Increased customer demand for low-carbon air travel	●	●	●
	Both corporate and individual airline Customers are engaging with airlines to address the climate impact of their flights, presenting opportunities for revenue growth through acquiring new or increased loyalty from Customers who make purchasing decisions based on such engagement.	As we work toward our climate goals, effectively communicating progress may attract new customers and drive additional revenue from Customers who make purchasing decisions based on such goals. If we can successfully achieve these goals, we can further enhance our reputation and brand. Our engagement with corporate Customers reinforces our collaborative approach to environmental sustainability. Corporate Customers also play an important role in accelerating SAF adoption. In 2024, we entered into agreements with corporate Customers to help offset SAF premiums, helping address the cost difference between SAF and conventional jet fuel. This collaboration has supported both our sustainability objectives and those of our corporate Customers.		

Potential Hazard Impacts: <sup>29</sup>		Low Short-Term 2025	Med Mid-Term 2035	High Long-Term 2050
Risk Reduction Strategies				
Resource Efficiency	Transition to new fuel-efficient technology & more efficient transport modes	●	●	●
	Using technologies that increase fuel efficiency can help lower our operating costs through fuel savings while also reducing financial exposure to potential carbon pricing schemes.	We are modernizing our fleet with plans to replace older 737 aircraft with more fuel-efficient MAX models. <sup>26</sup> On the ground, we continue to advance our GSE electrification efforts, with 39% of eligible GSE electrified as of December 31, 2024. We have also set a goal to save 100 million gallons of jet fuel through fuel efficiency initiatives between 2025 and 2030. <sup>20</sup> We have also enhanced operational efficiency by optimizing flight procedures and enhancing procedural activities like single engine taxi and timing of auxiliary power unit usage, which could help save fuel.		
Markets	Create new market opportunities for low carbon services	●	●	●
	A market for alternative propulsion technologies is still in its early stages, and depending on the development of such technology, Southwest may have the potential to expand its business and capitalize on emerging opportunities as the sector matures.	We support exploration and advancement of all levers to address the transportation sector's carbon emissions, and we continue monitoring the landscape with hydrogen, electric, and hybrid aircraft.		





# Compliance

Adhering to local, state, and federal environmental laws and regulations is fundamental to our [Environmental Policy](#). We're focused on achieving our annual goal of zero recorded environmental violations. Our Environmental Services Team regularly conducts audits to review compliance. We also work to improve our performance by utilizing our Environmental Management System (EMS), following environmental guidelines and procedures, implementing corrective action, and training our Employees to meet our compliance goals. We maintain ongoing communication with airport Stakeholders, addressing any events and incidents and fostering a collaborative approach to compliance.

Our standard auditing processes include assessing a location's recordkeeping, permit status, and compliance with regulatory plans such as Storm Water Pollution Prevention Plans (SWPPP) and Spill Prevention Control and Countermeasure Plans (SPCC). We perform visual walk-through inspections to confirm that key compliance practices are enacted while also tracking spills (if any), audit findings and corresponding corrective action, as well as permits and their expiration dates. Through goal-setting and the use of our EMS and chemical management system (CMS), we work to maintain compliance, reduce costs and risks, and measure progress in improving our environmental compliance performance.

## Waste

At Southwest, we aim to help conserve natural resources by managing the use of raw materials and to comply with applicable local, state, and federal environmental laws and regulations related to both hazardous and non-hazardous waste. We're particularly focused on addressing the collection and analysis of comprehensive data on waste generation across our network of Stations.

To tackle this, we've implemented tracking systems that capture waste information from multiple sources, including third-party reports, with a goal of compiling an annual waste disposal summary. Material data collected includes scrap metal, batteries, e-waste, light bulbs, shredded paper, municipal waste, and maintenance and cleaning agents (e.g., oil filters, glycol, solvents, paints). Forms of waste are broken out

by hazardous and non-hazardous status, energy recovery status, quantity of material, and total weight for tracking purposes.

We also prioritize educating and engaging our Employees on proper and safe waste disposal practices. Our Technical Operations Team implements a first in, first out inventory management system to use materials efficiently, helping to limit waste. In addition to closely monitoring inventory levels, we have waste reduction initiatives like the Shelf Life Improvement Project and the installation of paint mixing stations. Our Shelf Life Return Bins, located in our hangars, allow for the return of partially used, unexpired materials to be restocked. The paint mixing stations in our hangars are designed to mix only the specific amount of paint required for each project, rather than using pre-packaged kits. We regularly evaluate our materials and processes for compliance while optimizing performance and working to minimize waste and operational disruptions.

## Water Management

We recognize the significance of water conservation and pollution prevention. While our water usage is relatively small compared to our overall environmental footprint, we collaborate with airports across our network to help manage storm water runoff and mitigate the environmental impact on adjacent water bodies.

Airports' storm water discharge is governed by the Environmental Protection Agency's National Pollutant Discharge Elimination System (NPDES) program. This program issues permits to airports or to airlines at those airports for the proper handling of stormwater runoff, such as aircraft deicing and maintenance fluids, with the goal of avoiding negative environmental impacts. We partner with the airports we serve to implement measures addressing aircraft deicing runoff, including the recovery of deicing fluids and adoption of other related pollution-reduction technologies. Additionally, we contribute to stormwater management by adhering to regulatory plans like the SWPPP and SPCC. We also incorporate storm water protection education and best management practices into our annual environmental training for all operational Employees.





# Planet Data Table

Environmental Impact	Units	2024	2023	2022	2021	2020
Total Energy Consumption	Megawatt-Hours (MWh)	80.0 million	84.0 million	75.9 million	64.6 million	49.8 million
Production Activity	Revenue Ton Kilometers (RTKs)	25.5 billion	24.3 billion	22.1 billion	18.6 billion	9.8 billion
Water Consumption <sup>30</sup>	Gallons	92.5 million	85.8 million	77.2 million	78.7 million	83.2 million
GHG Inventory <sup>31</sup>	Units	2024	2023	2022	2021	2020
Scope 1						
Conventional Jet Fuel Emissions <sup>32</sup>	Metric Tons of Carbon Dioxide Equivalent (MT of CO <sub>2</sub> e)	21,026,528	20,619,349	18,487,864	16,050,702	12,252,482
Emissions Associated with SAF	MT of Methane (CH <sub>4</sub> ) and Nitrous Oxide (N <sub>2</sub> O) in CO <sub>2</sub> e	84	28	0.4	Not Reported	Not Reported
GSE Fuel Emissions <sup>23</sup>	MT of CO <sub>2</sub> e	57,927	43,559	25,601	29,535	35,328
Natural Gas	MT of CO <sub>2</sub> e	6,588	7,167	7,899	6,185	6,167
Total Scope 1 Emissions <sup>32,34</sup>	MT of CO <sub>2</sub> e	21,091,127	20,670,103	18,521,364	16,086,422	12,293,977
SAF Emissions						
Biogenic Emissions Associated with SAF <sup>35</sup>	MT of CO <sub>2</sub> e	24,345	8,212	7,642	Not Reported	Not Reported
Scope 2						
Location-base <sup>36</sup>	MT of CO <sub>2</sub> e	29,462	35,822	36,487	34,977	38,334
Market-based <sup>37</sup>	MT of CO <sub>2</sub> e	16,712	21,256	30,376	Not Reported	Not Reported

SAF Emissions	Units	2024	2023	2022	2021	2020
Scope 3						
Category 1: Purchased Goods and Services <sup>38</sup>	MT of CO <sub>2</sub> e	995,984	1,716,201	1,496,394	Not Reported	Not Reported
Category 2: Capital Goods	MT of CO <sub>2</sub> e	86,936	339,840	197,969	Not Reported	Not Reported
Category 3: Fuel and Energy-related Activities						
Conventional Jet Fuel <sup>32</sup>	MT of CO <sub>2</sub> e	4,500,470	4,165,400	3,748,969	3,242,473	2,475,178
Sustainable Aviation Fuel	MT of CO <sub>2</sub> e	7,365	2,434	2,303	Not Reported	Not Reported
Category 5: Waste Generated in Operations	MT of CO <sub>2</sub> e	3,763	3,625	1,632	1,574	1,473
Category 6: Business Travel	MT of CO <sub>2</sub> e	99,721	Not Reported	Not Reported	Not Reported	Not Reported
Category 7: Employee Commuting	MT of CO <sub>2</sub> e	156,671	162,146	162,762	142,230	118,305
Category 15: Investments	MT of CO <sub>2</sub> e	8,752	Not Reported	Not Reported	Not Reported	Not Reported
Total Scope 1, Scope 2, and Scope 3 Category 3 Emissions <sup>32</sup>	MT of CO <sub>2</sub> e	25,628,424	24,873,759	22,309,123	19,363,872	14,807,489



Other Air Emissions <sup>39</sup>	Units	2024	2023	2022	2021	2020
Aircraft Emissions (metric tons from landing / takeoff cycle)						
Nitrogen Oxides (NO <sub>x</sub> ) Emissions from Aircraft (Landing/Takeoff Cycle)	MT	15,808	Not Reported	Not Reported	Not Reported	Not Reported
Hydrocarbons (HC) Emissions from Aircraft (Landing/Takeoff Cycle)	MT	808	Not Reported	Not Reported	Not Reported	Not Reported
Carbon Monoxide (CO) Emissions from Aircraft (Landing/ Takeoff Cycle)	MT	10,358	Not Reported	Not Reported	Not Reported	Not Reported
Ground Emissions from Reporting Facilities						
Nitrogen Oxides (NO <sub>x</sub> ) Emissions from Stationary Sources	MT	6.4	6.5	7.7	6.0	7.1
Sulfur Oxides (SO <sub>x</sub> ) Emissions from Stationary Sources	MT	0.5	0.5	0.7	0.6	0.7
Compliance	Units	2024	2023	2022	2021	2020
Environmental Violations Resulting in Fines	Number	None	None	None	None	None
Total Environmental Fines	Dollars	None	None	None	None	None
Performance	Units	2024	2023	2022	2021	2020
RTK Emissions Intensity <sup>32</sup>	Grams CO <sub>2</sub> e/RTK	1,007	1,022	1,006	1,041	1,509
RPM Emissions Intensity <sup>32</sup>	Grams CO <sub>2</sub> e/RPM	180	183	180	187	273
ASM Emissions Intensity <sup>32</sup>	Grams CO <sub>2</sub> e/ASM	145	146	150	147	143
Fuel Efficiency	ASMs/Gallon	80.8	79.5	77.3	79.2	81.3
Purchases of Renewable Energy Certificates	kWh	More than 60 million	More than 58 million	More than 59 million	More than 39 million	None

Waste Management & Recycling <sup>40</sup>	Units	2024	2023	2022	2021	2020
Total Waste Generated	Tons	9,533	8,914	7,259	6,808	6,032
Total Waste Diverted	Tons	2,281	2,104	1,524	1,470	1,503
Total Waste Directed to Disposal	Tons	7,252	6,810	5,735	5,338	4,529
Total Waste Recycled	%	24	24	21	22	25
Hazardous Waste Generated	Tons	45.9	34.9	19.6	16.1	25.7
Hazardous Waste Managed Through Recycling and Beneficial Reuse	Tons	39.4	17.5	17.1	11.5	19.1







# Governance

Sound governance is a fundamental principle at Southwest. We strive to maintain the highest standards of ethical conduct and are proud of Southwest's history of strong corporate governance, beginning with the Company's Board of Directors.

- 2024 Highlights**
- Rolled out a new Emergency Risk Management scoring framework and developed a new Risk Register to enable a digital platform for interactive risk management
  - Kicked off a new digital Source-to-Pay project
  - Continued to mature our relationship with Ecovadis throughout 2024 and met our first-year target for supplier onboarding



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America's Most  
**Responsible Companies List**



2024 America's  
**Customer Service Champions**

— Governance Section Framework Disclosures —

GRI		
203-2	308-2	414-1
205-1	408-1	414-2
308-1	409-1	415-1
TCFD		
Governance		

— Key Topics —

Ethics	Cybersecurity	Public Policy, Regulation, & Transparency
Board and Management Oversight of ESG	Data Privacy	Political Contributions
Risk & Crisis Management	Supply Chain Responsibility & Disruption	Marketing & Ethical Branding



# Ethics

Southwest seeks to operate with the highest ethical standards and in compliance with applicable laws and regulations. Our Board of Directors (the “Board of Directors” or the “Board”) has adopted a [Code of Ethics](#) that sets out basic principles to guide the conduct of our Employees, Board Members, and business associates. This includes guidelines on insider trading, competition and fair dealing, payments to government personnel, confidentiality, conflicts of interest, corporate opportunities, protection and proper use of the Company’s assets, recordkeeping, reporting illegal or unethical behavior, and compliance procedures. The Code of Ethics undergoes an annual review by the Board.

In addition to the Code of Ethics, the Audit Committee has adopted procedures for the confidential and anonymous submission of Employee complaints regarding accounting, internal accounting controls, auditing matters, or concerns about questionable accounting or auditing matters (“Employee Reports”). The Audit Committee also handles Employee Reports, and both the Code of Ethics and the Audit Committee’s procedures prohibit retaliation for reports made in good faith. In addition, Southwest has established channels through which Employees can report employment or Safety-related concerns.

The Company’s bylaws, Corporate Governance Guidelines, Board committee charters, Code of Ethics, and other corporate policies, as well as additional information about

the Company’s governance practices, Board of Directors, and officers, are available on Southwest.com® in the Investor Relations section. As referenced in our Code of Ethics, Southwest has implemented additional policies addressing specific topics, including an Insider Trading Policy and a Foreign Corrupt Practices Act Policy.

Ethics isn’t just a pillar of Southwest governance; it’s ingrained in our world-famous Culture. Southwest Leadership, led by our Executive Team, holds all Employees accountable to our Core Values, which emphasize Integrity and Honesty.

The Southwest Airlines [Code of Conduct](#) provides our Employees with a roadmap for making the right decisions that position us for sustained growth and success. Our Code of Conduct applies to all Southwest Airlines Employees (i.e., full-time, part-time, and Interns) and guides how we work and remain in compliance with our governing rules and applicable laws.

Working for Southwest requires a commitment to remain in compliance with our governing rules and applicable laws. The commitment to work in accordance with the Code of Conduct is what helps set Southwest apart and allows us to operate fairly, honestly, and ethically.

# Board and Management Oversight of ESG

Our Board of Directors believes that strong corporate governance is critical to promoting the best long-term interests of our Shareholders, Employees, and Customers. The fundamental responsibility of members of Southwest’s Board is to promote the best interests of the Company and its Shareholders by overseeing the management of Southwest’s business.

