



# Caring for the World We Carry

Our Commitment to ESG



2018 ESG REPORT





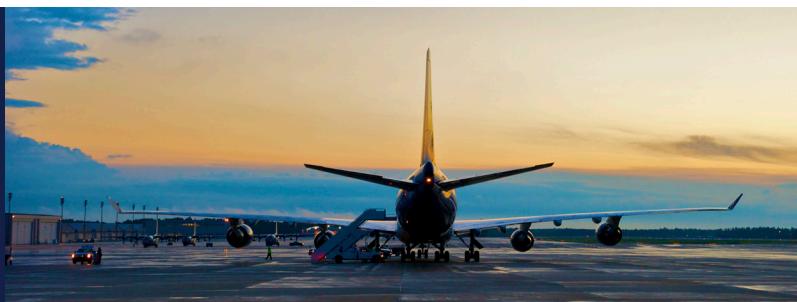
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Through responsibility, transparency and compliance, Atlas Air Worldwide's ESG vision is to be an aviation industry leader that partners with our stakeholders to foster economic and social progress while safeguarding the environment.

[Click here to view this report online](#)

# → Our ESG Strategy



Our environmental, social and governance (ESG) journey, which began with our founding in 1992, is rooted in our core values, including our unyielding commitments to safety, security and compliance. We believe long-term growth and success are achieved by sustaining and protecting our natural resources, empowering our employees and business partners, and demonstrating transparency and accountability through responsible corporate governance.

## Our ESG Strategy and Policy

In 2019, we formalized our ESG strategy and policy, which outline our vision, priorities and management approach.

The priorities we've identified are important to our business and important to our stakeholders, and are issues on which we believe we can have a meaningful impact in a cost-effective and efficient manner.

## Atlas Air Worldwide's ESG Strategy



## Our Priorities

### ENVIRONMENTAL

- » Reducing Aircraft Emissions
- » Reducing Aircraft Noise
- » Reducing Resource Consumption

### SOCIAL

- » Safety & Security
- » Employee Experience
- » Community Impact & Philanthropy
- » Enhancing Global Prosperity
- » Labor Relations

### GOVERNANCE

- » Corporate Governance
- » Ethics and Integrity
- » Compliance
- » Data Privacy and Cybersecurity
- » Public Policy Advocacy

[Read more in the Atlas Air Worldwide ESG Policy.](#)



# A Message from Our Leaders

November 2019

## Caring for the World We Carry

Thank you for your interest in Atlas Air Worldwide and our commitment to environmental, social and governance (ESG) performance and reporting. We have been committed to being a responsible corporate citizen since our founding in 1992 with one Boeing 747-200. We have not wavered in our drive to deliver excellence daily, do business the right way and be our customers' most trusted partner, as our business has grown to include a total fleet of 122 Boeing aircraft as of the writing of this letter.

*"Caring for the world we carry" captures our commitment to our people, communities and the world by being a catalyst for economic and social progress.*

We have had a global mindset from the beginning. Our business connects markets around the world and enables the growth of economies in emerging countries. For example, our air cargo network enables farmers in East Africa to move from subsistence farming to exporting produce and other products for global markets. The same is true for those who are growing flowers or farming asparagus and blueberries in Latin America. We also fly humanitarian missions to deliver food, water, medical supplies and other daily living essentials to natural disaster-ravaged areas, and we are honored to be the largest provider of military passenger and cargo airlift globally to support the U.S. military.

We are also focused on maintaining high standards of compliance with laws and regulations related to the environment, safety, corporate governance, ethics and data security in the U.S. and globally. This includes our commitment to be an industry leader in addressing aircraft fuel efficiency and reducing greenhouse gas emissions.

Today, Atlas operates the world's largest fleet of Boeing 747 freighters. Growth is important to us, and so is being a responsible corporate citizen. Our goal is to deliver tangible impact on issues that matter and also influence others in our industry and value chain to do so as well.

With the guidance of our internal ESG executive committee, we have established our ESG policy and made meaningful progress in enhancing and coordinating our many ESG-related efforts. We are on a journey of continuous improvement and ongoing engagement with our key stakeholders – customers, investors, employees, partners in both the private and public sectors, and the communities where we operate.

Atlas has a world of opportunity to lead and innovate, and we are moving boldly forward with purpose. We look forward to updating you on our progress.

William J. Flynn  
Chairman of the Board and Chief Executive Officer

John W. Dietrich  
President and Chief Operating Officer





An aerial photograph of a vast mountain range, likely the Alps, with numerous peaks and valleys. The mountains are covered in dense green forests, and the valleys are filled with thick, white clouds. The sky is a clear, pale blue. The image is used as a background for the top half of the page.

## → Environment

Doing our part to protect the natural environment, while helping to drive global prosperity, supply chain efficiency and e-commerce, is one of Atlas Air Worldwide's most important responsibilities. This commitment includes working with our customers, shareholders and partners to meet their expectations of us. We continue to invest in technology that allows us to fly farther, with cleaner, quieter engines and advanced airframes, for greater payload and fuel efficiency.

### **In This Section:**

[Reducing Aircraft Emissions](#)

[Reducing Aircraft Noise](#)

[Reducing Resource Consumption](#)



## ENVIRONMENT

# Reducing Aircraft Emissions



Atlas Air Worldwide addresses the need to reduce greenhouse gas emissions and improve aircraft fuel efficiency in multiple ways, including: driving operating efficiencies, continuing to upgrade our fleet and advancing the sustainable aviation fuels agenda. Our approach is intended to be good for the environment and good for business.

## Our Commitments

Even though air travel accounts for only a small portion of total greenhouse gas emissions, our industry and our company are committed to helping create a more efficient, lower-emissions world. It is also worth noting that aircraft fuel is one of the most significant expenses for Atlas. During 2018, 2017 and 2016, fuel costs represented 19.5%, 17.4%, and 16.5%, respectively, of our total operating expenses. In several ways, we strive to play a leadership role in our industry's fuel efficiency efforts:

- In 2019, Atlas CEO Bill Flynn continues to be on the **Board of Directors of Airlines for America**, a key industry trade association, which has adopted aviation-specific emissions targets: 1.5% average fuel efficiency improvement through 2020; carbon neutral growth from 2020 to 2035; and a 50% net reduction of carbon dioxide in 2050 compared with 2005 levels.
- We are participating in the **Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)**, an emissions mitigation approach for the global airline industry developed by the International Civil Aviation Organization [ICAO], governing international flying starting on January 1, 2021. [Read more here.](#)

## Driving Operating Efficiencies

We seek to optimize the efficiency of our payloads and flight-planned routes. For more than a dozen years, Atlas has been utilizing our Fuel Wise program in conjunction with our flight-planning software to identify additional opportunities to conserve fuel by optimizing flight speeds, altitudes, routes, climb, cruise and descent segments. The company adopted a Fuel Management Information System in 2016 that tracks and helps promote fuel-efficient best practices throughout the company. This system allows Atlas to analyze fuel consumption performance and identify opportunities for improvement. Some examples of current best practices are:

- Reduced extra fuel uplift
- Engine-out taxi-in
- Idle reverse thrust usage on landing
- Contingency fuel reduction initiative
- Route and altitude planning alignment with air traffic control assignments

We routinely evaluate and enhance our operating procedures to help drive efficiency, including:

- Completing more frequent engine washes and other routine maintenance procedures and reducing unnecessary weight, to **address fuel efficiency factors.**
- Running ground power units to **reduce jet fuel use** while our aircraft are on the ground.
- Working with our partners and government officials to **advocate for air traffic control modernization.**



### Continuing to Upgrade Our Fleet

Our approach to further reducing emissions includes continuing to invest in more energy-efficient planes. Generally speaking, each generation of aircraft is approximately 15% to 20% more fuel efficient than its predecessor.

