

# Corporate Kuleana

2021 ANNUAL SUSTAINABILITY  
REPORT TO STAKEHOLDERS





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# Corporate Kuleana



## Persevering and emerging stronger

2020 tested Hawaiian Airlines like never before – that’s a bold statement coming from a company in its 92nd year of service. We entered the year eager to build on a banner 2019: we had welcomed 11.8 million guests, remained the nation’s most punctual airline, renovated our Hawai’i airport lobbies, unveiled a new mobile app to make travel easier, continued to reduce our carbon emissions, and began preparing to introduce an even more fuel-efficient fleet.

We also started 2020 in a strong financial position, poised to grow the business and bring our award-winning ho’okipa (hospitality) to more destinations. Instead, the COVID-19 pandemic compelled us to fight for our survival. A quarantine imposed by the state of Hawai’i for travelers to and within the islands, along with international border restrictions, wiped out demand across our network, forcing us for a period of time to suspend a majority of our routes, ground most of our aircraft, and – by far the most heartbreaking consequence – furlough approximately one-third of our workforce.

Yet, as I reflect on this extremely difficult period, I am energized and inspired by the resilience of my colleagues who persevered through these challenges by focusing on our purpose to Connect People with Aloha.

The global crisis underscored the indispensable role Hawaiian Airlines plays in keeping our islands connected. We were honored to provide more than 600 complimentary flights to medical professionals delivering care statewide, and transport essential workers who maintained critical infrastructure. We ran all-cargo flights to keep goods flowing to our communities and leveraged partnerships to help sustain local businesses that rely largely on visitor demand. Our Team Kōkua employee volunteers donated approximately 6,500 hours to nonprofits and community organizations in 2020, ranging from Hawaiians’ Kōkua our Schools program to various food drives, and more recently, vaccination clinics for our kūpuna (senior citizens).

We also innovated to keep our guests, employees and community safe. When Hawai’i began welcoming back travelers who could provide a negative COVID-19 test, we became the first U.S. airline to establish a network of dedicated drive-through testing sites near our key gateway airports. We enhanced disinfection throughout our operations and adopted an in-flight face covering policy as an added layer of protection in our cabins, which were already extremely safe by virtue of their built in airflow and filtration systems.

Today, as our second annual Corporate Kuleana report demonstrates, we are rising from this crisis not only with renewed optimism but as a better, more sustainable airline for our guests, our employees and the planet. Among our Environmental, Social and Governance (ESG) priorities, we have committed to achieving net-zero carbon emissions by 2050, a target we endeavor to reach through ongoing fleet investments, more efficient flying, carbon offsets, and industry advocacy for air traffic control reform and sustainable aviation fuel development and proliferation. This goal adds to our existing pledge to cap international emissions at 2019 levels. We have a long way to go on our journey, and we intend to improve our climate-related disclosures in future reports by further outlining strategies, intermediate targets and our progress toward our 2050 goal.

Our commitment to sustainability also extends to being a responsible member of our island community. We support the safe reopening of our state’s economy by balancing economic opportunities for our kama’āina (residents) with responsible tourism that preserves our culture and environment.

Lastly, the extraordinary impact of the pandemic on our business has not diverted us from our responsibility to address another crisis: racial and social injustice. As leaders in our community, our voice matters, and we will speak out on social issues that concern us and stand in conflict with our values. We can always do better, and we are re-examining our practices to ensure Hawaiian Airlines remains a diverse, inclusive, equitable and desirable place to work, and where every team member is respected, valued and supported.

As we progress through 2021, I am incredibly proud of our team’s accomplishments in the face of extreme adversity and encouraged for our future. The deployment of effective vaccines is enabling more states and countries to reopen, unlocking pent-up demand for travel – particularly domestic, leisure flying – that is already materializing in Hawai’i, a popular destination focused on safety. As the hometown carrier exclusively dedicated to meeting the needs of visitors and kama’āina traveling to, from and within our islands, we are excited to welcome more guests onboard, bring our warm hospitality to new markets and emerge from the pandemic stronger and more successful than ever before.

Mahalo

Peter Ingram  
President and CEO



Grounded aircraft were a symbol of the economic and social disruption brought on by COVID-19. The pandemic affected our business in unprecedented ways, forcing us for a period of time to suspend most of our routes.







# Resiliency and sustainability during the COVID-19 pandemic

The COVID-19 pandemic's unprecedented impact on the airline industry was even greater for our company as a result of the state of Hawai'i's enactment of a 14-day quarantine for transpacific arrivals to the islands in March 2020 and interisland travelers in April 2020. Strict state and county travel restrictions dramatically suppressed demand on every route we fly.

