



southwest cares

Doing The Right Thing

The 2008 Southwest Cares Report is dedicated to the Employees, Customers, Shareholders, and other Stakeholders of Southwest Airlines, who strive each and every day to do the right thing for Our Planet, Our Communities, Our People, and Our Suppliers.





ABOUT THIS REPORT

Gary Kelly: Chairman, President, and CEO

Doing the Right Thing. It's not just a slogan at Southwest Airlines; it is our way of life. We practice this concept in a million different ways, every day. Southwest is privileged to serve millions of Customers annually who have chosen to patronize us with their hard-earned money. Southwest honors our Customers' patronage by doing the right thing for them—providing Safe, comfortable, and reliable air transportation. Our Mission Statement puts it this way: “The mission of Southwest Airlines is dedication to the highest quality of Customer Service delivered with a sense of warmth, friendliness, individual pride, and Company Spirit.”

The 35,000+ Employees of Southwest Airlines are the heart and soul of our Company. Doing the right thing for these Employees includes providing them with a stable work environment with equal opportunity for learning and personal growth. Creativity and innovation are encouraged for improving the effectiveness of Southwest Airlines. Above all, Employees will be provided the same concern, respect, and caring attitude within the organization that they are expected to share externally with every Southwest Customer.

Our planet sustains us, and, if treated right, it will provide us with stability. To recognize the importance of our home, one only needs to look at the exhilarating photo of Earth that was photographed by the Astronauts of Apollo 8. In this one picture, it is possible to contrast the lushness of our planet with

the stark bareness of the moon. Earth appears as a welcoming lifeboat in the void of space. Doing the right thing for our planet is not just “good business,” it is necessary for our survival.

It takes a lot of dedication, perseverance, and hard work to do the right thing for our Customers, Employees, and Planet, and this report outlines our environmental efforts and our goals. We began operations in 1971 with a revolutionary idea that everyone should be able to afford to fly instead of drive and to enjoy the Safety, comfort, and convenience of air travel. For the past 38 years, we have devoted ourselves to meeting that goal. Not only do we work hard with what we call a Warrior Spirit, we work smart. That means being as productive as possible without wasting either efforts or materials. Our Customers have responded. In the ensuing 38 years, we have grown to serve 64 (68 with the announced additions of Minneapolis, New York LaGuardia, Boston Logan, and Milwaukee in 2009) cities that we also consider to be our hometown communities. Being careful stewards of the environment has allowed us to keep our costs down and our fares low, and 2008 marked our 36th consecutive year of profitability. Southwest Airlines' total operating revenue was approximately \$11 billion, and total operating income was \$449 million, following Generally Accepted Accounting Principles (GAAP).

Obviously, the fewer materials we consume, the fewer natural resources are depleted. This report

“Not only do we work hard with what we call a Warrior Spirit, we work smart. That means being as productive as possible without wasting either efforts or materials.”

outlines our recycling efforts, which have diverted more than 450 metric tons of materials from America’s landfills in 2008. Reducing our fuel consumption reduces U.S. dependency on foreign oil and it also reduces greenhouse gas (GHG) emissions. Our efforts to reduce GHG emissions in 2008 eliminated more than 319,000 metric tons of carbon dioxide equivalent. You will learn details of those efforts, including blended winglets, Gate Services for onboard power and air for the aircraft at the gate, engine washing, and electric ground service vehicles, just to name a few. As you read about these efforts, keep in mind that the airline industry, which carries millions of people every year, has improved its fuel efficiency by 110 percent since 1978. This resulted in a reduction of 2.5 billion metric tons of GHG emissions.¹

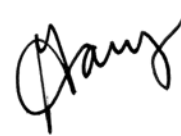
Looking forward, we support several programs to further reduce GHG emissions, including a complete overhaul and modernization of the outdated Air Traffic Control System (ATC) – we support the Next Generation Air Traffic Control system (NextGen), which includes a state-of-the-art satellite-based navigation system. Southwest is the first airline to commit to spending millions of dollars to retrofit our entire fleet with Required Navigation Performance (RNP) technology, which is a cornerstone of NextGen. We support adopting the entirety of NextGen as soon as possible. Once NextGen is in place throughout the industry, it is projected that fuel and GHG emissions reductions will

range from six to 15 percent.

Southwest, in cooperation with other air carriers, supports a balanced and comprehensive national energy policy that increases the country’s energy independence. This includes the development of alternative fuels, increasing domestic oil and gas supplies in an environmentally sensitive manner, and additional energy conservation measures.

Southwest also supports advances in airframe and jet engine design. While aircraft manufacturers have made today’s aircraft quieter and cleaner than any before, advanced wing systems and surfaces that reduce drag will further reduce our fuel needs and GHG emissions.

You will also read about how our Employees strive to be good neighbors in the communities we serve through involvement in all aspects of the community. For those of us at Southwest, Doing the Right Thing comes naturally. It is an extension of our Culture, and it really is part of our corporate DNA.



¹ In 1978, commercial airlines carried 2.92 revenue ton miles per gallon of fuel used. In 2007, commercial airlines carried up to 6.11 revenue ton miles per gallon of fuel used, an improvement of 109.6 percent.

Source: Air Transport Association.

MISSION AND VISION

To better understand why we at Southwest try to do the right thing, it is important to understand how we do business and how we integrate our Core Values into everything we do. It is the Southwest Culture that sets us apart.

1) THE MISSION OF SOUTHWEST AIRLINES

The mission of Southwest Airlines is dedication to the highest quality of Customer Service delivered with a sense of warmth, friendliness, individual pride, and Company Spirit.

2) TO OUR EMPLOYEES

We are committed to provide our Employees a stable work environment with equal opportunity for learning and personal growth. Creativity and innovation are encouraged for improving the effectiveness of Southwest Airlines. Above all, Employees will be provided the same concern, respect, and caring attitude within the organization that they are expected to share externally with every Southwest Customer.

3) TO OUR COMMUNITIES

Our goal is to be the hometown airline of every community we serve, and because those communities sustain and nurture us with their support and loyalty, it is vital that we, as individuals and in groups, embrace each community with the SOUTHWEST SPIRIT of involvement, service, and caring to make those communities better places to live and work.

4) TO OUR PLANET

We strive to be a good Environmental Steward across our system in all of our hometowns, and one component of our stewardship is efficiency, which by its very nature, translates to eliminating waste and conserving resources. Using cost-effective and environmentally beneficial operating procedures (including facilities and equipment), allows us to reduce the amount of materials we use and, when combined with our ability to reuse and recycle material, preserves these environmental resources.

SUSTAINABILITY VISION STATEMENT

Southwest's vision for a sustainable future is one where there will be a balance in our business model between Employees and Community, the Environment, and our Financial Viability. In order to protect our world for future generations, while meeting our commitments to our Customers, Employees, and Stakeholders, we will strive to lead our industry in innovative efficiency that conserves natural resources, maintains a creative and innovative workforce, and gives back to the communities in which we live and work.

