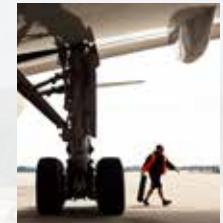


KEEP CLIMBING



# 2014

## CORPORATE RESPONSIBILITY REPORT



# WELCOME

Welcome to Delta's 2014 Corporate Responsibility Report. This is Delta's sixth year of publishing a report as part of its commitment to being a transparent, responsible and sustainable airline industry leader. Transparency and responsibility are fundamental to Delta's operations and global sustainability strategy. This report describes Delta's strategy, and includes data on performance and governance commitments.

The 2014 report describes activities and performance since the last report in 2013. Data points are from 2014 operations, unless otherwise noted. To provide comprehensive information, the report includes a summary of progress against the airline's goals and commitments – Delta's goals at a glance are on page 5 – as well as detailed commentaries and analyses. The operational metrics included in this report are based on what is considered to be the airline's material areas of impact. Metrics are illustrated as year-over-year comparisons.

In an effort to increase transparency with all stakeholders the report follows the globally-recognized and industry-leading Global Reporting Initiative (GRI) format. For further details on Delta's voluntary reporting approach, including its third-party validations, please see the Appendix.

Delta self-declares this report to meet application level B of the Global Reporting Initiative (GRI) G3.1 Sustainability Reporting Guidelines. The report covers mainline operations in the U.S. as well as regional carriers. International facilities are not included in this report unless otherwise noted.

We hope you find this report useful. For more information, or questions, 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).

Statements in this report that are not historical facts, including statements about estimates, expectations, beliefs, intentions, projections or strategies for the future, may be "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from historical experience or present expectations. Known material risk factors applicable to Delta, other than risks that could apply to any issuer or offering, are described in Delta's Annual Report on Form 10-K for the year ended December 31, 2014. All forward-looking statements speak only as of the date made, and Delta undertakes no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this report.

Some information in this report is derived from the Consolidated Financial Statements but is not presented in accordance with Generally Accepted Accounting Principles in the U.S. ("GAAP"). Under U.S. Securities and Exchange Commission rules, this type of information, referred to as "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. Reconciliations of non-GAAP financial measures to their GAAP equivalents may be found in the appendix.

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# A MESSAGE FROM RICHARD

Values and culture have long been the foundation of Delta's success. One of those values is ensuring that we are building a sustainable future for customers, employees and shareholders for generations to come.

Thanks to the values and hard work of Delta people, we achieved record-breaking performance in 2014, generating a pre-tax profit of \$4.5 billion, excluding special items, and more than \$1 billion in employee profit sharing.

Delta's strong financial success is anchored by employees, who continued to drive industry-leading operational performance. Delta led its competitive set with 84 percent of flights arriving on time, a completion factor of 99 percent including 95 days of zero mainline cancellations and a No. 2 spot in the industry for baggage performance.



As a global carrier, we remain committed to operating in a sustainable manner and are always looking for ways to reduce the environmental footprint of operations. Recent efforts include improving the fuel efficiency of aircraft and ground support equipment, reducing and recycling waste, evaluating alternative fuels, providing commute options for employees and creating opportunities for customers to offset greenhouse gas emissions associated with their flights.

For instance, since 2012, Delta has led the industry by achieving carbon-neutral growth through the use of more than 1.7 million carbon offsets from wind, landfill gas, efficient cook stove, REDD (Reduced Emissions from Deforestation and forest Degradation) and other projects.

Additionally, Delta's financial success underwrites Delta's social responsibility. We have 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. As part of our company values we support and encourage employee engagement in the communities where we live and work.

While the progress we have made in recent years is rewarding, we are committed to doing even more in the future as we continue toward the goal of building a sustainable organization. This is an important effort, and we look forward to continued progress.

In addition to this report, you can find more information about Delta's commitment to the places we serve and the people who live there at [delta.com/responsibility](http://delta.com/responsibility).

Thanks, and we look forward to seeing you on your next Delta flight.

A handwritten signature in black ink that reads "Richard".

Chief Executive Officer  
Delta Air Lines, Inc.

# DELTA ENVIRONMENTAL SUSTAINABILITY GOALS AT A GLANCE

## CLIMATE CHANGE



### 2014 GOAL IMPROVING FUEL EFFICIENCY

Aligned with industry IATA\* goal - Improve aircraft fuel efficiency by an average of 1.5 percent annually from 2009 through 2020.

#### 2014 Progress on Fuel Efficiency Goal: ON TRACK

In 2014, Delta did continue to improve over 2013 efficiency with a year-over-year 1.93 percent improvement. However despite this year-over-year improvement, Delta's fuel efficiency falls short of the IATA goal with the average since 2009 at 1.23 percent.

In 2015 additional fuel savings will be targeted to help us attain the 1.5 percent goal.



### 2014 GOAL CARBON-NEUTRAL GROWTH AND ABSOLUTE EMISSIONS REDUCTIONS

Aligned with industry IATA goal - Stabilize net aviation CO<sub>2</sub> emissions at a 2020 baseline level and reduce net aviation emissions to 50 percent of 2005 emissions by 2050.

#### 2014 Progress on Carbon-Neutral Growth Goal: ACHIEVED

In advance of the 2020 IATA goal, Delta decided to gain experience in the carbon market by setting 2012 as our baseline emission year for carbon neutral growth. In 2014 we achieved carbon neutral growth by first focusing on fuel efficiency initiatives, and then by purchasing carbon offsets.

#### 2014 Progress on Managing Absolute Greenhouse Gas Emissions Goal: ON TRACK

Since 2005, Delta has decreased our total carbon footprint by 16% through a combined fleet, network, fuel, and energy savings strategy across all operations. However, total emissions began increasing in 2013 for combined Scope 1 through Scope 3 emissions. In 2015, Delta will continue to explore strategies to manage our total greenhouse gas emissions.

## ENERGY EFFICIENCY



### 2014 ENERGY EFFICIENCY GOAL

In 2014, a 10 percent stretch goal was set for reducing energy use at owned and operated facilities.

#### 2014 Progress on Energy Efficiency Goal: NEEDS IMPROVEMENT

In 2014, with a variety of building management upgrades, Delta achieved a 3.9 percent energy reduction against the 2013 baseline. In 2015, noting difficulties in achieving reductions, Delta refined the boundaries for owned and operated facilities we are able to influence and will reassess operations seeking further reduction opportunities. Moving forward, the new Delta goal has been adjusted to a 5 percent improvement year-over-year. Delta is also beginning the Better Buildings Challenge.

\*International Air Transport Association (IATA)

## WASTE REDUCTION



### 2014 WASTE REDUCTION GOAL

In 2014, Delta targeted year-over-year improvements for waste reduction of hazardous, landfill, and recyclable materials.

#### 2014 Progress on Waste Reduction Goal: ON TRACK

In 2014, hazardous waste generation system-wide dropped 14 percent over 2013. The in-flight recycling program volume increased by 6.8 percent from 2013, as the number of recycling cities expanded to 33. Employee recycling at the Atlanta Headquarters campus declined 6 percent from 356 tons in 2013 to 334 tons in 2014. Non-hazardous waste increased system-wide by 27 percent over 2013. Finally, by the end of 2014, Delta had innovatively diverted 12,640 lbs of life vests, 65,000 lbs of carpet and 7,973 tons of leather seat covers through upcycling efforts.

## WATER REDUCTION



### 2014 WATER REDUCTION GOAL

In 2014, Delta targeted year-over-year improvements for water reduction.

#### 2014 Water Reduction Goal: NEEDS IMPROVEMENT

Delta will continue to report estimated water usage at non-Delta controlled facilities and has committed to a year-over-year reduction goal against a 2013 baseline at Delta owned and operated facilities. In 2014 there was a 3 percent increase in water usage at Delta owned and operated facilities attributed to the continued expansion of Delta's operations.

## ENVIRONMENTAL COMPLIANCE



### 2014 SPILLS GOALS

In 2014, Delta set a spill goal for each of the following operating divisions: Airport Customer Service (Goal = 60); Corporate Real Estate (Goal = 3); Safety, Health and Environment (Goal = 0); and Technical Operations (Goal = 6).

#### 2014 Progress on Spills Goals: ON TRACK

In 2014, Delta saw a slight increase in the number of Class I and Reportable spills compared to 2013. However, this is primarily attributable to the four spills involving fuel distribution systems. The 2015 goal has been re-set at 81 Class I & II spills due to a change in the spill reporting period, from the previous calendar year (January–December), to spills reported from September 1 to August 31.



### 2014 AIR QUALITY GOALS

Delta has the goal of continuous monitoring and improvement of air quality. At the station level, the focus is on achieving compliance with local state, city, county and district regulations that impact Delta operations.

#### 2014 Progress on Air Quality goals: ON TRACK

At the end of 2014, Delta was in compliance with all mobile source equipment rules, and proactively attaining many forward-looking (2015 and beyond) emission goals and standards for Carbon Monoxide (CO), Nitrogen Oxide (NOx), Particulate Matter (PM), Sulfur Dioxide (SO<sub>2</sub>) and Volatile Organic Compound (VOC) emissions.

# DELTA SUPPLY CHAIN AND EMPLOYEE GOALS AT A GLANCE

## SUPPLY CHAIN GOALS



### 2014 SUPPLY CHAIN GOALS

- Achieve set targets in percentage spend through minority, women-owned, and small business enterprises (MBEs, WBEs and SBEs)
- Focus on ethics and compliance for Supply Chain Management (SCM) staff, suppliers and entire corporation

### 2014 Progress on Supply Chain Goals: ACHIEVED

The goal of the supplier diversity planning process is to drive incremental diverse supplier spend, set realistic and achievable targets, and hold SCM business units accountable for actual performance. In 2014, Delta achieved its aggressive MBE and WBE goals which challenged SCM sourcing professionals to increase performance by 12 percent versus 2013. Additionally in 2014, Delta SCM exceeded MBE and WBE supplier diversity goals by 3 percent and 7 percent respectively.

In 2015, Delta SCM continues to raise the bar. In May, Delta was named one of the Black Enterprise Top 35 Best Companies for Supplier Diversity, and new 2015 goals for MBE and WBE performance have been set about 7.5 percent higher than in 2014.

## EMPLOYEE GOALS



### 2014 EMPLOYEE SAFETY GOALS

- Achieve a 3 percent improvement in Global Injury Rate over 2013 performance
- Continue to be the industry leader in lowest injury rate

### 2014 Progress on Employee Safety Goals: ACHIEVED

In 2014, Delta achieved a 4 percent improvement in the Global Injury Rate over 2013. To achieve this goal Delta continued to conduct site specific assessments, seatbelt observations and created ergonomic tools. Delta also maintained the best record for injuries of the Airlines for America reporting carriers.

### 2014 EMPLOYEE GOALS

- Pay profit sharing at or above target
- Earn 21 or more Shared Reward payments
- Invest \$1.5 billion in retirement plans (pension and 401K)
- Provide a safe work environment for employees

### 2014 Progress on Employee Goals: ACHIEVED

In 2014 Delta achieved all goals related to Employees.

# DELTA CUSTOMER AND FINANCIAL GOALS AT A GLANCE

## CUSTOMER GOALS



### 2014 CUSTOMER GOALS

- Earn J.D. Power award for customer service among network carriers
- Win Business Travel News survey
- Increase overall “net promoter” score by 10 percent
- Be industry leader in D0 (on-time departure) and taxi times

### 2014 Progress on Customer Goals: ON TRACK

In 2014 Delta won the Business Travel News survey, and increased the overall “net promoter” score. Delta is currently on track to win the Business Travel News survey again in 2015.

In addition, Delta attained a 66.8 percent Domestic D0 rate in 2014, second only to US Airways in our competitive set. Delta has reduced the gap in D0 to US Airways from 1.0 percent in 2013 to 0.4 percent in 2014. Compared with 2013, Delta reduced average taxi times, placing us fourth in our competitive set. This is an improvement from 2013, when Delta’s average taxi-out time was 18.5 minutes. In 2014 Delta’s average taxi-in time was 7.2 minutes, resulting in a third place finish in our competitive set.

## FINANCIAL GOALS



### 2014 FINANCIAL GOALS

- Quarterly dividends of approximately \$200 million a year
- Produce at least \$300 million of value through the Monroe Trainer refinery
- Improve ancillary revenue to \$670 million and improve digital channel customer satisfaction to industry-leading levels

### 2014 Progress on Financial Goals: ACHIEVED

In 2014 Delta paid out more than \$250 million in dividends, including a 50 percent increase to the quarterly dividend that was implemented mid-year.

The refinery produced a full year profit of \$95 million and was profitable in every quarter except the March quarter. The \$95 million represents an improvement of more than \$200 million compared to 2013 (when the refinery generated a loss in excess of \$100 million). Furthermore, we believe that additional supply of jet fuel from the Trainer facility has helped to reduce jet fuel prices in the New York harbor by 3 cents per gallon, which equates to approximately \$200 million based on Delta’s global consumption.

Finally, in 2014 ancillary revenue exceeded \$700 million, driven in large part by our First Class Up-sell and Economy Comfort products. Digital customer satisfaction is measured by ForeSee and in late 2014, delta.com posted a score of 73, ahead of its comparable industries of hospitality and transportation as well as the Fortune 500 and private sector averages. The Delta smartphone app posted a 78 ForeSee score, which met or exceeded its mobile application and ecommerce benchmarks.

# DELTA OPERATIONAL GOALS AT A GLANCE

## OPERATIONAL GOALS



### 2014 OPERATIONAL GOALS

- Maintain industry-leading safety performance: No NTSB accidents
- Launch Wi-Fi products on the entire international fleet by year end
- Achieve top-tier system reliability with goals of 99.5 percent for completion factor, 86.4 percent for on-time arrivals, and 4.32 for baggage handling

### 2014 Progress on Operational Goals: ON TRACK

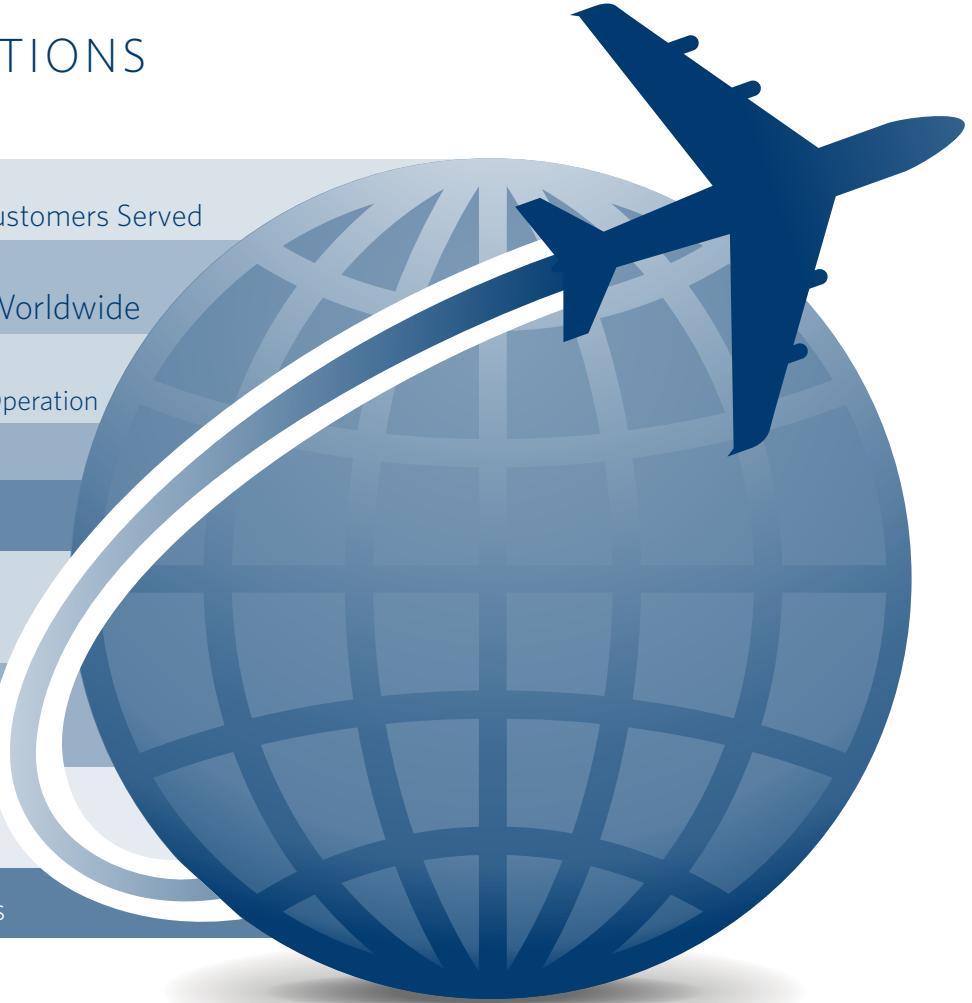
In 2014, Delta was a safety performance leader with No NTSB accidents. With regard to international Wi-Fi products, Delta successfully initiated launch on the international fleet, and completed installation on 33 percent by year end.

In 2014, Delta nearly achieved all system reliability goals. At year end, Delta's completion factor was 99.2 percent, on-time arrivals were 84.2 percent, and baggage handling was 4.77. Delta also achieved 95 days of a 100 percent completion factor in 2014, a record for the airline.

# DELTA AT A GLANCE

## WORLDWIDE OPERATIONS

More Than <b>170 Million</b> Customers Served
Nearly <b>80,000 Employees</b> Worldwide
Approximately <b>1,270 Aircraft</b> in Combined Operation
Nearly <b>340</b> Destinations
<b>64</b> Countries
<b>239</b> Domestic U.S. & Canada Destinations
<b>47</b> Latin America Destinations
<b>34</b> Europe, Middle East & Africa Destinations
<b>16</b> Asia Pacific Destinations



## WORLDWIDE SERVICE AND OPERATIONS

Delta Air Lines serves more than 170 million customers each year, and has ranked No.1 in the Business Travel News Annual Airline survey for four consecutive years, a first for any airline. Delta was also named to FORTUNE magazine's top 50 World's Most Admired Companies in addition to being named the most admired airline for the fourth time in five years.

With an industry-leading global network, Delta and Delta Connection carriers offer service to nearly 340 destinations in 64 countries on six continents. Headquartered in Atlanta, Delta employs nearly 80,000 employees worldwide and operates a combined fleet of approximately 1,270 aircraft.

Delta is also a founding member of the SkyTeam global alliance and participates in the industry's leading trans-Atlantic joint venture with Air France-KLM and Alitalia as well as a newly formed joint venture with Virgin Atlantic.

Including its worldwide alliance partners, Delta now offers customers more than 15,000 daily flights, with key hubs and markets including Amsterdam, Atlanta, Boston, Detroit, Los Angeles, Minneapolis/St. Paul, New York-JFK, New York-LaGuardia, Paris-Charles de Gaulle, Salt Lake City, Seattle and Tokyo-Narita. To date, Delta has invested billions of dollars in airport facilities, global products, services and technology to enhance the customer experience in the air and on the ground.

Additional information is available on [delta.com](http://delta.com), Twitter [@Delta](https://twitter.com/AtDelta), [Google.com/+Delta](https://plus.google.com/+Delta), [Facebook.com/delta](https://www.facebook.com/delta) and Delta's blog [takingoff.delta.com](http://takingoff.delta.com).



# DELTA'S APPROACH TO RESPONSIBILITY

## IN THIS SECTION:

### Delta's Guiding Principles

- Delta Core Values
- Sustainability and Responsibility at Delta

### Governance

- Board of Directors
- Executive Environmental Leadership Council (EELC)
- Enterprise Risk Management



# DELTA'S GUIDING PRINCIPLES

## DELTA CORE VALUES

Strong core values and clear unifying behaviors are the foundation of Delta's culture. Values, along with individual employee professionalism, training and experience, guide actions and decisions. Core Values are Delta's Rules of the Road.

## SUSTAINABILITY AND RESPONSIBILITY AT DELTA

At Delta, sustainability is defined as "meeting the company's financial goals of growth and profitability over time, through business practices that minimize the environmental impacts of Delta operations and promote the health, welfare, and productivity of the individuals and communities we employ and serve."

To meet this definition, Delta does more than simply satisfy its legal obligations. Delta's stakeholders - investors, customers, SkyTeam partners, employees, non-governmental organizations (NGOs), governments and communities - have come to expect Delta to produce sustainable and responsible positive financial results, invest in healthy communities, maintain a robust workforce and protect natural environments. Collectively, these expectations drive Delta's approach to sustainability and social responsibility.

## RULES OF THE ROAD: DELTA'S CORE VALUES

**HONESTY** Always tell the truth

**INTEGRITY** Always keep your deals

**RESPECT** Don't hurt anyone

**PERSEVERANCE**

Try harder than all competitors—never give up

**SERVANT LEADERSHIP**

Care for our customers, the community and each other



# GOVERNANCE

## BOARD OF DIRECTORS

The Board of Directors held seven regular meetings in 2014, scheduled special meetings when required, and also met in executive sessions without management. The Board believes sound corporate governance practices provide an important framework in assisting to discharge responsibilities. Accordingly, the Board has adopted corporate governance principles relating to its functions, structure and operations. Currently, the Board is made up of 17 members, 14 of whom are independent. For a complete list of board members, see the investor relations section of the [delta.com](#) website.