We are proud to be the world's largest operator of Boeing 747 freighter aircraft, many of which offer industry-leading fuel efficiency, and the only outsource provider of Boeing's 747-8F aircraft. Learn more about our fleet in our [company fact sheet](#).

### Advancing the Sustainable Aviation Fuels Agenda

Atlas participates in ongoing efforts to expand the use of sustainable aviation fuels (SAF), which can be made from vegetable oils, sugars, animal fats and even waste biomass. SAF is often mixed with conventional jet fuel and used with existing aircraft engines without equipment modification.

We have worked with our industry partners to address three levels of SAF acceptance and availability:

- **Safety**, which has been documented and proven, and the fuel must be third-party-certified under accepted international standards.
- **Environmental benefits**, established by using life-cycle analysis, which has shown that SAF can reduce carbon emissions by up to 80%.
- **Commercial viability**, which, unfortunately, remains a significant challenge; except for a few markets such as the U.S. West Coast and parts of Europe, SAF is largely unavailable and it is almost always cost prohibitive.

To help drive SAF adoption, in November 2017, Atlas joined with eight other aviation industry leaders to participate in the "Fly Green Day" demonstration project at Chicago's O'Hare Airport. Atlas was among the airlines flying out of O'Hare that day on fuel that was a mixture of traditional jet fuel and alcohol-based biofuel. This event was the first time at O'Hare that renewable jet fuel was supplied to aircraft using the airport's main fuel hydrant system, which is more efficient with less environmental impact than trucking biofuel to the site for blending and fueling.



For more than a dozen years, Atlas has been utilizing our Fuel Wise program in conjunction with our flight-planning software to identify additional opportunities to conserve fuel by optimizing flight speeds, altitudes, routes, climb, cruise and descent segments.



## ENVIRONMENT

# Reducing Aircraft Noise



Minimizing the impact of aircraft noise has been a long-term priority for Atlas Air Worldwide. Similar to how we work to reduce aircraft emissions, we address potential aircraft noise reductions through a combination of advancements in technology and ongoing refinements in our operations.

### Our Approach to Noise Reduction

Atlas subscribes to the International Civil Aviation Organization [ICAO]'s Balanced Approach for addressing aircraft noise. This approach assumes that each situation is unique and there is no one-size-fits-all solution. It identifies four strategies for addressing this issue:

- Noise reduction at source
- Land-use management and planning
- Operational procedures
- Operating restrictions

The Balanced Approach was codified by ICAO in 2001, and aircraft noise standards have been updated several times since then, most recently in 2018. The U.S. Department of Transportation [DOT] and Federal Aviation Administration [FAA] have authority to monitor and regulate aircraft engine noise. We believe that all aircraft in our fleet materially comply with current DOT, FAA and international noise standards.

In addition, ongoing investment in new aircraft, most notably Boeing 747-8F and Boeing 777 planes, is one of the most significant ways for Atlas to continue to reduce aircraft noise. We currently have 10 747-8Fs and 14 Boeing 777s, both models with advanced engines that are approximately 30% less noisy than engines in the previous generation of aircraft.

From an operations standpoint, we complete more frequent engine washes and other ongoing routine maintenance to help reduce in-flight, takeoff and landing aircraft noise. In a few cases, we have voluntarily adjusted flight schedules to address potential concerns from community leaders in densely populated residential areas. We believe operating restrictions, which can negatively impact the airline industry, customers and local economies, are a last resort – other means should be sufficient to effectively address noise concerns.

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## ENVIRONMENT



# Reducing Resource Consumption



Atlas Air Worldwide is proactive on multiple fronts to minimize our facilities' environmental footprint and reduce natural resources consumption. This includes meeting and exceeding the requirements of air quality, water and waste standards, recycling and managing our energy usage.

### Commitment to Protecting Our Natural Resources

At the corporate level, we provide environmental compliance support, program management guidance, and auditing oversight to our facilities, including a highly detailed program for onboarding new sites and facilities. We are subject to a wide variety of regulations administered by numerous state, local, federal and foreign agencies.

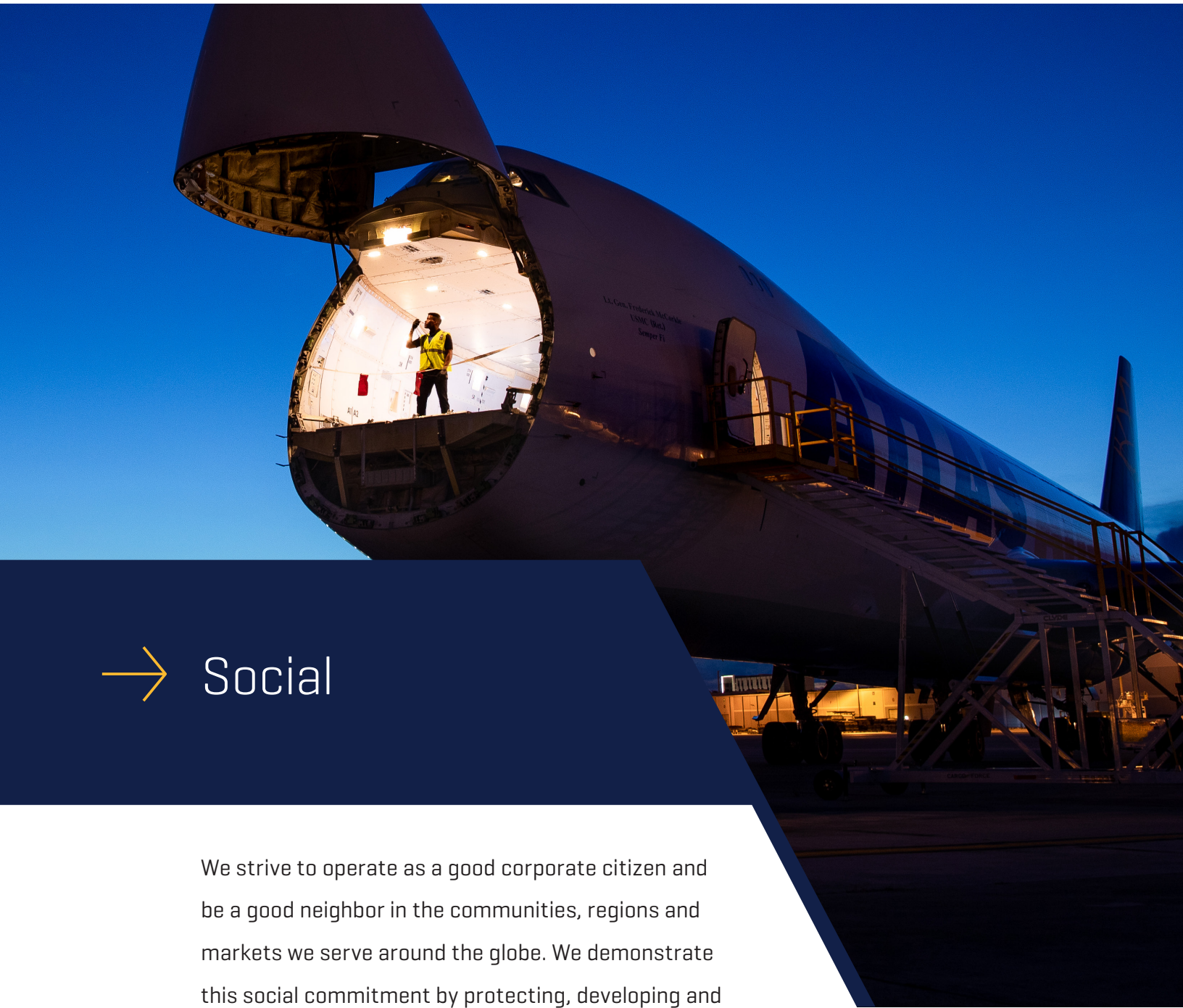
Given our global operating network spanning nearly 400 destinations in almost 90 countries, implementation of our environmental programs is managed at the local level. In addition to our headquarters in Purchase, New York, we have operations centers near the Cincinnati/Northern Kentucky International Airport, at Anchorage International Airport in Alaska, and in Hong Kong; an operations hub and training center in Miami; and key logistics centers around the world.