SUSTAINABILITY STRATEGY

- Maintain and promote "Living the Southwest Way" (see page 16)
- Provide Leadership to a changing work force
- Reinforce and focus the community and charitable programs to maximize results
- Optimize fuel efficiency and alternative energy options
- Minimize energy use at all ground-based operations
- Ensure suppliers are adhering to Southwest's environmental and Culture standards
- Eliminate waste generation through source reduction and recycling/reuse where practicable
- Support legislation that provides incentives and funding for safe solutions to climate change, including alternative jet fuels and engine, airframe, and related infrastructure development

REPORT CONTENTS

The 2008 Southwest Cares Report highlights Southwest's efforts to do the right thing for Our Planet, Our Communities, Our People, and Our Suppliers. We know this is a journey, and Southwest is committed to continually improving and progressing in each key area. This year's report addresses efforts in the following areas:

OUR PLANET:

Southwest operates one of the industry's most modern and fuel-efficient fleets. We work to manage Greenhouse Gas Emissions both in the air and on the ground. In the air, we have initiated such programs as efficient flight profile speeds, aircraft specific performance monitoring, and installation of winglets on our -300 fleet. On the ground, we have a comprehensive engine wash program, along with gate services and an industry-leading Ground Support Equipment (GSE) electrification program. Our Employees work to minimize energy use, save water, and recycle on the aircraft and at our ground operations. Environmental stewardship is something Southwest takes seriously, and efficient operations are the hallmark of our Company and the foundation of our Environmental Commitment. This focus on efficiency not only makes good business sense, it is the right thing to do.

OUR COMMUNITIES:

Southwest has always been devoted to each and every community we serve. From monetary and in-kind donations to Share the Spirit volunteer efforts, Southwest reaches out to provide help where needed.

Our community efforts include the Adopt-A-Pilot program and Ronald McDonald House systemwide dinners, along with our Corporate Community Affairs Team that works hard to develop relationships that positively impact the communities we serve. We are proud to offer more than just friendly and affordable air service – we offer our hearts!

OUR PEOPLE:

The 35,000+ Employees of Southwest Airlines are the heart and soul of our Company. Doing the right thing for these Employees includes providing a stable work environment with equal opportunity for learning and growth. As we "Live the Southwest Way," our Employees are recognized through several Employee recognition programs for the hard work and caring Spirit they show to each other and our Customers. Southwest provides opportunity for learning at our University for People and growth through such programs as Manager In Training. We are committed to diversity and equal opportunity, and our Diversity Council leads the way. Our People are our greatest strength. A spirit of inclusion brings a Company together, and we embrace different perspectives and celebrate those who dare to bring their best forward.

OUR SUPPLIERS:

Working with our Suppliers is an important part of managing the overall waste cycle and supporting our commitment to efficiency. We are devoted to finding suppliers who meet our levels of Customer Service, our green procurement standards, and help us achieve our commitment to Supplier Diversity.

OUR PLANET

Environmental Stewardship is a responsibility Southwest takes seriously, and efficient operations are the hallmark of our Company and the foundation of our environmental commitment.

Efficiency means effective use of resources (energy, people, and materials), and we strive to be as productive as possible while minimizing waste and protecting the Earth. We were founded on a commitment to efficiency, and, as such, Southwest is one of the world's most efficient airlines. Over the decades, Southwest has been at the forefront of such efficiencies as paperless tickets, quick aircraft turnarounds, installation of winglets, and, more recently, the installation of fleet-wide advanced avionics. This focus on efficiency not only makes good business sense, it is the right thing to do.

Stewardship of the environment also means operating our business in compliance with the environmental regulations of the U.S. Environmental Protection Agency and all the governing agencies in the Cities and States in which we operate. Southwest is firmly committed to compliance and received no monetary penalties for environmental violations in 2008.

Last year, we published our first Environmental Stewardship Report, which was created to communicate to our Customers, Employees, Shareholders, and other Stakeholders what Environmental Stewardship means to Southwest. For 2008, we are publishing this more comprehensive "Southwest Cares" report to show how Southwest does the right thing by Our Planet, Our Communities, Our People, and Our Suppliers. Efficiency and respect for the environment have been an inherent part of our Culture and business approach since Southwest was launched in 1971. It is what has made us who we are today.

VISION FOR OUR ENVIRONMENTAL FUTURE

As we look to the future, we know climate change remains of vital importance to our industry and our Company. Southwest Airlines has committed \$175 million over a six-year period to retrofit our fleet with advanced avionics to support Required Navigational Performance (RNP), the cornerstone of the Federal Aviation Administration's Next Generation Air Traffic Control System. This dollar investment to retrofit our

aircraft and train our Pilots is the most significant investment in RNP by an airline. Efficient flight paths are crucial to the airline industry in our efforts to reduce Greenhouse Gas Emissions (GHG). We estimate based on test flights that RNP will result in a minimum of six percent fuel savings. Based on our 2008 fuel burn, this would result in a savings of 90 million gallons of jet fuel per year for Southwest Airlines, thus eliminating aircraft emissions in excess of 876,000 metric tons of carbon dioxide equivalent on an annual basis.

Southwest is committed to the U.S. airline industry goal of at least a 30 percent improvement in fuel efficiency from 2005 levels by 2025. To meet this goal, the industry will need the support of Congress to draft legislation that provides incentives and funding for safe solutions to climate change, including alternative jet fuels and engine, airframe, and related infrastructure development.

As a Company, Southwest is implementing a more robust, systemwide recycling program at our Headquarters, airport operations, and on our aircraft. This systemwide co-mingled recycling program will take our current recycling efforts of paper, aluminum, cardboard, and plastic to the next level and let us fully maximize the potential we have to reduce, reuse, and recycle. Southwest is targeting year end 2009 for full implementation of new equipment and procedures.

As part of our sustainability strategy, Southwest is also committing resources to perform environmental audits of our waste and recycling vendors to ensure the environmental compliance of their operations and reduce our longterm environmental liability.

RECYCLING AND WASTE REDUCTION

Efficiency extends to every part of our business. Efficiency means elimination of unnecessary waste, and we take that meaning to heart. By identifying opportunities to reduce, eliminate, or recover energy from our waste streams, we improved our waste management efficiencies and diverted a substantial amount of material from landfills.

Minimizing and eliminating waste is not something Southwest has undertaken alone. By working with the airports we serve, informing our Customers, and carefully selecting our suppliers, we achieve efficiency

in waste minimization and elimination. We work with suppliers that have the same environmental values we have. Together, we have implemented active programs to recycle the materials we use both on and off the aircraft to eliminate inefficiencies and excess waste where possible.