Despite an uptick in demand during the fourth quarter of 2020 with the launch of Hawai'i's pre-travel testing program to exempt travelers from quarantine, Hawaiian Airlines ended 2020 with a \$2 billion year-over-year decline in revenue (-70.2%) after operating 50,910 fewer flights (-52%) and carrying 8.4 million fewer passengers (-71.4%) than the year before.

As Hawaii's biggest and only locally based major carrier, and one of its largest employers, prior to the pandemic we generated an estimated [\\$9 billion economic benefit](#) to the state by driving tourism, employing residents, delivering goods and services, and investing in our communities. It was, therefore, unsurprising to observe the correlation between the pandemic's sudden impact on our business and the ensuing swift shock to Hawaii's economy, which has endured the nation's highest unemployment rate.

Preserving financial resources, supporting our employees and safely providing essential services to our communities became our primary areas of concern during 2020. We also stayed focused on our sustainability initiatives, as we view them as integral to our recovery as Hawaii's destination airline. This year, we again aligned our Corporate Kuleana report with the Sustainability Accounting Standards Board's (SASB) accounting standards for the commercial aviation sector, which cover Greenhouse Gas Emissions, Labor Practices, Competitive Behavior, and Accident and Safety Management. (See Table 1)

As indicated in last year's report, we remain engaged with the Hawai'i Sustainability Business Forum and Hawai'i Green Growth in developing additional Hawai'i-specific ESG metrics aligned with the United Nations Sustainable Development Goals. We are measuring our progress via the public [Aloha+Challenge dashboard](#).



## Sustainability Accounting Standards Board – Airlines

**Table 1. Sustainability Disclosure Topics and Accounting Metrics**

Topic	Accounting Metric	Category	Unit of Measure	Code
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tons (t) CO <sub>2</sub> -e	<a href="#">TR-AL-110a.1</a>
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	<a href="#">TR-AL-110a.2</a>
	(1) Total fuel consumed, (2) percentage alternative, (3) percentage sustainable	Quantitative	Gigajoules (GJ), Percentage (%)	<a href="#">TR-AL-110a.3</a>
Labor Practices	Percentage of active workforce covered under collective bargaining agreements	Quantitative	Percentage (%)	<a href="#">TR-AL-310a.1</a>
	(1) Number of work stoppages and (2) total days idle	Quantitative	Number, Days Idle	<a href="#">TR-AL-310a.2</a>
Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Reporting Currency	<a href="#">TR-AL-520a.1</a>
Accident & Safety Management	Descriptions of implementation and outcomes of a Safety Management System	Discussion and Analysis	N/A	<a href="#">TR-AL-540a.1</a>
	Number of aviation accidents	Quantitative	Number	<a href="#">TR-AL-540a.2</a>
	Number of governmental enforcement actions of aviation safety regulations	Quantitative	Number	<a href="#">TR-AL-540a.3</a>

**Table 2. Activity Metrics**

Activity Metric	2020	Code
Available seat miles (ASMs) '000s	7,560,486	TR-AL-000.A
Passenger load factor	60.5%	TR-AL-000.B
Revenue passenger miles (RPM) '000s	4,576,623	TR-AL-000.C
Revenue ton miles (RTM) '000s	583,085	TR-AL-000.D
Number of departures	47,012	TR-AL-000.E
Average age of fleet	10.9 years	TR-AL-000.F

# Protecting our environment

As an energy intensive business headquartered on an isolated archipelago in the Pacific Ocean, we recognize both our contributions to climate change and the risk it poses to our airline, our natural resources and the communities we serve, and we strive to continuously reduce our environmental impact.

Improving our fuel efficiency is the most impactful way we can reduce our carbon emissions and address climate change – the effects of which are already evident in Hawai‘i, including threats of coastal erosion and flooding, ocean acidification and coral bleaching, more severe drought and increased storm activity.

Thanks to a Fuel Efficiency Campaign we officially launched in 2015, Hawaiian Airlines has been lowering jet fuel burn by an average of approximately 8.5 million gallons annually, equal to removing more than 16,000 cars off the roads each year through 2019. In 2020, while our flying and emissions were significantly curtailed, we maintained our focus on fuel conservation programs in our air and ground operations.

## Greenhouse gas emissions (TR-AL-110a.1)

As a result of the COVID-19 pandemic, in 2020 Hawaiian Airlines decreased Available Seat Miles (ASMs) by 63.3% and Revenue Passenger Miles (RPMs) by 74.3% compared to 2019. Our CO<sub>2</sub> greenhouse gas emissions (GHG) dropped commensurately by 60.7%.

