Risk Factors Comparison 2024-02-12 to 2023-02-10 Form: 10-K

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In addition to the other information set forth in this report, you should carefully consider the following material risk factors applicable to Delta. As described below, these risks could materially affect our business, financial condition or results of operations in the future. Risk Factors Relating to Delta We have a significant amount of fixed obligations...... 16 Item 1A. Risk Factors We are at risk of losses and adverse publicity stemming from a serious accident involving our aircraft or aircraft of our airline partners. An aircraft crash or other serious accident involving our aircraft or those of our airline partners could expose ~~Delta~~ **us** to significant liability. Although we believe that our insurance coverage is appropriate, we may be forced to bear substantial losses from an accident in the event that the coverage was not sufficient. In addition, any accident involving an aircraft that we operate or an aircraft that is operated by an airline that is one of our regional carriers or codeshare, alliance or joint venture partners could create a negative public perception about safety and reliability for aviation authorities and the public, which could harm our reputation, resulting in air travelers being reluctant to fly on our aircraft and therefore harm our business. Breaches or lapses in the security of the technology systems we use and rely on could compromise the data stored within them and consequently expose us to liability, disruption to our operations and damage to our reputation, any or all of which could have a material adverse effect on our business. As a regular part of our ordinary business operations, we collect and store sensitive data, including information necessary for our operations, personal information of our passengers and employees and information of our business partners. The secure operation of our networks and systems, and those of our business partners and **third- party** service providers, on which this type of information is stored, processed and maintained is critical to our business operations and strategy. These networks and systems are subject to an increasing threat of continually evolving cybersecurity risks, which we must manage. We expect unauthorized parties to continue attempting to gain access to our systems or information, or those of our business partners and **third- party** service providers, including through fraud or other means of deception, or introduction of malicious code, such as malware and ransomware. If successful, these actions could cause harm to our computer systems or compromise data stored on our computer networks or those of our business partners and **third- party** service providers, potentially causing us to incur remedial, legal and other costs, which could be material. Hardware or software we or our business partners or **third- party** service providers develop, acquire or use in connection with our systems may contain defects that could unexpectedly compromise information security. The methods used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly evolving and may be difficult to anticipate or to detect for long periods of time. As a result of these types of risks and regular attacks on our systems, we regularly review and update procedures and processes to prevent and protect against unauthorized access to our systems and information and inadvertent misuse of data. In addition to continuously assessing risk and reviewing our procedures, processes and technologies, we continue to educate our ~~people~~ **employees** about these risks and to monitor, review and update the process and control requirements we expect third parties and vendors to leverage and implement for the protection of information regarding our customers, employees or business partners that is in their care. However, the constantly changing nature of the threats means that we may not be able to prevent all information security breaches or misuse of data. In addition, as cybercriminals become more sophisticated, the cost of proactive defensive measures continues to increase. We are also subject to evolving global privacy and security regulatory obligations and an increasing customer focus on privacy issues and data security in the United States and abroad, as well as to geopolitical risks associated with international data transfer. The compromise of our or our business partners' or **third- party** service providers' technology systems resulting in the loss, interruption, disclosure, misappropriation of, or access to, our information or that of our customers, employees or business partners could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy and security of personal information, disruption to our operations and damage to our reputation, any or all of which could adversely affect our business. The costs to remediate breaches and similar system compromises that do occur could be material. Delta Air Lines, Inc. | ~~2022~~ **2023 Form** 10-K 17 **Item 1A. Risk Factors** Disruptions of our information technology infrastructure could interfere with our operations, possibly having a material adverse effect on our business. Disruptions in our information technology capability could result from a technology error or failure impacting our internal systems, whether hosted internally at our data centers or externally at third- party locations, or large **-** scale external interruption in technology infrastructure support on which we depend, such as power, telecommunications or the internet. The operation of our technology systems and the use of related data may also be vulnerable to a variety of other sources of interruption, including natural disasters, terrorist attacks, computer viruses, hackers and other security issues. A significant individual, sustained or repeated failure of our information technology infrastructure, including third- party networks we utilize and on which we depend, could impact our operations and our customer service, result in increased costs and damage our reputation. While we have in place initiatives to prevent disruptions and disaster recovery plans and continue to invest in improvements to these initiatives and plans, we have previously experienced infrastructure disruptions ~~and~~ **.** ~~these~~ **These** measures may not be adequate to prevent a future business disruption and any material adverse financial and reputational consequences to our business as recent outages of large cloud providers whom we rely on has shown. Failure of the technology we use to perform effectively could have a material adverse effect on our business. We are dependent on technology initiatives and capabilities to provide customer service and operational effectiveness in order to compete in the current business environment. For example, substantially all of our tickets are issued to our customers as electronic tickets, and a growing number of our customers check in using our website, airport kiosks and our FlyDelta mobile application. We have made and continue to make significant investments in customer facing technology such as delta. com, the