## EXECUTIVE ENVIRONMENTAL LEADERSHIP COUNCIL (EELC)

Delta has an Executive Environmental Leadership Council (EELC) made up of senior leaders who help to establish and support sustainability and corporate responsibility policy, strategy and action plans. Seeking continuous improvement, in 2014 the EELC met two times to further align and direct sustainability and climate change issues and initiatives.

In 2014, the EELC oversaw the company's management of the following issues:

- Industry engagement on climate change policy at the International Civil Aviation Organization
- Performance against the International Air Transport Association's (IATA) 1.5 percent fuel efficiency improvement goal
- Climate change and biofuel strategy and planning
- Customer and employee engagement on sustainability
- Environmental partnerships, specifically Delta's carbon offset offering through The Nature Conservancy (TNC) partnership
- Sustainability reporting and disclosures through the Corporate Responsibility Report, the CDP, the Dow Jones Sustainability Index and various corporate customer questionnaires

Members of the EELC are leaders from the following departments:

- |                                                                                                                                                                                                  |                                                                                                                                                                                        |                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>▪ Chief Financial Officer</li><li>▪ Chief Operating Officer</li><li>▪ Corporate Communications</li><li>▪ Corporate Real Estate</li><li>▪ Finance</li></ul> | <ul style="list-style-type: none"><li>▪ Fleet Strategy and Transactions</li><li>▪ Flight Operations</li><li>▪ Fuel Optimization</li><li>▪ Government Affairs</li><li>▪ Legal</li></ul> | <ul style="list-style-type: none"><li>▪ Marketing</li><li>▪ Safety, Health and Environment</li><li>▪ Safety, Security and Compliance</li><li>▪ Supply Chain Management</li><li>▪ Technical Operations</li></ul> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## ENTERPRISE RISK MANAGEMENT (ERM)

Delta has an established framework designed to address risks in the form of an Enterprise Risk Management (ERM) process. The ERM process is utilized to assess risks like those reported in Delta's Risk Factors section of the Form 10-K that could prevent Delta from achieving its overall objectives.

The ERM process is designed not only to identify risks; the process also actively documents successful strategies used to mitigate identified risks. In action, Delta's ERM process combines inquiry, observation, inspection, and re-performance testing. This process allows Delta to quickly put control systems in place that are also capable of monitoring and objectively reporting on both their effectiveness and progress toward mitigation as designed.

Summary reports on mitigation efforts are also reviewed by Delta's Corporate Leadership Team. This review process assesses effectiveness of controls, risk mitigation activities and business processes, and allows for constant improvement of the ERM process.



# PROTECTING THE ENVIRONMENT

## IN THIS SECTION:

- Ensuring Environmental Compliance
- Notices of Violations/Non-Compliances
- Improving Air Quality
- Supporting and Encouraging Clean Commute Options
- Waste
- Waste Diversion Through Recycling
- Waste Diversion Innovation
- Hazardous Waste
- Water Impact
- Climate Change
- Improving Fuel Efficiency
- Stabilizing Aircraft Emissions
- Managing Absolute Greenhouse Gas Emissions
- Carbon Mitigation Innovation

"At Delta, we believe that reducing our impact on the environment is a business imperative. By improving fuel efficiency across our fleet, we are helping to lessen the global impacts of our operations while lowering the cost of fuel, which is Delta's largest expense. We also believe in operating transparently, and voluntarily seek to verify our greenhouse gas emissions, report to the CDP, and respond to the Dow Jones Sustainability Index questionnaire. While it may be impossible to completely mitigate our impacts, Delta continuously seeks to improve performance over the long-term. We remain committed to doing what we can to reduce our impacts, and we encourage employees and customers to join us in this effort."

— John Laughter, Senior Vice President – Corporate Safety, Security and Compliance

# ENSURING ENVIRONMENTAL COMPLIANCE

At Delta, we understand the responsibility to minimize environmental impacts and conduct operations in an environmentally sustainable manner. Delta is committed to complying with all environmental laws and regulations which govern the airline industry as minimum requirements. In the absence of government regulation, Delta is committed to operating in an environmentally responsible manner as defined by the best practices of the aviation industry.

One of the ways we ensure compliance is through the setting of environmental performance goals. In addition Delta measures and reports progress to leaders in their respective divisions on a monthly and quarterly basis, and proactively shares information with customers and external stakeholders on an annual basis in this report.

Another effective method to ensure compliance is through a robust environmental audit program that promotes accountability and environmental awareness throughout Delta operations. The audit team's findings, concerns and observations are communicated to station and divisional leaders in an effort to constantly seek improvements that can be implemented at all stations and maintenance facilities.

Delta has also developed several proactive environmental management tools to improve environmental compliance and awareness. One example of a proactive management tool is the Environmental Programs Manual (EPM). The manual provides policies and procedures that help to ensure Delta's compliance with all applicable environmental regulations. In developing and frequently updating this manual, applicable federal, state and local environmental regulations are reviewed to establish a consistent set of guidelines, or best management practices, for Delta's operations.

A second example of Delta's proactive management is the Environmental Management System (EMS). This system is tailored to help stations maintain compliance with environmental requirements through documented plans, processes and procedures. The documents also include environmental policy, objectives and targets, roles and responsibilities, operating procedures, and inspection and document control requirements. Additionally, the Environmental Management Information System (EMIS) is a computer-based system that uses technology to manage environmental data, improve compliance and support environmental programs and processes across the company. This system is configured from the corporate level down to the station level and is used to track and report compliance task completion by corporate, operational and station leaders.



A final element in maintaining environmental compliance is the day-to-day management responsibilities of the environmental coordinators in airport locations and maintenance departments. These individuals have the responsibility of ensuring compliance with environmental requirements associated with their individual operations and activities. Environmental coordinator responsibilities include conducting daily, weekly or monthly inspections, recordkeeping to ensure all environmental permit conditions are being achieved, performing on-call spill response and reporting, and ensuring staff with assigned environmental tasks are trained. In addition, coordinators also act as liaisons to airport environmental staff, oversee contractors whose actions may impact the environment, escort regulatory authorities during an inspection, coordinate and communicate environmental responsibilities throughout operating divisions and meet regularly with station or division leadership to discuss the program and continue to make improvements.

## NOTICES OF VIOLATIONS/NON-COMPLIANCES

### SPILLS

It is Delta's policy to prevent or minimize spills of jet fuel and related petroleum products (e.g. diesel fuel, gasoline, hydraulic fluid) and other substances, such as glycol-based deicing fluids, from entering the environment as a result of Delta's operations. If a spill occurs, Delta personnel are trained to respond by containing and cleaning up the spill, documenting the incident, and reporting the spill to Corporate Environment in accordance with Delta processes and procedures and applicable regulatory reporting requirements. After spills have occurred, Delta uses the event to further analyze procedures and develop enhanced corrective actions to prevent spill recurrence.

Similar to 2013, Delta set a spill goal for each of the following operating divisions in 2014: Airport Customer Service (Goal = 60); Corporate Real Estate (Goal = 3); Safety, Health and Environment (Goal = 0); and Technical Operations (Goal = 6). Performance is tracked against these individual goals to determine Delta's progress in minimizing its environmental footprint.

In addition, four spills associated with fuel distribution systems (e.g., bulk fuel storage facilities, hydrant systems, etc.) are included in the table below as Class I and Regulatory Reportable spills.

RECORDED SPILLS AND SPILL GOALS			
	2012	2013	2014
Class I <sup>1</sup> Recorded Spills	28	35	38
Class II <sup>2</sup> Recorded Spills	42	43	43
TOTAL RECORDED SPILLS (CLASS I + CLASS II)	70	78	81
ANNUAL SPILL GOAL (Class I + Class II)	NA <sup>4</sup>	55	69
Regulatory Reportable Spills <sup>3</sup>	18	17	22

1. Class I: any spill that reaches soil and/or water and/or any spill equal to or greater than 25 gallons.

2. Class II: any spill that is equal to or more than 5 gallons, but less than 25 gallons and does not reach soil and/or water.

3. Spill that is reported to a regulatory authority under local, state or federal spill reporting guidelines.

4. In 2012, Delta did not establish a spill goal

### PROGRESS ON SPILL GOALS

Although Delta did not achieve the goal of 69 or fewer spills in 2014, we are committed to reducing or eliminating the potential for spills and accept the responsibility to not only clean up spills and respond to any impacted environmental media, but also report to local, state and/or federal regulatory agencies. Delta investigates all Class I and II spills to determine the root cause and identify contributing factors in order to implement corrective actions at the station level and system-wide, when necessary.

In 2014, Delta saw a slight increase in the number of Class I and Reportable spills compared to 2013. However, this is primarily attributable to the four spills involving fuel distribution systems. The goal has been re-set at 81 Class I & II spills for 2015, and future years, due to a change in the spill reporting year.

### **NOTICES OF VIOLATION AND NON-COMPLIANCE**

Five notices of violation (NOV) and one non-compliance incident that did not result in an NOV were received from environmental regulatory agencies in 2014. The NOV goal (two), which was a stretch goal compared to 2013 performance, was not achieved. However, the non-compliance goal (four) was achieved with only one incident recorded in 2014. No NOVs resulted in a monetary penalty to the company. Two NOVs were associated with hazardous waste management practices at stations, two were related to exceedances of permitted chromium limits from the Atlanta Technical Operations Center (TOC), and one was associated with the surface condition of several groundwater monitoring wells at the TOC. All five NOVs were promptly resolved through the appropriate regulatory authority and practices have been established to eliminate the likelihood of reoccurrence.

<b>NOTICES OF VIOLATIONS/NON-COMPLIANCE</b>			
	<b>2012</b>	<b>2013</b>	<b>2014</b>
Notices of Violation Goal	4	4	2
Non-Compliance/Permit Exceedences Goal	3	0	4
<b>PERFORMANCE (by year)</b>			
Notices of Violation	6	4	5
Non-Compliance/Permit Exceedences	2	5	1
Monetary Value (\$) of significant fines	\$2,000	\$20,500	\$0

### **IMPROVING AIR QUALITY**

With the goal of continuous monitoring and improvement of air quality, Delta contracts with third-party certified environmental professionals to review airport station compliance programs. At the station level, the air quality focus is on achieving regulatory compliance with local, state, city, county and district requirements that impact Delta operations.

Additionally, Delta seeks to maintain air quality with third-party station compliance audits. Station audits are designed to include a multi-faceted inspection of both records and work practices to ensure continuous improvement of practices and, ultimately, air quality.

The following table is a summary of 2014 air pollutant “priority emissions” from Atlanta, Minneapolis, Detroit, Cincinnati and Los Angeles. These locations are highlighted due to state regulatory requirements for tracking at stations and for filing Delta’s annual greenhouse gas emissions inventory.

While metrics are not broken down by state, the Delta TOC contributes the majority of all five emission types. In 2014, the Sulfur Dioxide (SO2) emissions increased significantly due to higher fuel oil use during natural gas curtailments in Atlanta during the unusually cold winter months. Volatile Organic Compound (VOC) emissions, meanwhile, stabilized after an unusually high year in 2013.



PRIORITY EMISSION	EMISSIONS (tons/year)		
	2012	2013	2014
CO emissions	57.9	56.6	57.1
NOx emissions	122.2	124.8	112.6
PM emissions	12.9	11.6	10.4
SO <sub>2</sub> emissions	14.3	13.0	17.1
VOC emissions	183.6	261.6	182.0

## PROGRESS ON AIR QUALITY IMPROVEMENTS

At the end of 2014, Delta was in compliance with all required mobile source equipment rules in California - which are the strictest standards - and proactively attaining many forward-looking (2015 and beyond) emission goals and standards.

Delta's off-road diesel fleet in California achieved an average of 5.8 grams per brake horsepower-hour (g/bhp-hr – a standard measure for heavy-duty and non-road engines) of nitrogen oxides (NOx), which is below the mandate of 6.0 g/bhp-hr required by January 2015. Proactively attaining this emissions level was tied closely to meeting an electric vehicle requirement standard of 5.1 g/bhp-hr, which was achieved in part from a conversion of more than a third of off-road diesel fleet vehicles to electricity.

Another fleet category that helped us meet hydrocarbon (HC) and NOx goals proactively was the large spark ignition (LSI) engine used in forklift and non-forklift subsets. For the forklift group we achieved the mandate for HC and NOx emissions, set at 1.1 g/bhp-hr, with the attainment of an average fleet rate of 0.81 g/bhp-hr. We also anticipate that these HC/NOx numbers will continue to fall for forklifts with the planned retirement of older units. In addition, for the non-forklift group, we continued to meet the 2013 target of 2.5 g/bhp-hr through 2014.

Lastly, in 2014, we continued to achieve compliance with the diesel Air Toxics Control Measure (ATCM), and proactively achieved 2017 compliance with a particulate matter (PM) average of 0.15 g/bhp-hr.

All regulatory goals are representative of Delta's operational goals and are dictated by the state of California for air emissions. Delta does not establish goals for air beyond those required by regulation.

## SUPPORTING AND ENCOURAGING CLEAN COMMUTE OPTIONS

In an effort to further support employees and the surrounding communities in which we live, Delta supports alternatives to commuting, along with commute options that decrease personal environmental impacts, decrease personal costs associated with traditional commuting and improve air quality in the areas surrounding operations.

### ALTERNATIVES TO COMMUTING

Delta supported clean and alternative commute and work options include:

- Teleworking: work at home for a certain number of days a month
- Compressed Work Week: 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

In addition to alternatives to commuting, Delta provides on-site amenities that encourage employees to reduce vehicle miles traveled before, during and after work. On-site amenities at Delta's World Headquarters include:

- |                                                                                                                                                        |                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>▪ Gym</li> <li>▪ Cafeteria</li> <li>▪ Dry cleaning</li> <li>▪ Banking - Delta Community Credit Union</li> </ul> | <ul style="list-style-type: none"> <li>▪ Walmart pharmacy and sundries</li> <li>▪ Emory medical walk-in clinic</li> <li>▪ Starbucks outlet</li> <li>▪ Farmers market during summer months</li> </ul> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Because Delta is a 24/7 operation that includes shifts, we work with local transportation management associations to promote alternative commutes that reach the most employees at as many locations as possible. Promotions include:

- A Clean Air Campaign Task Force with representatives from each operating division in Atlanta. This task force meets on a quarterly basis to discuss the best way to overcome challenges related to promoting alternative commute ridership.
- Delta's IT Green Initiatives Group supports Delta's relationship with MetroTransit in Minneapolis by developing and planning events that encourage communication between employees and MetroTransit.
- The monthly "Hubbub" newsletter sent to all employees in Salt Lake City features TravelWise options for public transport to and from SLC airport.

## VRIDE

On Earth Day 2014, Delta launched a partnership with vRide at the headquarters in Atlanta. vRide is a ride sharing platform that offers an economical alternative to single-occupant vehicle transportation. By the end of 2014, Delta exceeded the goal of 20 vans with a total of 25 in operation. In addition to the benefits of van pooling, Delta allows employees to pay for commuting costs of ridership through automatic, pre-tax payroll deductions. This results in ultimately lowering the costs of van pooling.

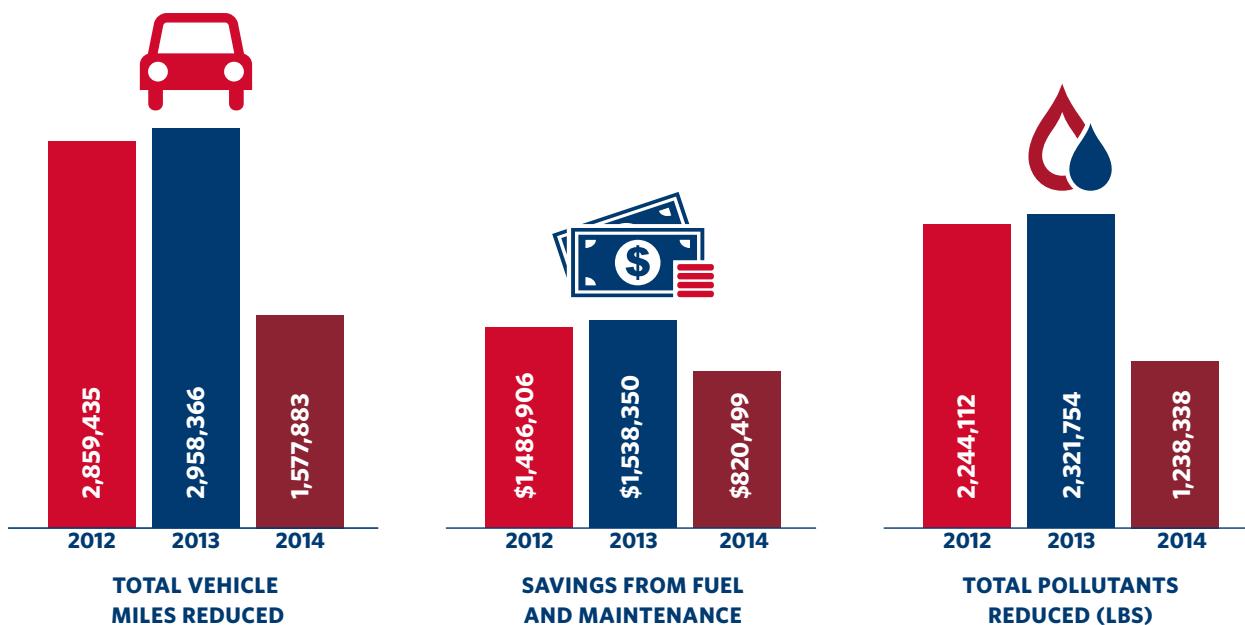
## GA COMMUTE OPTIONS

Working in conjunction with all Delta-sponsored commuting options, Georgia Commute Options are free programs and services that offer assistance to reduce single-occupancy vehicles in order to reduce traffic congestion and improve air quality. Registered employees are rewarded for participation in Delta's alternative commuting programs with cash, prizes, and gift cards.

## PROGRESS ON CLEAN COMMUTE GOALS

In 2014 the combined goal for clean commuting was to increase employee participation by 10 percent over 2013. The result was a decrease in logged miles in the first half of 2014. However, efforts in the second half of the year were focused on recovering logging commuters and achieved recovery of 20 percent of lost participation which resulted from a lack of ongoing engagement by program managers.

## ENVIRONMENTAL IMPACTS AVOIDED FROM CLEAN COMMUTING



# WASTE

Delta generates many different forms of waste from operations, and these waste streams have a variety of environmental impacts with different compliance handling requirements. Delta's waste streams include materials that are recyclable, materials that are not recyclable and must go to landfills, and hazardous materials that must be disposed of in accordance with local, state and federal regulations.

Delta is committed to minimizing all waste streams through various means including diversion and re-use, waste recycling programs, and reducing the amount of non-hazardous waste produced. In addition to waste stream minimization efforts, Delta is committed to the proper handling and disposal of hazardous waste generated in operations.

## WASTE DIVERSION THROUGH RECYCLING

### IN-FLIGHT RECYCLING

Delta's award winning in-flight single stream recycling program is now operating in 33 domestic locations and one international location.

On domestic flights arriving at stations with recycling facility options, single stream materials - plastic, aluminum, and paper - are collected by flight attendants in the air and comingled in designated bags. Upon flight arrival, the bags of comingled recyclable materials are then collected by Cabin Service and transported to designated site-specific recycling containers. In addition to single stream recycling, catering facilities that partner with Delta recycle empty cans and bottles left in beverage carts.

From 2007 to 2014, Delta's in-flight recycling program has diverted nearly 10 million pounds of material in total from landfills domestically. At the Atlanta headquarters, rebates from in-flight recycling on Atlanta in-bound flights have been donated to Habitat for Humanity through Delta's Force for Global Good foundation. Total rebates from 2007 to 2014 totaled more than \$600,000, and have been used to fund six Habitat for Humanity houses in several domestic cities throughout the Delta system.



### PARTICIPATING IN-FLIGHT RECYCLING STATIONS

ABQ	BWI	CVG	DFW	IND	LGA	OMA	PHX	RSW	SFO	SMF
ATL	CLE	DCA	DTW	JFK	MCO	ORD	PUJ	SAN	SJC	SRQ
BOS	CLT	DEN	FLL	LAX	MSP	PDX	RDU	SEA	SLC	TPA

## PROGRESS ON IN-FLIGHT RECYCLING GOALS

In 2014 the in-flight recycling program volume increased by 6.8 percent from 2013. In addition, the number of recycling cities expanded to 33, which is an increase of 17 percent from 2013.

## IN-FLIGHT RECYCLING CHALLENGES

Delta faces challenges to comprehensively increase in-flight recycling due to the following three issues:

- Materials handling
- International regulations
- Domestic locations

### MATERIALS HANDLING CHALLENGES

Domestic materials handling issues include a lack of chain of custody for the handling of recyclable materials. This means that due to airport processes for materials handling we are not able to remain in control of all recyclable materials once they leave planes. This also means that we are not able to collect single stream recycling data at all stations.

In addition to materials handling challenges, there was an increase of airport-led recycling programs in 2014. While these efforts help Delta increase landfill diversion, it means that we are not able to collect data from all materials recycled onboard planes. Ultimately, due to these programs and lack of custody of materials, the volumes and rebates Delta was able to report in 2014 reflect Atlanta ground operations only.

### INTERNATIONAL REGULATION CHALLENGES

International flights also pose additional challenges to increasing in-flight recycling. U.S. Department of Agriculture regulations require that materials from international flights contaminated with meat and/or produce are to be considered regulated waste and must be incinerated or otherwise treated. For this reason, Delta's greatest challenge remains how best to collect recyclable materials both onboard the aircraft and upon arrival at the international flight kitchen in a manner compliant with all U.S. and international rules and regulations. In 2015, Delta is planning to launch a trial recycling program to demonstrate and explore how an international recycling program can work. As of February 2015, Delta is awaiting approval for this trial recycling program.

