

March 2023

ESG Report 2022

Background

2022 was a transformative year for Nordic Aviation Capital (NAC). We restructured our balance sheet, revamped our organization, stabilized our regional aircraft portfolio, and began our pivot to growth with a broader scope. Our new strategy is to remain a global leader in regional aircraft leasing and expand into larger narrowbody aircraft by leveraging our world class asset management platform.

In the midst of all these changes, we also formed a multidisciplinary team to develop a robust ESG approach. It's a critical area of focus for our Company and our investors, airline customers, suppliers, employees, local communities and society at large. As a mid-tier lessor, our aim is to implement **Specific Business Practices** and define **Metrics** to improve our business and contribute as best as we can to industry efforts within the broad framework of ESG.

I'd like to thank the NAC ESG team for their efforts in preparing this inaugural report. Highlights follow below:

Environmental

In terms of environmental responsibility, we've decided to go beyond having LEED facilities and recycling to offset the CO₂ emissions of our aircraft ferry flights and employee long-haul travel. We have entered into arrangements with our engine partners, GE Aerospace and Pratt & Whitney Canada, to buy **CORSIA Compliant Carbon Credits** from their approved suppliers. We are the first commercial aircraft lessor using their programs. We have already purchased the required credits from Pratt to offset December 2022 ferry flights for our Pratt powered turboprops.

In terms of the carbon footprint of our 315 regional aircraft fleet, we have engaged a leading advisory & appraisal firm, IBA, to complete an **Industry Benchmark** study comparing NAC to the rest of the top 15 aircraft lessors ranked by units. To no surprise, given the very high fuel efficiency of turboprops (over 63% of our current fleet by tail count) and the smaller gauge of our regional jets versus mainline jets, the NAC fleet ranked the **lowest** in terms of total CO₂ emissions and per unit output. As a reference, an ATR72-600 generates around 3.6Kt of CO₂ per annum from fuel burn versus a new tech narrowbody 737-8MAX/A320neo at 19.5Kt (5.5x) and a new tech widebody 787-9/A350-900 at 76.6Kt (21.4x).

We have also engaged Estuaire, a newly founded aviation emissions advisory group, to establish a more comprehensive **NAC Regional Fleet Emissions Baseline** from direct fuel burn related CO₂ plus other "CO₂ equivalents" like NO_x and consistent contrails. Estuaire software can track specific flight paths by tail number and operator using flight radar data over the course of a year, so results are very precise. The model is far broader than basic CO₂ calculators which derive emissions based on fuel burn alone. Per Estuaire's analysis, our regional fleet emitted 897Kt of CO₂ in 2022 from fuel burn and 1,037Kt of CO₂ equivalents. CO₂ equivalents like consistent contrails are rightfully gaining more attention. For our fleet, consistent contrails accounted for an estimated global warming effect equivalent to 357Kt of CO₂ in 2022, or about 40% of the direct carbon output from the fuel burn of our fleet. In contrast, for a widebody, consistent contrails can represent over 100% of the aircraft's direct carbon output from fuel burn.

With this Estuaire baseline, we can then track improvements over multiple years as we have commenced a **Regional Aircraft Rollover** from less efficient older regional aircraft like Q400s and E190s to more efficient brand new ATR72-600s and A220s. NAC has orders valued at about \$1 billion for ATR72-600s and A220s from ATR and Airbus, delivering from 2023-2028. Since our financial restructuring, NAC has reduced its Q400s from 89 to 48 operating today (net contracted sales), and E190s from 176 to 97 (net contracted sales). Based on fuel burn alone, an ATR72-600 generates 17% fewer tonnes of CO₂ than a Q400, and for the same capacity of passengers transported, the A220-300 will generate 28% less tonnes of CO₂ versus the E190.

As we invest in narrowbodies like the A320 and 737, the **New Tech/Used Narrowbody Mix** will be monitored carefully. Our aim is to target around 60-70% by value in A320neo/737MAX new tech and circa 30-40% in A320ceo/737NG used aircraft. NAC intends to emphasize the 737-800 and A321ceo as our used aircraft investments, since those types have cargo conversion potential to replace less fuel-efficient, older narrowbody freighters. The 737-800F for example, generates about 30% less CO₂ per tonne of cargo than an older 737-300F. During late 2022, NAC commenced its pivot to larger narrowbody aircraft. We contracted for two A320neo, two A321neo and three 737-800s, an 80% new tech/20% used aircraft split by value. Our 80% contracted new tech mix compares well to the other top 15 lessors whose median new tech mix is currently about 55%. The 737-800 leases expire roughly at 18 years of age, which is an ideal vintage for cargo conversions.

Finally, we are closely following the **Technology Curve** and **Regulatory Developments** in terms of potential fuel burn improvements and their impact on ESG targets and longer-term portfolio values. Our aim is to focus on real world engineering realities beyond the laudable long-term net zero goals. On the propulsion/airframe side, this means covering hybrid electric, open rotor, hydrogen fuel cells and truss-braced wing progress, and the resulting new products that could emerge in the 2030s and beyond. On the fuel side, emphasis will be on studying SAF, while recognizing there is a very long way to go in terms of feedstock supply, refinery capacity and competitive economic costs. We are also evaluating various eVTOL concepts on the urban air mobility front.

Social

During 2022, the restructuring of NAC saw significant headcount reductions while bringing in new experienced talent. The process actually resulted in increased diversity. **The Percentage of Women** employed at NAC increased from 29% to 36%, with women representing 41% of new hires during the year. **The Number of Nationalities** also rose from 13 to 20. We will continually measure these important metrics going forward.

The key to bringing on talent has been a combination of “work-from-home” arrangements, flexible work locations, and offering opportunities for career development/growth in an agile, smaller firm environment. Testimonials from select employees are on page 29.

While we are pleased to sponsor multiple local and global charities, we are especially proud to have established the **NAC Women in Aviation Scholarships** in late 2022. The program will fund four highly qualified female students each year, two from Cranfield University in the U.K. at the Masters level, and two from

Embry Riddle Aeronautical University in Singapore at the Bachelors level. Both general management and engineering/technical tracks will be covered. These commitments are for four years at both leading aviation institutions, and we believe this is the most significant female academic support being offered by any aircraft lessor.

Governance

A highly experienced **New Executive Leadership Team**, largely from GE, was brought into NAC at the beginning of 2022 and a highly qualified **New Board of Directors** was named in mid-2022. Individual bios can be found [here](#).

NAC was formed over 30 years ago in 1990, and the firm was largely founder-led until 2022. With the new team, a more **Institutionalized Approach** is being taken. Board sub committees (Transactions & Risk; Audit; Nominations & Compensation), revised codes of conduct, annual compliance training programs, enterprise risk management procedures, IT security guidelines etc., have been established. At the operating level, weekly fleet management meetings, credit, asset and liability management guidelines, centralized pricing procedures, etc., have all been fully implemented.

Closing

We hope this report will give our stakeholders a transparent understanding of NAC's initial approach to ESG and a basis to measure our progress in the future. We of course would welcome any comments or suggestions on this material.

Norman C.T. Liu

President & CEO

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The Company

1.1. History

NAC was founded in 1990 in Denmark. For the first 25 years, the business focussed on turboprops. From 2015 to 2020, it doubled its fleet principally by expanding into regional jets. During January 2020, the Company moved to new headquarters in Ireland and its fleet value peaked at about \$7B, with over 500 aircraft owned, managed and committed. At this point, NAC was by far the world's largest regional aircraft lessor. Because of the pandemic crisis, lack of adequate equity and various portfolio issues, NAC underwent a major financial restructuring commencing in late 2021, including a Chapter 11 filing, and named Norman C.T. Liu, a 30-year veteran of GE, as the new President & CEO. A new ownership group was established, and a new Board of Directors and Executive Leadership Team was subsequently appointed during 2022

1.2. Broader strategy

Under the new team, the Company intends to remain a global leader in regional aircraft leasing and is currently the only lessor with both orders for new ATR turboprops and Airbus A220 cross-over jets. NAC also plans to expand into larger narrowbody aircraft such as new/used 737 and A320 family members (the first transactions were executed in the fourth quarter of 2022). The new Executive Leadership Team has substantial aircraft leasing experience in addition to airline, OEM and lessor trading relationships in this much larger adjacent space. The Company believes it can significantly scale the fleet by leveraging the existing NAC global asset management platform. NAC will also emphasise a full life cycle approach to its aircraft portfolio going forward, facilitated by the new team having significant experience in mature and leased aircraft trading, spare engines and cargo conversions.

1.3. 2022 transformation

Before the Company could move completely to its new broader strategy, NAC had to undertake a substantial turnaround of its legacy operations and raise new financing for growth to commence its pivot. There were four key elements to the transformation plan which was executed during 2022:

1.3.1. Restructured the balance sheet

NAC's financial restructuring which commenced in late 2021 was concluded successfully by June 2022 with very strong support from creditors and the new equity group. Debt was significantly reduced from \$6.4 billion to \$2.2 billion. Aircraft and other assets were significantly marked down to reflect market realities following the pandemic. A more cost-effective third-party lender facility replaced the original liquidity line of credit. The ATR orderbook was also reduced from 44 to 17, whilst the A220 order for 20 units was maintained.

1.3.2. Revamped the organization

Staff levels were reduced by 40% from a peak of 210 to about 125 today. NAC exited its Part M/145 MRO activity in Denmark at the end of 2022 and out-sourced multiple finance and contracts administrative roles to a third-party provider to enable the Company to focus on core competencies.

A highly experienced Executive Leadership Team was installed, nearly all of whom are ex-GE. Over 25 new hires joined from the same firm, working at various levels and in different functions. Given the common background, rigorous processes were rapidly implemented in areas such as risk, compliance, portfolio management and pricing. A highly experienced Board of Directors was also named in mid-2022, and improved governance processes have been adopted.

1.3.3. Stabilized the portfolio

During the pandemic, peak Aircraft On Ground (AOG) count was about 115 and overdue receivables were over \$500 million. The NAC team has worked hard to lower AOGs to 3 and trade receivables to \$18 million, net of loss reserves by the end of 2022. Mature aircraft sales also commenced during 2022, with solid progress being made. Older assets are being sold to airlines, part-out companies and other lessors. Engines in good condition are being leased out or green time is being used to avoid OEM shop visits. Cargo conversion packages were also purchased for ATR and Embraer aircraft with several lessees already under LOI or contract.