In analyzing year-over-year changes in our GHG data, we note that between April and December of 2020, we operated many flights with very few passengers to provide essential connectivity to the islands and in addition, we boosted cargo-only services during the pandemic by operating 688 flights with our wide-body Airbus A330 aircraft solely to carry goods between Asia, the U.S. mainland and Hawai‘i. All-cargo flights are included in our fuel and emissions figures but excluded from our ASM or RPM figures because no passengers were transported. The abnormally low passenger count and significant increase in cargo-only flying due to the pandemic in 2020 resulted in a year-over-year increase in CO<sub>2</sub> emissions intensity when measuring emissions per RPM or ASM as shown in Table A.

**Table A**

Includes passenger and cargo-only flights	2019	2020	% Change
In '000s, except as otherwise indicated			
ASMs	20,596,711	7,560,486	-63.3%
RPMs	17,826,887	4,576,623	-74.3%
Gallons of jet fuel consumed	270,001	106,225	-60.7%
Emissions	2,598,397	1,022,273	-60.7%
tCO <sub>2</sub> e/RPM (000,000)	146	223	53.2%
tCO <sub>2</sub> e/ASM (000,000)	126	135	7.2%

After adjusting our fuel consumption figures to remove cargo-only flying, our data shows that we reduced CO<sub>2</sub> emissions intensity per ASM year-over-year by 2.1% as shown below. This improvement was primarily driven by the increase in fuel-efficient A321neo flying as a percentage of total passenger operations, as compared to 2019.

**Table B**

Excludes cargo-only flights	2019	2020	% Change
In '000s, except as otherwise indicated			
ASMs	20,596,711	7,560,486	-63.3%
RPMs	17,826,887	4,576,623	-74.3%
Gallons of jet fuel consumed	269,787	96,950	-64.1%
Emissions	2,596,333	933,009	-64.1%
tCO <sub>2</sub> e/RPM (000,000)	146	204	40.0%
tCO <sub>2</sub> e/ASM (000,000)	126	123	-2.1%



## Energy efficiency and carbon reduction strategy [\(TR-AL-110a.2\)](#)

In March 2021, Hawaiian Airlines and all other members of Airlines for America [announced a goal](#) to achieve net-zero carbon emissions by 2050. This ambitious target builds on our strong record of providing safe, reliable and efficient passenger and cargo transportation while minimizing our industry's collective carbon footprint, which today stands at approximately 2% of all U.S. carbon emissions. Starting this year, we are committed to offsetting emissions from international flights above our 2019 levels, in accordance with the International Civil Aviation Organization's Carbon Offsetting and Reduction Scheme for International Aviation [\(CORSIA\)](#).

We will provide greater detail on our path to bring our emissions to net zero in future disclosures as we establish intermediate milestones and refine our climate-mitigation strategy. Elements of our plan will include the following initiatives:

### Fleet modernization

Ongoing fleet investment is a critical component of our carbon reduction goal. We anticipate welcoming the first of 10 Boeing 787-9 aircraft (shown below) to our fleet in September 2022. We had intended to induct our first 787 aircraft by the second quarter of 2021; however, due to the pandemic, we reached an agreement with Boeing to reschedule our deliveries between 2022 and 2026. The 787 features innovative aerodynamics, modern engines and a composite airframe contributing to an approximately 20% fuel-efficiency improvement over prior-generation similarly sized aircraft.

We utilize Airbus A330s for our transpacific long-haul, U.S. east coast, and busiest western U.S. routes, and the A321neo – the most fuel-efficient and quietest aircraft of its type – on mid-sized U.S. west coast markets. We operate Boeing 717 aircraft on flights between the Hawaiian Islands.





## Fuel efficiency campaign

Our Fuel Efficiency Campaign includes dozens of initiatives to conserve fuel, including a Flight Profile Optimizer system that determines the most efficient and comfortable altitude and a Special Fuel Reserves in International Operations program that optimizes our fuel requirements. We have also made investments to supply our aircraft with cleaner electrical power at airport gates, provide pre-conditioned air for our aircraft and reduce auxiliary power unit fuel burn and emissions.

## Sustainable aviation fuel

Jet fuel derived from more sustainable sources holds tremendous potential toward decarbonizing our operations. We are currently exploring sustainable aviation fuel (SAF) offtake agreements with providers in the U.S. mainland markets we serve and working toward opportunities to develop SAF supply in the Hawai'i market. We recognize the challenges in scaling up SAF and support government programs to accelerate its production, access and distribution at commercially viable prices.