### Local Actions Make a Difference

Our facilities are involved in a variety of innovative, impactful initiatives, including:

- **Recycling and waste separation programs** at our major facilities; among other things, this ensures that batteries and light bulbs are handled differently than other waste.
- **Corporate headquarters building** (which the company leases and shares with another large tenant) that is LEED certified, receives a portion of its electricity from a solar field and has an ice farm as a source for air conditioning.
- **Energy use reduction systems**, including LED lighting and high-efficiency HVAC systems, in all new facilities, including a new Operations Center in Northern Kentucky.
- **An oil can recycling program in Anchorage**, where our local Polar Air Cargo team collects oil cans, including our partners' and vendors' cans, and recycles them at a local recycling center that we support. Polar Air Cargo is an Atlas Air Worldwide Holdings, Inc. company that is 49% owned by DHL Express. [Read more about how our Polar Air Cargo team pursues less waste for a better future.](#)

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## → Social

We strive to operate as a good corporate citizen and be a good neighbor in the communities, regions and markets we serve around the globe. We demonstrate this social commitment by protecting, developing and engaging our employees, and through our community relations and humanitarian aid efforts. We believe our company and our industry can be significant drivers of global good, particularly in the areas of economic prosperity, access to global markets and improving quality of life for all.

### **In This Section:**

[Safety & Security](#)

[Employee Experience](#)

[Community Impact & Philanthropy](#)

[Enhancing Global Prosperity](#)

[Labor Relations](#)





## SOCIAL

# Safety & Security



Atlas Air Worldwide's core value of safety, security and compliance is the highest priority across all our operations. We are committed to creating a safe, secure and healthy workplace for our crewmembers and ground staff of nearly 3,300 employees worldwide, and to safely operating more than 59,000 flights annually to hundreds of destinations around the world.

## Safety Policy and Safety Management System

We set high standards for safety and regulatory compliance, as outlined in our Corporate Safety Policy. Our confidential nonpunitive reporting process encourages employees to report workplace safety issues or noncompliant conditions including hazards, accidents, incidents or injuries, and we believe all employees play a key role in the process of identifying hazards and mitigating risks.

We were among the aviation industry leaders that participated in the Safety Management System (SMS) Pilot Project in early 2010 even before it was required by the U.S. Federal Aviation Administration (FAA). And, as of January 2018, we have an FAA Accepted/Fully Implemented SMS. We believe a formal SMS is critical for systematically reducing risks and maximizing opportunities to continually improve the overall safety of the aviation system. Our SMS is built by structuring safety management around four safety components: Safety Policy, Safety Risk Management (SRM), Safety Assurance (SA) and Safety Promotion.

Since Atlas has implemented its SMS, the size of the company's Safety and Regulatory Compliance department has grown to more than 90 employees. We provide regular workplace safety communications to employees, and our internal safety audit program has become increasingly robust. In addition, we have continued to build and enhance our partnerships with customers and contractors on safety matters. This includes working with our contractors to help them establish and expand their own SMS. Since implementing SMS, we have seen significant improvement in our key safety indicators.

## Atlas Air Worldwide's Safety Management System


Our SMS promotes a positive and Just Culture featuring:

- Oversight of all Operational departments
- Formal, proactive methods for identifying hazards and mitigating risks
- Assistance to the Company's leadership, managers, management teams and staff in making effective and informed safety decisions
- Comprehensive Safety Reporting tools
  - Constant quality assurance and control reporting
  - Accepted Aviation Safety Action Programs (ASAP)
  - Provide all employees a portal for Safety Reporting
- Continued investment in leading safety technologies such as:
  - Wireless Quick Access Recorders (WQARs) for our fleet
  - Flight data analysis and visualization
  - Emergency Vision Assurance System (EVAS)
  - Automated external defibrillators on all extended twin operations (ETOPS) aircraft
- Feedback on safety performance to all Operational departments and management teams
- Continued investment in safety training, education, and awareness throughout the organization

## Safety Training

Ongoing training for our nearly 1,900 pilots and 1,400 ground staff is at the heart of our ability to maintain safe operations and engage our employees. Our training facilities are widely recognized as some of the best in the aviation industry. In addition to providing all of the required flight crew training, Atlas trains crewmembers and ground employees on the SMS.

Our training facilities are located at our primary operational hubs – with our largest facility being located in Miami, where all our pilots receive their initial, transition and recurrent flight training, and other airline professionals have access to a wide variety of programs. This facility has FAA approval to grant Airline Transport Pilot [ATP] certifications, which is FAA's highest certificate. In addition to training our own pilots, the Miami facility also trains flight crews for the U.S. Department of Defense [DOD], NASA and the FAA. In fact, Atlas is contracted to provide training for the crews of Air Force One and the E-4B National Airborne Operations Center.



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## Safety Performance

Atlas is committed to maintaining an industry best-practice program for full compliance with our regulatory obligations. Our program is intended to meet all requirements of the FAA, International Civil Aviation Organization [ICAO] and International Air Transport Association [IATA]. Since 2007, Atlas has been listed on the IATA Operational Safety Audit [IOSA] registry, the prevailing international safety and compliance standard, with zero findings since the initiation of the program. Atlas has also received excellent reviews in safety audits by the DOD.

We track and report safety performance for Atlas overall, as well as for our Flight Operations, Ground Operations and Technical Operations. Our safety metrics include incidents, injuries and accidents, and we establish internal annual targets for each measure. We strive to outperform industry averages and beat our internal targets.

Since our founding in 1992 through the end of 2018, Atlas employees had zero work-related fatalities.

Unfortunately, our company was deeply saddened by the loss of [Flight 5Y 3591 on February 23, 2019](#), which claimed the lives of two Atlas Air pilots and a third pilot from another airline traveling with them. We continue to work with the National Transportation Safety Board [NTSB] as it leads the investigation into the cause of this tragic accident. The safety of our pilots and ground staff is a top priority, and we mourn the passing of these valued colleagues.





## SOCIAL

# Employee Experience



We depend on the dedication of our talented team members who are committed to providing best-in-class service and reliability for our customers. We seek to attract, develop and nurture individuals who thrive in our fast-paced, dynamic business and service-oriented culture. Our employees understand the critical role of teamwork, and demonstrate it through respect, professionalism and inclusive collaboration.

## Talent Acquisition, Retention and Development

Our approach to talent acquisition, retention and development starts with our employee value proposition: We are extraordinary people doing extraordinary things. We work to provide ongoing, challenging opportunities in a high-growth environment where employees can chart their own career path. The expansion of e-commerce, global supply chains and distribution channels provides endless opportunities for our people to solve important, unique challenges.

In recent years, Atlas has launched a series of new initiatives tailored to the unique characteristics of our two distinct employee populations: ground employees and crew (pilots). Some of the initiatives address both employee groups, while others are more specific.

In 2018 and 2019, we enhanced our approach to talent acquisition, retention and development in several key ways, including:

- **Strengthening our employee value proposition** by focusing on the extraordinary nature of the work we do, which will help us to raise awareness of aviation-related careers and contribute to a strong talent pipeline for critical functions across our business.
- **Restructuring our salary bands** for ground employees within the organization to ensure our team members are compensated appropriately for their respective roles and positions. We are committed to the growth of our employees, and our new architecture provides clearer pathways for development and advancement.
- **Fortifying our Talent Development and Talent Acquisition teams** with new leadership that is focused on early and mid-career management.

