

# ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

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# 2023 Report Includes Our 2022 Efforts and Data





# **About This Report**

This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements may be identified by words such as "may," "will," "expect," "aim," "intend," "anticipate," "believe," "estimate," "plan," "project," "could," "should," "hope," "likely," and "continue" and similar terms. Our actual performance or operational and financial results may vary materially from these statements or our projections due to a variety of reasons, including the Risk Factors identified in our Annual Report on Form 10-K and any subsequent quarterly reports on Form 10-Q, as well as, with respect to our ESG targets, goals, and commitments outlined in this reporting or elsewhere, socio-demographic and economic trends; energy and fuel prices; our access to and the availability of energy sources; technological innovations; climate-related conditions and weather events; legislative and regulatory changes; our ability to gather and verify relevant information, including data regarding environmental impacts, and the challenges, assumptions and other methodological considerations associated with such information; our ability to successfully implement various initiatives throughout the company under expected time frames, costs, and complexity; the compliance of various third parties with our policies and procedures and with legal requirements; our dependency on certain third parties to perform; and other unforeseen events or conditions. These factors are not necessarily all of the important factors that could cause actual results to differ materiality, and adversely, from those expressed in any of our forward-looking statements. Other factors could also have material adverse effects on our future results, including factors that are unknown to us. As such, readers should not place undue reliance on such forward-looking statements. We urge you to consider all of the risks, uncertainties, and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this report. There may be other factors that may affect matters discussed in forward-looking statements set forth in this Report, which factors may also cause actual results to differ materially from those discussed. We assume no obligation to publicly update any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these statements other than as required by applicable law.

Additionally, this report contains ESG-related statements based on hypothetical scenarios and assumptions as well as estimates that are subject to a high level of inherent uncertainty, and these statements should not necessarily be viewed as being representative of current or actual risk or performance, or forecasts of expected risk or performance. In addition, historical, current, and forward-looking environmental and social-related statements may be based on standards and metrics for measuring progress, as well as standards for the preparation of any

underlying data for those metrics, that are still developing and internal controls and processes that continue to evolve; while these are based on expectations and assumptions believed to be reasonable at the time of preparation, they should not be considered guarantees. Moreover, our disclosures based on any standards may change due to revisions in framework requirements, availability of information, changes in our business or applicable governmental policies, or other factors, some of which may be beyond our control. We may also rely on third-party information in certain of our disclosures, which involves certain important risks. For example, thirdparty information may change over time as methodologies and data availability and guality continue to evolve. These factors, as well as any inaccuracies in the third-party information we use, including in our estimates or assumptions, may cause results to differ materially, and adversely, from estimates and beliefs made by us or third parties, including regarding our ability to achieve our goals. While we are not aware of any materials flaws with the information we have used, except to the extent disclosed, we have not undertaken to independently verify this information or the assumptions or other methodological aspects underlying such information.

The events, scenarios, and efforts discussed in this report, including both forward-looking statements and other statements, may be significant; however, the inclusion of such statements is not an indication that these contents are necessarily material for the purposes of complying with or reporting pursuant to the U.S. federal securities laws and regulations, even if we use the word "material" or "materiality" in this document in relation to those statements or in other materials that we may release from time to time in connection with the matters discussed herein. Moreover, given the uncertainties, estimates, and assumptions required to make some of the disclosures in this report, and the timelines involved, materiality is inherently difficult to assess far in advance. In addition, given the inherent uncertainty of the estimates, assumptions, and timelines contained in this report, we may not be able to meet our plans, targets, or goals. Website and document references throughout this document are provided for convenience only, and their content is not incorporated by reference into this document unless expressly stated.

### External Assurance

We obtain third party verification of our greenhouse gas emissions on an annual basis. An external assurance statement for emissions can be found on page 64. Point B conducts our emissions verification and provides a limited level of assurance on our Environmental Statement of Greenhouse Gas (GHG) Emissions for reporting.



SkyWest, Inc. is the holding company for SkyWest Airlines, SkyWest Charter, and SkyWest Leasing. SkyWest Airlines operates over 515 aircraft connecting passengers to more than 240 destinations throughout North America. SkyWest Airlines operates through partnerships with United Airlines, Delta Air Lines, American Airlines and Alaska Airlines carrying more than 40 million passengers in 2022.

SkyWest is committed to providing information about our strategies and performance on the environmental, social, and governance (ESG) issues that are most important to our company and stakeholders. The 2023 ESG Report is a review of our efforts covering the period from January 1, 2022 to December 31, 2022. As SkyWest Airlines is the primary operating entity of SkyWest Inc., the content of this report centers around those operations. SkyWest Charter was formed in 2022 and is expected to begin operations in 2023. We first published a Corporate Responsibility Report in 2021 and this year's report is a continued expansion in our reporting as our ESG processes and commitments continue to develop.

At SkyWest, we understand and value the priceless commodity of time. We respect every individual's quality of life and are committed to promoting dignity and trust in all we do. SkyWest strives to be the Partner of Choice, the Employer of Choice, and the Investment of Choice. Shares of SkyWest, Inc. trade on NASDAQ under the ticker symbol SKYW. For additional information regarding our business and financial results, please refer to our 2022 Form 10-K and our Proxy Statement dated March 23, 2023, each as filed with the SEC. Additional information about SkyWest can be found at inc.skywest.com.





Report Includes Our 2022 Efforts and Data

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Learn more about SkyWest by visiting inc.skywest.com.



SkyWest Airlines operates flights under two types of code-share agreements: capacity purchase agreements and prorate agreements with our major airline partners:

UNITED 👧 🔺 DELTA 🧐 American Airlines 🔪

Alaska.

# **ABOUT THE SKYWEST AIRLINES BUSINESS MODEL**



# **Capacity Purchase Agreements (CPA)** (~86-90% of our fleet)

Our major airline partners contract with us to operate regional jet aircraft in their respective network system. More specifically, each major airline partner determines our flight schedules, sets the passenger fares, and sells tickets to passengers through their reservation systems, and we operate the flights under their respective marketing and operating standards. In return, our major airline partners pay us fixed fees to operate flights under the CPA, regardless of the number of passengers we carry. The major airline partner also arranges and pays for the fuel used on our capacity purchase flights.

### **Prorate Agreements** (~10-14% of our fleet)

As with our capacity purchase agreements, we operate flights using our major airline partners' ticketing and reservation systems. Under the prorate agreements, unlike our CPAs, the major airline partner remits to us the passenger fares collected on the prorate routes we operate, which may involve proration when passengers connect to our major partners' flights. We have more discretion on setting our flight schedules and passenger fares under our prorate agreements. On prorate flights, we arrange and pay for the fuel consumed.





The changing travel landscape amid the COVID-19 pandemic recovery created challenges and opportunities for the airline industry. The demand for travel outpaced industry efforts to ramp up production as workforce composition had been affected by the reduction in travel throughout the pandemic. Strong hiring by major airlines, low-cost carriers, and cargo air providers led to employee staffing imbalances. Employee shortages seen across the country were experienced here as well. These challenges also created opportunities for us as we adapted to changing conditions, market dynamics, and employee and customer needs.

Despite these challenges, we continued our ESG journey throughout 2022. We followed through on initiatives set in 2022 and expanded these by developing short and medium term ESG goals and targets. Throughout this report we will discuss steps taken, and our strategy to achieve our ESG priorities.



### At the highest level, our ESG priorities include:

- Monitoring and assessing climate-related risks and opportunities that may impact our business model
- Utilizing mechanisms to attract, retain, and offer growth opportunities for our employees
- Ensuring we have the governance structure and proper oversight to achieve these priorities

### **ESG Initiatives & Progress in 2022**

INITIATIVE	PROGRESS			
Continue to enhance our TCFD and SASB reporting framework and disclosures	<ul> <li>Set ESG goals and targets</li> <li>Expanded our analysis in numerous areas</li> </ul>			
Further develop our strategies and disclosures on climate-related risks related to physical, regulatory, operational, and market risks	<ul> <li>Utilized a third-party data analysis platform to enhance our climate strategy risk and opportunity evaluations</li> <li>Integrated scenario analysis into our TCFD disclosure</li> </ul>			
Monitor safety-related key performance indicators (KPIs) and implement safety initiatives to continuously improve the safety of our employees and passengers	<ul> <li>2022 employee injury rate finished 6% better than 2021 rate</li> <li>OJI safety action plan established with specific emphasis on reducing slip and fall injuries</li> </ul>			
Implement employee incentives and initiatives to enhance our ability to attract, retain, and provide growth opportunities for our diverse employees	<ul> <li>Significant pay investments in every major workgroup</li> <li>Continued efforts to enhance the recruitment and onboarding experience for new employees</li> <li>Renewed investments in management to enhance values-driven leadership</li> </ul>			

We collaborate with and seek feedback from our key stakeholders (including our investors, our major airline partners, our employees, government agencies and trade associations), to evaluate important ESG matters such as risks, strategies, and reporting. Our executive officers are responsible for ESG governance, including setting and monitoring our ESG strategy, goals, and targets. The SkyWest Board of Directors has oversight of our ESG performance and is briefed at least annually by executive leadership. Our ESG priorities are part of our company risk management, strategy, and financial planning considerations.

During 2022, we further developed our short and medium term ESG goals. We also expanded our climate risk analysis, including utilizing a third-party data analysis platform to better understand our potential risks and opportunities. With employee staffing emerging as a critical component to the sustainability of the organization, employee retention and recruitment efforts were a primary focus area. Our partnership with EVE Air Mobility continued to develop as we participated in various initiatives to assist in the development of electric vertical takeoff and landing (eVTOL) aircraft technology with the objective to provide an environmentally friendly urban transportation solution. We also continued to invest in our airline fleet, by adding new, larger regional jets that have a more efficient carbon footprint per Available Seat Mile (ASM).

