

# KEEP CLIMBING: REACHING NEW HEIGHTS

## 2012 CORPORATE RESPONSIBILITY REPORT



# TABLE OF CONTENTS

## KEEP CLIMBING: REACHING NEW HEIGHTS

Letter from Richard H. Anderson, CEO ..... 3  
About Delta ..... 4

## GOVERNANCE

Governance and Ethics ..... 6

## RUNNING AN ETHICAL BUSINESS

Ethics ..... 12

## ENVIRONMENTALLY SUSTAINABLE

Environment ..... 18

## WORK TOGETHER, WIN TOGETHER

Employees ..... 34

## GLOBAL GOOD

Community ..... 52

## WHAT KEEPS DELTA FLYING

Customers ..... 58

## AN INNOVATIVE APPROACH

Strategic and Operational Investments ..... 70

## SUPPORTING ECONOMY

Economic ..... 77

## AWARDS AND RECOGNITION

..... 81

## APPENDIX

Energy Consumption ..... 84  
GRI 3.1 Indicators ..... 85  
List of Acronyms ..... 88  
Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures ..... 89



### ABOUT THIS REPORT

This report describes Delta Air Lines, Inc.'s corporate responsibility activities and performance since the last report, 2011 Delta Corporate Responsibility Report: Keep Climbing. Data included in this report are from the year 2012, unless otherwise noted. Delta self-declares this report to meet application level B of the Global Reporting Initiative (GRI) G3.1 Sustainability Reporting Guidelines. This year's report covers Delta's mainline operations in the United States; regional carriers and international facilities are not included in this report unless otherwise noted. For more information about this report, please contact: Helen Howes, Managing Director - Safety, Health and Environment, Delta Air Lines, Inc., 1020 Delta Boulevard, Atlanta, GA, 30354, email: [helen.howes@delta.com](mailto:helen.howes@delta.com)

# A MESSAGE FROM RICHARD

We made great progress as an airline in 2012, continuing our work to build a business model that will improve Delta's sustainability to the benefit of our customers, employees and shareholders for many years to come.

Thanks to the hard work of our employees, Delta achieved its safety goals and ran the best operation in its history. This hard work, coupled with improved revenue and cost control, led to our third consecutive profitable year. We shared that success by giving \$372 million in profit sharing and \$91 million in operations bonuses to our employees.

Our commitment to addressing our impact on the environment has never been stronger. We reduced our water consumption and recycled 48 percent of our non-hazardous waste in 2012. We also reduced our annual aircraft greenhouse gas emissions by 8.4 million metric tons compared to 2005, an 18.5 percent reduction. In addition, we posted our third-party verified 2005-2011 greenhouse gas emissions on The Climate Registry, a nonprofit organization with established standards for calculating, verifying and publicly reporting carbon footprints.

High fuel prices have become the new normal for our business, so we purchased an oil refinery that is expected to produce at least \$300 million in cost savings annually. And when it comes to making fleet decisions, efficiency and environmental factors play a significant role.

We are dramatically reducing the number of 50-seat regional jets we operate, replacing them with larger two-class aircraft that are far more fuel efficient. In addition to lowering our emissions, customers tend to prefer the larger jets because they offer amenities customers prefer, such as first class cabins, in-flight Wi-Fi and Economy Comfort seating.

We made several strategic investments that help customers conveniently travel around the world. To strengthen our global network, we've made investments to form lasting partnerships with Aeromexico, GOL and Virgin Atlantic Airways. We've also deepened our existing ties to partners Alaska Airlines and Virgin Australia.

Our financial success underwrites Delta's social responsibility. We contributed millions of dollars through direct donations and employee contributions to a host of civic causes around the globe as part of Delta's Force for Global Good. We are particularly proud of the Habitat for Humanity homes we built or rehabilitated in 2012. Our company values include building a great place to work and encouraging employee engagement in the communities where we live and work.

Along with this report, you can find more information about our commitment to corporate responsibility at [delta.com/responsibility](http://delta.com/responsibility).



Chief Executive Officer  
Delta Air Lines, Inc.



# ABOUT DELTA

## WORLDWIDE SERVICE

Delta Air Lines serves more than 160 million customers each year. With an industry-leading global network, Delta and the Delta Connection carriers offer service to nearly 340 destinations in 65 countries on six continents. Headquartered in Atlanta, Delta employs about 80,000 people worldwide and operates a combined fleet of nearly 1300 aircraft. A founding member of the SkyTeam global alliance, Delta participates in the industry's leading trans-Atlantic joint venture with Air France-KLM and Alitalia. Including its worldwide alliance partners, Delta and Delta Connection partners offers customers more than 13,000 daily flights across hubs in Amsterdam, Atlanta, Cincinnati, Detroit, Memphis, Minneapolis-St. Paul, New York-LaGuardia, New York-JFK, Paris-Charles de Gaulle, Salt Lake City and Tokyo-Narita. The airline's services include a world-class frequent flier loyalty program in SkyMiles, the award-winning BusinessElite service and more than 50 Delta Sky Clubs in airports worldwide. Delta is investing more than \$3 billion over the next several years in airport facilities and global products, services and technology to enhance the customer experience in the air and on the ground.

## KEY FIGURES



## RULES OF THE ROAD

Strong core values and a clear set of unifying behaviors provide a solid foundation for Delta's culture. Delta's "Rules of the Road" outlines to employees what it means to live out our values and leadership behaviors every day.

"Rules of the Road" was developed from a combination of Delta founder C.E. Woolman's personal values as expressed in an early employee handbook and the values and principles that current CEO Richard Anderson encourages his own family to follow. Originally prepared for Delta leaders in 2007, a cross-divisional team of employees was assembled in 2012 to review the document and provide input in order to refresh the content and make it more relevant to all employees in 2012 and beyond.

### DELTA'S CORE VALUES IN THE "RULES OF THE ROAD" ARE:

- Always tell the truth
- Always keep your deals
- Don't hurt anyone
- Try harder than all our competitors - never give up
- Care for our customers, our community and each other

Each of Delta's roughly 80,000 employees will receive a personal copy of "Rules of the Road" from their leader in 2013.



# GOVERNANCE



## BOARD OF DIRECTORS

Delta is proud of its long history of strong, ethical corporate governance. The Delta Board of Directors is committed to governing a sustainable, profitable company guided by Delta's Rules of the Road. Delta believes that sound corporate governance practices are essential to enhance long-term value for stockholders. The airline operates under governance practices that are transparent and consistent with best practices.

Delta's Board consists of 14 members, each bringing a unique background in business and management. Board members have been chosen based on their experience, character, judgment, skills and diversity. Independence, financial literacy and availability are also taken into account when considering new members.

For many years, Delta's Board of Directors has been composed of a substantial majority of independent directors, as prescribed by New York Stock Exchange listing requirements and the Dodd-Frank Reform Act. Since 2003, Delta has separated the role of Chairman of the Board and Chief Executive Officer because the Board believes this structure strengthens independence and enables the CEO to focus on the management of Delta's business. Delta's Board has established an Audit Committee, Corporate Governance Committee, Finance Committee, Personnel & Compensation Committee and a Safety and Security Committee to focus on particular Board responsibilities and duties.

The Board of Directors has ultimate authority for all aspects of sustainability, including Delta's operational, economic, environmental and social performance.

All members of the Board operate under a Code of Ethics and Business Conduct. The Code requires directors to avoid any conflicts of interest as well as report any situations presenting a potential conflict of interest to the chairman of the Audit Committee.

The directors attend six meetings per year and Delta's annual meeting of stockholders. Stockholders may communicate with Delta's non-management directors by sending an e-mail to [nonmgmt.directors@delta.com](mailto:nonmgmt.directors@delta.com). The Audit Committee of the Board of Directors oversees consideration of complaints or concerns related to Delta accounting, auditing, internal control or financial reporting. These concerns can be submitted anonymously and confidentially by calling the Delta Ethics and Compliance Helpline at 800-253-7879.



# EXECUTIVE ENVIRONMENTAL LEADERSHIP COUNCIL (EELC)

The EELC establishes, develops and supports implementation of environmental sustainability policy and strategy. The Council meets at least three times a year and consists of key leaders from various departments that play a role in determining Delta's strategy and policy related to sustainability.

In 2012, the EELC oversaw the company's management of the following issues:

- European Union Emissions Trading Scheme compliance and opposition strategy
- Completion and third-party verification of greenhouse gas inventories from 2005-2011
- Development of a biofuel strategic action plan
- Strategy and planning for sustainability reporting, including the Corporate Responsibility Report and participation in the Dow Jones Sustainability Index and Carbon Disclosure Project

## EXECUTIVE ENVIRONMENTAL LEADERSHIP COUNCIL (EELC) 2012 ROSTER

Airport Customer Service and Tech Ops  
 Chief Operating Officer  
 Corporate Communications  
 Corporate Strategy & Real Estate  
 E-Commerce  
 Finance  
 Fleet Strategy and Transactions  
 Flight Operations  
 Government Affairs  
 Legal  
 Marketing  
 Network Planning  
 Safety, Health and Environment  
 Safety, Security and Compliance  
 Supply Chain Management

## COMPOSITION OF DELTA'S BOARD OF DIRECTORS

(as of February 2013)

DIRECTOR	COMMITTEE SERVICE	AGE	INDEPENDENT
Richard H. Anderson	None	57	No, Delta CEO
Edward H. Bastian	None	55	No, Delta President
Roy J. Bostock (Vice Chairman)	Corporate Governance; Safety and Security (Chairman)	72	Yes
John S. Brinzo	Audit (Chairman); Personnel & Compensation	71	Yes
Daniel A. Carp (Chairman)	Corporate Governance (Chairman); Safety and Security	64	Yes
David DeWalt	Finance; Safety and Security	48	Yes
William H. Easter III	Audit; Corporate Governance	63	Yes
Mickey P. Foret	Audit; Safety & Security	67	Yes
Shirley Franklin	Audit, Personnel & Compensation	67	Yes
David R. Goode	Personnel & Compensation (Chairman); Finance	72	Yes
George N. Mattson	Finance; Personnel & Compensation	46	Yes
Paula Rosput Reynolds	Audit; Corporate Governance	56	Yes
Kenneth C. Rogers	Finance; Safety and Security (Vice Chairman)	51	No, Line Pilot & Representative of the Air Line Pilots Association
Kenneth B. Woodrow	Finance (Chairman); Personnel & Compensation	68	Yes





## ENTERPRISE RISK MANAGEMENT (ERM)

The Board of Directors has ultimate responsibility to oversee Delta's Enterprise Risk Management (ERM) program. The Board discusses risk throughout the year, particularly when reviewing operating and strategic plans as well as when considering specific actions for approval. Depending on the nature of the risk, the responsibility for oversight of selected risks may be delegated to appropriate committees of the Board of Directors, with material findings reported to the full Board.

Delegations of risk oversight by the Board include:

- The Audit Committee reviews the ERM framework at the enterprise level; reviews management's process for identifying, managing and assessing risk, and oversees the management of risks related to the integrity of the consolidated financial statements, internal control over financial reporting, the internal audit function and related matters.
- The Finance Committee oversees the management of risks related to aircraft fuel price and fuel hedging, foreign currency hedging, Delta's financial condition and capital structure, its financing, acquisition and investment transactions and related matters.
- The Personnel & Compensation Committee reviews management succession planning and Delta's executive compensation program.
- The Corporate Governance Committee reviews the Board of Directors' succession planning and Delta's corporate governance matters.
- The Safety and Security Committee oversees the management of risks related to customer, employee, aircraft and airport operating safety, security and regulatory compliance, as well as technology security. It also reviews management's oversight of safety and security programs of the Delta Connection carriers.

The Board of Directors receives reports from the committee chairpersons at regularly scheduled board meetings. Management reports to the Board and the committees with oversight of specific risks concerning matters such as compliance with regulations, business strategies, proposed changes in laws and regulations and any other matter deemed appropriate by the Board or the committees. Under Delta's ERM process, management is responsible for setting risk tolerance levels, defining organizational responsibilities for risk management. Management determines the significant risks to Delta, develops risk mitigation and management strategies based on Delta's risk tolerance levels and monitors the business to determine that risk mitigation activities are in place and operating. Management periodically updates its assessment of risks to Delta as emerging risks are identified.

Delta's internal audit function, function, led by the vice president Corporate Audit and Enterprise Risk Management, is responsible for supporting and coordinating management's ERM process and activities; documenting risk assessments using a consistent approach; identifying and validating controls to mitigate risk and reporting on results of risk evaluations. The vice president — Corporate Audit and Enterprise Risk Management reports to the Audit Committee quarterly regarding ERM activities.

## STAKEHOLDER ENGAGEMENT



<p><b>GOVERNMENT</b></p>	<p>Delta regularly communicates with lawmakers and government officials in the communities it serves. The airline is an active member of U.S.-based trade associations that include Airlines for America, Inc., the U.S. Chamber of Commerce, and international trade organizations such as the International Air Transport Association. Delta's CEO, Richard Anderson, is a member of the A4A Board of Directors, having served as its chairman in 2011 and 2012, and the IATA Board of Governors, of which he will become the chairman in June 2013. Several of Delta's senior leaders work with A4A, the Chamber of Commerce and IATA in the area of government affairs.</p>
<p><b>ENVIRONMENTAL NON-GOVERNMENTAL ORGANIZATIONS</b></p>	<p>The Executive Environmental Leadership Council provides strategic guidance for the company's environmental nongovernmental organization partnerships. The CEO approves Delta's decisions to establish these NGO partnerships. Delta is a member of the Center for Climate and Energy Solution's Business Environmental Leadership Council, endorsing the organization's belief that "companies taking early action on climate strategies and policy will gain sustained competitive advantage over their peers."</p>
<p><b>INVESTORS</b></p>	<p>Delta's investors are engaged on several fronts. Delta posts an interactive investor relations events calendar on delta.com and provides the opportunity for investors and other interested parties to receive notices of these events. These events include webcasts of quarterly earnings calls, annual stockholder meetings, participation in industry conferences, one-on-one meetings with investors and an annual investor day event held in New York.</p>
<p><b>CUSTOMERS</b></p>	<p>Delta engages its customers through surveys, social media networks, e-mail communications and customer help-line offerings. Customer feedback drives Delta's multiple efforts to improve customer service and loyalty.</p>
<p><b>COMMUNITIES</b></p>	<p>Delta's own community outreach program, Force for Global Good (FFGG), is discussed in detail within the Community partnerships section of this report along with efforts of the Delta Foundation which is the company-managed giving system responsible for contributing to deserving organizations and programs.</p> <p>Delta FFGG has established a number of partnerships that support communities where employees live and customers fly.</p>





# ETHICS

RUNNING  
AN ETHICAL  
BUSINESS



## EMPLOYEE ETHICS

Delta's Code of Ethics and Business Conduct applies to all employees. It sets the standards all Delta employees must follow in how they work with customers, other employees, shareholders, business partners and the public at large. Delta has always followed a policy of conducting its business ethically and in compliance with the letter and spirit of the law. For leaders, compensation is linked to compliance to this Code as well as adhering to company policies, procedures and regulatory requirements.

Delta takes integrity and good business practices very seriously and relies on many groups throughout the organization to develop and implement appropriate processes, procedures and automation to safeguard against corruption in the workplace. In 2012, Delta did not identify any circumstances where leaders committed acts of corruption. Accordingly, no Delta leaders were disciplined or discharged for acts of corruption in 2012.

The airline requires its employees to complete a number of training courses that outline company standards related to the Code, compliance issues, corruption and bribery, including the Foreign Corrupt Policies Act (FCPA). These courses cover topics such as environmental responsibility, affirmative action, ethics and compliance, information security awareness and safety. In addition, these training modules make employees aware of where they can go for help should they be concerned about a potential violation of the Code or the company's compliance obligations. The Code training course provides guidance in understanding Delta's general principles, as well as the personal and professional responsibility has in making sure Delta meets both the letter and the spirit of ethics and compliance policy. In 2012, 91 percent of Delta's existing salaried employees completed Delta's Code of Ethics and Business Conduct course.

At Delta, we are committed to creating a great place to work. Maintaining an open door policy is part of that commitment, and all employees are encouraged and expected to raise concerns if they become aware of practices or work environments that do not meet expectations. Delta conducts regular employee surveys to gauge employee satisfaction and the quality of our workplace environment. Employees may speak to their immediate leader or work through divisional and corporate leadership as appropriate, speak directly to a Human Resources professional or a representative from the company's Equal Opportunity Office. Employees also can anonymously report unsafe, illegal or unethical activity through Delta's Safety, Ethics & Compliance Hotline. The call is toll free and operates 24 hours per day, seven days a week. All claims



# SPEAKING OUT ON HUMAN RIGHTS

In support of Delta's commitment to join the fight against child trafficking, Chong Kim was invited to speak to Delta employees by the Asian Pacific Employee Network group. In May 2012, Ms. Kim spoke about her three years of captivity by human traffickers. Ms. Kim told her story of fleeing an abusive home life in Oklahoma when she was 12 and living in foster care for the next six years. At age 18 in Dallas, she was befriended by a man she at first considered her boyfriend, only to be kidnapped by him and taken to Oklahoma where she was handcuffed to a door and isolated for weeks.

This experience began what she described as a "perpetual nightmare" of human trafficking for the next three years, eventually taking her to Las Vegas, where she was housed in a storage facility with dozens of other girls, some as young as seven. Through her personal strength, ingenuity and determination, Ms. Kim finally escaped her captors and eventually began her new life of speaking, writing and educating others about the dangers of human trafficking and child prostitution and the tactics of those who run the operations. She has recently collaborated on a movie about her experiences, titled "Eden."

are investigated, and Delta has taken action up to and including termination when claims were substantiated. At least twice per year the Audit Committee of the Board of Directors reviews a summary of the calls received, and, in the event of a call involving serious allegations of improper conduct or legal violations by an officer or senior manager of Delta, the Board Chairman will be immediately notified.

## HUMAN RIGHTS

Delta's goal is to deliver safe, high-quality transportation for our customers to all destinations in our network with the highest level of service, using responsible business practices.