1.3.4. Secured funding for growth

During July 2022, NAC arranged a \$400 million warehouse revolving credit facility with Deutsche Bank AG, Royal Bank of Canada and Citi. With this line and the \$537 million of growth capital/liquidity provided by the new equity group, the firm was able to start its pivot during the fall of 2022. Around \$300 million in aircraft has been contracted to date, consisting of two A320neos, two A321neos, three B737-800s and two ATR72-600s. The marketing team is actively pursuing airline customers globally, plus OEMs and secondary lessor trading desks, to build further pipeline for 2023 and beyond. Portfolio construction is critical in terms of lessee credits, asset mix, geographical mix and in obtaining satisfactory returns.

1.4. Current locations

In addition to the NAC headquarters in Ireland, NAC has two hub offices in Singapore and Denmark, and two satellite offices in Toronto and Beijing. Operational activities are broken into three regions: Europe/CIS covered out of Ireland, APAC/MEA from Singapore, and the Americas out of Toronto. Corporate operations are split between Ireland and Denmark.

1.5. Aircraft fleet

At year end 2022, NAC's portfolio encompassed 315 aircraft, serving 57 customers in 40 countries. The fleet is split in terms of net book value between our three regions, 42% in Europe/CIS, 32% in APAC/MEA and 26% in the Americas.

Prioritizing new tech aircraft, NAC has 20 Airbus A220s and 17 ATR72-600s (with the latest PWC127 XT engine) on direct order from the OEMs.

As highlighted by our November 2022 purchase and lease back for two Airbus A321neo aircraft with IndiGo (delivering in 2023), NAC has expanded into narrowbodies. In addition, NAC recently contracted the purchase of a portfolio of five narrowbodies (two Airbus A320neos plus three Boeing 737-800s) from another lessor.

As well as passenger aircraft, NAC has two freighter aircraft in our fleet and is expanding into that market through being the launch customer for both the Embraer E-Jet Freighter and the Sabena Technics BGC ATR72-600 Freighter conversion programmes. NAC is also investigating 737-800F conversion slots.

1.5.1. Asset details



Type	Fleet	Percentage (units)
ATRs	131	41,6%
E-Jets	116*	36,8%
Q400	68*	21,6%
Total	315	100%

Type	Orders	-
ATR72	17	-
A220	20	-
Total	37	-

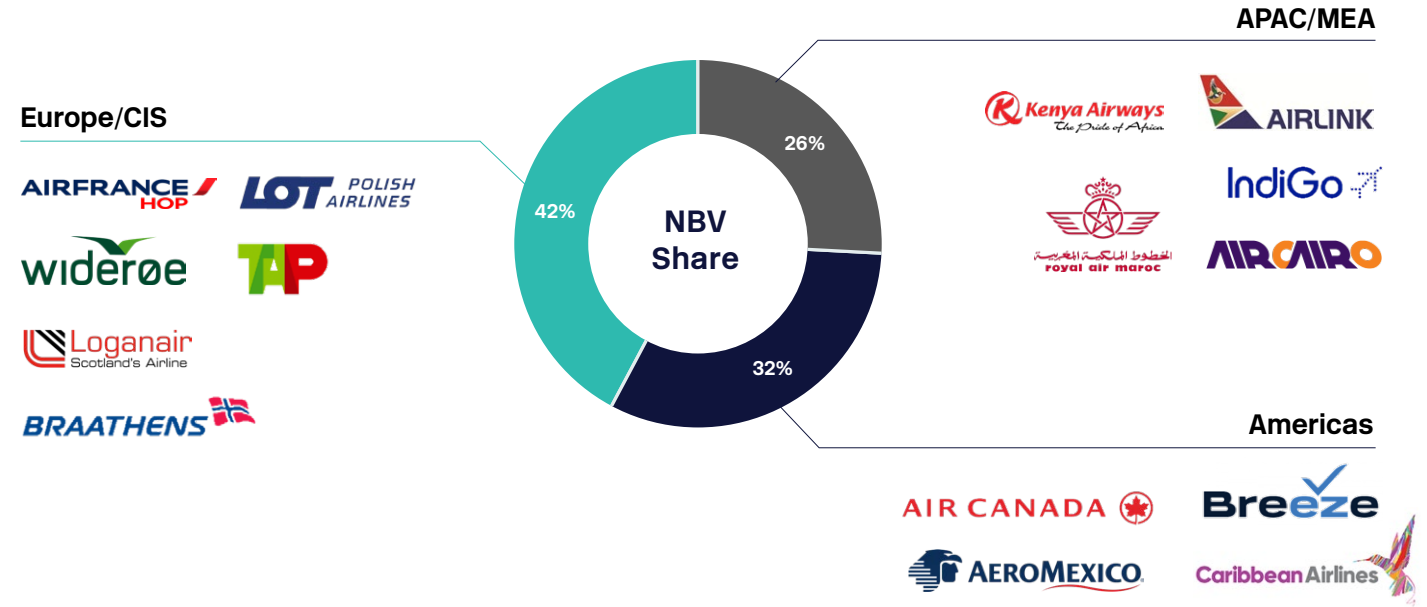
* After contracted sales, Q400s operated are 48 and E-Jets are 97
 ** By NBV

Total aircraft	352
Owned	315
On order	37
Average fleet age**	8.5
Average remaining lease term**	3.4
AOGs	3
Acquisitions in 2022 (ATR72s)	2
NBs to be delivered in 2023	7

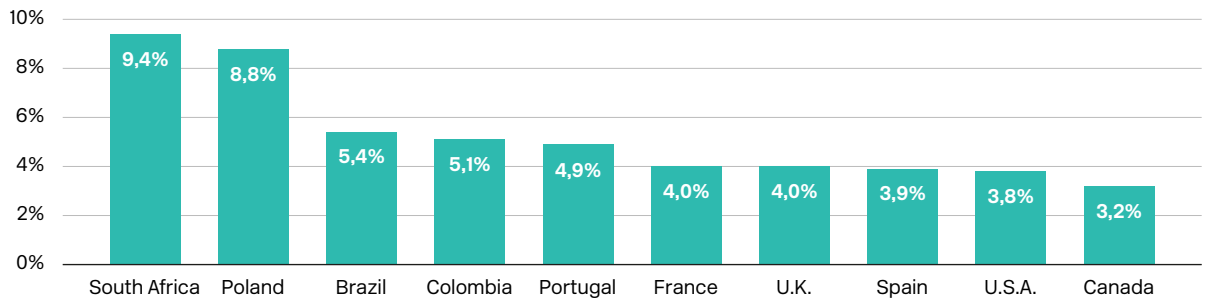
1.5.2. Customer focus

57 Lessees in 40 Countries

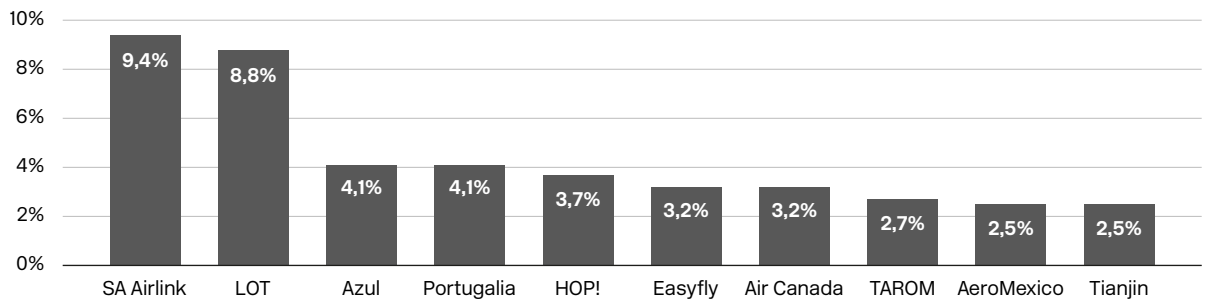
Sample airlines shown



Top 10 Countries
(% of NBV)



Top 10 Customers
(% of NBV)

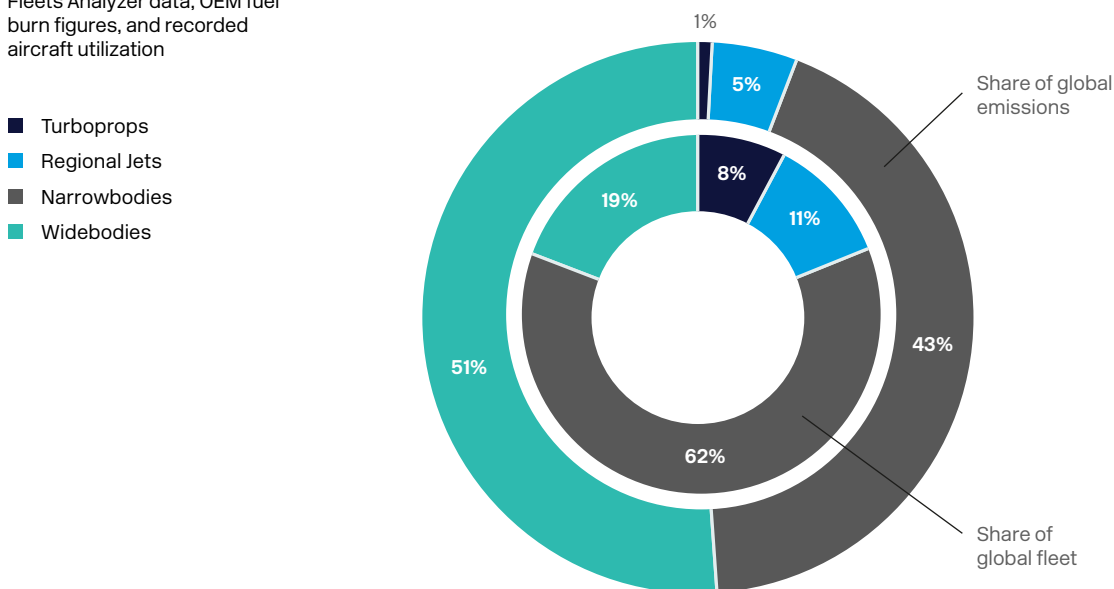


1.6. Lowest industry emissions

1.6.1. Industry's emissions split

At year end 2022, turboprops & regional jets (regional aircraft) accounted for 19% of the in-service global fleet by tail count, but only contributed to 6% of the annual CO₂ emissions from direct fuel burn. This is in stark contrast to widebodies which despite also accounting for 19% of the in-service global fleet, were responsible for 51% of the total CO₂ emissions from direct fuel burn. If we include consistent contrails, which regional aircraft are less likely to create, then the world's widebody fleet accounts for around 55% of the total global warming impact from commercial aviation.