### DOMESTIC LOCATION CHALLENGES

Expanding domestically is yet another challenge requiring extensive terminal and space ownership evaluations that are often out of Delta control. Measures to mitigate recycling challenges are currently being explored.



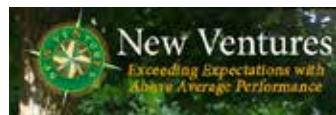
# WASTE DIVERSION INNOVATION

## UPCYCLING

Delta has established relationships with a variety of vendors and partners to innovatively divert waste, reduce impacts on the environment, and provide new life to old materials. These innovative diversion programs also support the Delta goals of social and environmental responsibility. One example of innovative diversion is through upcycling. Upcycling is a process that takes materials at their end of life and turns them into new products, thus giving them a new life and reducing the amount of new and virgin materials needed to produce new products.

By the end of 2014 Delta had innovatively diverted 250 lbs of safety vests, 12,640 lbs of life vests, 65,000 lbs of carpet, and 7,973 tons of leather seat covers from the landfill through upcycling efforts.

## SPOTLIGHT ON DELTA'S INNOVATIVE WASTE UPCYCLING



### RE:LOOM AND USED SAFETY VESTS

Used safety vests are given a second life by Re:loom weavers. Re:loom is an Atlanta-based program that supports homeless and low-income adults by training them to weave new and original products from upcycled materials. For this program Delta provides life vests that are turned into tablet cases, passport covers and clutches. All products are then available for sale to the public. In addition to learning a trade, weavers receive a stable salary and full healthcare coverage.

**At the end of 2014, 250 lbs of safety vests had been upcycled.**

### SKYEBAGS AND LEATHER SEAT COVERS

Delta is partnering with the sustainable upcycling company Skyebags to provide a second life to used seat covers from Delta planes. Upcycling Delta seat covers into new products also supports wider global conservation of natural resources by reducing the amounts of energy and water necessary to produce new and virgin materials for products. **At the end of 2014, 7,973 lbs of leather had been upcycled into new Skyebag leather products.**

### NEW VENTURES

Used life vests are given a second life as new bags, totes and aprons. New Ventures is an Atlanta-based program providing work based training and skills to youth and adults with disabilities. **At the end of 2014, 8,000 life vests or 12,640 lbs had been upcycled**

## EMPLOYEE RECYCLING PROGRAM

In support of the largest concentration of Delta employees and office space domestically, the Atlanta headquarters' Employee Recycling Center (ERC) allows employees without access to curbside recycling at their homes to bring their aluminum cans, plastic bottles, glass, tin and paper to be recycled.

Rebates earned from employee recycling efforts are donated to the Delta Employee & Retiree Care Fund to help individuals who suffer from severe financial hardship resulting from unforeseen and unavoidable crisis, such as from Hurricane Sandy.

## PROGRESS ON EMPLOYEE RECYCLING

In 2014 employee recycling declined from 356 tons to 334 tons at the Atlanta headquarters. This is likely due to issues related to a transition of janitorial staffing and a relocation of the Employee Recycling Center. Of note, relocation of the center made it more difficult for employees to bring items from home. Dellta is currently working on measures to mitigate these issues.

In 2015 Delta has committed to establishing a baseline for recycling, which will allow us to proactively establish reduction goals and monitor progress against goals.

## REDUCING NON-HAZARDOUS WASTE STREAMS

Additional non-hazardous waste streams include materials generated from various airline operations throughout the system. Due to the nature of Delta operations, not all non-hazardous waste can be recycled or diverted.

In 2014, Delta began a partnership with the Tommy Nobis Center Rework program for electronics recycling. Delta utilizes this program to divert obsolete avionics and other items from landfills. Delta partnered with the Rework program because of its socially and environmentally responsible aspects, including supporting a mission of job creation, independence, confidence, success and a paycheck for individuals with disabilities. Due to the newness of this program the goals for 2014 were data capture and program development. As the next steps, 2015 will focus on the development of a baseline and goals from one full year's data.

## PROGRESS ON NON-HAZARDOUS WASTE REDUCTION GOALS

Waste generation from building construction activities and aircraft maintenance cycles also contributes to Delta's waste volumes. Operational maintenance cycles include waste generation from both in-sourcing and out-sourcing of operations.

With regard to operational non-hazardous waste generation, volumes increased system-wide by 27 percent, which is an increase of 919 tons over 2013.

NON HAZARDOUS WASTE GENERATION (IN TONS)			
MATERIAL STREAMS	2012	2013	2014
Landfilled or Incinerated Materials	1,045	1,105	1,405
Recycled Material	946	827	1,085
Construction Debris	21,988	0	361

## BY THE NUMBERS: ADDITIONAL WASTE STREAM DIVERSION

- Security:** Sensitive documents are collected, shredded and recycled by IRON MOUNTAIN. In 2014, 521 tons of paper were recycled through this program.
- Organics:** In Atlanta and Minneapolis Delta partners with catering vendor Sodexo to allow employees to pick up used coffee grounds for their gardens. At the Atlanta campus, this initiative diverts an estimated 75 pounds of organic non-recyclable material from landfills on a weekly basis.
- Carpet:** Since initiating a carpet recovery program in 2008 with Mowhawk Aviation Carpets, 65,000 lbs of airplane carpet has been diverted from landfills. This material is collected and reclaimed for waste to energy production in North Georgia.

# HAZARDOUS WASTE

Delta is committed to meeting all compliance and regulatory requirements for hazardous waste. At Delta hazardous waste is a byproduct of airline operations and aircraft maintenance.

## PROGRESS ON HAZARDOUS WASTE

Hazardous waste generation system-wide decreased 14 percent from 2013.

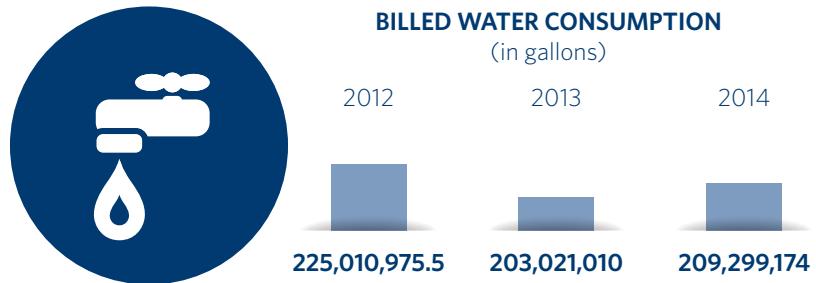
HAZARDOUS WASTE (IN LBS)			
	2012	2013	2014
Total Generated	638	591	509
Construction Debris	0	229	0

# WATER IMPACT

In communities around the world, billions of people are affected by water scarcity each year. Although water is not a material aspect of Delta's business operations, Delta seeks to understand how internal efforts affect water usage and contribute to global water conservation efforts in locations and facilities Delta controls.

Delta currently measures actual metered water usage at Atlanta headquarters and Minneapolis Technical Operations.<sup>1</sup> Additional estimated water usage is provided for facilities and locations where Delta is not directly billed or in control of the facility. Non-Delta controlled facilities are primarily airport spaces owned and operated by others. In total, directly billed water usage accounts for approximately 37 percent of Delta's total water footprint. From 2013 to 2014, Delta increased its total billed water usage by approximately 3 percent, or 6 million gallons more than 2013 totals.

With regard to water usage estimates for non-Delta controlled facilities, we have chosen to utilize the U.S. Green Building Council's (USGBC) estimation calculator to estimate passenger and employee water use.



## PROGRESS ON WATER CONSERVATION GOALS

In total it is estimated that non-Delta controlled domestic facilities used more than 350 million gallons of water in 2014. This number represents approximately 63 percent of Delta's total domestic water footprint. This number is higher than in previous years due to the increase in the number of passengers flying with Delta. Ultimately, Delta anticipates that higher passenger numbers will continue to generate higher total water consumption.

In an effort to transparently communicate water impacts, Delta will continue to report estimated water usage at non-Delta controlled facilities and has committed to a year-over-year reduction goal against a 2013 baseline at Delta controlled facilities.

# CLIMATE CHANGE

## THE AVIATION INDUSTRY

The International Civil Aviation Organization (ICAO) is a branch of the United Nations responsible for establishing the standards and guidelines for international air transport. The goal for standards and guidelines is to ensure safe and sustainable growth of ICAO member states.

The International Air Transport Association (IATA), the largest global airline trade association in the world, interacts with ICAO as a contributor on technical panels and has been granted permanent observer status in ICAO.

## DELTA'S CLIMATE STRATEGY

In 2010, Delta developed a Climate Change Strategy and Carbon Emissions Policy to address Delta's biggest environmental impact, carbon emissions. The strategy and policy together dictate how Delta measures, manages and educates on climate change risks. They also dictate how climate change is addressed internally, and dealt with in regards to policy issues that arise on local, federal and international levels.

In an effort to proactively address climate change, Delta annually identifies action items that will support the Climate Change Strategy, and these actions are approved by the Executive Environmental Leadership Council (EELC). Key annual Delta action items to support the Climate Change Strategy include:

- Carbon reporting and management (voluntary through The Climate Registry and mandatory through compliance with the European Union Emissions Trading Scheme and U.S. Environmental Protection Agency Title V Reporting)
- Engagement with industry and industry association groups on local, state and international regulation/best practices
- Engagement and education of customers and employees on greenhouse gas emissions and climate change
- Partnership with the Center for Climate and Energy Solutions' Business Environmental Leadership Council (along with other leading Fortune 500 companies) on development of efficient, effective solutions to climate issues
- Actions approved by the EELC. These actions ultimately support the larger industry's short-, medium- and long- term goals on climate change through fuel efficiency improvement, carbon neutral growth post 2020 and absolute greenhouse gas emissions reductions.



## IMPROVING FUEL EFFICIENCY

### AVIATION INDUSTRY'S SHORT TERM GOAL:

### ACHIEVE 1.5 PERCENT AVERAGE ANNUAL AIRCRAFT FUEL EFFICIENCY IMPROVEMENT FROM 2009 TO 2020

Delta's goal is aligned with the industry IATA goal of achieving 1.5 percent average annual aircraft fuel efficiency improvement from 2009 to 2020.

### PROGRESS ON FUEL EFFICIENCY GOAL

In 2014, Delta's fuel efficiency improved 1.93 percent compared to 2013. However despite this year-over-year improvement, Delta's fuel efficiency falls short of the IATA goal with the average since 2009 at 1.23 percent. In 2015 additional fuel savings will be targeted to help towards achieving the 1.5 percent goal.

YEAR OVER YEAR FUEL EFFICIENCY			
	2012	2013	2014
Total Fuel Consumed (liters) <sup>1</sup>	14,252,065,385	14,477,609,330	14,723,123,412
Weight transported <sup>1</sup> (revenue tonne kilometers)	34,628,843,557	34,844,652,685	36,131,927,479
Fuel used to transport 100 revenue tonne kilometers (l/100RTK)	41.16	41.55	40.75
<b>Average Annual Fuel Efficiency Improvement since 2010 (IATA goal of 1.5%)</b>	<b>1.7%</b>	<b>1.06%</b>	<b>1.23%</b>

<sup>1</sup>Mainline and regional flights.

The delivery of more efficient aircraft in 2015 onward, in addition to other fuel saving initiatives like the continued installation of drag-reducing wingtip devices and the installation of split-sickle winglets on all future Boeing 737-900ER deliveries, will help push Delta towards the 1.5 percent goal. The replacement of smaller jets with larger more efficient Airbus and Boeing aircraft helps to generate the same capacity levels with fewer departures, contributing to improvements in fuel efficiency.

## CARBON NEUTRAL GROWTH

### AVIATION INDUSTRY'S MEDIUM TERM GOAL:

#### STABILIZE NET AVIATION CO2 EMISSIONS AT 2020 LEVELS THROUGH CARBON-NEUTRAL GROWTH

In 2013, ICAO agreed to develop a market-based measure (MBM) for international aviation. The goal for the ICAO MBM is aligned with IATA's Carbon Neutral Growth Strategy, CNG2020.

This industry goal stabilizes international emissions at 2020 levels, and requires that from 2021 forward any CO2 emission increases above 2020 levels must be offset to ensure that net CO2 emissions will consistently remain at 2020 levels.

Delta and IATA are currently engaged with ICAO on the development of an implementation method for purchasing offsets and achieving carbon neutral growth (also called the global market-based-measure) from all airlines' international emissions post 2020.

### PROGRESS ON CARBON NEUTRAL GROWTH:

While the medium-term industry goal will affect international emissions beginning in 2021, Delta has been achieving carbon neutral growth on all emissions since 2012. In 2013, more than 500,000 Clean Development Mechanism excess credits originally purchased for compliance with EU ETS were retired against Delta's 2013 emission levels. According to Forest Trends' Ecosystem Marketplace, Delta is among the top 10 voluntary buyers of carbon offsets.

In 2014, Delta and the Delta Air Lines Foundation worked with a broker to source more than one million credits from a range of credible projects. Projects in the portfolio:

- Ensured environmental integrity through adherence to recognized standards for carbon offset projects
- Used vintages of 2012 or later
- Included social co-benefits
- Are located in communities that Delta serves

CARBON OFFSET PROJECT PORTFOLIO		
PROJECT INFORMATION	PROJECT COUNTRY	STANDARD
Aurá Landfill Gas Project: Recovers methane and creates local job opportunities	Brazil	Clean Development Mechanism (CDM)
Hyundai Steel Waste Energy Cogeneration Project: Uses by-product gases from blast furnaces as fuel to replace fossil fuels	Korea	Verified Carbon Standard (VCS)
Improved Cooking Stoves Diffusion Programme: Provides employment opportunities, greatly improves indoor air quality, and reduces demand for firewood	Peru	The Gold Standard
Bundled Wind Projects: Fund programs that educate about cervix and prostate cancer, unwanted pregnancy and AIDS	Mexico	Verified Carbon Standard (VCS)
Madre de Dios REDD project: Protects the forests and biodiversity in the Peruvian Amazon near a new inter-oceanic highway to Brazil	Peru	Verified Carbon Standard (VCS)
BrasCarbon Methane Recovery Projects: Recover methane in various locations throughout Brazil and create local job opportunities	Brazil	Clean Development Mechanism (CDM)
Florestal Santa Maria Project: Stops deforestation of degraded to mature forests by engaging with local communities to oppose invasion and grabbing of privately owned land for logging, slash-and burn agriculture and cattle ranching	Brazil	Verified Carbon Standard (VCS)

## MANAGING ABSOLUTE GREENHOUSE GAS EMISSIONS

### AVIATION INDUSTRY'S LONG TERM GOAL: REDUCE AVIATION NET CO2 EMISSIONS TO 50 PERCENT OF 2005 EMISSIONS, BY 2050

#### WHAT DELTA IS DOING:

In anticipation of the long-term goal, and in an effort to transparently manage all sources of carbon emissions, since 2005 Delta has calculated and third-party verified a complete greenhouse gas (GHG) emissions inventory for Scope 1, Scope 2, and Scope 3 emissions in accordance with the Greenhouse Gas Protocol. Full details on Delta's carbon footprint can be found on The Climate Registry's (TCR) reporting website. Emissions from the Delta-owned Trainer refinery are also undergoing verification but are reported as a separate entity in The Climate Registry due to the fact that they are only under financial control.

#### OVERVIEW OF EMISSIONS

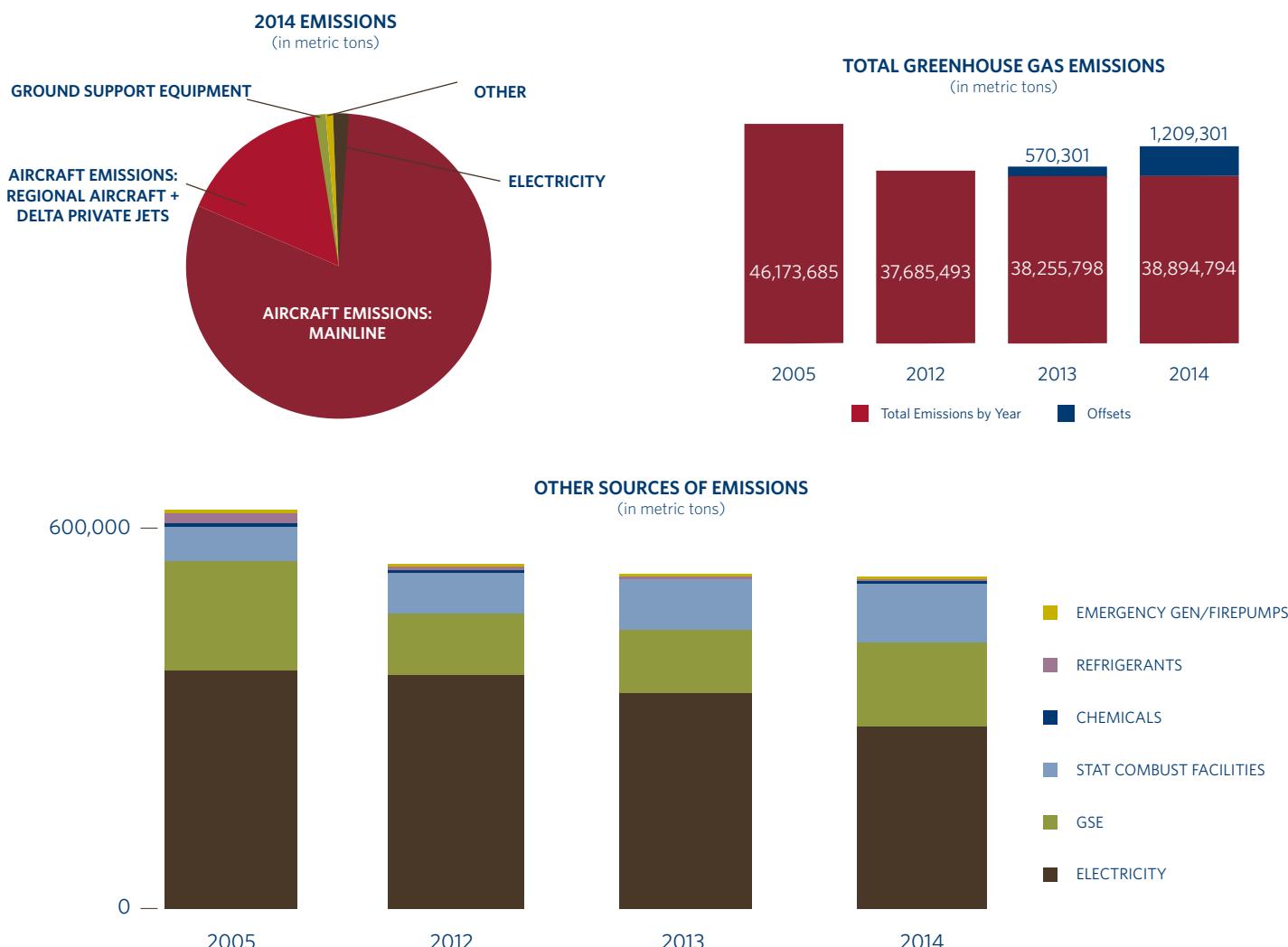
While jet fuel (Scope 1 and 3) accounts for 98.7 percent of total emissions, all sources are calculated and verified in accordance with The Climate Registry's reporting protocols in order to better understand how future projects may impact Delta's total carbon footprint across all operations.

- **Scope One Emissions include:** mainline Delta aircraft jet fuel, jet fuel from wholly-owned subsidiaries (Delta Private Jets and Endeavor Air), ground support equipment fuel, natural gas, fuel for emergency generators, refrigerants, and chemicals
- **Scope Two Emissions include:** electricity from owned facilities, electricity from leased airport spaces
- **Scope Three Emissions include:** jet fuel from regional partner carriers that are not wholly-owned

### GHG EMISSIONS (Metric Tons CO<sub>2</sub>e)

EMISSIONS SOURCE	2005	2012	2013*	2014
<b>Scope 1</b>				
Mainline Aircraft	38,158,943	30,359,915	31,159,188	32,136,374
Wholly Owned Subsidiaries Aircraft	3,582,676	465,057	794,754	1,791,597
Ground Support Equipment	133,194	94,705	103,534	101,026
Stationary Combustion Facilities	55,593	67,675	78,180	77,061
Refrigerants	10,513	4,819	4,316	3,847
Chemicals	3,469	2,127	1,751	2,678
Emergency Generators	242	234	220	191
<b>Scope 2</b>				
Directly Billed	251,397	251,428	226,029	221,055
Leased Facilities	193,249	117,433	115,094	115,732
<b>Scope 3</b>				
Regional Partners	3,808,637	6,322,131	5,770,732	4,445,233
<b>Total</b>	<b>46,173,685</b>	<b>37,685,493</b>	<b>38,255,798</b>	<b>38,894,794</b>
Offsets			570,305	1,209,301

\* 2013 figures have been updated based on final verification following release of 2013 Corporate Responsibility Report.



## PROGRESS ON MANAGING ABSOLUTE GREENHOUSE GAS EMISSIONS

Since 2005, Delta has decreased its total carbon footprint by 16 percent through its fleet strategy, network strategy and various fuel savings initiatives. However, emissions began to increase again in 2013 due to an increase in available seat miles that is not fully offset by initiatives in place to cut fuel consumption.

