



Environmental, social, and governance

Report 2023

CEO Statement

Dear Stakeholders,

I am pleased to present the **2023 ESG report** for Avia Solutions Group. As one of the world's leading ACMI providers, with a fleet of over 200 aircraft and a global team of more than 12,000 professionals, we remain fully committed to upholding the highest standards of aviation safety, ethical conduct, operational excellence, and sustainable business practices.

2023 has been a transformative and pivotal year for our company. Our business growth was fuelled by the launch of **BBN Airlines Indonesia** and the acquisition of the Australian airline, **Skytrans**, at the start of 2024. These strategic developments have expanded our global footprint and enhanced our influence within the industry. Simultaneously, the relocation of our headquarters to **Dublin, Ireland**, in early 2023 has not only reinforced our position within the **European aviation hub** but also deepened our commitment to the European market and identity.

In addition to these growth milestones, 2023 was pivotal in the **development and implementation of new policies, procedures, and processes** across the Group. These initiatives have helped to streamline operations, strengthen governance, and ensure that we remain agile and efficient in the face of rapid expansion.

As we expand globally, we remain committed to integrating **Environmental, Social, and Governance (ESG)** principles throughout the Group. While growth presents challenges, it also drives us to remain vigilant in our **ESG efforts**. In today's evolving business landscape, **ESG reporting** is integral to our operations, enabling us to transparently disclose our environmental impact, social responsibilities, and governance practices. **ESG rating agencies** play a crucial role in evaluating our progress and motivating us to continually improve.

I am proud to highlight our **ESG achievements** in 2023. Our **Sustainalytics ESG Risk Rating** significantly improved, dropping to **14.8**, placing us in the **low-risk category**, compared to the medium-risk category in 2022. Additionally, our **S&P Global ESG score** increased by 75%, rising to 35/100, up from 20 in 2022. These improvements reflect our enhanced transparency and our ongoing commitment to elevating our ESG performance.

At the heart of our business success are the **people** who make it all possible. We prioritize internal promotions and actively seek talented individuals who share our vision. Through **employee engagement initiatives** and **educational partnership programs**, we are cultivating a diverse and skilled workforce that is essential for the long-term sustainability of our company.

Looking ahead, we are committed to maintaining **responsible business practices** while fostering the continued growth of our talented team. These two pillars—**our people** and **our values**—are crucial to our **ESG journey** and the continued development of our business. We appreciate your continued trust and partnership as we work together to deepen our commitment to ESG values and strive for constant improvement.

Jonas Janukenas
CEO, Avia Solutions Group



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About Avia Solutions Group



1. Avia Solutions Group Highlights 2023

Our ESG Values

Environment

Protect and take care of the environment.



37%

of the electricity consumed across group companies was sourced from renewable energy.



- Environmental Management System Policy approved.
- Organized first EGS Workshop which was attended by our global ESG designated people and other stakeholders.

Social

Respect every human being and ensure a safe working environment.

- Became a participant of Ten Principles of United Nations.
- Aviation Safety Policy approved.
- Human Rights Statement Policy approved.
- Policy for Prevention of Violence and Harassment.



490

promotions were achieved at Group level.



Governance

Strengthen our governance structure through ethical and transparent business conduct.

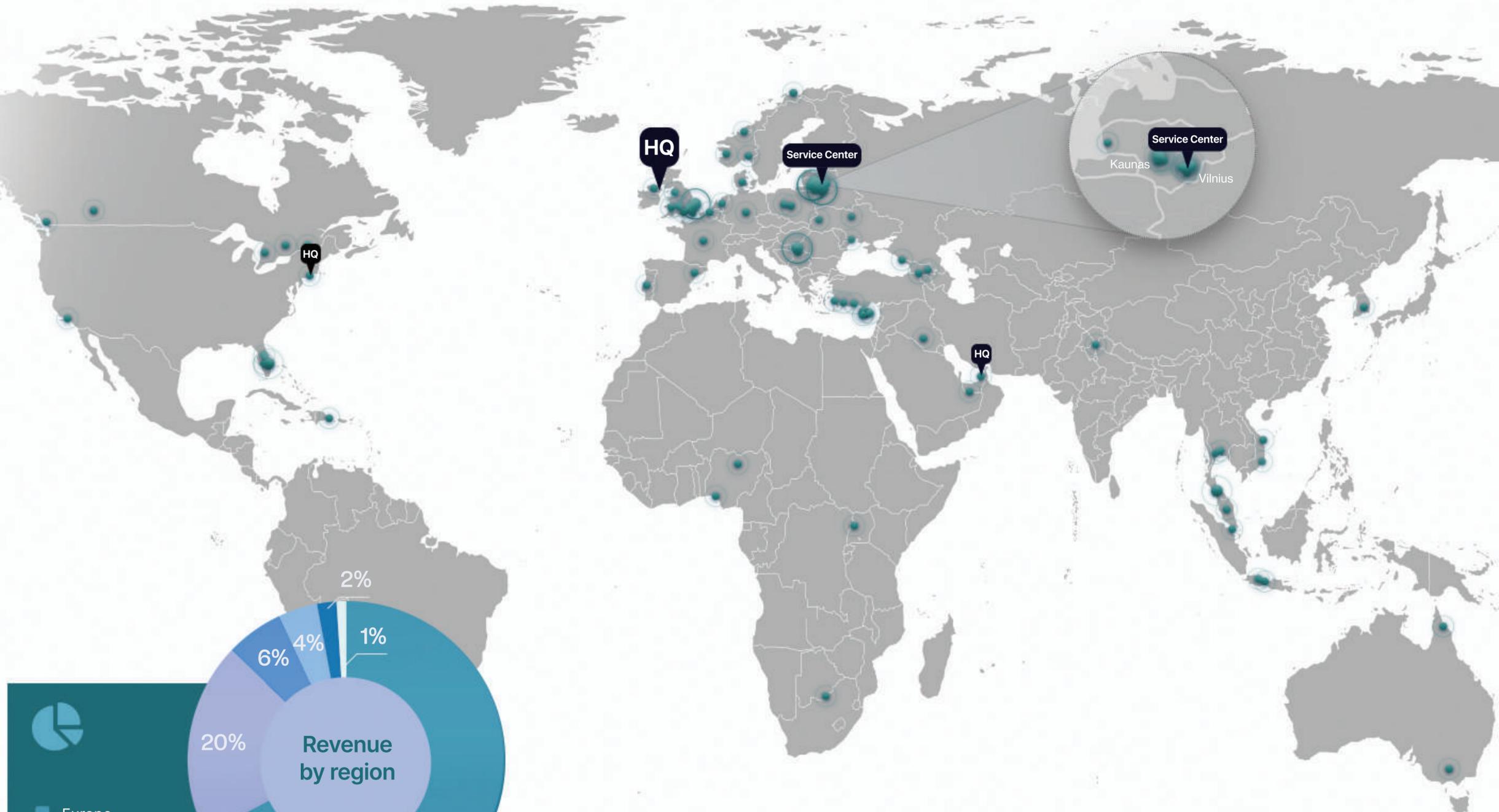
In the past two years, **zero** incidents or reports of corruption have been received.



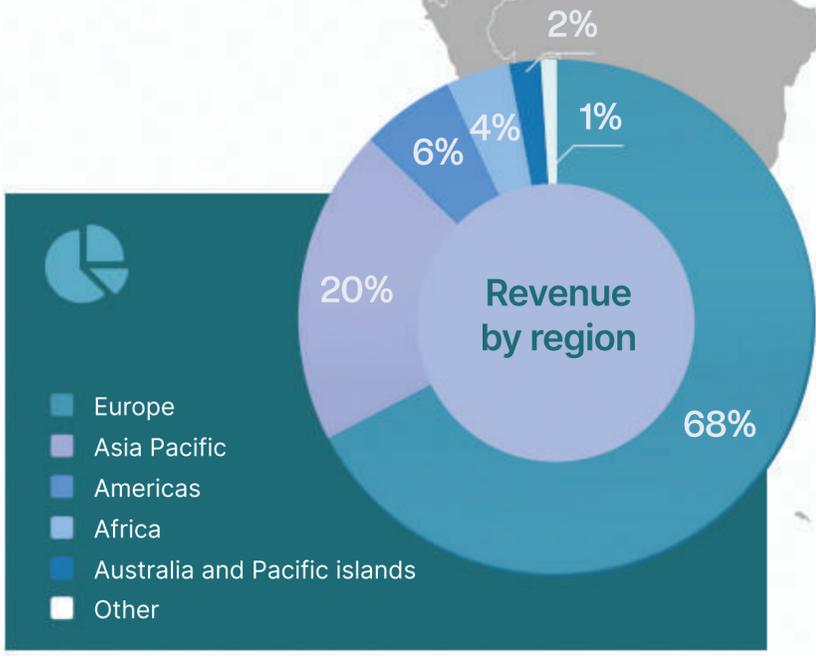
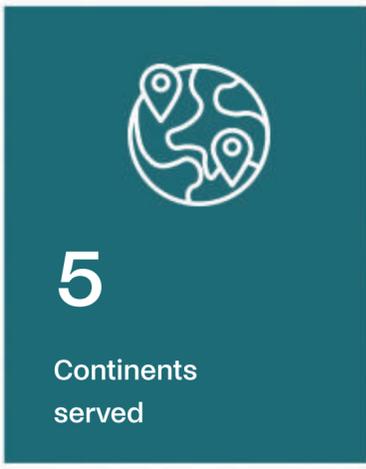
- Remuneration and Compensation, plus Fleet Management Committees have been established.
- ESG Policy approved.
- Whistleblowing Policy approved and Trust-Line reporting system established.
- Avia Solutions Group PLC Anti-Corruption and Anti-Bribery Policy approved.

2. Business model

Avia Solutions Group (hereinafter, the Group), as one of the world’s largest providers of flexible outsourced capacity solutions for passenger and cargo aviation, was founded in 2005 with its legal headquarters (hereinafter, HQs) in Ireland. The Group manages over 100 offices and production facilities worldwide on 5 continents. Our professionals are serving more than 2,000 clients and customers across Europe, Asia, North America, Africa, and Australia.



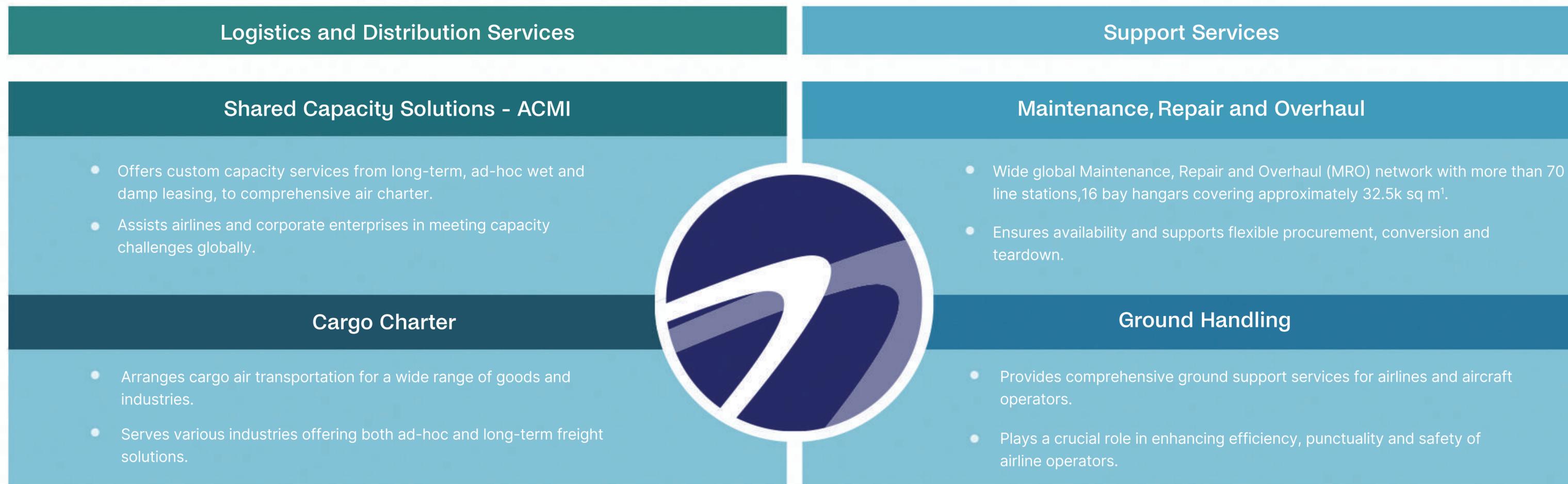
2023 statistics



2. Business model

Avia Solutions Group and its subsidiaries have experienced significant growth over the last decade, resulting in a robust and diversified company with a wide variety of businesses within the aviation sector.

We offer a broad portfolio of services which fall under two main service offerings within aviation: logistics and distribution services, and support services. Logistics and distribution services include shared capacity solutions – passenger and cargo wet lease, which are a part of Aircraft Crew Maintenance Insurance (ACMI) services, and air charter and cargo solutions. Support services include Maintenance Repair and Overhaul (MRO) operations, aviation training and recruitment, as well as aviation ground support. In 2023, the Group generated a net profit of €68.2 million. Consolidated revenues increased to €2.3 billion², or by 22.1% compared to €1.9 billion in 2022.



Some of the industry associations of which we are members:



1. 16 existing facilities covering 32,497 sq. m, with further 9 facilities under construction covering 27,060 sq. m.

2. Percentage of revenues generated online (e.g. through direct sales) for 2023 was 0.08%, 2022 - 0.04%, 2021 - 0.15% and 2020 - 0.22%.

3. ESG journey and strategy

In 2023, we continued advancing our dedication to environmental, social, and governance objectives, as we worked towards implementing further improvements and strategic initiatives.

ESG strategy

Adopted in 2022, the ESG strategy consists of Group-wide ESG commitments and goals, and an action plan designed to ensure effective ESG implementation. The ESG strategy is led by Avia Solutions Group PLC's ESG department, and, for proper governance and further development of the strategy, each subsidiary has an appointed ESG designated person. As our efforts to advance our ESG journey take shape, the update of our ESG strategy is planned in the near future by addressing specific environmental and social impacts, risks, and opportunities.

We are committed to assuming a responsible role in industry, society, and the environment. With this aim in 2023, the Group adopted our **ESG Policy**. This policy demonstrates our commitment to improving ESG performance within the organization and enables us to strengthen the stakeholder's relationship, being closer to their needs and positioning the Group towards greater sustainable and social growth.

In 2023, we further reinforced our dedication to the environment by developing and endorsing our **Environmental Management System (EMS) Policy**, solidifying our commitment to sustainable practices. Through this policy, we recognize our duty to assess the impact of our operations on the environment and to mitigate them accordingly. The policy also serves as a framework for setting and achieving our environmental objectives and targets.

To advance our strategy and to further involve our ESG ambassadors in proactive engagement regarding ESG matters, we hosted our inaugural ESG Workshop 2023. We welcomed experts who focus on environmental certifications, as well as specialists in renewable energy and aviation to facilitate insightful discussions on sustainability. The event was kicked-off by the Group's CEO Jonas Janukenas and featured practical exercises and real-world business cases that are relevant to various segments of our Group. Attendees included designated personnel from various countries, with the ESG Workshop set to be an annual event moving forward.

ESG goals and values

Our environmental, social, and governance strategy and goals are centered around ESG values. Consequently, the ESG objectives encompass three primary strategic goals, each of which is further subdivided into strategic directives. These commitments have been formed based on the results of the materiality analysis. On the other hand, in line with the 2030 Agenda for Sustainable Development established by the United Nations, the Group has identified the specific Sustainable Development Goals (SDGs) in which we can generate a greater impact and contribute to a larger extent to their achievement.



Jonas Janukenas, CEO of Avia Solutions Group, opens the ESG Workshop 2023.

ESG Values

Protect and take care of the environment.

Respect every human being and ensure a safe working environment.

Strengthen our governance structure through ethical and transparent business conduct.

ESG Goals

Environmental strategic goals

Focuses on minimising the potential and actual negative impact on the environment over the short, medium, and long term for further sustainable growth.

- E.1.** To ensure cleaner and more efficient energy consumption to minimise relative greenhouse gas emissions and tackle climate change.
- E.2.** To exercise responsible and efficient use of natural resources to reduce waste generation and promote a circular economy.
- E.3.** To contribute to a healthier environment for society by minimizing the pollution caused directly by our business activity.
- E.4.** To protect and respect biodiversity and ecosystems.

Social strategic goals

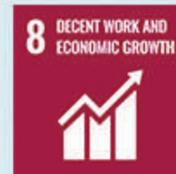
Constitutes the key elements that can enhance our contribution to different groups in society, including employees, customers, suppliers, and local communities promoting social and local support and development.

- S.1.** To focus on the company's human value by ensuring a respectful and safe working environment for employees, guaranteeing respect for human rights, and encouraging their professional growth.
- S.2.** To strengthen constructive dialogues between stakeholders and ensure corporate social responsibility is a part of our value chain.
- S.3.** To expand and spread our support to local communities and take the lead on potential partnerships.

Governance strategic goals

It represents the pillar that ensures our behaviour is ethical and transparent. It reinforces corporate governance for better long-term business success and its constant development and growth.

- G.1.** To reinforce the governance structure to integrate the ESG strategy properly.
- G.2.** To ensure ethical conduct through the development of robust compliance procedures and the implementation of effective internal controls.
- G.3.** To manage the ESG risks and opportunities and to mitigate them when appropriate.
- G.4.** To build greater trust in our relationships with stakeholders by adopting and always encouraging and promoting transparent behaviour.



4. ESG ratings and performance

ESG rating agencies play an important role in assessing how we perform on environmental impacts, social responsibilities, and governance practices. We are dedicated to advancing our sustainability journey, which means ESG ratings are an integral part of our business disclosures practices.

Engagement with ESG agencies

ESG agencies evaluate ESG performance and metrics, and provide a benchmark, helping companies and their stakeholders understand their current standing, while identifying potential areas for improvement.

Each ESG rating agency follows a unique methodology, thus understanding how different agencies evaluate performance is not only informative, but it is vital for shaping a company's ESG strategy.

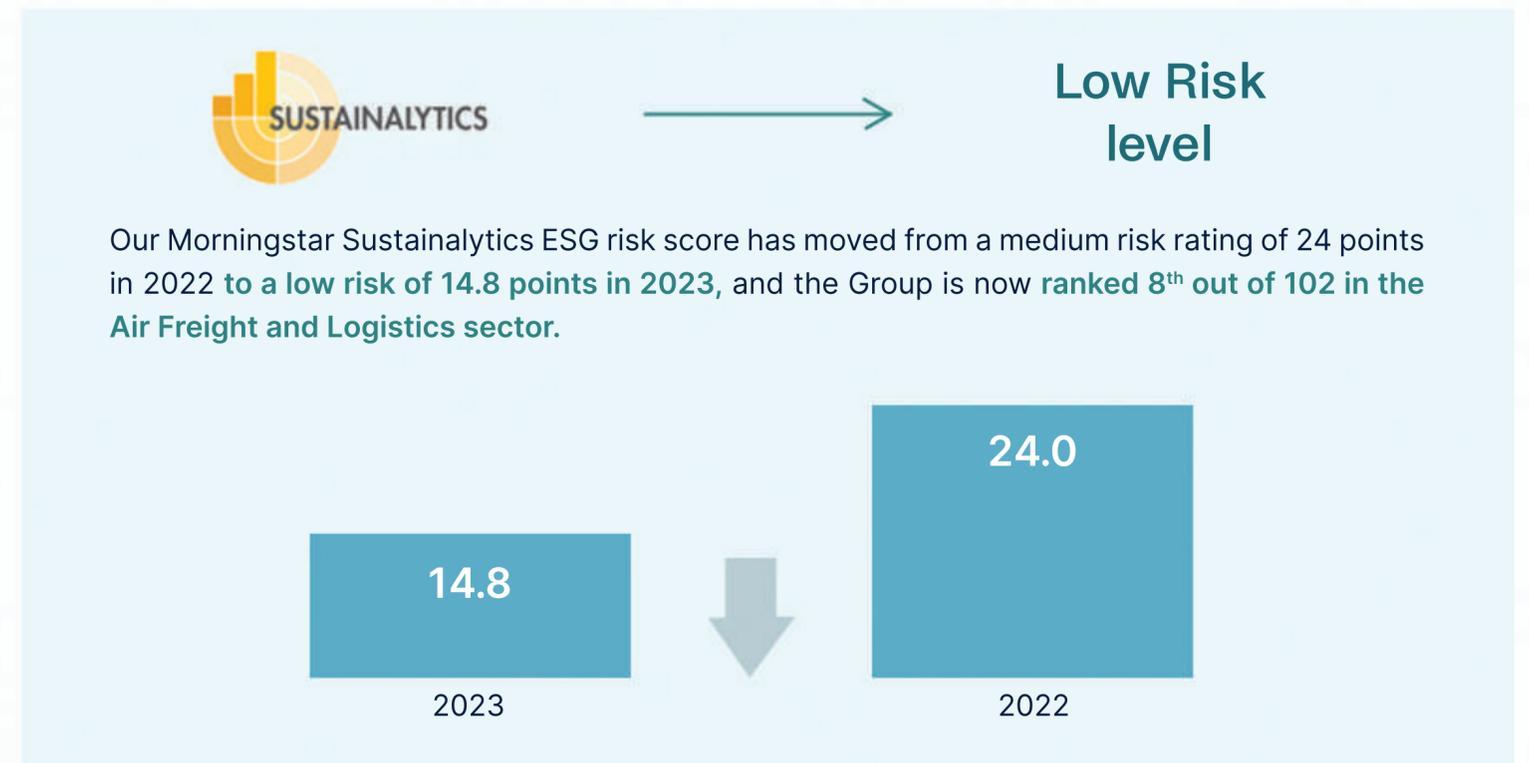
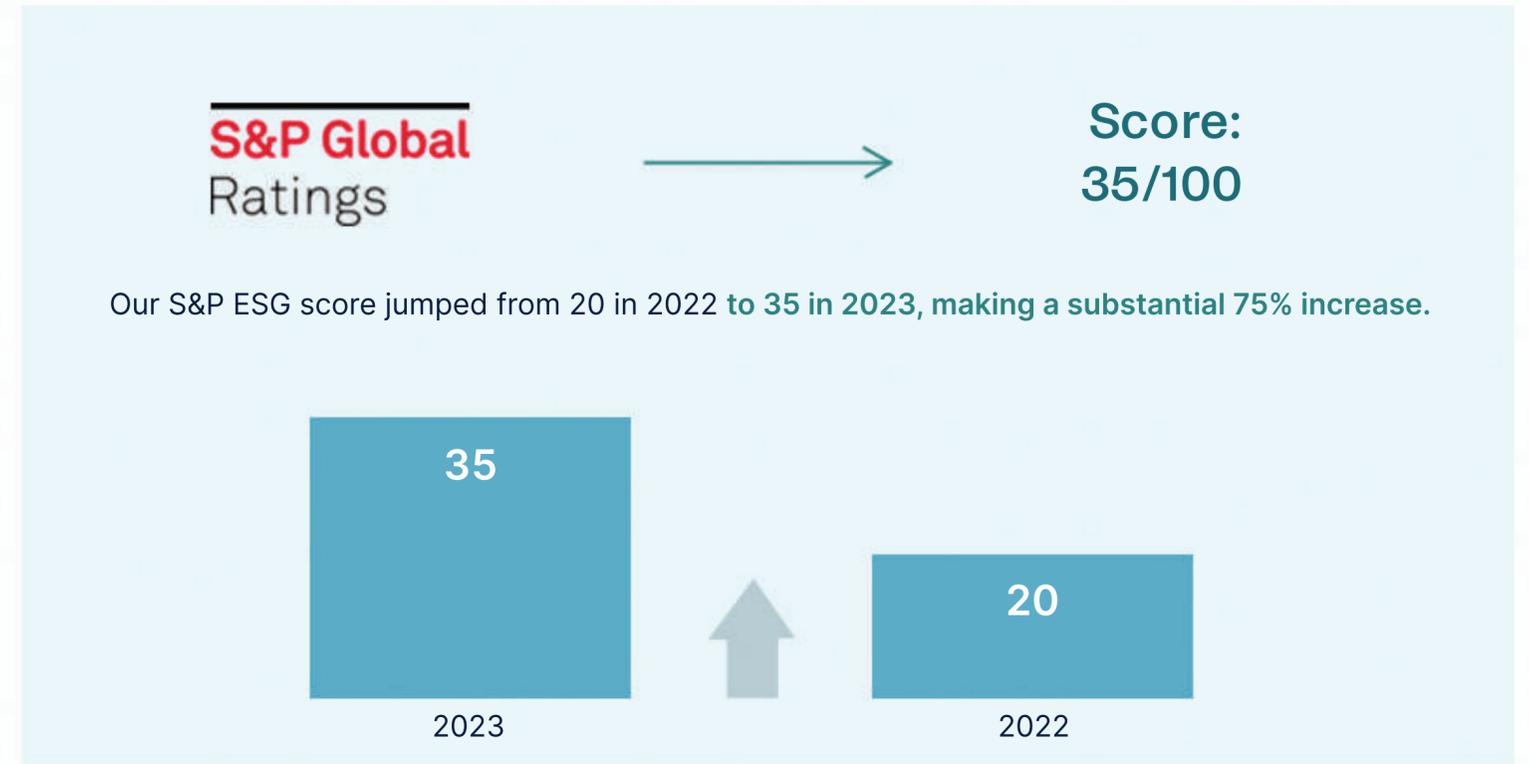
Avia Solutions Group is evaluated by two well-known ESG rating agencies: **S&P Corporate Sustainability Assessment (CSA)** and **Morningstar Sustainalytics**.