NAC analysis utilizing Cirium Fleets Analyzer data, OEM fuel burn figures, and recorded aircraft utilization



There are three main drivers why widebodies have such a large share of the direct fuel burn related CO₂ emissions:

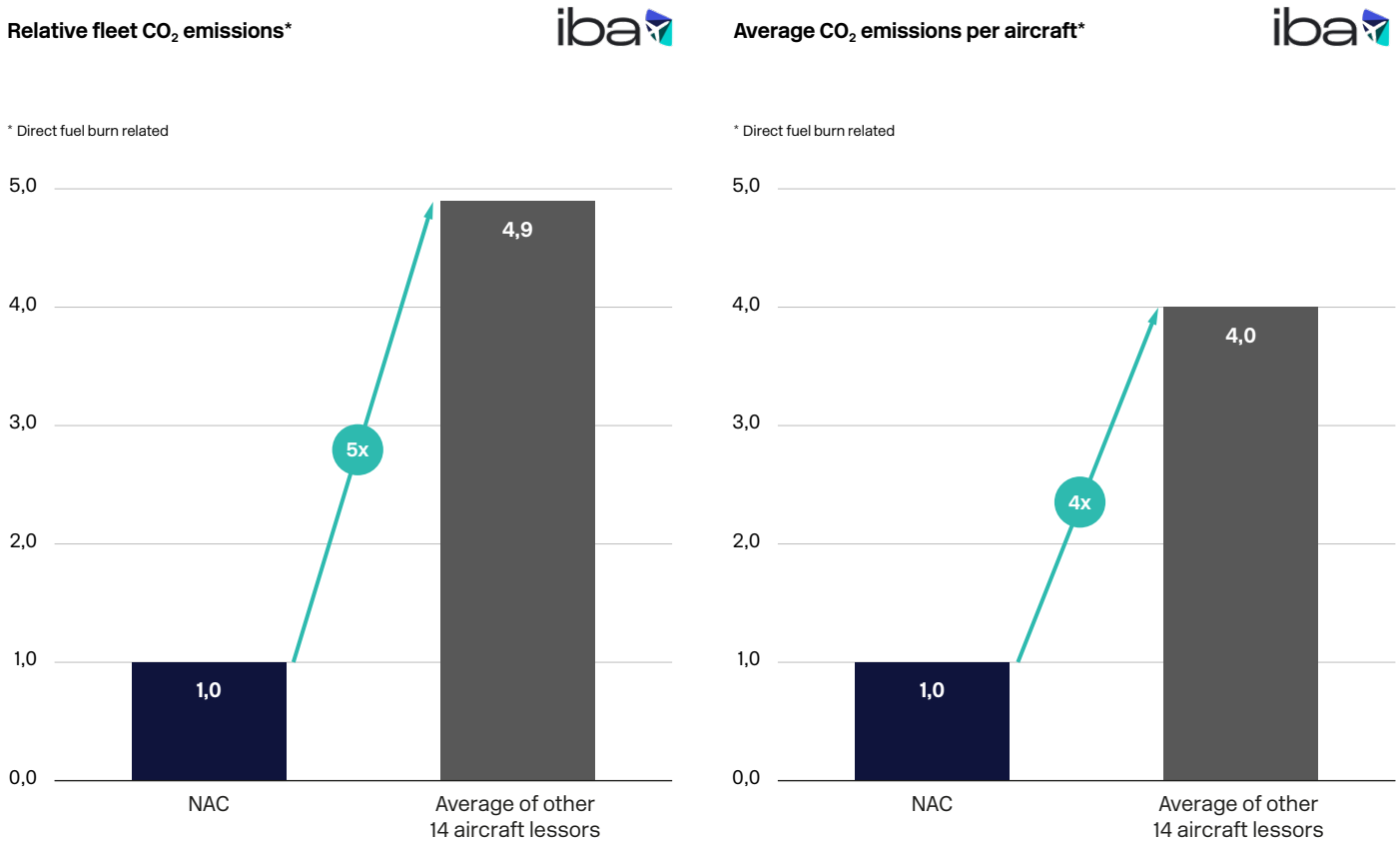
- Widebody aircraft are larger and faster, and hence as a result they are heavier and have higher drag, which increases their relative fuel burn per hour
- Widebody aircraft fly much longer intercontinental routes, so they have to burn fuel to carry more fuel to give them the extra required range
- Because of their long range routes, widebody aircraft have higher utilization per annum, meaning that they not only burn more fuel per hour, but they also operate more hours per year

The separate components of the above drivers are illustrated in the table below for a set of generic aircraft. Taking the turboprop as the reference, the higher fuel burn per hour of the larger narrowbody and widebody aircraft, coupled to their greater annual utilizations culminates in them burning between 5.5 and 21.4 times more fuel per annum respectively. Hence, as a leasing company that has historically focussed on regional aircraft, NAC’s current fleet (which is composed of 63% turboprops by tail count) has a comparatively low level of emissions versus our peer aircraft lessors who predominantly have narrowbodies and widebodies in their fleet. This has been validated by IBA.

Aircraft type	Example aircraft	Average route (nm)	Fuel burn/ hour (Kg)	Utilization/ year (FH)	Fuel burn/ year (Kt)	CO ₂ /Year (Kt)
Turboprops	ATR72-600	200	730	1,550	1.1	3.6 (Ref.)
Regional jets	E190	500	1,935	2,450	4.7	15.0 (x4.2)
Used narrowbody	737-800	800	2,410	3,000	7.2	22.8 (x6.4)
New tech narrowbody	737-8MAX	800	2,060	3,000	6.2	19.5 (x5.5)
New tech widebody	A350-900	3,500	5,000	4,850	24.3	76.6 (x21.4)

1.6.2. IBA industry benchmarking

As governments, regulators and environmental bodies are now emphasizing, the most relevant environmental metric for commercial aviation concerns the total amount of CO₂ being released into the atmosphere, instead of the previous focus on direct fuel burn/CO₂ per seat, or per seat per kilometer. With that in mind, NAC commissioned a study by IBA, a leading advisory & appraisal firm, to determine the relative fuel burn related CO₂ emissions of the top 15 lessors (ranked by units). The study specifically looked at the total fuel burn related CO₂ emissions of each company’s in-service fleet, and their per aircraft output (both absolute metrics). The results of this study demonstrated that not only do NAC have the lowest total fuel burn related CO₂ emissions amongst the top 15 largest aircraft lessors, but that NAC also has the lowest footprint per aircraft within that group. The below graphs compare NAC’s 2022 fuel burn related CO₂ emissions in a relative sense to that of the average of the remaining 14 aircraft lessors in the top 15.



1.6.3. Narrowbody expansion

As NAC expands into narrowbody aircraft, it has an intrinsic benefit versus its peer aircraft lessors as a relative new entrant to this market segment. This will enable NAC to aim for a high percentage of new tech types, with best-in-class emissions in its narrowbody fleet.

NAC is poised to take delivery of seven narrowbody aircraft in 2023, composed of two brand new A321neo from a purchase and lease back transaction, and five secondary market aircraft: two A320neos and three 737-800s. Based on their values, this equates to 80% of NAC’s narrowbody fleet being new tech types. This again compares very positively against the remaining 14 aircraft lessors in the top 15, who have a median of 55% new tech types in their respective narrowbody fleets.

Coupled to NAC’s low carbon footprint today, this emphasis on new tech narrowbodies as part of our expansion pivot will support NAC’s environmental commitment going forward.

Stakeholders

2.1. Working with stakeholders

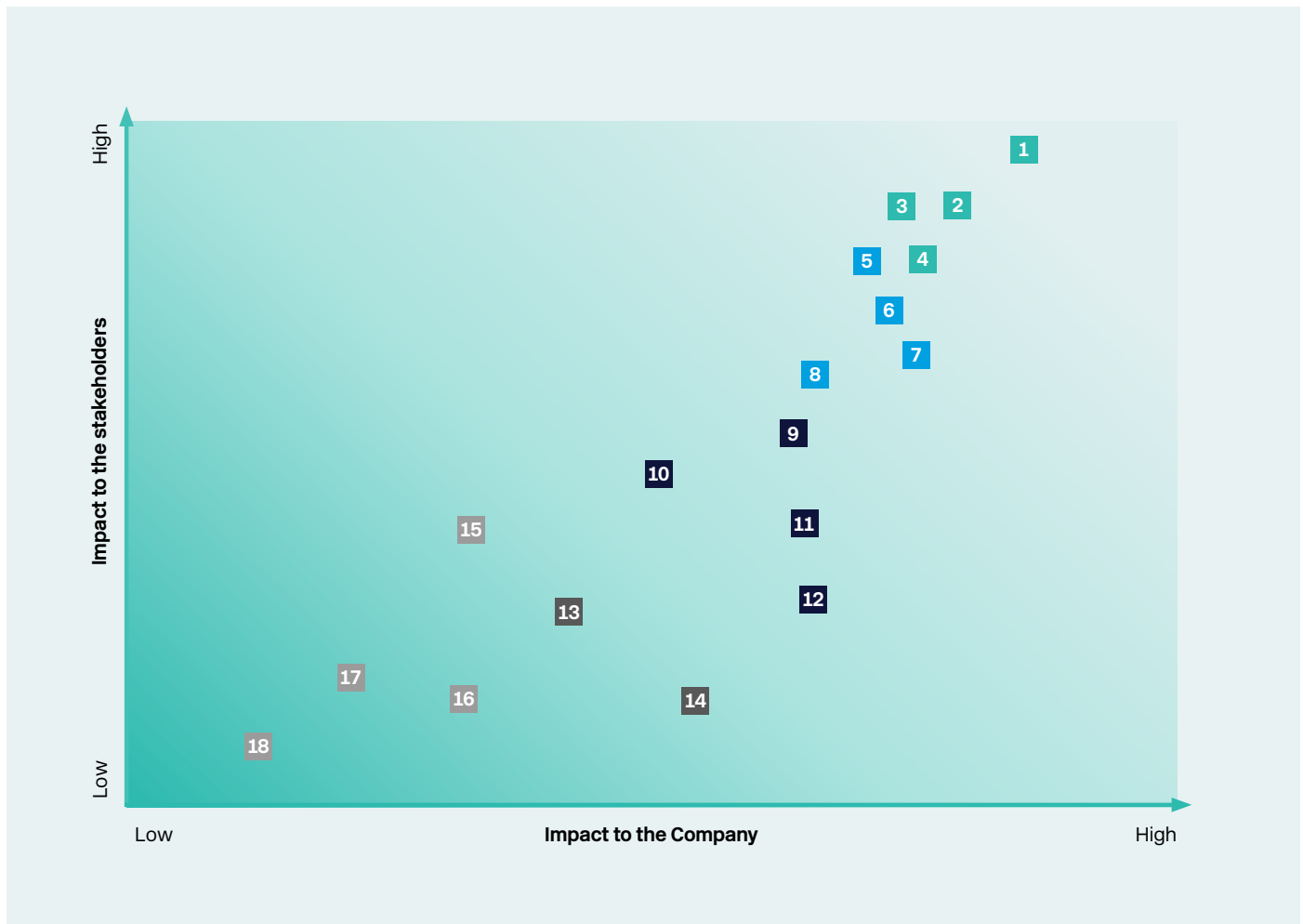
NAC has a diversified group of stakeholders, and we work closely with them in our business planning and actions. The table below outlines the assumed focus points of each key stakeholder and how they influence our sustainability thinking and actions at NAC.