## Carbon offsets

Carbon offsets play an important role in making us an even greener airline and industry, and in 2019 we were among 10 Hawai'i companies that contributed to develop the first private forest carbon inventory intended for the carbon offset market in Hawai'i. The project, which is being managed by The Nature Conservancy on 8,000 acres at Kona Hema forest on the Island of Hawai'i (pictured in the next spread), is expected to issue its first certified carbon credits in early 2022.

### Fuel efficiency: We have committed to achieving **net-zero carbon emissions by 2050**.

Fuel efficiency is a major driver of this goal, and we strive to reduce our fuel burn and emissions at every phase of the flight.



- 1 Before each flight**  
On our transpacific flights, we utilize state-of-the-art flight planning systems to chart the quickest, most comfortable and fuel-efficient trajectory from take-off to landing.
- 2 Taxiing to and from the gate**  
Our pilots taxi to and from the runway using one engine to reduce unnecessary fuel burn, whenever conditions allow.
- 3 During the climb**  
Take-off is the most energy-intensive portion of a flight, and our systems recommend optimum climb speeds based on specific routes, aircraft and weather conditions to limit emissions.
- 4 While cruising**  
Throughout the flight, updated atmospheric data delivered to the flight deck help inform our pilots' decisions to adjust routing, altitude and speed to conserve fuel.
- 5 Landing**  
We monitor airport weather conditions and communicate with Air Traffic Control to ensure our descent follows the best and most fuel-efficient approach.
- 6 At the gate**  
During boarding and deplaning, we turn off our engines and APU (Auxiliary Power Unit) and use cleaner electrical power supplied by the airport to keep our avionics systems running and to air condition our aircraft.





## Energy efficient facilities

We continue to make our buildings and office spaces more energy efficient.

We have reduced energy use at our headquarters by approximately 15% between 2016 and 2020 through the use of motion sensors, LED lighting, automatic heating, ventilation, and air conditioning (HVAC) control valves, and tinted windows. Our 295,800-square-foot maintenance and cargo hangar in Honolulu is LEED-certified as an energy efficient green facility.

In March 2019, we partnered with Carbon Lighthouse, an energy savings-as-a-service company, to modernize our Airport Center in Honolulu for both operational and climate impact. The project was completed in July of 2020. As of March 2021, the center has saved 486,000 kWh and reduced carbon emissions by 430 tons.

In February 2020, we became the first U.S. airline to join the U.S. Department of Energy's Better Buildings Challenge, pursuant to which we have committed to a 20% electricity reduction by 2030. As of January 2021, we have improved energy performance by 7%.

Reduction in Energy Use  
at HQ Between 2016 & 2020

15%

Reduction in Kilowatt-Hours  
at Airport Center

486,000

Reduction in Carbon  
Emissions at Airport Center

430 tons

## Reducing waste

We minimize waste by recycling cans, bottles and menus, and replacing various plastic serving items with compostable products. Our amenity kits feature eco-friendly paper packaging, furthering our long-term commitment to eliminate single-use plastics in our cabins.

In 2020, in a collaboration with Barclays and CPI Card Group, we began producing [Second Wave™](#) credit cards made with recovered ocean-bound plastic for our Hawaiian Airlines World Elite Mastercard® members.



## Supporting science

We remain the only U.S. airline member of the In-service Aircraft for a Global Observing System ([IAGOS](#)) program. Through IAGOS, beginning in 2017, we have equipped one of our Airbus A330 aircraft with instruments that provide research data to NASA scientists and environmental agencies in Europe for analysis of the upper atmosphere in an effort to improve air pollution forecasts and more precisely assess climate change.