In 2008, our recycling program diverted more than 450 metric tons of waste from landfills. Our energy recovery program generated more than 4.8 billion British Thermal Units (BTUs) from used oil, filters, and liquid and solid paint waste, which were sent to industries where the BTU value can be recovered, diverting waste from incinerators and providing an alternative energy source. Here are some of the results of our waste minimization and recycling programs:

RECYCLING & ENERGY RECOVERY*		
Recycled Materials	Recycled Solid Waste (Metric Tons)	Energy Recovery (BTUs)
Cardboard, paper, plastic, aluminum	217.8	
Lamps	0.6	
Batteries	118.3	
Electronics	106.6	
Used Oil	—	4,541,545,000
Filters, liquid & solid paint waste	11.8	285,240,000
	455.1	4,826,785,000

SOUTHWEST'S SELECT-A-SNACK TRAY

In April 2008, Southwest switched to a new way of snacking: Southwest's Select-A-Snack. With our Select-A-Snack method not only are we giving Customers the Freedom to choose which snack best suits their tastes and appetites, but we are also having a positive impact on the environment by eliminating waste. By switching from our Travel Snacks to the Snack Trays, Southwest estimates that we would have annual net reductions of 750 million square inches, or 700,000 pounds, of waste material. In addition, the Snack Trays themselves are made of recycled materials.

FUEL & EMISSIONS SAVINGS

Southwest is committed to continuing to lead the industry in emissions reductions through fuel efficiency. Efficiency in fuel consumption benefits our Company, as well as the environment, and this has been part of our business model since the beginning. Southwest has maintained our position as an industry leader in fuel efficiency and GHG reductions through comprehensive programs of reinvestment in equipment and technological innovation and partnerships with industry and government. Southwest supports the Air Transport Association of America's commitment to voluntarily reduce GHG emissions. Through our partnership with the Environmental Protection Agency's Blue Skyways Collaborative, we work with other members to voluntarily reduce emissions by sharing technology and professional expertise. To further demonstrate our commitment to improving fuel efficiencies and reducing emissions, our strenuous focus on conservation leads us to explore new and better ways to be efficient in our operations. Some of our initiatives are:

IN THE AIR

EFFICIENT FLIGHT: Southwest adjusted flight profile speeds and flight altitudes in March 2008 in order to create additional efficiencies and to conserve fuel. From March 2008 through December 2008, the flight profile adjustments saved approximately 13.1 million gallons of fuel without affecting ontime performance and reduced emissions by 127,000 metric tons of carbon dioxide equivalent.

AIRCRAFT SPECIFIC PERFORMANCE MONITORING (APM):

By establishing a specific fuel burn factor for each aircraft through APM, Southwest was able to more accurately gauge fuel needs for each flight. The result of APM is a small but measurable reduction in takeoff weight, which saved 4.4 million gallons of fuel in 2008, which equates to a reduction of 43,000 metric tons of carbon dioxide equivalent.

WINGLETS ON -300 FLEET:

Southwest operates one of the most efficient fleets in the world, comprised of Next Generation Boeing aircraft (737-700) and the Boeing Classic fleet (737-300 and -500). Southwest has winglets installed on all of our Next Generation aircraft and began the installation of winglets on our -300 fleet, identifying 90 aircraft for installation. By the end of 2008, Southwest installed winglets on 69 of the 90 aircraft, saving approximately 3.5 million gallons of fuel in 2008 alone.

*Note: Energy recovery is based on recycling through fuel blending for energy intensive industries such as cement manufacturing. Energy contents are as follows: Used oil - 145,000 Btu/gallon (19,754 Btu/lb.); Paints/organic compound blends - 10,000 Btu/lb.; Paper components of used filters - 7,000 Btu/lb.

RNP

RNP is satellite-based navigation and is one of the cornerstones for the FAA's Next Generation Air Traffic Control system (NextGen), bringing together the accuracy of Global Positioning System (GPS), the capabilities of advanced aircraft avionics, and new flight procedures. RNP allows aircraft to fly more precise, direct, and accurate paths, thereby reducing emissions and saving fuel. In support of the FAA's Roadmap for Performance-Based Navigation, Southwest is investing \$175 million during this six-year project to implement RNP procedures, retrofit aircraft, and train our Pilots. The initial investment will provide longterm benefits to reduce industry air traffic congestion and increase aircraft efficiencies.



GSE: In 1997 Southwest Airlines began to invest in Ground Support Equipment Electrification. There were 701 pieces of equipment electrified by year end 2008, including bag tugs, belt loaders, lavatory trucks, and pushbacks. By using electric power to run the equipment instead of fuel, we estimate we have reduced 2008 ground support equipment fuel consumption by as much as 550,000 gallons and reduced emissions by 5,000 metric tons of carbon dioxide equivalent.

Our initiatives have steadily increased the efficiency of our operations, leading to a savings in fuel burn and a reduction of emissions. In 2008 alone, Southwest increased the fuel efficiency of our GSE fleet by 2.1 percent, and by a total of 6.7 percent since 2004, and we continue to improve.

ON THE GROUND

ENGINE WASHING: Using Pratt & Whitney's EcoPower® Engine Wash, Southwest washes four of our Boeing 737-700 engines each night. This has increased engine efficiency, and, from April 2008 through December 2008, saved 1.6 million gallons of fuel and reduced emission by 15,000 metric tons of carbon dioxide equivalent.

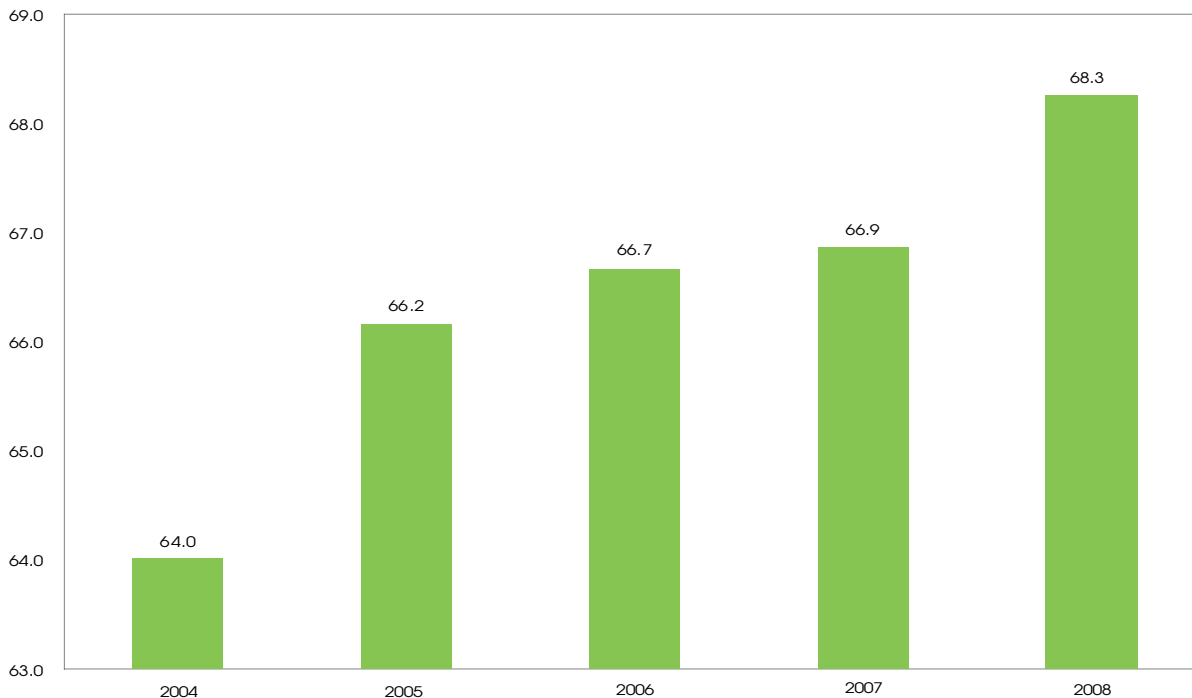
GROUND IDLE SPEEDS: The engines on our Classic fleet (CFM56-3) have a ground idle speed range adjustment, which allowed us to adjust the idle speed to minimize the amount of fuel consumed in ground taxi operations. From this one change alone, we estimate a savings of 3.1 gallons per hour while our aircraft are idling on the ground.

