Nordic Aviation Capital DAC

Trading and Distribution Ireland

ESG Risk Rating

9.1

Last Full Update Feb 29, 2024

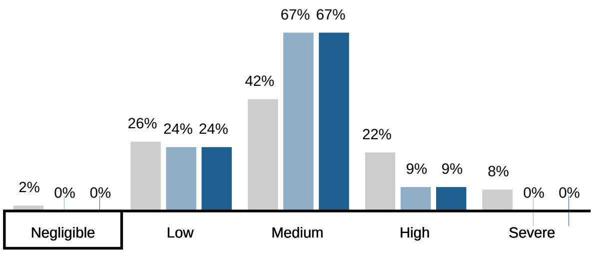
Not available

Momentum

Negligible Risk

NEGL	LOW	MED	HIGH	SEVERE
0-10	10-20	20-30	30-40	40+

ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1st = lowest risk)	PERCENTILE (1st = Top Score)
Global Universe	**197**/15906	**2nd**
Traders & Distributors INDUSTRY	**1**/208	**1st**
Trading and Distribution SUBINDUSTRY	**1**/208	**1st**

Peers Table

Peers (Market cap $0.0 - $0.0bn)	Exposure	Management	ESG Risk Rating
1. Nordic Aviation Capital DAC	19.6 Low	56.6 Strong	**9.1 Negligible**
2. Amadys Belgium NV	33.8 Low	73.5 Strong	**11.2 Low**
3. LOXAM SAS	28.0 Low	66.3 Strong	**11.3 Low**
4. Dubai Aerospace Enterprise (DAE) Ltd.	27.6 Low	60.4 Strong	**12.5 Low**
5. Cramo Oyj	26.2 Low	45.4 Average	**15.4 Low**

Nordic Aviation Capital DAC

Trading and Distribution   Ireland

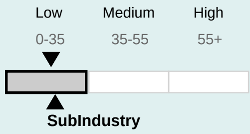
ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

19.6
Low
Beta = 0.89

Not available
Momentum



Per the International Energy Agency, aviation accounted for 2% of global energy-related CO_2 emissions in 2022. The aviation sector faces growing pressure to adopt trends such as sustainable aviation fuels to reduce emissions. This directly impacts leasing companies, which could lose contracts to competitors if they fail to keep up. Moreover, aircraft lessors rely on highly qualified employees to manage the complexity of leasing contracts and support the sourcing of a fuel-efficient fleet. Failure to retain a skilled workforce may endanger NAC's ability to secure new contracts and support from creditors. The geographic dispersal of NAC's lessees also opens the door to Business Ethics risks related to bribery and corruption, fraud and accounting manipulation. Moreover, the limited number of key players in the aircraft leasing market creates opportunities for anti-competitive practices.

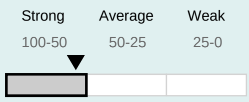
The company's overall exposure is low and is moderately below subindustry average. Human Capital, Business Ethics and Carbon -Own Operations are notable material ESG issues.

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

56.6
Strong

Not available
Momentum



NAC launched its first sustainability report in 2023, covering FY2022, and its management of ESG issues is well ahead of its competitors. The company reportedly has the smallest carbon footprint amongst the top 15 largest aircraft lessors, including downstream emissions, per the ICE Benchmark Administration (a regulated benchmark administrator). NAC discloses a strong human capital development programme with solid talent development and recruitment initiatives, but it lacks detailed retention strategies. Furthermore, while its diversity programme is comprehensive, its related policies on discrimination and freedom of association do not reference relevant ILO conventions, lagging best practice. Lastly, NAC discloses robust business ethics and bribery and corruption programmes, backed by a detailed code of conduct on bribery and corruption.

The company's overall management of material ESG issues is strong.

Nordic Aviation Capital DAC

Trading and Distribution Ireland

Material ESG Issues

These are the Material ESG Issues driving the ESG Risk Rating.