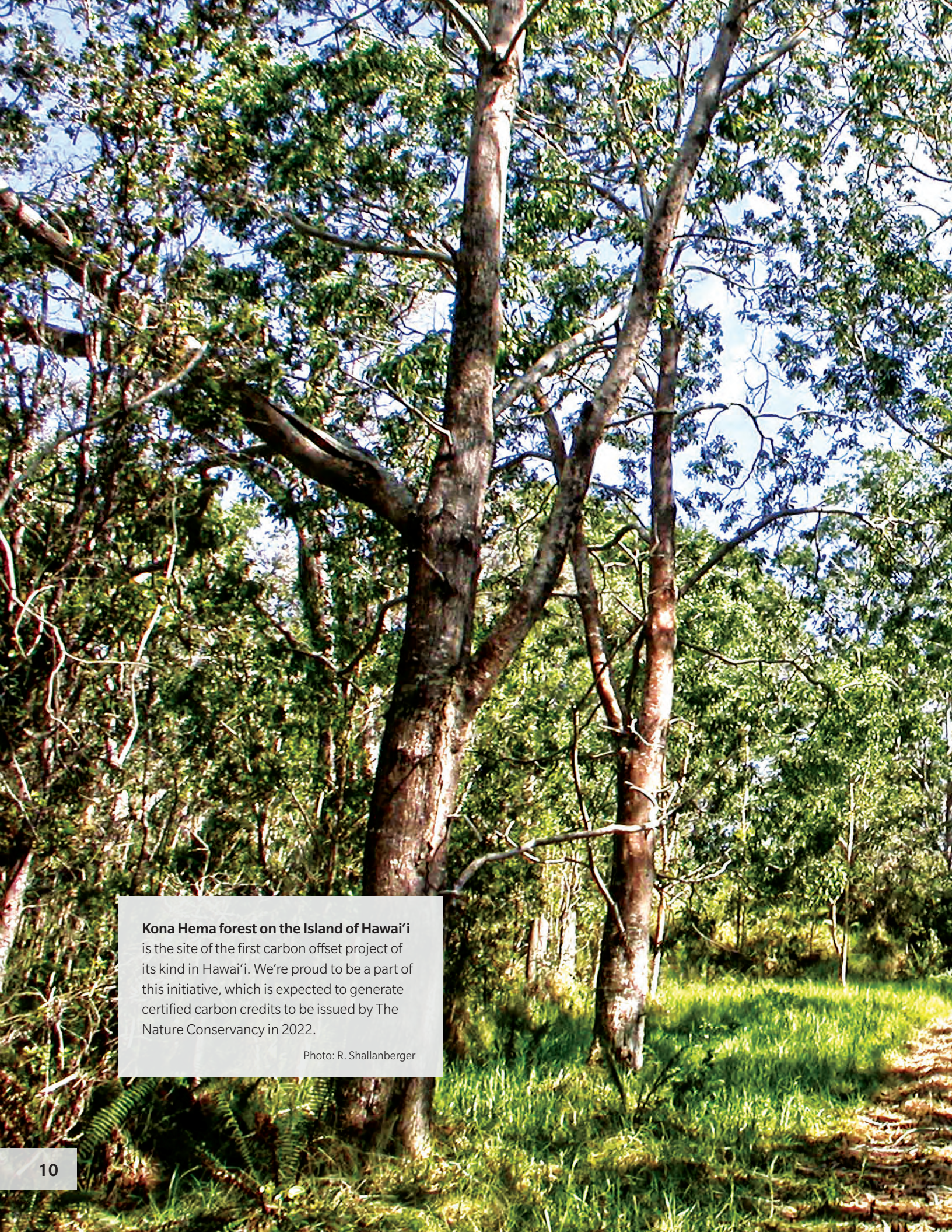
## Fuel use breakdown (TR-AL-110a.3)

Fuel Type	2020 (gallons)
Jet kerosene	106,225,000
Diesel	~135,000

## Gallons of Jet Fuel Consumed







**Kona Hema forest on the Island of Hawai'i** is the site of the first carbon offset project of its kind in Hawai'i. We're proud to be a part of this initiative, which is expected to generate certified carbon credits to be issued by The Nature Conservancy in 2022.

Photo: R. Shallenberger









# Caring for our people and community

In 2020 the resilience of our Hawaiian Airlines ‘ohana (family), their dedication to provide exceptional service to our guests and mālama (care for) our island home and the communities we serve carried us through the most challenging period in our history.

Throughout the pandemic, our team members delivered on our promise to Connect People with Aloha, welcoming on board travelers with our authentic Hawaiian hospitality and enhanced, curb-to-cabin health and safety protocols.

We also were on the frontline of efforts to combat COVID-19. When local nonprofit Every1ne Hawai‘i sought to ship face masks to vulnerable members of our state, our employees quickly and successfully executed [a complex humanitarian mission](#) to fly 1.6 million masks to Honolulu from Shenzhen, China.

Given the high levels of unemployment in Hawai‘i due to COVID-19, we identified household food security as a major area of focus in 2020. Our volunteer and philanthropic efforts in this area included sorting food at the [Hawaii Foodbank](#), helping [Lanakila Meals on Wheels](#) serve food for our kūpuna (senior citizens), and [shipping food](#) to our state’s rural communities.

## Labor practices [\(TR-AL-310a.1\)](#)

The percentage of Hawaiian Airlines employees under collective bargaining agreements for the past two years is as follows:

Year	# of employees	% of employees under collective bargaining agreements
2020	6,949	84%
2019	7,437	83%



As a result of the COVID-19 pandemic, our workforce dropped to 5,043 employees during 2020 -- an approximately 32% reduction from our pre-pandemic staffing levels -- primarily through voluntary leave programs. The decision to become a smaller airline was heartbreaking but necessary, and we appreciate that a significant majority of separated employees accepted voluntary early-out packages.