### JET FUEL SAVING INITIATIVES

2014 FUEL SAVINGS INITIATIVES AND THEIR ENVIRONMENTAL AND COST IMPACT			
INITIATIVE	FUEL SAVED IN GALLONS	CO <sub>2</sub> e REDUCTION FROM INITIATIVES IN METRIC TONS	\$ SAVED FROM INITIATIVES
Operational improvements: reduction in target gate arrival fuel, improved route efficiencies, reduction in use of auxiliary power units for mainline, promoting flaps 3 landings, and managing mainline domestic taxi times	10,416,996	102,626	29,896,778
Weight reduction initiatives: decrease of ice boarded on international flights, and removal of the sliding carpet on the Boeing 757	527,736	5,199	1,514,604
Installation of Winglets	4,115,422	40,544	11,811,260
Other fuel savings initiatives such as reductions in overfuel	530,324	5,225	1,522,031
Elimination of duty free carts and catalogs	552,857	5,447	1,586,700
<b>TOTAL</b>	<b>16,143,335</b>	<b>159,041</b>	<b>\$46,331,373</b>



**16,143,335**  
TOTAL GALLONS SAVED



**159,041**  
TOTAL CO<sub>2</sub>e REDUCED  
(metric tons)



**\$46,331,373**  
TOTAL SAVINGS

### THE EQUIVALENT OF...



ANNUAL ENERGY USE OF  
**13,094**  
HOMES



EMISSIONS FROM  
**121,726**  
DRIVES ACROSS THE U.S.



THE ANNUAL EMISSIONS OF  
**30,214**  
PASSENGER VEHICLES

### ENERGY SAVINGS

In addition to managing fuel consumption which accounts for more than 98.6 percent of Delta's total carbon footprint, a focus on building energy consumption has been adopted to reduce emission from Scope 2 electricity at owned facilities. A stretch goal of 10 percent energy reduction, compared to a 2013 baseline, was adopted for all Delta-owned facilities at our headquarters in Atlanta. In 2014, building management upgrades, installation of occupancy sensors in appropriate locations and the launch of several employee engagement campaigns resulted in a 3.9 percent reduction in Atlanta's energy consumption.

Due to the age of buildings and the need to approach energy mitigation strategies in a cost-effective manner, the 2015 energy efficiency goal has been reduced to 5 percent for the Atlanta headquarters. With regard to these goals, additional projects such as lighting rewiring and retrofits, additional building management system upgrades, and variable frequency drive installations on air handler units across these facilities will help contribute to the 2015 energy reduction goal.

ENERGY CONSUMPTION FROM DIRECT AND INDIRECT SOURCES					
	ENERGY SOURCE CONSUMED	AMOUNT CONSUMED	UNITS	CONVERSION FACTOR	GJ
Mainline Aircraft	Fuel Oil	3,261,989,852	US gallons	0.144	469,726,538.68
Subsidiary Aircraft	Fuel Oil	5,617,239	US gallons	0.144	26,187,167.95
Jet Fuel	Fuel Oil	1,334,670	US gallons	0.144	192,192.48
Diesel	Diesel	5,813,789	US gallons	0.138	802,302.81
Gasoline	Gasoline	4,559,500	US gallons	0.125	569,937.50
Natural Gas	Electricity	1,216,047	Mmbtu	1.055	1,905.27
Owned Facilities	Electricity	361,618,097	kilowatt-hour	0.0036	1,301,825.14
Leased Facilities	Electricity	202,779,676	kilowatt-hour	0.0036	730,006.83
<b>TOTAL:</b>					<b>500,794,807</b>

## CARBON MITIGATION INNOVATION

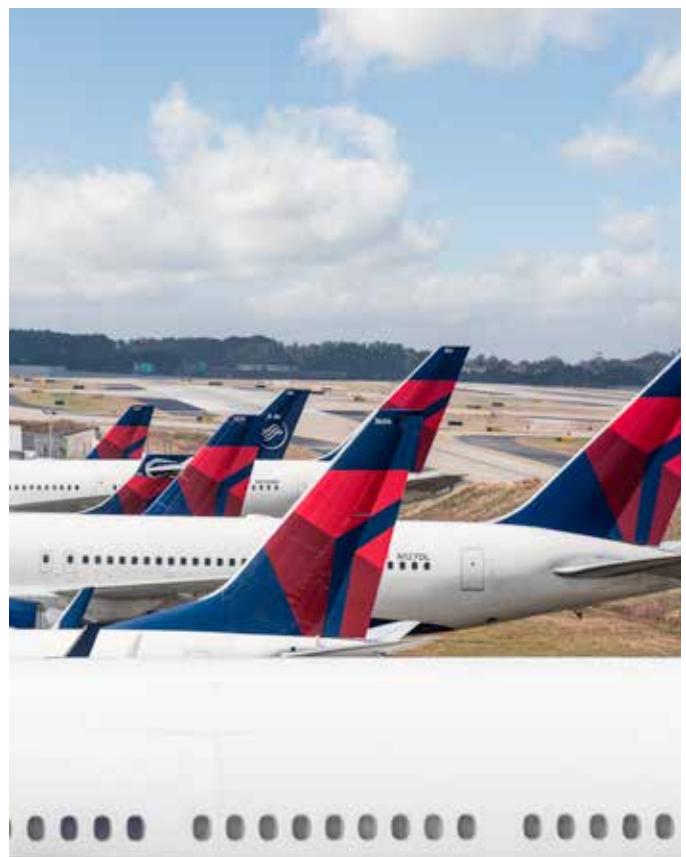
### PARTNERSHIP WITH THE CARBON WAR ROOM

In 2014, Delta officially launched a partnership with the Carbon War Room, a non-profit founded by Sir Richard Branson, in an effort to accelerate low-carbon jet fuel production worldwide. Delta and the Carbon War Room agree that the development of a secure, sustainable, renewable fuel supply will strengthen the airline industry's access to high-quality jet fuel, reduce price volatility and the industry's overall carbon footprint and meet the needs of increasingly climate-conscious customers.

### ENGAGEMENT ON CARBON EMISSIONS – THE NATURE CONSERVANCY

Because Delta believes that small actions can lead to significant results, Delta offers passengers the opportunity to offset the carbon emissions of any flight through a partnership with The Nature Conservancy. The Nature Conservancy focuses on reforestation and conservation projects, and the average tree conserved through this Carbon Offset Program sequesters up to 7.5 metric tons of CO2 over its lifetime. For comparison, a round-trip flight from New York to London emits about one metric ton of CO2 per passenger.

A carbon calculator can be found at [www.delta.com/co2](http://www.delta.com/co2) that allows passengers to enter their flight itineraries, view the carbon emissions associated with each part of their trip, and offset to the project of their choice: The Rio Bravo Climate Action Project located in northwest Belize, The Valdivian Coastal Reserve project in Chile's southern coastline, or the Clinch Valley Conservation Forestry Program in southwestern Virginia. For the year, Delta, Delta customers and employees offset 3,910 metric tons of carbon emissions.





## RIO BRAVO

The Nature Conservancy's Rio Bravo Climate Action Project is a partnership between The Nature Conservancy and Programme for Belize. The 6,296 hectare project, located in northwest Belize, reduces GHG emissions through the acquisition and protection of forest lands threatened by agricultural conversion.

## CLINCH VALLEY

The Clinch Valley Conservation Forestry Program aims to protect wildlife, promote clean water, and sustain local timber jobs and economic productivity. The program protects and manages 22,000 acres of forestlands in the rural countryside of southwestern Virginia. With up to 30 tree species per acre, the broad-leaf forests sustain one of the most unique collections of plants and animals on Earth, supporting iconic wildlife species like black bear as well as globally rare aquatic species.

After the launch of this program, Delta volunteers from different divisions helped remove invasive species from the site in an effort to fully understand the role of the offset program in promoting forest growth and biodiversity.

## VALDIVIAN COASTAL RESERVE

The Valdivian Coastal Reserve is part of an ancient temperate rainforest rising from Chile's southern coastline. The Valdivian site is Chile's first REDD (Reduced Emissions from Deforestation and Degradation) program developed to highlight the important role of forests in climate change mitigation.

The temperate rainforest of the Valdivian Coastal Range extends for one million acres, and this project is now helping to protect an additional 12 percent of this rare temperate rainforest.



Delta employees partner with KaBOOM! to build a new playground at My Sister's House at Atlanta Mission on Hands on Atlanta Day 2014.

# COMMUNITY

## IN THIS SECTION:

### Community Partnerships

- Advancing Global Diversity
- Improving Global Wellness
- Promoting Arts and Culture
- Saluting Armed Service Members and Veterans
- Supporting Education
- Sustaining the Environment

"Delta flies to nearly 340 destinations on six continents, serving more than 170 million customers per year. As a global carrier, Delta is committed to increasing the sustainability of communities around the globe. Our focus is to make a difference in the communities where our employees live, work and serve through our arts and culture, education, environment, health/wellness and military/veteran efforts. Delta and its leaders actively encourage employees to pursue opportunities they are passionate about and volunteer their time, whether they are building homes with Habitat for Humanity International in Manila, Philippines, constructing a playground with KaBOOM! in Seattle, donating blood to the American Red Cross in Atlanta, or educating students through Junior Achievement in New York."

Delta contributes thousands of volunteer hours and millions of dollars through corporate contributions, The Delta Air Lines Foundation and employee contributions to a host of causes including the American Red Cross, Breast Cancer Research Foundation, Children's Miracle Network, Covenant House, Fisher House Foundation, Habitat for Humanity, Junior Achievement, Marine Toys for Tots, the USO and the YMCA."

— Tad Hutcheson, Vice President - Community Affairs

Delta is proud to be an American business that serves international communities. In addition to many programs in the U.S., Delta and its employees support communities around the world.

## ASIA

- Delta supported ex-MLB player and manager, **Bobby Valentine**, in organizing his team's travel to Iwate Prefecture in Japan where people are still suffering from the earthquake on March 11, 2011.
- Delta continued to sponsor **Run for the Cure/Walk for Life in 2014** to eradicate breast cancer in Japan as a life-threatening disease through education, timely screening and treatment.
- **ChildFund Korea** and Delta have been providing free air travel to Japan and the U.S. for children from low-income families since 2003.
- Delta partnered with the **NBA** for a community event in Taipei, Taiwan. Delta also partnered with NBA Cares to invite 30 children from local orphanages to learn basketball skills.
- Delta has been an official sponsor of **TOMODACHI** Initiative since 2013. The organization now enhanced its scope to foster young American and Japanese leaders who are committed to and engaged in strengthening U.S.-Japan relations.
- Delta continued to be a solo airline sponsor for **Fulbright Japan**, which has developed into the most prestigious educational exchange program and has provided more than 310,000 scholars and students with the opportunity to study abroad.
- Nearly 40 Delta employees from Global Sales, Airport Customer Service, Information Technology and Delta Cargo in Saipan, Philippines, and Japan gathered at **Kilili Beach Park** to clean up a total of 940 lbs of trash.

## EUROPE

- Delta officially partnered with **The Prince's Trust**, leading the way as the first airline partner of the charity. The Prince's Trust, which was founded by HRH Prince Charles in 1976, supports teenagers and adults between the ages of 13 and 30 who are struggling in school, unemployed or are at risk of exclusion.
- **Delta Day of Hope** events took place at more than a dozen airports across Europe, the Middle East and Africa. Events included flash mobs, raffles and sports tournaments to raise funds.
- Delta partnered with **amfAR's** gala event in Milan, which raised more than \$1.5 million.
- Delta Cargo UK raised £600 for Help For Heroes at a UK Cargo SkyTeam Customer event in November 2014.

## LATIN/SOUTH AMERICA

- The 5th annual Christmas Party was hosted for children at **La Sagrada Familia Orphanage** in Lima.
- Delta and GOL Linhas Aéreas Inteligentes partnered with the **American Society of Sao Paulo** to provide orphans with a Christmas-themed celebration.

## AFRICA

- Delta supported the **Ghana Red Cross Society's** anti-malaria campaign by providing mosquito nets for 8,000 people.
- Delta's intern program in Ghana, Senegal, Kenya, Liberia and Nigeria offered promising business students a one-year contract working in different business units. The program culminated in a visit to Delta's headquarters.
- Delta sponsored the **Ghana Spelling Bee** competition organized by the Young Educators Foundation.

# COMMUNITY PARTNERSHIPS

Delta Air Lines employees have a civic obligation to give back to the communities where we live and work. As part of Delta's community outreach worldwide, Delta Air Lines, The Delta Air Lines Foundation and individual employees contribute time, energy and millions of dollars to a host of philanthropic causes.

## DELTA'S 6 PILLARS OF GLOBAL GOOD

These six principles guide Delta's community involvement and action in communities:

- Advancing Global Diversity
- Improving Global Wellness
- Promoting Arts and Culture
- Saluting Armed Service Members and Veterans
- Supporting Education
- Sustaining the Environment



## ADVANCING GLOBAL DIVERSITY

Delta proudly embraces and supports diverse people and thinking. On a global scale, Delta is also committed to maintaining and supporting a culture of inclusion. Global employees are proud representatives of many different ethnicities, languages, religions, cultures, races and ages. Delta believes strongly that differences help to strengthen the airline; therefore we emphasize and support global diversity as a core Delta value.

In line with this support of diversity, Delta proudly provides corporate support to organizations such as GLAAD, YWCA, the National Center for Civil and Human Rights, 100 Black Men of America, the Japanese American Association, the Japan Society, the Latin American Association and the Atlanta Women's Foundation.

In 2014, Delta sponsored annual Pride festivals in Atlanta, Detroit, Los Angeles, Minneapolis/St. Paul, New York and Seattle to celebrate the LGBT communities we serve.

Additionally, in January 2014 more than 100 Delta volunteers donated approximately 500 hours of service in partnership with Hands on Atlanta. More specifically, volunteer hours provided service at a local shelter as part of the Martin Luther King, Jr., Day of Service.

As part of the King Day of Service, Delta employee volunteers gathered at the City of Refuge, a non-profit organization in downtown Atlanta serving homeless women and children, as part of the annual "day on, not a day off" activities. At the City of Refuge volunteers participated in a variety of indoor and outdoor projects including serving food, hosting activities for children, sorting socks and towels, cleaning windows, and painting and cleaning the City of Refuge warehouse. Delta presented the City of Refuge a check in the amount of \$10,000 to assist with the organization's work.

*Top: Delta employees show their Pride in NYC.*

*Bottom: Delta employees volunteer on MLK Day at City of Refuge.*

# IMPROVING GLOBAL WELLNESS

Committed to continuous support and improvement of global health and wellness efforts for all employees, Delta proactively addresses overall well-being from the core. To do this, each year Delta employees and customers raise millions of dollars for organizations such as the American Cancer Society, the American Red Cross, the Breast Cancer Research Foundation, CARE, Children's Miracle Network, Covenant House, various food banks, the Foundation for AIDS Research (amfAR) and Habitat for Humanity International. All of these organizations, and many others supported by Delta, actively work to promote wellness, combat disease, fight hunger, reduce homelessness and poverty and find solutions to other issues.

## HIGHLIGHTED GLOBAL HEALTH AND WELLNESS EFFORTS



### AMERICAN CANCER SOCIETY

Delta raised a company record of more than \$1.6 million in 2014 to fund research and education programming. In the last 12 years, Delta employees have continuously raised money to help fund research and find a cure through global programs and events including Relay for Life, various galas and the Delta Day of Hope.

In May 2014, Delta held the second annual G.O. Relay for Life in Atlanta as the focal event for the American Cancer Society. Teams celebrated together and honored loved ones and friends who have battled or are battling cancer. Additionally on May 8, Delta's fifth annual Day of Hope featured a Jet Drag and boasted a record 72 teams of 20 people with 81 stations participating around the world. In addition, Gil West, Delta's Executive Vice President and Chief Operating Officer, is a board member for the organization.

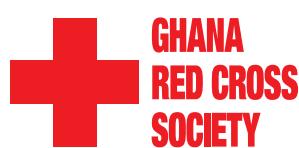
### AMERICAN RED CROSS

Delta and the American Red Cross are continuing a vital partnership that has spanned more than 70 years. Supporting one of the Red Cross' most critical operational aspects, Delta was the top blood donor in the Southeast in 2014 and ranked sixth nationally. Last year, Delta employees donated 6,087 pints of blood in total. Delta is also a corporate sponsor participating as a National Disaster Red Cross Responder.



### BY THE NUMBERS: AMERICAN RED CROSS

In 2014 Delta employees donated 6,087 total pints of blood.



### GHANA RED CROSS

Internationally, Delta worked with the Ghana Red Cross in 2014 to fund and implement a year-long malaria prevention campaign. Delta's support enabled the recruitment and training of 80 volunteers to distribute more than 4,000 long-lasting insect nets to four impoverished districts in the suburbs of Accra.



*Top: Delta employees have given blood to the American Red Cross for more than 70 years.  
Bottom: Ghana Red Cross distributes LLINs - long lasting insecticidal nets for use in country.*



## BREAST CANCER RESEARCH FOUNDATION

October 2014 marked Delta's 10th annual "Breast Cancer One" employee survivor flight, which honored more than 140 employee breast cancer survivors with a trip from Atlanta to New York City. This keystone event kicked off a month-long campaign to generate awareness and raise money for The Breast Cancer Research Foundation (BCRF). During October In-Flight employees also wore pink uniforms and sold pink products, such as pink lemonade and pink headsets, on board Delta flights and in Delta Sky Clubs. All proceeds from these sales, along with other fundraising efforts, benefited the BCRF. Since 2005, Delta has raised nearly \$8 million for BCRF and this amount has been used for vital research on 31 projects.



## CARE

Recognizing that women and children suffer disproportionately from poverty, Delta supports the efforts of CARE and their goal of fighting global poverty with an emphasis on creating permanent social change for women. Because women are the heart of CARE's community-base, in December 2014, Delta sponsored CARE's annual Bridging Atlanta to the World conference by supporting three women who have worked with CARE in Africa, Asia and South America. Delta specifically supported projects ranging from farming to micro-financing to schools. A proud supporter of CARE's global mission, as a SkyWish partner, Delta also provides customers the option to donate miles to support CARE in achieving its mission.



## HABITAT FOR HUMANITY INTERNATIONAL

Delta employees have helped build or rehabilitate more than 200 Habitat for Humanity homes in 11 countries around the world. Habitat is one of Delta's core community partners as it recognizes the need for safe, decent and affordable shelter around the globe.

In 2014, more than 2,300 employees participated in a two-and-a-half-month long Delta domestic build event. The build took place in six cities across the country including Atlanta, Detroit, Los Angeles, Minneapolis/St. Paul, New York City and Seattle.

Additionally, in March 2014, a team of more than 50 Delta employees, retirees and customers traveled to Manila, Philippines, to participate in the 10th annual Delta Global Build with Habitat for Humanity International, where volunteers participated in the construction of 10 homes for families in the community in the wake of Typhoon Haiyan.

## BY THE NUMBERS: HABITAT FOR HUMANITY

To date Delta has built a more than 200 homes in support of Habitat for Humanity.



*Top: The 200th Habitat home built by Delta employees using funds from recycled materials in Seattle.  
Bottom: The Delta Global Build with Habitat for Humanity in Manila rebuilding after Typhoon Haiyan.*



play matters for all kids

## KaBOOM!

Delta employees have helped build playgrounds, park furniture and murals for countless children in the communities where employees live, work and serve through the airline's partnership with KaBOOM! In 2014, employees and community volunteers completed playground projects in Atlanta, Los Angeles, Minneapolis and Seattle. The Los Angeles project also built flower beds, painted sidewalk games on concrete and painted garbage container covers and murals. Volunteers in the Minneapolis project built slides, laid 200 tons of mulch, made a concrete picnic table by hand and painted sidewalk games on concrete.

The playground event in Atlanta also helped kick off the Hands On Atlanta's 25th anniversary , a local organization that encourages volunteers to participate in a variety of maintenance, clean-up and beautification projects in underserved communities.



## UNITED WAY

Committed to being a corporate leader of sustainable change, Delta supports the United Way and its efforts in education, income, health and reducing homelessness. In 2014, Delta and its employees gave more than \$1.6 million to help those less fortunate.

In 2014, Delta's Steve Sear, Senior Vice President of Global Sales, served on the Board of Directors for the United Way of Greater Atlanta and encouraged employees to contribute through Delta's payroll deduction program to help achieve the non-profit's financial goal. In addition, 100 percent of Delta's senior leadership team participated in the United Way campaign in 2014.

## BY THE NUMBERS: UNITED WAY

100 percent of Delta's senior leadership team participated in the United Way campaign.



DELTA AIR LINES



*Delta employees serve hot meals at City of Refuge.*

## PROMOTING ARTS AND CULTURE

Delta actively supports arts and cultural organizations as they inform, enlighten and inspire people. Customers appreciate the arts, and Delta is pleased to support various organizations.

Delta's music partnerships include the Atlanta Symphony, Brooklyn Academy of Music and the Seattle Symphony Orchestra.

Performing arts venues supported by Delta include the Alliance Theatre, the True Colors Theatre Company, the Fox Theatres in Atlanta and Detroit, New York City's Radio City Music Hall, Woodruff Arts Center in Atlanta, the Brooklyn Academy of Music in New York, the Theater at Madison Square Garden and the Beacon Theatre in NYC, the Guthrie Theater in Minneapolis, The Chicago Theatre and the Wang Theatre in Boston. In addition, Delta also supports the annual August Wilson Monologue Competition held each May.