Among other duties and responsibilities, Southwest’s Board is responsible for:

- Overseeing the selection, evaluation, development, and compensation of Senior Management
- Overseeing the Company’s corporate responsibility practices, including with respect to sustainability and other ESG matters
- Assessing major risks facing the Company and reviewing options to mitigate such risks
- Reviewing, approving, and monitoring significant financial and business strategies and major corporate actions
- Overseeing the processes to maintain the utmost integrity and proper management of the Company

The Board has established the following committees to assist it with fulfilling its responsibilities:

- Audit Committee
- Compensation Committee
- Nominating and Corporate Governance Committee
- Finance Committee
- Safety and Operations Committee

More information regarding Board Committees, and their oversight of various matters is available on our [Investor Relations website](#).

## Board Composition

Please see Southwest’s [Proxy Statement](#) for the Company’s 2025 Annual Meeting of Shareholders for more information regarding the Board’s composition, evolution, and skills and experience.





Management Oversight and Committees

The organizational structure of Southwest is designed to give our Senior Executives oversight of their functional areas and encourage collaboration and a shared view of success. As it relates to ESG, the core concepts of caring for People, respecting our planet, and delivering key operational and financial performance, all surrounded by strong corporate governance, are at the very core of Southwest’s DNA. With respect to executive oversight of ESG matters, President & CEO Bob Jordan has ultimate responsibility for the business of Southwest, including ESG topics. Southwest’s most Senior Executives meet weekly through standing Executive Committee meetings. Respective to their organizational pillars, our Executive Leadership provides oversight for specific functional areas. In addition, Executive Steering Groups, our cross-functional committees, meet regularly to oversee and execute our various ESG initiatives and programs.



	Social Topics Committee	Environmental, Social, & Governance Executive Steering Group	Disclosures Committee	Risk Committee
	Meets Monthly	Meets Quarterly	Meets Quarterly	Meets Bi-Annually
PURPOSE	<p>Reviews and discusses social topics and inquiries</p> <p>Employs guidelines to measure impact and perception</p> <p>Routinely engages Senior Executives on proposed level of engagement and responses</p> <p>Regularly identifies opportunities where Southwest can be proactive</p>	<p>Reviews and collaborates on strategic ESG issues</p> <p>Makes recommendations, and evaluates reporting opportunities presented by the Corporate Citizenship Team</p> <p>Discusses specific people, planet, performance, and governance topics</p>	<p>Reviews and determines appropriate disclosures to be included in the Company's periodic reports filed with the SEC</p>	<p>Reviews the top enterprise risks and provides oversight to appropriately manage risks and mitigation actions</p> <p>Provides oversight to overall risk management activities</p> <p>Understands key risks and determines if appropriate steps have been taken to reduce risk to an acceptable level</p>
MEMBERSHIP <small>as of April 2025</small>	<p>Senior Leaders and Executives from People, Marketing, Inflight, Culture &amp; Inclusion, Ground Operations, Governmental Affairs, Investor Relations, and Communications &amp; Brand Reputation, Co-chaired by our Senior Vice President &amp; Chief Communications Officer</p>	<p>Senior Leaders and Vice Presidents from People, Legal, Finance, Environmental Sustainability, Investor Relations, Communications &amp; Brand Reputation, and Culture &amp; Inclusion</p>	<p>Senior Leaders and Executives from Finance, Legal, Treasury, Investor Relations, Cybersecurity, and Internal Audit</p>	<p>Senior Leaders and Executives including the Chief Operating Officer, Executive Vice President Operations, Executive Vice President Customer &amp; Brand, Executive Vice President &amp; Chief Financial Officer, Senior Vice President Chief Legal Officer &amp; Corporate Secretary, Senior Vice President &amp; Chief Information Officer, and VP Executive Office overseen by our President &amp; Chief Executive Officer</p>



# Risk & Crisis Management

## 2024 Spotlight

- Rolled out a new Enterprise Risk Management (ERM) scoring framework and metrics to enhance risk evaluation and prioritization
- Developed a new Risk Register to enable a digital platform for interactive risk management

Southwest is dedicated to the continuous improvement of our ERM Program. In an ever-evolving risk landscape, effectively mitigating risks relevant to our Employees, Customers, and business objectives requires relentless innovation and a proactive approach.

Throughout 2024, Southwest invested in enhanced frameworks and tools to monitor and evaluate risks, fostered stronger collaboration across our cross-functional risk management Teams, and built on our strong support from Executive Leadership.

A robust ERM Program benefits not only Southwest, but also the broader aviation industry. By benchmarking with other airlines multiple times a year, we help to create a Culture of mutual improvement. Capabilities such as our newly developed Risk Register give us a deeper understanding of our risks, which allows us to discuss risk themes with other airlines to promote best practices and enhance overall industry resilience.

The ERM Team plays a crucial role in this effort by identifying risk focus areas and promoting cross-functional alignment. This Team manages a tiered risk management structure involving ERM Program Members including departmental

Risk Champions, Senior Leader Risk Owners, and an Executive Leadership Risk Committee. These groups collaborate to evaluate existing and emerging risks relevant to our business goals and objectives.

The ERM Team collaborates with ERM Program Members to formulate risk statements, develop mitigation plans, and monitor progress. All risks and their mitigation strategies are tracked with critical risks escalated to the Executive Leadership Risk Committee to enable effective action plans. The President & CEO oversees the Executive Leadership Risk Committee and the overall ERM function, helping our risk management practices align with our strategic objectives and industry standards.

### Scoring Framework and Risk Register

In 2024, the ERM Team developed a new risk management scoring framework to enhance how we evaluate and manage potential risks. Using a scale from minimal to critical, this framework scores risks based on potential impact, likelihood of occurrence, and the effectiveness of existing mitigation measures. By combining these factors into a total weighted score, the framework helps Southwest prioritize risks and implement appropriate strategies to safeguard our operations, assets, and reputation.

To support the implementation of the new ERM Scoring Framework, Southwest hosted comprehensive training workshops for all ERM Program Members. These workshops covered the new scoring and metrics, providing hands-on assistance in understanding the new system and re-scoring risks.

To complement new scoring and metrics, the ERM Team introduced a new Risk Register to enable a digital platform designed to streamline ERM processes. The Risk Register integrates ERM data with advanced dashboards providing Executive Leadership with a holistic, top-down view of risk at Southwest, and it equips them with the necessary forums and tools to make informed decisions. The Risk Register facilitates cross-functional awareness of ongoing Company challenges and opportunities.

The new Risk Register improves the tracking of updates within our ERM Program and strengthens data security by housing all risk data within the tool. The interactive platform is accessible to all ERM Program Members, eliminating the need for email exchanges and increasing security around confidential and proprietary information. Additionally, with oversight from the ERM Team, ERM Program Members can propose changes to their data through a responsive dashboard. This innovative approach not only streamlines communication, but also helps our risk management processes remain robust and proactive.

### Emergency Response and Business Continuity

Our Emergency Response and Business Continuity Teams are instrumental in crisis planning and response, fulfilling our legal obligations, and caring for those affected by emergencies.

The Emergency Response Team is tasked with developing and updating response plans, training programs, and conducting plan exercises to enhance preparedness for emergencies like aircraft accidents, hurricanes, pandemics, and Corporate Campus incidents. Post-event reviews lead to insightful lessons and plan modifications. This Team also oversees the Care Team, comprised of Southwest volunteers who assist in aircraft accident responses. The Emergency Response Committee includes Senior Leaders and subject matter experts who meet biannually for training and program updates. Major event response plans are regularly updated, practiced, and reviewed by Senior Leadership.

The Business Continuity Team adopts an all-hazards approach to prepare for business disruptions, promoting operational continuity during challenges affecting our Employees, facilities, and technology. This includes managing a Remote Operations Center as a backup for essential departments and collaborating with Operations, Corporate Insurance, Supply Chain Management, Finance, and Technology on various risk aspects. A Business Continuity Steering Committee convenes biannually to coordinate and enhance our resiliency initiatives.

# Cybersecurity

## 2024 Spotlight

- Continued to strengthen Southwest’s security posture through training initiatives, industry collaboration and partnerships, and continuous enhancements

Southwest's Cybersecurity Team, part of the Technology Department, is comprised of engineers, analysts, and Leaders dedicated to defending and mitigating cybersecurity threats. The Team operates within a centralized risk management framework to proactively identify, assess, and mitigate potential cybersecurity risks across the Company. We continuously enhance our cybersecurity operations through proactive threat detection, regular testing, and adaptive risk management, so that we are well prepared to respond to existing and emerging threats. We track cybersecurity risks through various platforms, tools and technologies, allowing us to maintain high internal cybersecurity standards. Additionally, the Team annually tests and refines Southwest’s Cybersecurity Incident Response Plan to promote sufficient threat and incident response, operational resilience, and business continuity.

Our Cybersecurity Team keeps Southwest vigilant in an increasingly complex threat landscape. We have a dedicated aircraft cybersecurity Team, and we are committed to securing our aircraft and connected systems. Our commitment to aviation cybersecurity is further demonstrated through our role as a founding member of the Aviation Information Sharing and Analysis Center (A-ISAC).

Our broader cybersecurity strategy is guided by the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF), which provides a structured, risk-based approach to protecting Southwest’s data, systems, and infrastructure across all business areas.



This framework strengthens our ability to mitigate cybersecurity risks affecting our facilities, airports, aircraft and enterprise technology. Throughout 2024, the Team drove continuous improvement in cybersecurity initiatives, aligning with industry best practices and evolving regulatory frameworks, including global data protection standards.

A key measure of our cybersecurity program's success is the awareness, engagement, and preparedness of Employees. Every Southwest Employee plays a role in mitigating cybersecurity risk and, therefore, is required to take annual Cybersecurity Awareness Training and annually acknowledge and adhere to our internal information security policies. Additionally, our Team actively engages with Employees year-round with educational initiatives on topics like phishing and telephone-oriented attack delivery (TOAD) to reinforce best practices as it relates to cybersecurity. In 2024, we expanded enterprise-wide education and training, including hosting interactive events such as cybersecurity-themed escape rooms and informational booths during Cybersecurity Awareness Month. We also expanded multi-factor authentication, improved phishing reporting, and provided enhanced secure code training for developers. These initiatives equip our People with the knowledge and tools to work securely.

Southwest is dedicated to advancing cybersecurity collaboration across the aviation sector. We actively participate in the A4A Cybersecurity Council, and partner with A-ISAC, government agencies, and other industry partners on best practices, benchmarking insights, and evolving cybersecurity regulations and standards. Our continued engagement with these partners and additional cybersecurity threat intelligence sources enable us to better anticipate, detect, and mitigate emerging threats, which further strengthens Southwest's cybersecurity posture and enhances our threat-driven, risk-based approach.

Southwest is a recognized cybersecurity leader, sharing expertise at industry events and contributing to the advancement of cybersecurity through thought leadership and education. In 2024, our Leaders and Cybersecurity Team presented at key industry and cyber-specific events, including the A-ISAC Summit, Aircraft Maintenance Conference, Women

in Cybersecurity Conference, World Aviation Festival, AT&T Secure Connections Conference, ReliaQuest's Exponent, and more.

As we look ahead, Southwest remains committed to continuing to strengthen our cybersecurity posture and program through innovation, automation, and collaboration. By integrating cutting-edge threat detection methods, refining risk management strategies, and expanding Employee educational efforts, we will continue to set the standard for cybersecurity and resilience in an increasingly complex cybersecurity landscape. Through industry leadership and continuous improvement, we are not only protecting our own operations, but also helping to shape the future of cybersecurity across the aviation sector.



# Data Privacy

## 2024 Spotlight

- Expanded Data Privacy Office operations through enhancements to our Privacy tools
- Strengthened collaboration between the Privacy Office, Cybersecurity, Data Governance, AI and Data Transformation, and Legal through Information Governance program initiatives
- Launched a privacy resource page in Help Center on Southwest.com®

In an increasingly digital world, safeguarding the data privacy of our Customers, Employees, and partners becomes more critical and complex. In 2024, Southwest continued to address the complexities of an evolving landscape while reaching new data privacy milestones as we prepared for the launch of our interline partnership with Icelandair in 2025.

Throughout 2024, we made key enhancements to our privacy program and strengthened collaboration with internal partners to optimize our privacy capabilities and protections. This included improvements to tools, Employee training, data governance, and data protection measures. These steps have better prepared us for data processing on a global scale, particularly in compliance with the General Data Protection Regulation.

Southwest's Privacy Operations Program aligns to a comprehensive set of privacy principles and applicable laws. The Privacy Office is equipped with dedicated resources to enable key data privacy functions and mitigate data privacy risks. These responsibilities include handling personal information requests,

conducting third-party risk reviews, managing data processing and privacy risk through risk-based impact assessments, supporting Incident Response processes, and managing and strengthening Southwest's Privacy Champion network.

While the Privacy Office leads and manages our privacy program operations, we believe privacy is a shared responsibility. In 2024, as part of our privacy awareness initiative, data privacy training became mandatory for all Employees. Our internal personnel training program, SWA University, includes various privacy courses such as our foundational training, "Privacy at Southwest," and "Privacy by Design," a tailored training for our network of 85 Privacy Champions.

We are proud of our Privacy Champions. These are Southwest Employees embedded across various SWA business units and have been trained to be knowledgeable advocates with respect to data privacy. Privacy Champions undergo additional training and are charged with driving awareness of privacy principles, standards, controls, and processes throughout the personal information lifecycle. Working with the Privacy Office, they help scale and operationalize our Privacy Program. Our Privacy Champion network is key to helping educate Employees, including identifying and reporting potential data privacy incidents, and integrating privacy controls.

We also enhanced our transparency for our Customers. In the Help Center on Southwest.com®, we've enabled a dedicated page to learn more about our data processing, including information on our privacy policy, data privacy inquiries and options, and other related information.

Across the SWA enterprise, we will continue our journey of integrating data privacy into our risk management processes, enhancing our privacy program, and optimizing our privacy tools and technologies.



# Supply Chain Responsibility & Disruption

## 2024 Spotlight

- **Kicked off a new digital Source-to-Pay project**
- **Increased our Small Business Program spend by 23.5% in 2024**

Southwest’s commitment to Corporate Citizenship is reflected in our approach to supply chain management, which integrates a proven sourcing methodology with a dedication to ethical practices, and sustainability.

Southwest’s Supply Chain Management (SCM) Team advances this mission with strategic initiatives that focus on identifying quality suppliers who can elevate our productivity and bring innovative solutions that strengthen our position as an industry leader. SCM supports these initiatives by creating a multi-year plan of projects and enhancements, and by tracking, monitoring, and reporting our progress.

