

# Soaring Toward Sustainable Horizons

2023 UPDATE

**ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT**



# A Word from Our CEO

On behalf of Aviation Capital Group (“ACG”), I am pleased to present our annual Environmental, Social, and Governance report for 2023 (this “Report”). This year, we moved up publication of the Report to accompany the release of our annual financial statements, underscoring how our commitments to sustainability, social responsibility, and sound governance are inexorably linked to our financial performance.

ACG’s success depends upon the strong relationships we have with key stakeholders, including customers, investors, employees, business partners, and members of the communities we serve. In 2023, we carried out our first sustainability materiality assessment, which is detailed in this Report. The insights and perspectives gained from this assessment will shape the trajectory of our environmental, social, and governance (“ESG”) strategy and help frame our action plan for serving each of those key stakeholders.

Recognizing the urgency to address climate change, we remain dedicated to seeking innovative solutions to help the aviation sector achieve its net-zero target by 2050. This Report highlights the initiatives we have already

put in place, including our investment in the United Airlines Ventures Sustainable Flight Fund<sup>SM</sup>, our memberships in sustainability-focused organizations, and our orderbook consisting exclusively of fuel-efficient, technologically advanced narrowbody aircraft.

We continue to prioritize company culture, employee engagement, corporate social responsibility, and community outreach. This Report details several of the initiatives and programs we have established to promote a vibrant and inclusive culture, where employees feel empowered, contribute directly to company performance, and can build a fulfilling career. This Report also highlights some of the strategic partnerships and investments we have made in the communities we serve to promote education, support local economies,

and champion environmental stewardship. We are particularly proud of the Diversity & Inclusion Fund we established with the ISTAT Foundation and the investments it is making in aviation’s future leaders.

Aviation Capital Group is committed to helping shape a more sustainable and equitable aviation industry, while contributing positively to the communities in which we live and work. Our Board and executive leaders will continue to guide our ESG strategy with the same energy and focus we apply to our business and foster a corporate culture that values transparency, accountability, and ethically sound decision making. We are grateful for your continued support.

**Thomas G. Baker**  
Chief Executive Officer & President





**OUR ESG APPROACH**

5



INCLUSIVE CULTURE & ENGAGEMENT

BENEFITS & WELLBEING

DIVERSITY, EQUITY & INCLUSION

COMMUNITY INVESTMENT

MEMBERSHIPS

**PEOPLE**

31



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# About This Report

## 2023 REPORTING PERIOD

This Environment, Social, and Governance Report covers the 2023 financial year from January 1, 2023 to December 31, 2023, unless otherwise noted.

## REPORTING FREQUENCY & SCOPE

This Report is our third annual issuance and covers ACG, including its consolidated subsidiaries.

## GRI STANDARDS

This Report is prepared in reference to standards set out by the Global Reporting Index ("GRI"). Pages 56-61 provide the applicable GRI standards.



# ACG at a Glance

Aviation Capital Group (“ACG”), founded in 1989, is a premier global full-service aircraft asset manager focused on building long-term partnerships with, and value creation for, our airline customers and investors.

For more than 34 years, ACG has established itself as a trusted industry leader in aircraft leasing. Building on this proven track record, ACG continues to forge new paths by providing dynamic solutions to airlines and investors worldwide.

Our management team has decades of experience navigating the unique challenges and demands of investing in and leasing commercial aircraft globally.

We listen carefully to airline customers’ challenges and goals, and work with them to design and implement unique fleet solutions to successfully deliver or finance the right aircraft for their fleets.

Through each step of the leasing transaction, we bring a high level of experience and creativity, which our customers have come to rely upon. Our orderbook is entirely new technology aircraft.

ACG is committed to expanding access to the most fuel-efficient, new technology commercial aircraft.

ACG is a Delaware limited liability company and a wholly owned subsidiary of Tokyo Century Corporation, a globally diversified leasing and specialty finance conglomerate. ACG is headquartered in Newport Beach, California and has offices in Dublin and Singapore.

## 488

Owned, managed, and committed aircraft<sup>1</sup>

## 97%

Narrow-body fleet composition<sup>2</sup>

**Baa2**  
Moody's

**BBB-**  
S&P

## 62%

Of owned fleet is new technology (as a % of NBV)<sup>3</sup>

## 6.1 YEARS

Weighted average fleet age<sup>4</sup>

## 6.8 YEARS

Weighted-average remaining lease term<sup>4</sup>

## 90 LESSEES

Across **45** countries<sup>5</sup>

## 2.5x

Net debt / equity<sup>6</sup>

## \$12.1B

Unencumbered assets<sup>7</sup>



# OUR ESG APPROACH

We create innovative ways to acquire and finance the most fuel-efficient commercial aircraft to help the aviation industry transition to a sustainable future, ensuring excellence in all that we do, and we aim to contribute positively to the communities in which we live and work.

# Our ESG Approach

## Our Sustainability Materiality Assessment

We recently carried out our first materiality assessment<sup>8</sup> as part of our sustainability strategy development process, assessing the sustainability topics, responsibilities, risks, and opportunities that are critical to ACG.

The materiality assessment categorized direct and indirect impacts that affect ACG and our stakeholders across economic, environmental, and social values. The exercise, led by external consultants, provided valuable insights into the expectations of all stakeholders, informing our overall direction.

As an initial input into our assessment, we carried out a peer-benchmarking exercise, reviewed sustainability frameworks, and conducted a detailed review of existing internal policies and initiatives. This informed an initial list of industry-specific topics, which formed the basis of discussion with stakeholders.

Following the desk-based research, we engaged with stakeholders through one-to-one interviews and surveys to gather their perspectives on sustainability topics.

For example, we conducted in-depth conversations with our customers, suppliers,



and finance providers, which generated detailed insights into the sustainability topics that stakeholders deemed most relevant, as well as those issues likely to increase in importance in the short to medium term.

Aggregating all the inputs gathered, we generated a sustainability materiality matrix in line with the GRI requirements. The purpose of the materiality assessment was to guide us in the prioritization of sustainability topics, listen, and respond to our stakeholders' expectations, focusing on areas where we can create the most value. Our materiality matrix

informed the development of our strategy and will shape our future reporting. We plan to conduct a materiality analysis periodically.

The table on page 7 shows our top ten sustainability topics based on the materiality assessment. Our approach to managing these topics is discussed in the relevant pages within the Report.

Looking to the future, we will continue to monitor our material topics, including the potential impacts of our activities on our stakeholders.

1 PEER-BENCHMARKING	2 STAKEHOLDER ENGAGEMENT	3 SUSTAINABILITY MATERIALITY MATRIX
<ul style="list-style-type: none"> <li>» Sustainability frameworks</li> <li>» Existing internal policies and initiatives</li> </ul>	<ul style="list-style-type: none"> <li>» One-to-one interviews and surveys</li> <li>» In-depth conversations with our customers, suppliers, and finance providers</li> </ul>	<ul style="list-style-type: none"> <li>» Strategy formulation</li> <li>» Future reporting</li> <li>» Periodic materiality analysis</li> </ul>





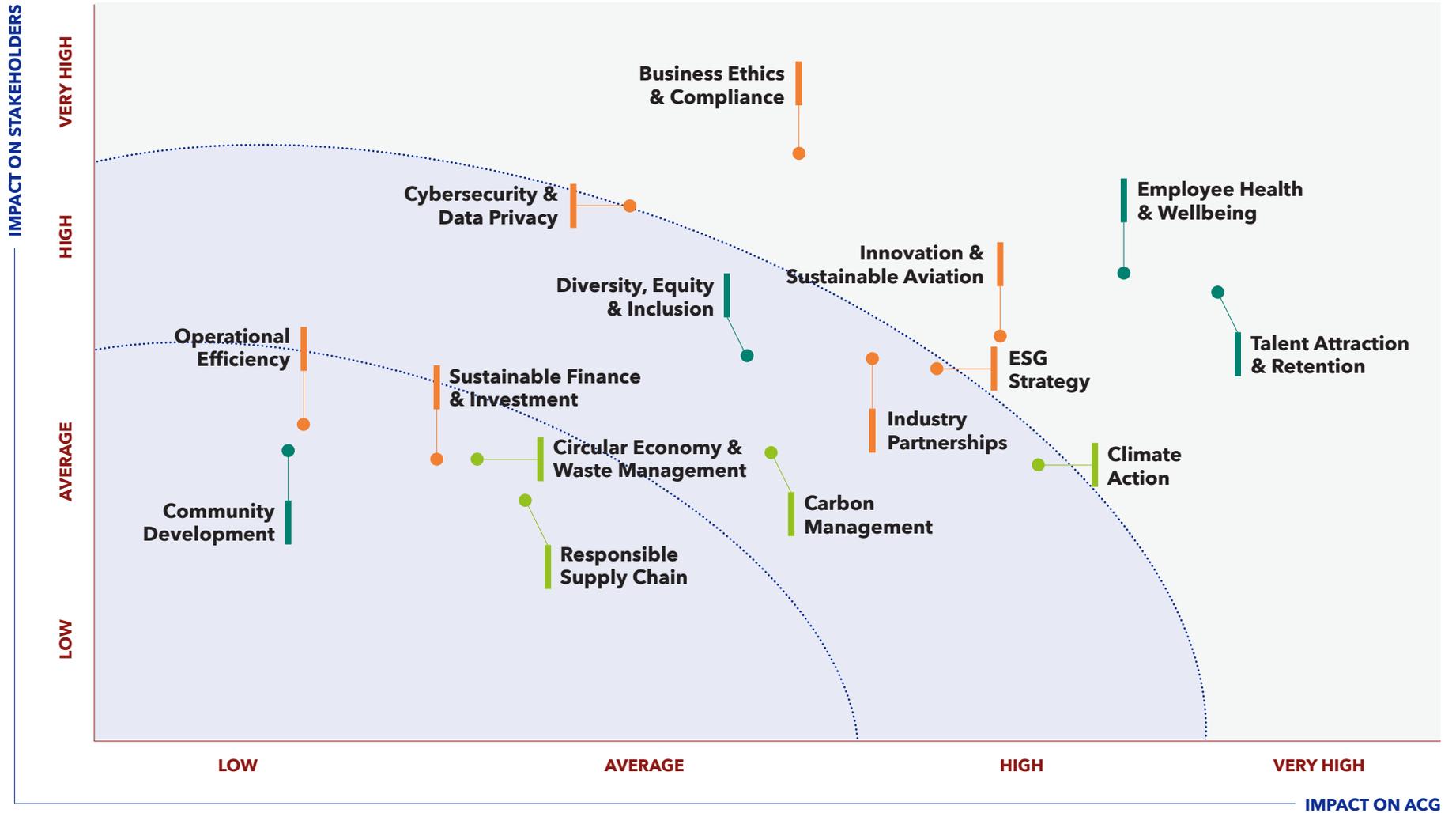
TOP TEN SUSTAINABILITY TOPICS

	TOPIC	PAGE	SDGs <sup>9</sup>
<b>ENVIRONMENTAL</b> 	Climate Action	14	SDG 13
	Carbon Management	16	SDG 13
<b>SOCIAL</b> 	Talent Attraction & Retention	31	SDG 4
	Employee Health & Wellbeing	34	SDG 3
	Diversity, Equity, & Inclusion	36	SDG 5
<b>GOVERNANCE</b> 	Business Ethics & Compliance	51	SDG 16
	Innovation & Sustainable Aviation	16	SDG 17
	ESG Strategy	6	SDG 17
	Industry Partnerships	21	SDG 17
	Cybersecurity & Data Privacy	54	SDG 9



SUSTAINABILITY MATERIALITY MATRIX

Our materiality matrix informed the development of our strategy and will shape our future reporting.



## Stakeholder Engagement

We value the diverse perspectives of internal and external stakeholders, which helped to shape our sustainability strategy and guide its implementation.

We periodically seek input from stakeholders, utilizing tools like our recent materiality assessment to do so. Engaging with our stakeholders remains the cornerstone of our approach to meeting their expectations. Their valued input informs our decisions and the actions we take to mitigate any potential negative impact on society or the environment

and helps us to identify emerging issues that may pose a significant risk to our business.

This engagement continued during 2023, across both formal and informal channels.

The type of engagement varied from having regular meetings with our stakeholders,

attending conferences, conducting employee engagement surveys, and participating in industry associations. In 2023, we engaged with stakeholders as part of our materiality assessment process.

Below is an overview of our stakeholder groups and how we engaged with them in 2023.