Delta's official status as the Airline of Madison Square Garden illustrates how the Delta brand supports iconic sports and entertainment venues.

Visual arts partnerships include Atlanta's High Museum of Art, the Seattle Art Museum, the Whitney Museum in New York City and the Wing Luke and Asian Art Museums in Seattle, along with many others. In addition, Delta continues its long-running support for the National Academy of Recording Arts & Sciences (NARAS), which produces the annual GRAMMY awards presentation.



# SALUTING ARMED SERVICE MEMBERS AND VETERANS

Delta is committed to supporting armed services members and veterans. With this commitment Delta employees proudly show their support of military men and women through action. Sponsorships and volunteer efforts by employees help support organizations like the Fisher House Foundation, Marine Toys for Tots, the USO, airport military lounges and the Freedom Center in Detroit.



## FISHER HOUSE FOUNDATION

Dedicated to supporting active service members and veterans, Delta contributed to the construction of a new Fisher House facility at Joint Base Lewis-McChord near Seattle. Fisher Houses are places of comfort where families of military personnel can stay at no cost while their loved ones receive treatment. Delta is a proud sponsor of the Fisher House Joint Base Lewis-McChord where Mike Medeiros, Delta's Vice President -Seattle, along with nine Delta Brand Ambassadors and two representatives from Delta's Veterans Employee Network attended the ground breaking ceremony for the new facility. Fisher House Foundation also operates the Hero Miles Program. This program uses donated frequent flyer miles and hotel points to bring family members to the bedside of injured service members and provides hotels rooms that allow family members to be near medical centers without charge.



*Top:* Mike Medeiros, VP Seattle, leads the ground breaking team for the second Fisher House at Joint Base Lewis-McChord near Seattle.  
*Bottom:* Delta brand ambassadors join Fisher House representatives and armed service members to break ground on new Fisher House at JBLM near Seattle.



## MARINE TOYS FOR TOTS

Delta is a national sponsor of Marine Toys for Tots. In total, more than \$250,000 in cash, thousands of toys and bicycles and significant volunteer hours were donated to the Marine Toys for Tots campaign. In 2014 alone, Delta TechOps employees built and presented more than 540 bikes to children for the Toys for Tots campaign, which was funded through bake sales, t-shirt sales and donation drives. In addition to the national campaign Delta supports the Marine Toys for Tots campaign in Atlanta, Detroit, Los Angeles, Minneapolis, New York and Seattle.



## USO AND FREEDOM CENTER

Delta supports the local USO through sponsorship and volunteer work at the USO of Georgia, Bob Hope USO (Los Angeles), Fleet Week at USO of Metro New York and USO Northwest Seattle. In addition, Delta also supports the Freedom Center in Detroit.

At the Los Angeles airport (LAX), Delta employees show their support and appreciation for armed service members monthly by greeting them curbside, helping them tag and store luggage, and then serving them a barbecue dinner. Delta has also been a partner of the Bob Hope USO at LAX for the past two years. In addition to the monthly barbecue dinners, Delta sponsored an annual volunteer appreciation dinner in Los Angeles.



*Top: Bicycles built and distributed by Delta TechOps employees and presented to Marine Toys for Tots. Middle: Andrea Newman, SVP – Government Affairs, presents the Marine Toys for Tots campaign with a check for \$250,000 at Quantico, VA. Bottom: Delta volunteers serve BBQ to the troops at the Bob Hope USO in LAX.*

## SUPPORTING EDUCATION

Delta supports the essential role of education in improving the lives of students including teaching financial literacy, entrepreneurship, business readiness and economics. In line with this commitment to education, Delta partners with Junior Achievement and the YMCA in key cities. In addition, Delta is the proud sponsor of Joseph E. Lowery scholarships affiliated with Morehouse and Spelman Colleges as well as Clark Atlanta University. Other programs include support of the Morehouse School of Medicine, the Atlanta Science Festival and Zoo Atlanta.



*Delta employees teach students financial literacy at Junior Achievement.*

In addition, Delta supports the United Negro College Fund, the Science Museum of Minneapolis, the Museum of Flight in Seattle and PS Arts in Los Angeles.

Through Delta's partnership with Junior Achievement, employees in New York participated in a Junior Achievement Job Shadow Day in New York LaGuardia and New York JFK. The Job Shadow Day included 30 students from Aviation High School in Queens. This program allows students to shadow leaders in Airport Customer Service (ACS), In-Flight, Tower, and Flight Operations and Maintenance. Additionally, Delta employees guided middle school students through an interactive learning experience in financial literacy at the Junior Achievement Discovery Center in Atlanta and in Finance Park in Los Angeles.

Whether learning to swim or attending after-school tutoring sessions, thousands of young people have also benefited from Delta's partnership with the YMCA. In 2014, Delta was honored as the recipient of the YMCA Buffalo Niagara Stewart Partnership Award, which recognizes organizations that have gone above and beyond supporting the YMCA.



### THE PRINCE'S TRUST

Delta officially partnered with The Prince's Trust, leading the way as the first airline partner of the charity. The Prince's Trust, which was founded by His Royal Highness Prince Charles in 1976, supports teenagers and adults between the ages of 13 and 30 who are struggling in school, unemployed or are at risk of exclusion.

## SUSTAINING THE ENVIRONMENT

Delta strives to create a sustainable environment through all of its initiatives, including support for the Carbon War Room. Delta also supports the Captain Planet Foundation, whose mission is to give the next generation of environmental stewards an active understanding and love for the natural world in which they live.





# SUPPLY CHAIN

## IN THIS SECTION:

- Doing Business with Delta
- Supplier Diversity Program Highlights

"The cornerstone of Delta's supply chain organization is its employees who partner with business divisions and engage in sustainable sourcing practices to ensure that our customer's expectations are exceeded in a cost effective and socially responsible manner."

— Gregory May, Senior Vice President –  
Supply Chain Management

# DOING BUSINESS WITH DELTA

Delta's Supply Chain Management (SCM) organization is composed of multiple units that partner with business divisions to formulate business and sourcing strategies to deliver sustainable results to the company. This ensures a continuous supply of cost-competitive, quality goods and services that will meet the company's business requirements.

## DRIVING SUSTAINABILITY IN THE PROCUREMENT PROCESS

Delta has adopted a strategic sourcing process that defines how to manage and engage suppliers to ensure that they practice responsible and sustainable business processes. Prospective suppliers are provided a summary of expectations and requirements through the Doing Business with Delta document while contracted suppliers are required to adhere to Delta's Supplier Code of Conduct.

In 2014, Delta SCM received a Dow Jones Sustainability Index (DJSI) score of 87 - one of the highest in the airline industry. In addition to its internal sourcing processes, SCM attributes its high DJSI score to its sourcing professionals who understand the value associated with adopting sustainable business practices. For contracts with significant spend, Delta sourcing professionals include environmental, social and governance (ESG) factors in the selection process. To ensure continuous improvement and strategic alignment, 85 key suppliers participate in Delta's Supplier Performance Management program which includes the use of monthly performance scorecards, periodic business reviews and discussions on developing and maintaining sustainable business processes.

## COMMITMENT TO SUPPLIER DIVERSITY

Delta Air Lines recognizes the critical role of small, minority and women-owned businesses in the overall strength of the U.S. economy and their importance to Delta's stakeholders. To maximize returns to Delta customers, shareholders, employees, and the communities in which we operate, Delta seeks to utilize the products and services of qualified small, minority and women-owned businesses.

We are committed to pro-actively identifying and building relationships with high-quality small, minority and women-owned business enterprises (MBEs and WBEs) and we encourage Tier1 suppliers to do the same. Delta's mission to deliver value through partnerships lies in the ability to establish relationships with diverse suppliers that can deliver value by providing quality products and services in a competitive and global environment.

## TIER1 SUPPLIER DIVERSITY GOALS

A priority at Delta is to develop and maintain a diverse supply base that maximizes shareholder value. Every year SCM sets challenging supplier diversity performance goals to drive incremental diverse supplier spend for SCM business units. Since 2009, Delta has grown MBE spend by \$267 million or 445 percent while WBE spend has grown by \$261 million or about 180 percent. Delta's aggressive growth can be attributed not only to identifying viable diverse companies but also to Delta's commitment to help diverse companies understand and develop the capabilities required to compete successfully for Delta's business. In 2015, Delta SCM continues to raise the bar. In May, Delta was named one of the Black Enterprise Top 35 Best Companies for Supplier Diversity, and new 2015 goals for MBE and WBE performance have been set about 7.5% higher than in 2014.

## BY THE NUMBERS: SUPPLIER DIVERSITY

- SCM exceeded its MBE diverse supplier performance goals by 2.5% and its WBE diverse supplier goal by 7% in 2014
- In 2014, SCM exceeded its Tier2 diversity spend goal by growing Tier 2 spend by 17% versus the goal of increasing spend by 10% versus 2013

<sup>1</sup>Tier1 companies are direct suppliers to original equipment manufacturers (OEMs).

## SUPPLIER DIVERSITY PROGRAM HIGHLIGHTS



Lisa Johnson, UPS, Chair, GWBC Board of Directors; Kittie Watson, Innolect Inc., Chair, GWBC WBE VOICE Forum; Yvonne Wiltz, VonCreations; David Huseth, Director, Supplier Performance Management; Roz Lewis, President & CEO, Greater Women's Business

### DELTA AWARDED GREATER WOMEN'S BUSINESS COUNCIL (GWBC) TOP CORPORATION FOR WBEs

The Greater Women's Business Council, Inc. (GWBC), the largest provider of certification and development resources for women business enterprises (WBEs) in Georgia, South Carolina and North Carolina, announced eight corporations selected as its TOP Corporations of the Year. Accenture, AT&T, BMW Manufacturing Co., Delta Air Lines, Georgia Power, Randstad, The Coca-Cola Company and UPS were honored on May 14 for their demonstrated passion for inspiring, engaging and empowering WBEs. Each corporate honoree's award is presented through the real-world testimony of a WBE partner whose business has been directly impacted by their support.

### SUPPLY CHAIN MANAGEMENT SUPPLIER DIVERSITY CHAMPIONS

Delta conducts regular meetings with Supply Chain Management Supplier Diversity Champions to ensure that minority-, women-, and veteran-owned businesses have opportunities to compete for Delta contracts. Champions serve as advocates ("eyes & ears") of Supplier Diversity within their respective areas, assist in the strategic direction of Supplier Diversity; and serve as liaisons between the Supplier Diversity office and their respective commodity teams and business unit partners.

### DELTA SPONSORS NATIONAL GAY & LESBIAN CHAMBER OF COMMERCE CONFERENCE

Delta showed its support for supplier diversity as a sponsor of the 2014 National Gay and Lesbian Chamber of Commerce (NGLCC) National Business and Leadership Conference in Las Vegas. Sponsorship of the conference is one way Delta demonstrates commitment to supplier diversity, enabling the company to connect directly with prospective Lesbian, Gay, Bisexual and Transgender (LGBT) -owned and -allied businesses. According to Kyle VanAlstine, a senior sales account executive, "The LGBT community is a vital market that travels extensively both domestically and abroad. We want to continue to earn their business by creating greater avenues for Delta to contribute towards the economic growth and sustainability of LGBT entrepreneurs."

### DELTA HOSTS 15TH ANNUAL SUPPLIER DIVERSITY STAR AWARDS

At Delta's 15th annual Supplier Diversity 'Star Awards' luncheon, small, minority, and woman-owned supplier partners were recognized for exceptional cost savings, quality, reliability, innovation, outreach and community involvement. Keynote speaker Janice Howroyd, CEO of Act 1 Group, shared her business experience. The awards also honor Delta's internal advocates of supplier diversity, who are instrumental in supporting Delta's business goals and values.



Pictured from left to right - Delta, Marcus, and NGLCC members: Steven Wozencraft, NGLCC Board of Directors and CEO, John O'Donnell Associates LLC; Justin Nelson, co-founder and president of NGLCC; Victoria Fulkerson, senior vice president of NGLCC; Kyle VanAlstine, senior sales account executive; Tonie Tobias, Senior System Engineer -IT, and president of LEN; Marcus Lemonis, entrepreneur and host of CNBC's "The Profit;" Kimberly Coffman, manager -Supplier Diversity; Chance Mitchell, co-founder and CEO of NGLCC; and Casey Oaks, Manager, Corporate Relations for NGLCC

## 2014 STAR AWARD WINNERS

- **Small Business of the Year:**

Airworthy Aerospace Industries, Inc. (Technical Operations)

- **Minority Business of the Year:**

Gates Laundry Service (Marketing & In-flight Services)

- **Woman Owned Business of the Year:**

TransPerfect Translations, International (Corporate Services)

- **First Certified Global Woman Owned Business:**

Buzz Export Services (Marketing & In-flight Services)

- **Catalyst of the Year:**

Diverse Facility Solutions (Corporate Real Estate)

- **Advocate of the Year:**

Shari Oliver, Commodity Manager, Cargo

- **Team of the Year:**

Fuel Operations

▪ Delta's Airport Customer Service (ACS) and Cargo Procurement teams invited 20 minority and women-owned firms to visit Delta to learn "How to Do Business" with their teams. The goals of the meeting were to:

- Identify diverse-owned firms in the areas of cargo handling, airport baggage handling, janitorial, cabin cleaning and wheelchair/Sky Cap services

- Orient them on Delta's requirements, procurement procedures, contract and bid process, and future bid opportunities

- Provide networking opportunities among Delta's procurement team.

▪ Delta's Transportation and Logistics team met with small, minority, and women-owned firms to discuss Delta's Cargo Sourcing strategy, review a Domestic Cargo Trucking Tender example, and learn "How to Bid" using Delta's electronic bidding tool. Attending suppliers conducted capability presentations to Delta supply chain leaders.

▪ Supply Chain Management and Supplier Diversity team members met with hundreds of small, minority, and women-owned firms at national and regional supplier diversity tradeshows and conferences in 2014 in an ongoing effort to identify prospective suppliers to compete for Delta's goods and services contracts.

Pictured: Gil West, Executive Vice President & Chief Operating Officer, Delta Air Lines, Inc.; Karmetria Burton, General Manager, Supply Chain Management Strategic Programs; Mark Wright, Diverse Facility Solutions; Beru Belin, Diverse Facility Solutions. Diverse Facility Solutions was awarded the Catalyst Award by Delta's Corporate Real Estate Team.





# EMPLOYEES

## IN THIS SECTION:

- The World View of Delta Employees
- Engaging Employees
- Executive Engagement
- Training Development
- Performance Management
- Employee Compensation
- Benefits
- Recognizing Employee Contributions
- Embracing Diversity at Delta
- Caring for Delta Employees
- Employee Safety
- Safety Programs
- Safety Training
- Rewarding Employee Safety

"At Delta we believe our greatest strength is our culture, a fundamental component of which is our longstanding commitment to recognizing and rewarding the contributions of individual employees. That means providing the best training, benefits and communication to help them succeed at every step of their careers. The result is employees who are safe, engaged and motivated not only to run a sustainable business, but to deliver results above and beyond the expectations of our customers and shareholders every day."

**— Joanne Smith, Executive Vice President –  
Chief Human Resources Officer**

# THE WORLD VIEW OF DELTA EMPLOYEES

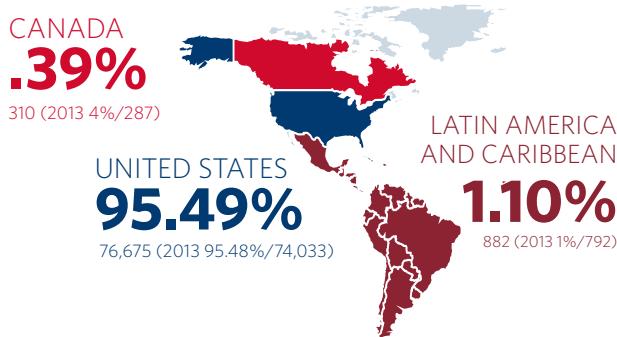
## FEMALE AND ETHNIC MINORITY<sup>1</sup> EMPLOYEES



**62.50%**

Number of female and ethnic minority employees of total employees in 2014  
(This number is up from 2013's 62.0%)

## EMPLOYEES BY REGION



## EUROPE, MIDDLE EAST AND AFRICA

**.56%**

447 (2013 5.5%/421)



## OPERATIONAL DIVISIONS



AIRPORT  
CUSTOMER SERVICE

**31.30%**  
of total employees  
in 2014 = 25,135  
(2013 31.9%/24,733)



CARGO

**2.18%**  
of total employees  
in 2014 = 1,753  
(2013 2.3%/1,756)



FLIGHT  
OPERATIONS

**14.48%**  
of total employees  
in 2014 = 11,628  
(2013 14.5%/11,236)



IN-FLIGHT  
SERVICE

**23.83%**  
of total employees  
in 2014 = 19,132  
(2013 23.3%/18,097)



RESERVATIONS

**5.99%**  
of total employees  
in 2014 = 4,813  
(2013 6.4%/4,979)



TECHNICAL  
OPERATIONS

**9.70%**  
of total employees  
in 2014 = 7,792  
(2013 10%/7,727)



CORPORATE

**12.51%**  
of total employees  
in 2014 = 10,041  
(2013 11.7%/9,117)

<sup>1</sup> Ethnic minority = non-white

Training requirements are specific to each operational division, and Delta supplements learning and development requirements by providing additional career and personal life development opportunities. Delta's employee education and communication is available in various media forms including magazines, mailings, emails and web-based documents about pay, benefits, compensation and corporate programs. Employee resources for the management of career transitions include financial planning resources, Employee Assistance Program (EAP) retirement pension counseling and 401(k) investment advice and modeling.

## ENGAGING EMPLOYEES

### ANNUAL EMPLOYEE SURVEY

Delta promotes a culture of open, honest and direct communication by asking for and acting upon employee feedback. In 2014, employees participated in the annual employee engagement survey to assess employee attitudes and perceptions of the current work environment, leadership, employee engagement and specific strategic initiatives.

Administered annually during the first quarter of the year, in 2014 more than 55 percent of eligible employees completed the survey. Results showed that Delta exceeded its goal by achieving an overall positive score of 85.5 percent. Following the survey, divisional leaders created action plans based on the survey results.

## EMPLOYEE INVOLVEMENT

Across Delta, employees have a variety of opportunities to get involved in company-wide initiatives. Divisional groups include In-Flight Service's Employee Involvement Group (EIG), the TechOps' EIG, Reservation Sales' ResLINC, and the Airport Customer Service and Cargo Frontline Involvement Team (FIT). Each of these groups promotes employee engagement and serves as a liaison between frontline employees and leadership.

Membership in these groups provides multiple opportunities to increase knowledge and exposure to the complexities that drive the decisions affecting Delta's work environment. In addition, group members partner with divisional leaders to ensure that employee issues and concerns are identified and addressed. For Delta this kind of direct engagement allows for creative and supportive continuous improvement of both the work environment and the customer experience.



## EXECUTIVE ENGAGEMENT

Delta provides many forums for Delta employees to engage with leaders. Two such programs – Delta's popular Velvet-360 Tour and the Town Hall Program – promote two-way, face-to-face conversation between executives and employees, and provide employees with corporate information and updates on issues important to them.

In addition, the Delta Board Council (DBC) is composed of five employee-members elected by their peers to provide executives and the Board of Directors candid, unfiltered reports on the "pulse of the company" as seen from the frontline. The DBC is a unique communication channel with Delta leaders and is part of Delta's broader philosophy and approach of employee inclusion and servant leadership.

## TRAINING AND DEVELOPMENT

Delta provides its employees with numerous training and career development opportunities each year. Whether it is mandatory compliance, new hire, annual recurrent training or professional development, employees have various opportunities to increase their knowledge, skills and abilities. Delta's online learning database allows employees access to a broad range of courses at their convenience. Employees are also supported informally with on-the-job training, coaching, mentoring, and performance support as needed.

### AVERAGE TRAINING HOURS PER EMPLOYEE PER YEAR



\* Any increase in average training hours is due to an increase in new-hire training that occurred in 2014.

The corporate frontline employee group is comprised of a small (59 person) population of highly specialized employees combined with other employees who are on temporary assignment from their regular job such as Delta Board Council members. Since this is not a homogeneous group and due to the change in assignment of these employees from year to year, an annual training hour average is not a meaningful metric. Starting in 2014, Delta will no longer be reporting an average for this group.

# PERFORMANCE MANAGEMENT

Each year, merit employees participate in a performance management process to ensure that activities and outputs are connected to, and supportive of Delta's goals and Rules of the Road (page 11). This review process provides an opportunity for employees to receive feedback about their performance throughout the year. The review process takes place in the following three phases:

- **Performance Planning** - 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). HPAs are the behaviors demonstrated to achieve performance objectives.
- **Mid-year Review** - Each employee has an opportunity to discuss progress on performance objectives and HPAs made over the previous six months.
- **Year-end Review** - Individual performance is evaluated against the results delivered for each objective and demonstration of Delta's HPAs. Each of these components accounts for 50 percent of an individual's overall rating, and a final performance summary and rating is provided at the end of the year.

For the 2014 year-end review process, there was an overall performance management completion rate of 96 percent among Delta's merit employee population. Delta ensures that all other employees receive performance feedback and career development opportunities through their respective divisions.