S&P's detailed approach showcases our ESG efforts in depth, while Morningstar Sustainalytics gives a snapshot of our risk profile. Together, they paint a picture of our sustainability journey.

ESG ratings improvement

We believe that transparency and commitment to ESG values are fundamental to enhancing our ESG ratings. Since our first evaluation, we have increased our transparency by providing more detailed ESG reports and disclosing information publicly, showcasing our progress and areas for improvement. We have also implemented and disclosed new policies aimed at enhancing our environmental, social, and governance practices, which have significantly contributed to our improved ratings.

As we continue our journey towards sustainability, we are dedicated to implementing further comprehensive strategies that drive improvements in our ESG performance.





Our environmental performance

2023 Highlights



Group-wide ESG Workshop with designated ESG personnel.



Environmental Management System Policy approved.



37% of the electricity consumed across the companies was sourced from renewable energy.



Chapman Freeborn offset 100% of flight emissions when performing On-Board-Courier operations.¹



Photo source: shutterstock.com

1. Link to more information: [Sustainability - Chapman Freeborn On Board Courier](#)

1. Introduction

2023 marked a significant milestone for Avia Solutions Group as we returned to pre-pandemic levels of operations, achieving significant growth. The impact of our success has predominantly been on our scope 3 emissions, due to the nature of our business, which has underscored the importance of collecting and analyzing emissions data to guide our sustainability efforts.

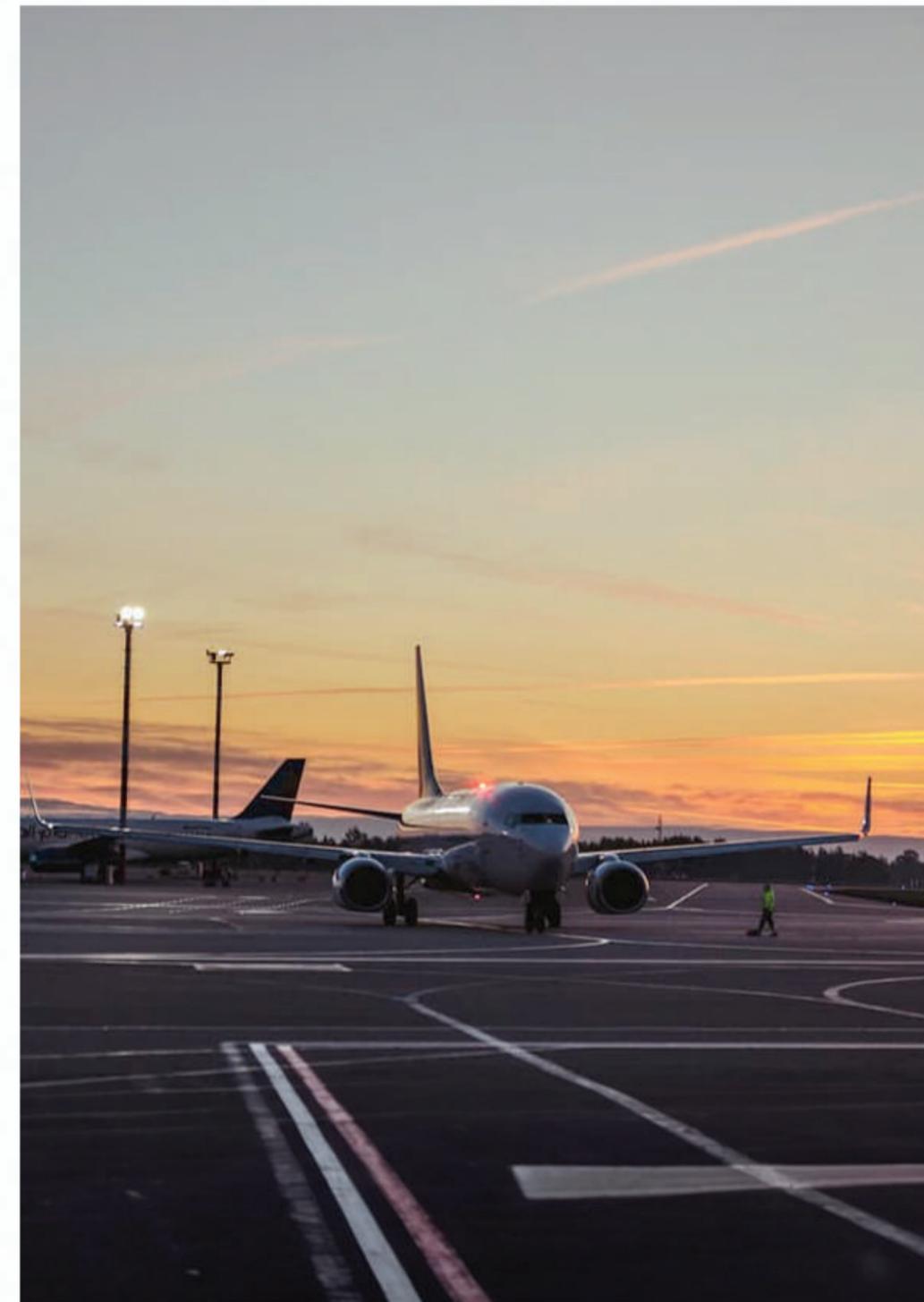
2. GHG emissions and the actions taken to tackle climate change

2.1. Emissions calculation approach

We continued calculating our CO₂ emissions in accordance with scope 1, 2, and 3 divisions as defined by the Greenhouse Gas Protocol – Revised Edition, 2015 (GHG Protocol)¹. Additionally, part of the Group is subject to emissions calculations based on the European Union Emissions Trading System (EU ETS) and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) regulations. These emissions are audited by an external party to ensure compliance with such regulations. Consequently, 86.4% of scope 1 emissions in 2023, as defined by the GHG Protocol, were under external assurance due to EU ETS and 93.1% due to CORSIA. Consistent with previous years, the primary source of scope 1 emissions was aircraft fuel consumption, accounting for 96.8%.

Scope 2 emissions contributors remained stable. Our MRO hangars, spanning approximately 60,000 m², contributed 43.1% of our electricity consumption in 2023. Aviation training activity, in particular the use of flight simulators also played a notable role in electricity consumption, making up to 23.7% of the total. In 2023, we enhanced our data collection process, enabling us to disclose scope 2 heating emissions. The majority of the Group used electricity for heating, therefore the heating data is reflective of heating with natural gas. However, it is important to note that due to varying levels of data readiness among suppliers, not all entities could provide precise electricity and heating data, as this information is often included in office rental costs. Therefore, some estimations were applied.

Scope 3 emissions cover a wide range of activities, with the majority for Avia Solutions Group being driven by our primary operations: ACMI services, aircraft leasing, and brokerage for cargo and passenger aircraft. Compared to the previous year, in 2023 our scope 3 emissions increased by 69.3%, driven primarily by the growth of our ACMI services and longer flight distances. Additionally, we took important steps in overcoming the challenges of scope 3 data reporting. We enhanced our data collection and screening processes, which led to a more accurate reporting process. This improved accuracy, especially in tracking business travel data across our subsidiaries, which also significantly impacted the rise in scope 3 emissions.



1. Consolidation approach for emissions chosen – operational control.

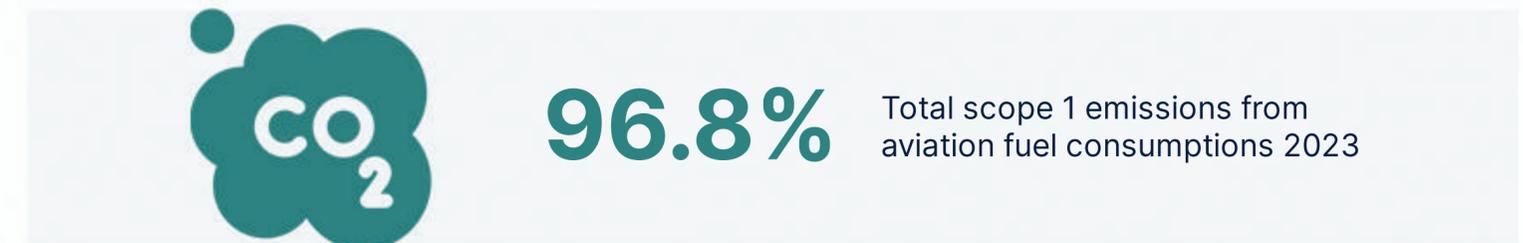
2.2. Total emissions and scope 1

As the aviation industry has returned to pre-pandemic levels and demonstrates a strong trend of continuous growth, we are dedicated to diligently monitoring our emissions data and adopting the most effective tools and practices to minimize our environmental impact.

Since our first year of reporting for the Group, we gradually expanded the coverage of companies included in the report during 2023. This expansion results in a more comprehensive and accurate depiction of emissions for both 2022 and 2023. In 2023, our scope 1 emissions declined by 15% compared to 2022, mainly due to a decrease in our airlines' activities.

Total emissions (tonnes CO ₂ e ¹)	2023	2022
Scope 1 – Total ²	239,111	282,206 ^c
Scope 2 – Electricity (location-based method ³)	3,420 ^a	3,307 ^d
Scope 2 - Heat/Steam (location-based method)	1,536 ^b	-
Scope 3 - Total	3,632,813	2,145,591 ^e
Scope 3 - Upstream leased assets ⁴	1,947,668	1,134,880
Scope 3 - Downstream leased assets ⁵	1,658,035	998,545 ^f
Scope 3 - Business travel ⁶	14,281	2,163 ^g
Scope 3 - Purchased goods and services ⁷	11,751	9,109
Scope 3 - Employee commute ⁸	1,077	893

See Endnotes page for clarifications.



Scope 1 emissions (tonnes CO ₂ e ¹)	2023	2022
TOTAL	239,111	282,206
Logistics and Distribution Services ⁹	231,685	274,441 ^h
Support Services ⁹	7,375	7,720 ⁱ
Unallocated ¹⁰	51	46



2.3. Our fleet

Most efficient aircraft in our fleet:

- A321 family aircraft for passenger and cargo operations.
- The 737-800 Boeing Converted Freighter (BCF) is equipped with blended winglets to enhance fuel efficiency and flight performance. The aircraft ensures lower operating costs for each payload ton compared to the standard-body freighters in the 737 series. The aircraft is powered by two CFM56-7BE turbofan engines with multiple propulsion system improvements that minimizes fuel consumption and carbon dioxide (CO₂), as well as nitrous oxide (N₂O) emissions.
- We acquired 10 additional Boeing 737 MAX 8 for our fleet. Boeing 737 MAX 8 - a modern narrow-body aircraft known for its fuel efficiency, extended range, and increased capacity. SmartLynx became the first of the Baltic countries' airlines to fly the latest generation Boeing 737 MAX 8.
- In 2023, our private and business jet charter services expanded the Group's fleet with 7 Boeing 737 (NG) aircraft for ACMI operations, which contributed to lower fuel consumption, reduction of noise, and environmental pollution.
- In 2023, our aviation training activity was complemented by additional 48, piston-powered, Cessa 172 Skyhawks, the world's leading flight trainer. This aircraft is approved for the use of aviation gasoline (AvGas), which has a lower environmental impact compared to the fuels typically used on piston aircraft.

Planning to introduce more efficient aircraft:

- After completing the Boeing 777-300ER Passenger-to-Freighter (P2F) conversion program, we are planning to add six Boeing 777-300ER converted freighters to the fleet for lease to cargo operators. The freighter will burn 21% less fuel per ton than the larger 747-400 freighters and will offer 25% more cargo volume than the 777-200 freighters. The conversion of an aircraft involves replacing floor-beams, installing a cargo door, and fitting various other features, including a supernumerary area for personnel.
- As part of our aircraft leasing and trading solutions, we also plan to add Boeing 737-800, Airbus A319 and Airbus A320 family aircraft for lease to air operators. The ATR 72-600 aircraft, which is highly efficient for short regional flights, is intended to replace the Bombardier CRJ200 and older narrow-body jets such as the Boeing 737-300 and 737-400.
- In 2024, to enhance our private and business jet charter services, we are planning the acquisition of a Boeing Business Jet (BBJ) aircraft (for VIP operations) and 2 Boeing (NG) aircraft.

Aircraft fleet:

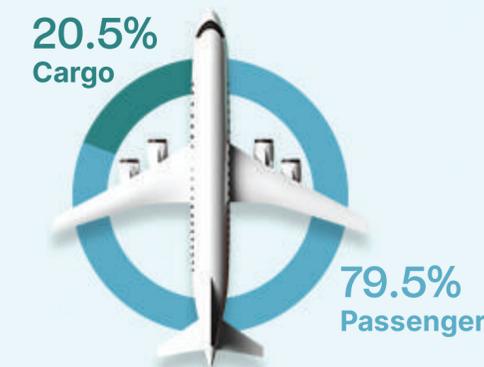
As of Q4 2023, our fleet¹ consisted of 200 aircraft, reflecting an increase of 53 aircraft (26.5%) compared to the previous year. This growth is attributable to our consistent business expansion through the acquisition and development of new companies.



Fleet growth over time:



By type



By ownership²



1. Aircraft number without Letter of Intent (LOI).
2. Owned fleet is referring to those aircraft which are owned in the inventory and leased from external lessor for more than a year. Leased fleet is referring to those aircraft which are operating leased and owned leased from external lessor for less than a year.

Ground handling

Both, **Baltic Ground Services (BGS)** and **Aviator**, our two ground handling providers, are actively working on reducing their reliance on fossil fuels and adopting more sustainable vehicle alternatives within their fleet.

Aviator is also committed to becoming carbon neutral by 2026 in scope 1¹ by following their Vehicle Renewal Plan and emission reduction road map. These strategies are focusing on the acquisition of more electric and low-emission vehicles combined with the usage of biodiesel which will reduce the emissions in scope 1. The plan aims to bring CO₂ emissions down to approximately 1kg per turnaround, with any remaining emissions to be offset. To date, Aviator has successfully reduced their scope 1 CO₂ emissions by 50% compared to 2019 levels.

In accordance with BGS' Environmental Policy, priority must be given to electric vehicles or vehicles powered by other green alternatives (hydrogen, biofuels) when planning the purchase of new equipment. Before purchasing or leasing a vehicle, it must be assessed whether the leasing or purchase of the electric vehicle is in line with the company's sustainable development concept. These requirements will be also applied in the currently developed Vehicle Renewal Plan in 2024.

Additionally, our aircraft interior and exterior refurbishment service provider also owns an electrical aircraft tug to ensure efficient services for their customers.



By the end of 2023, ground handling activities' **fleet consisted of 969 vehicles. 52% of the fleet is being powered by electricity.**

Company cars

Within our Group, company cars are relatively rare, but we are committed to transitioning to cleaner vehicles wherever possible, such as electric and hybrids. For instance, our aircraft leasing and trading activity is equipped with four vehicles, one of which is electric. Nevertheless, we are dedicated to adopting greener alternatives. For example, several our MRO line maintenance stations in Europe have already transitioned to electric vehicles, with others planning to do so within the next 3-6 years, in line with their current leasing agreements and vehicle specifications.

Some vehicles, due to safety and animal welfare rules during transportation, remain non-alternative. Therefore, our equine, livestock and exotics transportation air charter service is equipped with specialist vehicles that, due to their size and specific requirements, currently lack alternative fuel options.

It is also worth mentioning that for subsidiaries operating airside in restricted zones, advancing sustainability efforts is closely linked to the development of airport infrastructure. To support these efforts, we are actively involved in facilitating a dialogue between stakeholders to highlight the importance of establishing proper charging stations, recycling facilities, and similar resources. Cooperation and productive communication are essential, and our participation in associations such as LAVIA are key to driving these initiatives forward.



1. Link to [Aviator Sustainability Report 2023](#).

2.4. Efficiency in operations

Flight operations

Improving efficiency in aviation operations contributes to our sustainability journey by reducing fuel consumption, lowering emissions, conserving resources, saving costs, and enhancing the industry's overall environmental performance. These efforts are essential for our long-term resilience while minimizing our environmental footprint. One of our airlines, KlasJet, has a **fuel efficiency program** that analyses flight performance and ensures and improves fuel efficiency. At the same time, they **optimize pilot travel** by ensuring they are already located close to the departure airport, minimizing the travel needed to reach the flight start location.

In order to enhance efficiency in our ACMI, charter and cargo operations, it is vital to acquire a customized Aircraft Communications, Addressing and Reporting System of Aeronautical Operational Control (**ACARS AOC**), digital data transmission system between aircraft and ground stations, providing the Group with an opportunity to increase its data collection capabilities that will aid in operational decision making (for example – enabling us to deliver predictive maintenance works on aircraft or adjust flight plans more efficiently). At the end of 2023, the system was introduced to the majority of the SmartLynx fleet and is nearing its conclusion. In addition, our ACMI operator, Avion Express, had already implemented the ACARS system back in 2019. The system provides the following benefits:



Real-time weather updates which minimize fuel burn by avoiding adverse conditions.



Access to optimized flight data which allows route selection, altitude, and speed for fuel efficiency.



Real-time engine and fuel data which leads to prompt adjustments to save fuel.



Fast in-flight fault notifications which prevent excessive fuel use with timely repairs.



Streamlined data transmission which leads to quicker clearances, efficient turnarounds.



In 2023, our global aircraft charter services also took important steps in identifying possible cost saving and flight efficient initiatives. Some initiatives were identified to be carried out in 2024:

- Reduction of contingency fuel from 5% to 3% to improve overall fuel efficiency.
- Development and future investment for SkyBreathe reporting.

SkyBreathe software collects all the data from black boxes, weather, air traffic control, and maintenance. Through big data algorithms and artificial intelligence, it produces recommendations for airlines and pilots that allows them to reduce their fuel consumption by up to 5% without any aircraft modifications.

Ground-handling operations

During 2022, we took steps to enhance our ground support operations by replacing older diesel buses with newer models, which are more efficient in their fuel consumption and thus emit fewer pollutants. This transition contributes to a more optimized bus fleet and aligns with the broader BGS vehicle management and Renewal Plan aimed at improving their overall service quality. Additionally, in 2023, we tested several fully electric apron buses - DINOBUS. We are investigating how to integrate this innovative and eco-friendly solution into its ground support equipment (GSE) fleet to minimize its environmental impact.

Since 2021, Aviator's Malmö base in Sweden has been fossil fuel-free, utilizing only hydrotreated vegetable oil (HVO) fuels. Our operations at other Swedish bases, including Gothenburg-Landvetter, joined the fossil-free list at the start of 2023. Arlanda Airport, where we operate, is currently at 85%, and is on track to be fully fossil-free by the end of 2024. Operating at Arlanda Airport allows to significantly reduce their emissions, aligning with their commitment to more sustainable practices.

Additionally, since 2021, we have implemented green turnarounds to enhance operational efficiency and reduce emissions. Turnarounds in ground handling involve a coordinated set of activities and services provided to an aircraft while it is on the ground, from its arrival at a gate until its departure. Efficient turnarounds are critical for minimizing delays and ensuring operational efficiency in the aviation industry. To perform turnarounds, Aviator has incorporated electric vehicles, including boarding stairs. Full-electric turnarounds are becoming a regular part of the company's operations, culminating in their first all-electric turnaround for a Lufthansa flight in 2023.

Logistics operations

Our logistics services are committed to providing drivers with efficient driving training and refining the company's transportation routes. These strategies are put into action to minimize unnecessary distances, cut down on expenses and time wastage, and diminish environmental impacts.

To solidify the commitment to sustainable practices, BGS with their partner Neste, is discussing the possibility **to switch from fossil to renewable fuel for BGS' LT logistics operations. Neste MY renewable diesel** is sold in the Baltics and is made from **100% renewable raw materials**, such as cooking oil, animal fat and vegetable oil, processing waste and residues. This initiative is planned to be implemented in 2024.

Furthermore, to improve the efficiency in performing logistics operations, we have installed specialized computers on our trucks. New development helps to ensure more efficient, convenient and virtual document management as well as reduce the need of printed documents.

In addition, quality control of logistics operations are performed using a well-developed network of video cameras, which allows the entity to quickly manage the stations without the need to travel. In 2023 Q4, the update to the camera systems' software improved video quality, which now ensures more efficient quality control processes.



2.5. Sustainable Aviation Fuel (SAF)

Sustainable Aviation Fuel (SAF) gives an impressive reduction of up to 80% in carbon emissions over the lifecycle of the fuel compared to the traditional jet fuel it replaces, depending on the sustainable feedstock used, production method, and the supply chain to the airport. SAF can be blended at up to 50% with traditional jet fuel and all quality tests are completed as per a traditional jet fuel.

SAF incentives and regulations

Following the EU Parliament's updated position on the **ReFuelEU aviation initiative**, in October 2023, the EU Council adopted the initiative as a new law to decarbonize the aviation sector. The main objective of the RefuelEU initiative, as part of the EU's "**Fit for 55**" climate package, is to increase both demand for and supply of SAF, to cut emissions from aviation and ensure **Europe becomes climate neutral by 2050**. The adopted regulation requires fuel suppliers to ensure that all fuel made available to aircraft operators at EU airports have increasingly higher levels of sustainable aviation fuels. Fuel suppliers must incorporate 2% SAF in 2025, 6% in 2030 and 70% in 2050. From 2030, 1.2% of fuels must also be synthetic fuels, rising to 35% in 2050. Based on this regulation, an EU labelling scheme will be created for aircraft operators using SAF, which will help consumers to learn about operators' environmental performance and make informed choices about their flights.

Furthermore, in 2022 the EU Parliament put forth a suggestion to establish a **Sustainable Aviation Fund from 2023 to 2050**. This initiative aims to accelerate the reduction of carbon emissions in the aviation industry while also fostering investments in sustainable aviation fuels, inventive aircraft propulsion and the exploration of novel engine technologies. To supplement the fund, penalties generated by not complying with ReFuelEU aviation initiative will be used.

Other regulations, such as French legislation, provide for the incorporation of 1% biofuel on all flights departing from France as of 2022. Beyond the 1% SAF requirement for all commercial flights from French airports, in June 2023, the French government proposed a **biofuel blending mandate** that aims to start from 2024, and states that a 1.5% SAF blending requirement would be implemented and would be expected to increase gradually in the coming years.

In the UK, as a result of the **Jet Zero Strategy**, the government aims to ensure that by 2030, at least 10% of jet fuel production is SAF, thereby achieving net-zero emissions by 2025. The UK plans to introduce this mandate in 2025. To support these aims, the UK has already launched the Advanced Fuels Fund (AFF) back in July 2022.

Moreover, in 2021, the USA has launched a **Sustainable Aviation Fuel (SAF) Grand Challenge**, which outlines ambitious objectives for domestic SAF production, with a target of 3 billion gallons by 2030 and 35 billion gallons by 2050. The US continues to work towards its targets by analysing stakeholder engagements and supply chains. Recent examples can be seen in September 2023, as the US government requested feedback from stakeholders in an effort to understand the barriers and opportunities related to building SAF supply chains.

Actions taken and next steps

In response to the forthcoming legislation ReFuelEU mandating the use of SAF from 2025, our logistics services began consultations in 2023 with appropriate authorities and airlines to integrate SAF into its operations. By engaging early with stakeholders, we positioned ourselves to meet regulatory requirements.

In early 2024, Chapman Freeborn's (CF) US subsidiary signed an agreement with **4AIR, specialists in aviation offsets and fuel efficiency measures like SAF¹**. This agreement ensures that emissions from the CF US JetCard scheme members are offset. Additionally, clients can opt for direct SAF for their flights, if available, or use a book-and-claim system. This system allows clients to purchase carbon efficiency from SAF production, which is then utilized on another flight. Due to the success of this scheme and the increasing demand for efficient fuels to reduce carbon emissions, other regional operators within the Chapman Freeborn Group are now in the process of signing similar agreements with 4AIR which will come into force during 2024.