### STAKEHOLDER ENGAGEMENT IN 2023

STAKEHOLDER	ENGAGEMENT	KEY TOPICS DISCUSSED
<b>Shareholder</b>	<ul style="list-style-type: none"> <li>» Regular updates to ACG's shareholder, Tokyo Century, via calls and face-to-face meetings</li> <li>» Detailed updates provided at quarterly Board meetings</li> </ul>	<ul style="list-style-type: none"> <li>» Company performance</li> <li>» Market trends and industry updates</li> <li>» ESG strategy</li> <li>» Climate scenario analysis</li> <li>» Governance and compliance</li> <li>» Emissions reporting</li> </ul>
<b>Airline Customers</b>	<ul style="list-style-type: none"> <li>» Regular interaction with our airline customers via calls and virtual meetings</li> <li>» Frequent face-to-face meetings</li> <li>» Engagement with customers at industry conferences</li> </ul>	<ul style="list-style-type: none"> <li>» Fleet planning</li> <li>» Lease negotiations</li> <li>» New technology developments</li> <li>» Fuel-efficient aircraft</li> <li>» SAF</li> </ul>



STAKEHOLDER	ENGAGEMENT	KEY TOPICS DISCUSSED
<b>Employees</b>	<ul style="list-style-type: none"> <li>» Survey for sustainability assessment</li> <li>» All-hands calls and town-hall meetings</li> <li>» Performance review process</li> <li>» Internal communication</li> <li>» Employee appreciation events and social gatherings</li> </ul>	<ul style="list-style-type: none"> <li>» Employee morale, well-being, and mental health</li> <li>» Market trends and industry updates</li> <li>» Career development</li> <li>» Diversity and inclusion</li> </ul>
<b>OEMs &amp; Suppliers</b>	<ul style="list-style-type: none"> <li>» Regular calls and virtual meetings</li> <li>» In person meetings</li> <li>» Attendance at various industry conferences and events</li> </ul>	<ul style="list-style-type: none"> <li>» Supply chain management</li> <li>» Aviation decarbonization</li> <li>» Fuel-efficient aircraft</li> <li>» Noise pollution</li> <li>» New technology</li> <li>» Sustainable Aviation Fuel ("SAF")</li> </ul>
<b>Lenders / Finance Providers</b>	<ul style="list-style-type: none"> <li>» Regular calls, meetings, and conferences with finance providers and investors</li> <li>» Publication of quarterly financials and investor presentations on ACG's website</li> <li>» Annual bank meeting</li> </ul>	<ul style="list-style-type: none"> <li>» Debt financings</li> <li>» ESG strategy</li> <li>» Proactive capital management</li> <li>» ACG portfolio &amp; strategy</li> <li>» Aviation market</li> </ul>
<b>Rating Agencies</b>	<ul style="list-style-type: none"> <li>» Periodic business updates</li> <li>» Ongoing credit assessments and ESG reviews</li> </ul>	<ul style="list-style-type: none"> <li>» Company performance</li> <li>» Industry updates</li> <li>» ESG-related risk discussions</li> </ul>
<b>Industry Associations</b>	<ul style="list-style-type: none"> <li>» Participation as a member of the ALI Sustainability Committee</li> <li>» Commitment to the ALI Sustainability Charter</li> <li>» Supporting Advancing Women in Aviation Roundtable</li> </ul>	<ul style="list-style-type: none"> <li>» ALI Sustainability Charter framework for assessing and disclosing sustainability alignment</li> <li>» Industry partnerships</li> <li>» SAF and hydrogen propulsion</li> <li>» Industry support for net-zero carbon emissions by 2050</li> <li>» Aircraft recycling</li> <li>» Company-sponsored memberships</li> </ul>
<b>Local Community</b>	<ul style="list-style-type: none"> <li>» Regular Corporate Social Responsibility activities through ACG's Helping Hands working group</li> <li>» Fundraising events</li> </ul>	<ul style="list-style-type: none"> <li>» Employee volunteering</li> <li>» Crisis relief</li> <li>» Charitable contributions</li> </ul>





“Harnessing ESG principles, we unite to shape a sustainable aviation future, creating value for stakeholders and communities.” // Gordon Grant

### ESG Working Group

ACG’s ESG Working Group is led by **Gordon Grant**, Vice President, Head of ESG, and consists of the following members:

- » **Rakhal Bhalla**, Assistant Vice President, Tax & Chief Compliance Officer
- » **Cory Brewer**, Assistant Vice President, Aircraft Trading
- » **Fadhila Davis**, Director, Procurement
- » **Robert Kitchener**, Assistant Vice President, New Aircraft Management
- » **Emily Mahaffey**, Insurance Manager
- » **Rachael Poupis**, Attorney
- » **Tyler Robinson**, Director, Risk Management
- » **Yoshisuke Serizawa**, Director, Executive Office
- » **Ryo Yoshida**, Managing Director, Executive Office

## Governance and Oversight

Effective governance and oversight of ESG strategy, execution, and reporting are critical for a successful ESG program. Our sustainability strategy was developed by our Senior Leadership Team, with governance provided by our Board of Representatives (the “Board”).



### ESG GOVERNANCE AND OVERSIGHT



## Our Parent

ACG is a subsidiary of Tokyo Century Corporation, a globally diversified leasing and specialty finance conglomerate. Tokyo Century Corporation’s management philosophy is to act as a highly specialized and unique financial services company that works alongside its customers in pursuit of their growth and to

contribute to the creation of an environmentally sound, sustainable economy and society.

Tokyo Century Corporation has identified its materiality (key issues) that correspond to the SDGs and is advancing initiatives for the purpose of promoting sustainability management and addressing social issues through its business activities.

Tokyo Century Corporation established its Carbon Neutrality Policy in 2022, which aims to achieve net-zero GHG emissions for the entire Tokyo Century Group in fiscal 2040, with regard to its Scope 1 and 2 emissions. Tokyo Century’s Carbon Neutrality Policy can be found [here](#).

### TOKYO CENTURY CORPORATION’S MATERIALITY (KEY ISSUES) LINKED TO THE SDGs

MATERIALITY	EXAMPLE INITIATIVES	SDGs
Contribution to decarbonized society	» Renewable energy business, including solar power generation, and popularization of electric vehicles via leasing	 
Creation of new business driven by technical innovation	» Subscription services, fintech, and new rental car services utilizing smartphone apps	 
Contribution to social infrastructure development	» Regional revitalization through rental cars and car sharing, Drive Doctor telematics driving control service that supports safe driving, and hotel business	 
Sustainable resource use	» IT equipment leasing, refurbishment, aircraft life-cycle management, and automobile leasing	 
Enhancement of work environment, leading to strengthening of human resources	» Introduction and implementation of telecommuting, employee awareness surveys, and 360° evaluations	
 <b>Shared platforms</b>	 <b>Utilize diverse partnerships to create new value</b>	



## Climate Scenario Analysis of Aircraft Leasing Business

The identification and assessment of climate risks form a part of Tokyo Century's existing risk management process.

In April 2022, Tokyo Century identified climate change risks and opportunities under multiple scenarios and conducted qualitative and quantitative business impact assessments for the aircraft leasing business in line with Task Force on Climate-related Financial Disclosures ("TCFD") recommendations.

As ACG is a significant component of Tokyo Century's aviation business, our participation in the TCFD assessment was crucial.

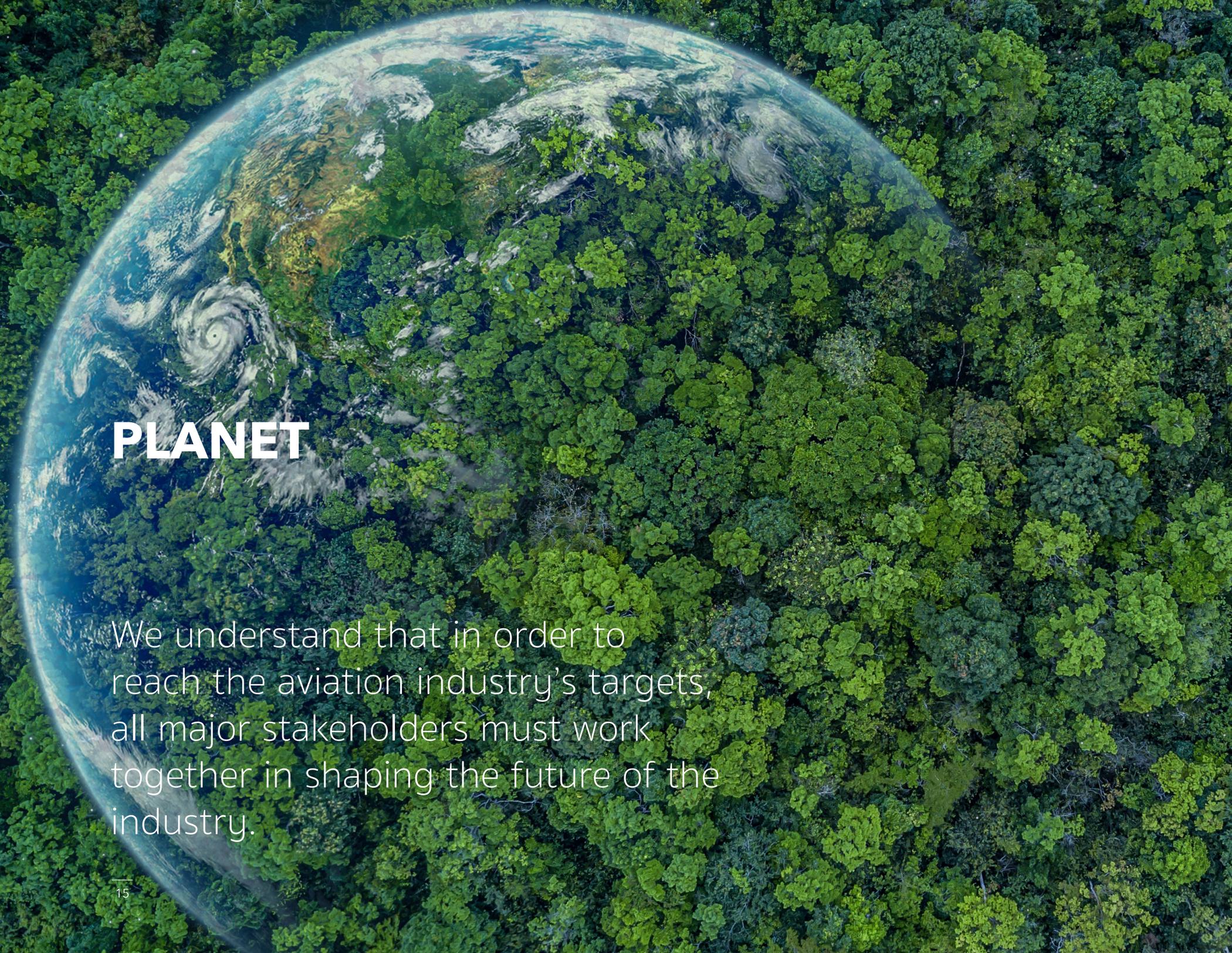
The analysis was based on certain climate scenarios adopted by the Intergovernmental Panel on Climate Change ("IPCC") and the International Energy Agency ("IEA") to assess the impact of climate change on the aircraft leasing business.

The results of the scenario analysis showed that climate change will have a limited impact on the aircraft leasing business; however, initiatives for future consideration were identified to counter issues, such as contraction of demand or the rise of the impairment rate.

More detailed results can be found [here](#).

## TOKYO CENTURY CORPORATION'S POTENTIAL RESPONSES

ISSUE	MAJOR ONGOING INITIATIVES	INITIATIVES FOR FUTURE CONSIDERATION
<b>Contraction of demand</b>	<ul style="list-style-type: none"> <li>» Capture opportunities for expanding assets that are in high demand through orderbook and other sources (orderbook delivery slots available through 2028).</li> <li>» Expand part-out and passenger-to-freighter conversion businesses.</li> </ul>	<ul style="list-style-type: none"> <li>» Invest in new assets related to bio-jet fuel, hydrogen-powered aircraft, electric aircraft, and other assets and participate in related businesses.</li> </ul>
<b>Rise in impairment rate</b>	<ul style="list-style-type: none"> <li>» Structure portfolio to address asset risk (focus on narrow-body aircraft with low average age and high liquidity, diversify expiration dates, and other measures).</li> <li>» Conduct periodic monitoring of asset value volatility through the Value at Risk (VAR) model on a consolidated basis.</li> <li>» Set as a KPI the ratio of new technology aircraft (fuel-efficient aircraft) in the portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>» Reduce portfolio risk by diversifying and expanding lessee base and shifting further towards new technology aircraft.</li> <li>» Enhance the asset turnover business to realize the early sale of owned aircraft and improve profitability.</li> <li>» Expand asset management business extended to third parties post sale of aircraft.</li> </ul>

The image features a dense, vibrant green forest as the background. On the left side, a semi-transparent, glowing blue and white globe of the Earth is superimposed, showing cloud patterns and the curvature of the planet. The word "PLANET" is written in large, bold, white capital letters across the middle of the globe.

# PLANET

We understand that in order to reach the aviation industry's targets, all major stakeholders must work together in shaping the future of the industry.

# Sustainable Aviation

ACG stands with Tokyo Century in reducing the environmental impact of the aviation industry and acting responsibly to create and sustain a cleaner environment. ESG and environmental sustainability are the basis for our mission statement.

## Our Fleet

We continue to contribute to a cleaner and more sustainable future, expanding our fleet with new technology aircraft that produce lower emissions, use less fuel, and generate less noise than previous generation aircraft.

## Our Operations

Our core business strategy, internal risk management, and company ethos are aligned with supporting sustainable aviation. Day-to-day operations, office initiatives, and environmental partnerships all support our dedication to operational sustainability.

We understand that in order to reach the aviation industry's targets, all major stakeholders must work together in shaping the future of the industry.

## Our Mission

“We create innovative ways to acquire and finance the **most fuel-efficient commercial aircraft to help the aviation industry transition to a sustainable future**, ensuring excellence in all that we do, and we aim to contribute positively to the communities in which we live and work.”



2.1%

### CARBON FOOTPRINT

Air transports percentage global human CO<sub>2</sub> emissions in 2019<sup>10</sup>

Net Zero

### CARBON EMISSIONS BY 2050

IATA's target for the global air transport industry<sup>11</sup>



In order to meet aviation’s environmental sustainability targets, we continue to collaborate with the following:

- » airframe OEMs;
- » engine OEMs;
- » seating, galley, in-flight entertainment, and component suppliers;
- » industry bodies and working groups; and
- » industry innovators.