In 2011, Delta became the first U.S. carrier to sign the End Child Prostitution, Pornography and Trafficking (ECPAT) code. ECPAT is part of an international network in more than 70 countries that has ties to the United Nation's Children's Fund and the World Trade Organization. It is aimed at eliminating the commercial exploitation of children. As part of the partnership with ECPAT and implementation of the code, Delta is in the process of executing a number of policies and procedures to:

- Establish an ethical policy regarding commercial sexual exploitation of children. Delta has adopted a policy that condemns all forms of human rights abuses, including human trafficking and commercial sexual exploitation of children.
- Train appropriate personnel in the country of origin and travel destinations. Delta has created a training plan to be implemented in 2013, which will incorporate the U.S. Department of Homeland Security and the U.S. Department of Transportation's Blue Lightning Campaign training materials. Delta's training communications have been completed and approved by Delta.
- Introduce a clause in contracts with relevant suppliers, stating a common repudiation of commercial sexual exploitation of children. Supply Chain Management has developed specific language to use in contracts that support the code on a case by case basis. To date, this has been included in six contracts. In addition, Supply Chain



Management will include related language in Delta's Supplier Code of Conduct, which is scheduled to be distributed in 2013. Compliance with Delta's Supplier Code of Conduct will be a requirement for doing business with Delta.

- Provide information to travelers through appropriate means, such as the company's in-flight magazine and website. Delta's Human Rights Policy, as well as other information describing Delta's commitment to ECPAT and the Tourism Code of Conduct, are published on delta.com
- Provide information to local "key persons" who will be informally supportive of the Code at identified destinations. Delta actively works to increase awareness about the need to combat Human Trafficking through memberships in organizations such as the global Business Coalition Against Trafficking and Aviation Leaders Against Human Trafficking, as well as participating in other activities with government agencies and NGOs (non-governmental organizations) similarly committed to combating Human Trafficking.
- Report annually to ECPAT and key stakeholder groups. Delta also shares appropriate information via its annual Corporate Responsibility Report.

Delta requires that its employees refuse to take part in activities that cause or further human trafficking violations or sexual exploitation of children. Employees who participate in human trafficking activities or the sexual exploitation of children will be subject to termination from employment.

Employees are also required to report to managers, supervisors or local authorities any passenger or employee believed to be engaged in human trafficking activities or the sexual exploitation of children.

In 2012, Delta became one of 12 founding companies of the global Business Coalition against Human Trafficking. Its mission is to mobilize the power, resources and thought leadership of the business community in an effort to end human trafficking, including all forms of forced labor and sex trafficking.



Delta participates at events where businesses, governments and non-profits connect to address the issue of human trafficking, including representation at panels on this issue at Harvard Business School and being active in the Transportation Leaders Against Human Trafficking, a DOT initiative championed by Secretary of Transportation Ray LaHood.

## ETHICAL BUSINESS IN OUR SUPPLY CHAIN MANAGEMENT

Delta's focus on running a responsible business extends to the supply chain, where Delta's strategic sourcing process includes safety, quality, customer service, ethical conduct and environmental protection. Suppliers are asked to commit to Delta's Supplier Code of Conduct, which requires suppliers adherence to these pillars of performance.

In order to understand and mitigate supplier risk, sourcing decisions often include an assessment of these pillars that may include the evaluation of suppliers' labor practices, diversity issues, reporting and transparency, audit processes, environmental breaches, waste, emissions, customer perception, shareholder interest and anti-corruption practices.

Currently, all contracts are under review to implement human rights clauses and screenings and the Supplier Code of Conduct will be issued to enforce Delta's position on human rights. In addition suppliers that have been deemed at risk for child labor incidents have been made aware of Delta expectations through the Supplier Code of Conduct.

In 2012, Delta continued its Best in Class Supplier Diversity initiatives including following the Best Practices Institute, with a focus on Sustainability. The Supply Chain Best Practices Series is designed to keep program managers and procurement agents current with business development issues affecting their job responsibilities and corporations.







# ENVIRONMENTALLY SUSTAINABLE



## ENVIRONMENT

Delta takes responsibility for minimizing its impact on the environment and conducting operations in an environmentally sustainable manner. The airline complies with all applicable environmental laws and regulations and, in the absence of government regulation, operates consistent with the best practices of the aviation industry. Delta commits to using natural resources efficiently and preventing pollution, wherever possible. In the event of an incident, mitigation programs are established to minimize future environmental impact.

Delta develops and implements corporate policies, procedures and programs that support systemwide environmental compliance. Environmental performance goals are routinely updated to ensure continuous improvement. Performance is reported to employees, customers and external stakeholders on a regular basis.

## TRACKING GREENHOUSE GAS EMISSIONS

Although aircraft emissions account for 98 percent of Delta’s carbon footprint, Delta calculates its complete greenhouse gas inventory in an effort to increase transparency and help identify ways to reduce its environmental impact.

In 2012, Delta received verification of its 2005-2011 greenhouse gas emissions under The Climate Registry, becoming the first U.S. legacy carrier to do so. Delta intends to continue third-party verification of its greenhouse gases in order to produce quality and reliable data when tracking goals and progress in reducing its carbon footprint. Emissions from 2005 are used as the baseline for measuring improvement in greenhouse gas reductions in accordance with industry reporting standards.

Since 2005, Delta has reduced its annual emissions by 8.5 million metric tons, an 18 percent reduction. Delta’s aircraft emissions from its mainline, subsidiary and regional partners have seen a 18.5 percent reduction over the same time period.

(in metric tons of CO <sub>2</sub> e)	2005	2006	2007	2008	2009	2010	2011	2012
<b>TOTAL</b>	46,173,685	42,372,657	42,586,932	41,484,340	38,820,036	38,280,205	38,614,716	37,685,688



## CLIMATE REGISTERED™

“With the costly impacts of climate change arriving much sooner than scientists had projected, curbing greenhouse gas emissions is more urgent than ever. Measuring and verifying emissions is an essential step in effectively managing them. We commend Delta for committing itself to this critical task and joining other corporate leaders pursuing common-sense climate solutions,” said Eileen Claussen, President of the Center for Climate and Energy Solutions.

## SCOPE 1 EMISSIONS

Delta's Scope 1 inventory covers all mainline aircraft emissions, plus the aircraft emissions of any wholly-owned subsidiary. For 2012, this includes Delta Private Jets for the entire year and Comair's fuel consumption through the end of September, when their operations ceased. Emissions from all Delta ground support equipment, chemicals, refrigerants, emergency generators and natural gas are all included in Delta's Scope 1 inventory.

SCOPE 1 (IN METRIC TONS OF CO <sub>2</sub> e)	2005	2010	2011	2012
Mainline	38,158,943	30,478,076	30,867,314	30,359,915
Subsidiary	3,582,676	1,612,966	872,763	465,057
Ground Support Equipment	133,194	108,569	108,743	94,706
Chemicals	3,469	2,202	2,975	2,127
Refrigerants	10,513	4,434	4,629	4,820
Natural Gas	55,593	79,419	76,404	67,675
Emergency Generators	242	257	208	234
<b>TOTAL SCOPE 1 EMISSIONS</b>	<b>41,944,630</b>	<b>32,285,923</b>	<b>31,933,036</b>	<b>30,994,534</b>

## SCOPE 2 EMISSIONS

Delta's Scope 2 inventory covers electricity use, both at Delta's owned facilities, and leased airport spaces.

SCOPE 2 (IN METRIC TONS OF CO <sub>2</sub> e)	2005	2010	2011	2012
Owned Facilities	227,169	291,788	299,107	251,589
Leased Facilities	193,249	117,478	117,478	117,433
<b>TOTAL SCOPE 2 EMISSIONS</b>	<b>420,418</b>	<b>409,266</b>	<b>416,585</b>	<b>369,022</b>

## SCOPE 3 EMISSIONS

Delta's Scope 3 inventory totals all aircraft emissions from Delta's regional partner carriers. For 2012, this includes Compass, ExpressJet, Pinnacle, SkyWest, Shuttle America, Chautauqua and GoJet. Since 2005, Delta's relationship with regional carriers has shifted from being primarily wholly-owned subsidiaries (included in Scope 1) to third party regional carriers (Scope 3). As a result, Scope 1 subsidiary emissions have decreased by 3.1 million metric tons since 2005, while Scope 3 regional partners emissions has increased by 2.5 million metric tons over the same time period.

SCOPE 3 (IN METRIC TONS OF CO <sub>2</sub> e)	2005	2010	2011	2012
Regional Partners	3,808,637	5,585,016	6,265,095	6,322,131

Delta's greenhouse gas emissions inventory follows guidance set out in The Climate Registry's General Reporting Protocol and emissions factors from the IPCC Guidelines for National Greenhouse Gas Inventories. Delta's full inventory from 2005 onward is available on The Climate Registry's Member Reports website.

## FUEL SAVINGS INITIATIVES

In 2012, Delta consumed 3.8 billion gallons of fuel, an average of 120 gallons per second. In addition to replacing older aircraft with planes that have lower emissions per seat, Delta aggressively pursued and tracked the impact from almost two dozen fuel savings initiatives. These initiatives have resulted in a reduction in fuel consumption, savings and decrease in Delta's carbon footprint. All emissions reductions are in metric tons.

### FLIGHT PLANNING

Initiatives to improve flight planning and flight routes provide the greatest impact in helping Delta reduce its fuel consumption.

Delta also launched a program in 2012 to use lower average weights for children in the flight planning process. More accurate accounting for child weights means less fuel needs to be boarded and carried, saving Delta \$3.1 million, exceeding the projected savings of \$3 million.

In total, flight planning programs saved Delta more than \$30 million, and accounts for nearly half of the 19.2 million gallons saved across 19 fuel savings initiatives.

**FUEL SAVINGS IN GALLONS:** 9,224,000

**EMISSIONS REDUCTION IN CO<sub>2</sub>e:** 90,873

### IMPROVED FUELING PROCEDURES

Delta implemented improved procedures to reduce overfueling resulting in a savings in excess of 400,000 gallons in 2012.

**FUEL SAVINGS IN GALLONS:** 439,000

**EMISSIONS REDUCTION IN CO<sub>2</sub>e:** 4,325

### AUXILIARY POWER UNIT (APU)

Through a cross-divisional initiative, Delta continues to focus on reducing APU usage. This initiative is a collaborative effort among all stakeholders that can affect APU usage and reduction. For 2012, Delta saw a reduction of 4.2 percent or 2.47 minutes per departure, a total of almost 1.5 million gallons of fuel saved.

**FUEL SAVINGS IN GALLONS:** 1,463,000

**EMISSIONS REDUCTION IN CO<sub>2</sub>e:** 14,413

### WINGLETS

The installation of winglets in 2012 on 14 additional aircraft has resulted in more than 3.8 million gallons in fuel savings. Currently, 400 Delta mainline aircraft have drag reducing wingtip devices.

**FUEL SAVINGS IN GALLONS:** 3,848,000

**EMISSIONS REDUCTION IN CO<sub>2</sub>e:** 37,910

### REMOVING UNNECESSARY WEIGHT

Water tanks on various aircraft that were consistently not used on flights were removed, reducing the amount of fuel needed to fly the water and the tanks. Delta also replaced overhead CRT screens with liquid crystal displays on the Boeing 757-200 fleet, which resulted in a 212-pound weight reduction per aircraft.

**FUEL SAVINGS IN GALLONS:** 322,000

**EMISSIONS REDUCTION IN CO<sub>2</sub>e:** 3,172

### OPERATIONAL IMPROVEMENTS

Delta's efforts to cut aircraft taxi times at airports, reduce ground delays and the required use of a single engine on the ground resulted in a \$11 million reduction in fuel burn.

**FUEL SAVINGS IN GALLONS:** 3,405,000

**EMISSIONS REDUCTION IN CO<sub>2</sub>e:** 33,545

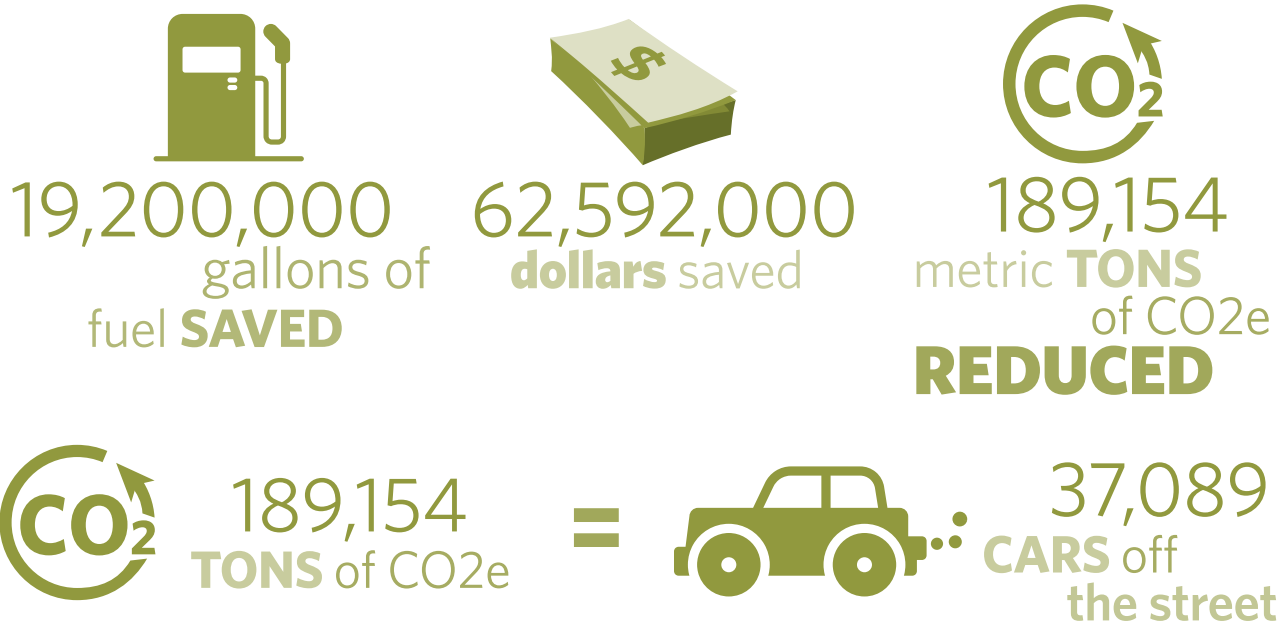
### AIRCRAFT SOFTWARE UPDATES

Software modifications on three fleets improved cruise fuel efficiency, cutting emissions by almost 5,000 metric tons of CO<sub>2</sub>e.

**FUEL SAVINGS IN GALLONS:** 497,000

**EMISSIONS REDUCTION IN CO<sub>2</sub>e:** 4,896





Beyond its aircraft emissions, Delta works to mitigate the environmental impact of its ground support equipment. Around the world, Delta owns and operates more than 12,000 motorized pieces of GSE. Delta improves its efficiency through purchasing new engines for existing vehicles, using alternative fuel-powered vehicles as well as buying electric-only powered equipment. Hartsfield-Jackson Atlanta International Airport’s new international concourse primarily uses electric-powered baggage tractors and belt loaders.

## IMPROVING FUEL EFFICIENCY

In addition to reducing greenhouse gas emissions, Delta has committed to achieving an average fuel efficiency improvement of 1.5 percent per year from 2009 to 2020, as set out by International Air Transport Association. This means reducing the amount of fuel it takes to transport the same weight by an average of 1.5 percent each and every year until 2020.

In line with industry standards, Delta measures aircraft fuel efficiency by liters of fuel burned for every 100 revenue ton kilometer (RTK) transported.

Since 2009, Delta’s annual fuel usage for mainline, subsidiary and regional partners has decreased by 2.8 percent, while the annual weight transported (in RTK) has increased by 2.5 percent. In 2012, Delta used an average of 33.86 liters of fuel to transport 100 RTK, 5.2 percent less than the 35.71 liters needed in 2009. This equates to a 1.7 percent average annual efficiency improvement over the past three years, exceeding IATA’s goal of 1.5 percent.

	2009	2010	2011	2012
Fuel (in liters)	14,655,267,563	14,464,872,741	14,584,619,038	14,246,106,893
Weight Transported (in RTK)	410,444,297	418,410,555	419,763,525	420,771,693
Fuel used to transport 100 RTK (in liters)	35.71	34.57	34.74	33.86

## AVIATION COMMITMENTS TO CLIMATE CHANGE

Delta remains committed to a Global Sectoral Approach to addressing aviation greenhouse gas emissions under the International Civil Aviation Organization and supports the following emissions reduction goals endorsed by IATA and A4A over the next 40 years:

- 1.5 percent annual fuel efficiency improvement through 2020
- Carbon-neutral growth starting in 2020
- A 50 percent reduction in CO2 emissions by 2050, relative to 2005

The airline industry four-pillar approach seeks to achieve these targets through technology enhancements that include alternative fuels, operational efficiencies, air traffic management, improved infrastructure and positive economic measures.

Delta has a long history of innovating to produce steady improvements in fuel efficiency and has achieved the industry fuel efficiency goal since it was introduced in 2009. The primary tactic to improve efficiency is to retire and replace older aircraft flown by Delta and its partners, in addition to an extensive list of operational fuel efficiency initiatives.

Delta also actively engages in stakeholder initiatives to drive greenhouse gas emissions mitigation through innovative progress in:

- air traffic management
- technology, including engines, airframes and biofuels
- climate change policy



### **INNOVATION IN AIR TRAFFIC MANAGEMENT (ATM)**

Delta is an active advocate for the ongoing transition to the Next Generation Air Transportation System (NextGen), which integrates new and existing technologies, policies and procedures to reduce delays, save fuel and lower aircraft exhaust emissions to deliver a more reliable travel experience. To that end, we have led and actively participated in such industry groups as the RTCA NextGen Advisory Committee and the development of the Task Force 5 implementation recommendations to the FAA. Both of these initiatives develop improved approach and departure paths and make recommendations for FAA procedural revisions which eventually should improve ATM efficiency through reduced separations between aircraft in the terminal area at major U.S. airport hubs. Delta is also an active participant in the Atlantic Interoperability to Reduce Emissions, an initiative linking NextGen in the U.S. with Single European Sky in Europe.

### **INNOVATION IN TECHNOLOGY**

Delta partners with airframe and technology manufacturers to increase fuel efficiency and reduce environmental impact. For example, new avionics are being installed on Boeing 747-400, Boeing 757-200, MD88 and MD90 aircraft to shorten flight paths. A number of departments within Delta work collaboratively with manufacturers to provide input to them through regular dialogue about their current and in-development products.

### **INNOVATION IN CLIMATE CHANGE POLICY**

Delta is an active leader in industry climate change policy-setting initiatives at both IATA and A4A, where the industry is working diligently to further refine the Global Sectoral Approach. In addition, there is an effort to influence the climate change policy, legislative and regulatory outcomes at the United Nations Framework Convention of Climate Change, ICAO and around the globe.