### A Leader in Pilot Training

As an industry, we are always working to address the pilot-supply pipeline. We are focused on building a diverse talent pipeline to ensure we have the crew we need both today and in the future. This includes establishing pathways and partnerships with other carriers and training centers to support pilots in need of additional flight hours, jet transition courses or an Airline Transport Pilot (ATP) license, which can be cost prohibitive. In addition, we are working with industry partners and legislators to reduce training costs, particularly for underrepresented minority groups. Read more about these efforts in [Public Policy Advocacy](#).

### Inclusive Diversity

We have adopted a platform of inclusive diversity whereby we value individual differences and their impact on generating new ideas. This reflects our focus on attracting, retaining and developing a diverse workforce, as well as ensuring that a diversity of backgrounds and perspectives is included in our decision-making and strategic direction. From our Board of Directors through our leadership and management teams to our staff at all levels, we seek highly qualified candidates who can also bring a diversity of thought and experience to our global organization.

**Our Inclusive Diversity mission:** As an organization that carries the world, Atlas seeks to foster an inclusive, service-oriented culture that is fundamental to attracting and retaining the talent we need to fuel our ongoing success. Our philosophy on Inclusive Diversity is to:

- Reflect the composition of the world we carry
- Meet the needs of a diverse client base
- Spark innovation through diversity of thought and experiences
- Stand out as an employer of choice
- Listen to the voices of our employees, all of whom reflect the world in which we live
- Generate long-term value for our shareholders



From our Board of Directors, which includes three female directors, through our leadership and management teams to our staff at all levels, we seek highly qualified candidates who can also bring a diversity of thought and experience to our global organization.

### Creating More Opportunities for Women in Aviation

To attract, engage and develop women in our organization, we launched our Atlas Air Worldwide Women's Network in 2019. The Women's Network is focused on connecting and developing women to support their professional growth and the success of the organization.

Atlas women are also actively engaged in the International Aviation Women's Association [IAWA], which is charged with cultivating and advancing women leaders in the aviation and aerospace industries through a global network. The organization offers conferences, webinars, mentoring, college scholarships, and a committee structure, including a committee focused on the air cargo sector.

In 2018, we conducted an evaluation of Atlas' diversity approach against peers and best practices. In 2019, we completed a comprehensive employee experience survey that included a question about inclusion at Atlas. Both evaluations are being used as benchmarks to identify our go-forward priorities and track our progress in this increasingly important aspect of our business.

### Compensation and Benefits

We seek to offer our employees highly competitive compensation and benefit packages to attract, motivate and retain them for the long term. We offer comprehensive healthcare coverage to all regular full-time employees and their eligible dependents, including same-sex spouses. Visit our Careers page for more information on the benefits we offer: [www.atlasairworldwide.com/careers/benefits/](http://www.atlasairworldwide.com/careers/benefits/)

## SOCIAL

# Community Impact & Philanthropy



Atlas Air Worldwide is committed to delivering life-enhancing improvements to the communities where we live and work, globally. In an effort to align our business strategy and logistics expertise with the ability to make a difference, our social impact agenda is focused in three critical areas of need:

- Humanitarian relief for disaster recovery
- Support for U.S. service members and their families
- Education and development of future generations

### Providing Humanitarian Relief

As one of the world's largest air carriers, we have a unique ability to expedite the movement of large quantities of goods and personnel to regions that need it the most in the aftermath of a natural disaster. In response to such events, our teams have mobilized humanitarian relief efforts to deliver life-saving supplies and disaster recovery items – including drinking water, medical supplies and equipment, basic living essentials, battery-powered devices, and more.

We have responded to disasters ranging from the Fukushima, Japan tsunami, earthquake and nuclear accident in 2011, to hurricane and tornado recovery in the United States, including:

- In August 2017, we responded to Hurricane Harvey by **providing relief to our employees, their families and pets in Miami and Houston**, two cities where we have a significant personnel and infrastructure presence. This included transportation to help move them out of harm's way.
- In September 2017, we partnered with JetBlue to **deliver 117 tons of humanitarian aid to Puerto Rico** in the aftermath of Hurricane Maria, which affected the island's entire population.
- In September 2019, Atlas ground staff and crew **prepared and flew an Amazon Air plane filled with relief supplies** to help the victims of Hurricane Dorian in the Bahamas.

We are proud to partner with [Airlink](#), a humanitarian relief organization that connects airlines with vetted NGOs to assist communities in crisis worldwide. In 2019, our chairman of the board and chief executive officer, William J. Flynn, became a founding member of Airlink's Governors Council. Our work with Airlink has included providing humanitarian assistance to Venezuelans dealing with the ongoing socioeconomic and political crisis there.

Additionally, we sponsor fundraising efforts and blood drives for organizations such as the American Red Cross, for which we have made donations and match employee donations.

### Support for U.S. Military Personnel and Families

We are honored to support the brave men and women of the U.S. military and their families. Atlas is the largest provider of military passenger and cargo airlift globally to U.S. service members. Our ability to meet stringent, military-level reliability standards, offer full capacity at peak levels of demand and do it all on short notice to remote locations around the world makes us a trusted, valuable partner to the U.S. military.

We are extremely proud of the fact that we train some of the most elite air crews in the U.S. Air Force, including pilots and flight engineers for Air Force One and flight crew members assigned to the E-4B National Airborne Operations Center.

Our support for U.S. service members and their families doesn't end when the mission is over. One of our signature programs is the [Atlas Air Charity Golf Tournament](#), which supports military charities, including the Wounded Warrior Project, which helps wounded veterans return to, and flourish in, civilian life. We are also a significant employer of former members of the military, including many of our pilots, logistics team, ground crew personnel and members of our management team.



### Atlas Donates Flight Simulation Experience for Fundraising

In addition to our three focus areas, we make contributions in support of charitable organizations that are important to our employees and partners. For example, we donate a flight simulation experience with an Atlas flight instructor in support of Miami International Airport's Making Strides Against Breast Cancer fundraising efforts.

### Educating Future Generations

We believe every child deserves the opportunity to succeed and that we can play an impactful role in developing tomorrow's business and social leaders. At the local level, our employees volunteer to teach financial literacy, work readiness and entrepreneurship to school-age children and young adults. We often sponsor collection drives for supplies and donations to local schools.

In 2009, we began partnering with Junior Achievement – with our efforts being led by Chief Financial Officer Spencer Schwartz, who is an active member of the Board of Directors of Junior Achievement of the Hudson Valley, New York. The goal of this partnership is to help prepare students for success in school and their careers. Many of our employees volunteer through Junior Achievement, with a special focus on helping to inspire and support socioeconomically disadvantaged students.

We maintain close relationships with a variety of institutions of higher learning, including [Vaughn College of Aeronautics and Technology](#), an aviation college near LaGuardia Airport in New York City, which has been ranked #1 in upward mobility nationwide. Through our partnership with Vaughn, we have hired approximately 50 students, some of whom have risen to become officers of the company.

We also have an extensive internship program that reaches across the technical, engineering, operations, financial, procurement, legal and communications functions of our organization. For our summer 2019 interns, one of their projects was to brainstorm about how Atlas can continue to make progress on its ESG journey and build on its community impact and environmental responsibility efforts.

To build awareness of the aviation field, our team at the Cincinnati/Northern Kentucky International Airport has partnered with DHL to educate high school students in Kenton County about careers in aviation.

Our teams have mobilized humanitarian relief efforts to deliver life-saving supplies and disaster recovery items – including drinking water, medical supplies and equipment, basic living essentials, battery-powered devices, and more.

## → SOCIAL Enhancing Global Prosperity



The air cargo industry is a powerful catalyst for spurring broad economic and social progress. As the third-largest mover of air freight in the world, Atlas Air Worldwide is driven to be a leader in an industry that is boosting the global flow of goods, people, capital, technology, ideas and social well-being.