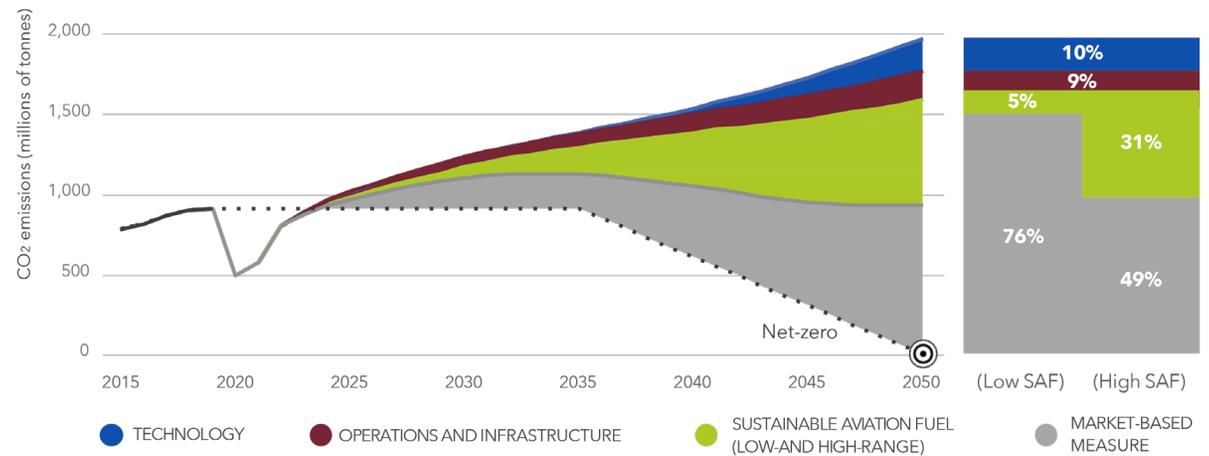
We support the introduction of technological, operational and infrastructure improvements within our aircraft fleet, leading to improved fuel efficiency, reduced CO<sub>2</sub> emissions, and lower noise.

We continue to engage with OEMs and industry bodies to explore ways of encouraging the scale-up of SAF usage across the global fleet and to receive regular updates on new technologies and infrastructure development.

To best support our customers in their environmental initiatives, we are able to implement key Airbus modification packages to introduce fuel-saving features like “Single Engine Taxi Without APU” (“SETWA”) and “Descent Profile Optimization” (“DPO”) to Airbus’ A320 Family aircraft.



**EMISSIONS REDUCTION CONTRIBUTIONS IN 2050<sup>12</sup>**



# Fleet Transformation

Since 2016, we have invested more than \$7 billion in new technology aircraft, representing approximately 62% of the net book value of our owned fleet.



## 6.1 YEARS

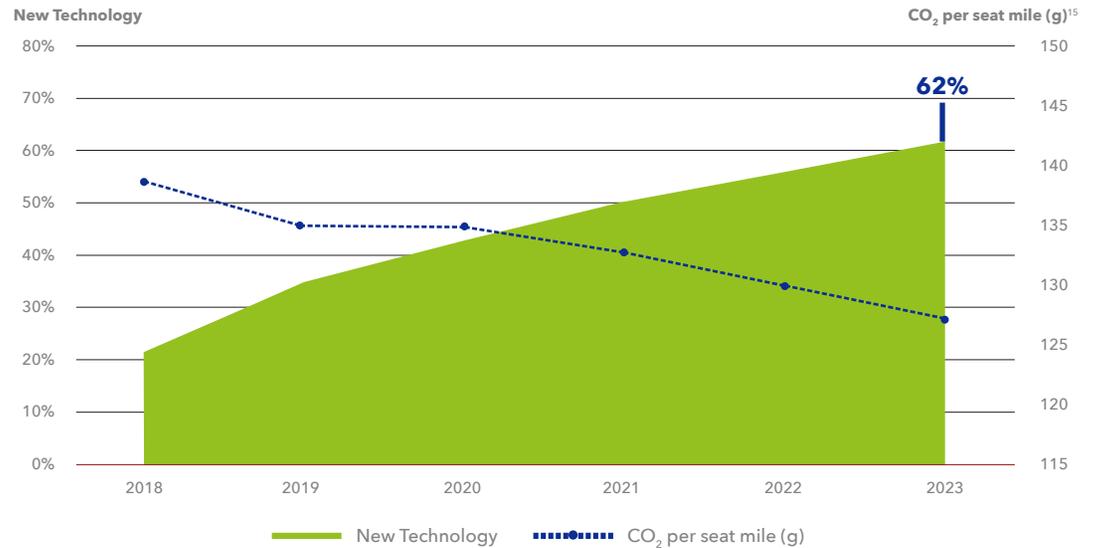
### AVERAGE AGE

Weighted average age of our owned fleet at year-end 2023

Compared to the commercial in-service average fleet age of 12.4 years<sup>13</sup>



### ACG FLEET TRANSFORMATION<sup>14</sup>





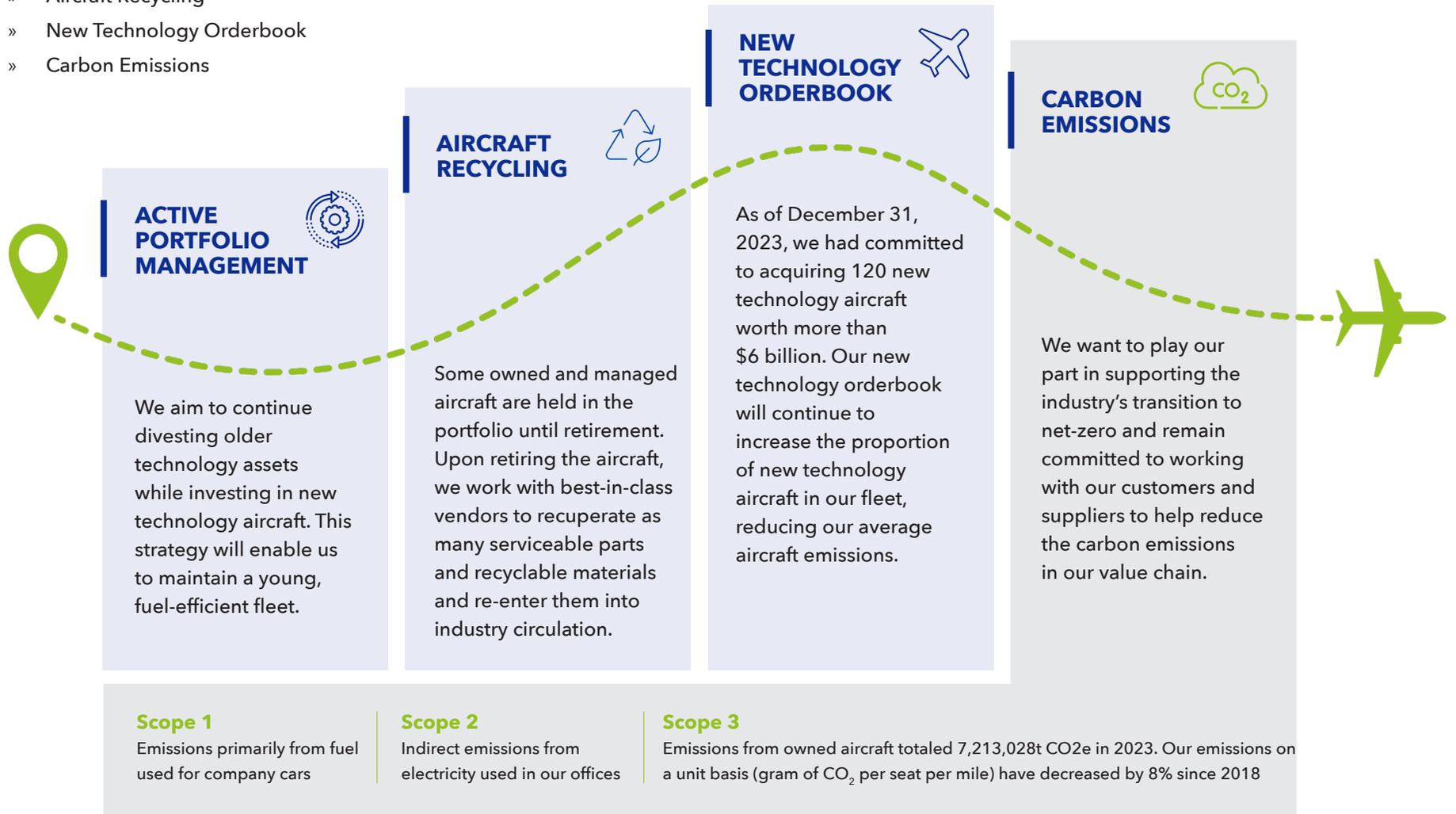
## Achieving Fleet Transformation

There are four key pillars to achieving our fleet transformation:

- » Active Portfolio Management
- » Aircraft Recycling
- » New Technology Orderbook
- » Carbon Emissions

In this Report, we have disclosed our Scope 3 emissions for our owned aircraft, which make up the majority of our GHG emissions. Our Scope 1, Scope 2, and Scope 3 GHG emissions

are reported to our parent, Tokyo Century Corporation, and its consolidated GHG emissions reporting can be found [here](#).





# Industry Stakeholder Engagement

In order to participate in tackling the environmental challenges facing aviation, members of our OEM department regularly explore emerging technologies and concepts. We proactively engage and collaborate with industry stakeholders on initiatives in the areas of:



## SAF DEVELOPMENT



## eVTOL CONCEPTS AND DEVELOPMENT



## HYDROGEN INFRASTRUCTURE



## SAF INFRASTRUCTURE



## DIRECT AIR CARBON CAPTURE



## CO<sub>2</sub> EMISSIONS REPORTING



## HYDROGEN PROPULSION





## Our Collaboration with Industry Stakeholders

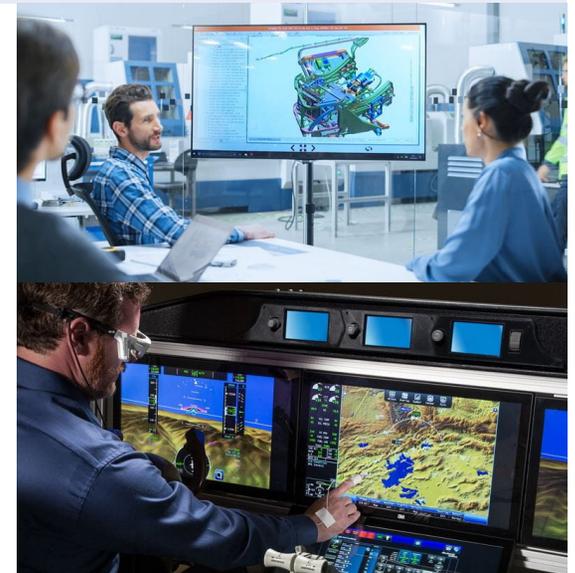
Our critical suppliers include aircraft and engine OEMs. We continue to partner and engage in conversations with these key suppliers to increase the focus on sustainability.



Sustainable practices and products are integral to Collins Aerospace’s operations, and we are proud to **play an important role** in the 1Collins initiative towards environmental sustainability aviation.

Collaboration helps to accelerate progress, which is why we have continued our collaboration with Collins Aerospace, one of our leading suppliers.

In 2023, ACG was invited to Collins Aerospace’s Interior Products facility, in Bedfordshire, UK to participate in a forum focusing on future interior product development. ACG emphasized the importance of sustainability throughout the entire product and aircraft lifecycle. We provided input from a lessor’s perspective that we, as an industry, need to focus on extending the life of a product with proper support and/or repairs and have sustainable product disposal options at the end of a product’s life. We are a strong advocate for collaborating with suppliers to collectively work together toward understanding and meeting all aspects of the stakeholder needs in the aviation industry with sustainable and profitable solutions.



# Commitment to New Technology

New technology aircraft bring together state-of-the-art aerodynamics, advanced material, and the latest engine technologies to improve fuel efficiency while reducing noise and other harmful emissions. We continue to support our airline customers in their decarbonization journeys and believe our new technology aircraft and orderbook will play an important role in meeting the industry's 2050 net-zero target.

We not only incorporate technologically advanced aircraft into our fleet, we also evaluate our existing fleet for technological improvements that may be made throughout the life of each aircraft. These incremental improvements contribute to a reduction in CO<sub>2</sub> emissions. Aircraft design and operational improvements are the immediate paths toward enabling the aviation industry to meet the 2050 net-zero target.

**100% of our orderbook consists of fuel-efficient, technologically advanced narrow-body aircraft that can fly with up to a 50% blend of SAF.**



10

## SUPPORTED AIRLINES

10 airlines have taken or will take their **first new technology A320neo** from ACG

25

## NEW TECHNOLOGY AIRCRAFT

Throughout 2023, we continued to increase our new technology aircraft in our fleet, supporting airline operations with the latest fuel efficient and quieter aircraft<sup>16</sup>





**New Technology Fleet Composition** (ACG's owned fleet as of 12/31/2023)

**FUEL CONSUMPTION**

Up to 25% lower fuel burn & CO<sub>2</sub> emissions per seat<sup>17</sup>

**NITROGEN OXIDE**

Up to 38% below CAEP/8<sup>17</sup>

**NOISE POLLUTION**

Up to 11 EPNdB margin to Chapter 14<sup>17</sup>

**AIRBUS A220 FAMILY**



4

**FUEL CONSUMPTION**

Up to 20% lower fuel burn & CO<sub>2</sub> emissions per seat<sup>17</sup>

**NITROGEN OXIDE**

Up to 49% below CAEP/8 (PW)<sup>17</sup>  
Up to 43% below CAEP/8 (CFM)<sup>17</sup>

**NOISE POLLUTION**

Up to 14 EPNdB margin to Chapter 14<sup>17</sup>

**AIRBUS A320neo FAMILY**



106

**FUEL CONSUMPTION**

Up to 25% lower fuel burn & CO<sub>2</sub> emissions per seat<sup>17</sup>

**NITROGEN OXIDE**

Up to 23% below CAEP/8<sup>17</sup>

**NOISE POLLUTION**

Up to 16 EPNdB margin to Chapter 14<sup>17</sup>

**AIRBUS A350**



3

**FUEL CONSUMPTION**

Up to 20% lower fuel burn & CO<sub>2</sub> emissions per seat<sup>18</sup>

**NITROGEN OXIDE**

Up to 33% below CAEP/8<sup>18</sup>

**NOISE POLLUTION**

Up to 50% lower footprint<sup>18</sup>

**BOEING 737 MAX**



15

**FUEL CONSUMPTION**

Up to 25% lower fuel burn & CO<sub>2</sub> emissions per seat<sup>18</sup>

**NITROGEN OXIDE**

Up to 44% below CAEP/8<sup>18</sup>

**NOISE POLLUTION**

Up to 50% lower footprint<sup>18</sup>

**BOEING 787**



6

# Our fleet evolves as technology advances



## AERODYNAMIC PERFORMANCE

73% of our owned aircraft have either Blended Winglets, Split Scimitar Winglets, Advanced Technology Winglets, or Sharklets installed. Improvements in the aerodynamic performance of the aircraft wing using winglets can contribute up to 6% fuel savings per flight.