FlyDelta mobile application, in- flight wireless internet, check- in kiosks, customer service applications, application of biometric technology, airport information displays and related initiatives, including security for these initiatives. We are also investing in significant upgrades to technology infrastructure and other supporting systems and transitioning to cloud- based technologies. The performance, reliability and security of the technology we use are critical to our ability to serve customers. If this technology does not perform effectively, including as a result of the implementation or integration of new or upgraded technologies or systems, our business and operations would be negatively affected, which could be material. Our commercial relationships with airlines in other parts...... operations for an entire year. Our business and results of operations are dependent on the price of aircraft fuel. High fuel costs or cost increases, including in the cost of crude oil, could have a material adverse effect on our results of operations. Our results of operations are significantly impacted by changes in the price of aircraft fuel. ~~Over the last decade, fuel~~ **Fuel costs represented 21 %, 24 % and 20 % of our operating expense in 2023, 2022 and 2021, respectively. Fuel** prices **are** ~~have been~~ highly volatile and at times have increased substantially. ~~From~~ **In** ~~2020~~ **2023** ~~to 2022~~, our average ~~annual~~ fuel price per gallon ~~has increased~~ **was $ 2. 82, ranging** from **a monthly low of approximately** $ ~~1~~ **2** . ~~64~~ **41 per gallon** to **a monthly high of approximately** $ 3. **18 per gallon** ~~36 with significant volatility during that period~~. We acquire a significant amount of jet fuel from Monroe and through strategic agreements associated with the refinery that Monroe has with third parties. The cost of the fuel we purchase under these arrangements remains subject to volatility in the cost of crude oil and jet fuel. In addition, we have historically purchased a significant amount of aircraft fuel in addition to what we obtain from Monroe. Our aircraft fuel purchase contracts alone do not provide material protection against price increases as these contracts typically establish the price based on industry standard market price indices. ~~The competitive nature of the airline industry may affect our ability to pass along rapidly increasing fuel costs to our customers. In addition, because~~ **Because** passengers often purchase tickets well in advance of their travel, a significant rapid increase in fuel price may result in the fare charged not covering that increase. At times in the past, we often were not able to increase our fares to offset fully the effect of increases in fuel costs, and we may not be able to do so in the future. Significant extended disruptions in the supply of aircraft fuel, including from Monroe, could have a material adverse effect on our business and results of operations. Weather- related events, natural disasters, political disruptions or disputes involving oil- producing countries, changes in governmental policy concerning aircraft fuel production, transportation or taxes, changes in refining capacity **or refining priorities** , environmental concerns and other unpredictable events may impact crude oil and fuel supply and could result in shortages in the future. Shortages in fuel supplies could have negative effects on our business and results of operations. ~~The~~ **Delta Air Lines, Inc. | 2023 Form 10- K 18 Unplanned** ~~disruption~~ **disruptions** or ~~interruption~~ **interruptions** of production at the refinery could have a negative impact on our ability to acquire jet fuel needed for our operations. Disruptions or interruptions of production at the refinery could result from various sources including a major accident or mechanical failure, interruption of supply or delivery of crude oil, work stoppages relating to organized labor issues, or damage from severe weather or other natural or man- made disasters, including acts of terrorism. If the refinery were to experience an **unexpected** interruption in operations, disruptions in fuel supplies could have negative effects on our results of operations and financial condition. In addition, the financial benefits from the operation of the refinery could be materially adversely affected (to the extent not recoverable through insurance) because of lost production and repair costs. If Monroe' s cost of producing non- jet fuel products **significantly** exceeds the value it receives for those products, the financial benefits we expect to achieve through the ownership of the refinery and our consolidated results of operations could be materially adversely affected. ~~Aeroméxico~~ **Our commercial relationships with airlines in other parts of the world and the investments that we have in certain of those carriers may not produce the results or returns we expect.An important part of our strategy to expand our global network has been to develop and expand strategic relationships with a number of airlines through joint ventures and other forms of cooperation and support,including equity investments.These relationships and investments involve significant challenges and risks,including that joint ventures or cooperation agreements** may be subject to ongoing review and renewal requirements and may not generate the expected financial results,or that we may not realize a satisfactory return on our investments **.For example,the DOT' s approval of and antitrust immunity grant for our joint cooperation agreement with Aeroméxico is subject to a pending renewal application with the DOT,which was tentatively dismissed pursuant to an Order to Show Cause issued by the DOT on January 26,2024.The existing immunity remains in effect pending final adjudication of the renewal application,the timing and outcome of which cannot be predicted at this time** .We are dependent on these other carriers for significant aspects of our network in the regions in which they operate. ~~The COVID- 19 pandemic~~ **While we work closely with these carriers,we do not have control over their operations or business methods.To the extent that the operations of any of these carriers are disrupted over an extended period or their actions have a** ~~significantly~~ -- **significant adverse effect on** ~~impacted the operations of~~ our **operations** ~~airline partners and~~ , **our results of operations** ~~similar public health threats that may arise~~ could **be materially** adversely ~~affect~~ **affected** ~~the expansion of strategic relationships in the future~~ . **If** ~~These carriers have incurred significant financial losses as a result of the pandemic,and some were forced to seek protection under applicable bankruptcy laws.For example,following the onset of the pandemic,Grupo Aeroméxico and LATAM filed voluntary proceedings to reorganize under Chapter 11 of the United States bankruptcy code (" bankruptcy process"),from which they successfully emerged in the March 2022 quarter and the December 2022 quarter,respectively,and Virgin Atlantic undertook a voluntary recapitalization process in the UK that was completed in September 2020.During the December 2021 quarter,we announced additional investments in each of these carriers.As discussed further in Note 4 of the Notes to the Consolidated Financial Statements,due to the effects of the COVID- 19 pandemic,the carrying value of our equity investments in these three carriers was reduced to zero prior to our additional investments.In the future if any airline partner that may seek to restructure or recapitalize is unable to do so successfully or if~~ our commercial arrangements with any of these partners are not maintained,any investments or other assets associated with those partners could become impaired,and our business and results of operations could be materially adversely affected. ~~Delta Air Lines,Inc.