We will be forever grateful to the hundreds of employees who selflessly elected to take leaves amounting to \$45 million in savings and helped us offset a daily cash burn as high as \$3.6 million. We are also thankful for federal Payroll Support Program assistance that protected the jobs of our employees, enabling us to stay ready to scale our operations to support the travel needs of our guests, move cargo and help drive the economic recovery.

We are encouraged by the recovery in travel demand in the first two quarters of 2021, which has allowed us to begin to recall employees and boost hiring.

### **Number of work stoppages and total days idle [\(TR-AL-310a.2\)](#)**

Hawaiian Airlines has not had any work stoppages, strikes or idle days in its 92-year history.



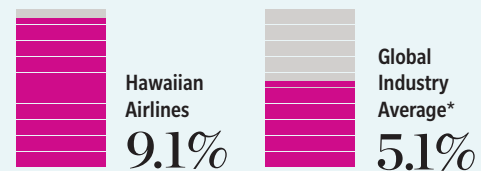


## Our people

Our commitment to diversity and inclusion is a key driver of our success. We retain our employees through competitive compensation and benefits packages, and by investing in training, mentoring and career development. Among our initiatives:

- We participate in career events and conferences for veterans, people with disabilities, women and underrepresented groups. We are delighted to lead the U.S. industry with the highest percentage of women pilots at more than 9.1%, well above the [5.1% global average](#).
- We strive to employ evidence-based processes to minimize bias in hiring and promotional practices. Our efforts have contributed to a diverse team, with approximately 78% of our active workforce identifying as diverse based on ethnicity and approximately 44% based on gender. Our Board of Directors is also diverse in many ways, including our directors' differing geographic, business, gender and ethnic backgrounds. For example, 42% of our director nominees are diverse based on gender, ethnicity or veteran status.
- We are committed to creating an inclusive environment where our applicants and employees feel comfortable self-identifying their gender, race, and veteran and disability status.
- We have policies that are inclusive for sexual orientation and gender identity or expression. We also provide inclusive benefits for same- and different-sex spouses.
- We have implemented flexible work hours for our management employees so they can better balance their personal and work lives.
- We offered counseling services and special loan and 401(k) programs to help our employees manage personal and financial challenges of the pandemic.
- We embrace our work 'ohana's diversity and interests through the following employee resource groups: ASCEND (A Support Community for Employees Nurturing Diverse Abilities); LGBTQA; Network for Black Employees and Allies; Sustainability; Veterans; and Wahine (women) in Aviation.
- We partner with Honolulu Community College and the International Association of Machinists and Aerospace Workers union on an apprenticeship program to train and recruit local candidates interested in pursuing a career as aviation mechanics.
- Our employees are proud to share Hawaii's culture with our guests and each other. In 2019, we expanded an 'ōlelo Hawai'i (Hawaiian language) certification program for crewmembers and made it available for all employees at no cost. The program adds to our Ke Kumu project consisting of employee-led hula and 'ōlelo Hawai'i classes.

### Highest Percentage of Women Pilots in the Industry



\*Source: <https://isa21.org/wp-content/uploads/2020/08/ISA21-Graphs.pdf>

## Our community

The deep aloha and connection that our employees have for our communities, and their passion to contribute to social, environmental and cultural causes, drove even greater engagement in 2020. Among our contributions:

- We made cash donations to support over 25 nonprofit organizations prior to the start of the COVID-19 pandemic.
- Over 1,500 Hawaiian Airlines volunteers donated approximately 6,500 hours to cultural initiatives, environmental conservation and caring for our most vulnerable community members. It was especially gratifying for us to partner with the Hawai'i State Department of Education in a summerlong [Kōkua our Schools](#) project to refresh seven public campuses before educators welcomed students back in the fall semester.
- Our employees and guests, along with our company-match commitment, donated approximately 7.5 million HawaiianMiles to over 40 nonprofit organizations.
- In April and May, we were honored to support [Hawaii's medical workers](#), including doctors, nurses, assistants and volunteers who took over 600 complimentary neighbor island flights to conduct testing and deliver care.
- We donated \$472,000 worth of catering goods – ranging from new hand towels and condiments to soft drinks and packaged foods – to nonprofits in Hawai'i and throughout our U.S. mainland network, as well as hundreds of thousands of soft goods and inflight items to local humanitarian organizations and schools, including Main Cabin blankets, pillowcases and amenity kits, as well as First Class slippers, mattress pads and pillowcases.
- Our cargo operation provided free and discounted shipping of more than 100 tons of groceries, produce and goods and supplies to support neighbor island communities and local food drives, and discounted transportation for over 20,000 pounds of personal protective equipment.
- We partnered with Barclays and Mastercard to reward our HawaiianMiles World Elite Mastercard holders for supporting local businesses hard hit by the pandemic. We participated in a [Food-A-Go-Go](#) campaign that led to a \$100,000 donation to the Hawai'i Agricultural Foundation and supported 1,200-plus local restaurants. A Pop-Up Mākeke initiative resulted in over \$320,000 in sales from more than 100 local designers and artisans.