SAF

1. Link to the article: [Chapman Freeborn takes its partnership with aviation sustainability provider 4AIR to new heights with complimentary participation for its Jet Membership clients | Chapman Freeborn Airchartering](#)

2.6. Efficient energy use and renewable sources - scope 2

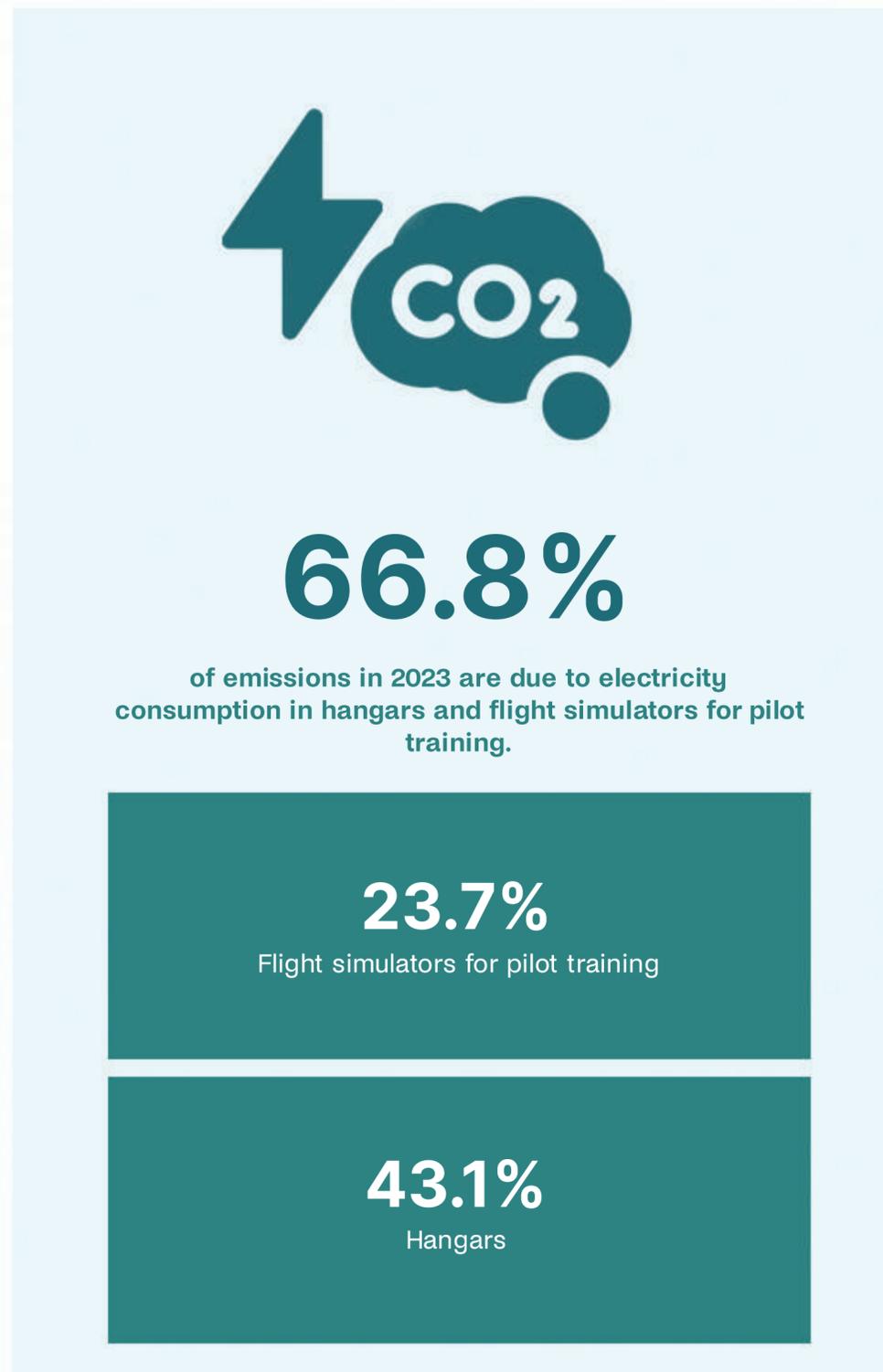
Hangars:

43.1% of the total scope 2 emissions in 2023 corresponded to our MRO service, because its main business activities take place in hangars where electricity is essential. Our MRO service has hangars and shop facilities in Lithuania, Indonesia, and the United Kingdom, as well as an extensive network of line maintenance support stations across Europe, Africa, Asia Pacific, the CIS, and Canada. In 2022, total scope 2 emissions stood at 42%, which indicates only a minor increase. Furthermore, the Group's aviation training service is another notable electricity consumer - due to the essential flight simulators used for pilot and crew training, they generated 23.7% of our scope 2 emissions.

Our MRO activities are committed to achieving zero emissions in scope 2 by guaranteeing 100% renewable sources of purchased energy on its owned premises by 2028. It is planned to use market-based options by purchasing green certificates. Additional initiatives are also being developed for efficient energy consumption, such as the gradual replacement of old-style, resource-intensive lighting and wiring systems in hangars, warehouses, and commercial premises with LED luminaires and modern energy-saving solutions. In addition, to gain energy efficiency, wherever possible, the reconstruction of the premises for better insulation will be carried out. The installation of solar panels is also being considered.

In respect of MRO leased premises, we initiated a dialogue with lessors and counterparties involved to raise environmental awareness and emphasize the importance of more efficient energy solutions, considering circumstances in separate geographies.

Furthermore, leased hangar premises have been completed their refurbishing. The premises were refurbished and modernized in order to reduce heating consumption and ensure energy efficiency.



Total emissions (location-based method, tonnes of CO ₂ e)		
	2023	2022
Electricity	3,420	3,307
Heat and Steam	1,536	-



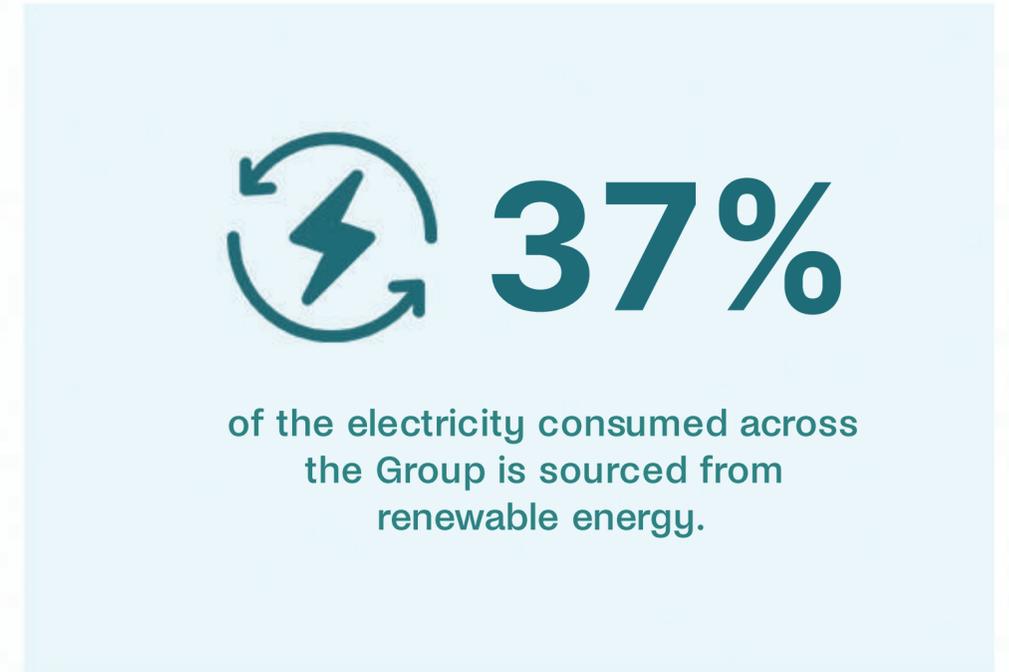
Offices:

While most of the scope 2 emissions come from energy consumption in aircraft hangars, we also need to pay attention to the consumption of our offices around the world.

In Sweden, all offices of Aviator are operated by Swedavia, which ensures that all electricity is sourced from renewable energy. Our aviation training services are actively implementing several energy-efficient practices, such as using LED bulbs instead of conventional ones. We are nearing the completion of its full transition to LED lighting, which consumes less power and has a longer lifespan. Additionally, motion sensor lighting is now introduced wherever possible, and natural light is maximized in workspaces to further reduce energy consumption. BAA Training is also in discussions with a solar panel provider to find the best solutions for the company's infrastructure. These efforts highlight our commitment to enhancing energy efficiency and reducing their scope 2 emissions within our aviation training services.

Chapman Freeborn Group is presently developing a Green Building policy aimed at establishing standards for energy efficiency, water conservation, waste management, pollution control, responsible sourcing, and the responsibilities of building management during new office leases. This policy seeks to progressively enhance the Group's building sustainability and energy efficiency in line with its emissions reduction goals.

Additionally, our MRO network, converted converted over 90% of the lighting systems in its premises to LED before the end of 2023, significantly reducing our energy consumption.



Standards and certifications:

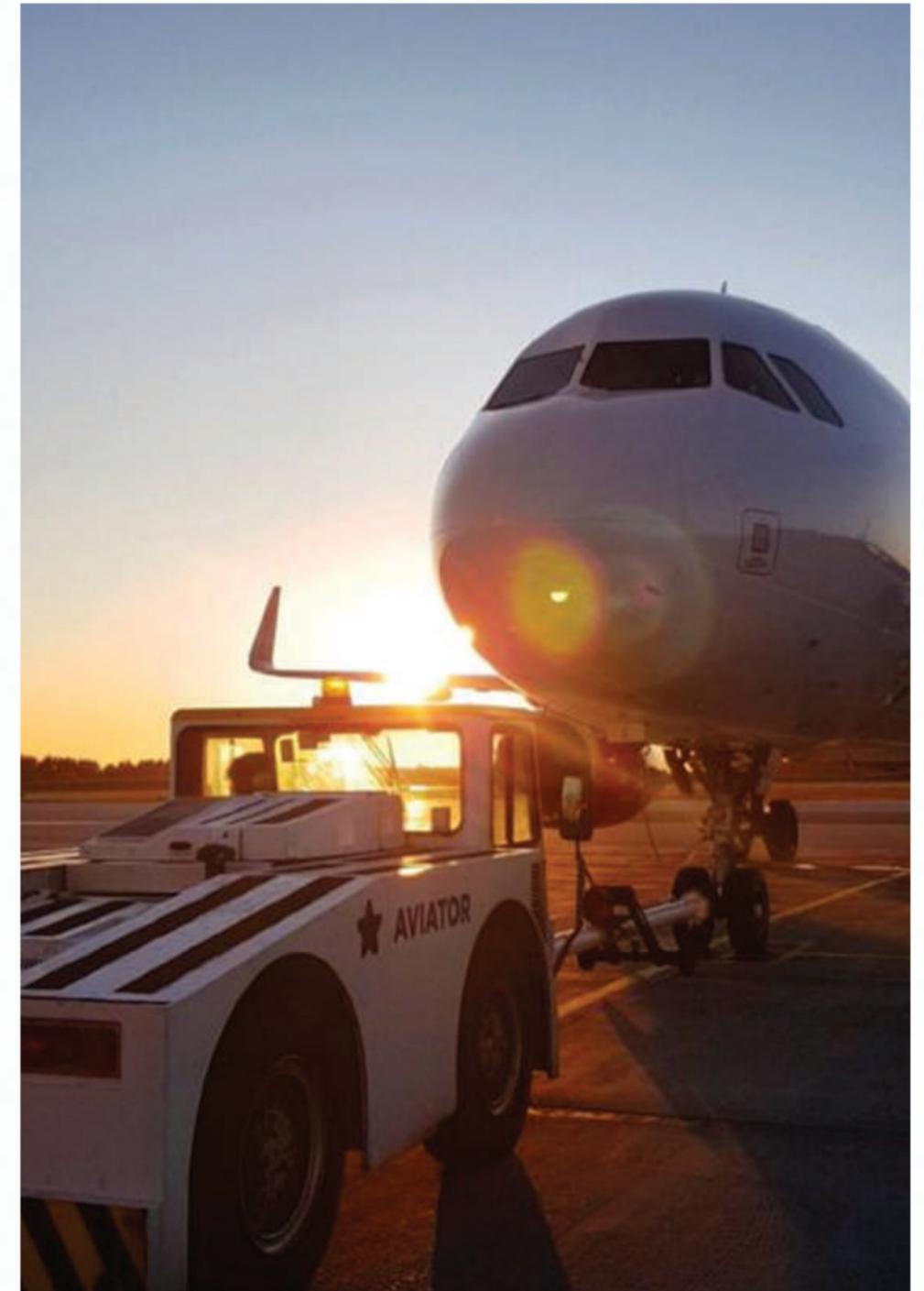
BGS, FL Technics, and Chapman Freeborn UK are already **ISO 14001 certified for their environmental management systems** and are continuously renewing the certification following an audit by an external party. [BGS ISO 14001](#) certification is valid for the extended scope of their operations, [FL Technics certification](#) covers scope of operations across the sites in Vilnius, Lithuania, while [Chapman Freeborn certificate](#) covers brokering, leasing, and flight support services from their main site in Gatwick, United Kingdom. Specific initiatives have been developed and implemented both within the framework of this certification, and in compliance with local environmental legislation, in each of the countries we operate.

Aviator operates in the Scandinavian region, where sustainability has long been a priority for governing bodies. In 2023, the company began auditing its stations as the final step to attain ISO 9001 Quality Management Systems, ISO 14001 Environmental Management Systems, and ISO 45001 Occupational Health and Safety Management Systems certifications for all locations.

During 2022, Avion Express became a part of an Environmental Protection campaign, introduced by one of its esteemed partners. The company established a comprehensive **Environmental Management Policy** and, in collaboration with its partners, designated the year 2023 for assessing key performance indicators (KPIs) and the environmental impact of the company. This approach highlights the importance of gathering precise data to make informed decisions for enhancing environmental protection measures. In 2025, Avion Express is aiming to have a fully functional Environmental Management System.

In 2023, BGS also celebrated 15 years of holding the IATA Safety Audit for Ground Operations (ISAGO) certificate. BGS was the first independent ground handling company in Europe to receive this certification. To this day, BGS remains the sole ground handling company in Lithuania with this distinguished certification. In addition to ISAGO, the company has consistently maintained ISO 9001 for quality management, and ISO 45001 for occupational health and safety. These certifications underscore a comprehensive commitment to sustainability, and the well-being of employees and customers.

In 2023, FL Technics was also awarded by [the Manufacturers and Importers Association \(GIA\) a certificate](#) for waste management obligations implementation in 2023.



2.7. Business travels and employee commute - scope 3

Recently we observed a rise in business trips, returning to levels seen before the global pandemic. Business travel is an essential part of business development and expansion, therefore, as our business geography continues to broaden, the frequency of our business travel increases accordingly.

Nevertheless, we avoid unnecessary trips as well as implement tools to assist online communication and collaboration. Instead of travelling for internal audits, our ground handling services, particularly BGS, is equipped with an advance **Closed-Circuit Television (CCTV) system**. This system significantly reduces the need for travel while maintaining the same high level of operational quality. A recent update to the camera systems enhanced video quality, ensuring more efficient quality controls. As a result, approximately 217 BGS business trips were avoided in 2023, leading to a reduction of approximately 28 tonnes of CO₂ emissions.

We have also taken some measures to reduce our scope 3 emissions related to our employees' commuting to and from home:

 Flexible work arrangements: allowing 1 to 5 days of remote work per week based on duties, position, and location.

 At the HQs in Vilnius, a charger for electric vehicles is provided and employees are encouraged to use them as well as storage for bikes and electrical scooters.

 Initiatives for the use of bike, walking, car sharing, and use of public transportation are supported. For instance, since autumn 2023, Chapman Freeborn subsidiary, Magma, implemented the Greenly Step Challenge. This program tracks users' steps towards a daily target of 5,000 steps, with each target met resulting in a physical tree being planted. The trees are verified and planted by Veritree. Additionally, all employees from Avia Solutions Group PLC can receive free public transportation tickets for unlimited trips.

 The implementation of online-based logistics and ground-handling training programs, allow internal and external trainees to attend at any time without the need to go into the office. Furthermore, aviation training services are also additionally arranged online, with regular updates on online introductory training sessions and internal training on a global scale to ensure convenient accessibility for all of it's students and employees.

Scope 3 emissions:

Total emissions (tonnes CO ₂ e)	2023	2022
Scope 3 - Total	3,632,813	2,145,591^c
Upstream leased assets ¹	1,947,668	1,134,880
Downstream leased assets ²	1,658,035 ^a	998,545 ^d
Business travel ³	14,281 ^b	2,163 ^e
Purchased goods and services ⁴	11,751	9,109
Employee commute ⁵	1,077	893



45.6%

of scope 3 emissions in 2023 are due to downstream leased assets driven by ACMI services and leasing of aircraft.

See Endnotes page for clarifications.

Other emissions in scope 3:

Given that Avia Solutions Group primarily provides ACMI services, aircraft leasing, and brokerage for cargo and passenger aircraft, most of our emissions are tied to these activities which fall under scope 3 category. These activities are subject to the preferences of our customers, therefore our scope of action to redeem their impact is limited. We continue implementing aircraft flight procedures and practices to reduce aircraft fuel usage and monitor CO₂ emissions at airports. Additionally, our On Board Courier (OBC) activities took an important step forward and set an ambitious goal to offset their emissions. In 2023, Chapman Freeborn OBC successfully offset 100% of the 1,832 tons of CO₂ emissions generated by their OBC service through a dedicated offset facilitator.

In 2023, we requested scope 3 emissions data from our suppliers and clients for the second consecutive year. Although companies exhibited varying levels of readiness, we enhanced our data collection processes, resulting in more accurate representations of scope 3 emissions. Compared to the previous year, our scope 3 emissions increased by 69.3% primarily due to the expansion of our ACMI services and the greater distances flown in 2023.

From conventional glycol to a recyclable alternative:

For safety reasons, aircraft wings must be free of ice and snow. To achieve this, our ground handlers employ glycol for de-icing procedures. Nonetheless, emissions arise during the glycol production process. Therefore, we try to implement strategies to reduce the impact. In 2023, 47.4% of the glycol used by Aviator for providing de-icing services to our consumers was sourced from recycled mono propylene glycol (MPG). Recycled glycol is a key aspect in reducing emissions from de-icing services, thus the inclusion of recycled MPG significantly contributes to our efforts to lower the environmental footprint of our operations.

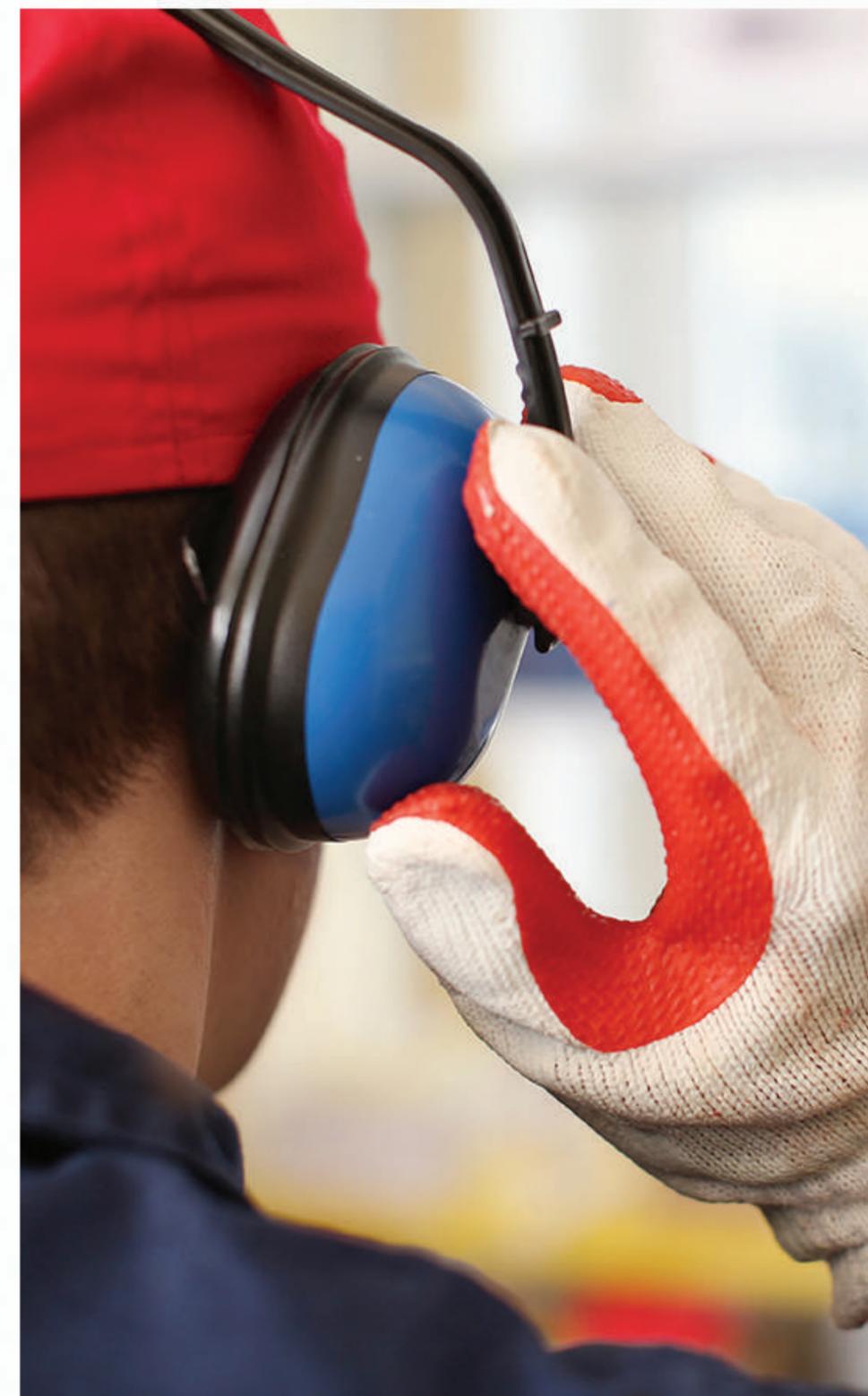
2.8. Noise pollution

Although our operations are often far from cities, noise pollution at airports must be reduced as well. The acquisition of more technologically advanced vehicles and aircraft in our fleet considerably benefits the reduction of noise pollution. FL Technics Lithuania and Indonesia have introduced regular noise and air pollution testing to ensure environmental safety as well as the protection of human rights for employees and the surrounding communities.

At the end of 2022 and the start of 2023 our airline, Bluebird Nordic, was unfortunately imposed a fine by the Authority of Airport Noise Control (ACNUSA) due to exceeding the noise pollution limitation in Marseille, France. The total amount driven for these environmental violations was €18,000. The Bluebird Nordic team conducted a detailed analysis of this incident, leading to the implementation of a curfew and noise reduction program across all airports. This program specified operational guidelines and appropriate timings to ensure compliance with noise restrictions.

47.4%

of the glycol used by Aviator for providing de-icing services to our consumers was sourced from recycled glycol.



3. Climate-related risks

In recent years, the effects of climate change have become increasingly evident, including elevated temperatures, raised sea levels posing threats to coastal regions, occurrences of floods, forest fires, and scarcity of freshwater. As a result, various consequences can emerge, presenting a challenge that businesses need to confront.

During 2022, the ESG and Risk Management departments have been working together to integrate the climate-related risks within the whole Enterprise Risk Management (ERM) process of the company. The assessment of climate-related risks was conducted in 2022 and in accordance with the division for transient and physical risks, as suggested by international frameworks such as the Task Force on Climate-Related Financial Disclosures (TCFD). Detailed information on climate-risk assessment, its results and implications, can be viewed in the [ESG Report 2022, page 24](#). Currently, the Group is working on Corporate Sustainability Reporting Directive (CSRD) aligned Double Materiality Assessment (DMA), which will provide a broader picture of impacts, risks and opportunities. The DMA documents and results are planned to be published in the near future.



4. Responsible use of natural resources

4.1. Initiatives developed to reduce waste generation

At offices

Initiatives already in place:

Aviation training services

- NEW!** A digital system for storing client files has been established as a part of aviation training activity, eliminating the need for paper files.
- NEW!** Procurement teams across aviation training services prioritize the purchase of products made from recycled materials and with minimal packaging.
- NEW!** In part of our business, we utilize electronic signature as well as cloud storage solutions for more efficient and paperless document management.

By utilizing digital document management systems and electronic signatures, during **2023 BAA Training** managed to save 256,675 sheets of paper, which converts to approximately **31 trees**.

- When organizing events, aviation training activity chooses reusable dishes and glassware instead of plastic, minimizing plastic usage.

Global air charter services

- NEW!** Our air charter for passenger and cargo Chapman Freeborn has ensured that all offices have a paperless office system in place to eliminate the need for storing hard copies.

Ground handling services

- The provision of recycling bins for proper waste separation and collection. Waste sorting training is also mandatory for all employees in Lithuania. Our ground handling services in Lithuania have removed the desk bins in order to promote waste sorting in offices and reduce its generation.

Initiatives in current development:

- In 2023, the ESG department at Avia Solutions Group developed an Office Waste Reduction and Recycling Program at HQ1 and HQ2, which addresses an environmental goal of the Group's ESG strategy and aims to reduce the environmental impact of office operations, encouraging sustainable practices among employees.