| 2022 10- K 18~~ A significant disruption in,or other problems with respect to,the operations or performance of third parties on which we rely,including third- party carriers,could have a material adverse effect on our business and results of operations.We rely on the operations and performance of third parties in a number of areas that are important to our business,including third- party regional carriers,international alliance partners and ground operation providers at some airports.While we have agreements with certain of these third parties that define expected service performance,we do not have direct control over their operations.To the extent that the operations of a third- party on which we rely is significantly disrupted or if these third parties experience significant performance issues (including failing to satisfy any applicable performance standards) or fail to meet any applicable compliance requirements,our revenue may be reduced,our expenses may be increased and our reputation may be harmed,any or all of which could result in a material adverse effect on our business and results of operations.Some regional carriers,including our wholly owned subsidiary,Endeavor,are facing a shortage of qualified pilots and experiencing operating constraints as a result.If this shortage becomes more widespread,third- party regional carriers may not be able to comply with their obligations to us,and Endeavor may not be able to perform as expected,which could reduce our expected capacity and affect our revenue,resulting in a material adverse effect on our business and results of **operations.** Delta Air Lines, Inc. | ~~2022~~ **2023** ~~disrupted~~ **Form 10- K 19 Agreements governing** ~~or~~ **our debt,including our credit facilities and our SkyMiles financing agreements,include financial and other covenants.Certain of these covenants impose restrictions on our business,and failure to comply with any of the covenants in these agreements could result in events of default.Our debt agreements contain various affirmative,negative and financial covenants,including our credit facilities and our SkyMiles financing agreements,each of which contains a minimum liquidity covenant.Certain of our debt agreements and our SkyMiles financing agreements contain minimum coverage ratios.A decline in these coverage ratios,including due to factors that are beyond our control,could trigger an early amortization event or,** if ~~these third parties experience significant performance issues (including failing to satisfy any~~ applicable ~~performance standards)~~ **,require us to post additional collateral.Our SkyMiles financing agreements also restrict** ~~or~~ **our** ~~fail~~ **ability** to ~~meet any applicable compliance requirements~~ , **among other things,change the policies and procedures of the SkyMiles program in a manner that would reasonably be expected to materially impair repayment of** our ~~revenue~~ **SkyMiles debt.Complying with certain of the covenants in our debt agreements,and other restrictive covenants that** may be **contained in** ~~reduced,our expenses may be increased and our reputation may be harmed,~~ any **future debt agreements,could limit** ~~or~~ **our** ~~all~~ **ability to operate our business and to take advantage** of ~~which~~ **business opportunities that are in our long- term interest.While the covenants in our debt agreements are subject to important exceptions and qualifications,if we fail to comply with them and are unable to obtain a waiver or amendment,refinance the indebtedness subject to these covenants or take other mitigating actions,an event of default would result.These arrangements also contain other events of default customary for such financings.If an event of default were to occur,the lenders or noteholders could,among other things,declare outstanding amounts due and payable and where applicable and subject to the terms of relevant collateral agreements,repossess collateral,including aircraft or other valuable assets.In addition,an event of default or acceleration of indebtedness under one agreement** could result in ~~a material adverse effect on our business and~~ - **an** ~~results~~ **event** of **default under** ~~operations.Some regional carriers,including our wholly owned subsidiary,Endeavor,are facing a shortage of qualified pilots and experiencing operating constraints as a result.If this shortage becomes more widespread,third- party regional carriers may not be able to comply with their~~ - **other of our financing agreements.The acceleration of significant indebtedness could require us to seek to renegotiate,repay or refinance the** obligations **under** ~~to us,and Endeavor may not be able to perform as expected,which could reduce our expected capacity and affect our revenue,resulting in a material adverse effect on our business and results of operations.We may never realize the full value of our intangible assets or~~ **our financing arrangements** ~~our long- lived assets~~ , ~~causing us to record impairments that may materially adversely affect our results of operations.In accordance with applicable accounting standards,we are required to test our goodwill and other indefinite- lived intangible assets for impairment on an~~ **and** ~~annual basis,or more frequently where~~ there is **no assurance** ~~an indication of impairment.In addition,we are required to test certain of our other assets for impairment where there is an indication~~ that ~~an asset may~~ **such renegotiation or refinancing efforts would** be **successful** ~~impaired.During the fiscal year ended December 31,2020,we recorded significant impairment and related charges resulting from the acceleration of our fleet simplification strategy and the write- down of investments in certain airline partners,stemming from the impact of the COVID- 19 pandemic.We may be required to recognize losses in the future due to,among other factors,extreme fuel price volatility,tight credit markets,government regulatory changes,decline in the fair values of certain tangible or intangible assets,such as aircraft,route authorities,and airport slots,unfavorable trends in forecasted results of operations and cash flows and an uncertain economic environment,as well as other uncertainties.Further impairment charges could have a material adverse effect on our results