GATE SERVICES: Since 2005 Southwest has been investing heavily in "gate services" electrification and, to date, we have converted to this process in 62 of the 64 cities we served at year end 2008. By providing electric power to our aircraft at the gates, we reduced aircraft auxiliary power unit (APU) fuel consumption and reduced emissions generated on the ground.

CARBON FOOTPRINT

There is no denying that airlines burn fossil fuels—it is a fact of air transportation. But, how much we do to reduce our impact is important. That is why Southwest is committed to flying as efficiently as possible, thus eliminating wasteful fuel consumption and the associated emissions. Assessing our fleet of 537 Boeing 737s (at year end 2008), we calculated our fuel burn as 1.51 billion gallons of fuel for the full year, which equates to 14.6 million metric tons of carbon dioxide equivalent. Our fuel saving initiatives in 2008 yielded a savings of 33 million gallons and reduced emissions by 319,000 metric tons of carbon dioxide equivalent.

Combined Fuel Efficiency Improvements (in Available Seat Miles per Gallon)



2.1 percent year over year improvement from 2007 to 2008

ENGINE WASHING

It makes sense that a dirty engine wouldn't operate as efficiently as a clean one, but it wasn't until Pratt & Whitney's patented EcoPower system was developed that washing engines became practical and eco-friendly. Washing an engine reduces fuel burn, which reduces carbon dioxide emissions. The EcoPower engine wash service, offered through the Pratt & Whitney Global Service Partners network, uses a system that captures and purifies the wash water, allowing it to be recycled and used for another wash—greatly reducing the total amount of water used in the process.

WATER SAVINGS/WATER POLLUTION REDUCTIONS

Water is one of our most valuable resources and reducing our consumption is important to Southwest Airlines. There are several efforts underway to implement water savings, including:

- ➔ Low flow water saving plumbing for replacement and in new facilities
- ➔ Auto shutoff water faucets for replacement and in new facilities
- ➔ Meeting LEED™ standards for efficient water use at many of our new facilities
- ➔ Landscaping with native and drought-tolerant plants
- ➔ Recycling the water used in our engine wash program

Along with reducing our water use, it is important that we keep water sources pure and support pollution prevention by reducing the chance of contamination. One of the significant changes we made in 2008 was using a new, more environmentally friendly Type-IV propylene glycol for aircraft anti-icing. When compared to earlier anti-icing formulations, the new fluid minimizes environmental impacts by 40 percent. Southwest also continuously works with the airports we serve to mitigate the environmental impact of deicing fluid by minimizing the amount of deicing fluid in our stormwater run-off through better design and construction of management systems and annual training of our Employees on fluid application and management.



ENERGY USE AND CONSERVATION

Our position as an industry leader in fuel efficiency and reduction of carbon dioxide emissions is something we are very proud of and will continue to pursue. We recognize, however, that reduction of Greenhouse Gas emissions from our operations is only one part of an overall emissions reduction strategy. We are committed to pursuing Leadership in Energy and Environmental Design (LEED®) standards in new construction. By taking steps to reduce the amount of energy we consume, and to purchase our energy from renewable resources, we can make a significant difference in our impact on climate change.

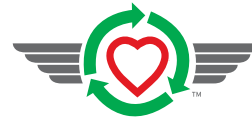
We have initiated a number of programs and projects to reduce the amount of energy we consume, such as:

- Installation of lighting control systems that automatically shut-off office and facility lighting systems when not in use
- Meeting LEED® standards at many new facilities
- Forming a LEED® focus group for the Love Field Airport Modernization Plan in Dallas
- Where feasible, purchasing our power from renewable energy sources
- Participating in the Environmental Protection Agency's Green Power Partnership Program by entering into a 60-month agreement with Reliant Energy to purchase 30 percent green e-certified renewable energy credits for our Dallas and Houston operations.

NOISE

Southwest strives to be a good neighbor in every community we serve. Aircraft noise is something that can affect the quality of life of the communities located near our operations. As with other environmental issues, we have taken steps to mitigate this occurrence by ensuring our entire fleet meets current aircraft noise standards. The addition of our winglets and engine modifications have yielded a quieter aircraft that creates less noise when taking off and landing, plus our Pilots typically use noise abatement procedures that enable us to minimize noise impact in communities near the airports we serve. At some of our Stations, we have partnered with the local airports to construct sound barriers and other noise mitigation features. Southwest will continue to seek innovative ways through investment in technologies to reduce the noise from our aircraft.

EMPLOYEE INVOLVEMENT



SOUTHWEST AIRLINES®

THE GREEN TEAM

Southwest has a Team of Employee volunteers from across the organization dedicated to

furthering our environmental efforts. The Green Team is comprised of Employees from all our business functions united under one common goal of enhancing the level of our Environmental Stewardship through daily action. Green Team projects and participation include:

- Implementation of a robust, Companywide co-mingled recycling program
- Participating on committees to help identify areas of our operations where emissions can be reduced
- Development of Employee outreach programs on environmental issues so individual Southwest Employees can reduce their personal environmental footprints
- Development of external outreach programs to support Employee volunteerism addressing environmental issues
- Encouraging alternative transportation options where Southwest operates, including the investigation of Employee commuter programs
- Implementing “Green Tuesdays,” which provide tips each week to Employees on how to live and work green
- Development of a Green Ambassador program in each individual city Southwest serves to foster Environmental Stewardship

GREEN TEAM GOALS INCLUDE:

- Identify environmentally responsible efforts already in place
- Search for areas for improvement
- Make recommendations for environmentally responsible business practices
- Put a “green” filter on future business decisions

Each and every Southwest Employee remains committed to making our Company and our world a great place to be. All Employees are encouraged to actively participate in our recycling programs and provide outreach to our Customers on these programs. In addition, our Employees work hard to support our Environmental Stewardship commitment with volunteer projects and support of community initiatives across the country.