### Delivering Global Impact

In 2018, we continued to deliver in ways that bring the world together and enhance global prosperity: by delivering farmers' products and life-saving medicine to growing and needy populations around the world, by enabling economic value chains to be efficient and far-reaching, and by helping to create jobs and economic opportunity in the markets we serve and the communities where we operate.

Our impact is global, and it starts with our team of nearly 3,300 talented employees and our operating network spanning nearly 400 destinations in almost 90 countries. In addition to our headquarters in Purchase, New York, we have operations centers near the Cincinnati/Northern Kentucky International Airport, at Anchorage International Airport in Alaska, and in Hong Kong; an operations hub and training center in Miami; and key logistics centers around the world. In addition to the impact of our own employment ranks, our business supports thousands of jobs among our partners, vendors, contractors and the local businesses near our destinations. Our impact includes:

- **Our headquarters in Purchase, New York**, currently has more than 550 employees. In September 2019, we announced our plans to invest \$37.5 million over the next five years for a renewal and extension of our headquarters lease, buildout and equipment, which will result in the addition of approximately 100 Atlas jobs.
- **In Cincinnati/Northern Kentucky (CVG)**, we are investing in significant improvements at our operations center, including additional office and warehouse space, state-of-the-art technology and a new maintenance hangar. We are expanding at an airport that is experiencing record-breaking growth – CVG generates approximately \$4.4 billion of annual impact on the local economy, according to airport officials.
- **At Miami International Airport**, Atlas accounts for nearly 20% of the air cargo by weight.
- **Direct and indirect economic impacts of our operations** are apparent in a wide range of other cities including Anchorage, Houston, Phoenix and Hong Kong. For example, Atlas accounts for approximately 50% of all cargo by weight to/from the Anchorage International Airport.



### Our Reach in 2018: Global Operating Network

**382** airports in 89 countries

**59k** flights

**296k** total block hours

### Working with Our Customers Makes a Difference

Atlas' operating philosophy is to grow our business by helping our customers grow theirs. Together, we are aligned with trends that are driving the global supply chain. These trends include:

- The increasing global middle class
- E-commerce growth
- The need for speed and efficiency in supply chains and markets
- Urbanization, which centralizes the demand for goods and services

Our customer base includes the world's leading express and e-commerce delivery providers, airlines, freight forwarders, shippers and charter brokers, and we are the largest provider of military cargo and passenger airlift to the U.S. Department of Defense. Through our work, we enable large companies to access growing markets and manage highly efficient supply chains. We also help open markets for small businesses, including technology startups, farmers and craftsmen. Regions and communities in all parts of the world benefit from our reach and impact.

### Serving Global Supply Chains

- Ensuring environmental and quality control to deliver **life-saving medicines**
- Facilitating **global supply chain** of high-value consumer electronics
- Providing **just-in-time delivery** of auto parts
- Delivered **75 million pounds** of fresh salmon from Chile in one year
- Delivered **26 million pounds** of flowers from South America in one year
- Shipping **agricultural products**, including asparagus, blueberries, cherries and more, from Peruvian farmers

In addition to the impact of our own employment ranks, our business supports thousands of jobs among our partners, vendors, contractors and the local businesses near our destinations.





## SOCIAL

# Labor Relations



The dedication of talented employees is essential to our growth and success. We are committed to ensuring our employees are treated equitably and fairly compensated for their hard work, and we respect their rights as employees.

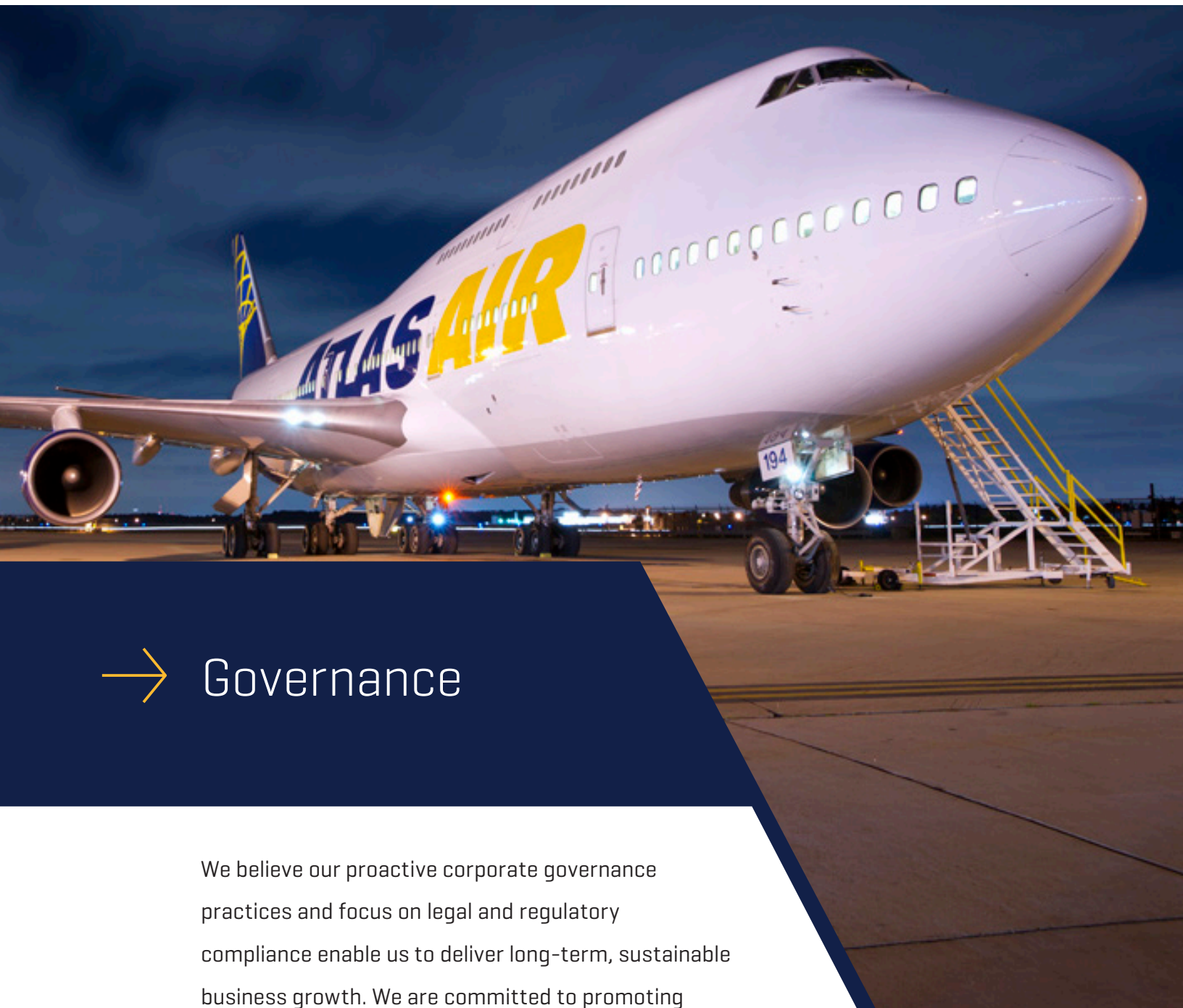
### Labor-Management Cooperation

Atlas is committed to full compliance with labor laws in the U.S. and globally, including the rights of our employees to exercise freedom of association and collective bargaining. In employees' exercise of these rights, we encourage the free exchange of ideas, opinions and information, provided there is no interference. As of December 31, 2018, we had nearly 3,300 employees, approximately 1,900 of whom were pilots. Pilots of Atlas and Southern Air, and flight dispatchers of Atlas and Polar, are represented by the International Brotherhood of Teamsters [IBT]. These employees represented approximately 58.5% of our workforce as of December 31, 2018.