of operations~~ .Employee strikes and other labor- related disruptions may have a material adverse effect on our operations.Our business is labor intensive,utilizing large numbers of pilots,flight attendants,aircraft maintenance technicians,ground support personnel and other personnel.As of December 31, ~~2022~~ **2023** ,20 % of our workforce,primarily pilots,was unionized.Relations between air carriers and labor unions in the United States are governed by the Railway Labor Act,which provides that a collective bargaining agreement between an airline and a labor union does not expire,but instead becomes amendable as of a stated date.The Railway Labor Act generally prohibits strikes or other types of self- help actions both before and after a collective bargaining agreement becomes amendable,unless and until the collective bargaining processes required by the Railway Labor Act have been exhausted ~~.The collective bargaining agreement with our pilots became amendable on December 31,2019.In January 2023,a tentative agreement was ratified by ALPA' s Delta Master Executive Council (" MEC") and is subject to ratification by Delta' s pilots through a vote that is scheduled to close on March 1,2023~~ .Separately,the NLRA governs Monroe' s relations with the union representing their employees,which generally allows self help after a collective bargaining agreement expires.If we or our subsidiaries are unable to reach agreement with any of our unionized work groups in future negotiations regarding the terms of their collective bargaining agreements or if additional segments of our workforce become unionized,we may be subject to work interruptions or stoppages,subject to the requirements of the Railway Labor Act or the NLRA,as the case may be.Strikes or labor disputes with our unionized employees may have a material adverse effect on our ability to conduct business.Likewise,if third- party regional carriers with which we have contract carrier agreements are unable to reach agreement with their unionized work groups in current or future negotiations regarding the terms of their collective bargaining agreements,those carriers may be subject to work interruptions or stoppages,subject to the requirements of the Railway Labor Act,which could have a material adverse effect on our operations. ~~Delta Air Lines,Inc.| 2022 10- K 19~~ Our results can fluctuate due to seasonality and other factors.Our results of operations are impacted by a number of factors including seasonality and changing economic and other conditions beyond our control.Demand for air travel is typically higher in the June and September quarters,particularly in our international markets,because there is more vacation travel during these periods than during the remainder of the year.The seasonal shifting of demand causes our financial results to vary on a quarterly basis. **Changes in the value of our equity investments in other airlines and airline service companies can also be significant and cause fluctuations in our results.** Other factors that may affect our results include severe weather conditions and natural disasters (or other environmental events),which could significantly disrupt service and create air traffic control problems.In addition,increases in the frequency,severity or duration of thunderstorms,hurricanes,typhoons,floods or other severe weather events,including from changes in the global climate and rising global temperatures,could result in increases in delays and cancellations,turbulence- related injuries and fuel consumption to avoid such weather,any of which could result in loss of revenue and higher costs.Because of fluctuations in our results from seasonality and other factors,results of operations for a historical period are not necessarily indicative of results of **operations for a future period and results of operations for an interim period are not necessarily indicative of results of operations for an entire year.Delta Air Lines,Inc.| 2023 Form** 10- K 20 An environmental or other incident associated with the operation of the Monroe refinery could have a material adverse effect on our consolidated financial results if insurance is unable to cover a significant liability. In addition, such an incident could damage our reputation. Monroe' s refining operations are subject to various hazards unique to refinery operations, including explosions, fires, toxic emissions and natural catastrophes. Monroe could incur substantial losses, including cleanup costs, fines and other sanctions and third- party claims, and its operations could be interrupted, as a result of such an incident. Monroe' s insurance coverage does not cover all potential losses, costs or liabilities, and Monroe could suffer losses for uninsurable or uninsured risks or in amounts greater than its insurance coverage. In addition, Monroe' s ability to obtain and maintain adequate insurance may be affected by conditions in the insurance market over which it has no control. If Monroe were to incur a significant liability for which it is not fully insured or for which insurance companies do not or are unable to provide coverage, this could have a material adverse effect on our consolidated financial results of operations or consolidated financial position. In addition, because of our ownership of Monroe, the occurrence of an environmental or other incident could result in damage to our reputation, which could have a material adverse effect on our financial results. The operation of the refinery by Monroe is subject to significant environmental regulation. Failure to comply with environmental regulations or the enactment of additional regulation applicable to Monroe could have a material adverse effect on our consolidated financial results. Monroe’ s operations are subject to extensive environmental, health and safety laws and regulations, including those relating to the discharge of materials into the environment, waste management, pollution prevention measures and greenhouse gas emissions, which are subject to change over time. Monroe could incur fines and other sanctions, cleanup costs and third- party claims as a result of violations of or liabilities under environmental, health and safety requirements, which if significant, could have a material adverse effect on our consolidated financial results. In addition, the enactment of new, more stringent environmental laws and regulations, including any laws or regulations relating to greenhouse gas emissions, could significantly increase the level of expenditures required for Monroe or restrict its operations. In particular, **in administering the RFS, created by the U. S. Congress** under the Energy Independence and Security Act of 2007, the EPA ~~has adopted~~ **created a program to ensure compliance with** RFS ~~that~~ mandates **for** the blending of renewable fuels into Transportation Fuels. RINs are assigned to renewable fuels produced or imported into the U. S. that are blended into Transportation Fuels to demonstrate compliance with this obligation. A refinery may meet its obligation under RFS by blending the necessary volumes of renewable fuels with Transportation Fuels, by purchasing