Targets of the Office Waste Reduction and Recycling Program at the HQ1 and HQ2:

- 100% recycling
- Zero use of single-use plastics
- Increase the use of more sustainable office materials
- Ensure the waste management awareness and education of all employees

- As a part of the program, during 2024, an awareness campaign was launched to encourage employees to use reusable food containers when purchasing meals for take-out in the company's canteen in Vilnius.

Air charter broker services

- To support efficient waste management and to reduce food waste, our private and group air charter broker is planning to introduce compostable waste bins in their office.

Ground handling services

- BGS is undertaking the transition of all training records and certificates into digital formats, facilitating access through tablets and other electronic devices. This initiative, planned for implementation by the end of 2025, aims to streamline document management, enhance accessibility, and support sustainable practices within the organization.

MRO services

- We are working on creating a paperless office process through the development of paperless office policies, replacing paper copies with cloud storage, use of digital apps, and the use of electronic signature software. Great progress has already been achieved – FL Technics has now implemented an electronic signature tool for their personnel.

At hangars and other facilities

Initiatives already in place:

Aviation training services

NEW! In 2023, Copenhagen Airport's Aviator team revamped their business lounge menu for sustainability. The updated menu aims to achieve 80/20 vegetable-to-meat ratio, maintaining a minimum of 40% sustainable product usage. The company also prioritizes local sourcing to cut air transport and boost the local economy

NEW! Our partnership with CPH Kitchen in Copenhagen in 2018 has led to a notable 50% reduction in food waste within their business lounges.

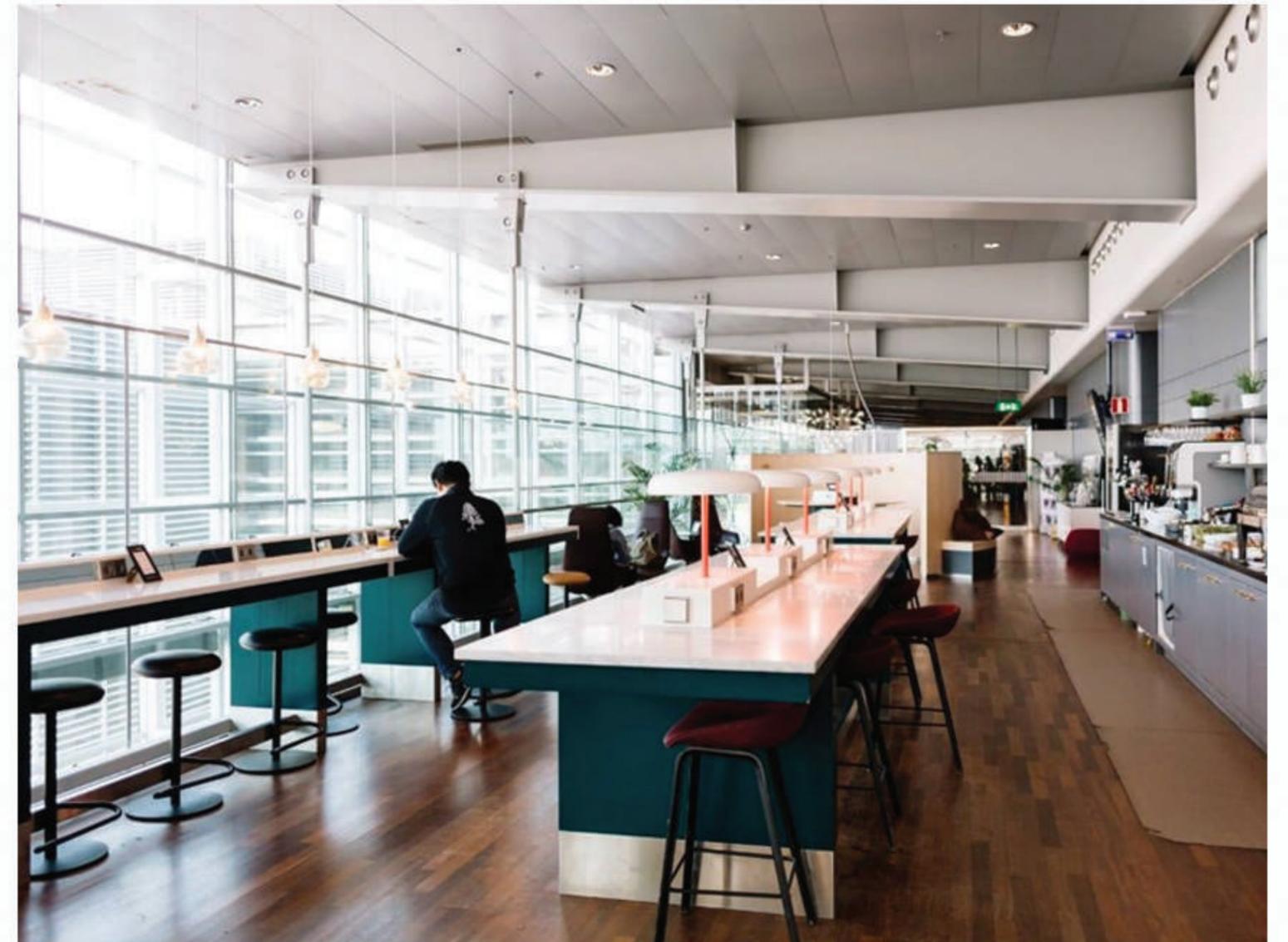
MRO services

- Packaging materials at MRO warehouses and production facilities for major parts are thoroughly collected, accounted, and reused if possible (if not – appropriately recycled).
- Hazardous materials and waste generated in the maintenance process of MRO services are also collected and separately stored as per ISO 14001 and other local regulations requirements. Third parties are outsourced for the utilization.
- Our MRO services have replaced the use of absorbent fabric materials with reusable mats in Vilnius and Kaunas hangars. The change is facilitated by Lindstrom.
- Hazardous substances originating in the laundry process during MRO activities are properly treated by our socially responsible partner Lindstrom. Lindstrom has ISO 9001 for manufacture, sale, rental, washing and care of textile products and ISO 9001 for Quality Management Systems, EcoVadis (sustainability rating) gold medal. Lindstrom uses only green energy in its operation.

Initiatives in current development:

Aviation training services

- Our ACMI provider Avion Express intends to implement a practice where mixed and plastic waste, along with deposit bottles, will be sorted and handed over to ground-handling providers for subsequent recycling during charter flights. This initiative aims to contribute to a substantial portion of the plastic entering a second life cycle.



During flights

Initiatives already in place:

Aviation training services



In 2023, our aviation training activity was enhanced by the implementation of new software solution “MOMook”. The software is designated to organize the entire training system for aviation training centers without using any paper documentation.



By adhering to Digital ATO principles and utilizing IT systems during the training process, **during 2023, BAA Training has successfully reduced paper usage in initial pilot training by 92%.**

ACMI, charter, and cargo services



In the second half of 2023, SmartLynx launched the eCabinLog8 project to enhance cabin maintenance. This system replaces paper-based Cabin Defect Record (CDR) books with an electronic platform that logs detailed defect information, including precise locations and photos. eCabinLog8 speeds up repair actions and reduce operational disruptions. While paper CDRs will remain as a backup, this shift is expected to significantly reduce paper usage.

- Few of our airlines are using electronic flight bags. Indeed, SmartLynx was the first aviation company in the Baltics to replace the necessity to carry paper documentation in the cockpit and introduce the usage of electronic flight bags in 2015.
- Some food and drinks sold during Avion Express charter flights are packed in paper or non-single use plastic as per legal requirement.
- Zero plastic tableware is used onboard private and business jet charter services. Passenger inventories such as blankets, cushions, slippers, and travel kits from recycled materials are also utilized. Cabin crew uniforms are sewn from recycled materials.



Targets:

Corporate initiatives

- 2023
 Recycling training for all Lithuanian based companies was launched and reached **72%** completion rate by April 2024.
- 2024
 As part of the **Office Waste Reduction and Recycling Program** at HQ1 and HQ2 Avia Solutions Group will remove all their office bins to minimize the generation of waste.
- 2025
 Avia Solutions Group is developing a **Greenwashing Program**, which will be applicable to the entire Group.

Aviation training services

- 2024
 Aviation training aims to achieve a **90% reduction in paper forms for Type Rating Training at the end of 2024.**
 - By the end of 2024, it is also expected that **only 10% or less** of all training record forms (for initial pilot training and type rating training) **will be in paper format.**
- 2025
 By 2025, it is anticipated completing the digitalization process of pilot training processes. So far, in comparison to 2022, the paper use in training activities **decreased by ~70%.**

Private and business charter services

- 2024
 By the end of 2024, private and business charter activities are aiming to refuse use of printed paper agreements' storage as a new document management system (DMS) will be launched and implemented across the company.

MRO services

- 2024
 Our MRO activities are planning to reduce the quantity of mixed waste bins in all offices and launch a responsible waste sorting campaign by the end of the year. Disposable cups and other one-time-use containers will be simultaneously eliminated in workplaces.



4.2. Initiatives developed to reduce water consumption

NORDIC DINO ROBOTICS - Aircraft exterior cleaning robot

Nordic Dino specializes in advanced cleaning robots designed for automatic aircraft washing and cleaning services. Equipped with sensors and cameras, these robots assess an aircraft's exterior condition in real-time, targeting areas needing attention. They use minimal water and eco-friendly cleaning agents, reducing the environmental impact of cleaning operations.

Dirty aircraft exteriors contribute to higher emissions and increased air pollution due to accumulated hazardous substances and particulate matter. This pollution significantly impacts air quality, especially near airports and busy flight paths. Therefore, thorough aircraft cleaning is essential.



Benefits of a clean aircraft



Fuel savings due to lower aerodynamic drag



Reduced usage of water and aircraft cleaning products



Improved aircraft availability



Improved health and safety environment



Extended paint life



Fewer corrosion issues



Reduced man-hours



Our social performance



2023 Highlights



Prevention of Violence and Harassment Policy introduction. Introduced in 2023, this policy outlines comprehensive measures to ensure a safe and respectful environment for all, addressing and mitigating instances of violence and harassment in our organization.



New employee engagement solution - Global Engagement Service Provider.



This year, our annual “Have Your Say!” survey saw a strong response, with 73% of employees engaging and 66% actively participating.



Workation Policy was introduced.



Additional vacation days program.



Global Career Expo 2023 was launched. The aim of this event was to spread our global presence and attract more talent to our Group.



Global Ambassadors Project was relaunched. The primary purpose of our brand ambassadors is to embody and communicate the core values of Avia Solutions Group, share their genuine passion for aviation, and engage with the community through authentic, relatable content.



1. Our people

1.1. Introduction

At Avia Solutions Group, we emphasize and encourage ethical behaviour based on core human values. The Group prioritizes developing initiatives that safeguard the health, safety, and overall welfare of our entire workforce while actively promoting diversity and inclusion within our teams. Moreover, we are committed to continually investing in the professional development of our employees, as it not only attracts new talent but also serves to retain our valuable people. By doing so, we ensure that our company remains a hub for exceptional talent and a place where individuals are respected and can thrive both professionally and personally.

From 2022 to 2023, there was a 20% growth in our professionals employed, with a total of 12,000¹ professionals during the reporting period (10,000 in 2022).

We are currently working on the implementation of a **Human Capital Management System**, which will digitalize the data collection process and will cover all the companies within the Group.



7,359

Number of employees by
headcount in 2023



1. The number includes all professionals within the entire scope of Avia Solutions Group.

1.2. Well-being of our employees

Occupational health and safety

The Group considers health and safety matters to be one of the most relevant subjects throughout the organization. We focus much of our attention and expertise on ensuring a safe and healthy working environment for our employees by implementing and improving relevant policies and procedures. Employees are our most valuable asset, thus sustaining the highest standard of health and safety is a non-negotiable priority of the Group.

In 2023, FL Technics approved the Employee Well-being Strategy to ensure the physical and mental health, as well as the safety of all employees. This strategy includes regular monitoring of employees' well-being and selecting appropriate measures to meet their needs. The company also aims to integrate diverse communities and young people of all genders into the multicultural, dynamic labor market. To this end, FL Technics collaborates with educational institutions by promoting aviation, sharing knowledge, assisting in program development, establishing scholarships, and offering internships. Strategic cooperation agreements have been signed with all universities and vocational institutions in Lithuania that offer aviation programs. The targeted application of advanced personnel management practices earned FL Technics the Top Employer Global 2023 certificate, which signifies the company's dedication to its values.

Health training for our employees

100% of our employees are provided with access to online courses covering occupational health, safety, and well-being. Additionally, continuous and tailored training sessions are conducted with local teams in different countries to ensure the effective implementation of health, safety, and well-being management systems. Furthermore, as part of the onboarding process, all newcomers at each subsidiary company are required to complete essential online training modules on health and occupational safety. This ensures that every new employee is well-informed and familiarized with these important aspects before starting their roles.

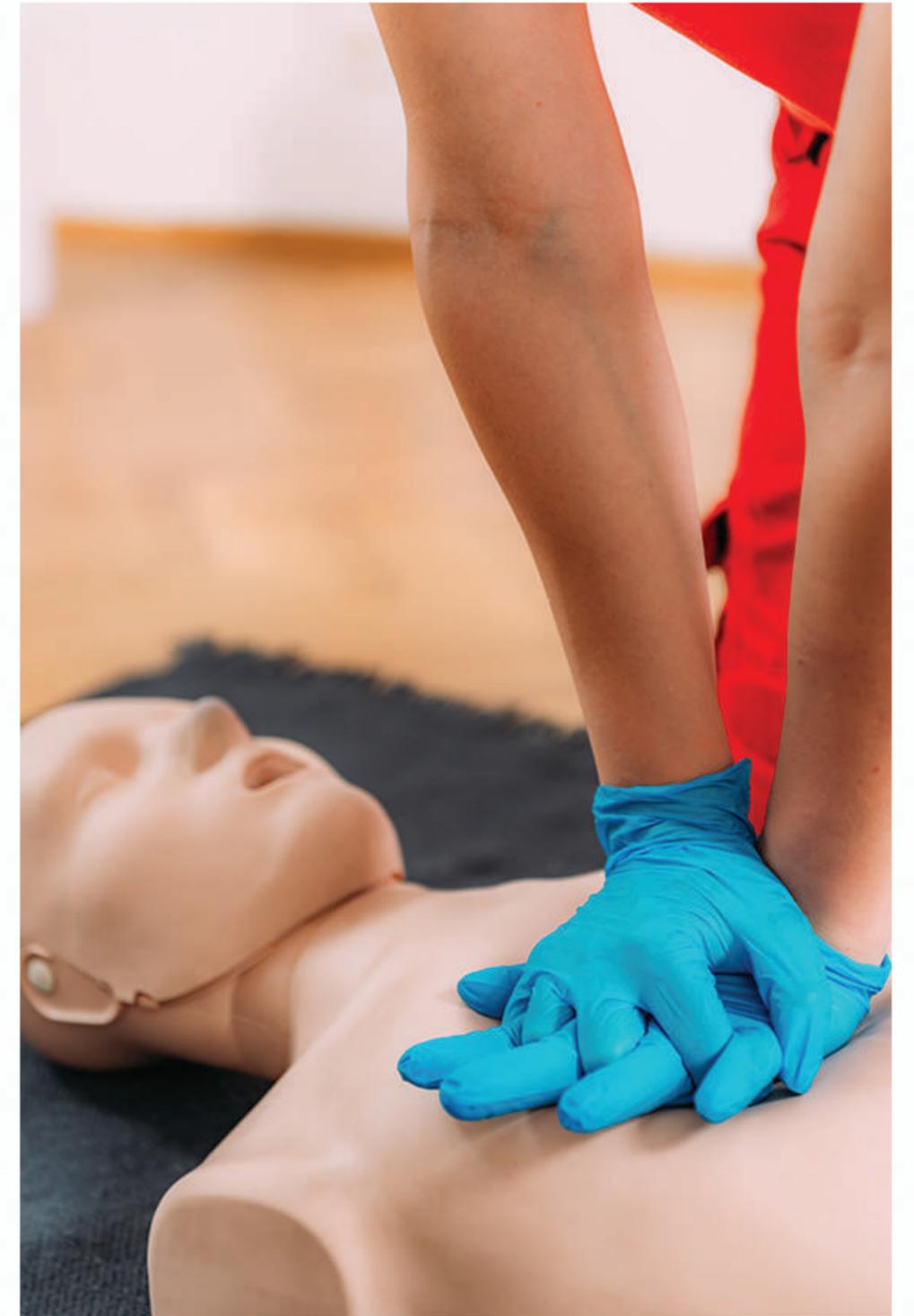
Health insurance and vaccinations for employees

Annual health insurance is offered by Avia Solutions Group PLC, granting employees access to optimal medical coverage. Furthermore, an array of different options is offered to our employees as well. These health benefits encompass but are not limited to **annual flu vaccinations** and periodic health checks. Our MRO services have also introduced an accident insurance package, which covers death, disability, injuries, and similar accidents 24/7 worldwide.



100%

of our employees are covered by the undertaking's health and safety management system.



Employee benefits and well-being

Providing employees with various benefits and perks assists in attracting new talent, keeping the employees engaged and motivated. The Group strives to implement benefit programs with the aim of building a flexible and relaxed working environment. Our employees' needs are constantly evolving, and we want to make sure they find the best possible options to suit their needs and give them a choice. Each year, we launch our annual engagement survey, which helps us understand the new concerns and interests that emerge among our people. Thanks to the information provided in the responses, we are able to introduce and update the benefits offered by the Group each year.



Well-being benefits introduced in 2023:



Workation Policy



Recognition and appreciation app



Additional holidays



Well-being benefits:



Remote work flexibility



Annual Health Insurance



Mindletic mental gym app to promote emotional balance



MELP app to personalize employee benefits



On-site children's day care center



Free on-site gym



Monthly bus e-ticket or parking provided free of charge



Electric car parking lots



Fresh fruit days



Prayer room



Social and internal activities:



Employee of the Year Awards



High Flyers program for the best employees of the quarter



Yoga classes and sports teams



1.3. Aviation Safety Management 2023 Highlights



Zero fatal accidents¹ were reported across the subsidiaries of the Group.



Zero high-consequence work-related injuries or fatalities were recorded from the reported incidents.



Maintaining IATA Operational Safety Audit (IOSA) for Airlines and IATA Safety Audit for Ground Operations (ISAGO) certifications.



Moving toward continued progress: in 2023, the Aviation Safety Policy was approved.



1. Fatal accidents involving employees and contractors.

Aviation Safety Management

Operational safety is of paramount importance in the aviation industry as it directly affects passengers, crew members, environment, reputation of the Group and any third parties involved. We recognize this critical aspect and are committed to upholding the highest international safety standards in all areas where our services are provided. For this purpose, the **Aviation Safety Committee** has been established at Avia Solutions Group PLC in 2022 and is aimed at monitoring all activities affecting aviation safety within the Group as well as ensuring that we comply with applicable laws, and regulations as well as internal Company policies and procedures. In 2023, the Committee introduced Safety Performance Indicators for the subsidiaries alongside a prompt reporting mechanism for serious incidents or high-risk events to the Group within a 72-hour window after the occurrence of such events. In addition, the same process applies if any subsidiary raises a high level of non-conformity; in that case, the Group will be notified. In 2023, we had 4 level 1 findings.

Aviation safety risks are currently being managed autonomously on the level of each separate entity via an implemented **Safety Management System (SMS)**, which requirements and applicability are in accordance with **International Civil Aviation Organization (ICAO) Standards** and recommended practices. Our subsidiaries are also participating in the voluntary certification programmes such as **IATA's Operational Safety Audit (IOSA)** and **Safety Audit for Ground Operations (ISAGO)**. In 2023, our subsidiary Avion Express completed the onboarding process to International Air Transport Association (IATA) Membership and was officially certified. This achievement signifies the company's aim to contribute to continued growth and high safety standards in aviation.

Mitigation actions for main aviation safety risks



Fatigue Risk Management:

Fatigue is included in our risk management, with crew members reporting their alertness levels after each flight. In 2024, we plan to hire additional staff for fatigue management and explore opportunities to expand the program to cabin crew and maintenance personnel.



Pilot/Driver Mental Assistance Programs:

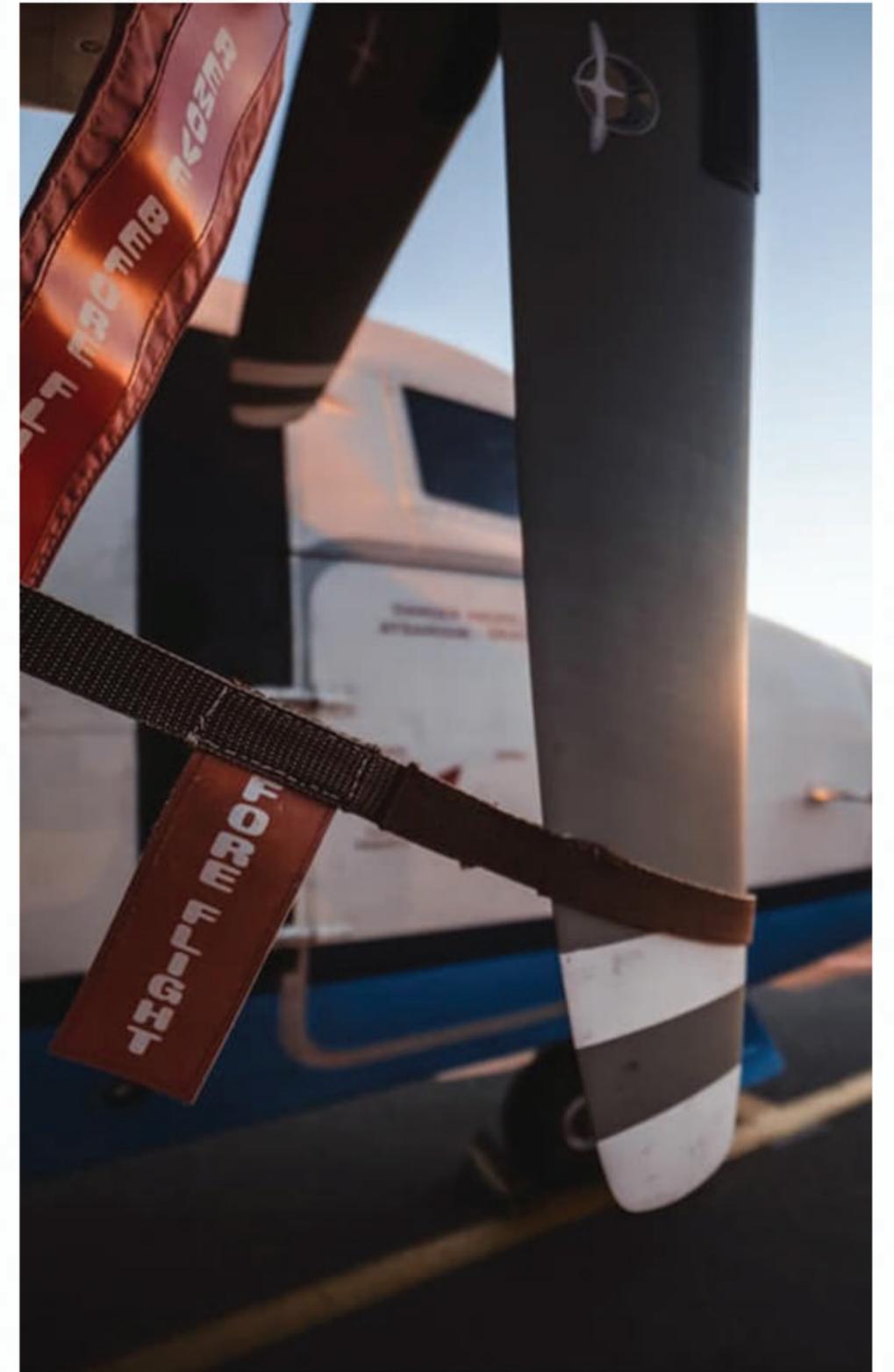
We have confidential Peer Support programs for flight crew members to seek emotional support or assistance with mental health concerns. Each subsidiary manages these programs independently.



Systematic Alcohol and Drug Screening:

This standard process is uniformly implemented across the Group, with each subsidiary maintaining compliance with the internal policies and procedures.

The SMS goal is to proactively monitor and mitigate aviation safety risks before they result in aviation incidents and accidents. In fact, one of the outputs of the Aviation Safety Committee is the elaboration of an SMS Framework that will be established in accordance with the respective cross-integrated ICAO and European Union Aviation Safety Agency (EASA) standards. Group Aviation Safety Policy approved by Board of Directors (Board) in 2023, will contribute to building a strong foundation to standardize safety risk management, safety assurance and safety promotion processes across the Group.



Industry engagement

The Group and its subsidiaries are actively involved in national and international discussions on efficiency and environmental issues. Several key subsidiaries of Avia Solutions Group are members of the National Aviation Association (LAVIA), whose main goal is to develop and enhance Lithuania's aviation strategy, as well as to represent its members at the national and international levels. Members of the association regularly meet with other representatives of the aviation industry to discuss current challenges, objectives, and issues. Among other topics, discussions include aviation safety, fuel management efficiency, aviation training, and regulatory compliance.