Stakeholder	Focus	Influence/Impact
Financiers	<ul style="list-style-type: none"> - Repayment of debt - Financial stability of the company - ESG level of their investment portfolio 	<ul style="list-style-type: none"> - Potentially affected by green financing taxonomy
Shareholders	<ul style="list-style-type: none"> - Growth of the company - Return on investment - Operational and financial health - ESG performance 	<ul style="list-style-type: none"> - Setting sustainable strategy - Long term return on equity - Communicating with external and internal stakeholders
Staff	<ul style="list-style-type: none"> - Long term growth of the company - Job security and career growth - Societal perception of the company/industry 	<ul style="list-style-type: none"> - Executing strategy - Adhering to sustainability goals in the course of business - Communicating with stakeholders
Regulators and policymakers	<ul style="list-style-type: none"> - Compliance and ESG goals 	<ul style="list-style-type: none"> - Setting policies - Regulating the industry/market
Credit rating agencies	<ul style="list-style-type: none"> - ESG performance and compliance 	<ul style="list-style-type: none"> - ESG impact on access to, and cost of funding
Customers	<ul style="list-style-type: none"> - Cost of lease - Aircraft type and emission impact - Costs of operating a particular type of a/c 	<ul style="list-style-type: none"> - Could influence the demand for greener aircraft - Use of SAF
Suppliers	<ul style="list-style-type: none"> - Price - Demand - Marketability of product 	<ul style="list-style-type: none"> - Setting product standards - Developing new technology roadmap - Regulators/policymakers engagement
Communities	<ul style="list-style-type: none"> - Industry/company's environmental impact on society - Personal choice made because of a particular industry/company's environmental impact 	<ul style="list-style-type: none"> - Demanding action - Adjusting travel and consumption behaviours - Participating in sustainability initiatives

2.2. Materiality matrix

NAC has developed a list of materiality topics that are of the highest interest to both the Company and our stakeholders. Our ranking of these topics is determined by a combination of their respective impact to NAC and to our stakeholders. This ranking does not indicate the importance of these topics, rather they highlight the relative impact that these factors have on us and our stakeholders.

Rank	Materiality topics	Rank	Materiality topics
1	Business ethics	10	Cyber security
2	Regulatory & compliance	11	Talent acquisition, development, & retention
3	Employee health & safety	12	Geo-political challenges
4	Equality in the workspace	13	Engaging with regulators & industry bodies
5	Business growth & shareholder returns	14	Customer's environmental performance
6	Corporate governance	15	Privacy & data protection
7	Environmental impact of business	16	Supporting education & research
8	Investment in cleaner technologies	17	Community engagement
9	Responsible suppliers/supply chain	18	Business process innovation



Environmental

3.1. Environmental commitment

NAC is firmly committed to reducing our environmental impact and working with the aviation industry towards net zero by 2050. We understand that the industry as a whole has a long way to go before achieving this target, and that game-changing technology will not be ready as early as envisioned, so aviation stakeholders must take action over the coming years to achieve this aim.

3.2. Towards net zero

Aviation is a major user of energy and hence a contributor to global warming. Whilst emitting less than many other industries, aviation is viewed as one of the top polluters by the general public. In a recent IATA study, respondents perceived that aviation contributed to 87% of total CO₂ emissions, ranking top together with the automobile industry, whilst, in fact, the aviation industry currently only consumes approximately 7.8% of world's annual oil production and contributed to just 2.1% of the world's greenhouse gas emissions before the pandemic arrived.

While it is difficult to shift the public's negative perception, the aviation industry is working to reduce emissions. IATA, the industry body representing commercial airlines, announced in October 2021 the Fly Net Zero initiative aiming to achieve carbon-neutrality by 2050. Airlines are being encouraged to buy new more fuel-efficient aircraft and enhance the efficiency of their existing fleet through performance improvement packages. There is also a strong call for airlines to accelerate their transition to SAF, but significant feed-stock supply and refinery constraints will limit its impact before 2050. Aircraft and engine manufacturers are investing heavily in research to improve the fuel burn of commercial aircraft via weight saving, reduced drag plus new propulsion architecture and systems. Likewise, on the ground, airports are striving to introduce energy efficient operations. Such initiatives include solar panels, more ground power instead of auxiliary power units, electric vehicles, and fuel-saving final approach procedures. The industry is also working with regulators on tackling and offsetting emissions, with examples such as the ICAO's CORSIA, and the EU's taxonomy for sustainable activities coming into action.

Aircraft lessors, albeit not directly involved in aircraft manufacturing and operations, are an important part of the aviation eco-system. At the end of 2022, 40% of the world's aircraft fleet, and 52% of all narrowbodies (by tail count) were owned by lessors. Leasing companies are situated between operators and financiers. As a result, the environmental performance of aircraft asset types in leasing companies' portfolios are scrutinized by the aviation sector from operational perspectives, and by the financial sector from an ESG investment angle. This means long-term sustainability planning is critical to the development of the aircraft leasing industry.

3.3. Emissions categorization

Following the 2001 Greenhouse Gas Protocol, and as now globally accepted, NAC categorises its emissions into three scopes, as illustrated below. Targeting each scope, NAC have developed a strategy and execution plan to reduce our energy consumption and global warming impact.

	Scope 1	Scope 2	Scope 3
Description	Direct emissions from owned or managed assets	Indirect emissions generated to enable NAC business operations	All other indirect emissions from up and down NAC's value chain
Main NAC contributors	Delivery, repositioning, and transition flights of our aircraft	Purchase of electricity and gas to heat, cool, light and power our offices	Airlines operating our leased aircraft and NAC employee business travel
Total NAC global warming impact in CO₂ equivalent terms	2.1Kt	< 80t	1,935Kt total 1,934Kt from fleet 0.87Kt from staff travel

3.4. Scope 1 emissions

In total, NAC envisions to have no more than 100 scheduled delivery, repositioning or transition flights per annum. This number is directly proportional to the size of the fleet and the average lease term of our aircraft. Going forward as NAC expands into higher value narrowbody aircraft we will be able to grow our net book value without having to proportionally increase the total number of owned/managed aircraft. At the same time, as narrowbody aircraft generally have longer lease terms than regional aircraft, we forecast a reduction in such flights moving forward.

To offset the emissions of these NAC planned and controlled flights as they occur, NAC has teamed up with GE Aerospace and Pratt & Whitney Canada, as launch customer for their separate CORSIA compliant programs for CO₂ offsets. With this action, we expect to neutralize the main component of our Scope 1 emissions footprint.

3.5. Scope 2 emissions

To mitigate Scope 2 emissions, NAC is focussed on making sure that its offices are certified to the highest sustainability standards. Three out of four of NAC's main offices are in environmentally conscious buildings. Both our headquarters in Ireland and the Toronto office are located in LEED Gold-certified buildings, as designated by the U.S. Green Building Council. NAC's new Singapore office is located in Mapletree Anson. This is one of the first buildings in Singapore to be awarded a Green Mark Platinum certification by the Building and Construction Authority of Singapore, the highest accolade for environmentally sustainable developments. Currently our only non-compliant office is in Denmark, and it will be re-located in 2023 to appropriate premises.

In addition to the big-ticket item of office sustainability, NAC also practises the 3Rs (Reduce, Reuse and Recycle) to further limit our environmental impact. Currently, all plastic and paper is recycled in our Ireland, Denmark and Toronto locations, whilst our Singapore office became the first to stop providing any single-use plastic products. We will gradually roll out more 3R measures in 2023, both at home and in the office.

3.6. Scope 3 emissions

In addition to offsetting our scope 1 emissions from ferry flights, NAC will pay to offset the CO₂ emission of employee business flights which are longer than 6,000nm. We also understand that the behaviours of our upstream supply chain can have a significant impact to our efforts to improve sustainability in the course of business. Therefore, we have a stringent set of screening policies to ensure our suppliers also uphold high levels of social responsibility, in terms of environmental and ethical performance. Currently 8 out of our top 10 suppliers have a clearly defined ESG statement and action plan.