AWARDS & MEMBERSHIPS

- President's Environmental Youth Award, U.S. Environmental Protection Agency
- Dallas Water Utilities Blue Thumb Silver Award, 2001-2006
- America's "100 Best Corporate Citizens," Chief Responsibility Officer Magazine, 1999 - 2007
- Port of Portland Aviation Environmental Excellence Award, 2007
- Keep Dallas Beautiful Environmental Excellence Award, 2007
- Green Customer Award, Office Depot, 2007
- Member, Commercial Aviation Alternative Fuel Initiative
- Members Environmental Protection Agency's Green Power Leadership Club, 2008
- Member, Dallas Environmental Council, 2008
- Member, U.S. Environmental Protection Agency's Blue Skyways Collaborative Partnership Program



Southwest Airlines Employees helped celebrate Arbor Day LA at Griffith Park in Los Angeles. As a corporate partner of Million Trees LA, Southwest is committed to helping the city plant trees, which will remove pollutants from the air, decrease temperatures around the city, and reduce Greenhouse Gases.



Burns & McDonnell Inc. (Burns & McDonnell) was retained by Southwest Airlines Co. (Southwest) as an independent engineering and consulting firm to provide a third-party verification of the Our Planet section of the 2008 Southwest Cares Report. The 2008 Southwest Cares Report was prepared by Southwest's report team and approved by Southwest's management, who retain responsibility for its content.

In order to complete a third-party review, Burns & McDonnell independently interviewed Southwest employees, obtained, analyzed and verified data, and conducted independent industry research and benchmarking to substantiate and support the statements contained in the report. Burns & McDonnell requested and reviewed available data from Southwest and made reasonable assumptions when data gaps occurred.

To the best of our knowledge the information contained in this report is true and accurate and represents reasonable conclusions based on data made available and reviewed by Burns & McDonnell.

Sincerely,

Tiffany Goebel
Project Manager

OUR COMMUNITIES

Southwest Airlines has always been devoted to each and every community that we serve. Our Employees, Customers, and neighbors make the Southwest Family the LUVing place that it is, and we are proud to offer our cities more than just friendly and affordable air service. We offer our hearts to our Customers and the communities we serve! Thousands of times each year, Southwest Airlines and our Employees reach out to individuals, families, and entire communities providing help where it is needed. Most donations are invisible—except to the people they affect. For Southwest, that is recognition enough. Southwest’s Charitable Giving and Community Relations teams make corporate donations and maximize volunteerism to the benefit of nonprofit organizations in the communities served by Southwest. These efforts are in addition to those of the Corporate Community Affairs Team, that works hard to develop relationships that positively impact the communities we serve.

OPERATIONAL SPEND

The estimated annual routine operational spend on goods, services, taxes, salaries and other items by Southwest Airlines in the Top 10 largest cities we served for the 2008 calendar year was more than \$2.5 billion.

Our Top Ten cities: Las Vegas, Chicago Midway, Phoenix, Baltimore/Washington, Houston, Dallas Love Field, Oakland, Los Angeles, Denver, and Orlando.

MISSION

The mission of Charitable Giving and Community Relations, under the *Share the Spirit* umbrella, is to create goodwill in the communities we serve in the form of corporate contributions, Employee volunteerism, and community relations programming. Through these efforts, we will positively impact the Southwest Airlines brand as the LUV airline and nurture the SPIRIT of giving that is intrinsic to our Culture.

SHARE THE SPIRIT

Southwest Airlines gives back to the communities we serve through a program titled *Share the Spirit*. Southwest Airlines is rooted in the idea that giving back keeps our Company thriving. While we’ve been “Sharing the Spirit” for our nearly 38-year history, it became a formal program in 2006.

Making our communities a better place to live and work is the goal of the *Share the Spirit* program. As part of the program, Southwest Airlines supports communities through Employee volunteerism, community outreach, charitable contributions, and corporate social responsibility.

In 2008, Southwest Airlines Employees reached out to individuals, families, and entire communities to provide help where it was needed. Southwest Airlines Employees reported more than 20,490 volunteer hours during 2008. Southwest Airlines Employees conducted more than 80 *Share the Spirit* events systemwide. These Employee volunteerism events ranged from planting trees to feeding the less fortunate to cleaning up communities.

DONATIONS

Qualified, 501(c)(3) tax-exempt charitable organizations may submit a donation request online at southwest.com/cares. The application is then reviewed and handled.

Charitable Giving received 19,592 donation requests in 2008. More than 15,000 tickets and \$400,000 in cash were distributed in response to the requests, valued at more than \$6.6 million in total contributions.

As a low-cost carrier, the Team is constantly looking for new ways to support the communities we serve at the local level while keeping costs low. In addition to food and gift drives, Southwest Employees roll up their sleeves and offer a priceless contribution: their time.



VOLUNTEERS OF LUV

Each year Southwest Airlines recognizes our exceptional *Share the Spirit* volunteers at the Volunteers of LUV Celebration. We pay tribute to outstanding Southwest Airlines Employees who tirelessly give of themselves by volunteering for nonprofit organizations in the community-- painting fences, working at a soup kitchen, cleaning up a park, and more. Winners are honored during the celebration held at Southwest Headquarters in Dallas. The names of these big-hearted Employees have a permanent place of esteem on the *Share the Spirit* Volunteers of LUV wall in Headquarters, alongside past recipients. We honored 26 Volunteers of LUV at the 2008 event, each one an inspiration to us all. Here are a few examples of our outstanding volunteer Employees:

Alex Artiaga (Tampa Bay-Ramp) spearheads a holiday gift drive for Pinellas Village, an apartment community and betterment program for single-parent families, in the Tampa Bay Area. Every year, he creates an Angel Tree and, with the support of the Tampa Station, delivers truckloads of gifts to the children at Pinellas.

Robert Champagne (Dallas Love Field -Maintenance) plans and coordinates Guitar Hero III competitions with C.J. Wilson and other Texas Rangers teammates, raising funds for the Cook Children's Medical Center, where his son is currently being treated for hemophilia. The events have helped fund a media and entertainment room for the children, friends and families.

Richard 'Pablo' Cruse (Little Rock-Ground Operations) and his certified therapy dog, Savannah, visit the children in the special education class at Pike View Elementary School every Tuesday, while his fellow LIT Employees visit the class monthly. Pablo and his dachshund also visit the Sherwood Nursing Home on Saturdays and Sundays, performing tricks and providing emotional treatment.