In addition, we participate in various aviation safety and efficiency conferences, where significant attention is given to Sustainable Aviation Fuel (SAF) and fuel efficiency. This engagement is particularly important as the Group has initiated an evaluation of operational performance in fuel management. By 2024, the Group plans to implement a **unified software solution** that will allow all airlines within the Group to upload and analyze flight data. This software will be instrumental in providing **comprehensive insights into the airlines' fuel management, efficiency, safety measures, and environmental impact, in addition to standard flight data monitoring program.**

Safety training for our employees

From October 2022, Avia Solutions Group PLC included the basic of safety management training as a requirement for the new joiners to the company. In addition, each aviation-related subsidiary of the Group has an approved training program for its employees, which includes initial safety management system training once they join the company and recurrent safety management system training with different scope depending on the role in the organization.

Furthermore, in 2023 we organized the second **Aviation Safety Forum**, specifically catering to Safety Managers throughout the Group. The forum encompassed a range of insightful sessions and activities with the purpose of fostering connections among Safety Managers and facilitating the exchange of sector-specific insights and best practices.

In April 2023, the Group organized joint **Risk Assessment Training for safety and operational personnel across the Group** provided by JAA Training Organisation (JAA TO). During the two days spent together, we not only reviewed various methodologies for calculating risks but also participated in the group activities where participants could demonstrate the skills they learned and improve their understanding of the "good" risk analysis. This experience strengthened our professional skills, which are needed when companies' top management teams analyse operational and organisational risks, and deepened our cooperation with safety professionals across the Group.



Operational safety statistics

In 2023, the average safety reporting rate across the Group stood at 7.5%. We aim to continuously improve safety reporting by engaging a wider array of employees across various sectors within our Group. This entails their proactive involvement in the safety assurance program, wherein they identify potential hazards and threats within their individual organizations and report them to the responsible persons using the company’s reporting system.

Our top priority is to minimize work-related incidents to the lowest level reasonably practicable. We are committed to proactively preventing and mitigating potential operational safety threats by promoting a strong safety culture and enhancing safety awareness throughout all levels of the organization, starting with the Group’s top management.

The Group completed 2023 with zero accidents and fatalities across the subsidiaries. The Group has not had any fatalities in the last 5 years in the commenced air operations.

In addition, the Group safety database contains 131 recorded work-related incidents, none of which resulted in high-consequence work-related injuries or fatalities.

Group Safety Overview: 2023

General

-  100+ safety and compliance professionals
-  105,552 flights
-  259,730 flight hours
-  1.8M man-hours (MRO)
-  173,318 departures (GH)

Safety

-  9,996 safety reports
-  7.5% reporting rate
-  82% voluntary reports
-  0 accidents

Quality

-  589 internal audits
-  193 client audits
-  217 supplier audits



1.4. Diversity, equality, and inclusion

Equality and mutual respect in our Group

Avia Solutions Group is firmly committed to providing equal opportunities and fostering an environment completely free from discriminatory practices for all its employees. We seek to ensure the psychological safety of employees in the workplace. Three essential elements integrated into our process are key to ensuring equality and mutual respect in our Group:

Equal opportunities

Our **Equal Opportunities Policy** ensures that the Group's **recruitment process is based** solely on an individual's characteristics, education, and work experience, without any discriminatory criteria.

The Group ensures **equal rights for all employees** by providing uniform working conditions tailored to individual responsibilities and roles. Retraining and equitable benefits are extended without regard to factors such as gender, race, nationality, language, origin, social status, religious beliefs, age, sexual orientation, disability and ethnicity.

Prevention of Violence and Harassment at work

Through the implementation of our **Violence and Harassment Policy**, approved in 2023, we strictly prohibit any form of violence or harassment in the Company. Any act (or omission) by the organization's employees aimed at causing physical, social, or psychological harm to another employee or group of employees is steadfastly rejected.

We proactively prevent violence and harassment by implementing a comprehensive system of preventive measures, fostering a secure work environment. These measures prioritize employees' psychological well-being and include clear protocols for reporting and investigating potential incidents of violence and harassment in the workplace.

As in the previous year, in 2023, one discriminatory incident was recorded and properly investigated. Each investigation is conducted in a manner that ensures the protection and confidentiality of all parties involved.

Compensation

We strive to make efforts towards gender equality in terms of employee remuneration. In 2023, the average pay gap between male and female employees in equal-value jobs at Avia Solutions Group PLC was 1%.

Avia Solutions Group PLC is in partnership with a research company for compensation analysis according to the market. This allows us to fairly work toward our goal of improved equality. Similarly, our previously mentioned Equal Opportunities Policy supports the achievement of this goal.

The ratio of the CEO's total annual compensation to the average employee compensation is equal to 4.1:1.



Diversity and inclusion within the company

Diversity and cultural variety are a widespread reality in our Group, reflected in our subsidiaries and branches operating in multiple countries across five continents. Our international synergy is one of our greatest strengths, enabling us to create innovative solutions and foster a vibrant global community of aviation enthusiasts.

Nonetheless, the aviation industry remains predominantly male on a global scale, with women significantly underrepresented in aviation and aerospace professions, particularly in leadership roles, commercial piloting, and maintenance technology. To address this disparity, we are actively working towards enhancing diversity by advocating for an increased female presence in aviation and by championing aviation as a viable field for women.

Advancing workplace inclusivity

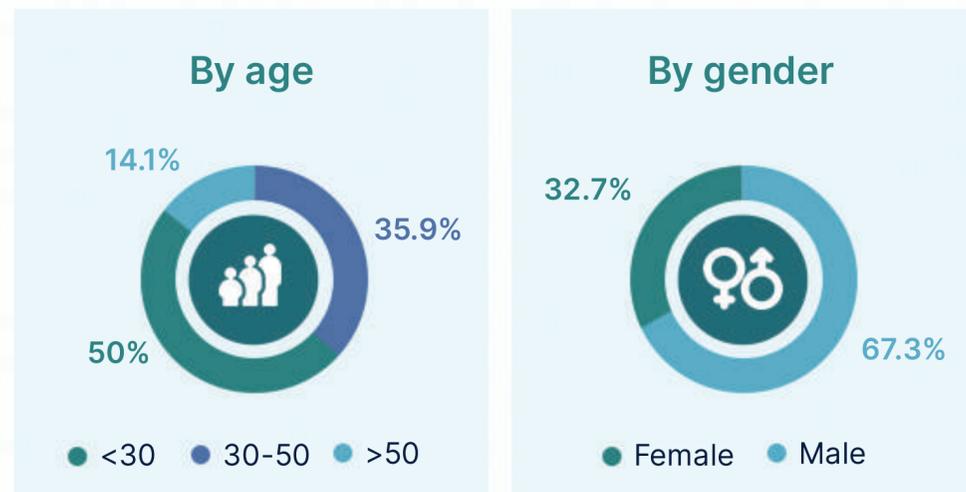
In 2023, Avia Solutions Group hosted a Diversity and Inclusion training specifically for Avia Solutions Group PLC employees. This initiative was a part of our broader commitment to fostering an inclusive workplace. The training aimed to enhance awareness about diversity and inclusion, equipping participants with the knowledge to identify and address behaviours that are not welcomed in a workplace. While other subsidiaries conducted similar training independently, this event was a key step in our ongoing efforts to promote a respectful and inclusive work environment.

In late 2023, Avia Solutions Group also developed “**ESG Awareness Strategy**” as a notable recent initiative. Its primary goal is to raise awareness among employees and our external stakeholders about the importance of **ESG values** and to foster a culture of environmental, social, and ethical responsibility.

Employees are encouraged to take proactive steps in environmental initiatives, social projects, and volunteering opportunities. The strategy revolves around commemorating significant international days that promote inclusivity, diversity, gender equality, and environmental sustainability by establishing initiatives, programs, and educational campaigns.

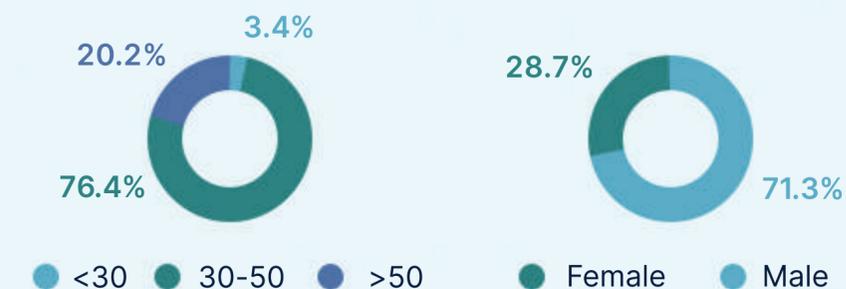
Our MRO services are also actively committed to enhancing inclusion and diversity within the company. By the end of 2025, FL Technics plans to develop and implement an “**Inclusion and Equality Calendar.**” This calendar will identify relevant diversity and inclusion topics based on employee survey feedback and establish an annual communication plan aligned with international commemorative dates. This communication strategy aims to deepen employees' understanding of ESG values and encourage their active participation.

These and similar initiatives across the Group are vital in ensuring our employees feel a strong environment of inclusivity, safety, and equality.



Diversity KPIs 2023*

Employees in top management

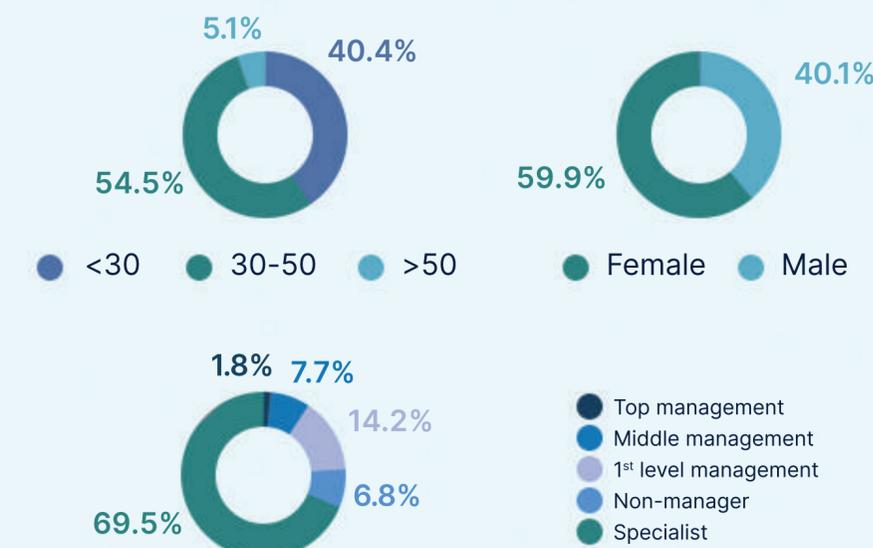


Employees with disabilities
0.4%

Total number of employee hires (by FTE)
2,524

Internal hires (by FTE)

Open positions filled by internal candidates – 17.7%



* The scope of social data has been expanded to include additional companies: AirExplore, Ascend Airways, BBN Indonesia, BBN Türkiye, AeroClass, Aerotime Hub, Busnex, Sensus Aero, Abu Dhabi LLMC, Skytrans, and Universali Arena. This expansion is due to these companies having a greater impact on social factors and the availability of relevant data.

Diversity and inclusion within the company

The true potential of diversity is realized when it is coupled with inclusion. Inclusive practices, integrated with leadership training, are vital for developing effective and ethical leaders who can foster diverse, welcoming environments within their organizations. This training aims to equip leaders with the skills and mindset to promote diversity, equity, and inclusion (DEI) in the workplace and beyond. Here's how inclusion is integrated into leadership training:

Understanding unconscious bias

Inclusive leadership training starts with recognizing unconscious biases and their impact on decisions and teams. Leaders then learn to challenge assumptions for better, fairer choices.

Cultural competence

Leaders are educated on cultural competence, enabling them to understand and appreciate different cultural backgrounds, perspectives, and communication styles. This fosters an environment of respect and openness.

Empathy and active listening

Leaders learn the importance of empathy and active listening in understanding the experiences and needs of team members. By actively listening, leaders can create a supportive and inclusive atmosphere where everyone's voice is heard.

Inclusive decision-making

Leaders are encouraged to involve diverse voices in decision-making processes. This can lead to better decisions and more innovative solutions, as diverse perspectives bring varied insights.

Conflict resolution and fostering collaboration

Inclusive leaders are trained in conflict resolution techniques that promote understanding and collaboration among team members from different backgrounds and viewpoints.

Accountability and measuring progress

Leaders are taught to hold themselves and their teams accountable for promoting inclusivity and measuring progress toward diversity and inclusion goals.

Talent management and recruitment

Inclusive leadership training guides leaders in adopting fair and inclusive practices in talent recruitment, development, and advancement. This ensures that opportunities are accessible to all employees based on merit and potential.



Promoting women in aviation

Promoting women in aviation plays a pivotal role in inspiring young women to pursue careers in this field and promoting aviation as inclusive and accessible to all. We actively engage women through our social media channels to foster their interest in aviation. Furthermore, we celebrate the remarkable achievements of women in the industry and empower more women to enter this traditionally male-dominated sector.

Moreover, we prioritize gender equality across our Group. A notable example is our subsidiary, SmartLynx, which upholds principles of equal opportunity and maintains a **40/60 gender balance** within the company. While women currently make up 39% of SmartLynx personnel, there remains progress to be made, particularly within flight and cabin crews, to achieve greater gender balance. In 2021, SmartLynx committed to increasing female representation through participation in **IATA's #25by2025 initiative**, aimed at enhancing diversity, equity, and inclusion in aviation. Since then, **SmartLynx has seen a 3% increase in female employees and anticipates continued growth.**

Notably, there has been a promising **rise in female pilots at SmartLynx**, a sector historically underrepresented in aviation, particularly within the ACMI sector. **Compared to 2021, the number of female pilots at SmartLynx has nearly tripled**, with expectations of continued growth.

As an Avia Solutions Group-wide initiative, we launched **Spread Her Wings: Women's Aviation Mentorship Initiative** at the beginning of 2024. It aims to connect experienced women professionals with aspiring women in the Group. It is designed to foster the professional growth of women in the organization and thus enhance gender diversity and reduce inequalities.

In 2024, around 70 women joined to be a part of this initiative. Our goal is to build a supportive network of mentors and mentees that empowers women to excel in their careers, overcome professional challenges, and contribute to the success of our organization and a more diverse, thriving workforce.



**25 by
2025**

1.5. Training and professional development

In the aviation sector, prioritizing the training and professional development of employees is paramount. It not only ensures a skilled and capable workforce but also upholds safety, operational excellence, and the industry's commitment to delivering exceptional services. In 2023, the Group's employees completed **over 202,125 training and development hours**. On average, each employee undertook 25 hours of training. Additionally, the Group invested **€6,304,524¹ in training and development**, with an average expenditure of €786 per employee. Furthermore, there were **490 promotions at the Group level**, representing a **59% increase** compared to the previous year.



490 promotions
were achieved at the Group level.



202,125 hours
of training and development were
completed by employees in 2023.



On average, employees completed
25 hours of training.



€6,304,524¹
invested in training and
development in 2023.



Average training and development
expenditure per employee.
€786



100% of employees
were invited to participate in our
engagement survey.

1. The number covers the entire scope of Avia Solutions Group.

To enhance employee performance, the Group is consistently engaged in ongoing development initiatives. Recognizing the diverse skill sets requiring refinement, each subsidiary employs a range of training methods tailored to their employees' needs, covering:

Leadership programs

The Group has in-house talent academies that provide continuous learning opportunities for both experienced and younger leaders. This allows them to refresh their skills and expand their knowledge.

The Leadership Academy encompasses leadership that is typically aimed at young professionals, recent graduates, or emerging leaders who show potential and interest in taking on leadership roles in their careers or communities. The Academy contributes to enhanced talent retention, fosters innovation through fresh perspectives, and builds a strong pipeline of future leaders in the Group. In 2023, fifty young leaders participated in the program across the Group.

Avion Express and FL Technics have also launched tailored leadership programs, inviting leaders from various teams and of different experience levels within their organization to participate. These customized programs allow the companies to equip their future leaders with the targeted development and skills they need to succeed.

Furthermore, the **Smart Leaders Club**, a leadership program, strengthens leadership within the company by implementing training programs for managers and key staff.

Additional training

Mental health training sessions are provided regularly as well as psychological sessions. Language proficiency training, on-the-job training programs, and qualification efficiency training are also offered.

Knowledge sharing sessions

Fostering knowledge sharing across our extended Group is key to our performance. This commitment is demonstrated through quarterly company-wide knowledge sharing sessions, integrated into our continuous education program. Additionally, annual Group-wide gatherings and meetings on market updates further solidify this practice.

In our performance appraisal sessions, we celebrate employee achievements and share valuable lessons in dedicated team settings. Performance is assessed through a range of indicators, including management by objectives, peer feedback, teamwork, and daily interactions. As part of this process, motivational and personal development goals, along with career paths, are discussed with the manager, ensuring alignment with individual aspirations under the management objectives framework. While formal appraisals are conducted at least once a year, more frequent evaluations are common, depending on the team and area.

We also utilize engagement surveys to assess and enhance team cooperation. In addition, regular one-on-one meetings with direct managers provide an opportunity for continuous feedback, fostering honest conversations and promoting ongoing development to meet both individual and team objectives.

In addition to this, our **Mentors Program**, spearheaded by experienced employees, ensures knowledge dissemination, particularly to newcomers, thereby facilitating a more relatable understanding of the business. The "Day with a Colleague" initiative also offers valuable insights into teammates' roles.



1.6. Talent attraction and retention

Retaining skilled and experienced employees fosters organizational memory, leading to higher operational efficiency, smoother knowledge transfer, and decreased training costs. It also enhances team cohesion, as established employees often serve as mentors, nurturing the development of newer team members. This continuity of talent helps maintain a consistent company culture and ensures the seamless execution of projects and initiatives. In 2023, the Group's overall employee turnover was 22.6%. This rate reflects turnover in material companies of the Group and covers Avia Solutions Group PLC, ACMI, MRO, and ground handling business lines, with 17.3% being voluntary.

We also conducted our annual "Have Your Say!" survey, inviting 100% of our employees to participate, and received responses from 66% of them, resulting in a **73% engagement rate**.

While we value the experience of long-term employees, we also welcome the fresh perspectives and diverse skills that external hires bring. This blend of talent fosters creativity, driving the company to explore new opportunities and adapt to evolving market trends.

Elevating the employee experience



Presenting compensation packages and employee benefits.



Providing comprehensive onboarding for new staff members.



Engaging in frequent performance evaluations to foster employee growth.



Introducing various specialized initiatives aimed at attracting fresh talent. Refer to the "Employee benefits and well-being" or "Training and professional development" sections for more details.

Relaunch of the Global Ambassadors Project

Our brand ambassadors play a crucial role in advancing Avia Solutions Group's mission by connecting with our audience and championing the aviation spirit. The main goal of our ambassadors is to personify and communicate the core values of Avia Solutions Group, share their genuine passion for aviation, and engage with the community through authentic and relatable content. We have approximately 150 employees from various Group subsidiaries serving as true brand ambassadors. They participate in training sessions and periodic meetings to enhance both personal and Group branding, and they receive exclusive merchandise representing the project.

Pilot Runaway Project

In April 2024, Avia Solutions Group launched the Pilot Runway program to train up to 200 pilots annually, addressing the global pilot shortage. The program offers a Multi-Crew Pilot Licence (MPL) and job guarantees within the Group's ACMI companies, beginning with Avion Express. Graduates earn an EASA license and can access partial funding, making pilot training more accessible.

Top Employer 2023: enhancing talent

In 2023, FL Technics earned Top Employer of 2023 certificate, recognizing its commitment to creating an excellent work environment and ensuring employee well-being both in Lithuania and globally. This award not only highlights and strengthens the Group's success in attracting and retaining top talent but also reinforces its commitment to maintaining exceptional talent across its subsidiaries.



Retaining our talent



Engaging with our people

“Have Your Say!” is an engagement survey launched for all employees, with 73% actively participating. The insights gained from this survey help enhance employee satisfaction, commitment, and overall engagement within the organization. This approach recognizes that engaged employees are more likely to stay with the company and contribute positively to its success. The involvement of all leaders and managers in the process plays a crucial role in employee engagement and retention.



Taking action

We analyze the “Have Your Say!” survey results to identify areas where employee engagement is strong and where improvements are needed. As a result, action plans are put in place to implement specific initiatives and measures within the Group.



Tracking our progress

Human resources metrics are tracked and monitored by all companies, with turnover rate being a key element in measuring progress and results.



Learning from those who have left

All companies within the Group now implement exit interviews with employees who have decided to leave. The valuable information obtained from these interviews allows the talent attraction process to be more personalized and effective.



Attracting top talent



Global dedicated hiring teams

Across the world, our dedicated teams are diligently engaged in the mission of identifying and recruiting highly experienced professionals. This effort aligns with the overall growth in the aviation industry, particularly in the ACMI businesses and the aviation logistics sector. Within these areas—covering both cargo and passenger services—there has been significant hiring at the middle management and senior specialist levels.



Transforming talent management

Avia Solutions Group is now using the recently launched **Applicant Tracking System**. This software helps manage and control the process of recruiting and hiring potential employees, making it smoother and more efficient.



Global Careers Expo

For the third consecutive year, we hosted the Global Careers Expo to strengthen our global presence and attract top talent to our Group. This time, the annual event included presentations from five of our subsidiaries: BAA Training, BBN Airlines Indonesia, SmartLynx, Chapman Freeborn, and Avion Express. Fifteen speakers from these organizations gave insights into their business operations and shared the exciting career opportunities available within their companies. This initiative plays a vital role in promoting aviation careers and attracting both professionals and aspiring aviators.



2. Customer satisfaction and stakeholder engagement

We recognize that customers drive our business forward and have a profound impact on our sustainability efforts. By actively listening to their needs, concerns, and suggestions, we gain important insights into areas where we can improve in our everyday operations and be aligned with their ESG expectations. Due to the diverse nature of the industry, our subsidiaries might prioritize different customer profiles, leading to distinct approaches in customer engagement:

Customer questionnaires and surveys

Launching customer surveys or questionnaires is part of the process of finding out about our customers' satisfaction and experience. The feedback and results received are analyzed and evaluated internally, enabling improvements and modifications to be made where necessary.

Furthermore, the different business segments use customized systems and tools to collect feedback on specific services provided. For instance, KlasJet sends questionnaires to the brokers after each flight. After careful assessment with the customer and internal team, appropriate action plans are developed to improve or modify processes to ensure a better customer experience and service level. Surveys can be at both the entity and project level.

Meetings and visits

On a regular and continuous basis, the commercial departments hold meetings with customers, either face-to-face or online, conducting negotiations, operational and quality discussions. Usually, the face-to-face mode is preferred, in order to establish valuable human connection.

On the other hand, customers are very welcome and are regularly invited to visit our production facilities or headquarters to discuss current cooperation, customer satisfaction survey results, and future development plans in a formal and informal environment.

Improving customer satisfaction: the new measurement approach

Continuing improvement in our processes and operations is vital to ensure sustainable enhancement of customer satisfaction. Our subsidiary **FL Technics** is a great example of such commitment to our customers. The company prepared and implemented a customer satisfaction measurement methodology in 2022, featuring two parameters: **On-Time Delivery Index** and **Client Feedback Index**. This methodology was further revised based on the results of audits in accordance with Airbus requirements and ISO 9110 certification standards.

Benefits:



Enhanced competitiveness in the market.



Improved management clarity and discipline.



Measurable feedback and engagement.



Conferences and events

Clients and company's representatives have an opportunity to engage in professional discussions and maintain relationships via a vast variety of aviation industry events such as shows, exhibitions and conventions, where Group representatives are constant participants.

The Group is actively participating in diverse global aviation events. We annually participate in the Pilot Career Live event, EATS exhibitions, APATS Symposiums, school fairs, and air shows, as well as MRO events and conferences such as World Cargo Summit, MRO BEER, MRO Europe, and exhibitions in Latin America, the Middle East, and Africa.

The Group also participates in the annual IATA and Ground Handling International conferences, "The Ground Handling International trade fair" as well as the IATA Fuel Forums.

Additionally, we annually attend various conferences and events that offer unique platforms for professionals to network, learn and grow. Some of the events include IMEX America, Air Charter Expo, Aviation Africa Summit and Exhibition, Air Cargo Southeast Asia, Air Cargo Americas, and the world's leading humanitarian aid and disaster relief event, AidEx - The Global Humanitarian Aid.

Every year, we organize meetings with students at Kazimieras Simonavicius University and Kaunas University of Technology in Lithuania, representing the Group and its activity which provides a good opportunity to contribute to local academic communities and exchange insights with the younger generations. Similarly, we actively participate in annual career fairs for students, such as those held at Vilnius Tech and the Career and Study events. We also collaborate with educational institutions by promoting aviation, sharing knowledge, assisting in program development, establishing scholarships, and offering internships. Strategic cooperation agreements have been signed with all universities and vocational institutions in Lithuania that offer aviation programs.