### Short & Medium Term ESG Goals

GOVERNANCE	
Goal	Target Year
Maintain a corporate governance	
program aligned with evolving	Ongoing

SAFETY	
Goal	Target Year
Monitor safety-related key performance indicators (KPIs) and implement safety initiatives to continuously improve the safety of our employees and passengers	Ongoing
ENVIRONMENT	
Goal	Target Year
Electrify 50% of Airport Operations motorized ground service equipment (GSE) by 2025	2025
Develop relationships with Sustainable Aviation Fuel (SAF) vendors and coordinate with our major airline partners to support our medium-term SAF utilization goal	2025
Begin replacing 10% of jet fuel with SAF subject to availability, cost, and direction from our major airlines partners	2030
SOCIAL	
Goal	Target Year
Holistic evaluation for improvement	

in employee diversity, equity,

inclusion, and safety

### **Progress & Plans**

- · Benchmarked our governance practices compared to our major airline partners and guidelines from our large institutional shareholders
- Reviewed findings with the Board of Directors
- Continue to evaluate our processes to remain aligned with best practices

### **Progress & Plans**

- 2022 employee injury rate finished 6% better than 2021 rate
- · OJI safety action plan established with specific emphasis on reducing slip and fall injuries
- · Our Board's safety committee meets at least twice a year and reviews our safety metrics and performance

### **Progress & Plans**

- Goal established in 2022
- Identified target airports to transition to electric equipment
- · Plan to replace 44 gas-powered aircraft push backs and baggage tugs with electric GSE from 2023 to 2025
- Goal established in 2022
- · Met with our existing fuel providers to discuss SAF availability and opportunities
- Continue to evaluate supply and cost through ongoing discussions with our vendors and major airline partners
- Goal established in 2022
- Continue engagement with fuel suppliers and our major airline partners to pursue feasible SAF offtake opportunities

### **Progress & Plans**

Ongoing

- Leverage partnerships with various industry organizations to continue recruiting professionals from a vast array of cultural and ethnic backgrounds, abilities, and experiences
- Continue to evaluate market compensation for our operations personnel and our safety and training programs to our peers





# Safety System Overview

SkyWest Airlines' first Guiding Principle is Health and Safety First. The cornerstone of SkyWest's safety framework includes our Safety Management System (SMS), a systematic, proactive approach to identify hazards and utilize risk management to reduce workplace incidents and accidents. The framework includes four components:

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



### **SAFETY POLICY**

Commitment to safety from top leadership, supported by organizational policies that define how SkyWest conducts SMS



### SAFETY RISK MANAGEMENT

A systematic process to respond to hazards, assess risk, and control risk to acceptable levels

# Implementation and Outcomes of Our SMS

### Safety Governance

SkyWest Board of Directors – Safety Committee

- Oversees and consults with leadership on the safety and security of our customers, employees, and aircraft operations.
- Reviews current and proposed safety and securityrelated programs, policies, and compliance.
- Reviews issues that may have a material effect on our flight safety operations, security, and public health matters; establishes and approves annual safety and security goals.



**SAFETY ASSURANCE** 

Continuously measuring safety performance and identifying opportunities for improvement



### **SAFETY PROMOTION**

Communicating safety hazards and employee safety responsibilities to enhance individual safety ownership while fostering a positive Safety Culture

Our Safety Management System integrates an intentional safety culture into every workgroup and every employee process from new hire through retirement, focusing on industry-best practices in safety competencies and behaviors. Training is required for every SkyWest employee, regardless of position.

The system further supports SkyWest employees as they make decisions and proactively manage risks to address hazards that could lead to injuries, damages, or harm, and to promote safety as a constant focus. SkyWest's goal is to achieve world-class personal safety performance with the goal of all SkyWest employees to return home safely each day.



### **Safety Leadership and Culture**

SkyWest's culture starts with a dedicated executive leadership team and collaborative oversight from the Board's Safety Committee, which oversees our policies, practices, and performance related to safety, security, and public health. This collective effort puts the safety of our people and customers at the forefront of all business decisions and is embodied in SkyWest's Safety Management System (SMS), which provides critical safety leadership behaviors for operational teams.

### SkyWest SMS

SkyWest's SMS is a comprehensive, process-oriented approach to managing safety allowing employees to monitor, identify, and address health and safety issues through daily operational data. SMS includes an organization-wide safety policy; formal methods for proactively identifying, assessing, and controlling risks; systems for monitoring safety performance; and promotion of a safety culture. SMS allows for adjustments to be made to processes and procedures as necessary in an effort to address concerns before failures occur and to keep our people, customers, and assets safe. SkyWest's SMS plays a key role in ensuring integrity of operations, promoting a culture of safety, and providing a safe work environment for our employees and a safe travel experience for our customers.

The SkyWest SMS aligns with both the Federal Aviation Administration (FAA) and the International Civil Aviation Organization (ICAO) guidance and is in the Continuous Improvement implementation level. Additionally, the SMS has been audited by the International Air Transport Association's (IATA) Operational Safety Audit (IOSA) numerous times since its inception and has had no relevant findings.

### **Employee Safety**

We monitor company-wide On-the-Job Injuries (OJI) per 200K Employee Hours as a metric to evaluate the safety environment and training opportunities for our employees. Our OSHA Recordable OJIs for 2022 per 200K Employee Hours was 3.46, which was a 6% improvement from our 2021 performance in this area. We identified that flight attendant strains and turbulence injuries was a key contributor to our 2022 injuries. Data gathered and evaluated from our overall injury safety review resulted in the implementation of the following initiatives:

Flight Attendant strain reduction training was finalized.

A safety action plan was established in 2022 to reduce slip and fall injuries.



A hot aircraft cabin prevention action plan is in progress.





**CLIMATE AND ENVIRONMENT** 

# SkyWest is committed to:

- $\rightarrow$  Operating in an environmentally responsible manner, complying with all environmental laws and regulations, and using natural resources efficiently
- $\mapsto$  Reducing pollution where possible, and if not possible, then establishing mitigation programs to lessen environmental impact
- $\mapsto$  Engaging with external stakeholders to discuss commercially viable solutions to reduce emissions
- Collaborating with our  $\rightarrow$ major airline partners in their decarbonization goals associated with flights operating under our code-share agreements



# **Environmental** Governance

With the largest regional airline operation in the United States, SkyWest remains committed to, and understands, our responsibility to minimize our impact on the environment. SkyWest's Board of Directors has oversight of the company's climate-related risk evaluation and strategy, and environmental-related performance. Management, employees, and contractors are accountable for conducting our operation in an environmentally sustainable manner.

# **Corporate Governance**

### **Board Oversight**

The full SkyWest Board maintains responsibility for the oversight of climate risk and strategy. The Board reviews and evaluates the executive management team's climate risk and strategy assessment at least annually, and emergent environmental, social, and governance matters quarterly. In addition, management reports to the Board, at least annually, on progress towards goals and initiatives.

The Safety & Compliance committee maintains oversight over applicable climate-related operational risks and receives safety briefings semi-annually. Board direction and feedback are used by executive management in evaluating risk and establishing strategies.

### **Management Responsibilities**

Our executive officers are responsible for prioritizing climate risk assessment, which includes setting and monitoring our climate strategy. Management evaluates the impact of emerging technologies, regulatory changes, and market developments in determining climate risk assessment and strategies.

Climate-related responsibilities are dispersed throughout operational management. The Director of Safety oversees environmental compliance programs and sees that climaterelated risks impacting operational safety are managed and mitigated throughout the operational departments. In addition, the Director of Safety oversees the Executive Safety Brief where executive leadership is briefed on pertinent operational risk issues.

The Director of Flight Technology & Sustainability oversees technology-related emissions reduction initiatives and broader sustainability-related efforts. This role is also involved with decarbonization efforts across the aviation industry in collaboration with our major partners and other stakeholders.





Building on momentum in previous years, 2022 brought additional commitments and technological advancements to further the decarbonization of the airline industry. Notably, the International Civil Aviation Organization (ICAO) joined industry in committing to a net-zero carbon emissions goal by 2050. The agreement was determined at the ICAO 41st Assembly in Montreal and reflects increased urgency to align aviation with the Paris Agreement. This agreement is in addition to announcements in 2021 from the International Air Transport Association (IATA) and others also committing to net-zero carbon emissions by 2050.

Each of our major airline partners have publicly announced achieving net-zero carbon emissions by at least 2050. The United States recently published a plan which outlines the commitment to action, and steps needed to achieve net-zero emissions in the U.S. aviation industry by 2050. While various measures, such as aircraft technology and operational efficiencies, will be required to achieve net-zero, the use of drop-in sustainable aviation fuel (SAF) will be key. As outlined in the 2021 United States Aviation Climate Action Plan, "SAF produced from renewable and waste feedstocks will be critical to aviation's ability to meet the net-zero goal." The graphic below is taken from the United States 2021 Aviation Climate Action Plan and depicts how various measures can be combined to reach net-zero emissions, namely new aircraft technology including innovative propulsion technologies, operational efficiencies, and SAF. While each lever will be necessary and applied to different degrees depending upon specific operator needs and opportunities, SAF is anticipated to play a prominent role to reduce in sector emissions. The SAF industry is still in an early stage of development, although the SAF Grand Challenge announced in 2021, intends to increase SAF production to at least 3 billion gallons per year by 2030 in the United States.

### ANALYSIS OF FUTURE DOMESTIC AND INTERNATIONAL AVIATION CO2



Analysis conducted by BlueSky leveraging R&D efforts from the FAA Office of Environment & Energy (AEE) regarding CO2 emissions contributions from aircraft technology, operational improvements, and SAF

Source: United States 2021 Aviation Climate Action Plan, FAA, 2021

SkyWest is committed to working with our major partners and industry to achieve these collective emissions reduction targets. Fleet, fuel, and route decisions that impact our emissions footprint and efficiency metrics are made in coordination with our airline partners. These areas will require flexibility and collaboration as we adapt to partner needs while supporting their climate objectives.

Sources

Net-Zero Carbon Emissions by 2050, IATA Pressroom, Oct. 4, 2021

SAF Grand Challenge Roadmap: Flight Plan for Sustainable Aviation Fuel, Prepared by the U.S. Department of Energy, U.S. Department of Transportation, and U.S. Department of Agriculture, in collaboration with the U.S. Environmental Protection Agency, 2022 States adopt net-zero 2050 global aspirational goal for international flight operations, ICAO Newsroom, Oct. 7, 2022 United States 2021 Aviation Climate Action Plan FAA 2021



**ESG STRATEGY** 

# **Decarbonization Strategy**

## Commercial aviation inherently contributes to carbon emissions; however, a combination of greenhouse gas emission reduction efforts can make net-zero aviation a reality. Common themes discussed and currently being researched, invested in, and scaled up across the aviation sector to decarbonize include the following:

### **Operational Efficiency**

**Fleet Renewal** 

Sustainable Aviation Fuel (SAF)

Innovative Propulsion Technology (electric/hydrogen/hybrid)

Offsets and Market Measures

# **Operational Efficiency**

Because of the interconnected systems and relationships that aviation relies on, operational improvements occur within the broader environment of the aviation industry.

### A. Next Generation Air Transportation System (NextGen)

As described by the Federal Aviation Administration (FAA), "NextGen is the FAA's multibillion-dollar program to modernize the U.S. National Airspace System (NAS). Recognized as one of the most ambitious infrastructure projects in U.S. history, NextGen aims to increase the safety, efficiency, capacity, predictability, and resiliency of American aviation.

Rather than slightly upgrading an aging infrastructure, the FAA and its partners have implemented major new technologies and capabilities, which is leading to a new way of managing air traffic known as Trajectory Based Operations (TBO).

[The] modernization initiative enables a more flexible-yet robust and resilient-aerospace infrastructure expected to meet projected demand and support the administration's goals. With an eye to the future, NextGen efforts are ensuring the safe introduction of non-traditional users into aviation, such as with commercial space transportation and advanced air mobility.