The SCM Team continually reviews our processes and policies, making key changes to improve supply chain governance where needed. Compliance with these policies helps guide wise spending, improve contract adherence, and protect Southwest from risk.

In 2024, Southwest partnered with Deloitte to kick off a significant Source-to-Pay project. This project aims to streamline our procurement process end-to-end, including enhanced contract management and improved data accuracy, helping to support compliance across the organization, and direct corporate spend through optimized buying channels. This initiative is a strategic step in Southwest’s journey to manage our costs and transform our supply chain operations.

## Responsible Sourcing

We seek to build long-standing relationships with our suppliers to help fulfill our operational needs, support the communities we serve, and satisfy the expectations of our Stakeholders. Supplier inclusion creates valuable opportunities for qualified small businesses, which employ nearly half of the U.S. workforce. By engaging with small suppliers, we not only support the growth of these businesses, but also contribute to the vitality of the communities we serve. This commitment reflects our dedication to being a responsible and impactful corporate citizen.

In 2024, we proudly increased our Small Business Program spend by 23.5% and increased our supplier count by 2.8%. We strive to partner with small businesses where possible, including by widely advertising business opportunities and encouraging small suppliers to respond to solicitations.

We also promote supplier inclusion through education and engagement. Our partnerships with national organizations such as the National Veteran Owned Business Association foster engagement with potential suppliers through events and matchmaking sessions. We strive to be a Leader in supplier inclusion by continuously benchmarking with peers and staying updated on regulatory changes.

## Sustainability

In 2023, Southwest began collaborating with EcoVadis, a sustainability ratings platform for global supply chains, to assess certain suppliers based on spend, as well as to participate in being assessed as a Company through EcoVadis’ scoring framework. EcoVadis’ assessment methodology evaluates a company’s sustainability management system through its policies, actions, and results. The assessment focuses on 21 issues grouped

into four themes: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. For our suppliers participating in the EcoVadis network, we monitor ESG scores and request corrective action where appropriate as issues are identified by EcoVadis.

As part of Nonstop to Net Zero by 2050<sup>15</sup> strategy, in 2024, we pursued a sourcing initiative to work towards our goal to reduce single-use plastics from inflight service 50% by weight by 2025.<sup>2</sup> We identified cold beverage cups and stir sticks as two significant sources of inflight single-use plastics. Southwest conducted a sourcing event to address these plastic items, and in 2024, Southwest introduced new cold cups and stir sticks. To learn more about the new cold cups and stir sticks, please see the [Circularity section](#).

## Supply Chain Disruption

Southwest’s Supply Chain Management function is dedicated to managing and adapting to the challenges of supply chain disruptions effectively. Through strategic planning, robust supplier relationships, and an unwavering focus on continuous improvement, our approach to Supply Chain Management is crucial in upholding our operational excellence.

Our data-driven approach to Supply Chain Management plays a key role in cost management, and risk mitigation within our supply chain. The integration of tools such as automation not only helps in reducing overall costs, but also equips us to better navigate a dynamic environment and meet the needs of our Customers.

Moreover, our Supply Chain Department has intensified monitoring and oversight, especially for underperforming suppliers and those vital to our operations. This enhanced oversight involves regular reviews of delivery rates and production status, improved collaborative planning, increased involvement from our Senior Leadership, and Facility visits

to foster closer collaboration with supplier leadership and their teams.

To further refine our operations, we have expanded the electronic exchange of planning data with our suppliers. This initiative streamlines communication and reduces transaction costs, fostering more efficient and mutually beneficial relationships. This step is pivotal in maintaining cost control while promoting high service levels.

## Supplier Code of Conduct

Our [Supplier Code of Conduct](#) reflects our commitment to ethical business practices and corporate responsibility. This policy outlines Southwest’s expectation that our suppliers operate with high ethical and legal standards, contributing to not only enhancing our services, but also empowering communities and respecting our planet.

The policy also sets forth our expectation that suppliers conduct business with honesty and integrity, and maintain respectful workplaces that guard against human rights abuses. It emphasizes environmental responsibility and sustainable practices, alongside proactive risk management and a commitment to continuous improvement. Compliance is important, as non-adherence may affect future business eligibility with Southwest.

Our procurement policy enables fair and impartial evaluation of all suppliers. We use various selection processes tailored to Company needs and market conditions, focusing on quality, Reliability, and service at the lowest total cost. This policy guides wise spending, improves contract adherence, and helps protect Southwest from risk. A common understanding of the procurement process among Southwest’s Supply Chain Management Department, our internal Customers, and current and potential suppliers is vital for our success.



## Celebrating Success with Small Suppliers

We believe supply chains should extend beyond business transactions. Supply chains represent opportunities to build meaningful relationships, support communities, and create shared success. Our relationship with Stellar Snacks is a testament to the power of collaboration and the incredible potential of small suppliers.

Stellar Snacks is a small business that has made a big impact on our onboard Customer Experience. Stellar Snacks provides us with their popular Maui Monk Pretzel Braids, a product that is a big hit with our Customers. This collaboration helped improve Customer satisfaction and increased brand awareness for Stellar Snacks, with nearly 100 million potential exposures annually through our Customer base. The story of Stellar Snacks, printed on the back of each package, showcases our dedication to working with small suppliers and highlights the Heart and Hospitality that drive both of our brands.

In addition to Stellar Snacks, we are proud to work with other small suppliers. These relationships not only contribute to our operational success, but also support the growth and resilience of small businesses, helping create a ripple effect of economic impact.



## Public Policy, Regulation, & Transparency

Legislative and regulatory actions have the potential to either expand or limit Southwest's growth opportunities. Government policies, including new legislation and regulations, as well as the enforcement of existing regulations, can significantly impact our business operations. To navigate these changes, our Governmental Affairs Department actively monitors proposed statutory and regulatory changes. They work to educate a wide range of policymakers and Stakeholder groups directly.

We present our views on these topics through various channels, including trade associations, business forums, chamber organizations, and direct interactions with public officials at both the federal level and within the states and communities we serve. This proactive approach ensures that our perspectives are considered in the legislative and regulatory processes, helping to shape policies that support our business objectives and operational needs.

Our participation in trade associations, including A4A and IATA, enables us to gain valuable insights into core issues affecting the airline industry. Through these associations, we can advocate jointly for regulations that support a healthy and competitive industry. Additionally, we benefit from the opportunity to share technical expertise and operational knowledge, which helps lead to improved Safety and Security.

In 2024, A4A determined that \$799,511 of the total dues paid by the Company to A4A were nondeductible lobbying expenses. Southwest also paid dues to several other national, state, and local trade associations, business forums, and chamber organizations. A portion of these dues was used by these organizations for nondeductible lobbying activities. However, in all cases, that portion did not exceed \$4,375 annually for each organization.

Our advocacy efforts are also focused on supporting our SAF goals. In 2024, we introduced SAF at Chicago Midway International Airport, facilitated by the Illinois Sustainable Aviation Fuel Purchase Credit passed in 2023. This groundbreaking credit has been crucial in enabling airlines to bring SAF to the state. We commend Illinois for advancing the development and scalability of SAF for the long-term.

In 2024, California also reached a historic agreement with leading U.S. airlines with the goal of significantly increasing the use of SAF within the state, aiming for

200 million gallons of SAF by 2035—about 40% of the state's intrastate flight demand. This partnership, announced at San Francisco International Airport, supports California's climate goals and the aviation industry's goal to achieve net-zero carbon emissions by 2050. By collaborating with fuel producers and federal partners, this initiative could help accelerate the development of cost-competitive SAF and its use in California.

## Political Contributions

Southwest Airlines has adopted a policy to primarily use its affiliated political action committee, the Southwest Airlines Co. Political Action Committee (SWAPAC), to support political campaigns. SWAPAC is financed by voluntary contributions from Employees. Additionally, Company funds are used to support selected political campaigns at the state and local level, in compliance with the laws of the relevant states and localities.

We hold the responsibility of managing the SWAPAC and being good stewards of our Employees' hard-earned dollars in high regard. We have a time-tested evaluation process for considering SWAPAC contribution requests, and we evaluate our criteria for giving annually. Additionally, all political campaign contributions from SWAPAC or directly by the Company are approved by the VP of Governmental Affairs, who is overseen by Southwest's SVP Chief Legal Officer and Corporate Secretary. An annual summary of these contributions is provided to the Southwest Board of Directors.

Our intention is for all political contributions to promote Company interests and not be influenced by the private political preferences of any Employee. We disclose all contributions by SWAPAC through publicly available reports filed monthly with the Federal Election Commission. Southwest strives to comply with all applicable federal, state, and local campaign finance restrictions and disclosure requirements.

In 2024, contributions from SWAPAC totaled \$251,000 to political committees at the federal level and \$64,500 to political committees at the state and local levels. Additionally, the Company contributed \$106,399 directly to state and/or local political campaigns in four states (CA, FL, IL, NV). In 2024, the Company did not support or finance any state or local ballot measures before voters. At the federal level, no Company funds were used to support or finance any political campaigns, nor did the Company support or finance any "Super PACs" or political committees organized under section 527 of the Internal Revenue Code.



# Marketing & Ethical Branding

When your goal is to be the most loved airline in the world, every Customer interaction matters. Southwest is dedicated to upholding the highest standards of ethical marketing and branding practices, as outlined in our [Code of Ethics](#) and [Privacy Policy](#). We seek to comply with all applicable laws governing advertising, operate within DOT regulations, and keep transparency at the Heart of our communications.

We aim to adhere to rigorous standards to maintain transparency and truthfulness in our campaigns and communications. Where applicable, our marketing and creative efforts are substantiated with data and guided by insights from focus groups and other sources of Customer feedback. Reviews from our Legal Team, Employees, and where appropriate, other departments and Executive Leadership Team, are part of a robust vetting process designed to keep our communications not only honest and legally compliant, but also aligned with our Culture of Belonging, and framed in a way that resonates with our Customer base.

In 2024, we enhanced efficiency and accountability across our marketing processes by incorporating advanced platforms, utilizing a generative AI tool and a work management platform. With these tools, we drive accountability across each step of the marketing process, improving visibility, alignment, and collaboration between Brand Teams, strategy, communications, media, and other key Stakeholders. These tools streamline our marketing workflow and enable meticulous review for ethical and legal compliance.

Through these proactive measures, and a relentless focus on Customer Satisfaction, Southwest Airlines works hard to be a trusted airline for our Customers. Throughout 2024, Southwest launched new campaigns that strive to directly address Customer needs and preferences.





# Reporting Frameworks

Since 2009, Southwest has utilized guidance from recognized ESG standards and frameworks to guide our disclosures in the One Report. In our ongoing effort to provide the utmost transparency to our Stakeholders, we elected to reference and provide information using the GRI Universal Standards 2021, the SASB standards, and the TCFD framework. Disclosures corresponding to these standards and frameworks can be found in the indices on the pages that follow.

Information is presented in the 2024 Southwest One Report with respect to efforts related to our CSR key topics.





# GRI Index

Indicator	Description	2024 Response
The organization and its reporting practices		
2-1	Organizational details	<p>Southwest Airlines Co. is a publicly traded corporation. Our Headquarters is located at: 2702 Love Field Dr. Dallas, Texas 75235 USA</p> <p>During 2024, we operated in 11 countries: the United States, Mexico, Jamaica, the Bahamas, Aruba, Dominican Republic, Costa Rica, Belize, Cuba, the Cayman Islands, and Turks and Caicos.</p>
2-2	Entities included in the organization's sustainability reporting	<p>The 2024 One Report includes the operations of Southwest Airlines Co. and its wholly owned subsidiaries, which include AirTran Airways, Inc., AirTran Holdings, LLC, Southwest Jet Fuel Co., Southwest Airlines Renewable Ventures LLC, SAFFiRE Renewables, LLC, and Triple Crown Assurance Co., which is consistent with our financial reporting contained in Southwest Airlines Co.'s <a href="#">2024 Form 10-K</a>. This list of wholly owned subsidiaries is as of December 31, 2024.</p>
2-3	Reporting period, frequency and contact point	<p>The 2024 One Report was published on June 2, 2025, and includes activities for calendar year 2024, unless otherwise stated. It is published annually and aligns with Southwest Airline Co.'s financial reporting period (January 1, 2024-December 31, 2024).</p> <p>The contact point for questions regarding the 2024 One Report is <a href="mailto:SWACitizenship@wnco.com">SWACitizenship@wnco.com</a>.</p>
2-4	Restatements of information	<p>Beginning in 2024, our parental leave methodology shifted to better align with recommended calculations. See the People Data Table and endnotes for further details.</p> <p>Our dividends to shares was updated to reflect the accurate data for 2022. See the 10-Year Summary Data and endnotes for further details.</p> <p>Our Safety data indices on page 78 of the 2023 One Report were inaccurately titled. The index titled Lost Time Injury Claim Index reflects the OSHA Recordable Injury data, and the index titled OSHA Recordable Injury Index reflects the Lost Time Injury Claim data.</p> <p>The 2024 Safety metrics are based on best available information from April 22, 2025 but are subject to revision as more information becomes available regarding 2024 known injury claims. Our 2023 reporting has been adjusted to reflect subsequent information regarding claims which resulted in slight increases in the metrics reported in the 2023 One Report.</p>
2-5	External assurance	<p>Our 2024 GHG inventory was assessed by a third-party at the reasonable assurance level and completed in accordance with the ISO Standard. This assurance engagement included our Scope 1, Scope 2, and certain Scope 3 GHG emissions. The report can be found <a href="#">here</a>.</p> <p>Southwest has obtained third-party assurance of its GHG inventory since 2017.</p>