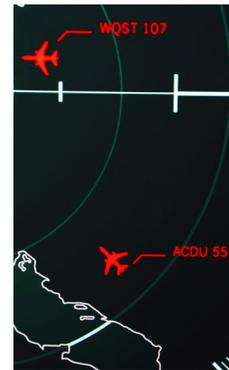
## NEWER LIGHTWEIGHT SEATS

Newer lightweight seats from our key suppliers can save up to 2.4 kgs per passenger place when compared to older generation seats. This equates to annual fuel savings of ~51 tons or a reduction in CO<sub>2</sub> emissions by ~161 tons per aircraft.<sup>19</sup>



## SPACEWALL™ LAVATORY

ACG and Collins Aerospace were technical partners in developing the 737NG and 737 MAX "Spacewall™" Lavatory, which is 50% lighter than previous generations. This innovation helps to increase reliability and maintainability and reduce CO<sub>2</sub> emissions over the life of the aircraft.<sup>19</sup>



## FLIGHT PATH ROUTING

ADS-B OUT (DO-260B) and Controller Pilot Data Link Communications equipment enables flight path routing, better air traffic management, shorter flights, fuel savings, and less congestion, while reducing the noise impact for surrounding residential areas.<sup>19</sup>

# We continually evaluate our existing fleet for technological improvements



## FLIGHT MANAGEMENT COMPUTERS AND SOFTWARE

Improvements in flight management computers and software allow aircraft to operate improved flight profiles, with efficiencies found in the climb and descent phases of flight. This can produce up to 1% savings in total trip fuel.<sup>20</sup>



## WEATHER RADAR TECHNOLOGY

Improvements in weather radar technologies allow optimized re-routing in adverse weather, which is estimated to save more than 1% fuel burn per aircraft annually.<sup>20</sup>



## DESCENT PROFILE OPTIMIZATION

With the Airbus A320 Family aircraft, Descent Profile Optimization (“DPO”) optimizes the performance characteristics of the A320 Family aircraft during the descent phase of flight, enhancing “engine idle” usage, approach speeds, and other flight parameters. DPO can offer up to a savings of 441 tons of CO<sub>2</sub> per aircraft per year.<sup>21</sup>



## SINGLE ENGINE TAXI

On Airbus A320s, it is possible to taxi with only a single engine in operation and the Auxiliary Power Unit (“APU”) off. Taxiing with only one engine reduces fuel consumption, noise, and run time on the APU, which helps to improve longevity, and it is estimated that an average of 261 tons of CO<sub>2</sub> per aircraft per year can be saved by SETWA.<sup>21</sup>

# Creating a Greener Sky: Shaping the Future of Aviation



Volocopter stands out within the eVTOL market by being one of the most advanced companies in the design, manufacturing, operational outlook, and continuous achievement of essential certification milestones. ACG and Volocopter have an agreement in principle to develop financing solutions that will assist with the sale of Volocopter's family of electric vertical take-off and landing ("eVTOL") aircraft for up to \$1 billion.

Volocopter's vision is to build an Urban Air Mobility ("UAM") network that will alleviate urban ground congestion, produce

zero in-flight emissions, and maintain a holistic approach toward longterm sustainability while maintaining the social positives provided by air travel.

The Volocopter aircraft uses swappable battery packs, and the battery life is managed by its digital backbone, the VololQ. This cloud-based system is in development to track the health state of each battery pack and help increase the average life of battery operation, contributing to overall sustainability.

The VoloCity eVTOL, when compared to an equivalent-sized rotorcraft, is approximately

4-5x quieter when flying overhead.

The Volocopter eVTOL fleet will be all-electric, meaning the aircraft will produce zero emissions in flight. Volocopter aims to source green electricity for aircraft operations. This is expected to result in substantial reduction of CO<sub>2</sub> emissions when compared to traditional "internal combustion" powered vehicles.

Tokyo Century, as an equity investor in Volocopter, and ACG are committed to working towards aviation's cleaner and more sustainable future by helping to develop and scale UAM.

## LATEST UPDATES

During 2023, Volocopter continued to advance the development of the UAM network and the journey toward commercial eVTOL operations in 2024:

- » The VoloCity - Volocopter's two-seat taxi - continues on track progress towards its 2024 European Union Aviation Safety Agency-type ("EASA") certification target.
- » During Q3 and Q4 of 2023, Volocopter successfully conducted Federal Aviation Authority ("FAA") testing and public awareness flights in the USA.
- » The VololQ aircraft management, customer interaction, and booking digital software platform continues its development.
- » In preparation for scaled production, Volocopter's manufacturing facilities in Bruchsal, Germany, continue to improve in efficiency and capability.



# Supporting Environmental Initiatives



## Sustainable Aviation Fuel

SAF is produced from non-fossil fuel sources, known as feedstocks, including cooking oil, hydrogen, plant oils, municipal waste, waste gases, and agricultural byproducts. SAF has been designed as a “drop-in” fuel when blended up to 50% with traditional jet fuel. Compared to traditional kerosene, SAF can cut aircraft’s greenhouse gas emissions by around 80% and is currently seen as the most important tool for reducing air travel’s carbon footprint.

In July 2023, ACG announced its investment in the United Airlines Ventures Sustainable Flight Fund<sup>SM</sup>. The United Airlines Ventures Sustainable Flight Fund<sup>SM</sup> is a way for companies and consumers to come together and increase the supply of SAF through the support of start-ups focused on decarbonizing air travel through SAF research, technology and production. The fund initially launched in February 2023 and increased its investment commitments to nearly \$200 million in July 2023.

“ACG is honored to be a part of the UAV Sustainable Flight Fund. Sustainable aviation fuel is essential to reducing the CO<sub>2</sub> emissions of air transport, and it supports our efforts to partner with organizations to help our industry reach the goal of net zero emissions by 2050.” // Gordon Grant

## ACG’S COMMITMENT TO MORE FUEL-EFFICIENT ENGINES

ACG has selected Pratt & Whitney GTF<sup>TM</sup> engines to power 60 Airbus aircraft. The engine will power 20 A220 and 20 firm A320neo Family aircraft, with the option for a further 20 A320neo Family aircraft.

The A320neo Family Pratt & Whitney GTF<sup>TM</sup> engines represent a 16% increase in fuel efficiency and a 16% reduction in CO<sub>2</sub> emissions. The GTF<sup>TM</sup> is 100% SAF compatible – preparing itself for a SAF-fueled future.



## Environmentally Sustainable Office Buildings

ACG's offices are focused on operational sustainability and support the company's aim of reducing our carbon footprint.

Across our office locations, the following environmental accreditations and initiatives have been introduced by the building owners.



NEWPORT  
BEACH  
USA



- » **LEED GOLD** - providing a framework for healthy, energy efficient and cost-saving green buildings
- » **Energy Star Partner** - saving energy in business through energy efficient products and practices
- » **Hybrid Electric Charging Points** - provides access to fast electric charging for hybrid electric vehicles
- » **Recycling** - proper waste management of recyclable disposals, leading to less landfill and overall environmental harm
- » **Go-Green** - encourages employees and partners to reduce usage of physical paper



DUBLIN  
IRELAND



- » **Building Energy Rating ("BER") - B2**
- » **Zero Waste-to-Landfill policy** - in line with all EU targets and best-in-class
- » **Energy Consumption** - electricity at the ACG Ireland office comes from 100% renewable sources
- » **Solar water heating**



SINGAPORE



- » **Building and Construction Authority ("BCA") Green Mark certified** - providing a framework for healthy, energy and water efficient, environmentally friendly buildings

## Environmental Sustainability Where We Work

We have introduced several initiatives in our offices to keep the sustainability mindset consistent both in the air and on the ground.



### IT Equipment Disposal

- » ACG’s IT equipment turnover policy aims to recycle components and, where possible, donate equipment to a charitable organization.

### Reusable Items

- » To reduce single-use plastics, employees are encouraged to use reusable drinking cups, cutlery, water bottles, and lunch containers. ACG has given its employees branded tumblers and eliminated plastic water bottles from refrigerators. The Newport Beach office kitchens are stocked with biodegradable paper goods and we offer recyclable ACG aluminum water bottles.

### Going Paperless

- » Employees receive paperless pay slips as the automatic default and must manually elect to receive a paper copy. As of December 31, 2023, 99% of our employees receive paperless pay statements.
- » As part of our event management, we have rolled out an app that creates digital welcome packets, agendas, handbooks, and other informational materials to help reduce waste.

### “Think Before You Print” Email Signature Blocks

- » Raising awareness of paper waste, both internally and when recipients outside ACG receive emails from ACG employees.

### Locally Sourced Produce

- » The fruit selections provided in our offices are locally-sourced or farmed by suppliers that operate sustainable and ethical business practices providing our employees with plenty of healthy options.





## Aircraft Leasing Ireland

Aircraft Leasing Ireland (“ALI”), the trade group for the aircraft leasing industry in Ireland, represents more than 40 aircraft lessors, including 18 of the world’s top 20, and the majority of the global lessor-owned fleet. A core strategic focus for ALI is sustainability in aviation, engaging in and influencing policy to support net-zero CO<sub>2</sub> emissions in aviation by 2050. ALI is committed to raising awareness of ESG within aviation and supporting its members in developing their ESG strategies, as well as promoting and influencing cross industry collaboration and investment in the drive to net-zero.

In 2022, ALI launched the ALI Sustainability Charter at the Global Aviation Sustainability Day in Dublin. The objective of this Charter is to establish a framework for assessing and disclosing sustainability alignment for aircraft lessors and provide actionable guidance on how to achieve GHG reduction ambitions. Throughout 2023, ALI worked to define agreed ESG metrics, against which members have committed to report, in compliance with the Charter.

ACG is an active member of ALI. The company is represented on the ALI Council by Rob Downes, Senior Vice President and Head of Aircraft Trading, and a Director of ACG Ireland. Rob also sits on the ALI Sustainability Committee and is part of a five-person Sustainability Working Group responsible

for leading ALI’s sustainability initiatives. Within this Working Group, Rob is responsible for leading the cross-sector Sustainability Education Working Group (“EWG”). Gordon Grant, Vice President and Head of ESG for ACG, is also part of the ALI Sustainability Committee and the EWG.

In November 2023, the EWG delivered and launched **inniu**, an on-line sustainability learning program, developed in partnership with Aviation Skillnet. The 12-module program was designed and built for the aircraft leasing sector, and broader aviation community. The program is centered on the ALI Sustainability

Charter and is designed to help raise awareness of the sustainability challenges and opportunities facing our sector, across the entire environment, social and governance spectrum.

ACG continues to support the ALI Sustainability Working Group to drive various other initiatives, including the future expansion of ALI’s annual Global Aviation Sustainability Day, the establishment of underlying metrics to the ALI Sustainability Charter and the launch of a new project on Sustainable Aviation Fuel (SAF) production supported by ACG and other lessors.

## ALI Sustainability Charter

Sustainability is imperative to the continued long-term growth and success of the sector. The ALI Sustainability Charter is based upon aviation’s pathway to net zero in 2050 and covers the entire spectrum of ESG, including demonstration of leadership in carbon disclosures and accelerating progress in future aircraft and low carbon technologies.

The ALI Charter demonstrates the aircraft leasing community’s commitment to supporting the wider industry to achieve net zero carbon emissions by 2050.<sup>22</sup>





# PEOPLE

We put corporate social responsibility at the forefront of our priorities, focusing on our employees and our communities.

# Inclusive Culture & Engagement

## Corporate Social Responsibility and Company Culture

We put corporate social responsibility at the forefront of our priorities. We focus on our employees and our communities. Knowing that our employees are the core stakeholders in our success, we are proud of our diverse workplace, inclusive culture, and competitive perks and benefits packages.

ACG is in the fortunate position of being able to contribute to our communities, and we accomplish this through community service events, charitable giving, and incentive programs that encourage our employees to give back.

“Inclusivity fuels our culture, empowering employees to make a difference together.”

// Gordon Grant





## Employee Development

### TRAINING

We are committed to developing our employees and launching new education and development programs to support career progression. In 2023, in addition to offsite learning opportunities such as industry training conferences and events, continued learning education, and informational presentations from our business partners, our employees completed over 810 hours of developmental training, including compliance training, anti-discrimination, and antiharassment training. In addition, 27 employees participated in a management leadership training that was funded and coordinated by ACG. The training provided tips, strategies, guidelines and frameworks for being a successful manager. This six-week training provided an excellent foundation to ACG's managers, focusing on topics such as delegation, time-management, relinquishing control, and holding meaningful one-to-one sessions.