To acquire the latest sustainability news related to aviation and share our own valuable experiences, **Avia Solutions Group ESG Manager Silvia Rodriguez** participated in Aircraft Leasing Ireland's (ALI) "Global Aviation Sustainability Day" conference in November 2023. This prestigious event attracts over 300 senior leaders and expert voices from across the aviation industry, including lessors, airlines, regulators, fuel producers, manufacturers, and financiers. Silvia Rodriguez contributed by sharing her expertise and insights during a panel discussion focused on the analysis of the Corporate Sustainability Reporting Directive (CSRD) requirements.



Achievements and recognition

Chapman Freeborn was awarded the **Air Cargo Charter Project of the Year Award** at the 2023 Air Cargo News Awards held in London, UK, in October 2023. This recognition came in response to Chapman Freeborn's outstanding efforts in delivering humanitarian aid to Türkiye following the February 2023 earthquakes. Despite facing limited capacities, Chapman Freeborn successfully secured special relief flight permits. The judges commended the company for leveraging its longstanding relationships with regional operators and coordinating seamlessly with key stakeholders to ensure the timely delivery of aid.

Chapman Freeborn IMEA was also recognized as the **Air Charter Service Provider of 2023** and the **Air Cargo Charter Broker of the Year**, reaffirming its position as one of the top aviation companies in the region. The Aviation Achievement Awards celebrate excellence in the aviation industry, recognizing companies that have made significant contributions to the sector.

FL Technics has also celebrated a significant achievement — earning the prestigious **Top Employer of 2023** certificate. This recognition, awarded by the Top Employers Institute, highlights FL Technics' ongoing efforts and investments in creating an excellent work environment and ensuring the well-being of its expanding team worldwide.

The Top Employers Institute rigorously assesses how companies manage their employees. FL Technics, a renowned partner in the aviation industry with a global presence, including MRO hubs and offices in the United Kingdom, Germany, the United Arab Emirates, Canada, and Indonesia, has now been acknowledged for its exceptional qualities in fostering a positive work environment through this certification.



FL Technics has been
certified as **Top Employer**



3. Data privacy

Protecting personal data is one of our key priorities. Our primary goals include safeguarding personal data, upholding privacy, strictly complying with legal data protection requirements, demonstrating regulatory conformity for our stakeholders, and fostering a strong data protection culture within the organization. To achieve these goals, we implement the following measures:

Data Protection Officer (DPO): All companies have a designated DPO or a person appointed to be responsible for the implementation of data protection requirements within the Group. The DPO assists the company with any issues related to the protection of personal data.

DPO of Avia Solutions Group PLC: The DPO provides the subsidiaries with advice and monitoring services relating to the protection of personal data according to the context of each subsidiary.

Policies: Every company enforces essential policies, including but not limited to:



Privacy Policy: Outlining the handling of client personal data collected via digital means.



Personal Data Processing Policy: Governing the handling of personal data by employees for subjects like employees, clients, and suppliers.



Procedure for Managing Personal Data breaches: Describing breach response steps, responsible employee actions, and breach severity assessment criteria. Applicable to identifying and handling breaches by employees.



Employee Personal Data Protection Policy: Covering internal administrative use of employee and candidate data.

According to the Employee Personal Data Protection Policy and the Personal Data Protection Policy, every employee shall comply with the requirements and observe the principles and requirements outlined therein in their work. Violation of the requirements stated in the policy shall be considered a gross violation of job duties, which may result in the disciplinary sanctioning actions set forth in the Labour Code.

Data Breach Register: Internal platform designed to document breaches and findings from breach investigations. The platform also facilitates the input of the preventive measures taken by the company before the breach (such as backups, encryption, and training).

Employee trainings: During the first 3 months at the company, all employees shall complete the e-training on the requirements for the processing of personal data, where they become familiar with the policies and procedures, rules, or guidelines regulating the processing of personal data.

Awareness campaigns: Throughout the year, educational articles and posts on privacy issues are prepared and published on the Group's internal communication sites.

Data Protection Impact Assessment ("DPIA"): To manage the risks and implement risk mitigation measures to the rights and freedoms of individuals arising from the processing of personal data, we have designed a DPIA process. DPIA is a reporting tool that allows the company to be in compliance with the General Data Protection Regulation (GDPR), as well as to demonstrate that appropriate measures have been taken to ensure compliance with the GDPR.

National Data Protection Authorities, together with the European Data Protection Board, provide lists of cases where a DPIA would be required.

Implementing privacy rights of data subjects: Each company guarantees the implementation of data subjects' rights and the provision of any related information upon request or in case of a query.

Managing personal data breaches: The rules for the investigation, assessment, management, and administration of data breaches are established by the Procedure for Managing Personal Data Security Breaches.

In 2023, seven customer data incidents were registered on the Data Breach Register platform, compared to six incidents last year. All the complaints were thoroughly investigated and effectively addressed. In addition, each year Avia Solutions Group PLC conducts internal audits of subsidiary companies' Privacy Policies and carries out periodic reviews.

In 2023, the Group launched a second Data Breach Awareness Survey dedicated to understanding the data privacy status across companies located in Lithuania. The survey concluded that existing data protection measures should be maintained: regular training, intranet articles on data protection, and a privacy manager channel within the subsidiaries.

4. Contributions to society

Supporting Ukraine and its people

The Group goes beyond our core business operations and supports various programs and initiatives that can make a positive impact on society, aid development of local communities, and enhance employee engagement.

Avia Solutions Group and its subsidiaries continue to strongly support Ukraine amidst Russia's military actions. Avia Solutions Group is in active collaboration with Caritas to recruit and support Ukrainian refugees, currently employing about 50 Ukrainian professionals, including 41 at FL Technics.

In 2023, the Group continued initiatives and projects for the support of Ukraine. This time, on the initiative of FL Technics' own employees, funds were raised to buy, prepare and hand over the SUV to the Ukrainian people who are fighting for their freedom. Although it was planned to raise funds for one car, the company tripled the amount donated and eventually as many as four SUVs were sent to Ukraine. A dedicated team with the purchased cars left to the war zone in August 2023. The employees who participated in the initiative and actively collected funds gathered to symbolically design and paint the cars, thus completing the project. The SUVs were handed over to the representatives of the non-profit organization "Sesios AM", who transported them to Ukraine.



Response to humanitarian crisis

In a world facing increasing humanitarian challenges, Avia Solutions Group aims to proactively provide support to humanitarian causes. Through strategic donations and partnerships, the company provides relief and fosters resilience in communities affected by crises worldwide.

In response to the tragic events in Türkiye at the beginning of the year, the Group took decisive action to support humanitarian efforts. The company pledged a donation of €100,000 to Turkish humanitarian aid organizations, aimed at providing crucial assistance during this challenging time. The financial support was directed to Türkiye's Disaster and Emergency Management Authority (AFAD) and Türk Kızılay, the nation's foremost humanitarian organization and a key member of the International Red Cross and Red Crescent Movement. These funds are intended to bolster relief efforts and aid those affected by the crisis.

Additionally, we also demonstrated our commitment to social responsibility by effectively responding to the crisis in Israel that arose at the end of the year. Our private charter services conducted emergency evacuation flights from Israel, leveraging its extensive experience in collaboration with government institutions and local authorities to ensure the safety and well-being of affected individuals. Our services actively coordinated with charter brokers to fulfill flight requests and collaborated with relevant government entities to ensure the security and welfare of travellers.

Chapman Freeborn, which has been an integral part of humanitarian efforts for every major global crisis over the past 50 years, providing solutions for airlifts, airdropping, search and rescue flights, evacuations and repatriations, announced Aviation Emergency Services (AES) in 2023, an enhancement to its dedicated service that facilitates swift and efficient emergency response charters and timely aid. AES is an advancement of this existing offering, created in recognition of the need for robust planning and preparation in the face of increasing global threats. It introduces a range of solutions, including crisis, security, and risk management.

Health and well-being

We pay a lot of attention to the well-being of local communities in need, thus encouraging teams to participate in health initiatives has been on the Group's agenda for years. Together with specialists from the Blood Centre, we organize **blood donation events** where employees can come during work hours to donate much-needed blood.

Avion Express places significant emphasis on raising awareness about breast cancer, as demonstrated by their annual participation in the Pink Run event for the past 10 years. The company pays the registration fees of employees who are willing to run in this event, thus encouraging the spread of information, providing financial assistance, and promoting the health and well-being of employees.

In 2023, we took part in the Alfa Run as one of the team-building activities, while at the same time contributing to the rehabilitation activities carried out by the Public Institution "Alfa Centre", which aids people suffering from alcoholism and drug addiction.



Supporting children and young people

We have long supported the Mashimomi Child Care Program (MCCP), which is a community-based organisation that operates in Kenya. The organisation supports educational sponsorship of children from poor backgrounds. For example, MCCP is sponsoring 67 children learning in several schools and colleges. For years, Aviator has been working with this organization and provides support to the **Mashimomi Children Centre in Kenya**, offering funds to orphaned children for a brighter future. In 2023, the company continued to support the organisation's initiatives to positively impact the lives of children in need. Aviator also upholds its tradition of gifting Christmas presents to the children annually.

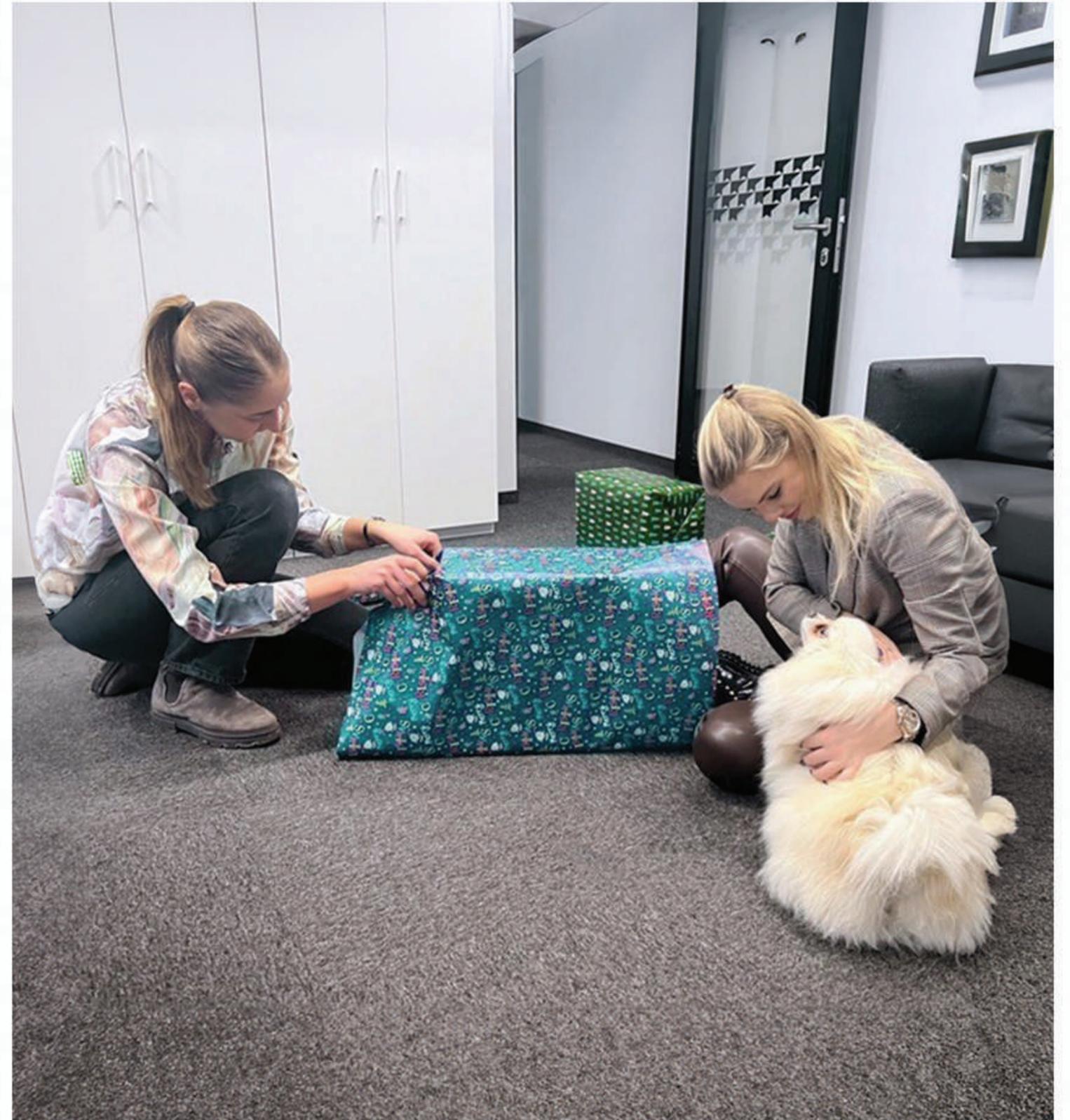
Similarly, **Avion Express** maintains its ongoing collaboration with the **All-Saints Children's day-care centre**. Together, they organize an annual fair featuring handmade items crafted by the children to raise funds for their daily needs.

Avia Solutions Group also annually organizes an initiative to support children in need during the Christmas period, trying to fulfil the Christmas wishes of the little ones and giving them the chance to feel the Christmas spirit by receiving the gifts they desire.

In 2023, **FL Technics'** subsidiary **Storm Aviation** hosted a visit for 15 special needs students and 2 staff members from **Ayrshire College's HIVE Project in the UK**. This project supports young people with learning difficulties who may have dropped out of education or been unable to obtain qualifications, aiming to equip them with practical skills for their future careers.

Additionally, **Magma Aviation** supported the UK-based non-profit organization **Sea Sense** in 2023 by transporting over 1,000 kg of plastic-free, biodegradable flip-flops. Sea Sense collaborates with grassroots organizations in Sierra Leone, Kenya, and Indonesia to reduce plastic pollution and provide income opportunities for plastic collectors. The sales from these flip-flops fund efforts to prevent ocean plastic pollution, benefiting communities in developing countries.

Moreover, Avia Solutions Group continues its annual support for Lithuanian diaspora youth through the **"Bring Together Lithuania" program**. This initiative empowers young Lithuanians abroad by offering professional skills development, networking opportunities with global Lithuanians, and insights into career opportunities in the aviation industry.



Helping animals and nature

Each October, **Avion Express** partners with **Tautmiles Globa** to support an animal shelter through both financial and non-financial donations. The company organizes volunteer events where employees help take shelter animals for walks, encouraging staff to contribute funds and spend time with the shelter's furry residents. In 2023, the Avion Express team raised funds for the shelter, which the company generously tripled, significantly enhancing their support for the animals.

To actively contribute to environmental stewardship, our companies within the Group participate in annual clean-up activities, both internally and in the wider community. In 2023, **JETMS and FL Technics** took part in the **MES DAROM** environmental clean-up campaign in Lithuania. This initiative aims to educate the public about environmental issues, increase awareness, foster community engagement, promote collaboration across sectors, develop innovative and sustainable business solutions, and restore damaged natural environments.

BAA Training also prioritizes social responsibility through active community engagement. All throughout the year, the company's employees participate in various outings and volunteering activities, such as assisting at **Horse Valley, a non-profit horse shelter**. These efforts underscore the company's commitment to animal welfare and community support. BAA Training also takes part in local support initiatives, environmental clean-ups, and community events each year, promoting teamwork and empathy among its employees. These efforts highlight the company's commitment to making a positive impact beyond aviation training, fostering a culture of responsibility and care both within the organization and in the communities it serves.



Our governance performance



2023 Highlights

Successful launch of the Entity Management Application: In January 2023, Avia Solutions Group (ASG) PLC introduced the Entity Management Application, a centralized database for Group subsidiaries' data. Since its launch, all Group companies have been regularly updating their information in the application. Avia Solutions Group use it for auditing corporate information and conducting internal and external audits, as well as integrating it with other corporate applications.

Group-wide Policies Page: Avia Solutions Group created an application to track policy adoption across the Group. All Group companies report their policy adoptions through this application, access the policies themselves, and contact Avia Solutions Group policy owners with any questions.

Ensuring comprehensive governance: An independent assurance screening process was designed for assessing the transposition and effectiveness of the Avia Solutions Group-wide policies in 2023.

Zero incidents of corruption and zero incidents of money laundering activities have been recorded in 2023.

Adoption of Group Corporate Compliance Policies: The Group adopted comprehensive Corporate Compliance policies, including Anti-Fraud, Anti-Money Laundering (AML), Anti-Corruption, Anti-Bribery, and Whistleblowing Policy.

Supplier Code of Conduct: Supplier Code of Conduct was developed to ensure suppliers align with the Group's values and standards, promoting ethical practices, sustainability, and social responsibility.

Human Rights Policy: developed and approved a Human Rights Policy, which is based on the International Human Rights agreements and commitments.

Since 2023, **Avia Solutions Group supports the Ten Principles of the UN Global Compact as a participant.**

Procedure for Declaring and Managing Conflicts of Interest: In 2023, the Group introduced a procedure to identify, disclose, and manage conflicts of interest, ensuring organizational integrity and trust.

Improved Client Onboarding and Due Diligence Procedure: A new digital tool was introduced to enhance the onboarding and due diligence process by evaluating risks related to money laundering, corruption, bribery, and identifying sanctioned entities.

Whistleblowing Policy: we established the Trust-Line reporting system and a Whistleblowing Case Management system, adhering to EU regulations, to enable anonymous reporting and secure management of whistleblowing cases.

Approved Enterprise Risk Management (ERM) Policy and Framework: it provides unified guidelines and recommendations across the Group to address uncertainties in planning, performance management, and operations. It integrates risk management principles into decision-making, core activities, and business processes.



1. Corporate governance at Avia Solutions Group

Board of Directors

Board responsibilities and structure

The Avia Solutions Group (ASG) PLC Board of Directors (referred to as the Board of Directors, the Board) is committed to fostering sustainable growth, ensuring financial integrity, and upholding high governance standards. The Board plays a crucial role in supervising the Group's operations, which includes:

- **Strategic Guidance:** Defining and endorsing the Group's strategy and objectives, ensuring alignment with the company's values and culture.
- **Performance Monitoring:** Overseeing performance to ensure competent and prudent management that adheres to the Group's strategy, risk tolerance, and budgetary constraints.
- **Project Direction:** Leading major projects and steering the Group's organizational development.
- **Risk Management:** Overseeing the Group's risk management to safeguard the company's long-term success and resilience.



Stakeholders

The highest governance body of Avia Solutions Group engages with stakeholders to support due diligence and manage the organization's impacts through various communication channels. Major events are shared on the [website](#). Financial reports are also available online, allowing interested parties to ask questions and interact with [the company](#). For further inquiries, stakeholders can reach out through the investor relations contact [page](#).

*For more detailed information on the Board members experience and expertise, please refer to [ESG Report 2022](#)

** Mr. Picano was appointed on 1 February 2023 after Mr. Vygaudas Usackas, the previous Member of the Board of Directors, resigned as a Director of the Company.

Composition

The Board consists of six members, including the Preference Share Majority Director. Directors are appointed by a majority shareholder vote at the Annual General Meeting, with the exception of the one nominated by the preference share majority shareholder. The Board includes three executive directors, who hold executive positions within the Company, and three non-executive directors.

Board members are elected individually and do not rotate out of their positions. They exercise their voting rights independently, prioritizing the best interests of the Group in line with their fiduciary duties. All members adhere to the Company's Conflict-of-Interest regulations, ensuring that no director votes on, or is counted in the quorum for any resolution involving a matter in which they have a material interest or duty that conflicts, or may conflict, with the Company's interests.



Gediminas Ziemelis
 Founder and Chairman of the Board of Directors of Avia Solutions Group (ASG) PLC since 2005. Non-executive.



Jonas Janukenas
 Chief Executive Officer (CEO) of Avia Solutions Group (ASG) PLC, member of the Board of Directors since 2017. Executive Director.



Thomas Klein
 Member of the Board of Directors since 2021. Non-executive.



Linas Dovydenas
 Chief Commercial Officer of Avia Solutions Group (ASG) PLC, member of the Board of Directors since 2017. Executive Director.



Zilvinas Lapinskas
 Member of the Board of Directors and CEO of UAB "FL Technics", a direct subsidiary of Avia Solutions Group (ASG) PLC, since 2013. Executive Director.



Pascal Jean Alexandre Picano
 Member of the Board of Directors. Non-executive.

Board Committees

Avia Solutions Group (ASG) PLC delegates powers to established committees as outlined in the Company’s Articles of Association. Executive committees are comprised exclusively of Board members, who adhere to the rules set by the Board when exercising delegated powers. Additionally, the Company may establish non-executive committees without decision-making authority to provide advice, consultation, recommendations, or expert reports on specific matters requested by the Board. These committees must include at least one Board member, with additional members appointed at the Board’s discretion. This change, effective from July 2023, previously required a minimum of two members on such committees.

The Board of the company establishes the following committees:

Executive Committee



Gediminas Ziemelis
Chairman of the Committee



Jonas Janukenas
Deputy Chairman of the Committee



Zilvinas Lapinskas
Member of the Committee

Nomination Committee



Gediminas Ziemelis
Chairman of the Committee



Linas Dovydenas
Deputy Chairman of the Committee



Thomas Klein
Member of the Committee

Aviation Safety Committee*



Linas Dovydenas
Chairman of the Committee



Ugne Maciejauskaite
Group Aviation Safety Manager, Deputy Chairman of the Committee

Remuneration and Compensation Committee (est. 2023)



Gediminas Ziemelis
Chairman of the Committee



Jonas Janukenas
Deputy Chairman of the Committee



Inga Staniune
Chief Human Resources Officer, member of the Committee

Fleet Management Committee (est. 2023)



Gediminas Ziemelis
Chairman of the Committee



Jonas Janukenas
Deputy Chairman of the Committee



Pascal Jean Alexandre Picano
Member of the Committee

* Chairman of Committee - Vygaudas Usackas (Resigned on 1st February 2023).

ESG governance within the Group

Effective governance is crucial for the successful implementation of the Group's ESG strategy at all levels.

The ESG department of Avia Solutions Group, which reports directly to the CEO, leads the development and execution of this strategy. Each subsidiary appoints ESG focal individuals who are instrumental in shaping and implementing the strategy. Additionally, during each quarterly Board meeting, the CEO provides updates on significant Group matters, with a particular focus on ESG concerns.



Decision-making and quarterly Board meetings

The Board of Directors of Avia Solutions Group PLC directly influences all significant issues facing the group of companies, including major transactions, funding, and risk management, either through Board meetings/resolutions or the Executive Committee.

Board meetings are held quarterly at the corporate headquarters in Ireland, where the financial position, major projects, and other significant business and compliance matters are reviewed. Decisions are made by a majority vote at a duly convened Board meeting, following the rules and procedures specified in the Articles of Association.

Conflict of interests

Per the Board's Code of Conduct, all Board members must act appropriately, effectively, and economically, adhering to the highest professional standards while avoiding any potential conflicts of interest.

To ensure transparency and integrity, the Board of Directors introduced the "Declaration and Management of Interests" protocol on March 7, 2023. This protocol mandates that employees disclose any potential conflicts of interest, emphasizing responsible and transparent behavior. Employees are required to prevent conflicts, report any observed conflicts, and uphold integrity in their roles. This proactive approach underscores Avia Solutions Group's commitment to maintaining the highest ethical standards and preserving the trust of clients, partners, and stakeholders.

The "Declaration and Management of Interests" protocol offers a clear framework for identifying and addressing conflicts of interest. It covers a wide range of scenarios, from financial interests to personal relationships that could affect employees' impartiality and objectivity in their decision-making processes. Board members must report any conflicts of interest to the responsible chair of the Board or Committee. If a Board member has a direct or indirect interest in a stakeholder, they must declare the nature of their interest at a Board meeting. Such Board members are prohibited from voting on or being counted in the quorum for any resolution concerning the stakeholder, unless the interest falls within the permitted interests as outlined in the Company's Articles of Association.

Board members must report any conflicts of interest to the responsible chair of the Board or Committee. If a Board member has a direct or indirect interest in a stakeholder, they must declare the nature of their interest at a Board meeting. Such Board members are prohibited from voting on or being counted in the quorum for any resolution concerning the stakeholder, unless the interest falls within the permitted interests as outlined in the Company's Articles of Association.

All conflicts-of-interest declarations made by Board members are meticulously recorded in the resolutions and meeting minutes of the Board of Directors and duly entered into the records maintained by the Company Secretary.

Overall, the Group recorded zero conflicts of interest for 2023 and initiated the transition to a digital declaration mechanism in 2024.