The most prominent of NAC’s Scope 3 emissions comes from the flights operated by the aircraft we lease to airline customers. While NAC does not have control over these flights, our fleet planning and investments affect the global warming impact of this in-service fleet. Therefore, we have established a holistic approach based on four pillars to continually assess and reduce the emissions of our fleet:

Pillar	Title	Aim
1	Regional fleet emissions baseline	Understand our total global warming impact and adjust our regional fleet strategy accordingly to improve over time
2	Regional fleet rollover	Adjust our regional fleet composition to reduce emissions based on current and future aircraft type availability
3	New tech/used narrowbody mix	Meet or exceed industry composition of new technology/used aircraft
4	Technology curve/regulatory developments	Monitor future developments (and their timescale) that will lead to new aircraft types/portfolio impacts

3.6.1. Pillar 1 - regional fleet emissions baseline

To determine the total global warming impact of NAC’s current regional fleet, we have engaged with Estuaire, an emissions advisory group. The ultimate goal of this, is to allow NAC to gain a high fidelity understanding of the real environmental impact of its fleet in operation. In turn, this will help us continually shape our fleet strategy to reduce emissions year on year.

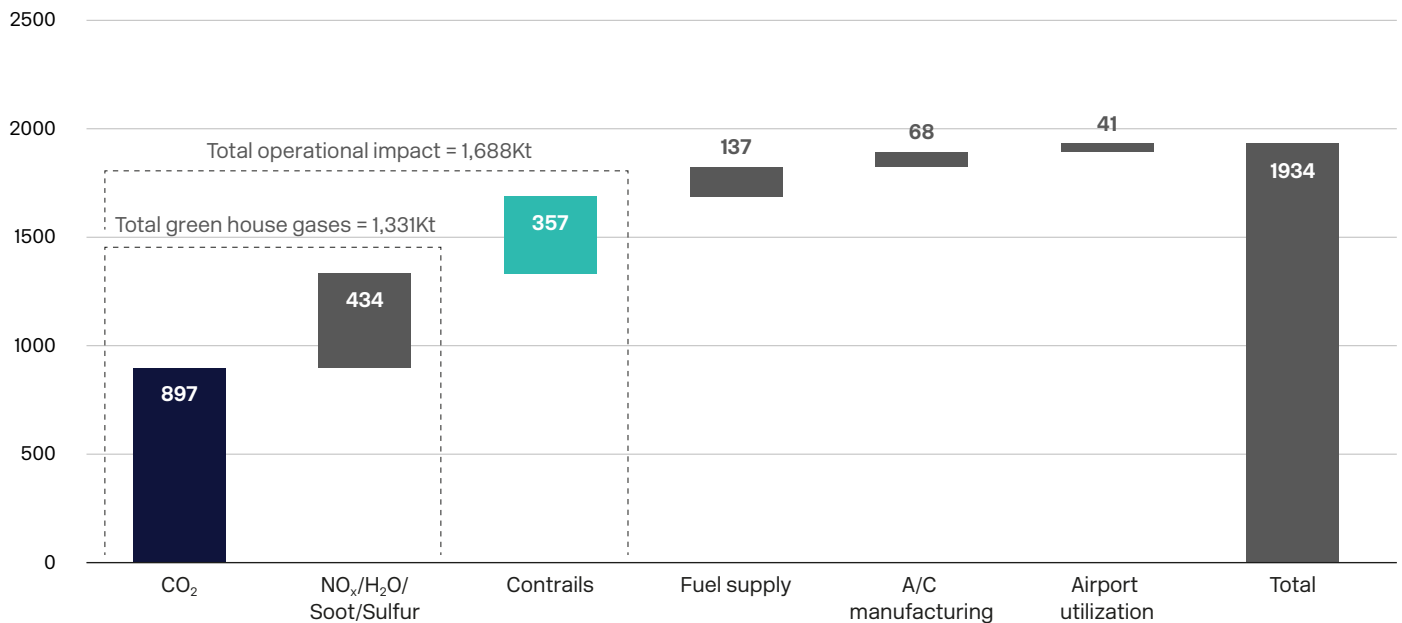
The Estuaire model determines the exact climate impact of NAC’s aircraft by taking into account their total greenhouse gas emissions (not just the CO₂ emissions related to direct fuel burn) plus other “CO₂ equivalents”. The model works by retrieving flight profiles for each aircraft in the NAC fleet over the previous year. Those flight tracks are then post-processed and enriched with historical weather data. A flight physics and thermodynamic model is then applied to calculate green house gas emissions plus consistent contrail formation and their associated radiative forcing. Finally, Estuaire’s lifecycle assessment approach then considers non-operational impacts related to the fuel supply chain, aircraft manufacturing and airport utilization.

The Estuaire model highlights the impact of other factors on global warming, beyond just CO₂ emissions from direct fuel burn. The below graph illustrates the split of NAC’s fleet wide major contributors to global warming, which clearly illustrates that direct CO₂ emissions from aircraft fuel burn account for just 53% of the operational impact.

Overall NAC fleet climate change impact (Kt CO₂ equivalent)

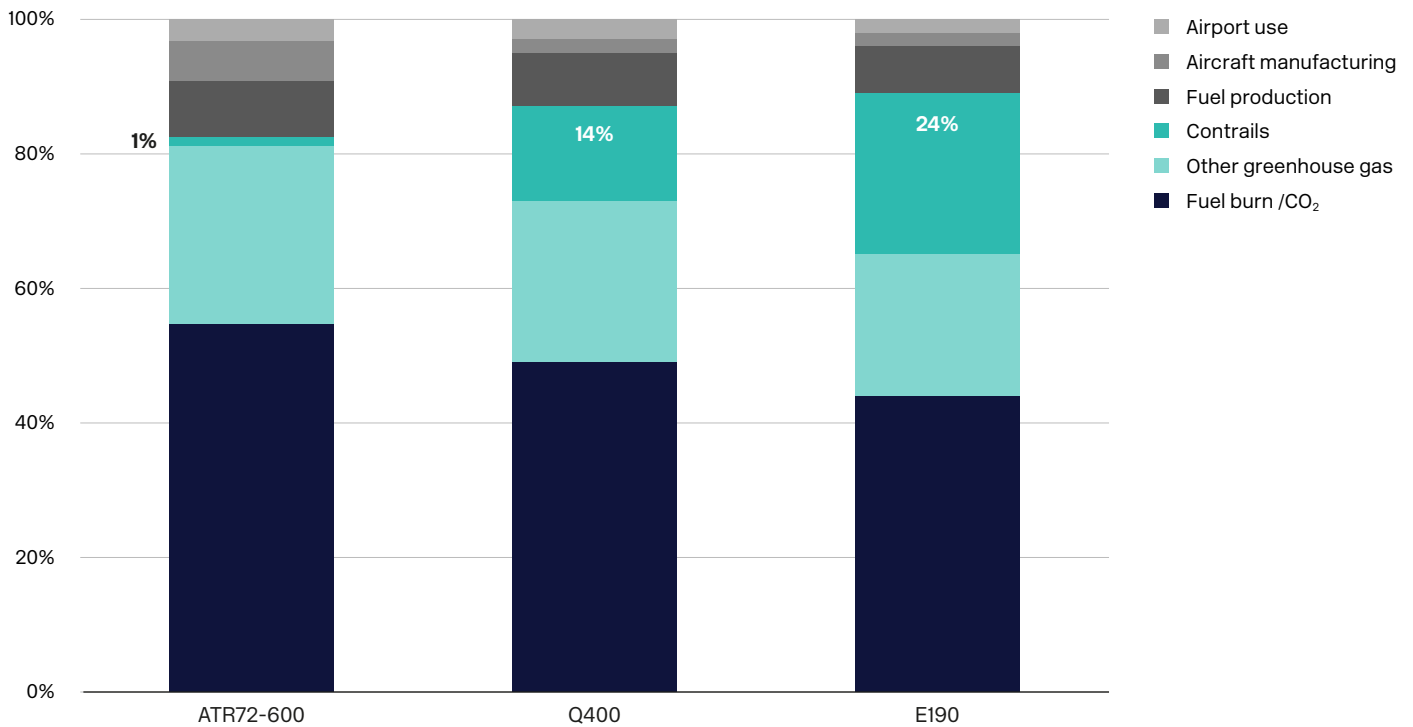


- CO₂ from direct fuel burn emissions accounts for 53% of the operational impact and just 46% of overall impact
- Consistent contrails account for 18% of the overall impact, and are equivalent to 40% of the direct fuel burn CO₂ emissions



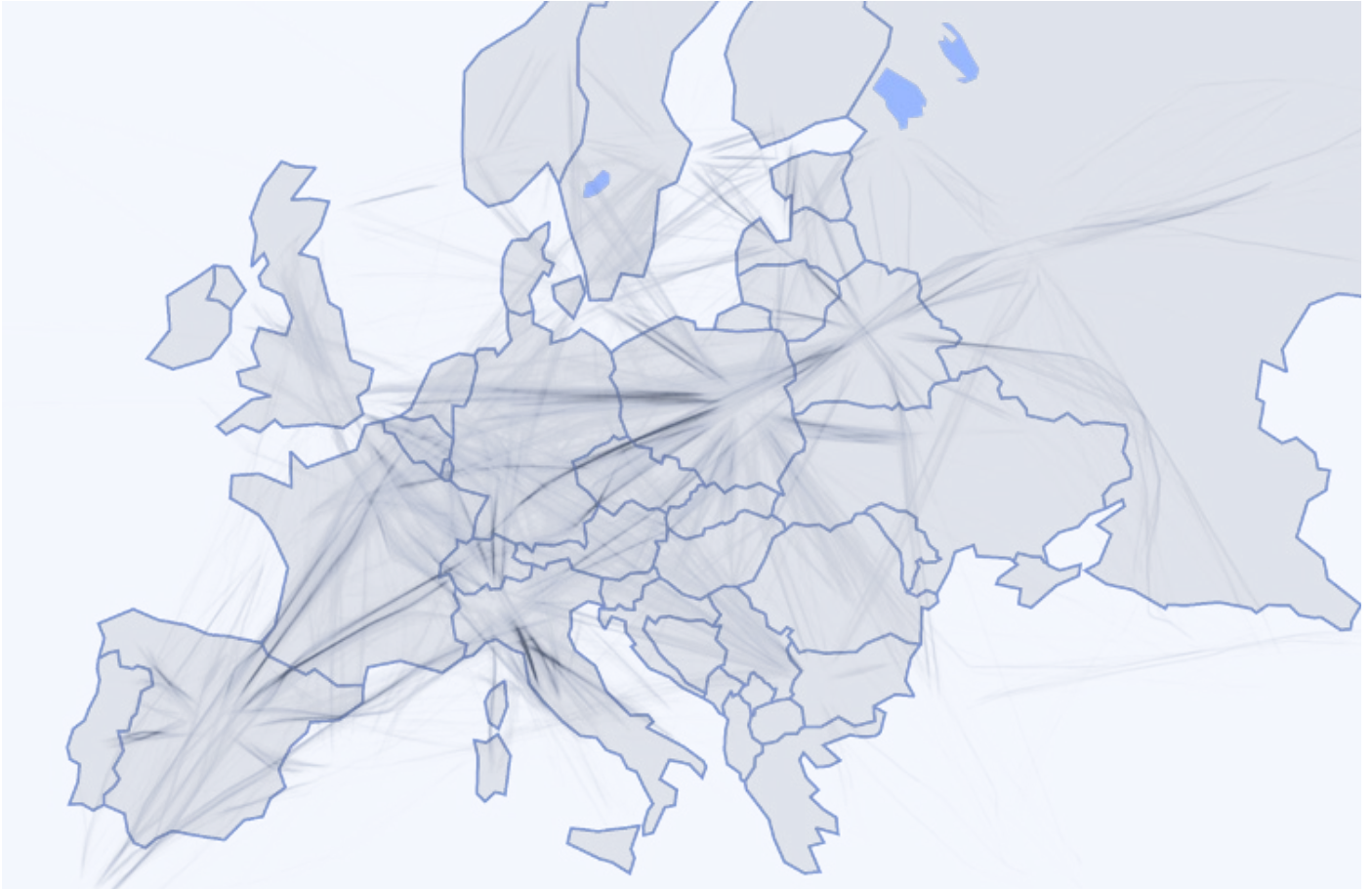
From this same analysis, it was established that consistent contrails contributed to 18% of the overall global warming impact of NAC’s fleet, which is substantially below the industry’s estimate of around a 40% contribution from the global aircraft fleet. To understand this better, NAC and Estuaire analysed the distribution of climate warming contributors for each aircraft type in the NAC fleet, based on their exact flight tracks (with weather conditions) over a one year period. Doing so highlighted that our turboprop aircraft were seldom if ever generating consistent contrails due to their operating altitude staying below 20,000ft and hence out of the standard contrail forming areas.