## **CLIMATE CHANGE RISKS**

### **REGULATORY REQUIREMENTS**

Future regulatory action concerning climate change and aircraft emissions could have a significant effect on the airline industry. The European Union has required its member states to implement regulations including aviation in its Emissions Trading Scheme, subject to any airline with flights originating or landing in the European Union. Beginning in 2012, Delta is required to purchase emissions allowances if it exceeds the number of free allowances allocated to it under the Scheme. In November 2012, the European Commission proposed, but has not yet approved, to defer airlines' compliance obligations for non-European flights and suspended related non-compliance sanctions until after the 38th ICAO Assembly to be held in late September and early October of 2013. The European Commission has taken this action to give the process at ICAO time to come to a conclusion.

Under the proposal, Delta will not face enforcement action if it does not surrender allowances for their emissions related to flights operated to and from non-EU destinations; however, all intra-EU flights, private charter flights and occasional diversions of scheduled trans-Atlantic flights, will still have to comply with the requirements of the ETS. In addition, in November 2012, the United States government enacted legislation exempting U.S. airlines from the ETS.



# DELTA AND CLIMATE CHANGE

Concern about aviation environmental issues, including climate change and greenhouse gases, has led to taxes on Delta's operations in the United Kingdom and Germany, both of which have levied taxes directly on customers. Additional regulation of aircraft emissions in the United States and abroad could result in taxation or permitting requirements from multiple jurisdictions for the same operations. Ongoing bilateral discussions between the United States and other nations as well as discussions at the ICAO Assembly and the UNFCCC Conference of the Parties, most recently in Doha, Qatar, in December 2012, may lead to international treaties or other actions focusing on reducing greenhouse gas emissions.

## POTENTIAL OPERATIONAL IMPACT

Delta's operations respond to fluctuations from weather, natural disasters and seasonality. Severe weather conditions and natural disasters can significantly disrupt service and create air traffic control problems, resulting in decreased revenue and increased costs. Increases in frequency, severity or duration of thunderstorms, hurricanes, typhoons or other severe weather events—including changes in the global climate, could result in increases in fuel consumption to avoid such weather, turbulence-related injuries, delays and cancellations. Any of those conditions would increase the potential for lost revenue and higher costs.

Delta is a member of the Center for Climate and Energy Solution's Business Environmental Leadership Council, the largest U.S.-based group of corporations focused on advancing business and policy solutions to energy and climate change challenges.

In October 2012, Jay Gullede, Senior Advisor for C2ES and Deputy Director of Environmental Sciences at Oak Ridge National Laboratory, presented 'Extreme Weather & Climate Change' to Delta's Executive Environmental Leadership Council. The presentation addressed the science behind extreme temperatures. The presentation modeled the impact this would have across different regions of the U.S. and how it could affect Delta's operations if extreme weather conditions become more pronounced.

## CLIMATE CHANGE OPPORTUNITIES

### EXPLORING SUSTAINABLE BIOFUELS

Delta is encouraged by ongoing developments related to bio-jet fuels and continues to monitor such developments and look for partnership opportunities with the ultimate goal of making a meaningful contribution to the industry's goal of commercializing aviation bio-jet fuel. Delta's Executive Environmental Leadership Council has identified guidelines in how Delta would select commercial-scale bio-jet fuel projects.

As part of Delta's strategy for vertical integration of the jet fuel supply chain, the acquisition of the Trainer refinery in Pennsylvania by Delta's Monroe Energy subsidiary in 2012 could allow flexibility of feedstocks. Along with producing traditional petroleum-based crude, the Trainer refinery would be able to perform its own assessment of a variety of bio-based feedstocks to create biofuels for commercial air travel.

In addition, Delta is a member of the A4A trade association in the U.S. and supports and occasionally participates in A4A lobbying efforts directed at the U.S. Congress and relevant federal agencies such as the U.S. departments of Agriculture, Energy and Defense in support of legislation and federal programs to increase public investment in alternate aviation fuels. Delta supports A4A's Commercial Alternative Aviation Fuels Initiative.

## MAINTAINING ENVIRONMENTAL COMPLIANCE

Delta has a program to ensure its ongoing compliance with applicable environmental laws and regulations. In 2012, the six stations evaluated for environmental compliance by certified third-party auditors were Atlanta, Baltimore-Washington, Philadelphia, Chicago-O'Hare, Salt Lake City and New York-LaGuardia. Delta works with local station management to identify corrective actions and close out all findings and continues to focus on environmental compliance performance.

Seven notices of violation were received in 2012. One NOV in Los Angeles led to a penalty of \$2,000 to resolve a violation for failure to timely submit information required under Southern California's Rule 2202 commuting program. The remaining six NOV's were promptly resolved through working with the appropriate regulatory authority, and no monetary penalties were incurred. In 2012, Delta self-reported or received a total of two additional notices that specific permit conditions had been exceeded.

### MAINTAINING AN ENVIRONMENTAL MANAGEMENT SYSTEM

Introduced in 2002, Delta's Environmental Management System assists airport and maintenance personnel in complying with national, state and local regulatory requirements at the station level. The EMS includes routine inspections by station or facility management, in-depth assessments of current conditions and identification and correction of problems. Using Delta's Environmental Management Information System, environmental performance is monitored on a continuous basis. While all Delta stations have an EMS in place, 25 updates of the system were conducted in 2012 at stations throughout the U.S. Complete on-site evaluation and update of environmental procedures, files and employee responsibilities were done at each of these stations.

### EFFORTS TO REDUCE NOISE

In an effort to abate aircraft noise, 78 percent of Delta's aircraft meet Stage 4 criteria - the quietest aircraft category. This is an increase from 10 years ago, when only 57 percent of Delta aircraft conformed to the stringent Stage 4 standards.

Delta aircraft are 100 percent compliant with Stage 3 criteria as required by the Federal Aviation Administration.



## VIOLATIONS

	2010	2011	2012
Air	0 counts	3 counts	1 count
Water	0 counts	4 counts	3 counts
Waste	0 counts	1 count	1 count
Other	3 counts	1 count	2 counts
FINES	\$3,000	\$1130	\$2000



# DETROIT METRO AIRPORT BIODIESEL PILOT

In December of 2012, Delta commenced a pilot project to test the use of biodiesel in a portion of the deicing truck fleet at the Detroit hub. The study will run through end of the deicing season in Spring 2013, when the pilot's total costs, engine impacts and air emissions will be evaluated. If the study proves successful, Delta intends to increase use of biodiesel for the entire diesel deicing truck fleet in Detroit Metro Airport for the 2013-2014 deicing season.

## WATER

### TOTAL WATER CONSUMPTION<sup>1</sup>

Delta is committed to water conservation through process improvement and elimination of unnecessary water consumption. Delta discloses all water use where a water bill is received, including our non-airport operations in ATL, MSP and 15 other U.S. locations. In 2012, billed water usage was 225 million gallons of water, an 88 million gallon (nearly 30 percent) reduction since 2010. Atlanta accounts for 80 percent of total water usage.

	2010	2011	2012
<b>WATER CONSUMPTION (in gallons)</b>	313,363,491	274,582,800	225,010,975.5

At leased facilities such as airports, Delta does not receive utility bills and estimates water usage. According to the American Water Works Association, water usage is about four gallons per passenger per day, resulting in an estimated 640 million gallons for Delta passengers. Thus, the reported 225 million gallons consumed represents between 25-30 percent of total water consumption, and together with billed facilities, Delta consumed a total of 865 million gallons in 2012. This estimate, however, has not been validated as a metric for leased space at airports.

<sup>1</sup> The water consumption section has been updated as of June 24 2013 from the original publication on April 15, 2013.

### SPILLS

Delta sets a spill goal for each of these four divisions: Airport Customer Service; Corporate Real Estate; Safety, Health and Environment; and Technical Operations. Performance against these individual goals is tracked to determine Delta's progress against the goal to minimize its environmental footprint. In 2012, Delta focused on identifying the root cause of each spill to determine if a systemic maintenance problem existed or if the spill was attributable to a flaw in an established procedure. This effort and focus proved successful with a 5 percent decrease in spills compared to 2011 across all three categories, with a reduction in Class I and Class II spills. As a result of significantly increased operations at LaGuardia, regulatory reportable spills saw an increase in 2012 as state reporting requirements in New York are more stringent than federal reporting requirements.

SPILLS		2010	2011	2012
Class I Spills <sup>1</sup>	count	25	30	28
Class II Spills <sup>2</sup>	count	51	46	42
Regulatory Reportable	count	15	16	18

1. Class I: emergency situation; reaches soil/water or is greater than 25 gallons..

2. Class II: non-emergency; greater than 5 gallons but less than 25 gallons and does not reach soil/ water.

## AIR QUALITY

Delta works within the federal and state regulatory structures to ensure operating equipment is properly permitted and emissions are tracked and reported as required. The Atlanta (ATL) and Minneapolis-St. Paul (MSP) operations have federal Title V permits in place due to the fact that both MSP and ATL are non-attainment areas under the Clean Air Act and due to the level of criteria pollutants emitted from these operations. These two locations serve the majority of aircraft maintenance and painting needs and have specially designed areas and controls for these services. Several other stations have state-issued air permits covering the entire facility, and the California stations have a variety of state air permits or regulations covering specific equipment, typically portable or emergency devices.

The summary of air emissions in the performance statistics table includes criteria pollutant emissions from Atlanta, Minneapolis, Detroit, Cincinnati and Los Angeles. These locations are included because an annual inventory is filed with the respective states providing a breakdown of estimated emissions. The Delta Atlanta Technical Operations Center contributes the majority of emissions within the Delta operations for these five pollutants.

EMISSIONS	UNITS	2010	2011	2012
CO emissions	tons/year	47.9	60.0	57.9
NOx emissions	tons/year	104.2	114.1	121.3
PM emissions	tons/year	8.2	12.9	12.8
SO <sub>2</sub> emissions	tons/year	13.5	13.9	14.3
VOC emissions	tons/year	229.2	194.0	183.6

### ENVIRONMENT-FRIENDLY COMMUTES

Delta engages its employees on clean commute options to improve local air quality by offering flexible work options and carpool and vanpool perks.

Delta's flexible work options allow, where operationally feasible, eligible employees opportunities to reduce travel:

- Teleworking Option: work at home for a certain number of days a month
- Compressed Work Week Option: longer work days in exchange for a day off in the same pay period
- Flextime: variation of a normal eight hour day, in order to avoid peak-hour traffic and improve air quality

## WORK@HOME

Eligible Reservations Sales employees are permitted to set up a virtual office with the appropriate computer and telephone equipment that allows them to work at home 100 percent of the time. The program started out on a trial basis, but has since expanded to over 1,120 Work@Home agents, nearly 28 percent of all Reservations employees company-wide.

### METRO ATLANTA

With more than 20,000 employees based at its Atlanta hub and headquarters, Delta has partnered with the Clean Air Campaign to promote clean alternative commutes.

Delta and the Clean Air Campaign hosted more than 20 events in 2012 to encourage various clean commuting options, resulting in a 45 percent increase in carpooling, vanpooling, use of public transport and teleworking. Over the course of the year, Delta employees prevented 1,421 metric tons of CO<sub>2</sub> from being emitted in the metro Atlanta area, equivalent to removing 258 cars from the road for a year.

Delta employees who continuously choose clean commutes are recognized for their efforts through the Commuter Champion program, a level reached when they have prevented 25,000 or 50,000 pounds of CO<sub>2</sub> from being emitted. In 2012, Delta had 24 employees who reached the 25,000 mark and five who exceed 50,000.

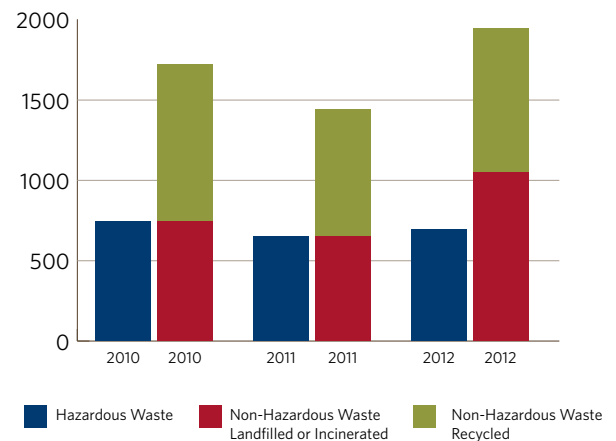
### MINIMIZING WASTE

Delta remains committed to waste reduction and recycling—both on the ground and in the air. Recent waste management efforts include reducing paper use through e-ticketing, recycling aircraft carpet, enhancing Delta's In-flight Recycling Program and providing facilities and events for employees to recycle household and electronic goods on its campuses in Atlanta and Minneapolis. Delta seeks ways to reduce its waste generation volumes from operations including maintenance and ramp activities. These volumes are tracked monthly for all domestic mainline stations.

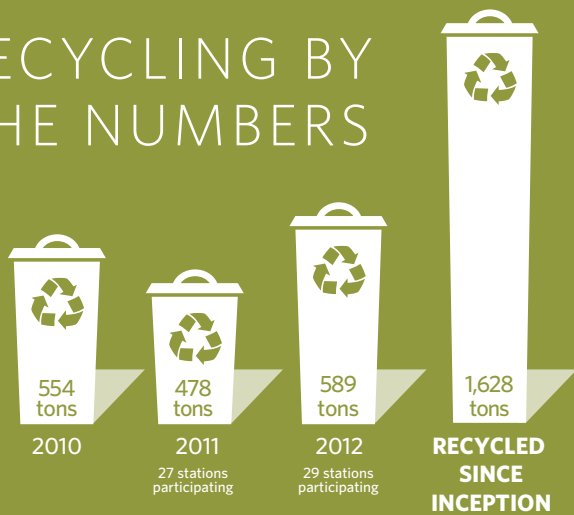
In 2012, Delta recycled more than 48 percent of the 2,629 tons of non-hazardous waste generated. Waste generation data are based upon information provided by waste disposal contractors and Delta station environmental coordinators. Disposal methods beyond recycling, incineration or landfill disposal are at the discretion of the waste disposal contractor. All of Delta's waste is managed by external, Delta-approved waste disposal contractors. Both hazardous and non-hazardous wastes are transported for disposal by a licensed and certified transporter and are not transported internationally.

The values here reflect waste generation data provided by Delta station environmental coordinators into Delta's on-line waste generation database from 2010 through 2012. Total waste increased in 2012 from 2011 due to several Technical Operations decommissioning projects in Atlanta and Minneapolis. Additionally, several stations were required to dispose of accumulated hazardous and non-hazardous waste as a result of station environmental gap assessments and EMS installations or re-installations.

DELTA WASTE GENERATION  
(IN TONS)



## RECYCLING BY THE NUMBERS



## RECYCLING

### IN-FLIGHT RECYCLING

Launched in 2007, Delta's In-flight Recycling Program stemmed from voluntary efforts by flight attendants to collect recyclable passenger materials on domestic flights into certain airports. After learning of the strides that flight attendants were taking, Delta implemented a comprehensive nationwide program to collect aluminum cans, plastic beverage cups, plastic bottles, newspapers and magazines for recycling.

The program operates in 28 U.S. cities through a combined effort of flight attendants, catering staff, cabin services departments and Delta business partners. More than 500 tons of passenger material were recycled in 2012, and 3,504 tons have been recycled since the start of the program. Delta also recycles into Punta Cana International Airport in the Dominican Republic, the first international station to voluntarily join Delta's comprehensive In-flight Recycling Program.

Rebates from this program are donated to Habitat for Humanity through Delta's Force for Global Good. Since 2007, Delta has donated more than \$380,000 to fund a total of four home projects in Atlanta, Cincinnati, Salt Lake City and Los Angeles.

### IN-FLIGHT RECYCLING BY THE NUMBERS

In-flight recycling volumes were up in 2012 largely due to increased employee education and communication of the program to flight attendants and cabin services personnel. A computer-based training course was developed for all Delta flight attendants and provides background on the program and outlines recycling procedures. Flight attendant recycling procedures have been added to the In-flight Services Programs and Policies Handbook. Cabin Services management hosted Partners in the Lounge visits, which engaged flight attendants and cabin services to discuss recycling-related topics at flight attendant lounges in several Delta stations.



## EMPLOYEE PARTICIPATION: ERC AND HOUSEHOLD WASTE RECYCLING

Delta encourages employees to recycle by providing on-site facilities for recycling materials from home. In 2007, Delta opened its Employee Recycling Center (ERC) at the Delta World Headquarters General Offices in Atlanta. The ERC provides a facility for employees with limited home access to recycling services a way to recycle aluminum and tin cans, plastic bottles and jugs of all types, newspapers, magazines, phone books, junk mail, paperboard boxes, cardboard boxes and glass.

Proceeds from this program benefit Delta's Employee and Retiree Care Fund, a non-profit organization designed to provide financial assistance to eligible Delta individuals and families who suffer hardship from an unforeseen crisis. Through recycling efforts, Delta has proudly donated more than \$44,000 to the Care Fund since 2008.

As part of the recycling efforts at the headquarters in Atlanta, office paper, cardboard, plastic bottles and aluminum are collected from common work areas on a weekly basis. The recycled materials from home and from office spaces generated a total of 381 tons of material, including 2.7 tons of aluminum cans, 8 tons of plastics, 101 tons of mixed paper, 178 tons of cardboard, 90.5 tons of office paper and 1.1 tons of tin cans in 2012. The office recycling program in Minneapolis has been operating since 2009 and has collected more than 1,165 tons of recyclables.

Delta's Information Technology Department collects retired hardware from employee office locations throughout each year and ensures that the equipment is sent for electronics recycling. Since 2009, Delta has safely recycled more than 1,000 tons of retired IT hardware.

In 2012, Delta partnered with the Clean Air Campaign and Creative Recycling to host two electronics recycling events in Atlanta. Employees were encouraged to bring in computers, TVs and laptops for recycling. Over the past three years, more than 15.6 tons of electronic waste has been diverted from landfills as a result of these events.

Since 1999, the Atlanta Technical Operations Center has hosted an annual Household Recycling Day to collect used oil, antifreeze, scrap metal, batteries and electronics. The group also collected household items and clothing for charities. In 2012, employees recycled 890 gallons of used oil and antifreeze and almost half a ton of lead acid batteries, scrap metal and electronic waste. Proceeds from the Household Recycling Day are donated to Christian City, an Atlanta-based nursing home that services children and seniors.