NextGen comprises complex integrated and interlinked programs, portfolios, systems, policies, and procedures. NextGen has modernized air traffic infrastructure in communications, navigation, surveillance, automation, and information management. Within its scope are airport infrastructure improvements, new air traffic technologies and procedures, and safety and security enhancements.

NextGen improvements also help to reduce harmful emissions. Along with improving aviation operational efficiency, the FAA supports programs to facilitate sustainable aviation fuel uptake, and new aircraft and engines. [The FAA engages] with the public and shares noteworthy practices with the aviation community to accelerate the adoption of innovative technologies.

Through research and collaboration, NextGen is defining new standards and further advancing our global leadership in aviation. The FAA fosters international cooperation in evolving enhanced aviation technologies that improve airspace system safety and mobility."

www.faa.gov/nextgen www.faa.gov/about/office\_org/headquarters\_offices/ang/nac



### B. NextGen Advisory Committee (NAC)

To support advancement of NextGen priorities, the FAA outlines that the "objective of the NextGen Advisory Committee (NAC) is to provide independent advice and recommendations to the FAA and to respond to specific taskings received directly from the FAA. The advice, recommendations, and taskings relate to concepts, requirements, operational capabilities, the associated use of technology, and related considerations to operations that affect the future of the Air Traffic Management System and the integration of new technologies. In addition, the NAC recommends consensus-driven standards for FAA consideration relating to Air Traffic Management System modernization, which FAA adopt."

SkyWest has actively supported NextGen efforts for years, committing time and resources to advance and further NextGen initiatives. Our President and CEO, Chip Childs, has been the Chairman of the NAC since 2019. Under his leadership, the NAC navigated the challenges of COVID-19 and its incredible impact on the aviation industry and has continued to promote NextGen improvements to U.S. airspace management and modernization.



### **ESG STRATEGY**



### C. Performance-Based Navigation

SkyWest has been routinely conducting Required Navigation Performance Authorization Required (RNP AR) approaches since 2018 with our E175 fleet. The approaches not only have significant safety benefits, but also reduce both overall track miles and time spent level during the approach phase, which in turn reduces noise, fuel burn, and emissions.

RNP AR operations in Denver, Houston, and Los Angeles are three locations where the FAA has implemented Established on RNP (EoR) procedures, one of the NextGen airspace modernization initiatives. In 2022, we conducted nearly 7,200 RNP AR operations at just these three locations, saving us tens of thousands of track miles based on average distance savings. Depending on variables such as the weather, traffic volume, runways, and other approach procedures in use, conducting an RNP AR approach instead of a visual or ILS approach can save, on average, anywhere between 2 miles up to over 20 miles in some cases. These track mile reductions reduce total trip fuel burn and associated emissions. Even just saving a few miles per approach adds up quickly and amounts to significant costs savings and environmental benefits.

### **D. Fuel Savings Procedures**

In addition to fuel savings realized by airspace modernization and approaches requiring advanced avionics, we also save fuel through procedures such as single-engine taxi and idle reverse thrust landings. The procedures, used when practical, amount to significant fuel and emissions savings each year.



Enhancing our operational efficiency, and reducing our fuel burn where practical, is important to us as over 99% of our Scope 1 and Scope 2 emissions come from the combustion of jet fuel. In 2022, operational fuel savings procedures saved approximately 31,445 metric tons of carbon dioxide equivalent (CO<sub>2</sub>e). This is over 3 times the amount of emissions generated by electricity usage at all of our owned or leased facilities combined during the same year.

### **E. Fuel Savings Initiatives**

Evaluation of opportunities to reduce fuel burn within our operational and safety standards through targeted efforts to reduce cost-to-carry fuel.

Bi-annual training for our dispatchers and flight planners on fuel planning and fuel conservation.

> Maintaining a statistical contingency fuel (SCF) program to aid dispatchers and flight crews during fuel planning for each flight. The SkyWest SCF program analyzes specific route data, multiple historical data points, and year over year comparisons. By adhering to SCF for fuel planning, SkyWest reduces unnecessary fuel consumption and emissions associated with carrying excess fuel.

Source: FAA NextGen CY2022 EoR Metrics DEN, IAH, LAX, December 31, 2022

Collaboration with Air Traffic Control to promote efficient aircraft routing between airports when practical, which leads to conservation and reduction in emissions.



Monitoring fuel trends and making a concerted effort to increase fuel burn accuracy during flight planning.

When practical at the gate, utilizing ground power for our aircraft rather than on board auxiliary power units.









11.6







TOTAL



# **Fleet Renewal**

### SkyWest Fleet

As part of normal course fleet upgrades, SkyWest has made significant investments in new, larger regional jets in recent years that produce lower carbon emissions per ASM than our older CRJ200 jets. Investments made in new E175 aircraft over the last 4 years total more than \$1.4 billion and we plan to invest over \$100 million in new E175 aircraft and spare engines in the coming years.

At the beginning of 2019, SkyWest had 184 CRJ200s in scheduled service, compared to 136 at the end of 2022, a decrease of 48 aircraft, or 26% over four years. Similarly, over the same four-year period, we increased the number of our E175 aircraft from 146 to 236, an increase of 90 aircraft or 62%.

### AIRCRAFT AS OF DECEMBER 31, 2022

517



**ESG STRATEGY** 



# Sustainable Aviation Fuel (SAF)

SAF is non-fossil derived aviation fuel. The greenhouse gas (GHG) emissions associated with SAF under current GHG accounting methodologies are reduced relative to conventional jet fuel due to the life cycle emissions savings from the carbon absorption associated with feedstock growth or other upstream advantages over traditional fossil fuels. The chemical and physical characteristics of SAF are almost identical to those of conventional jet fuel and can be safely mixed with traditional jet fuel to varying degrees, use the same supply infrastructure, and do not require the adaptation of aircraft or engines.

SAF is a hydrocarbon fuel and thus emits carbon dioxide when combusted in the aircraft engine. The extent to which any particular SAF provides emissions reductions depends on the life cycle emissions profile, taking into account production, transportation, and combustion of the SAF, as well as indirect effects associated with these.



At each stage in the distribution chain, carbon dioxide is emitted through energy use by extraction, transport, etc.

### **CARBON LIFE CYCLE DIAGRAM: SUSTAINABLE AVIATION FUEL**



To become approved for use, SAF must meet certain specifications from ASTM International, formerly known as the American Society for Testing and Materials. Once it has demonstrated compliance with the requirements, it is blended up to 50%

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by volume (according to current standards) with conventional jet fuel and re-tested to show compliance. The reasons for the current blend limits are to ensure the In 2022, SkyWest conducted a thorough review of current fuel appropriate level of safety and compatibility with the aircraft use and procurement. Under our contract operations, which fueling systems, mainly due to the level of aromatics which are accounts for approximately 86-90% of our business model, necessary for the different systems. It is, however, likely that our major airline partners are responsible for purchasing higher blend limits will be approved in the future. Once a fuel and supplying the fuel we use. And as such, our emissions has been fully certified, it is recognized as jet fuel and can be associated with such fuel combustion are ultimately used without any restrictions. dependent on our major airline partners' decisions with Quantities of available SAF are extremely low relative to jet fuel regards to fuel procurement. In our prorate business, 10-14% of operations, we procure and purchase fuel. We engaged demand, although numerous investments and initiatives seek to change the SAF landscape in the United States and across with our existing prorate fuel providers to discuss existing and future SAF availability. the world. The SAF Grand Challenge is a U.S. government-

wide approach to work with industry to reduce cost, enhance sustainability, and expand production to achieve 3 billion gallons per year of domestic SAF production that achieve a minimum of a 50% reduction in life cycle GHG emissions compared to conventional fuel by 2030 and 100% of projected domestic aviation jet fuel use, or 35 billion gallons of annual production, by 2050. The focus on increasing domestic SAF supply recognizes that SAF offers a more rapidly deployable solution to decouple aviation's growth from associated carbon emissions as SAF can be blended with traditional fuel and deployed in existing infrastructure.

The SAF Grand Challenge requires fuels to reduce emissions by at least 50 percent of a life cycle basis compared to jet fuel and has workstreams and actions dedicated to increasing the emissions reductions possible from the production, blending, and distribution of SAF. Additional benefits are expected as some types of SAF reduce emissions that impact air quality and contribute to the formation of contrails, which also impacts climate change.

Sources:

Beginners Guide to Sustainable Aviation Fuel, ATAG, Ed. 3. November 2017 SAF Grand Challenge Roadmap: Flight Plan for Sustainable Aviation Fuel, Prepared by the U.S. Department of Energy, U.S. Department of Transportation, and U.S. Department of Agriculture, in collaboration with the U.S. Environmental Protection Agency, 2022



### Also in 2022. we established a goal to begin replacing



To achieve this goal, we will need to develop relationships with SAF vendors and coordinate with our major airline partners.





While SAF availability is extremely low and the cost is currently high, we will continue to evaluate our opportunities to support SAF development and offtake.



**ESG STRATEGY** 



# **Innovative Propulsion Technology**

### A. EVE Air Mobility Partnership

In 2021, SkyWest announced our role as a strategic partner in EVE Air mobility's 100% electric vertical takeoff and landing (eVTOL) aircraft. We have a long-standing relationship with Embraer, who is a major participant in EVE eVTOL aircraft development. Through the agreement, SkyWest has the option to acquire 100 four-passenger eVTOL aircraft, which are expected to be available sometime after 2025.

The partnership also includes an agreement to collaborate on network development and vehicle design and specifications. In 2022 we partnered with EVE on a number of initiatives, including an Urban Air Mobility (UAM) simulation in Chicago. The exercise simulated a complete operation and service touchpoints using helicopters to understand how Chicago Metropolitan area commuters will experience a quiet and sustainable (UAM) journey. The simulation included both ground and flight tests to gain knowledge about the infrastructure and ecosystem needed to enable the launch and expected long-term growth of UAM in Chicago. Teams from our Airport Operations and Flight Operations departments participated onsite and provided input and suggestions during pre-planning sessions.

We believe this partnership demonstrates our commitment to reducing environmental impact and look forward to developing the partnership as we advance our commitment to sustainable aviation.

### **B.** Alternative Propulsion

Alternative aircraft and engine technologies such as electric, hydrogen, and hybrid options are on the horizon. Electric aircraft up to 19 seats are planned for the later 2020s, and regional aircraft in the 2030s. Additionally, smaller aircraft with hybrid-electric propulsion are expected during this decade, with regional aircraft possibly in the 2030s. Advancements in hydrogen powered aircraft development has also increased in recent years, with potential commercial options for the regional market expected later this decade and into the 2030s.

Hydrogen, unlike fossil fuels or today's SAF, is a carbon-free fuel\* that can be used for propulsion in two ways. First, for combustion in conventional engines, replacing jet fuel, and secondly, in fuel cells as an electrical power source. Notably, the weight of hydrogen is three times lower than that of an amount of jet fuel with the same energy content, but its volume even in liquid (cryogenic) form is four times larger, which results in distinct fuel storage and capacity challenges.