# EMPLOYEE COMPENSATION

Delta is committed to continual investments in base pay and provides a total compensation package which leads its global competitors. On April 1, 2014, all U.S. scale employees were given 3 percent base pay increases at top of scale, and 2-3 percent at other steps, which was the 7th increase of 3 percent or more since July 1, 2007. Base pay for international frontline employees not covered by industry, government or union collective agreements was increased by 2-3 percent as well. Also effective April 1, 2014, most merit employees participated in a 3 percent merit pool based on 2013 individual employee performance and pay compared to others performing similar work.

With a strong pay for performance culture, and a track record of continued base pay rates increases, Delta's pay philosophy aligns business success with employee total compensation while enabling base pay rates which are highly competitive.

## PROFIT SHARING TO REWARD FINANCIAL PERFORMANCE

Delta's profit sharing for 2014 was the largest in the history of the airline and topped \$1 billion. This resulted in a record profit sharing payout equal to 16.58 percent of eligible earnings. Delta's profit sharing plan is one of the most generous in the industry and recognizes the many employee contributions to Delta's success. Profit sharing is paid annually on Valentine's Day although a pre-payment was made on October 1, 2014 as an early employee thank you since profitability was exceeding expectations.

## SHARED REWARDS FOR OPERATIONAL EXCELLENCE

Delta's Shared Rewards Program encourages employees to deliver safe, clean, on-time travel to customers. Eligible employees have an opportunity to earn a monthly cash bonus based on specific operational goals of baggage handling, completion factor and on-time arrivals. The Shared Rewards Program provides a payout of \$25 for meeting or exceeding one goal, \$75 for two and \$100 for all three, with a maximum payout of \$1,200 per year for U.S.-based employees. Eligible international employees participate in Shared Rewards with target payout values appropriate for each country.

In 2014, the three operational goals were met every month except for January and February 2014 due to the ice storms in Atlanta. Meeting goals meant Delta employees received Shared Reward payouts of \$1,075 for the year, totaling approximately \$83.9 million in Shared Rewards.

## EXECUTIVE COMPENSATION

Executive compensation at Delta is highly dependent on Delta's performance and is aligned with compensation for all employees. 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, then payouts under the management incentive plan are capped at target award levels and executive officers receive payouts only 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.

## BENEFITS

Most U.S.-based Delta employees are eligible to participate in a comprehensive program including benefits and privileges that range from health care coverage, travel privileges, retirement plans, 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. Outside the U.S., Delta typically provides a set of benefits that is competitive with what other, similar employers provide in each market.

### COMPREHENSIVE HEALTH CARE COVERAGE

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 are covered at 100 percent for preventive care services based on the 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 travel immunizations and assistance with all of their healthcare questions and needs through the Delta Health Direct program.



### DELTA HEALTH REWARDS

Delta Health Rewards is a voluntary, incentive-based wellness program for U.S. employees enrolled in a Delta account-based medical option. It helps these employees and their spouses, or same-sex domestic partners, reach health goals and allows each to earn rewards dollars by completing specific "health actions," including getting an annual physical exam, completing the online health assessment and refraining from the use of tobacco products. The rewards dollars are put into the employees' health reimbursement account (HRA) or Optum Bank health savings account (HSA) each year and can be used to pay for eligible medical expenses.

After ending our second year of the Delta Health Rewards program in December of 2014, 66 percent of our eligible employees completed their physical exam, and 48 percent completed their biometric screening and reported their health risk numbers. These employees not only earned dollars for their HRA or HSA, but they are more aware of their health status and can take the necessary steps to avoid long-term health concerns.

### TRAVEL 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 education, travel health consultation, company-paid vaccination, anti-malaria medication 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, a 24/7 malaria hotline and prompt medical treatment.

Delta provides top-tier global medical assistance to help its 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.

### **BENEFITS FOR SAME-SEX COUPLES**

Delta offers spousal benefits for legally married, same-sex couples. Benefits include tax-free travel and tax-free benefits regardless of the state where the same-sex couples were married or reside. Delta will continue to follow guidance from the law and the related government entities and will keep the best interests of employees at the forefront when making any changes to benefits policies.

### **WORK-LIFE**

Employees and their eligible family members have access to Delta's Employee Assistance Program, which offers confidential counseling, assessment and referral service support. Delta also supports flexible employment 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. The Reservation Sales Flex-at-Home program allows employees to receive the same benefits as Ready Reserve employees without the time and expense of traveling between home and the call center.

### **TRAVEL PERKS**

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 may extend to eligible spouses and domestic partners, dependent and adult children, parents and stepparents, and extended family and close friends.

## **RECOGNIZING EMPLOYEE CONTRIBUTIONS**

Delta's Chairman's Club recognizes employees, excluding officers and directors, who consistently demonstrate the highest standards of service to customers, coworkers and the communities Delta serves. Honorees are nominated by their colleagues and are recognized at a gala hosted by senior Delta leaders in Atlanta each fall. Along with recognition at the gala, their name is displayed on a Delta aircraft for one year, and they receive two confirmed travel tickets to anywhere Delta serves. In 2014, the 18th year for the program, more than 10,000 nominations were received for the 100 to be recognized. Honorees represented 28 Delta stations in four countries, and their combined years of service was 2,124.

## **EMBRACING DIVERSITY AT DELTA**

Delta's global diversity initiatives strategically position the company for long-term success in a dynamic and challenging environment. The demands of a rapidly changing global business environment are being met by a creative process of design and implementation of 21st century workforce development initiatives. For example, the Realizing Individual Standards of Excellence (RISE) program provides mentors and mentor partners a forum for networking, mutual development, and self-empowerment, thereby increasing individual and collective career advancement. The program provides opportunities for Delta employees by exposing them to other divisions within the organization and providing the opportunity to learn from the mentors' experiences, challenges and successes in their careers. Mentors and partners also get involved in additional community service and educational opportunities offered by Delta.

# CARING FOR DELTA EMPLOYEES

## **DELTA EMPLOYEE & RETIREE CARE FUND**

The Delta Employee & Retiree Care Fund is a nonprofit organization established and managed by Delta employees and retirees to provide assistance for Delta employees, retirees and their survivors during severe financial hardships and disasters. Since the October 2007 launch of the Delta Employee & Retiree Care Fund, more than 6,500 Delta family members have received assistance in response to a personal hardship. Many recipients were affected by natural disasters such as Hurricane Sandy. In 2014, more than \$1.27 million was provided as assistance to Delta families facing a crisis.

## **DELTA SCHOLARSHIP FUND**

The Delta Scholarship Fund, a 501(c)(3) nonprofit 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. The program expanded in early 2015 to offer employee awards for a Flight Dispatcher license program and Project Management Professional certification.

More than \$3 million has been contributed to 2,342 scholarships since the Fund launched in 2008, including 562 new awards worth \$1 million that will be available for the 2015-16 academic year.

# EMPLOYEE SAFETY

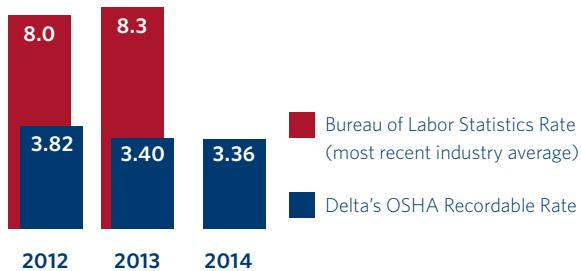
Delta is committed to providing a safe work environment for all employees. Delta's commitment to safety is further expressed by the Corporate Leadership Team's annual Safety and Security Policy letter, which reiterates that every employee has specific responsibilities to comply with existing safety and health policies, procedures and regulations. These responsibilities include, but are not limited to:

- Following all safety, security and environmental health policies and procedures
- Reporting all hazardous conditions or unsafe equipment
- Reporting any injuries, illnesses, ground damages or near misses
- Using required safety equipment and protective clothing
- Refraining from the use of any equipment without proper instructions

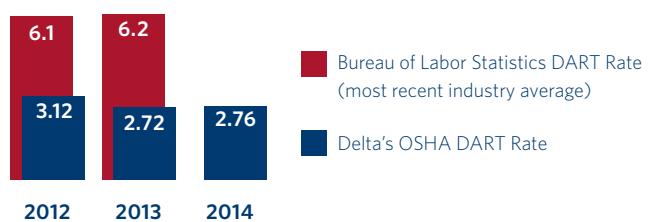
## OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA)

Delta's OSHA recordable occupational injury/illness rate for 2014 saw a 1.01 percent improvement compared to 2013. Delta's safety record continues to be significantly stronger than the industry average based on 2014 Airlines for America benchmarking data and based on a comparison with the most recent 2013 Bureau of Labor Statistics (BLS) numbers. Delta's OSHA rate is 59 percent better than the BLS industry average, and the Days Away Restricted Transferred (DART) rate is 55 percent better than the industry average. There were no work-related fatalities during 2014.

### OSHA RECORDABLE INJURY & ILLNESS RATE



### OSHA DART RATE



(Note: 2014 BLS Industry Rates are not yet available)

## SAFETY PROGRAMS

Delta's safety strategy includes the utilization of site-specific Safety Business Plans, which are based on compliance with key elements of OSHA's Voluntary Protection Programs (VPP). To validate compliance, Delta conducts annual Safety and Health Gap Assessments in strategic locations. These assessments are safety learning opportunities and include an onsite visit, a review of required documentation and employee interviews.

### BY THE NUMBERS: OSHA

VPP sites represent 9.3 percent of all U.S. personnel (7,234 employees) Delta has 18 VPP sites

### 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 is a voluntary program that promotes effective worksite-based safety and health by setting performance-based criteria for a managed safety and health system.

Delta was recognized as a VPP Star due to its comprehensive safety and health management system that exceeds the requirements set in OSHA's standards.

Delta's VPP program includes a high degree of management commitment and employee involvement. Elements include a high-quality worksite analysis, hazard prevention and control program, as well as comprehensive safety and health training for all employees.

Through 2014, Delta had 18 facilities in OSHA's Voluntary Protection Programs (VPP). For the year, the total OSHA recordable rate for these facilities was 1.66 and the DART rate was 0.80. The OSHA recordable rate was 53.1 percent better at VPP sites than non-VPP sites at Delta. Additionally, the VPP OSHA recordable rate was 80 percent better than the industry average.

In 2014, three new facilities were accepted into VPP (Memphis Technical Operations, Minneapolis Reservations and Cincinnati Reservations), five facilities participated in re-certifications and one additional new site (Albany Airport Customer Service) had an initial onsite review, but is still pending notification regarding their official status. One additional facility submitted an application for participation in VPP in 2014.

# SAFETY TRAINING

In addition to the operational and basic safety training typical of an airline, Delta's Corporate Safety team facilitates an annual one-day Safety Leadership Workshop that is open to all safety coordinators, safety representatives, VPP coordinators, facility managers, supervisors and leaders from the various divisions. In 2014, approximately 500 employees attended the event, which was held in Delta's newly renovated Flight Museum and featured speeches from Delta CEO Richard Anderson, James Sarvis, Vice President of Airport Customer Service - Stations, and Sandy Gordon, Vice President In-Flight Service - Field. Attendees could also choose from a variety of safety-related breakout sessions throughout the day to enhance their learning experience.

"OSHA's Voluntary Protection Programs, including the MNSTAR Program<sup>1</sup>, is a great validation of Delta's culture of safety and our commitment to always run a reliable operation for our employees and customers. We are very proud of our Minneapolis customer engagement center for their teamwork and steadfast dedication to Delta's deepest core value."

—John Laughter, Delta's Senior Vice President  
- Corporate Safety, Security and Compliance.

Delta also offered an online option for the OSHA 10-hour General Industry Outreach training course in 2014. 206 employees successfully completed this training.

## \*\*\*SAFETY REPRESENTATIVES



AIRPORT CUSTOMER SERVICE  
(INCLUDES CARGO & GSE)\*



FLIGHT  
OPERATIONS\*



IN-FLIGHT  
SERVICE\*\*



RESERVATIONS\*



TECHNICAL  
OPERATIONS\*\*



CORPORATE  
**Corporate Safety,  
Security & Compliance...101**

**Divisional Safety Reps...5  
Regional Specialists...29**

**Divisional Safety Reps...48**

**Divisional Safety Reps...6  
Location Safety Reps...15  
System Safety Committee..5**

HEADCOUNT: 28,688

HEADCOUNT: 11,628

HEADCOUNT: 19,132

**Divisional Safety Reps...2  
Location Safety Reps...15  
System Safety Committee..165**

HEADCOUNT: 4,813

**Divisional Safety Reps...15  
Line Safety Reps...151  
Shops...166**

HEADCOUNT: 7,792

HEADCOUNT: 10,041

\* Up to 25% represented by a management/employee safety committee

\*\* Over 75% represented by a management/employee safety committee

\*\*\*18 Airport Customer Service, Technical Operations, and Reservations locations' safety representatives have VPP responsibilities.

<sup>1</sup>Minnesota STAR (MNSTAR) is a Minnesota Occupational Safety and Health Administration (MNOSHA) program recognizing companies where managers and employees work together to develop safety and health management systems that go beyond basic compliance with all applicable OSHA standards and result in immediate and long-term prevention of job-related injuries and illnesses.

## REWARDING EMPLOYEE SAFETY

Delta has various award programs including Triple Crown, Grand Slam, Spirit and Diamond awards. Programs reward employee groups for combined operational excellence in safety and operations. In addition, the Saved the Day Award recognizes individuals who go that extra mile and perform acts that save lives, prevent aircraft damages, or minimize a crisis.

### THE FIGHT AGAINST HUMAN TRAFFICKING

Delta is committed to aiding in ending human trafficking. In the U.S., human trafficking is a \$9.5 billion industry according to the United Nations. The U.S. Department of Justice estimates that 17,500 people are trafficked into the U.S. each year. A total of 300,000 children in the U.S. are at risk of being trafficked sexually right now.

In 2014, Delta frontline employees continued to receive training based on the Department of Homeland Security's Blue Lightning Initiative training program; it provides airline employees with tools to identify and report suspected instances of human trafficking. More than 68,000 Delta people have taken the training as of January 2015. Likewise, Delta Global Services (DGS), a subsidiary of Delta Air Lines, has also adopted the Blue Lightning program and started the process of training their 15,000 employees.

## SAVING THE DAY WITH AN AED

In April, during the boarding process, a passenger passed out and started to turn blue. Flight Attendants Jocelyn Rush and Douglas Clifton rushed to respond and were able to use the Automated External Defibrillator (AED) and CPR to ensure the passenger had a pulse and was breathing when paramedics arrived. The flight attendants were given a 'Saved the Day' award from Corporate Safety for reacting quickly and efficiently during a medical emergency.

## SAVING THE DAY ON BOARD A FLIGHT

In January, while working a flight from SJU/ATL, ATL-based flight attendant Brian Long was able to assist a passenger and prevent him from choking on food. The passenger got his attention using frantic hand signals and when asked if he was choking, the passenger confirmed with a nod. Brian moved the surrounding passengers and was able to successfully use the Heimlich Maneuver. Brian was given a 'Saved the Day' award from Corporate Safety for his actions.





## DELTA CREW SAVES LIFE; REUNITED WITH SURVIVOR

On Oct. 29, a Delta crew was heading to their hotel when they took action to save their lives and the life of their shuttle driver, Ernie Applegate. The driver of the van had a massive heart attack while transporting a flight crew to their hotel. Midway into the trip, they noticed the van begin to swerve and realized the driver had slumped over. One of the crew members grabbed the wheel, while another dove for the brake. They stopped the vehicle, then worked together to perform CPR, divert traffic away from the van and call for assistance. They took turns performing compressions until medical assistance arrived.

Capt. Patrick Working, FO Mark Nowlin and flight attendants Princeton Richardson, Crystal Wright, Noelle Banks and Nina Porter were honored with Corporate Safety's Saved the Day award at the Delta Flight Museum on November 19 for their heroic effort, which ultimately allowed Mr. Applegate to meet his grandson, Moses, who was born the next day. During the presentation, the crew was also reunited with Mr. Applegate.



# CUSTOMERS

## IN THIS SECTION:

- Safeguarding Passenger Health
- Sustaining Operation Excellence
- Innovative Readiness, Response and Recovery
- Flight Safety
- Ensuring Flight Security
- Digital & Entertainment Enhancements
- New SkyMiles Award Experience
- Fly Delta App
- Delta Studio

“Delta’s top priority is to build long-lasting relationships with its customers. We strive to provide the most reliable, safe and convenient experience possible to customers on every flight and through every interaction. For the second year, Delta ran an industry leading global operation with an on-time arrival rate of 84 percent and a completion factor of 99 percent. Delta continues to enhance the travel experience through improvements to the Fly Delta app, access to streamlined security procedures like TSA Pre✓ and more access to in-flight Wi-Fi than any other airline.”

— Gil West, Executive Vice President  
and Chief Operating Officer

## SAFEGARDING PASSENGER HEALTH

Delta is committed to ensuring that passenger safety during flight is paramount. Because of this commitment Delta voluntarily contracts 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 all domestic and international in-flight medical events. Further ensuring passenger safety, board certified STAT-MD emergency medicine physicians are trained and knowledgeable about Delta's on-board medical capabilities and the effects of altitude on physiology.

During in-flight medical occurrences STAT-MD physicians consult with flight personnel to provide treatment recommendations and consult with the captain to determine whether or not flights should be diverted for more immediate medical care. Providing best-in-class safety, Delta's in-flight medical capabilities exceed FAA regulatory guidance for on-board medical equipment, supplies and medication. Delta also accommodates battery-operated medical devices, including portable oxygen concentrators that have been pre-approved by the U.S. Department of Transportation (DOT) and Delta to ensure compatibility with aviation electronic systems.

## SUSTAINING OPERATIONAL EXCELLENCE

Delta believes that the most important thing we can provide is a safe and on-time flight for all customers. Delta's operational performance in 2014 led U.S.-based, global network carriers.

Delta drove best-in-class on-time arrivals at 83.7 percent and a completion factor of 99.2 percent, excluding the impact of storms during the first quarter of 2014.

### CUSTOMER SATISFACTION SURVEYS & RANKINGS

Delta has established a proactive customer survey program that sends customers one of 20 possible surveys based on the customer's known experience during their travels. The surveys capture Delta's performance related to the following areas: handling of special situations (e.g., oversold flight), service recovery situations, airport experience, and experience onboard the aircraft. Results are aggregated into scores for all levels of the organization from frontline agents to executive leaders. Delta includes customer satisfaction measures in key performance indicators.

In 2014, Delta set records in customer satisfaction scores. Customers ranked Delta at 4.45 on a 5.00 point scale for airport experience; a one percent improvement over 2013 and a 3 percent improvement over 2012. With respect to service recovery, customers ranked Delta at 3.59 representing a three percent improvement over 2013 and a six percent improvement over 2012. Insights gained from survey results allow us to continue improving products and services for customers.

Delta has begun linking Net Promoter Scores (NPS) to survey results in order to improve the customer experience. While Reservations has offered customers a post-travel phone survey for many years, in 2014, Delta also began sending email surveys to customers related to their Reservations experience. In 2014, email surveys began being sent to customers who visited a Delta Sky Club. Additionally in 2015, customers will be surveyed on aircraft cleanliness, which has been selected as a key performance indicator for 2015.

## BY THE NUMBERS: READINESS RESPONSE

<b>2,512</b>	Delta volunteers that make up the Delta Care Team
<b>278</b>	new Care Team volunteers trained in 2014
<b>1,883</b>	Care Team volunteers who underwent recurrent training
<b>2,650</b>	employees trained to answer inbound calls during an accident response
<b>1,165</b>	Delta personnel trained on the LERAP in 2014
<b>2,670</b>	worldwide personnel trained on the LERAP for Delta, Air France, and KLM
<b>1,327</b>	manifest verification drills performed in 2014

# INNOVATIVE READINESS, RESPONSE AND RECOVERY



The goal of Delta's Emergency Response and Business Continuity programs is to ensure we have appropriate plans in place to mitigate most major business disruptions. Delta's highly trained employees are responsible for developing, maintaining, and implementing crisis plans. Employees responsible for planning and execution include representatives from both corporate and divisional groups.

One focused by-product of developing and deploying Emergency Response plans is to continuously learn and improve the processes for responding to aircraft incidents. To do this, Delta engages in extensive planning and training with frequent simulated exercises designed to test every aspect of Delta's emergency response capabilities. This process of training, simulations, and learning ensures that Delta personnel are prepared to simultaneously respond to events and assist customers, their families and fellow Delta employees in the event of a critical incident occurring anywhere in the world.

All Delta Emergency Response programs and plans comply with foreign and domestic family assistance laws enacted to protect accident victims and their families, and ensure airlines meet specific obligations. In order to comply with these regulatory requirements Delta's emergency response plans are complemented by a volunteer team of employees referred to as the Care Team.

The Care Team is a diverse cultural group made up of 2,512 Delta personnel from across the globe. Each Care Team member is specially trained to assist survivors and family members with compassion and professionalism. In 2014, 278 Delta employees from all over the world were trained to become new Care Team members and 1,883 current members received recurrent training. In addition to Care Team members, Delta's Passenger Inquiry Center is a membership-based program where trained personnel answer inbound calls during an incident. In 2014 this group reached 2,650 members.

In 2014, focused on customer safety, Delta conducted 1,327 manifest verification drills. These drills are intended to test Reservations area and station personnel's ability to verify a passenger manifest. The importance of this drill ensures that in case of an emergency Delta personnel are able to identify passengers.

Further in 2014, 16 departmental, four joint Delta and Connection Partner, and one corporate-wide, scenario-based emergency exercise were held. Each of these exercises was designed to rigorously test and challenge all Delta responders.