Through a partnership with Iron Mountain, confidential and secure documents from Delta's domestic offices are collected, shredded and transported to paper millers for pulping. This process reduces pollution, diverts material from landfills and conserves water and oil resources. Since 2011, 866 tons of paper have been recycled from Delta office locations through Iron Mountain.



## RECYCLING SUPPORTS HABITAT FOR HUMANITY

In October 2012, a Habitat for Humanity home was renovated over a period of six weeks in Los Angeles by Delta employees and business partners who have contributed to Delta's award-winning In-Flight Recycling Program. The home is the fourth in a series of homes to be fully funded by the rebates generated from recyclable materials collected during flight, such as passenger aluminum cans, plastic bottles and cups, newspapers and magazines.

In May 2012, Delta's Technical Operations completed and dedicated its first 'Green to Dreams' Habitat house from a \$75,000 donation from recycled oil proceeds. For nine days, a team of 250 Delta employees worked alongside the Zachery family, the new residents of the home, an effort several years in the making.

"It was a wonderful experience. I saw another facet to Delta TechOps that is so impressive and so moving, which was the people of Delta TechOps and their desire to give of themselves to help those in need. And to have a [recycled oil] sustainability program mature enough to fund a community outreach project such as this is one of the most exceptional experiences in my 25-year career with Delta." -Paul Huber, program manager-Safety, Security, and Environment, Tech Ops.



# ENVIRONMENTAL GOALS

## 2012 Goals

Achieve 1.5 percent fuel efficiency improvement

ACCOMPLISHED | Delta achieved 1.7% average annual fuel efficiency since 2009.

Reduce greenhouse gas emissions below 2011 levels

ACCOMPLISHED | 2012 Greenhouse gas emissions were 37.7 million metric tons, nearly 1 million below 2011 emissions.

## 2013 Goals

Achieve 1.5 percent fuel efficiency improvement

Reduce greenhouse gas emissions below 2012 levels

A close-up photograph of a male mechanic working on an aircraft engine. He is wearing a black headlamp with a blue light, safety glasses, and blue nitrile gloves. He is using a long metal tool to work on a component of the engine. The background is blurred, showing the complex machinery of the engine.

WORK TOGETHER,  
WIN TOGETHER

EMPLOYEES

Delta fosters a safe, professional workplace that does not tolerate discrimination and one that promotes teamwork and trust. Delta recruits, hires, trains and promotes employees without regard to a person's race, color, religion, sex, age, national origin, sexual orientation, gender identity, veteran status, citizenship status, marital status, parental status, political affiliation or disability.

The guiding principles of Delta's employment policies are based on the Rules of the Road. Delta's annual Flight Plan establishes goals for the year that are consistent with its business strategy, values and principles.

## PROJECT IGNITE

In June 2012, a cross-divisional group of more than 100 U.S.-based and international employees met at Delta's world headquarters in Atlanta to kick off the first complete overhaul of Delta's human resources policy and procedure manuals as part of Project Ignite. The focus of Project Ignite was to make sure Delta's manuals reflect its position as a values-based organization rather than a rules-based organization. The objectives in this initiative were:

- Give all employees the opportunity to participate and create a sense of ownership of policies either through working teams, focus groups and/or employee surveys.
- Foster dialogue across the company and transparency with policy decisions.
- Develop policies that:
  - Demonstrate trust in Delta people to make the right decisions and embrace the diversity of the organization. Policies should be a reflection of what Delta is as a company
  - Clearly tie back to the Rules of the Road and the Flight Plan
  - Align with Delta's brand personality - short and to the point, human, modern
  - Are easy to use, understand and accessed in one central location
  - Are flexible and broad enough to not have to be updated every year and developed with the future in mind

Six sub-teams made up of members from the divisional employee involvement groups and employee network groups focused on particular areas including travel and work/life balance, employment, absence policies, compensation and retirement, Delta's Employee Assistance Program and substance testing programs and general policies. Participants came from all over the system and represented Delta's global diversity as a company.

After seven months of review, close to 90 percent of Delta's human resources policy and procedure manuals were deleted. The remaining content had been reformatted to an easier-to-use format on Delta's intranet portal.



*"Our people no longer have to sort through pages upon pages of manuals to find the most essential information about working at Delta," said Rob Kight, vice president - Global HR Services and Labor Relations. "Many thanks to the Project Ignite team, which successfully shrunk down many pages of outdated, hard-to-understand and nonessential policies to a mere 30 pages. Both the process we went through to get to this result and the product itself are a great reflection of our values as a company."*



## DELTA PEOPLE MAKE THE DIFFERENCE

### EMPLOYEES CARING FOR EMPLOYEES

Delta people specialize in caring for others. Through the Delta Employee & Retiree Care Fund and the Delta Scholarship Fund, employees offer financial assistance to Delta employees, retirees and their survivors. Since the October 2007 launch of the Delta Employee & Retiree Care Fund, more than 4,500 Delta family members have received assistance in response to a personal hardship, with many affected by natural disasters during 2012 including flooding in Manila, Hurricane Isaac and Superstorm Sandy.

The Care Fund, a 501(c)(3) nonprofit charitable organization, is directed by a dedicated volunteer board of employees and retirees who establish guidelines that direct the fund and evaluate grants to assist people in need. More than \$1.1M was provided in 2012 to help Delta families facing a crisis.

The Delta Scholarship Fund, also a 501(c)(3) charitable organization directed by a volunteer board of employees, provides academic scholarships to employees, their spouse or domestic partner and eligible dependents pursuing an undergraduate or graduate degree. More than \$1.5M representing 1,274 scholarships has been provided since the Fund launched in 2008 including 506 new awards for the 2013-2014 academic year.

Employees are the Delta difference. Understanding how employees feel about the company and their respective roles is a critical component of Delta's success. Delta is serious about promoting a culture of open, honest and direct communication. In 2012, Delta reinstated an employee engagement survey to all employees worldwide below the director level. The purpose of the survey is to assess employee attitudes and perceptions of the current work environment, assess leadership and employee engagement and assess other specific strategic objectives. Divisional leaders worked with employees to create action plans based on the results of the employee surveys.

"Over the years, the employee survey has been an important tool for us to better understand employee perceptions of our company, in turn helping us make decisions with the goal of making Delta a great place to work," said Mike Campbell, executive vice president- HR and Labor Relations, "In 2012, more than 200 action items were identified and completed based on survey results." The annual survey is administered in the first quarter, with action planning following throughout the year.



### CHAIRMAN'S CLUB

Now in its 17th year, the Chairman's Club is Delta's most prestigious corporate recognition program. This program honors employees who consistently demonstrate dedication and determination to the highest standards of service to Delta customers, coworkers and communities served by Delta. Honorees, nominated by their peers and selected after an extensive review process, represent each operating division at Delta. In 2012, honorees represented 25 cities from six countries around the globe.

After attending the award ceremony in 2012, Kaylene Gladwin, senior learning facilitator for Airport Customer Service remarked, "This was such an amazing honor to receive for something that I love to do, and am privileged to do, every day."

## A VIEW OF DELTA EMPLOYEES

CATEGORY	NUMBER OF EMPLOYEES 2010	NUMBER OF EMPLOYEES 2011	NUMBER OF EMPLOYEES 2012	PERCENTAGES OF TOTAL EMPLOYEES (2012)
<b>FEMALE AND ETHNIC MINORITY<sup>1</sup> EMPLOYEES</b>	61.3%	61.3%	61.9%	
<b>INTERNATIONAL EMPLOYEES (by region)</b>				
Asia-Pacific	2,245	2,160	2,057	2.7
Canada	276	279	279	0.4
Europe, Middle-East, Africa	482	449	425	0.5
Latin America and Caribbean	837	844	762	1.0
<b>TOTAL</b>	<b>3,840</b>	<b>3,732</b>	<b>3,523</b>	<b>4.6</b>
<b>OPERATIONAL DIVISIONS</b>				
Airport Customer Service	25,506	24,283	25,006	32.3
Cargo	1,872	1,719	1,648	2.1
Flight Operations	10,494	11,275	11,134	14.4
In-Flight Services	19,022	18,860	18,316	23.7
Reservations	5,539	4,839	4,577	5.9
Technical Operations	9,069	8,115	7,860	10.2
Management Salaried	8,111	8,835	8,848	11.4
<b>TOTAL</b>	<b>77,127</b>	<b>77,926</b>	<b>77,389</b>	

1. Ethnic Minority = non-white

As of December 31, 2012, unions represented approximately 14 percent of U.S.-based Delta employees. Unions represented 44 percent of Delta's international employees, including groups in Brazil, Canada, Chile, France, Germany, Greece, Italy, Japan, Mexico, the Philippines, Singapore, South Korea and Taiwan.

In those relatively rare instances where Delta must close a facility or significantly reduce the size of its workforce, affected employees are usually offered an opportunity for employment in a similar position in another city. Delta tries to accomplish needed workforce reductions through voluntary retirement incentive programs. In addition, Delta follows the Worker Adjustment and Retraining Notification (WARN) Act requirements for U.S.-based employees. The WARN Act protects employees, their families and communities by requiring most employers with 100 or more employees to provide notification 60 calendar days in advance of station closings and significant workforce reductions. Similarly, all individual country legal requirements are adhered to prior to significant operational changes at Delta's international stations.

# PROVIDING EMPLOYEE BENEFITS AND COMPENSATION

## EMPLOYEE COMPENSATION

Delta is committed to providing industry standard pay at the top of the pay scale in addition to competitive starting pay and appropriate pay growth within the scale. Entry-level pay for published scale positions exceeds all U.S. federal, state and local minimum wage requirements and complies with the U.S. Equal Pay Act that requires men and women in the same workplace be given equal pay for equal work. All eligible U.S.-based employees below the director level received a pay increase on July 1, 2012. Delta is equally committed to competitive pay in all international locations.

Delta employees worldwide are also incentivized by overall company performance. U.S.-based employees and the vast majority of international employees earn more when Delta performs well through Delta's annual Profit Sharing Program and monthly Shared Rewards Program. Eligible employees receive a bonus through profit sharing equal to 15 percent of Delta's annual pre-tax profit, which amounted to \$372 million in 2012. This meant a payout equal to 6.67 percent of each employee's eligible annual pay. Delta's Profit Sharing Program, among the most generous in any industry, recognizes employee contributions to Delta's successful journey.

Delta's Shared Rewards Program puts the spotlight on operational performance every month. Eligible employees can earn a monthly cash bonus when Delta meets or exceeds established goals. Shared rewards provides a payout of \$25 for meeting or exceeding one goal, \$75 for two and \$100 for three, with a maximum payout of \$1,200 per year for U.S.-based employees. In 2012, all 36 goals were met and employees received approximately \$91 million in shared rewards payouts. International Shared Rewards amounts vary by country.

## EXECUTIVE COMPENSATION

Because the achievement of operational and financial performance goals are essential to Delta's success, goals that drive payouts to employees under the Profit Sharing Program and Shared Rewards Program are included in Delta's annual management incentive plan. If no profit sharing is paid to Delta employees in a given year, payouts under the annual plan are capped at target award levels and executive officers receive capped payouts related to operational or revenue performance in restricted stock rather than cash. These stock awards generally will not vest until there is a future payout under the Profit Sharing Program. This structure provides management with incentives to deliver value to Delta shareholders, customers and employees, and aligns their interests with those of employees.

## EMPLOYEE BENEFITS

Most U.S.-based Delta employees are eligible to participate in a comprehensive program of benefits and privileges that range from health care coverage, travel privileges and retirement plans to employee assistance, WorkLife programs and discounts on a wide variety of products and services. Executives have the same health care and retirement plans as U.S.-based frontline employees.

## HEALTH BENEFITS

In addition to comprehensive health care coverage, Delta offers dental, vision and flexible spending account



benefits to eligible employees. To promote disease prevention, employees enrolled in a Delta Account-Based Healthcare Plan medical option are covered at 100 percent for preventive care services performed by a network provider based on recommendations of the U.S. Preventive Services Task Force (USPSTF). Beyond the USPSTF recommendations, employees covered by Delta's medical options also receive other preventive services such as free 24/7 confidential access to registered nurses through Delta Health Direct, wellness coaching, tobacco cessation programs and many other health improvement programs.

Long-term disability, basic life insurance, optional short-term disability, accident insurance, optional life insurance and long-term care insurance benefits are available for most employees. Business travel accident insurance coverage, up to a maximum \$1 million dollar benefit, is provided to all employees and funded by Delta.

Employees and their eligible family members have access to Delta's employee assistance program that offers confidential counseling, assessment and referral service support. This service is available at no cost, 24 hours a day, seven days a week. Delta's EAP also includes access to up to three free visits if additional face-to-face support is needed. Free financial counseling and concierge WorkLife services are also included in this program.

Delta also supports flexible employee opportunities. "Ready Reserve" employees are eligible to work fewer weekly hours, receive competitive pay, profit sharing, shared rewards and travel privileges, but are not eligible to participate in health and welfare or retirement income benefit plans.

Delta sponsors an influenza vaccination campaign across the U.S. every winter with on-site vaccinations at corporate headquarters and the airports of larger cities. Employees and families covered by Delta's medical options have no co-pay for their influenza vaccination. Employees and medical plan covered dependents have 24-hour access to nurse advocates who are just a telephone call away to assist them with new and chronic medical conditions.

### **TRAVEL PRIVILEGES**

Travel privileges are a valued perk provided to Delta employees. Through Delta's pass travel program, employees and family members are eligible for free or reduced fare travel to any destination that Delta serves. Travel privileges extend to same and opposite sex spouses and domestic partners, dependent and adult children, parents and stepparents, and extended family and close friends.



## MEALS ON WHEELS:

Delta has been participating in the Meals on Wheels Program for more than 10 years. During lunch, Delta employees, in teams of two, deliver meals to elderly citizens on designated routes in the East Point and College Park area surrounding the Delta headquarters in Atlanta. The program has grown from a handful of volunteers delivering meals to a few elderly people to nearly 200 volunteers delivering meals on three different routes 260 days a year.



## TRAVEL SAFETY & HEALTH

Delta’s medical plans provide unique travel vaccine coverage in recognition of global travel by employees and family members. Special programs target employees who travel internationally on company business, especially to developing countries with risks of malaria, yellow fever, dengue fever and food/waterborne illness.

To address these health challenges, Delta provides for education, travel health consultation, company paid vaccination and insect repellent to these employees. Travel illness referrals and RN case management are also important components to Delta’s health strategy. Employee education focuses on promoting awareness, the use of personal protection measures, early symptom recognition and prompt medical treatment.

Delta provides top-tier global medical assistance to help Delta employees who become ill or injured while on company business. Telephone consultation (available 24/7) can result in a hotel physician visit, a doctor’s office appointment or referral to an emergency room. Case management continues until the ill employee can travel back home. In rare circumstances, an air ambulance staffed with a highly skilled transport team of health care professionals is engaged.

Formal domestic and international union agreements also address safety and health at a broad level to ensure compliance with governmental regulations and standards. Health and safety topics include employee safety committees; participation of employees in health and safety inspections, audits, and accident investigations; and training and education.

## TRAINING EMPLOYEES

Delta provides its employees with numerous training and career development opportunities each year. In 2012, Delta’s training expenditures exceeded \$100M. Training requirements are specific to each operational division, and Delta’s eLearning database allows employees access to a broad array of courses at any time. Whether it is mandatory compliance, new hire, annual recurrent training or seminars, employees have numerous opportunities to increase their knowledge, skills and abilities. Delta provides employee education and communication via magazines, mailings, emails and web-based documents about pay, benefits, compensation and corporate programs.

AVERAGE ANNUAL TRAINING HOURS PER EMPLOYEE <sup>1</sup>	FRONTLINE	SALARIED
Airport Customer Service	17	37
Cargo	8	9
In-Flight Service	21	8
Flight Operations <sup>2</sup>	52	5
Reservations	53	20
Technical Operations	48	20
Corporate	6	5

1. Training hours calculated for recurrent training only

2. This training varies by fleet and includes initial/Continuing Qualification training.



## PERFORMANCE

Each year, Delta undergoes a performance management process to ensure that salaried employees' activities and outputs are consistent with the organizational goals expressed through the annual Flight Plan. This review process takes place in three key phases:

- Performance Planning - Delta encourages commitment and understanding by having employees create performance objectives aligned with the goals of their manager, division and the overall corporation. Performance plans address both performance objectives and Delta's High Performance Attributes (HPAs). Delta's HPAs are the behaviors demonstrated to achieve performance objectives.
- Mid-year Review - Delta ensures that each employee has an opportunity to discuss progress on performance objectives and HPAs made over the past six months.
- Year-end Review - Delta evaluates individual performance against the results delivered for each objective and each employee's demonstration of Delta's HPAs. Each of these components accounts for 50 percent of an individual's overall rating. A final performance summary and rating is provided to reflect the entire year's performance.



For the 2012 year-end review process, there was an overall performance management completion rate of 99 percent among Delta's salaried employee population. Delta ensures that all other employees receive performance feedback and career development opportunities through their respective divisions.

## MANAGING CAREER ENDINGS

To support employees in meeting financial goals for retirement, Delta sponsors both defined benefit and defined contribution 401(k) plans in the U.S. and in some international locations. Assets of these plans are held in trusts separate from Delta's general assets and, for U.S. plans, are subject to the Employee Retirement Income Security Act of 1974. Like many other companies, Delta has frozen its U.S. defined benefit pension plans, which were completely employer-funded. Many employees participate in Delta's 401(k) plan, to which Delta provides generous matching and non-matching contributions. Each pay period, most U.S.-based Delta employees automatically receive a fixed contribution equal to two percent of eligible earnings. Additionally, for those employees Delta matches employee contributions up to a maximum of five percent of eligible earnings, for a total of seven percent available.

Based on the most recent estimates, Delta's four defined benefit plans are funded between 45 percent and 70 percent, based on interest rates used for funding purposes. Delta expects to fully meet its obligations under the defined benefit plans by a combination of employer contributions and investment return. In 2012, Delta contributed nearly \$700 million to its defined benefit plans.

In 2012, Delta offered a voluntary program to eligible non-pilot and pilot employees who voluntarily retired from Delta in accordance with the terms of the program, including an expansion of retirement eligibility to certain employees who would not otherwise be eligible to retire under Delta's standard retirement program. A retiree medical account was established for each participant with a pre-determined allocation amount for the sole use to reimburse eligible healthcare expenses for the participant, spouse and eligible dependents. In addition to the retiree medical account, each program participant received a lump-sum severance payment (based on the participant's years of service) and standard retiree travel privileges. Non-pilot program participants were also eligible to utilize on-line career transition services provided by an external vendor. These services include résumé building and access to web-based group consultation and career management resources.