- We continued to sponsor a wide range of community organizations to celebrate their work while navigating through pandemic restrictions on events and gatherings. They included the Council for Native Hawaiian Advancement, Hawai'i Agricultural Foundation, Hawai'i Agricultural and Culinary Alliance, Hawai'i Children's Discovery Center, Hawai'i Food Industry Association, Hawai'i LGBT Legacy Foundation, Hawai'i International Film Festival, Honolulu Museum of Art, Kāhuli Leo Le'a, Maui Chamber of Commerce, POW!WOW! Hawai'i, Special Olympics Hawai'i, and the University of Hawai'i Athletics.

## Making a difference for our community in 2020

### Donations to Nonprofits

**\$60,000+** (Pre-Pandemic)

**\$472,000** Catering Goods

**7,500,000** HawaiianMiles

### Free and Discounted Shipping

**100+** Tons of Groceries and Vital Supplies for Neighbor Islands

**20,000+** Pounds of Personal Protective Equipment

### TEAM KŌKUA



E A L U L I K E M A I K Ā K O U

**6,500+** Hours Donated by Over 1,500 Hawaiian Airlines Volunteers

### Complimentary Flights

**600+** Complimentary Flights for Medical Professionals







# Leadership and governance

The Hawaiian values of Mālama (care), Ho'okipa (hospitality), Lōkahi (collaboration) and Po'okela (excellence) guide how we lead and govern at all levels of our company.

Our Board of Directors and our management team are deeply engaged in our ESG efforts, with the Board directly involved in evaluating our strategies, programs, policies and communications related to ESG.

ESG impacts our business in multi-faceted ways and responsibility for our ESG strategy and efforts is spread throughout our company. In 2019, we formed an ESG working group with representatives from various divisions within our organization. Its members meet weekly to gather information related to the company's various ESG efforts, and regularly report to and receive feedback from our executive management team, which reports to and receives input from our Board of Directors. While our full Board of Directors continues to oversee our ESG risks, strategy and performance, our Governance and Nominating Committee of our Board of Directors coordinates ESG oversight as part of its responsibilities, and other committees regularly address ESG issues relevant to their respective oversight areas.

As part of our communications with our shareholders, we engage in discussions related to ESG and utilize this feedback in the formulation of our ESG strategy. In 2020, we released our inaugural Corporate Kuleana report, which included adoption of SASB standards and was informed by our discussions with various investors as well as other stakeholders.

We frequently evaluate our corporate governance policies, procedures and committee charters to identify areas with the potential for improved ESG directives and efforts.

For more information on our corporate governance documents and information on the members of our Board of Directors and management team, please visit our [website](#).

## **Competitive behavior (TR-AL-520a.1)**

Hawaiian Airlines has had no anticompetitive behavior claims or lawsuits in the reporting period (2019-2020).

## A culture of safety [\(TR-AL-540a.1\)](#)

### Managing safety

Hawaiian Airlines has an unwavering commitment to safety, which starts at the top of the organization. Our president and CEO, Peter Ingram, is the executive directly accountable for safety. The Safety Committee of the Board of Directors provides oversight of the company's commitment to maintain and promote a culture of safety, adopt best practices to produce industry leading safety performance, and to have as its highest priority the safety and security of our guests and our employees.

Employees at every level – from pilots, flight attendants, dispatchers and maintenance technicians to ground support employees at airports and offices – are responsible for identifying hazards, promoting safety awareness, complying with regulations, and adhering to published procedures. We hold a systemwide briefing each morning to review any operational safety matters, and employees across the organization are encouraged to report potential concerns through a confidential system without fear of reprisal.