Wayne Toups (Oakland-Inflight) built and directs The Purple Palace, a nonprofit orphanage in Tijuana, Mexico, which now houses 100 children. He visits the orphanage weekly. Also, he volunteers for Strong Tower Ministries and Red Cross.

BACKPACK BRIGADE

Every year, Southwest Airlines Employees support one Companywide Share the Spirit program. In 2008, the companywide program was the Southwest Airlines "Backpack Brigade." The Backpack Brigade was a month-long program in partnership with Operation Homefront to raise support for the families of troops in Iraq and Afghanistan. Southwest Airlines Employees donated goods such as binders, folders, pencils, and markers at each of our locations across the country. These supplies filled 1,000 backpacks and were sent to children of U.S. military personnel serving overseas in time for the start of the new school year.

Since many of Southwest's Employees have served, or are currently serving in the military, this project was very close to home. This Backpack Brigade initiative honored Herb Kelleher (Founder and Chairman Emeritus) and Colleen Barrett (President Emeritus) for their inspirational leadership of Southwest, and their unwavering support for education and the military.



ADOPT-A-PILOT

Another way Southwest Airlines Employees Share the Spirit is through the Adopt-A-Pilot program. In 2008, more than 29,000 students nationwide participated in the Southwest Airlines Adopt-A-Pilot community relations program. The program features Pilots spending time in fifth-grade classrooms mentoring students and helping them realize that no goal is too high if they plan and work hard. From February through May each year, fifth-grade students in more than 1,000 classes across the country "adopted" Southwest Airlines Pilots in this award-winning educational mentorship program that leads students through personal goal setting, science, geography, math, writing, and other core subjects, all based in aviation-related activities.

How many Pilots participated in mentoring the 29,000 students? In 2008, more than 650 Southwest Airlines Pilots volunteered 5,120 hours to mentor fifth-grade students!

CORPORATE COMMUNITY AFFAIRS

Southwest Airlines is a Company of people dedicated to doing the right thing. By meeting our obligations as a good corporate citizen, we ensure that every time a member of the community steps onboard our aircraft, they are reminded of our personal connection and feel at home with Southwest Airlines.

The goal of the Corporate Community Affairs department is to ensure Southwest Airlines is a trusted partner and valued as a source of influence among internal and external Customers. This effort encourages relationship development that positively impacts the communities we serve.



SHARE THE SPIRIT BY THE NUMBERS IN 2008

19,592	Number of donation requests received
\$400	Estimated dollar value of a donated roundtrip ticket
15,545	Number of tickets distributed as donations
\$429,000	Amount of cash donated by SWA throughout the year
\$6,629,000	Estimated monetary value of ticket and cash donations for the year
\$100,000	Monetary donation to American Red Cross for Hurricane Ike relief
408	Number of volunteers for both 2008 PHX and DAL LUV Classics
2,239	Number of hours volunteered for both 2008 PHX and DAL LUV Classics
\$905,000	Monetary amount raised in the 2008 PHX and DAL LUV Classics
\$10,000,000	Amount raised by the LUV Classics to date
5,120	Number of hours volunteered by Southwest Pilots in the Adopt-A-Pilot program

The Corporate Community Affairs team cultivates these mutually beneficial relationships in the “Southwest Way,” with integrity and a Servant’s Heart. Southwest Airlines achieves tremendous success by leveraging our Company’s reputation, making in-kind contributions, and serving on key boards and committees of local, regional, and national organizations.

DÁNDOLE ALAS A TU ÉXITO: GIVING FLIGHT TO YOUR SUCCESS

The Hispanic Association of Colleges & Universities (HACU) partnered with Southwest Airlines to launch the Southwest Airlines “Giving Flight to Your Success” Travel Program. HACU has more than 400 Hispanic Serving Institutions as members. The Hispanic Serving Institutions are colleges and universities with a minimum of 25 percent Latino student enrollment, which provide a sourcing network for students seeking internships.

In partnership with HACU, Southwest Airlines created a Travel Award program that champions higher education and has a tangible and positive impact for struggling students and their families.

Each student selected would be eligible for the “Take Off! Southwest Airlines Education Travel Award” of up to four (4) tickets for the student and/or parents traveling to/from the university. The selection committee members determine the number for each student, based on the student’s application. In 2008, more than 150 students and 600 family members benefitted from the program.

LUV CLASSIC AND RONALD MCDONALD HOUSE

Each year, Southwest Airline hosts two golf tournaments, “LUV Classic,” in Phoenix and Dallas. The events raise money to benefit Ronald McDonald House Charities. Local and regional sponsors are invited to come enjoy a fun day of golfing, followed by an evening full of festivities. As of 2008, LUV Classic’s 23rd anniversary, more than \$10 million has been raised for the Ronald McDonald Houses. In addition to the LUV Classic, Southwest also supports its corporate charity by sponsoring twice yearly dinners at Ronald McDonald Houses in cities Southwest serves, totaling 69 houses in 61 cities.

The initiative began in 1983 when one of the Company’s Pilots, Dick East, lost his daughter to leukemia. He began volunteering at houses in cities where he happened to fly, recruiting Coworkers along the way to join him in his efforts. His efforts caught the Company’s attention, and the rest is history.



OUR PEOPLE

LIVING THE SOUTHWEST WAY

Southwest Airlines' number one priority is to ensure the personal Safety of each Southwest Customer and Employee. Beyond this, we follow "The Golden Rule," which means we treat each other the way we want to be treated, which is why doing the right thing by our Employees and Customers is so inherent to who we are. We believe in Living the Southwest Way, which is to have a Warrior Spirit, a Servant's Heart, and a Fun-LUUVing Attitude. Within each of these categories are specific behaviors to help us be a Safe, profitable, and Fun place to work.

Live the Southwest Way

Warrior Spirit

- Work hard
- Desire to be the best
- Be courageous
- Display a sense of urgency
- Perservere
- Innovate

Servant's Heart

- Follow the Golden Rule
- Adhere to the Basic Principles
- Treat others with respect
- Put others first
- Be egalitarian
- Demonstrate proactive Customer Service
- Embrace the SWA Family

Fun-LUUVing Attitude

- Have FUN
- Don't take yourself too seriously
- Maintain perspective (balance)
- Celebrate successes
- Enjoy your work
- Be a passionate Teamplayer

VISION FOR THE FUTURE

Our vision for our People is clear. We want to protect the job security, prosperity, and well-being of all of our Employees. Our focus is to bring the best People, with Fun-LUUVing attitudes, into the Southwest Airlines Family, at a competitive salary, ensuring all have an equal opportunity—then give them the positive work environment, training, and encouragement to succeed.