Employee resources for the management of career endings include financial planning resources, EAP retirement counseling and pension and 401(k) investment advice and modeling.

## EMPLOYEE SAFETY

Providing a safe work environment is Delta's fundamental obligation to its employees. As stated in Delta's 2012 The Way We Fly, "It's Your Responsibility – put safety first – always. Whatever your job, safety is part of it." Every employee has specific responsibilities that include, but are not limited to:

- Performing all duties in a safe, compliant manner
- Following all safety and environmental health policies and procedures
- Reporting all hazardous conditions or unsafe equipment
- Reporting any injuries, illnesses, ground damages or near misses
- Using the required safety equipment and protective clothing
- Proper training for utilizing powered industrial trucks and equipment
- Completing all training for the position held by the employee

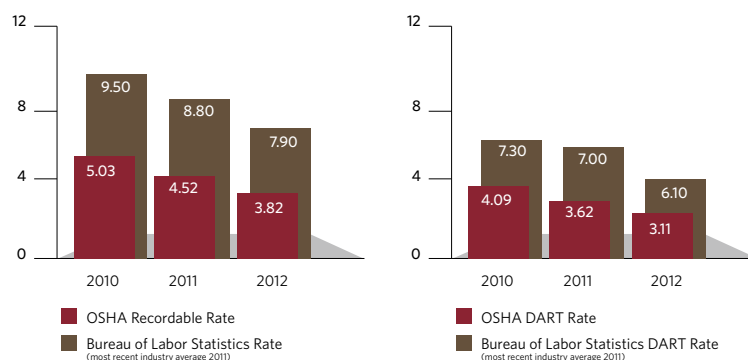


## THE WAY WE FLY

Delta's success continues to be based on its people, who consistently do the right things for customers and our company. Delta's values-based approach to policies outline expectations for Delta people to professionally and responsibly perform their duties. The Way We Fly summarizes key elements of this approach to safety and compliance; professionalism and respect; operational excellence and integrity; and the Delta brand.

## SAFETY METRICS

Delta's Occupational Safety and Health Administration (OSHA) recordable occupational injury/illness rate for 2012 represents a 15.7 percent improvement over the previous year, with a 14.1 percent improvement in days away, restricted or transferred rate in the same time period. Delta's safety performance was still significantly stronger than the industry average based on a comparison to a 2011 (the most recent year for which averages are available) Bureau of Labor Statistics (BLS) industry average. There were no work-related fatalities during 2012.



## DEVELOPING SAFETY TEAMS

Delta supports 660 safety representatives throughout the company. These individuals, along with management, provide guidance and enforcement of safety programs throughout Delta. Many of these safety representatives participate voluntarily in a safety committee at a local level.

DEPARTMENT	SAFETY REPRESENTATIVES	NUMBER
Airport Customer Service	Divisional Safety Representatives	5
	Regional Specialists	19
Cargo	Divisional Safety Representatives	2
	Regional Specialists	42
Flight Operations	Divisional Safety Representatives	49
In-Flight Service	Divisional Safety Representatives	6
	Location Safety Representatives	15
	System Safety Committee Members	5
Management/Salaried	Corporate Safety, Security and Compliance Staff	97 <sup>1</sup>
Reservations	Divisional Safety Representatives	2
	Location Safety Representatives	14
	System Safety Committee Members	85
Technical Operations	Divisional Safety Representatives	14
	Line Safety Representatives	
	Domestic	123
	International	22
	Shops	160
<b>TOTAL</b>		<b>660</b>

1. This total includes 10 Flight Safety personnel

## OSHA'S VOLUNTARY PROTECTION PROGRAMS

Delta was the first airline in OSHA's Voluntary Protection Programs (VPP) and remains as one of only five companies in their corporate VPP program. VPP provides Delta the unique opportunity to improve employee safety and health through cooperation among employees, management and government.



In 2012, Delta had 14 facilities in OSHA's VPP, representing 11.9 percent of U.S. facilities and 8.9 percent of all U.S. personnel (6,757 employees). For the year, the total OSHA recordable rate for these facilities was 2.40 and the Days Away and Restricted Time rate was 1.51. The OSHA recordable rate was 39.2 percent better at VPP sites than non-VPP sites at Delta. Additionally, the VPP OSHA recordable rate was 69.6 percent better than the industry average.

OSHA RECORDABLE RATE	2010	2011	2012
Delta VPP Rate	3.09	2.89	2.40
Delta Corporate Rate	5.03	4.52	3.81
BLS Industry Average	8.80	7.90	

In 2012, five facilities participated in VPP recertification and were all successfully recommended as continued VPP Star sites.

- Jacksonville Airport Customer Service
- Jacksonville Florida Delta Global Services
- Atlanta Technical Operations Base Maintenance, Quality, Engineering, and Training
- Atlanta Technical Operations Engines and Components
- Atlanta Ground Support Equipment.

## SAFETY TRAINING

In addition to the airline operational and safety training, Delta's Corporate Safety team facilitates an annual Safety Leadership Workshop that is open to all safety coordinators, safety representatives, VPP coordinators, facility managers, supervisors and leaders from the various divisions. In 2012, 500 employees attended the event, which included Delta CEO Richard Anderson and motivational speaker Jeff "Odie" Espenship as guest speakers. Attendees could also choose from a variety of safety-related breakout sessions throughout the day to enhance the learning experience.





(Pictured above: Las Vegas team with their award)

## TRIPLE CROWN AWARD

For the second June in a row, Las Vegas won the Triple Crown Award from Corporate Safety. The award recognizes North American Delta stations with 25 or more mainline departures per day that have the highest on-time performance, the lowest recordable injury rate tracked by the U.S. Occupational Safety and Health Administration (OSHA), a zero Category 1 ground damage rate and zero environmental spills - all in the same month.

On October 8, 2012, the Las Vegas team celebrated their achievement that came from the combined efforts of Airport Customer Service, TechOps, Delta Cargo and the station's business partners to produce the results that earned the award.

"With this second Triple Crown Award Team Las Vegas has again proven that the combination of a true partnership between the Delta employees and our business partners," said James Sarvis, vice president - ACS stations. "It demonstrates Delta's belief that safety is the number one value in our formula for success."

"The Las Vegas team continues to deliver spectacular performance," said Alyssa Sherouse, field director-ACS. "Winning the award is quite a testament to the dedication and focus of the leadership team and frontline employees both above and below the wings."

## SPIRIT AWARD

Delta's Los Cabos station won the Spirit Award from Corporate Safety for achieving exemplary occupational safety and performance for the second quarter of 2012.

Stations in Latin America, Caribbean and Canada Region can win the quarterly Spirit Award if they have zero occupational injuries/illnesses, zero aircraft ground damages in specified categories, zero environmental spills, the highest number of near miss observation reports and are one of the top five stations in actual on-time DO performance rate in the quarter.



Photo: Los Cabos team celebrate with their award

“It is a great achievement for a station to achieve the Spirit Award,” said Kirk Thornburg, former managing director-Aviation Safety and Assurance. “It demonstrates that the entire team, including business partners, has worked together for excellence in safety and on-time consistency.”

“It is such a great honor receiving the Delta Spirit Award for the second time,” said Nicolas Martinez, Los Cabos Station Manager. “I feel very proud to lead such a dedicated, hard-working, motivated and highly professional team who is fueled with energy and strives towards excellence. This is an ‘us’ accomplishment and is dedicated to the Los Cabos Delta Team. I am very proud to be part of this great team.”

## DUBLIN WINS GRAND SLAM AWARD THREE TIMES IN A SINGLE YEAR

Photo: L to R -- Ken Hylander, senior Vice President - Corporate Safety, Security and Compliance, Joan Carrick (Dublin, Ireland Station Manager) and Pierre Spain (Regional Director Airport)

Delta’s team at Dublin International Airport earned the Grand Slam Award from Corporate Safety three times in 2012. They won the award for the 1st, 2nd and 4th quarters, competing against other stations in the Atlantic Region.

The Grand Slam Award is Delta’s highest recognition for operational safety excellence in the Atlantic Region and is awarded to the station that records the most improved global incident rate, zero aircraft ground damages in specified categories, zero environmental spills, zero high risk or unresolved safety related quality control audit findings, highest number of near-miss observation reports, and is in the top five in on-time DO performance rates for the quarter.

“The Grand Slam Award reflects Dublin’s continued dedication to deliver a safe operation in conjunction with the other operational elements,” said senior Vice President, Ken Hylander - Corporate Safety, Security and Compliance.

In a recent awards ceremony, Joan Carrick, Dublin station manager, said “We are delighted to have won the award again this year and it is truly an example of all the team and partners working together for our customers and ensuring that safety is our number one priority.”



## ERGONOMICS

Musculoskeletal disorder is one of the leading causes of injuries to employees at Delta. Lifting heavy bags and cargo, squeezing into tight spaces during maintenance, and working with heavy tools in awkward positions



puts strain on an employee's bodies. Delta's Ergonomics program strives to protect workers from such hazards through observation and evaluation of tasks, stretch and flex programs and training of employees in how to fit jobs to their bodies instead of fitting their bodies to difficult jobs.

In 2012, the Reservations Department trained 165 managers and lead agents in the evaluation and modification of employee workstations to ensure they were set up in an ergonomically acceptable manner. Technical Operations' ergonomics program was recognized twice as an industry best practice when it was presented to OSHA during at the Voluntary Protection Program evaluation. Airport Customer Service hosted a Stretch and Flex video contest, which fielded entries from stations throughout the country demonstrating how they had instituted pre-work stretching programs at their airports.

## ASSESSING WORKPLACES THROUGH INDUSTRIAL HYGIENE

To protect employees from long-term health problems, Delta's industrial hygiene program identifies and addresses potential workplace hazards. Air sampling, indoor air quality surveys, noise monitoring, drinking water testing, chemical hazard assessments, industrial hygiene compliance reviews and health hazard awareness training are used to minimize workplace risks. In all cases, Delta goes beyond the minimum regulatory requirements, enforcing standards set by the American Conference of Governmental Industrial Hygienists; the American Society of Heating, Refrigerating, and Air-Conditioning; the American National Standards Institute; and the International Organization for Standardization.

In 2012, the Industrial Hygiene program focused on workplace noise exposure. Employees in Delta's Cargo, Aircraft Inspection, Stores, and Technical Operations groups were the subject of full shift noise dosimetry. This information is used to determine if and when hearing protection is required for employees and whether or not annual audiograms are warranted to ensure employees hearing is not jeopardized by their exposures.

## PROMOTING DIVERSITY

Delta celebrates diversity among employees, ideas and styles. Delta engages with the cultures and communities it serves. The airline's global diversity initiatives strategically position the company for long-term success in a dynamic and challenging environment. The key to this strategy is improving workforce development to meet the complex and accelerating demands of changing demographics at home and abroad.



Delta also supports forums for employees to meet and share common ideas and interests. These employee network groups have been established for a number of Delta's diverse employee groups.

For example, in 2009, Delta established ABLE Network on Disability, to advocate on behalf of Delta's employees, their families and friends living with disabilities. In 2011, ABLE held its first disability fair with more than 300 employees and community organizations in attendance. In conjunction with the fair, ABLE Network hosted its annual Speaker's Series to bring inclusion and diversity with speakers such as Darius Weems of Darius Goes West, John Kemp, President of the Vicardi Center - New York, Jennifer Arnold of Canine Assistants and Aimee Copeland. ABLE Network on Disability is committed to Accessibility, Barrier Elimination, Leadership and Experiential Education.

## SERVING PEOPLE WITH DISABILITIES

On October 10, 2012, 300 gathered in the Delta Heritage Museum's historic Hangar 2 for the Disability Fair sponsored by the ABLE network employee group. About 30 vendors offered a host of services and support groups to help employees understand disabilities. Aimee Copeland, a 24-year-old Georgia resident, attracted national attention, who after recovering from flesh-eating bacteria that took parts of both legs and hands, was greeted with a standing ovation. She outlined bold plans in her future, starting with writing a thesis as she completes her studies at the University of West Georgia, with an emphasis on wilderness therapy for amputees. Her story was inspirational to many of the participants of the Fair making them better prepared to serve passengers with disabilities in the roles they fill at Delta.

## EMPLOYEE NETWORK GROUPS

- ABLE Network on Disability - ABLE stands for Accessibility, Barrier Elimination, Leadership and Experiential Education
- Asian Pacific Employee Network Group
- Black Employee Network
- Gay Lesbian Employee Network
- Latin American Hispanic Employee Network
- Veteran's Employee Network
- Women's Employee Network
- Realizing Individual Standards of Excellence (RISE) (mentoring program)
- Realizing Individual Standards of Excellence Asia Pacific: In 2012, Delta launched a RISE satellite in Tokyo consisting of approximately 23 mentoring partnerships. Mentors and mentor partners represent several countries within the Pacific region.





## HONORING OUR SERVICEMEN AND WOMEN

Delta is committed to our service members transitioning out of the military and our veterans. On Nov. 9, 2012, Delta dedicated the "Spirit of Freedom," a Boeing 757 to the men and women who currently serve or have served in the U.S. Armed Forces. Additionally, the airline made a \$350,000 donation to the Fisher House Foundation at Reagan National Airport (DCA) in Washington D.C.

Since 2011, 76 companies have set a goal of hiring 100,000 veterans by 2020, the 100,000 Jobs Mission. Formed by JPMorgan Chase, the coalition met in October 2012 at Delta Air Lines headquarters in Atlanta and reported that 28,186 veterans - a figure up more than 10,000 from the previous quarter - had been hired. Delta's commitment to military service members extends year-round across the travel experience.

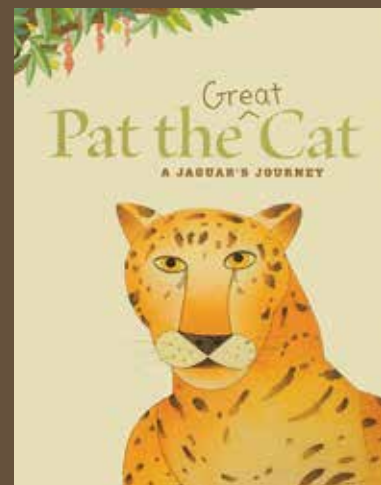
In 2012, Delta was named a Secretary of Defense Employer Support Freedom Award recipient. Delta was one of the 15 employers out of the more than 3,000 nominations, and the only airline in a decade, awarded the Department of Defense' highest recognition given to employers for exceptional support of Guard and Reserve employees.

In late 2012, Delta Flight Operations partnered with ABLE Network on Disability and the Wounded Warrior Project to provide a behind the scenes opportunity for 10 Wounded Warriors to experience the Flight Simulators, see the Operations Control Center and the Delta Heritage Museum, and learn about how Delta serves people with disabilities. This pilot program will continue in 2013.

## BOOKS FOR BELIZE

As part of the Pat the Great Cat Literacy Project, Delta shipped 10,000 copies printed in Milwaukee to Belize free of charge. The book, "Pat the Great Cat, A Jaguar's Journey," written in English and Spanish, relates the story of an endangered jaguar that was captured in Belize and eventually came to reside in the Milwaukee County Zoo. Schools in Milwaukee partnered with students in Belize and to spend the 2010-2011 school year researching details about Pat's story. They wrote letters, poems, and songs describing what they had learned. That effort inspired the creation of the book, designed by a Milwaukee-based nonprofit education organization.

Delta's involvement began earlier this year when Bob Cortelyou, senior vice president - Network Planning, visited Belize and met Barbara Thummalappally, the wife of the U.S. ambassador to the country. She described a literacy project she was leading together with the support of Peace Corps volunteer teachers and the Belizean Ministry of Education to introduce Pat the Great Cat into Belizean schools. Delta arranged to ship the nearly 600 boxes weighing more than 22,000 pounds to Belize, a task which took more than five days. A classroom set of books will be donated to every primary school in Belize and to all public libraries.



The Pat the Great Cat Literacy Project is an extraordinary initiative that will do so much good," said Jeff Morgan, team leader-Network Planning, Latin America & Caribbean, who traveled to Belize to represent Delta. "I have a 4-year-old son, Jonathan, whose favorite activity is to read with his dad. When we read together, I can see the connections he is making and watch his imagination run wild. That is the power of books, to teach and to spur the imagination. I'm certain that Pat the Great Cat will do the same for the children of Belize."

## FOCUSING ON SUPPLIER DIVERSITY

Delta recognizes the critical role of small, minority and women-owned businesses in the overall strength of the U.S. economy and ultimately to Delta stakeholders. A priority at Delta is to develop and maintain a diverse supply base that maximizes shareholder value. In 2012, Delta grew its minority business enterprise (MBE) spend by 75 percent versus 2011, while women business enterprises (WBE) spend increased by 37 percent, compared to 2011.

Delta's aggressive growth in supplier diversity can be attributed not only to identifying viable diverse companies but also to Delta's commitment to helping diverse companies understand and develop the capabilities required to compete successfully for Delta business. Delta also remains engaged with community partners and supplier diversity organizational advocates at the national and local level. Delta highly values these relationships and their initiatives to drive supplier development and procurement opportunities for diverse suppliers.

In an effort to ensure Delta has a Best-in-Class supplier diversity program, all policy, goals, mission and commitment statements are supported at the CEO level. CEO Richard Anderson has issued a diverse supplier development policy that articulates the rationale for supporting the initiative. This policy is posted on Delta's supplier diversity internal site [www.delta.com/supplierdiversity](http://www.delta.com/supplierdiversity) and supported with executive champions. A second level of champions at the supply chain level provides further accountability for Delta's policy.

Delta's policy is to proactively seek and include diverse suppliers in all of our bids and strategic sourcing activities. Delta views supplier diversity as more than an initiative but embedded in the core supply chain management processes.

Supply Chain Management's goal is to advance diverse business development through multiple initiatives. These initiatives include increased spend and development and on-boarding of diverse suppliers into our strategic sourcing strategies. Delta has clearly stated diverse supplier development performance goals that reflect the year-over-year percentage increase, both in dollars spent and in percentage of utilization. Our performance results are measured against these established goals.

The prestigious Annual Supplier Diversity Star Awards recognize diverse suppliers who have distinguished themselves by advancing supplier diversity through superior performance.