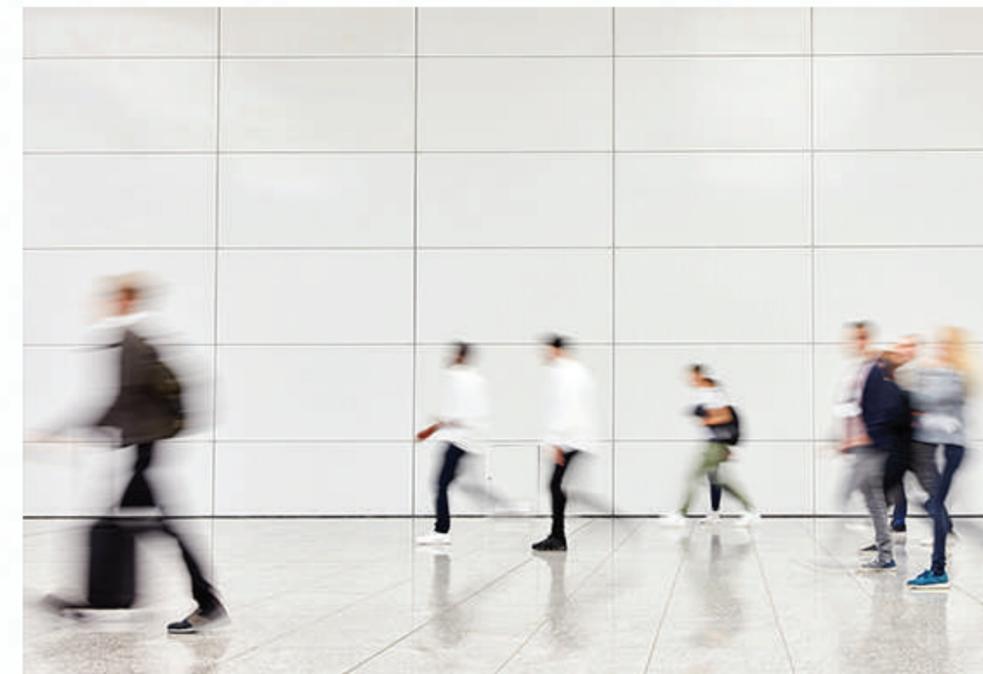
Communication of critical concerns

Whistleblowing Policy

In the Group's Whistleblowing Policy, approved in 2023, the process for communicating critical concerns to the highest governance body is outlined to ensure transparency, accountability, and timely resolution of issues. The purpose of the Policy is to allow employees to make disclosures about perpetrated or suspected infringements through Company whistleblowing channels without concern of victimization, subsequent discrimination, disadvantage, or dismissal.

When an employee or stakeholder raises a critical concern through the Group's anonymous whistleblowing mechanism ([Trust-Line](#)), the steps listed in the next column are involved.

As part of our commitment to transparency and accountability, all reported cases are managed and recorded in the Whistleblowing Case Management System for ESG or annual corporate reporting purposes.



1. Initial assessment: upon receiving a critical concern, designated personnel perform an initial assessment to determine the severity and validity of the concern. If the concern is deemed to be of a critical nature, the designated personnel may escalate the concern to relevant individuals or units.

2. Confidentiality and protection: throughout the process, confidentiality, protection of the whistleblower's identity, and protection from any form of retaliation is ensured.

3. Investigation and verification: in consultation with relevant internal or external experts, the designated personnel initiate an investigation to verify the accuracy of the concern and gather additional evidence.

4. Communication to highest governance body: once the investigation is completed, a comprehensive report is prepared summarizing the critical concern, the findings, and any recommended actions. This report is communicated to the highest governance body for decision-making.

5. Review and decision: the highest governance body reviews the report, considers the seriousness of the concern, and decides on the appropriate course of action. This may include implementing corrective measures, disciplinary actions, or policy changes.

6. Communication of actions: the decisions and actions taken by the highest governance are communicated to relevant stakeholders.

Enterprise Risk Management

Our clear policies and procedures outline expected behaviours and practices, helping us mitigate potential risks, prevent misconduct, and communicate critical concerns effectively. The Enterprise Risk Management (ERM) Policy, approved by the Board of Directors in 2023, provides unified guidelines and recommendations across the Group to address uncertainties related to planning, performance management, and operations. This policy integrates risk management principles into decision-making, core activities, and business processes.

The ERM Policy enables us to make better-informed decisions, improving the likelihood of achieving our organizational mandate, strategic goals, and operational objectives. Based on the principles, framework, and process outlined in COSO: ERM 2017, as well as industry and national regulations, the policy ensures that risks are managed and controlled systematically, proactively, and cost-effectively across all areas of the organization.



2. Risk Management

In the aviation sector, strict regulations govern air transport services, particularly concerning maintenance, security, and operational standards. To ensure compliance and manage any potential risks, the Group adheres to corporate standards and industry best practices.

Risk Management Process

The Risk Management Process aims to identify events that could potentially impact the Group's ability to achieve its objectives and to establish a comprehensive risk management and reporting system. This process facilitates the monitoring of key strategic and operational risks, tracking their progression over time, and assessing measures in place to manage these risks both at the Group and entity levels. Ultimately, the Risk Management Process aims to create and preserve value while safeguarding the Group's assets and reputation.

Enterprise Risk Management Framework (ERMF)

The Group relies on its **Enterprise Risk Management Framework (ERMF)**, which establishes the fundamental principles for managing risks. The ERMF includes global standards, objectives, and clearly defines responsibilities for various employee groups across the organization. Each subsidiary's Quality team, along with the organization-wide adoption of the Safety Management System (SMS), is responsible for managing, maintaining, and operating aircraft, ensuring safety and security at work, and providing personnel with training.

To ensure high-quality Enterprise Risk Management, we apply principles based on best practices, AS/NZS ISO 31000:2009 standards, and guidance from the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Risk Monitoring

To effectively assess, manage and monitor risk, the Group is implementing the "three lines of defence"* model, which establishes a clear distribution of responsibilities, monitoring and control between Group functions and subsidiaries.

Enterprise Risk Management Policy

In 2023, the Board of Directors has also approved the Enterprise Risk Management (ERM) policy and framework. This policy aims to help us make better-informed decisions in order to improve the probability of achieving its mandate, strategic goals, and operational objectives. This policy is grounded in the principles, structure, and procedures delineated in COSO: ERM 2017, along with relevant industry and national guidelines.

*For additional information, please be referred to our previous [ESG Report 2021](#).

Risk identification and evaluation

The Group's ERM function regularly updates risk mapping and risk universe procedures. Risk identification involves meetings, interviews, discussions, historical data analysis, and market information. Principal risks are evaluated based on their probability and impact, with specific procedures and controls outlined to mitigate them. Annual reporting on key risks to Group management is an integral part of the ERM process.

Risk reporting employs both top-down and bottom-up approaches, beginning with the Group's principal subsidiaries. Each year, designated Risk Champions create risk registers, which are consolidated at the Group level. These registers describe inherent risks, assuming existing controls function as designed, and include mitigation plans along with evaluations of probability and impact. Regular meetings between the Group Enterprise Manager and Risk Champions ensure the reliability of this process.

Additionally, the Group's ESG function continuously assesses sustainability-related risks, conducting annual climate related analyses that are integrated into the ERM framework.

Fostering risk management culture

As part of our risk identification and evaluation process, we emphasize the importance of employee awareness and cultivating a risk-aware culture within the organization. This approach ensures that our teams understand the significance of potential risks and are equipped and empowered to make informed decisions that safeguard operations and ensure sustained success. We provide guidance, frameworks, and tools for employees and stakeholders to identify and report risks proactively.

These resources include:

- Annual risk assessment and updates.
- Regular training on risk identification in safety, cybersecurity, fraud, anti-corruption, and anti-money laundering.
- Ongoing support for subsidiaries in establishing ERMF.
- Dedicated whistleblowing channel for confidential reports.

Risk management culture is also integrated into new service development. Our subsidiaries assess key financial, regulatory, operational, and subsidiary-specific risks when creating new services. This ensures business resilience, safeguarding assets and reputation while enhancing operational efficiency, regulatory compliance, and long-term growth.

2.1. Key risks and their impact

This section outlines the most significant emerging risks which, as of the date of this document, could have a long-term impact on the Group's business results, financial situation, and reputation. The risks described below arise from outside Avia Solutions Group and are beyond its influence and control.

Geopolitical uncertainties resulting in increasing trade restrictions

Avia Solutions Group operates in a global market and is exposed to the risk of geopolitical uncertainties, which results in more stringent trade restrictions that can significantly impact our operations and business results. The Russia-Ukraine conflict has created long-term significant challenges, particularly for the airline industry, whose operations must adapt to restricted airspace and other air traffic disruptions resulting from the war.

In response to Russia's invasion of Ukraine in February 2022, the EU, UK, US, and other countries have implemented extensive sanctions on Russia and Belarus. These include targeted measures on individuals and entities, export controls, and broader restrictions on economic relations, trade, and financial transactions. The geopolitical fallout from this crisis has created substantial uncertainty and volatility in the global economic and security environment. Escalation or expansion of the conflict in Ukraine could lead to further trade restrictions and instability across Europe and the rest of the world.

Impact. Failure to comply with relevant laws and regulations could result in severe consequences for the Group, including:

- Substantial fines and monetary damages,
- costly legal proceedings,
- reputational harm and loss of public trust,
- exclusion from public procurement opportunities,
- inability to obtain or renew necessary approvals, licenses or permits to operate.

Non-compliance poses major risks not only financially, but also to the company's ability to conduct business and maintain its market position.

Mitigation plan. Avia Solutions Group has implemented a comprehensive mitigation plan to ensure compliance across its operations:

- **Group-wide Client Onboarding & Due Diligence Procedure:** The Group has implemented tools to screen contracting partners for ethics and trade sanctions.
- **Dedicated Compliance Procedures and Measures:** Based on the essential Group policies for key compliance domains like Whistleblowing, Onboarding and Due Diligence, Anti-Fraud, Anti-Bribery and Anti-Corruption, AML, Compliance Rules and Sanctions Compliance, robust procedures and measures are in place. These procedures and measures ensure that all employees adhere to prohibited practices, sanctions, and rules in compliance with applicable laws. They are regularly reviewed and updated to maintain their relevance and effectiveness.
- **Employee Training:** The Group launches e-learning campaigns to educate a wide range of employees on different compliance areas. It also provides specific training for staff with high-risk exposure.
- **Expert Advisory Support:** A team of compliance experts provides advice and guidance on contracts and projects to ensure adherence to regulations.

Avia Solutions Group recognizes the need to stay vigilant and proactive in remaining compliant with sanctions resulting from geopolitical tensions to ensure the continued success and sustainability of its operations in the global marketplace.



Photo source: shutterstock.com

Dynamic regulatory landscape for sustainability and climate change

Over the last few years, the regulatory framework for climate change and sustainability has seen a surge of new legislation, especially in Europe. This evolution compels organizations to enhance their transparency practices and rethink traditional business models. These new regulations drive businesses to adopt different practices while ensuring they meet the increasing societal and customer demands for environmental responsibility. As the regulatory landscape evolves, Avia Solutions Group firmly ensures compliance while maintaining its competitive edge. Importantly, the majority of its emissions fall under scope 3 rather than scope 1, helping to create a lower risk environment in terms of climate-related regulations.

Impact. Governments are implementing policy changes and new legislation to price and penalize the environmental impact of the aviation sector. Revisions of EU Emissions Trading System (ETS) and the implementation of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) will lead to increased costs in future financial years. This is due to the reduction of the emissions' cap, the phasing out of free emissions allowances, and the necessity to purchase carbon credits. Additionally, sustainable aviation fuel mandates will lead to higher operational and upstream costs in the medium term.

New global regulations and potential varying national policies without a standardized approach may further increase Avia Solutions Group operational costs. Differing timelines and reporting requirements pose challenges to achieving the most efficient and adequate compliance.

Adhering to new ESG-related reporting standards, such as the EU's Corporate Sustainability Reporting Directive (CSRD), will require additional administrative capacity across the Group. As the company operates in different geographies, the evolving reporting expectations may create parallel obligations with varying requirements.

Mitigation plan. The relevance of addressing the dynamic regulatory environment in which climate change and sustainability meet is essential. The Group therefore ensures that it has sufficient resources and measures in place to mitigate any potential challenges in this regard. This includes assessing climate-related risks and their potential impact on the organization, which could translate into increased costs. The ESG team continuously monitors the evolving regulatory landscape, ensuring compliance with existing regulations and proactively allocates resources, systems and processes to meet all new requirements.

To strengthen its sustainability governance, Avia Solutions Group is intent on frequently reviewing and updating its reporting procedures at both the internal and Board levels. Ownership of all reporting and environmental compliance matters has been assigned to the relevant functions within the company, which then report on the associated risks and mitigation actions to the Board of Directors.

This comprehensive approach demonstrates our commitment to staying ahead of the curve on environmental regulations and integrating sustainability considerations throughout the company's operations and decision-making processes.

Apart from the risks mentioned above, the Group also aims to identify, assess, and manage other (operational, financial, strategic, compliance, technological and data protection) material risks that may have a significant impact on business results. Risk owners are obliged to monitor and manage risks proactively and to include relevant information in the planning, management, and control processes. The Group guidelines on risk management adopted by the Board of Directors define all the binding methodological and organisational standards for dealing with risks.

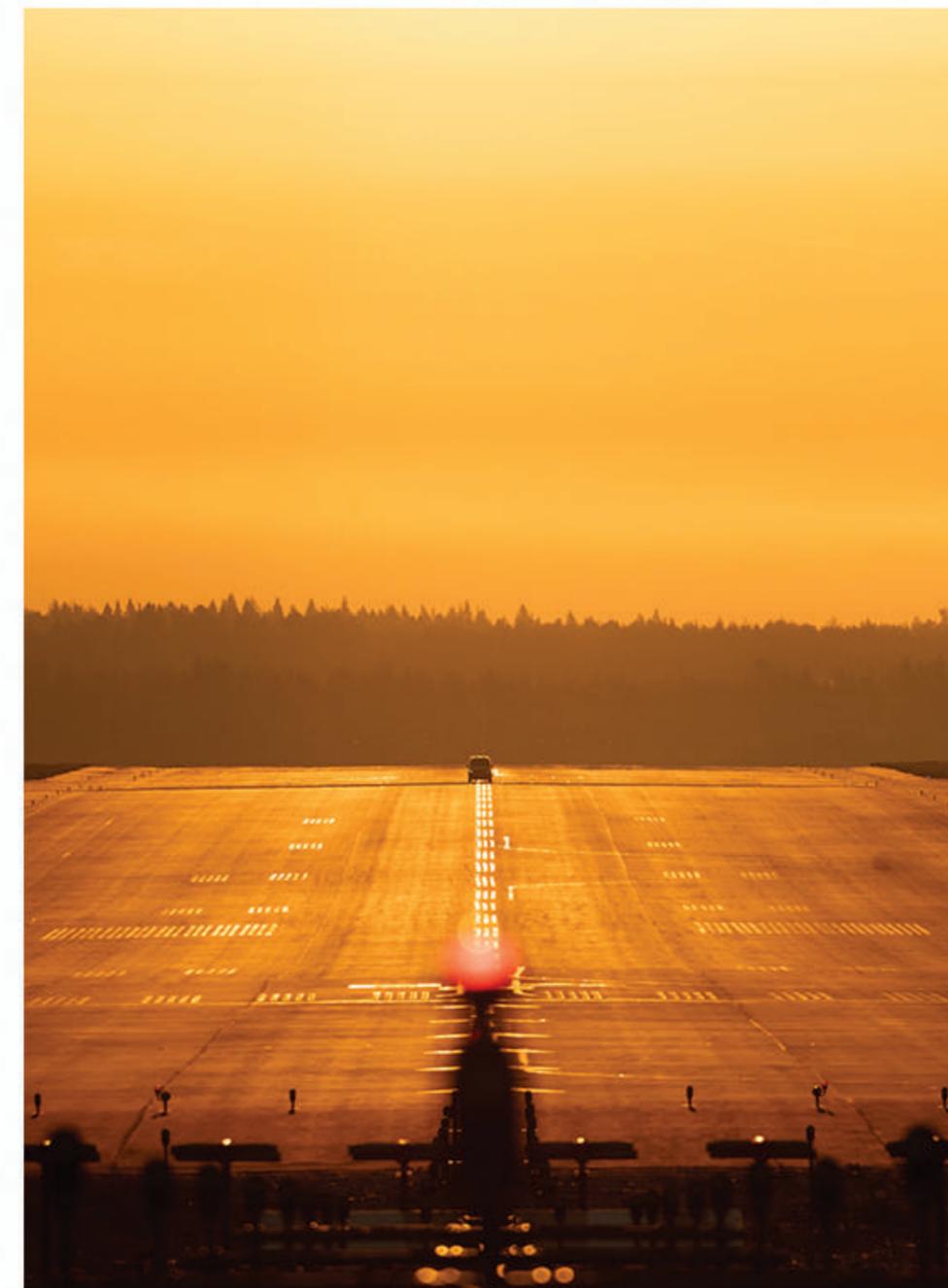


Photo source: shutterstock.com

3. Business excellence approach

To uphold further governance integrity, in addition to several governance and compliance policies, we also utilised digital tools and developed specific applications.

- **The Entity Management Application** securely stores critical corporate data for the Group's entities. It serves as a central repository for legal entity information, crucial for Group governance and reporting. Continuous monitoring ensures timely updates to subsidiary corporate changes, maintaining accurate and up-to-date information. Widely acknowledged as the definitive source within the Company, the application supports various corporate functions effectively.
- **Compliance apps.** Comprises three key platforms designed to streamline essential processes:



Counter-party onboarding and due diligence: in 2023, the GENESIS app was launched to assess risks like money laundering, corruption, bribery, and sanctions among Avia Solutions Group's counterparties. It streamlines onboarding and due diligence, offering risk-based analysis and compliance guidance for potential clients.



Whistleblowing Reporting and Case Management (**Trust-Line**): facilitates the reporting and management of whistleblowing cases.



Conflict of Interest Declaration and Management: empowering employees to disclose and manage potential conflicts of interest, bolstering transparency and organizational integrity. The platform was launched in 2024 January.

- **Environmental, Social, and Governance (ESG) app** has been designed to track our data collection process, making it more convenient and secure. Via this platform, all data is securely stored, automatically preserved, and conveniently accessible for interaction. Currently, users are able to collect environmental and social data as well as access relevant sustainability documents, policies, regulatory information, and templates.

To further ensure effective governance and adherence to company-wide policies, the Group is moving forward with implementation of digital tool for our subsidiary companies to effectively access the Group wide policies and perform self-assessment to identify relevant policies and other frameworks. The Assurance Screening Process has also been initiated to independently assess the transposal and effectiveness of Avia Solutions Group wide policies.

For further details, kindly explore the [Corporate Compliance page](#) on our website.

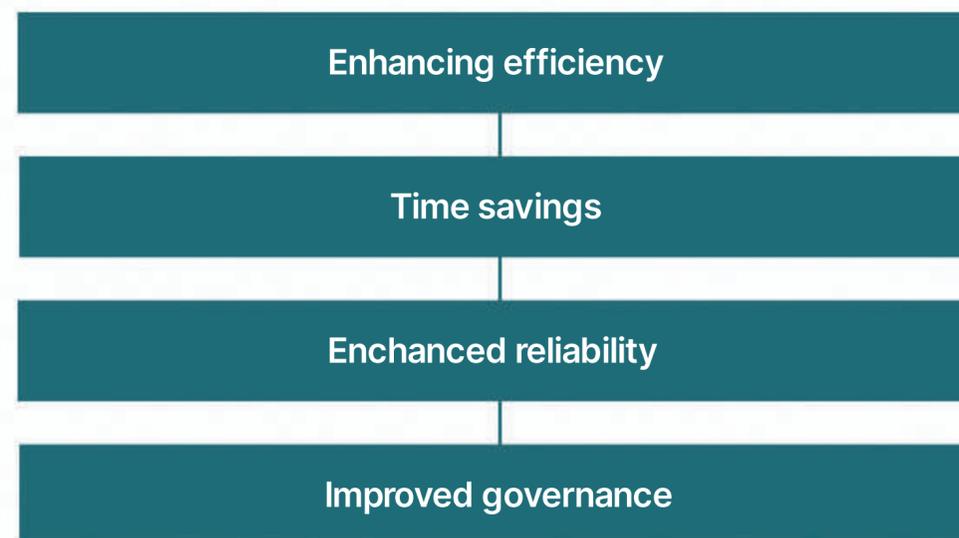


Photo source: shutterstock.com

Applying Lean within our operations

Lean is a systematic approach to reducing waste and improving efficiency in operations, with a focus on delivering value to the customer. In the aviation industry, lean practices can lead to improved safety, efficiency, and customer satisfaction.

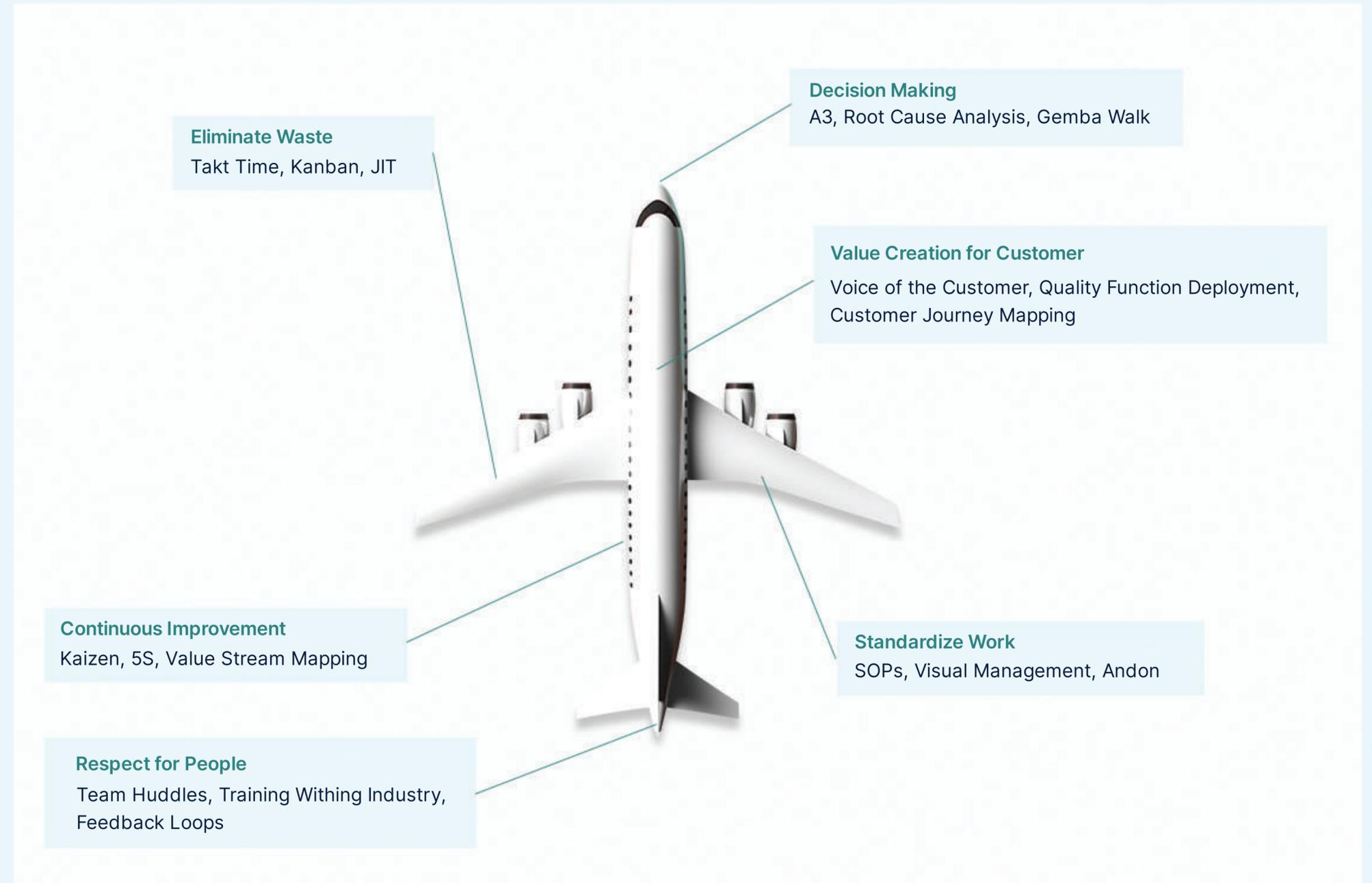


Improving safety

Reducing waste and improving efficiency

Enhanced customer satisfaction

Our Lean Plane, also known as the Lean House, is a visual tool used to represent the foundational principles and tools of Lean. Using each part of the plane as a specific aspect of the Lean methodology:



4. Business ethics

We are dedicated to integrity across all of our worldwide operations, with robust systems in place to prevent bribery and corruption. Clear guidelines, thorough reporting mechanisms, and regular risk assessments demonstrate our commitment to a corruption-free environment.

Our Anti-Corruption Policy outlines principles for preventing bribery and corruption within the Group, including rules on gifts, entertainment, and conflicts of interest. All employees must familiarize themselves with and follow these principles.