Indicator	Description	2024 Response
Activities and Workers		
2-6	Activities, value chain and other business relationships	<p>Southwest Airlines operates in the airline sector. Information regarding our activities, value chain, and other business relationships can be found under Items 1 and 7 in our <a href="#">2024 Form 10-K</a>. Additional information regarding our supply chain is contained in <a href="#">Supply Chain Responsibility &amp; Disruption</a>.</p>
2-7	Employees	<p><a href="#">People Data Table</a></p> <p>All Southwest Airlines Co. Employees are classified as permanent. We do not have non-guaranteed hours Employees.</p>
2-8	Workers who are not employees	<p><a href="#">People Data Table</a></p>
Governance		
2-9	Governance structure and composition	<p><a href="#">Board Oversight and Management Oversight of ESG Corporate Bylaws</a> <a href="#">Corporate Governance Guidelines</a> <a href="#">Corporate Policies</a> <a href="#">2025 Proxy Statement</a>, pp. 7-31</p>
2-10	Nomination and selection of the highest governance body	<p><a href="#">Board Composition</a> <a href="#">Corporate Governance Guidelines</a> <a href="#">Nominating and Corporate Governance Committee Charter</a> <a href="#">2025 Proxy Statement</a>, pp. 22-31</p>
2-11	Chair of the highest governance body	<p><a href="#">2025 Proxy Statement</a>, pp. 15;18 and 23-24</p>
2-12	Role of the highest governance body in overseeing the management of impacts	<p><a href="#">Board Oversight and Management Oversight of ESG Ethics</a> <a href="#">2025 Proxy Statement</a>, p. 25</p>
2-13	Delegation of responsibility for managing impacts	<p><a href="#">Board Oversight and Management Oversight of ESG</a> <a href="#">2025 Proxy Statement</a>, p. 25</p>
2-14	Role of the highest governance body in sustainability reporting	<p>The Southwest Airlines One Report is reviewed by Leaders across the organization, including the VP of People, VP of Culture &amp; Inclusion, SVP &amp; Chief Communications Officer, SVP Chief Legal Officer &amp; Corporate Secretary, SVP &amp; Chief Financial Officer, and President &amp; CEO, as well as leaders and representatives of Legal, Investor Relations, Accounting, Safety &amp; Security, and Financial Reporting.</p>



Indicator	Description	2024 Response
2-15	Conflicts of interest	<a href="#">Ethics Code of Ethics</a> <a href="#">2025 Proxy Statement</a> , pp. 31-33
2-16	Communication of critical concerns	<a href="#">Board Oversight and Management Oversight of ESG Code of Ethics</a> <a href="#">2025 Proxy Statement</a> , pp. 24; 27-31  Nature and total number of critical concerns is confidential information and is not communicated externally by the Company.
2-17	Collective knowledge of the highest governance body	Management reports to the Board of Directors as necessary on significant sustainability strategies, plans, initiatives, and progress.
2-18	Evaluation of the performance of the highest governance body	<a href="#">Corporate Governance Guidelines</a> <a href="#">2025 Proxy Statement</a> , pp. 29-30
2-19	Remuneration policies	<a href="#">Board Oversight and Management Oversight of ESG Corporate Governance Guidelines</a> <a href="#">2025 Proxy Statement</a> , pp. 37-73
2-20	Process to determine remuneration	<a href="#">2025 Proxy Statement</a> , pp. 37-73
2-21	Annual total compensation ratio	<a href="#">2025 Proxy Statement</a> , pp. 57  The Company does not report the ratio of the percentage change in annual total compensation ratio as it is not considered meaningful.
Strategy, Policies, and Practices		
2-22	Statement on sustainable development strategy	<a href="#">From Our President &amp; CEO</a> <a href="#">2024 Form 10-K</a> , pp. 14-15 and 31
2-23	Policy commitments	The Company's primary corporate policy commitments can be found here: <a href="#">Corporate Governance Guidelines</a> <a href="#">Corporate Policies</a>  Our Board of Directors or Senior Management have approved the following corporate policies: <a href="#">Corporate Governance Guidelines</a> <a href="#">Code of Conduct</a> <a href="#">Code of Ethics</a> <a href="#">Policy on Shareholder Rights Plans</a> <a href="#">Human Rights Policy</a>  All other corporate policies are approved by presiding Board of Director Committees or Senior Management.

Indicator	Description	2024 Response
2-24	Embedding policy commitments	<a href="#">Board Oversight and Management Oversight of ESG Ethics Cybersecurity Data Privacy Marketing &amp; Ethical Branding</a>
2-25	Processes to remediate negative impacts	<a href="#">Code of Ethics</a>
2-26	Mechanisms for seeking advice and raising concerns	<a href="#">Ethics Code of Ethics</a> <a href="#">2025 Proxy Statement</a> , pp. 24
2-27	Compliance with laws and regulations	<a href="#">2024 Form 10-K</a> , pp. 15-25
2-28	Membership associations	We develop and nurture authentic civic and business relationships across the more than 166 communities within the Southwest system. In 2024, we invested in national, state, and local membership organizations including, but not limited to, the Chicagoland Chamber, Greater Baltimore Committee, Downtown Denver Inc., Dallas Regional Chamber, Chamber of Commerce Hawaii, Los Angeles Area Chamber of Commerce, Greater Houston Partnership, and Florida Economic Development Council.  Southwest also participates in: Airlines for America (A4A) American Benefits Council Coalition for Public Relations Research Standards International Air Transport Association (IATA) Sustainable Aviation Fuel Coalition Travelers United U.S. Chamber of Commerce
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	<a href="#">Management Approach to Key Topics - Stakeholder Engagement</a>
2-30	Collective bargaining agreements	As of December 31, 2024, approximately 82% of our Employees are covered by CBAs.
Material Topics		
3-1	Process to determine material topics	<a href="#">Management Approach to Key Topics</a>
3-2	List of material topics	<a href="#">Management Approach to Key Topics</a>



Indicator	Description	2024 Response
3-3	Management of material topics	<a href="#">Board Composition</a> <a href="#">Board and Management Oversight of ESG</a> <a href="#">Carbon</a> <a href="#">Circularity</a> <a href="#">Climate Risks &amp; Impacts</a> <a href="#">Collaboration</a> <a href="#">Community Outreach</a> <a href="#">Compliance</a> <a href="#">Customer Satisfaction</a> <a href="#">Cybersecurity</a> <a href="#">Data Privacy</a> <a href="#">Fostering Belonging</a> <a href="#">Employee Compensation &amp; Benefits</a> <a href="#">Employee Experience, Culture, &amp; Engagement</a> <a href="#">Employee Retention &amp; Recruitment</a> <a href="#">Employee Training, Education, &amp; Career Development</a> <a href="#">Ethics</a> <a href="#">Financial Performance</a> <a href="#">Fleet Management</a> <a href="#">Freedom of Association &amp; Collective Bargaining</a> <a href="#">Human Rights &amp; Anti-Trafficking</a> <a href="#">Indirect Economic Impact</a> <a href="#">Marketing &amp; Ethical Branding</a> <a href="#">Network &amp; Growth</a> <a href="#">Operational Performance</a> <a href="#">Political Contributions</a> <a href="#">Public Policy, Regulation, &amp; Transparency</a> <a href="#">Risk &amp; Crisis Management</a> <a href="#">Safety</a> <a href="#">Supply Chain Responsibility &amp; Disruption</a>
Economic Performance		
201-1	Direct economic value generated and distributed	<a href="#">Financial Performance</a> <a href="#">10-Year Summary</a> <a href="#">Network &amp; Growth</a> <a href="#">Performance Data Table</a>
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Carbon</a> <a href="#">Climate Risks &amp; Impacts</a> <a href="#">TCFD Index</a> Southwest Airlines 2024 CDP Submission
201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Employee Compensation &amp; Benefits</a> <a href="#">Employee Benefits and Perks Guide</a> <a href="#">2024 Form 10-K</a> , pp. 29-31 and pp. 140-143

Indicator	Description	2024 Response
Indirect Economic Impact		
203-1	Infrastructure investments and services supported	<a href="#">Network &amp; Growth</a> <a href="#">Community Outreach</a> <a href="#">2024 Form 10-K</a> , pp. 113-115
203-2	Significant indirect economic impacts	<a href="#">Employee Retention &amp; Recruitment</a> <a href="#">Community Outreach</a> <a href="#">People Data Table</a> <a href="#">Supply Chain Responsibility &amp; Disruption</a> <a href="#">Network &amp; Growth</a> <a href="#">Indirect Economic Impact</a> <a href="#">Performance Data Table</a>
Anti-Corruption		
205-1	Operations assessed for risks related to corruption	<a href="#">Ethics</a> <a href="#">Code of Ethics</a>
205-2	Communication and training about anti-corruption policies and procedures	<p>At Southwest, we strive to maintain accountability and transparency of our business practices to reduce or eliminate corruption. We expect our Board of Directors and all Employees to acknowledge receipt and understanding of our <a href="#">Code of Ethics</a> and Insider Trading Policy. We update our corporate governance policies when appropriate.</p> <p>During 2024, we also distributed our Foreign Corrupt Practices Act Policy and Anti-Corruption Compliance Procedures to the Board of Directors, all Company Officers, Senior Leaders of all departments, and select Employees and Contractors involved with Southwest's financial records and/or international operations. In 2024, 96% of Southwest recipients completed a Foreign Corrupt Practices Act Policy compliance questionnaire.</p>
Energy		
302-1	Energy consumption within the organization	<p>We utilized 92,509 MWh of SAF in our operations in 2024.<sup>23</sup> We also purchased more than 59 thousand MWh of Green-e certified RECs covering 100% of our Texas operations as of May 2024.</p> <p>Total of 79,983,581 MWh non-renewable energy consumed comprising:</p> <ul style="list-style-type: none"><li>• Heating: 36,349 MWh</li><li>• All electricity including cooling: 82,351 MWh</li><li>• Jet A: 79,626,152 MWh</li><li>• Other fuels: 238,730 MWh</li><li>• Steam not captured due to de minimis impact</li></ul> <p>We did not sell any electricity, heating, cooling, or steam in 2024.</p>



Indicator	Description	2024 Response
302-1	Energy consumption within the organization	<p>Heating and electricity data is captured through an energy bill aggregation tool which compiles utility data, capturing the electricity, natural gas, and water consumed in our operations. We maintain detailed records of our actual jet fuel and ground fuel consumption per Station for all scheduled and unscheduled flights. GSE fuel is tracked and aggregated by fuel type, including auto gas, diesel fuel, dyed diesel fuel, propane fuel, and compressed natural gas.</p> <p><a href="#">Planet Data Table</a></p>
302-2	Energy consumption outside of the organization	<p>Energy consumption outside of the organization is reported under Scope 3 emissions in the Planet table. We report this in metric tons of CO<sub>2</sub>e rather than in joules to maintain consistency with the Greenhouse Gas Protocol (GHGP).</p> <p><a href="#">Planet Data Table</a></p>
302-3	Energy intensity	<p>The energy intensity ratio includes the MWh associated with all Jet A, gasoline, diesel, propane, compressed natural gas (CNG), natural gas, and electricity consumed within our operations, divided by our revenue ton kilometers.</p> <p><a href="#">Planet Data Table</a> <a href="#">Climate Risks &amp; Impacts</a> <a href="#">Planning our Path to Net Zero</a></p>
302-4	Reduction of energy consumption	<p>Given that jet fuel emissions make up more than 99% of our total Scope 1 and 2 emissions, our tracking is focused on fuel saving initiatives.</p> <p>Fuel savings (gallons) are tracked through a combination of direct measurements and estimates for several ground-, air-, and weight-related fuel efficiency initiatives. In 2024, we re-established our fuel savings goal to align with new operational systems, and plan to report associated fuel saving figures in our 2025 One Report, to be released in 2026.</p> <p><a href="#">Carbon</a> <a href="#">Climate Risks &amp; Impacts</a> <a href="#">Planning our Path to Net Zero</a></p>
302-5	Reductions in energy requirements of products and services	<p>The Company's ASMs per gallon of fuel consumed was 80.8 in 2024, representing a 6.7% increase in fuel efficiency over our 2019 baseline levels.</p> <p>Our fuel consumption and fuel saving programs are closely tracked and monitored in order to understand the incremental savings such initiatives yield each year. We track initiatives such as APU utilization, single engine taxiing, central monitoring, RNP, cost index, and weight saving initiatives.</p> <p><a href="#">Carbon</a> <a href="#">Planet Data Table</a> <a href="#">Climate Risks &amp; Impacts</a> <a href="#">Planning our Path to Net Zero</a></p>

Indicator	Description	2024 Response
Emissions		
305-1	Direct (Scope 1) GHG emissions	<p>The <a href="#">baseline 2019</a> and current 2024 Scope 1 emissions can be found in the <a href="#">People Data Table</a>, as are our relevant biogenic CO<sub>2</sub> emissions in 2024.</p> <p>Southwest follows The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol) guidance to collect activity data and calculate emissions. Our 2024 greenhouse gas inventory was assessed by a third-party and completed in accordance with ISO standards, obtaining reasonable assurance of our Scope 1, Scope 2 and certain Scope 3 categories.</p> <p>Southwest follows the operational control approach defined by the GHG Protocol, accounting for emissions from operations over which we have complete authority to apply operating practices. We calculate and incorporate the relevant carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O) emissions from our operations. Emissions are consolidated and disclosed in metric tons of carbon dioxide equivalent (CO<sub>2</sub>e) using the 100-year time horizon global warming potential (GWP) values from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6). Hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), nitrogen trifluoride (NF<sub>3</sub>), and sulfur hexafluoride (SF<sub>6</sub>) were found to be de minimis, and therefore not reported in association with our operations.</p> <p><a href="#">Planet Data Table</a> <a href="#">Carbon</a> Southwest Airlines 2024 CDP Submission</p>
305-2	Energy indirect (Scope 2) GHG emissions	<p>The <a href="#">baseline 2019</a> and current 2024 location-based and market-based Scope 2 emissions can be found in the <a href="#">People Data Table</a>.</p> <p><a href="#">Planet Data Table</a> <a href="#">Carbon</a> Southwest Airlines 2024 CDP Submission</p>
305-3	Other indirect (Scope 3) GHG emissions	<p>The <a href="#">baseline 2019</a> and current 2024 Scope 3 emissions can be found in the <a href="#">People Data Table</a>. We report on the seven categories relevant to our operations: Category 1: Purchased Goods and Services, Category 2: Capital Goods, Category 3: Fuel- and Energy-Related Activities, Category 5: Waste Generated in Operations, Category 6: Business Travel, Category 7: Employee Commuting, and Category 15: Investments.</p> <p><a href="#">Planet Data Table</a> Southwest Airlines 2024 CDP Submission</p>
305-4	GHG emissions intensity	<p>We measure intensity by emissions including all Scope 1, Scope 2, and Scope 3, Category 3 (upstream emissions of jet fuel) per revenue ton kilometer (RTK), which includes the use of SAF and excludes the use of carbon offsets. This includes all jet and GSE fuel, as well as the heating and electricity emissions associated with buildings and structures under our operational control.</p> <p><a href="#">Planet Data Table</a> <a href="#">Climate Risks &amp; Impacts</a> <a href="#">Planning our Path to Net Zero</a> Southwest Airlines 2024 CDP Submission</p>