Delta's supplier diversity efforts earned the following awards:

- The Greater Women's Business Council's (GWBC) 2012 Top Corporation of the Year
- The Greater Women's Business Council's (GWBC) 2012 Buyer of the Year



Roz Lewis, Executive Director, The Greater Women's Business Council; Latrina Pope, "Buyer of the Year," General Manager, Corporate Services, Supply Chain Management, Delta Air Lines; Marlene Kelly, 2nd Vice Chair, Board of Directors, GWBC and CEO & President, Exhibits South; Lisa Johnson, Chair, Board of Directors, GWBC and Group Manager, Corporate Procurement Services, UPS

# EMPLOYEE GOALS

## 2012 Goals

Focus on building strength in middle management | ACCOMPLISHED

Pay profit sharing at or above target; earn 21 or more Shared Rewards payments  
ACCOMPLISHED | Delta paid \$372 million in profit sharing in 2012, a payment of 6.67% of earnings for each eligible employees. Delta also paid the maximum Shared Reward payments with over 36 goals met.

Continue building a great place to work, including an environment that promotes employee engagement | ACCOMPLISHED

Embrace diverse people, thinking and styles; increase the diversity of leadership | ACCOMPLISHED

Pursue two additional VPP sites in 2012  
ACCOMPLISHED | Savannah Airport Customer Service and Savannah TechOps

Complete VPP recertification requirements for five sites in 2012  
ACCOMPLISHED |

- Jacksonville Airport Customer Service
- Jacksonville, FL Delta Global Services
- Atlanta Technical Operations Base Maintenance, Quality, Engineering, and Training
- Atlanta Technical Operations Engines and Components
- Atlanta Ground Support Equipment

Reduce serious injuries arising from driving on the ramp through improved training programs, use of personal protection equipment and increased observation | ACCOMPLISHED

## 2013 Goals

Pay profit sharing at or above target; earn 21 or more Shared Reward payments

Focus on developing bench strength in middle management

Continue building a great place to work and achieve a 5 percent overall improvement on the 2013 Employee Survey

Pursue two additional VPP sites

Submit application to OSHA for two sites

Continue to focus on reducing serious injuries from driving on the ramp through increased observations; provide third party to conduct observations at several locations



# GLOBAL GOOD

DELTA IN THE  
COMMUNITY

## COMMUNITY PARTNERSHIPS: DELTA'S FORCE FOR GLOBAL GOOD

Delta is proud to be a giving company focused on becoming a force for global good and helping to build a wholesome worldwide community. Delta and the Delta Air Lines Foundation actively support the Force for Global Good through corporate giving, in-kind gifts and employee volunteerism.

### ADVANCING GLOBAL DIVERSITY

Delta proudly embraces diverse people, thinking and styles. On a global scale, Delta maintains a culture of inclusion and represents people of many languages, ethnicities, cultures, gender identifications, races, ages, sexual orientations, educations, religions, work experiences, family statuses, capabilities, political views, geographical and regional identifications, values, skills, personalities, educations, citizenship statuses, socioeconomic backgrounds, community memberships and even communication styles. These differences among employees and customers strengthen the airline and represent global diversity as a core Delta value.

In support of this, Delta is proud to provide corporate support to the initiatives of organizations such as the Latin American Association, the United Negro College Fund and the Gay and Lesbian Alliance Against Defamation. In June 2012, Delta participated in groundbreaking ceremonies for the National Center for Civil and Human Rights adjacent to Centennial Olympic Park in downtown Atlanta. As one of the project's early corporate supporters, \$1 million was pledged to the construction of the center, which upon opening will feature permanent collections, timely exhibitions and interactive education opportunities to engage visitors in the historical and current struggle to secure and express human rights.

In September 2012, Delta dedicated a Boeing 757-200 aircraft to Ambassador Andrew Young with his signature and the words "Atlanta's Ambassador To The World" on the side of the aircraft.

Delta is also a proud sponsor of the Joseph Lowery scholarship at Morehouse College and the PRIDE festivals in Atlanta, New York, and the Minneapolis-St. Paul.

### IMPROVING GLOBAL WELLNESS

#### **HABITAT FOR HUMANITY**

To Delta, improving global wellness means addressing well-being at its core. Acknowledging the need for safe shelter, Delta is proud of its ongoing support of Habitat for Humanity and the work it does across the world. In 2012, more than 1,800 employees took part in Delta-sponsored Habitat builds across the United States. New houses were built in Atlanta, Minneapolis-St. Paul and Salt Lake City and existing structures in New York City and Los Angeles were rehabilitated to today's building standards as part of the domestic Habitat projects.

## FOUR CORE VALUES TO GLOBAL GOOD

There are four core values for Delta's Force for Global Good and the guiding principles for Delta's community involvement:

- Advancing Global Diversity
- Improving Global Wellness
- Improving the Environment
- Promoting Arts and Culture

More than 20 of Delta's Japan-based employees teamed up with Habitat for Humanity Japan in October to help clean up and that paint a community center in the Northeast area of Japan that was heavily damaged in the March 2011 earthquake and tsunami. In April 2012, more than 50 employees traveled to Haina, Dominican Republic, to participate in Delta's Habitat for Humanity International build where they built additions, dug holes for septic tanks and replaced dirt floors with concrete for 10 families of the local community.

### AMERICAN RED CROSS

Delta's national partnership with the American Red Cross provides a variety of opportunities to help alleviate suffering by maintaining a standing offer of complementary cargo and passenger space. Employees participate in blood drives, make financial contributions and serve as disaster response volunteers. From July 2011 to June 2012, employees donated more than 4,250 pints of blood, making Delta the largest corporate donor of blood in the southeastern United States. The Red Cross also transports volunteers to the scene of disasters using frequent flyer miles donated by customers to select charities through the SkyWish program.

### DELTA DAY OF HOPE

In May, thousands of Airport Customer Service employees, joined by colleagues from other workgroups, participated in Delta Day of Hope relays at 40 airports around the globe in conjunction with the American Cancer Society to raise more than \$500,000 in the fight to end cancer. The American Cancer Society presented the 2012 Distinguished Corporate Achievement award to Delta in recognition of efforts to bring education, promote awareness of cancer and raise funds that help save lives.

### UNITED WAY

In 2012, Steve Sear, senior vice president - Global Sales, served on the Board of Directors for the United Way of Metropolitan Atlanta and encouraged employees to contribute to United Way through Delta's payroll deduction program to help achieve its \$1.4 million goal. Delta was a corporate leader of sustainable change in education, income, health and ending homelessness through a partnership with the United Way.



## DELTA GOES PINK FOR BREAST CANCER AWARENESS MONTH

To customers, Delta's most visible effort in the fight against cancer takes place each October during national Breast Cancer Awareness Month. At this time, flight attendants sell pink lemonade, wear pink uniforms and raise money for The Breast Cancer Research Foundation. In late September 2012, more than 140 employees traveled on a Boeing 767-400 with Delta's signature pink livery for the annual "Breast Cancer One" employee survivor charter flight and aircraft dedication in New York's LaGuardia airport to dedicate the aircraft to Evelyn Lauder, who founded The Breast Cancer Research Foundation in 1993.

In 2012, Delta raised \$1.5 million for the cause, an increase of \$250,000 from 2010. To date, Delta has raised more than \$6.5 million for BCRF, enough to fund 18 research projects dedicated to the mission of preventing and finding a cure for breast cancer.

Passengers arriving and departing from Hartsfield-Jackson Atlanta International Airport on the runways located on the north side of the airport at night during the month of October had a special view of the Delta administrative offices bathed in pink lighting to commemorate Breast Cancer Awareness month and the company's commitment to help find a cure.

## IMPROVING ENVIRONMENT

Delta engages employees in supporting an array of environmental initiatives. Delta partners with The Nature Conservancy to support conservation work. Customer donations grew significantly in the second half of the year for a total of 1,167,146 miles contributed in 2012. Delta's in-kind donations from customers continue to reduce travel costs for the Conservancy.

The Nature Conservancy utilized more than 13 million miles of award travel in calendar year 2012. This support enables Conservancy staff around the world to travel to scientific conferences, project locations, trainings, and meetings with donors and government decision-makers.

Delta was also the official airline of the New York Wildlife Conservation Society, which includes the Bronx Zoo, the New York Aquarium and other wildlife parks.



## PROMOTING ARTS & CULTURE

Delta is an active partner in supporting community organizations, museums and exhibits that enlighten and inspire people to better themselves and their world.

Among Delta's 2012 partnerships were the Atlanta Symphony Orchestra, the Fox Theatres in Atlanta and Detroit, the Guthrie Theater in Minneapolis, Atlanta's High Museum of Art, the Whitney Museum in New York City and many others.

As the Official Airline of Madison Square Garden, Delta has branded space at many iconic sports and entertainment venues in the country, including, Radio City Music Hall, The Theater at Madison Square Garden and the Beacon Theatre in New York City, as well as The Chicago Theatre and the Wang Theatre in Boston.

## PRIORITIZING ORGAN SHIPMENTS

In partnership with the FAA's Lifeguard program, Delta operates the live Human Organ Program. The Lifeguard program prioritizes take off and landing of planes which contain live human organs (LHO) for transplant to expedite their travel time. During transport of LHOs, a special call sign is used by air traffic control to effectively manage these flights. Delta provides LHO training for gate agents and cargo employees to safely and efficiently handle this precious cargo. Delta's Operations Control Center oversees all LHO shipments on Delta flights. In 2012, 6,789 LHO shipments were handled by Delta.

## CIVIC PARTICIPATION

Business and efficiency can be directly influenced by government proposals and legislation. For this reason, Delta remains committed to participating in the political process. Delta engages in political participation by communicating with government officials and contributing to electoral campaigns through DeltaPAC, a nonpartisan political action committee. DeltaPAC is fully funded by employees.

In 2012, DeltaPAC contributed a total of \$216,936 to various candidates for federal election campaigns. Corporate political contributions totaled \$25,000 in Georgia and \$12,500 in Michigan.

## MAKING A DIFFERENCE IN PERU

In 2010, Atlanta based flight attendants Carla Soto Mitchell and Laura Alonso began to use their benefits as Delta flight attendants to make a difference in the lives of more than 800 children at Comunidad de Niños Sagrada Familia in Ventanilla, Lima, Peru. Miguel Rodriguez founded the organization in 1989, shortly after the death of his infant son, taking in children from the streets into his own home and never turning any child away.

Started from donations by fellow Delta employees and a group of seven flight attendants, their families, and two layover hotel workers, the first party was thrown in December 2010 for the children in Lima. In 2012, it had grown to 110 U.S.-based employees, along with Delta employees based in Lima who have given their time and paid for their accommodations to spend a day with these children in the holiday spirit.

The children enjoyed all-day entertainment – including face painting, manicures, haircuts, inflatable slides and bounce houses. Each child received a gift bag with at least one bottle of gummy vitamins for each child brought by the volunteers. More than \$50,000 worth of materials were provided to the house, brought down by crew members during their layovers and during the annual holiday festivities in December.

Employees held several fundraisers at Hartsfield-Jackson Atlanta International Airport to support the event, and private donations are also accepted from a fund for Sagrada Familia set up at Delta Community Credit Union.

Support for Comunidad de Niños Sagrada Familia is part of Delta's Force for Global Good and includes being a leader in corporate social responsibility by being active participants in the communities where Delta people live, work and serve. "This event has become, for me, life changing. The smiles on the children's faces and the love that they are receiving is simply overwhelming. The fact that a relatively small group of employees from such a large company can come together and have parties like this for such a worthy cause is amazing." - Laura Alonso









# WHAT KEEPS DELTA FLYING CUSTOMERS

B777-300  
SAFETY INFORMATION

## ENSURING FLIGHT SAFETY

Delta remains committed to reducing risk and supporting safe flight operations by administering voluntary safety programs to prevent accidents and incidents. These programs include the Aviation Safety Action Program (ASAP), Flight Operational Quality Assurance (FOQA), Special Winter Operations Airport (SWOA) Program, and Line Operations Safety Audit (LOSA). During 2012, Delta continued to grow the programs and make enhancements in an effort to strive for excellence in safety.

In addition to safety programs for pilots, Delta provides voluntary safety programs such as ASAP for dispatchers, maintenance technicians, and load planners. All four of the ASAP programs continued to benefit and grow under an improved reporting culture by employees to quickly recognize and report potential hazards. As a result of the improved reporting culture, the pilot ASAP program experienced a record volume of reports during the year that led to countless safety and operational enhancements throughout the Delta network. In 2013, In-Flight Services will launch an ASAP program for more than 18,500 flight attendants.

Historically, the FOQA program has focused primarily on flight operations when pilots were in direct control of the aircraft. In an effort to more comprehensively monitor Delta operations, the FOQA program was expanded in 2012 to monitor mechanic taxi operations. Delta also continues to add new fleet types into the FOQA program. In 2012, the Boeing 737-700, Boeing 777LR and Boeing 747-400 fleets became part of the program. The implementation of these aircraft allowed for the analysis of new routes, procedures, and airports that previously were not available from the other aircraft fleet types.

In 2012 Delta continued participation in and the use of the Aviation Safety Information Analysis and Sharing (ASIAS) system. The ASIAS system is a tool provided by the FAA that promotes the open exchange of de-identified safety information in order to continuously improve aviation safety. This system enables Delta to perform integrated queries across multiple databases, search an extensive warehouse of safety data and benchmark in a de-identified manner against industry peers.





With a focus on mitigating the risk of runway excursions during winter weather conditions, the Special Winter Operations Airport program was expanded and included three new airports for the 2012/13 winter season. This program focuses on airport infrastructure, surrounding terrain, plowing and runway friction measuring procedures, and the communication of timely and accurate field conditions. Delta and Delta Connection carriers facilitated many airport visits throughout the year to promote and enhance winter operations policies and procedures.

In addition to leading and participating in industry working groups, Delta completed numerous investigations, studies, and recommendations that led to training, technical, and procedural enhancements to both Delta and the safety of the industry.

## SAFETY MANAGEMENT SYSTEM

Mandated by the International Civil Aviation Organization (ICAO), the Safety Management System (SMS) concept is a proactive, predictive, and data-driven approach to manage safety. In 2013, the Federal Aviation Administration (FAA) is expected to release a final rule requiring all U.S. air carriers to develop and implement SMS. This new rule is the culmination of a six-plus year FAA pilot program in which Delta was the first U.S.-based air carrier participant.

SMS enables Delta to anticipate problems and hazards based on historical reactive and proactive data. The attributes of SMS, and its four main components (safety policy, safety risk management, safety assurance, and safety promotion), provide a venue to use all accumulated data, analyze the data proactively and predict the outcome before an incident or an accident can occur. Each of the four components of SMS continually interact with each other and define organizational safety structure.

As part of the SMS process, Delta utilizes a series of divisional safety committees, known as the Safety Round Tables (SRTs), to continuously monitor operational risks. The SRTs are charged with the development of a unified strategy to address safety issues at the divisional and the corporate level. A multi-departmental committee, the Integrated Safety Round Table (ISRT), is comprised of business leaders from each operating division who manage cross-divisional issues that require broad coordination. Participants identify higher-level issues where impact cannot be addressed or effectively mitigated at the divisional level.

As implementation of the final rule nears, Delta continues to refine and grow the program as well as mentor Delta Connection partners in their SMS development. Delta is considered an industry leader in SMS and the FAA and other carriers look to Delta as an effective SMS model.

# DELTA SAVES A LIFE

In 2012, a passenger who experienced a cardiac arrest and was resuscitated with CPR and an AED shock wrote:

Only the perfectly orchestrated timing of three distinct events saved me. Had any one of them been off by even a minute or so, I would not have made it. I am told I owe my life to whomever the Flight Attendant was who reacted so quickly to the situation. That must be due not only to quick thinking on his or her part, but also to the training that Delta has given their people. For that, I as well as my whole family, thank you very much.



## DID YOU KNOW?

Delta does not serve peanuts on a flight when a passenger discloses a peanut allergy.

## TRANSPORTING HAZARDOUS MATERIALS

Delta transports hazardous materials such as flammable liquids, corrosives and consumer commodities as revenue cargo and as company materials to support technical operations. Delta transported nearly 51,000 shipments of these goods in 2012, a 5.9 percent increase from 2011. These shipments are transported in full compliance with all applicable laws and the regulations of the FAA, DOT and ICAO. Employees who accept, ship and handle hazardous materials are trained annually in an internally developed program approved by the FAA that encompasses all domestic and international regulations.

To promote continuous improvement, the Delta Dangerous Goods Council oversees initiatives to ensure shipments are accepted and handled in compliance with the regulations. One of the initiatives for 2012 was enhancements to the Notice To Captain of Dangerous Goods carried by printing all hazardous materials shipments on a single form and including specific loading requirements for items on the form.

## SAFEGUARDING PASSENGER HEALTH

Ground employees, customers and passengers benefit from Delta's ground and aircraft automated external defibrillator programs. Flight attendants receive new hire and biennial cardiopulmonary resuscitation (CPR), automated external defibrillator training and other first aid training. In 2012, flight attendants and medical volunteers used AEDs on 60 occasions. Delta also maintains a ground AED program with user guides available at each station.

Because passenger safety during flight is paramount, Delta voluntarily contracted with STAT-MD, a division of emergency services of the University of Pittsburgh Medical Center. STAT-MD provides 24/7 ground-based medical support for in-flight medical events that occur during flight, in addition to fitness-to-fly medical screening. Board-certified emergency medicine physicians are knowledgeable about Delta's on-board medical capabilities and the effects of altitude on physiology. In consultation with the captain and medical volunteers, the STAT-MD physician provides treatment

recommendations including whether or not the flight should divert for more immediate medical care. Delta exceeds FAA regulatory guidance for on-board medical equipment, supplies and medication.

Delta accommodates battery-operated medical devices, including portable oxygen concentrators that have been pre-approved by the DOT and Delta to ensure compatibility with aviation electronic systems.

## MAINTAINING SAFE DRINKING WATER

In an effort to provide customers and crew with safe drinking water, Delta regularly monitors water quality on aircraft and maintains a rigorous program of system disinfection and maintenance. In addition, Delta requires monthly disinfection of its mobile water servicing equipment and routine inspection and maintenance to ensure the safe transfer of water aboard aircraft.

The U.S. Environmental Protection Agency (EPA) requires air carriers to routinely monitor aircraft water systems with a disinfection and sampling protocol. Delta maintains safe drinking water for customers and crew members by implementing procedures to comply with the EPA Aircraft Drinking Water Rule (ADWR). Aircraft and water servicing equipment are disinfected and sampled as required by the ADWR, and watering points are monitored in accordance with the Food and Drug Administration's watering point requirements. International locations must provide water analysis data before water may be uploaded on Delta aircraft to ensure boarded water is safe and free of coliform bacteria.