OUR EMPLOYEES

In 2008, Southwest had 35,499 full time equivalent Employees. Southwest's workforce in 2008 was 44 percent female and 28 percent minority, reflecting a slight increase from 2007 in the number of female and minority Employees. Southwest Airlines' People & Leadership Development Department is committed to sourcing for qualified minorities and female applicants to assist Southwest in continuing the progress made in 2008. Through a variety of sources, such as local and community job fairs, career days, special events, and liaison with trade/technical schools, colleges and universities, Southwest can continue its work toward identifying and utilizing current and new sources of qualified minority and female candidates. The People & Leadership Development Department works to ensure that all minority and female applicants are given fair and equal consideration for job openings.

DIVERSITY

At Southwest Airlines, Diversity is more than a word; it is an expression of our operations in every way. A diverse workforce keeps Southwest strong and innovative, and we seek to mirror the communities we serve. Our People are our greatest strength, and they are an amazing group of Employees from different backgrounds and countries. This means more richness in the diversity of ideas, knowledge, and actions, which has made us the only consistently profitable airline in the world and which helped create the powerful corporate Culture for which we are known. A Spirit of Inclusion brings a Company together, and we embrace different perspectives and celebrate those who dare to bring their best forward.

EQUAL EMPLOYMENT OPPORTUNITY

Southwest Airlines prohibits any and all types of harassment or discrimination of our Employees by other Employees or outside parties. Harassment or discrimination based on race, color, religion, age, sex, sexual orientation, gender identity, pregnancy, marital

DIVERSITY COUNCIL

The Diversity Council was created as a proactive group to mentor the Company's decisions and efforts around recruitment, human resources policies, and supplier diversity. The Diversity Council members are volunteers who decided to step forward to deliver the best of diversity Leadership and embrace the Spirit of Inclusion in all departments. The Diversity Council's purpose is to meet monthly and support the Company's efforts to:

- Improve the recruitment and advancement of women and minorities
- Increase supplier diversity e.g. MWBE (Minority Women owned Business Enterprises) (see page 20)
- Create awareness and show appreciation of cultural and lifestyle differences within our diverse workforce
- Organize and amplify issues that improve inclusiveness and diversity
- Serve as a conduit and resource, and direct issues raised to appropriate Departments for follow-up and/or action



The Diversity Council

GLBT

At Southwest Airlines, we have always valued diversity in the workforce. We pride ourselves on giving our Employees the Freedom to be themselves. Southwest is a Company that works hard every day to do right by our Customers and our Employees - regardless of race, religion, and sexual orientation. We are very proud that we offer health and flight benefits to our Employees' Committed Partners. Since Southwest Airlines first began offering Committed Partner benefits and pass privileges in 2001, we have made Employee-friendly modifications to these plans. Our efforts are consistent with our Culture of Freedom and The Golden Rule. We also are very proud of our strong 90 percent rating on the Corporate Equality Index and our support of GLBT Community events such as the Capitol Pride Parade in Washington, DC.

status, national origin, disability, veteran status, or other legally protected status, is inappropriate, offensive, and will not be tolerated. All Employees are responsible for maintaining a positive working environment, free of discrimination and harassment, and free of hostile, threatening, or intimidating behavior.

At Southwest Airlines we have policies in place to ensure a harassment and discrimination free environment, but more importantly, we believe that following these policies is simply the right thing to do!

EMPLOYEE RECOGNITION PROGRAMS

Our Employees go above and beyond each and every day to do the right thing, provide great Customer service, and keep our costs low, thus allowing us to offer the lowest possible fare. Our Culture recognizes the importance of celebrating and recognizing our Employees' efforts, both on and off the job.

PRESIDENT'S AWARD

Every year, Employees in each department of our Company nominate Coworkers for the President's Award, one of our Company's highest honors. This honor recognizes Employees who consistently go above and beyond as part of their daily routine, and the recipients are honored at the annual Awards Banquet in June.

WINNING SPIRIT AWARD

The Winning Spirit Award is given to Employees who go above and beyond to help a Customer or Fellow Employee. Nominations are made by Coworkers, and the Winning Spirit Committee meets to select the recipients.

HEROES OF THE HEART

Created by the Southwest Airlines Culture Committee in 1992, this coveted yearly award honors one deserving group or department who works behind-the-scenes without direct contact with our external Customers, to ensure the success of our Company. The award is given in a ceremony at our Corporate Headquarters in Dallas on Valentine's Day.



The 2008 Heroes of the Heart recipients, The Graphic Design & Creative Services Team

LUV REPORTS

Employees of Southwest Airlines consistently go above and beyond their normal job duties in extending Positively Outrageous Service to Coworkers and/or valued Customers. LUV Reports are a way that Employees can recognize each other for Living the Southwest Way—serving Customers and each other with a Warrior Spirit, a Servant's Heart, and a Fun-LUVing Attitude. Reports are transmitted to the Executive Office for review, response, and recognition.

OPERATION: KICK TAIL

Leaders can give Kick Tail-A-Grams to Employees whom they witness embodying the Southwest Way. This can include attending a Company event such as Message to the Field or Chili Cookoff; participating in a Local Culture Committee Event; participating in a Share the Spirit Event; receiving a commendation letter from an Internal or External Customer; or simply creating a FUN moment for Coworkers. Names of Kick Tail-A-Gram recipients are entered into a database so that those Employees are eligible for monthly, quarterly,

and annual drawings. Outstanding prizes are awarded to those Employees who win these drawings.

EMPLOYEE TRAINING

With an emphasis on Safety, Southwest Airlines trains in regulatory compliance among our operating groups, following standards of the Environmental Protection Agency, Food & Drug Administration, Department of Homeland Security, Federal Aviation Administration, Department of Transportation, Occupational Safety and Health Administration, and other federal, state, and local agencies.

For our People, Southwest Airlines believes in creating a work environment rich with learning and development. The correlation is clear between learning and job satisfaction, even for more tenured Employees. Southwest conducts a bi-annual Employee survey, gathering quantitative and qualitative assessments directly from Employees about what's working at Southwest, what's not, and what they value the most. Survey results indicate that a vast majority of Employees believe they get the training they need to do their job (84 percent) and can meet their career goals here (77 percent). Results like ours are significantly above the norm, according to Mercer Consulting Group, which conducted the survey. Thus, it is no surprise that overall Employee satisfaction is at 80 percent—up three percent in 2008 compared to the 2006 survey.

But of course, we don't create learning opportunities just because they reduce turnover or improve survey results. The truth is that we LUV each of our Employees, and we want them to be truly fulfilled and valued for what they do every day.

It's really that simple—and that profound.

THE UNIVERSITY FOR PEOPLE

The University for People (U4P) is our corporate training facility, dedicated to developing and delivering personal, professional, and Leadership curriculum. Whether Employees need Microsoft Office skills, were just promoted into Leadership, or need a Partner to support their Team's development, the U4P provides innovative, relevant tools for all Employees to learn and grow. Coaching and Strategic Planning services are also available. Elective classes are open to all Employees and include software training, communication skills, leading effective meetings, team building and leadership skills. The Talent Development group is committed to making performance management a vital part of our Culture, in a way that not only drives excellent results, but also makes People motivated, excited and, ultimately, allows them to flourish.