### OEM UPDATES

We coordinate regular OEM market updates from Airbus, Boeing, and other major suppliers and all our employees are invited and encouraged to join to hear about the latest trends and industry developments.

### "ALL-HANDS" CALLS AND TOWN HALL MEETINGS

We hold "All-Hands" calls in which all ACG employees participate. These calls discuss our latest marketing initiatives, introduce new hires, and provide general company updates.

In addition, we hold quarterly Town Hall Meetings for all employees that address the company's financial performance, ESG initiatives, employee concerns (often gathered anonymously prior to the meeting), and provide other company-related updates.

# Benefits & Wellbeing

## BENEFITS

**We provide a competitive benefits package to help retain our number one asset - our employees.**

- » We offer top-of-the-line health benefits, including several options for medical, dental, and vision insurance plans, Health Savings Accounts, Flexible Spending Accounts, Employee Assistance Programs, pet insurance, and employer-paid life insurance.
- » We provide education reimbursement, professional licensing fee coverage, promotion plans, and access to thousands of online training programs.
- » We also offer a generous retirement plan with employer matching and discretionary employer contributions.



## WELLBEING

**We provide resources to help our employees maintain a strong and balanced work environment and mental mindset.**

- » Monthly wellbeing newsletters educate employees on various wellbeing topics, including alcohol awareness, mental health, and diet and nutrition.
- » Our hybrid work-from-home (“WFH”) schedule, which includes extra WFH days in the summer, encourages our employees to maintain a healthy work-life balance.
- » “New Parent Transition Time” for our employees, a benefit that provides additional WFH days to new parents to help ease the transition from maternity or paternity leave back to the office.
- » ACG-sponsored workshops, webinars and demonstrations for our employees that promote physical and mental health, including productivity, self-gratitude, and meal preparation.



## MORALE

**We prioritize employee morale to keep its employees motivated and acquire and retain talent.**

- » We host frequent employee appreciation events and social gatherings to bring the company together.
- » Our referral program provides bonuses to eligible employees for their hired referrals.
- » We offer competitive pay and transparency around annual bonus targets.
- » We encourage feedback from our employees on a regular basis so we can monitor the satisfaction and overall wellbeing of our ACG family.
- » All employees receive annual reviews from management, helping them develop and meet goals and continue to grow within ACG.





**IN 2023, EMPLOYEE-FOCUSED SOCIAL EVENTS INCLUDED EMPLOYEE OFFSITE EVENTS, IN-OFFICE MOBILE MASSEUSES, A MASON JAR MEAL PREP TUTORIAL AND VARIOUS HOLIDAY PARTIES**



PEOPLE



CONTENTS

# Diversity, Equity, and Inclusion

PEOPLE



CONTENTS

## Geographic Diversity

With offices in the United States, Ireland, and Singapore, employees working in six countries, and a workforce representing several different nationalities, ACG operates in diverse communities throughout the world. This diversity resonates in our workplace and amongst our customers and our suppliers.

## DEI

We strive to maintain an inclusive workplace where everyone feels accepted, supported, and valued. Our environment encourages employees to treat each other with mutual respect and embrace one another's differences.

Our Diversity, Equity, and Inclusion ("DEI") policy is designed to bring awareness to our employees and encourage support for one another in the workplace, regardless of differing backgrounds.

ACG also provides various training and development programs, such as mandatory anti-harassment and anti-discrimination training.



## Employee Statistics

6

**COUNTRIES**

ACG employees worked in six countries

6.7

**YEARS OF SERVICE**

ACG employees' average years of service

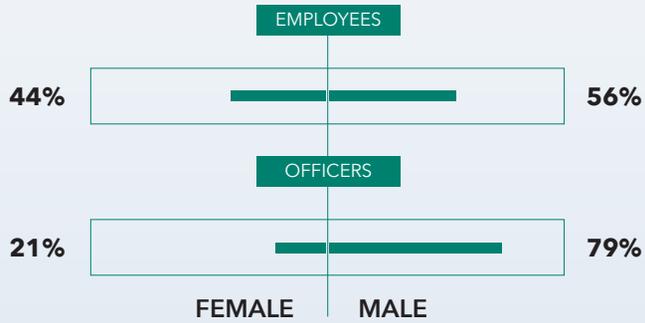


PEOPLE

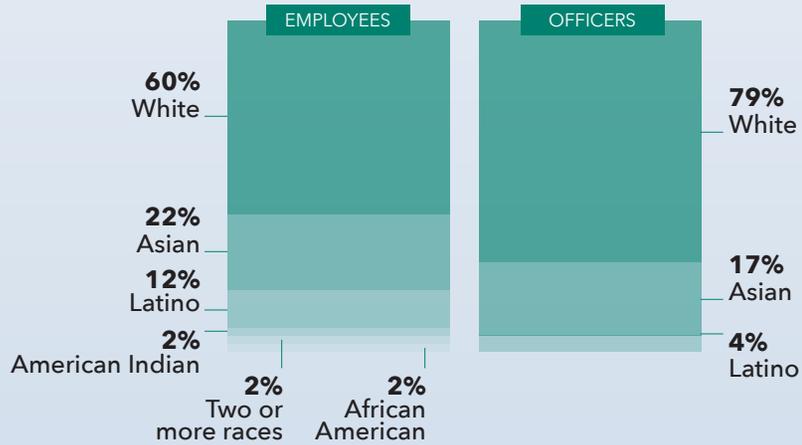


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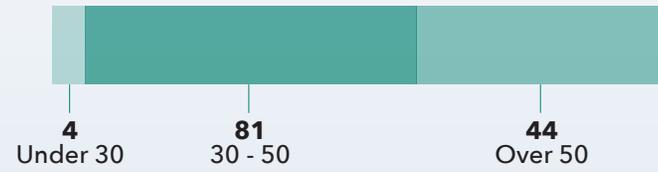
## GENDER REPRESENTATION



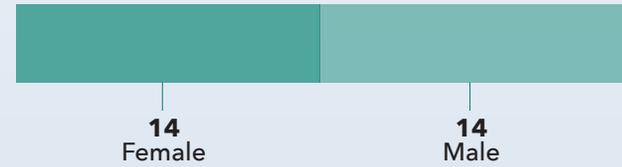
## ETHNICITY



## AGE OF EMPLOYEES



## GENDER OF 2023 NEW HIRES



## HEADCOUNT & NEW HIRES<sup>23</sup>

	EMPLOYEES	NEW HIRES
U.S.	94	19
International	31	8
Secondee	4	1

# Community Investment

## Our Approach to Community Investment

We encourage employees to give back to their communities, be it through volunteering their time, assisting with philanthropic events, raising funds, or donating goods and providing monetary aid.

For years, we have proudly supported and financially contributed to dozens of charitable organizations throughout the world as a company. However, we also understand our employees have organizations and causes they are passionate about as individuals, and we support their desire to make an impact in multiple ways.



“Helping Hands is about getting out there and showing our communities we care. We know every act of kindness, big or small, has an impact.”

// Emily Mahaffey



### Charitable Matching Program

Provides a monetary match of 100% of an employee’s donation up to a specified limit to qualified charities of the employee’s choice.

### Volunteer Time Off

Provides up to eight hours of paid time off each year for employees to volunteer at a valid 501(c)(3) company.

### Helping Hands

A working group that plans, coordinates, and implements opportunities for employees to serve the community as a team.



## ACG - Airlink Partnership

We are proud to be a gold-level sponsor of Airlink. This rapid-response non-profit organization coordinates with airlines and non-governmental organizations to provide free and heavily subsidized airlift to a network of more than 200 humanitarian relief non-profit and non-governmental organizations supporting communities in the aftermath of natural and man-made disasters worldwide. Through multiple sponsorships, we continue to pledge our support to Airlink.

## ACG - ISTAT Foundation D&I Fund

In June 2022, ACG and the International Society of Transport Aircraft Trading ("ISTAT") Foundation established a Diversity and Inclusion Fund ("D&I Fund"). Funded by ACG and managed by ISTAT Foundation, the D&I Fund focuses on providing scholarships, internships and other education, networking, mentoring, and career resources to aviation-focused students in Africa and female aviation-focused students in South America. With aviation-related degree programs costing up to three times that of a non-aviation program, funding is a key impediment for those interested in pursuing aviation-related degrees. In addition, universities and non-profit organizations in these regions developing STEM-related programs to support students toward an entry into aviation can benefit from this D&I Fund.



In June 2023, ACG and the ISTAT Foundation announced the first recipients of grants from the D&I Fund. Rachael Jelagat, who is pursuing a Bachelor of Science in Aerospace Engineering at Kenyatta University in Kenya, was awarded a scholarship that will be applied to her tuition and other educational and developmental costs, including attendance at an ISTAT event where she will be able to network within the industry.



The second recipient was Corporacion Cipsela, a non-profit organization based in Medellin, Colombia. Cipsela received a grant to support its "Towards the Skies Exploring Aviation" program. The program encourages children and young people to consider a wide range of careers in the aviation industry including engineers, technicians, pilots, and other related fields, and its curriculum includes sustainable aviation propulsion. We are proud of the

pathways that have already been carved and the minds that have already been opened as a result of the D&I Fund. We know our actions have the power to shape a brighter future and our collaboration with ISTAT allows us to continue investing in a workforce that best reflects the global nature of our industry.



## Supporting New Parents

ACG supports a healthy work-life balance. We know that being a new parent is a major lifestyle change that requires time to adapt. Our parent-focused benefits help relieve a bit of that stress.

New mothers receive a full paycheck for a period of their maternity leave through ACG's 100% company-paid short-term and long-term disability leave.

We offer "New Parent Transition Time" for our employees, a benefit that provides additional work-from-home days to new parents to help ease the transition from maternity or paternity leave back to the office.



“Each additional WFH day I received through the New Parent Transition Time was one less day I had to pay for or otherwise worry about childcare. It also provided me the flexibility I needed to stay home with my little one when he was under the weather. As a new mother, I was extremely grateful to be working at a company that acknowledges that having a new baby often requires extra support and they were willing to provide it.”

// Rachael Poupis



### Children's Hospital of Orange County ("CHOC")

Our partnership with CHOC continued as ACG formed a team for the CHOC Walk in August, an annual fun run that takes place at Disneyland. All of the funds that ACG raised went to this non-profit hospital and their excellent cause.

### Special Olympics

We had a major focus on our partnership with the Special Olympics in 2023. We invited Special Olympians to our company-wide offsite retreat to present on their purpose, goals, and upcoming events. We also had Olympians join us at our office for our very own "Office Olympics" fundraiser, where employees paid to play various games and all proceeds went to the Special Olympics. We later participated in the Special Olympics Southern California's Annual Plane Pull, where a team of ACG staff and family pulled a 62-ton airplane 12 feet. Between the generosity of our employees and ACG's Charitable Matching Program we were the top fundraising team in Southern California for the 2023 Plane Pull event, raising over \$25,000 for the Special Olympics.

### Orange County Coastkeeper

As part of our efforts to support cleaner and healthier coastlines, a team of ACG employees partnered with Orange County Coastkeeper on National Non-Profit Day for our second annual beach cleanup.

### Feed Our Homeless

ACG's Helping Hands reach far and wide. Along with other events, our Ireland-based team members partnered with Feed Our Homeless to assist in its goal of making a difference in the lives of people marginalized and affected by homelessness.

### Families Forward OC

Families Forward OC focuses on assisting Orange County families that are facing housing crises. In November, ACG partnered with Families Forward OC to hold a canned food drive and provide Thanksgiving meals to these families. In December, we held a toy drive for Families Forward OC and our employees generously donated many gifts for targeted age groups.

## Memberships

ACG works collaboratively with several industry groups focused on shaping the policies needed to achieve environmental sustainability within aviation, including representation on the ALI Sustainability Committee by one of our senior executives in Ireland and representation on the ISTAT Board of Directors by one of our officers.

### Aviation Working Group

The Aviation Working Group (“AWG”) is a not-for-profit legal entity



comprised of major aviation manufacturers, leasing companies, and financial institutions that contributes to the development of policies, laws, and regulations that facilitate advanced international aviation financing and leasing.<sup>24</sup>

The AWG is dedicated to implementing environmental, social, and governance methods, metrics, tracking, and reporting in the context of aviation financing and leasing.

To date, the AWG has developed a free-to-use carbon emissions calculator and is actively engaged with the European Union on green financing and taxonomy within the aviation sector. ACG plays a prominent role in the AWG and its various ESG initiatives.



### Aviation Climate-Aligned Finance (“CAF”) Industry Consultation Group

The CAF Working Group consists of six major global banks and aims to establish an aviation-specific target-setting framework for financial institutions. The climate-aligned finance agreement will be designed to meet the target-setting requirements of the Net-Zero Banking Alliance.<sup>25</sup>

The CAF Working Group engages with the Industry Consultation Group, of which ACG is a part, to ensure the finance agreement supports decarbonization goals without impacting business practices within the aviation sector.

The CAF Industry Consultation Group is made up of aircraft OEMs, lessors, and operators.

In 2023, the CAF Working Group built upon feedback from the Industry Consultation Group and other stakeholders to finalize the methodology, for launch in 2024.

New developments included detailed guidance on data sourcing, methodological updates in response to consultation, and expanded guidance to ensure lessor and airline financings are measured on equal terms. These developments were informed by additional informal consultation with members of the Industry Consultation Group, including ACG.