## AIRCRAFT CABIN AIR QUALITY

Delta has been a collaborator in the FAA-funded Airliner Cabin Environment Research consortium since 2005, frequently providing university researchers access to Delta aircraft, used parts, and expertise. In 2012, Delta participated in a Boeing-funded study of crew and passenger movement patterns on board aircraft. The data, which was collected by researchers from Georgia Tech and Emory University, will be used by Boeing to develop aircraft cabin designs intended to further reduce the potential for infectious disease transmission during flight. Delta also participates on the American Society of Heating, Refrigerating, and Air-conditioning Engineers' Air Quality Within Commercial Aircraft standard committee, which authored and updates an international standard and guideline on best practices in design, operation and maintenance for ensuring acceptable cabin air quality.

## ENSURING FLIGHT SECURITY

Delta continues its efforts to minimize security-related risks to its passengers and employees worldwide. Working with a wide array of security-related organizations from local, state, federal and international agencies as well as aviation industry and other private sector partners, Delta has developed procedures, processes and international security business plans to help identify and manage security risks.

Delta's threat assessment and risk mitigation program continues to evolve as an industry-leading program, particularly through the integration of multiple intelligence sources to address a wide range of threats. Delta has also served as the first U.S. airline to implement new government-sponsored technology for the controlled sharing of intelligence information, as part of a strategy to prioritize the collection, analysis, and utilization of intelligence information to assess risk and mitigate security-related impacts to customers.

Delta uses the latest security technology to identify threats as well as monitor and trend data in an effort to predict arising threats. Additionally, Delta continues to work with governments and agencies in the expansion and creation of new security strategies such as Controlled Cognitive Engagement, a new process for identifying threatening people, and Transportation Security Administration risk-based expedited screening initiatives for passengers and crew, Pre✓™ and Known CrewMember, as well as a cargo initiative, Air Cargo Advanced Screening.



## MARK MCKINLEY HELPS A PASSENGER, SAVES THE DAY

On April 30, 2012, Mark McKinley, a Delta aircraft maintenance technician in Atlanta, was in the E Concourse at the Atlanta airport when he noticed that an elderly woman had fallen and was bleeding heavily from her forehead. He immediately asked a gate agent to call for emergency medical help. When emergency personnel arrived, Mark was able to help them communicate with the woman - who didn't speak English - using the language translation function on his smart phone.

Thanks to his quick thinking and use of innovative technology, Mark truly Saved the Day!

Pictured left to right: Carol Henson, Manager -Voluntary Protection Programs, Corporate Safety, Mark McKinley, Chris Switzer, Duty Manager - Line Maintenance, Dee Mitchell, General Manager - Safety, Security & Environment -TechOps Safety

## INNOVATING EMERGENCY READINESS, RESPONSE AND RECOVERY

Delta promotes an integrated approach to emergency preparedness through the use of collaborative planning, training and testing that invokes close partnering among carriers and local, state, federal and international authorities. The result is an innovative, coordinated response to an emergency.

Through collaborative planning and training, Delta ensures personnel are prepared to respond to and assist customers, their families and fellow Delta employees following a critical incident occurring anywhere in the world. In 2012, Delta and joint venture partners Air France-KLM launched a joint Local Emergency Response Action Plan (LERAP), a set of actions for personnel responding at a station. With collaboration on a common carrier, the LERAP fostered a seamless, improved emergency response for each carrier and a harmonization of resources in terms of future planning, training and response activation.

The response plan is comprised of a volunteer team referred to as the Care Team, a diverse cultural group made up of more than 2,000 Delta volunteers from all over the world - each specially trained to assist survivors and family members with compassion and professionalism. The Go Team, another volunteer plan component, consists of more than 250 specialists that can be dispatched anywhere in the world within four hours of activating the plan. The Go Team is trained to set up and administer a fully functional on-site crisis management team that uses the incident command structure developed by federal regulators for managing crisis events.

Under the philosophy of regularly and thoroughly testing response processes, technologies and facilities, Delta conducted a Go Team response exercise in 2012, partnering with an objective third party vendor who shared "the most obvious strength is that Delta has both the culture and fortitude to first develop, and then test, what will undoubtedly be an innovative evolution in aviation emergency response."

Delta also maintains a state-of-the-art crisis command center at its headquarters that, when set in motion, provides a broad panel of expertise to support the scenario. In 2013, Delta will continue working with its partners to assess the readiness of the plan to ensure a response would be appropriate, effective and efficient.

## INVESTING IN THE CUSTOMER EXPERIENCE

Delta is investing more than \$3 billion in global products, services, technology and facilities to enhance the customer experience in the air and on the ground.

### BOOKING EXPERIENCE

In November 2012, Delta launched the first phase of the new delta.com, which provides easier access to the most popular delta.com tools, a simple and more secure login with password, quick access to a personalized travel dashboard and instant SkyMiles® account information.







# SELF

Self Service Check-In  
Domestic & International

In September 2012, the airline introduced more than 2,500 revamped self-service kiosks across all worldwide locations. The new design has reduced the average customer check-in time by more than 15 percent as it streamlines the process, improves the speed of check-in, offers 12 language options and gives customers the ability to self-select options they find most important.

## AIRPORT EXPERIENCE

Over the last 24 months, Delta has opened or renovated 13 Sky Clubs across the Delta system in cities including Atlanta, Indianapolis, Los Angeles, Minneapolis-St. Paul, New York, Philadelphia and Seattle. Additionally, Delta recently announced a partnership with Architectural Digest to develop the airline's first-ever outdoor airport terraces, called The Sky Deck at Delta Sky Club in Concourse F of Atlanta's new international terminal and in New York's redeveloped Terminal 4 at John F. Kennedy International Airport. Renowned designer Thom Filicia was selected by Architectural Digest to create distinctive spaces that will be extensions of the Delta Sky Clubs.

Delta has invested more than \$160 million in a new hub at New York's LaGuardia airport, including opening a new Delta Sky Club in Terminal C, expanding the Delta Sky Club in Terminal D, building a connector bridge between Terminals C and D and continuing to enhance the dining and retail options in both terminals. Delta's new Terminal 4 at New York-JFK will open in May 2013.

## IN-FLIGHT EXPERIENCE

To help customers stay connected, Delta announced it will expand the world's largest Wi-Fi-equipped fleet by offering in-flight Internet service beginning in 2013 on its long-haul international fleet of more than 150 aircraft, which includes Boeing 777, 767, 747, Airbus A330 and transoceanic Boeing 757 aircraft. Additionally, the airline is adding new, on-demand entertainment options to its Wi-Fi-equipped fleet that will enable customers to stream television and movie options directly to their laptop or tablet while in flight.

In June 2012, Delta expanded its popular Economy Comfort™ seating to all domestic, two-class flights, so customers can now enjoy three to four inches of additional leg room as well as Priority Boarding. The airline is investing in full flat-bed seats on its entire international widebody fleet, and on all aircraft servicing transcontinental flights operating between New York and Los Angeles, San Francisco and Seattle. In 2012, almost 50 percent of the international widebody fleet has full flat-bed seats including all Boeing 747, 767-400ER and 777 aircraft, with the entire widebody fleet scheduled to be complete in early 2014.

## OPERATIONAL EXCELLENCE

Delta has made targeted investments in its operations to improve operational reliability. These investments, along with the hard work and dedication of the Delta team, have resulting in Delta achieving a leading position in any key operating metric, including those tracked and reported by the U.S. Department of Transportation.

During the year, Delta completed 99.5 percent of its flights and achieved an 86.5 percent on-time arrival rate. Mishandled bag claims fell 25 percent, and DOT customer complaints decreased 40 percent.

# IN-FLIGHT SERVICE RECEIVED ZERO DOT COMPLAINTS IN THE MONTH OF DECEMBER.

More than 121 million bags were transported by Delta in 2012 - and 99.2 percent of those bags arrived on time. In 2012, officials from the International Air Transport Association honored the Airport Customer Service team at Cincinnati/Kentucky International Airport for achieving its Baggage Improvement platinum status, an honor only granted to carrier operations that reduce baggage mishandling by 75 percent.

Delta carries more than 330,000 customers each day across the world, with a Delta or Delta Connection aircraft taking off about every 17 seconds. In 2013, Delta will continue to innovate around operational excellence and identify new opportunities to continuously improve for Delta customers, shareholders and employees.

## IMPROVING CUSTOMER SATISFACTION

Delta's customer service goal is simple: provide an industry leading customer experience through operational excellence, safety and continual improvement based on the voice of the customer. In addition to Delta's excellent operating performance in 2012, Delta is working to further improve customer satisfaction.

Three divisions, Airport Customer Service, In-Flight Service and Reservations Sales hosted an "Up in 60" contest during November and December of 2012 in an effort to continue this momentum and reduce customer complaints. As a result of these cross-divisional efforts, there were only 0.43 complaints per 100,000 passengers in December, the lowest for the airline since 1997, the earliest date for which DOT stats are available.



## MEASURING CUSTOMER SATISFACTION

Delta increased its J.D. Power Overall Satisfaction score by nine points, moving from 650 to 659 on a 1,000 point scale in 2012, placing Delta third among traditional network carriers. Delta was the only carrier to improve in 2012, while all others declined.

J.D. Power cited Delta's investment in customer-facing technology as a key reason for the improvement in scores. Delta has invested in improved mobile applications, onboard Wi-Fi, and faster check-in kiosk technology. Delta also unveiled the new delta.com in 2012, giving customers the opportunity to tailor their online experience to individual preferences while making trip details, upgrades and other changes accessible at the touch of a button.

Technological improvements that enhance the customer experience have occurred behind the scenes as well. This includes improved bag tracking, automatic rebooking of misconnected customers, faster check-in and gate software and real-time alerting of customer service teams of potential service issues. Using these tools, Delta is able to efficiently manage the customer experience during a service disruption.

In 2012, Delta continued its initiative to manage the travel experience by listening to the voice of the customer. During the year, the airline collected 1.7 million surveys related to the airport experience. Using this valuable feedback, Delta has changed the way it does business from check-in to baggage claim. Customers will notice a more efficient check-in processes, faster moving lines, more efficient TSA and Customs processing, clearer and more timely gate announcements, new boarding zones, an enhanced onboard experience, and less time waiting at baggage claim.

### **SERVICE RECOVERY**

Key technology investments and enhancements were made to Delta's customer rebooking tool that launched in January 2013. A cross divisional team created a World Class Service Recovery tool to aid in the speed, efficiency and resolution of rebooking during irregular operations. This automation allows the airport staff more time to deliver personalized customer service and attend to the unique customers' needs.

Need Help service centers continue to meet customer expectations. With the assistance of direct customer feedback through Service Recovery surveys, Delta was able to identify seams within the automation and take corrective action to better the technology. With automation such as Need Help kiosks, full service kiosks, Scan & Go's and hand held devices for the agents, Delta can provide virtual support for customers' needs when it relates to rebooking, seat changes, bag reroutes, etc.

Delta agents take pride in delivering superior customer service and the ability to solve the most complex problems that arise. Knowing customers do not anticipate irregularities to occur, they are not often equipped to handle such necessary amenities. Delta's philosophy to handle customers at first point of contact has enabled service agents the ability to exceed customer expectations. Compensation comes in many forms such as transportation vouchers, meal vouchers, hotels, etc. Delta continues to evaluate customer feedback from surveys and build upon compensation strategy to lead the pack in customer service.

## DELTA WINS BUSINESS TRAVEL NEWS AIRLINE SURVEY

For the second consecutive year, Delta rated No. 1 in the BTN Annual Airline Survey, finishing first in all 10 service delivery categories - a first in the survey's 15-year history.



## UTILIZING SOCIAL MEDIA

Social media tools such as Twitter offer Delta the opportunity to monitor what customers are thinking and saying, to resolve any travel-related issues in real time or turn a routine experience into a memorable one.

Delta began its Twitter presence in 2009 and launched @DeltaAssist, the first dedicated airline customer service channel on Twitter, in 2010 to offer real-time customer service support before, during and after the travel experience.

Unique situations call for unique solutions, and Delta's social media team is able to distinguish these situations and offer customers rapid and effective solutions.

A trained team of customer service agents works to resolve problems for customers. As @Delta Twitter followers continue to grow, hours and staffing has expanded. Today Delta works with customers via Twitter 24/7 in English and also assists customers in Spanish and Portuguese.

## CUSTOMER ENGAGEMENT

Over the past five years, Delta has offered carbon offsets to its customers in partnership with The Nature Conservancy. As the first airline to offer these offsets, Delta and its customers have supported forest conservation and reforestation projects. In 2012, Delta customers contributed nearly \$60,000 towards the Rio Bravo project site in Northern Belize, not including Delta's matching Earth Day contributions amounting to more than \$12,000, offsetting more than 4,300 metric tons of carbon dioxide.



A Spider monkey in the forest canopy in Rio Bravo, Belize.

# CUSTOMER GOALS

## 2012 Goals

Improve customer preference measured by “net promoter” score for both domestic and international service

ACCOMPLISHED | Delta’s net promoter score increased for both domestic and international service.

- 7.2 point increase on domestic
- 4.3 point improvement on Transatlantic
- 9.4 point increase on Transpacific

Earn J.D. Power award for customer service among network carriers  
ONGOING | Delta increased its J.D. Power Overall Satisfaction score by 9 points, moving from 650 to 659 on a 1,000 point scale in 2012, placing Delta 3rd among traditional network carriers.

## 2013 Goals

Improve customer preference measured by “net promoter” score for both domestic and international service by 10%

Earn J.D. Power award for customer service among network carriers

Win Business Travel News survey



# AN INNOVATIVE APPROACH

## INVESTMENTS



## AN INNOVATIVE APPROACH TO DELTA'S LARGEST EXPENSE

In response to rising global jet fuel prices, Delta embarked on an innovative approach to managing its largest expense in 2012. Monroe Energy, a wholly-owned subsidiary of Delta, acquired an oil refinery in Trainer, Pennsylvania, south of Philadelphia, in a broad agreement that included pipelines and transportation assets to provide for delivery of jet fuel to Delta's operations throughout the Northeast, including its hubs at LaGuardia and JFK airports in New York.

Following the acquisition, Monroe Energy's team of refinery industry professionals began the process of converting the facility's operations to maximize the output of jet fuel. The remaining products produced at the Trainer complex, including gasoline and diesel, are exchanged for additional jet fuel at other locations across the U.S. under multi-year agreements. In all, the Trainer facility can provide 80 percent of Delta's jet fuel needs in the United States.

Through this initiative, Delta expects to reduce its fuel expense by \$300 million annually as well as ensure the availability of jet fuel throughout its Northeast operations.

Prior to the acquisition, the Trainer refinery had temporarily been closed. The restart of the facility under Monroe's ownership saved approximately 1,000 jobs and retained a vital economic engine for the south Philadelphia region.

The refinery is just one component of Delta's overall approach to managing the cost of jet fuel. The airline also utilizes financial hedging instruments to reduce the risk of volatility in global energy markets, and has an ongoing program to reduce its fuel consumption by increasing operational efficiency, utilizing fuel-saving technology and improving the overall fuel efficiency of its fleet.



## FLEET STRATEGY

Delta's ongoing sustainability efforts include a long history of implementing innovative strategies to reduce aircraft fuel burn as a response to rising prices. Delta's domestic fleet strategy aims to improve revenue generation and produce capacity more efficiently.

In 2012, Delta finalized transactions to begin leasing 88 Boeing 717-200s and to purchase 40 new Bombardier CRJ-900s, with deliveries to begin in September 2013. These larger and more fuel-efficient jets pave the way for Delta to continue to retire 50-seat regional jets, as well as older mainline aircraft.

Investments in these fleet types that offer on board amenities such as a first class cabin, Economy Comfort™ and Wi-Fi translates to higher revenue per available seat mile.

With 717-200s average capacity of 110 passengers and CRJ-900s having a capacity to carry 76 passengers, the same capacity levels as 2012 can be produced with 2 percent fewer departures in 2013, improving unit cost efficiency.

The environmental impact of replacing older DC-9s and 50-seat jets with 717-200s and 737-900ERs is fewer emissions per passenger. These investments are key in ensuring Delta reduces its carbon footprint, and meets the IATA 1.5 percent average fuel efficiency improvement goal year over year.



Photo: Delta and Virgin Atlantic flight attendants in New York City

## ALLIANCES

In December 2012, Delta Air Lines, entered into an agreement to acquire a 49 percent stake in Virgin Atlantic Limited, the parent company of Virgin Atlantic Airways Limited (“VAA”), from Singapore Airlines, and a joint venture agreement with VAA (the “JV Agreement”) with respect to Delta’s and VAA’s passenger operations on nonstop routes between the United Kingdom and North America and, to the extent set forth in the JV Agreement, certain beyond routes to points within the United Kingdom and North America.

Virgin Atlantic President, Sir Richard Branson stated, “This is an exciting day in Virgin Atlantic history. It signals the start of a new era of expansion, financial growth and many opportunities for our customers and our business. I truly look forward to the possibilities our partnership with Delta will offer. We have always been known for our innovation and service and have punched above our weight for 28 years. That is why our customers love us so much. We will retain that independent spirit but move forward in a strengthened partnership with Delta.”

Delta CEO Richard Anderson, continued, “By combining the strengths of our two companies in a joint venture, we can provide customers with a seamless network between North America and the U.K., and continue building a better airline for our customers, employees and shareholders.”

As part of the JV Agreement, the airlines will operate a trans-Atlantic joint venture between the United Kingdom and North America with 31 peak-day round trip flights. Customers will enjoy reciprocal frequent flyer benefits and



shared access to Delta Sky Club and Virgin Atlantic Clubhouse airport lounges for elite passengers. As part of a \$3 billion investment in enhanced global products, services and airport facilities, all of Delta's flights between the U.S. and London-Heathrow feature full flat-bed seats offering direct aisle access in the BusinessElite cabin.

In 2011, Delta purchased minority investments in, and entered into strategic marketing arrangements with, GOL and Aeromexico, airlines that operate in Latin America's two largest markets, Brazil and Mexico, respectively. The agreements provide for expansion of reciprocal codesharing and reciprocal frequent flyer program participation, airport lounge access arrangements, improved passenger connections and potential joint sales cooperation. In addition to the commercial cooperation arrangements for passenger service with Aeromexico, Delta and Aeromexico have established a joint venture relating to an engine maintenance, repair and overhaul operation, which will be located in Queretaro, Mexico.

## WINNING IN NEW YORK

In 2012, Delta implemented the largest single-carrier expansion at New York's LaGuardia Airport in over 40 years, creating a new domestic hub at the preferred airport for New York's business travelers.