Indicator	Description	2024 Response
305-5	Reduction of GHG emissions	<p>Given that Southwest reports on the relevant CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O (reported as CO<sub>2</sub>e) associated with our operations only, we measure our reduction of GHG emissions with this same scope of gases included. We measure reductions in the form of an emissions intensity reduction (Scope 1, Scope 2, and Scope 3, Category 3: upstream emissions of jet fuel) per RTK from our baseline 2019. In 2024, our emissions intensity reduced (2)% compared to the 2019 baseline.</p> <p><a href="#">Carbon Planet Data Table</a> <a href="#">Climate Risks &amp; Impacts</a> <a href="#">Planning our Path to Net Zero</a> Southwest Airlines 2024 CDP Submission</p>
305-6	Emissions of ozone-depleting substances (ODS)	<p>One of the most important issues surrounding chemical management is the use of ozone-depleting substances. The ozone layer prevents harmful ultraviolet light from passing through the atmosphere, and the use of these substances can cause a decrease in the total volume of the ozone layer. Potential ozone-depleting substances Southwest presently uses include refrigerants found in the HVAC systems and appliances of Southwest operated buildings and the air conditioning systems of Company vehicles. Based on an upper-bound assumption of the expected losses that would occur from Southwest facilities, in 2019, we determined that the emissions from these refrigerants represented less than 0.02% of our total GHG emissions.</p>
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	<p><a href="#">Planet Data Table</a></p>
Waste		
306-3	Waste generated	<p><a href="#">Planet Data Table</a> <a href="#">Circularity</a></p>
306-4	Waste diverted from disposal	<p><a href="#">Planet Data Table</a></p>
306-5	Waste directed to disposal	<p><a href="#">Planet Data Table</a></p>
Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	<p>Our supplier questionnaire is a crucial part of our procurement vetting process where we expect suppliers to comply with applicable laws.</p> <p><a href="#">Supply Chain Responsibility &amp; Disruption</a></p>

Indicator	Description	2024 Response
308-2	Negative environmental impacts in the supply chain and actions taken	<p>Southwest collaborates with EcoVadis to assess the sustainability impacts of certain suppliers through the EcoVadis ESG ratings platform.</p> <p><a href="#">Supply Chain Responsibility &amp; Disruption</a></p>
Employment		
401-1	New employee hires and employee turnover	<p><a href="#">People Data Table</a></p>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p><a href="#">Employee Compensation &amp; Benefits</a> <a href="#">People Data Table</a> <a href="#">Employee Benefits and Perks Guide</a></p>
401-3	Parental leave	<p>For Noncontract Employees, IAM represented Source of Support Representatives, and TWU 550 represented Meteorologist, Southwest offers six weeks paid parental leave for a custodial birth parent (mother or father), the spouse or committed partner of a custodial birth parent at the time of birth, a surrogate parent, or a newly adoptive parent. The leave must be taken on a consecutive basis (not intermittent) within 12 months of the date of birth of the child or the date the child is placed for adoption in the Employee's home.</p> <p>Our Pilots', Flight Attendants', Ramp, Operations Provisioning and Freight Agents', Customer Service and Customer Representatives', Facilities Maintenance Technicians', and Simulator Technicians' (Covered Employees) CBAs also contain paid parental leave provisions. A covered Employee that is the biological parent of a child, adopts, or becomes a permanent legal custodial caregiver to a dependent child that formerly was not, but will be living in their home, will be granted a leave of absence for a period not to exceed 12 consecutive weeks and will retain and accrue seniority for all purposes during such leave and will not lose insurance coverage. The first two weeks of the paid parental leave are paid for by the Company and Covered Employees have the option to use their Sick Leave or vacation pay during the remainder of the leave. The leave must begin within three calendar months from the date the child begins living in the Covered Employee's home. Any applicable federal, state, or local leaves will run concurrently.</p> <p>A Pilot or Flight Attendant who qualified for a parental leave will also be eligible for an unpaid extended bonding leave for up to 12 months following the birth or placement of the child. The extended bonding leave must begin on the calendar day following the conclusion of the parental leave and must be taken on a consecutive basis. Pilots and Flight Attendants may elect to use any unused, earned vacation while on extended bonding leave. Any applicable federal, state, or local leaves will run concurrently.</p> <p><a href="#">People Data Table</a> <a href="#">Employee Compensation &amp; Benefits</a></p>



Indicator	Description	2024 Response
Labor and Management Relations		
402-1	Minimum notice periods regarding operational changes	To create the best possible work environment, we strive to provide our Employees with advanced notice of significant policy or expectation changes through proactive communication. Notice is provided to Contract Employees and/or their respective Unions per the terms of our CBAs.
Occupational Health and Safety		
403-1	Occupational health and safety management system	<a href="#">Safety</a>
403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">Safety</a>
403-3	Occupational health services	<a href="#">Safety</a>
403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Safety</a>
403-5	Worker training on occupational health and safety	<a href="#">Safety</a> <a href="#">People Data Table - Training Hours by Topic</a>
403-6	Promotion of worker health	<a href="#">Employee Compensation &amp; Benefits</a> <a href="#">Safety</a>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">Safety</a> <a href="#">People Data Table - Training Hours by Topic</a>
403-8	Workers covered by an occupational health and safety management system	<a href="#">Safety</a>

Indicator	Description	2024 Response
Training and Education		
404-1	Average hours of training per year per employee	<a href="#">People Data Table</a>
404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">Employee Training, Education, &amp; Career Development</a>
404-3	Percentage of employees receiving regular performance and career development reviews	<a href="#">Employee Training, Education, &amp; Career Development</a> <a href="#">People Data Table</a>
Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<a href="#">Freedom of Association &amp; Collective Bargaining</a>
Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	<a href="#">Supply Chain Responsibility &amp; Disruption</a> <a href="#">Human Rights &amp; Anti-Trafficking</a> <a href="#">Human Rights Policy</a>
Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">Supply Chain Responsibility &amp; Disruption</a> <a href="#">Human Rights &amp; Anti-Trafficking</a> <a href="#">Human Rights Policy</a>



Indicator	Description	2024 Response
Security Practices		
410-1	Security personnel trained in human rights policies or procedures	<p>Third-party security personnel receive initial training that includes the following topics:</p> <ul style="list-style-type: none"><li>• Security officer authorities and limitations</li><li>• Security officer and law enforcement arrest authority</li><li>• Dealing with disturbed persons and respecting individuals</li><li>• Use of force and use of force continuum</li><li>• Safety</li><li>• Emergency responses</li></ul> <p>Security officers are required to pass a written exam at the conclusion of the above training. Additionally, monthly sustainment training regarding pertinent topics is conducted including: workplace diversity, de-escalation techniques, and harassment and discrimination.</p>
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	<p>Southwest collects impact reports from community partners to understand each organization's overall impact and programmatic outcomes based on Southwest's contributions and/or grants to advance the mission of each organization. Impact assessments are administered to all annual partners.</p> <p><a href="#">Indirect Economic Impact</a> <a href="#">Community Outreach</a> <a href="#">Operational Performance</a> <a href="#">Southwest Stories</a></p>
Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	<p>Our supplier questionnaire is a crucial part of our procurement vetting process where we expect suppliers to comply with applicable laws.</p> <p><a href="#">Supply Chain Responsibility &amp; Disruption</a></p>
414-2	Negative social impacts in the supply chain and actions taken	<p><a href="#">Supply Chain Responsibility &amp; Disruption</a></p>
Public Policy		
415-1	Political contributions	<p><a href="#">Political Contributions</a></p>

Indicator	Description	2024 Response
Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	<p><a href="#">Safety</a></p>
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<p><a href="#">SASB TR-AL-540a.3</a></p>



# SASB Index

Topic	Code	Metric	Category	Unit of Measure	2024 Response
Greenhouse Gas Emissions	TR-AL-110a.1	Gross global Scope 1 emissions	Quantitative	MT CO <sub>2</sub> e	21,091,127 <a href="#">Planet Data Table</a> <a href="#">Planet Goals</a>
	TR-AL-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	<a href="#">Planet Goals</a> <a href="#">Carbon</a> <a href="#">Climate Risks &amp; Impacts</a>
	TR-AL-110a.3	(1) Total fuel consumed, (2) percentage alternative and (3) percentage sustainable	Quantitative	Megawatt-hours, Percentage (%) <sup>60</sup>	Total jet fuel consumed in 2024 was 79,626,152 MWh with 0.12% alternative and sustainable fuels consumed (i.e., SAF).
Labor Practices	TR-AL-310a.1	Percentage of active workforce covered under collective bargaining agreements	Quantitative	Percentage (%)	Approximately 82%
	TR-AL-310a.2	(1) Number of work stoppages and (2) total days idle	Quantitative	Number, Days idle	0 & 0
Competitive Behavior	TR-AL-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	Quantitative	Reporting currency	\$0
Accident & Safety Management	TR-AL-540a.1	Description of implementation and outcomes of a Safety Management System	Quantitative	N/A	<a href="#">Safety</a>
	TR-AL-540a.2	Number of aviation accidents	Quantitative	Number	“Accidents” is defined according to the National Transportation Safety Board (Part 830).  In 2024, Southwest experienced 5 NTSB classified accidents. Four of the five accidents involved a Flight Attendant sustaining a serious injury due to turbulence. One accident involved a Flight Attendant and Passenger sustaining serious injuries due to turbulence.
	TR-AL-540a.3	Number of governmental enforcement actions of aviation safety regulations	Quantitative	Number	No FAA legal enforcement actions.



Activity Metrics<sup>59</sup>

Metrics that quantify the scale of a company’s business and are intended for use in conjunction with accounting metrics to normalize data and facilitate comparison.

Code	Activity Metric	Category	Unit of Measure	2024 Response
TR-AL-000.A	Available seat miles	Quantitative	ASM	177,250 million
TR-AL-000.B	Passenger load factor	Quantitative	Rate	80.4%
TR-AL-000.C	Revenue Passenger miles	Quantitative	RPM	142,515 million
TR-AL-000.D	Revenue ton kilometers	Quantitative	RTK	25.5 billion
TR-AL-000.E	Number of departures	Quantitative	Number	1,443,866 (measured as Trips Flown)
TR-AL-000.F	Average age of fleet	Quantitative	Years	12





# TCFD Index

	Description of TCFD Disclosure Requirement	Complete TCFD Disclosure Requirement	2024 Response
Governance	Degree of Board oversight	Describe the Board's oversight of climate-related risks and opportunities.	<a href="#">Board and Management Oversight of ESG</a>
	Management's role	Describe management's role in assessing and managing climate-related risks and opportunities.	<a href="#">Board and Management Oversight of ESG</a>
Strategy	Climate-related risks and opportunities	Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term.	<a href="#">Climate Risks &amp; Impacts</a>
	Impacts of risks and opportunities	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<a href="#">Climate Risks &amp; Impacts</a>
	Resilience of the organization's strategy	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C-or-lower scenario.	<a href="#">Climate Risks &amp; Impacts</a>
Risk Management	Climate risk identification process	Describe the organization's processes for identifying and assessing climate-related risks.	<a href="#">Climate Risks &amp; Impacts</a> <a href="#">Risk &amp; Crisis Management</a>
	Climate risk management process	Describe the organization's processes for managing climate-related risks.	<a href="#">Climate Risks &amp; Impacts</a> <a href="#">Risk &amp; Crisis Management</a>
	Integration with other risk-management processes	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<a href="#">Climate Risks &amp; Impacts</a> <a href="#">Risk &amp; Crisis Management</a>
Metrics & Targets	Identify risk-assessment metrics	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk-management process.	<a href="#">Planning our Path to Net Zero Carbon</a>
	Identify GHG emissions	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	<a href="#">Planet Data Table</a>
	Identify targets and risk metrics	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<a href="#">Planning our Path to Net Zero Carbon</a> <a href="#">Climate Risks &amp; Impacts</a>



# Glossary

Term	Acronym	Definition
Active, Full-time Equivalents	FTE	<p>The count of active full-time equivalent Employees is calculated as of December 31 for each calendar year. This figure includes an adjustment for part-time Employees, who are counted as 0.5 full-time equivalent Employees. The Company uses this metric to measure productivity and efficiency, and therefore excludes on-leave Employees from the calculation.</p> <p>For reference, this figure excludes fewer than 250 Employees and 10,421 Employees participating in the Extended Emergency Time Off program as of December 31, 2021, and 2020, respectively.</p>
Agile Project Management		An iterative, flexible, and collaborative approach to managing projects that prioritizes adaptability, user feedback, and continuous improvement over rigid planning.
Air Operations		Includes Pilots, Flight Attendants, Dispatchers, Meteorologists, Flight Simulator Technicians, and Flight Crew Training Instructors.
Aircraft Utilization		The time per 24-hour day an aircraft is in the air.
Available Seat Mile	ASM	One seat (empty or full) flown one mile. ASM is interchanged with “capacity,” which is a measure of the space available to carry Passengers in a given period.
Average Length of Passenger Haul		Average distance in miles paying Passengers are flown.
Average Passenger Fare		The average amount of Passenger Revenue per Revenue Passenger carried.
Average Stage Length		The average distance flown in miles per aircraft departure.
Biogenic Emissions		CO <sub>2</sub> emissions from the combustion or biodegradation of biomass.
Biomass		<p>The biodegradable fraction of products, waste, and residues of biological origin—such as those from agriculture, forestry, and related industries, including fisheries and aquaculture. It also includes the biodegradable fraction of industrial and municipal waste.</p> <p>Bioenergy encompasses all energy produced from biomass, including biofuels. It can be utilized directly (e.g., wood energy), through methanogenesis (e.g., biogas), or via chemical transformations to create biofuels.</p>
Book and Claim		A chain of custody model that allows for the ‘de-coupling’ of specific attributes; for example, the environmental benefits from the physical product and the ability to transfer them separately via a dedicated registry in the form of a ‘credit.’ This approach has been already successfully implemented in the renewable electricity sector but is in development for sustainable aviation fuel (SAF).