Distribution of climate warming contributors per select aircraft types in the NAC fleet



Furthermore, when Estuaire and NAC looked at the locations where the consistent contrails were being formed, it was determined that they were predominantly in areas with high humidity, or in high latitude regions where the ambient atmosphere was relatively colder, and more readily supersaturated with ice, like in Europe.

Consistent contrails of NAC aircraft over Europe



Finally, the Estuaire approach will help NAC identify areas where we can work together with our customers to meet their own climate goals, such as energy use or emission reduction studies.

3.6.2. Pillar 2 - regional fleet rollover

NAC plans to realize efficiency gains across its regional aircraft by transitioning out of our older, less efficient types and replacing them with best-in-class models as follows:

- **Turboprops** - Largely phase-out ageing Q400 aircraft, approximately in the next 2-4 years. These will be replaced by newer and more energy-efficient ATR72-600 which have 15-20% lower fuel burn per trip. We have 17 ATR72-600s on order, all of which have the new PW127 XT engine, bringing an additional 3% fuel burn saving versus today's already highly efficient in-service ATR72-600s.
- **Regional jets** - Reduce the number of older Embraer E-Jets in our fleet and replace them with Airbus A220s in the next 5-6 years. Compared to the E190/E195, the A220 has 20-30% lower fuel burn per seat. Some E190s could be converted into freighters to replace less fuel-efficient ageing types such as the BAe146 freighter.

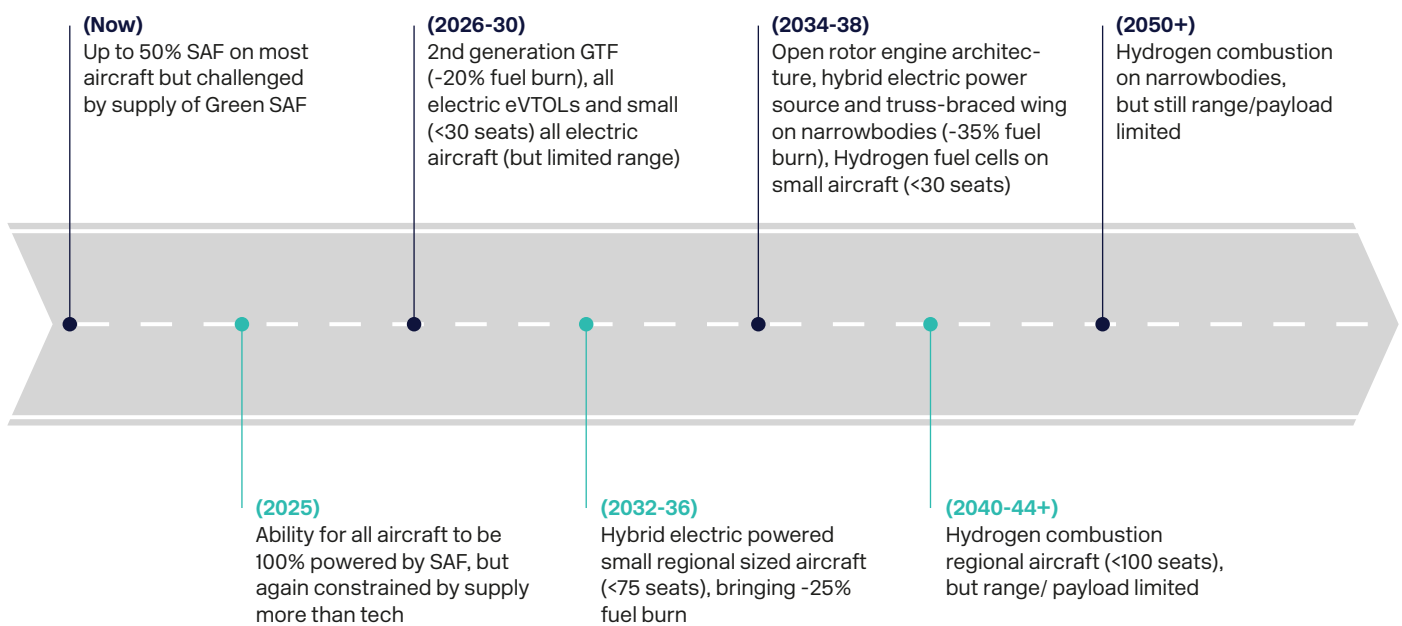
3.6.3. Pillar 3 - new tech/used narrowbody mix

Over the long-term, for larger narrowbody aircraft, NAC is targeting to have a fleet mix of 60-70% new tech and 30-40% used aircraft as follows:

- **Narrowbody aircraft** - Since NAC is starting as a relative new entrant in this market segment, we will aim to purchase new tech A320neo and 737MAX family aircraft into our fleet as they are the most fuel efficient narrowbodies available on the market today. For used aircraft, NAC intends to prioritize the 737-800 and A321ceo, since these types have cargo conversion potential playing into our cargo aircraft strategy mentioned below.
- **Cargo aircraft** - With 600+ ageing 737 Classic, MD80 and 757 freighters in service today, NAC's strategy will be to buy used narrowbodies like the A321ceo and 737-800, which can be converted to cargo aircraft and provide a 15-35% improvement in fuel efficiency per tonne over the incumbent freighters being operated today, as well as bringing higher levels of reliability and lower maintenance costs to the operators.

3.6.4. Pillar 4 - technology curve/regulatory developments

To enable NAC to understand what is coming next in terms of aircraft development and new product launches, we are working with external experts, plus engaging aircraft and engine manufacturers to create a technology roadmap. This is being used to help NAC anticipate when large step changes in fuel efficiency or the fuel being used will arrive on the market, and in what form. In turn, this will enable NAC to better plan what aircraft it will buy and sell, so as to continually optimize our fleet efficiency.



Through undertaking this technology and fuel roadmap project, NAC’s main conclusion to date, is that new game-changing technology and fuels will arrive later than initially envisioned. Aircraft being produced today are at the cutting edge of efficiency, and to step beyond that will take disruptive technology. Owing to the industry’s rigorous regulatory approval processes, the certification of any all-new technology or fuel type will take decades to approve and put into commercial service. SAF feedstock availability, refinery capacity and comparative economic costs are highly limiting factors as well.

Emphasis will be put on monitoring the engine OEM’s development processes and regulatory developments. eVTOL concepts are also being evaluated by NAC for urban air mobility, with type certification, production/scale, in-service support, infrastructure, financing availability, operating economics and customer adoption all being key considerations.

3.7. ALI sustainability charter

NAC is one of the signatories of the Aircraft Leasing Ireland (ALI) Sustainability Charter, which sets out 10 key industry initiatives on climate change and ESG, as illustrated below. The overall objective of this charter is to establish a framework for assessing, aligning and disclosing the ESG initiative of aircraft lessors, along with providing actionable guidance on how to achieve reductions in environmental impact.



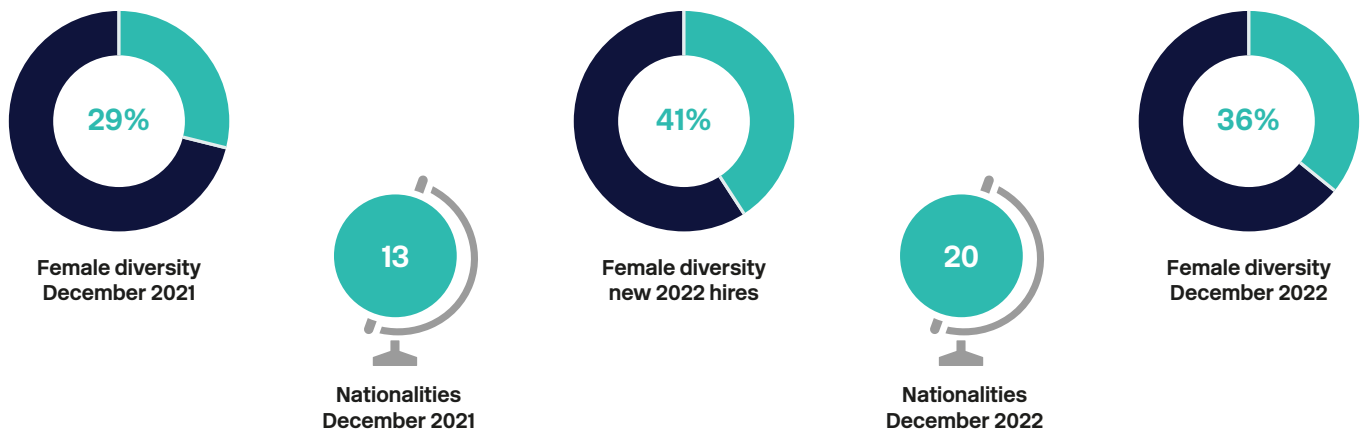
Social

4.1. Social commitment

NAC is an equal opportunity employer, driving diversity and inclusion, embracing flexibility, and emphasizing career development/growth to empower and retain the best talent in a lean and agile work environment. NAC is committed to contributing and giving back to our local and global communities with a key focus on women in aviation.