Key aspects of the policy:

- **Engagement:** Employees and stakeholders are integral to our anti-corruption efforts, with mandatory training and clear communication to promote integrity and transparency.
- **Guidelines:** Detailed procedures for identifying, reporting, and managing unethical conduct, ensuring consistent responses across the organization.
- **Reporting:** The Trust Line provides a secure, confidential channel for reporting suspicions of corruption or bribery, ensuring all concerns are addressed promptly and impartially.
- **Training:** Regular training sessions educate employees on policy implications and legal responsibilities, reinforcing ethical behaviour.
- **Monitoring:** Ongoing audits monitor compliance and identify areas for improvement, ensuring our anti-corruption measures remain effective.
- **Whistleblower protection:** Robust protections are in place for whistleblowers to encourage reporting and to safeguard against retaliation.
- **Leadership:** Senior management leads by example, enforcing policy adherence and accountability throughout the organization.
- **External collaboration:** External parties are held to the same high standards through our collaborative approach to ethical business practices.

In 2023, Avia Solutions Group recorded no incidents of corruption or bribery. 2022 risk assessment highlighted limitations in reporting channels for such incidents, prompting the implementation of a new Whistleblowing Policy. [The Trust Line](#), introduced in Q2 2023, enhances transparency and accountability across the Group, ensuring a healthy and ethical workplace. This system is now adopted by all Avia Solutions Group subsidiary companies, each with independent case managers.

Anti-Corruption Training was delivered to 1,773 Avia Solutions Group employees and 49 executives in 2023, extending to Tier 1 subsidiary CEOs and executives. This mandatory annual training will continue in 2024.

High-risk companies within the Group, identified in the 2022 Risk Assessment, received additional online Anti-Corruption training tailored to management or all employees. This initiative aims to reinforce ethical business practices and equip employees to combat bribery effectively.

Furthermore, the Group evaluates counterparties' exposure to bribery and corruption risks during onboarding, employing a unified Onboarding and Due Diligence Procedure that includes Know Your Customer (KYC) and Know Your Supplier (KYS) processes. High-risk entities are re-evaluated every four months to mitigate potential corruption risks effectively.



Supplier assessment and development process

Avia Solutions Group has a supplier assessment and development process which is conducted by the company's central Risk Management department. The team conducts a comprehensive assessment of potential and current suppliers to ensure they meet the company's standards and requirements. This assessment is part of Avia Solutions Group's onboarding and due diligence program, commonly referred to as Know Your Customer (KYC).

During the assessment, suppliers are evaluated for various risks, including Anti-Money Laundering (AML), fraud, corruption, and bribery. This evaluation ensures that suppliers are not engaging in illegal or unethical activities that could harm Avia Solutions Group's reputation or operations.

Suppliers are also required to adhere to Avia Solutions Group's Supplier Code of Conduct, which outlines ethical standards and practices such as labour rights, environmental regulations, and fair business practices. Compliance with this publicly available document helps the Group maintain high ethical standards and promote responsible business practices throughout its supply chain.

The supplier assessment process includes both desk assessments and on-site assessments. Desk assessments, carried out by the Avia Solutions Group, involve systematic verification of evidence, regular audits, reviews of relevant documentation, and online footprint assessments to ensure adherence to the Supplier Code of Conduct. On-site assessments are conducted and regulated by subsidiaries working with major suppliers. These visits help ensure that suppliers continuously comply with the required standards and address any areas of non-compliance promptly.

Overall, Avia Solutions Group's supplier assessment process is a thorough review designed to ensure all suppliers meet the company's stringent requirements, mitigating potential risks and upholding ASG's commitment to ethical and responsible business operations.

For further details, kindly explore the [Corporate Compliance page](#) on our website.



5. Human rights

The Group respects everyone's human rights and recognizes humans' inherent dignity, equality, and freedom. It is required and expected that each employee of the Group treats others with the highest respect, trust, and equality, without favoritism or discrimination both within and outside the Group.

Following the efforts made, during 2023 the company has seen results through the adoption of our Human Rights Statement Policy, which ensures greater protection and respect for human rights, such as non-violence and non-harassment at work, child labour and modern slavery, including human trafficking, forced labour, equity through equal treatment opportunities, non-discrimination, freedom of association, and collective bargaining, among others.



Photo source: shutterstock.com

Human Rights in the Supplier Code of Conduct

In 2023, the ASG Board of Directors approved the Group's Supplier Code of Conduct (SCOC). The SCOC includes a strong emphasis on human rights, ensuring that all suppliers adhere to the highest ethical standards. Suppliers must uphold and respect the fundamental human rights of all individuals, as outlined in international human rights standards. This includes ensuring safe and human working conditions and treating all workers with dignity and respect.

The SCOC also enforces:

- Prohibition of Forced Labor
- Prohibition of Child Labor
- Non-Discrimination
- Freedom of Association
- Fair Wages and Benefits
- Health and Safety in the workplace

In 2023, Avia Solutions Group implemented a Policy for Prevention of Violence and Harassment, establishing measures to foster a safe workplace. This includes registering and investigating incidents of violence and harassment to prevent their occurrence. The policy emphasizes respect for all employees' dignity and aims to maintain a professional environment, which is free from hostility, unethical conduct, and humiliation.

Since 2023,
Avia Solutions Group
supports the Ten
Principles of the UN
Global Compact
as a participant.



United Nations
Global Compact

6. Tax strategy and approach

Due to the diverse geography of the Group and the number of subsidiaries, the Group tax matters are handled initially at the subsidiary level. The primary responsibility for tax compliance is delegated to chief financial officers (further – CFO) and finance departments within the subsidiaries of the Group.

The CFOs together with local finance departments are responsible for preparing, reviewing, signing-off tax returns and daily management of the tax affairs. The central tax team, based at Avia Solutions Group PLC, is responsible for the development of general tax specifics for Group-wide tax policies and oversight of Group-wide tax matters.

The Groups' philosophy on tax risk management is to balance the prevention of unnecessary disputes with the tax authorities that may give rise to reputational risk and to preserve investor value. The central tax team is partnering with all of our Group businesses to ensure tax risk management. The Group also aims to utilize tax incentives where applicable and possible. The Group's tax strategy is to ensure compliance with applicable tax legislation and adequate coordination of tax practices followed by Group companies, with the goal of pursuing corporate interest and supporting a long-term business strategy that avoids tax risks and inefficiencies in the execution of business decisions.

The Tax Code of Conduct for the Group is as follows:

- To comply with the tax regulations and disclosure requirements as diligently as possible in the countries in which the subsidiaries of the Group operate,
- to support businesses to avoid tax risks and tax inefficiencies in the execution of business decisions,
- to maintain cooperative relations with tax administrators in the countries that the subsidiaries of the Group operate,
- to analyse and manage tax impacts of current and future business operations and transactions on genuine business rationale,
- to ensure that all tax positions are taken for commercial and business purposes and are duly supported and documented.

Additionally, in March 2023, the Board of Directors approved the Tax Policy. The policy is meant for setting the main principles for tax governance across the entirety of the Group. The unified principles are important in ensuring the avoidance of underpayment of taxes as well as any tax inefficiencies.

In 2023, the Group also submitted its first Country-by-Country (CbC) report in compliance with Action 13 to address Base Erosion and Profit Shifting (BEPS). This report will continue to be prepared annually in subsequent years.



About this report

Reporting period: For the 2023 year, from 01.01.2023 to 31.12.2023.

Contacts of interest:

- For Environmental, Social, and Governance (ESG) matters: Silvia Rodriguez Boza, ESG Manager; silvia.rodriguez@aviasg.com
- For investors: Ricardas Laukaitis, Treasury Department Director; ricardas.laukaitis@aviasg.com
- For media: Silvija Jakiene, Director of Communications; silvija.jakiene@aviasg.com

Reporting approach and global reporting standards:

Avia Solutions Group has reported the information cited in this Global Reporting Initiative (GRI) content index for the period 01.01.2023 to 31.12.2023 with reference to the GRI Standards. See GRI index table in page number 71.

Reporting approach and Board of Directors:

The highest governance body for Avia Solutions Group, the Board of Directors, is responsible for reviewing and approving the reported information in the Environmental, Social, and Governance (ESG) report 2023. The report, including the material topics identified, is reviewed, and approved by the CEO of the Group and thereafter presented to the Board of Directors for additional and final approval.

Stakeholder dialogue and engagement

From our initial materiality assessment, we identified our primary stakeholders and the most effective engagement methods, fostering mutually beneficial relationships. Details on our stakeholder interactions and identification are included within the 2021 ESG report, with additional customer engagement practices in the “Customer satisfaction and stakeholder engagement” chapter. In 2024, we are conducting a double materiality assessment, which may update our stakeholder engagement practices.

Materiality assessment

Since 2022, we have been working on developing the first Group’s materiality assessment, a process of identifying material aspects within the Group. We have identified the main stakeholders within the Group and the list of material topics that have been evaluated and prioritized. The detailed description of our materiality assessment and its results are included in the 2021 ESG report. Currently we are working on CSRD aligned double materiality assessment, which will provide our Group with a well-rounded understanding of our impacts, risks, and opportunities, as well as helping us to make informed decisions that align with our sustainability goals and stakeholder expectations. The results of the double materiality assessment will be included in the next ESG Report (2024).

Scope:

In 2010, Avia Solutions Group PLC was established as the parent company of the Group and focuses primarily on the management of the Group’s constituent companies. By 2023, the Group consisted of multiple subsidiaries from across Europe, Asia, North America, Africa, and Australia.

The 2023 ESG report refers to the largest and most impactful of all of the subsidiary companies within Avia Solutions Group. The companies covered in this report account for 92.8% of the total 2023 revenue.

Additionally, the scope of social data in this report has been expanded to include additional subsidiaries: Abu Dhabi LLMC, AeroClass, Aerotime Hub, AirExplore, Ascend Airways, BBN Indonesia, BBN Türkiye, Busnex, Sensus Aero, Skytrans, Universali Arena. This inclusion is due to these companies having a greater impact on social factors and the increased availability of relevant data.

This report provides data on the major subsidiaries within the Group presented here.



GRI content index

Statement of use	Avia Solutions Group has reported the information cited in this GRI content index for the period 01.01.2023 to 31.12.2023 with reference to specific GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Chapter "2. Business model", page 4.
	2-2 Entities included in the organization's sustainability reporting	Chapter "About this report", page 69.
	2-3 Reporting period, frequency and contact point	Chapter "About this report", page 69.
	2-4 Restatements of information	In the Endnotes, page 74.
	2-5 External assurance	Avia Solutions Group is analyzing the possibility of being assured by an external party for certain information.
	2-9 Governance structure and composition	Section "Board of Directors" in chapter "1. Corporate governance at Avia Solutions Group", page 56. The average tenure of members of Avia Solutions Group PLC is 7.8 years.
	2-10 Nomination and selection of the highest governance body	Chapter "1. Corporate governance at Avia Solutions Group", page 56. Chapter "1. Corporate governance and Board members" in our previous ESG Report 2021, page 51.
	2-11 Chair of the highest governance body	Chapter "1. Corporate governance at Avia Solutions Group", page 56. Key roles within the Board of Directors (Board): -The Chairman of the Board is responsible for leading the Board and representing both the Board and the company. The Chairman takes a leading role in medium and long-term strategic planning as well as in the selection of senior management. -The Chief Executive Officer (CEO) is appointed by the Board of Directors as the delegated person to manage the Group, the implementation and execution of the strategy approved by the Board, and the management of the day-to-day Group operations, except where Irish law or the Company's Articles of Association provide differently. Together with the Chairman, the CEO is responsible for establishing the values, ethics and culture of the Group.
	2-12 Role of the highest governance body in overseeing the management of impacts	Section "Board of Directors" in chapter "1. Corporate governance at Avia Solutions Group", page 56.
	2-13 Delegation of responsibility for managing impacts	Chapter "1. Corporate governance at Avia Solutions Group", page 56.
	2-14 Role of the highest governance body in sustainability reporting	The Board reviews the reported information included in this document. Chapter "About this report", page 74.
	2-15 Conflicts of interest	Section "Conflict of interest" in chapter "1. Corporate governance at Avia Solutions Group", page 63.
	2-16 Communication of critical concerns	Section "Communication of critical concerns" chapter "1. Corporate governance at Avia Solutions Group", page 64.
	2-17 Collective knowledge of the highest governance body	Section "ESG governance within the Group" in chapter "1. Corporate governance at Avia Solutions Group", page 63.
2-21 Annual total compensation ratio	Chapter "1.4 Diversity, equality, and inclusion", page 37.	
2-22 Statement on sustainable development strategy	CEO statement.	
2-26 Mechanisms for seeking advice and raising concerns	Chapter "4. Business ethics", page 65.	

GRI content index

	2-28 Membership associations	Chapter "2. Business model", page 4.																																																																								
	2-29 Approach to stakeholder engagement	Chapter "Customer satisfaction and stakeholder engagement", page 46. Chapter "1. Our people", page 30. Chapter "5. Stakeholder dialogue and engagement", page 13 in previous ESG Report 2021.																																																																								
	2-30 Collective bargaining agreements	39.3 % of our employees are covered by freedom associations, encompassing collective bargaining, trade unions and social dialogues.																																																																								
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Chapter "About this report", page 69. Detailed information is included on page 10 of the ESG Report 2021, chapter "2. Materiality assessment and key topics".																																																																								
	3-2 List of material topics	Chapter "About this report", page 69. Detail information is included on page 10 of the EGS Report 2021, chapter "2. Materiality assessment and key topics".																																																																								
	205-2 Communication and training about anti-corruption policies and procedures	Chapter "4. Business ethics", page 65.																																																																								
	205-3 Confirmed incidents of corruption and actions taken	Chapter "4. Business ethics", page 65. During 2023, no incidents of corruption have been recorded.																																																																								
GRI 207: Tax 2019	207-1 Approach to tax	Chapter "6. Tax strategy and approach", page 68.																																																																								
	207-2 Tax governance, control, and risk management	Chapter "6. Tax strategy and approach", page 68.																																																																								
GRI 302: Energy 2016	302-1 Energy consumption within the organization	<table border="1"> <thead> <tr> <th></th> <th>2023</th> <th>2022</th> <th></th> </tr> </thead> <tbody> <tr> <td>Total energy consumption^a</td> <td>4,864,221</td> <td>4,178,966^c</td> <td>GJ</td> </tr> <tr> <td>Total fuel consumption</td> <td>4,783,329</td> <td>4,108,754</td> <td>GJ</td> </tr> <tr> <td>Fuel consumption from non-renewable sources</td> <td>4,775,836</td> <td>4,105,974</td> <td>GJ</td> </tr> <tr> <td>Aviation fuel</td> <td>4,758,687</td> <td>4,089,161</td> <td>GJ</td> </tr> <tr> <td>Diesel</td> <td>6,178</td> <td>6,712</td> <td>GJ</td> </tr> <tr> <td>Motor gasoline</td> <td>5,535</td> <td>5,070</td> <td>GJ</td> </tr> <tr> <td>Stationary combustion</td> <td>5,435</td> <td>5,031</td> <td>GJ</td> </tr> <tr> <td>Fuel consumption from renewable sources</td> <td>7,493</td> <td>2,780</td> <td>GJ</td> </tr> <tr> <td>Biodiesel</td> <td>7,493</td> <td>2,780</td> <td>GJ</td> </tr> <tr> <td>Electricity consumption^b</td> <td>54,158</td> <td>51,132</td> <td>GJ</td> </tr> <tr> <td>Heating consumption^b</td> <td>26,734</td> <td>19,080</td> <td>GJ</td> </tr> <tr> <td>Electricity consumption</td> <td>15,044</td> <td>14,203</td> <td>MWh</td> </tr> <tr> <td>Renewable energy</td> <td>5,562</td> <td>6,813</td> <td>MWh</td> </tr> <tr> <td>Non-renewable energy</td> <td>9,482</td> <td>7,390</td> <td>MWh</td> </tr> <tr> <td>Heating consumption</td> <td>7,426</td> <td>5,300</td> <td>MWh</td> </tr> <tr> <td>Renewable energy</td> <td>647</td> <td>385</td> <td>MWh</td> </tr> <tr> <td>Non-renewable energy</td> <td>6,779</td> <td>4,915</td> <td>MWh</td> </tr> </tbody> </table>		2023	2022		Total energy consumption^a	4,864,221	4,178,966^c	GJ	Total fuel consumption	4,783,329	4,108,754	GJ	Fuel consumption from non-renewable sources	4,775,836	4,105,974	GJ	Aviation fuel	4,758,687	4,089,161	GJ	Diesel	6,178	6,712	GJ	Motor gasoline	5,535	5,070	GJ	Stationary combustion	5,435	5,031	GJ	Fuel consumption from renewable sources	7,493	2,780	GJ	Biodiesel	7,493	2,780	GJ	Electricity consumption^b	54,158	51,132	GJ	Heating consumption^b	26,734	19,080	GJ	Electricity consumption	15,044	14,203	MWh	Renewable energy	5,562	6,813	MWh	Non-renewable energy	9,482	7,390	MWh	Heating consumption	7,426	5,300	MWh	Renewable energy	647	385	MWh	Non-renewable energy	6,779	4,915	MWh
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a. This number includes the sum of total fuel, electricity and heating consumption. The sources of conversion factors used: [Energy Consumption by Mode of Transportation, https://www.ren21.net/gsr-2020/pages/units/units/and-aviationbenefits.org](https://www.ren21.net/gsr-2020/pages/units/units/and-aviationbenefits.org).
 b. In some occurrences of inability to determine electricity and heating consumption due to subsidiaries' external agreements or location, some estimations were applied.
 c. Restatement of the data of is due to an improved methodology of calculating Chapman Freeborn and BGS energy consumption.

GRI content index

	303-5 Water consumption	Avia Solutions Group main offices, hangars and training centers consumed 49,549,729* liters of water in 2023. In 2022, 29,887,007* liters of water were consumed. The growth in water consumption reported in 2023 can be attributed to more companies disclosing their water usage data. *Some estimations were applied to determine water consumption data due to subsidiaries' external agreements or locations.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Section "2.2. Total emissions and scope 1" in chapter "GHG emissions and actions taken to tackle climate change", page 11.
	305-2 Energy indirect (Scope 2) GHG emissions	Section "2.6. Efficient energy use and renewable sources – scope 2" in chapter "GHG emissions and actions taken to tackle climate change", page 17.
	305-3 Other indirect (Scope 3) GHG emissions	Section "2.7. Business travels and employee commute – scope 3" in chapter "GHG emissions and actions taken to tackle climate change", page 20.
GRI 306: Waste 2020	306-3 Waste generated	Avia Solutions Group's main offices, hangars and training centers generated 69,359.78 metric tons of waste. Considering this year is the first year of reporting waste generation data across the Group, some estimations were due to subsidiaries' external agreements or locations.
	306-4 Waste diverted from disposal	Avia Solutions Group's main offices, hangars and training centers recycled 201.53 metric tons of waste. Considering this year is the first year of reporting recycled waste data across the Group, some estimations were applied due to subsidiaries' external agreements or locations.
	306-5 Waste directed to disposal	Avia Solutions Group's main offices, hangars and training centers directed to disposal 68,734.49 metric tons of waste. Considering this year being the first year of reporting waste directed to disposal data across the Group, some estimations were applied due to subsidiaries' external agreements or locations.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	<p>Total number and rate of new employee hires by age: Under 30 – 1,076; Percentage: 42.8% Aged 30 to 50 – 1,190.66; Percentage: 47.3% Over 50 – 249.6; Percentage: 9.9%</p> <p>Total number and rate of employee hires by gender: Female – 875.61; Percentage: 34.7% Male – 1,648.5; Percentage: 65.3%</p> <p>Total number of employees turnover – 1,817.51. Total rate of employee turnover – 22.6%</p> <p>Total number of employees voluntarily turnover – 1,271.75. Rate of employees voluntarily turnover – 17.3%</p> <p>The scope of this data includes additional companies: AirExplore, Ascend Airways, BBN Indonesia, BBN Türkiye, AeroClass, Aerotime Hub, Busnex, Sensus Aero, Abu Dhabi LLMC, Skytrans, and Universal Area. This expansion is due to these companies having a greater impact on social factors.</p>
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Section "1.3. Aviation Safety Management" in chapter "1. Our people", page 34.
	403-3 Occupational health services	Section "1.2. Well-being of our employees" in chapter "1. Our people", page 31.
	403-4 Worker participation, consultation, and communication on occupational health and safety	Section "1.3. Aviation Safety Management" in chapter "1. Our people", page 35.

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	403-5 Worker training on occupational health and safety	Section "1.2. Well-being of our employees" in chapter "1. Our people", page 31.
	403-6 Promotion of worker health	Section "1.2. Well-being of our employees" in chapter "1. Our people", page 31.
	403-9 Work-related injuries	Avia Solutions Group had 0 fatal accidents and a total of 185 recorded work-related accidents in 2023. 131 of those accidents accounted within operational activities. None of the reported events resulted in high-consequence work-related injuries or fatalities. Number of hours worked by employees in own workforce – 9,173,682 hours.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Average hours of training that the organization's employees have undertaken during the reporting period is 25 hours. In total 202,125 training and development hours were offered and completed by employees.
	404-2 Programs for upgrading employee skills and transition assistance programs	Section "1.5. Training and professional development" in chapter "1. Our people", page 41.
	404-3 Percentage of employees receiving regular performance and career development reviews	75.7% of our employees receive regular performance and career development reviews. In our performance appraisal sessions to all employees, achievements and valuable lessons are shared during dedicated team sessions, encouraging mutual growth.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity of governance bodies – chapter "1. Corporate governance at Avia Solutions Group", page 56. Our BoD is entirely composed by males, with 67% of them falling between the ages of 30 and 50, while the remaining 33% are over 50 years old. Diversity of employees – chapter "1.4. Diversity, Equality, and Inclusion", page 37. Within our workforce, 67.3% are male and 32.7% are female. In terms of age distribution – 35.9% are under 30 years old, 50% fall within the 30 to 50 age range, and 14.1% are over 50 years old.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	During 2023, one discriminatory incident was recorded and investigated. Section "1.4. Diversity, Equality, and Inclusion" in chapter "1. Our people", page 37.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Chapter "3. Data privacy", page 49.

Endnotes

Page 11, 2.2. Total emissions and scope 1

- a. Majority of companies use electricity for heating purposes as well.
 - b. Heating with natural gas.
 - c. Restatement in the data of total scope 1 emissions in 2022 reflects a review of emissions data for Aviator vehicles and improved methodology for calculating scope 1 emissions.
 - d. Restatement of the data in scope 2 emissions in 2022 is due to an expanded scope of companies, including Storm Aviation.
 - e. Restatement of the data of total scope 3 emissions in 2022 is due to an enhanced methodology for calculating business travels data (g) and inclusion of previously unaccounted upstream leased asset emissions from Chapman Freeborn.
 - f. Restatement of the data of downstream leased assets is due to an improved methodology of calculating emissions from Chapman Freeborn.
 - g. Restatement of the data of business travel is due to an enhanced calculation methodology.
 - h. Restatement of the data of logistics and distribution services is due to an improved methodology for calculating scope 1 emissions.
 - i. Restatement of the data of support services is due to a review of emissions data for Aviator vehicles.
1. Carbon dioxide (CO₂) equivalent is the measure used to compare the emissions from various types of greenhouse gases based on their global warming potential (GWP). As our subsidiaries utilize jet kerosene as aircraft fuel, we have applied the emission factor which falls under the EU ETS regulation (3.15 t CO₂ / t fuel). For other sources, the gases included in this measure are CO₂, CH₄ and N₂O and the emission factors are taken according to GHG Protocol tool.
 2. Scope 1 includes fuel combustion of our vehicles, flights operated, or aircraft operated under our call sign, which is the same criteria adopted by the EU ETS regulation. A minor part (0.11%) corresponds to stationary combustion in hangars.
 3. The majority of our companies use electricity for heating; therefore the heating data is reflective of heating with natural gas. However, it is important to note that due to varying levels of data readiness among suppliers, not all entities could provide precise electricity and heating data, as this information is often included in office rental costs. Therefore, some estimations were applied.
 4. Scope 3 – Upstream leased assets: leased assets to supplier.
 5. Scope 3 – Downstream leased assets: ACMI services.
 6. Scope 3 - Business travel: part of the emissions included in this division has been estimated as some of the subsidiaries have collected this information for the first time.
 7. Scope 3 – Purchased goods and services: glycol emissions used to provide de-icing services.
 8. Scope 3 - Employee commute from home to workplace: information on these emissions has been collected through an employee survey. Based on the results of the survey, some assumptions and estimates have been made.
 9. Detailed description of the segments is included in 2. Business model section.
 10. Holding, asset management, financing services, railway business and other business not related to aviation.

Page 20 2.7. Business travels and employee commute - scope 3

- a. The significant increase in downstream leased assets is due to active business development, a return to pre-pandemic levels, and improved methods of emissions collection and calculation.
 - b. The significant increase in business travel is due to active business development, a return to pre-pandemic levels, and improved methods of emissions collection and calculation.
 - c. Restatement of the data of total scope 3 emissions in 2022 is due to an enhanced methodology for calculating business travel data (b) and inclusion of previously unaccounted upstream lease asset emissions from Chapman Freeborn.
 - d. Restatement of the data of downstream leased assets is due to an improved methodology of calculating emissions from Chapman Freeborn.
 - e. Restatement of the data of business travel is due to an enhanced calculation methodology.
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