Term	Acronym	Definition
Carbon Dioxide Equivalent	CO <sub>2</sub> e	The measure used to compare emissions from various greenhouse gases on the basis of their global-warming potential (GWP), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.
Carbon Emissions Intensity	CI	<p>A measure of greenhouse gas (GHG) emissions—primarily carbon dioxide (CO<sub>2</sub>)—produced relative to a specific metric, such as electricity generated, fuel consumed, or revenue generated.</p> <p>The U.S. Energy Information Administration (EIA) defines carbon intensity as the "amount of carbon by weight emitted per unit of energy consumed." Similarly, the U.S. Environmental Protection Agency (EPA) defines it as the "relative amount of carbon emitted per unit of energy or fuel consumed."</p>
Carbon Offset		Tradeable rights generated from projects that reduce, capture, or avoid a certain amount of emissions.
Circularity		At Southwest, we define circularity as striving to reduce waste by maximizing the value of resources and keeping products and materials in circulation for as long as possible. This involves practices such as reusing and recycling, as well as considering a product's end-of-life impact from the time that the sourcing stage begins.
Completion Factor		The total number of cancelled flights subtracted from the total number of scheduled marketing carrier domestic and international flights and divided by the total number of scheduled domestic and international flights.
Contrails		Contrails, also known as aviation-induced cirrus clouds, are trails of condensed and frozen water vapor produced by aircraft engines at high altitudes under specific atmospheric conditions. They do not form on all flights, as their formation depends on factors such as temperature and humidity levels in the atmosphere.
Carbon Offsetting and Reduction Scheme for International Aviation	CORSIA	A market-based mechanism developed by ICAO (International Civil Aviation Organization—the UN’s governing body for aviation) intended to cap growth in international emissions.
Direct Air Capture	DAC	The extraction of CO <sub>2</sub> directly from the atmosphere at any location, unlike carbon capture which is generally carried out at the point of emissions, such as a steel plant. The CO <sub>2</sub> can be permanently stored in deep geological formations or used for a variety of applications.



Term	Acronym	Definition
Energy Use Intensity	EUI	A metric that measures the energy efficiency of a building or facility by calculating the amount of energy consumed per unit of floor area over a given period.
Enplaned Passengers		One Passenger, originating or connecting, boarded on an aircraft.
Executives		All People Leader positions at Southwest at or above the Vice President (VP) level.
Extreme Delays		Extreme delays are defined by the total number of marketing carrier domestic and international flights with delays greater than 45 minutes as a percentage of the total number of scheduled domestic and international flights.
Fuel Efficiency		Gallons of jet fuel consumed divided by ASMs.
Greenhouse Gas	GHG	Gases in the earth's atmosphere that trap heat. These consist of six gases listed in the Kyoto Protocol: carbon dioxide (CO <sub>2</sub> ); methane (CH <sub>4</sub> ); nitrous oxide (N <sub>2</sub> O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF <sub>6</sub> ). The greenhouse gas effect is a process that occurs when gases in the earth's atmosphere trap the sun's heat, making the planet warmer. Gases that trap heat in the atmosphere are called greenhouse gases, and the main greenhouse gases are carbon dioxide, methane, nitrous oxide, and fluorinated gases.
Greenhouse Gas Emissions - Scope 1, 2, and 3		Scope 1: Emissions from operations that are owned or controlled by Southwest Airlines Co. Scope 2: Indirect emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by Southwest Airlines Co. Scope 3: All other indirect emissions (not included in Scope 2) that occur in the value chain of Southwest Airlines Co., including both upstream and downstream emissions.
Ground Support Equipment	GSE	The equipment used at airports, typically located on the ramp, tarmac, or servicing area near the terminal, to support aircraft operations while on the ground. Examples include belt loaders, pushback tugs, baggage carts, fuel trucks, and power units.
Hazardous Waste		The waste materials with properties that make them dangerous or potentially harmful to human health or the environment. It is generated from various sources, including industrial manufacturing processes, batteries, and other common items. Hazardous waste can exist in multiple forms, such as liquids, solids, gases, or sludges, and requires specialized handling, treatment, and disposal to mitigate risks.
Intergovernmental Panel on Climate Change	IPCC	An intergovernmental body of the United Nations whose mission is to advance scientific knowledge about climate change caused by human activities.
Intensity Ratio		Represents the impact of a specific factor (e.g., energy consumption, emissions, etc.) relative to a unit of activity, output, or another organization-specific metric. These ratios are often referred to as normalized environmental impact data, as they provide a standardized way to measure and compare environmental impacts in relation to operational performance or scale.

Term	Acronym	Definition
Lifecycle Basis		All GHG emissions produced during the fuel's entire process from extracting or collecting the feedstock to refining, transporting, and ultimately using the fuel.
Location-Based Scope 2 Emissions		A method to quantify Scope 2 GHG emissions based on average energy generation emission factors for defined locations, including local, subnational, or national boundaries.
Market-Based Scope 2 Emissions		A method to quantify Scope 2 GHG emissions based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with instruments, or unbundled instruments on their own.
Mishandled Bags		The total number of mishandled bags per 100 enplaned bags (checked bags enplaned including wheelchairs and scooters in cargo) for scheduled domestic flights.
Neat SAF		Sustainable Aviation Fuel that is entirely free of all fossil fuels and not blended.
Net Promoter Score	NPS	A metric used to measure Customer loyalty and satisfaction by gauging the likelihood that Customers would recommend a product, service, or organization to others.
Net Zero Carbon Emissions		A state where the amount of carbon dioxide (CO <sub>2</sub> ) emitted into the atmosphere is balanced by an equivalent amount removed or offset.
New Hires		External hires into Southwest.
Non-Employee Workers		Workers retained through third-party agencies to provide staff augmentation services for non-collective bargaining agreement roles. These positions include coverage for non-contract Employees on leave or supplementary staffing for specific project work. This definition does not encompass personnel from professional or managed services organizations engaged by Southwest.
Non-Governmental Organizations	NGOs	Independent, nonprofit entities that operate autonomously.  Southwest currently partners with the following NGOs: <ul style="list-style-type: none"><li>• Commercial Aviation Alternative Fuels Initiative (CAAFI)</li><li>• Rocky Mountain Institute (RMI)</li><li>• Aviation Climate Taskforce</li><li>• Airlines for America (A4A)</li><li>• Boston College Center for Corporate Citizenship</li><li>• World Economic Forum's Clean Skies for Tomorrow Coalition</li><li>• Airport Cooperative Research Program (ACRP)</li></ul>



Term	Acronym	Definition
Ontime Performance		The calculation is determined by the number of marketing carrier domestic and international flights arriving at the gate less than 15 minutes after the scheduled arrival time as a percentage of the total number of scheduled domestic and international flights.
Ontime Net Promoter Score		The calculation of NPS results of Customers who arrived at their destination ontime and did not experience a disruption.
Operating Expenses per ASM	CASM	Calculated as operating expenses divided by available seat miles (ASMs), commonly referred to as "unit costs" or "costs per available seat mile." This metric represents the average cost to operate an aircraft seat—whether occupied or not—over one mile and serves as a key indicator of cost efficiency.
Operating Expenses per ASM, Excluding Fuel		Calculated as operating expenses, excluding fuel and oil costs, divided by available seat miles (ASMs). Known as "non-fuel unit costs," this metric represents the average cost to operate an aircraft seat—whether occupied or not—over one mile, excluding fuel and oil expenses. It serves as a key measure of cost efficiency.
Operating Expenses per ASM, Excluding Fuel and Oil Expense, Special items, and Profitsharing	CASM-X	Calculated as operating expenses, excluding fuel and oil, special items, and profit sharing costs, divided by available seat miles (ASMs). This metric, which measures cost efficiency, represents the average cost to operate an aircraft seat—whether occupied or not—over one mile, excluding the specified expenses. <sup>41</sup>
Operating Revenue Yield per ASM	RASM	Calculated as operating revenues divided by available seat miles (ASMs), this metric, also known as "operating unit revenues," represents the average operating revenue generated from flying an aircraft seat—whether occupied or not—over one mile during a specific period. It serves as a measure of operating revenue production.
Other Leaders		All People Leader positions at Southwest below the VP level.
Passenger Load Factor		Calculated as revenue passenger miles (RPMs) divided by available seat miles (ASMs) measures the percentage of available seating capacity that has been filled with paying Passengers.
Passenger Revenue Yield per RPM		Calculated as Passenger revenue divided by Revenue Passenger Miles (RPM). Also referred to as "yield," this is the average cost paid by a paying Passenger to fly one mile, which is a measure of revenue production and fares.
Production Activity		Unit of activity, output, or other organization specific metric.
Red-eye flights		With a red-eye flight, you will depart late at night and arrive early the following morning. Red-eye flights typically operate between 10 p.m. and 7 a.m. local time.

Term	Acronym	Definition
Regulators		<p>Regulators are governmental or authorized bodies that establish and enforce rules across various industries including aviation. They develop policies, monitor compliance, and take enforcement actions against non-compliant practices.</p> <p>Southwest engages with the following regulators:</p> <ul style="list-style-type: none"><li>• Department of Defense (DOD)</li><li>• Department of Transportation (DOT)</li><li>• Environmental Protection Agency (EPA)</li><li>• Federal Aviation Administration (FAA)</li><li>• Securities and Exchange Commission (SEC)</li><li>• Transportation Security Administration (TSA)</li></ul>
Renewable Energy Certificate	REC	Represents the property rights to the environmental, social, and other non-power attributes associated with the generation of renewable electricity. It serves as a transferable proof that one megawatt-hour (MWh) of electricity was produced from a renewable energy source.
Revenue Passenger Mile	RPM	One paying Passenger flown one mile. This metric, also referred to as "traffic," measures demand over a specific period.
Revenue Passengers Carried	O&Ds	The total number of paying passengers transported from origin to destination over a specified period. This metric serves as a key indicator of passenger demand and airline performance.
Revenue Ton Kilometer	RTK	One U.S. ton of revenue traffic (Passenger and cargo) transported one kilometer.
SAF Grand Challenge		Part of the US Climate Action Plan includes an aspirational goal to increase SAF production domestically to 3 billion gallons by 2030 and enough to meet domestic airlines' expected jet fuel consumption by 2050 (~35 billion gallons).
SAF Pathways		There are several approved pathways to convert feedstocks into SAF, including: Hydroprocessed fatty acid esters and fatty acids (HEFA) converts fats, oils, and greases (FOGs) into jet fuel; Alcohol-to-jet (ATJ) converts ethanol or isobutanol made from biomass into jet fuel; and Gasification/Fischer-Tropsch (FT) converts biomass into jet fuel. FT can also be used to convert carbon from direct air capture (DAC) into jet fuel (Power-to-Liquids (PtL), synfuel, or e-fuel).
Scheduled Service		Flights in the published schedule, domestic and international. Excludes ferries and charters.
Scientific Models		Based on the modeling of the International Energy Agency (IEA)'s Energy Technology Perspectives report.
Senior Leadership		Director and Managing Director positions at Southwest.



Term	Acronym	Definition
Senior Management Committee	SMC	See Executives.
Special Items		Expenses or sources of income not regularly part of of Southwest's ongoing operations.
Sustainable Aviation Fuel	SAF	Aviation fuel produced from non-fossil fuel sources that can result in lower greenhouse gas (GHG) emissions than conventional jet fuel on a lifecycle basis.
Tarmac Delays (2 hours or more)		The total number of operating carrier domestic flights delayed on tarmac for more than 2 hours as a percentage of the total number of scheduled domestic flights.
Tier 1 Suppliers		Companies that supply products, components, or services directly to the manufacturer or end producer. They are the closest suppliers in the supply chain to the final product assembly and often have a direct contractual relationship with the manufacturer.
Tier 2 Suppliers		Companies that supply goods, components, or services to Tier 1 suppliers, rather than directly to the manufacturer or end producer. They play an essential role in the supply chain by providing raw materials, sub-components, or specialized services that Tier 1 suppliers need to produce their final products.
Total Employees		Active and on-leave Employees as of designated period end.
Total Energy Consumption		Total fuel consumed (non-renewable and renewable) plus electricity, heating, cooling, and steam purchased for consumption.
Turnover		Employees who terminated from Southwest during the period. Includes retirements, voluntary and involuntary terminations, etc.
Turnover Rate		Total turnover during a specific 12-month time period divided by average headcount during the same time period.
Value Chain		The entire lifecycle of a product or process, spanning all stages from material sourcing to end-of-life. It includes sourcing, production, distribution, and disposal, emphasizing the interconnectedness and interdependence of each step in creating and delivering value.
Value of Employee Volunteer Hours		Based on Independent Sector's value of volunteer time of \$33.49 per hour (updated April 2024).
Water Consumption		Water usage at our domestic facilities.
Well-to-Wake Emissions		CO <sub>2</sub> e emissions resulting from the production, logistics, and combustion of jet fuel.
WN		Southwest Airlines' unique two-character airline code assigned by the International Air Transport Association; pronounced “win”.





# Endnotes

Number	Endnote Description
1.	The Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC) are two nonprofit organizations that certify forest products as sustainably sourced. Both organizations use independent third parties to verify that forests are managed responsibly.
2.	Weight compared to a 2022 baseline and includes single-use plastics for inflight service. Single-use plastics from inflight service include: (1) the packaging (e.g., plastic bottles) from our snack and beverage program; (2) serviceware items including cups, lids, straws, stir sticks, and overwrap for napkins; and (3) other miscellaneous packaging (e.g., polywrap, coffee creamer container). In 2025, we revised our 2030 goal to provide a quantitative target.
3.	Based on Wall Street Journal ranking of U.S. airlines (Southwest, Alaska, Allegiant, American, Delta, Frontier, JetBlue, Spirit, and United) using seven equally weighted objective industry operational performance metrics. Data sourced from masFlight and the U.S. Department of Transportation (DOT), leveraging the current definitions and the methodology used by these entities.
4.	Customers received 10 points per dollar. Minimum donation of \$25 with a maximum earning threshold of 10,000 points. Make-A-Wish must collect and share Rapid Rewards® number at the time of donation to Southwest Airlines for the donor to receive the points.
5.	Includes Employees who are members of unions, but are serving in Leadership and Individual Contributor positions.
6.	Southwest made additional gender markers available to Customers and Employees in November. This update aligns with passport and various state ID gender markers. At the end of 2024, one (1) Employee had provided a gender of Unspecified; as a result, totals may reflect more than the sum of Male and Female Employees.
7.	In 2024, our turnover rate methodology changed and is calculated as the number of Employees who terminated from Southwest during the fiscal year divided by the average total number of Employees during the same fiscal year. Prior year figures have been restated to reflect the current calculation methodology.
8.	Includes Southwest’s contributions to Employee health and welfare plans, workers’ compensation insurance, and employer payroll taxes. 2020 includes one-time accrual for Employees participating in voluntary separation programs.
9.	All Southwest Employees are eligible to participate in the Southwest ProfitSharing Plan starting on their date of hire. To receive a contribution, the Employee must be credited with 1,000 vesting hours during the plan year. An Employee is credited with 190 hours of service for each month in which they complete at least one hour of service (or one trip, in the case of Flight Attendants and Pilots). Therefore, the Employee must work at least one day in six different months to receive the 1,000-hour credit needed to be eligible for a contribution.