RINs in the open market **,** or ~~through~~ **by** a combination of blending and purchasing RINs. Because Monroe is able to blend only a small amount of renewable fuels, it must purchase the majority of its RINs ~~requirement~~ **obligation** in the secondary market. As a result, Monroe is exposed to the market price of RINs. Market prices for RINs have been volatile, marked by periods of sharp increases and decreases primarily in response to speculation about what the EPA and / or the U. S. Congress will do with respect to compliance obligations. We cannot predict these actions or the future prices of RINs. Monroe’ s purchase of RINs at elevated prices in the future could have a material impact on our consolidated results of operations and cash flows. Existing laws or regulations could change, and the minimum volumes of renewable fuels that must be blended with refined petroleum products may increase. Increases in the volume of renewable fuels that must be blended into Monroe’ s products could limit the refinery’ s production if sufficient numbers of RINs are not available for purchase **,** or **if** relief from this requirement is not obtained, which could have a material adverse effect on our consolidated financial results. Significant damage to our reputation and brand, including as a result of significant adverse publicity or inability to achieve certain sustainability goals, could materially adversely affect our business and financial results. Maintaining our reputation and global brand is critical to our business. We operate in a highly visible and public environment with significant real- time exposure to traditional and social media. Adverse publicity, whether justified or not, can rapidly spread, including through social or digital media. In particular, passengers can use social media to portray interactions with Delta, without context, in a manner that can be quickly and broadly disseminated. To the extent we are unable to respond in a timely and appropriate manner to adverse publicity, our brand and reputation may be damaged. Delta Air Lines, Inc. | ~~2022~~ **2023 Form** 10- K 21 Our reputation and brand could also be adversely impacted by, among other things, failure to make progress toward and achieve our environmental sustainability and diversity, equity and inclusion goals, as well as public pressure from investors or policy groups to change our policies or negative public perception of the environmental impact of air travel. For example, we have established ambitious goals to reduce our greenhouse gas emissions ~~, with the long- term goal to achieve net zero greenhouse gas emissions across our airline operation and its value chain by no later than 2050, subject to validation of this long- term goal by SBTi (for which we cannot predict if and when the validation will occur)~~ . Achieving these ambitious goals will require significant capital investment from manufacturers and other stakeholders, as we are unable to achieve these goals using our existing fleet, current technologies and available fuel sources. We are continuing to develop our climate strategy and transition plan; however, our ability to execute on such a plan is subject to substantial risks and uncertainties, as it is dependent on the actions of governments and third parties and will require, among other things, significant capital investment, including from third parties, research and development from manufacturers and other stakeholders, along with government policies and incentives to reduce the cost, and incent production, of SAF and other technologies that are not presently in existence or available at scale. Significant damage to our reputation and brand could have a material adverse effect on our business and financial results, including as a result of litigation related to any of these matters. If we lose senior management and other key employees and they are not replaced by individuals with comparable skills, or we otherwise fail to maintain our company culture, our business and results of operations could be materially adversely affected. We are dependent on the experience and industry knowledge of our officers and other key employees to design and execute our business plans. If we experience a substantial turnover in our leadership and other key employees and we are not able to replace these persons with individuals with comparable skills, or we otherwise fail to maintain our company culture, our performance could be materially adversely impacted. Furthermore, we may be unable to attract and retain additional qualified senior management and other key personnel as needed in the future. Delta Air Lines, Inc. | ~~2022~~ **2023 Form** 10- K 22 Risk Factors Relating to the Airline Industry Disease outbreaks, such as the COVID- 19 pandemic or similar public health threats that may arise in the future, and measures implemented to combat them have had, and may in the future have, a material adverse effect on our business. The COVID- 19 pandemic, the measures governments and private parties implemented in order to stem its spread, and the general concern about the virus among travelers had a material adverse effect on the demand for worldwide air travel compared to historical levels, and consequently upon our business **for an extended period** . Similar disease outbreaks or public health threats that may arise in the future could have similarly adverse effects on our business. ~~Among other effects of the COVID- 19 pandemic that affected air travel and our business, the pandemic led governments both in the United States and abroad to issue travel restriction or advisories, and to implement quarantines and health- related curfews or" shelter in place" orders; led employers to instruct employees to work from home and / or otherwise dissuaded or restricted air travel; caused business conventions, conferences, concerts, sporting events and similar events to be canceled or held with limited or no attendees; and discouraged travelers from air travel to destinations where COVID- 19 was particularly virulent or due to possible enhanced COVID- 19 related screening measures. These pandemic- related effects negatively impacted air travel in general, which in turn materially adversely affected our revenues, results of operations and financial condition for an extended period of time.