The completed framework will launch publicly in 2024 and provide financiers with the tools to measure and disclose the climate alignment of their aviation finance portfolios on a consistent, comparable basis.



## AWAR - Advancing Women in Aviation Roundtable

As part of our commitment to gender equality, we are a proud sponsor of AWAR, a non-profit that supports the development and advancement of women leaders in the aviation industry.



In January 2023, Mahoko Hara was honored with the 2023 AWAR Trailblazer Award, recognizing her pioneering success as a woman in the aviation world, her career-long commitment to diversity, equity, and inclusion, and her work to advance women in aviation.



Mahoko has strongly supported the advancement of young people, and she particularly understands the importance of women and their impact on the future of aviation.

### International Society of Transport Aircraft Trading ("ISTAT")

Marine Benoit, our Vice President of Marketing, EMEA, serves on the ISTAT Board of Directors.



“Developing our aviation community is key to ensure a sustainable industry. I am honored to be part of ACG’s ESG efforts and to support ISTAT’s mission to provide a global and diverse network with educational opportunities to expand our community and foster the next generation of aviation executives.”

// Marine Benoit

Founded in 1983, ISTAT is dedicated to fostering and promoting interest and educational opportunities in commercial aviation while providing a forum for those involved in the aviation and supporting industries.



ISTAT represents more than 5,000 members worldwide who are involved in operating, manufacturing, maintaining, selling, purchasing, financing, leasing, appraising, insuring or other activities related to the commercial aviation sector.<sup>26</sup>

A photograph showing the silhouettes of four business professionals (two women and two men) standing in a modern office or meeting room. They are holding documents and appear to be in a meeting. The room has large windows overlooking a city skyline at sunset. The sun is low on the horizon, creating a warm, golden glow and long shadows. The word "CONDUCT" is overlaid in large, white, bold, sans-serif capital letters on the left side of the image.

# CONDUCT

We are committed to upholding governance practices that ensure an environment of corporate responsibility, ethically sound decisions, efficiency, and diversity.

# Governance

Strong governance requires us to build a resilient and transparent organization, which is why we are committed to upholding governance practices that ensure an environment of corporate responsibility, ethically sound decisions, efficiency, and diversity. These values are demonstrated in the decisions of our Board; the management of the company; the hiring and development of our employees; and our relationships with customers, vendors, and business partners.

## Board Engagement

The Board oversees that the operations and management of ACG are competent, ethical, and inclusive.

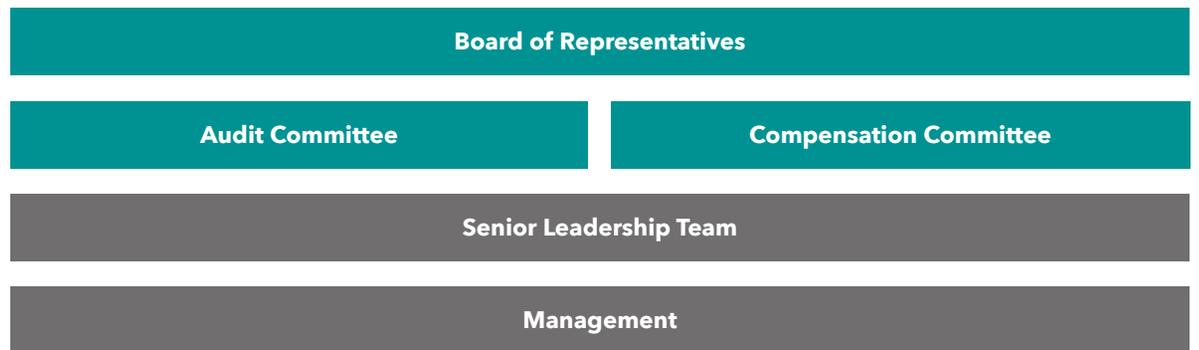
At the Board level, the Compensation Committee evaluates the fair, equitable, and competitive compensation practices for ACG, and the Audit Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of ACG's financial statements, the independence, qualifications, and performance of ACG's independent auditors, internal audit activities, internal control systems, and compliance with legal and financial regulatory requirements.



ACG's Senior Leadership Team ("SLT") comprises the most senior management of ACG, including our Executive Chair, Chief Executive Officer & President, Chief Financial Officer, General Counsel, and department heads.

ACG's Board currently has five members, consisting of the Chief Executive Officer & President of ACG and four members that ACG's parent company has the right to designate.

The Representatives, collectively, have over 145 years of experience and expertise in the aviation industry as well as in financing, risk management, corporate governance, and executive management. With a woman serving as Executive Chair and Representatives of varying national origins, ACG prides itself in having a diverse Board.





DIVERSE BOARD OF REPRESENTATIVES

	 <p><b>Mahoko Hara</b> Executive Chair, ACG Director and Senior Managing Executive Officer, Tokyo Century</p>	 <p><b>Thomas G. Baker</b> Chief Executive Officer &amp; President, ACG</p>	 <p><b>Ko Nakagawa</b> Managing Executive Officer, Chief Compliance Officer and President of the Credit Supervision, Risk Management and Legal Units, Tokyo Century</p>	 <p><b>Yoshihiro Ueda</b> Managing Executive Officer, General Manager of Tokyo Century's Aviation Finance Division, Tokyo Century</p>	 <p><b>Anthony Diaz</b> Chairman of Zephyrus Aviation Capital and Operating Partner at Virgo Investment Group</p>
<b>Audit Committee</b>	✓		✓	✓	
<b>Compensation Committee</b>	✓			✓	
<b>Independent Board Member</b>					✓



**Mahoko Hara** has been the Executive Chair of ACG since December 2019. Prior to the sale of ACG to Tokyo Century, Ms. Hara served as a Director of Aviation Capital Group Holdings, Inc., the former managing member of ACG, from December 2017 to December 2019. Ms. Hara is the Senior Managing Executive Officer in charge of the Specialty Finance Business Development Unit and Deputy President of Specialty Finance Business Unit I to Tokyo Century. She is responsible for the strategic development of Tokyo Century’s specialty finance businesses with particular focus on aviation. Ms. Hara joined Tokyo Century in 2011 and was promoted to Executive Officer in April 2013, Managing Executive Officer in April 2016, Senior Managing Executive Officer in April 2020 and was appointed to the Board of Directors of Tokyo Century Corporation in June 2022. She also serves as a Director of TC Skyward Aviation and GA Telesis, LLC. Prior to joining Tokyo Century, Ms. Hara spent five years each with Shinsei Bank and Citibank specializing in structured credit and asset finance. Prior to these roles, Ms. Hara spent over 13 years with the Dai-ichi Kangyo Bank (now Mizuho Bank), holding a variety of roles in corporate and investment banking, including five years in the London and New York offices. Ms. Hara holds a B.A. in International Relations from Tsukuba University and a certificate in Leadership and Management from UCLA Anderson School of Management.



**Thomas G. Baker** is our Chief Executive Officer and President, and he has been a Representative of ACG since November 2020. Prior to being appointed Chief Executive Officer and President in November 2020, Mr. Baker served as Executive Vice President and Chief Revenue Officer, with responsibility for leading ACG’s Sales and Marketing, Trading, Technical and Aircraft Financing Solutions teams. Mr. Baker joined ACG in June 2016 as Senior Vice President, Strategy & Analytics, and his primary responsibilities in this role included corporate strategy; financial planning & analysis; and investor relations. Prior to joining ACG, Mr. Baker worked for Goldman Sachs’ Investment Banking Division, where he covered clients in the Aviation & Transportation Sectors since 2006. In this role, he advised clients on strategic priorities, capital structure optimization, equity and debt issuance, mergers, and acquisitions, as well as managed relationships with key sector investors. From 2012 -2014, he was head of the Asia (ex-Japan) Transportation coverage group for Goldman Sachs in Hong Kong, where he worked on debt and equity financings in the aviation and transportation sectors. Prior to Goldman Sachs, Mr. Baker spent a number of years at Citigroup in investment banking and Morgan Stanley in equity research. Mr. Baker holds a B.A. from Brown University and an M.B.A. from the Massachusetts Institute of Technology Sloan School of Management.



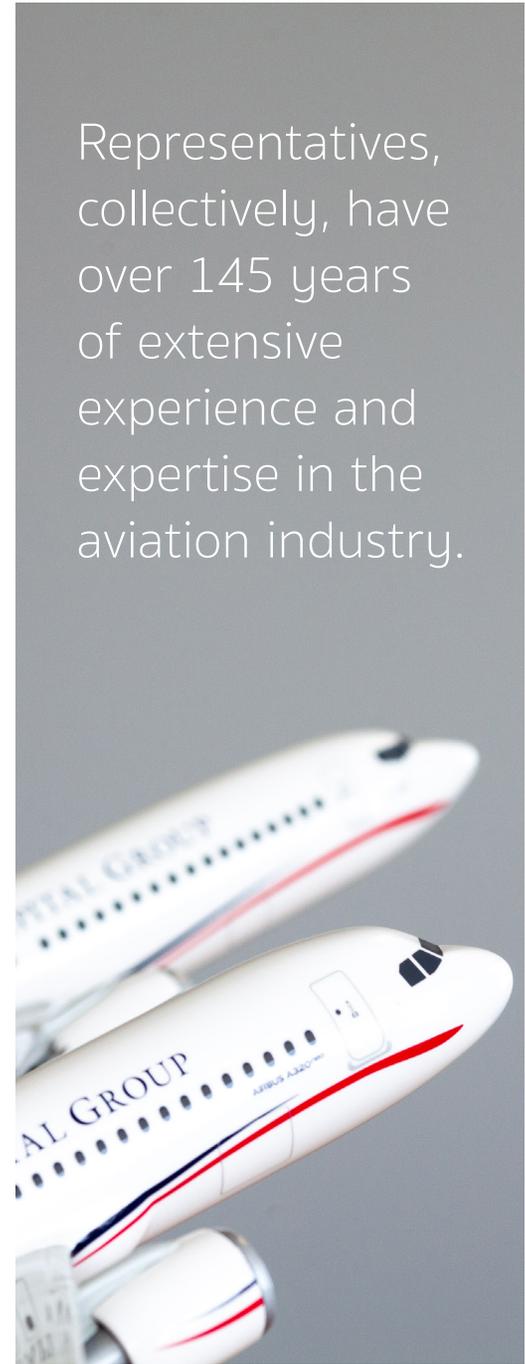
**Anthony Diaz** has been a Representative of ACG since February 2020. Mr. Diaz has served as the Chairman of Zephyrus Aviation Capital, an aircraft leasing company, since September 2018, and he has been an Operating Partner at Virgo Investment Group since May 2017. Mr. Diaz was previously President of CIT Aerospace, a company providing commercial aircraft leasing solutions, where he held various positions with subsidiaries and affiliates of CIT Aerospace from 1987 through 2017. Prior to joining CIT, Mr. Diaz held a variety of operational and financial positions with People Express Airlines (which was subsequently merged into Continental Airlines) from 1981 to 1987. Mr. Diaz served as a Director of CIT Aerospace International Ltd. He holds a B.S. degree from Embry-Riddle Aeronautical University and an Associate of Science degree from the State University of New York at Farmingdale.



**Ko Nakagawa** has been a Representative of ACG since December 2019. Mr. Nakagawa serves as Managing Executive Officer of Tokyo Century, where he is the Chief Compliance Officer and President of the Credit Supervision Unit, the Risk Management Unit, and the Legal Unit. He also serves as the chair of Tokyo Century's Comprehensive Risk Management Committee and Credit Risk Management Committee. Since joining Tokyo Century in 2010, Mr. Nakagawa has worked in various business areas including corporate finance and automobile finance. He was promoted to Executive Officer in April 2017 and to Managing Executive Officer in April 2021. Prior to joining Tokyo Century, Mr. Nakagawa spent over 28 years with the Mizuho Financial Group (originally Dai-Ichi Kangyo Bank) where he held various senior positions overseas for 12 years, including six years in the New York and Los Angeles offices. He has also served as executive vice president of DKB California and General Manager of Foreign Exchange Business Department of Mizuho Corporate Bank. Mr. Nakagawa received a B.A. in Economics from Keio University.



**Yoshihiro Ueda** has been a Representative of ACG since June 2022. Mr. Ueda joined Tokyo Century in May 2015 and currently serves as the Managing Executive Officer of Tokyo Century, where he is focused on assisting Tokyo Century with expanding its aviation financing business. He is the General Manager of Tokyo Century's Aviation Finance Division in Specialty Finance Business Unit I, and his team is responsible for providing operating and financing leases, JOLCO structures, secured debt financing and inventory financing. Prior to joining Tokyo Century, Mr. Ueda spent over 30 years with Mizuho Bank and its predecessor, Dai-Ichi Kangyo Bank, or DKB, where he held various senior positions, including the General Manager of the Corporate Finance Division. While at Mizuho Bank, Mr. Ueda played a pivotal role in arranging financing for real estate-related projects and loan syndications, and he was the head of the Aviation Finance Team of DKB for ten years, with responsibility for structured financing and loan transactions. Mr. Ueda serves as a Director of TC Aviation Capital Ireland Ltd., TC Skyward Aviation U.S., Inc., TC Skyward Aviation Ireland Ltd. and GA Telesis, LLC and he has been designated with the marketing title of Board Member of HALO AirFinance, a joint venture established by GA Telesis and Tokyo Century in March 2023 to provide secured direct lending to airlines, lessors, and investors. Mr. Ueda holds a B.A. degree in Commerce and Management from Hitotsubashi University.



# Leadership Team

SLT helps guide and direct the company in day-to-day business decisions through its strong, diverse, and collaborative leadership. SLT ensures that each ACG employee demonstrates the Company's core values and is committed to its overall success.