While these alternative propulsion technologies are not as easy to transition to as SAF for several reasons, they offer the potential for significant emissions reductions.

"Hydrogen is referred to as carbon-free in this context as it does not produce carbon emissions when used as a fuel source; however, the ultimate carbon intensity of hydrogen depends on its production method.

Source: Waypoint 2050, ATAG, Ed. 2, September 2021

# Offsets and Market Measures

### **Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)**

Although we aim to reduce our emissions through operational and technological improvements, offsets may be necessary to address emissions that we cannot address by such means. One of the more significant developments for offsets in aviation is CORSIA. CORSIA is a global scheme to reduce emissions associated with international, though not domestic, flights through offsets from an International Civil Aviation Organization-approved list of offset programs.

SkyWest began participation in CORSIA in 2019 as part of the worldwide effort to reduce industry carbon impact. Each year we report our international emissions data. The scope of CORSIA is for international segments, which is a relatively small portion of SkyWest's operation. For example, in 2022 our international markets comprised less than 2.5% of our total flights.

We currently do not anticipate purchasing offsets as part of our emissions reduction strategy; however, to the extent necessary we would plan to procure such offsets from CORSIA-eligible programs.

Source: www.icao.int/environmental-protection/CORSIA





Source: Eve Announces First North American Urban Air Mobility Simulation in Chicago, EVE, Aug. 23, 2022



**ESG STRATEGY** 



# **Climate Risk Management**

Identifying and assessing climate-related risk is an important aspect of our overall risk management processes. The Director of Safety oversees environmental compliance programs and sees that climate-related risks impacting operational safety are managed and mitigated throughout the operational departments. Climaterisk management is integrated with our overall operational risk management processes.

Through our existing safety management system, operational risk related to environmental and social aspects is actively managed and mitigated. Each quarter, department leadership meets to review risk areas and performance data both within their respective departments and cross-departmentally via the Executive Safety Brief. The Executive Safety Brief includes attendees through senior leadership up to the executive level with key risk information discussed that drives operational enhancements and risk mitigation strategies.

# **Climate Strategy**

### The Task Force on Climate-related Financial Disclosure (TCFD) divides risks into two categories:

- 1. Risks related to the physical impacts of climate change, including from acute weather events and chronic changes to the climate that may present operational risk for companies.
- 2. Risks related to the transition to a lower carbon economy, including the policy, legal, technology, and market changes that may pose financial and reputational risk for companies.

Building upon last year's qualitative reporting, we have enhanced our analysis in this year's report. In 2022, SkyWest conducted its first climate risk scenario analysis with the intent of increasing our analysis of climate-related risks and opportunities by assigning a financial value to potential climate impacts to the business. As part of this process, we analyzed the asset value and associated emissions of our over 500 aircraft grouped by fleet and representative location. We also analyzed hangars and warehouses that we own or lease, and our headquarters facility.

In this analysis, we considered the potential physical and transition risks and opportunities of a "High Emissions," RCP8.5 (Representative Concentration Pathway), scenario which assumes that there is no major global effort to limit greenhouse gas (GHG) emissions, leading to high GHG concentration levels. This scenario estimates increases in global mean surface temperature of 3.2° to 5.4°C by 2100. We also analyzed a RCP4.5 scenario which implies coordinated action to limit GHG emissions to achieve a global temperature warming limit of approximately 2 degrees Celsius. It is a stabilization scenario where total radiative

forcing is stabilized before 2100 by employment of a range of technologies and strategies for reducing GHG emissions. Within this scenario itself, it is estimated that end-of-century increases in global mean surface temperature will be in the range of 1.7° to 3.2°C.

To conduct this analysis, we partnered with a third-party data analysis platform. The software platform integrates terabytes of climate and socioeconomic data on climate-related hazards, drives econometric models with hazard inputs and business data, and translates risk into financial terms to provide decision-relevant insights.

The methodology and outputs are designed to be aligned with the TCFD framework. We conducted an initial forwardlooking scenario analysis that focused on identifying and assessing the physical and transition climate-related risks and opportunities facing the company over the short, medium, and long term. This study utilized physical risk assessment models to measure the impacts of hazards including extreme temperature, drought, wildfire, water stress, coastal flooding, fluvial (river) basin flooding, and tropical cyclones, combined with a sophisticated understanding of the vulnerability of each type of asset to each type of hazard. The transition risk assessment included changing legal, regulatory, and market conditions, such as carbon pricing, legal liabilities and litigation, reputational risks, new technologies, and changing markets in the transition to a lower-carbon economy. The opportunities assessment incorporated resource efficiency, energy sources, products and services, markets, and resilience.

The following pages include an overview of our analysis utilizing the RCP4.5 scenario for the 2030 decadal period. These analyses are a simulation planning tool and should not be viewed as unavoidable costs or savings.



### **Fleet Climate Risk**

To assess the climate risk associated with our fleet of over 500 aircraft, we grouped aircraft by fleet and representative location to model our aircraft distribution across our operational system. The following locations were utilized for this analysis: ATL, DEN, DFW, DTW, LAX, MSP, ORD, PHX, SEA, SFO, and SLC. These locations represent our major hubs that our aircraft primarily operate from.

While aircraft are subject to climate physical risk, most notably temperature extremes, our business model allows flexibility to coordinate with our major airline partners on which locations we fly. Our aircraft assets are not tied to specific airports or locations, allowing us to adapt as necessary to climate impacts, though we may still be subject to intermittent disruptions due to acute events which are difficult to predict so far in advance.

In terms of transition risks, policy and legal in the form of carbon pricing potentially poses the most risk. The emissions associated with the operation of our aircraft could potentially be subject to costs through such mechanisms as carbon taxes or emissions trading. This is reflected in the climate risks and opportunities table later in this report.

### **Facility Physical Risk**

The results of our facility physical risk analysis is on page 33. The table shows our hangar and warehouse facilities with asset values greater than \$5 million and our corporate headquarters, which is home to our operational control center and our information technology center. Five warehouse/hangar cites were not included on this table. Although SkyWest operates in over 200 hundred cities across North America, our physical building assets that we own or lease are limited. Our climate physical risk exposure is much less than a traditional airline as the majority of our assets are not associated with specific airports or terminals under our flying contracts with our major airline partners.

For each site, we assessed the exposure and implications of the projected key physical hazards in the 2020s, 2030s, and 2050s based on the RCP4.5 scenario. None of the modeled physical risks associated with our facilities was projected to have a material adverse affect on our cash position. These assessments should not be viewed as an unavoidable assumed loss, but rather as a tool for us to develop a plan to minimize potential losses in the coming decades.





### HAZARDS



Wildfire<sup>3</sup>



Drought\*



Coastal Flooding\*



**FACILITY PHYSICAL RISK ANALYSIS** 

2030s	2050s
8	8
8	
	🗻 🚵
$\boldsymbol{\bigtriangleup}$	$\boldsymbol{\diamond}$
۵	$\diamond$
<u>A</u>	6
۵	6
$\boldsymbol{\diamond}$	$\diamond$
🛆 🗻	🗻 🙈
8	8



### **Climate Risks and Opportunities**

Utilizing a third-party data analysis platform, we analyzed 18 facility locations and considered the value and associated emissions of over 500 aircraft grouped into representative locations. While our maintenance and non-airport facilities are generally longterm geographic locations, our aircraft operate under contract with our major partners and are thus less susceptible to locationbased risks as we can move into new markets, or away from challenging markets, as directed by our major airline partners. As of December 31, 2022 we had approximately \$5.5 billion of property and equipment related assets, net of accumulated depreciation, and right-of-use assets of approximately \$151.9 million. These asset values, and their associated emissions, were the basis of the risk and opportunity analysis conducted.

The results shared below for our climate risks and opportunities are outputs of an RCP4.5 scenario. Applying this scenario implies coordinated action to limit GHG emissions to achieve a global temperature-warming limit of approximately 2 degrees Celsius. It is a stabilization scenario where total radiative forcing is stabilized before 2100 by employment of a range of technologies and strategies for reducing GHG emissions. Within the scenario itself, it is estimated that end-of-century increases in global mean surface temperature will be in the range of 1.7°-3.2°C. This range of global temperature increase is what is projected should the world meet the high end of targets for global average temperature increases laid out in the Paris agreement. The 2030 decadal period was chosen as it is close enough that the results are tangible and far away enough that we can coordinate action plans for our stakeholders.

The following tables outline the TCFD risks and opportunities modeled using the RCP4.5 scenario for the 2030s period. The physical and transition risk categories are shown, broken out by our two primary asset types, and each opportunity category is shown. Potential financial impact should not be viewed as an unavoidable assumed loss or an assumed gain, but rather as a tool for us to develop a plan to manage potential losses and identify opportunities in the coming decades.

<b>Risk</b> *	Cause of Financial Impact	Pote Aircraft	ntial Financia + Facility =	al Impact Total
Carbon Pricing	Policies and regulations that may impose a carbon price through such mechanisms as carbon taxes or emissions trading			
Temperature Extremes	Business interruption and increased cooling costs			
Wildfire	Business interruption			
Technology	New technology reduces competitiveness, production efficiency, or demand			
River Flooding	Business interruption			
Reputation	Negative perception affecting consumer demand, shareholder value, employee costs, and supplier costs			
Market	Supply and demand for products and services affected by a transition to a lower-carbon economy			
Coastal Flooding	Business interruption			
Litigation	Facing increasing costs associated with climate-related litigation			
Drought	Business interruption			

\*Tropical Cyclone and Water Stress hazards were evaluated but did not reflect a financial impact under the scenario and timeframe used for the analysis

Cause of Financial Impact	
Improve competitiveness amid shifting consumer and producer preferences	
Adaptive capacity to respond to climate change to better manage risks and seize opportunities	
Proactively seek opportunities in new markets or types of assets to be better positioned in a lower-carbon economy	
Potential energy savings from shifting to low emission energy sources	
Optimize costs by improving efficiencies and materials management	
	Cause of Financial Impact         Improve competitiveness amid shifting consumer and producer preferences         Adaptive capacity to respond to climate change to better manage risks and seize opportunities         Proactively seek opportunities in new markets or types of assets to be better positioned in a lower-carbon economy         Potential energy savings from shifting to low emission energy sources         Optimize costs by improving efficiencies and materials management

Relatively Higher Financial Impact Unfavorable

Favorable Relatively Lower Financial Impact Unfavorable Favorable

As we have outlined, TCFD divides climate-related risks into two major categories:

- Risks related to the transition to a lower-carbon economy 1
- 2 Risks related to the physical impacts of climate change

The tables below discuss the primary identified potential climate-related physical and transition risks and opportunities, regardless of materiality, in the applicable short term, medium term, and long term.