~~ Our operations **were** ~~have been~~ , and could in the future be, negatively affected further if our employees are quarantined or sickened as a result of exposure to a disease outbreak ~~such as COVID- 19~~ , or as a result of a similar public health crisis, or if they are subject to additional governmental curfews or" shelter in place" health orders or similar restrictions. Measures restricting the ability of our airport or in- flight employees to come to work negatively impact our service or operations, all of which could negatively affect our business. We are unable to predict the extent to which disease outbreaks or other public health threats that may arise in the future may change our customers' behavior or travel patterns, which could have a material impact on our business. The degree to which any future disease outbreaks or public health threats may impact our revenues, results of operations and financial condition is uncertain and will depend on future developments. Terrorist attacks, geopolitical conflict or security events may adversely affect our business, financial condition and results of operations. Terrorist attacks, geopolitical conflict or security events, or the fear or threat of any of these events, could have a significant adverse effect on our business. Despite significant security measures at airports and airlines, the airline industry remains a high profile target for terrorist groups. We rely on government provided threat intelligence and utilize private sources to constantly monitor for threats from terrorist groups and individuals, including from violent extremists both internationally and domestically, with respect to direct threats against our operations and in ways not directly related to the airline industry. In addition, the impact on our operations of avoiding areas of the world, including airspace, in which there are geopolitical conflicts and the targeting of commercial aircraft by parties to those conflicts can be significant. Security events, primarily from external sources but also from potential insider threats, also pose a significant risk to our passenger and cargo operations. These events could include random acts of violence and could occur in public areas that we cannot control. Terrorist attacks, geopolitical conflict or security events, or the fear or threat of any of these events, even if not made directly on or involving the airline industry, could have a significant negative impact on us by discouraging passengers from flying, leading to decreased ticket sales and increased refunds. In addition, potential costs from these types of events include increased security costs, impacts from avoiding flight paths over areas in which conflict is occurring or could occur, such as flight redirections or cancellations, reputational harm and other costs. If any or all of these types of events occur, they could have a material adverse effect on our business, financial condition and results of operations. ~~Delta Air Lines, Inc. | 2022 10- K 23~~ The global airline industry is highly competitive and, if we cannot successfully compete in the marketplace, our business, financial condition and results of operations will be materially adversely affected. The airline industry is highly competitive, marked by significant competition with respect to routes, fares, schedules (both timing and frequency), operational reliability, services, products, customer service and loyalty programs. Consolidation in the airline industry, changes in international alliances, the creation of immunized joint ventures and the rise of subsidized government- sponsored international carriers have altered and will continue to alter the competitive landscape in the industry, resulting in the formation of airlines and alliances with increased financial resources, more extensive global networks and competitive cost structures. **Delta Air Lines, Inc. | 2023 Form 10- K 23** Our domestic operations are subject to significant competition from traditional network carriers, including American Airlines and

United Airlines, national point- to- point carriers, including Alaska Airlines, JetBlue Airways and Southwest Airlines, and other discount or ultra- low- cost carriers, including **Allegiant Air, Avelo Airlines, Breeze Airways, Frontier Airlines and** Spirit Airlines **.** ~~, Frontier Airlines, Allegiant Air, Breeze Airways and Avelo Airlines, some~~ **Some** of ~~which may~~ **these carriers** have **business models primarily focused on maintaining** ~~lower~~ -- **low** costs ~~than we do and~~ **, with the intention of** ~~provide~~ **providing** service at ~~low~~ **lower** fares to destinations served by Delta. In particular, we face significant competition at our domestic hubs and key airports either directly at those airports or at the hubs of other airlines that are located in close proximity. We also face competition in small- to medium- sized markets from regional jet operations of other carriers. Our ability to compete in the domestic market effectively depends, in part, on our ability to maintain a competitive cost structure. If we cannot maintain our costs at a competitive level, then our business, financial condition and results of operations could be materially adversely affected. Our international operations are subject to competition from both foreign and domestic carriers, including from point- to- point carriers on certain international routes. Through alliance and other marketing and codesharing agreements with foreign carriers, U. S. carriers have increased their ability to sell international transportation, such as services to and beyond traditional European, Asian and Latin American gateway cities. Similarly, foreign carriers have obtained increased access to interior U. S. passenger traffic beyond traditional U. S. gateway cities through these relationships. In particular, several joint ventures among U. S. and foreign carriers, including several of our joint ventures as well as those of our competitors, have received grants of antitrust immunity allowing the participating carriers to coordinate networks, schedules, pricing, sales and inventory. In addition, alliances formed by domestic and foreign carriers, including SkyTeam, the Star Alliance (among United Airlines, Lufthansa German Airlines, Air Canada and others) and the oneworld alliance (among American Airlines, British Airways, Qantas and others) have enhanced competition in international markets. The airline industry also faces competition from surface transportation and technological alternatives such as virtual meetings, teleconferencing or videoconferencing ~~, and the intensity of this competition has likely increased, at least in the near term, as a result of the COVID- 19 pandemic~~ . Increased competition **from these sectors** in both the domestic and international markets may have a material adverse effect on our business, financial condition and results of operations. Extended interruptions or disruptions in service at major airports in which we operate or significant problems associated with a type of aircraft or engine we operate could have a material adverse effect on our financial condition and results of operations. The airline industry is heavily dependent on business models that concentrate operations in major airports in the United States and throughout the world. An interruption or disruption at an airport **or facility** where we have significant operations, whether resulting from air traffic control delays, failure of computer systems or technology infrastructure, weather events or natural disasters, or performance issues from third- party service providers, if sustained for an extended period of time, could have a material adverse effect on our business, financial condition and results of operations. Similarly, the airline industry is heavily dependent on a limited number of aircraft and engine manufacturers whose products are subject to extensive regulatory requirements. Any