4.2. Driving diversity

NAC has recently focussed on driving diversity. As of 31st December, the NAC team consisted of around 125 people from a wide base of 20 nationalities, living and working in 11 different locations around the world. Previously there were only 13 nationalities. In 2022, 41% of the new team hires were female, which augmented the percentage of our female employees in the total workforce to 36%, seven percentage points higher than it was in 2021.



4.3. Embracing flexibility

NAC has adopted a hybrid working arrangement of three-days in the office and two-days working remotely. By adopting this new way of working post the pandemic, NAC balances employee flexibility with the greater efficiency of face-to-face communication.

To facilitate our hybrid working arrangement, NAC employees have access to a “Working From Home Kit” which includes additional IT and office equipment. This kit enables the team to work seamlessly in and out of the office.

To attract and retain the best talent available, NAC is open to hire people in their hometown even if NAC does not have an existing office in that location. In 2022, for example, NAC appointed experienced marketing colleagues in Porto Alegre, Brazil and Toulouse, France. NAC’s Executive Leadership Team are case in point of this flexible remote-teamworking ethos, with the 10 of them being based in six different countries around the globe.

4.4. Creating an agile and learning organization

Organizational reviews will be held once a year beginning in 2023, where the CEO will meet with the heads of each function on workforce planning, talent retention, development plans, diversity, and succession planning. This prepares NAC for future growth and provides each employee with career development opportunities.

NAC has a flat organizational structure, and embraces a culture of teamwork, empowerment, and quick decision making. NAC enables employees at all levels to learn from each other and hence grow and expand their skillset.

4.5. Employee testimonials



Aashish Sonawala
Managing Director &
Head of APAC/MEA,
Global Marketing
Singapore

“NAC has given me the opportunity to take a step up in my career and manage a larger region, which covers 75% of the world’s population, whilst leading the regional office in Singapore. At NAC, I have the privilege to work alongside a global team of experts. Together, we are striving to make a significant difference in helping the growth of key markets for the long term, and that is a tremendous motivator for all of us. Each day, we learn from our peers and customers to adapt in creating a world class fleet solutions company.”



Martina O’Neill
Vice President
Investor Relations,
Serviced Assets
Ireland

“My career with NAC has been an enriching experience full of development, learning, opportunities, and new challenges. NAC has encouraged continuous learning and expanded my knowledge through opportunities in new roles within various departments across the organization. These roles required a lot of cross-functional learning, aiding the overall growth of my career within the sector.”



Eduardo Mora
Senior Vice President
Global Marketing
Brazil

“Here at NAC, flexibility in work location - for me, Porto Alegre - is key. Being based more than 6,000km away from the nearest existing NAC office allows me to be closer to my Latin American customers, reducing the need for long-haul flights whilst staying in the community where I feel at home, with my family. This flexibility comes with responsibility, requiring increased communication and planning to keep a high level of interaction with colleagues from different time zones.”



Marianne Dalby
Human Resources
Business Partner &
System Specialist
Denmark

“Working as a Human Resources Business Partner for a global company in the aviation leasing business requires flexibility in my availability. NAC’s “Work-From-Home” arrangement makes it possible for me to deliver high quality work, supporting the business in several locations and time zones, whilst juggling the logistics of getting my three boys, between 5 and 13 years old, to school, kindergarten and their after-school activities.”



Nicholas Yang
Vice President
Risk
Hong Kong

“NAC is a flat, open, and diverse organization where I work with talented colleagues from across the world. Under this structure, I report directly to the Chief Risk Officer who has 30+ years of experience in the industry and is willing to share his expertise on various business scopes while offering me opportunities to expand my horizon beyond risk management. Some of these projects let me interact with the CEO, from whom I get to see and hear valuable knowledge, views, and experience firsthand how business priorities are set.”

4.6. Supporting women In aviation

In 2022, NAC partnered with two leading forces in aviation academia and research, Cranfield University and Embry Riddle Aeronautical University, to launch the NAC Women in Aviation Scholarships, which aim to promote diversity and nurture the next generation of aviation leaders. Each year two female candidates will be selected and awarded a scholarship at Cranfield, one from the MSc in Air Transport Management and one from the MSc in Aerospace Vehicle Design. Likewise, at Embry-Riddle Aeronautical University, two scholarships will be awarded annually to female students enrolled at Embry-Riddle's Singapore campus, one from the BSc in Aeronautics and a second from the BSc in Aviation Business Administration. The commitment to both institutions is for four years.

In 2022 NAC was amongst the top 10 sponsors of the International Aviation Women's Association (IAWA). In addition to our corporate sponsorship, we fund the private IAWA membership of NAC employees, and sponsor two employees to attend the IAWA AGM. NAC also encourages employees to become members of PropelHer, a network of aviation leasing professionals focused on supporting the promotion of women in the aircraft finance and leasing industry through educational events, relationship building and mentorship.

4.7. Educational programs

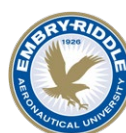
NAC believes strongly in developing future aviation talent. We currently have Internship programmes set up with the University of Limerick for our Irish headquarters and Embry Riddle Aeronautical University for our Singapore office. These internships cater to all degree program needs, with experiences ranging from summer holiday placements to over six-month rotations. As well as giving back to our communities, these internships serve to aid NAC create a talent pipeline.

In late 2022, NAC hosted two 15-year-old students from Singapore's Compassvale Secondary School for a weeklong work experience. The placement complemented the school's Applied Learning Programme in Aeronautics, which was created in 2018. Students had the valuable opportunity to connect academic knowledge and skills with the real world of industry. NAC and Compassvale Secondary School have agreed to continue this partnership, and at least two secondary school students will be hosted by NAC each year.

4.8. Charities - local and global

NAC supports employees' passion for their communities by matching the amount they donate to local charities. The most recent example of this was the Christmas Jumper Day at our Irish headquarters, which benefitted Limerick Youth Service, a charity with nearly 50 years of experience in youth work, education, training, employability & volunteering opportunities for young people.

NAC also partakes in supporting global societal issues. We are a sponsor of Airlink, a rapid response, non-profit organization which coordinates airlines and non-governmental organizations to provide free and subsidized airlift to a network of over 130 charities focussed on humanitarian relief.



Governance

5.1. Governance commitment

At NAC, our ability to build and sustain relationships with our customers and other stakeholders is based on our core value of integrity. The Company’s employees, officers and directors are committed to conducting our business affairs to the highest standards of ethics and professionalism.

5.2. Corporate governance framework

Shareholders

Shareholders have delegated management of the Company to the Board under the Constitution, subject to matters reserved by law to the shareholders (for example, changes to the constitution and share capital matters) and to matters that are reserved to the shareholders under the Shareholders’ Agreement.

Board of Directors

The principal leadership role for the Company is held by the Board. The Board has management authority under the Constitution subject to limitations imposed by the Companies Act and by the Shareholders’ Agreement. The Board has delegated certain of its powers and authorities to committees and executives but the Shareholders’ Agreement reserves approval of certain matters to the Board.

Board Committees

The Board has delegated certain oversight powers to a series of committees in accordance with the Shareholders’ Agreement: the Audit Committee, the Transactions & Risk Committee and the Nominations & Compensation Committee.

Executive Committee

The Board has passed authority to an Executive Committee. The Executive Committee, comprising the President & CEO, CFO and CRO, is responsible for the day-to-day executive management of the Company in accordance with the business plan and annual budget and subject to other Board delegated authorities and/or terms of reference. The Shareholders’ Agreement reserves approval of certain matters to the Board or Transactions & Risk Committee.

5.3. New executive leadership team

The NAC Executive Leadership Team is highly experienced with deep domain experience in every facet of aircraft leasing and financing. Several members of the NAC Executive Leadership Team were senior executives in leading lessors GECAS, Avolon and BOC Aviation. They bring disciplined risk management, as well as an understanding of the operational rigour required to drive growth. More information on the Executive Leadership Team can be found [here](#).

5.4. New board of directors

Appointed in June 2022 the NAC Board of Directors convenes in person at least quarterly to oversee the Company's growth, plus additional meetings are scheduled when required. In addition to our President & CEO, Norman C.T. Liu, who is the only executive on the Board, the Board has several independent Non-Executive Directors with decades of industry experience. Further details on the Board of Directors and their experience and responsibilities is provided [here](#).

5.5. Sub committees of the board of directors

The Board of Directors has set high standards for the Company's employees, officers and directors in respect of sound corporate governance. In order to ensure effective governance and oversight of the management of the Company's business and fulfil its responsibilities in this regard, the Board of Directors has established three sub-committees. The key terms of reference of these Sub Committees are as set out as follows:

Nominations & Compensation Committee

The primary duties of the Nomination and Compensation Committee are to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management, as well as giving consideration to the appointment of directors and succession planning for directors and senior executives.

Transactions & Risk Committee

The Transactions & Risk Committee has oversight of all risk factors affecting the Company, including asset, credit, liability risks, as well as all enterprise and contingent risks which may have a financial and reputational impact on the Company. The Transactions & Risk Committee also review and approve certain proposed transactions, meeting certain criteria as defined in the Shareholder's agreement.

Audit Committee

The Audit Committee reviews the Company's financial statements before submission to the Board for approval, and has responsibility for financial reporting, internal controls, compliance and the external audit function.

5.6. Sub committee members

Since 1st June, at the completion of our financial restructuring, to the end of 2022, three board meetings were held with 100% attendance. In addition to that, several sub committee meetings have taken place.