### **CLIMATE TRANSITION RISK**

Policy & Legal	
Details	<ul> <li>The risk from existing or future regulation related to c</li> <li>Increased pricing of GHG emissions</li> <li>Domestic aviation emission reduction targets a</li> <li>CORSIA</li> <li>Enhanced reporting requirements</li> </ul>
Potential Financial Impact	Domestic and international passenger related taxes a in general. Additionally, aircraft fuel procurement and fuel costs Implementation of new carbon taxes, fees or other po evaluated for financial impact and addressed with ou Potential decarbonization mandates or offset require significant future costs, as depicted in the table on pa Increases in fuel or GHG emissions costs associated fares would negatively impact our margins.
Management & Mitigation	Our major partners have the primary responsibility fo To the extent new policies and regulations result in in establishing contract rates with our major airline part If we incur cost increases from a new policy or regulator structure on our prorate routes intended to offset such o otherwise offset. With respect to CORSIA, our international markets were Our legal, environment, and finance teams work togethe We expanded our reporting in our 2022 report to further area as policies and regulations develop to strengthen o
Technology	
Details	The risk from transitioning to low-carbon technologie     Sustainable aviation fuel (SAF)     Innovative propulsion technology (electric/hyde
Potential Financial Impact	The transition to aircraft powered by alternative propr and may require a material capital investment to imp SAF is available, although at limited scale. All our airc related to fuel are largely the responsibility of our maj transition to SAF should have minimal financial impa- with SAF. We may incur additional fuel-related costs i contract operations. Technology developments that result in new regional demand and residual value of our current regional fle
Management & Mitigation	Our major airline partners select the aircraft type con- contract, and the financing term and the flying contra at the contract expiration. To the extent new regional coordinating demand with our major airline partners - certificate. We would consider acquiring and placing our current contract model. If our existing fleet is replaced in the future with new - existing fleet is significantly mitigated based on the fl All our aircraft can utilize SAF that is commercially av of the fuel used in our operations. In 2021, we entered into a partnership with EVE Air M industry on emerging technologies.



S	HORT TERM 2021-2025	MEDIUM TERM 2026-2035	
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climate change, which could include

and/or caps

and fees are the responsibility of our major airline partners under our flying contracts

(including fuel taxes) are the responsibility of our major airline partners under our CPAs.

olicy and regulatory costs that were not contemplated under our flying contracts, would be ur major airline partners, as applicable.

ements without low emissions alternatives to decarbonize the operation could result in age 34.

with our prorate operation that cannot be recaptured through an increase in passenger

or passenger related taxes and fees and for fuel procurement and costs under our CPAs. ncremental costs to SkyWest, we would factor the impact of the incremental costs when tners for new aircraft and for contract extensions.

ry changes associated with our prorate operation, we may increase the passenger fare costs or evaluate reducing our prorate operations if the increases are significant and cannot be

eless than 2.5% of our total flights in 2022, and primarily related to our flying contracts.

er and stay informed of possible regulations.

r align with TCFD and SASB frameworks, and we will continue to increase our analysis in this risk our reporting in future years.

MEDIUM TERM	
2026-2035	

es, such as:

drogen/hybrid)

ulsion, such as electric or hydrogen, suitable for our operation are not currently available plement in the future

craft are compatible with commercially available SAF today. Procurement decisions ajor partners and subject to transport constraints, therefore the short-medium term acts. In 2022, we set a SAF-related goal to begin replacing 10% of our overall jet fuel in our prorate operation, and we will coordinate with our major airline partners for our

I aircraft types in the future (including new engine types), could materially reduce the eet.

ntracted with us. In general, we will acquire and finance the new aircraft to be placed under act term are largely co-terminus, which reduces financing risk if aircraft are not extended l aircraft types are developed in the future with low-carbon technologies, we anticipate for the new aircraft type and would consider placing such aircraft on our operating the newly developed aircraft type under contract with our major airline partners, similar to

aircraft types with low-carbon technologies, the remaining financing cash flow risk on our flying contract term largely being co-terminus with the financing term

vailable today (up to 50% blend). However, our major airline partners purchase the majority

Mobility, an eVTOL initiative targeting urban transit. We will continue collaborating with



### **CLIMATE TRANSITION RISK**

Market			<b>MEDIUM TERM</b> 2026-2035		
	Public perception of air travel may impact future customer demand and behavior, which impacts our major airline partners.				
Details	Our major airline partners may rely less on their regional operators emerging technologies become available.	or may need their regional	l operators to transition to l	ow emission aircraft as	
	The potential financial impact resulting from a transition to a new re demand) is outlined in the Technology risk section and would apply	egional aircraft type in the ' in part to our market tran	future (whether driven by te sition risk.	echnology or market	
Potential Financial Impact	If passenger demand on existing regional aircraft is diminished due reason, our current fleet operating under flying contracts may not b	e to public perception, alter e extended and the aircrat	rnative modes of transporta ft may have limited residual	ation, or for any other Value.	
	We may be required to make significant future capital investment a aircraft type as a result of climate change demand. Adding a new a training costs, and other aircraft-related capital requirements such a	nd incur incremental cost ircraft type to our operatin as additional spare engine	s in the event we need to tra g certificate would likely re- es and other aircraft parts.	ansition to a new sult in additional	
	We continue to coordinate closely with our major airline partners regarding demand for the aircraft type we have under contract. In recent year we have reduced the number of older, less-efficient 50-seat aircraft we operate from 184 aircraft at the end of 2018 to 136 aircraft and the end of 2022.				
Realization & Management	We are monitoring emerging technologies, and have recently become an active partner in the development of alternative travel vehicles such as eVTOL aircraft.				
	Mitigating factors associated with the reduction in demand and residual value for existing fleet are outlined in the Technology Management & Mitigation section and would apply in part to this section.				
	Mitigation section and would apply in part to this section.	idual value for existing he	et are outlined in the Techn	ology Management &	
Reputation	Mitigation section and would apply in part to this section.		MEDIUM TERM 2026-2035	LONG TERM 2036 AND BEYON	
Reputation Details	Mitigation section and would apply in part to this section.         The risk of negative brand impact could include:         Public pressure to accelerate decarbonization efforts         Decreased demand for regional aircraft         Increased stakeholder concern		MEDIUM TERM 2026-2035	LONG TERM 2036 AND BEYON	
Reputation Details	The risk of negative brand impact could include: • Public pressure to accelerate decarbonization efforts • Decreased demand for regional aircraft • Increased stakeholder concern Our investors or other stakeholders may demand more aggressive :	sustainability goals and pr	MEDIUM TERM 2026-2035	LONG TERM 2036 AND BEYON	
Reputation         Details         Potential	Mitigation section and would apply in part to this section.         The risk of negative brand impact could include:         • Public pressure to accelerate decarbonization efforts         • Decreased demand for regional aircraft         • Increased stakeholder concern         Our investors or other stakeholders may demand more aggressive:         Our major airline partners may consider ESG profile and reputation extend or sign new agreements with us.	sustainability goals and pr	MEDIUM TERM 2026-2035	LONG TERM 2036 AND BEYON	
Reputation         Details         Potential         Financial Impact	<ul> <li>Mitigation section and would apply in part to this section.</li> <li>The risk of negative brand impact could include: <ul> <li>Public pressure to accelerate decarbonization efforts</li> <li>Decreased demand for regional aircraft</li> <li>Increased stakeholder concern</li> </ul> </li> <li>Our investors or other stakeholders may demand more aggressive: <ul> <li>Our major airline partners may consider ESG profile and reputation extend or sign new agreements with us.</li> </ul> </li> <li>Investors or other stakeholders may use voting rights or public preseregardless of our current business model and relationships with ou other emissions reduction initiatives, would negatively impact our findematical section.</li> </ul>	sustainability goals and pr in evaluating continued pa ssure to compel us to incu r major airline partners. Ex inancial results.	A contract of the second of th	Any issues, may not nitiatives and offsets, as carbon offsets, or	
Reputation Details Potential Financial Impact	<ul> <li>Mitigation section and would apply in part to this section.</li> <li>The risk of negative brand impact could include: <ul> <li>Public pressure to accelerate decarbonization efforts</li> <li>Decreased demand for regional aircraft</li> <li>Increased stakeholder concern</li> </ul> </li> <li>Our investors or other stakeholders may demand more aggressive: <ul> <li>Our major airline partners may consider ESG profile and reputation extend or sign new agreements with us.</li> </ul> </li> <li>Investors or other stakeholders may use voting rights or public preseregardless of our current business model and relationships with ou other emissions reduction initiatives, would negatively impact our fill Under our flying agreements, the passengers we carry purchase the the responsibility for marketing and passenger brand experience or</li> </ul>	sustainability goals and pr in evaluating continued pa ssure to compel us to incu r major airline partners. Ep inancial results. eir tickets through our maj n flights we operate under	A contraction of the second se	Any issues, may not nitiatives and offsets, or or airline partners take	
Reputation Details Potential Financial Impact Realization & Management	<ul> <li>The risk of negative brand impact could include:</li> <li>Public pressure to accelerate decarbonization efforts</li> <li>Decreased demand for regional aircraft</li> <li>Increased stakeholder concern</li> <li>Our investors or other stakeholders may demand more aggressive:</li> <li>Our major airline partners may consider ESG profile and reputation extend or sign new agreements with us.</li> <li>Investors or other stakeholders may use voting rights or public preseregardless of our current business model and relationships with ou other emissions reduction initiatives, would negatively impact our fill Under our flying agreements, the passengers we carry purchase the the responsibility for marketing and passenger brand experience or We are committed to working with our major partners and staying involution being transparent with our emissions and sustainability efforts.</li> </ul>	sustainability goals and pr in evaluating continued pa ssure to compel us to incu r major airline partners. Ex inancial results. eir tickets through our maj r flights we operate under lved with industry efforts to	A contraction of the end of the e	any issues, may not nitiatives and offsets, as carbon offsets, or or airline partners take are also committed to	

### **CLIMATE PHYSICAL RISK**

Acute		SHORT TERM 2021-2025	<b>MEDIUM TERM</b> 2026-2035	
Details	The risk of increasing severity of weather events.			
Potential Financial Impact	The compensation we receive under our flying agreements is significantly based on completing flights. Weather events that result in flight cancellations typically decrease revenue and can increase costs, depending on the severity and significance of the operational impact.			
Realization & Management	Our Operations Control Center effectively manages this risk today and regularly assesses the impact of this risk to prepare for increasing severity.			
Chronic			<b>MEDIUM TERM</b> 2026-2035	LONG TERM 2036 AND BEYOND
Details	The risk of longer-term changes in weather patterns.			
Potential Financial Impact	A combination of airport elevation and warmer temperatures may result in aircraft take-off and landing weight restrictions on certain flights we operate. Depending on these environmental factors and our flight profile, we may need to reduce the number of passengers we can carry on certain flights below full capacity. Limiting the number of passengers under our prorate operations may negatively impact our profitability. Limiting the number of passengers under our prorate operations may negatively impact our profitability. Limiting the number of passengers under our prorate operations may negatively impact our profitability. Limiting the number of passengers under our prorate operations may negatively impact our profitability. Limiting the number of passengers under our profitability overview on pages 32 and 33 regarding how our properties may be impacted by longer-term changes in weather patterns.			
Realization & Management	Our Operations Control Center effectively manages this risk today a increasing severity.	and regularly assesses the	impact of this risk to prepa	re for