Number	Endnote Description														
10.	Our 2023-2020 data for parental leave reported figures from the prior year. However, beginning with 2024, our methodology and systems changed to report figures that reflect data within the reported fiscal year (i.e., January 1, 2024-December 31, 2024). Given the new methodology, we are including disclosure of 2023 data since the parental leave data table reflects prior year data reported from 2023 to 2020 (i.e., 2022 to 2019).														
<table><tr><th>Benefits</th><th>2023</th></tr><tr><td>Total Number of Noncontract Employees That Were Eligible for Paid Parental Leave</td><td>7,956 Male 6,059 Female</td></tr><tr><td>Total Number of Noncontract Employees That Took Paid Parental Leave, by Gender</td><td>250 Male 195 Female</td></tr><tr><td>Total Number of Noncontract Employees That Returned to Work After Parental Leave Ended, by Gender</td><td>249 Male 192 Female</td></tr><tr><td>Total Number of Noncontract Employees That Returned to Work After Parental Leave Ended and Are Still Employed 12 Months After Their Return to Work, by Gender</td><td>165 Male 126 Female</td></tr><tr><td>Return to Work Rate of Noncontract Employees That Took Parental Leave, by Gender</td><td>99.6% Male 98.5% Female</td></tr><tr><td>Return to Work Retention Rate of Noncontract Employees That Took Parental Leave, by Gender</td><td>91.1% Male 92.6% Female</td></tr></table>		Benefits	2023	Total Number of Noncontract Employees That Were Eligible for Paid Parental Leave	7,956 Male 6,059 Female	Total Number of Noncontract Employees That Took Paid Parental Leave, by Gender	250 Male 195 Female	Total Number of Noncontract Employees That Returned to Work After Parental Leave Ended, by Gender	249 Male 192 Female	Total Number of Noncontract Employees That Returned to Work After Parental Leave Ended and Are Still Employed 12 Months After Their Return to Work, by Gender	165 Male 126 Female	Return to Work Rate of Noncontract Employees That Took Parental Leave, by Gender	99.6% Male 98.5% Female	Return to Work Retention Rate of Noncontract Employees That Took Parental Leave, by Gender	91.1% Male 92.6% Female
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11.	For 2023 and 2024, reported figures are from prior year to facilitate calculation of 12-month retention rates.														
12.	Calculated as total number of Employees that returned from parental leave divided by total number of Employees that took parental leave in the reported year.														
13.	For 2024 and 2023, calculated as total number of Employees that returned from parental leave and were still employed 12 months after their return divided by total number of Employees taking parental leave in the prior year. For 2023 to 2020, calculated as total number of Employees that returned from parental leave and were still employed 12 months after their return divided by total number of Employees taking parental leave in the reported year.														



Number	Endnote Description
14.	Representative of 2024 performance only, and prior performance does not guarantee that the Company will be able to meet its stated sustainability goals. Intensity reduction percentages represent reductions as of December 31, 2024.
15.	Our carbon emissions intensity reduction goals are compared against a 2019 baseline on a revenue ton kilometer (RTK) basis [including Scope 1, Scope 2, and Scope 3 Category 3 emissions (upstream emissions of jet fuel)] and includes the use of SAF and excludes the use of carbon offsets. Our net zero by 2050 goal includes Scope 1, Scope 2, and Scope 3 Category 3 emissions only and excludes any emissions associated with non-fuel products and services, such as inflight service items.
16.	The EUI goal was re-baselined in 2025 using 2019 as the new reference year, replacing the previous 2022 baseline. The new baseline is aligned with our emissions intensity goals and pre-pandemic office occupancy, which is a more appropriate comparison given the return to office and building occupancy levels we expect going forward.
17.	Detailed risk factors, including those specific to extreme weather events and climate change, are discussed under the heading “Risk Factors” in the Company’s Annual Report on <a href="#">Form 10-K</a> for the fiscal year ended December 31, 2024.
18.	See U.S. Department of Energy’s SAF Grand Challenge Roadmap released September 2022.
19.	Southwest continues to evaluate opportunities to procure and support the scaled production of SAF. SAF supply and related opportunities are subject to a number of legal, regulatory, financial, technical and commercial risks. Procuring increasing volumes of SAF for our operations is subject to a number of uncertainties outside our control, and while we may enter into various agreements for the offtake of, or investment in, the production of SAF, we cannot guarantee that the third parties we enter into these agreements with will ultimately be able to successfully deliver or produce sufficient volumes of SAF on commercially reasonable terms, if at all. Some SAF projects, including projects we have previously pursued or for which we have entered into offtake agreements, have not succeeded or could fail to succeed for reasons that may be outside our control, and we cannot guarantee that we will be able to successfully execute and/or commercialize future SAF-related opportunities. Any inability to procure SAF at sufficient volumes and on commercially reasonable terms could also impact our stated sustainability goals.
20.	The fuel savings goal was revised in 2024 to align with the implementation of our new Flightkeys system and enhanced tracking capabilities. In this context, “fuel savings” refers to the reduction in fuel consumption achieved through operational improvements and efficiency measures, such as aircraft weight reduction, single engine taxiing, minimized auxiliary power unit (APU) usage, optimized flight planning, and other fuel-efficient practices. Progress toward the updated goal will be reported beginning with the 2025 One Report, scheduled for release in 2026.
21.	Verified offsets are defined as credits that have undergone independent third-party verification by an accredited verification body to have followed the methodologies and protocols of the applicable program in the development and execution of project activities.

Number	Endnote Description
22.	Based on cold cup and stir stick usage for calendar year 2023.
23.	This year’s data reflects updates to emission factors and energy conversion factors to align with standards and guidance from IATA, EIA, and CDP. These updates use updated emissions factors but may affect comparability with data from previous years.
24.	The U.S. Green Building Council defines rapidly renewable building materials and products as those made from agricultural products that are typically harvested within a 10-year or shorter cycle, including bamboo.
25.	Based on replacing anticipated 2025 plastic cold cup and stir stick volumes as of October 2024.
26.	The 737 MAX 8 is approximately 14% more fuel-efficient than the 737-800. The 737 MAX 7 is expected to produce comparable fuel efficiency improvement compared with the 737-700.
27.	A quantitative impact analysis was not part of this scope of work. Given the estimates, assumptions, timelines, and nature of this analysis, at this time Southwest cannot accurately predict the impact of any potential losses or costs associated with the physical and transitional effects of climate change. Detailed risk factors, including those specific to extreme weather events and climate change, are discussed under the heading “Risk Factors” in the Company’s Annual Report on <a href="#">Form 10-K</a> for the fiscal year ended December 31, 2024.
28.	Unless otherwise noted, the potential hazard impact assessment displayed for physical climate-related risks are based on SSP2-4.5 (intermediate emissions scenario). The potential hazard impact scores provided are based on potential exposure and vulnerability to certain physical risks. Exposure means the chance of a specific climate-related hazard occurring, which can vary over time. Vulnerability means how a site may be impacted by a climate-related hazard. The exposure scores use multiple sources of publicly available, peer-reviewed climate science data and confidence levels to reflect the potential acute and chronic changes to the climate. A high impact means a high potential likelihood of significant changes to the physical climate at a site. The impact scores do not consider each Southwest site’s ability to change, adapt, and continue to operate, nor does it factor in Southwest’s and a community’s adaptive capacity, response, and resilience measures.
29.	Unless otherwise noted, the potential hazard impact assessment displayed for climate-related transitional risks and opportunities are based on the Delayed Transition scenario. The potential hazard impact scores provided are based on potential exposure and sensitivity to certain climate-related transition risks and opportunities. Exposure means the degree to which Southwest could be impacted by a climate-related transition risk and/or opportunity. Sensitivity scoring measures factors influencing potential impacts of a climate-related transition risk and/or opportunity. The exposure scores leverage information provided by Southwest about the present-day exposure and consider how these risks may change over time according to the Network for Greening the Financial System (NGFS) scenario data, supplemented with insights from the International Energy Agency (IEA) scenarios. While IEA scenarios provided supplemental insights, they were not factored into final scoring. The sensitivity scoring is specific to Southwest and was developed through internal Stakeholder interviews, a review of relevant project materials, as well as disclosures from Southwest’s and peers’ public risk disclosures.



Number	Endnote Description
30.	Water consumption is primarily for domestic use at our facilities.
31.	Reported emissions and intensity metrics reflect the environmental attributes of SAF, which may have been allocated to and supported by Customers. Customers who wish to calculate their own emissions from flying on Southwest flights may not claim such environmental attributes without Southwest’s consent.
32.	In 2023, as part of our move to reasonable assurance in accordance with ISO standards, we made updates to the emission factors applicable to our Scope 1 and Scope 3, Category 3 emissions, including our fuel density figure to align with ICAO standards. These updates resulted in a <1% change in our emissions compared with prior reporting. For consistency in how we measure progress against our emissions intensity goal with a baseline year of 2019, we have restated prior year metrics using these updated factors.
33.	Includes baggage-tugs, belt-loaders, and pushbacks. In 2024, the deadline for the GSE electrification goal was adjusted (from 2030 to 2035) to reflect evolving operational, financial, and regulatory conditions.
34.	Emissions from refrigerant losses are not included in our emissions inventory due to their de minimus impact on our overall emissions.
35.	Represents the gross biogenic product CO <sub>2</sub> emissions from the combustion of sustainable aviation fuel, which are outside of all scopes.
36.	Scope 2 location-based emissions decreased in 2024 due to a combination of reduced energy consumption in our buildings and updated eGRID emission factors.
37.	Scope 2 market-based emissions decreased in 2024 due to a combination of reduced energy consumption in our buildings and updated eGRID emission factors.
38.	Emissions for Scope 3, Category 1 (Purchased Goods and Services) decreased in 2024 due to the reclassification of business travel-related emissions, which are now reported under Scope 3, Category 6 (Business Travel). Additionally, updated emission factors associated with the North American Industry Classification System (NAICS) contributed to the reduction.
39.	The 2024 data reflects emissions from our Dallas (DAL) facility only. While we previously reported stationary NO <sub>x</sub> and SO <sub>x</sub> emissions for our DAL and Phoenix (PHX) facilities in our prior reports as part of our annual regulatory emissions inventories, we are not currently required to prepare emissions inventories at locations other than DAL. As a result, NO <sub>x</sub> and SO <sub>x</sub> emissions are not calculated for any location other than our DAL facility. In the event we are required to prepare emissions inventories at locations other than DAL, those emissions will be included in future reporting.
40.	Waste and material recycled from aircraft and select facilities as part of Southwest’s waste management and co-mingled recycling programs. Data is not available for all locations where Southwest operates. Does not include international flights due to regulations that require waste from international flights to be sterilized.

Number	Endnote Description
41.	<p>The Company's Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). These GAAP financial statements may include (i) unrealized noncash adjustments and reclassifications, which can be significant, as a result of accounting requirements and elections made under accounting pronouncements relating to derivative instruments and hedging and (ii) other charges and benefits the Company believes are unusual and/or infrequent in nature and thus may make comparisons to its prior or future performance difficult.</p> <p>As a result, the Company also provides financial information in this report that was not prepared in accordance with GAAP and should not be considered as an alternative to the information prepared in accordance with GAAP. The Company provides supplemental non-GAAP financial information (also referred to as "excluding special items"), including results that it refers to as "economic," which the Company's management utilizes to evaluate its ongoing financial performance and the Company believes provides additional insight to investors as supplemental information to its GAAP results. The non-GAAP measures provided that relate to the Company’s performance on an economic fuel cost basis include: Operating income, non-GAAP; Adjusted Operating income, non-GAAP; Income tax rate, non-GAAP; and Net income, non-GAAP.</p> <p>The Company's economic fuel and oil expense results differ from GAAP results in that they only include the actual cash settlements from fuel hedge contracts - all reflected within Fuel and oil expense in the period of settlement. Thus, Fuel and oil expense on an economic basis has historically been utilized by the Company, as well as some of the other airlines that utilize fuel hedging, as it reflects the Company’s actual net cash outlays for fuel during the applicable period, inclusive of settled fuel derivative contracts. Any net premium costs paid related to option contracts that are designated as hedges are reflected as a component of Fuel and oil expense, for both GAAP and non-GAAP (including economic) purposes in the period of contract settlement. The Company believes these economic results provide further insight into the impact of the Company’s fuel hedges on its operating performance and liquidity since they exclude the unrealized, noncash adjustments and reclassifications that are recorded in GAAP results in accordance with accounting guidance relating to derivative instruments, and they reflect all cash settlements related to fuel derivative contracts within Fuel and oil expense. This enables the Company’s management, as well as investors and analysts, to consistently assess the Company's operating performance on a year-over-year or quarter-over-quarter basis after considering all efforts in place to manage fuel expense. However, because these measures are not determined in accordance with GAAP, such measures are susceptible to varying calculations, and not all companies calculate the measures in the same manner. As a result, the aforementioned measures, as presented, may not be directly comparable to similarly titled measures presented by other companies.</p> <p>Further information on (i) the Company's fuel hedging program, (ii) the requirements of accounting for derivative instruments, and (iii) the causes of hedge ineffectiveness and/or mark-to-market gains or losses from derivative instruments is included in Note 10 to the Consolidated Financial Statements on <a href="#">Form 10-K</a> for the fiscal year ended December 31, 2024.</p>



Number	Endnote Description
41.	<p>The Company's GAAP results in the applicable periods may include other charges or benefits that are also deemed "special items," that the Company believes make its results difficult to compare to prior periods, anticipated future periods, or industry trends. Financial measures identified as non-GAAP (or as excluding special items) have been adjusted to exclude special items. For the periods presented, in addition to the items discussed above, special items include:</p> <ul style="list-style-type: none"><li>a. Reversal of breakage revenue recorded in prior years related to a portion of flight credits issued to Customers during 2022 and prior that have either been redeemed or are expected to be redeemed in future periods. The majority of these flight credits were issued during the COVID-19 pandemic as the Company was making significant changes to its flight schedules based on fluctuating demand, which made it difficult to estimate future redemption patterns when compared against historical Customer behavior;</li><li>b. Incremental expense associated with a voluntary separation program that allowed eligible Employees the opportunity to voluntarily separate from the Company in exchange for severance, medical/dental coverage for a specified period of time, and travel privileges based on years of service;</li><li>c. Incremental expense associated with contract ratification bonuses for various workgroups related to additional compensation for services performed by Employees outside the applicable fiscal period;</li><li>d. Expenses associated with incremental professional advisory fees related to activist investor activities, which were not budgeted by the Company, are not associated with the ongoing operation of the airline, and are difficult to predict in future periods;</li><li>e. Charges associated with tentative litigation settlements regarding certain California state meal-and-rest-break regulations for flight attendants and an arbitration award in favor of the Company's Pilots relating to a collective-bargaining matter; and</li><li>f. Expenses associated with professional advisory fees related to the Company's implementation of its comprehensive transformational plan.</li></ul> <p>Because management believes special items can distort the trends associated with the Company's ongoing performance as an airline, the Company believes that evaluation of its financial performance can be enhanced by a supplemental presentation of results that exclude the impact of special items in order to enhance consistency and comparativeness with results in prior periods that do not include such items and as a basis for evaluating operating results in future periods.</p> <p>The following measures are often provided, excluding special items, and utilized by the Company's management, analysts, and investors to enhance comparability of year-over-year results, as well as to industry trends: Operating income, non-GAAP; Adjusted Operating income, non-GAAP; Income tax rate, non-GAAP; and Net income, non-GAAP.</p>