The new schedule added 100 new daily flights to nearly 30 new cities and put 4 million new seats in the LaGuardia market annually. Customers from smaller communities who previously experienced turboprop service now have access to jet service, without increasing congestion in the New York airways. Delta now operates more than 260 daily flights between LaGuardia and over 60 cities, exceeding any other carrier.

On March 25, 2012, Delta took over most of LaGuardia's Terminal C, and is working to transform Terminal C and D into an innovative and enjoyable space. At the end of 2012, Delta completed a new 600-foot bridge connecting these two terminals, making it easier for customers to access all 26 gates. Additionally, Terminal C's new Delta Sky Club is partnering with food and beverage operator OTG in an effort to bring in the best chefs and food from New York City. Technology will remain at the forefront of the renovations with outlets, power poles and iPads being added in each of the passenger hold rooms.

At JFK, the expanded Terminal 4 will open in May 2013. This \$1.2 billion project will provide customers with new baggage facilities, additional check-in space and improved security lanes. The state-of-the-art Terminal 4 will transform the international travel experience for passengers from New York and around the world.

Delta does not just operate as a business in New York; the 7,000 Delta employees who live and work in New York consider themselves true New York citizens and committed community members. Delta supports both the interests of New Yorkers and the causes that are important to them such as the Food Bank for New York, Habitat for Humanity and AIDS Walk New York.



In addition, Delta serves as the Official Airline of New York's sports teams: the Mets, Yankees, Rangers and Knicks as well as a major sponsor of Madison Square Garden. Delta also partners with The Whitney Museum, Radio City Music Hall and the New York Wine & Food Festival.

## DELTA WORKS TOGETHER: WINS TOGETHER



## SUPERSTORM SANDY

In 2012, Superstorm Sandy caused a significant impact to Delta and other airlines' operations, resulting in the cancellation of more than 3,600 Delta flights, partly due to heavy flooding at New York's LaGuardia and John F. Kennedy airports, which resulted in both airports being closed for two days. While Delta's Operational Control Center, meteorology department, airport customer service and customer support agents worked to ensure minimal disruption to Delta's customers and services, the financial impact of the three day storm totaled approximately \$75 million in lost revenue.

## BEFORE THE STORM

At least 36 hours before Sandy was forecast to make landfall off the Jersey Shore - hundreds of Delta employees were working to pull down operations in New York and nearby stations. The Flight Operations team - both in Atlanta and on the ground in New York - worked around the clock to ensure crews in the northeast were safe, the facilities were secure and that there were no remaining overnight aircraft on the ground. By Monday morning, all aircraft were off the ground in Philadelphia, Newark, LaGuardia and John F. Kennedy airports. Crew Resources and Scheduling brought in additional staff to identify crewmembers on layovers in the northeast, ensure they were in a safe location and advise them to stay put until the storm passed.

## DELTA PEOPLE CARE

In the wake of Superstorm Sandy, the Delta Care Fund paid out over \$250,000 to employees and retirees affected by the storm.

In addition, Delta donated:

- 22,000 bottles of water
- 24,000 snack boxes
- 19,000 snack food items
- 10,000 blankets
- 10,000 amenity kits
- 2 medic unit trailers (in partnership with Turner Construction)
- 10,000 sandwiches (in partnership with OTG)
- 4,500 gallons of gasoline

**FORCE FOR GLOBAL GOOD:** Through the Delta Air Lines Foundation, Delta donated \$100,000 to the American Red Cross in support of Superstorm Sandy relief efforts.

**CARGO:** In the weeks after Superstorm Sandy, Delta Cargo waived all charges and fees to allow active employees to send relief supplies to benefit fellow employees and others in the greater New York area affected by Superstorm Sandy.

## CUSTOMER SERVICE

170,000 Delta passengers were impacted the five days around the storm.

Just before and during the storm, the average call volume to Reservations centers was nearly 64 percent higher than normal. On the Sunday before, it was twice the normal number of calls. Call volumes remained high as customers adjusted their travel plans during the week, particularly into the New York-area airports. Reservations extended the hours in several of its call centers, and their call center and Work@Home reps worked thousands of hours of overtime to assist customers.

## OPERATIONS

In the days surrounding Superstorm Sandy, Delta canceled over 3,600 flights. Because of the hard work of Delta employees around the system who had flown into New York before the storm, Delta was the first airline to re-establish service into New York on November 1, 2012 - operating the first 14 flights into LaGuardia.



# INVESTMENT GOALS

## 2013 Goals

Successfully manage the Monroe Trainer Refinery to produce at least \$300 million of value

Win in NYC and deliver new JFK T4 terminal on budget in May



▲ DELTA  
BUSINESS ELITE

SUPPORTING  
ECONOMY

ECONOMIC

## SUPPORTING GLOBAL ECONOMICS

According to the Air Transport Action Group, airlines carry around 35 percent of world trade by value, generating a total of 56.6 million jobs globally. Airlines produce indirect economic benefits including jobs in the supply chain, revenue from tourism and trade, and improvements in living standards that occur when companies or industry exist because air travel makes them possible. In 2010, airports alone invested \$26 billion in construction and manufacturing projects, and aviation's interest in research and infrastructure generates GDP benefits of \$70 million annually.

## SUPPORTING LOCAL ECONOMIES

As a global employer that has a large international presence, Delta aims to support local economies. Delta recruits and hires internationally, with more than 97 percent of management and more than 99 percent of frontline positions hired from within the local community.

Although Delta is headquartered in Atlanta, the airline is a global company with operations throughout the world. Delta's strategic sourcing process requires that Delta sourcing professionals review all relevant supplier selection criteria including the benefits of local sourcing when applicable. In 2012, 14 percent of Delta's \$26 billion supplier spend was sourced locally, without compromising cost, quality and on-time delivery of purchased services and parts, brand impact and value creation.





## ECONOMIC PERFORMANCE

In 2012, Delta generated a net profit of \$1.6 billion. This strong performance occurred despite more than \$1 billion in higher operating expenses and a slow economic recovery. In recognition of their hard work and achievement, Delta employees earned \$372 million in profit sharing and received \$91 million in Shared Rewards for superior operations performance in 2012.

(in millions USD, except per share data)	2010	2011	2012
<b>DIRECT ECONOMIC VALUE GENERATED</b>			
Revenue	\$31,755	\$35,115	\$36,670
<b>ECONOMIC VALUE DISTRIBUTED</b>			
Non-Labor Operating Costs <sup>1</sup>	\$22,024	\$25,714	\$26,432
Employee Wages and Benefits	\$7,064	\$7,158	\$7,638
Payments to Providers of Capital	\$1,220	\$1,122	\$1,044
Payments to Government			
Income, federal, state			
Property	\$76	\$76	\$100
Payroll	\$1,369	\$1,541	\$1,550
Other	\$294	\$300	\$377
<b>COMMUNITY INVESTMENTS</b>			
Contributions	\$9.3	\$9.7	\$11.3
<b>SHAREHOLDER VALUE</b>			
Share price at Dec. 31	\$12.60	\$8.09	\$11.87
Share price range	\$9.96-14.93	\$6.62-13.00	\$8.01-12.1
<b>SUPPLIER SPEND</b>			
Minority Women owned Business Enterprise spend	\$255.0	\$490.0	\$340.0
<b>ECONOMIC VALUE RETAINED</b>			
Net Profit <sup>1</sup>	\$1,444	\$1,190	\$1,552
Operating Profit <sup>1</sup>	\$2,667	\$2,243	\$2,600

<sup>1</sup>These items are non-GAAP financial measures as defined in the Appendix

In 2012, Delta received no significant financial assistance from the government. Monroe Energy received assistance from the state of Pennsylvania for the acquisition of the Trainer refinery.

# ECONOMIC GOALS

## 2012 Goals

Deliver projected return from \$1 billion ancillary and seat related revenue

ONGOING | \$1 billion return as part of a 3 year goal

## 2013 Goals

Deliver projected return from \$1 billion ancillary and seat related revenue





# AWARDS

AWARDS AND  
RECOGNITION

## AWARDS AND RECOGNITION

Throughout the year, Delta won more than 40 awards, sweeping the major corporate travel surveys including Business Travel News, Travel Weekly, TravelAge West, Recommend magazine and The Beat. Delta also earned the Secretary of Defense Employer Support Freedom Award for exceptional support of National Guard and Reserve employees. Below is a chart of the major awards won in 2012:

ORGANIZATION	AWARD
The Advertising Club of Metropolitan Washington	Gold ADDY Award for the Fly Delta app, Windows version
Airline Passenger Experience Association (APEX)	Best Achievement in Technology for the Fly Delta App
Annual Business Awards	Gold Stevie for Video in the Tourism/Travel category: "Behind-The-Scenes: Your Bag's Journey On Delta" Silver Stevie for PR Campaign/Program of the Year-Social Media Focused: Ideas In Flight: Powered By TED
Aviation Week Laureate Awards	Delta Air Lines CEO Richard Anderson in the Commercial Air Transport category
The Beat	"Most Admired Airline" and overall "Supplier of the Year" by the Readers' Choice Awards
Business Travel News	No. 1 for the second consecutive year in the BTN Annual Airline Survey; Kristen Shovlin named one of the 25 Most Influential Business Travel Executives of 2012
Dow Jones Sustainability Index	Named for the second consecutive year to the DJSI for North America, recognizing commitment to integrate sustainable practices into the workplace
Executive Travel Magazine	12 Leading Edge Awards for U.S. airlines including Gold for Best Domestic Airline-Airport Lounges, Best Flight Experience to Mexico, Best Flight Experience to Africa
The Freddie Awards	"Best Promotion for Redemption" and "Best Loyalty Credit Card" for Delta SkyMiles Credit Card from American Express
International Business Awards	Gold Stevie for Transportation Company of the Year
International Council of Customer Service Organization	International Service Excellence Award winner for Best Contact Center
MediaPost	OMMA Award for the 2011 SkyMiles holiday e-card design
OneAero MRO	Delta TechOps voted "Best Solutions Provider"
PCWorld Magazine	Top Tech-Friendly U.S. Airline for innovation and technology
Recommend Magazine	Best Travel Agent Support - Airline at the Reader's Choice Awards
Secretary of Defense	Freedom Award for exceptional support of Guard and Reserve employees
TravelAge West	Best Domestic Airline
Travel+Leisure	Best Single Social Media Promotion for a US Airline for the "Behind-The-Scenes: Your Bag's Journey On Delta" video
Travel Weekly	Best Domestic Airline at the Reader's Choice Awards



# APPENDIX

# APPENDIX

## ENERGY CONSUMPTION

Greenhouse gas emissions are provided for Delta's jet fuel, ground support equipment, natural gas and electricity usage. The below table shows actual consumption, and its conversion to gigajoules, using factors provided by the GRI 3.1 reporting guidelines.

	ENERGY SOURCE CONSUMED	AMOUNT CONSUMED	UNITS	CONVERSION FACTOR	GJ
Mainline aircraft	Fuel oil	3,081,671,150	US gallons	0.144	443,760,645.60
Subsidiary	Fuel oil	47,205,475.70	US gallons	0.144	6,797,588.50
Delta Private Jets	Fuel oil	5,604,692.70	US gallons		
Comair	Fuel oil	41,600,783	US gallons		
Diesel	Diesel	5,338,706.36	US gallons	0.138	736,741.48
Gasoline	Gasoline	4,387,507.85	US gallons	0.125	548,438.48
Jet Fuel	Fuel oil	1,241,420	US gallons	0.144	178,764.48
Natural Gas	Electricity	1,057,437.77	Mmbtu	1.055	1,115,596.85
Owned Facilities	Electricity	411,825,415.13	kilowatt-hour	0.0036	1,482,571.49
Leased Facilities	Electricity	204,801,776.34	kilowatt-hour	0.0036	737,286.39
<b>TOTAL</b>					<b>455,357,633.28</b>

## GRI 3.1 INDICATORS

**2012 GOAL:** Address 3 additional GRI indicators

**ACCOMPLISHED |** 11 additional indicators addressed for the 2012 corporate responsibility report

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. ....	page 79
EC2	Financial implications and other risks and opportunities for the organization’s activities due to climate change.....	page 24-25
EC3	Coverage of the organization’s defined benefit plan obligations.....	page 39
EC4	Significant financial assistance received from government. ....	page 79
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.....	page 38
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. ....	page 78
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.....	page 78
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts. ....	page 78
EN3	Direct energy consumption by primary energy source .....	page 84
EN4	Indirect energy consumption by primary source.....	page 84
EN7	Initiatives to reduce indirect energy consumption and reductions achieved. ....	page 28-29
EN8	Total water withdrawal by source. ....	page 27
EN16	Total direct and indirect greenhouse gas emissions by weight .....	page 20
EN17	Other relevant indirect greenhouse gas emissions by weight.....	page 20
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved. ....	page 21
EN20	NOx, SOx, and other significant air emissions by type and weight.....	page 28
EN22	Total weight of waste by type and disposal method .....	page 29

EN23	Total number and volume of significant spills.....	page 27
EN24	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.....	page 29
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation .....	page 29-31
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. ....	page 26
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening. ....	page 14-15
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.....	page 16
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. ....	page 14-15
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant location of operation.....	page 39
LA4	Percentage of employees covered by collective bargaining agreements. ....	page 37
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements. ....	page 38
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.....	page 43
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender. ....	page 44
LA8	Education, training, counseling prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.....	page 39
LA9	Health and safety topics covered in formal agreements with trade unions. ....	page 40
LA10	Average hours of training per year per employee by gender, and by employee category. ....	page 40

LA11 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.....page 41

LA12 | Percentage of employees receiving regular performance and career development reviews, by gender. .... page 41

S03 | Percentage of employees trained in organization’s anti-corruption policies and procedures. ....page 13

S04 | Actions taken in response to incidents of corruption..... page 13

S06 | Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country. ....page 56

PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction..... page 66

## LIST OF ACRONYMS

A4A	Airlines for America, Inc.
ACS	Airport Customer Service
ADWR	Aircraft Drinking Water Rule
AED	Automated External Defibrillator
APU	Auxiliary Power Unit
ASAP	Aviation Safety Action Program
ASIAS	Aviation Safety Information Analysis and Sharing
CO	Carbon Monoxide
CO <sub>2</sub> e	Carbon Dioxide Equivalent
CPR	Cardiopulmonary resuscitation
DO	The percentage of all flights that depart on, prior to, or less than one minute of the scheduled departure
DeltaPAC	Delta Political Action Committee
DOT	Department of Transportation
EAP	Employee Assistance Program
ECPAT	End Child Prostitution, Pornography and Trafficking
EELC	Executive Environmental Leadership Council
EMS	Environmental Management System
ERC	Employee Recycling Center
ERM	Enterprise Risk Management
EU ETS	European Union Emissions Trading Scheme
FAA	Federal Aviation Administration
FFGG	Force For Global Good
FOQA	Flight Operational Quality Assurance
GSE	Ground Support Equipment
HPA	High Performance Attributes
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
LERAP	Local Emergency Response Action Plan
LHO	Live Human Organs
MWBE	Minority and Women Business Enterprise
NGO	Non-Governmental Organization
NOV	Notice of Violation
NO <sub>x</sub>	Nitrous Oxides
OSHA	U.S. Occupational Safety and Health Administration
PM	Particulate Matter
RTK	Revenue Ton Kilometer



SESAR	Single European Sky ATM Research
SMS	Safety Management System
SO2	Sulfur Dioxide
SRT	Safety Round Table
UNFCCC	United Nations Framework Convention of Climate Change
USPSTF	U.S. Preventive Services Task Force
VOC	Volatile Organic Compounds
VPP	Voluntary Protection Programs
WARN	Worker Adjustment and Retaining Notification
Wi-Fi	Wireless Fidelity

## RECONCILIATION OF GAAP FINANCIAL MEASURES TO NON-GAAP FINANCIAL MEASURES

Delta sometimes uses information (“non-GAAP financial measures”) that is derived from the Consolidated Financial Statements, but that is not presented in accordance with accounting principles generally accepted in the U.S. (“GAAP”). Under the U.S. Securities and Exchange Commission rules, non-GAAP financial measures may be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. The tables below show reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures.

Delta excludes special items because management believes the exclusion of these items is helpful to investors to evaluate the company’s recurring core operational performance in the period shown. Therefore, Delta adjusts for these amounts to arrive at more meaningful financial measures. Special items excluded are:

- Mark-to-market adjustments for fuel hedges recorded in periods other than the settlement period (“MTM adjustments”). Delta excludes MTM adjustments, which are based on market prices at the end of the reporting period and certain assumptions, as they are not necessarily indicative of the actual future value of the underlying hedge in the contract settlement period.
- Restructuring and other items.
- Loss on extinguishment of debt.

## RECONCILIATION OF GAAP FINANCIAL MEASURES TO NON-GAAP FINANCIAL MEASURES

	YEAR ENDED DECEMBER 31,		
(in millions)	2010	2011	2012
<b>NET INCOME</b>	<b>\$593</b>	<b>\$854</b>	<b>\$1,009</b>
Items excluded:			
MTM adjustments	—	26	(27)
Loss on extinguishment of debt	391	68	118
Restructuring and other items	450	242	452
Other	10		
<b>Net income excluding special items</b>	<b>\$1,444</b>	<b>\$1,190</b>	<b>\$1,552</b>
	YEAR ENDED DECEMBER 31,		
(in millions)	2010	2011	2012
<b>OPERATING EXPENSES</b>	\$29,538	\$33,140	\$34,495
Items excluded:			
MTM adjustments	—	26	(27)
Restructuring and other items	(240)	(242)	(452)
<b>Operating expenses excluding special items</b>	\$29,088	\$32,872	\$30,070
Less:			
Salaries and related costs	6,751	6,894	7,266
Profit sharing	313	264	372
<b>Operating expenses excluding special items and employee wage and benefits</b>	\$22,024	\$25,714	\$26,432
	YEAR ENDED DECEMBER 31,		
(in millions)	2010	2011	2012
<b>OPERATING INCOME</b>	\$2,217	\$1,975	\$2,175
Items excluded:			
MTM adjustments	—	26	(27)
Restructuring and other items	450	242	452
<b>Operating income excluding special items</b>	\$2,667	\$2,243	\$2,600
	YEAR ENDED DECEMBER 31,		
(in millions)	2010	2011	2012
<b>FUEL HEDGE (LOSSES) GAINS</b>	\$(89)	\$420	\$(66)
Items excluded:			
MTM adjustments	—	26	(27)