In 2014 Delta emergency management personnel also visited 27 stations worldwide in an effort to train 1,165 station personnel on Local Emergency Response Action Plans (LERAP). The LERAP is a site-specific document that guides stations when they respond to aircraft incidents. This training was also utilized cross-company by Air France and KLM due to the fact that these SkyTeam partner airlines utilize the same LERAP. These mutual assistance trainings were provided at 66 stations and reached 2,670 combined Delta/KLM/Air France personnel.

On July 17, 2014, a subset of Delta's response plan was initiated as Delta activated its emergency command center in a limited capacity to support KLM's family assistance outreach to Malaysia Air.

## BUSINESS DISRUPTIONS

Delta's Business Continuity team strives to mitigate major business disruptions that can impact customers and employees. Through effective planning and training, we work with all Delta divisions, and partners, to ensure that plans are capable of covering a loss of major infrastructure including technology systems, facilities, personnel, or disruptions caused by natural or man-made disasters.

Delta's round the clock 24/7/365 Operations and Customer Center (OCC) is responsible for managing the day-to-day operational irregularities that occur throughout the network due to weather or emergency events. Within the OCC large-scale events are elevated to a state-of-the-art crisis management center to ensure the proper command, control, and mitigation of disruptions during such an event.

One of Delta's Business Continuity major responses occurred in 2014 as a result of the Ebola outbreak in Africa. Due to proactive planning and training Delta was able to quickly enact the pandemic plan when the Center for Disease Control (CDC) first elevated awareness of the outbreak. During the response, Delta worked closely with private and public sector counterparts to ensure Delta's plan met or exceeded new requirements for airlines. The coordinated pandemic plan ensured the safety of employees and protected the traveling public while also mitigating delays caused by additional screening procedures and processes required for suspected ill passengers. Pandemic planning was developed in accordance with CDC guidelines.

## FLIGHT SAFETY

The primary objective of the Flight Safety Program is to manage risk by identifying, assessing, mitigating, and/or eliminating hazards, thereby preventing incidents/accidents. Delta Flight Safety strives to prevent the occurrence or recurrence of incidents/accidents that could result in injuries to persons or damage to aircraft or facilities.

Delta's committed dedication to this objective is demonstrated through the administration and growth of its voluntary safety programs. These programs include the Aviation Safety Action Program (ASAP), Flight Operational Quality Assurance (FOQA) program, and Safety Investigations. During 2014, Delta advanced the safety culture of the airline through program enhancements and continuous improvement. In addition to the advancements made internally, Delta also participated in and led industry safety initiatives.



## AVIATION SAFETY ACTION PROGRAM (ASAP)

In 2014, Delta ASAP began participating in the Confidential Information Share Program (CISP) with Air Traffic Control (ATC). CISP was established in 2011 to allow safety information to be shared between participating airline Event Review Committees (ERCs) and the Air Traffic Safety Action Program (ATSAP) ERC. The ASAP and ATSAP programs work together collaboratively to address safety issues within the National Airspace System (NAS). Merging perspectives of both pilots and controllers allows each organization to better understand the causal factors of both known and previously unknown events. Additionally, by providing a more complete representation of NAS operations, the FAA and participating airlines can more accurately identify potential hazards and develop more robust mitigation strategies.

## FLIGHT OPERATIONAL QUALITY ASSURANCE (FOQA)

Throughout 2014 Delta FOQA worked collaboratively with internal stakeholders to increase the dissemination and utilization of data across the organization. New program improvements provided opportunities for members of the Technical Operations groups to gain greater insight into the operation of Delta aircraft through the review and analysis of flight data. By providing access to data, these teams were able to improve the identification and troubleshooting of aircraft, engine, and system anomalies which ultimately leads to a safer and more reliable system.

## BY THE NUMBERS: SAFETY REPORTING

**40k** Front line employees Delta provides an ASAP reporting mechanism

**600k** Number of flight operations Delta's FOQA program analyzed during 2014

**and more**  
Numerous safety investigations and studies were completed which led to training, technical, and procedural enhancements across the organization and industry.



## AVIATION SAFETY INFORMATION ANALYSIS AND SHARING (ASIAS)

As with many internal improvements, Delta has continued to support industry safety objectives through many organizations such as 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. During 2014, Delta began participating in a data fusion demonstration project. The project fuses Delta's safety data with other sources of information such as radar track, Air Traffic Control (ATC) information, and weather. The objective of the demonstration is to provide a greater level of analysis and insight into the contributing factors of adverse trends, NAS concerns, and more.

In addition to enhancements to 2014 ASAP, FOQA, Safety Investigations, and industry programs, Delta remained an active participant and leader with Delta Connection, SkyTeam, and many other organizations throughout the aviation industry. Leadership and participation ensures that Delta Flight Safety remains committed to the safety of every passenger and employee onboard Delta flights.

## SAFETY MANAGEMENT SYSTEMS (SMS)

Delta was the first passenger air carrier to formally be offered and join the FAA's SMS pilot project for the development of an SMS program in 2008. Delta was also the first passenger air carrier to achieve full implementation of the pilot program, which occurred by January 2011.

SMS is a formal, top-down approach to managing safety risk. The key to a strong, successful, healthy SMS is effective hazard reporting by all employees throughout the organization. Thorough analysis of systems, processes, and procedures to identify potential hazards provides Delta the opportunity to address hazards before an incident occurs. Delta's strong safety culture is the foundation of its solid SMS.



Delta executes a complex, well-orchestrated daily operation. Flight operations, ramp operations, catering, cargo, maintenance, crew scheduling, dispatch, and meteorology must operate independently but in concert to succeed. Each operational area presents its own challenges and risks. Delta's comprehensive SMS assesses each piece individually and systemically to identify potential hazards.

Flight safety at Delta requires coordination and collaboration both internally and externally. Internally, strong cross-divisional relationships allow for open safety discussions involving all stakeholders. Additionally, Delta works with its Delta Connection carriers to share safety-related data, best practices, and lessons learned. Collaboration with external business partners and SkyTeam Alliance partners helps Delta further strengthen its SMS.

## DANGEROUS GOODS

Delta accepts and transports Hazardous Materials (HazMat) as an additional revenue stream through the Cargo/Airport Customer Service (ACS) division and as company material transported for Technical Operations/Stores department. Dry ice shipments, cooling diagnostic specimens and frozen food constitute 63 percent of Delta HazMat shipments. Movement of company material is nearly 28 percent. The remaining 9 percent of the shipments include consumer commodities consisting of cosmetics and perfumery products.

Delta's HazMat program is compliant to 14 and 49 Code of Federal Regulations and the international ICAO Technical Instructions. Delta employees that may handle any type of HazMat are trained annually in an FAA-approved program. In 2014, in an effort to continuously improve operations, Delta enhanced procedures to ensure that dangerous goods shipments exceeding aircraft limits continue to not be assigned to a passenger flight. A further enhancement in 2014 added clarifications to the loading paperwork to assist ramp agents when loading certain HazMat material shipments.

Effective February 1, 2015, Delta became the first U.S. major carrier to ban all bulk shipments of lithium batteries shipped as cargo. Safety is the number one priority and Delta continually reviews programs and procedures for the safe and compliant carriage of all cargo.

## BY THE NUMBERS: DANGEROUS GOODS

**55,787**

flights that required a NOTOC: 55,987 shipments on these flights, consisting of 153,171 pieces of DG and weighing 7.05 million kilograms moved via Delta aircraft. These numbers are roughly the same as last year

**12**

FAA approved DG training programs: 2 new programs, 8 modified, and 2 reviewed with no changes made

**56**

ASAP reports received for DG shipments that were investigated and classified by severity: 0 severe DG Events were reported, an improvement from 2013

**5,775**

emails sent to the FAA reporting undeclared DGs removed from passengers checked baggage. No issues were noted by the FAA on the Delta reporting process.

# ENSURING FLIGHT SECURITY

Delta continues to evolve its security program, seeking to mitigate security-related risks to passengers and employees while minimizing the impact through customer service initiatives. In 2014 Delta continued to work with government and airport partners to expand a number of these customer service security initiatives for the benefit of passengers. A focused approach on security allows us to streamline various aspects of the security and immigration process to provide for a better overall travel experience.



## TSA PRE✓

Working with the Transportation Security Administration (TSA), Delta has continued to serve as an industry leader in facilitating increased passenger access to expedited screening through the TSA Pre✓ program. In 2014 TSA Pre✓ operations began at 11 new airports, bringing the total number of U.S. airports participating in TSA Pre✓ to 125.

In addition to working with the TSA to explore ways to expand the program to a larger population of customers, Delta has taken a leading role in the implementation of TSA application centers at over 300 locations, including 26 airports, to enable customers to sign up for the program. In 2015, Delta plans to partner with TSA and private industry to further expand the number of application centers and make the application process easier for passengers.

## CUSTOMS & IMMIGRATION AUTOMATED ENTRY CHANNELS

In 2014 Delta was a leading airline partner working with U.S. Customs and Border Protection (CBP). This partnership focused on implementation of Global Entry and expedited clearance programs for pre-approved, low-risk travelers arriving in the United States. Under the program, passengers

use Global Entry kiosks to provide their passport or U.S. permanent resident card, verify identity via a fingerprint scan, make a customs declaration and then proceed to baggage claim and the Customs & Immigration exit. Global Entry kiosks are now present in 46 U.S., Canadian and U.S. Preclearance airports.

Global Entry kiosks have significantly reduced the time passengers have to wait for processing into the United States. Kiosks have been installed in seven Delta-specific gateways (Atlanta, Boston, Detroit, New York City JFK, Los Angeles, Minneapolis – St. Paul, and Seattle).

In addition to Automated Passport Control (APC), in 2014 Delta was excited to partner with U.S. CBP, Airports Council International - North America and Airside Mobile to deploy Mobile Passport Control (MPC). MPC is an iPhone application where passengers can submit U.S. or Canadian passport data on their iPhone upon landing in the U.S. The passengers can then proceed directly to a CBP Officer once inside the Immigration hall, eliminating the need to fill out paper Customs Declaration forms or use an APC Kiosk. This program has been implemented in Atlanta's Hartsfield Jackson International Airport, with plans to expand to a number of additional international gateways, as well as to Android devices.

## TSA & CBP SURVEY IMPROVEMENTS

Delta collects and analyzes a vast amount of customer feedback on their experiences with U.S. government security screening procedures, as well as wait times, in order to work with the government on improving the passenger experience. In 2014, both the TSA and U.S. CBP survey scores improved year-over-year.

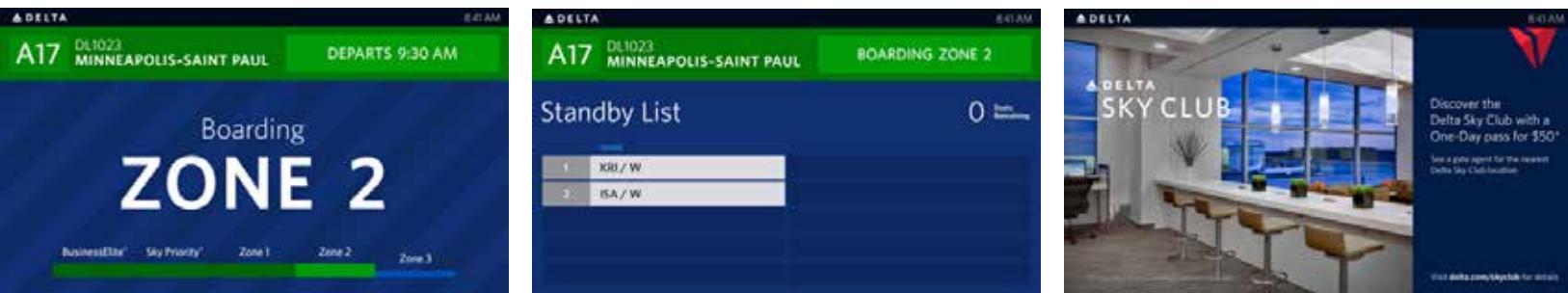
## PASSENGER PRE-SCREENING METHODS

Delta continues to work with security providers to develop alternative passenger pre-screening methods and to take advantage of screening technology that is increasingly available at international destinations. The improved methods provide more effective passenger pre-screening and the use of advanced technology for screening persons and baggage provides a better customer experience.

## AIRSPACE AND OVERFLIGHT SECURITY

As part of Delta's commitment to continuously assess and manage security risks, we have adapted intelligence-based threat assessment models to enhance the way we review the security of airspace where Delta operates across the globe. Incorporating assessments based upon a wide range of data and intelligence information and close collaboration with US government partners, we convene internal stakeholders to conduct both periodic and event-based reviews of flight routes, proactively identifying areas of potential risks to airspace security where Delta will restrict flight operations above and beyond government guidance.

In addition to enhancing internal processes, Delta is working with industry partners to inform and influence ongoing international policy efforts established in the wake of the 2014 Malaysia Airlines Flight 17 incident. These efforts are intended to aid in decreasing security risks to civilian aviation.



## DIGITAL & ENTERTAINMENT ENHANCEMENTS

### NEW GATE INFORMATION DISPLAY SCREENS

In 2014, just in time for the holiday season, the Delta Gate Information Display Screen (GIDS) system was updated to aid in preparing to board flights. Updated GIDS enhancements now allow for the prioritization of the most critical flight information and also allow Delta to provide self-service details to proactively answer some of the most frequently asked questions at the gate.

The new GIDS design offers an uncluttered presentation matching other Delta digital channels including [delta.com](http://delta.com), airport self-service kiosks and the Fly Delta app. Taking care in the redesign, usability and design experts focused on how to provide the most relevant information to customers while also allowing Delta to rotate important product and travel information. Improvements to digital technology in airports helped Delta support the goal of reducing customer wait times.

### BY THE NUMBERS: GIDS DISPLAY

**1,270** Number of GIDS at airports throughout the Delta system

**34** Airport locations with GIDS in gate hold areas

**90** Average number of seconds that it takes for one complete cycle of information during boarding, with 1 standby list screen, 1 upgrade list screen and 2 pages of cleared list displays.

# NEW SKYMILES AWARD EXPERIENCE

In an effort to support the Delta goal of improving digital channel customer experience to an industry leading level, Delta's eCommerce, Information Technology and SkyMiles teams introduced new features on [delta.com](#) for customers shopping for SkyMiles Award Tickets. These changes now offer SkyMiles members new search and Award Tickets selection options while improving trip summary information. Ultimately, improvements combine to create an enhanced customer experience.

The screenshot shows the Delta Book a Trip interface. On the left, there's a search form with fields for 'FROM' (ATL), 'TO' (PDX), 'DATES' (12/12/2014 - 12/19/2014), and 'PASSENGERS' (1). Below these are buttons for 'Advanced Search' and 'Reset All'. To the right, the search results for an 'Outbound : ATL • PDX' trip are displayed. The results are sorted by 'Best Match'. There are two main sections: 'ECONOMY' and 'FIRST/BUSINESS'. Each section lists flight details (e.g., DL 773, ATL to PDX, Nonstop, 9:30 AM - 12:01 PM, 5h 31m), fare levels (50,000 miles + \$112.20 Taxes for Economy; 100,000 miles + \$112.20 Taxes for First), and a 'SELECT' button. At the bottom, it says 'Multiple Cabins from...'.

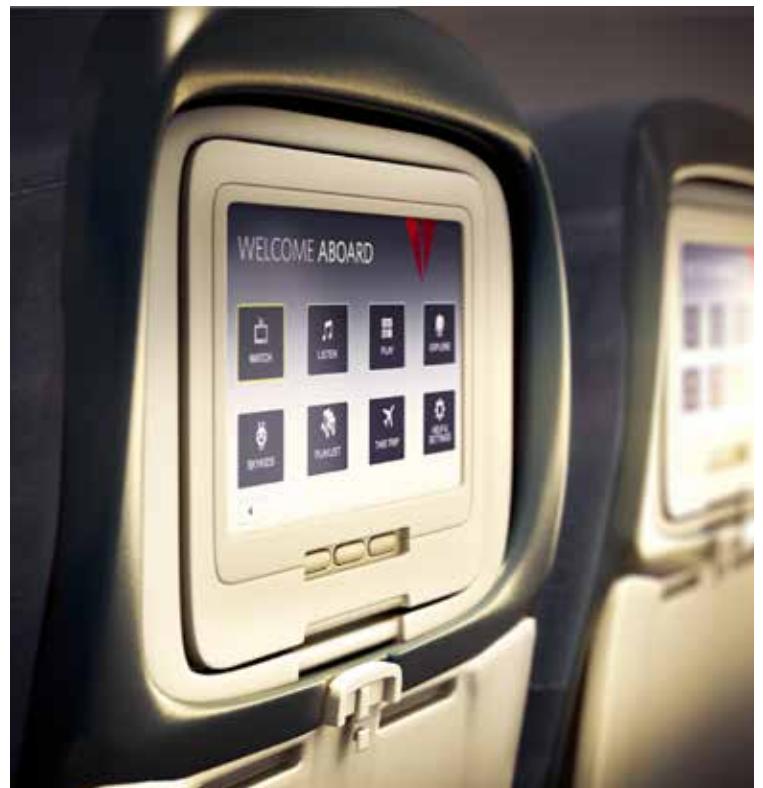
## FLY DELTA APP

In 2014, updates to the popular Fly Delta app were introduced. Since 2010 the app has been downloaded more than 15.4 million times, with more than 2.5 million users visiting the app each month.

## DELTA STUDIO

In 2014 Delta began offering free entertainment options on all domestic aircraft and two-cabin regional jets. Delta Studio is the most far-reaching effort by an airline to provide entertainment connectivity while in the air including on demand video streaming onboard Delta's Wi-Fi-equipped aircraft. To date Delta is setting the standard for in-air customer entertainment across more than 1,000 aircraft.

"Through the introduction of Delta Studio our customers have yet another reason to choose Delta and a different travel experience," said Tim Mapes, Senior Vice President - Marketing. "Delta continues to be driven by customer feedback which has consistently placed the desire to be entertained at the top of the list of ways to improve our customers' time in the air."





# INVESTORS

## IN THIS SECTION:

- Financial Performance 2014
- Delta's Financial Performance
- Investing in Strategic Partnerships
- Managing Delta's Largest Expense
- Fleet Strategy
- Delta Recognition and Reporting
- Delta Awards

"In 2014, Delta achieved a record-breaking \$4.5 billion pre-tax profit for the year, excluding special items. The advancements we made in our operations and fuel efficiency contributed significantly to our success. We continue to see sustainability as critical to our business model, believing that the initiatives we undertake add value to employees, customers and investors."

— **Paul Jacobson, Executive Vice President  
and Chief Financial Officer**

# FINANCIAL PERFORMANCE 2014

(in millions USD, except per share data)	2012	2013	2014
<b>DIRECT ECONOMIC VALUE GENERATED</b>			
Revenue	\$36,670	\$37,773	\$40,362
<b>ECONOMIC VALUE DISTRIBUTED</b>			
Non-Labor Operating Costs <sup>1</sup>	\$26,432	\$26,021	\$25,889
Employee Wages and Benefits	\$7,638	\$8,226	\$9,205
Payments to Providers of Capital	\$1,044	\$1,243	\$2,043
<b>PAYMENTS TO GOVERNMENT</b>			
Property	\$100	\$89	\$83
Payroll	\$1,550	\$1,858	\$1,858
Other	\$377	\$312	\$375
<b>COMMUNITY INVESTMENTS</b>			
Contributions	\$11.3	\$23.4	\$22
<b>SHAREHOLDER VALUE</b>			
Share price at Dec. 31	\$11.87	\$27.47	\$49.19
Share price range	\$8.01-12.1	\$11.97-29.44	\$27.26-50.16
<b>SUPPLIER SPEND</b>			
Minority Women Owned Business Enterprise spend	\$340	\$461	\$534
<b>ECONOMIC VALUE RETAINED</b>			
Net Income <sup>1</sup>	\$1,552	\$2,699	\$2,833
Operating Income <sup>1</sup>	\$2,600	\$3,526	\$5,268

<sup>1</sup>These items are non-GAAP financial measures as defined in the appendix. Reconciliations to the corresponding GAAP financial measures and the reasons non-GAAP financial measures are used are included in the appendix.

## DELTA'S FINANCIAL PERFORMANCE

### RECORD FINANCIAL RESULTS

Delta's pre-tax income for 2014 was \$4.5 billion, excluding special items, a \$1.9 billion increase over 2013. 2014 results include \$1.1 billion in profit sharing expense. Delta's record pre-tax income generated a 20.7 percent return on invested capital, nearly \$6 billion of operating cash flow, and \$3.7 billion of free cash flow allowing the company to reduce its adjusted net debt at the end of 2014 to \$7.3 billion. Delta also contributed an incremental \$250 million above minimum required funding for defined benefit pension plans and returned \$1.35 billion to shareholders through a combination of \$251 million of dividends and \$1.1 billion of share repurchases.

### DEBT REDUCTION

Delta continued its focus on reducing debt, paying off \$2.1 billion in debt in 2014, and ended the year with \$7.3 billion in adjusted net debt – down by nearly \$10 billion since 2009.

### STANDARD & POORS CREDIT RATING

In October 2014, Delta's corporate credit rating was raised to a "BB" from a "BB-" rating, bringing the company's bonds one upgrade away from attaining "investment grade" status. The improvement reflects Delta's solid financial performance and confidence in strategy.