**Mahoko Hara**  
Executive Chair

See page **47** for biography



**Thomas G. Baker**  
CEO & President

See page **47** for biography

## Our SLT members have an average of **over 25 years** of relevant experience each<sup>27</sup>



**Alan Godson**, SVP & Chief Technical Officer

Alan Godson is our Senior Vice President and Chief Technical Officer. In this role, he oversees all technical asset management aspects for ACG's aircraft assets. Mr. Godson joined ACG in August 2023, with extensive experience leading technical functions for aircraft leasing companies and an in-depth knowledge of commercial aircraft leasing. Prior to joining ACG, Mr. Godson served as Executive Vice President (Technical) for Airastle Limited, a global aircraft lessor, from May 2023 to June 2023, and he held various technical positions of increasing responsibility with Airastle from 2008 to 2023, including Senior Vice President, Head of EMEA from January 2019 to April 2023. Mr. Godson holds a B.Eng in Aircraft Maintenance Engineering from Kingston University and an LLM in International Economic Law from the University of Warwick School of Law.



**Craig Segor**, EVP & Chief Financial Officer

Craig Segor is our Executive Vice President and Chief Financial Officer with responsibility for the Accounting, Treasury, Risk, FP&A, Tax and ESG functions. Prior to joining ACG, Mr. Segor co-founded Plane View Partners, a boutique aviation consulting firm, where he served as Chief Executive Officer from 2014 to 2020 and as Managing Director from June 2022 to October 2022. In this role he advised a variety of industry stakeholders including airlines, OEMs, lessors, investors, and entrepreneurs in projects spanning strategy, M&A, aircraft and engine orders, lease transactions, product innovation and business planning. From 2020 to 2022, Mr. Segor served as Chief Investment Officer for CDB Aviation in Dublin, where he oversaw the Trading, Pricing and Strategy functions. Prior to founding Plane View Partners, Mr. Segor was SVP Strategic Planning with International Lease Finance Corporation (ILFC); held various roles at Seabury Consulting, including Managing Director and Chief Operating Officer; was a Project Manager in the Strategic Development Group of TACA Airlines, and was a Senior Associate Consultant with Bain & Company. Mr. Segor holds a B.S. in Mechanical Engineering from the University of the Witwatersrand in Johannesburg, South Africa.



**Elizabeth Stevens**, SVP, Human Resources, IT & Communications

Elizabeth Stevens is a Senior Vice President Human Resources, IT & Communications. Prior to joining ACG in 2020, Ms. Stevens served as the Vice President of Human Resources and Payroll for Chaparral Management Services Corp/Westside Building Material. In addition to her Human Resources background, she has held several key positions in operations, sales, and customer service, and was a business owner in the medical field. Ms. Stevens holds a B.A. from University of California, Los Angeles, and a Certificate in Human Resources from New York University. She is a member of the Society of Human Resources Management and the National Human Resources Association.





**Steve Udvar-Hazy**, SVP & Chief of Aircraft Operations

Steven Udvar-Hazy is our Senior Vice President and Chief of Aircraft Operations. In this capacity, he leads the team that covers the company's Technical, OEM relations, Procurement and New Aircraft Management functions. Mr. Udvar-Hazy joined ACG as Contracts Manager in 2008 and held a variety of positions in Strategic Planning and Airline Marketing prior to being promoted to Senior Vice President in 2017. Prior to joining ACG, Mr. Udvar-Hazy was an analyst at Bear Stearns' Investment Banking division. In 2016, 2017, 2018, 2019 and 2020, Mr. Udvar-Hazy was recognized as one of the top 40 individuals under the age of 40 in the commercial aviation industry by Airline Economics. Mr. Udvar-Hazy serves on the board of governors of the Wings Club Foundation, as a member of Stanford University's Lifelong Engagement and Advocacy for Development (LEAD) Council, and as a Council member of the Freeman Spogli Institute for International Studies at Stanford University. Mr. Udvar-Hazy previously served as a member of the FAA's Aviation Rulemaking Advisory Committee. He is a certified pilot and is type-rated on the Boeing 737. Mr. Udvar-Hazy received a B.A. in Political Science from Stanford University and an M.B.A. from Stanford University Graduate School of Business.



**Carter White**, EVP & Chief Revenue Officer

Carter White is our Executive Vice President and Chief Revenue Officer. Mr. White oversees the Global Marketing and Aircraft Trading teams, and shares responsibility for the continued growth and development of ACG's Aircraft Financing Solutions program. He joined ACG in 2016 and previously served as Senior Vice President and Head of Aircraft Trading before being promoted to Chief Revenue Officer in April 2021. Prior to joining ACG, Mr. White was Managing Director EMEA Sales, Head of Aircraft Trading and OEM Relationships at AWAS (Ireland) Limited, where his direct responsibilities included management of all secondary market trading activities, direct placement and aircraft leasing activities in Europe, Middle East and Africa, and OEM commercial negotiations. Prior to AWAS, Mr. White spent several years at Transamerica Finance Corporation, as Senior Vice President of Aircraft Sales and Marketing, and at Sanwa Business Credit Corporation, as Director of Syndications for the Commercial Aviation Finance Division. Mr. White holds a B.A. in Economics and Political Science from Cornell College.



**James A. Zembrzuski**, EVP, General Counsel, Secretary

James A. Zembrzuski serves as Executive Vice President, General Counsel and Secretary. In this role, he manages ACG's legal team and oversees all legal, insurance and compliance affairs of the company. Mr. Zembrzuski joined ACG in 2015. Prior to joining ACG, Mr. Zembrzuski worked as in-house counsel at International Lease Finance Corporation in its Los Angeles and Amsterdam offices and advised the company in connection with a wide variety of aircraft finance and leasing matters. Previously, he was a Senior Associate in the Aircraft Finance practice at the law firm of Fulbright & Jaworski in New York. Mr. Zembrzuski began his career as a revenue management analyst at US Airways in Arlington, Virginia. Mr. Zembrzuski earned a B.S. in Commerce (Finance) from the University of Virginia and a J.D. from George Washington University Law School.



**Takamasa Marito**, Executive Vice President

Takamasa Marito has served as Executive Vice President of ACG since December 2019, following the acquisition of ACG by Tokyo Century ("TC"). Mr. Marito is also Joint General Manager, Aviation Finance of TC where he is responsible for the overall marketing of TC's aviation finance business covering lending, leasing, and Japanese tax leases. Prior to joining TC in 2011, Mr. Marito was with The Royal Bank of Scotland where he was responsible for asset securitization and structured finance origination in Japan as Senior Director and Deputy Head of Japan Coverage and Origination. Previously Mr. Marito worked for ABN AMRO Bank in the 1990s, where he was responsible for the bank's structured financing activities in Japan with a primary focus in aircraft finance using Japanese tax lease structures and later for ING Baring Securities specializing in asset securitization of Japanese card loan companies and multinational companies. Mr. Marito holds a B.A. in Sociology from the International Christian University in Tokyo Japan.



# Compliance & Policies

To maintain our core values, we adhere to a diverse and broad set of policies and provide a variety of training workshops to ensure the company and our employees remain ethical, inclusive, and compliant in all our business endeavors.

There were zero material violations of law reported to or discovered by us in 2023.





CORE VALUES

PEOPLE  
ACCOUNTABILITY  
CUSTOMER FOCUS  
INNOVATION  
INTEGRITY

- Respect the Workplace and Others
- Comply with the Law and Company Policies
- Report Violations of the Code of Ethical Conduct, Company Policies, and Laws
- Avoid Conflicts of Interest
- Protect Confidentiality
- Embrace Innovation
- Respect our Business Partners

CODE OF CONDUCT



# Whistleblower Policy

Reporting and understanding workplace violations is an integral part of our standards of conduct. To support employees in meeting this requirement, we offer multiple options for asking questions and reporting internally, along with an anonymous reporting hotline and website. The company prohibits retaliation against any employee for reporting a concern in good faith or participating in an investigation. All reported workplace violations are fully investigated in accordance with our company policies, escalated as necessary, and recorded.

The Chief Compliance Officer provides a quarterly update to the Board of all critical concerns raised through the whistleblower policy and an annual compliance report, submitted to Tokyo Century.

## Human Rights Policy

We adhere to a robust human rights policy and have zero tolerance for modern slavery, child labor, and human trafficking. We monitor any potential risks in our own operations and throughout our partnerships. More information is available [here](#).



“By fostering a culture of transparency and empowering employees to raise concerns, we not only create greater psychological safety and protect our integrity but also ensure that every voice contributes to the resilience and ethical strength of our organization.” // Rakhal Bhalla





# Information Security

We take our responsibility to protect our company and employees from the risks of cybersecurity seriously. All employees are trained to not only identify and respond to various cybersecurity threats but also to protect all confidential information.

We adhere to a thorough set of security policies and procedures, aligned with the National

Institute of Standards and Technology to meet our commitment to cybersecurity, including:

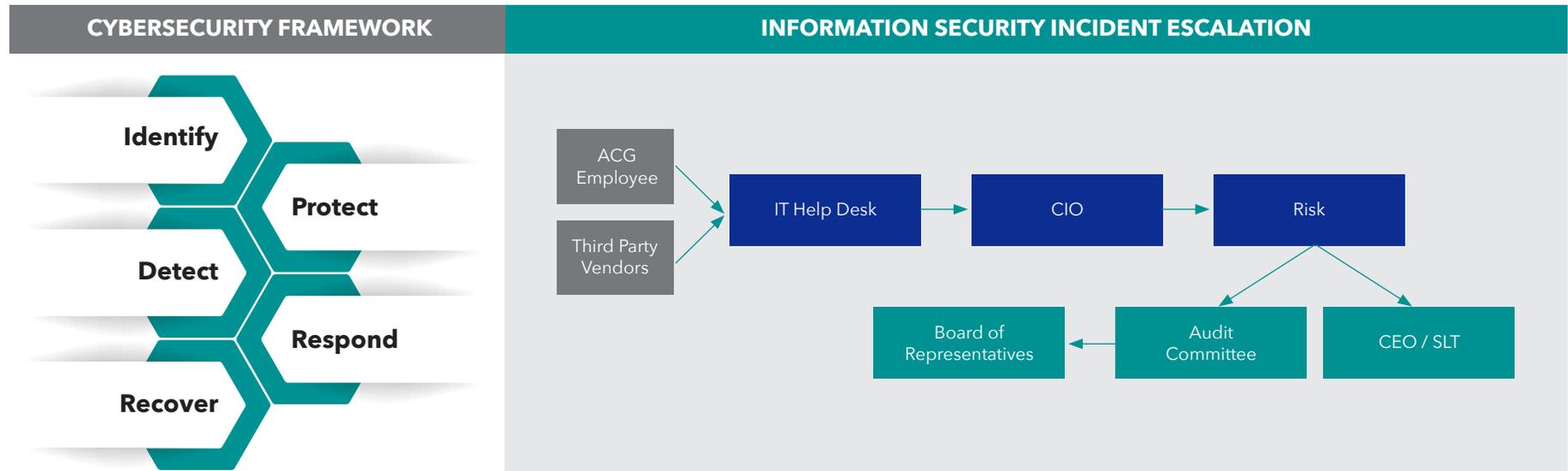
- » Maturity assessment performed and validated by internal audit and results reported to the Audit Committee;
- » Deployment of robust market-leading cybersecurity solutions;
- » Frequent cybersecurity awareness education and training on procedures for employees;
- » Regular vulnerability and penetration testing performed by third-party specialists; and

- » Periodic reviews to ensure proper levels of access.

Information security features include:

- » Multi-factor authentication for all systems;
- » Encryption deployed end-to-end;
- » Threat identification technologies and processes;
- » Process and requirements for software patching; and
- » An established and monitored security baseline.

## ACG'S INFORMATION TECHNOLOGY FRAMEWORK AND ESCALATION PROCEDURE



# GRI INDEX

In this appendix, we provide more detail on the progress we have made in our alignment with the GRI sustainability reporting standards.



GRI CODE	DISCLOSURE	ACG RESPONSE
2-1	Organizational details	» See "ACG at a Glance", on page 4.
2-2	Entities included in the organization's sustainability reporting	» See "About This Report", on page 3. » See Aviation Capital Group's 2023 Consolidated Financial Statements, available at <a href="http://www.aviationcapitalgroup.com/investors/">www.aviationcapitalgroup.com/investors/</a>
2-3	Reporting period, frequency, and contact point	» See "About This Report", on page 3.
2-4	Restatements of information	» None in reporting period.
2-5	External assurance	» This Report has been reviewed by the Aviation Capital Group Senior Leadership Team and the normal ACG disclosure channels. We did not seek external assurance for this Report.
2-6	Activities, value chain and other business relationships	» See "ACG at a Glance", on page 4. » See "Industry Stakeholder Engagement" section, starting on page 20. » Information about our activities and services is available at: <a href="http://www.aviationcapitalgroup.com">www.aviationcapitalgroup.com</a>
2-7	Employees	» See "Diversity, Equity, and Inclusion" section, starting on page 36.
2-8	Workers who are not employees	» ACG has contractors working for the company as of December 2023. We do not publicly disclose the exact number of these workers.
2-9	Governance structure and composition	» See "ESG Approach" section, starting on page 6. » See "Governance" section, starting on page 45.
2-10	Nomination and selection of the highest governance body	» See "Governance" section, starting on page 45. » The Board consists of the Chief Executive Officer and four members who are nominated by TC Skyward Aviation US and approved by the parent company, Tokyo Century Corporation. Members are selected through a structured process based on a number of criteria including competencies and diversity.
2-11	Chair of the highest governance body	» See "Governance" section, starting on page 45.