MANAGER IN TRAINING PROGRAM (MIT)

The Manager-in-Training (MIT) Program is a development experience for high potential Leaders who have longterm interest and potential with our Company. There are two program levels: MIT I and MIT II. MIT I offers learning experiences and department visits that emphasize all aspects of Southwest Airlines and our Culture. Participants experience 20+ training sessions, including interactive exercises, assignments, and visits by different Departments within the Company. Participants learn about various aspects of Southwest Airlines to give them a better understanding of the “big picture” and what Southwest Airlines, as a Company, is all about. MIT II focuses on Leaders at the Manager-level to strengthen Leadership Expectations and build key Leadership skills, such as strategic thinking and coaching. Building relationships with other Managers, Directors, and Senior Leaders across the Company is another invaluable experience of both levels of the MIT Program.



ONBOARDING

The main purpose of OnBoarding is to welcome New Hires into the Southwest Family. OnBoarding works with New Hires from the time they are selected until the end of their first year. OnBoarding Online Orientation is an interactive program made available to New Hires, beginning the day they accept a position until 30 days after their first day of employment. The orientation was designed with Employee individuality in mind. Southwest’s workforce is comprised of four generations—each with their own personalities and preferences regarding how they receive information. OnBoarding’s goal was to meet these generational differences by creating an interactive learning tool that is informative, FUN, and easy for everyone to use. In 2008, Southwest’s OnBoarding efforts reached 2,137 New Hires.

DUCK DERBY

On May 22, 2008, hundreds of Southwest Airlines Employees gathered to witness the first annual Duck Derby presented by the Southwest OnBoarding Team! Southwest Airlines raced 5,000 rubber ducks in SeaWorld San Antonio’s Castaway Cruisin’ at Lost Lagoon to celebrate the success of our OnBoarding program. Each duck represented a Southwest Airlines Employee who sponsored a New Hire. Ducks were purchased by current Employees to raise money to give the new Employees a Southwest welcome kit with a lanyard, T-shirt, and LUV note.

The race began when 5,000 ducks were dropped into the water. The ducks maneuvered their way down the mile-long river while dodging obstacles and rapids. The race ended as the first 25 ducks funneled into the duck “pen” built by Southwest Airlines Maintenance Employees. The Employees donated their time and talent to build the contraption that “selected” the winner. The lucky ducks won prizes, and Employees also enjoyed face painting, food, and FUN at the event. In addition, Southwest made a cash donation to the SeaWorld/ Busch Gardens Conservation Fund.



OUR SUPPLIERS

Working with our Suppliers is an important part of managing the overall waste cycle. Every day, office products such as printer cartridges and toners can quickly accumulate and negatively impact our environment. At Southwest, we work with our Suppliers to purchase recycled toners and cartridges and then return them for further recycling, thus extending their use and eliminating them from the waste cycle. We are devoted to finding Suppliers who meet our levels of Customer Service, our high standards of efficiency, and help us achieve our commitment to Supplier Diversity.

THE MISSION OF THE PURCHASING DEPARTMENT

While adhering to the Company Mission Statement, we are committed to maintaining Southwest Airlines' low-cost Leadership through effective and efficient procurement, fuel management, facilities construction, and project management practices—ensuring that we spend our valuable capital wisely.

We support disadvantaged, small, minority-owned, and women-owned businesses when they can meet our quality and cost objectives. We have an active Supplier Diversity Program at Southwest Airlines.

All suppliers are treated fairly and impartially during the evaluation and selection process. We use more than one selection process, depending on Company requirements and supply market conditions. Each selection process, however, is focused on the most efficient way to achieve the same result—the best value combination of quality, reliability, and service for Southwest Airlines at the lowest total cost.

It is important that everyone involved in the procurement process: the Purchasing Department, our Internal Customers, and our suppliers and potential suppliers, all have a common understanding of the way procurement happens at Southwest Airlines. This understanding helps ensure that our goal of maintaining low-cost Leadership and high Customer Service is maintained.

SMALL AND DIVERSE BUSINESSES

To qualify as Diverse, a business must be at least 51 percent owned, controlled, and actively operated by one or more members of the following groups: ethnic minority, women, veteran, disabled persons, or gay, lesbian, bisexual or transgender. To qualify as a Certified Small Business, a business must meet criteria set forth by the U.S. Small Business Administration.

WYNNE SUCCESS STORY

Wynne Sedan & Limousine Group (Wynne) is a small, Dallas-based, woman-owned transportation company that provides shuttle service for the HDQ Employee Shuttle route, transportation for training and special events for our Employees, and can accommodate our transportation needs in all Southwest Airlines cities.

- Wynne has determined that their CNG (Compressed Natural Gas) vehicles are more efficient than their gasoline powered vehicles, and these CNG vehicles help reduce unwanted particulates outside and inside of the vehicle.
- Wynne uses clean burning Motor Coach Industries Buses to transport Employees for training classes and special events. Wynne has recently increased its fleet of these clean burning buses and plans to purchase additional buses by the end of 2009.
- Wynne MotorCoaches is helping set the motorcoach industry's standards and protocols for a permanent "Green Certification" program through participation in an 18-month research project with the University of Vermont.

SOUTHWEST SUPPORTS:

- Women Business Enterprise (WBE)
- Veteran Business Enterprise (VBE)
- Gay, Lesbian, Bisexual, Transgender Business Enterprise (GLBT)
- Small Business (SB)
- Minority Business Enterprise (MBE)

Our 2008 Spend with Small and/or Diverse Suppliers:
\$241,500,000

OUR PROCUREMENT ETHICS

Southwest Airlines expects all internal and external participants in the procurement process to observe the highest standards of ethical conduct. We expect business to be conducted in accordance with the Southwest Airlines Code of Ethics and with our Company Procurement Ethics.

Efficiency means effective use of resources (energy, people, and materials), and we strive to be as productive as possible while minimizing waste and protecting the Earth. This attitude is a part of Southwest's DNA and, as such, we are the world's most efficient airline.

Southwest has instituted a Green Procurement Survey that allows us to obtain information from our key suppliers on their environmental initiatives and current performance. This survey has enabled us to better understand how our suppliers perform and provides a mechanism to share Environmental Best Practices.

CONCLUSION

At Southwest, we strive to be as efficient as possible, treat others the way we want to be treated, and do the right thing. Our 2008 Southwest Cares Report: Doing the Right Thing is the second of our annual efforts to report our Environmental progress and our first report to illustrate how we participate in our communities, treat our People, and source our suppliers. We hope this more comprehensive report provided insight into our Culture and the ways that Culture translates into how we work to preserve the world in which we live, make a difference in the communities we serve, maintain a stable and thriving environment for our Employees, and hold our Suppliers to the low cost and ethical standards of Southwest. For more information, visit southwest.com/cares or email Green@wnco.com.