significant problems associated with an aircraft or engine type that we operate, including new aircraft or engine types, such as design defects, mechanical problems, contractual performance by the manufacturers or adverse perception by the public leading to customer avoidance, or adverse actions by the FAA resulting in limitations on use or grounding could have a negative impact on our operations if we are not able to substitute or replace the affected aircraft or engine type. Any of the foregoing could have a material adverse effect on our financial condition and results of operations. ~~Delta Air Lines, Inc. | 2022 10- K 24~~ The airline industry is subject to extensive government regulation, which is costly and could materially adversely affect our business. Airlines are subject to extensive regulatory and legal compliance requirements that result in significant costs and may have material adverse effects on our business. For instance, the FAA from time to time issues directives and other regulations relating to the maintenance and operation of aircraft that necessitate significant expenditures and could carry operational implications. We expect to continue incurring significant expenses to comply with the FAA' s regulations. In addition, a directive or other regulation that has a significant operational impact on us could have a material adverse impact on our financial results. Other laws, regulations, taxes and airport rates and charges have also been imposed from time to time that significantly increase the cost of airline operations, reduce revenues or otherwise impact our business. The industry is heavily taxed. Additional taxes and fees, if implemented, could negatively impact our results of operations. **Delta Air Lines, Inc. | 2023 Form 10- K 24** Airport slot access is subject to government regulation and changes in slot regulations or allocations could impose a significant cost on the airlines operating in airports subject to such regulations or allocations or otherwise adversely affect an airline' s business. Certain of our hubs are among the most congested airports in the United States and have been, and could in the future be, the subject of regulatory action that might limit the number of flights and / or increase costs of operations at certain times or throughout the day. Air traffic control inefficiencies can also enhance these pressures. In addition, inefficiencies in the U. S. air traffic control system, which is regulated by the FAA, can result in delays and disruptions of air traffic, especially during peak travel periods in certain congested markets. Failure to implement measures to improve the air traffic control system could lead to increased delays and inefficiencies in flight operations as demand for U. S. air travel increases, having a material adverse effect on our operations. Failure to update the air traffic control system in a timely manner, and the substantial funding requirements of an updated system that may be imposed on air carriers, may have an adverse impact on our financial condition and results of operations. As an international carrier, we are subject to a wide variety of U. S. and foreign laws that affect trade, including tariff and trade policies, export and import requirements, taxes, monetary policies and other restrictions and charges. In particular, the imposition of significant tariffs with respect to aircraft that we are not able to mitigate could substantially increase our costs, which in turn could have a material adverse effect on our financial results. In addition, some of our operations are in high- risk legal compliance environments. Failure to comply with trade sanctions and restrictions, the Foreign Corrupt Practices Act (the" FCPA") and similar anti- bribery laws in non- U. S. jurisdictions, as well as other applicable laws or regulations could result in litigation, assessment of damages, imposition of penalties or other consequences, any or all of which could harm our reputation and have an adverse effect on our financial results. In certain circumstances, we also may be subject to consequences of the failure of our airline partners to comply with laws and regulations, including U. S. laws to which they may be subject such as the FCPA. We and other U. S. carriers are subject to U. S. and foreign laws regarding privacy **and security** of passenger and employee data that are not consistent in all countries in which we operate and which are continuously evolving, requiring ongoing monitoring and updates to our privacy and information security programs. Although we dedicate significant resources to manage compliance with global privacy and information security obligations, this challenging regulatory environment may pose material risks to our business, including increased operational burdens and costs, regulatory enforcement, and legal claims or proceedings. ~~Delta Air Lines, Inc. | 2022 10- K 25~~ The airline industry is subject to many forms of environmental regulation, including but not limited to **regulation of hazardous substances,** increased regulation to reduce emissions and other risks associated with climate change. The cost of compliance with more stringent environmental regulations, failure to comply with existing or future regulations or failure to otherwise manage the risks of climate change effectively could have a material adverse effect on our business. Many aspects of our operations are subject to evolving and increasingly stringent federal, state, local and international laws governing ~~the~~ **environmental** protection ~~of the environment~~ . Compliance with existing and future environmental laws and regulations could require capital investment and increase operational costs, and violations can lead to significant fines and penalties and reputational harm. For example, in 2022 **,** the EPA proposed regulations to define certain ~~per- and polyfluoroalkyl substances ("~~ PFAS ~~")~~ as" hazardous substances" under CERCLA **, and** ~~. Numerous states have adopted regulations governing these~~ -- **the** ~~substances~~ **EPA has proposed to regulate certain PFAS** as ~~well~~ **" hazardous constituents" under RCRA. The EPA is also proposing to regulate PFAS under the Safe Drinking Water Act** . PFAS are used in a wide variety of consumer and industrial products, including the firefighting foams used to extinguish fuel- based fires at airports and refineries. **Numerous states have adopted regulations governing PFAS as well, and some have adopted legislation prohibiting the manufacture, sale, distribution and / or use of firefighting foam containing intentionally added PFAS.