	Board	Nominations & Compensation Committee	Transactions & Risk Committee	Audit Committee
Scheduled meetings held	3	1	3	2
Committee composition				
Klaus Heinemann*	✓	✓		
Norman C.T. Liu**	✓	✓	✓	
Martin Cooke	✓			
Paul O'Donnell	✓		✓	✓
Catherine Duffy	✓	✓		✓
Patrick Blaney	✓	✓	✓	
Dermot Mannion***	✓			✓

* Chairman of Board, Nominations & Compensation Committee ** Chairman of Transactions & Risk Committee *** Chairman of Audit Committee

5.7. Codes of conduct

NAC requires all employees to conduct themselves with the highest levels of integrity and professionalism in representing the Company. The Company's Codes of Conduct describe the level of conduct required from Directors and NAC employees on how to deal with each other and with key stakeholders including our debt providers, customers, suppliers, vendors and other related parties.

The Codes of Conduct prescribe detailed direction to NAC employees on the following matters: Business Codes of Conduct, Anti Bribery and Corruption, Anti-Money Laundering, Export Controls and Sanctions, Fair Competition, Personal Data Protection, Information Security, Conflicts of Interest, Diversity and Inclusion, and Information Security and Acceptable Use. The Board, along with the General Counsel and Compliance Team has overall responsibility for ensuring compliance with the Codes of Conduct. NAC has implemented an independent third-party Whistle-Blower Platform for anonymous reporting of suspected instances of fraud, ethics violations or other breaches of the Codes of Conduct, which encourages personnel to report any concerns with assurance, privacy, confidentiality and without fear of retaliation for doing so.

5.8. Compliance training

NAC has invested to ensure business wide understanding of our Codes of Conduct. All employees receive annual compliance training, and are also required to review, and confirm their adherence and understanding

of the company's Codes of Conduct, under a newly established E-Learning platform to impart knowledge, ensure awareness, develop personal leadership and responsibility, and enable safe reporting.

The initial roll-out of this training commenced in Q3 2022, covering Anti-Money Laundering, Anti Bribery and Corruption, Sanctions and Export Controls, Competition Law, Personal Data Privacy Policy and Conflicts of Interest. This training program achieved a 100% completion rate by all NAC employees by year-end 2022.

5.9. Enterprise risk management

In 2022, NAC strengthened its risk management capabilities by hiring five experienced industry professionals specifically to manage business risks around credit, asset and liability risks. The new risk function has collaborated with the enlarged legal function to develop comprehensive transaction approval and contract processes to ensure accountability at all levels of the business. Training in these processes was rolled out to all employees in 2022.

Risk management function priorities and policy initiatives are overseen by the Transactions & Risk Committee, which conducts an annual enterprise risk review under its terms of reference. All transactions or investments by the business are subject to scrutiny at deal team level, Executive Leadership Team level, and, where necessary, the Transactions and Risk Committee and/or the Board of Directors. Furthermore, in line with the Codes of Conduct, NAC has a conflicts-of-interest disclosure requirement and is committed to understanding the risks we face and effectively prevent and manage conflicts of interest.

Prior to the execution of any transaction and/or receipt of funds from a third party, NAC conducts Know Your Customer due diligence, including Anti Money Laundering, sanctions, and counter-terrorism screening, as well as comprehensive jurisdictional analysis.

NAC has developed a comprehensive customer credit risk screening procedure that ensures all existing and potential customers are evaluated and rated annually. We have developed a data-driven, standardized, and analytical credit scoring model based on customers' financial information and supplemented by their operational data. Multi-dimensional analysis can be generated by the model to assist risk managers to understand performance and key trends. Balancing asset concentration is also an important element in managing exposure risk. In line with industry best practise, NAC has developed exposure guidelines, approved by the Transactions and Risk Committee, for types of jurisdictions and customers, depending on a set of defined criteria. The Transactions and Risk Committee has also approved a liability risk management policy setting out criteria and limits for liquidity management, hedging and financial counterparty risk management.

5.10. Enhanced operational excellence

In 2022, NAC streamlined weekly operational meetings to improve efficiency and enhance transaction offerings and response times. A weekly marketing meeting attended by all deal team members is convened to enable greater communication and situational awareness on key campaigns, existing fleet/new order placements, asset sales, aircraft investments, collections and industry developments. Documentation, approval, and delivery times are also monitored.

An Investment Committee also meets weekly to provide an early read on prospective transactions meeting certain criteria prior to offers being made to customers and to review transaction approvals. Final approval sign off is done via a cloud-based application

Our Technical Operations team has re-organised from product focussed to customer-focussed teams, whilst our new Risk Operations team aligns with our three major sales regions to support growth as well as existing customer accounts.

NAC has further invested in contract management, and in consultation with leading global law firms has developed a suite of template transaction documents to ensure transaction management excellence. We have further invested in the digitisation of our template documents and our pricing model/outputs, freeing up resources, improving turnaround times and ensuring consistency and accuracy in issuing offers.

Finally, NAC has also commenced a corporate simplification project, winding down surplus or underutilised Special Purpose Vehicles with the effect of streamlining the annual reporting requirements and saving significant time and costs.

5.11. IT security and systems development

This year, NAC has invested in our IT infrastructure and has on-boarded a number of IT professionals with substantial experience in the aircraft leasing industry. The additional personnel will augment and further develop the pre-existing document management platforms and ensure the security of our information, which is critical to ensuring excellence in deal execution.

NAC uses Cloud Security Posture Management and a Cloud Workload Protection Platform which are both managed by Microsoft Defender. This software will continually assess the Company's security posture by identifying and tracking vulnerabilities, harden cloud resources using Azure security benchmarks and will defend the software infrastructure by detecting and resolving threats to resources and services. Our security software also enables us to discover vulnerabilities and misconfigurations in real time, reduce attack surfaces and detect and respond to advanced attacks with deep threat monitoring and analysis. Furthermore, Microsoft Exchange Online Protection filters inbound emails to NAC, classifying sources into a known safe list. Additional filters are applied to separate spam, bulk and phishing mails which are then quarantined. To ensure the functionality of our security measures, we schedule regular penetration tests with independent security experts as well as provide Mandatory Security Awareness training to all employees.

Beyond our security measures, NAC has developed an in-house document and transaction management information system called Shamrock, and a Business Intelligence Hub. Shamrock is a collaborative space where subject-matter experts from each business function can efficiently and securely manage on-going transactions and historic lease documents. The Business Intelligence Hub enables the business to have at the ready, up to date and easily accessible customer information from billings to fleet details. These tools support appropriate account, asset and overall fleet management.

Supplemental Information

6.1. About this report

Significance / scope - This is NAC's inaugural ESG report, and covers all of NAC's wholly-owned subsidiaries.

Purpose and audience - This report is designed to update all stakeholders of NAC on our performance related to ESG issues and ESG strategies for the future.

Timeframe - Unless indicated otherwise, the contents of this ESG report covers the period from 1st of January 2022 until the 31st of December 2022, and all data is of 31st December 2022.

Frequency - The Company will update this report on an annual basis.

Format - For sustainability reasons the NAC ESG Report will only be available electronically.

Reporting standards - This report references the 2016 ESG reporting standards set out by the Global Reporting Index (GRI). On pages 32-33, readers may find the itemized GRI standards with references to where applicable disclosures may be found, either in this report or in other sources that the Company has made publicly available.

Currency - 2022 United States Dollars (USD).

Feedback - NAC welcomes feedback on this report and our current/future approach to ESG.

Contact - Further details can be gained by emailing Eva Ferguson at efe@nac.dk.

6.2. Glossary

3R	Reduce, Reuse, Recycle	GRI	Global Reporting Index
AGM	Annual General Meeting	GTF	Geared Turbofan
ALI	Aircraft Leasing Ireland	H₂O	Water
AOG	Aircraft On Ground	IATA	International Air Transport Association
APAC	Asia Pacific	IAWA	International Aviation Women's Association
ATR	Avions de Transport Régional	IBA	International Bureau of Aviation
BOC	Bank Of China	ICAO	International Civil Aviation Organization
BSc	Bachelor of Science	IT	Information Technology
CEO	Chief Executive Officer	LEED	Leadership in Energy and Environmental Design
CFO	Chief Financial Officer	LOI	Letter of Intent
CIS	Commonwealth of Independent States	MEA	Middle East and Africa
CO₂	Carbon dioxide	MRO	Maintenance Repair Overhaul
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation	MSc	Master of Science
CRO	Chief Risk Officer	NAC	Nordic Aviation Capital
ESG	Environmental, Social, Governance	NBV	Net Book Value
EU	European Union	NO_x	Nitrogen oxides
eVTOL	electric Vertical Take-Off and Landing	OEM	Original Equipment Manufacturer
GE	General Electric	SAF	Sustainable Aviation Fuel
GECAS	GE Capital Aviation Services		

6.3. GRI content index

The below table shows the Itemized GRI standards with references to where applicable disclosures may be found, either in this report or in other sources that the Company has made publicly available through our website at www.nac.dk.

GRI code	Disclosure	Reference in this report	Page
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102-1	Name of the organization	Executive summary by our president & CEO	2
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102-4	Location of operations	Current locations	8
102-6	Markets served	Current locations	8
102-7	Scale of the organization	Asset details	9
102-8	Information on employees and other workers	Driving diversity	28
102-9	Supply chain	Aircraft fleet	8
		Customer focus	10
102-10	Significant changes to the organization and its supply chain	2022 transformation	7
102-11	Precautionary principle or approach	Enterprise risk management	35
102-12	External initiatives	Towards net-zero	18
		Supporting women in aviation	30
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		Charities - local and global	30
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Strategy			
102-14	Statement from senior decision-maker	Executive summary by our president & CEO	2
Ethnics and integrity			
102-16	Values, principles, standards, and norms of behaviour	Executive summary by our president & CEO	2
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GRI code	Disclosure	Reference in this report	Page
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102-22	Composition of the highest governance body and its committees	Corporate governance framework	32
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102-23	Chair of the highest governance body	New board of directors	33
102-30	Effectiveness of risk management processes	Enterprise risk management	35
Stakeholder engagement			
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102-42	Identifying and selecting stakeholders	Working with stakeholders	15
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