Number	Endnote Description
41.	<p>The Company has also provided its calculation of return on invested capital, which is a measure of financial performance used by management to evaluate its investment returns on capital. Return on invested capital is not a substitute for financial results as reported in accordance with GAAP and should not be utilized in place of such GAAP results. Although return on invested capital is not a measure defined by GAAP, it is calculated by the Company, in part, using non-GAAP financial measures. Those non-GAAP financial measures are utilized for the same reasons as those noted above for Net income, non-GAAP and Operating income, non-GAAP. The comparable GAAP measures include charges or benefits that are deemed "special items" that the Company believes make its results difficult to compare to prior periods, anticipated future periods, or industry trends, and the Company's profitability targets and estimates, both internally and externally, are based on non-GAAP results since "special items" cannot be reliably predicted or estimated. The Company believes non-GAAP return on invested capital is a meaningful measure because it quantifies the Company's effectiveness in generating returns relative to the capital it has invested in its business. Although return on invested capital is commonly used as a measure of capital efficiency, definitions of return on invested capital differ; therefore, the Company is providing an explanation of its calculation for non-GAAP return on invested capital in the accompanying reconciliation in order to allow investors to compare and contrast its calculation to the calculations provided by other companies.</p> <p>Information regarding special items and reconciliation of reported amounts to amounts excluding special items are included in the accompanying reconciliation tables in the Performance section.</p>
42.	<p>Cash dividends for fiscal year 2022 were restated from the 2023 One Report. See the Consolidated Statement of Stockholders' Equity of the <a href="#">2024 Form 10-K</a>.</p>
43.	<p>The potential hazard impact scores for tropical cyclones are derived from an assessment of historical occurrences within a 60-miles radius of each site, with greater weighting given to the magnitude of the wind speed of the tropical storm events, as these may cause more damage. Given spatial resolution limitations of climate models, future tropical cyclone risks could not be projected for 2035 or 2050, thus exposure risk scores for tropical cyclones were held constant over time and across both scenarios.</p>
44.	<p>Included three, four, and six Boeing 737 Next Generation aircraft in temporary storage as of December 31, 2024, 2022, and 2021, respectively and 60 Boeing 737 Next Generation aircraft in long-term storage as of December 2021 and 2020. Also included 32 and 34 Boeing MAX 8 aircraft in long-term storage as of December 31, 2020 and 2019, respectively.</p>
45.	<p>Represents a change in breakage revenue estimate related to flight credits the Company issued to Passengers during 2022 and prior. On July 28, 2022, the Company modified its policy and announced that all unexpired flight credits as of that date, including a significant volume of such credits issued to impacted Customers during the COVID-19 pandemic as the Company was making significant changes to its schedules based on fluctuating demand, will no longer have an expiration date and thus will be able to be redeemed by Customers indefinitely. This change in policy was considered a contract modification under ASC 606, Revenue from Contracts with Customers, and the Company accounted for such change prospectively in third quarter 2022.</p>



Number	Endnote Description
45.	At that time, based on historical Customer behavior, the Company estimated that redemptions of these flight credits would have been reduced to an immaterial amount during 2024 and recognized breakage revenue in prior periods for these flight credits accordingly; however, based on actual Customer redemptions throughout 2024, as well as currently projected redemptions beyond 2024, the Company determined a reversal of a portion of this prior breakage revenue was warranted in the current period. This adjustment is not reflective of base business revenue trends in fourth quarter 2024 or beyond. See the Note Regarding Use of Non-GAAP Financial Measures in the <a href="#">2024 Form 10-K</a> for further information.
46.	Represents changes in estimate related to the contract ratification bonuses for the Company's Ramp, Operations, Provisioning, & Cargo Agents as part of the tentative agreement ratified in March 2024 with TWU 555. The Company began accruing for all of its open labor contracts on April 1, 2022. See the Note Regarding Use of Non-GAAP Financial Measures in the <a href="#">2024 Form 10-K</a> for further information.
47.	See Note 10 to Consolidated Financial Statements contained in the <a href="#">2024 Form 10-K</a> for further information.
48.	Tax amounts for each individual special item are calculated at the Company's effective rate for the applicable period and totaled in this line item.
49.	Net adjustment related to presumption that all aircraft in fleet are owned (i.e., the impact of eliminating aircraft rent expense and replacing with estimated depreciation expense for those same aircraft). The Company makes this adjustment to enhance comparability to other entities that have different capital structures by utilizing alternative financing decisions.
50.	The GAAP full year tax rate as of December 31, 2024, was 22.2%, and the full year Non-GAAP tax rate was 23.1%. See Note Regarding Use of Non-GAAP Financial Measures in the <a href="#">2024 Form 10-K</a> for additional information.
51.	Calculated as an average of the five most recent quarter end balances or remaining obligations. The Net present value of aircraft operating leases represents the assumption that all aircraft in the Company's fleet are owned, as it reflects the remaining contractual commitments discounted at the Company's estimated incremental borrowing rate as of the time each individual lease was signed.
52.	The Equity adjustment in the denominator adjusts for the cumulative impacts, in Accumulated other comprehensive income and Retained earnings, of gains and/or losses that will settle in future periods, including those associated with the Company's fuel hedges. The current period impact of these gains and/or losses is reflected in the Net impact from fuel contracts in the numerator.
53.	Due to changes in the operations in 2020 from circumstances at the time, results from 2020 do not provide a meaningful yearly performance comparison.

Number	Endnote Description
54.	The 2024 Safety metrics are based on best available information from April 22, 2025 but are subject to revision as more information becomes available regarding 2024 known injury claims. Our 2023 reporting has been adjusted to reflect subsequent information regarding claims which resulted in slight increases in the metrics reported in the 2023 One Report. It was also discovered that Lost Time Injury Claim Index and OSHA Recordable Injury Index metrics were reversed in the 2023 One Report and have been corrected for the 2024 One Report.
55.	As measured by the Department of Transportation O&D Survey for the twelve months ended September 30, 2024, based on domestic originating passengers boarded.
56.	Five extra inches of seat pitch is available on the 737-700 aircraft. Seat pitch will vary by aircraft type.
57.	Cirium data June 2025 schedules of U.S. domestic air carriers.
58.	Fare and rate difference may apply. Changes or cancellations may be subject to supplier penalties.
59.	As a U.S. based company, Southwest Airlines Co. is subject to GAAP accounting practices as required by the U.S. Securities and Exchange Commission. Given these requirements, we have aligned with the 2018 SASB Framework, which follows GAAP accounting practices.
60.	Southwest reports our energy consumption in megawatt-hours (MWh), rather than gigajoules as outlined in the SASB metrics.



# Cautionary Statement Regarding Forward-Looking Statements

The Southwest Airlines One Report 2024 contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Specific forward-looking statements include, without limitation, statements related to (i) the Company’s Vision and focus areas; (ii) the Company’s goals, plans, strategic priorities, and initiatives, in particular with respect to Customer Experience initiatives, including upgrades to WiFi hardware, larger overhead bins, and in-seat power installations; improving financial performance, restoring financial strength, and driving sustained long-term Shareholder value; maximizing efficiencies and making the most of investments; operational and performance goals and initiatives; People and Hospitality goals; adapting to evolving Customer expectations; enhancing distribution strategy; loyalty program goals, network goals, strategies, and initiatives; and environmental sustainability goals, including with respect to achieving net zero carbon emissions, reducing carbon emissions intensity, replacing conventional jet fuel with sustainable aviation jet fuel, offsetting carbon emissions, engaging with third parties, reducing energy consumption at the Company’s Corporate Campus and Dallas Maintenance Hanger, reducing single-use plastics, and electrifying the Company’s ground support equipment; (iii) the Company’s financial and operational outlook, expectations, goals, plans, and projected results of operations, including with respect to its initiatives, and including factors and assumptions underlying the Company’s expectations and projections; (iv) the Company’s plans, expectations, and goals regarding its fleet, fleet delivery schedule, fleet modernization, and fuel efficiency, including with respect to deliveries, retirements, retrofits, RECARO seats, and capabilities and factors and assumptions underlying the Company’s plans and expectations; (v) the Company’s Safety goals, policies, initiatives, priorities, and focus areas, including with respect to training; (vi) the Company’s plans and expectations with respect to assigned and premium seating, airline partners, and Getaways by Southwest vacations product; (vii) the Company’s goals, plans, targets, initiatives, and expectations regarding environmental sustainability, including investments, contracts, fuel usage, and capital expenditures

and opportunities; (viii) the Company’s expectations with respect to sustainable aviation fuel (SAF) contracts, offtake agreements, SAF policies, and the SAF market, including delivery, usage, volume, affordability, and quality expectations; (ix) the Company’s estimations and goals with respect to reduction of single-use plastics; (x) the Company’s expectations with respect to flight planning software, fuel efficiency, and route optimization; (xi) the Company’s goals and plans with respect to fuel savings initiatives, including with respect to the use of electric ground power and preconditioned air for aircraft at the gate; (xii) the Company’s goals, plans, and initiatives with respect to energy usage at its headquarters and other facilities; (xiii) the Company’s expectations with respect to air traffic improvements; (xiv) the Company’s expectations with respect to Southwest Airlines Renewable Ventures LLC, LanzaJet, and LanzaJet technology; (xv) the Company’s plans and expectations with respect to circularity, recycling, and upcycling; (xvi) the Company’s assessments of potential climate-related risks, sensitivities to those climate-related risks, risk mitigation and reduction plans and strategies, and potential impacts to its business, plans, strategies, and results of operations; (xvii) the Company’s assessments of other risks, including regulatory, compliance, and government policy, litigation, consumer preferences, and increased costs; (xviii) the Company’s goals, plans, and expectations with respect to waste, conservation, and water management; (xix) the Company’s plans and expectations with respect to risk management, including with respect to data privacy, cybersecurity, and supply chain disruption; and (xx) the Company’s expectations regarding developing technology. These forward-looking statements are based on the Company’s current estimates, intentions, beliefs, expectations, goals, strategies, and projections for the future and are not guarantees of future performance. Forward-looking statements involve risks, uncertainties, assumptions, and other factors that are difficult to predict and that could cause actual results to vary materially from those expressed in or indicated by them. Factors include, among others, (i) the impact of fears or actual outbreaks of diseases, extreme or severe weather and natural disasters, actions of competitors (including, without limitation, pricing, scheduling, capacity, and network decisions,

and consolidation and alliance activities), governmental actions, consumer perception, consumer uncertainties with respect to trade policies (including the imposition of tariffs), economic conditions, banking conditions, fears or actual acts of terrorism or war, sociodemographic trends, and other factors beyond the Company’s control, on consumer behavior and the Company’s results of operations and business decisions, plans, strategies, and results; (ii) the Company’s ability to timely and effectively implement, transition, operate, and maintain the necessary information technology systems and infrastructure to support its operations and initiatives, including with respect to revenue management and assigned and premium seating; (iii) consumer behavior and response with respect to the Company’s new commercial products and policies; (iv) the impact of fuel price changes, fuel price volatility, volatility of commodities used by the Company for hedging jet fuel, and any changes to the Company’s fuel hedging strategies and positions, on the Company’s business plans and results of operations; (v) the Company’s dependence on The Boeing Company (“Boeing”) and Boeing suppliers with respect to the Company’s aircraft deliveries, Boeing MAX 7 aircraft certifications, fleet and capacity plans, operations, maintenance, strategies, and goals; (vi) the Company’s dependence on the Federal Aviation Administration with respect to, among other things, the certification of the Boeing MAX 7 aircraft; (vii) the Company’s dependence on other third parties, in particular with respect to the development of proven SAF technology on a commercial scale, the availability of SAF infrastructure, the Company’s technology plans, the Company’s plans and expectations related to revenue management, online travel agencies, engine manufacturing, SAF and other fuel supply, maintenance, Global Distribution Systems, risk assessments, environmental sustainability, the production, transport, storage, blending, and distribution of SAF, and the impact on the Company’s operations and results of operations of any third party delays or nonperformance; (viii) the Company’s ability to timely and effectively prioritize its initiatives and focus areas and related expenditures, including its ability to implement and maintain the necessary processes to support the utilization of sustainable aviation fuel; (ix) the impact of labor matters on the Company’s

business decisions, plans, strategies, and results; (x) the impact of governmental regulations and other governmental actions on the Company’s business plans, results, and operations, including with respect to carbon emissions, SAF, SAF tax credits and incentives, environmental compliance requirements, and other sustainability matters; (xi) the Company’s ability to obtain and maintain adequate infrastructure and equipment to support its operations and initiatives; (xii) the Company’s dependence on its workforce, including its ability to employ and retain sufficient numbers of qualified Employees with appropriate skills and expertise to effectively and efficiently maintain its operations and execute the Company’s plans, strategies, and initiatives; (xiii) the cost and effects of the actions of activist shareholders; (xiv) any negative developments in any phase of LanzaJet’s business development; (xv) the continuation of government support for LanzaJet’s objectives and renewable fuels generally, including SAF; (xvi) the consequences of competition with other existing and new sources of aviation fuel, whether or not sustainable; (xvii) the affordability of SAF distribution and transportation costs; (xviii) the ability to obtain and protect intellectual property rights relating to the development and commercialization of necessary technology; and (xix) other factors, as described in the Company’s filings with the Securities and Exchange Commission, including the detailed factors discussed under the heading “Risk Factors” in the Company’s Annual Report on [Form 10-K](#) for the fiscal year ended December 31, 2024.

Caution should be taken not to place undue reliance on the Company’s forward-looking statements, which represent the Company’s views only as of the date this report is filed. The Company does not undertake or assume any obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events, or otherwise. The Company cannot guarantee that its risk analysis will not change or that it will not experience increased risks related to its operations and cannot accurately predict the impact of any potential losses or costs associated with the physical and transitional effects of climate change.