** EPA ~~'~~ **'** s proposed rule **under CERCLA** , once finalized, could subject airports, airlines, and refineries, among others, to potential liability for cleanup of historical PFAS contamination associated with use of PFAS- containing firefighting foam **, and some state laws require transition to alternative fire suppression systems** . The ultimate impact and associated cost to Delta of ~~this rulemaking~~ **these legislative and regulatory developments related to PFAS, including firefighting foam,** cannot be predicted at this time. **Delta Air Lines, Inc. | 2023 Form 10- K 25** Future regulatory action concerning climate change, aircraft emissions and noise ~~emissions~~ could have a significant effect on the airline industry. In order to address aircraft carbon dioxide emissions, the International Civil Aviation Organization **(ICAO)** , a United Nations specialized agency, formally adopted a global, market- based emission offset program known as CORSIA. This program establishes a goal for the aviation industry to achieve carbon- neutral growth in international aviation beginning in 2021 through the use of carbon offsets and / or lower carbon aviation fuel. ~~The~~ **ICAO set the** baseline for establishing airlines' obligations under CORSIA ~~was originally~~ **for 2021 to 2023 based on 2019 travel, and in 2022** set ~~as an average of 2019 and 2020 emissions. However, given the COVID- 19 pandemic and resulting unprecedented reduction in international travel, in June 2020 ICAO removed 2020 from the baseline calculation for the first phase of CORSIA, from 2021 to 2023. In 2022, ICAO established~~ a new, more stringent CORSIA baseline of 85 % of 2019, which will apply **from** ~~starting in~~ 2024 through 2035. **Because** ~~Certain~~ **certain** CORSIA program details remain to be developed and could potentially be affected by political developments in participating countries or the results of the ~~pilot~~ **initial** ~~phase~~ **phases** of the program, ~~and thus~~ the impact of CORSIA cannot be predicted at this time. However, CORSIA is expected to increase operating costs for airlines that operate internationally. In addition to CORSIA, we may face a patchwork of regulation of aircraft emissions in the U. S. and abroad and could become subject to further taxes, charges or additional requirements to obtain permits or purchase allowances or emission credits for greenhouse gas emissions in various jurisdictions. For example, in ~~2021~~ **2023 ,** the ~~European Commission proposed~~ **EU adopted updated legislation on the EU Emissions Trading System (" ETS "). The new legislation continues in effect the so- called " stop- the- clock " provision whereby EU ETS does not apply to flights to or from locations outside the EEA, Switzerland or the UK until 2027. However, the legislation provides for a review of the effectiveness of CORSIA in 2026 that could, if CORSIA is not deemed sufficiently effective, lead to the application of EU ETS to all flights departing the EU and EEA. Also in 2023, the EU adopted** legislation that ~~would expand the reach of the~~ **will impose a SAF mandate on fuel supplied at** EU ~~ETS to include flights into and out~~ **airports. The mandate initially requires that,** of the ~~European Economic Area~~ **jet fuel supplied in the EU, 2 % must be SAF** beginning in ~~2027~~ **2025** ~~under certain circumstances~~ , **and the percentage** ~~increase~~ **increases incrementally over time to 70 % in 2050. This** ~~the stringency of the program, and establish a sustainable aviation fuel blending~~ mandate ~~for aviation fuel suppliers, among other requirements. In 2022, the EU reached a deal on proposed legislation that would exclude extra- EU flights from the scope of EU ETS until 2027, however that deal has not yet been approved. The EU~~ is expected to ~~finalize a~~ **increase the cost of** SAF ~~mandate on fuel suppliers~~ in **the** ~~2023 and individual~~ EU ~~member states have been developing their own requirements, including for example, separate SAF mandates in France and Sweden in 2022. In the United States various exploratory discussions continue around approaches to address climate change, such as carbon pricing, without a clear legislative path forward~~ . Additional regulation could result in taxation, regulatory or permitting requirements from multiple jurisdictions for the same operations and significant costs for the airline industry, including Delta. In addition to direct costs, such regulation could result in increased fuel costs passed through from fuel suppliers affected by any such regulations. While the specific nature of future actions is hard to predict, new laws or regulations related to environmental matters adopted in the U. S. or other countries could impose significant additional costs on or otherwise adversely affect our operations. Certain airports have also adopted, and others could in the future adopt, greenhouse gas emission or climate- related goals and requirements that could impact our operations or require us to make changes or investments in our infrastructure. In addition to risks from potential changes to environmental regulation and policy, the transition to lower- carbon technologies, such as SAF, or changes in consumer preferences resulting from a negative perception of the environmental impact of air travel could materially adversely affect our business and financial results. For example, lower- carbon technologies such as SAF and direct air capture technologies are currently not available at scale and may take decades to develop, and the cost to transition to them could be prohibitively expensive without appropriate government policies and incentives in place. ~~As more businesses have publicly announced environmental sustainability goals, the cost of carbon offsets has also increased significantly and will likely continue to do so. Delta Air Lines, Inc. | 2022 10- K 26~~ Because of the global nature of our business, unfavorable economic or political conditions in the markets in which we operate or volatility in currency exchange rates could have a material adverse effect on our business, financial condition and results of operations. As a result of the discretionary nature of air travel, the airline industry has been cyclical and particularly sensitive to changes in economic conditions. Because we operate globally, our business is subject to economic and political conditions throughout the world. During periods of unfavorable or volatile economic conditions in the economy in the U. S. or abroad ~~, including as a result of the COVID- 19 pandemic and the worldwide response to it~~ , demand for air travel can be significantly impacted as business and leisure travelers choose not to travel, seek alternative forms of transportation for short trips or conduct business using technological alternatives. If unfavorable economic conditions occur, particularly for an extended period, our business, financial condition and results of operations may be adversely affected. In addition, significant or volatile changes in exchange rates between the U. S. dollar and other currencies, and the imposition of exchange controls or other currency restrictions, may have a material adverse effect on our liquidity, financial conditions and results of operations. Our international operations are an important part of our route network. Political disruptions and instability around the world can negatively impact the demand and network availability for air travel. Additionally, any deterioration in global trade relations, such as increased tariffs or other trade barriers, could result in a decrease in the demand for international air travel.