### **CLIMATE OPPORTUNITIES**

Resource Effic	iency
Details	Reduce fuel consumption by continuing to modernize
Potential Financial Impact	Capital investment will likely be necessary to acquire Reduced fuel consumption/cost could benefit our pro of our E175 fleet and advanced avionics will enable u modernization initiatives.
	Our existing fleet modernization strategy is expected
Management	We collaborate with our major airline partners regard We also consider safety guidelines and operating per
Energy Resour	rces
Details	SAF is available now, although with very limited scale carbon regulation.
Potential Financial Impact	Our major partners are responsible for the vast major due to SAF, but the reduced emissions will add value.
	All our aircraft can utilize SAF that is commercially av
Realization & Management	We will collaborate with our partners on their fuel pro replacing 10% of traditional jet fuel with SAF by 2030 major airline partners.
Products & Se	rvices
Details	Partnering with our major airline partners to ensure w
Potential Financial Impact	Collaboration and alignment with our major airline pa
Realization & Management	Coordination with major airline partners on environm
Market	
Details	Considering aircraft weight and engineering, low emis aircraft types, including regional jets, initially.
Potential Financial Impact	Capital investment will be necessary for a new poten billion in cash and marketable securities. Low emission
	Continued engagement with alternative propulsion (e
Realization & Management	Our business model currently includes using our capi maintain a balance sheet that would continue to facil
Resilience	
Details	Continue to evaluate our network, facilities, and fleet emissions requirements.
Potential Financial Impact	As we further develop our resiliency plan, we intend to existing financial risk management processes by incl
	Our operational teams have processes in place to ma circumstances, and they have processes in place to r
Realization & Management	Our facilities are located strategically throughout the significant weather, or changing conditions.
	We will continue to engage with engine and aircraft n

SHORT TERM 2021-2025	<b>MEDIUM TERM</b> 2026-2035	

ze our fleet with more efficient aircraft and operational improvements.

e new assets or invest in operational improvements to improve resource efficiency. rorate operation and could be a pass-through benefit for our partners. Increased utilization us to save fuel and emissions through performance navigation and other airspace

to continue to reduce emissions and increase fuel efficiency.

ding our fuel efficiency programs with the objective of leveraging industry best practices. rformance when establishing fuel efficiency initiatives.

**MEDIUM TERM** 

. Increased utilization of SAF will lower jet fuel life cycle emissions and counters potential

prity of our fuel procurement and cost. Our prorate operation may see increased fuel cost . The future availability of SAF at market economics is uncertain.

vailable today (up to 50% blend).

ocurement on aircraft we operate under contract. In 2022, we adopted a SAF goal to begin . This will require establishing relationships with SAF vendors and collaboration with our

MEDIUM TERM	LONG TERM
2026-2035	2036 AND BEYOND

we support their environmental decarbonization goals.

artners may contribute to future contract awards with our existing major airline partners.

nental and strategies and initiatives.

MEDIUM TERM	LONG TERM
2026-2035	2036 AND BEYOND

ission or zero emission aircraft developments may be a potential replacement for smaller

ntial future aircraft type. As of December 31, 2022, we are well capitalized with over \$1 ion aircraft operations are expected to play a role in order to meet 2050 industry goals.

engine) manufacturers and our major airline partners.

pital for the purchase of new aircraft to be placed under flying contracts. Our objective is to ilitate using our capital for the purchase of new aircraft in the future.

t to adapt as needed to changing weather patterns, as well as evolving

to consider how our business continuity could be impacted. We also intend to improve luding climate impact considerations.

anage operational disruptions when cancellations occur due to weather or other manage our operations through varied climate conditions.

United States, making us less susceptible to wide-spread damage or impact from

manufacturers to evaluate the resiliency of our fleet.



# **Emissions Targets** and Disclosures

Approximately 86-90% of our fleet operate under Capacity Purchase Agreements.

Based on the economic factors within the contract flying model, our major airline partners take the responsibility for fuel procurement and cost on aircraft operating under our contract flying.

In this report, we have separated our contract flying fuel consumption and emissions from our prorate fuel consumption and emissions. We anticipate our major airline partners will take responsibility for aircraft fuel burn emissions incurred under our contract flying agreements. We collaborate with our major airline partners regarding their fuel emission initiatives on aircraft operating under flying contracts. Our aircraft fuel emission data included in this report is broken out to disclose our total emissions, as well as emissions specific to fuel consumed under our prorate agreements.

Because we report on jet fuel emissions from our entire fleet under Scope 1, we do not believe our Scope 3 emissions represent a significant portion of our emissions profile, and thus we do not currently report on Scope 3 emissions.

### **Scope 1 Jet Fuel Emissions**

Jet Fuel Emissions	Gallons (in MM)	Metric Tons CO2e	ASMs (in MM)	Metric Tons CO2e Per Million ASM	Average Stage Length
2022	559	5,472,821	24,876	220	493
2021	585	5,719,281	26,786	213	532
2020	420	4,106,930	19,535	210	500
2019	620	6,063,290	27,769	218	500

### PRORATE

Jet Fuel Emissions	Gallons (in MM)	Metric Tons CO2e	ASMs (in MM)	Metric Tons CO2e Per Million ASM	Average Stage Length <sup>*</sup>
2022	26	256,485	937	274	278
2021	43	421,236	1,614	261	309
2020	33	318,799	1,310	243	298
2019	48	465,022	1,715	271	307

### **TOTAL BY FLEET TYPE**

	+	Ŧ	ŧ	ŧ
2022	E175	CRJ900	CRJ700	CRJ200
Gallons (in MM)	303	50	120	86
Metric Tons CO2e	2,963,967	492,453	1,170,207	846,194
Metric Tons CO2e Per Million ASM	205	232	236	252
Average Stage Length <sup>*</sup>	564	422	495	381

\*Average stage length recalculated to align with other reporting methodology.

### **TOTAL FLEET**



### Scope 1 Jet Fuel Emissions (continued)

During 2022, passenger demand recovered; however, indirect factors associated with the recovery from COVID-19, such as employee attrition, particularly captain attrition, and other factors negatively impacted our operations resulting in a year-over-year decline in both flights completed and block hours flown. In 2020, flight counts, fuel burn, and emissions were impacted due to COVID-19 disruptions and significant schedule reductions.

The average stage length changes year-to-year based on route selections made by our major airline partners, which impacts the Metric Tons (MT) per Available Seat Miles (ASM) comparability. Additionally, seating configuration changes based on our partners' requests can result in higher MT per ASM (ex: E175s configured from 76 seats to 70 seats on some aircraft).

The seating configuration, average stage length, and aircraft age and/or avionics capabilities all impact the fleets' efficiency metrics. For example, our newer E175s are capable of advanced performance approaches that save time, fuel, and emissions. They also typically operate on longer stage routes and can seat as many or more passengers per flight compared to our dual class CRJ fleets.

From the beginning of 2019 to the end of 2022, SkyWest increased its number of E175s from 146 to 236, or by 62%. During the same period, we decreased the number of CRJ200s from 184 to 136, or by 26%. These transitions have kept the efficiency metric of MT of CO<sub>2</sub>e/ASM from increasing as much as overall stage lengths have decreased.

Aircraft		Pa	ssenger	Seating	Configu	rations			
E175	76 or 70	<b>F</b>	Ě	Ê	Ê	Ê	Ê	Ê	<b>F</b>
CRJ900	76 or 70	<b>F</b>		<b>F</b>					Ŕ
CRJ700	70, 69, or 65	<b>F</b>	<b>F</b>	<b>F</b>				<b>F</b>	
CRJ200	50	<b>F</b>	<b>F</b>	<b>F</b>		<b>F</b>			

### Scope 1 - Ground Support Equipment (GSE) and Maintenance Emissions

While most of SkyWest's Scope 1 GHG emissions are from the At the end of 2022, 46% of SkyWest's motorized GSE was combustion of jet fuel, motorized GSE, the equipment used at electric. Limitations on electric GSE includes the availability the airport to service aircraft between flights, and maintenance of electric alternatives and the airports' infrastructure for equipment contribute to SkyWest's Scope 1 emissions as well. charging. Our objective is to improve the mix of electric GSE, where practical and available. New GSE purchased is either electric or, where electric is not available or practical, diesel equipment whose engines meet the EPA Tier 4 emission standards.

Year	Diesel/Gasoline Gallons	Metric Tons CO2e
2022	361,444	3,440
2021	240,042	2,314

Note: Values are partially estimated based on total fuel cost and average weekly fuel prices by region

### SkyWest airport equipment that is predominately **ELECTRIC-POWERED**

includes:

- Baggage Belt Loaders
- Jetway Conveyors
- Potable Water, Lavatory, and Other Electric Carts

SkyWest airport equipment that is predominately

FUEL-POWERED

includes:

- Tugs
- De-ice Trucks
- Trucks and Other vehicles
- Ground Power Units
- Engine Air Start Units
- Heaters
- Forklifts

### **Scope 2 Emissions**

SkyWest's Scope 2 emissions include indirect emissions from the generation of purchased electricity to run our operations.

Year	kWH	Metric Tons CO₂e
2022	20,587,497	8,068
<b>2021</b> (revised)*	21,508,061	8,846

\*Emissions were recalculated due to an entry error in past reporting

In 2022, SkyWest began coordinating efforts with airports where we maintain GSE equipment regarding the potential transition to electric vehicles and infrastructure, and requested their interest in partnering with us to make necessary changes to support electric equipment. Feedback received from many of the airports was positive and we will update progress in transitions to electric equipment in future reports.



We plan to achieve this by replacing 44 gas-powered GSE with electric **GSE from 2023 through 2025.** 



Scope 2 purchased electricity includes leased and owned facilities. Facilities leased by our major airline partners on our behalf are not included. The amounts listed in the table include kilowatt-hours (kWH) that are directly billed to SkyWest and estimated kWH for indirect billed purchased electricity.

Our Scope 2 emissions decreased in 2022 compared to 2021 as we exited a number of prorate markets where we leased terminal space, thus reducing the total kWH used.



### **ESG STRATEGY**

### **Facility Initiatives**



We are utilizing upgraded software for more efficient heating and cooling HVAC systems at our headquarters. We maintain active initiatives to transition from florescent, incandescent, and halogen lighting to LED:



We have transitioned all lighting in parking areas to 100% LED. Headquarter building conversion to LED was 70% complete at the end of 2022.