Issue Name	ESG Risk Exposure Score | Category	ESG Risk Management Score | Category	ESG Risk Rating Score | Category	Contribution to ESG Risk Rating
Human Capital	6.0 Medium	54.0 Strong	**2.9 Low**	32.1%
Corporate Governance	5.0 Medium	54.0 Strong	**2.3 Low**	25.3%
Product Governance	2.0 Low	12.5 Weak	**1.8 Negligible**	19.5%
Business Ethics	5.0 Medium	75.6 Strong	**1.4 Negligible**	15.5%
Carbon -Own Operations	1.6 Low	70.3 Strong	**0.7 Negligible**	7.7%
Overall	**19.6 Low**	**56.6 Strong**	**9.1 Negligible**	**100.0%**

Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

Severe (0)

High (0)

Significant (0)

Moderate (0)

Low (0)

Nordic Aviation Capital DAC

Trading and Distribution   Ireland

Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

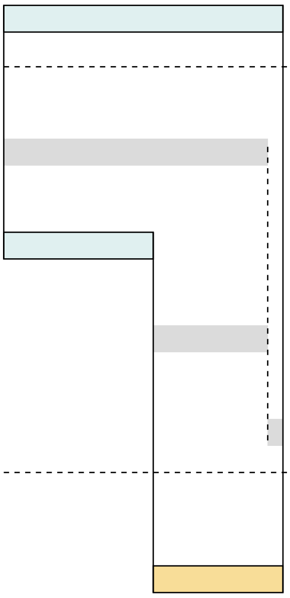
None (11)

- Accounting and Taxation
- Anti-Competitive Practices
- Bribery and Corruption
- Business Ethics
- Energy Use and GHG Emissions
- Intellectual Property
- Labour Relations
- Lobbying and Public Policy
- Marketing Practices
- Quality and Safety
- Sanctions

Nordic Aviation Capital DAC

Trading and Distribution Ireland

Risk Decomposition



Exposure		
Company Exposure	19.6	The company's sensitivity or vulnerability to ESG risks.
Management		
Manageable Risk	18.5	Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.
Managed Risk	10.5	Material ESG risk that has been managed by a company through suitable policies, programmes or initiatives.
Management Gap	8.0	Measures the difference between material ESG risk that could be managed by the company and what the company is managing.
Unmanageable Risk	1.1	Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.
ESG Risk Rating		
Overall Unmanaged Risk	9.1	Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives but which may not yet be managed.

Momentum Details

Not available due to a lack of comparable historical information.

Nordic Aviation Capital DAC

Trading and Distribution Ireland

GLOSSARY OF TERMS

Beta (Beta, β)
A factor that assesses the degree to which a company's exposure deviates from its subindustry's exposure on a material ESG issue. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

Corporate Governance Pillar
A pillar provides a signal about a company's management of a specific Corporate Governance issue.

ESG Risk Category
Companies' ESG Risk Rating scores are assigned to five ESG risk categories in the ESG Risk Rating:

- **Negligible risk**: enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
- **Low risk**: enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
- **Medium risk**: enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
- **High risk**: enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
- **Severe risk**: enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

ESG Risk Rating Score (Unmanaged Risk Score)
The company's final score in the ESG Risk Rating; it applies the concept of risk decomposition to derive the level of unmanaged risk for a company.

Event Category
Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

Event Indicator
An indicator that provides a signal about a potential failure of management through involvement in controversies.

Excess Exposure
The difference between the company's exposure and its subindustry exposure.

Exposure
A company or subindustry's sensitivity or vulnerability to ESG risks.

Idiosyncratic Issue
An issue that was not deemed material at the subindustry level during the consultation process but becomes a material ESG issue for a company based on the occurrence of a Category 4 or 5 event.

Manageable Risk
Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk
Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

Management
A company's handling of ESG risks.

Management Gap
Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

Management Indicator
An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

Material ESG Issue
A core building block of the ESG Risk Rating. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given subindustry.

Subindustry
Subindustries are defined as part of Sustainalytics' own classification system.

Unmanageable Risk
Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

Unmanaged Risk
Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (management gap).

Nordic Aviation Capital DAC

Trading and Distribution Ireland

DISCLAIMER