As part of our commitment to a rewarding employee experience and labor relations, Atlas is focused on ensuring our employees receive fair, competitive compensation and are provided with a safe, secure and engaging work environment. Both Atlas and our pilots have legal and contractual obligations to adhere to rigorous safety standards established by the Federal Aviation Administration, Department of Defense and International Air Transport Association. We work on joint committees with IBT to address key topics on the safety and well-being of our pilots.

Following the acquisition of Southern Air in 2016, Atlas entered into negotiations with Atlas and Southern's unions to create a new joint collective bargaining agreement that increases existing pay scales and better reflects market conditions for all our pilots. While we remain focused on a swift resolution, the negotiations have continued, and we are committed to providing regular, fact-based updates, which can found at [AtlasAir5YPilots.com](https://atlasair5ypilots.com). You can also follow [@AtlasAir5Y](https://twitter.com/AtlasAir5Y) on Twitter for updates.

As part of our commitment to a rewarding employee experience and labor relations, Atlas is focused on ensuring our employees receive fair, competitive compensation and are provided with a safe, secure and engaging work environment.



## → Governance

We believe our proactive corporate governance practices and focus on legal and regulatory compliance enable us to deliver long-term, sustainable business growth. We are committed to promoting the interests of shareholders, ensuring Board and management accountability, reducing risk, and continuing to build trust in our company. We work with government decision-makers and influencers to advocate for policies that support the interests of our business and our key stakeholders.

### **In This Section:**

[Corporate Governance](#)

[Ethics and Integrity](#)

[Compliance](#)

[Data Privacy and Cybersecurity](#)

[Public Policy Advocacy](#)



## GOVERNANCE

# Corporate Governance



Maintaining a sound corporate governance structure is central to fulfilling Atlas Air Worldwide's mission of being a trusted partner with our stakeholders. Our corporate governance program is characterized by complete transparency, which helps build and sustain public trust in our company.

## Corporate Governance

Our Board of Directors believes that sound corporate governance practices provide an important framework to assist the Board and our executives in fulfilling their responsibilities to shareholders and other stakeholders. Our [Corporate Governance Principles](#) are intended to reflect industry best practices in areas such as powers and responsibilities of the Board of Directors, Director nominations and qualifications, Board committees, Director compensation, Director access to outside advisors and employees, stock ownership, Director education, stakeholder communications with the Board, financial statements and disclosure matters, among others.

### Award-Winning Recognition for Our Corporate Governance Program

In 2018, Corporate Secretary magazine recognized Atlas Air Worldwide's legal team as the **"Governance Team of the Year"** (small- to mid-cap). Corporate Secretary also rated us on its short lists for best compliance and ethics program (small- to mid-cap), best shareholder engagement and best proxy statement (small- to mid-cap).

Additionally, our [Code of Ethics Applicable to the Chief Executive Officer, Senior Financial Officers and Members of the Board of Directors](#) is described in the [Ethics and Integrity](#) section of this report. For more information, see the [Structure and Governance](#) page on our website.

## Our Board and Committees

Following our May 2019 annual meeting, our Board consisted of 10 directors, nine of whom were independent. Each independent Director serves on at least one Board committee. Our Committee Charters serve to fulfill the Board's responsibilities through smaller, more focused subsets of Directors.

### Our Committees:

- **Audit Committee** is responsible primarily for overseeing activities related to the quality and integrity of Atlas' financial statements; financial reporting and disclosure processes; independent auditor qualifications; internal audit functions; and legal and regulatory compliance.
- **Compensation Committee** is responsible chiefly for overseeing activities related to executive compensation; compensation plans, policies and programs; succession planning; and employee benefits for our executives.
- **Nominating and Governance Committee** is responsible principally for overseeing activities related to identifying and reviewing the skills and characteristics for the election of new and continuing Directors; identification and review of persons who are qualified and available to serve as Directors; Director independence assessments; oversight of our Corporate Governance Principles; and our Board and each Committee's performance and self-evaluation, among others.



### Shareholder Engagement Efforts

In order to effectively address the evolving expectations of our shareholder base and the broader investment community, we remain focused on frequent and extensive shareholder engagement. Our outreach program generally targets shareholders representing approximately 75% of our outstanding shares, and we have generally held discussions with shareholders representing well in excess of 50% of our outstanding shares. Key topics of discussion have included our corporate governance, sustainability and executive compensation practices, as well as our business strategy and performance, capital allocation strategy and public disclosures. As a result of specific feedback from shareholders, we have made numerous substantive changes to our compensation program, practices and disclosures, as well as to our governance practices.

Since our 2019 annual meeting, several Board changes have occurred. In August 2019, our independent Chairman, Robert F. Agnew, passed away. Subsequently, our President and CEO William J. Flynn was elected Chairman of the Board, and Board member and retired U.S. Air Force General Duncan J. McNabb was named our Lead Independent Director. In addition, in July 2019, the company announced a leadership transition under which John W. Dietrich, former Executive Vice President and Chief Operating Officer, became President, effective immediately, while maintaining his role as Chief Operating Officer. Mr. Dietrich will assume the role of President and Chief Executive Officer effective January 1, 2020, when Mr. Flynn retires as an active employee. Mr. Flynn will retain his role as Chairman of the Board.

### Board Refreshment and Diversity

We endorse the concept of Board and Committee refreshment, which has resulted in the election of five new Board members over the last three years and the rotation of the Chairman of the Board and the Chairs of our three standing Committees over the last three years.

In 2018 specifically, we added two gender-diverse (including one ethnically diverse) Board members and amended the Nominating and Governance Committee charter to provide that diversity should be a factor in assessing the Board's core competencies as a whole. We also moved to proactively prevent potential over-boarding issues by amending our Corporate Governance Principles to limit Directors to serving on a maximum of four public-company boards (including the Atlas Air Worldwide Board).



#### Board Diversity\*

**33%** – 3 out of 9 Board members are female

**55%** – 5 out of 9 Board members are diverse  
(including gender and ethnicity)

\* data points as of September 1, 2019



## GOVERNANCE

# Ethics and Integrity



For Atlas Air Worldwide, being a trusted partner means upholding an unwavering commitment to the highest level of legal and ethical conduct, honesty and integrity. We are committed to accountability and transparency in all our operations throughout the world.

### Code of Conduct

Under our Employee Handbook and Code of Conduct, we require all employees to act responsibly in full compliance with all applicable laws and standards and to maintain the highest level of ethical conduct in their dealings with customers, suppliers and other stakeholders. The Code of Conduct includes more than 25 employee “rules of conduct” related to use of company resources and data, confidentiality, anti-harassment and anti-discrimination policies, regulatory compliance, workplace safety, avoiding conflicts of interest, and other topics to ensure a high degree of ethical conduct across our organization. Employees of any operating entity of Atlas Air Worldwide receive a copy and acknowledge receipt of the Code of Conduct when they are hired.

We are committed to maintaining a strong control environment and we have made effective controls an integral part of our routine business practices.

We periodically review and conduct a comprehensive update of our Employee Handbook and Code of Conduct – most recently in 2018 – to maintain compliance with applicable laws and to ensure we are conforming to the most current best practices. Through our last review process, we called upon legal counsel in the U.S. and in the countries outside the U.S. where we have the largest populations to ensure we are mindful of current issues and any new legal concerns. In January 2019, we distributed the revised and updated Employee Handbook and Code of Conduct, which incorporates the additional global input and enhances policies and procedures in fast-changing areas such as social media, intellectual property, cybersecurity and leave policies.

We also maintain our [Code of Ethics Applicable to the Chief Executive Officer, Senior Financial Officers and Members of the Board of Directors](#). This code addresses officers’ and directors’ responsibilities for honest and ethical conduct, avoidance of conflicts of interest, and compliance with all governmental laws, rules and regulations. Ultimate responsibility for overseeing this Code and related party transactions rests with our [Board’s Audit Committee](#)

### Reporting and Addressing Critical Concerns

We are committed to maintaining a strong control environment and we have made effective controls an integral part of our routine business practices. Our commitment to ethics and integrity and related checks and balances allow us to address potential issues before they could become larger problems.