### **O** HANGARS

We have transitioned all hangar lighting to LED in four large hangars.



### **O** HANGARS

These locations have smart, high-efficiency HVAC systems:

- **9** BOI Boise
- **BNA** Nashville
- **OKC** Oklahoma City

# **Additional Efforts to Reduce Environmental Impact**

We participate in the Building Performance Colorado program, where we report energy use for the Colorado Springs hangar. Building Performance Colorado (BPC) is a statewide program aimed at increasing energy efficiency and decreasing greenhouse (GHG) emissions in the building sector. The program was created as a result of the "Energy Performance For Buildings" Statute and is administered by the Colorado Energy Office (CEO). The goal of the BPC program is to help Colorado building owners to understand and track energy use from large buildings and reduce GHG pollution economy-wide.

# LED conversion equates to **15%** annual savings in electricity per year.

### HANGARS

Construction on the most recent three hangars included LED lighting and smart switching.



### **ESG STRATEGY**

### **Electronic Manuals**

SkyWest has worked aggressively to reduce our reliance on paper manuals, forms, and documents, reducing waste. We have converted all company manuals to electronic format, including converting all aircraft maintenance logs into electronic form, further eliminating waste while increasing efficiencies.

### Weight Reduction

Aircraft weight reduction programs include the use of **Electronic Flight Bags** by Flight Operations, the InFlight **eFAD**, and **Slimline** seating on our E175 aircraft fleet. Each seat is approximately 20 lbs. lighter than a standard seat and reduces the amount of fuel consumption of our E175 aircraft.

### Flight Deck Paper Waste Reduction

Electronic flight bags have been in use for several years at SkyWest, reducing both unnecessary weight and paper waste in day-to-day operations. Printers onboard the aircraft in the flight deck are necessary for safety critical information; however, strategic reduction of paper utilization is an ongoing initiative. Based on feedback from crewmembers in 2021, auto-print functions were adjusted reducing waste and saving expensive thermal paper.

### **Noise Reduction**

SkyWest actively participates in **noise abatement** air traffic procedures across the country.

### **InFlight Sustainability Initiatives**

In recent years, SkyWest's InFlight department partnered with a non-profit comprised of flight crew to increase sustainability awareness throughout cabin operations. They published an updated recycling guide and published sustainability-focused articles for a quarterly newsletter. These publications provide SkyWest flight attendants with practical knowledge they can use to minimize plastic waste and recover recyclable materials effectively.

Our major airline partners determine what materials are used for onboard service and decide whether to maintain a recycling program. SkyWest collaborates with our major partners to help increase our onboard recycling opportunities and reduce onboard waste.

In an effort to be more eco-friendly and sustainable, The Uniform Closet allows flight attendants to conveniently purchase gently used uniform items at a reduced price, and have them mailed right to their door.

# **Environmental Compliance | Clean Air and EPA Compliance**



SkyWest complies with, and is committed to exceeding where possible, the U.S. Environmental Protection Agency (EPA), Clean Air Act (CAA), Title 40 CFR Part 63.743 Protection of Environment Standards and programs specific to state regulations, programs, and measures.



SkyWest expects and assesses through established auditing procedures that vendors and suppliers have demonstrated their accountability and compliance to all state and federal standards, regulations, programs, and measures.





SkyWest has established management and accountability of its systems through documented standard practices regarding Clean Air Act Compliance, Discharge Response, and Dangerous Goods & Hazardous Materials. Responsibility and authority is documented and demonstrated through the organizational structure including the Director of Safety who is responsible for SkyWest environmental policies, procedures, and processes including review and update as appropriate.







In 2022, SkyWest celebrated its 50 year anniversary. While many things have changed throughout the years, the company culture and commitment to safety have remained steadfast. At SkyWest our people are our most valued assets, and the success of our business is dependent on having an engaged and effective workforce. We respect every individual's quality of life and are committed to promoting dignity and trust in all we do.

We strive to be the employer of choice for aviation professionals pursuing a career in the regional airline industry and we continually update our recruiting strategies to attract quality aviation professionals. We adapt our recruitment efforts based on the supply of eligible aviation professionals and our outlook for anticipated future flight schedules. In 2022 we responded to industry staffing challenges and increased pilot compensation to reduce pilot attrition and incentivize captain upgrades.

SkyWest invests in retaining its professionals by providing a range of talent development opportunities, including mandatory compliance training, new hire training and general professional development, as well as engaging in the training of leaders through leadership development courses.



**ESG STRATEGY** 

**HEALTH AND SAFETY FIRST** 

# **Guiding Principles**

### We embody a culture that shares common values based on seven Guiding Principles:



These Guiding Principles and policies help us to conduct business in an ethical and responsible manner, including a commitment to human rights and vigilance that human trafficking and modern slavery do not occur within SkyWest or our supply chain. SkyWest further demonstrates our Guiding Principles in our Company Code of Conduct which defines how we are to conduct business and key compliance policies that apply to our commitment to human rights and our interactions with each other as employees, customers, and business partners. The Board, with the assistance of the Audit Committee, is responsible for overseeing compliance with this Code of Conduct and commitment to human rights.

SkyWest employs a workforce with a wide array of backgrounds, work styles, and talents. Recognizing, appreciating, and incorporating these unique qualities and contributions is critical to our success. Operating this way stimulates creative solutions and innovation, helps us attract top talent, and supports our mission to be the employer, investor, and partner of choice. Certain of our labor contracts are collectively bargained through elected representative groups such as pilots, flight attendants, mechanics and dispatchers. SkyWest benefits in many ways from our commitment to diversity and inclusion, including:



We seek to reflect diversity and inclusion in our culture, practices, and relationships inside and outside the company. We continue building on those foundations through a number of efforts across every spectrum of the employee experience. This includes:



### HIRING

SkyWest finds leading, diverse talent through publishing all positions on both our internal and external career websites, supporting professional development leaves, investment in targeted advertising, social media outreach, employee referrals, and relationships with community based organizations and learning institutions.

### TRAINING



All employees are expected to promote diversity and inclusion by treating others with respect and creating a workplace where everyone is valued. All employees are required to complete diversity and inclusion training, where they learn the importance of seeing differences as an opportunity for learning, understanding, and collaboration. This training reaffirms our commitment to diversity and inclusion by ensuring every employee is familiar with the benefits of a diverse, inclusive team, and company policies that uphold this focus.

### **EMPLOYEE RECOGNITION**



Acknowledging and bringing together individual differences and distinct capabilities benefits our organization, our employees, and our customers. SkyWest has a long history of recognizing our people and the incredible work they do. SkyWest regularly amplifies those efforts through organic campaigns to feature employees' stories. We have created ongoing opportunities to highlight employees from different backgrounds and cultures throughout the year.



### **CAREER GROWTH & DEVELOPMENT**

SkyWest invests in **retaining the brightest talent** by providing a range of talent development opportunities, including mandatory compliance training, new hire training, and general professional development.

**ESG STRATEGY** 

**HEALTH AND SAFETY FIRST** 



# **Diversity and Inclusion**

Our people are our most valuable assets. We strive to embrace the individual differences and unique capabilities and talents of our workforce through diversity and inclusion policies and initiatives. This commitment to diversity and inclusion contributes to our overall culture and success.

SkyWest is an equal opportunity employer and is focused on encouraging and celebrating diversity and inclusion. We support and attend recruiting events hosted by several organizations in efforts to expand our diverse workforce including: Women in Aviation, Professional Asian Pilots Association, Organization of Black Aerospace Professionals, National Gay Pilot Association, Urban League Job Fair and other organizations. SkyWest has always taken steps to support diverse workgroups irrespective of race, religion, gender, national origin, disability, sexual orientation, or similar classifications, and believes that all people, regardless of their background, should have an opportunity to achieve their dreams.







**ESG STRATEGY** 



# **Slavery and Human Trafficking**

SkyWest condemns all forms of human rights abuses, including human trafficking and exploitation of children. SkyWest fully supports and respects the principles set forth in various modern slavery and anti-human trafficking laws, which are consistent with our Guiding Principles and commitment to be a force for global good. We take our responsibility as a global citizen seriously and are proud to continue taking action against human rights abuses.

### **Our Supply Chain and Supplier Due Diligence**

SkyWest is firmly committed to human rights and recognizes our social responsibility across all our operations, including where we depend on people outside of our organization. SkyWest's management professionals follow rigorous internal material standards for sourcing, procurement, and selection of our suppliers and business partners; including due diligence to uphold human rights such as to prevent and combat human trafficking and child exploitation. SkyWest has implemented a Vendor Code of Conduct, which forms an integral part of our vendor contracts. SkyWest utilizes senior manager review for third-party contracts, which includes the identification and coordination of these initiatives.

Our sourcing process defines how we work with suppliers to ensure that they are operating to our standards. This includes a due diligence process to screen all key suppliers and reduce the risk of negative impacts in our supply chain. Through our Vendor Code of Conduct, we hold our vendors to the same high standards we apply to ourselves.



### **Commitment to Human Rights** and Combatting Modern Slavery

SkyWest demonstrates our commitment to human rights and to combat modern slavery through our policies, the direct and strategic support of leadership, as well as training, employee participation, and committed industry leadership.

SkyWest condemns all forms of exploitation activities, including exploitation of children and human trafficking. SkyWest policy prohibits employees from participating in exploitation activities and prohibits the use of company computers, networks, phones, equipment, travel privileges, and facilities for exploitation activities. Employees who participate in exploitation activities will be subject to termination from employment. SkyWest requires that employees report to managers, supervisors, or local authorities, as appropriate, any passenger or employee believed to be engaged in exploitation activities.

For years, SkyWest has provided specific human trafficking awareness training to all frontline employees, including training on what to do if witnessing suspected indicators of trafficking either in flight or in the airport. This training includes Blue Lightning training, enabling them to spot indicators of possible training in airports and on flights. Blue Lightening Initiative (BLI) training - led by U.S. Department of Homeland Security, U.S. Customs and Border Protection, and the U.S. Department of Transportation, trains airline personnel to identify potential traffickers and human trafficking victims.



**ESG STRATEGY** 

**HEALTH AND SAFETY FIRST** 



SkyWest offers Leave of Absence options that meet or exceed the requirements of state and federal laws governing family and medical leave, pregnancy, military, and worker's compensation leave.







SkyWest Medical Leave (SMLA) is offered to eligible employees after Family and Medical Leave (FMLA) is exhausted or at any time when they do not qualify for FMLA. SMLA can be taken when an employee's expected time away from work is 14 days or longer and also on an intermittent basis. SkyWest also offers personal leave for up to 12 months to eligible employees who want to continue their education in preparation for added responsibilities with the company, want to accept temporary employment in federal, state, or local government or with an organization devoted to community service, or attend to personal matters for an extended period of time.