## INVESTING IN STRATEGIC PARTNERSHIPS

In 2014 an alliance with Virgin Atlantic began operations - following the 49 percent acquisition by Delta in 2013 - with both airlines sharing revenue and expenses from all joint venture transatlantic flights regardless of which carrier operates the service.

The 2014 partnership helped Delta to compete in the London Heathrow market by expanding the London to JFK service. To enhance this market, Delta invested \$360M as an equity investment. This investment is anticipated to pay for itself by year end 2015.

## MANAGING DELTA'S LARGEST EXPENSE

As global jet fuel prices have fluctuated sharply, with prices of crude oil reaching lows around \$50 a barrel in the fourth quarter of 2014, Delta managed its hedge book to maintain downside participation. The hedging program is intended to mitigate risks associated with increasing crude oil prices and is also intended to make it easier to plan for future fuel costs.

With plummeting crude oil prices in the fourth quarter, Delta settled \$180 million in losses related to fuel hedges in the fourth quarter. However, total fuel expense declined \$342 million in the fourth quarter relative to the prior year, due to a sharp decline in market fuel prices. For 2015, Delta expects to realize \$2 billion in savings from lower fuel prices.

In addition to hedges, Delta's Monroe Energy subsidiary operates the airline industry's only oil refinery, in Trainer, PA. which is also contributing to lower fuel prices. Delta's Trainer refinery now provides approximately 80 percent of Delta's U.S. fuel needs.



## FLEET STRATEGY

Delta's ongoing sustainability and responsibility efforts include implementing innovative strategies that utilize a mix of new and used aircraft. Delta's comprehensive aircraft fleet strategy is based on what leadership believes to be the use of tried and tested aircraft. In addition, to achieve this financially feasible approach, Delta relies on the expertise of in-house maintenance operations to deliver the lowest maintenance costs in the industry.

To simultaneously achieve greater aircraft fuel efficiency and enhance aircraft capacity, Delta will continue to retire older aircraft as we receive more efficient and higher capacity aircraft. The combination of new aircraft deliveries and retirements allows Delta to generate the same capacity levels of passengers with fewer departures, yielding economic improvement, environmental benefits, and reduced airspace congestion.



# DELTA RECOGNITION AND REPORTING

ORGANIZATION	RECOGNITION
AIR FINANCE JOURNAL	Airline of the Year and Commercial Loan Deal of the Year
AIR TRANSPORT RATING AGENCY	Named a Top Ten Airline in 2014 Holistic World Safety Rating
AIR TRANSPORT WORLD MAGAZINE	2014 Airline of the Year
AMERICAN EXPRESS	Delta, Air France-KLM and Alitalia named the American Express Travel and Lifestyle Services Air Supplier of the Year
THE BEAT	"Most Admired Airline" and overall "Supplier of the Year" by the Readers' Choice Awards
BUSINESS TRAVEL NEWS	No. 1 for the fourth consecutive year in the BTN Annual Airline Survey - first time any airline has won consecutive surveys four years in a row in the 17 years that BTN has organized the rankings; Richard Anderson named one of the Top 25 Most Influential Business Travel Executives of 2014
THE FREDDIE AWARDS	The Impact Award for Delta's Crossover Rewards program with Starwood
FREQUENT BUSINESS TRAVELER	Best Airline in the Americas
GLOBAL TRAVELER MAGAZINE	Best Airline for Domestic First Class and Best Frequent-Flyer Customer Service (Americas); Delta SkyClub won Best Airport Lounges and the Delta SkyClub at ATL Concourse C won Best Individual Domestic Lounge
J.D. POWER CERTIFIED CONTACT CENTER PROGRAM	Delta Reservation Sales recognized as a 2014 Certified Contact Center
J.D. POWER AND ASSOCIATES: NORTH AMERICAN AIRLINE SATISFACTION STUDY	2nd among Major Network Airlines
LATIN TRADE	"Most Improvement Overall" and "Best Partnerships and Alliances" at the Best of Travel Annual Awards 2014
ONEAERO MRO	Delta TechOps selected Best Total Solutions Provider in OneAero MRO's annual Top Shop Awards; Delta TechOps was also a finalist for the Best Engine Overhaul Repair award
RECOMMEND MAGAZINE	Best Airline (International) and Best Travel Agent Support (Airline)
STEVIE AWARDS FOR SALES & CUSTOMER SERVICE	No. 3 Grand Stevie Award Winner - determined by overall awards won in 2014 Stevie Awards Gold Stevies for Sales Support Team of the Year; Customer Service Department of the Year (Airlines); Contact Center Manager of the Year; eCommerce Customer Service Award Gold, Silver and two Bronze for Front-Line Customer Service Professional of the Year
TRAVELAGUE WEST	Best Domestic Airline; "Editor's Pick" for Best Domestic Economy Class and Best Domestic Business/First Class
TRAVEL WEEKLY	Best Overall Airline and Best Domestic Airline; Delta Vacations named the top provider in the Best in Tour Operators - Domestic Packaged category

# DELTA RECOGNITION AND REPORTING



The Climate Registry

## THE CLIMATE REGISTRY

The Climate Registry is a non-profit collaboration that tracks and verifies the greenhouse gas emissions of businesses, municipalities and other organizations.



## CDP

A global voluntary database of self reported climate change, water and forest-risk data. The global system helps companies, investors and cities mitigate risk, capitalize on opportunities and make investment decisions that drive action towards a more sustainable world.



## GRI

The Global Reporting Initiative (GRI) is a non-profit organization that promotes economic sustainability. It produces the most recognizable and prevalent framework standards for sustainability reporting

MEMBER OF

Dow Jones  
Sustainability Indices

In Collaboration with RobecoSAM

## DJSI

Named for the fourth consecutive year to the DJSI for North America, recognizing commitment to integrate sustainable practices into the workplace; Delta is also a Sustainability Yearbook Member for the airline industry



## FORTUNE

Named to Fortune's 2014 Top 50 on their World's Most Admired Companies list



## NEWSWEEK

Ranked 39: in partnership with Corporate Knights Capital and leading sustainability minds from nongovernmental organizations and the academic and accounting communities, Newsweek has ranked the world's largest companies on corporate sustainability and environmental impact.

# APPENDIX



# DELTA'S VOLUNTARY REPORTING

Delta Air Lines is committed to increasing transparency related to corporate responsibility and sustainability efforts. To aid in transparency related to Delta's greatest environmental impact, aircraft emissions, we voluntarily calculate and verify complete greenhouse gas (GHG) inventories (Scope 1, Scope 2, and Scope 3) annually with The Climate Registry (TCR). All verified emissions reports can be accessed on TCR Member Reports website.

Other annual voluntary reporting responses include the CDP's Investor and Supplier questionnaires. Delta's annual response can be viewed on the CDP website.

This report adheres to the GRI G3 framework, and includes material aspects of the airline industry in accordance with guidelines set by the Sustainability Accounting Standards Board (SASB).

## GRI - G3.1 INDICATORS

23 GRI indicators are located in the body of the report, and 16 additional indicators are included in the GRI index for reference.



EC1	<b>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.</b>	Page 66 -69
EC2	<b>Financial implications and other risks and opportunities for the organization's activities due to climate change.</b>	Page 24-31
EC3	<b>Coverage of the organization's defined benefit plan obligations.</b> Based on the most recent estimates, Delta's four defined benefit plans are funded between 45 percent and 69 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 2014, Delta contributed over \$905 million to its defined benefit plans.	answer at left
EC5	<b>Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.</b> Entry-level pay for published scale positions meets or 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. Delta is equally committed to competitive pay in all international locations.	answer at left
EC6	<b>Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.</b>	Page 42-45
EC7	<b>Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.</b> 82.3% of total management employees are hired locally.	answer at left
EC9	<b>Understanding and describing significant indirect economic impacts, including the extent of impacts.</b> According to ATAG's Aviation: Benefits Beyond Borders report, aviation provides 58.1 million jobs worldwide and \$2.4 trillion representing 3.4 percent of global GDP. If aviation were a country, it would be the 21st largest economy in the world. Air transport carries around 35% of world trade by value and only 0.5% by volume.	answer at left
EN3	<b>Direct energy consumption by primary energy source.</b>	Page 28-29
EN4	<b>Indirect energy consumption by primary source.</b>	Page 28-29
EN6	<b>Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.</b>	Page 18-31
EN7	<b>Initiatives to reduce indirect energy consumption and reductions achieved.</b>	Page 24-30
EN8	<b>Total water withdrawal by source.</b>	Page 24
EN12	<b>Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.</b>	Page 30-31
EN16	<b>Total direct and indirect greenhouse gas emissions by weight.</b>	Page 27-30
EN17	<b>Other relevant indirect greenhouse gas emissions by weight.</b>	Page 24-30
EN18	<b>Initiatives to reduce greenhouse gas emissions and reductions achieved.</b>	Page 24-31
EN20	<b>NOx, SOx, and other significant air emissions by type and weight.</b>	Page 17-18
EN22	<b>Total weight of waste by type and disposal method.</b>	Page 20-24
EN23	<b>Total number and volume of significant spills.</b>	Page 16-17

EN24	<p><b>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.</b></p> <p>Zero</p>	answer at left
EN26	<p><b>Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.</b></p>	Page 5-6; 14-31
EN28	<p><b>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.</b></p>	Page 17
HR1 & HR2	<p><b>1. Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.</b></p> <p><b>2. Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.</b></p> <p>Delta introduced a clause into contracts, for relevant suppliers, stating a common repudiation of commercial sexual exploitation of children.</p> <p>In addition Supply Chain Management has developed specific language to use in contracts that supports the Delta Supplier Code of Conduct (Code). The Code is distributed to all suppliers, and compliance is a requirement for doing business with Delta.</p>	answer at left
HR3	<p><b>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.</b></p> <p>Delta Air Lines adopted the Department of Homeland Security's Blue Lightning Initiative training program that provides airline employees with tools to identify and report suspected instances of human trafficking. More than 68,000 Delta people have taken the training as of January 2015.</p>	Page 55 and at left
LA3	<p><b>Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations</b></p>	Page 48-52
LA4	<p><b>Percentage of employees covered by collective bargaining agreements.</b></p> <p>Total Union = 11,907, or 14.7% of our total population</p>	answer at left
LA5	<p><b>Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.</b></p> <p>In 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 or voluntary retirement incentive programs. In addition, Delta follows the Worker Adjustment and Retraining Notification (WARN) Act requirements for U.S.-based employees which requires 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.</p>	answer at left
LA6	<p><b>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.</b></p>	Page 48-54
LA7	<p><b>Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.</b></p>	Page 52-55
LA8	<p><b>Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.</b></p>	Page 48-52

LA9	<b>Health and safety topics covered in formal agreements with trade unions.</b> Formal domestic and international union agreements 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.	answer at left
LA10	<b>Average hours of training per year per employee by gender, and by employee category.</b>	Page 48
LA11	<b>Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.</b> 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. Employee resources for the management of career endings include financial planning resources, EAP retirement counseling and pension and 401(k) investment advice and modeling.	answer at left
LA12	<b>Percentage of employees receiving regular performance and career development reviews, by gender.</b>	Page 48-49
PR5	<b>Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.</b>	Page 58
SO3	<b>Percentage of employees trained in organization's anti-corruption policies and procedures</b> In 2014 Delta did provide Foreign Anti-Corruption/Anti-Bribery Compliance Policy training with 97 percent of merit employees completing training.	answer at left
SO6	<b>Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.</b> In 2014, DeltaPAC contributed a total of \$280,950 to various candidates for federal election campaigns. Corporate political contributions totaled \$142,500 in Georgia and \$4,500 in Michigan.	answer at left

# 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 used in this report to the most directly comparable GAAP financial measures.

## FORWARD LOOKING PROJECTIONS

Delta is unable to reconcile certain forward-looking projections to GAAP as the nature or amount of special items cannot be estimated at this time.

## PRE-TAX INCOME, NET INCOME, AND OPERATING INCOME, EXCLUDING SPECIAL ITEMS

Delta excludes special items from pre-tax income, net income and operating income because management believes the exclusion of these items is helpful to investors to evaluate the company's recurring core operational performance in the periods shown. Therefore, we adjust for these amounts to arrive at more meaningful financial measures. Special items excluded in the tables below showing the reconciliation of pre-tax income, net income and operating income are:

- Mark-to-market adjustments for fuel hedges recorded in periods other than the settlement period ("MTM adjustments"). MTM adjustments are based on market prices at the end of the reporting period for contracts settling in future periods. Such market prices are not necessarily indicative of the actual future value of the underlying hedge in the contract settlement period. Therefore, excluding these adjustments allows investors to better understand and analyze the company's core operational performance in the periods shown.
- Restructuring and other. Because of the variability in restructuring and other, the exclusion of this item is helpful to investors to analyze the company's recurring core operational performance in the periods shown.
- Loss on extinguishment of debt. Because of the variability in loss on extinguishment of debt, the exclusion of this item is helpful to investors to analyze the company's recurring core operational performance in the periods shown.
- Virgin Atlantic MTM adjustments. Delta also records proportionate share of earnings from equity investment in Virgin Atlantic in other expense. We exclude Virgin Atlantic's MTM adjustments to allow investors to better understand and analyze the company's financial performance in the period shown.
- Income Tax. Pre-tax income is adjusted for the income tax effect of special items in 2014. We believe this adjustment allows investors to better understand and analyze the company's core operational performance in the period shown.
- Release of tax valuation allowance. Because of the uniqueness of the net gain related to the reversal of the tax valuation allowance at the end of 2013, the exclusion of this gain allows investors to better understand and analyze the company's core operational performance in the period shown.

(in millions)	YEAR ENDED DECEMBER 31,	
	2013	2014
<b>PRE-TAX INCOME</b>	<b>\$2,527</b>	<b>\$1,072</b>
Items excluded:		
MTM adjustments	(276)	2,346
Restructuring and other	424	716
Loss on extinguishment of debt	-	268
Virgin Atlantic MTM adjustments	-	134
<b>PRE-TAX INCOME, EXCLUDING SPECIAL ITEMS</b>	<b>\$ 2,675</b>	<b>\$ 4,536</b>

	YEAR ENDED DECEMBER 31,		
(in millions)	2012	2013	2014
<b>NET INCOME</b>	<b>\$1,009</b>	<b>\$10,540</b>	<b>\$659</b>
Items excluded:			
MTM adjustments	(27)	(276)	2,346
Restructuring and other	452	424	716
Loss on extinguishment of debt	118	-	268
Virgin Atlantic MTM adjustments	-	-	134
Income Tax	-	-	(1,290)
Release of tax valuation allowance	-	(7,989)	-
<b>Net income excluding special items</b>	<b>\$1,552</b>	<b>\$2,699</b>	<b>\$2,833</b>

	YEAR ENDED DECEMBER 31,		
(in millions)	2012	2013	2014
<b>OPERATING INCOME</b>	<b>\$2,175</b>	<b>\$3,400</b>	<b>\$2,206</b>
Items excluded:			
MTM adjustments	(27)	(276)	2,346
Restructuring and other	452	402	716
<b>Operating income excluding special items</b>	<b>\$2,600</b>	<b>\$3,526</b>	<b>\$5,268</b>

### OPERATING EXPENSES (NON-LABOR OPERATING COSTS)

In addition to the special items described above, Delta excludes salaries and related costs and profit sharing to show non-labor operating costs. We do this because this metric allows investors to better understand and analyze recurring costs of the business other than labor.

	YEAR ENDED DECEMBER 31,		
(in millions)	2012	2013	2014
<b>OPERATING EXPENSES</b>	<b>\$34,495</b>	<b>\$34,373</b>	<b>\$38,156</b>
Items excluded:			
MTM adjustments	27	276	(2,346)
Restructuring and other	(452)	(402)	(716)
<b>Operating expenses excluding special items</b>	<b>\$34,070</b>	<b>\$34,247</b>	<b>\$35,094</b>
Less:			
Salaries and related costs	7,266	7,720	8,120
Profit sharing	372	506	1,085
<b>Non-Labor Operating Costs</b>	<b>\$26,432</b>	<b>\$26,021</b>	<b>\$25,889</b>

## RETURN ON INVESTED CAPITAL

Delta presents return on invested capital as management believes this metric is helpful to investors in assessing the company's ability to generate returns using its invested capital and as a measure against the industry. Return on invested capital is adjusted total operating income divided by average invested capital.

	<b>YEAR ENDED DECEMBER 31,</b>
(in billions, except % of return)	<b>2014</b>
Adjusted book value of equity	\$18.5
Average adjusted net debt	8.2
Average invested capital	\$ 26.7
Adjusted total operating income	\$ 5.5
<b>RETURN ON INVESTED CAPITAL</b>	<b>20.7%</b>

## OPERATING CASH FLOW, ADJUSTED

Delta presents operating cash flow, adjusted because management believes adjusting for these amounts provides a more meaningful financial measure for investors. This metric is adjusted for the posting of hedge margin as we believe this inclusion removes the impact of current market volatility on unsettled hedges and allows investors to better understand and analyze the company's core operational performance in the period shown. Management believes investors should be informed that reimbursements related to build-to-suit leased facilities and other effectively reduce net cash provided by operating activities and related capital expenditures.

	<b>YEAR ENDED DECEMBER 31,</b>
(in millions)	<b>2014</b>
NET CASH PROVIDED BY OPERATING ACTIVITIES (GAAP)	\$4,947
Adjustments:	
Hedge margin	925
Reimbursements related to build-to-suit leased facilities and other	(92)
<b>OPERATING CASH FLOW, ADJUSTED</b>	<b>\$5,780</b>

## FREE CASH FLOW

Delta presents free cash flow because management believes this metric is helpful to investors to evaluate the company's ability to generate cash that is available for use for debt service or general corporate initiatives. This metric is adjusted for the posting of hedge margin as we believe this inclusion removes the impact of current market volatility on unsettled hedges and allows investors to better understand and analyze the company's core operational performance in the period shown.

	<b>YEAR ENDED DECEMBER 31,</b>
(in billions)	<b>2014</b>
NET CASH PROVIDED BY OPERATING ACTIVITIES (GAAP)	\$4.9
Net cash used in investing activities (GAAP)	(2.5)
Adjustments:	
Net purchases of short-term investments and other	0.4
Hedge margin	0.9
<b>TOTAL FREE CASH FLOW</b>	<b>\$3.7</b>

## ADJUSTED NET DEBT

Delta uses adjusted total debt, including aircraft rent, in addition to long-term adjusted debt and capital leases, to present estimated financial obligations. Delta reduces adjusted debt by cash, cash equivalents and short-term investments, and hedge margin receivable, resulting in adjusted net debt, to present the amount of assets needed to satisfy the debt. Management believes this metric is helpful to investors in assessing the company's overall debt profile. Management has reduced adjusted debt by the amount of hedge margin receivable, which reflects cash posted to counterparties, as we believe this removes the impact of current market volatility on unsettled hedges and is a better representation of the continued progress made on debt initiatives.

(in billions)	<b>YEAR ENDED DECEMBER 31,</b>		
	<b>2009</b>	<b>2013</b>	<b>2014</b>
<b>DEBT AND CAPITAL LEASE OBLIGATIONS</b>	\$17.2	\$11.3	\$9.8
Plus: unamortized discount, net from purchase accounting and fresh start reporting	1.1	0.4	0.1
Adjusted debt and capital lease obligations	\$18.3	\$11.7	\$9.9
Plus: 7x last twelve months' aircraft rent	3.4	1.5	1.6
Adjusted total debt	21.7	13.2	11.5
Less: cash, cash equivalents and short-term investments	(4.7)	(3.8)	(3.3)
Less: hedge margin receivable	-	-	(0.9)
<b>ADJUSTED NET DEBT</b>	<b>\$17.0</b>	<b>\$9.4</b>	<b>\$7.3</b>

## AIRLINE SEGMENT FUEL HEDGE GAINS (LOSSES), EXCLUDING MTM ADJUSTMENTS

Delta excludes MTM adjustments from total airline segment fuel hedge gains (losses) because, as described above, excluding these adjustments allows investors to better understand and analyze Delta's costs for the periods reported.

(in millions)	<b>THREE MONTHS ENDED DECEMBER 31, 2014</b>
<b>AIRLINE SEGMENT FUEL HEDGE (LOSSES) GAINS</b>	<b>\$(2,146)</b>
Items Excluded:	
MTM Adjustments	\$1,966
<b>AIRLINE SEGMENT FUEL HEDGE (LOSSES) GAINS EXCLUDING MTM ADJUSTMENTS</b>	<b>\$(180)</b>

## FUEL EXPENSE, ADJUSTED

The table below shows the components of fuel expense, including the impact of the refinery and hedging on fuel expense. We then exclude MTM adjustments from total fuel expense because, as described above under the heading Pre-Tax Income, Net Income, and Operating Income, excluding special items, excluding these adjustments allows investors to better understand and analyze Delta's costs for the periods reported.

	<b>THREE MONTHS ENDED DECEMBER 31, 2013</b>	<b>THREE MONTHS ENDED DECEMBER 31, 2014</b>
(in millions, except per gallon data)		
Fuel purchase cost	\$2,823	\$2,394
Airline segment fuel hedge losses (gains)	\$(150)	\$2,146
Refinery segment impact	\$46	\$(105)
<b>TOTAL FUEL EXPENSE</b>	<b>\$2,719</b>	<b>\$4,435</b>
MTM adjustments	\$92	\$(1,966)
<b>TOTAL FUEL EXPENSE, ADJUSTED</b>	<b>\$2,811</b>	<b>\$2,469</b>