Our Compliance Hotline allows anyone, both inside and outside the company, to anonymously report conduct that they are concerned about. The Compliance Hotline can be reached at 1-877-540-5060 or online at [aaww.alertline.com](http://aaww.alertline.com), and is available seven days a week, 24 hours a day. To ensure anonymity, the Compliance Hotline is serviced exclusively by an independent, outside vendor. All matters are promptly and thoroughly investigated, and internal legal resources are mobilized to address or escalate the issue as needed and appropriate.



## GOVERNANCE

# Compliance



Atlas Air Worldwide's business is built on safety, security and compliance. We regard legal and regulatory compliance and cooperation with regulatory authorities as a core responsibility. This provides opportunities for us to lead in the development and application of best practices and compliance with emerging rules and policies even before they become mandatory.

### Leading with Best Practices for Compliance

Given our position in the global air cargo industry, Atlas is subject to a complex web of U.S. and international legal frameworks, regulatory requirements and industry standards. First and foremost, we comply with all laws and regulations applicable to us. We believe our compliance programs and willingness to partner with regulatory bodies help us to raise the state of the art for compliance in our industry.

We seek to go beyond straightforward compliance to develop proactive best-practice relationships with key regulatory bodies, including U.S. agencies such as the Federal Aviation Administration [FAA], Department of Defense and Department of Homeland Security, local and regional authorities, and international bodies such as the International Civil Aviation Organization [ICAO].

Here are a few examples of how we are leading with best practices for compliance:

- **Aviation safety:** Atlas maintains an industry best-practice safety program meeting all applicable FAA, ICAO and International Air Transport Association [IATA] standards. Atlas was among the aviation industry leaders participating in FAA's Safety Management System [SMS] before it was required. Read more in the [Safety & Security](#) section of this report.
- **Anti-corruption:** Our anti-corruption policy exists to ensure compliance with the U.S. Foreign Corrupt Practices Act of 1977, as amended, the UK Bribery Act of 2010 and other similar statutes around the globe. We supplement this policy with mandatory training provided to our employees, vendor due diligence and related policies and procedures.

### Compliance Hotline Is Available to All

Atlas maintains a toll-free Compliance Hotline to accept reports and complaints related to potential violations of Company policy. The Compliance Hotline may also be used to report concerns or complaints about the Company's accounting, internal controls or auditing matters, as well as instances of suspected fraudulent conduct. The hotline can be reached at 1-877-540-5060 or online at [aaww.alertline.com](http://aaww.alertline.com) and is available to employees and other callers on an anonymous basis. To ensure anonymity, the hotline is serviced exclusively by an independent, outside vendor. The hotline is available seven days a week, 24 hours a day and can be contacted from anywhere in the world.




- **Greenhouse gas emissions reductions and reporting:** Atlas has been reporting emissions under the European Union Emissions Trading Scheme since 2010 and is setting the groundwork to participate in CORSIA, the global carbon emissions program governing international flying starting on January 1, 2021.
- **Office of Foreign Assets Control:** OFAC, which is part of the U.S. Department of the Treasury, administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes. In recent years, we have bolstered our efforts to protect against even inadvertent violation of OFAC requirements and guidelines.
- **U.S. government contracts:** As a U.S. government contractor with a significant role in international trade, we partner with various federal agencies on compliance and best practices related to areas such as preventing human trafficking and endangered species trafficking.

## Corporate Compliance Policy

Our Corporate Compliance Policy governs our compliance programs and our commitment to prevent and detect any violations of the law or company policy. This policy is applicable to directors, officers, other employees and agents of the Company and its subsidiaries. It is designed to promote:

- **Compliance with all applicable laws, rules and regulations** in the many jurisdictions in which we operate;
- **Honest and ethical conduct**, including appropriately addressing actual or apparent conflicts of interest in professional and personal relationships;
- **Prompt internal reporting** to an appropriate supervisor and/or the Legal Department of potential and actual violations of the Company's compliance policies; and
- **Accountability** for adherence to the Company's compliance policies.

In addition to the overall policy, Atlas has specific policies in place to address our myriad compliance responsibilities. We update these policies as regulations change and we review all policies regularly to ensure that we are keeping pace with the evolution of best practices. We provide new-hire and recurrent compliance training to our employees that supports their ability to act responsibly and in full compliance with all legal and company requirements.



First and foremost, we comply with all laws and regulations applicable to us. We believe our compliance programs and willingness to partner with regulatory bodies help us to raise the state of the art for compliance in our industry.



## GOVERNANCE

# Data Privacy and Cybersecurity



Atlas Air Worldwide is committed to applying a strong governance and control environment for all aspects of our business, and nowhere is that more important than in business resiliency, data privacy and cybersecurity. We utilize best-in-class technologies, procedures and training to ensure the safety and security of our systems and assets, and to protect our data and the data entrusted to us by our customers and partners.

## Our Approach to Data Management and Security

Given the sophistication of today's modern aircraft, Atlas' planes are essentially flying data centers, generating large amounts of data that we capture, analyze and use to improve business operations. Our business overall is becoming increasingly digital – with pilots carrying charts and manuals on tablet computers instead of paper, ground operations personnel being able to log every event required to prepare a plane for takeoff, and real-time access to performance dashboards for our teams and our customers. Efficient management and use of this data require strong data governance and management practices, supported by well-secured information systems.

In the air and on the ground, the operational integrity of our information systems is critical to the continuity and reliability of our business. We configure our information

systems to be redundant and resilient, and we support them with an equally fault-tolerant data center and network environment with the objective of maintaining a nonstop operation. We conduct drills to practice maintaining operations if systems become unavailable and conduct internal and third-party audits on a regular basis to ensure that we are maintaining our systems at a high level of integrity. Atlas has been acknowledged by the U.S. Department of Defense and airline industry associations as a leader in preparing for and maintaining operational continuity in the event of a disruption.

In cybersecurity specifically, we know that new potential threats emerge every day. With strong support from the Board and our executives, Atlas seeks out and responds to vulnerabilities on a continuous basis.

## Delivering Best-in-Class Service, Reliability and Insight

From origin to destination, Atlas takes in data from many sources and securely provides it to customers to help them make more informed decisions. Using RFID, integrated dashboards and other technologies, we continue to improve the way in which we deliver data to our customers to better support their operations. For example, a customer can track the arrival of deliveries, use historical averages to determine unloading times and more accurately schedule when ground transportation arrives at the destination warehouse, and even in what order to line up the trucks. This reduces wait times at handling facilities and emissions from idled trucks.

## Threat Detection and Response

In cybersecurity specifically, we know that new potential threats emerge every day. With strong support from the Board and our executives, Atlas seeks out and responds to vulnerabilities on a continuous basis. We maintain compliance with the NIST 800-171 cybersecurity framework standard, which requires robust maintenance processes to ensure systems and networks remain at the highest level of known protection. In fact, we were the first member of the Civil Reserve Air Fleet to declare compliance with the NIST standard, which is required of defense contractors.

Our many programs of threat awareness feed into responsive processes designed to remediate exposures before they become an issue, or to respond in a programmatic and professional manner if they do. This includes ensuring that sensitive data are subject to additional management requirements to guard against tampering or exfiltration. We also maintain a multiyear roadmap of projects designed to continuously evolve and strengthen the security around sensitive data and cyber resiliency.