GRI CODE	DISCLOSURE	ACG RESPONSE
2-12	Role of the highest governance body in overseeing the management of impacts	» See "Governance" section, starting on page 45.
2-13	Delegation of responsibility for managing impacts	» The Board has delegated authority to operate the day-to-day management of ESG to Tom Baker, CEO, and the ACG Senior Leadership Team. Gordon Grant is Vice President, the Head of ESG and coordinates directly with the ESG Leader and supports ACG to effectively integrate the sustainability approach and related objectives into strategies, reporting, and activities. The ESG Working Group, led by Head of ESG, is a cross-functional group which supports the integration of sustainability across ACG.
2-14	Role of the highest governance body in sustainability reporting	» The Board of ACG is ultimately responsible for all matters related to sustainability and is supported by ACG's Senior Leadership Team. Material ESG topics are reported to the ACG Board for review and approval.
2-15	Conflicts of interest	» Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, is central to ACG's core value of integrity. Related party transactions are reviewed and approved by the Audit Committee and/or the Board, as required.
2-16	Communication of critical concerns	<ul style="list-style-type: none"> <li>» See "Compliance &amp; Policies" section, starting on page 51.</li> <li>» See "Whistleblower Policy", on page 53.</li> <li>» The ACG Board is updated on critical concerns raised through whistleblowing and other similar procedures. This update is provided by the Chief Compliance Officer.</li> <li>» An internal report for ACG is provided on a yearly basis to the General Manager of Risk Management Division at Tokyo Century which contains information on annual compliance statistics and compliance issues and remedies thereof.</li> </ul>



GRI CODE	DISCLOSURE	ACG RESPONSE
2-17	Collective knowledge of the highest governance body	<ul style="list-style-type: none"> <li>» Sustainability updates are provided by ACG's ESG Leader, Head of ESG or by the members of the ESG Working Group at Board meetings.</li> <li>» ACG's Tokyo Century Board Members engage in discussions about sustainability topics during their management meetings. Additionally, they receive periodic sustainability updates from Tokyo Century's Sustainability Management Committee, highlighting the latest developments in the industry and the company's ongoing efforts towards achieving their sustainability goals.</li> </ul>
2-19	Remuneration policies	<ul style="list-style-type: none"> <li>» See "Board Engagement" within the "Governance" section, on page 45.</li> </ul>
2-20	Process to determine remuneration	<ul style="list-style-type: none"> <li>» See "Board Engagement" within the "Governance" section, on page 45.</li> </ul>
2-21	Annual total compensation ratio	<ul style="list-style-type: none"> <li>» ACG and Tokyo Century consider this information confidential and cannot report it publicly.</li> </ul>
2-22	Statement on sustainable development strategy	<ul style="list-style-type: none"> <li>» See "A Word from Our CEO", on page 1.</li> </ul>
2-23	Policy commitments	<ul style="list-style-type: none"> <li>» See "Compliance &amp; Policies", on page 51.</li> </ul>
2-24	Embedding policy commitments	<ul style="list-style-type: none"> <li>» See "Compliance &amp; Policies", on page 51.</li> </ul>
2-25	Processes to remediate negative impacts	<ul style="list-style-type: none"> <li>» External parties can reach out to ACG to raise comments or concerns through contact details provided on the website. We are also seeking to develop a separate reporting channel to enable external parties to raise grievances.</li> </ul>
2-26	Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> <li>» See "Whistleblower Policy", on page 53.</li> </ul>
2-27	Compliance with laws and regulations	<ul style="list-style-type: none"> <li>» No significant instances of non-compliance in reporting period.</li> </ul>
2-28	Membership associations	<ul style="list-style-type: none"> <li>» See "Industry Stakeholder Engagement", on page 20.</li> <li>» See the "Memberships" section, starting on page 42.</li> </ul>
2-29	Approach to stakeholder engagement	<ul style="list-style-type: none"> <li>» See the "Stakeholder Engagement" section, starting on page 9.</li> </ul>



GRI CODE	DISCLOSURE	ACG RESPONSE
2-30	Collective bargaining agreements	» No employees are covered under collective bargaining agreements.
3-1	Process to determine material topics	» See "ESG Approach" section, starting on page 6.
3-2	List of material topics	» See "ESG Approach" section, starting on page 6.
3-3	Management of material topics	» ACG's approach to managing the material topics is discussed in the relevant subsequent section of this Report.
201-1	Direct economic value generated and distributed	» See Aviation Capital Group's 2023 Annual Financial Statements, available at <a href="http://www.aviationcapitalgroup.com/investors/">www.aviationcapitalgroup.com/investors/</a>
201-2	Financial implications and other risks and opportunities due to climate change	» See "Climate Scenario Analysis", on page 14.
201-3	Defined benefit plan obligations and other retirement plans	» See Aviation Capital Group's 2023 Annual Financial Statements, available at <a href="http://www.aviationcapitalgroup.com/investors/">www.aviationcapitalgroup.com/investors/</a>
203-1	Infrastructure investments and services supported	» See "Fleet Transformation" section, starting on page 18. » See "Commitment to New Technology", on page 22. » See "Community Investment" section, starting on page 38.
203-2	Significant indirect economic impacts	» See "Community Investment" section, starting on page 38.
205-1	Operations assessed for risks related to corruption	» Corruption is assessed as part of ACG's overall annual risk assessment and covers 100% of our locations.
205-2	Communication and training about anti-corruption policies and procedures	» See "Employee Development", on page 33. » See "Compliance & Policies", on page 51.
205-3	Confirmed incidents of corruption and actions taken	» None in the reporting period.
207-1	Approach to tax	» See Aviation Capital Group's 2023 Annual Financial Statements, available at <a href="http://www.aviationcapitalgroup.com/investors/">www.aviationcapitalgroup.com/investors/</a>



GRI CODE	DISCLOSURE	ACG RESPONSE
302-1	Energy consumption within the organization	» Consolidated Scope 1 and Scope 2 emissions can be found in Tokyo Century's Sustainability Data Book, available here: <a href="https://www.tokyoCentury.co.jp/en/csr/databook/">https://www.tokyoCentury.co.jp/en/csr/databook/</a>
302-2	Energy consumption outside of the organization	» See "Fleet Transformation" section, starting on page 18.
302-3	Energy intensity	» See "Fleet Transformation" section, starting on page 18.
302-4	Reduction of energy consumption	» See "Fleet Transformation" section, starting on page 18.
302-5	Reductions in energy requirements of products and services	» See "Fleet Transformation" section, starting on page 18. » See "Commitment to New Technology", on page 22.
305-1	Direct (Scope 1) GHG emissions	» Consolidated Scope 1 emissions can be found in Tokyo Century's Sustainability Data Book, available at <a href="https://www.tokyoCentury.co.jp/en/csr/databook/">https://www.tokyoCentury.co.jp/en/csr/databook/</a>
305-2	Energy indirect (Scope 2) GHG emissions	» Consolidated Scope 2 emissions can be found in Tokyo Century's Sustainability Data Book, available at <a href="https://www.tokyoCentury.co.jp/en/csr/databook/">https://www.tokyoCentury.co.jp/en/csr/databook/</a>
305-3	Other indirect (Scope 3) GHG emissions	» See "Fleet Transformation" section, starting on page 18.
305-4	GHG emissions intensity	» See "Fleet Transformation" section, starting on page 18.
401-1	New employee hires and employee turnover	» See "Diversity, Equity, and Inclusion" section, starting on page 36.
403-6	Promotion of worker health	» See "Benefits & Wellbeing", on page 34.
404-1	Average hours of training per year per employee	» See Inclusive Culture & Engagement" section, starting on page 32.



GRI CODE	DISCLOSURE	ACG RESPONSE
404-2	Programs for upgrading employee skills and transition assistance programs	» See “Inclusive Culture & Engagement” section, starting on page 32.
404-3	Percentage of employees receiving regular performance and career development reviews	» 100% of our male and female employees receive annual reviews from management, helping them develop and meet goals and continue to grow within ACG.
405-1	Diversity of governance bodies and employees	» See “Diversity, Equity, and Inclusion” section, starting on page 36. » See “Governance” section, starting on page 45.
413-1	Operations with local community engagement, impact assessments, and development programs	» See “Community Investment” section, starting on page 38.
416-1	Assessment of the health and safety impacts of product and service categories	» All of ACG’s aircraft are compliant with strict regulatory standards.

## ADDITIONAL

# Important Notice

The information contained in this Report is presented without any liability whatsoever to Aviation Capital Group LLC or any of its related entities (collectively "ACG", the "Company", "we" or "our") or their respective officers or directors (or persons performing similar functions). If any information contained in this Report has been obtained or compiled from outside sources, such information has not been independently verified by ACG. The use of registered trademarks, commercial trademarks and logos, or photographic materials within this presentation is exclusively for illustrative purposes and are not meant to violate the rights of the creators and/or applicable intellectual property laws. ACG makes no representation or warranty, expressed or implied, as to the accuracy, completeness, or thoroughness of the content of the information, and ACG disclaims any responsibility for any errors or omissions in such information, including any financial calculations, projections, and forecasts. In particular, ACG makes no representation or warranty that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in this Report should or will be achieved. This Report includes forward-looking statements relating to ACG's business, industry, and financial performance including, but not limited to, statements regarding ACG's orderbook. These statements may be identified by words such as "expect", "belief", "estimate", "plan", "anticipate", "target", or "forecast" and similar expressions or the negative thereof; or by the forward-looking nature of discussions of strategy, plans or intentions; or by their context. Actual results are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements.

The information contained in this Report refers to ACG and its owned portfolio of aircraft (unless aircraft managed by ACG are noted as included) and does not include aircraft financed or guaranteed through ACG's Aircraft Financing Solutions program. All information is as of December 31, 2023, unless otherwise indicated. ACG does not undertake any obligation to update the information contained herein. Please note that in providing this information, ACG has not considered the objectives, financial position, or needs of any reader. The reader should not construe this information as investment, legal, accounting or tax advice, and should obtain and rely on the reader's own professional advice from its tax, legal, accounting, and other professional advisers.

This presentation includes references to certain non-GAAP financial measures. Management believes that, in addition to using GAAP results to evaluate ACG's business, these non-GAAP financial measures can be useful to evaluate our financial condition and compare results across periods. Non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, financial measures prepared in accordance with GAAP. The non-GAAP measures used by ACG may differ from the non-GAAP measures used by other companies. Investors and potential investors are encouraged to review the reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measure set forth in our quarterly Investor Presentation available at <https://www.aviationcapitalgroup.com/investors/>.



## ADDITIONAL

# Footnotes

1. Excludes 7 owned aircraft and 1 managed aircraft that remained in Russia as of December 31, 2023, which have been written off (page 4).
2. Percentage of owned narrow-body aircraft by count (page 4).
3. Based on % of net book value, excluding investment in finance leases (page 4).
4. Weighted average of owned aircraft based on net book value; remaining lease term figure excludes off-lease aircraft and investments in finance leases (page 4).
5. Owned and managed aircraft (page 4).
6. Calculated as Net Debt divided by Equity; Net Debt is a non-GAAP financial measure that is calculated as debt financings net of cash and cash equivalents and restricted cash (page 4).
7. Comprised of cash and cash equivalents, in each case to the extent that such assets are not subject to a lien, and non-pledged aircraft assets (aircraft, engines, airframes, parts and pre-delivery payments) (page 4).
8. Materiality assessment carried out by KPMG (page 6).
9. Sustainable Development Goals, established by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development (page 7).
10. ATAG: Key Facts and Figures ([www.atag.org](http://www.atag.org)) (page 16).
11. IATA ([www.iata.org](http://www.iata.org)) (page 16).
12. ATAG Waypoint 2050 2nd Edition (September 2021) (page 17).
13. Ascend (page 18).
14. The portion of ACG's owned fleet (excluding finance leases) that is new technology aircraft as a % of NBV (page 18).
15. IBA NetZero Emissions Calculator (page 18).
16. Includes orderbook and SLB aircraft (page 22).
17. Airbus (page 23).
18. Boeing (page 23).
19. Collins Aerospace: "Sustainability at Collins Aerospace - White Paper 2022;" PAX Count and A/C Considered - 189Y/C 737-800 Annual Flight Hours based on 3200 FH, as considered by the AWG Carbon Calculator (page 24).
20. Collins Aerospace: "Redefining Aerospace for Sustainable Aviation" - discussion with ACG on January 20, 2022 (page 25).
21. Airbus (page 25).
22. Aircraft Leasing Ireland ([www.ibec.ie](http://www.ibec.ie)) (page 30).
23. Includes secondees and one employee on leave of absence: excludes temps and contractors (page 37).
24. The Aviation Working Group ([www.awg.aero](http://www.awg.aero)) (page 42).
25. Center for Climate Aligned Finance - Aviation Climate-Aligned Finance Working Group: "Industry Group Terms of Reference" (page 42).
26. As of February 2024 ([www.istat.org/About](http://www.istat.org/About)) (page 43).
27. Relevant experience consists of tenure in careers that provided material knowledge and skills used in the current roles (page 49).



## ADDITIONAL

# Website Index

Page 13 full website address - <https://www.tokyocentury.co.jp/en/sustainability/esg/environment/carbon-neutrality-policy.html>

Page 14 full website address - [https://www.tokyocentury.co.jp/assets/pdf/sustainability/sa\\_aircraft\\_e.pdf](https://www.tokyocentury.co.jp/assets/pdf/sustainability/sa_aircraft_e.pdf)

Page 19 full website address - <https://www.tokyocentury.co.jp/en/sustainability/databook/>

Page 53 full website address - <https://www.tokyocentury.co.jp/en/sustainability/esg/social/humanrights.html>





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