### Hawaiian Airlines Safety Management System (SMS)

SMS is a Federal Aviation Administration (FAA)-mandated, formal, top-down, organization-wide approach to effectively managing safety risk and controls. It gives airlines a set of business processes and management tools to examine data gathered from everyday operations, isolate trends that may be precursors to incidents or accidents and take steps to mitigate risk. Our SMS structure is as follows:

- **Policy:** A Safety Policy is the foundation of our SMS. It is broadly communicated across the company to promote employee awareness of our safety objectives and the methods and organizational structures that make it possible to maintain and sustain an effective SMS.
- **Structure:** We maintain an internal governance structure for ongoing oversight of safety management through an Integrated Safety Review Board (ISRB) and department-specific Safety Review Boards (SRB). The ISRB, composed of our executive leadership team, is responsible for company-wide safety decisions and risk acceptance. The six operational departments – Flight Operations, Airport Operations, Dispatch, Maintenance, In-flight and Cargo – have each established an SRB to provide safety oversight and regularly review risk acceptance, mitigation and prevention.
- **Training:** We provide crewmembers and leaders with the subject-matter training and tools to maintain the SMS within their area of responsibility. This includes training in change management, safety risk management, risk analysis and acceptance procedures, and specialized SMS leadership training for members of each SRB.





## Safety Risk Management (SRM)

SRM is Hawaiian Airlines' formal process for analyzing, assessing and accepting risks, including the actions required to mitigate risks. We use specialized risk analysis tools to evaluate the probability and severity of adverse safety outcomes and determine the resources needed to prevent or mitigate them.

Each SRM risk assessment identifies a crew leader or committee to either accept or direct actions to mitigate the risk. Our SRM process also includes procedures for communicating changes throughout the company, notifying key stakeholders and technical subject-matter experts, and identifying hazards related to those changes. Identified hazards are addressed through the Quality Assurance program described below.

## Safety programs

**Flight Operational Quality Assurance (FOQA):** FOQA is a flight data analysis program that monitors flight and aircraft trends, and screens for significant events requiring further analysis.

**Safety Hotline:** The Safety department maintains a hotline staffed 24 hours per day, seven days a week. It is available to all employees for reporting safety or operational issues and to receive assistance from the Safety department.

**Quality Assurance:** The internal evaluation program provides continuous oversight of safety regulations and best practices and reviews hazards identified through our SMS. Quality Assurance reports to the company's Safety leadership and escalates significant safety findings to executive leadership via the ISRB.

### Internal audits by operational departments, including Flight Operations, Airport Operations, Dispatch, Maintenance, In-flight, and Cargo:

We maintain several internal audit programs providing oversight of internal procedural compliance. These include the Internal Evaluation Program (IEP), Continual Airworthiness and Surveillance System (CASS) for Technical Operations and a Line Check program for Flight Operations.

**External Audits:** Our SMS, and the airline, is audited externally every two years by the International Air Transportation Association (IATA) Operational Safety Audit (IOSA) program and the U.S. Department of Defense. Additionally, we participate in annual Codeshare Partner Airline Audits through the FAA's Certificate Management Office.

**Aviation Safety Action Program (ASAP):** ASAP encourages voluntary reporting of safety issues and events by pilots, aircraft technicians, and dispatchers. Submitters of reports accepted into ASAP are protected from FAA Enforcement Action.

### **Number of accidents [\(TR-AL-540a.2\)](#)**

In 2019-2020, Hawaiian Airlines had one aircraft accident (a smoke in the cabin event resulting in an emergency landing at Daniel K. Inouye International Airport on 08/22/2019) as defined according to Annex 13 to the International Civil Aviation Organization (ICAO) Convention on International Civil Aviation.

### **Governmental enforcement actions of aviation safety regulations [\(TR-AL-540a.3\)](#)**

Hawaiian Airlines had no material government enforcement actions in 2019-2020 from the Federal Aviation Administration (FAA), International Civil Aviation Organizations (ICAO) or the European Union Aviation Safety Agency (EASA), or equivalent national authority relating to aviation safety events, which cover categories that include but are not limited to aircraft maintenance, transportation of hazardous materials, drug testing, records and reports, training, and noise.







## Moving forward

We recognize that while our ESG commitment runs deep and is core to our values, we have further work to do in standardizing our reporting and transparency. In the coming year, we are committed to:

- Solidifying intermediate goals and milestones toward our long-range net-zero emissions goal
- Incorporating the Task Force on Climate-related Financial Disclosures recommendations
- Enhancing our proxy disclosures related to ESG topics
- Improving the timeliness of the publication of this report
- Adding dedicated positions to coordinate sustainability initiatives across our organization
- Deepening our engagement with stakeholders in Hawai'i to accelerate the development of policy and infrastructure critical to our net-zero emissions goal







## What *kuleana* means to us

The word **kuleana** is usually translated as “responsibility,” but it stands for a Hawaiian value that encompasses a broader meaning. Kuleana describes a reciprocal relationship rather than merely a duty or obligation. When we say we have a kuleana to Hawai‘i, we affirm our commitment to care for and respect the land and culture, and also acknowledge the value that Hawai‘i brings to us.

For centuries, the concept of kuleana has helped maintain balance within society and within the natural environment.