## Providing Leadership and Support for the Industry

Across the air cargo industry, Atlas is a recognized leader and innovator in cybersecurity and data privacy. Examples include:

- **Participating in leadership roles in a number of global cybersecurity organizations**, including the [Aviation Information Sharing & Analysis Center](#) [A-ISAC], which serves as a focal point for security information sharing across the aviation sector and the Defense Industrial Base of the Department of Defense [DOD].
- **Chairing the Air Transport cybersecurity committee** [by our senior vice president of information technology] of the National Defense Transportation Association [NDTA], a collaboration between transportation carriers and the U.S. Transportation Command, one of 11 unified commands under the DOD.

- **Working with the U.S. Department of Homeland Security** [DHS] to deliver training for other organizations on preventing and responding to cyberattacks. We also recently reached a cooperative R&D agreement for threat information systems with DHS.
- **Working with partners such as Boeing and the Federal Aviation Administration** on software management and system security for the Boeing 747-8, one of the most advanced and successful commercial and passenger aircraft in the world.

## Leading the Way with Training and Drills

For information security to be effective, we believe it must be a team effort involving the participation and support of every employee. Cybersecurity training and awareness are part of our new-employee orientation program, and we regularly conduct fake “phishing” campaigns to ensure that employees maintain a high level of vigilance. On occasion, we have contracted with independent “white hat” hackers to further validate the security of our systems.

In addition to the employee training, Atlas conducts tabletop exercises and drills throughout the year. In 2018, more than 20 departments participated in exercises to practice and refine their operating procedures. We share the insights from our training and drills with our partners in the private sector and the FAA and DOD and have been asked to help lead sector-based exercises for the airline industry.



## GOVERNANCE

# Public Policy Advocacy



On a global, national and local basis, we advocate passionately for the interests of our company, the air cargo industry and our key stakeholders. This includes being an active collaborator on aviation public policy issues, an effort that is led by our vice president of government relations and public policy. Our priorities include addressing the ongoing aviation workforce shortage, protecting “open skies” agreements, and fostering a positive environment for international trade and travel.

### Addressing Industry Staffing Challenges

The issuance of new pilot certificates has decreased by more than 60% since 1980. Similar trends can be seen in the decline of the highly skilled maintenance and technical support crews that support our industry.

We are working with legislators and regulators across the U.S. and around the globe to forge pathways for new pilots, mechanical and technical personnel, and other aviation services professionals. We actively seek to create more opportunities for training and certification, and to reduce the out-of-pocket cost of those programs, particularly for underrepresented minority groups where cost is a significant barrier. For example, in 2018, we supported the establishment of a U.S. federal grant program to invest in the education of future aircraft pilots and the development of the aviation maintenance workforce.

### Protecting and Enhancing Open Skies Agreements

We are steadfast in advocating for Open Skies agreements, which enable airlines, not governments, to make decisions about routes, capacity, frequency, and pricing of their services, based on market demand. Open Skies agreements promote competition in the aviation sector, increase choice, and reduce costs for consumers while also facilitating exports for U.S. businesses and enhancing U.S. national security.

Since 2015, we have been a founding member, along with FedEx, JetBlue and the Cargo Airline Association, of the

U.S. Airlines for Open Skies coalition. Atlas and industry partners are involved in supporting these agreements around the world, and, where possible, expanding them, including a new agreement between the U.S. and Brazil that was ratified in 2018. For Atlas, these agreements enable us to maintain global delivery networks to transport troops and vital supplies, including food and medical products, for the U.S. military, especially those based in the Middle East.

In addition to the priorities described above, Atlas is engaged in public policy matters related to aircraft regulations, labor and environmental policy, transportation, and international trade, among other areas.

### 2018 Advocacy Highlights

Our public policy efforts have had an impact in key areas related to education and training, safety, and international trade and travel:

- Supporting a new U.S. federal grant program to support the education of the next generation of pilots and the development of the aviation maintenance workforce;
- Advocating for the establishment of Federal Aviation Administration [FAA] advisory boards to advance diversity in the aviation workforce, including pilots;
- Protecting and enhancing Open Skies agreements around the globe;
- Harmonizing U.S. and International Civil Aviation Organization [ICAO] regulations regarding the air transport of lithium cells and batteries;
- Supporting the establishment of the Air Cargo Security division within the Transportation Security Administration [TSA]; and
- Continuing to be actively engaged in important public policy discussions in U.S. jurisdictions where we have a significant presence, including Alaska, Miami, New York and Northern Kentucky.



## Our ESG Stories



# Atlas Commits to CORSIA Carbon Emissions Reduction Program

Atlas Air Worldwide is committed to effective global implementation of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) program established by the International Civil Aviation Organization (ICAO).

ICAO's aim for CORSIA, which we support, is to secure a broad-based international civil aviation commitment to zero net CO<sub>2</sub> emissions growth starting in 2021. By adopting CORSIA, the international aviation community also has agreed to reduce its net CO<sub>2</sub> emissions by 50% by 2050, compared with a 2005 baseline. We and other airlines will contribute to meeting those goals by tapping into existing carbon markets to implement an offset program.

Atlas has voluntarily begun tracking and will begin reporting emissions in accordance with CORSIA methodology in 2020, even though it will not yet be mandatory in ICAO member countries. We believe this leadership position is good for the environment and good for our business. While the data will be verified by an independent third party, the program overall will be self-policing – therefore, we expect to be a strong voice in the industry for maintaining a culture of transparency and compliance.



## Our ESG Stories

# → Polar Air Cargo Team Pursues 'Less Waste, Better Future'

Atlas Air Worldwide's commitment to ESG is activated at all levels of our company, by our executive leadership team, through our subsidiaries and operations centers, and by individual locations and employees around the world. Grassroots initiatives are a significant driver of our efforts. Consider the example of the team at Polar Air Cargo, an Atlas Air Worldwide company, working at Anchorage International Airport in Alaska.



The team in Anchorage identified that a significant amount of waste was being generated from discarding oil cans used in aircraft and truck maintenance. The employees launched a program to collect and recycle these cans – but they didn't stop there. Employees engaged with Polar vendors and partners at the airport to facilitate the collection and recycling of their cans as well and to have all of them sent to a local recycling center. Since starting the program in June 2019, Polar employees have helped recycled 500 cans every two weeks.

This waste reduction program in Anchorage is part of Polar's broader sustainability initiative called Project Greening. Launched in 2019, Project Greening, under the slogan "Less Waste, Better Future," is intended to engage Polar employees in problem-solving and action around environmental concerns. The initial focus is on addressing "low-hanging fruit" such as waste reduction, energy management for facilities and equipment, and office materials recycling, with a longer-term intention to work on a variety of ESG-related issues.



## Our ESG Stories



# Annual Charity Golf Tournament Benefits Wounded Veterans

In support of our commitment to U.S. service members and their families, every year, we host the Atlas Air Charity Golf Tournament. Proceeds from the tournament, charity auction and related events throughout the year are donated to the Semper Fi Fund, K9s for Warriors and local organizations throughout Westchester County, New York, and Connecticut.

Semper Fi Fund is one of America's highest-rated charities, dedicated to providing urgently needed resources and support for combat-wounded, critically ill and catastrophically injured members of the U.S. Armed Forces and their families. The organization ensures that service members have the resources they need during their recovery and throughout transition back into their everyday lives.

K9s for Warriors is the nation's largest provider of service dogs for disabled veterans, with a goal of empowering warriors to return to civilian life with dignity and independence. The organization is dedicated to providing service canines to warriors suffering from post-traumatic stress disorder, traumatic brain injury, and/or military sexual trauma as a result of military service post-9/11.

In 2019, which marked the 18th year for the event, Atlas employees, partners and vendors participated in the tournament. An Atlas team that includes headquarters employees from various functions is involved in all aspects of the event, including planning, promotion, sponsorships, auction items, event-day support and follow-up. Veteran Amanda Peterson was on hand to share reflections on her time in the military and the impact her service dog, Chesdin, has had on her since completing active duty.



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