SkyWest supports career advancement and opportunity for all employees. In 2018, the company implemented a Professional Leave Program (PRO), allowing current employees to take a professional leave in order to pursue the necessary training and certifications to become a pilot, A&P mechanic, or airline dispatcher. Not only are employees encouraged and given the resources to succeed, but supervisors stay in regular contact to help monitor their progress and offer advice along the way. As a bonus, employees who want to participate in the PRO program are able to keep their seniority and may be eligible for additional financial incentives.





This includes contributions to and relationships with a number of reputable organizations, including but not limited to the following:







# Make-A-Wish

Strengthening **Our Communities** 

> SkyWest Airlines believes in contributing to the communities we serve by supporting charitable organizations and other reputable associations. Our primary focus is to improve these communities and their efforts to give back.

# American Red Cross













Spirit & Skyllest

**ESG STRATEGY** 

Grants are available for employees, eligible retirees, and eligible dependents who are facing an unforeseen and unavoidable crisis and do not have any other resources available to assist them. This may include natural or man-made disasters, criminal acts, and other unforeseen crises that render them unable to recover without assistance.

# **SOS: Crisis Fund Objectives/Mission**

Provide confidential, timely, short-term crisis relief to those in the SkyWest family needing basic assistance unavailable through other resources.

Seek ways to broaden charitable efforts that support SkyWest people in need.

Spirit of SkyWest Crisis Fund 501(c)3

> The SOS Crisis Fund is a non-profit, charitable organization that exists solely to help SkyWest people who are facing a severe hardship. Funds are contributed by SkyWest people for SkyWest people, and the SOS Crisis Fund's success is 100 percent dependent on the generosity of team members. Even the smallest contributions can make a big difference in the life of a co-worker affected by crisis.

Provide an avenue for SkyWest people to financially support each other through tax-deductible charitable contributions.

Provide coordinated, central support center for team members and leaders organizing charitable fundraising efforts.

Award grants fairly and consistently based on eligibility and need, without bias and distinctly separate from employment status.



**ESG STRATEGY** 

**HEALTH AND SAFETY FIRST** 

By hiring the best and training the best throughout the nation, SkyWest has been recognized in many ways:



2018, 2021, and 2022





SkyWest is full of exceptional people who work together every day to accomplish great things. Whether for impeccable quality, top training, and reliability, or a team of the best professionals in the industry, SkyWest continues to receive accolades.

# glassdoor



# **TOP 50 WINNER**



**President & CEO Chip Childs** 

- Awarded CEO of the Year Honoree in 2023
- Awarded CEO of the Year in 2020

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX			SUSTAINABILITY ACCOUNTING
Disclosure Focus Area	TCFD Recommended Disclosure	Reference to Disclosure in this Report	Disclosure Focus Area
	GOVERNANCE		GREENHOU
	Describe the board's oversight of climate-related risks and opportunities.	Environmental Governance	Gross global Scope 1 emissions
climate-related risks and opportunities.	Describe management's role in assessing and managing climate-related risks and opportunities.	Environmental Governance	Discussion of long-term and short-term strategy or plan to manage Sco emissions, emissions reduction targets, and an analysis of performance those targets
	STRATEGY		(1) Total fuel consumed, (2) percentage alternative, (3) percentage susta
	Describe the climate-related risks and opportunities the organization has identified over the short medium and long term	Climate Strategy	LABO
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Climate Strategy	(1) Number of work stoppages and (2) total days idle
planning where such information is material.	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate Strategy	COMPET Total amount of monetary losses as a result of legal proceedings assoc anti-competitive behavior regulations
	RISK MANAGEMENT		ACCIDENT & S
	Describe the organization's processes for identifying and assessing climate-related risks.	Climate Risk Management	Description of implementation and outcomes of a Safety Management S Safety Risk Assessments Facilitated: 457 Hazards Identified: 96*
Disclose how the organization identifies,	Describe the organization's processes for managing climate-related risks.	Climate Risk Management	Percentage of Risks Mitigated: 100%** Number of aviation accidents***
assesses and manages climaterelated lisks.	Describe how processes for identifying, assessing and managing climate-related risks	Climate Risk Management	Number of governmental enforcement actions of aviation safety regulat
	risk management.		SASB AC
	METRICS AND TARGETS		Available seat miles (ASM)
	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk	Emissions Targets and Disclosures	Passenger load factor
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	management process.		Revenue passenger miles (RPM)
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks.	Emissions Targets and Disclosures 🛛	Revenue ton miles (RTM)****
	Describe the targets used by the organization to manage climate-related risks and opportunities	Emissions Targets and Disclosures	Number of departures
	and performance against targets.		Average age of fleet

Time period for data provided is calendar year 2022. SkyWest uses miles for our operational data reporting, rather than kilometers as in the SASB metrics.

\* In our 2022 report (2021 data), we reported the number of hazards identified as 544. This was the total number of hazards identified by the SMS program since August 7, 2018. Hazard data included in the table above is for calendar year 2022.

\*\* All hazards requiring mitigation by our SMS were mitigated during 2022. Some hazards were already mitigated as low as reasonably practical and did not require additional mitigation. Our proactive/reactive safety risk assessment ratio was 88% proactive compared to 12% reactive assessments. This means most of the identified hazards were mitigated prior to implementation of a new process or procedure.

\*\*\* An accident is defined according to ICAO in Annex 13 – Aircraft Accident and Investigation as an occurrence associated with the operation of an aircraft that takes place between the time any person boards the aircraft with the intention of flight until such time as all such persons have disembarked, in which conditions (a), (b), and/or (c) are met. a) A person is fatally or seriously injured as a result of: being in the aircraft; direct contact with any part of the aircraft, including parts which have become detached from the aircraft, or direct exposure to jet blast. Except when the injuries are from natural causes, self-inflicted or inflicted by other persons, or when the injuries are to stowaways hiding outside the areas normally available to passengers and crew.

- c) The aircraft is missing or is completely inaccessible.

\*\*\*\* Weight, in tons, of paying passengers (estimated 100kg per passenger including luggage) multiplied by distance traveled. Revenue generating cargo not included.

CCOUNTING STANDARDS BOARD (SASB) INDEX					
ea	Disclosure or Reference to Disclosure in this Report				
GREENHOUSE GAS EMISSIONS					
	Emissions Targets and Disclosures				
an to manage Scope 1 sis of performance against	Emissions Targets and Disclosures				
) percentage sustainable	(1) 560 million gallons, (2) 0%, (3) 0%				
LABOR PRACTICES	;				
ve bargaining agreements	89.6%				
	(1) 0, (2) 0				
COMPETITIVE BEHAVIOR					
roceedings associated with	\$0				
ACCIDENT & SAFETY MANA	GEMENT				
ety Management System	Safety System Overview				
	0				
tion safety regulations	0				
SASB ACTIVITY METR	ICS				
	24,876 (millions)				
	83.4%				
	20,651 (millions)				
	2,065.1 (millions)				
	739,388				
	11.6				

b) The aircraft sustains damage or structural failure which: adversely affects the structural strength, performance, or flight characteristics of the aircraft; and would normally require major repair or replacement of the affected component. Except engine failure or damage when the damage is limited to the engine, its cowlings, or accessories, or for damage that is limited to propellers, wing tips, antennas, tires, brakes, fairings, small dents or puncture holes in the aircraft skin.

### point**b**.

### POINT B INDEPENDENT ASSURANCE REPORT RELATING TO SKYWEST'S GHG EMISSIONS ASSERTION FOR CALENDAR YEAR 2022

This Report has been prepared for SkyWest, Inc. in accordance with our contract and is intended for the readers of SkyWest's greenhouse gas (GHG) emissions statement for calendar year (CY) 2022.

### TERMS OF ENGAGEMENT

Point B was commissioned by SkyWest, Inc. to provide independent assurance on its Scope 1 and Scope 2 GHG Emission assertion for CY 2022 (January 1, 2022 - December 31, 2022). against the assurance criteria below using Point B's verification procedures.

- Our assurance engagement covered SkyWest's activities from assets owned or controlled by the company, specifically evaluating for completeness, the reasonableness of assumptions and calculation methods used, and limitations of data for the selected scopes and related activities listed below:
- + Direct Scope 1 GHG Emissions Jet fuel combustion, GSE and Maintenance
- + Indirect Scope 2 GHG Emissions Purchased electricity, location based • Verifying conformance with the GHG Protocol Corporate Accounting and Reporting Standard, developed by the World Resources Institute & World Business Council for Sustainable Development<sup>1</sup>

Point B is independent of SkyWest. Point B has no conflicts of interest and are impartial reviewers of the company's GHG data. This report is solely intended for the use of SkyWest.

SkyWest's responsibility is collecting, aggregating, analyzing, and presenting all the data and information within the GHG inventory and maintaining effective internal controls over the systems from which the emissions assertion is derived. Ultimately, the GHG inventory has been approved by, and remains the responsibility of SkyWest.

### POINT B's OPINION

Based on Point B's approach, we believe that SkyWest has, in all material respects: + Met the requirements above and disclosed accurate and reliable performance data.

The opinion expressed is formed based on the materiality of the professional judgment of the verifier. Further observations, findings, and opportunities for improvement can be found in the Issue Log.

https://ghgprotocol.org

### point **b**

### Table 1. Summary of SkyWest Scope 1 Emissions for CY2022:

Scope 1 GHG Emissions Categories	Quantity (Metric Tons CO2e)
Emissions from Jet Fuel (total fleet)	5,472,821
Emissions from GSE and MX Fuel	3,440
Total	5,476,261

### Table 2. Summary of SkyWest Scope 2 Emissions for CY2022:

Scope 2 GHG Emissions Categories	Quantity (Metric Tons CO2e)
Purchased Electricity	8,068
Total	8,068

### POINT B's APPROACH

Point B's assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence-gathering process for this assurance engagement:

- + Interviewing relevant data managers/ analysts responsible for evaluating and managing GHG emissions data and records; and
- + Reviewing SkyWest's data handling procedures, rolled-up data and activity-specific evaluations shared with Point B to confirm that there were no significant errors, omissions, or misstatements.

### POINT B's STANDARDS, COMPETENCE, & INDEPENDENCE

Point B ensures the selection of appropriately qualified individuals based on their qualifications, training, and experience. The outcome of all verification assessments is then internally reviewed by peers to ensure that the approach applied is rigorous and transparent.





Dated: March 21, 2023





# ÷. GIO

**66 OUR PHILOSOPHY IS SIMPLE**: ETHEB **REGARDLESS OF RACE** H **DISABILITY. SEXUAL ORIENTATION OR SIMILAR CLASSIFICATIONS. EVERY EMPLOYEE BRINGS** ED) EXPERIENCES TO OUR COMPANY. ㅋㅋ **ER** 3 MAKE US THAT MUCH BETTER -IIEV/ NG EACH HAVE IN COMMON: ITMEN CELLENCE. 99

Chip Childs



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# ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

https://inc.skywest.com/ESGReport

